RBC Investment Management (Caribbean) Limited

Financial Statements 2024

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Financial Statements
October 31, 2024

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Statement of Management's Responsibilities

The Financial Institutions Act, 2008 (The Act), requires that management acknowledges responsibility for the following:

- Preparing and fairly presenting the accompanying financial statements of RBC Investment Management (Caribbean) Limited (the 'Company') which comprise the statement of financial position as at October 31, 2024 and the statements of income and other comprehensive income, changes in equity and cash flows for the year then ended, and material accounting policies, estimates and judgements and other explanatory information;

- Ensuring that the Company 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 Company's assets, detection/prevention of fraud, and the achievement of Company operational efficiencies;

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

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

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

In preparing these audited financial statements, management utilized 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 Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Managing Director and Head Investment Management RBC Investment Management (Caribbean) Limited January 21, 2025	Director, Finance - Trinidad and Tobago January 21, 2025

Independent auditor’s report

To the shareholder of RBC Investment Management (Caribbean) Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of RBC Investment Management (Caribbean) Limited (the Company) as at 31 October 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company’s financial statements comprise:

- the statement of financial position as at 31 October 2024;
- the statement of income and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 *Auditor’s responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Directors are responsible for the other information. The other information comprises the Chairman's report (but does not include the financial statements and our auditor’s report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

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

Responsibilities of management for the financial statements (continued)

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
22 January 2025

RBC Investment Management (Caribbean) Limited

Statement of Financial Position

Expressed in Trinidad and Tobago dollars

	Notes	As at October 31 2024 ($'000)	2023 ($'000)
Assets			
Cash and cash equivalents	3	237,873	162,088
Intangible assets	4	303	1,421
Equipment	5	218	146
Corporation tax recoverable		2,498	7
Deferred tax asset	6	2,655	2,549
Due from affiliated companies	19	38,442	37,731
Other assets	7	22,099	19,634
Total assets		304,088	223,576
Liabilities			
Post-retirement benefit obligations	8	6,714	7,365
Current income tax liabilities		2,991	11,885
Deferred tax liabilities	6	724	714
Due to affiliated companies	19	93,599	1,431
Other liabilities	9	7,656	4,876
Total liabilities		111,684	26,271
Shareholder's equity			
Stated capital	10	15,019	15,019
Statutory reserve	11	15,019	15,019
Retained earnings		162,366	167,267
Total shareholder's equity		192,404	197,305
Total equity and liabilities		304,088	223,576

The notes on pages 8 to 45 form an integral part of these financial statements.

On January 21, 2025, the Board of Directors of RBC Investment Management (Caribbean) Limited authorized these financial statements for issue.

Director

Director

RBC Investment Management (Caribbean) Limited

Statement of Income and Other Comprehensive Income

Expressed in Trinidad and Tobago dollars

		Year ended October 31	
		2024	**2023**
	Notes	**($'000)**	**($'000)**
Interest income	12	67	36
Non-interest income	13	188,608	223,308
Total revenue		188,675	223,344
Non-interest expenses	14	(67,227)	(61,408)
Total non-interest expenses		(67,227)	(61,408)
Net income before taxation		121,448	161,936
Taxation expense	16	(36,595)	(48,714)
Net income after taxation		84,853	113,222
Other comprehensive income, net of taxes:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of post-retirement benefit obligations	8.4	247	34
Tax impact		-	(10)
Other comprehensive income for the year, net of taxes		247	24
Total comprehensive income for the year		85,100	113,246

The notes on pages 8 to 45 form an integral part of these financial statements.

RBC Investment Management (Caribbean) Limited

Statement of Changes in Equity

Expressed in Trinidad and Tobago dollars

	Note	Stated capital ($'000)	Statutory reserves ($'000)	Other reserves ($'000)	Retained earnings ($'000)	Total ($'000)
Year ended October 31, 2024						
Balance at beginning of year		15,019	15,019	-	167,267	197,305
Net income after taxation		-	-	-	84,852	84,852
Other comprehensive income		-	-	-	247	247
Total comprehensive income		-	-	-	252,366	282,404
Dividends	17	-	-	-	(90,000)	(90,000)
Balance at end of year		15,019	15,019	-	162,366	192,404
Year ended October 31, 2023						
Balance at beginning of year		15,019	15,019	-	275,211	305,249
Net income after taxation		-	-	-	113,222	113,222
Other comprehensive income		-	-	-	24	24
Total comprehensive income		-	-	-	113,246	113,246
Dividends	17	-	-	-	(221,190)	(221,190)
Balance at end of year		15,019	15,019	-	167,267	197,305

The notes on pages 8 to 45 form an integral part of these financial statements.

RBC Investment Management (Caribbean) Limited

Statement of Cash Flows

Expressed in Trinidad and Tobago dollars

	Note	Year ended October 31 2024 ($'000)	2023 ($'000)
Net income before taxation		121,448	161,936
Adjustments for:			
Post-retirement benefit obligation expense		(404)	(486)
Depreciation and amortization		1,231	1,344
Operating income before changes in operating assets and liabilities		122,275	162,794
Increase in other assets		(2,466)	(368)
Increase in due from affiliated companies		(711)	(36,977)
Increase in other liabilities		3,327	825
Increase/(decrease) in due to affiliated companies		2,168	(750)
Corporation tax paid - net of refunds		(48,623)	(48,252)
Cash generated from operating activities		75,970	77,272
Investing activities			
Additions to equipment and intangible assets		(185)	(44)
Cash used in investing activities		(185)	(44)
Financing activities			
Dividends paid		-	(221,190)
Cash used in financing activities		-	(221,190)
Net increase/(decrease) in cash and cash equivalents		75,785	(143,962)
Cash and cash equivalents at beginning of year		162,088	306,050
Cash and cash equivalents at end of year	3	237,873	162,088

The notes on pages 8 to 45 form an integral part of these financial statements.

Expressed in Trinidad and Tobago dollars

1 Incorporation and business activities of the Company

RBC Investment Management (Caribbean) Limited (the "Company") is incorporated in Trinidad and Tobago. It is a wholly owned subsidiary of RBC Financial (Caribbean) Limited which is incorporated in Trinidad and Tobago, with the ultimate parent company being Royal Bank of Canada.

The Company is a licensed financial institution under the Financial Institutions Act, 2008 of Trinidad and Tobago and has been set up to provide a full range of services pertaining to investment management and support services associated therewith to corporate and individual clients. The address of the Company's registered office is 7-9 St. Clair Avenue, St. Clair, Port-of-Spain, Trinidad.

2 Summary of material accounting policies, estimates and judgements

The material accounting policies used in the preparation of these Financial Statements are summarized below. These accounting policies conform, in all material respects, to IFRS. Except where otherwise noted, the same accounting policies have been applied to all periods presented.

Basis of preparation

Statement of compliance

The Financial Statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment – measured at fair value or revalued amount.
- assets held for sale – measured at the lower of carrying amount and fair value less costs to sell, and
- post-retirement benefit obligation measured at fair value.

Basis of measurement

The Financial Statements are prepared in Trinidad and Tobago dollars.

Use of estimates and assumptions

In preparing our Financial Statements, management is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income, and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable. Key sources of estimation uncertainty include: determination of fair value of financial instruments, allowance for credit losses, insurance claims and policy benefit liabilities, pensions and other post-employment benefits, income taxes, other intangibles, and provisions. Accordingly, actual results may differ from these and other estimates thereby impacting our future Financial Statements. Refer to the relevant accounting policies in this Note for details on our use of estimates and assumptions.

2 Summary of material accounting policies, estimates and judgements (continued)

Significant judgements
Significant judgements have been made in the following areas and discussed as noted in the Financial Statements:

• Employee benefits	Note 2 – page 15-16, Note 8 – page 21
• Share based compensation	Note 2 – page 16, Note 15 – page 28
• Income taxes	Note 2 – page 16-17, Note 6 – page 20
• Intangible assets	Note 2 – page 17, Note 4 – page 19

<u>Changes in accounting policies</u>

IFRS 17 Insurance Contracts (IFRS 17)
In May 2017, the IASB issued IFRS 17 to establish a comprehensive insurance standard which provides guidance on the recognition, measurement, presentation and disclosure of insurance contracts issued and reinsurance contracts held and will replace the existing IFRS 4 Insurance Contracts (IFRS 4). In June 2020, the IASB issued amendments to IFRS 17, including deferral of the effective date by two years. This new standard is effective for us on November 1, 2023 and is to be applied retrospectively with comparatives restated beginning November 1, 2022.

Under IFRS 17, insurance contracts are contracts under which we accept significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Embedded derivatives, investment components and promises to provide non-insurance services, provided specific criteria are met, are separated from the measurement of insurance and reinsurance contracts. Insurance and reinsurance contracts are aggregated into portfolios that are subject to similar risks and are managed together, and then divided into groups based on the period of issuance and expected profitability. However, based on RBC Investment Management (Caribbean) Limited’s assessment, a nil impact to the books is anticipated at this time.

<u>Future changes in accounting policy and disclosure</u>

Amendments to the Classification and Measurement of Financial Instruments
In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments which amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (the Amendments). The Amendments clarify classification guidance for financial assets with environmental, social and governance-linked features and introduce additional related disclosure requirements. The Amendments will be effective for us on November 1, 2026. We are currently assessing the impact of adopting the Amendments on our Financial Statements.

