Financial Statements of

CITICORP MERCHANT BANK LIMITED

December 31, 2023

CITICORP MERCHANT BANK LIMITED

Table of Contents

December 31, 2023

Contents	**Page**

Statement of Management's Responsibilities
Citicorp Merchant Bank Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying separate and consolidated financial statements of Citicorp Merchant Bank Limited, (the Parent) and its subsidiary (collectively the "Group") which comprise the separate and consolidated statements of financial position as at December 31, 2023, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these separate and consolidated financial statements, management utilised the IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying separate and consolidated financial statements have been authorised for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.

Mitchell De Silva Citi Country Officer	Aaron Boissiere Country Finance Officer
Date: March 28, 2024	Date: March 28, 2024

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Independent Auditors' Report to the Shareholders of
Citicorp Merchant Bank Limited

We have audited the separate financial statements of Citicorp Merchant Bank Limited (the Parent) and the consolidated financial statements of the Parent and its subsidiary (the Group), which comprise the Parent's and Group's statements of financial position as at December 31, 2023, and the Parent's and Group's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial positions of Citicorp Merchant Bank Limited as at December 31, 2023, and its separate and consolidated financial performances and cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Parent and Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditors' Report to the Shareholders of
Citicorp Merchant Bank Limited (continued)

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Parent's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent's and Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report to the Shareholders of
Citicorp Merchant Bank Limited (continued)

Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Parent or Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Chartered Accountants

Port of Spain
Trinidad and Tobago
March 28, 2024

CITICORP MERCHANT BANK LIMITED

Statement of Financial Position

December 31, 2023
(Trinidad and Tobago $ Thousands)

PARENT *Restated 2022	PARENT 2023		Notes	GROUP 2023	GROUP 2022
$	$			$	$
		ASSETS			
-	-	Cash and balances with banks	4	87,498	85,822
-	-	Amounts due from affiliated companies	8	813	23,509
155,225	250,626	Amounts due from subsidiary company	8	-	-
-	-	Deposits with Central Bank	5	1,535,490	1,472,875
-	-	Investment securities	6	4,722,308	4,337,609
147	25,205	Advances and other assets	7	499,403	376,856
88,094	88,094	Investment in subsidiary company	8	-	-
19,905	17,063	Property and equipment	9	30,273	33,419
633	633	Taxation recoverable	17(iii)	6,776	6,775
1,095	1,105	Deferred tax asset	10	7,005	5,780
-	-	Net defined benefit pension fund asset	11	17,273	17,833
265,099	382,726	**Total Assets**		6,906,839	6,360,478
		LIABILITIES			
-	-	Customers' deposits	14	5,689,030	4,777,096
117	117	Amounts due to parent and affiliated companies	8	78,514	167,821
8,275	7,735	Other liabilities	15	217,531	618,562
70	437	Taxation payable	17(iii)	18,484	6,724
1,760	1,566	Deferred tax liability	10	10,990	10,697
10,222	9,855	**Total Liabilities**		6,014,549	5,580,900
		EQUITY			
57,102	57,102	Stated capital	12	57,102	57,102
57,102	57,102	Statutory reserve fund	13	214,890	214,890
139,653	257,647	Retained earnings		618,184	502,447
-	-	Fair value reserve		1,094	4,119
1,020	1,020	Translation reserve		1,020	1,020
254,877	372,871	**Total Equity**		892,290	779,578
265,099	382,726	**Total Liabilities and Equity**		6,906,839	6,360,478

The accompanying notes on pages 12 to 119 are an integral part of these financial statements.

*Certain amounts presented here for 2022 do not correspond to the previously reported 2022 financial statements and reflect adjustments made as detailed in Note 25.

These financial statements were approved for issue by the Board of Directors on March 22, 2024, and signed on its behalf by:

Director　　　　Director

CITICORP MERCHANT BANK LIMITED

Statement of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2023
(Trinidad and Tobago $ Thousands)

PARENT *Restated 2022 $	PARENT 2023 $		Notes	GROUP 2023 $	GROUP 2022 $
		CONTINUING OPERATIONS			
		NET INTEREST AND OTHER INCOME			
2	346	Interest income calculated using the effective interest method	16(i)	48,210	32,464
-	-	Interest expense	16(ii)	(5,077)	(1,354)
2	346	Net interest income		43,133	31,110
-	-	Net income from financial instruments at FVTPL	16(iii)	112,297	26,878
87,061	204,474	Other income	16(iv)	263,857	217,150
87,063	204,820			419,287	275,138
(8,939)	(8,911)	**OPERATING EXPENSES**	16(v)	(105,256)	(98,281)
78,124	195,909	Profit before taxation and impairment		314,031	176,857
-	(32)	Impairment loss on financial assets	16(vi)	(1,517)	(580)
78,124	195,877	**Profit before taxation**		312,514	176,277
(932)	(258)	**TAXATION**	17(i)	(120,504)	(67,267)
77,192	195,619	**Profit from continuing operations**		192,010	109,010
		DISCONTINUED OPERATIONS			
343	-	Profit from discontinued operations, net of tax	19	-	343
77,535	195,619	**Profit for the year**		192,010	109,353
		Other comprehensive income			
		Items that are or may be reclassified to profit or loss			
-	-	Remeasurement of debt securities at FVOCI		(4,501)	(10,585)
-	-	Related tax	10(ii)	1,476	3,637
-	-	Remeasurement of debt securities at FVOCI, net of tax		(3,025)	(6,948)
(30)	-	Foreign currency translation differences for foreign operation		-	(30)
(30)	-			(3,025)	(6,978)
		Items that will not be reclassified to profit or loss			
-	-	Remeasurement of defined benefit plan	11(iv)	2,080	(21,948)
-	-	Related tax	10(ii)	(728)	7,682
-	-	Remeasurement of defined benefit plan, net of tax		1,352	(14,266)
(30)	-	**Other comprehensive (loss) income, net of tax**		(1,673)	(21,244)
77,505	195,619	**Total comprehensive income for the year**		190,337	88,109

*Certain amounts presented here for 2022 do not correspond to the previously reported 2022 financial statements and reflect adjustments made as detailed in Note 25.

The accompanying notes on pages 12 to 119 are an integral part of these financial statements.

CITICORP MERCHANT BANK LIMITED

Statement of Changes in Equity

Year ended December 31, 2023
(Trinidad and Tobago $ Thousands)

	Stated Capital $	Statutory Reserve Fund $	Retained Earnings $	Translation Reserve $	Total Equity $
PARENT					
Balance at January 1, 2022	57,102	57,102	129,618	1,050	244,872
Profit for the year	-	-	77,535	-	77,535
Foreign currency translation differences for foreign operation	-	-	-	(30)	(30)
Total comprehensive income	-	-	77,535	(30)	77,505
Transactions with equity holders of the Parent					
Dividend remittance	-	-	(67,500)	-	(67,500)
Balance at December 31, 2022	57,102	57,102	139,653	1,020	254,877
Balance at January 1, 2023	57,102	57,102	139,653	1,020	254,877
Profit for the year	-	-	195,619	-	195,619
Total comprehensive income	-	-	195,619	-	195,619
Transactions with equity holders of the Parent					
Dividend remittance	-	-	(77,625)	-	(77,625)
Balance at December 31, 2023	57,102	57,102	257,647	1,020	372,871

The accompanying notes on pages 12 to 119 are an integral part of these financial statements.

CITICORP MERCHANT BANK LIMITED

Statement of Changes in Equity (continued)

Year ended December 31, 2023
(Trinidad and Tobago $ Thousands)

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Fair Value Reserve	Translation Reserve	Total Equity
	$	$	$	$	$	$
GROUP						
Balance at January 1, 2022	57,102	214,890	474,860	11,067	1,050	758,969
Profit for the year	-	-	109,353	-	-	109,353
Fair value reserve (Debt securities at FVOCI):						
Debt securities at FVOCI - net change in fair value	-	-	-	(6,755)	-	(6,755)
Debt securities at FVOCI - reclassified to profit or loss	-	-	-	(193)	-	(193)
Remeasurement of defined benefit plan, net of tax	-	-	(14,266)	-	-	(14,266)
Foreign currency translation differences for foreign operation	-	-	-	-	(30)	(30)
Total comprehensive income	-	-	95,087	(6,948)	(30)	88,109
Transactions with equity holders of the Group						
Dividend remittance	-	-	(67,500)	-	-	(67,500)
Balance at December 31, 2022	57,102	214,890	502,447	4,119	1,020	779,578

The accompanying notes on pages 12 to 119 are an integral part of these financial statements.

CITICORP MERCHANT BANK LIMITED

Statement of Changes in Equity (continued)

Year ended December 31, 2023
(Trinidad and Tobago $ Thousands)

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Fair Value Reserve	Translation Reserve	Total Equity
	$	$	$	$	$	$
GROUP (continued)						
Balance at January 1, 2023	57,102	214,890	502,447	4,119	1,020	779,578
Profit for the year	-	-	192,010	-	-	192,010
Fair value reserve (Debt securities at FVOCI):						
Debt securities at FVOCI - net change in fair value	-	-	-	(3,195)	-	(3,195)
Debt securities at FVOCI - reclassified to profit or loss	-	-	-	170	-	170
Remeasurement of defined benefit plan, net of tax	-	-	1,352	-	-	1,352
Total comprehensive income	-	-	193,362	(3,025)	-	190,337
Transactions with equity holders of the Group						
Dividend remittance	-	-	(77,625)	-	-	(77,625)
Balance at December 31, 2023	57,102	214,890	618,184	1,094	1,020	892,290

The accompanying notes on pages 12 to 119 are an integral part of these financial statements.

CITICORP MERCHANT BANK LIMITED

Statement of Cash Flows

Year ended December 31, 2023
(Trinidad and Tobago $ Thousands)

PARENT *Restated 2022	PARENT 2023		Notes	GROUP 2023	GROUP 2022
$	$			$	$
		CASH FLOWS FROM OPERATING ACTIVITIES			
77,535	195,619	Profit after taxation		192,010	109,353
		Adjustments for:			
932	258	Taxation from continuing operations	17(i)	120,504	67,267
16	-	Taxation from discontinuing operations	19	-	16
(30)	-	Foreign exchange gains		-	(30)
-	-	Net income from financial instruments at FVTPL	16(iii)	(112,297)	(26,878)
2,880	2,842	Depreciation	9	4,379	4,528
10	-	Loss on sale of property and equipment		-	29
-	-	Impairment charge (reversal) on investment securities	16(vi)	170	(193)
-	32	Impairment charge on advances	16(vi)	1,311	773
-	-	Impairment charge on bonds and guarantees	16(vi)	22	-
-	-	Impairment charge on unused commitments to customers	16(vi)	14	-
(2)	(346)	Interest income	16(i)	(48,210)	(32,464)
-	-	Interest expense	16(ii)	5,077	1,354
81,341	198,405			162,980	123,755
		Changes in:			
-	-	Primary cash reserve		(113,007)	81,409
-	-	Trading investments		(20,122)	(217,027)
-	(25,000)	Advances - gross		(107,413)	(127,410)
130	(14)	Other assets		(11,415)	(18,648)
-	-	Customers' deposits		911,934	(205,849)
-	-	Amounts due to affiliated companies		-	11
5,839	(539)	Other liabilities		(401,067)	415,843
		Net increase (decrease) in retirement and other post-employment benefit obligations excluding actuarial gains/ losses	11(ii)	2,640	(2,633)
2	269	Interest received		157,870	59,884
-	-	Interest paid		(5,077)	(1,354)
2,013	-	Tax refund received	17(iii)	-	9,993
(46)	(95)	Taxes paid	17(iii)	(108,929)	(64,540)
89,279	173,026	**Net cash from operating activities**		468,394	53,434
		CASH FLOWS FROM INVESTING ACTIVITIES			
-	-	Purchase of FVOCI investments		(3,277,494)	(2,182,156)
7,104	-	Proceeds from maturity of FVOCI investments		2,905,853	3,079,464
(17)	-	Additions to property and equipment	9	(1,233)	(751)
7,087	-	**Net cash from (used in) investing activities**		(372,874)	896,557

CITICORP MERCHANT BANK LIMITED

Statement of Cash Flows (continued)

Year ended December 31, 2022
(Trinidad and Tobago $ Thousands)

PARENT				GROUP	
*Restated 2022	2023		Notes	2023	2022
$	$			$	$
		CASH FLOWS FROM FINANCING ACTIVITIES			
(67,500)	(77,625)	Dividends paid		(77,625)	(67,500)
(67,500)	(77,625)	**Net cash used in financing activities**		(77,625)	(67,500)
28,866	95,401	**Net increase in cash and cash equivalents**		17,895	882,491
126,359	155,225	**Cash and cash equivalents at beginning of year**		1,041,915	159,424
155,225	250,626	**Cash and cash equivalents at end of year**		1,059,810	1,041,915
		Cash and cash equivalents at end of year comprised of:			
-	-	Cash and balances with banks	4	87,498	85,822
-	-	Surplus deposit held at Central Bank	5	1,048,722	1,099,114
-	-	Amounts due from affiliated companies	8(b)(i)	813	23,509
155,225	250,626	Amounts due from subsidiary company	8(b)(i)	-	-
-	-	Amounts due to affiliated companies- overdrafts	8(b)(i)	(77,223)	(166,530)
155,225	250,626			1,059,810	1,041,915

The accompanying notes on pages 12 to 119 are an integral part of these financial statements.

1. Incorporation and Principal Activities

Citicorp Merchant Bank Limited ("the Parent") is incorporated in the Republic of Trinidad and Tobago. It operates under a licence from the Central Bank of Trinidad and Tobago under the provisions of the Financial Institutions Act, 2008. The principal activities of the Parent are to carry on the business of a merchant bank, finance house, confirming house, leasing corporation and mortgage institution. The Parent's wholly-owned subsidiary, Citibank (Trinidad & Tobago) Limited (Citibank), is incorporated in Trinidad and Tobago and offers a complete range of banking services. The Parent and subsidiary have their registered offices at 12 Queen's Park East, Port of Spain, Trinidad.

