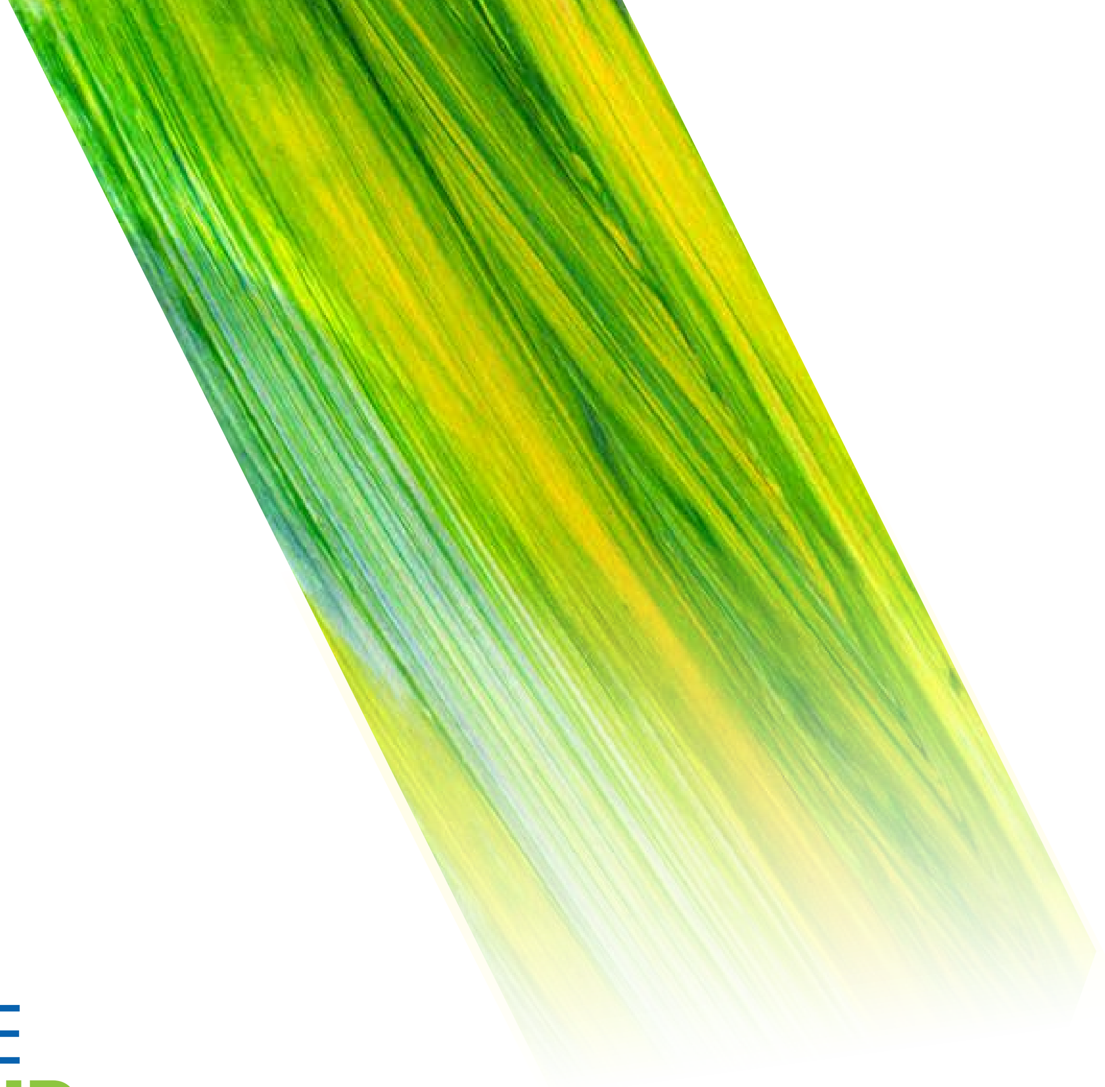


THE VALUE OF OUR Wealth

Annual Report **2022**

ansa
MERCHANT BANK LIMITED

THE VALUE OF OUR Wealth

Contents

Report of the **Chairman**

"Despite the income statement impact from the international and domestic investment markets in 2022, our core businesses continued to grow, and we are well positioned for the future."

A. Norman Sabga
LLD (HON.) UWI; (H.C.) UTT

The ANSA Merchant Bank Limited financial services group is poised for significant growth given major acquisitions and investments in technology and people.

AMBL also attained this past year an Investment Grade Rating of CariAA with a Stable Outlook from CariCRIS, which was the first credit rating for the Group and amongst the best credit ratings in Trinidad and Tobago.

The Banking business has been investing in the future of banking technology and this past year implemented digital capabilities to better serve our customers, and launched our first fully digital touchpoint in San Fernando, with additional digital Bank touchpoints to follow in 2023. This will be followed by our digital banking applications which will be released over the next few months to excite our customers, with hassle-free banking solutions.

In our Insurance business, TATIL, which has one of the strongest balance sheets in the Insurance Industry and is rated A- (Excellent) by the International Rating Agency, AM Best, completed the integration of the Trident business (Barbados) during the year and has received regulatory approval to acquire Colfire. This acquisition is anticipated to align the mutual strengths of these organisations and ensure that Colfire's policyholders benefit from the financial strength of our AMBL Group.

The financial results of AMBL for the year ended 31 December 2022, reflect the ongoing global effects of the increase in interest rates driven by the war in Ukraine and persistent inflation. This resulted in the recording of a consolidated loss before tax of $34 million for the year ended 31 December 2022, largely driven by non-cash, mark-to-market valuations in our investment portfolios, versus a profit before tax of $360.2 million for the same period last year. Notwithstanding, Total Assets grew by 2% to $9.6 billion in 2022 versus $9.4 billion in the same period last year as the Bank saw strong growth of over half a billion dollars ($0.52 billion) in Loans & Advances which resulted in our Banking business producing a Profit before tax in excess of $124 million.

Our Banking Segment comprising ANSA Merchant Bank Ltd., ANSA Merchant Bank (Barbados) Ltd., and our commercial bank, ANSA Bank Ltd., all produced notable new business growth, increased market share and profits over the period. The Bank launched its Natural Capital Hub as part of our ESG Strategy in 2022 which was well received by all stakeholders, both domestic and international, as we move towards further enhancing our sustainable and resilient financial services group. Our ANSA Mutual Funds have outperformed other local Mutual Funds in their respective classes and again did so in 2022.

Our Insurance Segments, comprising TATIL and TATIL Life, remain well capitalised, and Insurance revenues increased in most of our business lines over the prior year. Negative non-cash mark-to-market valuations in our investment portfolios adversely impacted the Insurance companies' profit before taxes, primarily in TATIL Life. However, we invest for the long-term, and our portfolios are well diversified and positioned to recover when markets rebound.

Despite the income statement impact from the international and domestic investment markets in 2022, our core businesses continued to grow, and we are well positioned for the future. Our significant investments in new IT across the Banking and Insurance companies represent the execution of our vision which will bear significant returns for all stakeholders in 2023 and beyond.

I wish to thank our stakeholders for their continuing support and our employees, Boards of Directors and senior executives for their continuing hard work and exceptional leadership over the past year.

A. Norman Sabga
Chairman
March 16, 2023

Report of the **Managing Director**

"In 2022 we launched our Natural Capital Hub, which cemented definitively our focus on sustainable business practices to which we had already been committed in principle."

Gregory N. Hill

BANKING

ANSA MERCHANT BANK LIMITED

I am pleased to report that the ANSA Merchant Bank Group continued to progress in fulfilling its long-term vision and priorities in 2022. Despite challenges presented by economic conditions and global investment markets, our core businesses performed admirably. Lingering disruptions to supply chains, sustained inflationary pressures not seen since the last century, investment market volatility and the largest war on European soil since World War II, combined to create a tumultuous environment for businesses and financial markets. However, as a leading Banking & Insurance Group, market disruptions are not new to us and, as we showed throughout the pandemic, we draw on our inherent strength and stability during such times of immense change and challenge.

After an extended period of strong economic growth, low interest rates, inflation and unemployment, the United States Federal Reserve increased interest rates aggressively in 2022 with a goal of combatting high inflation. Increasing interest rates in the face of inflation and a slowing global economy caused an unpredictable level of investment volatility in 2022, leading to non-cash mark-to-market fair value losses of $146 million when compared to the non-cash mark-to-market gains of $166 million experienced in the prior year—a swing of -188% affecting our revenue.

We weathered this challenging environment and generated positive revenues in its core business lines, which is testament to our diversified business model of banking and insurance services. We increased market share in our businesses, demonstrated strong control over expenses, maintained a robust balance sheet, and have continued the restoration of our shareholder dividend payments to pre-pandemic levels. During the year, we also continued to deliver superior customer service as seen in our top quartile customer satisfaction and engagement scores.

During 2022 we successfully achieved a CariCRIS investment grade rating of CariAA with a Stable Outlook, which is one of the very highest ratings in Trinidad and Tobago. In 2022 we also launched our Natural Capital Hub, which cemented definitively our focus on sustainable business practices to which we had already been committed in principle. We continue to finance sustainable renewable energy projects as well as electric vehicles and the launch formalised and trumpeted our commitment to following best practice ESG principles in a world where climate change and loss of biodiversity present ever growing dangers.

AMBL's investment in technology over the past year has played a significant role in improving customer service and operational efficiency. Technology has allowed the Bank to streamline its processes, automate repetitive tasks, and allow the businesses to provide customers with faster and more personalised services. By investing in technology, the Bank has been able to provide customers with more accurate information, secure access to data, better insights into customer behaviour and improved access to customer service.

One of the most important technology investments at AMBL is the use of digital banking services. Digital banking services allow customers to submit online applications, make online payments and online requests (such as Audit/ Payment Confirmation Letter etc.) and provide online interactive tools to better understand the Bank's products and services. AMBL is now providing both its internal and external customers with more secure access to data, allowing them to manage their account and transactional information with greater ease and convenience.

Total Assets

Another example of technology that AMBL has invested in is customer service automation. Automation tools have allowed the business to streamline customer service tasks, such as responding to customer inquiries, or logging customer complaints. Automation tools are also being used to customise customer service experiences, such as creating tailored offers based on customer preferences or providing personalised support.

Additionally, AMBL is now using technology to improve their operational efficiency. By using advanced analytics and artificial intelligence to identify and address customer needs quickly and accurately. The Bank has been able to reduce costs and improving its customer service. Furthermore, AMBL is also in the exploratory phase of using blockchain technology to provide more secure financial transactions and reduce the risk of fraud.

Overall, technology implementations at the Bank over the past year has allowed it to provide a better customer experience and improve its operational efficiency.

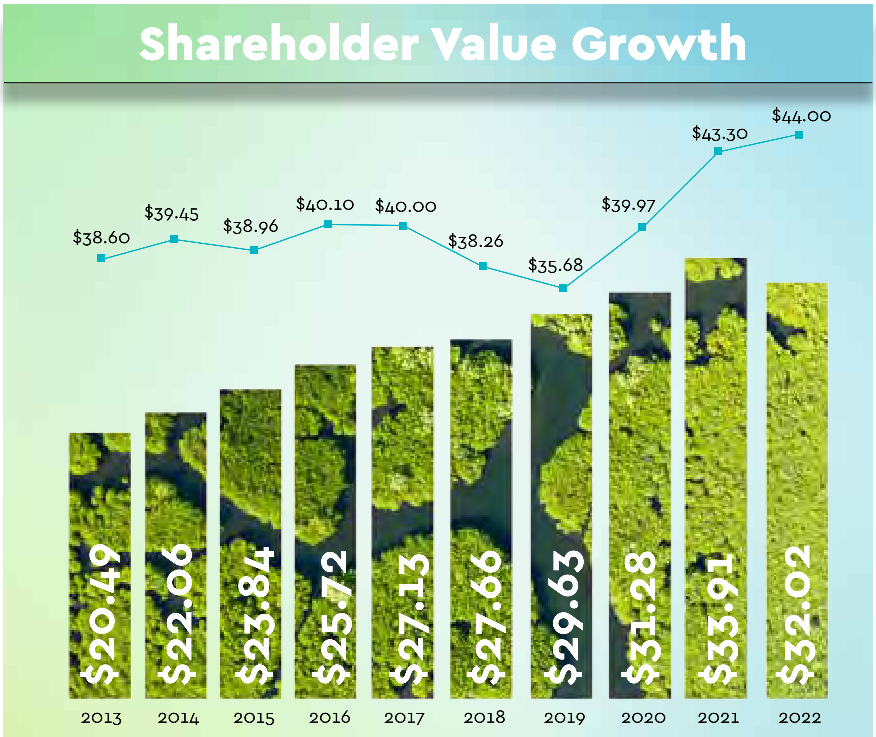
ANSA Merchant Bank Limited (Parent) successfully issued medium term subordinated notes in 2022, an innovative first in the market. Our commercial bank, ANSA Bank Limited, launched its first digital touchpoint in San Fernando in March 2023, with future touchpoints to be opened later in 2023.

ANSA Merchant Bank and its operating Subsidiaries, TATIL, TATIL Life, Brydens, ABL and AMBBL, earned a Loss Before Tax of $34 million compared to $360 million in Profit Before Tax in the prior year as a result of the non-cash mark to market losses experienced during the year due to investment market volatility. Total Assets ended 2022 at $9.6 billion compared to $9.4 billion in 2021, an increase of 2%. We remain confident in the sustainability of our financial performance and the soundness of our capital base.

The performance of the parent company of the Bank Group, ANSA Merchant Bank Limited, ("the Bank"), saw strong top line growth in its core business in 2022 despite the effects of investment markets. The Bank produced Profit before Taxation in 2022 of $104 million, compared to $146 million in the prior period.

Our **Treasury & Foreign Exchange** trading business performed quite well, continuously innovating to find niches in which to compete in a tightening market, and was able to generate revenue of $39 million, which was commendable given the increased competition in the market. We were also able to increase our market share over prior year, as we deployed new strategies amid the continued high demand for foreign currency.

Our newly formed **Business Banking department** that was launched in the second quarter, which seeks to provide



project finance and loans to commercial enterprises, generated admirable results and business volumes. This is an area for growth, especially given its natural synergy with our successful Investment Banking franchise and our Commercial Bank.

The **Investment Banking** arm produced another solid year of financing innovative transactions in the domestic capital market. The Unit was successful in building overseas relationships and many institutional investors and issuers have entrusted us to satisfy their investment and capital-raising needs. In 2023 we expect to continue to be a major arranger of financing in the domestic and regional capital markets and contribute to the development of the countries we serve in the region.

As reported above, our **Investment Services department** faced adverse non-cash mark-to-market losses on our foreign managed portfolios in both local and foreign markets. Based on the market volatility and uncertainty experienced, our Investment Committee adopted an asset allocation strategy that continues to produce benchmark-beating returns to our investors, while maintaining diversification in high quality rated portfolios. Our Investment Services team also delivered attractive returns on our Mutual Fund portfolios, exceeding the performance of many of our competitors, and ranking in the top performing Income Fund positions in TT$ and US$ in 2022.

Our **Private Wealth Management Service**, located on the 5th Floor of the TATIL Building, had an excellent year of top line growth where we gained further momentum in the wealth market, complementing our Institutional Investment Services, and we are quite encouraged by the market's continued favourable response to our service. Our Assets Under Management (AUM) in our off-shore portfolio were not, however, spared from the investment market volatility but the diversification of the portfolio cushioned this impact.

In closing, I would like to recognise the commitment of our people, and the levels of professionalism and responsiveness to our clients to which they aspire and deliver every day. They are the hallmarks of our service, and are fundamental to all our achievements.

Gregory N. Hill
Managing Director
March 16, 2023

Victor Boyce
Managing Director

MERCHANT BANK (BARBADOS) LIMITED

Looking back on the last year, it is clear that our financial discipline, consistent investment in innovation and ongoing development of our people are what has enabled us to persevere in adding value to clients and communities.

As a result, 2022 was another strong year for ANSA Merchant Bank (Barbados) Limited ("AMBBL"), with the company generating record profits as well as setting numerous other records in each of our lines of business. The strength of our statement of financial position, risk management, drive for organic growth, and expense management became catalysts that drove our financial performance.

Nevertheless, the company continues to face challenges at every turn: the sluggish post COVID-19 domestic economy, persistent inflation which has led to rising interest rates globally, the war in Ukraine and global supply chain issues.

We again achieved a robust operating income of Bds$15.37 million in 2022 compared to Bds$13.92 million in 2021, a 10% increase. As a result of this and prudent expense management, the company was able to achieve income before taxation of Bds$5.71 million compared to Bds$5.66 million in the previous period.

2022 can also be considered a year of accomplishment in that we successfully launched our Natural Capital Hub ESG strategy and have seen traction with loans in the PV solar panel space. We have also launched our mortgage packages, which are among the most comprehensive in the market.

We remained one of the best capitalised companies in our industry, as our capital base closed strongly at Bds$63.4 million with a capital adequacy ratio of 32%, which is well above the minimum regulatory requirement of 8% and reflects the strength of our business. Our Parent Company, ANSA Merchant Bank Limited ("AMBL"), has total assets of over US$615 million and a capital base of over US$226 million as at December 31, 2022, and remains a significant player in the region. AMBL has achieved a CariCRIS investment grade rating of AA- with a Stable Outlook, as well as continued to increase its focus on ESG principles of sustainability of business practices, while being committed to financing sustainable renewable energy and electric vehicles to complement our commitment to Biodiversity.

I wish to thank all of our stakeholders for their continuing support and especially our employees for their exceptional resilience and commitment to the success of our business over the past year. I also express my thanks and appreciation to my fellow Directors on the Board and senior Management for their exceptional leadership.

ANSA BANK

It has been an unrelenting but exciting journey since we opened our doors as ANSA Bank in April 2021. We are now on the cusp of becoming a technology-driven, digitally-enabled, commercial bank, with the specific aim of redefining banking norms within the Caribbean.

The past year has been foundational for our transformation and has set the stage for 2023, which will be pivotal for us. Although our ambitions were lofty for 2022, and we strived to attain uber-accelerated transformation, our size, capacity, and dependency on vendors limited our full achievement of these targets. That said, and with significant effort behind us, we are proud to have brought several major milestones to fruition. These were the migration of the core banking platform in August 2022, a re-brand of ANSA Bank in the last quarter of 2022, the launch of our state-of-the-art Contact Centre in December 2022, and the build-out of our first digitally-enabled physical touchpoint, which opened in Gulf City Mall in February 2023. These achievements are aligned and complementary to our overarching strategy.

Operations Overview

ANSA Bank Limited surpassed its financial budget, ending the financial year with Profit After Tax of $40K against a material turnaround when compared to 2021, which recorded a loss of TT$15.687M. Most notable is that for the second consecutive year we were able to double our loans portfolio remaining the fastest growth rate in the entire banking sector. The strength of our Balance Sheet also doubled and new customer accounts increased by 30%, which are signals of strong market acceptance and appreciation for the current market positioning we have adopted.

Kathleen Galy
Managing Director (Ag.)

In 2023 there are several key strategic enablers that will further support the growth in our business, including the launch of our Digital Banking Platform (DBP) and new Digital Touchpoints, in addition to the recently opened Gulf City Mall, which include the West Mall premises which are likely to launch in early May, as well as another location identified for Chaguanas. This year will bring more opportunities for us to expand our institution's reach, market presence, and market share. We will capitalise on our DBP as a key differentiator, supplemented by the touchpoints and our next generation Contact Centre, allowing us to have our first full year on conservatively similar technological and operational levels as other banks locally, albeit as a small player with big plans to disrupt a market which has been slow to evolve in line with global trends and best practice. Being last to market has given us an unprecedented opportunity to listen attentively to our own customers and to create a system, culture and strategy which minimise the pain points that plague our banking sector locally … all in service of being accessible and putting our customers at the centre of everything we do. We firmly believe that the future of lasting customer relationships must go hand-in-hand with digital prowess.

Rebranding of ANSA Bank

The first signs that something 'different' was happening with the ANSA Bank brand were the television commercials during World Cup broadcasts in December. These ads coincided with an overnight changeover of the signage and interior colours at our premises in Port of Spain, Chaguanas and San Fernando. The public is becoming familiar with the bright palette of ANSA Bank's new identity, which gives our brand a customer-friendly face and distances us from being 'just another' financial institution. It is light and uncomplicated, inviting and energising. We believe it reflects our character of being young at heart and open to all ages.

Digital Accessibility

As ANSA Bank focused on redesigning the business of banking, we looked beyond technology and questioned what we do, why and how we do it, and how it affects the lives of our customers. The reason we chose to build a digital platform for our service is straightforward: It must be faster, easier, and more enjoyable than the existing analog service and must be keeping with the times of the 21st century customer. ANSA Bank's customers will soon interface with us primarily through our digital offerings. We will provide numerous avenues for them to access their financial assets and savings, safely and instantly, from any mobile device, from anywhere. Our Contact Centre is second to none in this country and, from the beginning of January 2023, customers have been enjoying the benefits of always being able to engage with us without being put on hold at length. They may connect via phone, email, text or our social media channels, and receive a prompt response.

We relocated our South touchpoint at St. James Street, San Fernando to Gulf City Mall. This new touchpoint has been designed to allow for traditional banking transactions, while immersing customers in a digital realm. Through interactive screens and augmented reality features, it has been built to carry our customers through an educational journey for ease of digital adoption. This opening is the second release of several digital touchpoints in our omni-channel experience.

Looking Ahead

We are still very much in development mode but are now eagerly anticipating the next big leap: the deployment of our digital platform which will come to market in Q2 2023, bringing instantaneous banking to our customers via our App, whose numerous features are highly customisable, and which will create a symbiotic relationship between ANSA Bank and the customer. It is expected that they will use it not just to craft financial decisions, but also to enhance their financial wellness and improve lifestyle choices.

Robert Le Hunte, my predecessor, was at the helm when ANSA Bank's transformative journey began, and we appreciate his contributions, and the unwavering support and direction of our Board of Directors, who have provided a solid base on which we continue to build. I particularly recognise our team members at ANSA Bank, who remain committed and energised in an ever-changing environment. They have been subjected to long periods of technology training, culture change coaching, and the painstaking process of our ERP migration. Their commitment and dedication to our vision is the key ingredient for our successes thus far.

Report of the Managing Director

"Our overall underwriting performance across both Life and Property & Casualty businesses lines performed well."

M. Musa Ibrahim

INSURANCE

Financial Performance

On the heels of a record-breaking financial performance, our Insurance businesses continued to show growth in 2022, generating combined Gross Written Premium Income (GWPI) of $864M, growing 9% over the prior year. This growth occurred in both Property & Casualty (General Insurance), where we saw a 16% increase in GWPI, and in our Life company, where we saw 80% growth in new business applications and Annual Premium Income over the prior year.

Notwithstanding a mixed, poor performance of specific elements in our Health Insurance business, our overall underwriting performance across both Life and Property & Casualty businesses lines performed well. Taken together with a 7% increase in our overheads, inclusive of business acquisition costs, our performance in our core operations remained robust.

Affecting this positive result was the negative performance in our investment portfolios, which was subject to significant negative mark-to-market valuation adjustments (unrealised non-cash losses). According to our International Accounting Standards, these required us to take these negative adjustments in our Income Statement, which significantly affected our year's profitability. Globally, investment valuations were affected by both post-COVID macro-economic challenges and by the ripple effects from the Russia/Ukraine war. Our combined investment losses (non-cash unrealised) of $139M were dismal when compared to the prior year's gain of $172M. This "swing" year-over-year affected our 2022 profitability in excess of $310M, resulting in an overall Loss After Tax of $118M versus the prior year's Profit After Tax of $201M.

Acquisitions and Growth

Colfire

On 31st October, 2022, TATIL received approval from the Central Bank of Trinidad & Tobago (CBTT) to purchase CL Financial Limited's 94.24% shareholding in Colfire. Subject to various closing steps, this transaction was subsequently concluded in February 2023, and at the time of writing this report we have acquired 100% ownership of Colfire's shareholding via compulsory acquisition. With the acquisition completed, the combined market of TATIL (13%) and Colfire (10%) now accounts for 23% of the local Property & Casualty market in Trinidad and Tobago.

Trident Insurance

Following regulatory approvals in 2021 in both Trinidad and Tobago and Barbados to acquire the insurance business of Trident Insurance Company Limited, we completed the integration of our Insurance business (via runoff) into our Barbados branch. Given the strength of the 'Trident' name, our combined insurance business has been rebranded Trident Insurance. The combined portfolios now account for an estimated 10% share of the Property & Casualty insurance market in Barbados.

Significant activities during the year

Enhancements of the TATIL Building, Maraval Road, Port of Spain

As we prepared for our 60th Anniversary in 2023, in February 2020 we began the replacement of the original exterior glazing of the iconic TATIL Building. While seeking to modernise the look of the building, we ensured much better efficiencies with temperature control, reducing heat gain and maintaining a comfortable airconditioned environment in an energy-efficient way. Our scheduled date for completion was February 2022 and, despite the start of COVID-19 within weeks of the project commencing, and the loss of months of work from unexpected lockdowns, we completed the project within time and under budget.

In the high-density business area of Newtown, over 300 staff and tenants, and some customers, are provided with convenient parking in our four-story carpark located behind the TATIL Building. Our multi-story carpark has been outfitted with an elevator on the south-east side. When our building was constructed over five decades ago, it did not include wheelchair access. We put this right in 2022 by providing a ramp at the rear of the building that caters to the differently-abled and to persons who prefer not to use steps. A differently-abled persons' parking space close to the building was also assigned.

Numerous attractive interior design upgrades are visible throughout the TATIL Building, particularly in the customer service areas in our lobby and Reception. Our goal has been to enrich our customers' experience, with a focus on 'easing customers' effort', both when they visit our offices or decide to transact business online. The brighter lighting, contemporary artwork and furniture, and protective partitioning, all combine to provide a comfortable and appealing space in which to work and serve our customers.

Never Every Worry Advertising Campaign

To support our focus on physical infrastructure, we launched our Never Ever Worry major advertising campaign for television, radio, print and social media in June 2022. Captured across all media, the campaign was based on a kaiso from yesteryear with lyrics by the master Calypsonian, Lord Pretender. The ads brought to life the peace of mind that TATIL's Motor, Property and Health insurance policyholders enjoy. This campaign also captures our unique TATIL personality—"where people are people...yuh know what I mean"—which memorably expresses our responsive service and the claims settlement for which TATIL is known.

People and Technology Investment

As a part of the Financial Services industry, our 'stock in trade' and 'plant and machinery' are our People and Information Technology, and we have furthered our investments in both.

Accident & Health Portal

In Quarter 1 we launched our online Health Portal, www.mytatilhealth.com, for our Health clients anywhere. The portal provides customers, employers and intermediaries with an easy and convenient way to manage many aspects of their Health policies: submitting claims, tracking payments, viewing claims history and referencing explanations of benefits. The portal is mobile-friendly and can be accessed 24/7/365 from any device.

Core Information System

Across both Life and Property & Casualty businesses, upgrades to our legacy IT systems with the state-of-the-art Oracle Insurance Policy Administration System (OIPA) continued.

Despite unforeseen challenges, I am happy to report that at the time of writing this report in 2023, we launched the first phases of these projects in both TATIL and TATIL Life at TATIL's head office, and at various agencies and showrooms. New Motor policyholders were signed in to the OIPA system. In TATIL Life, Term Life and Life Span products have also been rolled out and new business transacted.

Upon completion of all phases, our customers will enjoy a digital and seamless customer experience, online quotations, illustrations and applications, improved efficiency and service and simplified agent/broker interaction. This investment will revolutionise our business processes and will improve our interface with our customers and intermediaries.

Our People

Work continued on our leadership and wider teams across the insurance sector, with continued focus on recruitment of the right talent, training and development, and succession planning for all business critical positions. Our staff engagement scores and absenteeism rates continue to be better than global standards.

Community Engagement – Diabetes: A Family Concern

DIABETES
A family concern

For nearly five years, TATIL and TATIL Life have committed to raising public awareness around Diabetes in Trinidad and Tobago, which counts as one of the countries with the highest rate of non-communicable diseases (NCDs) and fastest-growing cases of diabetes in the world. Nearly 15% of the population lives with the disease. The United Nation's Sustainable Development Goals target reducing premature death from NCDs, including diabetes, by 30% by 2030.

Under the banner *Diabetes: A Family Concern*, our campaigns capture the impact that the disease has on the diabetic and his or her family, and promote the role the wider family plays in the prevention, management and care of and education about the condition.

Annually, we distribute 20,000 information packages on different aspects of managing diabetes. To date, 100,000 of these info-packs on eight pertinent topics have been distributed. They are placed in our branch offices nationwide, handed out at our events, and electronically distributed. Educational campaigns run on both social media and traditional media year-round, and ramp up around Christmas, Carnival, Easter and other public holidays, when sugary food intake increases. Informative YouTube talks on various topics, delivered by medical and health practitioners, populate our diabetes microsite and social media.

TATIL and TATIL Life have partnered with the Diabetes Association of Trinidad and Tobago (DATT) for a number of activities annually. In 2022, we co-hosted DATT's 6th Form internship programme and the launch of the Association's Youth Advocacy Arm. This internship involved 30 students from 20 schools during a six-week programme, where they learned about diabetes research, marketing, communication, lab work, advocacy, and health promotion. The students also learned how to use the diabetes retinal camera, which was donated by TATIL and TATIL Life to the Association in 2021. To date, over 2,000 Trinbagonians have benefitted from free exams with the eye screening camera, which have previously been unavailable, and have been a vision-saver for many.

The *RUN DATT 5K and Walkathon*, which we sponsor annually, saw great success in 2022 as we were over-subscribed, reaching our 1,000-participant target in the weeks leading up to the event. It incorporates a 5km run/walk, 1.5km walk and 50km ride. In 2022, the event was hosted simultaneously in Chaguanas, Trinidad and Scarborough, Tobago—a first for an event of this kind.

Our intention is to continue growing our efforts incrementally each year to increase diabetes awareness, while educating our customers and the wider public on healthy lifestyle choices to motivate positive and lasting behaviour change.

Conclusion

Our reported profits showed slippage in 2022 but, as explained, requirements from our accounting standards skewed our financial results from booking unrealised non-cash losses. Our core business continued to perform well, and we continue to see growth in our revenues and in the markets we serve. We anticipate the positive impact of our phased IT implementation on both our businesses and our customers' experience. Together with the ongoing journey of developing our employees, we look forward to continuing to serve our existing clients, and to welcoming new clients and employees into our fold.

Walking the Talk:

Our Banks' Commitment to Sustainable Business Practices

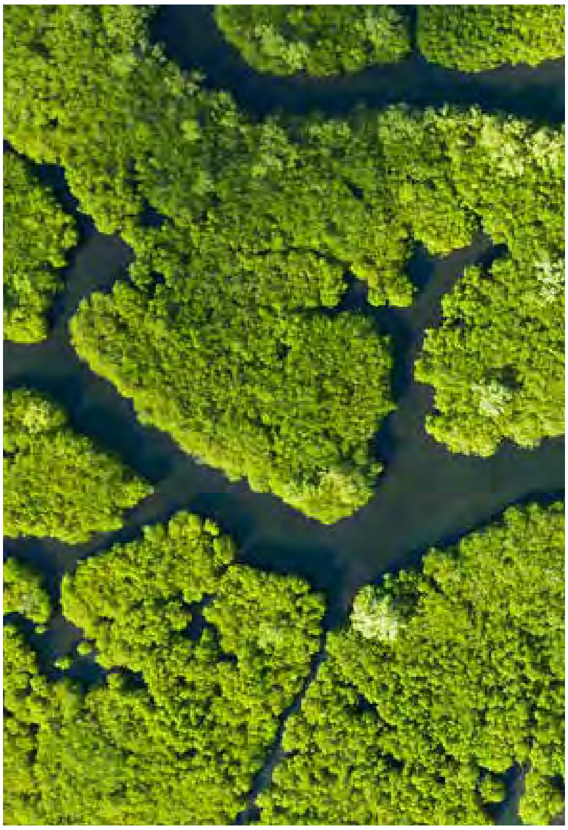
Natural Capital is every living and non-living resource derived from Mother Nature.