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18)
In April 2024, the IASB issued IFRS 18 which sets out requirements for the presentation and disclosure of information in the financial statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements and accompanies limited amendments to other standards which will be effective upon the adoption of the new standard. The standard introduces new defined subtotals to be presented in the Consolidated Statements of Income, disclosure of management-defined performance measures and requirements for grouping of information. This standard will be effective for us on November 1, 2027. We are currently assessing the impact of adopting this standard on our Financial Statements.

2 Summary of material accounting policies, estimates and judgements (continued)

Future changes in accounting policy and disclosure (continued)

Amendments to Disclosure of Accounting Policies
The IASB issued Disclosure of Accounting Policies which amended IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (the Amendment). The Amendment amended IAS 1 to replace the requirement for entities to disclose their material accounting policies with the requirement to disclose their material accounting policy information. The Amendment is effective for us on November 1, 2023. The adoption of this Amendment did not have a material impact on our Financial Statements.

Other material accounting policies

The following accounting policies are applicable to all periods presented:

Classification of financial assets
Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortized cost based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the instrument.

Business model assessment
The Company determines the business models at the level that best reflects how the Company manages portfolios of financial assets to achieve business objectives. Judgement is used in determining the business models, which is supported by relevant, objective evidence including:

- How the economic activities of the businesses generate benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;
- The significant risks affecting the performance of the businesses, for example, market risk, credit risk, or other risks as described in the Risk Management Note 20, and the activities taken to manage those risks;
- Historical and future expectations of the receivables managed as part of a business model; and
- The compensation structures for managers of the businesses within the Company, to the extent that these are directly linked to the economic performance of the business mode

The Company's business model for receivables is HTC: the objective of this business model is to hold receivables to collect contractually due cash flows.

SPPI assessment
Instruments held within a HTC business model are assessed to evaluate if their contractual cash flows are comprised of solely payments of principal and interest. SPPI payments are those which would typically be expected for basic lending arrangements. Principal amounts include the fair value of the financial asset at initial recognition from lending and financing arrangements, and interest primarily relates to basic lending return, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

2 Summary of material accounting policies, estimates and judgements (continued)

Other material accounting policies (continued)

Revenue recognition
Revenue is recognized when a service is provided to a customer. Service contracts are assessed by taking the following factors into consideration sequentially, which individually will vary based on the facts and circumstances present in a contract with a customer and will require the exercise of management judgement:

1. Identified all contracts with customers;
2. Identified the separate performance obligations under a contract;
3. Determined the transaction price of the contract;
4. Allocated the transaction price to each of the separate performance obligations; and
5. Recognized the revenue as each performance obligation is satisfied.

The Company adopts the portfolio approach, as an operational expedient, where contracts are assessed as a portfolio as opposed to individually assessed when the characteristics of each contract is similar. The Company reviews the services provided as part of the contract, the contract duration, the terms and conditions for the contract, the amount, form and timing of consideration and the timing of the transfer of the service. Due to the high volume of The Company's contracts that are identical or have similar contractual terms (for example standardized banking agreements with retail customers), the expedient is applied to many of The Company's current revenue streams.

In addition, the Company does not adjust for the effects of a significant financing component for contracts with a 12 month or less expected time difference between when we provide the service to the customer and the receipt of the contract consideration.

The Company expenses incremental costs to obtain a contract if the expected amortization period of the asset the Company would have recognized is 12 months or less. Anticipated contract renewals and amendments with the same customer are considered when determining whether the period of benefit, and therefore the period of amortization, is 12 months or less.

Income which falls under the scope of revenue recognition is not netted off against related expense.. The Company does not incur material costs to obtain contracts with customers such as sales commissions.

Commissions and fees
Commission and fees primarily relate to investment management and custodial fees and mutual fund revenue and are recognized based on the applicable service contracts with customers.

Investment management and custodial fees and mutual fund revenue are generally calculated as a percentage of daily or period-end net asset values based on the terms of the contract with customers and are received monthly, quarterly, semi-annually or annually, depending on the terms of the contract. Investment management and custodial fees are generally derived from assets under management (AUM) when our clients solicit the investment capabilities of an investment manager or from assets under administration (AUA) where the investment strategy is directed by the client or a designated third party manager. Mutual fund revenue is derived as a percentage of the daily net asset value (NAV) of the mutual funds under management with each mutual fund having a management fee rate based on an approved fee structure. Investment management and custodial fees and mutual fund revenue are

2 Summary of material accounting policies, estimates and judgements (continued)

Other material accounting policies (continued)

Commissions and fees (continued)
recognized over time when the service is provided to the customer provided that it is highly probable that a significant reversal in the amount of revenue recognized will not occur.

When service fees and other costs are incurred in relation to commissions and fees earned, we record these costs on a gross basis in Non-interest expense based on our assessment of whether we have primary responsibility to fulfill the contract with the customer and have discretion in establishing the price for the commissions and fees earned, which may require judgment.

Accounts receivable
For accounts receivable, the Company applies the simplified approach permitted by IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of receivables. To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on payment terms and corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the customer's ability to settle the receivables. Macroeconomic variables used include, but are not limited to unemployment rate, gross domestic product (GDP) and inflation rate.

Interest
Interest is recognized in Interest income in the Statement of Income and Other Comprehensive Income for all interest-bearing financial instruments using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial asset or liability to the net carrying amount upon initial recognition. Judgement is applied in determining the effective interest rate due to uncertainty in the timing and amounts of future cash flows.

Offsetting financial assets and financial liabilities
Financial assets and financial liabilities are offset on the Statement of Financial Position when there exists both a legally enforceable right to offset the recognized amounts and an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Cash and cash equivalents
Cash and cash equivalents comprises cash and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. Such investments are normally those with original maturities up to three months from the date of acquisition.

Derecognition of financial assets
Financial assets are derecognized from our Statement of Financial Position when our contractual rights to the cash flows from the assets have expired, when we retain the rights to receive the cash flows of the assets but assume an obligation to pay those cash flows to a third party subject to certain pass-through requirements or when we transfer our contractual rights to receive the cash flows and substantially all of the risk and rewards of the assets have been transferred. When we retain substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized from our Statement of

2 Summary of material accounting policies, estimates and judgements (continued)

Other material accounting policies (continued)

Derecognition of financial assets (continued)
Financial Position and are accounted for as secured financing transactions. When we neither retain nor transfer substantially all risks and rewards of ownership of the assets, we derecognize the assets if control over the assets is relinquished. If we retain control over the transferred assets, we continue to recognize the transferred assets to the extent of our continuing involvement.

Management's judgement is applied in determining whether the contractual rights to the cash flows from the transferred assets have expired or whether we retain the rights to receive cash flows on the assets but assume an obligation to pay for those cash flows. We derecognize transferred financial assets if we transfer substantially all the risk and rewards of the ownership in the assets. When assessing whether we have transferred substantially all of the risk and rewards of the transferred assets, management considers the entity exposure before and after the transfer with the variability in the amount and timing of the net cash flows of the transferred assets. In transfers that we retain the servicing rights, management has applied judgement in assessing the benefits of servicing against market expectations. When the benefits of servicing are greater than fair market value, a servicing asset is recognized in Other assets in our Statement of Financial Position. When the benefits of servicing are less than fair market value, a servicing liability is recognized in Other liabilities in our Statement of Financial Position.

Derecognition of financial liabilities
We derecognize a financial liability from our Statement of Financial Position when our obligation specified in the contract expires, or is discharged or cancelled. We recognize the difference between the carrying amount of a financial liability transferred and the consideration paid in our Statement of Income and Other Comprehensive Income.

Foreign currencies
Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional' currency). The financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional and presentation currency.

Transactions and balances
In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency transactions (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at rates prevailing at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognized in Non-interest income in the Statement of Income and Other Comprehensive Income. Non-monetary assets and liabilities that are measured at historical cost are translated into Trinidad and Tobago dollars at historical rates. Non-monetary financial assets that are measured at fair value are translated into Trinidad and Tobago dollars at rates prevailing at the Statement of Financial Position date, and the resulting foreign exchange gains and losses are recorded in other comprehensive income until the asset is sold or becomes impaired.

2 Summary of material accounting policies, estimates and judgements (continued)

<u>Other material accounting policies</u> (continued)

Equipment

Equipment includes computer equipment, furniture, fixtures and other equipment, and are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and the initial estimate of any disposal costs. Depreciation is recorded principally on a straight–line basis over the estimated useful lives of the assets, which are 3 to 10 years for computer equipment, and 5 to 15 years for furniture, fixtures and other equipment. Gains and losses on disposal are recorded in Non–interest income. Equipment are assessed for indicators of impairment at each reporting period. If there is an indication that an asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, we estimate the recoverable amount of the CGU to which the asset belongs and test for impairment at the CGU level. An impairment charge is recorded to the extent the recoverable amount of an asset (or CGU), which is the higher of value in use and fair value less costs of disposal, is less than its carrying amount. Value in use is the present value of the future cash flows expected to be derived from the asset (or CGU). Fair value less costs of disposal is the amount obtainable from the sale of the asset (or CGU) in an orderly transaction between market participants, less costs of disposal. After the recognition of impairment, the depreciation charge is adjusted in future periods to reflect the asset's revised carrying amount. If an impairment is later reversed, the carrying amount of the asset is revised to the lower of the asset's recoverable amount and the carrying amount that would have been determined (net of depreciation) had there been no prior impairment loss. The depreciation charge in future periods is adjusted to reflect the revised carrying amount.

