

ANSA BANK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2025



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ANSA BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of ANSA Bank Limited (“the Bank”) which comprise the statement of financial position as at 31 December 2025, the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information;
- Ensuring that the Bank 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 Bank's assets, detection/prevention of fraud, and the achievement of Bank operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

Savon Persad

Savon Persad
Managing Director
26 February 2026

Donna Babb

Donna Babb
Senior Finance Manager
26 February 2026



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ANSA BANK LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ANSA Bank Limited (the 'Bank'), which comprise the statement of financial position as at 31 December 2025, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Trinidad and Tobago. 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.

Responsibilities of the Board of Directors, Management and the Audit Committee for the Financial Statements

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

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

The Board of Directors, Management and the Audit Committee is responsible for overseeing the Bank's financial reporting process.



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ANSA BANK LIMITED

Report on the Audit of the Financial Statements

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls 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 Bank's internal controls.
- 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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF ANSA BANK LIMITED

Report on the Audit of the Financial Statements

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

(Continued)

We communicate with Management and 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 controls that we identify during our audit.

A handwritten signature in blue ink, consisting of the letters 'EY', is enclosed in a thin black rectangular box.

Port of Spain
TRINIDAD
27 February 2026

ANSA BANK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2025	2024
Assets			
Cash and cash equivalents		38,836	34,996
Balance with Central Bank	3	205,591	250,697
Investments	4	218,486	119,828
Loans and advances	5	852,057	797,619
Other assets	7	42,717	11,370
Property and equipment	6	10,710	10,606
Right-of-use assets	9	15,934	17,383
Computer software	8	96,722	105,058
Deferred tax asset	19	47,396	37,428
Total assets		1,528,449	1,384,985
Shareholder's equity and liabilities			
Shareholder's equity			
Stated capital	10	277,560	177,560
Statutory reserve	11	972	972
Accumulated deficit		(58,821)	(52,390)
Total shareholder's equity		219,711	126,142
Liabilities			
Customer deposits	12	1,191,764	1,162,749
Debt securities in issue	13	25,000	25,000
Lease liabilities	9	18,110	19,676
Other liabilities and accruals	14	53,819	37,707
Deferred tax liability	19	19,907	13,603
Employee benefits obligation	20	138	108
Total liabilities		1,308,738	1,258,843
Total shareholder's equity and liabilities		1,528,449	1,384,985

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

On 26 February 2026, the Board of Directors of ANSA Bank Limited authorised these financial statements for issue.

Savon Persad

Savon Persad
Managing Director

David Dulal-Whiteway

David Dulal-Whiteway
Chairman

ANSA BANK LIMITED

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2025	2024
Interest income			
Interest on loans and advances	15	44,645	45,289
Interest from investments	4	5,126	4,652
		<u>49,771</u>	<u>49,941</u>
Interest expense			
Interest on customer deposits	12	14,824	15,187
Interest on debt securities	13	1,425	1,425
		<u>16,249</u>	<u>16,612</u>
Net interest income		<u>33,522</u>	<u>33,329</u>
Other income			
Fees and commissions	16	1,888	2,301
Foreign currency trading gains		56,654	13,198
Total other income		<u>58,542</u>	<u>15,499</u>
Non-interest expenses			
Administrative and other expenses	18	29,043	30,538
Advertising and marketing		3,972	957
Amortisation of computer software	8	9,537	3,151
Depreciation of property and equipment	6	2,888	2,580
Depreciation on right-of-use assets	9	2,165	4,583
Staff costs	17	36,447	21,993
Total non-interest expenses		<u>84,052</u>	<u>63,802</u>
Other expenses			
Expected credit losses/(gains) on investments	4	90	(14)
Expected credit losses on loans, net of recoveries	5.1	14,419	18,096
Provision/(release) on other assets	7	637	(4,522)
Interest expense on lease liabilities	9	1,117	1,196
Total other expenses		<u>16,263</u>	<u>14,756</u>
Net loss for the year before taxation		(8,251)	(29,730)
Taxation credit	19	1,799	7,263
Net loss for the year after taxation		<u>(6,452)</u>	<u>(22,467)</u>

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

ANSA BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2025	2024
Net loss for the year after taxation		(6,452)	(22,467)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement gain on defined benefit plans	20	32	54
Income tax effect	19	<u>(11)</u>	<u>(19)</u>
Other comprehensive profit for the year, net of tax		<u>21</u>	<u>35</u>
Total comprehensive loss for the year, net of tax		<u>(6,431)</u>	<u>(22,432)</u>