While humankind is attempting to replicate some of what she provides with AI and 3D printing and other innovations, many governments and businesses still plunder natural resources irresponsibly and without accountability. Here in the Caribbean, the impact of climate change is felt in extremes of wet and dry season, encroaching sea levels, destruction of mangroves, loss of animal habitats, sargassum piling up on our shores, unregulated strip mining, minimal uptake in solar and wind power, and the slow adoption of electric vehicles.

Understanding how businesses impact and depend on stocks of Natural Capital is critical to the ongoing resilience of our societies and economies, leading to safer and more secure futures for all of us.

COP26 concluded with a pact which had a number of important goals. Most of those goals are driven, very specifically, by the kinds of business that our Banking Group conducts every day, and a global impetus which clearly states that every finance house, bank, insurer, and investor will need to change to achieve these goals, and must commit to ensuring their investments and lending policies are aligned with Net Zero.

Recognising that our Banks could and should play a crucial role for our countries and our Region in realising COP26 imperatives, almost four years ago we began researching what would be the



At the Natural Capital launch event, A. Norman Sabga, Chairman of ANSA Merchant Bank, and Gregory N. Hill, Managing Director of ANSA Merchant Bank, sign the Statement of Intent.

most valuable and impactful way for us to align our business with sustainable goals. In 2021 we signed an MOU with The Cropper Foundation, whose understanding of the importance of Natural Capital and Biodiversity to human well-being has been at the forefront of the Foundation's work for over 20 years as an advocate for sustainable and responsible decision-making across the Caribbean. We joined the Foundation in becoming signatories to the Natural Capital Protocols developed by the international Capitals Coalition. The Protocol supports organisations in the identification, measurement and valuation of their impacts and dependencies on natural capital, towards more responsible decision-making about their use of these assets. ANSA Merchant Bank and ANSA Bank have recognised the utility and credibility of this Protocol and it will form a key element of our pioneering role in implementing Natural Capital Protocols into our business processes.

Omar Mohammed, Chief Executive Officer, The Cropper Foundation, speaks at the Natural Capital Launch.

In July and August 2022 we launched our Statement of Intent to all employees of ANSA Merchant Bank and ANSA Bank, and to the wider public via an event targeted to key stakeholders. At the same time, we became Capitals Coalition's facilitators of the Caribbean Natural Capital Hub—the 14th such Hub in the world, and the first for the LatAm region Our adoption of this framework is not just expressing leadership from a moral and values-based perspective, but it also shows how pro-Nature alignment can be a strategic one by reducing business risks and identifying critical business opportunities.

Under the Caribbean Natural Capital Hub, our Banks have committed to be private sector catalysts to grow the understanding and inclusion of Natural Capital approaches in planning and decision-making in key business sectors in Trinidad and Tobago and the Region. We will do this by applying the Natural Capital Protocol in a way that is relevant to our circumstances.

Our Banks' Natural Capital Report

We will produce the first Natural Capital Report in the Caribbean. In this annual Report, we will identify, quantify, and communicate the ways in which our operations affect and are reliant on natural resources, calculating and being accountable for the economic and financial value and condition of Nature's assets that we impact. Our ability to do this will come from implementing the Natural Capital Protocol. It is a framework that integrates qualitative, quantitative, and monetary analyses for our Banking Group's Natural Capital accounts.

Grant Challenges

Big Ideas for Biodiversity is a grant challenge particularly targeted to SMEs, start-ups, and entrepreneurs in Trinidad and Tobago who are operating in 'green' spaces. We anticipate that this challenge will launch in Q2 2023 and will open up opportunities for our Banks to acquire new business and to provide applicants with the financial resources and access to expertise that will help make them more sustainable.

In Barbados the grant challenge takes on a different aspect. *Innovation for Sustainability* will focus on one major issue which is affecting the country. Innovators will be tasked with finding solutions that will improve or halt that issue's negative impact on the environment.

Citizens Journalism Blog

We are the sponsor of the Cari-Bois Environmental News Network, which has been running since 2020, and which has gained more and more traction. It has contributors from over 20 communities locally, regular contributions from environmental organisations and institutions, and has sharing agreements with major newspapers and global journalism platforms. Today more than 150,000 readers have logged on.

www.caribois.org

Victor Boyce, Managing Director, ANSA Merchant Bank (Barbados) with Moderator Krystle Francis at Fintech 2022.

Gregory Hill with Moderator Gravette Brown at Fintech Islands 2022.

Natural CapitaL ESG Events and Actions

Fintech Islands Sponsorship – Barbados

Held in October under the auspices of the Prime Minister of Barbados, The Honourable Mia Mottley, Fintech Islands was a significant event for the region, designed to bring together the financial services and technology global ecosystem through discussions, collaboration, deal-making and networking. Our sponsorship was under the banner of ANSA Bank and Natural Capital. We promoted our Caribbean Natural Capital Hub and the Natural Capital Framework to an audience that is already passionately aligned to 'green' issues and is aware and committed to the principles of COP 26.

Gregory Hill, AMBL's Managing Director, was a panelist on *Finteching the Unbanked: Driving Economic Access and Banking for All.* Victor Boyce, AMBBL's Managing Director, was a panelist on *Looking in the Mirror: Innovating to Fight Climate Change and Promote Climate Resilience.*

Make it Mandatory: The Case for Mandatory Corporate Assessment and Disclosure on Nature

In October 2022, ANSA Merchant Bank was among 330 companies who called on Heads of States Governments to commit to mandatory assessment and disclosure on impacts and dependencies on biodiversity by 2030. New data in a report from Capitals Coalition, Business for Nature and CDP, shows that action on destruction of the stocks of natural assets—which include geology, soil, air, water and all living things—is lagging far behind that on climate, and makes the case for a strong and ambitious Global Biodiversity Framework Target 15.

Through our annual Natural Capital Reports and the work of the Caribbean Natural Capital Hub, in partnership with The Cropper Foundation and Capitals Coalition, ANSA Merchant Bank and ANSA Bank will actively contribute to filling in the data gap for our Region.

Global Dialogues – A Caribbean Natural Capital Hub and Capitals Coalition Virtual Global Event

The Cropper Foundation hosted a virtual Hub activity in November as part of a simultaneous global event held over several weeks, spearheaded by all Capitals Coalition Hubs. Gregory Hill, AMBL's Managing Director, featured in a panel discussion on the theme of *Shifting Tides: Exploring the rapid rise in global sustainability approaches and their relevance for Caribbean institutions.* This was open to the public and persons already registered under the Hub were particular invitees.

ANSA Merchant Bank Barbados – Pioneering 'Green' Energy Alternatives

AMBBL has been partnering with renewable energy suppliers since 2014 when the Bank launched our first green financing expo and introduced the population to Solar PV Systems for homes and the zero emission Electric Nissan Leaf for transportation. On our vehicle lot are both the KIA Niro Hybrid-a no-plug-in vehicle which charges itself whilst driving and reduces fuel consumption, and the MG which is a full 100% electric plug-in vehicle. The Bank is the premier financier of electric vehicles on the island.

On the Corporate & Commercial side, we are also investing heavily in renewable energy Solar PV Farm projects with 50% of 2022 business already in renewable energy projects, providing approximately 17 Megawatts of power to the grid. In fact, we will see a radical change in our portfolio mix by the end of 2023, reflecting

Andrew Boissiere (L) speaking at CaribESG 2022.

CaribESG 2022: 2nd Caribbean ESG and Climate Financing Summit – Trinidad and Tobago

In December, Andrew Boissiere, Head of Origination – Corporate & Investment Banking at ANSA Merchant Bank was a panelist on the topic of *Are Caribbean Banks Driving—and Demanding—Good ESG?*

higher lending in the Renewable Energy space. We intend to work alongside the Government of Barbados for our Natural Capital Challenge, looking at areas such as invasive sargassum seaweed, coral reef replenishment, desalination plants and rainwater harvesting for agriculture, and other similar projects which Prime Minister, The Honourable Mia Mottley, has prioritised. Implementation of the Natural Capital Protocols into our business model will enhance and elevate what we are already doing daily. Customers are starting to make decisions about who to do business with based on the company's activities within the sustainability arena.

The Cropper Foundation

The Cropper Foundation (TCF) is a well-established, robust NGO with a widespread network of high-level global contacts. The Foundation has an excellent reputation in the field of Sustainable Development. Since its inception, the Foundation has engaged at the highest levels in advocating for a science and data-based approach to creating a sustainable Caribbean region.

ANSA Merchant Bank's and ANSA Bank's partnership with the Foundation reinforces their leadership position in the investment sector along with the multinational development agencies and the resident diplomatic community, all of whom are major funders in the "green" arena.

Capitals Coalition

Capitals Coalition is an international collaboration that unites prominent initiatives and organisations under a common vision of a world that conserves and enhances the Natural Capital—assets and resources derived from Nature. The Coalition is made up of over 400 organisations (and engages many thousands more) which together represent all parts of society. ANSA Merchant Bank and ANSA Bank are now part of this ground-breaking movement as the first Caribbean financial institutions in the Coalition.

MERCHANT BANK LIMITED

MERCHANT BANK (BARBADOS) LIMITED

ANSA BANK

NATURAL CAPITAL STATEMENT OF INTENT

For many decades, ANSA Merchant Bank's vision has been 'to create a successful and lasting financial services group that is built on a foundation of sound business principles, and continuously creates value for our shareholders'.

Like other leading global financial institutions, ANSA Merchant Bank in Trinidad and Tobago and Barbados, together with ANSA Bank, appreciates that creating and sustaining lasting value hinges on the health of the natural world. In the Caribbean Region our economies and societies are fused with the biodiversity that surrounds and forms us, and the resources it provides. Now, more than ever, it is critical that enterprises escalate their awareness of their impacts and dependencies on Nature.

Therefore, our Banks have committed to adopting a Natural Capital approach for advancing and enhancing our shareholder value. This approach integrates the concept of Nature's stock of capital (living and non-living resources), and the services it provides to people, with corporate decision-making.

To do this, we intend to identify, quantify and communicate publicly the ways in which our operations affect and are reliant on natural resources. Our goal is to use this assessment to pioneer the first private-sector led, Natural Capital Report in the Caribbean. This annual Report will explain the economic and financial value of our impact on natural capital assets.

Through our Natural Capital Report and the launch of the first Caribbean Natural Capital Hub, we will share our journey of bettering our interaction with Nature and the communities that depend on her, and thus act as a catalyst for wider-scale business action towards a more sustainable future.

A. Norman Sabga

A. NORMAN SABGA
Chairman
ANSA Merchant Bank Limited

Gregory N. Hill

GREGORY N. HILL
Chairman
ANSA Merchant Bank
(Barbados) Limited

David Dulal-Whiteway

DAVID DULAL-WHITEWAY
Chairman
ANSA Bank Limited

THE CROPPER FOUNDATION

CAPITALS COALITION HUB

ansa mcal GROUP OF COMPANIES
Together, we are Family

Board of
Directors

Gregory N. Hill
Managing Director

Dr. A. Norman Sabga
LLD (Hon.) UWI; (h.c.) UTT
Chairman

Ray A. Sumairsingh
Deputy Chairman

David Dulal-Whiteway
Director

Timothy Hamel-Smith
Director

M. Musa Ibrahim
Director

Larry Howai
Director

Nigel Romano
Director

Jeremy Matouk
Director

Ian E. Welch
Director

Biographies of the

Board Members

A. Norman Sabga
LLD (Hon.) UWI; (h.c.) UTT
Executive Chairman

A. Norman Sabga is the Executive Chairman of the ANSA McAL Group of Companies and Patron of the Anthony N Sabga Awards – Caribbean Excellence. In 2000 he was appointed Group Chairman of ANSA McAL Limited when Dr. Anthony N Sabga, Chairman Emeritus, retired. He has strategically steered the ANSA McAL Group to identify and pioneer new business opportunities, and to deliver exceptional returns to stakeholders. In recognition of his significant business achievements, he was awarded a Doctor of Laws Degree, Honoris Causa, from the University of the West Indies in 2015 and an honorary Doctor of Law Degree from the University of Trinidad and Tobago in 2019. He was Chairman of the ANSA McAL Foundation from 2017 to 2020.

Gregory N. Hill
Managing Director

Gregory N. Hill is a career regional financial services professional with a career spanning 30 years. He has served in senior leadership and executive positions at preeminent regional and international financial institutions and business associations where he acquired significant regional banking, regulatory, insurance and capital markets experience. He joined ANSA Merchant Bank in 2007 and is Chairman of the Barbados subsidiary, ANSA Merchant Bank (Barbados), in addition to Managing Director of ANSA Merchant Bank. He is also a director of the subsidiary companies in Insurance and Banking: TATIL and ANSA Bank. He sits as Vice President of the Board of the Trinidad and Tobago American Chamber of Commerce (AMCHAM) and represents the Caribbean as a Member of the Accountants for Business Global ACCA Forum. He is a past President and Director of the Securities Dealers Association of Trinidad and Tobago (SDATT).

Ray. A. Sumairsingh
Deputy Chairman

Ray A Sumairsingh is an Associate of the Chartered Institute of Bankers (England and Wales) and also holds an MBA in Finance. His career in Banking and Insurance spans over 53 years, the last 22 being in the Financial Services Sector of the ANSA McAL Group, successfully integrating TATIL and TATIL Life while Managing Director at ANSA Merchant Bank. His Directorships include ANSA McAL Parent Board for 21 years, Chairman of TATIL and TATIL Life and several other Boards within the ANSA McAL Group. He previously served as a Director of the Unit Trust Corporation and is currently a Director on the Trinidad and Tobago Stock Exchange.

David Dulal-Whiteway

David Dulal-Whiteway is a career banker, spending over 25 years at Republic Bank. He retired as Managing Director in 2016—a position he held for 11 years. He has served on numerous Boards and is currently the Chairman of ANSA Bank. He is a former CEO of the Arthur Lok Jack Global School of Business and former Chairman of the Foundation for the Enhancement and Enrichment of Life (FEEL).

M. Musa Ibrahim

Musa Ibrahim is a Financial Services Sector professional with more than 25 years' experience in Banking and Insurance. He has held various senior positions with a major Caribbean bank, specialising in Trust and Merchant Banking. He was a previous Finance Director and Company Secretary of ANSA Merchant Bank and is currently the Managing Director of TATIL (Trinidad and Tobago Insurance Limited) and TATIL Life Assurance Limited. He serves on several Boards and is the current President of the Insurance Association of the Caribbean (IAC) and a Director of ATTIC (Association of Trinidad & Tobago Insurance Companies).

Jeremy Matouk

Jeremy Matouk has been employed for the last 38 years in the Matouk Group of Companies and holds the position of Group Managing Director. He is the founder and owner of CRU Fine Wine Merchants and has also served on several Government advisory committees over the years in Agriculture, Finance, Trade and Industry. He is a Director of Guardian Media Limited and the Pointe-à-Pierre Wildfowl Trust.

Timothy Hamel-Smith

Timothy Hamel-Smith is Partner Emeritus in the law firm of M. Hamel-Smith & Co., rated by Chambers Global as a No. 1 ranked lawyer specialising in Banking & Finance Law. He has served as a director in the Energy Industry and Banking Sector. He is a former President of the Senate in the Trinidad and Tobago Parliament.

Larry Howai

Larry Howai has over 45 years' experience in the banking and finance services industry. He is a former CEO of the First Citizens Group and a former Minister of Finance and the Economy in the Government of Trinidad and Tobago and Trinidad and Tobago's representative on the Board of Governors of the IMF and the World Bank. He has significant Board experience having sat on the Boards of numerous companies in the state and private sectors, both locally and regionally.

Nigel Romano

Nigel Romano is a Chartered Accountant and Banker with extensive global experience in banking and finance. He is currently Partner Business Coaching and Advisory Services at Moore T&T, Chartered Accountants. He is Chairman of National Flour Mills (NFM), National Insurance Property Development Company Limited (NIPDEC), and the Caribbean Corporate Governance Institute, and is a member of the FIFA-appointed Normalization Committee overseeing the affairs of the Trinidad and Tobago Football Association.

Ian E. Welch

Ian Welch has spent over 35 years in the Energy Sector. He has held several leadership roles and has been the Managing Director of PCS Nitrogen Trinidad for over 17 years. He served as Chairman of the Point Lisas Energy Association and the National Energy Skills Centre. He is an active member of the American Institute of Chemical Engineers, serving on the Board of its Safety in Ammonia Plants and Related Industries Committee. Previously, he has been President of the Trinidad and Tobago Chamber of Industry and Commerce, Chairman of the Regulated Industries Commission, and Director of the University of Trinidad and Tobago.

Corporate Governance

Board of Directors

ANSA Merchant Bank Limited is committed to the highest standards of sound and effective corporate governance, business integrity, accurate and transparent reporting and ethical conduct for the benefit of our stakeholders and customers. This is achieved through a robust corporate governance framework designed to ensure the efficient use of resources, the achievement of corporate targets and effective supervision and oversight of Management's operations. Key to the achievement of these objectives is the Board of Directors and the Board sub committees which, along with Executive Management , are collectively charged with the development and implementation of the strategic direction of the Bank.

The Board of Directors is comprised of skilled, competent, experienced and committed professionals who provide creative leadership and oversight. The Board's mandate is to exercise its collective business judgment in the best interests of ANSA Merchant Bank Limited (AMBL) with a view to ultimately achieving the strategic business goals and objectives and increasing shareholder value. The primary objectives of the Board are to review and approve the corporate strategies of the Group; monitor Management's progress toward meeting the agreed business plans and budgetary objectives; and reviewing the internal policies and procedures to ensure statutory and regulatory compliance and adherence to accepted best practices.

Some of the Board's responsibilities include:

- Establishing strategic objectives and a set of core corporate values for AMBL and ensuring that it is pursuing a sound strategic direction in accordance with these approved objectives.
- Approving on an annual basis the corporate goals and objectives of the Bank and evaluating on an ongoing basis the implementation of these strategies, business plans, policies and performance measurements.
- Ensuring that processes are in place intended to address and comply with applicable legal, regulatory and procedural compliance.
- Identifying and assessing the key risk areas of the business and ensuring that a reliable framework of risk control and mitigation together with appropriate systems are in place to manage these risks.
- Overseeing the integrity and effectiveness of internal controls and systems.
- Approving important capital investments of the Group, including new products and services.

The Board treats with the execution of its duties with due diligence, business integrity and competence with a view to maintaining the financial sustainability and encouraging continued growth and development of AMBL. To assist in the execution of its duties and in order to meet the legal and regulatory requirements of the Bank, the Board has effectively delegated specific duties to specialised Board oversight committees which provide guidance to operations within the Bank.

The Board meets monthly and the Board minutes are periodically reviewed by the Central Bank of Trinidad and Tobago (CBTT).

Audit Committee

The Audit Committee assists the Board in fulfilling its stewardship responsibility with oversight of the accounting and financial reporting processes. This Committee oversees the preparation of and reviews the Group's annual financial statements, ensuring that they are of the highest quality and integrity.

Other duties are outlined hereunder:

- Review critical accounting policies and practices, any material changes, material accounting treatments and the impact thereof.
- Review and discuss with management and the internal and external auditors, the financial statements including disclosures, and determine whether they are complete, consistent and accurate, and assess whether the financial statements reflect appropriate accounting principles.
- Ensure effective and adequate internal controls, policies and procedures pertaining to accounting, financial reporting, disclosure and compliance.
- Review the audit scope and plan of the external Auditors and the plan of the internal audit function; review audit findings and obtain reports thereon together with significant recommendations and Management's responses thereto.
- Oversight of systems for monitoring compliance with legal and regulatory requirements as well as compliance with board approved policies and limits and the results of Management's investigations of any instances of non-compliance.
- General Oversight of Audit exceptions for all subsidiaries.
- Review and approve financial statements for Mutual Funds managed by the Bank.
- Review and oversight of the Bank's Enterprise Risk Management (ERM).

The Audit Committee meets quarterly. The minutes of those meetings are shared with the Board of Directors

Investment Committee

The purpose of the Investment Committee is to maintain prudent and effective oversight of the Bank's Investments and Funds held under management and to formulate and oversee the Bank's investment policies.

Other duties are outlined hereunder:

- Review of the risks arising from market changes together with the outline of the framework for the management of market risk, liquidity risk and balance sheet risk.
- Ensure the adequacy and effectiveness of the programme of compliance and ensure that the operational risk programme is subject to an effective and comprehensive review.
- Approve and monitor country, industry and sectorial limits for investments and establish appropriate investment limits.
- Oversight of investments and the development and implementation of sound investment policies and procedures in keeping with statutory and other requirements and guidelines.
- Identify trends and developments in the investment markets and make appropriate recommendations to mitigate adverse risk exposure.

The Investment Committee meets monthly. The minutes of those meetings are shared with the Board of Directors.

Credit Committee

This Committee oversees the overall credit risk profile of the Group and monitors and evaluates the main areas of credit risk affecting the Group. This Committee will review the guidelines and policies governing credit assessment and management and ensure that they fall within the parameters of the Bank's Risk Management strategy.

Other duties are outlined hereunder:

- Examine and monitor the credit risk concentrations, with a view to affixing appropriate risk ratings and ensuring group risk management and compliance within limits set by the Board and industry-wide acceptable standards.
- Identify and maintain standards for the presentation of credit proposals, financial covenants, rating standards and benchmarks in keeping with the Bank's credit risk policy.
- Recognise and review the management of operational risk and monitoring of the operational risk management and controls within approved policies and guidelines.
- Ensure the adequacy and effectiveness of the programme of compliance and ensure that the operational risk programme is subject to an effective and comprehensive review.
- Approval of credit proposals in accordance with the lending limits established by the Bank.
- Ensure that periodic reviews are conducted on the quality of loan assets and that adequate loan loss provisions are made to accurately reflect the quality of the loan portfolio.

Asset and Liabilities Committee

The Asset and Liability Committee (ALCO) has been established as a committee of management and has been delegated authority by the Board to manage liquidity, funding, balance sheet risk and capital.

The functions of the committee include:

- Review of the risks arising from market changes together with the outline of the framework for the management of market risk, liquidity risk and balance sheet risk.
- To manage the Bank's treasury and liquidity positions.
- Ensure that all statutory funding requirements are met.
- To monitor and control the capital base requirements of the Bank.
- To monitor and control the interest rate risk of the Bank.
- To monitor and control the structural balance sheet risk.

The ALCO Committee meets monthly. A copy of the Committee's monthly minutes are shared with the Board of Directors.

Regulatory and Compliance Committee

As a licensed Financial Institution and a broker/dealer approved by the Trinidad and Tobago Securities and Exchange Commission, the Bank is required to ensure that there is strict adherence to regulations and reporting requirements issued under the country's legislation, the CBTT and the TTSEC.

As a listed company in the Trinidad and Tobago Stock Exchange, AMBL must also adhere to the rules of the Exchange and the reporting requirements for our shareholders.

The Head of Compliance manages the Bank's Internal Control Unit and is responsible for the operation of the Bank's AML/CTF Compliance Programme and ensuring that periodic reviews of the Bank's Anti- Money Laundering Policy are undertaken to reflect any changes/ developments made to the governing regulations and guidelines issued by its regulators.

The Bank's Internal Control Unit also provides oversight in ensuring that proper approvals and authority limits are adhered to and to serve as an independent monitor for customer transactions to identify risk and mitigate its effect.

A Compliance Grid is prepared monthly for the Board of Directors to show that all reporting requirements/returns are identified monthly and submitted on a timely basis. This includes matters concerning the Board of Inland Revenue and the VAT Administration Board.

ANSA Merchant Bank Limited- Corporate Governance Structure

Board of Directors

The Board of Directors is comprised of skilled, competent, experienced and committed professionals who provide creative leadership and oversight. The Board's mandate is to exercise its collective business judgment in the best interests of ANSA Merchant Bank Limited with a view to protecting depositors' funds, ultimately achieving the strategic business goals and objectives and increasing shareholder value.

The primary objectives of the Board are to provide strategic direction, monitor Management's progress toward meeting the agreed business plans and budgetary objectives, and approving the internal policies and procedures to ensure statutory and regulatory compliance and adherence to accepted best practices.

Audit Committee: Operational & Financial Risk

The Audit Committee assists the Board in fulfilling its stewardship responsibility with oversight of the accounting and financial reporting processes. This Committee oversees the preparation of and reviews the Group's financial statements, ensuring that they are of the highest quality and integrity. This Committee also has oversight of the Bank's Enterprise Risk Management (ERM) framework.

Investment Committee: Investment & Market Risk

The purpose of the Investment Committee is to maintain prudent and effective oversight of the Bank's Investments and Funds held under management and to formulate and oversee the Bank's investment policies.

Credit Committee: Credit Risk

This Committee oversees the credit risk of the Bank. The Arrears Committee is a sub committee which provides oversight of all loans in arrears and determines recovery action.

Asset & Liability Committee: Liquidity Risk, Interest Rate Risk

The Asset and Liability Committee (ALCO) has been established as a committee of management and has been delegated authority by the Board to manage liquidity, funding, balance sheet risk and capital.

Risk & Compliance: AML & Regulatory Compliance Risk Operational Risk

The Bank's Compliance Officer heads the Bank's Internal Control Unit and is responsible for the Bank's AML/CTF Compliance Programme and ensuring that periodic reviews of the Bank's Anti- Money Laundering Policy are undertaken to ensure that it remains current with regard to any changes/ developments made to the governing regulations and guidelines issued by its regulators.

The Bank's Internal Control Unit also provides oversight in ensuring that proper approvals and authority limits are adhered to and to serve as an independent monitor for customer transactions to identify risk and mitigate its effect.

Corporate Information

ANSA Merchant Bank Limited

<table>
<tr><td>
BOARD OF DIRECTORS
Dr. A. Norman Sabga, LLD (Hon.) UWI; (H.C.) UTT (Chairman)
Gregory N. Hill (Managing Director)
Ray A. Sumairsingh (Deputy Chairman)
David Dulal-Whiteway*
Timothy Hamel-Smith
Larry Howai
M. Musa Ibrahim
Jeremy Matouk*
Nigel Romano*
Ian E. Welch*
*Denotes Independent Directors
12 Board meetings were held in 2022

CORPORATE SECRETARY
Robert I. Ferreira
</td><td>
MANAGEMENT TEAM
Andrew Boissiere — Head of Origination
Glenn Cheong — Head of Finance and Administration
Ian N. Chin — Head of Sales and Trading
Randy Cyrus — Chief Risk Officer
Kevin Doodnath — Head of Acquisition and Integration
Robert I. Ferreira — Head of Compliance
Carolyn Fifi — Head of Legal/Compliance
A. Nigel Sabga — Head of Investments
Richard Marshall — Head of Information Technology
Nadine Paul — Head of Business Banking
Reaaz Shah — Head of Treasury and Trading
Aaron Armoogam — Manager, San Fernando
Kyle Wickham — Manager, Finance
Michael Blache-Fraser — Senior Collections Manager
Sheldon Ramharack — Senior Manager of Information Technology
</td></tr>
<tr><td>
REGISTRAR & TRANSFER OFFICE
The Trinidad and Tobago Central Depository Ltd.
10th Floor, Nicholas Tower
63-65 Independence Square
Port of Spain
</td><td>
REGISTERED OFFICE/HEAD OFFICE
ANSA Centre
11A Maraval Road
Port of Spain
Tel: 868-623-8672
Website: www.ansabank.com
</td></tr>
<tr><td>
BRANCH OFFICES
ANSA McAL Centre
25 Royal Road, San Fernando
Tel: 868-657-1452

Building L. First Floor
Grand Bazaar, Valsayn
Tel: 868-623-8672
</td><td>
CLASSES OF BUSINESS
1. Confirming House/Acceptance House
2. Finance House/Finance Company
3. Leasing Corporation
4. Mortgage Institution
5. Merchant Bank
6. Trust Company
7. Unit Trust
8. Financial Services
9. Wealth Management Services
</td></tr>
<tr><td>
AUDITORS
Ernst & Young
5/7 Sweet Briar Road
Port of Spain
</td><td>
PRINCIPAL BANKERS
Republic Bank Limited
59 Independence Square
Port of Spain
</td></tr>
</table>

ANSA Merchant Bank Limited (continued)	
ATTORNEYS AT LAW M. Hamel-Smith & Co. Eleven Albion, Cor. Dere and Albion Streets Port of Spain J.D. Sellier & Co. 129-131 Abercromby Street Port of Spain	**AUDIT AND RISK COMMITTEE** Nigel Romano (Chairman)* Timothy Hamel-Smith Jeremy Matouk* *Denotes Independent Directors 5 Audit Committee meetings were held in 2022

ANSA Merchant Bank (Barbados) Limited		
BOARD OF DIRECTORS Gregory N. Hill (Chairman) Victor Boyce Jeffrey Gellineau* Mary Mahabir* Stephen Edghill (resigned from the Board March 2023)* Oliver Jordan (designated as a Director, pending regulatory approval)* Randy Cyrus (designated as a Director, pending regulatory approval) *Denotes Independent Directors 6 Board meetings were held in 2022 **CORPORATE SECRETARY** Dana Selman	**MANAGEMENT TEAM** Victor Boyce Frances Parravicino Darrell Wilson Cheryl Brewster Dana Selman Christina Lewis Akeila Greenidge Brian Clarke	 Managing Director Head, Asset Finance & Business Banking Head, Corporate and Commercial Banking Manager, Credit Administration Risk & Compliance Manager/ Corporate Secretary Manager, Business Development Manager, Treasury & Investments Head, Asset Finance & Business Banking (joined March 2023)
REGISTERED OFFICE/HEAD OFFICE Hastings Main Road Christ Church Tel: 246-467-2350 Website: www.ansamerchantbank.com	**CLASSES OF BUSINESS** 1. Finance House/Finance Company 2. Leasing Corporation 3. Mortgage Institution 4. Merchant Bank 5. Commercial Lending 6. Financial Services 7. Foreign Exchange Trading	
PRINCIPAL BANKERS Bank of Nova Scotia Broad Street Bridgetown	**AUDITORS** Ernst & Young One Welches Welches, St. Thomas	

ANSA Merchant Bank (Barbados) Limited (continued)	
AUDIT AND RISK COMMITTEE Jeffrey Gellineau (Chairman)* Gregory N. Hill Mary Mahabir* Stephen Edghill (resigned as a Member March 2023)* Oliver Jordan (designated as a Member, pending regulatory approval)* *Denotes Independent Directors 6 Audit Committee meetings were held in 2022	**ATTORNEYS AT LAW** Lex Caribbean Worthing Corporate Centre Worthing Christ Church

ANSA Bank Limited		
BOARD OF DIRECTORS David Dulal-Whiteway* (Chairman) Kathleen Galy (Managing Director Ag.) Gregory N. Hill Frances Bain-Cumberbatch Larry Howai Angella Persad* Eileen Ruddy* Jon Paul Mouttet* Gabriel Abed* Giselle Thompson* *Denotes Independent Directors 11 Board Meetings were held in 2022 **CORPORATE SECRETARY** Susan Torry	**MANAGEMENT TEAM** Hema Ramdass-Chatoor Kirk Henry Susan Torry Edmund Joachim	 Chief Financial Officer Chief Digital Officer Senior Manager, Operations and Administration Head of Retail and Commercial Lending/ Banking
REGISTERED OFFICE/ HEAD OFFICE 90 Independence Square Port of Spain	**BRANCH OFFICES** 90 Independence Square, Port of Spain Ground Floor, Gulf City Mall, La Romaine 1 Endeavour Road, Chaguanas	
AUDITORS Ernst & Young 5/7 Sweet Briar Road Port of Spain	**CLASSES OF BUSINESS** Retail and Commercial Banking	

ANSA Bank Limited (continued)

AUDIT AND RISK COMMITTEE
Angella Persad (Chair)*
Jon Paul Mouttet*
Giselle Thompson*
Larry Howai
Frances Bain-Cumberbatch

*Denotes Independent Directors
4 Audit Committee meetings were held in 2022

TATIL and TATIL Life Assurance Limited

BOARD OF DIRECTORS – TATIL
Ray A. Sumairsingh (Chairman)
M. Musa Ibrahim (Managing Director)
Michal Andrews*
Nabeel Hadeed (Corporate Secretary)
Gregory N. Hill
Larry Howai
Charles A. Mouttet*
Franklyn Parsotan*
Nigel Smith*
Marlene Attzs*
Maryam Abdool-Richards*

*Denotes Independent Directors
12 Board meetings were held in 2022

BOARD OF DIRECTORS – TATIL LIFE
Ray A. Sumairsingh (Chairman)
M. Musa Ibrahim (Managing Director)
Larry Howai
Charles A. Mouttet*
Franklyn Parsotan*
Nigel Smith*
W. David Clarke*
Dr. Michael A. Moses*
A. Nigel Sabga
Marlene Attzs*
Maryam Abdool-Richards*

*Denotes Independent Directors
12 Board meetings were held in 2022

CORPORATE SECRETARY
Nabeel Hadeed

MANAGEMENT TEAM – TATIL

M. Musa Ibrahim	Managing Director
Ryan Toby	General Manager
Alex Malins-Smith	Chief Financial Officer
Alya Abdulla Ali Taib	Manager, Accident and Health
Owen Field	Executive, Information Technology and Digital Transformation
Gamal Hallim	Manager, Claims
Nabeel Hadeed	Executive Director, Legal
Neil Mohammed	General Manager, Special Projects
Sarita Parsad	Head of Legal and Compliance
Salisha Rajnarinesingh	Senior Manager, Underwriting
Vijay Seudath	Technical Manager
Nicholas Sonnylal	Manager, Agencies and Direct Business
Ricardo St. Cyr	Manager, Broker Services

TATIL and TATIL Life Assurance Limited (continued)

MANAGEMENT TEAM – TATIL LIFE

M. Musa Ibrahim	Managing Director
Anthony Shaw	General Manager
Claudine Allert	Life Office Manager
Cyntra Achong	Executive Manager, Strategy
Jeffrey Dalton-Brown	Manager, Compliance and Risk
Owen Field	Executive, Information Technology and Digital Transformation
Leisel Francis	Manager, Finance
Felix Mahadeo	Head of Sales
Luanna Rahman	Manager, Pension Services
David St. Cyr	Head of Actuarial Services

MANAGEMENT TEAM - TRIDENT INSURANCE

David Alleyne	General Manager
Roger Walcott	Insurance Operations Manager
Siobhan Robinson	Human Resources Lead
Irvin Springer	Claims Manager
Donna Holder	Health Manager
Valerie Evelyn	Finance Manager
Patti Carter	Marketing/Customer Service Manager
Nicole Hoyte	Underwriting Manager

AUDIT AND RISK COMMITTEE
Franklyn Parsotan (Chairman)*
Dr. Maryam Richards*
W. David Clarke*
Michal Andrews*
Larry Howai

*Denotes Independent Directors
4 Audit Committee meetings were held in 2022

REGISTERED OFFICE
11A Maraval Road, Port of Spain
Tel: 868-628-2845
Website: www.tatil.co.tt

AUDITORS
Ernst & Young
5/7 Sweet Briar Road
Port of Spain

PRINCIPAL BANKERS
Republic Bank Limited
59 Independence Square
Port of Spain

BRANCH OFFICES
Cor. Green and Cocorite Streets, Arima
Mid Centre Mall, Chaguanas
Grand Bazaar, Valsayn
13A Rupert Indar Street, San Fernando
25 Royal Road, San Fernando
ANSA McAL Building, Milford Road, Tobago
All Tel: 868-628-2845

Trident Insurance Financial Centre
Highway 7, Hastings, Christ Church
Barbados BB15154
Tel: (246) 431-2347

ATTORNEYS AT LAW
J. D. Sellier & Co.
129-131 Abercromby Street
Port of Spain

Pollonais, Blanc, de La Bastide & Jacelon
17-19 Pembroke Street
Port of Spain

Report of the
Directors

The Directors present their report and Statement of Accounts for the year ended December 31, 2022.