Leases

At inception of a contract, the Company assesses whether a contract is or contains a lease. A lease is an agreement whereby the lessor conveys to the lessee the right to obtain substantially all of the economic benefits from, and direct the use of, an identified asset for a period of time in return for consideration in the form a payment or series of payments. When we are the lessee in a lease arrangement, we initially record a right-of-use asset and corresponding lease liability, except for short-term leases and leases of low-value assets. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are unspecialized, common, technologically unsophisticated, widely available, and widely used non-infrastructure assets. For short-term leases and leases of low-value assets, we record the lease payments as an operating expense on a straight-line basis over the lease term. Where we are reasonably certain to exercise extension and termination options, they are included in the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at our incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method, recorded in interest expense.

The right-of-use asset is initially measured based on the initial amount of the lease liability, adjusted for lease payments made on or before the commencement date, initial direct costs incurred, and an estimate of costs to dismantle, remove, or restore the asset, less any lease incentives received. Costs related to dismantling are capitalized as part of the leasehold improvement asset (rather than the right-of-use-asset of the lease) when the leasehold improvements are separately capitalized.

2 Summary of material accounting policies, estimates and judgements (continued)

Other material accounting policies (continued)

Leases (continued)
The right-of-use asset is depreciated to the earlier of the lease term and the useful life, unless ownership will transfer to the Company or we are reasonably certain to exercise a purchase option, in which case the useful life of the right-of-use asset is used. The Company applies IAS 36 Impairment of assets to determine whether a right-of-use asset is impaired and account for any identified impairment loss as described in the premises and equipment accounting policies in the Financial Statements.

The Company does not apply this accounting treatment to leases of intangible assets.

Provisions
Provisions are liabilities of uncertain timing or amount and are recognized when we have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the best estimate of the consideration required to settle the present obligation at the reporting date. Significant judgement is required in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows.
We record provisions related to litigation, asset retirement obligations, and the allowance for off-balance sheet and other items. Provisions are recorded under Other liabilities on our Statement of Financial Position.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, such as an insurer, a separate asset is recognized if it is virtually certain that reimbursement will be received.

Employee benefits – Pensions and other post-employment benefits
Our defined benefit pension expense, which is included in Non-interest expense, consists of the cost of employee pension benefits for the current year's service, net interest on the net defined benefit liability (asset), past service cost and gains or losses on settlement. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in other comprehensive income in the period in which they occur. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), as well as the effects of changes in actuarial assumptions. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment and is charged immediately to income.

For the defined benefit plan, we recognize the present value of our defined benefit obligations less the fair value of the plan assets, as a defined benefit liability reported on our Statement of Financial Position.

The calculation of defined benefit expenses and obligations requires significant judgement as the recognition is dependent on discount rates and various actuarial assumptions such as healthcare cost trend rates, projected salary increases, retirement age, and mortality and termination rates. Due to the long-term nature of these plans, such estimates and assumptions are subject to inherent risks and uncertainties. For our pension and other post-employment plans, the discount rate is determined by reference to market yields on high quality government bonds. Since the discount rate is based on

2 Summary of material accounting policies, estimates and judgements (continued)

Other material accounting policies (continued)

Employee benefits – Pensions and other post-employment benefits (continued)
currently available yields, and involves management's assessment of market liquidity, it is only a proxy for future yields. Actuarial assumptions, set in accordance with current practices in the respective countries of our plans, may differ from actual experience as country specific statistics is only an estimate for future employee behaviour. These assumptions are determined by management and are reviewed by actuaries at least annually. Changes to any of the above assumptions may affect the amounts of benefits obligations, expenses and re-measurements that we recognize.

Our contribution to defined contribution plans are expensed when employees have rendered services in exchange for such contributions. Defined contribution plan expense is included in Non-interest expense.

Share–based compensation
The Company offers share-based compensation plans (the "Plans") to certain key employees, by utilizing the common shares of its ultimate parent company, Royal Bank of Canada (RBC) whose shares are listed on the Toronto and New York Stock Exchanges. The plans are administered by RBC. These plans include performance deferred share plans and RBC share unit plans for its employees. The obligations for the Plans are accrued over their vesting periods. The Plans are generally settled in cash.

For cash-settled awards, the Company's accrued obligations are adjusted to their fair value at each balance sheet date. Changes in obligations, are recorded as Non-interest expense in the Consolidated Statements of Income with a corresponding change in Other liabilities. Compensation expense is recognized in the year the awards are earned by plan participants based on the vesting schedule of the relevant plans, net of estimated forfeitures.

Green fund levy
Green fund levy is a tax imposed by the Government of Trinidad and Tobago on gross income of companies and partnerships doing business in Trinidad and Tobago. This levy is payable quarterly and is neither a deduction in computing chargeable income nor a credit against corporation tax due. Green fund levy is presented in non-interest expenses in the Statement of Income.

Income taxes
Income tax comprises current tax and deferred tax and is recognized in our Statement of Income and Other Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax payable on profits is recognized as an expense based on the applicable tax laws in the period in which profits arise, calculated using tax rates enacted or substantively enacted by the Statement of Financial Position date. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for accounting purposes compared with tax purposes. A deferred income tax asset or liability is determined for each temporary difference. Deferred tax assets and liabilities are determined based on the tax rates that are expected to be in effect in the period that the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the Statement of Financial Position date. Current tax assets and liabilities are offset when they are levied by the same taxation authority on either the same taxable entity or different taxable entities within the same tax reporting group (which intends to settle on a net basis), and when there is a legal right to offset. Deferred tax assets and liabilities are offset when the same conditions are satisfied.

2 Summary of material accounting policies, estimates and judgements (continued)

<u>Other material accounting policies (continued)</u>

Income taxes (continued)

The Statement of Income and Other Comprehensive Income include items that are non-taxable or non-deductible for income tax purposes and, accordingly, this causes the income tax provision to be different from what it would be if based on statutory rates.

Deferred income taxes accumulated as a result of temporary differences and tax loss carry forwards are included on the Statement of Financial Position. On a quarterly basis, we review our deferred income tax assets to determine whether it is probable that the benefits associated with these assets will be realized; this review involves evaluating both positive and negative evidence.

We are subject to income tax laws in various jurisdictions where we operate, and the complex tax laws are potentially subject to different interpretations by the relevant taxation authorities and the Company. Significant judgement is required in the interpretation of the relevant tax laws, and in assessing the probability of acceptance of our tax positions to determine our tax provision, which includes our best estimate of tax positions that are under audit or appeal by relevant taxation authorities. We perform a review on a quarterly basis to incorporate our best assessment based on information available, but additional liability and income tax expense could result based on decisions made by relevant tax authorities. The determination of our deferred income tax asset or liability also requires significant management judgement as the recognition is dependent on our projection of future taxable profits and tax rates that are expected to be in effect in the period the asset is realized or the liability is settled. Any changes in our projection will result in changes in deferred tax assets or liabilities on our Statement of Financial Position, and also deferred tax expense in our Statement of Income and Other Comprehensive Income.

The Company complies with IFRIC 23 which provides guidance on the recognition and measurement of tax assets and liabilities under IAS 12 Income taxes when there is uncertainty over income tax treatments, replacing our application of IAS 37 Provisions, contingent liabilities and contingent assets for uncertain tax positions. The Company is subject to income tax laws in various jurisdictions where The Company operates, and the complex tax laws are potentially subject to different interpretations by management and the relevant taxation authorities. Significant judgement is required in the interpretations of the relevant tax laws and in assessing the probability of acceptance of the Company’s tax positions, which includes the Company’s best estimate of tax positions that are under audit or appeal by relevant taxation authorities. The Company performs a review on a quarterly basis to incorporate management’s best assessment based on information available, but additional liability and income tax expense could result based on the non acceptance of the Company’s tax positions by the relevant taxation authorities. The Company performs a review on a quarterly basis to incorporate management’s best assessment based on information available, but additional liability and income tax expense could result based on the non acceptance of The Company’s tax positions by the relevant taxation authorities.

The IASB issued amendments to IAS 12 Income Taxes (IAS 12) in May 2023 to address the Pillar Two Model Rules for International Tax Reform, including a global 15% minimum tax. The amendments introduce, with immediate effect, a temporary recognition exception in relation to accounting and disclosure for deferred taxes arising from the implementation of the international tax reform. The Company has not tapped into this exception and has instead amended all deferred taxes with the new rates as applicable. The impact is immaterial to The Company.

Expressed in Trinidad and Tobago dollars

2 Summary of material accounting policies, estimates and judgements (continued)

Other material accounting policies (continued)

Intangible assets

Intangible assets represent identifiable non-monetary assets acquired separately. The cost of a separately acquired intangible asset includes its purchase price and directly attributable costs of preparing the asset for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment losses, if any. Intangible assets with a finite life are amortized on a straight-line basis over their estimated useful lives as follows: computer software – 3 to 10 years. There are no intangible assets with indefinite lives.