The consolidated financial statements comprise the Parent and its wholly-owned subsidiary (together referred to as the Group). The Group is a wholly-owned subsidiary of Citibank Overseas Investment Corporation, a company incorporated in the United States of America.

The ultimate parent of the Group is Citibank N.A. which is incorporated and domiciled in the United States of America.

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which the subsidiaries operate. The supervisory frameworks require subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios.

These separate and consolidated financial statements were authorised for issue by the Board of Directors on March 22, 2024.

2. Basis of Preparation

(a) Basis of accounting

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

(b) Basis of consolidation

(i) Subsidiaries

A subsidiary company is an entity controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee.

2. Basis of Preparation (continued)

(b) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method of accounting when control is transferred to the Group. Common control transactions are recorded at book value.

(ii) Transactions eliminated on consolidation

All intra-group transactions and balances are eliminated in preparing these consolidated financial statements.

(c) Basis of measurement

These financial statements are prepared on the historical cost basis, modified for the inclusion of:

- financial instruments at fair value through profit or loss (FVTPL);
- financial assets at fair value through other comprehensive income (FVOCI);
- net defined benefit asset which is measured at fair value of plan assets, adjusted by re-measurements through other comprehensive income (OCI), less the present value of the defined benefit obligation adjusted by experience gains (losses) on revaluation, limited as explained in Note 3(h) and Note 11.

(d) Functional and presentation currency

These financial statements are presented in Trinidad and Tobago dollars which is the Parent's functional currency, unless otherwise stated. All financial amounts are presented in Trinidad and Tobago dollars and have been rounded to the nearest thousand, unless otherwise stated.

(e) Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. Basis of Preparation (continued)

(e) Use of estimates and judgements (continued)

Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Estimates include:

- Accounting Policy 3(c)(v) and Note 22	Fair Value of financial instruments
- Accounting Policy 3(h) and Note 11(v)	Pension benefit assumptions

Judgements

Information about judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the financial statements are identified below:

- Accounting Policy 3(c)(ix) and Note 20	Impairment of financial instruments

3. Material Accounting Policies

The Group adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and removed those that were no longer applicable. The information disclosed in Note 3 Material Accounting Policies (2022: Significant Accounting Policies) is in line with the amendments.

3. Material Accounting Policies (continued)

(a) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Trinidad and Tobago dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. There are no non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency.

(b) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand and short-term funds and balances with other banks. Cash equivalents are short term highly liquid investments which are readily convertible into known amounts of cash without notice and which are within three (3) months of maturity when acquired and are subject to an insignificant risk of changes in value. These are measured at amortised cost. Cash and cash equivalents comprise cash and balances with banks, amounts due from affiliated companies, surplus deposits with Central Bank and amounts due to affiliated companies - overdrafts.

(c) Financial assets and financial liabilities

Financial instruments carried on the statement of financial position include cash resources, Deposits with Central Bank due from/ to affiliated companies, investment securities, advances, customers' deposits and acceptances, guarantees and letters of credit.

The standard treatment for revenue recognition, de-recognition, classification, modification and measurement of the Group's financial instruments is set out below in notes 3(c) (i) – (x), whilst additional information on specific categories of the Group's financial instruments is disclosed in Notes 3(e), 4, 5, 6, 7, 8 and 22.

(i) Recognition

The Group initially recognises loans and advances and deposits on the date that they are originated. All other financial assets and financial liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the profit or loss.

3. Material Accounting Policies

(c) Financial assets and financial liabilities (continued)

(ii) Classification

Financial assets

On initial recognition, the Group classifies its financial assets as measured at: amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Group's management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

Financial assets that are held for trading are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payment of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In considering whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cashflows.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

The classification of Group's Financial Assets and Financial Liabilities is disclosed in Note 24.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss (FVTPL).

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the sum of:

(i) the consideration received (including any new asset obtained less any new liability assumed); and

(ii) any cumulative gain or loss that had been recognized in other comprehensive income (OCI) is recognised in profit or loss.

The Group enters into transactions whereby it transfers assets recognised on its separate statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred financial assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all of the risks and reward of ownership of a financial asset and it retains control of the financial asset, the Group continues to recognise the financial asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(iv) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value plus any eligible transaction costs.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

Financial Liabilities

The Group derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognized in profit or loss.

Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss.

(v) Measurement

Financial assets

Subsequent to initial recognition, all financial assets at FVTPL and FVOCI assets are measured at fair value, based on their quoted market price at the reporting date without any deduction for transaction costs. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(v) Measurement (continued)

Financial assets (continued)

Where the instrument is not actively traded or quoted on recognised exchanges, fair value is determined using discounted cash flow analysis. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date for an instrument with similar terms and conditions.

Movements in the carrying amount of financial instruments measured at FVOCI (debt instrument), are taken through OCI, except for the recognition of impairment gains or losses, interest revenues and foreign exchange gains, which are recognised in profit or loss.

See Note 3(c)(ix) for measurement considerations under IFRS 9 for debt instruments at FVOCI.

Financial liabilities

Subsequent to initial recognition all non-trading financial liabilities are measured at amortised cost.

(vi) Amortised cost measurement

Amortised cost is calculated on the effective interest method. Premiums, discounts, and initial transaction costs are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a current legally enforceable right to set off the amounts and it intends to either settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(viii) Designation at fair value through profit or loss

Management designates financial assets and financial liabilities at fair value through profit or loss when the assets or liabilities are managed and reported internally on a fair value basis, or the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ix) Impairment

The Group recognizes loss allowances, on a forward-looking basis, for the Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets measured at cost or amortised cost;
- financial assets that are debt instruments classified as FVOCI;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognized on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and

- other financial instruments (other than receivables) on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The Group does not apply the low credit risk exemption to any other financial instruments.

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECLs is recognized are referred to as 'Stage 1 financial instruments'.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(ix) Impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls;
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of the estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- lease receivables: the discount rate used in measuring the lease receivable;
- undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECLs are measured as follows:

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(ix) Impairment (continued)

Restructured financial assets (continued)

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past-due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other probable reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit impaired. This is also in compliance with the regulatory definition of default.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(ix) Impairment (continued)

Credit-impaired financial assets (continued)

- The market's assessment of creditworthiness as reflected in bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component and the Group cannot distinguish the ECL separately, the Group presents a combined loss allowance for both components.
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

Write-off

Loans and debt securities are written off when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in ‘impairment losses on financial instruments’ in the statement of profit or loss and OCI.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(x) Designation at fair value through profit and loss

Financial assets

At initial recognition, the Group has designated certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

Note 24 sets out the amount of each class of financial asset that has been designated at fair value through profit or loss.

(d) Acceptances, guarantees and letters of credit

The Group's commitments under acceptances, guarantees and letters of credit have been excluded from these financial statements because they do not meet the criteria for recognition. These represent the Group's potential liability for which there are equal and offsetting claims against its customers in the event of a call on these commitments. Refer to Note 18(b).

(e) Investment securities

The 'investment securities' caption in the statement of financial position includes:

- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL are at fair value with changes recognized immediately in profit or loss; and

- debt securities measured as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognized in OCI, except for the following, which are recognized in profit or loss in the same manner as for financial assets measured at amortised cost:
- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss.

3. Material Accounting Policies (continued)

(f) Property and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.

(ii) Subsequent costs

Costs subsequent to acquisition, are included in the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

(iii) Depreciation

Depreciation is provided on freehold properties on a straight-line basis.. Depreciation on other assets is provided at varying rates sufficient to write off the cost of the assets over their estimated useful lives.

The following are the rates of depreciation used on the other assets:

Land and Freehold Premises	-	on the straight-line basis 2%-10%
Equipment, furniture and fittings	-	on the straight-line basis 10%-25%.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and these are included in profit or loss. The assets' residual value, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

3. Material Accounting Policies (continued)

(g) Impairment-non-financial assets

The carrying amounts of the Group's other assets, other than deferred tax assets (see accounting policy 3(l)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee Benefits

(i) Short-term

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, National Insurance Scheme contributions, annual leave, and non-monetary benefits such as medical care and loans; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. Post-employment benefits are accounted for as described below.

(ii) Post-employment

Independent qualified actuaries Bacon Woodrow & De Souza Limited carried out a valuation of the Group's significant post- employment benefits as at December 31, 2022. The next valuation is due as at December 31, 2025.

3. Material Accounting Policies (continued)

(h) Employee Benefits (continued)

(ii) Post-employment (continued)

<u>Pension obligations</u>

The Group operates a non-contributory defined benefit pension plan covering the majority of its employees. The funds of the plan are administered by fund managers appointed by the trustees of the plan. The pension plan is generally funded by payments from the Group, taking account of the recommendations of independent qualified actuaries.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the discount rate.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

Net interest expense and other expense related to defined benefit plans are recognised in personnel expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on the straight-line basis over the vesting period.

3. Material Accounting Policies (continued)

(i) Statutory reserve

The Financial Institutions Act, 2008, requires that a minimum of 10% of net profit, after deduction of taxes, in each year be transferred to a statutory reserve until the balance on this account is not less than the paid-up capital. This reserve is not available for distribution as dividend or for any other form of appropriation.

(j) Customers' deposits and other liabilities

The fair value of deposit and other liabilities is equal to its carrying value.

The estimated fair values of fixed rate deposits are assumed to be equal to their carrying values, since the rates are not materially different from current market rates, which would be the discount rate, and therefore discounting the contractual cash flows would approximate the carrying values.

Certain deposit accounts are transactional and do not incur interest expense.

(k) Dividends

A dividend payable is recognised when declared and irrevocably payable as at the reporting date. Dividends that are proposed and declared after the reporting date are not shown as a liability on the statement of financial position but are disclosed as a note to the financial statements.

(l) Taxation

Income tax expense comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rate enacted by the reporting date, green fund levy and any adjustment of tax payable for the previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable income (loss) and does not give rise to equal taxable and deductible temporary differences.

3. Material Accounting Policies (continued)

(l) Taxation (continued)

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is calculated on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. The effect on the deferred tax of any changes in the tax rate is charged to profit or loss, except to the extent that it relates to items previously charged or credited directly to OCI or equity, in which case the charge is made to OCI or equity as appropriate.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Revenue recognition

(i) Interest

I. Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

3. Material Accounting Policies (continued)

(m) Revenue recognition (continued)

(i) Interest (continued)

II. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

III. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date on which amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3. Material Accounting Policies (continued)

(m) Revenue recognition (continued)

(i) Interest (continued)

IV. Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes:

- interest on financial assets measured at amortised cost; and
- interest on debt instruments measured at FVOCI.

Interest expense presented in the statement of profit or loss and OCI includes:

- financial liabilities measured at amortised cost; and
- interest expense on lease liabilities.

(ii) Fees and commissions

Other fees and commissions are recognised in income when a binding obligation has been established. Where such obligations are continuing, income is recognised over the duration of the facility.

Fees and commissions that are integral to the effective interest rate on a financial asset is included in the effective interest rate (see (i)).

If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Other fees and commissions – including account servicing fees and Geographic Revenue Attribution (GRA)– is recognised as the related services are performed.

(iii) Net trading income

'Net trading income' comprises gains less losses related to trading assets and liabilities, and includes all fair value changes, interest, dividends and foreign exchange differences.

3. Material Accounting Policies (continued)

(n) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, office premises for the Branch and IT equipment.

The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

The Parent recognises lease payments received under operating leases as income on a straight-line basis over the lease term as “other income”.

(o) Discontinued operation

A discontinued operation is a component of the Group’s business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to liquidate or dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of liquidation or disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

3. Material Accounting Policies (continued)

(p) New and amended standards and interpretations that became effective during the year

Certain new and amended standards came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements:

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023, and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  The adoption of IAS 1 Presentation of Financial Statements did not result in any changes to the financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

3. Material Accounting Policies (continued)

(p) New and amended standards and interpretations that became effective during the year (continued)

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

  The adoption of IAS 8 did not result in any changes to the financial statements.

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  The adoption of IAS 12 did not result in any changes to the financial statements.

3. Material Accounting Policies (continued)

(q) New and amended standards and interpretations that are not yet effective

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Group has not early-adopted. The Group has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

- Amendments to IFRS 16 Leases will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Group does not expect the adoption of these new, revised and amended standards to have a significant impact on the financial statements.

(Trinidad and Tobago $ Thousands)

4. Cash and Balances with Banks

	Group 2023	Group 2022
	$	$
Cash and short-term funds	83,666	82,259
Balances with other banks	3,832	3,563
	87,498	85,822

5. Deposits with Central Bank

In accordance with the Financial Institutions Act, 2008, the Group is required to hold and maintain as a non-interest bearing deposit with the Central Bank of Trinidad and Tobago, a cash reserve balance equivalent to 14% (2022: 14%) of its average Trinidad and Tobago dollar denominated deposit liabilities in the primary reserve. The surplus deposits represent the excess over the primary cash reserve and are held to facilitate interbank settlements, local investment trades and other local transactions.