Financial Results for the Year	2022 $000
Profit attributable to shareholders	(60,944)
Other comprehensive income	(7,218)
Transfers to statutory reserves	(2,217)
Dividends	(102,726)
Other life insurance movements	9,957
	(163,148)
Retained profits at the start of the year	1,982,112
Retained profits at the end of the year	1,818,964

Dividends

The Directors have declared a final dividend of $1.00. The total dividend paid for the year is $1.20.

Directors

Pursuant to paragraph 4.4 of By-Law No. 1 of the Bank, Messrs. A. Norman Sabga, LLD (Hon.) UWI; (h.c) UTT, Ray A. Sumairsingh, Timothy Hamel-Smith, Jeremy Matouk, and Ian E. Welch retire, and being eligible, offer themselves for re-election.

Auditors

Auditors, Ernst & Young, have expressed their willingness to continue in office and offer themselves for re-election.

BY ORDER OF THE BOARD

Robert I. Ferreira

Robert I. Ferreira
Corporate Secretary
ANSA Centre
11A Maraval Road, Port of Spain
March 27, 2023

Directors' and Substantial Interests

Directors' Interests		
	March 31, 2023 Beneficial	March 31, 2022 Beneficial
A. Norman Sabga	0	0
Gregory N. Hill	0	0
Ray A. Sumairsingh	2,000	2,000
David Dulal-Whiteway	0	0
Timothy Hamel-Smith	0	0
Larry Howai	2,397	2,397
M. Musa Ibrahim	0	0
Jeremy Matouk	3,202	3,202
Nigel Romano	0	0
Ian E. Welch	0	0

(a) Mr. A. Norman Sabga has a beneficial interest in MASA Investments Ltd. and ANSA Investments Limited, which is the major shareholder of ANSA McAL Limited.

(b) Norman Finance Development Co. Ltd. and The ANSA McAL Foundation, connected persons to Mr. A. Norman Sabga, hold 848,090 and 530,820 shares in ANSA Merchant Bank Limited respectively.

Substantial Interests – Top 10 Shareholding of ANSA Merchant Bank Limited	
Shareholder Name	Shares held as at December 31, 2022
ANSA McAL Limited	70,605,263
MASA Investments Limited	2,609,763
Republic Bank Limited – 1162 (Trustee)	1,752,215
T&T Unit Trust Corporation – FUS	1,293,981
Norman Finance Development Co. Limited	848,090
The ANSA McAL Foundation	530,820
Guardian Life of the Caribbean Limited	463,293
Guardian Life of the Caribbean Limited – PFP	370,473
TATIL Life Assurance Limited A/C B	300,426
T&T Unit Trust Corporation – Calypso Macro Index Fund	292,608

Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Forty-fifth Annual Meeting of Shareholders of ANSA MERCHANT BANK LIMITED will be held at the Radisson Hotel, Wrightson Road, Port of Spain on Friday 12th May, 2023 at 10 a.m. for the following purposes:

Ordinary Business:

1. To receive and consider the audited Financial Statements for the year ended December 31st, 2022, and the report of the Directors and Auditors thereon.
2. To re-elect Directors.
3. To re-appoint Auditors and to authorise the Directors to fix their remuneration in respect of the period ending at the conclusion of the next Annual Meeting.

Dated this 27th Day of March 2023

By Order of the Board

Robert I. Ferreira

Robert I. Ferreira
Corporate Secretary

NOTES:

1. No service contracts were entered into between the Company and any of its Directors.
2. A shareholder which is a body corporate may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or its governing body to represent it at the Annual Meeting.
3. The Directors of the Company have not fixed a record date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. In accordance with Section 111(a)(i) of the Companies Act, Chap. 81:01, the statutory record date applies. Only shareholders of record at the close of business on Friday April 24th, 2023, the last business date immediately preceding the date on which the Notice is given, are entitled to receive Notice of the Annual Meeting.

Management Proxy Circular

1. **Name of Company: ANSA Merchant Bank Limited**
   Company No.: A-350(c)

2. **Particulars of Meeting:**
   The Forty-fifth Annual Meeting of the Company is to be held at the Radisson Hotel, Wrightson Road, Port of Spain, Friday 12th May, 2023 at 10 a.m.

3. **Solicitation:**
   It is intended to vote the Proxy solicited hereby (unless the Shareholder(s) directs otherwise) in favour of all resolutions therein.

4. **Any Director's Statement submitted pursuant to Section 76(2):**
   No statement has been received from any Director pursuant to Section 76(2) of The Companies Act, 1995.

5. **Any Auditor Statement submitted pursuant to Section 171(1):**
   No statement has been received from the Auditor of the Company pursuant to Section 171 (1) of The Companies Act, 1995.

6. **Any Shareholder's Proposal and/or statement submitted pursuant to Sections 116(a) and 117(2):**
   No proposal has been received from any shareholder pursuant to Sections (116 (a) and 117(2) of The Companies Act, 1995.

Date	Name and Title	Signature
March 27, 2023	Robert I. Ferreira Corporate Secretary	Robert I. Ferreira

Financial

Highlights

	Dec-22	Dec-21
Loss/(Profit) Before Taxation	-34,048	360,179
Loss/(Profit) After Taxation	-61,023	306,317
Total Assets	9,590,796	9,382,034
Actual Number of Issued Shares	85,605	85,605
Weighted Average Number of Shares	85,605	85,605
Return on Average Assets	-0.64%	3.51%
Return on Average Shareholders' Equity	-2.16%	10.98%
Dividends	102,726	81,325
Earnings Per Share ($)	(0.71)	3.58
Dividends Per Share ($)	1.20	0.95
Net Book Value Per Share ($)	32.02	33.91
ANSA MERCHANT BANK (PARENT)		
Net Operating Income	179,947	219,916
Efficiency Ratio	42.11%	33.51%
Capital Adequacy Ratio	25.80%	16.26%
TATIL		
Net Premium Income	267,940	264,342
Underwriting Profit	1,965	35,301
Net Retention	37.14%	46.48%
Claim Ratio	63.32%	54.25%
Combined Ratio	108.88%	95.79%
TATIL LIFE		
# Field Force Agents	92	94
API	19,803	17,651
Avg API/Agent	215	188
Persistency	85%	84%

Corporate and Investment Banking

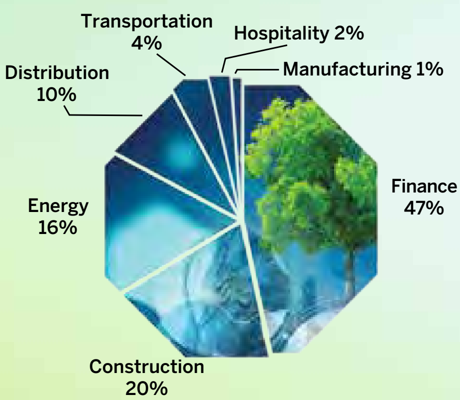
The Corporate and Investment Banking Unit of ANSA Merchant Bank Limited reaffirmed its position as a market leader with another strong financial performance.

The Corporate and Investment Banking Unit demonstrated its strong resilience to the sustained volatility experienced in the financial markets during 2022.

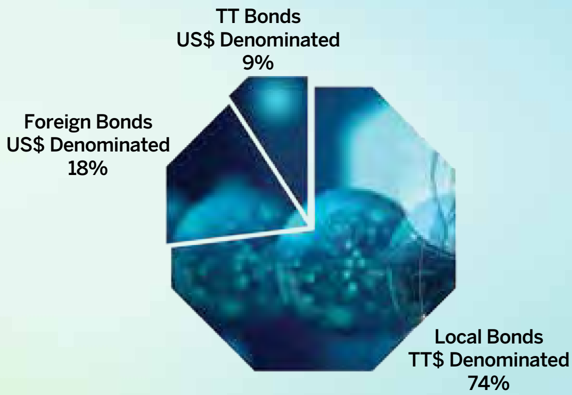
ANSA Merchant Bank reaffirmed its position as a market leader in the local capital markets by arranging and placing over 33% of the local primary capital market issues, which mainly spanned the construction, distribution, energy and financial services sectors.

Its secondary market activities were dominated by the trading of local market issues as we continued to provide viable solutions to our client needs in the face of reduced public sector primary capital market activity.

Volume arranged by Industry 2022



% Volume of Local Currency Trades by Issuer Type 2022



Wealth Management

OUR VISION

To become a valued and trusted wealth management partner for our clients; supporting multiple generations to implement financial strategies consistent with their core values.

OUR MISSION

To bring prosperity and financial peace of mind to our clients' lives by delivering personalised guidance intended to feed our clients' confidence to pursue their unique dreams.

OUR VALUE PROPOSITION

We help clients design their life through financial planning.

Our Private Wealth Management (PWM) unit provides financial planning, investment advisory and securities transaction services to clients through wealth managers. Our proven approach to investing is a disciplined focus on creating value, capital preservation and growth. We invest in high quality opportunities and proactively manage them with the goal to generate appealing risk-adjusted returns.

OUR PWM SEGMENT IS ANCHORED BY OUR CORE PRINCIPLES

- **Confidentiality** – We treat our clients' business with the utmost respect and confidentiality, recognising the importance of discretion.
- **Trust** – We abide by our clients' wishes, and adhere to their stated risk tolerance in the deployment of their funds.
- **Sound risk management** – We protect our clients' wealth in unfavourable markets and create growth in favourable times The benefits of our uncompromising focus on exceptional customer experience and diligent adherence to our core principles is evidenced by our strong achievements.

OUR PERFORMANCE

2022 was a momentous year for the Wealth Management division. Revenue almost doubled, the number of clients grew by close to 40% and Assets Under Management grew by 33%. Net new money increased by 44%, exceeding AUM growth, even in the face of an historically volatile environment, testament to the strength of our team, brand, and offerings. A seismic war in mainland Europe, inflation in the U.S. hitting 40-year highs, the resulting pivot in Federal Reserve monetary policy, the resurgence of COVID in China, a strong dollar, commodity shortages, and continued supply chain issues were just some of the challenges faced by markets and investors in calendar 2022. The MSCI All-Country World and the S&P 500 Indices both recorded a close to 20% decline.

Meanwhile, short term interest rates rose the fastest they have since the late 1970s, with the U.S. 6-month-Treasury-Bill rate ending the year at 4.75% after starting at a paltry 0.18%.

Speculative assets such as crypto-currencies and high-growth technology names faltered, while the old-economy energy sector led the way. Emerging markets underperformed developed markets slightly, while high-yield bonds significantly outperformed investment grade debt.

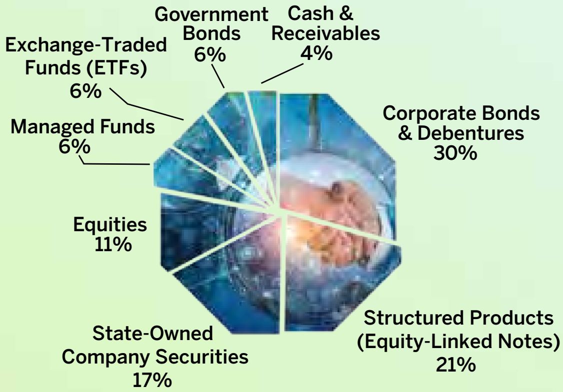
Despite the upheavals in markets, our managed portfolios for wealth management clients significantly out-performed their respective benchmarks, and our diversified holdings allowed clients to weather the storm through most of the volatility. Further, the strong performance of our financial advisors allowed our AUM to grow through the year in the face of all the uncertainties and worries that gripped investors. The vagaries of the market notwithstanding, we remain deeply committed to the Private Wealth Management business and see it as a core revenue growth engine for years to come.

Fund
Facts

ANSA TT$ INCOME Fund	
Top 10 Holdings – December 31, 2022	
SECURITY	**% OF PORTFOLIO**
BARCLAYS CONTINGENT 7.50% EQUITY LINKED NOTES DUE 2024	6.80%
MORGAN STANLEY 8.25% EQUITY LINKED NOTES DUE 2029	6.26%
CITIGROUP CONTINGENT 9.10% EQUITY LINKED NOTE DUE 2024	6.25%
WASA ZERO COUPON BOND DUE 2023	6.21%
PIMCO INVESTMENT GRADE CREDIT FUND	5.67%
GHL 4.83 DUE 2028	4.44%
TRINIDAD AND TOBAGO NATIONAL GAS LIMITED (NGL) SHARES	3.72%
NIPDEC 5.15 DUE 2025	3.56%
FIRST CITIZENS BANK LIMITED FRB 4.25% DUE 2023	3.31%
CLICO INVESTMENT FUND (CIF) SHARES	3.02%

Cumulative Returns as at December 31, 2022		Historical Performance	
12 month	-0.88%	2013	4.98%
3 Year	5.14%	2014	1.23%
5 Year	12.18%	2015	-0.71%
Since Inception	34.56%	2016	2.59%
		2017	3.76%
		2018	2.11%
		2019	4.70%
		2020	1.77%
		2021	4.21%
		2022	-0.88%

Asset Mix 2022



ANSA US$ INCOME Fund

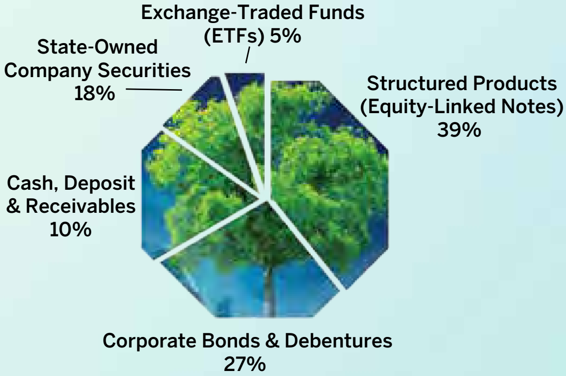
ansa US$ INCOME FUND

Top 10 Holdings – December 31, 2022

SECURITY	% OF PORTFOLIO
CITI CONTINGENT 9.10 DUE 20/05/2024	13.98%
CAL INVESTMENT STRIP SERIES 3	13.86%
CS CONTINGENT 8.15 DUE 26/08/2026	11.71%
GM 4.0 DUE 2025	8.45%
BCS CONTINGENT 7.50 DUE 13-05-2024	5.32%
BCS CONTIGENGENT 10.30 DUE 26/01/27	5.32%
UBS AG 5.125% Contingent Capital FRB Due 2024	5.27%
AEP 2.031 DUE 2024	5.13%
CAL FIXED RATE LOAN 5.875 USD64.2M	4.20%
ING Bank NV 5.80% FRB Due 2023	3.20%

Cumulative Returns as at December 31, 2022		Historical Performance	
12 month	-1.56%	2013	-2.41%
3 Year	5.09%	2014	0.93%
5 Year	10.88%	2015	-0.11%
Since Inception	25.28%	2016	2.60%
		2017	3.85%
		2018	0.20%
		2019	5.47%
		2020	3.36%
		2021	3.31%
		2022	-1.56%

Asset Mix 2022



Corporate Events, ESG Activities and Social Responsibility

MERCHANT BANK

CARICRIS ASSIGNS 'HIGH' CREDITWORTHINESS RATINGS TO ANSA MERCHANT BANK LIMITED

The Caribbean's Regional Credit Rating Agency CariCRIS has assigned top ratings to ANSA Merchant Bank Limited on its very first Credit Rating exercise of the AMBL Group.

Above: Gregory N Hill and Wayne Dass – Chief Executive Officer, CariCRIS, formally mark the Bank's Credit Rating of CariAA and ttAA with Anelia Oudit – Manager, Ratings, CariCRIS (L) and Kathryn Budhooram – Senior Manager, Rating Operations, Strategic Planning & Brand Development, CariCRIS, Glenn Cheong – Chief Financial Officer, ANSA Merchant Bank (second from R) and Robert Ferreira – Head of Compliance and Corporate Secretary, ANSA Merchant Bank.

Below: Gregory N Hill and Wayne Dass were signatories to the assignment of the CariCRIS credit ratings.

Gregory N. Hill with James P. Scriven, CEO of IDB Invest.

The ladies' team engages in an intense and enjoyable card game during Game Night.

Jenga was the game of the night and was highly competitive by all at the AMBL Staff Game Night.

David Alleyne, General Manager, Trident Insurance, Gregory Hill and Victor Boyce, Managing Director, AMBBL, chatting at the Financial Services Sector End of Year Celebration *A Night Under the Stars.*

Team members are enjoying *A Night Under the Stars* at Gun Hill Signal Station.

David Alleyne presenting Christina Lewis with her prize for Best Dressed for 2022 – ANSA Merchant Bank Barbados.

Victor Boyce presenting Judy St. Hill with her prize for Best Dressed for 2022- Trident Insurance.

Members of Team participating in FCIB *Walk for the Cure* in October 2022.

3rd place winners of the ANSA Merchant Bank Fishing Tournament in November 2022.

Frances Parravicino, Head, Asset Finance & Business Banking, hands over a trophy to a junior angler.

From highway kilometre sponsorship, to bus shelters, to water stations on the Boardwalk, ANSA Merchant Bank (Barbados) is branded everywhere.

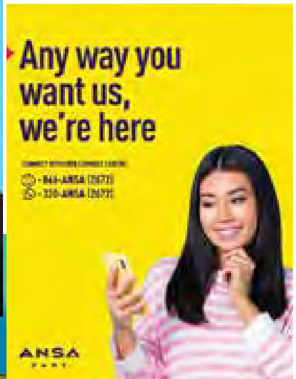
Victor Boyce donates $20,000 to Barbados Trailway Project with other MDs from the Group.

ANSA Merchant Bank customer, Michael Blackman, won the Group Christmas Promotion of a KIA Sonet. Keys were handed over by Frances Parravicino.

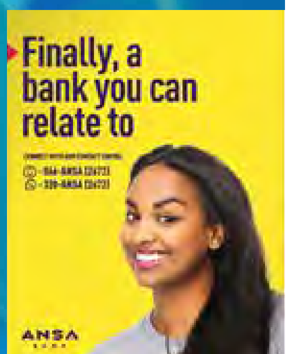
ANSA BANK

ANSA Bank employees celebrate the sweet moment when the Bank's computer system was successfully migrated: Switched OVER and Switched ON!

Culture Change Training.



The ANSA Bank rebranding brought lively colour and energy to all our touchpoints.



Gregory N. Hill, Director of ANSA Bank, speaks with an audience of his colleagues, including Victor Boyce, Richard Marshall, Head of Information Technology and Edmund Joachim, Head of Retail and Commercial Lending/Banking and attendees at the Fintech Islands 2022 Conference in Barbados. With Jamal Abisourour, Programme Advisor, HPS and Kadion Preston, Co-founder and CEO of CaribShopper.

Edmund Joachim and Richard Marshall chat with visitors at the ANSA Bank booth at Fintech 2022.

Tatil
... where people are people

Felix Mahadeo LUTCF, MDRT, Head of Sales and Business Development, accepts the Diabetes Association of Trinidad and Tobago (DATT) President's Award on behalf of TATIL and TATIL Life from DATT President Andrew Dhanoo and Executive Secretary Jennilyn Hamblin-Raphael. The award was presented to TATIL and TATIL Life for being one of the companies that contributed greatly to DATT's work.

Youth Advocacy Graduation:
M. Musa Ibrahim – Managing Director, TATIL and TATIL Life, addresses the attendees at the DATT Youth Advocacy Branch Launch and Internship Graduation Ceremony.

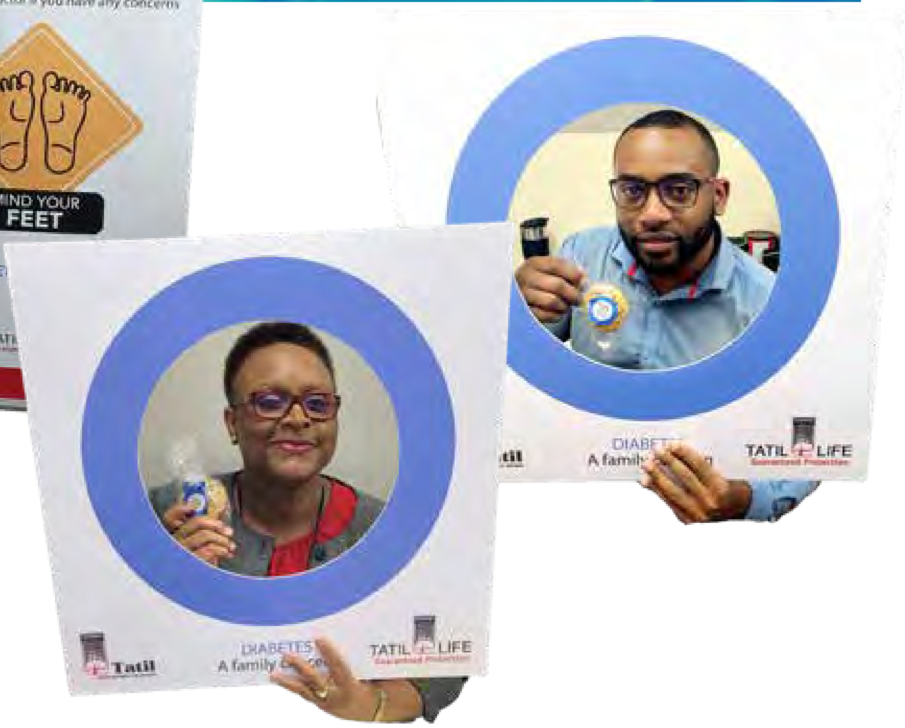
Youth Advocacy Graduation:
L-R: Andrew Dhanoo; M. Musa Ibrahim; Dr Maryam Abdul-Richards – Principal Medical Officer (Institutions), Ministry of Health; Ryan Toby – General Manager, TATIL; and Felix Mahadeo.

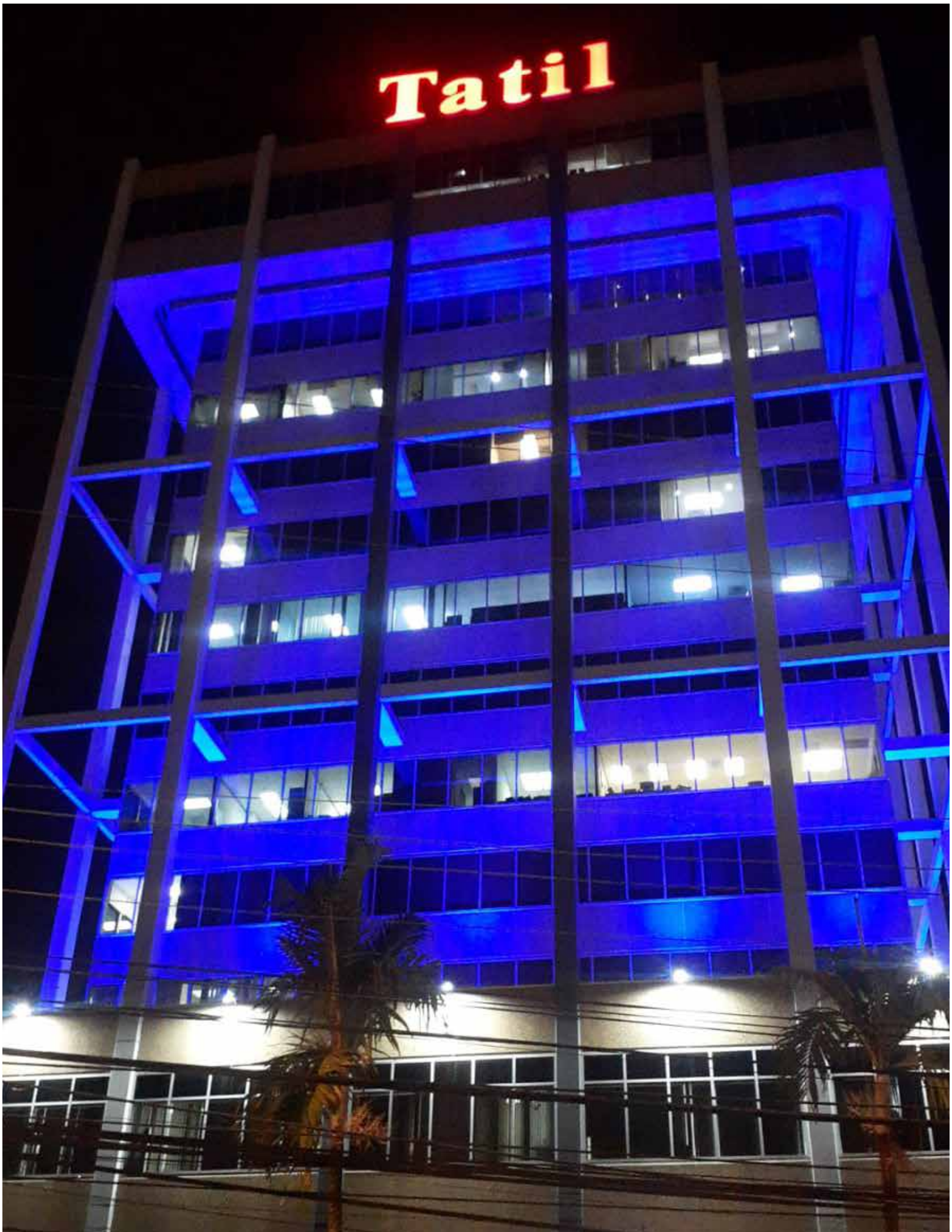
DIABETES
A family concern

TATIL LIFE
Guaranteed Protection

The Run DATT 5k had over 1,000 registered participants with many stopping by at the TATIL booth and interacting with the agents. At the 5k a 1,000 person human circle was formed.

TATIL staff wore blue in commemoration of World Diabetes Day. Healthy all natural oatmeal cookies were distributed to staff and some took the opportunity to take pictures for social media. TATIL's head office and branches were decorated with blue balloons in keeping with the Diabetes blue theme.





The TATIL Building on Maraval Road is illuminated blue in commemoration of Diabetes Month. TATIL and TATIL Life have committed to bring continued awareness of Diabetes with the aim of reduction and prevention of the disease through their educational initiative – *Diabetes: A Family Concern*. The TATIL building will be lit every evening until the end of November. World Diabetes Day is marked annually on November 14th.

Trident celebrates International Men's Day.

David Alleyne, General Manager of Trident Insurance, presents a prize at the Classic Car Show.

Trident employees participated in International Women's Day.

Corporate

Values

Our Strengths

RESPONSIBILITY

STABILITY

EXPERTISE

Our Driving Forces

AGILITY

CLIENT SATISFACTION

COMPLIANCE CULTURE

Financial Statements

2022

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying separate and consolidated financial statements of ANSA Merchant Bank Limited ("the Parent") and its subsidiaries ("the Group") which comprise the separate and consolidated statement of financial position as at 31 December 2022, the separate and consolidated statements of comprehensive income/(loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group 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 separate and consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

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

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

Gregory N. Hill

Gregory N. Hill
Managing Director
16 March 2023

Glenn Cheong

Glenn Cheong
Head of Finance & Administration
16 March 2023

EY
Building a better working world

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Trinidad

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ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ANSA Merchant Bank Limited

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the separate and consolidated financial statements of ANSA Merchant Bank Limited ("Parent") and its subsidiaries ("the Group"), which comprise the separate and consolidated statements of financial position as at 31 December 2022, and the separate and consolidated statements of income/(loss), comprehensive income/(loss), changes in equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Parent and Group as at 31 December 2022 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Separate and Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

Key Audit Matters	How our audit addressed the Key Audit Matters
Estimates used in the calculation of Insurance Contracts' Liabilities	
Refer to Notes 2xix, 3ii, 22 and 23. The Group has significant insurance liabilities of $1.79 billion representing 26% of the Group's total liabilities. The valuation of insurance contract liabilities involves extensive judgement and is dependent on a number of subjective assumptions, including primarily the timing and ultimate settlement value of long-term policyholder liabilities as well as the estimation of claims incurred, whether reported or not, for short-term insurance contracts. Various economic and non-economic key assumptions are being used to estimate the long-term liabilities. Specifically, the Group estimates the expected number and timing of deaths, persistency, future expenses and future investment income arising from the assets backing long-term insurance contracts. For short-term insurance contracts, in calculating the estimated cost of unpaid claims (both reported and incurred but not reported (IBNR)), the Group uses a combination of loss-ratio-based estimates and estimates based upon actual claims experience. The Group uses valuation models to support the calculations of these insurance contract liabilities. The complexity of the models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Considering the significance of the insurance contracts' liabilities and the complexity and estimates involved in the actuarial valuations, we determined this to be a key audit matter in our audit of the consolidated financial statements.	We involved our EY actuarial specialists to assist us in performing our audit procedures in this area, which included among others: • Assessment of the key assumptions applied including consideration of emerging trends and studies on mortality and morbidity, voluntary terminations, persistency, interest rate, capital gains, policy maintenance and administrative expenses, inflation, tax and lapse rates. • Recalculation of technical provisions produced by the models on a sample basis. • An assessment of the internal controls regarding the maintenance of the policyholder database. • An analysis of the movements in insurance liabilities during the year. We assessed whether the movements are in line with changes in assumptions adopted by the Group, our understanding of developments in the business and our expectations derived from market experience. • We considered whether the Group's disclosures in the consolidated financial statements in relation to insurance contract liabilities were compliant with IFRS.