Intangible assets are assessed for indicators of impairment at each reporting period. If there is an indication that an intangible asset may be impaired, an impairment test is performed by comparing the carrying amount of the intangible asset to its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, we estimate the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of the asset (or CGU) is less than its carrying amount, the carrying amount of the intangible asset is written down to its recoverable amount as an impairment loss.

An impairment loss recognized previously is reversed if there is a change in the estimates used to determine the recoverable amount of the asset (or CGU) since the last impairment loss was recognized. If an impairment loss is subsequently reversed, the carrying amount of the asset (or CGU) is revised to the lower of its recoverable amount and the carrying amount that would have been determined (net of amortization) had there been no prior impairment. Due to the subjective nature of these estimates, significant judgement is required in determining the useful lives and recoverable amounts of our intangible assets, and assessing whether certain events or circumstances constitute objective evidence of impairment. Estimates of the recoverable amounts of our intangible assets rely on certain key inputs, including future cash flows and discount rates. Future cash flows are based on sales projections and allocated costs, which are estimated, based on forecast results and business initiatives.

Discount rates are based on the bank-wide cost of capital, adjusted for asset-specific risks. Changes in these assumptions may impact the amount of impairment loss recognized in Non-interest expense.

Stated capital

Financial instruments issued by us are classified as equity instruments when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are included in equity as a deduction from the proceeds, net of tax.

Comparative information

Where necessary comparative information has been adjusted to conform to the presentation in the current year. Cash and cash equivalents represent deposits held on demand with affiliated company.

3 Cash and cash equivalents

	2024 ($'000)	2023 ($'000)
Cash at bank	237,873	162,088

Cash and cash equivalents represent deposits held on demand with affiliated company.

Expressed in Trinidad and Tobago dollars

4 Intangible assets

	2024 ($'000)	2023 ($'000)
Software		
Opening net book value	1,421	2,570
Amortization	(1,118)	(1,149)
Closing net book value	303	1,421
Cost	8,606	8,606
Accumulated amortization	(8,303)	(7,185)
Net book value	303	1,421

5 Equipment

	Computer equipment ($'000)	Electronic equipment ($'000)	Work in progress ($'000)	Total ($'000)
Year ended October 31, 2024				
Opening net book value	146	-	-	146
Transfers	157	-	(157)	-
Additions	-	-	185	185
Depreciation charge	(113)	-	-	(113)
Closing net book value	190	-	28	218
At October 31, 2024				
Total cost	506	-	28	534
Accumulated depreciation	(316)	-	-	(316)
Net book value	190	-	28	218
Year ended October 31, 2023				
Opening net book value	294	-	5	299
Transfers	49	-	(49)	-
Additions	-	-	44	44
Depreciation charge	(197)	-	-	(197)
Closing net book value	146	-	-	146
At October 31, 2023				
Total cost	705	-	-	705
Accumulated depreciation	(559)	-	-	(559)
Net book value	146	-	-	146

During the year, assets fully depreciated and retired amounted to $0.4MM (2023 - $Nil)

6 Deferred tax assets and liabilities

The following amounts are shown in the Statement of Financial Position:

	2024 ($'000)	2023 ($'000)
Deferred tax asset	2,655	2,549
Deferred tax liabilities	(724)	(714)
	1,931	1,835

The movement on the deferred tax account is as follows:

	2024 ($'000)	2023 ($'000)
At beginning of year	1,835	2,115
Charge/(credit) to Statement of Income (Note 16)	96	(162)
Credit to Statement of Other Comprehensive Income	-	(118)
At end of year	1,931	1,835

Deferred tax assets and liabilities are attributable to the following:

	2024 ($'000)	2023 ($'000)
Deferred tax asset		
Post-retirement benefits	2,084	2,205
Accelerated tax depreciation	254	93
Other	317	251
	2,655	2,549
Deferred tax liabilities		
Accelerated tax depreciation	-	-
Foreign exchange translation	(724)	(714)
	(724)	(714)

7 Other assets

	2024 ($'000)	2023 ($'000)
Accounts receivable	18,946	16,929
Prepayments	3,153	2,705
	22,099	19,634
Current	22,099	19,634

The Company applies the IFRS 9 simplified approach to measuring expected credit losses (general provision) which uses a lifetime expected loss allowance for all accounts receivable balances. The resulting general provision at 31 October 2024 was negligible (2023: Negligible).

8 Post-retirement benefit obligations

Plan characteristics

The Company, through its parent, RBC Financial (Caribbean) Limited, sponsors pension and post-employment benefits to eligible employees. The pension arrangements including investment, plan benefits and funding decisions are governed by a local pension committee. The pension and other post-employment plans are managed on a Group basis.

The defined benefit pension plans provide pension benefits based on years of service, contributions and earnings at retirement. The defined benefit pension plan is closed to new members. New employees are generally eligible to join defined contribution pension plans. Our other post-retirement benefit plans provide health, dental and life insurance coverage for current and retired employees. These plans are funded by the Company and valuations of the plans are performed at each fiscal year end by independent actuaries. The liability in the Statement of Financial Position is allocated to all legal entities participating in the plans based on their participating membership headcount.

Risks

By their design, the defined benefit pension plans expose the Company to risks such as investment performance, reductions in discount rates used to value the obligations, increased longevity of plan members, future inflation levels impacting future salary increases as well as future increases in healthcare costs. By closing our principal defined benefit pension plan and migrating to defined contribution pension plans, the volatility associated with future service costs reduces over time.

8.1 The amounts recognized in the Statement of Financial Position are as follows:

	Other post-employment plans ($'000)	Pension ($'000)	Total ($'000)
October 31, 2024			
Fair value of plan assets	-	(4)	(4)
Post-retirement benefit obligation	5,669	1,050	6,719
Liability in the Statement of Financial Position	5,669	1,046	6,715

	Other post-employment plans ($'000)	Pension ($'000)	Total ($'000)
October 31, 2023			
Fair value of plan assets	-	(4)	(4)
Post-retirement benefit obligation	6,319	1,050	7,369
Liability in the Statement of Financial Position	6,319	1,046	7,365

8.2 The movements in the fair value of plan assets over the period are as follows:

	Other post-employment plans ($'000)	Pension ($'000)	Total ($'000)
October 31, 2024			
At beginning of year	-	(4)	(4)
Re-measurement gain:	-	-	-
At end of year	-	(4)	(4)
October 31, 2023			
At beginning of year	-	(4)	(4)
Re-measurement gain:	-	-	-
At end of year	-	(4)	(4)

8.3 The movements in the post-retirement benefit obligation over the period are as follows:

	Other post-employment plans ($'000)	Pension ($'000)	Total ($'000)
October 31, 2024			
At beginning of year	6,319	1,050	7,369
Current service cost	30	22	52
Past service cost	-	-	-
Interest expense	383	54	437
Re-measurements:			
Effect of changes in demographic assumptions	107	(3)	104
Effect of changes in financial assumptions	(72)	(33)	(105)
Effect of experience adjustments	(55)	58	3
Benefits paid	(102)	-	(102)
Other	(941)	(98)	(1,039)
At end of year	5,669	1,050	6,719
October 31, 2023			
At beginning of year	4,881	3,116	7,997
Current service cost	33	23	56
Past service cost	-	-	-
Interest expense	377	62	439
Re-measurements:			
Effect of changes in demographic assumptions	(72)	-	(72)
Effect of changes in financial assumptions	(168)	(73)	(241)
Effect of experience adjustments	(146)	68	(78)
Benefits paid	(119)	-	(119)
Other	1,533	(2,146)	(613)
At end of year	6,319	1,050	7,369

8 Post-retirement benefit obligations (continued)

8.4 The amounts recognized in the Statement of Income and Other Comprehensive Income are as follows:

	Other post-employment plans ($'000)	Pension ($'000)	Total ($'000)
October 31, 2024			
Current service cost	30	22	52
Net interest expense	383	54	437
Benefit paid	(102)	-	(102)
Other	(941)	(98)	(1,039)
Components of defined benefit costs recognised in profit or loss	(630)	(22)	(652)
Re-measurement on the net liability:			
Effect of changes in demographic assumptions	107	(2)	105
Effect of changes in financial re-measurements	(72)	(33)	(105)
Effect of experience adjustments	(55)	58	3
Components of defined benefit cost included in other comprehensive income	(20)	23	3
Total	(650)	1	(649)

	Other post-employment plans ($'000)	Pension ($'000)	Total ($'000)
October 31, 2023			
Current service cost	33	23	56
Net interest expense	377	62	439
Benefit paid	(119)	-	(119)
Other	1,284	(2,146)	(862)
Components of defined benefit costs recognised in profit or loss	1,575	(2,061)	(486)
Re-measurement on the net liability:			
Effect of changes in demographic assumptions	(72)	-	(72)
Effect of changes in financial re-measurements	(168)	(73)	(241)
Effect of experience adjustments	(146)	68	(78)
Return on plan assets (excluding interest)	-	-	-
Other	249	-	249
Components of defined benefit cost included in	(137)	(5)	(142)
Total	1,438	(2,066)	(628)

8 Post-retirement benefit obligations (continued)

8.5 Investment policy and strategies

Defined benefit pension plan assets are invested prudently in order to meet our long term pension obligations at a reasonable cost. The asset mix policy was developed within an asset/liability framework. Factors taken into consideration in developing our asset allocation include but are not limited to the following:

(v) the nature of the underlying benefit obligations, including the duration and term profile of the liabilities;

(ii) the member demographics, including normal retirements, terminations and deaths;

(iii) the financial position of the pension plans;

(iv) the diversification benefits obtained by the inclusion of multiple asset classes; and

(v) expected asset returns, including assets and liability volatility and correlations.