	Group 2023	Group 2022
	$	$
Primary cash reserve	486,768	373,761
Surplus deposits	1,048,722	1,099,114
	1,535,490	1,472,875

(Trinidad and Tobago $ Thousands)

6. Investment securities

	Group	
	2023	**2022**
	$	**$**
Debt securities measured at FVOCI		
Government of Trinidad and Tobago Treasury Bills	1,463,621	1,297,062
Government of Trinidad and Tobago Bonds	580,619	380,099
	2,044,240	1,677,161
Debt Securities measured at FVTPL		
Government of United States of America Treasury Bills	2,610,747	2,660,346
Government of Trinidad and Tobago Bonds	67,220	-
	2,677,967	2,660,346
Total debt securities	4,722,207	4,337,507
Equities measured at FVTPL		
Corporate equities	101	102
	4,722,308	4,337,609
Concentration of investments		
State sector	4,722,207	4,337,507
Other institutions	101	102
	4,722,308	4,337,609

(Trinidad and Tobago $ Thousands)

7. Advances and Other Assets

Advances and other assets comprise:

Parent 2022 $	Parent 2023 $		Group 2023 $	Group 2022
$				
-	25,000	Performing advances	449,619	341,812
-	-	Non-performing advances	138	138
-	77	Interest receivable	2,279	2,399
-	25,077	Gross advances	452,036	344,349
-	(32)	Allowance for expected credit loss	(2,694)	(1,383)
-	25,045	Net Advances	449,342	342,966
147	160	*Other Assets	50,061	33,890
147	25,205		499,403	376,856

* Other assets include prepaid expenses and suspense clearing items.

Concentration of performing advances

Parent 2022	Parent 2023		Group 2023	Group 2022
-	-	Retail sector	167	167
-	25,000	Corporate and commercial sector	449,452	341,645
-	25,000		449,619	341,812

8. Related Parties

(a) Definition of related parties

A party is related to the Group if:

(i) The party is a subsidiary or an associate of the Group;

(ii) The party is, directly or indirectly, either under common control or subject to significant influence with the Group, or has significant influence over or joint control of the Group;

(iii) The party is a close family member of a person who is part of key management personnel or who controls the Group;

(iv) The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Group;

(v) The party is a joint venture in which the Group is a venture partner;

(vi) The party is a member of the Group's or its parent's key management personnel;

(vii) The party is a post-employment benefit plan for the Group's employees.

(viii) The party, or any member of a group of which it is a part, provides key management personnel services to the Group or its parent.

(b) Identity of, and transactions and balances with, related parties

Related party transactions include but are not limited to the following:

- Data processing and information technology support;
- Technical and management services;
- Operations support;
- Transaction processing support;
- Delinquent account collection services;
- Global revenue attributable to the Group (Note 16 (iv)).

(Trinidad and Tobago $ Thousands)

Parent *Restated 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		8. Related Parties (continued)		
		(b) Identity of, and transactions and balances with, related parties (continued)		
		(i) Outstanding balances:		
		Investment in subsidiary, and amounts due from subsidiary and affiliated companies:		
88,094	88,094	Investment in subsidiary	-	-
-	-	Affiliated companies	813	23,509
155,225	250,626	Subsidiary company	-	-
243,319	338,720		813	23,509
		Amounts due to Parent, subsidiary and affiliated companies		
		Deposits		
(117)	(117)	Parent company	(117)	(117)
-	-	Affiliated companies	(1,174)	(1,174)
(117)	(117)		(1,291)	(1,291)
		Other Liabilities		
(92)	-	Subsidiary company	-	-
		Overdrafts		
-	-	Affiliated companies	(77,223)	(166,530)
(209)	(117)		(78,514)	(167,821)

Amounts due from subsidiary and affiliated companies represents cash at bank held with subsidiary company and related parties who are banks.

Parent *Restated 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		(ii) Transactions:		
		Interest and other income		
-	-	Affiliated companies	60,262	28,705
85,777	202,189	Subsidiary company	-	-
-				
85,777	202,189		60,262	28,705

(Trinidad and Tobago $ Thousands)

Parent 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		8. Related Parties (continued)		
		(b) Identity of, and transactions and balances with, related parties (continued)		
		(ii) Transactions (continued)		
		Interest and other expenses		
-	-	Affiliated companies	(32,131)	(21,013)
(257)	(370)	Directors' fees	(540)	(359)
(257)	(370)		(32,671)	(21,372)

Affiliated companies represent related parties of the ultimate parent with whom transactions are entered into during the normal course of business.

For related party transactions and balances there are no specific conditions or terms attached. These are conducted at arm's length.

Parent 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		(c) Transactions with key management personnel		
		Key management personnel comprises individuals responsible for planning, directing and controlling the activities of the Group		
4,454	3,157	- Short-term benefits to key management personnel	22,228	23,226

There were no expected credit losses related to the outstanding balances involving key management personnel, subsidiaries or affiliated companies nor were there any write-offs recognised during the period.

(Trinidad and Tobago $ Thousands)

9. Property and Equipment

	Land and Freehold Premises	Equipment, Furniture and Fittings	Total
	$	$	$
Year ended December 31, 2023			
PARENT			
Cost			
Balance at January 1, 2023	13,268	29,108	42,376
Balance at December 31, 2023	13,268	29,108	42,376
Accumulated depreciation			
Balance at January 1, 2023	6,631	15,840	22,471
Depreciation	203	2,639	2,842
Balance at December 31, 2023	6,834	18,479	25,313
Net book value at December 31, 2023	6,434	10,629	17,063
Net book value at December 31, 2022	6,637	13,268	19,905

Freehold premises are leased to a related party. This lease is for a period of 25 years. Further information about this lease is included in Note 23.

Land is recorded at $1,615 (2022: $1,615).

(Trinidad and Tobago $ Thousands)

9. Property and Equipment (continued)

	Land and Freehold Premises	Equipment, Furniture and Fittings	Total
	$	$	$
Year ended December 31, 2022			
PARENT			
Cost			
Balance at January 1, 2022	13,268	29,150	42,418
Additions	-	17	17
Disposals	-	(59)	(59)
Balance at December 31, 2022	13,268	29,108	42,376
Accumulated depreciation			
Balance at January 1, 2022	6,415	13,225	19,640
Depreciation	216	2,664	2,880
Disposals	-	(49)	(49)
Balance at December 31, 2022	6,631	15,840	22,471
Net book value at December 31, 2022	6,637	13,268	19,905
Net book value at December 31, 2021	6,853	15,925	22,778

Freehold premises are leased to a related party. This lease is for a period of 25 years. Further information about this lease is included in Note 23.

Land is recorded at $1,615 (2021: $1,615).

(Trinidad and Tobago $ Thousands)

9. Property and Equipment (continued)

	Land and Freehold Premises	Equipment, Furniture and Fittings	Work in Progress	Total
	$	$	$	$
Year ended December 31, 2023				
GROUP				
Cost				
Balance at January 1, 2023	23,160	49,002	-	72,162
Additions	-	550	683	1,233
Disposals	-	(1,002)	-	(1,002)
Balance at December 31, 2023	23,160	48,550	683	72,393
Accumulated depreciation				
Balance at January 1, 2023	8,288	30,455	-	38,743
Depreciation	203	4,176	-	4,379
Disposals	-	(1,002)	-	(1,002)
Balance at December 31, 2023	8,491	33,629	-	42,120
Net book value at December 31, 2023	14,669	14,921	683	30,273
Net book value at December 31, 2022	14,872	18,547	-	33,419

Land is recorded at $9,926 (2022: $9,926).

(Trinidad and Tobago $ Thousands)

9. Property and Equipment (continued)

	Land and Freehold Premises	Equipment, Furniture and Fittings	Work in Progress	Total
	$	$	$	$
Year ended December 31, 2022				
GROUP				
Cost				
Balance at January 1, 2022	23,160	50,067	23	73,250
Additions	-	751	-	751
Disposals	-	(1,839)	-	(1,839)
Transfer to/from WIP	-	23	(23)	-
Balance at December 31, 2022	23,160	49,002	-	72,162
Accumulated depreciation				
Balance at January 1, 2022	8,072	27,953	-	36,025
Depreciation	216	4,312	-	4,528
Disposals	-	(1,810)	-	(1,810)
Balance at December 31, 2022	8,288	30,455	-	38,743
Net book value at December 31, 2022	14,872	18,547	-	33,419
Net book value at December 31, 2021	15,088	22,114	23	37,225

Land is recorded at $9,926 (2021: $9,926).

(Trinidad and Tobago $ Thousands)

10. Deferred Tax Asset (Liability)

Parent 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		(i) The net deferred tax liability is attributable to the following items:		
		Deferred tax asset:		
-	-	Property and equipment	2,332	2,152
112	112	Leases	112	112
-	-	Allowance for expected credit loss	1,104	584
983	982	Tax losses carried forward	1,570	1,570
-	-	Deferred compensation awards	1,005	1,017
-	-	MTM on trading	684	157
-	11	Other	198	188
1,095	1,105		7,005	5,780
		Deferred tax liability:		
(1,753)	(1,561)	Property and equipment	(1,265)	(1,456)
-	-	Debt instruments at FVOCI	(589)	(2,065)
-	-	Net defined benefit pension fund asset	(6,046)	(6,242)
-	-	Deferred compensation	(372)	(372)
-	-	Foreign exchange revaluation	(2,649)	(490)
(7)	(5)	Other	(69)	(72)
(1,760)	(1,566)		(10,990)	(10,697)
(665)	(461)	**Net deferred tax liability**	(3,985)	(4,917)

(Trinidad and Tobago $ Thousands)

10. Deferred Tax Asset (Liability) (continued)

Parent 2022 $	Parent 2023 $	***(ii) The movement in the net deferred tax account comprised:***	Group 2023 $	Group 2022 $
153	(665)	Balance at the beginning of the year	(4,917)	(16,316)
		Amounts recognized in OCI:		
-	-	Remeasurement of debt instruments at FVOCI	1,476	3,637
-	-	Remeasurement of defined benefit plan	(728)	7,682
		Amounts recognized in profit or loss:		
(818)	204	Current year's deferred tax charge (Note 17)	184	80
(665)	(461)	Balance at the end of the year	(3,985)	(4,917)

11. Net Defined Benefit Pension Fund Asset

The Group contributes to a non-contributory defined benefit pension plan ("the Plan") which entitles a retired employee to receive an annual pension payment. Employees may retire at any time after age 60 and are entitled to receive annual payments based on a percentage of their final salary. Employees may retire earlier than age 60 under certain conditions.

The Plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

The Plan is fully funded by the Group, the assets of the Plan being managed separately by the Trustee. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out below. The Group expects to pay $1,530 in contributions to its defined benefit pension fund in 2024.

(Trinidad and Tobago $ Thousands)

11. Net Defined Benefit Pension Fund Asset (continued)

The following information summarises the components of the net benefit expense recognised in the consolidated statement of profit or loss and other comprehensive income and amounts recognised in the consolidated statement of financial position.

	2023	2022
	$	$
Pension assets		
Present value of defined benefit obligation (see 11(i))	(165,315)	(157,091)
Fair value of plan assets (see 11(ii))	182,588	174,924
Recognised assets	17,273	17,833

(i) Movement in present value of defined benefit obligation

	2023	2022
Opening defined benefit obligation	(157,091)	(152,749)
Current service cost	(4,872)	(5,097)
Interest cost	(9,226)	(8,977)
Re-measurements		
- Experience adjustments	(498)	3,221
Benefits paid	6,372	6,511
Closing defined benefit obligation	(165,315)	(157,091)

The defined benefit obligation is allocated between the Plan's members as follows

	2022	2021
Active members	41%	38%
Deferred members	22%	22%
Pensioners	37%	40%
The weighted average duration of the defined benefit obligation at the year end	15.0 years	15.1 years

84% of the benefits for active members are vested.

47% of the defined obligation for active members is conditional on future salary increases.

(Trinidad and Tobago $ Thousands)

11. Net Defined Benefit Pension Fund Asset (continued)

(ii) Movement in fair values of plan assets

	2023 $	2022 $
Fair value of plan assets at start of year	174,924	189,897
Interest income	10,448	11,366
Return on plan assets, excluding interest income	2,578	(25,169)
Group contributions paid	1,443	5,799
Benefits paid	(6,372)	(6,511)
Administration expense allowance	(433)	(458)
Fair value of plan assets at the end of year	182,588	174,924
Actual return on plan assets	13,026	(13,803)
Asset allocation		
Locally listed equities	32,391	43,517
Overseas equities	47,481	42,274
Government issued Bonds	76,556	70,002
Corporate Bonds	13,724	11,443
Cash and cash equivalents	12,436	7,688
	182,588	174,924

The asset values as at December 31, 2023 were provided by the Plan's Investment Manager. Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve.

The majority of the Plan's bonds were issued by the Government of Trinidad and Tobago which also guarantees many of the corporate bonds held by the Plan.

The Plan's assets are invested in accordance with a strategy agreed with the Plan's Trustees and Management Committee. This strategy is largely dictated by statutory constraints (at least 70% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

(Trinidad and Tobago $ Thousands)

11. Net Defined Benefit Pension Fund Asset (continued)

(iii) Expense recognised in profit or loss

	2023 $	2022 $
Current service cost	(4,872)	(5,097)
Net interest on net defined benefit asset	1,222	2,389
Administration expense allowance	(433)	(458)
Net pension cost	(4,083)	(3,166)

(iv) Re-measurements recognised in other comprehensive income

	2023 $	2022 $
Experience gains (loss) - gross	2,080	(21,948)

(v) Reconciliation of opening and closing statement of financial position

	2023 $	2022 $
Opening defined benefit asset	17,833	37,148
Net pension cost	(4,083)	(3,166)
Re-measurements recognised in other comprehensive income	2,080	(21,948)
Group contributions paid	1,443	5,799
Closing defined benefit asset	17,273	17,833

Summary of principal assumptions as at December 31

	2023	2022
Discount rate	6.0%	6.0%
Average individual salary increases	6.0%	6.0%

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at December 31 are as follows:

	2023	2022
Life expectancy at age 60 for current pensioner in years:		
- Male	21.9	21.8
- Female	26.2	26.1
Life expectancy at age 60 for current members age 40 in years:		
- Male	22.8	22.7
- Female	27.1	27.0

(Trinidad and Tobago $ Thousands)

11. Net Defined Benefit Pension Fund Asset (continued)

(vi) Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at December 31 would have changed as a result of a change in the assumptions used.