Independent Auditor's Report (continued)

Report on the Audit of the Separate and Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
Allowance for Expected Credit Losses (ECLs)	
Refer to Notes 2vi(b), 3i, 5, 6, 7 and 40. Net investments in leased assets, loans and advances and other financial assets not held at fair value through statement of income (FVSI) represent 55% of the total assets of the Group (Parent: 44%) amounting to $5.2 billion (Parent: $1.8 billion). IFRS 9 'Financial Instruments' requires the Group to record an allowance for Expected Credit Losses (ECLs) for all loans and other debt financial assets not held at FVSI, together with investment in leased assets. The appropriateness of ECLs is a highly subjective area due to the level of judgement applied by management, involving various assumptions and factors, such as the estimate of the likelihood of default and the potential loss given default. Management also applied adjustments, or overlays, where they believe the data driven parameters and calculations were not appropriate, either due to emerging trends or models not capturing the risks in the portfolios. These overlays required significant judgement. Other significant areas of judgement included: - the interpretation of the requirements to determine impairment under the application of IFRS 9, which is reflected in the Group's ECL models; - the application of assumptions where there was limited or incomplete data; - the identification of exposures with a significant deterioration in credit quality; - assumptions used in the ECL model such as the financial condition of the counterparty or valuation of security; - the need to apply overlays, the quantification of which can be highly subjective, to reflect current or future external factors that are not appropriately captured by the ECL model; and - additional credit risk that could stem from macro-economic factors, on the ability of the Group's customers/investors to meet their financial commitments. Given the combination of inherent subjectivity in the valuation, and the material nature of the balance, we considered the measurement of ECLs to be a key audit matter in our audit of the separate and consolidated financial statements.	We understood and critically assessed the methodology and assumptions used by the Group in its ECL models while evaluating its compliance with IFRS 9 requirements. We tested the completeness and accuracy of the inputs used within the models, including the Probabilities of Default (PDs), recoveries and the associated Loss Given Defaults (LGDs) and Exposures at Default (EADs). We also considered whether all relevant risks were reflected in the ECL calculation, and where this was not, whether overlays appropriately reflected those risks. The aging of the portfolios and other qualitative factors were assessed to determine the staging and thus indication of a significant deterioration in credit risk in accordance with IFRS 9. Independent testing on PD and LGD inputs was performed through validation to international external credit rating agencies, where these were used, as well as typical collateral, historical loss trends and other borrower characteristics. In determining the reasonableness of the ECL overlay applied on the net investment in leased assets, we reviewed Management's assessment. For ECLs calculated on an individual basis, we tested the factors underlying the impairment identification and quantification including forecasts of the amount and timing of future cash flows, valuation of assigned collateral and estimates of recovery on default. We utilised our EY valuation specialists to assess the appropriateness of the key assumptions used in the models. Finally we focused on the adequacy of the Group's financial statement disclosures as to whether it appropriately reflected the requirements of the IFRSs.

<table>
<tr><th>Key Audit Matters</th><th>How our audit addressed the Key Audit Matters</th></tr>
<tr><td>Fair value measurement of investments securities and related disclosures

Refer to Notes 2vii, 3i, 7 and 39. The Group invests in various investment securities, of which $1.8 billion (Parent: $528 million) is carried at fair value in the statement of financial position. Additionally, the fair values are disclosed for $2.3 billion (Parent: $534 million) of investment securities carried at amortised cost in the statement of financial position. Of these assets, $1.7 billion (Parent: $181 million) are related to investments for which no published prices in active markets are available and have been classified as Level 2 and Level 3 assets within the IFRS fair value hierarchy.

Valuation techniques for these investments can be subjective in nature and involve various assumptions regarding pricing factors, particularly in a potentially distressed macroeconomic environment. Associated risk management disclosure is complex and dependent on high quality data. A specific area of audit focus includes the determination of fair value of Level 2 and Level 3 assets where valuation techniques are applied in which unobservable inputs are used.

For Level 2 assets, these techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analyses making maximum use of market inputs, such as the market risk free yield curve.

Included in the Level 3 category are financial assets that are not quoted as there are no active markets to determine a price. The fair value of these assets cannot be measured reliably and are therefore held at cost, being the fair value of the consideration paid on acquisition. These assets are regularly assessed for impairment.

As the determination of the fair value for certain investments securities is a key source of estimation uncertainty, is subject to differing underlying assumptions and represents a material balance and disclosure, we deemed this to be a key audit matter in our audit of the separate and consolidated financial statements.</td><td>We independently tested the pricing on quoted securities, and we used our valuation specialists to assess the appropriateness of pricing models used by the Group. This included:

• An assessment of the pricing model methodologies and assumptions against industry practice and valuation guidelines.
• Testing of the inputs used, including cash flows and other market based data.
• An evaluation of the reasonableness of other assumptions applied such as credit spreads and the volatility in the market.
• The re-performance of valuation calculations on a sample basis of internally priced securities that were classified as higher risk and estimation.
• An assessment of management's impairment analysis, including underlying indicators.

Finally, we assessed whether the financial statement disclosures, including sensitivity to key inputs and the IFRS fair value hierarchy, appropriately reflect the Group's exposure to financial instrument valuation risk.</td></tr>
</table>

Other information included in the Parent's and Group's 2022 Annual Report

Other information consists of the information included in the Parent's and Group's 2022 Annual Report, other than the separate and consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Parent's and Group's 2022 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management and the Audit Committee for the Separate and Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Parent's and Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

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

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

Independent Auditor's Report (continued)

Report on the Audit of the Separate and Consolidated Financial Statements (continued)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent's and Group'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 separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditor's report is Adrienne D'Arcy.

EY

Port of Spain
TRINIDAD
16 March 2023

SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)

Parent 31 Dec 2021	Parent 31 Dec 2022		Notes	Group 31 Dec 2022	Group 31 Dec 2021
		Assets			
729,390	705,070	Cash and short-term funds	4	1,495,579	1,452,588
–	–	Fixed deposits		8,528	8,549
872,462	718,290	Net investment in leased assets and other instalment loans	5	987,197	1,165,163
414,541	548,919	Loans and advances	6	1,555,835	1,035,788
1,035,207	1,062,387	Investment securities	7	4,161,989	4,429,880
7,766	3,021	Interest receivable		18,237	24,100
–	–	Insurance receivables	9	79,487	77,899
108,139	20,578	Other debtors and prepayments	10	57,183	130,443
–	–	Reinsurance assets	22	218,682	179,803
6,439	21,532	Taxation recoverable		27,723	8,277
989,510	1,039,510	Investment in subsidiaries	11	–	–
–	–	Investment properties	12	147,047	106,112
3,207	3,008	Property and equipment	13	192,002	201,570
27,418	25,322	Intangible assets	14	434,448	343,430
3,397	8,267	Right-of-use assets	15	20,369	11,619
32,563	18,856	Deferred tax assets	16	32,523	45,905
9,396	8,006	Employee benefits asset	17	153,967	160,908
4,239,435	**4,182,766**	**Total assets**		**9,590,796**	**9,382,034**
		Liabilities			
1,960,705	1,938,156	Customers' deposits and other funding instruments	19	3,603,443	3,383,770
3,701	8,265	Lease liabilities	15	19,153	11,766
1,907	3,840	Bank overdraft	4	3,840	1,907
94,658	83,419	Accrued interest and other payables	18	380,793	307,427
600,000	600,000	Debt securities in issue	20	600,000	600,000
8,148	7,799	Deferred tax liabilities	16	165,116	185,838
918	1,019	Employee benefits liability	17	9,250	8,616
–	–	Investment contract liabilities	21	282,978	273,902
–	–	Insurance contract liabilities	22	1,785,172	1,705,771
2,670,037	**2,642,498**	**Total liabilities**		**6,849,745**	**6,478,997**
		Equity			
667,274	667,274	Stated capital	24	667,274	667,274
225,896	230,274	Statutory reserve fund		246,218	241,839
47	(871)	Fair value reserve/(deficit)		(1,929)	(1,236)
4,768	3,884	General loan loss reserve		11,298	13,520
672	673	Foreign currency reserve/(deficit)		(1,440)	(1,216)
670,741	639,034	Retained earnings		1,818,964	1,982,112
1,569,398	1,540,268	Equity attributable to the equity holders of the parent		2,740,385	2,902,293
–	–	Non-controlling interest		666	744
1,569,398	**1,540,268**	**Total equity**		**2,741,051**	**2,903,037**
4,239,435	**4,182,766**	**Total liabilities and equity**		**9,590,796**	**9,382,034**

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 16 March 2023 and signed on its behalf by:

A. Norman Sabga

A. Norman Sabga
Chairman

Gregory N. Hill

Gregory N. Hill
Managing Director

SEPARATE AND CONSOLIDATED STATEMENT OF INCOME/(LOSS)

FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Notes	Group	
31 Dec 2021	31 Dec 2022			31 Dec 2022	31 Dec 2021
–	–	Net insurance revenue	25	374,185	427,461
140,923	106,569	Finance charges, loan fees and other interest income	26	171,702	184,511
69,522	36,023	Investment income/(loss)	27	(32,995)	376,603
32,499	26,654	Revenue from contracts with customers	28	17,524	11,872
47,481	38,962	Other income	29	190,534	155,395
290,425	208,208	**Total operating income**		720,950	1,155,842
–	–	Net insurance benefits and claims incurred	30	(337,809)	(361,018)
(47,152)	(55,643)	Interest expense	31	(86,790)	(76,697)
(23,357)	27,382	Credit loss (expense)/recovery on net investment in leased assets, loans and advances, and investment securities	32	20,292	(26,786)
219,916	179,947	**Net operating income**		316,643	691,341
(2,790)	(3,829)	Marketing and policy expenses	33	(67,955)	(69,219)
(40,553)	(43,990)	Personnel expenses	34	(141,344)	(125,266)
(4,516)	(4,476)	Depreciation and amortisation	13, 14, 15	(41,121)	(43,371)
(2,160)	(2,160)	Management fees		(6,710)	(6,744)
(23,675)	(21,316)	General administrative expenses	35	(93,560)	(86,562)
(73,694)	(75,771)	**Total selling and administration expenses**		(350,690)	(331,162)
146,222	104,176	**Net profit/(loss) before taxation**		(34,047)	360,179
(21,841)	(27,893)	Taxation	36	(26,975)	(53,862)
124,381	76,283	**Profit/(loss) for the year**		(61,022)	306,317
		Profit/(loss) attributable to:			
124,381	76,283	Equity holders of the Parent		(60,944)	306,222
–	–	Non-controlling interest		(78)	95
124,381	76,283			(61,022)	306,317
		Basic and diluted (loss)/ earning per share ($ per share)		(0.71)	3.58
		Weighted average number of shares ('000)		85,605	85,605

The accompanying notes form an integral part of these financial statements.

SEPARATE AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Notes	Group	
31 Dec 2021	31 Dec 2022			31 Dec 2022	31 Dec 2021
124,381	76,283	**Profit/(loss) for the year**		(61,022)	306,317
		Other comprehensive income/ (loss) that will not be reclassified to profit or loss in subsequent periods:			
(470)	1	Net (loss)/gain on investment securities at fair value through other comprehensive income		–	–
(4,178)	(799)	Other movements		2,926	(1,580)
2,250	(1,509)	Experience gains/(losses) on defined benefit plans	17(b)	(13,482)	16,544
(680)	447	Income tax effect	16	3,350	(4,504)
1,570	(1,062)			(10,132)	12,040
(3,078)	(1,860)			(7,206)	10,460
		Other comprehensive income/ (loss) that may be reclassified subsequently to profit and loss, net of tax			
		Debt instruments at fair value through other comprehensive income			
(442)	(918)	Net change in fair value during the year		(1,161)	(867)
(2,314)	(1)	Changes in allowance for expected credit losses		(104)	(2,318)
1,117	92	Income tax effect	16	92	1,117
(1,639)	(827)			(1,173)	(2,068)
–	–	Exchange differences on translation of foreign operations		(224)	4,135
119,664	73,596	**Total comprehensive income/ (loss) for the year, net of tax**		(69,625)	318,844
		Attributable to:			
119,664	73,596	Equity holders of the Parent		(69,547)	318,749
–	–	Non-controlling interest		(78)	95
119,664	73,596			(69,625)	318,844

The accompanying notes form an integral part of these financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)

Parent	Stated capital	Statutory reserve fund	General loan loss reserve	Fair value reserve/ (deficit)	Foreign currency reserve	Retained earnings	Total equity
Balance as at 31 December 2020	667,274	215,898	5,596	489	1,142	640,660	1,531,059
Profit for the year	–	–	–	–	–	124,381	124,381
Other comprehensive loss for the year	–	–	–	(442)	(470)	(3,805)	(4,717)
Transfer from general loan loss reserve	–	–	(828)	–	–	828	–
Transfer to statutory reserve fund	–	9,998	–	–	–	(9,998)	–
Dividends (Final 2020 and Interim 2021) (Note 46)	–	–	–	–	–	(81,325)	(81,325)
Balance as at 31 December 2021	667,274	225,896	4,768	47	672	670,741	1,569,398
Balance as at 31 December 2021	667,274	225,896	4,768	47	672	670,741	1,569,398
Profit for the year	–	–	–	–	–	76,283	76,283
Other comprehensive (loss)/income for the year	–	–	–	(918)	1	(1,770)	(2,687)
Transfer from general loan loss reserve	–	–	(884)	–	–	884	–
Transfer to statutory reserve fund	–	4,378	–	–	–	(4,378)	–
Dividends (Final 2021 and Interim 2022) (Note 46)	–	–	–	–	–	(102,726)	(102,726)
Balance as at 31 December 2022	667,274	230,274	3,884	(871)	673	639,034	1,540,268

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)

Group	Stated capital	Statutory reserve fund	Statutory surplus reserve	General loan loss reserve	Fair value deficit	Foreign currency deficit	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at 31 December 2020	667,274	231,841	66,539	13,906	(369)	(5,351)	1,703,081	2,676,921	649	2,677,570
Profit for the year	–	–	–	–	–	–	306,222	306,222	95	306,317
Other comprehensive (loss)/income for the year	–	–	–	–	(867)	4,135	9,259	12,527	–	12,527
Other life insurance reserve movements	–	–	–	–	–	–	(11,817)	(11,817)	–	(11,817)
Transfer to general loan loss reserve	–	–	–	677	–	–	(677)	–	–	–
Transfer to statutory reserve fund	–	9,998	–	(828)	–	–	(9,170)	–	–	–
Transfer from statutory surplus reserve	–	–	(66,539)	–	–	–	66,539	–	–	–
Dividends (Final 2020 and Interim 2021) (Note 46)	–	–	–	–	–	–	(81,325)	(81,325)	–	(81,325)
Other reserve movements	–	–	–	(235)	–	–	–	(235)	–	(235)
Balance as at 31 December 2021	667,274	241,839	–	13,520	(1,236)	(1,216)	1,982,112	2,902,293	744	2,903,037

Group	Stated capital	Statutory reserve fund	General loan loss reserve	Fair value deficit	Foreign currency deficit	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at 31 December 2021	667,274	241,839	13,520	(1,236)	(1,216)	1,982,112	2,902,293	744	2,903,037
Loss for the year	–	–	–	–	–	(60,944)	(60,944)	(78)	(61,022)
Other comprehensive loss for the year	–	–	–	(1,161)	(224)	(7,218)	(8,603)	–	(8,603)
Other life insurance reserve movements	–	–	–	–	–	9,957	9,957	–	9,957
Transfer from general loan loss reserve	–	–	(2,154)	–	–	2,154	–	–	–
Transfer to statutory reserve fund	–	4,379	–	–	–	(4,379)	–	–	–
Dividends (Final 2021 and Interim 2022) (Note 46)	–	–	–	–	–	(102,726)	(102,726)	–	(102,726)
Other reserve movements	–	–	(68)	468	–	8	408	–	408
Balance as at 31 December 2022	667,274	246,218	11,298	(1,929)	(1,440)	1,818,964	2,740,385	666	2,741,051

The accompanying notes form an integral part of these financial statements.

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Notes	Group	
31 Dec 2021	31 Dec 2022			31 Dec 2022	31 Dec 2021
		Cash flows from operating activities			
146,222	104,176	Profit/(loss) before taxation		(34,047)	360,179
		Adjustments for:			
670	980	Employee benefits	17(b)	(3,255)	(3,967)
–	–	Gain on disposal of property and equipment		(4,812)	(4,548)
2,771	2,987	Depreciation and amortisation	13, 14	36,013	37,663
1,745	1,489	Depreciation of right-of-use assets	15	5,108	5,708
2,076	3,178	Credit loss expense/(credit loss recovery) on investment securities	32	4,422	(7,393)
(3,368)	(445)	Amortisation of investment securities and interest capitalised		(8,100)	(11,164)
21,281	(30,559)	Credit loss expense/(credit loss recovery) on net investment in leased assets and loans and advances	32	(25,098)	30,617
–	–	Credit loss expense on insurance receivables		384	3,393
(7,724)	4,696	(Gain)/loss on revaluation of investment securities	32	146,030	(165,823)
–	–	Loss on revaluation of investment property		–	3,910
4,705	18,160	Loss/(gain) on sale of investment securities		38,014	(21,557)
(69,589)	(60,488)	Interest income		(200,895)	(216,084)
47,152	55,643	Finance costs	31	86,790	76,697
4,625	327	Foreign exchange (gains)/losses		7,754	338
150,566	100,144	Operating profit before changes in operating assets and liabilities		48,308	87,969
(26,758)	50,354	Decrease/(increase) in investment in leased assets and loans and advances		(316,982)	(40,439)
(77,244)	87,561	(Increase)/decrease in other receivables, debtors and prepayments		33,508	(132,518)
784,654	(22,549)	Increase/(decrease) in customers' deposits and other funding instruments		219,673	745,310
(26,018)	(13,544)	(Decrease)/increase in accrued interest and other payables		66,124	76,364
(41,944)	11,314	Decrease/(increase) in Central Bank reserve account		(132,396)	(82,629)
–	–	Increase in insurance and investment contract liabilities		88,477	122,602
763,256	213,280			6,712	776,659
(54,347)	(48,774)	Finance costs paid		(79,549)	(86,214)
68,234	65,233	Interest received on investment securities		206,770	220,625
(29,561)	(28,820)	Taxes paid		(18,136)	(45,742)
747,582	200,919	Net cash generated from operating activities		115,797	865,328
		Cash flows from investing activities			
–	–	Placement of fixed deposits		(5)	(140)
–	–	Maturity of fixed deposits		25	–
19	–	Proceeds from sale of property and equipment		11,418	14,938
(1,173)	(7,051)	Additions to property and equipment, leases and intangible assets		(154,173)	(192,971)
–	–	Purchase of investment property		(40,935)	–
(1,125,730)	(1,226,153)	Purchase of investment securities		(1,832,418)	(2,679,830)
874,161	1,170,075	Sale or maturity of investment securities		1,911,679	2,154,938
(179,190)	(50,000)	Net cash outflow from the purchase of interests in subsidiary		–	(9,080)
(431,913)	(113,129)	Net cash used in investing activities		(104,409)	(712,146)

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Notes	Group	
31 Dec 2021	31 Dec 2022			31 Dec 2022	31 Dec 2021
		Cash flows from financing activities			
–	600,000	Issue of debt securities		–	–
(202,836)	(600,000)	Repayment of debt securities		–	(202,836)
(81,325)	(102,726)	Dividends paid	46	(102,726)	(81,325)
(284,161)	(102,726)	Net cash used in financing activities		(102,726)	(284,161)
31,508	(14,939)	**Net increase/(decrease) in cash and cash equivalents**		(91,338)	(130,979)
584,420	615,928	**Cash and cash equivalents at the beginning of the year**		1,266,389	1,397,368
615,928	600,989	**Cash and cash equivalents at the end of the year**		1,175,051	1,266,389
		Represented by:			
615,928	600,989	Cash and cash equivalents	4	1,175,051	1,266,389
615,928	600,989			1,175,051	1,266,389
		Supplemental information:			
68,234	65,233	Interest and dividends received		377,276	397,963
54,347	48,774	Interest paid		79,549	86,214

The accompanying notes form an integral part of these financial statements.

1. Principal activities of the Group

ANSA Merchant Bank Limited (the 'Bank' or 'Parent') is domiciled and was incorporated in the Republic of Trinidad and Tobago on 3 March 1977. Its registered office is located at ANSA Centre, 11 Maraval Road, Port of Spain. The Bank is licensed under the provisions of the Financial Institutions Act 2008 to carry on the following classes of business:

- Confirming House/Acceptance House
- Finance House/Finance Company
- Leasing Corporation
- Mortgage Institution
- Merchant Bank
- Trust Company
- Unit Trust
- Financial Services

The Bank has also been granted full Authorised Dealer Status by the Central Bank of Trinidad and Tobago under Section 5 of the Exchange Control Act, Chapter 79:50 and is authorised to take deposits, grant credit facilities and otherwise deal in foreign currency consistent with the terms of its licence.

The Bank has a primary listing on the Trinidad & Tobago Stock Exchange and was registered by the Trinidad and Tobago Securities and Exchange Commission as a reporting issuer on 18 December 1997. On 6 May 1999 under the Securities Industries Act 1995 the Bank was registered to conduct business as a securities company.

The ANSA Merchant Bank Group (the 'Group') is a financial services group comprising of the Parent and eight subsidiaries at 31 December 2022. A full listing of the Group's subsidiaries is detailed in Note 11. The Group is engaged in a wide range of banking and financial related activities and carries on all classes of long-term and short-term insurance business and the rental of property in Trinidad and Tobago and the Caribbean. The ultimate parent of the Group is ANSA McAL Limited ('Ultimate Parent') which is incorporated in the Republic of Trinidad and Tobago.

2. Significant accounting policies

i) Basis of preparation

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

These financial statements have been prepared on a historical cost basis, except for the fair value measurement of trading investment securities, investment properties and other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest (SPPI).

The financial statements are presented in Trinidad and Tobago dollars (TTD) which is the functional currency of the Parent and all values are rounded to the nearest thousand, except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

Presentation of financial statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

The Group presents its statement of financial position broadly in order of liquidity. An analysis of recovery or settlement in the 12 months after the statement of financial position date (current) and greater than 12 months after the statement of financial position date (non-current) is presented in Note 43.

Basis of consolidation

The consolidated financial statements comprise the financial statements of ANSA Merchant Bank Limited and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2. Significant accounting policies (continued)

i) Basis of preparation (continued)

Basis of consolidation (continued)

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the statement of income. Any investment retained is recognised at fair value.

The Bank established open-ended mutual funds in the following periods:

- 2005: ANSA Secured Fund
- 2007: ANSA US$ Secured Fund
- 2010: ANSA TT$ Income Fund and ANSA US$ Income Fund

The Bank acts as the sponsor, investment manager, administrator and distributor of the Funds.

These mutual funds are financed through the issue of units to investors in the funds. The Group generates fees from managing the assets of the mutual funds and the Group's retirement benefit plans on behalf of third party interests. For the year ended 31 December 2022, the Group earned $8.6 million (2021: $8.0 million) in management fees from the retirement plans and $7.95 million (2021: $17.5 million) from the mutual funds.

The Group holds an interest of $71 million in sponsored funds as at 31 December 2022 (2021: $72 million). The maximum exposure to loss in these funds is the carrying value of the assets held by the Group.

The Bank re-assessed whether or not it controls any investee in accordance with IFRS 10, 'Consolidated Financial Statements.' This assessment also extended to the Bank's open-ended mutual funds. The criteria for control includes:

- The power to govern the financial and operating policies;
- Exposure, or rights, to variable returns from its involvement; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Based on the application of this criteria, the Bank has consolidated the Funds into these financial statements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The Parent accounts for investments in subsidiaries on a cost basis.

2. Significant accounting policies (continued)

ii) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021 except for the adoption of new standards and interpretations noted below.

New and amended standards and interpretations

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the financial statements of the Group. These are described in more detail below.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of each new standard or amendment is described below:

IFRS 3 – 'Business Combinations' Amendments – Reference to the Conceptual Framework – Effective 1 January 2022

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The amendments must be applied prospectively. Earlier application is permitted.

These amendments had no impact on the Group.

IAS 16 – 'Property, Plant and Equipment' Amendments – Proceeds before Intended Use – Effective 1 January 2022

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for first-time adopters.

These amendments had no impact on the Group.

IAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets' Amendments – Onerous Contracts – Costs of Fulfilling a Contract – Effective 1 January 2022

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

These amendments had no impact on the Group.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgements' – Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies – Effective 1 January 2023
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – Amendments to IAS 8 – Definition of Accounting Estimates – Effective 1 January 2023

2. Significant accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

- IAS 12 'Income Taxes' – Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Effective 1 January 2023
- IFRS 17 'Insurance Contracts' – Effective 1 January 2023
- IAS 1 'Presentation of Financial Statements' – Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current – Effective 1 January 2024
- IFRS 16 'Leases' – Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback – Effective 1 January 2024

IFRS 17 'Insurance Contracts'

The Group will apply IFRS 17 "Insurance Contracts" for the first time on 1 January 2023. This Standard will bring significant changes to the accounting for insurance and reinsurance contracts held and is expected to have material impact on the Group's consolidated financial statements in the period of initial application.

The IASB issued IFRS 17 in May 2017 and the Amendments to IFRS 17 in June 2020. IFRS 17, as amended, is effective for annual reporting periods beginning on or after 1 January 2023, to be applied retrospectively.

IFRS 17 will replace IFRS 4 and the principles underlying IFRS 17 differ from IFRS 4, affecting how the Group accounts for its insurance contracts and when and how it reports financial performance in the consolidated financial statements. The following outlines some of the key differences:

- New business gains under IFRS 17 will be deferred and recorded as the Contractual Service Margin ("CSM"), one of the measurement components of insurance contract liabilities. The CSM is subsequently amortized into income as insurance contract services are provided. New business losses are recorded into income immediately. On the other hand, under IFRS 4, premium income is recognised over the term of the related policy coverage.

- The discount rate used to estimate the present value of insurance contract liabilities is based on the characteristics of the insurance contracts themselves under IFRS 17. Under IFRS 4 for life insurance contracts, the Group uses the rates of returns for current and projected assets supporting insurance contract liabilities to value the liabilities. As it relates to non-life insurance contracts, under IFRS 17, the Group will discount the future cash flows when measuring liabilities for incurred claims. Under IFRS 4, the Group currently does not discount such future cash flows.

- The Risk Adjustment ("RA") represents the compensation required for uncertainty related to non-financial risk such as mortality and expenses under IFRS 17. Provisions for uncertainty related to financial risk are reflected in the present value of insurance contract liabilities. Under IFRS 4, amounts provided for non-financial and financial risks are both reflected in provisions for adverse deviation ("PfAD") which is part of insurance contract liabilities.

The Group is required to measure insurance contracts using the General Measurement Model. However, has elected to apply the optional simplified measurement model, the Premium Allocation Approach (PAA), for non-life insurance contracts including Group Life insurance contracts and related reinsurance contracts, mainly because the coverage period of each contract is one year or less (short-term insurance business).

On transition to IFRS 17, the Group expects to apply the fair value approach on all long-term insurance business as the Group has made a preliminary assessment that it is impracticable to apply IFRS 17 retrospectively from the transition date for these contracts. The Group expects to apply the full retrospective approach on all short-term insurance business.

The Group is still in the process of implementing IFRS 17. As industry practice and interpretation of the Standard is still developing, the likely financial impact of its implementation remains uncertain.

Improvements to International Financial Reporting Standards

The annual improvement process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS. The following amendments are applicable to periods beginning on or after 1 January 2022, but have resulted in no material change to the Group's financial statements.

- IFRS 1 'First-time Adoption of International Financial Reporting Standards' – Subsidiary as a first-time adopter

- IFRS 9 'Financial Instruments' – Fees in the '10 per cent' test for derecognition of financial liabilities

- IAS 41 'Agriculture' – Taxation in fair value measurements

2. Significant accounting policies (continued)

iii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, 'Financial Instruments,' is measured at fair value with the changes in fair value recognised in the statement of income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

iv) Cash and short-term funds

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original contractual maturity of three months or less that are readily convertible to a known amount of cash and, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

v) Statutory deposits with Central Banks

Pursuant to the provisions of Trinidad and Tobago, the Central Bank Act 1964 and the Financial Institutions Act 2008, the Bank is required to maintain with the Central Bank of Trinidad and Tobago statutory balances in relation to deposit liabilities and certain funding instruments of the institutions.

In addition, ANSA Merchant Bank (Barbados) Limited, a subsidiary of the Group, is required to maintain with the Central Bank of Barbados statutory deposit balances in relation to deposit liabilities. Those funds are not available to finance the subsidiary's day-to-day operations.

2. Significant accounting policies (continued)

vi) Financial instruments

Financial assets

a) Initial recognition and subsequent measurement

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost and effective interest method

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt instruments that are designated as at fair value through the statement of income on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding (“the SPPI test”).

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in the statement of income and is included in Note 27.

Financial assets at fair value through other comprehensive income (FVOCI)

Equity instruments at fair value through other comprehensive income (FVOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short- term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to the statement of income on disposal of the investments.

The Group does not have any equity instruments that are carried at FVOCI on initial application of IFRS 9, ‘Financial Instruments’.

Debt instruments at fair value through other comprehensive income (FVOCI)

The Group applies the FVOCI category under IFRS 9, for debt instruments measured at FVOCI when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual cash flows of an asset give rise to payments on specified dates that are SPPI on the principal amount outstanding (“the SPPI test”).

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income is recognised in the statement of income in the same manner as for financial assets measured at amortised cost.

2. Significant accounting policies (continued)

vi) Financial instruments (continued)

Financial assets (continued)

a) Initial recognition and subsequent measurement (continued)

Financial assets at fair value through statement of income (FVSI)

Investments in equity instruments are classified as FVSI, unless the Group designates an investment that is not held for trading as FVOCI on initial recognition. The Group has designated all investments in equity instruments that are held for trading as FVSI on initial application of IFRS 9.

Debt instruments that do not meet the amortised cost criteria are measured as FVSI. In addition, debt instruments that meet the amortised cost criteria but are designated as FVSI are measured at FVSI. A debt instrument may be designated as FVSI upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVSI when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as FVSI on initial recognition is not allowed. The Group has not designated any debt instrument as FVSI.

Financial assets at FVSI are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of income. The net gain or loss recognised in the statement of income is included in Note 27. Fair value is determined in the manner described in Note 39.

Interest income on debt instruments designated at FVSI is included in the net gain or loss described above.

Dividend income on investments in equity instruments at FVSI is recognised in the statement of income when the Group's right to receive the dividends is established in accordance with IFRS 15, 'Revenue from Contracts with Customers' and is included in the net gain or loss described above.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss.