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

ANSA BANK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

	Stated capital	Statutory reserve	Accumulated deficit	Total shareholder's equity
Balance as at 1 January 2024	152,560	972	(29,958)	123,574
Net loss for the year	–	–	(22,467)	(22,467)
Other comprehensive profit	–	–	35	35
Issuance of shares (Note 10)	25,000	–	–	25,000
Balance as at 31 December 2024	177,560	972	(52,390)	126,142
Balance as at 1 January 2025	177,560	972	(52,390)	126,142
Net loss for the year	–	–	(6,452)	(6,452)
Other comprehensive profit	–	–	21	21
Issuance of shares (Note 10)	100,000	–	–	100,000
Balance as at 31 December 2025	277,560	972	(58,821)	219,711

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

ANSA BANK LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2025	2024
Cash flows from operating activities			
Net loss for the year before taxation		(8,251)	(29,730)
<i>Adjustments for:</i>			
Amortisation of computer software	8	9,537	3,151
Depreciation of property and equipment	6	2,888	2,580
Depreciation of right-of-use assets	9	2,165	4,583
Net change in employee benefits obligation	20	62	69
Foreign exchange gains		(239)	(346)
Interest expense on lease liabilities	9	1,117	1,196
Expected credit losses/(gains) on investments	4	90	(14)
Expected credit losses on loans, net of recoveries	5.1	14,419	18,096
Provision/(release) on other assets	7	637	(5,210)
Other movements		(1,608)	177
		<u>20,817</u>	<u>(5,448)</u>
<i>Changes in operating assets and liabilities:</i>			
Net decrease in balance with Central Bank		45,106	8,433
Net increase in loans and advances		(68,857)	(27,005)
Net increase in other assets and accrued income		(31,984)	(1,989)
Net increase/(decrease) in customer deposits		29,015	(49,329)
Net increase in other liabilities and accruals		16,112	11,291
		<u>10,209</u>	<u>(64,047)</u>
Cash generated from/(used in) operations		10,209	(64,047)
Group loss relief returned to tax losses		(1,226)	4,397
Tax paid		(640)	(411)
		<u>(8,343)</u>	<u>(60,061)</u>
Net cash flows generated from/(used in) operating activities			
Cash flows from investing activities			
Purchase of property and equipment	6	(3,509)	(586)
Purchase of computer software	8	(1,235)	(11,909)
Disposal of investments		1,294,995	1,656,761
Purchase of investments		(1,391,536)	(1,624,800)
		<u>(101,285)</u>	<u>19,466</u>
Net cash flows (used in)/generated from investing activities			

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

ANSA BANK LIMITED

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

	Notes	2025	2024
Cash flows from financing activities			
Share issuance	10	100,000	25,000
Lease repayments	9	<u>(3,218)</u>	<u>(3,170)</u>
Net cash flows generated from financing activities		<u>96,782</u>	<u>21,830</u>
Net increase/(decrease) in cash and cash equivalents		<u>3,840</u>	<u>(18,765)</u>
Cash and cash equivalents			
Cash and cash equivalents at beginning of year		34,996	53,761
Net increase/(decrease) in cash and cash equivalents		<u>3,840</u>	<u>(18,765)</u>
Cash and cash equivalents at 31 December		<u>38,836</u>	<u>34,996</u>
Represented by:			
Cash in hand		31,090	25,396
Due from other financial institutions		<u>7,746</u>	<u>9,600</u>
		<u>38,836</u>	<u>34,996</u>

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

ANSA BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Expressed in thousands of Trinidad and Tobago dollars)

1. Incorporation and principal activity

Bank of Baroda (Trinidad & Tobago) Limited was incorporated in the Republic of Trinidad and Tobago on 13 March 2006 and commenced operations on 17 October 2007. Effective 26 February 2021, the Bank was 100% acquired by ANSA Merchant Bank Limited (“the Parent”) whose ultimate parent is ANSA McAL Limited (“the Group Parent”). Effective 24 March 2021, the Bank changed its name to ANSA Bank Limited (the Bank). The Bank is licensed under the Financial Institutions Act 2008. The Bank offers a complete range of banking and financial services. During 2025, the Bank relocated its registered office from TATIL Building (4th Floor), 11A Maraval Road, Port of Spain, Trinidad and Tobago, to ANSA Centre, Ground Floor East, 11 Maraval Road, Port of Spain, Trinidad & Tobago.