To implement our asset allocation policy, we may invest in equities and fixed income securities.

Composition of defined benefit pension plan assets

	October 31, 2024		October 31, 2023	
	Fair value ($'000)	Percentage of total plan assets	Fair value ($'000)	Percentage of total plan assets
Debt securities				
Alternative investments	(4)	100%	(4)	100%
	(4)	100%	(4)	100%

Significant assumptions

Our methodologies to determine significant assumptions used in calculating the defined benefit pension and other post-employment expense are as follows:

Overall expected long-term rate of return on assets

The assumed expected rate of return on assets is determined by considering long-term returns on fixed income securities combined with an estimated equity risk premium. The expected long-term return for each asset class is then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

Discount rate

All future expected benefit payments at each measurement date are discounted at spot rates based on local bond market derived yield curve. The discount rate is the equivalent single rate that produces the same discounted value as that determined using the entire discount curve. This methodology does not rely on assumptions regarding reinvestment returns.

8 Post-retirement benefit obligations (continued)

8.5 Investment policy and strategies (continued)

Summary of principal assumptions

	October 31, 2024	October 31, 2023
Discount rates – medical and life	6.30%	6.20%
Discount rates – pension	6.30%	6.20%
Salary increases	2.50%	2.00%/2.50%
Health care cost increases		
- Immediate trend	5.00%	5.00%
- Ultimate trend	5.00%	5.00%

8.6 Sensitivity analysis

Assumptions adopted can have a significant effect on the obligations and expense for defined benefit pension and post-employment benefit plans. The following table presents the sensitivity analysis of key assumptions holding all other factors constant:

	Increase / (decrease) in obligation	
	2024 ($'000)	2023 ($'000)
Pension plan:		
Impact of 1.0% decrease in discount rate	374	348
Impact of 1.0% increase in discount rate	(251)	(239)
Impact of 0.5% decrease in rate of increase in future compensation	(33)	(43)
Impact of 0.5% increase in rate of increase in future compensation	50	53
Impact of 1 year decrease in life expectancy	(40)	(40)
Impact of 1 year increase in life expectancy	46	41
Other post-employment plans:		
Impact of 1.0% decrease in discount rate	792	915
Impact of 1.0% increase in discount rate	(648)	(745)
Impact of 0.5% decrease in rate of increase in future Compensation	-	-
Impact of 0.5% increase in rate of increase in future Compensation	-	-
Impact of 1.0% decrease in health care cost trend rate	(253)	(277)
Impact of 1.0% increase in health care cost trend rate	302	327
Impact of 1 year decrease in life expectancy	-	-
Impact of 1 year increase in life expectancy	5	(1)

9 Other liabilities

	2024 ($'000)	2023 ($'000)
Accruals and payables	4,194	1,138
Employee related costs	3,462	3,738
	7,656	4,876
Current	7,656	4,876

10 Stated capital

	2024 ($'000)	2023 ($'000)
Issued and fully paid		
225,019,100 ordinary shares of no-par value	15,019	15,019

The total authorized number of ordinary shares at year end was unlimited with no par value.

11 Statutory reserve

The Financial Institutions Act, 2008 requires financial institutions in Trinidad and Tobago to transfer annually a minimum of 10% of its profit after taxation to a reserve fund until the balance on this reserve is not less than the paid-up capital of the institution.

12 Interest income

	2024 ($'000)	2023 ($'000)
Interest income on cash and cash equivalents	67	36
	67	36

13 Non-interest income

The Company derives revenue over time and at a point in time within the following categories.

	2024 ($'000)	2023 ($'000)
Non-interest income over time:		
Trust and investment management related fees	188,576	223,366
Non-interest income at a point in time:		
Foreign exchange earnings	32	(62)
Sundry income	-	4
	188,608	223,308

14 Non-interest expenses

	2024 ($'000)	2023 ($'000)
Staff costs (Note 14.1)	17,550	17,705
Equipment and intangible assets expenses, excluding depreciation and amortization	7,381	7,957
Advertising and public relations	773	1,198
Depreciation and amortization	1,231	1,344
Management fees	31,214	27,404
Directors' fees	473	98
Auditor's fees (Note 14.2)	523	609
Business and capital tax	3,974	3,507
Green fund levy	548	670
Sundry losses	-	29
Other operating expenses	3,560	887
	67,227	61,408

14.1 Staff costs

	2024 ($'000)	2023 ($'000)
Wages and salaries including bonuses	16,158	16,731
Employees' defined contribution pension expense	1,012	1,037
Employees' defined benefit and post other post-retirement benefit costs (Note 8.4)	(404)	(486)
Share option plan-value of services provided	784	423
	17,550	17,705

14.2 Audit fees

In connection with the audit of the financial statements, the following fees were paid or are payable to PricewaterhouseCoopers (PwC) and other PwC Network firms:

	2024 ($'000)	2023 ($'000)
Audit of the financial statements for the year ended October 31	429	416
Other services provided to RBC Investment Management (Caribbean) Limited for the year ended October 31	94	193
Other services provided to any other controlled entities during the year ended October 31	-	-
	523	609

15 Share–based compensation

The Company offers share-based compensation plans (the "Plans"), which consists of shares issued by the Company's ultimate parent company, Royal Bank of Canada (RBC). The Plans are administered by RBC.

The Company offers permanent eligible employees in Trinidad and Tobago an opportunity to elect to purchase RBC common shares through a share ownership plan. Under this plan, the employees can generally contribute between 25% and 100% of their annual short-term incentive compensation from the Company's annual incentive program, all of which vest at the end of five years.

The Company offers performance deferred share award plans to certain key employees, all of which vest at the end of three years. Upon vesting, the award is paid in cash and is based on the original number of RBC share units granted plus accumulated dividends valued using the average closing price of RBC common shares during the five trading days immediately preceding the vesting date. A portion of the award under certain plans may be increased or decreased up to 25%, depending on our total shareholder return compared to a defined peer group of global financial institutions.

At year end an accrual is booked to other liabilities until cash is remitted for payment.

The following table presents the units granted under share-based compensation plans for the year:-

15.1 Units granted under share-based compensation plans

	Units granted	2024 Weighted Average fair value per unit ($)
Performance deferred share unit plans	320	604
RBC share unit plans	526	644
	846	

	Units granted	2023 Weighted Average fair value per unit ($)
Performance deferred share unit plans	342	642
RBC share unit plans	252	676
	594	

15 Share–based compensation (continued)

15.1 Units granted under share-based compensation plans (continued)

The liabilities for the awards granted under the share-based compensation plans are measured at fair value, determined based on the quoted market price of the RBC common shares. Annually, the obligation is increased by additional units earned by plan participants, and is reduced by forfeitures, cancellations, and the settlement of vested units. In addition, the obligation is impacted by fluctuations in the market price of RBC common shares. For performance deferred share award plans, the estimated outcome of meeting the performance conditions also impacts the obligation.

The following tables present the units that have been earned by the participants, the obligations for these earned units under the share-based compensation plans, and the related compensation expenses (recoveries) recognized for the year.

15.2 Obligations under share-based compensation plans

	Units	2024 Carrying Amount ($'000)
Performance deferred share unit plans	680	559
RBC share unit plans	574	472
	1,254	1,031

	Units	2023 Carrying Amount ($'000)
Performance deferred share unit plans	818	442
RBC share unit plans	691	373
	1,509	815

15.3 Compensation expenses recognized under share-based compensation plans.

	2024 ($'000)	2023 ($'000)
Performance deferred share unit plans	449	231
RBC share unit plans	335	192
	784	423

Expressed in Trinidad and Tobago dollars

16 Taxation expense

	2024 ($'000)	2023 ($'000)
Current tax charge	36,691	48,552
Net deferred tax credit (Note 6)	(96)	162
	36,595	48,714

The tax on profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	2024 ($'000)	2023 ($'000)
Net income before taxation	121,448	161,936
Prima facie tax calculated at a rate of 30%	36,434	48,581
Expenses not deductible for tax	-	-
Other	161	133
	36,595	48,714

The deferred tax charge for the year comprises the following temporary differences:	2024 ($'000)	2023 ($'000)
Accelerated tax depreciation	(161)	(115)
Post-retirement benefits	131	79
Other temporary differences	(66)	198
	(96)	162

17 Dividends

During the year, dividends in the amount of $90 million were declared however not yet paid to the shareholder (2023: $221. 2 million, declared and paid).

Dividends are accounted for as an appropriation of retained earnings when declared.

18 Contingent liabilities

As at October 31, 2024 there were no contingent liabilities (2023 - $Nil).