	1% pa Increase	1% pa Decrease
2023	**$**	**$**
Discount rate	(20,944)	26,197
Future salary	7,875	(6,750)
2022		
Discount rate	(19,925)	25,278
Future salary	7,254	(6,365)

An increase of 1 year in the assumed life expectancies shown above would have increased the defined benefit obligation at December 31, 2023 by $3,046 (2022: $3,030).

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

Parent 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		12. Stated Capital		
		Authorised		
		Unlimited ordinary shares of no par value		
		Issued		
57,102	57,102	57,101,932 ordinary shares of no par value	57,102	57,102

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share.

(Trinidad and Tobago $ Thousands)

13. Statutory Reserve

The Financial Institutions Act, 2008, requires that a minimum of 10% of net profit, after deduction of taxes, in each year be transferred to a statutory reserve account until the balance on this reserve is not less than the paid-up capital. This reserve is not available for distribution as dividend or for any other form of appropriation.

Parent 2022	Parent 2023		Group 2023	Group 2022
$ $	$		$	
57,102	57,102	Balance, at the end of year	214,890	214,890

14. Customers' Deposits

	Group 2023	Group 2022
	$	$
Concentration of customers' deposits		
State sector	392,211	973,343
Other financial institutions	485,257	100,000
Corporate and commercial sector	4,811,562	3,703,753
	5,689,030	4,777,096

Parent *Restated 2022	Parent 2023		Group 2023	Group 2022
$	$		$	$
		15. Other Liabilities		
-	-	Cheques in the course of clearing	164,183	553,565
592	923	Short term employee benefits	2,221	2,118
6,605	6,356	Accruals	8,903	3,223
-	-	Provision for legal settlements	1,600	1,600
-	-	Sundry payables	25,170	41,841
1,078	456	Other	15,454	16,215
8,275	7,735		217,531	618,562

*Other comprises of miscellaneous accruals. Within the Parent's other liabilities for 2022 is an amount of $92 which relates to an amount due to subsidiary.

(Trinidad and Tobago $ Thousands)

Parent 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		16. Operating Profit		
		(i) Interest income from:		
-	346	Loans and advances calculated using the effective interest rate method	19,036	10,842
2	-	Investments securities at FVOCI calculated using the effective interest rate method	29,174	21,622
2	346		48,210	32,464
		(ii) Interest expense on:		
-	-	Customers' deposits	143	124
-	-	Other - affiliates deposits	4,934	1,215
-	-	Interbank loans	-	- 15
-	-		5,077	1,354
		(iii) Net Income from financial instruments At FVTPL		
-	-	Interest	114,628	28,541
-	-	Gain on trading	(825)	(1,287)
-	-	Market Valuation adjustments	(1,506)	(376)
-	-		112,297	26,878
		(iv) Other income		
8,877	8,749	Fees and commissions	70,088	39,776
(16)	(25)	Exchange earnings	193,769	177,374
78,200	195,750	Dividend Income	-	-
87,061	204,474		263,857	217,150

Exchange earnings represent gains earned from trading in foreign currencies.

(Trinidad and Tobago $ Thousands)

16. Operating Profit (continued)

Included in Fees and commissions is Geographic Revenue Attribution. The Geographic Revenue Attribution methodology has been implemented by the ultimate parent in order to simplify and standardize the intercompany transfer pricing policy creating even more transparency for the business and legal entities. The implementation also intends to align the transfer pricing policies and satisfy regulatory requirements as well as tax requirements by having a centralized process and governance associated with intercompany transactions. As of December 31, 2023 the implementation of this initiative generated revenue for the Parent of NIL (2022: NIL) and for the Group $59,882 (2022: $28,668) which is included in fees and commissions.

Parent *Restated 2022	Parent 2023			Group 2023	Group 2022
$	$			$	$
		(v)	**Operating expenses**		
3,878	3,575		Staff	40,655	42,568
1,924	2,124		General administration	56,695	47,138
2,880	2,842		Depreciation	4,378	4,528
-	-		Property related	2,988	3,688
257	370		Directors' fees	540	359
8,939	8,911			105,256	98,281
		(vi)	**Impairment (charge) reversal on financial assets**		
			Impairment (charge) reversal for the year includes:		
-	(32)		Advances to customers	(1,311)	(773)
-	-		Undrawn credit commitments	(14)	-
-	-		Acceptances, guarantees and letters of credit	(22)	-
-	-		Debt Securities at FVOCI	(170)	193
-	(32)			(1,517)	(580)

For the movement in the ECL, refer to Note 20(b)(xv).

(Trinidad and Tobago $ Thousands)

17. Taxation

(i) *Taxation charge*

Parent *Restated 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		Current tax:		
114	522	- Corporation tax	119,270	68,288
-	-	- Green Fund levy	1,886	1,093
-	-	- Business levy	-	54
-	(60)	Changes in estimates related to prior years	(468)	(2,087)
818	(204)	Deferred tax expense (credit) relating to the origination and reversal of temporary differences	(184)	(81)
932	258	**Taxation charge for the year**	120,504	67,267

(ii) *Reconciliation of the effective tax rate*

The following is a reconciliation of the application of the effective tax rate with the provision for taxation.

Parent *Restated 2022 $	%	Parent 2023 $	%		Group 2023 $	%	Group 2022 $	%
78,124	%	195,877	%	**Profit before taxation**	312,514	%	176,277	%
	30		30	Effective tax rate:		39		38
23,515	30	58,947	30	Tax computed at the statutory rate:	109,170	35	85,170	48
				Tax effect of items that are adjusted in determining taxable profit:				
-	-	(60)	-	Changes in estimates related to prior years	(468)	-	(2,087)	(1)
(23,395)	(30)	(58,664)	(30)	Tax effect of non-deductible dividends, management fees and charitable contributions	9,794	3	(16,963)	(10)
698	-	35	-	Changes in estimates related to prior years - deferred tax	122	-	-	-
-	-	-	-	Green Fund levy	1,886	1	1,093	1
114	-	-	-	Business levy	-	-	54	-
932	-	258	-	**Taxation charge for the year**	120,504	39	67,267	38

(Trinidad and Tobago $ Thousands)

Parent *Restated 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		17. Taxation (continued)		
		(iii) Analysis of Taxation Recoverable (Payable)		
2,644	563	Balance at the beginning of the year	51	12,852
		Taxation Expense from continued Operations:		
-	-	- Green Fund levy	(1,886)	(1,093)
-	-	- Business levy	-	(54)
(114)	(522)	- Corporation Tax	(119,270)	(68,288)
46	95	Tax Paid	108,929	64,540
(2,013)	-	Tax Refund	-	(9,993)
-	60	Changes in estimates related to prior years	468	2,087
563	196	Balance at the end of the year	(11,708)	51
		Disaggregated by:		
633	633	Taxation recoverable	6,776	6,775
(70)	(437)	Taxation payable	(18,484)	(6,724)
563	196		(11,708)	51

The Group believes that its accrual for tax liabilities is adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

(Trinidad and Tobago $ Thousands)

18. Commitments and Contingent Liabilities

In the normal course of business, various commitments and contingent liabilities are outstanding which are not reflected in these financial statements. These include commitments to extend credit, which, in the opinion of management, do not represent unusual risk, and no material losses are anticipated as a result of these transactions.

(a) Litigation

As at December 31, 2023 there is one legal proceeding outstanding against the Group. Based upon legal advice, the directors have established a provision of $1,600 (2022: $1,600) in relation to these matters.

(b) Customers' liability under guarantees, indemnities and letters of credit

Parent			Group	
2022	**2023**		**2023**	**2022**
$	**$**		**$**	**$**
-	-	Guarantees and indemnities	33,260	70,002

These represent the Parent's and Group's potential liability for which there are equal and offsetting claims against its customers in the event of a call on these commitments.

(c) Customers' liability under advances

Parent			Group	
2022	**2023**		**2023**	**2022**
$	**$**		**$**	**$**
-	-	Undrawn credit facilities	18,000	-

(d) Capital commitments

As at December 31, 2023 the Group had $1,977 in capital commitments (2022: $2,399).

19. Discontinued Operation

Over the last years, the Branch's operations have had significant reduction and as part of our strategic business planning, the Parent took the decision to cease the operations and voluntarily wind up the Branch.

In view of the cessation of operations, the Central Bank of Barbados approved the voluntary wind up of the Branch pursuant to Section 53 of the Financial Institutions Act, CAP 324A.

(Trinidad and Tobago $ Thousands)

19. Discontinued Operation (continued)

In February 2022, senior management completed the following key actions that had the effect of designating the Branch as closed:

- Obtained all tax clearance certificates.
- Filed all dissolution documents with the Corporate Affairs and Intellectual Property Office.

On March 23, 2022, the Corporate Affairs and Intellectual Property Office duly cancelled the registration of the Branch with effect from February 23, 2022.

On July 13, 2022, the Central Bank of Barbados confirmed that all required documents for closure were submitted by the Branch and authorized released the securities pledged as assigned capital.

With these actions, the liquidation process is complete.

Parent			Group	
2022	**2023**		**2023**	**2022**
$	**$**		**$**	**$**
		A. Results of discontinued operations		
-	-	Interest income	-	-
-	-	Interest expense	-	-
-	-	Net Interest income	-	-
359	-	Other Income	-	359
359	-	Operating Profit	-	359
359	-	Profit before taxation	-	359
(16)	-	Taxation	-	(16)
343	-	**Results from discontinued operating activities, net of tax**	-	343

The profit from the discontinued operation of NIL (2022: $343) is attributable entirely to the Parent.

(Trinidad and Tobago $ Thousands)

19. Discontinued Operation (continued)

Parent 2022 $	Parent 2023 $			Group 2023 $	Group 2022 $
		B.	***Taxation***		
			Taxation charge		
16	-		Changes in estimates related to prior years	-	16
16	-		Taxation charge for the year	-	16

Parent 2022 $	Parent 2023 $			Group 2023 $	Group 2022 $
		C.	***Cash flows from (used in) discontinued operation***		
407	-		Net cash (used in) from operating activities	-	407
(363)	-		Net cash used in financing activities	-	(363)
44	-		Net cash outflows for the year	-	44

20. Financial Risk Management

(a) Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Settlement risk
- Liquidity risk
- Market risks
- Operational risks.
- Climate change risk
- Interest rate Benchmark Reform

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. There has been no material changes in the Group's management of its risks from its use of financial instruments.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has established the Asset and Liability Committee (ALCO), the Audit Committee and other senior management committees, which are responsible for developing and monitoring the Group's risk management policies in their respective areas.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in these functions by Internal Audit, the Governance and Business Risk Committee and the Business Risk Compliance and Control Committee.

20. Financial Risk Management (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers and other Groups and investment securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

(i) Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to the Credit Risk management area. The Credit Risk management area, is responsible for oversight of the Group's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are also allocated to business unit Credit Officers. Larger facilities require additional approvals including senior credit officers and industry specialists, as appropriate.

- Reviewing and assessing credit risk. Institutional Credit Management assesses all credit exposures prior to facilities being extended to the customers. Renewals and reviews of facilities are subject to the same review process.

- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(i) Management of credit risk (continued)

- Developing and maintaining the Group's risk gradings in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of six grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades and final approval lies with the Credit officers, as appropriate. Risk grades are subject to regular reviews led by the Institutional Credit Management team.

- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the various internal committees on the credit quality of local portfolios and appropriate corrective action is taken.

- Providing advice, guidance and specialist skills to business units to promote best practice in the management of credit risk. Regular audits of business units and credit processes are undertaken by Fundamental Credit Review.

(ii) Expected credit loss measurement

IFRS 9 outlines a 'three stage' model; for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Group.

- If a significant increase in credit risk ('SICR) since initial recognition is identified, the financial instrument is move to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to Note 20(b)(iii) for a description of how the Group determines when a significant increase in credit risk has occurred.

- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to Note 20(b)(iv) for a description of how the Group defines credit-impaired and default.

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(ii) Expected credit loss measurement (continued)

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to Note 20(b)(v) for a description of inputs, assumption and estimation techniques used in measuring the ECL.

- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 20(b)(vi) includes an explanation of how the Group has incorporated this in its ECL model.

- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Group determines appropriate groupings when ECL is measured on a collective basis (refer to Note 20(b)(viii)).