2. Summary of material accounting policy information

This note provides a list of the material accounting policy information adopted in the preparation of these financial statements to the extent that they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

These financial statements of the Bank have been prepared in accordance with IFRS Accounting Standards.

These financial statements have been prepared on a historical cost basis, except for the fair value measurement of trading investment securities 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 Bank and all values are rounded to the nearest thousand, except when otherwise indicated.

The Bank 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 26.

ANSA BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Summary of material accounting policy information (continued)

b. 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 Bank.

c. 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 Bank's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards and interpretations noted below.

The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) New and amended standards and interpretations

Lack of Exchangeability (The Effects of Changes in Foreign Exchange Rates) – Amendments to IAS 21 – Effective 1 January 2025

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments had no material impact on the financial statements of the Bank.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Summary of material accounting policy information (continued)

c. Changes in accounting policies and disclosures (continued)

(ii) 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 Bank's financial statements are disclosed below.

The Bank is currently assessing the potential impact of these new standards and interpretations and will adopt them when they become effective.

- Amendments to IFRS 7 and IFRS 9: Classification and Measurement of Financial Instruments – Effective 1 January 2026
- Amendments to IFRS 7 and IFRS 9: Power Purchase Agreements – Effective 1 January 2026
- Amendments to IFRS 18: Presentation and Disclosure in Financial Statements – Effective 1 January 2027
- Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures – Effective 1 January 2027

(iii) Improvements to IFRS Accounting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS Accounting Standards. The following amendments are applicable to annual periods beginning on or after 1 January 2026:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge accounting by a first-time adopter
- IFRS 7 Financial Instruments: Disclosures – Gain or loss on derecognition
- IFRS 7 Financial Instruments: Disclosures – Deferred difference between fair value and transaction price
- IFRS 7 Financial Instruments: Disclosures – Introduction and credit risk disclosures
- IFRS 9 Financial Instruments – Lessee derecognition of lease liabilities
- IFRS 9 Financial Instruments – Derecognition of lease liabilities and transaction price
- IAS 7 Statement of Cash Flows – Cost method

The Bank has not early adopted these new and amended standards and interpretations but will continue to assess and does not anticipate that these new standards and interpretations will have a material impact on the Bank's financial statements when they become effective, except as described below:

IFRS 18: Presentation and Disclosure in Financial Statements becomes applicable for the Bank from the financial reporting period ended 31 December 2027. The Bank is currently assessing the impact of this new standard which is expected to result in new presentation and disclosure requirements on the primary financial statements and notes when adopted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Summary of material accounting policy information (continued)

d. Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Bank's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions being incorrect. Detailed information about each of these estimates and judgements is included below together with information about the basis of calculation for each affected line item in the financial statements.

(i) Estimation of the impairment loss on the loan portfolio

Measurement of the expected credit loss allowance under IFRS 9

The process in arriving at the individual components of ECL and the forward-looking adjustments involved critical estimates and judgements. This is discussed in Note 2(f) (b) Impairment of financial assets.

(ii) Income taxes

Judgement is required in determining provisions for income taxes and there are some transactions and calculations for which the ultimate tax determination is uncertain.

When appropriate, particularly where the ultimate tax determination is uncertain, management also obtains opinions or advice from leading tax advisors and regularly reassesses its strategy in relation to such exposures.

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.

(iii) Pension and other post-employment benefits

The cost of 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. All assumptions are reviewed at each reporting date. Further details are given in Note 20.

ANSA BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Summary of material accounting policy information (continued)

d. Critical accounting estimates and judgements (continued)

(iv) Estimating the incremental borrowing rate

If the Bank cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Bank 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 Bank 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

e. Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates (the 'functional currency').

The financial statements are presented in Trinidad and Tobago dollars which is the Bank's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at the rate of exchange ruling on the reporting date. All differences are taken to the statement of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

ANSA BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Summary of material accounting policy information (continued)

f. 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

Due from banks and 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").

ANSA BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Summary of material accounting policy information (continued)

f. Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Amortised cost and effective interest method (continued)

Interest income and expense are recorded using the effective interest rate (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 Bank 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 loan. 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).

Income is recognised on an effective interest basis for due from banks and debt instruments measured subsequently at amortised cost. Interest income is recognised in the statement of income and is included in Note 15.

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

Equity instruments

On initial recognition, the Bank 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Summary of material accounting policy information (continued)

f. Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

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

Equity instruments (continued)

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 comprehensive income on disposal of the investments.

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

Debt instruments

The Bank applied 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.