19 Related party transactions

Related parties include the ultimate parent company, Royal Bank of Canada, associated companies, post-employment benefit plans for the benefit of our employees, key management personnel, the Board of Directors of RBC (Directors), close family members of key management personnel and Directors, and entities which are, directly or indirectly, controlled by, jointly controlled by or significantly influenced by key management personnel, Directors or their close family members. The Company has applied the low credit risk exemption on all loans to associate and affiliated companies as they demonstrate a low risk of default and the related RBC entity has a strong capacity to meet its contractual cash flow obligations. As a result, any IFRS 9 ACL is deemed to be insignificant.

	2024 ($'000)	2023 ($'000)
Cash and cash equivalents		
Other affiliated companies	237,873	162,088
Due from affiliated companies		
Other affiliated companies	37,032	36,965
Due from RBCFCL	1,410	766
	38,442	37,731
Other assets		
Other affiliated companies	4,184	2,873
Other liabilities		
Due to RBCFCL	93,599	1,431
Non-interest income		
Due from RBCFCL	2,430	2,278
Other affiliated companies	142,103	180,785
	144,533	183,063
Interest income		
Other affiliated companies	67	36
Dividends paid		
RBCFCL	--	221,190
Other operating expenses		
Due to RBCFCL	32,584	28,766
Other affiliated companies	343	343
	32,927	29,109

19 Related party transactions (continued)

Key management personnel and Directors

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of The Company directly or indirectly. They include the senior executives called the Operating Committee (OC) and Executive Management Committee (EMC). The OC and EMC are comprised of the Head Caribbean Banking and those individuals that report to him, including the Chief Financial Officer, Head Human Resources, Chief Risk Officer, and heads of business and functional units. The EMC is ultimately responsible for all material decisions. The EMC is also responsible for establishing the overall strategic direction of The Company and, in that regard, sets global parameters for The Company within which the board of directors and management exercise their discretion to make decisions concerning the strategic direction and day-to-day management of The Company. The Directors of RBC Investment Management (Caribbean) Limited do not plan, direct, or control the activities of The Company; they oversee the management of the business and provide stewardship.

	2024 ($'000)	2023 ($'000)
Key management compensation		
Share based payment	331	350
Salaries and other short-term benefits	1,426	1,564

20 Financial risk management

20.1 Risk management

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and the Company is accountable for the risk exposures relating to its responsibilities. The Company is exposed to credit risk, liquidity risk, operational risk and market risk, the latter being subdivided into trading and non-trading risks.

Risk management structure

The Board of Directors is responsible for providing oversight over the management of risks. The EMC is responsible for managing and monitoring risks.

Executive Management Committee (EMC)

The EMC is responsible for the overall risk management approach and for approving the risk strategies and principles. The main risks arising from the Company financial instruments are credit risk, interest rate and market risk, liquidity risk, foreign currency risk and operational risk.

Risk Management Unit

A centralized Risk Management Unit provides oversight of the implementation and maintenance of risk related procedures to ensure an independent control process. The unit which is sub-divided into three departments (Group Market Risk, Group Credit Risk and Group Compliance and Operational Risk), is also responsible for monitoring compliance with risk policies and limits across the RBC Financial Caribbean Group in the three key areas of credit risk, market risk and operational risk. Each business unit has decentralized units, which is responsible for the independent control of risks, including monitoring the risk or exposures against limits and the assessment of risks of new products and structured transactions. These decentralized units also ensures the risks are completely captured in the risk measurement and reporting systems.

20 Financial risk management (continued)

20.1 Risk management (continued)

Group Asset and Liability Committee (ALCO)
The Company ALCO provides oversight and monitoring of the financial resources of operating entities. The committee's mandate includes the recommendation of policies covering investments, capital, funding and liquidity and market risk to the Enterprise Risk Committee – Risk and Governance and the relevant Boards, and the monitoring of compliance with risk policies and limits in the areas of credit risk and market risk.

ALCO provides oversight and monitoring of the financial resources of operating entities. ALCO is responsible for the oversight and monitoring of the financial resources of operating entities in The Company. The committee proactively assesses balance sheet strategies and dynamics in the context of:

- economic data and forecasts.
- business and enterprise strategies.
- risks.
- The Company's legal entity structure.
- market developments.
- accounting pronouncements, and
- competitive and regulatory environments.

Considering these dynamics, ALCO is responsible for reviewing, approving and recommending policies, frameworks, other relevant documents and benchmark limits pertaining to capital, interest rate risk in the banking book (IRRBB) for both on and off-balance sheet, structural foreign exchange risk, liquidity and funding management, and The Company's investment portfolio, which are all centrally managed by Treasury. For these areas, ALCO also monitors key metrics and opportunities, providing strategic direction to Treasury and Business platforms.

Investment Policy Committee
The Investment Policy committee is comprised of two Non-Executive Directors and one Operating Committee member. The Committee is responsible for approving all Statements of Investments Policy (SIP) and reviewing compliance with same. The SIPs shall be drafted in accordance with the stated objectives of each Fund under management with close reference to the assets permissible by law or deed. The SIPs shall be reviewed annually to ensure compliance with any statutory changes or amendments to relevant deeds. The Committee meets on a quarterly basis.

Investment Strategy Committee
This Committee is engaged in providing guidance to the Company relative to economic and capital markets. The Committee prepares an investment outlook that is submitted to the Investment Policy Committee and provides guidance to the Company's Portfolio Managers as it relates to mix of investments, geographical allocations, duration and currency exposure.

Internal Audit
Risk management processes throughout the Company are audited by the internal audit function that examines both the adequacy of the procedures and the Company's compliance with the procedures.
Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

20 Financial risk management (continued)

20.1 Risk management (continued)

Risk measurement and reporting systems

The Company's risks are measured using methods, which reflect the expected loss likely to arise in normal circumstances.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries and geographies.

Information compiled from all the business units is examined and processed in order to analyse, control and identify risks early. This information which consists of several reports, is presented and explained to the EMC, the ALCO and the head of each business unit. The reports include but are not limited to aggregate credit exposure, open currency positions, liquidity ratios and risk profile changes. On a quarterly basis, senior management assesses the appropriateness of the allowance for credit losses.

For all levels throughout the Company, specifically tailored risk reports are prepared and distributed in order to ensure that all business units have access to necessary and up-to-date information.

20.2 Categorization

	Financial assets or liabilities carried at amortised costs ($'000)	Non-financial assets or liabilities ($'000)	Equity instruments ($'000)	Total ($'000)
As at October 31, 2024				
Assets				
Cash and cash equivalents	237,873	-	-	237,873
Intangible assets	-	303	-	303
Equipment	-	218	-	218
Other assets	18,946	3,153	-	22,099
Due from affiliated companies	38,442	-	-	38,442
Corporation tax recoverable	-	2,498	-	2,498
Deferred tax asset	-	2,655	-	2,655
Total assets	295,261	8,827	-	304,088
Equity and liabilities				
Other liabilities	4,194	3,462	-	7,656
Post-retirement benefit Obligations	-	6,714	-	6,714
Current income tax liabilities	-	2,991	-	2,991
Due to affiliated companies	93,599	-	-	93,599
Deferred tax liabilities	-	724	-	724
Shareholder's equity	-	-	192,404	192,404
Total equity and liabilities	97,793	13,891	192,404	304,088

20 Financial risk management (continued)

20.2 Categorization (continued)

	Financial assets or liabilities carried at amortised costs ($'000)	Non-financial assets or liabilities ($'000)	Equity instruments ($'000)	Total ($'000)
As at October 31, 2023				
Assets				
Cash and cash equivalents	162,088	-	-	162,088
Intangible assets	-	1,421	-	1,421
Equipment	-	146	-	146
Other assets	16,929	2,705	-	19,634
Due from affiliated company	37,731	-	-	37,731
Corporation tax recoverable	-	7	-	7
Deferred tax asset	-	2,549	-	2,549
Total assets	216,748	6,828	-	223,576
Equity and liabilities				
Other liabilities	1,138	3,738	-	4,876
Post-retirement benefit Obligations	-	7,365	-	7,365
Current income tax Liabilities	-	11,885	-	11,885
Due to affiliated company	1,431	-	-	1,431
Deferred tax liabilities	-	714	-	714
Shareholder's equity	-	-	197,305	197,305
Total equity and liabilities	2,569	23,702	197,305	223,567

20.3 Liquidity risk

Liquidity and funding risk (Liquidity risk) is the risk that The Company may be unable to generate sufficient cash or its equivalents in a timely and cost effective manner to meet our commitments as they come due. Liquidity risk arises from mismatches in the timing and value of cash flows. The Company's liquidity profile is structured to ensure that we have sufficient liquidity to satisfy current and prospective commitments in both normal and stressed conditions. Liquidity risk management activities are conducted in accordance with a comprehensive Liquidity Risk Management Framework (LRMF) that includes Liquidity Risk Policy (LRP), Pledging Policy (PP) and Contingency Plan. These policies are all addendums to The Company's Ultimate Parent and will identify distinctions within the Caribbean. Additionally, the Liquidity Contingency Plan is intended to provide communication protocols and forums to give consideration to and support implementation of a predetermined suite of liquidity & funding options to effectively manage, anticipate and address increasing funding risks generated by stress events.