20. Financial Risk Management (continued)

(b) Credit risk (continued)

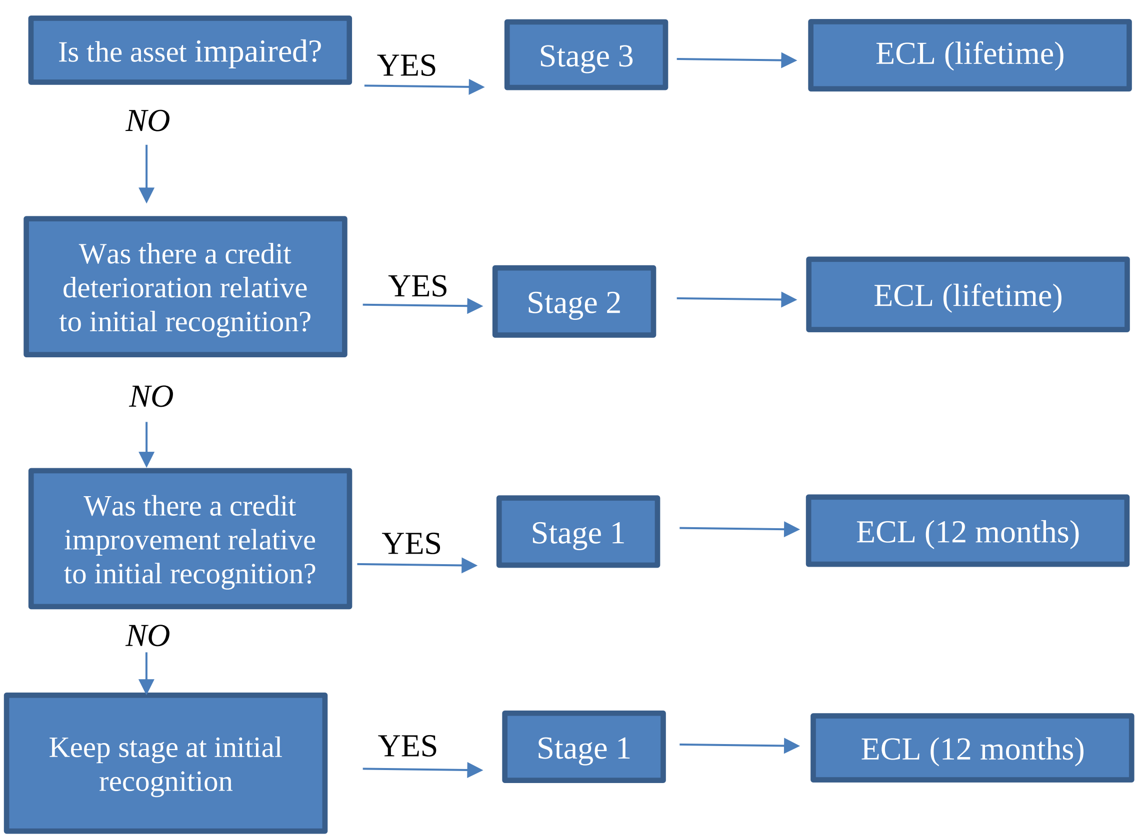
(ii) Expected credit loss measurement (continued)

Change in credit quality since initial recognition

Stage 1	**Stage 2**	**Stage 3**
(initial recognition)	**(Significant increase in credit risk)**	**(Credit-impaired assets)**
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

(iii) Significant increase in credit risk (SICR)

The assessment of whether credit risk has increased (or decreased) significantly since initial recognition is performed for each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument, rather than by considering an increase in ECL.



20. Financial Risk Management (continued)

(b) Credit risk (continued)

(iv) Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower formally files for Bankruptcy or there is a commencement of foreclosure proceedings.

- The obligation is classified Doubtful or worse as per the Group's classification process.

- A modification to the terms and conditions of the original agreement that would not normally be considered is executed.

The criteria above has been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) throughout the Group's expected loss calculations.

A loan instrument is considered to no longer be in default when it no longer meets any of the default criteria for a consecutive period of six months.

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(v) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The concept and estimation of ECL is based on the likelihood and severity of credit events and their impact on cash shortfalls, which comprises the Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD"), and discount rate using Effective Interest Rate ("EIR"). These are defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.

- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by seniority of claim and product type, while the availability of collateral is factored before LGD is considered. A robust system for recovering on all delinquent facilities managed by specialized units ensures that early measures are taken to contain loss. The recovery on the various products managed by the Group are recorded and this historical information is used to determine LGD. LGD is expressed as the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

For the purpose of modeling ECL, the Group has decided to leverage credit models developed by its ultimate parent for advanced stress testing and the Comprehensive Capital Analysis and Review ("CCAR") process.

Starting from the economic scenarios and forecasts provided by the economists in the ultimate parent's Global Country Risk Management (GCMR), the scenarios are converted into forecasts of default likelihood (PD), and loss severity (LGD and EAD). These credit quality forecasts are then used to estimate the expected cash shortfalls.

Under IFRS 9, "expected credit losses" are probability weighted estimates of the present value of all cash shortfalls over the expected life of the financial instrument.

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(v) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract (contractual cash flows) and the cash flows that the entity expects to receive in practice (expected cash flows). Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Technically, the contractual cash flows described above provide the expected cash flows to be received in each period as agreed with the obligor. However, if the received cash flows are not paid as expected (in term of the amount or timing of payments), there could be a cash shortfall that needs to be recognized as a credit loss under IFRS 9.

Each cash flow paid needs to be present valued to be able to estimate the fair value of the obligation. The appropriate discounting factor is determined by the Effective Interest Rate (EIR), which depends on the contractual interest and amortization payments, reference interest rate and term structure of interest rates.

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired.

(vi) Forward-looking information incorporated in the ECL models

The assessment of significant increase in credit risk (SICR) and an estimate of expected credit loss (ECL) both incorporate forward-looking information.

The Group uses a forward-looking model to estimate the potential of future economic conditions. It formulates three economic scenarios: a base case, which is the median scenario assigned a 61% probability of occurring, and two less likely scenarios, one optimistic (upside) and one pessimistic (downside), each assigned 8% and 31% probability of occurring, respectively. Each scenario considers the expected impact of gross domestic product (GDP), interest rates, and unemployment rates. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in Trinidad and Tobago, supranational organizations and selected private-sector forecasters.

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(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(vi) Forward-looking information incorporated in the ECL models (continued)

There are three basic scenario-dependent parameters in the ECL calculation:

- Probability of Default and Rating Migration (PD/RM) derived on an Obligor level utilizing a model segmented by industry and geography.
- Loss Given Default (LGD) which is a facility level model segmented by product, and geography.
- Exposure at Default driven by Credit Conversion Factors (CCF) and Facility Incremental Use. Model drivers are forward-looking economic forecasts.

Macroeconomic scenarios based parameter models are used for the first 9 quarters and long term averages are used afterwards to cover the life of the asset.

The following tables show key macroeconomic variables used to calculate modeled estimates for ECL expressed as averages through the reasonable and supportable.

•

Key Macroeconomic Variable	Scenario	Quarter 4 2023	Quarter 4 2022
Gross domestic product	Base	0.3%	2.4%
	Optimistic	2.0%	3.1%
	Pessimistic	(1.2%)	1.8%
Unemployment	Base	4.5%	4.5%
	Optimistic	4.2%	4.1%
	Pessimistic	7.7%	5.3%
Scenario weight applied	Base	61%	59%
	Optimistic	8%	9%
	Pessimistic	31%	32%

(vii) Loan Portfolio

For the purposes of the ECL Model, the Group has applied a Trinidad & Tobago Metrics for the following key macroeconomic factors:

- Real Gross Domestic Product
- Unemployment
- 3-month Treasury Bill Tender rate

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(viii) Grouping of instruments for losses measured on a collective basis

No expected credit loss provisions were modelled on a collective basis. If required, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. As necessary, the appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk management team.

The following exposures are assessed individually:

- Corporate and Commercial Loans – All stages
- Investments

(ix) Risk limit control and mitigation policy

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, groups of borrowers and industry segments. The Group monitors its concentration of credit exposure so that no single borrower or industry default will have a material impact on the Group. These limits are implemented and monitored by the Credit Risk Management Unit via the stipulations of the credit policies. In instances where it is strategically beneficial, adequately documented and internally approved, the Group would seek approval on an exception basis for variation to its standard approved limits from the Board of Directors.

(a) Single borrower and borrower group exposure limits.

Limits established by regulatory authorities have been incorporated into the lending processes where concentration is restricted by limiting credit amounts to a percentage of capital base. This is supported by a stringent reporting requirement and is further enhanced by policies requiring periodic review of all corporate credit relationships.

(b) Industry exposure limits

These limits have been established based on a ranking of the riskiness of various industries. The ranking is guided by a model developed for the Group for this purpose.

20. Financial Risk Management (continued)

(c) ***Credit risk*** (continued)

(ix) Risk limit control and mitigation policy (continued)

(c) Credit-Related Commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralized by the underlying guarantee to which they relate and therefore carry less risk that a direct loan.

(d) Impairment and provisioning policies

See Note 3(c)(ix).

(e) Collateral against loans and advances

The Group holds collateral in the form of a charge over furniture, fixtures and equipment against certain loans and advances to customers. The fair value of the collateral exceeds the outstanding balance of the loan. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and is typically reviewed on an annual basis or more frequently if there is noticed deterioration, probability of default increases or worse case the loan is individually assessed as impaired. Collateral generally is not held over short-term loans and advances to customers. Collateral usually is not held against investment securities, and no such collateral was held at December 31, 2023.

The Group's policies regarding obtaining collateral have not changed significantly during the period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

There were no significant changes in the quality of collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the Group during the reporting period.

The Group has no financial instruments for which it has not recognised a loss allowance because of collateral.

(Trinidad and Tobago $ Thousands)

20. **Financial Risk Management** (continued)

(b) Credit risk (continued)

(ix) Risk limit control and mitigation policy (continued)

(e) Collateral against loans and advances (continued)

There were no financial assets that were credit-impaired at the reporting date. The Group did not obtain financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements (eg guarantees).

The Parent and Group's maximum exposure to credit risk before collateral held or credit enhancements is detailed below:

Parent 2022 $	Parent 2023 $		Group 2023 $	Group 2022 $
		Credit risk recognised on the statement of financial position		
-	-	Cash and balances with banks	87,498	85,822
-	-	Amounts due from affiliated companies	813	23,509
155,225	250,626	Amounts due from subsidiary company	-	-
-	-	Deposits with Central Bank	1,535,490	1,472,875
-	-	Investment securities (excluding equities) – gross	4,722,207	4,337,507
-	25,077	Advances – gross	452,036	344,349
155,225	275,703		6,798,044	6,264,062
		Credit risk not recognised on the statement of financial position		
-	-	Acceptances, guarantees and letters of credit	33,260	70,002
-	-	Undrawn credit commitments	18,000	-
		Impairment loss on:		
-	-	Acceptances, guarantees and letters of credit	23	-
-	-	Undrawn credit commitments	14	-

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(x) Loans to Customers and other financial assets

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognized. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

PARENT

Advances	**December 31, 2023**			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross balance	25,077	-	-	25,077
Loss allowance	(32)	-	-	(32)
Carrying balance	25,045	-	-	25,045

GROUP

Advances	**December 31, 2023**			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross balance	452,036	-	-	452,036
Loss allowance	(2,694)	-	-	(2,694)
Carrying balance	449,342	-	-	449,342

Debt securities FVOCI	**December 31, 2023**			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross balance	2,044,239	-	-	2,044,239
Loss allowance	(455)	-	-	(455)
Carrying balance	2,043,784	-	-	2,043,784

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(x) Loans to Customers and other financial assets (continued)

GROUP

Advances

	December 31, 2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross balance	341,950	-	-	341,950
Loss allowance	(1,383)	-	-	(1,383)
Carrying balance	340,567	-	-	340,567

Debt securities FVOCI

	December 31, 2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross balance	1,677,161	-	-	1,677,161
Loss allowance	(285)	-	-	(285)
Carrying balance	1,676,876	-	-	1,676,876

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(xi) Loss allowance

The loss allowance/recovery recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stage 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent step up (or step down) between 12 month and lifetime ECL;

- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period;

- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

- Impacts on the measurement of ECL due to changes made to models and assumptions;

- Unwinding of discounts within ECL due to the passage of time, as ECL is measured on a present value basis;

- Foreign Exchange retranslations for assets denominated in foreign currencies and other movements; and

- Financial assets that were written off during the period.

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) *Credit risk* (continued)

(xi) *Loss allowance* (continued)

The following tables explain the changes in the gross loans between the beginning and the end of the annual period due to these factors.

PARENT

	Advances			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross loans as at January 1, 2023	-	-	-	-
New financial assets originated	25,000	-	-	25,000
	25,000	-	-	25,000
Change in interest receivable	77	-	-	77
Gross loans as at December 31, 2023	25,077	-	-	25,077

GROUP

	Advances			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross loans as at January 1, 2023	344,349	-	-	344,349
New financial assets originated	449,449	-	-	449,449
Repayments	(341,642)	-	-	(341,642)
	107,807	-	-	107,807
Change in interest receivable	(120)	-	-	(120)
Gross loans as at December 31, 2023	452,036	-	-	452,036

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(xi) Loss allowance (continued)

GROUP

	Advances			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross loans as at January 1, 2022	215,388	167	138	215,693
Transfers to (from):				
Stage 1	305	(167)	(138)	-
New financial assets originated	324,960	-	-	324,960
Repayments	(197,550)	-	-	(197,550)
	127,715	(167)	(138)	127,410
Change in interest receivable	1,246	-	-	1,246
Gross loans as at December 31, 2022	344,349	-	-	344,349

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(xi) Loss allowance (continued)

The following tables explain the changes in the gross investment securities between the beginning and the end of the annual period due to these factors.

GROUP

	Debt securities at FVOCI			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross investment securities as at January 1, 2023	1,677,161	-	-	1,677,161
New financial assets originated	3,277,494	-	-	3,277,494
Change in PDs/ LGDs/ EADs	(4,563)	-	-	(4,563)
Repayments	(2,905,853)	-	-	(2,905,853)
	367,078	-	-	367,078
Gross investment securities as at December 31, 2023	2,044,239	-	-	2,044,239

GROUP

	Debt securities at FVOCI			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Gross investment securities as at January 1, 2022	2,585,235	-	-	2,585,235
New financial assets originated	2,182,066	-	-	2,182,066
Change in PDs/ LGDs/ EADs	(17,777)	-	-	(17,777)
Repayments	(3,072,363)	-	-	(3,072,363)
	(908,074)	-	-	(908,074)
Gross investment securities as at December 31, 2022	1,677,161	-	-	1,677,161

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(xi) Loss allowance (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

PARENT

	Advances			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Loss allowance as at January 1, 2023	-	-	-	-
New financial assets originated	32	-	-	32
Total net profit or loss charge during the period	32	-	-	32
Loss allowance as at December 31, 2023	32	-	-	32

GROUP

	Advances			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Loss allowance as at January 1, 2023	1,383	-	-	1,383
New financial assets originated	2,694	-	-	2,694
Repayments	(1,383)	-	-	(1,383)
Total net profit or loss charge during the period	1,311	-	-	1,311
Loss allowance as at December 31, 2023	2,694	-	-	2,694

(Trinidad and Tobago $ Thousands)

20 Financial Risk Management (continued)

(b) Credit risk (continued)

(xi) Loss allowance (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Group

	Advances			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Loss allowance as at January 1, 2022	590	20	-	610
Transfers to (from):				
Stage 1	20	(20)	-	-
New financial assets originated	1,290	-	-	1,290
Repayments	(517)	-	-	(517)
Total net profit or loss charge during the period	793	(20)	-	773
Loss allowance as at December 31, 2022	1,383	-	-	1,383

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) *Credit risk* (continued)

(xi) *Loss allowance* (continued)

Group

	Debt securities at FVOCI			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Loss allowance as at January 1, 2023	285	-	-	285
New financial assets originated	170	-	-	170
Total net profit or loss charge during the period	170	-	-	170
Loss allowance as at December 31, 2023	455	-	-	455

	Debt securities at FVOCI			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$	**$**	**$**	**$**
Loss allowance as at January 1, 2022	478	-	-	478
Repayments	(193)			(193)
Total net profit or loss charge during the period	(193)	-	-	(193)
Loss allowance as at December 31, 2022	285	-	-	285

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(xii) Credit quality analysis

The Group classifies its credit quality for debt securities and advances into six categories:

- Pass - A Pass facility has no evident weakness, marginal risk or low loss severity and is adequately protected by the obligor's current sound worth and paying capacity of the obligor.