Therefore:

- for financial assets that are classified as FVSI, the foreign exchange component is recognised in the statement of income;
- for equity instruments that are designated as FVOCI, any foreign exchange component is recognised in other comprehensive income;
- for debt instruments that are designated as FVOCI, any foreign exchange component is recognised in the statement of income; and
- for foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'investment income' line item in the statement of income.

b) Impairment of financial assets

The Group uses the general probability of default approach when calculating expected credit loss (ECL). The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition,

2. **Significant accounting policies** (continued)

vi) **Financial instruments** (continued)

Financial assets (continued)

b) Impairment of financial assets (continued)

by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility/investment to the watch list, to non-investment grade, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit- impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re- classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Calculation of Expected Credit Losses (ECLs)

When estimating the ECLs, the Group considers among other factors the risk rating category and aging of the financial asset. Each of these factors is associated with different PDs, EADs and LGDs (see below). When relevant, it also incorporates how defaulted financial assets are expected to be recovered, including the value of collateral or the amount that might be received for selling the asset.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- *Probability of Default (PD):*

  The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- *Exposure at Default (EAD):*

  The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

  The EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation.

- *Loss Given Default (LGD):*

  The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

For investments, the Group primarily relies on international external credit rating agencies to provide data for PDs and LGDs. PDs and LGDs for other financial assets such as leased assets and loans and advances were derived based on historical loss trends in the portfolios, recoveries, typical collateral and other borrower characteristics.

2. Significant accounting policies (continued)

vi) Financial instruments (continued)

Financial assets (continued)

b) Impairment of financial assets (continued)

Cash and short-term funds

Cash and short-term funds are short-term funds placed with Central Banks and commercial banks in the countries where the Group is engaged in the full range of banking and financial activities and correspondent banks. These balances are usually less than three months old and highly liquid, therefore the Group considers the risk of default to be low and has taken the position of nil ECL on these balances.

Collateral valuation

To mitigate its credit risks on financial instruments, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables and other non-financial assets. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed on a periodic basis.

To the extent possible, the Group uses active market data for valuing financial instruments held as collateral. Other financial instruments which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on independent valuations data provided by third parties such as mortgage brokers, or independent valuations.

Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the valuation cost of the asset.

In its normal course of business should the Group physically repossess assets in its retail portfolio, it sometimes engages external agents to recover the asset, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

Repossessed stock is valued at the lower of the carrying amount and fair value less estimated cost to sell.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Forward-looking information

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- Oil prices
- Unemployment rates
- Money supply

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The mechanics of the ECL method are summarised below:

Stage 1

The 12mECL is calculated as the portion of LTECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. The expected 12- month default probability is applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

2. **Significant accounting policies** (continued)

vi) **Financial instruments** (continued)

Financial assets (continued)

b) Impairment of financial assets (continued)

The mechanics of the ECL method are summarised below: (continued)

Stage 2

When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECL. The mechanics are similar to those explained above, but PD and LGD are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For a financial instrument considered credit-impaired (as defined in Note 2(vi)(b) above), the Group recognises the LTECL for such a financial instrument. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Purchase or originated credit-impaired (POCI)

POCI assets are financial assets that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the ECLs.

In most instances, LGDs are determined on an individual loan or investment basis, including discounting the expected cash flows at the original EIR. In limited circumstances within the Group, where portfolios were small and the products homogenous with minimal history of defaults, a simplified ECL approach was applied using historical loss rates. These portfolios included premium receivables, policy loans and reinsurance receivables.

c) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of income. On derecognition of an equity instrument that is classified as FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statement of income, but is reclassified to retained earnings. On derecognition of debt instruments at FVOCI, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to the statement of income.

Financial liabilities

a) Initial recognition and subsequent measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through the statement of income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value. The Group's financial liabilities include other payables, bank overdrafts, deposit liabilities and debt securities in issue. The Group has not designated any financial liabilities upon initial recognition as at FVSI.

b) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

2. Significant accounting policies (continued)

vii) Fair value measurement

The Group measures certain financial instruments at fair value at each year end. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 39. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

With the exception of insurance contracts which are specifically excluded under IFRS 7, 'Financial Instruments', the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates.

Consequently, estimates made do not necessarily reflect the amounts that the Group would realise in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated. The fair value information is based on information available to management as at the dates presented.

Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these financial statements and, therefore, the current estimates of the fair value may be significantly different from the amounts presented herein.

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and short-term funds, fixed deposits, interest receivable, insurance receivable, other debtors, customer deposits and other funding instruments, accrued interest and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

Investment securities

The fair value of trading investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value. This process relies on available market data to generate a yield curve for each country in which valuations were undertaken, using interpolated results where there were no market observable rates.

In pricing callable bonds, where information is available, the price of a callable bond is determined as at the call date using the yield to worst. For bonds with irregular cash flows (sinking funds, capitalisation of interest, moratoria, amortisations or balloon payments) a process of iteration using the internal rate of return is used to arrive at bond values. Yields on all tax-free bonds are grossed-up to correspond to similar taxable bonds at the prevailing rate of corporation tax.

Loans and advances

The estimated fair value for performing loans is computed as the future cash flows discounted and the yield to maturity based on the carrying values and the inherent rates of interest in the portfolio as those rates approximate market conditions. When discounted, the cash flow values are equal to the carrying value.

2. Significant accounting policies (continued)

vii) Fair value measurement (continued)

Debt securities in issue

The Group values the debt and asset-backed securities using valuation models which use discounted cash flow analysis which incorporates either only observable data or both observable and non-observable data. Observable inputs include assumptions regarding current rates of interest and real estate prices; unobservable inputs include assumptions regarding expected future default rates, prepayment rates and liquidity discounts.

Determination of fair value and fair value hierarchies

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable; and

POCI – Credit-impaired on initial recognition, therefore fair valued at original recognition with interest income being subsequently recognised on a credit- adjusted EIR.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group’s own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

POCI

Included in the POCI category are financial assets that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. Significant accounting policies (continued)

viii) Repurchase and reverse repurchase agreements

Securities sold subject to a linked repurchase agreement ('repo') are retained in the financial statements as trading securities and the counterparty liability is included in amounts due to other banks, deposits from banks or other deposits as appropriate. Securities purchased under an agreement to resell ('reverse repo') are recorded as loans and advances to other banks. The difference between the sale and repurchase price is treated as interest and accrued over the life of the repo agreement using the effective yield.

ix) Product classification

Insurance contracts

IFRS 4, 'Insurance Contracts', defines insurance contracts as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Long-term insurance contracts include those contracts with and without discretionary participation features ('DPF'). For insurance contracts with DPFs, the guaranteed element has not been recognised separately. Changes to the insurance contract liability are recognised in the statement of income as an item of expense.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

Investment contracts

Any insurance contracts not considered to be transferring significant risk are, under IFRS, classified as investment contracts. Deposits collected and benefit payments under investment contracts are not accounted for through the statement of income, but are accounted for directly through the statement of financial position as a movement in the investment contract liability. Changes in the fair value of financial assets backing investment contracts are recognised in the statement of income as investment income.

x) Interest bearing debt and borrowings

Borrowings and interest bearing debt are initially recognised at the fair value of the consideration received, net of transaction costs incurred. After initial recognition, these borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any transaction cost, discount, or premium on issue. Gains and losses are recognised in the statement of income when the liabilities are derecognised, as well as through the amortisation process.

xi) Insurance receivables

Insurance receivables are recognised when due. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of income..

xii) Reinsurance assets

The Group cedes reinsurance in the normal course of business. Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities. Premiums on reinsurance assumed are recognised as revenue in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Amounts due to reinsurers are estimated in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contract. Premiums ceded and claims reimbursed are presented on a gross basis.

The benefit to which the Group is entitled under its reinsurance contracts held is recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contract.

An impairment review is performed on all reinsurance assets when an indication of impairment occurs. Reinsurance assets are impaired only if there is objective evidence that the Group may not receive all amounts due to it under the terms of the contract and it can be measured reliably.

xiii) Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

2. Significant accounting policies (continued)

xiii) Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all applicable taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

Current and deferred tax shall be recognised as income or an expense and included in the statement of income for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the statement of income, either in other comprehensive income or directly in equity and a business combination.

xiv) Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property, at the time that cost is incurred, if the recognition criteria is met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured annually by fair values either by way of Management's internal valuations or by an accredited external, independent valuator. Management uses discounted cash flow models and assumptions which reflect the market conditions at the reporting date. External valuators apply valuation models recommended by the International Valuation Standards Committee. Each property is externally valued at least once every three years.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the period in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected. Any gain or loss arising on disposal is recognised in the statement of income.

Transfers are made to or from investment property only when there is a change in use. If owner occupied property becomes investment property, the Group accounts for such property in accordance with the policy under property and equipment up to the date of change in use.

xv) Property, equipment and leased assets

Property and equipment are stated at historical cost net of accumulated depreciation and/or accumulated impairment loss, if any. Depreciation is provided on the straight line or reducing balance method at various rates sufficient to write off the cost of the assets over their estimated useful lives. Leasehold improvements are depreciated on a straight-line basis. All other repair and maintenance costs are recognised in the statement of income as incurred.

The rates used are as follows:	% per annum
Building	2
Motor vehicles	20 - 33⅓
Computer equipment	25 - 33⅓
Leasehold improvements	10 - 20
Office furniture, machinery and equipment	10 - 33⅓
Leased vehicles and equipment	20

Depreciation is computed over the estimated useful life of the asset. The estimated useful lives of property and equipment are reviewed annually and adjusted prospectively if appropriate. Investment property which is owner occupied is accounted for as property and equipment. Where the carrying value of an item of property and equipment exceeds the recoverable amount, the excess would be immediately taken to the statement of income. An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of income.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its

2. Significant accounting policies (continued)

xv) Property, equipment and leased assets (continued)

recoverable amount. The asset's recoverable amount is the higher of the asset's fair value less cost to sell and the value in use.

xvi) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short- term leases and leases of low-value assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and building 3 to 6 years
- Motor vehicles 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as lessor

The Group assesses at contract inception whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Significant accounting policies (continued)

xvii) Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed fifteen (15) years.

Banking license and customer deposits

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite and are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group in its acquisition of ANSA Bank Limited, acquired intangible assets of a banking license as well as customer deposits. The banking license has been assessed to have an indefinte useful life and will be tested for impairment annually. The customer deposits have been assessed to have a useful life of seven (7) years.

2. Significant accounting policies (continued)

xviii) Employee benefits

The ANSA McAL Pension Plan for Monthly Paid Employees is a hybrid plan with both defined benefit and defined contribution characteristics for its members. It is governed by trust deed and rules dated 17 September 1965 and encompasses all eligible full time employees of the ANSA McAL Group of Companies. The Plan was registered to carry on business in Trinidad and Tobago on 31 October 1973.

The Trustees of the plan have elected to fund the benefits by means of a Segregated Asset Plan with Tatil Life Assurance Limited by way of an agreement dated 1 October 1984. Effective 1 January 2009, the name of the plan was changed to the ANSA McAL Pension Plan for Monthly Paid Employees from Alston's Pension Fund Plan and from this date all new entrants to the Plan were admitted to a defined contribution scheme.

Defined benefit plan

The pension accounting costs for the defined benefit plan are assessed using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through the statement of other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The maximum economic benefits available, as limited by the asset ceiling will crystallise in the form of reductions in future contributions.

Past service costs are recognised in the statement of income on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'general administrative expenses' in the statement of income (by function) within Note 35:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other post-employment benefit plan

The Group also provides other post-employment benefits to its retirees. These benefits are unfunded. The entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for the defined benefit plans.

Defined contribution plan

Under the defined contribution plan, the Group has no further payment obligations once the contributions have been paid. Contributions are recognised as an expense when they are due.

xix) Insurance contract liabilities

Life insurance contract liabilities

The provision for a life insurance contract is calculated on the basis of a cash flow matching method where the expected cash flows are based on prudent assumptions depending on the circumstances prevailing. The liability is determined as the sum of the discounted value of the expected benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the actual gross premiums that would be paid over the expected future lifetime of the contract. The liability is based on best estimate assumptions as to mortality, persistency, investment income and maintenance expenses that are expected to prevail over the life of the contract. A margin for adverse developments is added to each best estimate assumption to provide a prudent estimate of possible future claims. Adjustments to the liabilities at each end of reporting period are recorded in the statement of income as an expense.

General insurance contract liabilities

General insurance contract liabilities are based on the estimated ultimate cost of all claims incurred but not settled at year end, whether reported or not. Significant delays can be experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business, therefore the ultimate cost cannot be known with certainty at the statement of financial position date.

2. Significant accounting policies (continued)

xix) Insurance contract liabilities (continued)

Provision for unearned premiums

The proportion of written premiums attributable to subsequent periods is deferred as unearned premiums. The change in the provision for unearned premium is taken to the statement of income in the order that revenue is recognised over the period of risk.

Liability adequacy test

In accordance with IFRS 4, 'Insurance Contracts', reserving for liabilities existing as at the statement of financial position date from property and casualty lines of business has been tested for adequacy by independent actuarial consultants using the Bornhuetter-Fergusson model.

The Bornhuetter-Fergusson model can be summarised as follows:

- This valuation method makes an independent estimate of the gross ultimate claims to a corresponding premium for each underwriting year based on expectations of claims arising from the gross premiums written in that year;
- It estimates a claim run-off pattern of how claims emerge year by year until all is known about the total ultimate claim; and
- From the independent estimate of gross ultimate claims, the portion that relates to past periods is removed and the resultant balance is the gross claims yet to emerge.

The independent actuaries concluded in their report dated 11 February 2023 that the carrying amounts of the insurance liabilities of the general insurance subsidiary as at 31 December 2022, in respect of incurred but not reported (IBNR) claims and claims from unexpired contracts were adequate.

Provision for unexpired risk

Provision for unexpired risk is computed as a percentage of the provision for unearned premiums at the end of the year. At each statement of financial position date, liability adequacy tests are performed to ensure the adequacy of the insurance liabilities. Any deficiency is charged to the statement of income by subsequently establishing a provision for losses arising from the liability adequacy tests (the unexpired risk provision).

xx) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xxi) Guarantee reserve fund

The Bank has guaranteed 100% return of the principal invested in the ANSA Secured Fund and ANSA US$ Secured Fund, subject to a minimum period of investment and a fixed minimum yield on the units held subject to a defined period of time, established at the time of purchase.

The Bank establishes a guarantee reserve fund as a liability on its statement of financial position through the statement of income for any shortfalls that may arise under the guarantee, as required. At each end of reporting period, the Bank values these guarantees and any changes required are adjusted accordingly through the statement of income.

xxii) Revenue recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

2. Significant accounting policies (continued)

xxii) Revenue recognition (continued)

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

The effective interest rate (EIR) method

Interest income and expense is recorded using the EIR method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income is accrued until the investment contractually becomes three months in arrears at which time the interest is suspended and then accounted for on a cash basis until the investment is brought up to date.

Investment income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. For POCI financial assets, a credit-adjusted EIR is applied to the amortised cost of the financial asset.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVSI is recognised using the contractual interest rate in net trading income and net gains or losses on financial assets at FVSI, respectively.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

Rental income

Rental income from investment property under operating leases is recognised in the statement of income on a straight line basis over the term of the lease.

Premium income

Premiums from life insurance contracts are recognised as revenue when payable by the policyholders. For single premium business this is the date from which the policy becomes effective. For non-life business, premiums written are recognised on policy inception and earned on a pro-rata basis over the term of the related policy coverage.

Premiums written on general insurance policies are recognised on policy inception and earned on a pro-rata basis over the term of the related policy coverage. For single premium business this is the date from which the policy is effective.

Reinsurance premiums

Reinsurance premiums are recognised when the right to receive the gross premium is recognised in accordance with the relevant reinsurance contract.

Fees and commissions

Unless included in the effective interest calculation, fees are recognised on an accrual basis as the service is provided. Fees and commissions not integral to the effective interest arising from negotiating or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contract.

Other income and expenditure

Other income and expenditure, inclusive of borrowing costs, are brought into account on the accrual basis.

2. Significant accounting policies (continued)

xxiii) Deposit insurance contribution

The Central Bank of Trinidad and Tobago and the Financial Institutions (Non-Banking) (Amendment) Act 1986 of Trinidad and Tobago established a Deposit Insurance Fund for the protection of depositors. An annual premium of 0.2% is levied on the average deposit liability outstanding at the end of each quarter of the preceding year.

The Barbados Deposit Insurance Corporation in accordance with the Deposit Insurance Act 2006 29 of Barbados established a Deposit Insurance Fund for the protection of depositors. An annual premium of 0.05% is levied on the average deposit liability outstanding at the end of each quarter of the preceding year.

xxiv) Benefits and claims

Life insurance

Life insurance business claims reflect the cost of all claims incurred during the year. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

General insurance

Reported outstanding general insurance claims comprise the estimated costs of all claims incurred but not settled at the end of the reporting period, less any reinsurance recoveries. In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims IBNR until after the end of the reporting period. Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the statement of income in the year the claims are settled.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant reinsurance contract.

xxv) Lapses - Life insurance

Policies will lapse and the Group's liability will cease:

i. At the end of the grace period (30 days) for any unpaid premium unless the premium or part of it is advanced under the automatic premium loan provision or the policy is changed to paid up; or

ii. At the end of the pro-rated period for which insurance is provided if part of an unpaid premium was advanced under the automatic loan provision; or

iii. At the end of the 30-day period following the mailing of a lapse notice indicating that the indebtedness equals or exceeds the gross cash value.

xxvi) Foreign currency translation

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The separate and consolidated financial statements are expressed in Trinidad and Tobago dollars, which is the functional currency of the parent.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the statement of financial position date. Non- monetary assets and liabilities are translated using exchange rates that existed at the date of the initial transaction. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of income.

Foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into Trinidad and Tobago dollars at the rate of exchange prevailing at 31 December and their statements of income are translated at an average exchange rate. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

2. Significant accounting policies (continued)

xxvii) Equity movements

Stated capital

Ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares are shown as a reduction in equity, net of tax. As equity is repurchased, the amount of consideration paid is recognised as a charge to equity and reported in the statement of financial position as treasury shares.

Dividends on ordinary share capital

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's Board of Directors. Dividends are deducted from the liability when they are paid.

Dividends for the year that are approved after the statement of financial position date are dealt with as an event after the end of reporting date.

xxviii) Statutory reserve fund

There is a requirement where a portion of net profit after deduction of taxes in each year be transferred to a statutory reserve account. Group statutory reserves amounted to $246.2 million (2021: $241.8 million) as at 31 December 2022.

xxix) Catastrophe reserve

On an annual basis, the Group determines an amount that is transferred to a catastrophe reserve. This is treated as an appropriation of retained earnings and is disclosed as part of the statutory reserve fund in the statement of financial position.

xxx) Statutory surplus reserve

As previously required by Section 171 of the Insurance Act 1980 of Trinidad and Tobago, at least 25% of an insurance company's profit from general insurance business, for the preceding year is to be appropriated towards a statutory surplus reserve until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. This statutory surplus reserve is no longer required under the new Insurance Act, 2018 of Trinidad and Tobago and therefore was reappropiated to retained earnings.

xxxi) General loan loss reserve

The Bank has established a general reserve for loan losses in accordance with the guidelines issued by the Central Bank of Trinidad and Tobago. The reserve has been calculated at 0.5% of the loan balance at the year-end and encompasses hire purchase loans, finance leases and premium financing loans after deducting unearned finance charges. This reserve has been accounted for as an appropriation of retained earnings and is disclosed in the statement of changes in equity.

xxxii) Earnings per share

Earnings per share have been calculated by taking the profit for the year attributable to shareholders over the weighted average number of ordinary shares outstanding during the year, net of treasury shares (2022: ($0.71); 2021: $3.58). There are no dilutive ordinary shares in issue.

xxxiii) Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (salvage). Salvage is recognised on a cash receipts basis.

The Group may also have the right to pursue third parties for payment of some or all costs (subrogation). Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

xxxiv) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

2. Significant accounting policies (continued)

xxxiv) Impairment of non-financial assets (continued)

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years. Such reversal is recognised in the statement of income unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.

3. Significant accounting judgements and estimates in applying Group policies

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Financial instruments risk management (Note 40)
- Capital management (Note 42)

i) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Leases (Note 15)

- *Determining the lease term of contracts with renewal and termination options – Group as lessee*

  The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

  The Group included the renewal period as part of the lease term for leases of properties with shorter non-cancellable period (i.e., 3 to 6 years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3. Significant accounting judgements and estimates in applying Group policies (continued)

i) Judgements (continued)

Leases (Note 15) (continued)

- *Estimating the incremental borrowing rate (IBR)*

  If the Group cannot readily determine the interest rate implicit in the lease, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

  The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

- *Operating lease commitments – Group as lessor*

  The Group has entered into vehicle and equipment leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the leases, that it retains all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

- *Finance lease commitments – Group as lessor*

  Leases are classified as finance leases when the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Property and equipment (Note 13)

Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

Revenue from contracts with customers (Note 28)

The Group has determined that the performance obligation from contracts with customers has been satisfied at a point in time, i.e. when the service is rendered to a customer.

The amount recognised in the statement of income would be the consideration received.

Impairment of financial instruments

The measurement of impairment losses under IFRS 9 across all categories of financial instruments requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and if so, allowances for financial instruments should be measured on a LTECL basis and the qualitative assessment;
- The segmentation of financial instruments when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macro-economic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

3. Significant accounting judgements and estimates in applying Group policies (continued)

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of goodwill (Note 14)

The Group assesses whether there are any indicators that goodwill is impaired at each reporting date. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU, to which the goodwill relates. Where the recoverable amount of a CGU is less than its carrying amount an impairment loss is recognised. The Group performs its annual impairment test of goodwill as at 31 December. Previously recorded impairment losses for goodwill are not reversed in future periods.

When goodwill forms part of a CGU (or group of CGUs) and part of the operations within that unit is disposed of, the goodwill associated with the operations disposed of is included in the carrying amount of the operation to determine the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operations disposed of and the portion of the CGUs retained.

Deferred taxation (Note 16)

In calculating the provision for deferred taxation, management uses judgement to determine the possibility that future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

Pension and other post-employment benefits (Note 17)

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Insurance contract liabilities (Note 22)

The estimation of the ultimate liability arising from claims made under life and general insurance contracts is an accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the Group will ultimately incur for those claims.

For the life insurance contracts, estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk. The Group based these estimates on standard industry mortality tables that reflect historical mortality experience, adjusted where appropriate to reflect the Group's unique risk exposure. The number of deaths determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover reserves, which in turn is monitored against current and future premiums. For those contracts that insure risk to longevity, prudent allowance is made for expected future mortality improvements, and both endemic, as well as wide-ranging changes to lifestyle, which could result in significant changes to the expected future mortality exposure. All of this results in even more uncertainty in estimating the ultimate liability.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Estimates for future deaths, voluntary terminations, investment returns and administration expenses are determined at the inception of the contract and are used to calculate the liability over the term of the contract. At each end of reporting period, these estimates are reassessed for adequacy and changes will be reflected in adjustments to the liability.

For general insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the end of a reporting period and for the expected ultimate cost of claims IBNR at the end of a reporting period. It can take a significant period of time before the ultimate claims costs can be established with certainty. The primary technique adopted by management in estimating the cost of notified and IBNR claims is that of using past claim settlement trends to predict future claims settlement estimates. At each end of reporting period, prior year claims estimates are reassessed for adequacy and changes are made to the provision. General insurance claims provisions are not discounted for the time value of money.

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3. Significant accounting judgements and estimates in applying Group policies (continued)

ii) Estimates and assumptions (continued)

Revenue from contracts with customers (Note 28)

Revenue from contracts with customers relates to investment management and arrangement fees and spread income. The performance obligation for each is as follows:

- Investment management fees are earned over time and payment is due quarterly in arrears;
- Arrangement fees are earned upon disbursement of the relevant loan and payment is due at that time; and
- Spread income is earned upon the disbursement of the interest payment to investors and payment is due at that time.

Valuation of investments (Note 39)

Fair values are based on quoted market prices for the specific instrument, comparisons with other similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of judgment and applying judgment in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors.

4. Cash and short-term funds

Parent 2021	Parent 2022		Group 2022	Group 2021
		Cash and short-term funds		
559,153	552,121	Cash in hand and at bank	1,033,676	1,122,238
58,682	52,708	Short-term deposits with other banks	145,215	146,058
617,835	604,829		1,178,891	1,268,296
111,555	100,241	Central Bank Reserve	316,688	184,292
729,390	705,070		1,495,579	1,452,588

Cash held at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The Central Bank Reserve balance represents the amounts held at the Central Bank of Trinidad and Tobago and the Central Bank of Barbados as required under the respective regulatory pronouncements. The Central Bank of Trinidad and Tobago reserve account represents 10% of average deposit liabilities and is non-interest bearing. The Central Bank of Barbados reserve account represents 19% of average deposit liabilities and earned interest of 0.10% (2021: 0.10%).

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

Parent 2021	Parent 2022		Group 2022	Group 2021
559,153	552,121	Cash in hand and at bank	1,033,676	1,122,238
58,682	52,708	Short-term deposits with other banks	145,215	146,058
617,835	604,829		1,178,891	1,268,296
(1,907)	(3,840)	Bank overdraft	(3,840)	(1,907)
615,928	600,989		1,175,051	1,266,389

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (continued)

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5. Net investment in leased assets and other instalment loans

a) Net investment in leased assets and other instalment loans

Parent 2021	Parent 2022		Group 2022	Group 2021
882,995	662,092	Hire purchase	935,553	1,170,585
145,541	140,640	Finance leases	136,422	140,532
1,028,536	802,732	Performing	1,071,975	1,311,117
84,299	71,393	Non-performing	75,515	99,688
1,112,835	874,125	Future minimum lease payments	1,147,490	1,410,805
(157,561)	(116,628)	Future finance charges and loan fees	(116,628)	(156,581)
955,274	757,497	Present value of minimum lease payments	1,030,862	1,254,224
(82,812)	(39,207)	Allowance for ECLs	(43,665)	(89,061)
872,462	718,290	Net investment in leased assets net of provision	987,197	1,165,163

b) New business less unearned income

Parent 2021	Parent 2022		Group 2022	Group 2021
192,031	136,533	New business less unearned income	208,347	287,731

c) Present value of minimum lease payments has the following sectorial breakdown:

Parent 2021	Parent 2022		Group 2022	Group 2021
447,038	332,382	Personal	532,228	680,813
508,236	425,115	Commercial	498,634	573,411
955,274	757,497		1,030,862	1,254,224

d) Present value of minimum lease payments has the following maturity profile:

Parent 2021	Parent 2022		Group 2022	Group 2021
74,338	64,023	Within 1 year	70,496	88,574
621,608	538,040	1 to 5 years	679,522	812,184
259,328	155,434	Over 5 years	280,844	353,466
955,274	757,497		1,030,862	1,254,224

e) Future minimum lease payments has the following maturity profile:

Parent 2021	Parent 2022		Group 2022	Group 2021
78,102	71,041	Within 1 year	77,515	92,338
722,209	617,087	1 to 5 years	758,568	912,266
312,524	185,997	Over 5 years	311,407	406,201
1,112,835	874,125		1,147,490	1,410,805

Repossessed collateral

As at 31 December 2022, the Group held repossessed vehicles with a fair value of $2.1 million (2021: $6.4 million). Repossessed vehicles are sold as soon as practical, with the proceeds used to reduce the outstanding indebtedness.

Restructured/modified loans

To support its customers from the impact of the COVID-19 virus in the prior year, the banking subsidiaries in the Group offered a moratorium to customers that were in good standing, which included a deferral of monthly instalments, including the principal and interest, for a period of one to five months beginning on the date of acceptance, with interest continuing to accrue during the period of the moratorium.

There were no deferrals for 2022 (2021: $315 million).

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5. Net investment in leased assets and other instalment loans (continued)

a) Net investment in leased assets and other instalment loans (continued)

Impairment allowance for leased assets and other instalment loans

The tables below show the staging of net investment in leased assets and the related ECLs based on the Group's criteria as explained in Note 2(vi)(b).

Parent	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Net Investment in Leased Assets				
Gross carrying amount as at 31 December 2022	657,390	23,849	76,258	757,497
ECL allowance as at 31 December 2022	(9,736)	(817)	(28,654)	(39,207)
Net exposure as at 31 December 2022	**647,654**	**23,032**	**47,604**	**718,290**
Gross carrying amount as at 31 December 2021	812,098	69,194	73,982	955,274
ECL allowance as at 31 December 2021	(15,395)	(4,655)	(62,762)	(82,812)
Net exposure as at 31 December 2021	**796,703**	**64,539**	**11,220**	**872,462**
ECL allowance as at 1 January 2021	(9,860)	(4,760)	(65,212)	(79,832)
ECL on new instruments issued during the year	(3,115)	(483)	(2,798)	(6,396)
Other credit loss movements, repayments etc.	(2,420)	588	(12,002)	(13,834)
Charge-offs and write-offs	–	–	17,250	17,250
At 31 December 2021	(15,395)	(4,655)	(62,762)	(82,812)
ECL on new instruments issued during the year	(2,283)	–	–	(2,283)
Other credit loss movements, repayments etc.	7,942	3,838	26,534	38,314
Charge-offs and write-offs	–	–	10,194	10,194
Credit loss expense	–	–	(2,620)	(2,620)
At 31 December 2022	**(9,736)**	**(817)**	**(28,654)**	**(39,207)**

Group				
Net Investment in Leased Assets				
Gross carrying amount as at 31 December 2022	915,432	33,982	81,448	1,030,862
ECL allowance as at 31 December 2022	(10,940)	(1,119)	(31,606)	(43,665)
Net exposure as at 31 December 2022	**904,492**	**32,863**	**49,842**	**987,197**
Gross carrying amount as at 31 December 2021	1,071,700	92,417	90,107	1,254,224
ECL allowance as at 31 December 2021	(18,111)	(5,901)	(65,049)	(89,061)
Net exposure as at 31 December 2021	**1,053,589**	**86,516**	**25,058**	**1,165,163**
ECL allowance as at 1 January 2021	(11,141)	(6,268)	(68,102)	(85,511)
ECL on new instruments issued during the year	(3,131)	(235)	(1,607)	(4,973)
Other credit loss movements, repayments etc.	(3,786)	93	(14,850)	(18,543)
Charge-offs and write-offs	(53)	509	19,510	19,966
At 31 December 2021	(18,111)	(5,901)	(65,049)	(89,061)
ECL on new instruments issued during the year	(2,283)	–	–	(2,283)
Other credit loss movements, repayments etc.	8,422	4,100	24,045	36,567
Charge-offs and write-offs	1,032	682	12,020	13,734
Credit loss expense	–	–	(2,622)	(2,622)
At 31 December 2022	**(10,940)**	**(1,119)**	**(31,606)**	**(43,665)**

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6. Loans and advances

Parent 2021	Parent 2022		Group 2022	Group 2021
–	–	Policy loans	14,749	12,845
–	–	Mortgage loans	415,225	243,971
383,262	546,404	Other loans and advances	1,099,096	738,941
383,262	546,404	Performing loans and advances	1,529,070	995,757
42,732	9,497	Non-performing loans and advances	47,805	62,887
425,994	555,901		1,576,875	1,058,644
(11,453)	(6,982)	Allowance for ECLs	(21,040)	(22,856)
414,541	548,919		1,555,835	1,035,788
		Sectorial analysis of advances		
3,188	2,964	Personal	603,350	378,421
–	–	Retail/distribution/manufacturing	139,744	82,079
–	–	Hotel and restaurant	7,524	4,533
–	–	Services	93,544	51,886
127,045	30,757	Construction and real estate	77,587	154,763
126,791	281,620	Financial	256,260	126,791
168,970	240,560	Other	398,866	260,171
425,994	555,901		1,576,875	1,058,644
		Loans and advances have the following maturity profile		
326,086	238,002	Within 1 year	404,074	449,286
56,188	206,241	1 to 5 years	422,880	153,718
43,720	111,658	Over 5 years	749,921	455,640
425,994	555,901		1,576,875	1,058,644

Impairment allowance for loans and advances

The tables below show the staging of loans and advances and the related ECLs based on the Group's criteria as explained in Note 2(vi)(b).