These policies are supported by management limits and authorities that govern the measurement and management of liquidity within our risk appetite. Liquidity risk objectives, policies and risk appetite are reviewed regularly, and updated as required to reflect changes in industry practice and relevant regulatory guidance.

20 Financial risk management (continued)

20.3 Liquidity risk (continued)

Liquidity risk oversight and management are the responsibilities of the Board, Enterprise Risk Committee - Risk and Governance and the Asset and Liability Committee for The Company. The liquidity management process for The Company is carried out by the Treasury department of each business unit and monitored by Treasury and ALCO. Liquidity risk management activities are subject to the three lines of defence governance model. Treasury, the first line of defence for the management of liquidity risk, is subject to independent second line challenge and oversight by GRM. RBC Internal Audit is the third line of defence. The three lines of defence are independent of the business whose activities generate liquidity risks.

The Board and ALCO for The Company regularly reviews information on liquidity positions for each entity operating within The Company as well as on a consolidated level. ALCO annually reviews and recommends the liquidity risk management policies for relevant Board approvals and annually approves the Liquidity Contingency Plan.

A robust liquidity risk measurement process is maintained to support timely and frequent reporting of information for management of liquidity positions and oversight of risk. This reporting includes both internal and regulatory metrics and is used to monitor adherence with our risk appetite and limits and position relative to regulatory minimums. Regulatory metrics include reserve requirements and Liquidity Coverage Ratio applicable to a few of the Caribbean Islands and Internal measurements for liquidity risk is performed monthly via internally defined Net Cash Flow. This includes the application of scenario-specific assumptions against our assets and liabilities, to project cash flows over varying time horizons and degrees of stress. For example, government bonds generally can be quickly and easily converted to cash without significant loss of value regardless of their contractual maturity. Similarly, while relationship-based deposits contractually can be withdrawn immediately, in practice, these balances can be relatively stable sources of funding depending on several factors, such as the nature of the client and their intended use. Risk methodologies and underlying assumptions are periodically reviewed and validated to ensure their alignment with our operating environment, expected economic and market conditions, regulatory requirements, and generally accepted industry practices. To manage liquidity risk within The Company’s liquidity risk appetite, we set limits on various metrics over a range of time horizons, jurisdictions and currencies. The Company also considers various levels of stress conditions in our development of appropriate contingency, recovery and resolution plans. The Company’s liquidity risk measurement and control activities cover multiple areas:

Tactical (shorter-term) liquidity risk

To address potential immediate cash flows risks in times of stress, The Company uses short-term net cash flow limits to control risk of material units, subsidiaries and currencies and perform stress testing assessments. Net cash flow positions are determined by applying results of core assumptions methodology i.e. internally-derived risk assumptions and parameters to known and anticipated cash flows for all material unencumbered assets, liabilities and off-balance sheet activities. Encumbered assets are not considered a source of available liquidity.

Structural (longer-term) liquidity risk

To guide our secured and unsecured wholesale term funding activities, The Company employs an Internal Liquidity Metric (ILM) to manage and control the structural alignment between long-term assets and longer-term funding sources from core deposits.

Contingency liquidity risk

Contingency liquidity risk planning assesses the impact of sudden stress events on our liquidity risk position and identifies a range of potential mitigating actions and plans. The Liquidity Contingency Plan (LCP) is maintained and administered by Treasury, has been developed to guide our potential responses to liquidity crises. The contingency liquidity risk planning process identifies contingent funding needs and sources under various stress scenarios, and as result informs requirements for our earmarked unencumbered liquid asset

20 Financial risk management (continued)

20.3 Liquidity risk (continued)

Contingency liquidity risk (continued)
portfolios. Also included in the LCP are regional liquidity contingency plans that guide our responses to liquidity crises. Additionally, under the leadership of Treasury, The Company's Liquidity Crisis Teams (LCTs) each meet at least annually or more as required to assess our liquidity status, and review the LCPs. During times of stress, provide linkages to the front line and other functions to support effective and coordinated crisis management and oversight. The Company's LCTs include members from key primary stakeholders including GRM. The liquidity status assessment and monitoring process informs management, ALCO and the Board of our assessment of internal and external events and their potential implications on liquidity risk.

20.3.1 Financial assets and liabilities less derivatives

The amounts disclosed in the following table are the contractual undiscounted cash flows of all non-derivative financial assets and financial liabilities based on the estimated timing of when the settlement of the amounts are expected to occur at the balance sheet date and excludes any projected interest on loans, securities and deposits.

As at October 31, 2024	Less than three months ($'000)	Three to six months ($'000)	Six to twelve months ($'000)	One to five years ($'000)	Over five years ($'000)	Total ($'000)
Assets						
Cash and cash equivalents	237,873	-	-	-	-	237,873
Due from affiliated companies		38,442				38,442
Other assets	17,856	534	429	127	-	18,946
Total financial assets less derivatives	255,729	38,976	429	127	-	295,261
Liabilities						
Due to banks	-	-	-	-	-	-
Due to affiliated companies	93,599	-	-	-	-	93,599
Other liabilities	2,409	763	300	722	-	4,194
Total financial Liabilities less derivatives	96,008	763	300	722	-	97,793
Liquidity gap	159,721	38,213	129	(595)	-	197,468
Cumulative gap	159,721	197,934	198,063	197,468	-	

20 Financial risk management (continued)

20.3 Liquidity risk (continued)

The amounts disclosed in the following table are the contractual undiscounted cash flows of all non-derivative financial assets and financial liabilities and excludes any projected interest on loans, securities or deposits. Cash flows related to gross loans are disclosed based on number of days in each period.

	Less than three months ($'000)	Three to six months ($'000)	Six to twelve months ($'000)	One to five years ($'000)	Over five years ($'000)	Total ($'000)
As at October 31, 2023						
Assets						
Cash and cash equivalents	162,088	-	-	-	-	162,088
Due from affiliated companies	-	37,731	-	-	-	37,731
Other Assets	16,215	582	132	-	-	16,929
Total financial assets less derivatives	178,303	38,313	132	-	-	216,748
Liabilities						
Due to banks	-	-	-	-	-	-
Due to affiliated companies	1,431	-	-	-	-	1,431
Other liabilities	1,101	2,339	1,088	348	-	4,876
Total financial Liabilities less derivatives	2,532	2,339	1,088	348	-	6,307
Liquidity gap	175,771	35,974	(956)	(348)	-	210,441
Cumulative gap	175,771	211,745	210,789	210,441	-	

20.4 Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Company separates exposures to market risk into either trading or non-trading portfolios.

On a monthly basis, Treasury and Finance departments review and approve the valuation of all securities, derivatives and trading liabilities sent by the Valuations department.

Trading portfolios include those portfolios arising from market-making transactions where The Company acts as a principal with clients or with the market.

20 Financial risk management (continued)

20.4 Market risk (continued)

Non-trading portfolios primarily arise from the interest-rate management of The Company's retail and commercial banking assets and liabilities. Non-trading portfolios also consist of interest rate, foreign exchange and equity risks arising from The Company's amortised and FVOCI securities.

20.4.1 Market risk measurement techniques

The major measurement technique used by The Company to measure and control market risk is stress testing.

The Company applies stress tests to provide an indication of the potential size of losses that could arise in extreme conditions. Group Risk Management performs a risk sensitivity analysis by applying possible foreign currency rate stress events on The Company's foreign currency trading portfolio in order to assess potential impacts to foreign exchange earnings.

20.4.2 Interest rate risk

Market risk controls – Interest Rate Risk in the Banking Book (IRRBB) positions

IRRBB arises primarily from traditional customer-originated banking products such as deposits and loans and includes related hedges. Factors contributing to IRRBB include mismatches between asset and liability repricing dates, relative changes in asset and liability rates in response to market rate scenarios, and other product features affecting the expected timing of cash flows, such as options to pre-pay loans. IRRBB sensitivities are regularly measured and reported, and subject to limits and controls with independent oversight from Group Risk Management (GRM). The Board approves the risk appetite for IRRBB, and the Asset Liability Committee (ALCO) and GRM provide ongoing governance through IRRBB risk policies, limits, operating standards and other controls. IRRBB reports are reviewed monthly by GRM, ALCO, and quarterly by the Board.

IRRBB measurement

To monitor and control IRRBB, The Company assess two primary metrics, Net Interest Income (NII) risk and Economic Value of Equity (EVE) risk, under a range of market shocks, scenarios, and time horizons. Market scenarios include currency-specific parallel and non-parallel yield curve changes, interest rate volatility shocks, and interest rate scenarios prescribed by regulators. In measuring NII risk, detailed banking book balance sheets are dynamically simulated to estimate the impact of market stress scenarios on projected NII. Assets, liabilities and off-balance sheet positions are simulated over various time horizons. The simulations incorporate maturities, renewals, and new originations along with prepayment behaviour. Product pricing and volumes are forecasted based on past experience to determine response expectations under a given market shock scenario. EVE risk captures the market value sensitivity to changes in rates. EVE is measured as the difference in net present value of assets minus liabilities plus the net value of off-balance sheet items. In measuring EVE risk, scenario valuation techniques are applied to detailed spot position data. NII and EVE risks are measured for a range of market risk stress scenarios which include extreme but plausible changes in market rates and volatilities. A number of assumptions affecting cash flows, product re-pricing and the administration of rates underlie the models used to measure NII and EVE risk. The key assumptions, fixed-rate loan prepayment behaviour and empirically based historical client behaviour on non-maturity deposits and product pricing with consideration of possible forward-looking changes. All models and assumptions used to measure IRRBB are subject to independent oversight by GRM.