- Pass Watch-list - Pass Watch-list is not a Regulatory Credit Classification and is considered Pass. Facilities extended to an obligor should be considered for a Pass Watch-list classification if the facility exhibits potential weaknesses, but that potential weakness is mitigated by the current and projected financial and operating strength of the obligor.

- Special Mention - A Special Mention facility has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the facility or in the institution's credit position at some future date. Special Mention facility are not adversely classified and do not expose the Bank to sufficient risk to warrant adverse classification.

- Substandard - A Substandard facility is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Facilities so classified must have a well-defined weakness, or weaknesses, that jeopardize the liquidation on of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. An exposure that is on non-accrual or about to be placed on non-accrual has severe problems such that the full collection of interest and principal is highly questionable. Non-accrual loans will almost always be classified. Non-performing loans are defined by the Bank as past due 90+ days plus non-accrual.

- Doubtful - An exposure classified Doubtful has all the weaknesses inherent in one classified Substandard with the added characteristic that the weaknesses make collection or liquidation on in full, based on currently existing facts, condition, and values, highly questionable and improbable.

- Loss- Facilities classified Loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted.

The following tables set out information about the credit quality of financial assets measured at amortised cost and debt instruments measured at FVOCI without taking into account collateral or other credit enhancement. Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts.

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(xii) Credit quality analysis (continued)

Explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in Note 20(b)(ii).

PARENT	**2023**				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit impaired**	**Total**
Advances					
Pass	25,077	-	-	-	25,077
Gross carrying amount	25,077	-	-	-	25,077
Loss allowance	(32)	-	-	-	(32)
Carrying amount	25,045	-	-	-	25,045

GROUP	**2023**				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit impaired**	**Total**
Advances					
Pass	300,566	-	-	-	300,566
Pass Watchlist	151,332	-	-	-	151,332
Special Mention	138		-	- -	138
Gross carrying amount	452,036 452,036	-	-	-	-
Loss allowance	(2,694)	-	-	-	(2,694)
Carrying amount	449,342	-	-	-	449,342

GROUP	**2022**				,
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit impaired**	**Total**
Advances					
Pass	91,612	-	-	-	91,612
Pass Watchlist	167,500	-	-	-	167,500
Special Mention	82,700	-	-	-	82,700
Doubtful	-	-	138	-	138
Gross carrying amount	341,812 341,950	-	138	-	
Loss allowance	(1,383)	-	-	-	(1,383)
Carrying amount	340,429	-	138	-	340,567

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(xii) Credit quality analysis (continued)

Explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in Note 20(b)(ii).

Group	**2023**				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit impaired**	**Total**
Debt securities at FVOCI					
Pass Watchlist	2,044,239	-	-	-	2,044,239
Gross carrying amount	2,044,239	-	-	-	2,044,239
Loss allowance	(455)	-	-	-	(455)
Carrying amount	2,043,784	-	-	-	2,043,784

Group	**2022**				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased credit impaired**	**Total**
Debt securities at FVOCI					
Pass Watchlist	1,677,161	-	-	-	1,677,161
Gross carrying amount	1,677,161	-	-	-	1,677,161
Loss allowance	(285)	-	-	-	(285)
Carrying amount	1,676,876	-	-	-	1,676,876

20. Financial Risk Management (continued)

(b) Credit risk (continued)

(xii) Credit quality analysis (continued)

Cash and cash equivalents and amounts due from affiliated companies

Parent 2022	Parent 2023		Group 2023	Group 2022
$	$		$	$
155,255	250,626	Cash equivalents and amounts due from affiliated companies	1,137,033	1,208,445

Cash and cash equivalents and amounts due from affiliated companies are held with reputable financial institutions. As such, ECL is amended as insignificant.

(c) Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described earlier. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

20. Financial Risk Management (continued)

(d) Liquidity risk (continued)

Management of liquidity risk (continued)

Management of liquidity at the Group is the responsibility of the Treasurer. The Group adheres to the Liquidity Risk Management Framework, which incorporates the Citigroup Liquidity Risk Management Policy which establishes a single set of standards for the measurement of liquidity risk for consistency, stability in methodologies and transparency of risk. Management of liquidity is performed on a daily basis and is monitored by independent risk management. There is also active oversight by the country Asset and Liability Committee (ALCO) which monitors and reviews the overall liquidity and statement of financial position of the Group. The ALCO comprises the CEO, Treasurer, CFO, Senior Business Heads and independent risk management.

Monitoring liquidity

The Group prepares a Balance Sheet Funding and Liquidity Plan every year which includes analysis of the statement of financial position, as well as the economic and business conditions impacting the liquidity of the country. As part of the funding and liquidity plan, liquidity limits, liquidity ratios, market triggers and assumptions for periodic stress tests are established and approved. The Group also prepares a Contingency Funding Plan ("CFP") which includes the strategies for addressing liquidity and funding challenges in crisis situations, triggers, procedures, roles and responsibilities, communication plan and key contacts to manage a local liquidity event. The CFP is reviewed annually and updated for funding actions based on stress test results at a minimum on a semi-annual basis.

Liquidity limits

Liquidity limits establish boundaries for market access in business-as-usual conditions and are monitored against the liquidity position/gaps on a daily basis. These limits are established based on the size of the consolidated statement of financial position, depth of the market, experience level of local management, stability of the liabilities and liquidity of the assets. Finally, the limits are subject to the evaluation of the Group's stress test results. Generally, limits are established such that in stress scenarios, the Group is self-funded. Thus, the risk tolerance of the liquidity position/gaps is limited based on the capacity to cover the position in a stressed environment. These limits are the key daily risk management tool for the Group.

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(d) Liquidity risk (continued)

Market triggers

Market triggers are internal or external market or economic factors that may imply a change to market liquidity or the Group's access to the markets. Appropriate market triggers are established and reviewed with the country ALCO and independent risk management.

Stress testing

Liquidity stress testing is periodically performed for the Group. Scenarios are used which include assumptions about significant changes in key funding sources, contingent uses of funding, and political and economic conditions. The assumptions used in the liquidity stress tests are reviewed and approved by the country ALCO. The results of these stress tests are reviewed by the local ALCO to ensure that the Group is self-funded.

Exposure to liquidity risk

The key liquidity ratio is the top five (5) large fund providers to total third party liabilities, measured in local and foreign currency. Details of this ratio for the Group at the reporting date and during the reporting period were as follows:

	2023	2022
	$	$
Local Currency		
Total top 5 large fund providers	1,554,420	1,296,671
Total third party liabilities	3,128,097	2,997,998
Ratio	49%	43%

	2023	2022
	$	$
Foreign Currency		
Total top 5 large fund providers	2,050,723	1,538,018
Total third party liabilities	2,772,022	2,358,420
Ratio	74%	65%

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(d) ***Liquidity risk*** (continued)

Exposure to liquidity risk (continued)

The table below shows the maturity profile of financial assets and financial liabilities:

	Maturing			
	Within 1 year	Over 1 year to 5 years	Over 5 years	Total
	$	$	$	$
Parent 2023				
Financial Assets				
Performing advances	-	25,000	-	25,000
Amounts due from subsidiary company	250,646	-	-	250,646
Total financial assets	250,646	25,000	-	275,646
Financial Liabilities				
Amounts due to parent and affiliated companies	117	-	-	117
Total financial liabilities	117	-	-	117
Net gap	250,529	25,000	-	275,529
Cumulative gap	250,529	275,529	275,529	-

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(d) Liquidity risk (continued)

Exposure to liquidity risk (continued)

The table below shows the maturity profile of financial assets and financial liabilities:

	Maturing			
	Within 1 year	**Over 1 year to 5 years**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**
Group 2023				
Financial Assets				
Cash and balances with banks	87,498	-	-	87,498
Amounts due from affiliated companies	813	-	-	813
Deposits with Central Bank	1,535,490	-	-	1,535,490
Investments	4,074,469	647,839	-	4,722,308
Performing advances	223,819	210,800	15,000	449,619
Total financial assets	5,922,089	858,639	15,000	6,795,728
Financial Liabilities				
Savings and current accounts	5,646,892	-	-	5,646,892
Certificates of deposit	42,138	-	-	42,138
Amounts due to parent and affiliated companies	78,514	-	-	78,514
Total financial liabilities	5,767,544	-	-	5,767,544
Net gap	154,545	858,639	15,000	1,028,184
Cumulative gap	154,545	1,013,184	1,028,184	-
Guarantees and Indemnities	378	292	32,590	33,260

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(d) Liquidity risk (continued)

Exposure to liquidity risk (continued)

The table below shows the maturity profile of financial assets and financial liabilities:

	Maturing			
	Within 1 year	**Over 1 year to 5 years**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**
Parent 2022				
Financial Assets				
Amounts due from subsidiary company	155,225	-	-	155,225
Total financial assets	155,225	-	-	155,225
Financial Liabilities				
Amounts due to parent and affiliated companies	117	-	-	117
Total financial liabilities	117	-	-	117
Net gap	155,108	-	-	155,108
Cumulative gap	155,108	155,108	155,108	-

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(d) Liquidity risk (continued)

Exposure to liquidity risk (continued)

The table below shows the maturity profile of financial assets and financial liabilities:

	Maturing			
	Within 1 year	**Over 1 year to 5 years**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**
Group 2022				
Financial Assets				
Cash and balances with banks	85,822	-	-	85,822
Amounts due from affiliated companies	23,509	-	-	23,509
Deposits with Central Bank	1,472,875	-	-	1,472,875
Investments	3,957,510	380,099	-	4,337,609
Performing advances	123,945	217,700	167	341,812
Total financial assets	5,663,661	597,799	167	6,261,627
Financial Liabilities				
Savings and current accounts	4,673,247	-	-	4,673,247
Certificates of deposit	103,849	-	-	103,849
Amounts due to parent and affiliated companies	167,821	-	-	167,821
Total financial liabilities	4,944,917	-	-	4,944,917
Net gap	718,744	597,799	167	1,316,710
Cumulative gap	718,744	1,316,543	1,316,710	-
Guarantees and Indemnities	784	618	68,600	70,002

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(d) ***Liquidity risk*** (continued)

Exposure to liquidity risk (continued)

The table below shows the undiscounted cash flows on the Group's financial liabilities on the basis of their earliest possible contractual maturity. The Group's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance. The balances include the future interest payments over the remaining term to maturity.

	Carrying Amount	Gross Nominal Inflow (Outflow)	Less than 3 months	Three Months to One Year	One To Five Years
	$	$	$	$	$
Parent - 2023					
Amounts due to parent and affiliated companies	117	(117)	(117)	-	-
Group – 2023					
Savings and current accounts	5,646,892	(5,646,892)	(5,646,892)	-	-
Certificates of deposit	42,138	(42,138)	(40,979)	(1,159)	-
Amounts due to parent and affiliated companies	78,514	(78,514)	(78,514)	-	-
	5,767,544	(5,767,544)	(5,766,385)	(1,159)	-

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(d) Liquidity risk (continued)

Exposure to liquidity risk (continued)

	Carrying Amount	Gross Nominal Inflow (Outflow)	Less than 3 months	Three Months to One Year	One To Five Years
	$	$	$	$	$
Parent - 2022					
Amounts due to parent and affiliated companies	117	(117)	(117)	-	-
	117	117	117	-	-
Group – 2022					
Savings and current accounts	4,673,247	(4,673,247)	(4,673,247)	-	-
Certificates of deposit	103,849	(103,849)	(103,849)	-	-
Amounts due to parent and affiliated companies	167,821	(167,821)	(167,821)	-	-
	4,944,917	(4,944,917)	(4,944,917)	-	-

(e) Market risk

Market risk encompasses interest rate risk, foreign exchange risk and other price risk; these arise in the normal course of business. Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Foreign exchange risk is the risk of change in the value of a financial instrument due to changes in foreign exchange rates. Other price risk is the risk to earnings that arises from changes in equity and commodity prices and their implied volatilities.

Management of market risks

Market risks are measured in accordance with established Group standards. The business is required to establish, with approval from independent market risk management, a market risk limit framework for identified risk factors that clearly defines approved risk profiles and is within the parameters of the Group's overall risk appetite.

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(e) ***Market risk*** (continued)

Management of market risks (continued)

Each business is ultimately responsible for the market risks it takes and for remaining within its defined limits.

Exposure to market risks – trading portfolios

Price risk in trading portfolios is monitored using a series of measures, including:

- Factor sensitivities;
- Value-at-Risk (VAR); and
- Stress testing.

Factor sensitivities are expressed as the change in the value of a position for a defined change in a market risk factor, such as a change in the value of a Treasury bill for a one-basis-point change in interest rates.