Parent	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Other loans and advances				
Gross carrying amount as at 31 December 2022	508,499	529	46,873	555,901
ECL allowance as at 31 December 2022	(2,421)	–	(4,561)	(6,982)
Net exposure as at 31 December 2022	**506,078**	**529**	**42,312**	**548,919**
Gross carrying amount as at 31 December 2021	380,017	3,156	42,821	425,994
ECL allowance as at 31 December 2021	(1,852)	(6)	(9,595)	(11,453)
Net exposure as at 31 December 2021	**378,165**	**3,150**	**33,226**	**414,541**
ECL allowance as at 1 January 2021	(2,128)	(924)	(7,159)	(10,211)
ECL on new instruments issued during the year	(758)	(6)	(1,789)	(2,553)
Other credit loss movements, repayments etc.	1,034	924	(456)	1,502
Charge-offs and write-offs	–	–	(191)	(191)
At 31 December 2021	(1,852)	(6)	(9,595)	(11,453)
ECL on new instruments issued during the year	(1,299)	–	–	(1,299)
Other credit loss movements, repayments etc.	730	6	(4,908)	(4,172)
Charge-offs and write-offs	–	–	9,942	9,942
At 31 December 2022	**(2,421)**	**–**	**(4,561)**	**(6,982)**

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6. **Loans and advances** (continued)

Impairment allowance for loans and advances (continued)

Group	Stage 1	Stage 2	Stage 3	Eliminations	Total
Other loans and advances					
Gross carrying amount as at 31 December 2022	1,456,491	27,992	101,648	(9,256)	1,576,875
ECL allowance as at 31 December 2022	(4,885)	(130)	(16,025)	–	(21,040)
Net exposure as at 31 December 2022	**1,451,606**	**27,862**	**85,623**	**(9,256)**	**1,555,835**
Gross carrying amount as at 31 December 2021	946,049	42,300	79,551	(9,256)	1,058,644
ECL allowance as at 31 December 2021	(3,255)	(244)	(19,357)	–	(22,856)
Net exposure as at 31 December 2021	**942,794**	**42,056**	**60,194**	**(9,256)**	**1,035,788**

	Stage 1	Stage 2	Stage 3	Total
Other loans and advances				
ECL allowance as at 1 January 2021	(2,489)	(1,108)	(7,913)	(11,510)
ECL on new instruments issued during the year	(916)	(15)	(1,786)	(2,717)
Other credit loss movements, repayments etc.	380	892	(5,825)	(4,553)
Charge-offs and write-offs	(70)	158	(3,825)	(3,737)
Credit loss expense	(160)	(171)	(8)	(339)
At 31 December 2021	(3,255)	(244)	(19,357)	(22,856)
ECL on new instruments issued during the year	(1,575)	(30)	(3)	(1,608)
Other credit loss movements, repayments etc.	(115)	96	(7,560)	(7,579)
Charge-offs and write-offs	85	48	10,895	11,028
Credit loss expense	(25)	–	–	(25)
At 31 December 2022	**(4,885)**	**(130)**	**(16,025)**	**(21,040)**

7. **Investment securities**

Investment securities are stated net of impairment provisions for both the Parent and Group and comprise of investment securities designated as at fair value through statement of income, investment securities measured at amortised cost and investment securities measured at fair value through statement of other comprehensive income.

Parent 2021	Parent 2022		Group 2022	Group 2021
		Investment securities		
486,658	486,525	Designated at fair value through statement of income	1,779,452	1,965,554
508,410	533,926	Amortised cost	2,330,100	2,439,750
40,139	41,936	Fair value through other comprehensive income	52,437	24,576
1,035,207	1,062,387	Total investment securities	4,161,989	4,429,880
		Investment securities designated at fair value through statement of income		
22	22	Equity securities	668,677	713,975
486,636	388,467	Managed Funds	930,973	1,131,928
–	–	Government bonds	10,133	11,888
–	–	State-owned company securities	48,065	50,453
–	98,036	Corporate bonds	121,604	57,310
486,658	486,525		1,779,452	1,965,554

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7. Investment securities (continued)

Parent 2021	Parent 2022		Group 2022	Group 2021
		Investment securities measured at amortised cost		
1,416	1,415	Government bonds	460,296	459,386
66,478	45,371	State-owned company securities	481,454	620,399
440,516	487,140	Corporate bonds	1,388,350	1,359,965
508,410	533,926		2,330,100	2,439,750
		Investment securities designated and measured at FVOCI		
21,046	20,630	Equity securities	–	–
–	–	Government bonds	5,458	5,483
19,093	21,306	Corporate bonds	46,979	19,093
40,139	41,936		52,437	24,576
1,035,207	1,062,387	**Total investment securities**	4,161,989	4,429,880

Equity securities listed under investment securities designated and measured at fair value through other comprehensive income relates to the Bank's investment in the mutual funds.

Impairment allowance for investment securities

The tables below show the staging of investment securities and the related ECLs based on the Group's criteria as explained in Note 2(vi)(b).

	Stage 1	Stage 2	Stage 3	Purchase or originated credit-impaired	Total
Parent					
Investment securities measured at amortised cost					
Gross carrying amount as at 31 December 2022	547,006	–	471	–	547,477
ECL allowance as at 31 December 2022	(13,086)	–	(465)	–	(13,551)
Net exposure as at 31 December 2022	**533,920**	**–**	**6**	**–**	**533,926**
Gross carrying amount as at 31 December 2021	487,775	3,074	28,697	–	519,546
ECL allowance as at 31 December 2021	(3,371)	(14)	(7,751)	–	(11,136)
Net exposure as at 31 December 2021	**484,404**	**3,060**	**20,946**	**–**	**508,410**
ECL allowance as at 1 January 2021	(3,773)	(2,462)	(2,206)	–	(8,441)
ECL on new instruments issued during the year	(608)	–	–	–	(608)
Other credit loss movements, repayments etc.	1,629	2,448	(5,545)	–	(1,468)
Charge-offs and write-offs	(619)	–	–	–	(619)
At 31 December 2021	(3,371)	(14)	(7,751)	–	(11,136)
ECL on new instruments issued during the year	(271)	–	–	–	(271)
Other credit loss movements, repayments etc.	(9,444)	14	6,524	–	(2,906)
Credit loss income	–	–	762	–	762
At 31 December 2022	**(13,086)**	**–**	**(465)**	**–**	**(13,551)**
Group					
Investment securities measured at amortised cost					
Gross carrying amount as at 31 December 2022	2,325,939	11,241	8,723	16,101	2,362,004
ECL allowance as at 31 December 2022	(22,725)	(456)	(8,723)	–	(31,904)
Net exposure as at 31 December 2022	**2,303,214**	**10,785**	**–**	**16,101**	**2,330,100**

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7. Investment securities (continued)

Impairment allowance for investment securities (continued)

	Stage 1	Stage 2	Stage 3	Purchase or originated credit-impaired	Total
Group (continued)					
Gross carrying amount as at 31 December 2021	2,382,576	30,145	29,093	16,209	2,458,023
ECL allowance as at 31 December 2021	(9,442)	(657)	(8,174)	–	(18,273)
Net exposure as at 31 December 2021	**2,373,134**	**29,488**	**20,919**	**16,209**	**2,439,750**
ECL allowance as at 1 January 2021	(9,307)	(8,052)	(3,976)	–	(21,335)
Translation adjustments	1	(8)	(166)	–	(173)
ECL on new instruments issued during the year	(3,021)	–	–	–	(3,021)
Other credit loss movements, repayments etc.	3,677	7,229	(492)	–	10,414
Charge-offs and write-offs	(606)	231	(3,968)	–	(4,343)
Credit loss (expense)/income	(186)	(57)	428	–	185
At 31 December 2021	(9,442)	(657)	(8,174)	–	(18,273)
Translation adjustments	(232)	–	–	–	(232)
ECL on new instruments issued during the year	(757)	–	–	–	(757)
Other credit loss movements, repayments etc.	(10,210)	202	6,569	–	(3,439)
Charge-offs and write-offs	(782)	–	–	–	(782)
Credit loss (expense)/income	(1,302)	(1)	(7,118)	–	(8,421)
At 31 December 2022	**(22,725)**	**(456)**	**(8,723)**	**–**	**(31,904)**
Parent					
Investment securities designated and measured at FVOCI					
Gross carrying amount as at 31 December 2022	21,306	–	–	–	21,306
ECL allowance as at 31 December 2022	(5)	–	–	–	(5)
Net exposure as at 31 December 2022	**21,301**	**–**	**–**	**–**	**21,301**
Gross carrying amount as at 31 December 2021	19,093	–	–	–	19,093
ECL allowance as at 31 December 2021	(6)	–	–	–	(6)
Net exposure as at 31 December 2021	**19,087**	**–**	**–**	**–**	**19,087**
ECL allowance as at 1 January 2021	(703)	–	–	–	(703)
Other credit loss movements, repayments etc.	697	–	–	–	697
At 31 December 2021	(6)	–	–	–	(6)
Other credit loss movements, repayments etc.	1	–	–	–	1
At 31 December 2022	**(5)**	**–**	**–**	**–**	**(5)**
Group					
Investment securities designated and measured at FVOCI					
Gross carrying amount as at 31 December 2022	52,437	–	–	–	52,437
ECL allowance as at 31 December 2022	(144)	–	–	–	(144)
Net exposure as at 31 December 2022	**52,293**	**–**	**–**	**–**	**52,293**
Gross carrying amount as at 31 December 2021	24,576	–	–	–	24,576
ECL allowance as at 31 December 2021	(41)	–	–	–	(41)
Net exposure as at 31 December 2021	**24,535**	**–**	**–**	**–**	**24,535**

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7. Investment securities (continued)

Impairment allowance for investment securities (continued)

	Stage 1	Stage 2	Stage 3	Purchase or originated credit-impaired	Total
Group (continued)					
ECL allowance as at 1 January 2021	(809)	–	–	–	(809)
Other credit loss movements, repayments etc.	626	–	–	–	626
Credit loss expense	142	–	–	–	142
At 31 December 2021	(41)	–	–	–	(41)
Other credit loss movements, repayments etc.	(104)	–	–	–	(104)
Credit loss expense	1	–	–	–	1
At 31 December 2022	**(144)**	**–**	**–**	**–**	**(144)**

8. Assets pledged

Parent 2021	Parent 2022		Group 2022	Group 2021
–	–	Cash and short-term funds	3,686	3,697
–	–	Bonds and debentures	36,415	36,607
–	–		40,101	40,304

A statutory fund and deposit is a requirement under the provisions of the Barbados Insurance Act, Cap 310 for the Barbados territory of business held to the order of the Financial Services Commission.

9. Insurance receivables

Parent 2021	Parent 2022		Group 2022	Group 2021
–	–	Premiums receivable	67,628	70,299
–	–	Reinsurance receivables	11,859	7,600
–	–		79,487	77,899

10. Other debtors and prepayments

Parent 2021	Parent 2022		Group 2022	Group 2021
23,416	9,916	Fees and rent receivable	1,337	2,545
3,757	4,540	Proceeds from investments	4,540	3,736
1,499	1,822	Prepayments	11,794	8,814
2,385	4,300	VAT receivable	10,501	9,023
–	–	Client funds receivable	8,265	1,453
–	–	Other related party balances	12,038	11,989
76,741	–	Other receivables on loans & advances	225	79,173
341	–	Other receivables	8,483	13,710
108,139	20,578		57,183	130,443

11. Investment in subsidiaries

	Parent 2022	Parent 2021
At beginning of the period	989,510	810,320
Acquisitions during the period	–	179,190
Capital funding	50,000	–
At end of the period	1,039,510	989,510

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11. Investment in subsidiaries (continued)

The financial statements include the subsidiaries listed in the following table:

Name of Company	Country of incorporation and operation	Proportion of issued capital held 31-Dec-22	Proportion of issued capital held 31-Dec-21
Trinidad and Tobago Insurance Limited	Trinidad and Tobago	100%	100%
TATIL Life Assurance Limited	Trinidad and Tobago	99.93%	99.93%
TATIL Re Limited	St. Lucia	100%	100%
ANSA Securities Limited	Trinidad and Tobago	100%	100%
ANSA Financial Holdings (Barbados) Limited	Barbados	100%	100%
ANSA Merchant Bank (Barbados) Limited	Barbados	100%	100%
ANSA Bank Limited	Trinidad and Tobago	100%	100%
First Class Services Limited	Trinidad and Tobago	100%	–

The transfer of assets from the subsidiaries to the parent is subject to approval by the relevant governance committees including the Board of Directors of the individual subsidiaries. Further, TATIL Life Assurance Limited requires approval by the Central Bank of Trinidad and Tobago for instances of a distribution of capital approved by the Board of Directors.

On June 23 2022, TATIL Life Assurance Limited completed the acquisition of 100% of First Class Services Limited. This was an acquisition of an investment property in the amount of $24 million.

12. Investment properties

Parent 2021	Parent 2022		Group 2022	Group 2021
–	–	Valuation at beginning of the year	106,112	120,027
–	–	Other movements	–	(9,315)
–	–	Additions/(disposals) during the year	34,125	(690)
–	–	Gain/(loss) from revaluation	6,810	(3,910)
–	–	Valuation at close of the year	147,047	106,112
–	–	Rental income from properties	15,061	14,353
–	–	Direct operating expenses arising from investment properties that generated rental income during the period	10,193	10,930

The Group's investment properties consist of seven commercial properties located across Port of Spain, San Fernando, Mt. Hope and St. James.

Operating leases

The Group's policy is to rent investment properties to tenants through operating leases. Minimum future rentals to be received on non-cancellable operating leases of the Group's investment properties are receivable in the following periods:

	2022	2021
No later than 1 year	20,654	20,232
Later than 1 year but not later than 5 years	170,799	185,539
Later than 5 years	53,701	44,683
	245,154	250,454

The Group has no restrictions on the realisability of its investment properties and no contractual obligation for repairs, maintenance and enhancements.

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13. Property and equipment

Parent - 2022	Furniture & equipment	Computer equipment	Motor vehicles	Leasehold improvements	Total
Cost					
At beginning of the period	1,776	8,333	1,540	5,092	16,741
Additions	15	467	–	210	692
At end of the period	1,791	8,800	1,540	5,302	17,433
Accumulated depreciation					
At beginning of the period	1,398	7,438	964	3,734	13,534
Current depreciation	40	484	129	238	891
At end of the period	1,438	7,922	1,093	3,972	14,425
Net book value	353	878	447	1,330	3,008
Parent - 2021					
Cost					
At beginning of the period	1,785	7,712	998	5,092	15,587
Additions	10	621	542	–	1,173
Disposals	(19)	–	–	–	(19)
At end of the period	1,776	8,333	1,540	5,092	16,741
Accumulated depreciation					
At beginning of the period	1,355	7,091	898	3,514	12,858
Current depreciation	43	347	66	220	676
At end of the period	1,398	7,438	964	3,734	13,534
Net book value	378	895	576	1,358	3,207

Group - 2022	Furniture & equipment	Computer equipment	Motor vehicles	Leasehold improvements	Land & buildings	Leased vehicles & equipment	Total
Cost							
At beginning of the period	26,670	51,458	3,224	37,340	64,922	193,475	377,089
Additions	1,322	3,721	7	9,300	718	26,545	41,613
Disposals	(99)	(226)	(412)	–	–	(31,343)	(32,080)
Transfer to investment property	–	–	–	–	(16,101)	–	(16,101)
Exchange differences on translation of foreign operations	5	3	2	7	5	276	298
Other movements	(14)	(9)	–	(15,458)	13,373	867	(1,241)
At end of the period	27,884	54,947	2,821	31,189	62,917	189,820	369,578
Accumulated depreciation							
At beginning of the period	17,006	33,972	1,814	17,044	4,829	100,854	175,519
Current depreciation	1,429	2,726	317	1,726	749	20,451	27,398
Disposals	(14)	(153)	(177)	–	–	(25,096)	(25,440)
Exchange differences on translation of foreign operations	(41)	2	–	6	–	132	99
At end of the period	18,380	36,547	1,954	18,776	5,578	96,341	177,576
Net book value	9,504	18,400	867	12,413	57,339	93,479	192,002

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13. Property and equipment (continued)

Group - 2021	**Furniture & equipment**	**Computer equipment**	**Motor vehicles**	**Leasehold improvements**	**Land & buildings**	**Leased vehicles & equipment**	**Total**
Cost							
At beginning of the period	15,427	63,081	3,940	30,525	42,237	190,942	346,152
Additions from business combination	5,293	1,575	589	2,493	–	–	9,950
Additions	2,241	15,843	1,463	15,711	–	30,374	65,632
Transfers	(559)	(22,916)	–	(1,265)	–	–	(24,740)
Disposals	(163)	(621)	(987)	(135)	–	(34,149)	(36,055)
Transfer from investment property	–	–	–	(8,304)	12,181	–	3,877
Exchange differences on translation of foreign operations	141	84	53	211	174	8,786	9,449
Other movements	4,290	(5,588)	(1,834)	(1,896)	10,330	(2,478)	2,824
At end of the period	26,670	51,458	3,224	37,340	64,922	193,475	377,089
Accumulated depreciation							
At beginning of the period	10,786	34,935	3,189	13,110	7,423	97,152	166,595
Additions from business combination	4,813	1,073	570	1,952	–	–	8,408
Current depreciation	1,115	2,553	306	1,745	343	23,980	30,042
Disposals	(131)	(576)	(531)	–	–	(24,436)	(25,674)
Transfers	(700)	(2,499)	–	700	–	–	(2,499)
Exchange differences on translation of foreign operations	122	77	29	200	6	4,626	5,060
Other movements	1,001	(1,591)	(1,749)	(663)	(2,943)	(468)	(6,413)
At end of the period	17,006	33,972	1,814	17,044	4,829	100,854	175,519
Net book value	9,664	17,486	1,410	20,296	60,093	92,621	201,570

As at 31 December 2022, the Parent's gross carrying amount of fully depreciated assets still in use amounted to $0.4 million (2021: $9.9 million) and the Group $38.1 million (2021: $56.8 million). There were no property and equipment retired, held for disposal, restrictions on title or pledged as security for liabilities as well as no contractual commitments for the acquisition of property and equipment as at 31 December 2022 and at 31 December 2021 for both the Parent and the Group.

14. Intangible assets

Parent - 2022	**Computer software & work in progress**	**Total**
Gross carrying amounts		
At beginning of the period	32,844	32,844
At end of the period	32,844	32,844
Accumulated impairment and amortisation		
At beginning of the period	5,426	5,426
Amortisation for the year	2,096	2,096
At end of the period	7,522	7,522
Net carrying amounts	25,322	25,322

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14. Intangible assets (continued)

Parent - 2021	Computer software & work in progress	Total
Gross carrying amounts		
At beginning of the period	32,844	32,844
At end of the period	32,844	32,844
Accumulated impairment and amortisation		
At beginning of the period	3,331	3,331
Amortisation for the year	2,095	2,095
At end of the period	5,426	5,426
Net carrying amounts	27,418	27,418

Group - 2022	Goodwill	Banking license & Customer deposits	Computer software & work in progress	Total
Gross carrying amounts				
At beginning of the period	177,617	81,042	101,497	360,156
Acquisitions during the year	–	–	87,065	87,065
Other movements	–	–	12,568	12,568
At end of the period	177,617	81,042	201,130	459,789
Accumulated impairment and amortisation				
At beginning of the period	–	2,213	14,513	16,726
Amortisation for the year	–	2,655	5,960	8,615
At end of the period	–	4,868	20,473	25,341
Net carrying amounts	177,617	76,174	180,657	434,448
Group - 2021				
Gross carrying amounts				
At beginning of the period	133,762	–	52,207	185,969
Acquisitions during the year	43,855	81,042	49,333	174,230
Other movements	–	–	(43)	(43)
At end of the period	177,617	81,042	101,497	360,156
Accumulated impairment and amortisation				
At beginning of the period	–	–	6,699	6,699
Other movements	–	–	1,813	1,813
Transfers from property, plant and equipment	–	–	588	588
Acquisitions during the year	–	–	5	5
Amortisation for the year	–	2,213	5,408	7,621
At end of the period	–	2,213	14,513	16,726
Net carrying amounts	177,617	78,829	86,984	343,430

Goodwill

On 1 January 2004, the Bank acquired 100% of the issued ordinary shares of Trinidad and Tobago Insurance Limited.

The cost of acquisition was $622.5 million, resulting in goodwill of $133.8 million. The purchase consideration was discharged by the issuance of 54,605,263 new ordinary shares of the Bank at a price of $11.40 per share, which was the publicly listed price at 31 December 2003. As at 30 September 2010, the Bank invested $10 million into its subsidiary ANSA Securities Limited which represents 100% of its shareholding.

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14. Intangible assets (continued)

Intangible assets (continued)

On 28 February 2021, the Bank completed the acquisition of 100% of the financial services business of Bank of Baroda (Trinidad) Limited (BOB) which was rebranded as ANSA Bank Limited (ABL). The cost of acquisition was $179.2 million, resulting in goodwill of $43.9 million.

Intangible assets

Intangible assets include the internal development cost arising from the development of computer software for the Group which was recognised at fair value at the capitalisation date. Subsequent to initial recognition, computer software was carried at cost, less amortisation and impairment losses where necessary.

Core deposit intangibles acquired through the ABL business combination have been determined to have a life of 7 years from acquisition date. Banking license intangibles acquired through the ABL business combination have been determined to have an infinite useful life.

Impairment testing of intangible assets

Goodwill

In accordance with IFRS 3, 'Business Combinations', all assets that gave rise to goodwill were reviewed for impairment at 31 December 2022 using the 'value in use' method. Based on the results of this review no impairment expense was required.

The following table highlights the goodwill and impairment information for each CGU:

	TATIL	**ANSA Bank Limited**
Carrying amount of Goodwill:	133,762	43,855
Basis for recoverable amount:	Value in use	Value in use
Discount rate:	7.4%	8.5%
Cash flow projection term:	Five years to perpetuity	Five years to perpetuity
Growth rate (extrapolation period):	2%	1%

No significant or material events occurred from the date of acquisition to the statement of financial position date which would give rise to indicators of impairment. In accordance with IAS 36, 'Impairment of Assets,' management intends to carry out the annual review for impairment within the first year of acquisition and on each anniversary date thereafter.

15. Leases

Parent	**Land and building**	**Total**
As at 1 January 2022	3,397	3,397
Modification	6,359	6,359
Charge for the year	(1,489)	(1,489)
As at 31 December 2022	8,267	8,267
As at 1 January 2021	5,142	5,142
Charge for the year	(1,745)	(1,745)
As at 31 December 2021	3,397	3,397

Group	**Land and building**	**Motor vehicles**	**Total**
As at 1 January 2022	10,811	808	11,619
Additions	8,309	218	8,527
Charge for the year	(4,900)	(208)	(5,108)
Modification	5,331	–	5,331
As at 31 December 2022	19,551	818	20,369
As at 1 January 2021	10,282	1,100	11,382
Additions	181	844	1,025
Additions from business combination	4,670	–	4,670
Charge for the year	(5,672)	(36)	(5,708)
Other movements	326	(1,100)	(774)
Modification	1,024	–	1,024
As at 31 December 2021	10,811	808	11,619

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15. Leases (continued)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Parent 2021	Parent 2022		Group 2022	Group 2021
5,458	3,701	**As at 1 January**	11,766	10,008
–	–	Additions	1,276	–
–	–	Additions from business combination	–	4,966
(1,904)	(2,013)	Principal payments	(4,844)	(4,712)
147	218	Interest expense on lease liabilities	294	348
–	–	Other movements	(952)	(916)
–	6,359	Modifications	11,609	(27)
–	–	Exchange differences on translation of foreign operations	4	2,099
3,701	8,265	**As at 31 December**	19,153	11,766

The maturity analysis of lease liabilities are disclosed in Note 43.

The following are the amounts recognised in the statement of income.

Parent 2021	Parent 2022		Group 2022	Group 2021
1,745	1,489	Depreciation expense of right-of-use assets	5,108	5,708
147	218	Interest expense on lease liabilities	294	348
–	–	Expense relating to short term leases	727	347
–	–	Expense relating to leases of low value assets	227	207
1,892	1,707		6,356	6,610

The Group has no lease contracts that contains variable payments.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

16. Deferred taxation

		Credit/(charge) to			
Parent	**2021**	**Income**	**OCI**	**Prior period adjustments**	**2022**
Employee benefits liability	279	–	30	–	309
Finance leases	22,922	(8,887)	–	–	14,035
Provisions	9,362	(3,719)	–	(1,131)	4,512
Total deferred tax assets	32,563	(12,606)	30	(1,131)	18,856
Property and equipment	(5,236)	(252)	92	–	(5,396)
Employee benefits asset	(2,820)	–	417	–	(2,403)
Provisions	(92)	92	–	–	–
Total deferred tax liabilities	(8,148)	(160)	509	–	(7,799)
Employee benefits liability	259	22	(2)	–	279
Finance leases	14,549	8,373	–	–	22,922
Provisions	7,501	1,167	694	–	9,362
Total deferred tax assets	22,309	9,562	692	–	32,563
Property and equipment	(4,757)	(902)	423	–	(5,236)
Employee benefits asset	(2,161)	19	(678)	–	(2,820)
Provisions	(92)	–	–	–	(92)
Total deferred tax liabilities	(7,010)	(883)	(255)	–	(8,148)

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16. Deferred taxation (continued)

Intangible assets (continued)

			Credit/(charge) to			
Group	**2021**	**Prior period adjustment**	**Income**	**OCI**	**"Life and other reserve" movement**	**2022**
Employee benefits liability	1,864	–	81	60	–	2,005
Property and equipment	1,138	–	21	–	–	1,159
Finance leases	23,164	–	(8,967)	–	–	14,197
Tax losses	6,366	–	(348)	–	–	6,018
Provisions	13,373	(1,131)	(3,098)	–	–	9,144
Total deferred tax assets	45,905	(1,131)	(12,311)	60	–	32,523
Life insurance reserves	(64,874)	–	–	–	2,148	(62,726)
Employee benefits asset	(42,580)	–	(1,722)	3,290	–	(41,012)
Property and equipment	(10,220)	–	(6,504)	–	–	(16,724)
Unrealised investment gains	(68,164)	–	15,609	92	7,809	(44,654)
Total deferred tax liabilities	(185,838)	–	7,383	3,382	9,957	(165,116)

			Credit/(charge) to			
Group	**2021**	**Prior period adjustment**	**Income**	**OCI**	**"Life and other reserve" movement**	**2022**
Employee benefits liability	2,233	–	(373)	4	–	1,864
Property and equipment	1,146	–	(8)	–	–	1,138
Finance leases	14,592	112	8,460	–	–	23,164
Tax losses	1,250	111	5,005	–	–	6,366
Provisions	12,011	–	668	694	–	13,373
Total deferred tax assets	31,232	223	13,752	698	–	45,905
Life insurance reserves	(67,042)	–	–	–	2,168	(64,874)
Employee benefits asset	(36,417)	–	(1,655)	(4,508)	–	(42,580)
Property and equipment	(12,116)	(10)	1,906	–	–	(10,220)
Unrealised investment gains	(31,169)	–	(23,433)	423	(13,985)	(68,164)
Total deferred tax liabilities	(146,744)	(10)	(23,182)	(4,085)	(11,817)	(185,838)

17. Employee benefits

The level of pension benefits provided under the defined benefit plans depends on the member's length of service and salary at retirement age. The defined benefit pension plan requires contributions to be made to a separately administered fund. The fund has a separate legal form and is governed by the Board of Trustees who are responsible for the administration of the plan assets and for the definition of the investment strategy.

The Board of Trustees periodically reviews the level of funding in the pension plan. Such a review includes the asset-liability matching strategy and investment risk management policy which considers the term of the pension obligation while simultaneously remaining compliant with the requirements of the Pensions Act. The pension plans are exposed to inflation, interest rate risks and changes in the life expectancy for pensioners in the relevant jurisdictions. As the plan assets include significant investments in quoted equity shares, the Group is also exposed to equity market risk.

a) Amounts recognised in the statement of financial position

	Defined benefit pension plan		Post-retirement health benefits	
	2022	**2021**	**2022**	**2021**
Parent				
Present value of defined benefit obligation	26,444	21,533	1,019	918
Fair value of plan assets	(34,450)	(30,929)	–	–
(Asset)/liability recognised in the statement of financial position	(8,006)	(9,396)	1,019	918

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17. Employee benefits (continued)

	Defined benefit pension plan		Post-retirement health benefits	
	2022	**2021**	**2022**	**2021**
Group				
Present value of defined benefit obligation	137,294	132,214	9,250	8,616
Fair value of plan assets	(291,261)	(293,122)	–	–
(Asset)/liability recognised in the statement of financial position	(153,967)	(160,908)	9,250	8,616

b) Changes in defined benefit obligation and fair value of plan assets

The changes in the benefit obligations and fair value of plan assets are analysed below.