Market risk measures – IRRBB Sensitivities

The following table shows the potential before-tax impact of an immediate and sustained 100 bps increase or decrease in interest rates on projected EVE and 12-month NII, assuming no subsequent hedging. Interest rate risk measures are based on current on and off-balance sheet positions which can change over time in response to business activity and management actions.

Expressed in Trinidad and Tobago dollars

20 Financial risk management (continued)

20.4 Market risk (continued)

20.4.2 Interest rate risk (continued)

	EVE Risk		NII Risk	
	Local Currency ($'000)	Hard Currency ($'000)	Local Currency ($'000)	Hard Currency ($'000)
As at October 31, 2024				
Impact before tax				
100 bps increase in rates	(181)	(115)	(970)	663
100 bps decrease in rates	182	115	970	(663
As at October 31, 2023				
Impact before tax				
100 bps increase in rates	(170)	(35)	(421)	207
100 bps decrease in rates	171	35	421	(207)

Interest sensitivity of assets and liabilities to repricing risk

The table below summarises the Company's exposure to interest rate repricing risk. It includes the Company's financial instruments at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

As at October 31, 2024	Up to one year ($'000)	One to five years ($'000)	Over five years ($'000)	Non-Interest Bearing ($'000)	Total ($'000)
Financial assets					
Cash and cash equivalents	78,503	-	-	159,370	237,873
Due from affiliated company	37,032	-	-	1,410	38,442
Other assets	-	-	-	18,946	18,946
Total financial assets	115,535	-	-	179,726	295,261
Financial liabilities					
Due to affiliated company	-	-	-	93,599	93,599
Other liabilities	-	-	-	4,194	4,194
Total financial liabilities	-	-	-	97,793	97,793
Interest sensitivity gap	115,535	-	-	81,933	197,468

20 Financial risk management (continued)

20.4 Market risk (continued)

20.4.2 Interest rate risk (continued)

Interest sensitivity of assets and liabilities to repricing risk

The table below summarises the Company's exposure to interest rate repricing risk. It includes the Company's financial instruments at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

As at October 31, 2023	**Up to one year ($'000)**	**One to five years ($'000)**	**Over five years ($'000)**	**Non-Interest Bearing ($'000)**	**Total ($'000)**
Financial assets					
Cash and cash equivalents	23,430	-	-	138,658	162,088
Due from affiliated company	36,965	-	-	766	37,731
Other assets	-	-	-	16,929	16,929
Total financial assets	60,395	-	-	156,353	216,748
Financial liabilities					
Due to affiliated company	-	-	-	1,431	1,431
Other liabilities	-	-	-	1,138	1,138
Total financial liabilities	-	-	-	2,569	2,569
Interest sensitivity gap	60,395	-	-	153,784	214,179

20.5 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board has set limits on positions by currency. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

20.5.1 Concentrations of currency risk

Assets are primarily funded by like currency liabilities thus reducing the element of cross-currency risk and in most regional markets, US dollar denominated transactions must be officially sanctioned by the relevant authorities thus reducing exposure. Currency exposure resides mainly in trading activity. The table below summarises The Company's exposure to foreign currency exchange rate risk.

20 Financial risk management (continued)

20.5 Currency risk (continued)

20.5.1 Concentrations of currency risk (continued)

	TTD ($'000)	USD ($'000)	Total ($'000)
As at October 31, 2024			
Financial assets			
Cash and cash equivalents	159,370	78,503	237,873
Due from affiliated company	38,442	-	38,442
Other assets	18,946	-	18,946
Total financial assets	216,758	78,503	295,261
Financial liabilities			
Due to affiliated company	93,599	-	93,599
Other liabilities	4,194	-	4,194
Total financial liabilities	97,793	-	97,793
Net Statement of Financial Position	118,965	78,503	197,468

	TTD ($'000)	USD ($'000)	Total ($'000)
As at October 31, 2023			
Financial assets			
Cash and cash equivalents	138,658	23,430	162,088
Due from affiliated company	37,731	-	37,731
Other assets	16,929	-	16,929
Total financial assets	193,318	23,430	216,748
Financial liabilities			
Due to affiliated company	1,431	-	1,431
Other liabilities	1,138	-	1,138
Total financial liabilities	2,569	-	2,569
Net Statement of Financial Position	190,749	23,430	214,179

As at October 31, 2024 had the exchange rate between the TT dollar and US dollar increased or decreased by 1% with all other variables held constant, the increase or decrease in profit or loss would amount to $234,300 (2023: $234,300).

20 Financial risk management (continued)

20.6 Credit risk

Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of exposure it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

20.6.1 Maximum exposure to credit risk

	Gross maximum exposure 2024 ($'000)	Gross Maximum Exposure 2023 ($'000)
Cash and cash equivalents	237,873	162,088
Due from affiliated company	38,442	37,731
Accounts receivable	18,946	16,929
Total	295,261	216,748

20.6.2 Credit quality by class of financial assets

	Stage 1 ($'000)	Stage 2 ($'000)	Stage 3 ($'000)	Total ($'000)
As at October 31, 2024				
Cash and cash equivalents	237,873	-	-	237,873
Due from affiliated company	38,442	-	-	38442
Accounts receivable	18,946	-	-	18,946
Total	295,261	-	-	295,261

	($'000)	($'000)	($'000)	($'000)
As at October 31, 2023				
Cash and cash equivalents	162,088	-	-	162,088
Due from affiliated company	37,731	-	-	37,731
Accounts receivable	16,929	-	-	16,929
Total	216,748	-	-	216,748

20 Financial risk management (continued)

20.7 Capital management

Capital management is a proactive process that ensures that the Company has and remains able to generate or raise sufficient capital on a timely and cost-effective basis to underpin its risks and ultimately protect depositors and other creditors from unexpected losses.

Capital adequacy and the use of regulatory capital are monitored by the Company's management, based on an internal risk assessment approach employing techniques based on the guidelines developed by the Basel Committee on Banking Supervision as implemented by the local banking and non-banking regulators of the various territories in which the Company operates.

The Company is governed by the risk-based capital targets set by the Central Bank of Trinidad and Tobago, and are required to calculate capital ratios and capital-to-risk adjusted assets multiples using the framework adopted by the Central Bank of Trinidad and Tobago.

Under the local guidelines, adjusted qualifying capital includes core capital and supplementary capital. Core capital mainly consists of fully paid and issued share capital, audited retained earnings, statutory reserve fund, capital reserves excluding asset revaluation reserves less goodwill. Supplementary capital includes subordinated debt, asset revaluation reserves and unaudited profits. Regulatory capital ratios are calculated by dividing core capital by risk-weighted assets and qualifying capital by risk adjusted assets. The required information is filed with the authorities on a monthly or quarterly basis as prescribed by the regulator.

The Company is required to maintain regulatory capital at a minimum of 12.50% (2023:10%). The Company's regulatory capital ratio is 45.63 % (2023: 47.93%). The 2020 Basel II/III implementation included the Central Bank of Trinidad and Tobago (CBTT) promulgation of the Financial Institutions (Capital Adequacy) Regulations, 2020 with effect from May 2020. The parallel reporting under Basel I was discontinued in August 2020, after the July 2020 reporting cycle.

The table below summarizes the composition of regulatory capital and the ratio of the Company at the Statement of Financial Position date. During those two periods, the Company complied with all of the externally imposed capital requirements to which it is subject.

	2024 ($'000)	**2023 ($'000)**
Tier 1 capital		
Stated capital	15,019	15,019
Statutory reserve	15,019	15,019
Retained earnings	162,366	167,267
Total qualifying Tier 1 capital	192,404	197,305
Tier 2 capital		
Other reserve	-	-
Total qualifying Tier 2 capital	-	-
Total regulatory capital	192,404	197,305

20 Financial risk management (continued)

20.7 Capital management (continued)

	2024 ($'000)	2023 ($'000)
Risk-weighted assets:		
On-Statement of Financial Position	420,983	408,690
Total risk-weighted assets	420,983	408,690
Total regulatory capital to risk weighted assets	45.63 %	47.93%

21 Fair value of financial assets and liabilities

Financial assets and liabilities not carried at fair value include cash and cash equivalents, receivables and payables. The following comments are relevant to their fair value.

Carrying amounts of certain financial instruments approximate their fair values due to short-term nature and generally insignificant credit risk of the instruments: (i) cash and cash equivalents; (ii) receivables and payables included in other assets and other liabilities.

22 Financing arrangements

The Company has access to an overdraft facility in the amount of $45 million (2023: $45 million)

23 Administered funds

The Company acts as an investment manager and in that capacity places assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The assets and income arising thereon are excluded from these financial statements, as they are not assets of the Company. Assets under management as at October 31, 2024 totalled $28 billion (2023: $27 billion).

24 Events after the reporting period

No significant events occurred after the statement of financial position date and up to the date of the approval of the financial statements by the Board of Directors.