The Group's independent market risk management ensures that factor sensitivities are calculated, monitored and, in most cases, limited for all relevant risks taken in a trading portfolio.

VAR estimates the potential decline in the value of a position or a portfolio under normal market conditions. The VAR method incorporates the factor sensitivities of the trading portfolio with the volatilities and correlations of those factors and is expressed as the risk to the Group over a one-day holding period, at a 99% confidence level. The Group's VAR is based on the volatilities of and correlations among a multitude of market risk factors as well as factors that track the specific issuer risk in debt and equity securities. Note that the Group has no positions in equities.

The Group has a VAR limit for its trading portfolio. VAR is measured daily and the utilisation of the VAR limit is included in daily market risk reports submitted to local Treasury and senior management as well as independent market risk management. A summary of the VAR position of the Group's trading portfolio at December 31 as follows:

	2023	**2022**
Foreign currency risk	(88)	1,271
Interest rate risk	796	284
Overall	708	1,555

20. Financial Risk Management (continued)

(e) Market risk (continued)

Exposure to market risks – trading portfolios (continued)

In addition to VAR limits, there is a framework of position and sensitivity limits for the trading portfolio, including limits to address potential concentration risks in the trading portfolio.

Stress testing is performed on trading portfolios on a regular basis to estimate the impact of extreme market movements. Independent market risk management, in conjunction with the business, develops stress scenarios, reviews the output of periodic stress testing exercises and uses the information to make judgments as to the ongoing appropriateness of exposure levels and limits.

The Group has its own market risk limit framework encompassing these measures and other controls, including permitted product lists and a new product approval process for complex products.

Total revenues of the trading business consist of:

- Customer revenue, which includes spreads from customer flow and positions taken to facilitate customer orders;
- Proprietary trading activities in both cash and derivative transactions; and
- Net interest revenue.

All trading positions are marked to market, with the result reflected in earnings.

(f) Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates for financial instruments carried at variable rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(f) *Exposure to interest rate risk – non-trading portfolios* (continued)

The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management in its day-to-day monitoring activities.

A summary of the interest rate gap position on non-trading portfolios is as follows:

	Due on Demand	Due in One Year	Due in Two to Five Years	Over Five Years	Non-interest Bearing	Total
	$	$	$	$	$	$
Parent 2023						
Performing advances	-	25,000	-	-	-	25,000
Amounts due from subsidiary company	250,626	-	-	-	-	250,626
Total financial assets	250,626	25,000	-	-	-	275,626
Financial Liabilities						
Amounts due to parent and affiliated companies	117	-	-	-	-	117
Total financial liabilities	117	-	-	-	-	117
Net gap	250,509	25,000	-	-	-	275,509
Cumulative gap	250,509	275,509	275,509	275,509	275,509	-

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(f) Exposure to interest rate risk – non-trading portfolios (continued)

	Due on Demand	Due in One Year	Due in Two to Five Years	Over Five Years	Non-interest Bearing	Total
	$	$	$	$	$	$
Group 2023						
Financial Assets						
Cash and balances with banks	87,498	-	-	-	-	87,498
Amounts due from affiliated companies	813	-	-	-	-	813
Deposits with Central Bank	1,535,490	-	-	-	-	1,535,490
Investment securities	-	4,074,368	647,839	-	101	4,722,308
Performing advances	-	449,452	167	-	-	449,619
Total financial assets	1,623,801	4,523,820	648,006	-	101	6,795,728
Financial Liabilities						
Savings and current accounts	5,646,892	-	-	-	-	5,646,892
Certificates of deposit	42,138	-	-	-	-	42,138
Amounts due to parent and affiliated companies	78,514	-	-	-	-	78,514
Total financial liabilities	5,767,544	-	-	-	-	5,767,544
Net gap	(4,143,743)	4,523,820	648,006	-	101	1,028,184
Cumulative gap	(4,143,743)	380,077	1,028,083	1,028,083	1,028,184	-

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(f) Exposure to interest rate risk – non-trading portfolios (continued)

	Due on Demand	Due in One Year	Due in Two to Five Years	Over Five Years	Non-interest Bearing	Total
	$	$	$	$	$	$
Parent 2022						
Amounts due from subsidiary company	155,225	-	-	-	-	155,225
Financial Liabilities						
Amounts due to parent and affiliated companies	117	-	-	-	-	117
Net gap	155,108	-	-	-	-	155,108
Cumulative gap	155,108	155,108	155,108	155,108	155,108	-

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(f) Exposure to interest rate risk – non-trading portfolios (continued)

	Due on Demand	Due in One Year	Two to Five Years	Over Five Years	Non-interest Bearing	Total
	$	$	$	$	$	$
Group 2022						
Financial Assets						
Cash and balances with banks	85,822	-	-	-	-	85,822
Amounts due from affiliated companies	23,509	-	-	-	-	23,509
Deposits with Central Bank	1,472,875	-	-	-	-	1,472,875
Investment securities	-	3,957,408	380,099	-	102	4,337,609
Performing advances	-	341,645	167	-	-	341,812
Total financial assets	1,582,206	4,299,053	380,266	-	102	6,261,627
Financial Liabilities						
Savings and current accounts	-	4,673,247	-	-	-	4,673,247
Certificates of deposit	-	103,849	-	-	-	103,849
Amounts due to parent and affiliated companies	167,821	-	-	-	-	167,821
Total financial liabilities	167,821	4,777,096	-	-	-	4,944,917
Net gap	1,414,385	(478,043)	380,266	-	102	1,316,710
Cumulative gap	1,414,385	936,342	1,316,608	1,316,608	1,316,710	-

The interest rate risk is not considered to be significant due to the low percentage of interest paid on deposits.

20. Financial Risk Management (continued)

(f) Exposure to interest rate risk – non-trading portfolios (continued)

One of the Group's primary business functions is providing financial products that meet the needs of its customers. Loans and deposits are tailored to the customer's requirements with regard to tenor, index, and rate type. Net Interest Revenue (NIR) is the difference between the yield earned on the non-trading portfolio assets (including customer loans) and the rate paid on the liabilities (including customer deposits or corporate borrowings). The NIR is affected by changes in the level of interest rates. For example:

- At any given time, there may be an unequal amount of assets and liabilities which are subject to market rates due to maturation or repricing. Whenever the amount of liabilities subject to repricing exceeds the amount of assets subject to repricing, an entity is considered "liability sensitive." In this case, an entity's NIR will deteriorate in a rising rate environment.

- The assets and liabilities of an entity may reprice at different speeds or mature at different times, subjecting both "liability sensitive" and "asset sensitive" entities to NIR sensitivity from changing interest rates. For example, an entity may have a large amount of loans that are subject to repricing this period, but the majority of deposits are not scheduled for repricing until the following period. That entity would suffer from NIR deterioration if interest rates were to fall.

NIR in the current period is the result of customer transactions and the related contractual rates originated in prior periods as well as new transactions in the current period; those prior period transactions will be impacted by changes in rates on floating rate assets and liabilities in the current period.

Interest rate risk governance

The risks in the Group's non-trading portfolios are estimated using a common set of standards that define, measure, limit and report the market risk. The business is required to establish, with approval from independent market risk management, a market risk limit framework that clearly defines approved risk profiles and is within the parameters of the Group's overall risk appetite. The businesses are ultimately responsible for the market risks they take and for remaining within their defined limits. These limits are monitored by independent market risk and the country ALCO.

20. Financial Risk Management (continued)

(f) Exposure to interest rate risk – non-trading portfolios (continued)

Interest rate risk measurement

The Group's principal measure of risk to NIR is Interest Rate Exposure (IRE). IRE measures the change in expected NIR in each currency resulting solely from unanticipated changes in forward interest rates. Factors such as changes in volumes, spreads, margins and the impact of prior-period pricing decisions are not captured by IRE. IRE assumes that the business makes no additional changes in pricing or balances in response to the unanticipated rate changes.

Mitigation and hedging of risk

All financial institutions' financial performances are subject to some degree of risk due to changes in interest rates. In order to manage these risks effectively, the Group may modify pricing on new customer loans and deposits or enter into transactions with other institutions that have the opposite risk exposures. As information becomes available, the Group formulates strategies aimed at protecting earnings from the potential negative effects of changes in interest rates.

The Group employs additional measurements, including stress testing the impact of interest rate movements on the value of the consolidated statement of financial position.

(g) Foreign currency risk

The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Limits are set on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(g) *Foreign currency risk* (continued)

The table below summarises the Trinidad and Tobago dollar equivalent of the major currencies in which the Group holds its assets and liabilities.

Parent 2023

	TT $	US $	Other $	Total $
Financial Assets				
Performing advances	25,000	-	-	25,000
Amounts due from subsidiary company	239,979	10,647	-	250,626
Total financial assets	264,979	10,647	-	275,626
Financial Liabilities				
Amounts due to parent and affiliated companies	117	-	-	117
Total financial liabilities	117	-	-	117
Net currency position	264,862	10,647	-	275,509

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(g) *Foreign currency risk* (continued)

Group 2023

	TT	US	Other	Total
	$	$	$	$
Financial Assets				
Cash and balances with banks	26,371	61,110	17	87,498
Amounts due from subsidiary and affiliated companies	-	-	813	813
Deposits with Central Bank	1,535,490	-	-	1,535,490
Investments	2,111,494	2,610,814	-	4,722,308
Performing advances	300,818	148,801	-	449,619
Total financial assets	3,974,173	2,820,725	830	6,795,728
Financial Liabilities				
Savings and current accounts	2,875,914	2,770,664	314	5,646,892
Certificates of deposits	42,138	-	-	42,138
Amounts due to parent and affiliated companies	1,291	77,223	-	78,514
Total financial liabilities	2,919,343	2,847,887	314	5,767,544
Net currency position	1,054,830	(27,162)	516	1,028,184
Undrawn credit commitments	18,000	-	-	18,000

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(g) Foreign currency risk (continued)

Parent 2022

	TT	US	Other	Total
	$	$	$	$
Financial Assets				
Amounts due from subsidiary company	144,553	10,672	-	155,225
Financial Liabilities				
Amounts due to parent and affiliated companies	117	-	-	117
Net currency position	144,436	10,672	-	155,108

(Trinidad and Tobago $ Thousands)

20. Financial Risk Management (continued)

(g) Foreign currency risk (continued)

Group 2022

	TT	US	Other	Total
	$	$	$	$
Financial Assets				
Cash and balances with banks	48,712	37,092	18	85,822
Amounts due from subsidiary and affiliated companies	-	-	23,509	23,509
Deposits with Central Bank	1,472,875	-	-	1,472,875
Investments	1,677,195	2,660,414	-	4,337,609
Performing advances	314,873	26,939	-	341,812
Total financial assets	3,513,655	2,724,445	23,527	6,261,627
Financial Liabilities				
Savings and current accounts	2,320,925	2,351,864	458	4,673,247
Certificates of deposits	103,849	-	-	103,849
Amounts due to parent an affiliated companies	1,291	166,203	327	167,821
Total financial liabilities	2,426,065	2,518,067	785	4,944,917
Net currency position	1,087,590	206,378	22,742	1,316,710
Undrawn credit commitments	-	-	-	-

20. Financial Risk Management (continued)

(h) Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition of operational risk includes legal risk which is the risk of loss (including litigation costs, settlements, and regulatory fines) resulting from the failure of the Group to comply with laws, regulations, prudent ethical standards, and contractual obligations in any aspect of the Group's business but excludes strategic and reputation. Nevertheless, the Group recognizes the impact of operational risk on the reputation risk associated with its business activities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group's standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures ;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

20. Financial Risk Management (continued)

(h) Operational risk (continued)

Compliance with Group's standards is supported by a programme of periodic reviews undertaken by the internal audit unit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Business Risk and Control Committee (BRCC) and senior management.

Information security and continuity of business

Information security and the protection of confidential and sensitive customer data are a priority of the Group. The Group has implemented an Information Security Program that complies with the Gramm-Leach-Bliley Act issued in the United States and other regulatory guidance. The Information Security Program is reviewed and enhanced periodically to address emerging threats to customers' information.

The Group's management mitigates the business continuity risks by reviewing and testing local and foreign interdependent recovery procedures at least annually.

(i) Climate change risk

Climate change presents immediate and long-term risks to the Group and its clients, with the risks expected to increase over time. Climate change risk refers to the risk of loss arising from climate change and is comprised of both physical risk and transition risk. Physical risk considers how chronic and acute climate change (e.g. increased storms, drought, fires, floods) can directly damage physical assets or otherwise impact their value or productivity. Transition risk considers how changes in policy, technology, business practices and market preferences to address climate change can lead to changes in the value of assets.

Climate change risk is an overarching risk that can act as a driver of other categories of risk, such as credit risk from obligors exposed to high climate risk, strategic risks if the Bank fails to consider transition risk in client selection, reputational risk from increased stakeholder concerns about financing high carbon industries and operational risk from physical climate risks to the Group's facilities and personnel.

The ultimate parent currently identifies climate change risk as an emerging risk within its enterprise risk management framework. Emerging risks are risks or thematic issues that are either new to the landscape, or in the case of climate risk, existing risks that are rapidly changing or evolving in an escalating fashion, which are difficult to assess due to limited data or other uncertainties.

The ultimate parent reviews factors related to climate change risk under its Environmental and Social Risk management Policy, which includes a focus on climate risk related to financed projects and clients in high-carbon sectors.

20. Financial Risk Management (continued)

(i) Climate change risk (continued)

The ultimate parent continues to explore and test methodologies for quantifying how climate risks could impact the individual credit profiles of its clients across various sectors. To assist in embedding climate risk assessments in its credit assessment process, the ultimate parent has developed sector-specific climate risk assessments. Such risk assessments are designed to supplement publicly available client disclosures and data provided from third-party vendors and facilitate conversations with clients on their most material climate risks and management plans for adaptation and mitigation. The ultimate parent's assessments consider sectors that have been identified as higher climate change risk by the risk identification process. This will not only help to better understand its clients' businesses and climate-related risks, but will also provide a source of climate data. The ultimate parent's net zero plan is leading to the further integration of climate risk discussions into client engagement and client selection.