Parent	**Defined benefit obligation**	**Fair value of plan assets**	**Defined benefit pension plans**	**Post-employment medical benefits**
Balance at 1 January 2022	21,533	(30,929)	(9,396)	918
Pension cost charged to statement of income				
Current service cost	1,267	–	1,267	95
Net interest cost/(credit)	1,224	(1,685)	(461)	46
Administrative expenses	33	–	33	–
Total charge/(credit) to statement of income	2,524	(1,685)	839	141
Experience losses in OCI				
Experience losses - demographic	25	–	25	22
Experience losses - financial	–	1,462	1,462	–
Total charge to OCI	25	1,462	1,487	22
Other movements				
Contributions by employee	936	(936)	–	–
Contributions by employer	–	(936)	(936)	–
Transfers	2,220	(2,220)	–	(13)
Administrative expenses	(33)	33	–	–
Benefits paid	(761)	761	–	(49)
Total other movements	2,362	(3,298)	(936)	(62)
Balance at 31 December 2022	26,444	(34,450)	(8,006)	1,019
Group				
Balance at 1 January 2022	132,214	(293,122)	(160,908)	8,616
Pension cost charged to statement of income				
Current service cost	3,607	–	3,607	563
Net interest cost/(credit)	6,940	(15,170)	(8,230)	510
Administrative expenses	33	262	295	–
Total charge/(credit) to statement of income	10,580	(14,908)	(4,328)	1,073
Experience (gains)/losses in OCI				
Experience gains - demographic	(741)	–	(741)	(60)
Experience losses - financial	–	14,283	14,283	–
Total (credit)/charge to OCI	(741)	14,283	13,542	(60)

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17. Employee benefits (continued)

b) Changes in defined benefit obligation and fair value of plan assets (continued)

Group (continued)	**Defined benefit obligation**	**Fair value of plan assets**	**Defined benefit pension plans**	**Post-employment medical benefits**
Other movements				
Contributions by employee	2,177	(2,178)	(1)	–
Contributions by employer	–	(2,321)	(2,321)	–
Transfers	(878)	878	–	(13)
Administrative expenses	(33)	33	–	–
Exchange differences	10	39	49	(1)
Benefits paid	(6,035)	6,035	–	(365)
Total other movements	(4,759)	2,486	(2,273)	(379)
Balance at 31 December 2022	137,294	(291,261)	(153,967)	9,250
Parent				
Balance at 1 January 2021	18,417	(25,618)	(7,201)	850
Pension cost charged to statement of income				
Current service cost	887	–	887	59
Net interest cost/(credit)	1,039	(1,390)	(351)	43
Administrative expenses	32	–	32	–
Total charge/(credit) to statement of income	1,958	(1,390)	568	102
Experience (gains)/losses in OCI				
Experience (gains)/losses - demographic	(634)	–	(634)	9
Experience gains - financial	–	(1,625)	(1,625)	–
Total (credit)/charge to OCI	(634)	(1,625)	(2,259)	9
Other movements				
Contributions by employee	504	(504)	–	–
Contributions by employer	–	(504)	(504)	–
Transfers	2,021	(2,021)	–	–
Administrative expenses	(31)	31	–	–
Benefits paid	(702)	702	–	(43)
Total other movements	1,792	(2,296)	(504)	(43)
Balance at 31 December 2021	21,533	(30,929)	(9,396)	918
Group				
Balance at 1 January 2021	127,056	(265,317)	(138,261)	8,916
Pension cost charged to statement of income				
Current service cost	3,409	–	3,409	458
Net interest cost/(credit)	6,838	(13,948)	(7,110)	501
Past service credit	(1,067)	–	(1,067)	(432)
Administrative expenses	30	244	274	–
Total charge/(credit) to statement of income	9,210	(13,704)	(4,494)	527
Experience gains in OCI				
Experience gains - demographic	(2,097)	–	(2,097)	(568)
Experience gains - financial	–	(13,879)	(13,879)	–
Total credit to OCI	(2,097)	(13,879)	(15,976)	(568)

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17. Employee benefits (continued)

b) Changes in defined benefit obligation and fair value of plan assets (continued)

Group (continued)	Defined benefit obligation	Fair value of plan assets	Defined benefit pension plans	Post-employment medical benefits
Other movements				
Contributions by employee	1,656	(1,639)	17	–
Contributions by employer	–	(1,813)	(1,813)	–
Transfers	2,001	(2,001)	–	–
Administrative expenses	(31)	31	–	–
Exchange differences	298	(679)	(381)	59
Benefits paid	(5,879)	5,879	–	(318)
Total other movements	(1,955)	(222)	(2,177)	(259)
Balance at 31 December 2021	132,214	(293,122)	(160,908)	8,616

c) Movements in net (asset)/liability recognised in the statement of financial position

	Defined benefit pension plan 2022	2021	Post-retirement health benefits 2022	2021
Parent				
Net (asset)/liability at the start of the year	(9,396)	(7,201)	918	850
Net expense recognised in the statement of income	839	568	141	102
Net expense/(income) recognised in the statement of other comprehensive income	1,487	(2,259)	22	9
Contributions paid	(936)	(504)	(62)	(43)
Net (asset)/liability recognised at the end of the year	(8,006)	(9,396)	1,019	918
Group				
Net (asset)/liability at the start of the year	(160,908)	(138,261)	8,616	8,916
Net (income)/expense recognised in the statement of income	(4,328)	(4,494)	1,073	527
Net expense/(income) recognised in the statement of other comprehensive income	13,542	(15,976)	(60)	(568)
Contributions paid	(2,273)	(2,177)	(379)	(259)
Net (asset)/liability recognised at the end of the year	(153,967)	(160,908)	9,250	8,616

d) Actual return on plan assets

	2022	2021
Parent	223	3,015
Group	889	27,825

e) Major categories of plan assets as a percentage of total plan assets

Parent and Group	Defined benefit pension plan 2022	2021
Local equities	32%	32%
Local bonds	31%	40%
Foreign investments	23%	21%
Real estate/mortgages	2%	2%
Short-term securities	12%	5%
	100%	100%

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17. Employee benefits (continued)

f) Principal actuarial assumptions

Parent and Group	Defined benefit pension plan 2022	2021
Discount rate	5%	5%
Future salary increases	3%	3%
Medical costs trend rates	3%	3%

Shown below is quantitative sensitivity analysis for the impact of significant assumptions on the defined benefit obligation:

Assumptions	Discount rate		Future salary increases		Future medical claims inflation	
Sensitivity level	**+1%**	**-1%**	**+1%**	**-1%**	**+1%**	**-1%**
Parent						
At 31 December 2022	(2,581)	3,251	1,034	(918)	116	(92)
At 31 December 2021	(2,098)	2,658	799	(699)	116	(92)
Group						
At 31 December 2022	(13,352)	16,409	3,668	(3,238)	1,246	(997)
At 31 December 2021	(13,347)	16,443	876	(1,851)	1,190	(951)

The sensitivity analyses above have been determined on a method that extrapolates the impact on the net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

As advised by the consulting actuary, the Group is expected to contribute $2.4 million to its defined benefit plan in 2023 and the average duration of the defined benefit obligation at the end of the reporting period is 12 years (2021: 13 years).

Defined contribution plan

Certain employees of the Group are enrolled in the defined contribution pension plan which is operated by the ultimate parent – ANSA McAL Limited. The Group's contributions recognised in the statement of income is shown below:

Parent 2021	Parent 2022	Group 2022	Group 2021
37	50	712	436

18. Accrued interest and other payables

Parent 2021	Parent 2022		Group 2022	Group 2021
11,969	18,838	Interest payable	21,647	14,405
4,032	10,192	Accrued expenses	20,240	13,313
3,632	3,629	Client funds held for investment	113,370	80,556
(320)	(326)	Due (from)/to statutory authorities	24,379	17,846
–	–	Distributions payable	992	1,148
–	–	Deferred fee income	100	100
214	524	Unapplied premiums	10,046	8,027
–	–	Commissions payable	4,000	5,100
8,427	9,560	Stale-dated cheques	12,117	12,360
–	–	Due to reinsurers	101,965	62,029
(3,941)	(5,050)	Asset finance promotional items	1,003	981
35,311	38,757	Related party balances	12,910	36,795
35,334	7,295	Other creditors	58,024	54,767
94,658	83,419		380,793	307,427

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19. Customers' deposits and other funding instruments

Sectorial analysis of customers' deposits and other funding instruments:

Parent			Group	
2021	**2022**		**2022**	**2021**
93,012	79,370	Individuals	914,765	958,700
1,118,329	629,972	Pension funds/credit unions/ trustees	707,521	1,204,902
749,364	1,228,814	Private companies/estates/ financial institutions	1,981,157	1,220,168
1,960,705	1,938,156		3,603,443	3,383,770

20. Debt securities in issue

Parent			Group	
2021	**2022**		**2022**	**2021**
600,000	600,000	Medium and long-term notes	600,000	600,000
600,000	600,000		600,000	600,000

TT$ denominated notes

In November 2014, the Bank issued a TT$250 million medium-term note which was repaid on 20 April 2022. Interest was set at a fixed rate of 3.35% per annum. An additional TT$350 million medium-term note was issued on 5 June 2015 and also repaid on 20 April 2022. Interest was set at a fixed rate of 3.75% per annum.

In April 2022, the Bank issued a TT$600 million sub-ordinated medium-term note maturing on 20 April 2029. Interest was set at a fixed rate of 5.375% per annum.

21. Investment contract liabilities

	Group	
	2022	**2021**
At the beginning of year	273,902	265,923
Premiums received	20,375	19,937
Interest credited	12,186	11,783
Liabilities realised for payment on death, surrender and other terminations in the year	(22,267)	(21,922)
Other movements	(1,218)	(1,819)
	282,978	273,902

These investment contracts have neither reinsurance arrangements nor discretionary participation features (DPF).

22. Insurance contract liabilities

		Group					
	Notes	**2022**			**2021**		
		Insurance contract liabilities	**Reinsurers' share of liabilities**	**Net**	**Insurance contract liabilities**	**Reinsurers' share of liabilities**	**Net**
Life insurance contracts	22(b)	1,412,121	(20,938)	1,391,183	1,377,122	(17,368)	1,359,754
General insurance contracts	22(c)	373,051	(197,744)	175,307	328,649	(162,435)	166,214
Total insurance contract liabilities		1,785,172	(218,682)	1,566,490	1,705,771	(179,803)	1,525,968

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22. Insurance contract liabilities (continued)

a) Reinsurance assets

	2022	2021
Life insurance contracts	20,938	17,368
General insurance contracts:		
Premiums	161,798	121,445
Claims	35,946	40,990
	218,682	179,803

b) Life insurance contract liabilities may be analysed as follows:

	Group					
	2022			2021		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
With DPF	188,506	–	188,506	194,282	–	194,282
Without DPF	1,180,716	(20,938)	1,159,778	1,138,254	(17,368)	1,120,886
	1,369,222	(20,938)	1,348,284	1,332,536	(17,368)	1,315,168
Outstanding claims	42,899	–	42,899	44,586	–	44,586
Total life insurance contract liabilities	1,412,121	(20,938)	1,391,183	1,377,122	(17,368)	1,359,754
At 1 January	1,377,122	(17,368)	1,359,754	1,294,548	(15,549)	1,278,999
Premiums received	167,224	(16,485)	150,739	194,726	(15,448)	179,278
Liabilities realised for payment on death, surrender and other terminations in the year	(132,225)	12,915	(119,310)	(112,152)	13,629	(98,523)
At 31 December	1,412,121	(20,938)	1,391,183	1,377,122	(17,368)	1,359,754

c) General insurance contracts may be analysed as follows:

	Group					
	2022			2021		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
Claims reported and IBNR	121,742	(35,946)	85,796	117,765	(40,990)	76,775
Provisions for unearned premiums and unexpired risk	251,309	(161,798)	89,511	210,884	(121,445)	89,439
Total at end of year	373,051	(197,744)	175,307	328,649	(162,435)	166,214

i) Claims reported and IBNR

	Group					
	2022			2021		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
As at the beginning of the year						
Provisions for claims reported by policy holders	94,212	(32,792)	61,421	94,860	(37,450)	57,410
Provisions for claims IBNR	23,553	(8,198)	15,355	23,715	(9,362)	14,353
	117,765	(40,990)	76,776	118,575	(46,812)	71,763

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22. Insurance contract liabilities (continued)

c) General insurance contracts may be analysed as follows: (continued)

i) Claims reported and IBNR (continued)

	Group					
	2022			2021		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
Cash paid for claims settled in the year	(184,309)	29,382	(154,928)	(165,957)	20,172	(145,785)
Claims incurred	188,286	(24,338)	163,948	165,147	(14,350)	150,797
Total at end of year	121,742	(35,946)	85,796	117,765	(40,990)	76,775
Provisions for claims reported by policy holders	91,885	(28,757)	63,128	94,212	(32,792)	61,420
Provisions for claims IBNR	29,857	(7,189)	22,668	23,553	(8,198)	15,355
	121,742	(35,946)	85,796	117,765	(40,990)	76,775

ii) Provisions for unearned premiums and unexpired risk

	Group					
	2022			2021		
	Insurance contract liabilities	Reinsurers' share of liabilities	Net	Insurance contract liabilities	Reinsurers' share of liabilities	Net
As at the beginning of the year						
Provisions for unearned premiums	187,452	(107,952)	79,500	158,245	(79,147)	79,098
Provisions for unexpired risk	23,432	(13,494)	9,938	19,780	(9,893)	9,887
	210,884	(121,446)	89,438	178,025	(89,040)	88,985
Increase in the period	697,365	(479,169)	218,196	598,993	(357,651)	241,342
Release in the period	(656,940)	438,817	(218,123)	(566,134)	325,246	(240,888)
Total at end of year	251,309	(161,798)	89,512	210,884	(121,445)	89,439
Provisions for unearned premiums	223,386	(143,820)	79,566	187,452	(107,951)	79,501
Provisions for unexpired risk	27,923	(17,978)	9,945	23,432	(13,494)	9,938
	251,309	(161,798)	89,511	210,884	(121,445)	89,439

The development table of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. Trinidad and Tobago Insurance Limited reports this claims information by underwriting year of account.

Claims development table

The risks associated with these insurance contracts and in particular, casualty insurance contracts, are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group has no known or reported latent claims such as disease or asbestosis and therefore no actuarial analysis is made. The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of total claims outstanding for each accident year has changed at successive year-ends.

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22. Insurance contract liabilities (continued)

Claims development table (continued)

				Group			
Accident year - Gross	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Estimate of ultimate claims costs (gross):							
- at end of accident year	118,617	157,855	161,023	120,929	171,771	190,596	–
- one year later	122,555	159,952	167,520	122,640	172,455	–	–
- two years later	119,058	160,117	165,815	121,541	–	–	–
- three years later	119,705	161,643	162,168	–	–	–	–
- four years later	122,700	157,097	–	–	–	–	–
- five years later	125,568	–	–	–	–	–	–
Current estimate of cumulative claims incurred	125,568	157,097	162,168	121,541	172,455	190,596	929,425
Cumulative payments to date	(116,442)	(152,102)	(155,729)	(112,865)	(160,839)	(154,655)	(852,632)
Liability recognised in the statement of financial position	9,126	4,995	6,439	8,676	11,616	35,941	76,793
Liability in respect of prior years							44,949
Total liability included in the statement of financial position							121,742

The risks associated with these insurance contracts and in particular, casualty insurance contracts, are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of total claims outstanding for each accident year has changed at successive year-ends. This table shows net claims expenses by underwriting year over a six year period. We have made the assumption that all Health claims are settled within three months after reported and therefore this does not result in any long outstanding claims liabilities.

				Group			
Accident year - Net	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Estimate of outstanding claims (net):							
- at end of accident year	89,765	132,882	146,501	108,783	149,372	163,633	–
- one year later	97,956	133,788	151,364	109,807	148,650	–	–
- two years later	95,985	133,292	147,976	109,702	–	–	–
- three years later	96,459	134,522	144,324	–	–	–	–
- four years later	98,560	132,620	–	–	–	–	–
- five years later	100,096	–	–	–	–	–	–
Current estimate of cumulative claims incurred	100,096	132,620	144,324	109,702	148,650	163,633	799,025
Cumulative payments to date	(93,742)	(129,169)	(139,937)	(102,703)	(140,944)	(137,216)	(743,711)
Liability recognised in the statement of financial position	6,354	3,451	4,387	6,999	7,706	26,417	55,314
Liability in respect of prior years							30,482
Total liability included in the statement of financial position							85,796

23. Insurance contracts, investment contracts and reinsurance assets - terms, assumptions and sensitivities

a) Life insurance contracts and investment contracts

Terms and conditions

The Group offers a combination of individual life, pension, annuity and group life contracts with and without discretionary participation features. These contracts are determined by actuaries and all subsequent valuation assumptions are determined by independent consulting actuaries.

Key assumptions

Material judgement is required in determining the liabilities and in the choice of assumptions relating to both life insurance contracts and investment contracts. Assumptions in use are based on past experience, current internal data and conditions and external market indices and benchmarks, which reflect current observable market prices and other published information. Assumptions are determined as appropriate and prudent estimates are made at the date of valuation. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

For insurance contracts, estimates are made in two stages. Firstly, at inception of the contract, the Group determines the assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. Secondly, at the end of each reporting period, new estimates are developed to determine whether the liabilities are appropriate in light of the latest current estimates.

For investment contracts, assumptions used to determine the liabilities are also updated at the end of each reporting period to reflect latest estimates.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

Mortality and morbidity rates

Assumptions are based on underlying experience as well as standard industry mortality tables, according to the type of contract written. For contracts that insure the risk of longevity, appropriate but not excessively prudent allowance is made for expected future mortality improvements. Assumptions are differentiated by sex, underwriting class and contract type.

Mortality rates higher than expected will lead to a larger number of insurance claims and claims will occur sooner than anticipated, which will increase the expenditure and reduce profits for the shareholders.

Investment return

The weighted average rate of return is derived from a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

Expenses

Operating expense assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. An increase in the level of expenses would result in an increase in expenditure thereby reducing profits for the shareholders.

Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and changes in policyholders' circumstances.

The impact of a decrease in lapse rates at early duration of the policy would tend to reduce profits for the shareholders but lapse rates at later policy durations is broadly neutral in effect.

Sensitivities

The table below illustrates the impact of various changes in assumptions which are within a reasonable range of possible outcomes given the uncertainties involved in the estimation process. It demonstrates the effect of change in key assumptions whilst other assumptions remain unchanged, if these assumptions were changed in a single calendar year. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact on the claims liabilities due to changes in assumptions, these assumption changes had to be done on an individual basis. It should also be stressed that the relationships between assumptions are non linear and larger or smaller impacts cannot easily be gleaned from these results.

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23. Insurance contracts, investment contracts and reinsurance assets - terms, assumptions and sensitivities (continued)

a) Life insurance contracts and investment contracts (continued)

Sensitivities (continued)

Assumption change	**Required increase in insurance contract liabilities 2022**	**2021**
2% increase in mortality	12,100	11,400
5% increase in expenses	10,400	10,200
10% change in lapse rates	9,900	9,400
1% decrease in investment earnings	152,000	148,300

b) General insurance contracts

Terms and conditions

The major classes of general insurance written by the Group include motor, property, casualty, marine, general accident and other miscellaneous types of general insurance. Risks under these policies usually cover a 12 month duration.

For general insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and claims incurred but not yet reported) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the end of the reporting period.

The provisions are refined as part of a regular ongoing process and as claims experience develops, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Assumptions

The principal assumption underlying the estimates is the Group's past claims development experience. This includes assumptions in respect of average claim costs and claim numbers for each accident year. Claims provisions are separately analysed by geographical area and class of business. In addition, larger claims are usually separately assessed by loss adjusters. Judgement is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates, as well as testing reported claims subsequent to the end of the reporting period.

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process and other factors is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the end of the reporting period.

Sensitivities

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognised in subsequent financial statements.

24. Stated capital

Parent			Group	
2021	**2022**		**2022**	**2021**
		Authorised		
		An unlimited number of shares		
		Issued and fully paid		
		2022: 85,605,263 (2021: 85,605,263)		
667,274	667,274	ordinary shares of no par value	667,274	667,274

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25. Net insurance revenue

Parent 2021	Parent 2022		Group 2022	Group 2021
–	–	Gross insurance contracts premium revenue	849,619	776,972
–	–	Reinsurers' share of insurance contracts premium revenue	(475,362)	(349,058)
–	–	Net insurance contracts premium revenue	374,257	427,914
–	–	Gross change in unearned premium provision and unexpired risks	(40,425)	(32,858)
–	–	Reinsurers' share of change in unearned premium provision and unexpired risks	40,353	32,405
–	–	Net change in unearned premium provision and unexpired risks	(72)	(453)
–	–	**Net insurance revenue**	374,185	427,461

26. Finance charges, loan fees and other interest income

Parent 2021	Parent 2022		Group 2022	Group 2021
90,567	53,656	Finance charges earned	77,259	115,468
28,445	34,976	Interest income on loans and advances	71,538	40,912
21,911	17,937	Other income	22,905	28,131
140,923	106,569		171,702	184,511

27. Investment income/(loss)

Parent 2021	Parent 2022		Group 2022	Group 2021
123	405	Interest income from investments designated at fair value through statement of income	5,922	6,448
2,781	517	Interest income from investments designated at fair value through statement of comprehensive income	517	2,781
–	–	Interest income on impaired financial assets	364	355
38,241	24,589	Interest income from financial assets measured at amortised cost	122,553	165,216
25,344	33,255	Dividend income	21,709	20,958
(4,691)	(18,047)	Realised (losses)/gains on sale of investment securities	(38,030)	15,022
7,724	(4,696)	Unrealised gains/(losses) on investments held at year-end designated at fair value through statement of income	(146,030)	165,823
69,522	36,023		(32,995)	376,603

28. Revenue from contracts with customers

Parent 2021	Parent 2022		Group 2022	Group 2021
8,595	11,827	Arrangement fees	11,827	8,595
22,054	13,450	Investment management fees	3,637	2,652
1,850	1,377	Other	2,060	625
32,499	26,654		17,524	11,872

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29. Other income

Parent 2021	Parent 2022		Group 2022	Group 2021
181	294	Administrative fees and commissions	78,123	39,973
47,300	37,797	Foreign exchange trading and gains	34,731	49,205
–	–	Lease sales and recoveries	7,671	4,484
–	–	Property rental	51,665	51,332
–	–	Trustee and other fiduciary fees	10,103	9,482
–	871	Other	8,241	919
47,481	38,962		190,534	155,395

30. Net insurance benefits and claims incurred

There are no insurance benefits and claims incurred by the Parent. The following table represents the insurance benefits and claims incurred by the Group.

	Group					
	General insurance		Life insurance		Total	
	2022	2021	2022	2021	2022	2021
Gross insurance contracts benefits and claims incurred	193,330	165,148	145,741	122,056	339,071	287,204
Reinsurers' share of gross insurance benefits and claims paid	(29,382)	(14,350)	(10,406)	(5,861)	(39,788)	(20,211)
Net change in insurance contract liabilities	–	–	38,526	94,025	38,526	94,025
	163,948	150,798	173,861	210,220	337,809	361,018

31. Interest expense

Parent 2021	Parent 2022		Group 2022	Group 2021
19,764	26,430	Customers' deposits	57,679	49,108
147	218	Lease liabilities (Note 15)	116	348
27,241	28,995	Debt securities in issue	28,995	27,241
47,152	55,643		86,790	76,697

32. Credit loss expense/(recovery)

Parent 2021	Parent 2022		Group 2022	Group 2021
20,230	(36,031)	Net investment in leased assets	(34,284)	23,516
1,051	5,471	Loans and advances	9,187	7,270
2,076	3,178	Investment securities	4,428	(7,393)
–	–	Insurance receivables	377	3,393
23,357	(27,382)		(20,292)	26,786

33. Marketing and policy expenses

Parent 2021	Parent 2022		Group 2022	Group 2021
–	–	Agents and brokers commissions	50,131	53,514
–	–	Agents allowance and bonus	5,338	4,371
–	–	Agents policy expenses	728	1,028
121	–	Asset finance promotional expense	297	366
2,669	3,829	Advertising costs	11,461	9,940
2,790	3,829		67,955	69,219

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34. Personnel expenses

Parent 2021	Parent 2022		Group 2022	Group 2021
39,638	42,882	Salaries and bonus	138,174	122,725
–	–	Health, life and pension benefits	(1,083)	(1,294)
915	1,108	Other staff cost	4,253	3,835
40,553	43,990		141,344	125,266

35. General administrative expenses

Parent 2021	Parent 2022		Group 2022	Group 2021
12,164	5,050	Professional insurance	8,754	15,545
1,547	1,206	Property related expenses	12,477	19,188
1,084	896	Subscriptions & donations	4,833	5,367
791	2,508	Finance charges	3,298	1,849
209	518	Travel & entertainment	2,500	1,455
1,155	1,302	Communications, printing & stationery	12,764	10,159
6,725	9,836	General expenses	48,934	32,999
23,675	21,316		93,560	86,562

36. Taxation

Parent 2021	Parent 2022		Group 2022	Group 2021
28,203	12,604	Corporation tax	17,416	41,688
1,483	1,604	Under/(over) provision to prior year tax charge	1,963	(561)
(151)	86	Withholding tax	138	(106)
(8,679)	12,766	Deferred tax (Note 16)	4,928	9,430
985	833	Green Fund levy and other taxes	2,530	3,411
21,841	27,893		26,975	53,862
		Reconciliation between taxation expense and net profit before taxation		
		Income taxes in the statement of income vary from amounts that would be computed by applying the statutory tax rate for the following reasons:		
146,222	104,176	Net profit/(loss) before taxation	(34,047)	360,179
43,867	31,253	Tax at applicable statutory tax rates	11,657	73,875
		Tax effect of items that are adjustable in determining taxable profit:		
(7,527)	(10,178)	Tax exempt income	(10,580)	(9,774)
1,721	7,214	Non-deductible expenses	27,348	540
(5,257)	(6,163)	Allowable deductions	(13,710)	(16,564)
1,483	1,604	Adjustment to prior year tax charge	1,963	(561)
(13,280)	3,244	Other temporary differences	7,629	3,041
834	919	Provision for Green Fund levy and other taxes	2,668	3,305
21,841	27,893	**Total taxation**	26,975	53,862

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37. Segmental Information

For management purposes the Group is organised into four operating segments based on the following core areas of operation to the Group:

Banking services	Asset financing, Commercial banking, Merchant banking, Investment services, Securities trading and Foreign exchange trading.
Mutual funds	ANSA Secured Fund, ANSA US$ Secured Fund, ANSA TT$ Income Fund and ANSA US$ Income Fund.. These Funds are open-ended mutual funds registered in Trinidad & Tobago and established by ANSA Merchant Bank Limited (the 'Bank'). The Bank is the Sponsor, Investment Manager, Administrator and Distributor of these Funds.
Life insurance operations	Underwriting the following classes of longer-term insurance business: (i) individual participating and non-participating life insurance, (ii) group life insurance, (iii) individual insurance and (iv) group annuity and pension.
General insurance operations	Underwriting the following classes of short-term insurance business: (i) commercial and residential fire, (ii) general accident, (iii) marine, (iv) motor, (v) workmen compensation, (vi) group and individual health and rental of property.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating statement of income, and is measured consistently with the operating statement of income in the consolidated financial statements.

Interest income is reported net of related expenses as management primarily relies on net interest revenue as a performance measure, rather than the gross income and expense.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third-parties.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2022 or 2021.

The following table presents income and profit and certain asset and liability information regarding the Group's operating segments.

2022	Banking services	Mutual funds	Life insurance operations	General insurance operations	Elimin-ations	Total
Total operating income/(expense)	328,034	(92)	135,326	351,478	(93,796)	720,950
Total operating expense	(64,694)	(9,909)	(186,048)	(170,299)	6,351	(424,599)
Credit loss recovery/(expense)	21,038	(842)	575	(479)	–	20,292
Selling and administration expense	(159,761)	(10,298)	(68,203)	(183,862)	71,434	(350,690)
Profit/(loss) before taxation	124,617	(21,141)	(118,350)	(3,162)	(16,011)	(34,047)
Taxation	(30,592)	–	8,255	(4,638)	–	(26,975)
Profit/(loss) after taxation	94,025	(21,141)	(110,095)	(7,800)	(16,011)	(61,022)
Total assets	6,330,744	664,818	2,806,659	1,300,431	(1,511,856)	9,590,796
Total liabilities	4,290,350	664,836	1,854,191	492,288	(451,920)	6,849,745
Purchase of property and equipment	32,104	–	585	8,924	–	41,613
Depreciation and amortisation	(29,743)	–	(1,822)	(6,901)	(2,655)	(41,121)

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37. Segmental Information (continued)

The following table presents income and profit and certain assets and liability information regarding the Group's operating segments. (continued)

	Banking services	Mutual funds	Life insurance operations	General insurance operations	Eliminations	Total
2021						
Total operating income	382,819	43,614	436,409	405,406	(112,406)	1,155,842
Total operating expense	(55,279)	(9,634)	(222,004)	(151,040)	242	(437,715)
Credit loss recovery/(expense)	(29,656)	371	4,908	(2,409)	–	(26,786)
Selling and administration expense	(151,268)	(20,386)	(61,758)	(169,498)	71,748	(331,162)
Profit before taxation	146,616	13,965	157,555	82,459	(40,416)	360,179
Taxation	(16,317)	–	(25,787)	(11,758)	–	(53,862)
Profit after taxation	130,299	13,965	131,768	70,701	(40,416)	306,317
Total assets	5,637,295	719,834	2,858,190	1,298,159	(1,131,444)	9,382,034
Total liabilities	3,634,062	719,785	1,826,928	452,393	(154,171)	6,478,997
Purchase of property and equipment	35,767	–	353	29,512	–	65,632
Depreciation and amortisation	(33,264)	–	(1,920)	(6,267)	(1,920)	(43,371)

The following table presents income and profit and certain asset and liability information regarding the Group's geographic segments.

	Domestic services	Regional	International	Eliminations	Total
2022					
Total operating income/(expense)	763,327	116,720	(65,301)	(93,796)	720,950
Total operating expense	(387,105)	(43,844)	(1)	6,351	(424,600)
Credit loss recovery	15,149	3,805	1,339	–	20,292
Selling and administration expense	(347,811)	(74,956)	643	71,434	(350,690)
Profit/(loss) before taxation	43,559	1,724	(63,320)	(16,011)	(34,047)
Taxation	(24,749)	(2,226)	–	–	(26,975)
Profit/(loss) after taxation	18,810	(501)	(63,320)	(16,011)	(61,022)
Total assets	7,257,271	1,387,359	2,458,022	(1,511,856)	9,590,796
Total liabilities	6,459,783	798,741	43,141	(451,920)	6,849,745
Purchase of property and equipment	14,058	27,555	–	–	41,614
Depreciation and amortisation	(15,886)	(22,580)	–	(2,655)	(41,121)
2021					
Total operating income	953,835	163,686	150,727	(112,406)	1,155,842
Total operating expense	(398,437)	(39,469)	(51)	242	(437,715)
Credit loss (expense)/recovery	(23,913)	(6,988)	4,115	–	(26,786)
Selling and administration expense	(326,904)	(73,361)	(2,645)	71,748	(331,162)
Profit before taxation	204,581	43,868	152,146	(40,416)	360,179
Taxation	(52,427)	(1,435)	–	–	(53,862)
Profit after taxation	152,155	42,433	152,146	(40,416)	306,317
Total assets	6,840,614	1,196,873	2,475,991	(1,131,444)	9,382,034
Total liabilities	5,939,488	643,588	50,092	(154,171)	6,478,997
Purchase of property and equipment	33,335	32,297	–	–	65,632
Depreciation and amortisation	(14,681)	(26,770)	–	(1,920)	(43,371)

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38. Related party transactions and balances

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The Bank is ultimately owned by ANSA McAL Limited, incorporated in Trinidad and Tobago, which owns 82.48% of the stated capital of the Bank.

A number of transactions are entered into with related parties in the normal course of business. These include hire purchase, finance leases, premium financing, deposits, insurance coverage and foreign currency transactions. These transactions were carried out on commercial terms and at market rates.

The related assets, liabilities, income and expense from these transactions are as follows:

Parent 2021	Parent 2022		Group 2022	Group 2021
		Loans, investments and other assets		
55,897	44,596	ANSA McAL Group	151,198	103,763
32,353	199,549	Subsidiaries	–	–
310	2,066	Directors and key management personnel	12,084	11,329
28,891	114,353	Other related parties	152,620	72,346
117,451	360,564		315,902	187,438
		Deposits and other liabilities		
297,723	233,782	ANSA McAL Group	640,509	382,574
28,281	94,028	Subsidiaries	–	–
–	–	Directors and key management personnel	62,221	64,367
–	–	Other related parties	143,387	114,369
326,004	327,810		846,117	561,310
		Interest and other income		
23,601	14,281	ANSA McAL Group	37,898	57,262
22,185	17,210	Subsidiaries	–	–
22	83	Directors and key management personnel	698	257
1,837	221	Other related parties	3,440	3,162
47,645	31,795		42,036	60,681
		Interest and other expense		
5,151	5,788	ANSA McAL Group	14,789	27,763
453	596	Subsidiaries	–	–
–	–	Directors and key management personnel	3,327	2,744
–	–	Other related parties	1,546	1,061
5,604	6,384		19,662	31,568

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Key management compensation

Parent 2021	Parent 2022		Group 2022	Group 2021
11,312	10,283	Short-term benefits	22,861	19,783
116	105	Contribution to defined contribution plans	176	128
242	220	Post employment benefits	220	242
11,670	10,608		23,257	20,153

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39. Fair value of financial instruments

(i) Carrying amounts and fair values

The tables in the following pages summarise the carrying amounts and the fair values of the Parent's and the Group's financial assets and liabilities for 2022 and 2021.

2022

Parent				Group		
Carrying values	Fair values	Unrecognised (loss)/gain		Carrying values	Fair values	Unrecognised (loss)/gain
			Financial assets			
718,290	718,290	–	Net investment in leased assets and other instalment loans	987,197	987,197	–
548,919	548,919	–	Loans and advances	1,555,835	1,555,835	–
1,062,387	1,014,414	(47,973)	Investment securities	4,161,989	4,047,380	(114,609)
2,329,596	2,281,624	(47,973)		6,705,021	6,590,412	(114,609)
			Financial liabilities			
1,938,156	1,938,156	–	Customers' deposits and other funding instruments	3,603,443	3,603,443	–
600,000	632,382	32,382	Debt securities in issue	600,000	632,382	32,382
2,538,156	2,570,538	32,382		4,203,443	4,235,825	32,382

For all other financial instruments, the carrying amount is a reasonable approximation of fair value.

2021

Parent				Group		
Carrying values	Fair values	Unrecognised gain		Carrying values	Fair values	Unrecognised gain
			Financial assets			
872,462	872,462	–	Net investment in leased assets and other instalment loans	1,165,163	1,165,163	–
414,541	414,541	–	Loans and advances	1,035,788	1,035,788	–
1,035,207	1,048,967	13,760	Investment securities	4,429,880	4,496,011	66,131
2,322,210	2,335,970	13,760		6,630,831	6,696,962	66,131
			Financial liabilities			
1,960,705	1,960,705	–	Customers' deposits and other funding instruments	3,383,770	3,383,770	–
600,000	617,410	17,410	Debt securities in issue	600,000	617,410	17,410
2,560,705	2,578,115	17,410		3,983,770	4,001,180	17,410

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39. Fair value of financial instruments (continued)

For all other financial instruments, the carrying amount is a reasonable approximation of fair value.

(ii) Determination of fair value and fair value hierarchies

	Level 1	Level 2	Level 3	POCI	Total
2022 - Parent					
Investment securities designated at FVSI					
Equity securities	22	–	–	–	22
Managed Funds	28,741	359,726	–	–	388,467
Corporate bonds	–	98,036	–	–	98,036
	28,763	457,762	–	–	486,525
Investment securities measured at amortised cost for which fair values are disclosed					
Government bonds	1,417	493	–	–	1,910
State-owned company securities	–	55,985	–	–	55,985
Corporate bonds	77,702	350,354	2	–	428,058
	79,119	406,832	2	–	485,953
Investment securities measured at FVOCI					
Equity securities	–	20,630	–	–	20,630
Corporate bonds	21,306	–	–	–	21,306
	21,306	20,630	–	–	41,936
2022 - Group					
Investment securities designated at FVSI					
Equity securities	667,620	–	1,057	–	668,677
Managed Funds	367,753	563,219	–	–	930,972
Government bonds	5,319	4,814	–	–	10,133
State-owned company securities	–	48,065	–	–	48,065
Corporate bonds	16,896	104,708	–	–	121,604
	1,057,588	720,806	1,057	–	1,779,452
Investment securities measured at amortised cost for which fair values are disclosed					
Government bonds	37,467	414,238	93	16,101	467,899
State-owned company securities	–	516,903	–	–	516,903
Corporate bonds	242,524	986,525	1,640	–	1,230,689
	279,991	1,917,666	1,733	16,101	2,215,491
Investment securities measured at FVOCI					
Government bonds	–	5,458	–	–	5,458
Corporate bonds	46,979	–	–	–	46,979
	46,979	5,458	–	–	52,437
2021 - Parent					
Investment securities designated at FVSI					
Equity securities	22	–	–	–	22
Managed funds	–	486,636	–	–	486,636
	22	486,636	–	–	486,658
Investment securities measured at amortised cost for which fair values are disclosed					
Government bonds	1,425	761	–	–	2,186
State-owned company securities	–	74,539	–	–	74,539
Corporate bonds	72,676	372,767	2	–	445,445
	74,101	448,067	2	–	522,170

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39. Fair value of financial instruments (continued)

(ii) Determination of fair value and fair value hierarchies (continued)

	Level 1	Level 2	Level 3	POCI	Total
2021 - Parent (continued)					
Investment securities measured at FVOCI					
Equity securities	–	21,046	–	–	21,046
Corporate bonds	19,093	–	–	–	19,093
	19,093	21,046	–	–	40,139
2021 - Group					
Investment securities designated at FVSI					
Equity securities	712,915	–	1,060	–	713,975
Managed funds	563,665	568,263	–	–	1,131,928
Government bonds	5,331	6,557	–	–	11,888
State-owned company securities	–	50,453	–	–	50,453
Corporate bonds	37,190	20,120	–	–	57,310
	1,319,101	645,393	1,060	–	1,965,554
Investment securities measured at amortised cost for which fair values are disclosed					
Government bonds	32,014	417,061	–	16,209	465,284
State-owned company securities	–	667,721	–	–	667,721
Corporate bonds	257,988	1,112,352	2,536	–	1,372,876
	290,002	2,197,134	2,536	16,209	2,505,881
Investment securities measured at FVOCI					
Government bonds	–	5,483	–	–	5,483
Corporate bonds	19,093	–	–	–	19,093
	19,093	5,483	–	–	24,576

(iii) Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Unquoted securities	Discounted cash flows	Rate of return	1.06% to 12.00%	2% increase/(decrease) in the rate of return would result in decrease/ (increase) in fair value by $8,430/($6,061)

(iv) Transfers between Level 1 and 2

At each reporting date the Group assesses the fair value hierarchy of its financial instruments. A transfer between levels will occur when a financial instrument no longer meets the criteria in which the financial instrument is classified.

There were no transfers from level 1 to level 2 for the year ended 31 December 2022 (2021: transfers of $20,888 from level 1 to level 2).

(v) Movements in Level 3 financial instruments

Parent 2021	Parent 2022		Group 2022	Group 2021
		Assets		
16,422	2	Balance at 1 January	3,596	22,407
–	–	Gains recognised	(805)	(2,391)
–	–	Transfers out of Level 3	–	–
(16,420)	–	Disposal	–	(16,420)
2	2		2,791	3,596

40. Risk Management

Introduction

Risk is inherent in the Group'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 Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to their responsibilities. The Group is exposed to credit risk, liquidity risk and market risk.

Risk management structure

The Board of Directors (the 'Board') is ultimately responsible for identifying and controlling risks; however, there are separate bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles and policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Bank and its subsidiaries in compliance with the policies approved by the Board of Directors.

Treasury management

The Bank and its subsidiaries employ Treasury functions which are responsible for managing their assets and liabilities and the overall financial structure. The Treasury function is also primarily responsible for the funding and liquidity risks of the Bank and its subsidiaries.

Concentrations of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's procedures include specific monitoring controls to focus on the maintenance of a diversified portfolio.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise credit risk, interest rate risk, currency risk and equity price risk each of which are considered below and include, where relevant, the sensitivity of the Group's financial result on movements in certain market risk variables.

Credit risk management

The Group takes on exposure to credit risk, which is the potential for loss due to a counter-party or borrower's failure to pay amounts when due. Credit risk arises from traditional lending, underwriting and investing activity, and from settling payments between financial institutions. Impairment provisions are established for losses that have been incurred at the end of the reporting period.

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided at the end of the reporting period. Management therefore carefully manages its exposure to credit risk.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and to geographical and industry segments. Such risks are monitored on an ongoing basis, and limits on the levels of credit risk that the Group can engage in are approved by the Board of Directors.

Exposure to credit risk is further managed through regular analysis of the ability of borrowers to meet capital and interest repayment obligations and by changing these lending limits when appropriate. In addition, collateral, corporate, state and personal guarantees are obtained.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as the primary underwriter. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

In response to COVID-19, the Group undertook a review of its loan portfolios and the ECLs. The review considered the macro-economic outlook, customer credit quality, type and value of collateral held, exposure at default and the effect of payment deferral options as at the reporting date.

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40. Risk Management (continued)

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The following table shows the maximum exposure to credit risk without taking account of any collateral held or other credit enhancements attached. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Parent			Group	
2021	**2022**		**2022**	**2021**
729,390	705,070	Cash and short-term funds	1,495,579	1,452,588
–	–	Fixed deposits	8,528	8,549
872,462	718,290	Net investment in leased assets and other instalment loans	987,197	1,165,163
414,541	548,919	Loans and advances	1,555,835	1,035,788
1,014,139	1,041,735	Investment securities	3,493,312	3,715,905
7,766	3,021	Interest receivable	18,237	24,100
–	–	Insurance receivables	79,487	77,899
–	–	Reinsurance assets	218,682	179,803
3,038,298	3,017,035	**Total**	7,856,857	7,659,795
–	–	Undrawn commitments	13,902	30,568
20	–	Contingent liabilities	1,511	1,855
3,038,318	3,017,035		7,872,270	7,692,218

The main types of collateral obtained are as follows:

- For hire purchase and leases – charges over auto vehicles and industrial and general equipment;
- For reverse repurchase transactions – cash and securities;
- For corporate loans – charges over real estate property, industrial equipment, inventory and trade receivables; and
- For mortgage loans – mortgages over commercial and residential properties.

Cash and short-term funds and fixed deposits

These funds are placed with highly rated local banks and Central Banks within the Caribbean region where the Group transacts business. In addition, cash is held by international financial institutions with which the Group has relationships as custodians or fund managers. All custodians and fund managers have been classified with a 'stable' outlook. Management therefore considers the risk of default of these counterparties to be very low.

Net investment in leased assets

Since these financial assets are homogeneous in nature, a vintage approach was applied looking at the number of defaults by portfolio over a period of time. Historical PDs were developed and there being little correlation between macro-economic trends, management applied judgemental overlays based on expectations. LGD percentage estimates were developed based on historical loss trends for non-performing loans which are assessed on both an individual and collective level. EAD equals the loan balance outstanding plus accrued interest.

Loans and advances

For the merchant banking portfolio within loans and advances, given the limited historical data, the PD history of the leased assets portfolio was used as a starting point of the calculation.

For certain Stage 2 loans, where management considered the entity's financial position or industry to present higher risks, the PDs were judgementally adjusted to reflect the increased risk.

LGDs were assessed on an individual loan by loan basis due to the portfolio being non-homogeneous. This was based on the security held, factoring in the liquidity, current condition and estimated value of the collateral.

EAD equals the loan balance outstanding plus accrued interest.

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40. Risk Management (continued)

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements (continued)

Other financial assets

For mortgage loans, policy loans, premium receivables and reinsurance receivables, a simplified ECL approach was applied. Historical losses on these respective portfolios were calculated and applied to the current positions, with management applying judgemental overlays based on expectations as required.

Investment securities

PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instruments or the country for sovereign exposures. PDs and LGDs for non-traded instruments as well as local debt instruments were based on three notches below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. EAD equals the amortised security balance plus accrued interest.

Analysis of gross carrying amount and the corresponding ECLs are as follows:

Stage 1 — **Group**

2022	**Net investment in leased assets**	**Loans and advances**	**Investment securities**	**Premium receivable**	**Reinsurance receivables**	**Total**
Gross balance	915,432	1,456,491	2,378,376	73,628	14,167	4,838,094
ECL	(10,940)	(4,885)	(22,869)	(6,000)	(2,308)	(47,002)
	904,492	1,451,606	2,355,507	67,628	11,859	4,791,091
ECL as a % of Gross balance	1.20%	0.34%	0.96%	8.15%	16.29%	0.97%
2021						
Gross balance	1,071,700	946,049	2,407,152	76,299	9,908	4,511,108
ECL	(18,111)	(3,255)	(9,483)	(6,000)	(2,308)	(39,157)
	1,053,589	942,794	2,397,669	70,299	7,600	4,471,951
ECL as a % of Gross balance	1.69%	0.34%	0.39%	7.86%	23.29%	0.87%

The ECL percentage for Net investment in leased assets decreased as a result of lower PDs and LGDs used in the Group's calculation for the current year. The ECL percentage for Investment securities increased as a result of higher PDs utilised due to investment market volatility in the current year. Reinsurance receivables ECL provision decreased as a result of long outstanding receivables recovered. Premium receivable ECL remained on par, however the percentage increased as a result of recoveries during the year leading to a decrease in the balance outstanding. Loans and advances ECL percentage was on par with the prior year.

Stage 2 — **Group**

2022	**Net investment in leased assets**	**Loans and advances**	**Investment securities**	**Premium receivable**	**Reinsurance receivables**	**Total**
Gross balance	33,982	27,992	11,241	–	–	73,215
ECL	(1,119)	(130)	(456)	–	–	(1,705)
	32,863	27,862	10,785	–	–	71,510
ECL as a % of Gross balance	3.29%	0.46%	4.05%	0.00%	0.00%	2.33%
2020		**Group**				
Gross balance	92,417	42,300	30,145	–	–	164,862
ECL	(5,901)	(244)	(657)	–	–	(6,802)
	86,516	42,056	29,488	–	–	158,060
ECL as a % of Gross balance	6.39%	0.58%	2.18%	0.00%	0.00%	4.13%

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40. Risk Management (continued)

Analysis of gross carrying amount and the corresponding ECLs are as follows: (continued)

The decrease in ECL percentage for Stage 2 Loans and advances as well as Net investment in leased assets was mainly driven by a decrease in the gross balance. There was a decrease in the overall gross balances outstanding between current and prior years for Investment securities but, the ECL percentage increased as a result of higher PDs and LGDs utilised in the current year as a result of the volatility of global investment markets.

Stage 3		**Group**				
	Net investment in leased assets	**Loans and advances**	**Investment securities**	**Premium receivable**	**Reinsurance receivables**	**Total**
2022						
Gross balance	81,448	101,648	8,723	–	–	191,819
ECL	(31,606)	(16,025)	(8,723)	–	–	(56,354)
	49,842	85,623	–	–	–	135,465
ECL as a % of Gross balance	38.81%	15.77%	100.00%	0.00%	0.00%	29.38%
2021						
Gross balance	90,107	79,551	29,093	–	–	198,751
ECL	(65,049)	(19,357)	(8,174)	–	–	(92,580)
	25,058	60,194	20,919	–	–	106,171
ECL as a % of Gross balance	72.19%	24.33%	28.10%	0.00%	0.00%	46.58%

The ECL percentages for Stage 3 Net investment in leased assets as well as Loans and advances decreased as a result of improved recoveries coming out of COVID-19. The ECL percentage for Stage 3 Investment securities increased as all Stage 3 investments have been fully provided for.

Reinsurance assets

The credit quality of reinsurance assets, can be assessed by reference to external credit ratings agencies, Standard & Poor and A.M. Best. Based on the high ratings, management therefore considers the risk of default of these counterparties to be very low.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group manages its interest rate exposure by offering fixed rates on its funding instruments over the respective term. On the lending side, loans will be granted at fixed rates over specified periods. As interest rates on both deposits and loans remain fixed over their lives, the risk of fluctuations in market conditions is mitigated.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the Group Treasury function.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's income and equity with all other variables held constant.

The sensitivity of income is the effect of the assumed changes in interest rates on the income for one year, based on the floating rate non-trading financial assets and financial liabilities held at 31 December 2022 and 2021.

Change in basis points		**Sensitivity of income**	
		2022	**2021**
Parent	+ 100	28	41
	– 100	(28)	(41)
Group	+ 100	29	42
	– 100	(29)	(42)

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40. Risk Management (continued)

Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The tables on the following pages indicate the currencies to which the Parent and Group had significant exposure at 31 December 2022 and 2021 on its monetary assets and liabilities. The analysis also calculates the effects of a reasonably possible movement of each currency rate against the Trinidad and Tobago dollar, with other variables held constant.

The tables below indicate the currencies to which the Parent and Group had significant exposure at 31 December on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the TTD rate against other currencies, with all other variables held constant.

	TTD	USD	EURO	OTHER	TOTAL
Parent - 2022					
Cash and short-term funds	398,444	292,086	8,192	6,348	705,070
Loans and advances	213,577	335,342	–	–	548,919
Investment securities	113,765	948,622	–	–	1,062,387
Interest receivable	1,337	1,685	–	–	3,022
Total financial assets	727,123	1,577,735	8,192	6,348	2,319,398
Customers' deposits and other funding instruments	1,106,748	831,408	–	–	1,938,156
Debt securities in issue	600,000	–	–	–	600,000
Total financial liabilities	1,706,748	831,408	–	–	2,538,156
Net currency risk exposure		746,327	8,192	6,348	
Reasonably possible change in currency rate		5%	5%	5%	
Effect on profit before taxation		37,316	410	317	38,043
Parent - 2021					
Cash and short-term funds	543,391	180,479	2,492	3,028	729,390
Loans and advances	331,716	82,825	–	–	414,541
Investment securities	113,539	920,927	–	741	1,035,207
Interest receivable	4,479	3,271	–	16	7,766
Total financial assets	993,125	1,187,502	2,492	3,785	2,186,904
Customers' deposits and other funding instruments	1,254,613	706,092	–	–	1,960,705
Debt securities in issue	600,000	–	–	–	600,000
Total financial liabilities	1,854,613	706,092	–	–	2,560,705
Net currency risk exposure		481,410	2,492	3,785	
Reasonably possible change in currency rate		5%	5%	5%	
Effect on profit before taxation		24,070	125	189	24,384

	TTD	USD	BDS	EURO	OTHER	TOTAL
Group - 2022						
Cash and short-term funds	880,363	417,381	142,931	8,228	46,676	1,495,579
Fixed deposits	–	–	3,686	–	4,842	8,528
Net investment in leased assets and other instalment loans	714,073	–	273,124	–	–	987,197
Loans and advances	1,077,501	338,315	140,019	–	–	1,555,835
Investment securities	1,088,229	2,839,075	51,760	–	182,925	4,161,989
Interest receivable	12,343	4,530	320	–	1,044	18,237
Insurance receivables	11,068	1,638	45,823	–	20,958	79,487
Other debtors and prepayments	33,915	4,754	18,514	–	–	57,183
Reinsurance assets	20,938	197,744	–	–	–	218,682
Total financial assets	3,838,430	3,803,437	676,177	8,228	256,445	8,582,717

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (continued)

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40. Risk Management (continued)

Currency risk (continued)

	TTD	USD	BDS	EURO	OTHER	TOTAL
Customers' deposits and other funding instruments	2,105,517	1,040,604	457,322	–	–	3,603,443
Debt securities in issue	600,000	–	–	–	–	600,000
Total financial liabilities	2,705,517	1,040,604	457,322	–	–	4,203,443
Net currency risk exposure		2,762,833	218,855	8,228	256,445	
Reasonably possible change in currency rate		5%	5%	5%	5%	
Effect on profit before taxation		138,142	10,943	411	12,822	162,318
Group - 2021						
Cash and short-term funds	980,262	340,603	76,119	2,146	53,458	1,452,588
Fixed deposits	–	535	3,692	–	4,322	8,549
Net investment in leased assets and other instalment loans	868,433	–	296,730	–	–	1,165,163
Loans and advances	857,971	91,945	85,872	–	–	1,035,788
Investment securities	1,884,740	2,487,277	57,121	–	741	4,429,880
Interest receivable	15,478	6,833	369	–	1,420	24,100
Insurance receivables	7,553	820	45,597	–	23,929	77,899
Other debtors and prepayments	107,471	8,545	14,427	–	–	130,443
Reinsurance assets	17,368	162,435	–	–	–	179,803
Total financial assets	4,739,276	3,098,993	579,927	2,146	83,870	8,504,213
Customers' deposits and other funding instruments	2,110,680	874,048	399,042	–	–	3,383,770
Debt securities in issue	600,000	–	–	–	–	600,000
Total financial liabilities	2,710,680	874,048	399,042	–	–	3,983,770

	TTD	USD	BDS	EURO	OTHER	TOTAL
Net currency risk exposure		2,224,945	180,885	2,146	83,870	
Reasonably possible change in currency rate		5%	5%	5%	5%	
Effect on profit before taxation		111,247	9,044	107	4,194	124,592

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial instruments when they fall due under normal and stress circumstances. To mitigate this risk, Management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group sources funds for the provision of liquidity from three main sources; retail and wholesale deposits, funding instruments and the capital markets. A substantial portion of the funding for the Group is provided by core deposits and premium income. The Group maintains a core funding base which can be drawn on to meet immediate liquidity needs. Facilities are also established with correspondent banks, which can provide additional liquidity if conditions demand.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. The Group employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Group's assets as well as generating sufficient cash from new and renewed customer deposits and insurance policies.

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40. Risk Management (continued)

Analysis of financial liabilities by remaining contractual maturities

The tables below summarise the maturity profile of the Parent's and Group's financial liabilities as at 31 December 2022 and 2021, based on contractual repayment obligations, over the remaining life of those liabilities.

	Up to one year	One to five years	Over five years	Total
Parent - 2022				
Customers' deposits and other funding instruments	1,940,669	24,739	5,683	1,971,091
Debt securities in issue	38,504	161,181	609,850	809,535
Lease liabilities	1,972	7,017	–	8,989
Bank overdraft	3,840	–	–	3,840
	1,984,985	192,937	615,533	2,793,455
Parent - 2021				
Customers' deposits and other funding instruments	1,942,994	34,818	5,767	1,983,579
Debt securities in issue	621,500	–	–	621,500
Lease liabilities	–	3,860	–	3,860
Bank overdraft	1,907	–	–	1,907
	2,566,401	38,678	5,767	2,610,846
Group - 2022				
Customers' deposits and other funding instruments	3,386,331	242,411	6,472	3,635,214
Undrawn commitments	13,902	–	–	13,902
Debt securities in issue	38,504	161,181	609,850	809,535
Lease liabilities	3,807	13,555	3,197	20,559
Bank overdraft	3,840	–	–	3,840
Investment contracts	282,978	–	–	282,978
	3,729,362	417,147	619,519	4,766,028
Group - 2021				
Customers' deposits and other funding instruments	2,953,387	456,419	8,305	3,418,111
Undrawn commitments	30,568	–	–	30,568
Debt securities in issue	621,500	–	–	621,500
Lease liabilities	4,842	10,154	142	15,138
Bank overdraft	1,907	–	–	1,907
Investment contracts	273,902	–	–	273,902
	3,886,106	466,573	8,447	4,361,126

Equity price risk

Equity price risk is the risk that the fair values of equities will decrease as the result of a decrease in equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio.

The effect on income will arise as a result of the change in fair value of equity instruments categorised as fair value through the statement of income. In the case of the Parent, changes in fair value affect the capital reserve as a component of equity, whereas with respect to the subsidiaries, changes in fair value have an impact on the capital reserve and/or income.

The effect on income at 31 December 2022 and 2021 due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

Market indices	Change in equity price	Effect on income	
	%	2022	2021
Parent		+/-	+/-
TTSE	+/- 3	–	1
Group			
TTSE	+/- 3	16,262	17,316
S&P 500	+/- 8	7,184	10,280

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40. Risk Management (continued)

Insurance risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Group faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency and severity of claims.

The variability of risks is improved by careful selection and implementation of underwriting strategy and guidelines as well as the use of reinsurance arrangements.

41. Business combination

On 28 February 2021, the Bank completed the acquisition of 100% of the financial services business of Bank of Baroda (Trinidad) Limited (BOB) which was rebranded as ANSA Bank Limited (ABL). ABL is a financial services company licensed under the Financial Institutions Act 2008, of Trinidad and Tobago. ABL will facilitate the expansion of the Bank into the commercial banking sector.

This business combination was within the scope of IFRS 3 'Business Combinations'. An analysis of the fair value of the net assets acquired and is shown in the table below:

	Fair value of assets acquired and liabilities assumed on 28 February 2021
Cash and short term deposits	170,110
Financial assets	102,887
Loans and advances	134,655
Other assets	9,249
Total assets	416,901
Customers' deposits	348,636
Other liabilities	6,579
Total liabilities	355,215
Net assets	61,686
Fair value adjustments	(7,393)
Intangible assets:	
Banking license	62,455
Customer deposits	18,587
Fair value of net assets acquired	135,335
Fair value of consideration	179,190
Purchased goodwill	43,855

The fair value of net assets acquired were based on a valuation of the acquired assets and liabilities at the date of acquisition performed by an independent third party.

From the date of acquisition, ABL contributed $39.5 milion (2021: $15.3 million) towards other income of the Group and recorded a profit before tax of $0.04 million (2021: loss before tax of $18.3 million).

42. Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

When managing capital, which is a broader concept than the 'equity' in the statement of financial position, the objectives of the Parent and its subsidiaries are:

- To comply with the capital requirements set by the regulators of the markets where the parent and its subsidiaries operate;
- To safeguard the parent's and the subsidiaries' ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored monthly by Management, employing techniques based on the guidelines developed and implemented by the Central Bank of Trinidad & Tobago for supervisory purposes. The required information is filed with the Central Bank on a monthly basis.

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42. Capital management (continued)

The Central Bank requires each bank or banking group to: (a) hold the minimum level of the regulatory capital of $15 million, and (b) maintain a ratio of total regulatory capital to the risk-weighted asset (the 'Basel ratio') at or above the internationally agreed minimum of 10%.

In each country in which the Group's insurance subsidiaries operates, the local insurance regulator indicates the required minimum amount and type of capital that must be held by each of the subsidiaries in addition to their insurance liabilities. The Group is subject to the insurance solvency regulations in all the territories in which it issues insurance contracts. The minimum required capital must be maintained at all times throughout the year.

For 2022 and 2021, the Parent and its subsidiaries complied with all of the externally-imposed capital requirements to which they are subject at the date of this report.

43. Maturity analysis of assets and liabilities

The tables below show an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled based on contractual cash flows.

Parent		**2022**			**2021**	
Assets	**Less than 12 months**	**Over 12 months**	**Total**	**Less than 12 months**	**Over 12 months**	**Total**
Cash and short-term funds	705,070	–	705,070	729,390	–	729,390
Net investment in leased assets and other instalment loans	54,706	663,584	718,290	57,657	814,805	872,462
Loans and advances	237,215	311,704	548,919	321,904	92,637	414,541
Investment securities	546,113	516,274	1,062,387	655,861	379,346	1,035,207
Interest receivable	3,021	–	3,021	7,766	–	7,766
Other debtors and prepayments	20,578	–	20,578	108,139	–	108,139
Taxation recoverable	21,532	–	21,532	6,439	–	6,439
Investment in subsidiaries	–	1,039,510	1,039,510	–	989,510	989,510
Property and equipment	–	3,008	3,008	–	3,207	3,207
Intangible assets	–	25,322	25,322	–	27,418	27,418
Right-of-use assets	–	8,267	8,267	–	3,397	3,397
Deferred tax assets	–	18,856	18,856	–	32,563	32,563
Employee benefits asset	–	8,006	8,006	–	9,396	9,396
Total assets	1,588,235	2,594,531	4,182,766	1,857,156	2,352,279	4,239,435
Liabilities						
Customers' deposits and other funding instruments	1,910,574	27,582	1,938,156	1,923,333	37,372	1,960,705
Lease liabilities	1,700	6,565	8,265	–	3,701	3,701
Bank overdraft	3,840	–	3,840	1,907	–	1,907
Accrued interest and other payables	83,419	–	83,419	94,658	–	94,658
Debt securities in issue	–	600,000	600,000	600,000	–	600,000
Deferred tax liabilities	–	7,799	7,799	–	8,148	8,148
Employee benefits liability	–	1,019	1,019	–	918	918
Total liabilities	1,999,533	642,965	2,642,498	2,619,898	50,139	2,670,037
Group						
Assets						
Cash and short-term funds	1,495,579	–	1,495,579	1,452,588	–	1,452,588
Fixed deposits	8,528	–	8,528	8,549	–	8,549
Net investment in leased assets and other instalment loans	59,694	927,503	987,197	70,401	1,094,762	1,165,163
Loans and advances	390,239	1,165,596	1,555,835	434,612	601,176	1,035,788
Investment securities	1,946,622	2,215,367	4,161,989	2,175,412	2,254,468	4,429,880
Interest receivable	18,237	–	18,237	24,100	–	24,100
Insurance receivables	74,548	4,939	79,487	73,812	4,087	77,899

FOR THE YEAR ENDED 31 DECEMBER 2022 • (Expressed in thousands of Trinidad and Tobago dollars)

43. Maturity analysis of assets and liabilities (continued)

Group	2022			2021		
Assets (ctd.)	**Less than 12 months**	**Over 12 months**	**Total**	**Less than 12 months**	**Over 12 months**	**Total**
Other debtors and prepayments	54,783	2,400	57,183	130,443	–	130,443
Reinsurance assets	197,744	20,938	218,682	162,435	17,368	179,803
Taxation recoverable	27,559	164	27,723	8,209	68	8,277
Investment properties	–	147,047	147,047	–	106,112	106,112
Property and equipment	–	192,002	192,002	–	201,570	201,570
Intangible assets	–	434,448	434,448	–	343,430	343,430
Right-of-use assets	–	20,369	20,369	–	11,619	11,619
Deferred tax assets	–	32,523	32,523	–	45,905	45,905
Employee benefits asset	–	153,967	153,967	–	160,908	160,908
Total assets	4,273,533	5,317,263	9,590,796	4,540,561	4,841,473	9,382,034
Liabilities						
Customers' deposits and other funding instruments	3,356,775	246,668	3,603,443	2,930,507	453,263	3,383,770
Lease liabilities	3,366	15,787	19,153	2,487	9,279	11,766
Bank overdraft	3,840	–	3,840	1,907	–	1,907
Accrued interest and other payables	378,075	2,718	380,793	304,525	2,902	307,427
Debt securities in issue	–	600,000	600,000	600,000	–	600,000
Deferred tax liabilities	–	165,116	165,116	–	185,838	185,838
Employee benefits liability	–	9,250	9,250	–	8,616	8,616
Investment contract liabilities	282,978	–	282,978	273,902	–	273,902
Insurance contract liabilities	415,950	1,369,222	1,785,172	373,235	1,332,536	1,705,771
Total liabilities	4,440,984	2,408,761	6,849,745	4,486,563	1,992,434	6,478,997

44. Capital commitments

Parent 2021	Parent 2022		Group 2022	Group 2021
–	8,655	Capital expenditure	71,910	147,469

45. Contingent liabilities

The Parent's and Group's potential liability, for which there are equal and offsetting claims, against its customers in the event of a call on these commitments is as follows:

Parent 2021	Parent 2022	Group 2022	Group 2021
20	–	1,511	1,855

46. Dividends

Dividends paid are analysed as follows:	**2022**	**2021**
Final dividend for 2021 – $1.00 per share (2020: $0.75 per share)	85,605	64,204
Interim dividend for 2022 – $0.20 per share (2021: $0.20 per share)	17,121	17,121
	102,726	81,325

On 16 March 2023, the Board of Directors declared a final dividend of $1.00 (2021: $1.00) per share for the year ended 31 December 2022. This dividend amounting to $85,605,263 (2021: $85,605,263) is not recorded as a liability in the statement of financial position as at 31 December 2022.

47. Events after the reporting period

Pursuant to an Offer and Take-Over Bid Circular dated December 29, 2022 (“Offer”), Trinidad and Tobago Insurance Limited (“TATIL”) acquired and paid for 97.5% of the issued and outstanding ordinary shares of Colonial Fire & General Insurance Company Limited (“Colfire”) for the cash price of TTD$20.32 per share. TATIL intends to exercise its right under Sections 202 and 203 of the Companies Act, Chap. 81:01 to acquire compulsorily 2.5% of the ordinary shares in Colfire, which represents the shares held by Colfire shareholders who did not accept the Offer. TATIL shall become the holder of the entire shareholding in Colfire upon conclusion of the compulsory acquisition of the 2.5% ordinary shareholding in Colfire.

Form of Proxy

ANSA MERCHANT BANK LIMITED

Republic of Trinidad and Tobago
The Companies Act, 1995 [Section 144]

I/We ____

being a member/members of ANSA Merchant Bank Limited, hereby appoint Mr. A. Norman Sabga of Port of Spain, or failing him Mr. Ray A. Sumairsingh of Port of Spain, or failing him, ____

of ____, as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting of the Company to be held on Friday 12th May 2023 and at any adjournment thereof.

Dated this ____________________ day of ______________________________, 2023

Signed ____

Please indicate with an "X" in the spaces below how you wish your votes to be cast.

RESOLUTIONS:		FOR	AGAINST
1.	To receive the Directors' Report and Audited 2022 Financial Statements.		
2.	To elect the following Directors in place of those retiring:		
	Mr. A. Norman Sabga		
	Mr. Ray A. Sumairsingh		
	Mr. Timothy Hamel-Smith		
	Mr. Jeremy Matouk		
	Mr. Ian E. Welch		
4.	To appoint Auditors and authorise the Directors to fix their remuneration.		

Form of Proxy (continued)

Notes:

1. To be effective, this Form or other authority (if any) must be deposited at the Registered Office of the Company, ANSA Centre, 11A Maraval Road, Port of Spain, or emailed to ansamerchantbank@ansamcal.com not less than 48 hours before the time appointed for holding the Meeting.
2. Any alteration made to this Form of Proxy should be initialled.
3. If the appointer is a Corporation, this Form of Proxy must be under its Common Seal, or under the hand of an officer or attorney duly authorized in writing.
4. In the case of joint holders, the signature of any holder is sufficient but the names of all joint holders should be stated. Return of the completed Form of Proxy will not preclude a member from attending and voting at the Meeting.

MERCHANT BANK LIMITED

11A MARAVAL ROAD, PORT OF SPAIN
TRINIDAD AND TOBAGO

TEL: (868) 623-8672

WEBSITE: ansamerchantbank.com

GROUP OF COMPANIES

Together, we are
Family