The ultimate parent continues to develop globally consistent principles and approaches for managing climate through the implementation of its Climate Risk Management Framework. Through this implementation process, climate risk is being embedded into relevant policies and processes over time. Furthermore, the ultimate parent continues to participate in financial industry initiatives and develop and pilot new methodologies and approaches for measuring and assessing the potential financial risks of climate change. The ultimate parent is also closely monitoring regulatory developments on climate risk and sustainable finance, and actively engaging with regulators on these topics.

(j) Interest Rate Benchmark Reform

Managing interest rate benchmark reform and associated risks LIBOR and other rates or indices deemed to be benchmarks have been the subject of ongoing regulatory scrutiny and reform. The LIBOR administrator ceased publication of non-USD LIBOR and one week and two-month USD LIBOR on a representative basis on December 31, 2021, with plans to cease publication of all other USD LIBOR tenors on June 30, 2023.

As a result, the Group ceased entering into new contracts referencing USD LIBOR as of January 1, 2022, other than for limited circumstances where regulators recognized that it may be appropriate for banks to enter into new USD LIBOR contracts, including with respect to market-making, hedging or novations of USD transactions executed before January 1, 2022.

20. Financial Risk Management (continued)

(j) Interest Rate Benchmark Reform (continued)

LIBOR and other benchmarks have been used in a substantial number of the Group's outstanding corporate loans. The Group recognizes that a transition away from and discontinuance of LIBOR, also the replacement of some interbank offered rates (IBORs) presents various risks and challenges that could significantly impact financial markets and market participants, including the Group. Accordingly, the Group has continued its efforts to identify and manage its interest rate benchmark reform risks.

The Group has established a LIBOR governance and implementation program focused on identifying and addressing the impact of LIBOR transition on the Group's clients, operational capabilities and financial contracts. The program operates globally across the Group's businesses and functions and includes active involvement of senior management. As part of the program, the Group has continued to implement its LIBOR transition action plans and associated roadmaps under the following key workstreams: program management; transition strategy and risk management; customer management, including internal communications and training, legal/contract management and product management; financial exposures and risk management; regulatory and industry engagement; operations and technology; and finance, risk, tax and treasury.

During 2023, the Group continued its efforts to manage its interest rate benchmark reform risks. The Group has been focused on further reducing its LIBOR exposure and remediating its remaining outstanding LIBOR-linked contracts. In addition, the Group has continued to monitor and engage on legislative, regulatory and other initiatives and developments related to interest rate benchmark reform matters.

The Group has also continued to use alternative reference rates in certain newly issued financial instruments and has issued floating rate benchmark and customer-related debt linked to SOFR and originated and arranged loans linked to SOFR.

The Group monitors the progress of transition from LIBORs and other IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR which would deem it remediated for contract management:

IBOR Exposures by Benchmarks*	**2023**	**2022**
USD LIBOR		
Financial Assets*	-	11,271

*As at December 31 2023, the Group has no exposure indexed to a benchmark that is still subject to LIBOR reform

21. Capital Management

The Group's capital management policies seek to achieve several objectives:

- Compliance with capital requirements as set by the Central Bank of Trinidad and Tobago;
- Assurance of the Group's ability to continue as a going concern; and
- Maintenance of a strong capital base to support the development of its business.

The Group's lead regulator, the Central Bank of Trinidad and Tobago, sets and monitors Capital requirements for the Group.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management. The Group employs techniques derived from the guidelines developed by the Basel Committee on Banking Supervision as implemented by the Central Bank of Trinidad and Tobago (CBTT).

The required information is filed with the regulatory authority on a monthly basis.

The Group's regulatory capital consists of the sum of the following elements:

- Tier 1 capital. Tier 1 capital comprises stated capital, statutory reserve and retained earnings and is a measure of the Group's financial position. Deductions such as dividends and losses incurred in the current year of operations, whether audited or unaudited and whether or not publicly disclosed are made from Tier 1.
- Tier 2 capital. Tier 2 capital comprises provisions for losses on assets.

The Basel II framework expands the rules for minimum capital requirements established under Basel I by incorporating the credit risk of assets to determine regulatory capital ratios. It consists of three pillars:

- Capital adequacy requirements - Takes into consideration operational risks in addition to credit risks associated with risk-weighted assets.
- Supervisory review - Mandates periodic assessments of internal capital adequacy in accordance with the institution's risk profile.
- Market discipline - Ensures market discipline by obligation to disclose relevant market information.

(Trinidad and Tobago $ Thousands)

21. Capital Management (continued)

The regulatory capital position at December 31 was as follows:

Parent 2022	Parent 2023		Group 2023	Group 2022
$	$		$	$
		Common Equity Tier 1 Capital		
57,102	57,102	Fully paid issued ordinary share capital	57,102	57,102
57,102	57,102	Statutory reserve fund	214,890	214,890
139,653	258,667	Retained earnings - Audited	619,204	503,467
253,857	372,871	**Net Common Equity Tier 1 Capital**	891,196	775,459
253,857	372,871	**Net Tier 1 Capital**	891,196	775,459
-	32	Provision for losses on assets	2,694	1,383
-	32	**Net Tier 2 Capital**	2,694	1,383
253,857	372,903	**Qualifying Capital**	893,890	776,842
88,094	88,094	Investments in Banking and financial subsidiaries	-	-
165,763	284,809	Adjusted Qualifying Capital	893,890	776,842
238,906	323,591	**Total Risk Adjusted Assets**	1,739,324	1,649,977
52,242	92,963	Risk weighted assets- credit risk	635,349	511,306
11,015	10,647	Risk weighted assets- market risk	486,473	633,878
175,649	219,981	Risk weighted assets- operational risk	617,502	504,793
		Capital Ratios		
106.26%	115.23%	Net Common Equity Tier 1 Capital (%)	51.24%	47.00%
106.26%	115.24%	Net Tier 1 Capital (%)	51.39%	47.08%
69.38%	88.02%	Total Capital adequacy ratio (%)	51.39%	47.08%
		Minimum Capital Ratios		
4.5%	4.5%	Net Common Equity Tier 1 ration (%)	4.5%	4.5%
6%	6%	Net Tier 1 ratio (%)	6%	6%
10%	10%	Capital adequacy ratio (%)	10%	10%
2.5%	2.5%	Capital Conservation Buffer (%)	2.5%	2.5%

21. Capital Management (continued)

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing, and the advantages and security afforded by a sound capital position.

There have been no material changes in the Group's management of capital during the period. The Group has complied with all the externally imposed capital requirements to which it is subject.

22. Fair Value of Financial Assets and Liabilities

The fair value of financial instruments that are recognised on the statement of financial position and the fair value of financial instruments that are not recognised on the statement of financial position are based on the valuation methods and assumptions set out in the significant accounting policies Note 3(c).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

The Group categorises fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements:

- Level 1 - Quoted market price (unadjusted) in an active market for an identical instrument.

- Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique included inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Due to the judgement used in applying a wide range of acceptable valuation techniques and estimations in the calculation of fair value amounts, fair values are not necessarily comparable among financial institutions. The calculation of estimated fair values is based upon market conditions at a specific point in time and may not be reflective of future fair values.

(Trinidad and Tobago $ Thousands)

22. Fair Value of Financial Assets and Liabilities (continued)

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

Group

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Treasury bills	2,610,747	1,463,621	-	4,074,368
Government Bonds	-	647,839	-	647,839
Other	-	-	101	101
	2,610,747	2,111,460	101	4,722,308

Group

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Treasury bills	2,660,346	1,297,062	-	3,957,408
Government Bonds	-	380,099	-	380,099
Other	-	-	102	102
	2,660,346	1,677,161	102	4,337,609

(Trinidad and Tobago $ Thousands)

22. Fair Value of Financial Assets and Liabilities (continued)

Financial instruments not measured at fair value

The following financial instruments are not measured at fair value and fair value is an approximation of the amount disclosed on the statement of financial position due to the factors disclosed below:

(1) Loans and advances

Loans and advances to customers are granted at market rates and their values are not adversely affected by unusual terms. The estimated future cash flows are discounted using a discount rate based on market rates at the reporting date for similar type facilities.

The fair value of the loan portfolio is considered to approximate to the amortised cost in the absence of an active market.

(2) Short-term financial assets and financial liabilities

The carrying amount of short term financial assets and financial liabilities comprising cash and cash equivalents, deposits with Central Bank, amounts due from affiliated companies, customer deposits and amounts due to parents and affiliated companies are a reasonable estimate of their fair values because of the short maturity of these instruments.

23. Leases

(i) Leases as lessee

The Group leases IT equipment with contract terms of less than one year. These leases are short-term and/or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Parent			Group	
2022	2023		2023	2022
$	$		$	$
-	-	Expenses relating to short-term leases and low value items	261	256
-	-		261	256

23. Leases (continued)

(ii) Leases as Lessor

The Parent leases out its own property. The Parent classified this lease as an operating lease because it did not transfer substantially all of the risks and rewards incidental to the ownership of the asset. Note 9 sets out information about the operating lease of the Parent's premises.

Rental income recognised by the Parent during 2023 was $3,170 (2022: $3,170). The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	$'000
2023 - Operating Leases	
Less than one year	3,170
One to five years	15,850
More than five years	47,546
	66,566
2022 - Operating Leases	
Less than one year	3,170
One to five years	15,850
More than five years	50,716
	69,736

(Trinidad and Tobago $ Thousands)

24. Classification of Financial Assets and Financial Liabilities

The following table provides a reconciliation between line items in the Statement of Financial Position and the categories of financial instruments:

	FVTPL	FVOCI Debt	FVTPL Equity	Amortised Cost	Total
	$	$	$	$	$
Parent 2023					
Financial Assets					
Performing advances	-	-	-	25,000	25,000
Amounts due from subsidiary company	-	-	-	250,626	250,626
Total financial assets	-	-	-	275,626	275,626
Financial Liabilities					
Amounts due to parent and affiliated companies	-	-	-	117	117
Total financial liabilities	-	-	-	117	117

	FVTPL	FVOCI Debt	FVTPL Equity	Amortised Cost	Total
	$	$	$	$	$
Group 2023					
Financial Assets					
Cash and balances with banks	-	-	-	87,498	87,498
Amounts due from affiliated companies	-	-	-	813	813
Deposits with Central Bank	-	-	-	1,535,490	1,535,490
Performing advances	-	-	-	449,619	449,619
Investments	2,677,967	2,044,240	101	-	4,722,308
Total financial assets	2,677,967	2,044,240	101	2,073,420	6,795,728
Financial Liabilities					
Customers' deposits	-	-	-	5,689,030	5,689,030
Amounts due to parent and affiliated companies	-	-	-	78,514	78,514
Total financial liabilities	-	-	-	5,767,544	5,767,544

(Trinidad and Tobago $ Thousands)

24. Classification of Financial Assets and Financial Liabilities (continued)

	FVTPL	FVOCI Debt	FVTPL Equity	Amortised Cost	Total
	$	$	$	$	$
Parent 2022					
Financial Assets					
Amounts due from subsidiary company	-	-	-	155,225	155,225
Total financial assets	-	-	-	155,225	155,225
Financial Liabilities					
Amounts due to parent and affiliated companies	-	-	-	117	117
Total financial liabilities	-	-	-	117	117

	FVTPL	FVOCI Debt	FVTPL Equity	Amortised Cost	Total
	$	$	$	$	$
Group 2022					
Financial Assets					
Cash and balances with banks	-	-	-	85,822	85,822
Amounts due from affiliated companies	-	-	-	23,509	23,509
Deposits with Central Bank	-	-	-	1,472,875	1,472,875
Performing advances	-	-	-	341,812	341,812
Investments	2,660,346	1,677,161	102	-	4,337,609
Total financial assets	2,660,346	1,677,161	102	1,924,018	6,261,627
Financial Liabilities					
Customers' deposits	-	-	-	4,777,096	4,777,096
Amounts due to parent and affiliated companies	-	-	-	167,821	167,821
Total financial liabilities	-	-	-	4,944,917	4,944,917

(Trinidad and Tobago $ Thousands)

25. Restatement

During the current year, it was discovered that cash received into the Company's bank account in December 2022 for onward payment on behalf of a client was not recorded in the financial statements. This has been corrected by recording the cash receipt and a corresponding liability. This error affected the statements of financial position as follows.

Parent

	As previously Reported Restated 2022	Adjustment	2022
	$	$	$
Amounts due from subsidiary company (bank balance)	149,374	5,851	155,225
Other liabilities	2,424	5,851	8,275

During the year, it was discovered that the Green Fund Levy charged on Revenue should not be presented as income tax expense as it is out of scope of income taxes under the standards. Rather it should be presented as an expense. The affected prior year financial statements items have been restated as follows.

Parent

	As previously Reported Restated 2022	Adjustment	2022
	$	$	$
Operating expenses	(8,678)	(261)	(8,939)
Taxation	(1,193)	261	(932)

(Trinidad and Tobago $ Thousands)

25. Restatement (continued)

Impact of the above restatements on the Statement of Cash Flows:

Parent

	As previously Reported Restated 2022	**Adjustment**	**2022**
	$	**$**	**$**
Taxation from continuing operations	1,193	(261)	932
Taxes paid	(307)	261	(46)
Other Liabilities	(12)	5,851	5,839
Amounts due from subsidiary company	149,374	5,851	155,225

26. Events after the Reporting Date

The Group has evaluated events occurring after December 31, 2023, in order to assess and determine the need for potential recognition or disclosure in these financial statements. Such events were evaluated through March 28, 2024, the date these financial statements were available to be issued. Based upon this evaluation, the Group has determined that there are no subsequent events that require adjustment to or disclosure in these financial statements.