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

Investments in equity instruments are classified as FVSI, unless the Bank designates an investment that is not held for trading as FVOCI on initial recognition. The Bank does not have any equity instruments. On initial application of IFRS 9, the Bank did not have any investments in equity instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Summary of material accounting policy information (continued)

f. Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

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

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 Bank 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 Bank has not designated any debt instrument as FVSI.

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 statement of income.

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2. Summary of material accounting policy information (continued)

f. Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets

The Bank assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortised cost.

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

- Stage 1

This category comprises instruments which are performing in accordance with the contractual terms and conditions and display no deterioration in credit risk since initial recognition. This category also includes those financial instruments with low credit risk such as Treasury Bills and Repos.

- Stage 2

This category includes instruments which display a significant increase in credit risk (SICR) since initial recognition but have not yet defaulted. To assess whether there is a significant increase in credit risk, the Bank compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. As a practical expedient, the Bank assumes that a SICR has occurred if contractual payments are more than 30 days past due. These loans are categorised as underperforming loans.

- Stage 3

This category includes instruments that are in default. As a practical expedient, loans and advances with contractual payments more than 90 days past due are assumed to be in default. A default on a Treasury Bill or Repo occurs when the issuer has missed a single payment of principal and/or interest.

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2. Summary of material accounting policy information (continued)

f. Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

ECL is measured as follows:

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.
- Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. The Bank utilised a probability-weighted assessment of macroeconomic factors which it believes will have an impact on forward-looking rates. These factors include unemployment, GDP and import cover.

The formula for ECL is generally the 'Probability of Default' (PD) multiplied by the Exposure at Default' (EAD) multiplied by the 'Loss Given Default' (LGD). An adjustment is made to reflect the time value of money by considering the original effective interest rate on the individual instruments. The overall models involved the use of various PD, EAD and LGD tables which were then applied to individual instruments based on several pre-determined criteria, including type, time to maturity, whether they are in Stages 1, 2 or 3 and other indicators.

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2. Summary of material accounting policy information (continued)

f. Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

Measurement of the expected credit loss allowance under IFRS 9

The measurement of the Expected Credit Loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the expected losses which may arise). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk,
- Choosing appropriate models and assumptions for the measurement of ECL,
- Establishing forward-looking scenarios and evaluating the appropriateness of the relationships, weightings, and overall outcome of statistical analysis, and
- Establishing groups of similar financial assets for the purposes of measuring ECL

ECL calculations are shown in Notes 4 and 5.

Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to the amounts the borrower is expected to be able to pay,
- Whether any substantial new terms are introduced that substantially affects the risk profile of the loan,
- Significant extension of the loan term,
- Significant change in the interest rate,
- Significant changes to collateral, other security or credit enhancements.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a "new" asset at the fair value and recalculates the new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

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2. Summary of material accounting policy information (continued)

f. Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

Modification of loans (continued)

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the statement of income. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Due from banks and Balance with Central Bank

Due from banks are short-term funds placed with correspondent banks. These funds are placed with high quality counterparties and have no history of default; ECL is not applied for these financial instruments as the risk is assessed as low.

Balance with Central Bank include funds placed in accordance with requirements of the Financial Institutions Act, 2008. These funds have no history of default; ECL is not applied for these financial instruments as the risk is assessed as low.

c. Derecognition of financial assets other than a modification

The Bank 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 Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank 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.

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2. Summary of material accounting policy information (continued)

f. Financial instruments (continued)

Financial liabilities

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

(ii) 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.

g. Cash and cash equivalents

Cash and cash equivalents include currency notes and coins on hand, balances held with other financial institutions, which are highly liquid financial assets with less than 90 days to maturity from the date of acquisition, are subject to insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments.

h. Statutory deposits with Central Bank

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 institution.

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2. Summary of material accounting policy information (continued)

i. Investments

Investments include all securities classified as amortised cost.

j. Related parties

A party is related to the Bank, if:

- (i) Directly, or indirectly through one or more intermediaries, the party:
 - a. is controlled by, or is under common control with, the Bank (this includes parents, subsidiaries and fellow subsidiaries),
 - b. has a direct or indirect interest in the Bank that gives it significant influence, or
 - c. has joint control over the Bank,
- (ii) the party is an associate of the Bank,
- (iii) the party is a joint venture in which the Bank is a venture partner,
- (iv) the party is a member of the key management personnel of the Bank or its parent,
- (v) the party is a close member of the family of any individual referred to in (i) and (iv),
- (vi) the party is an entity that is controlled, jointly controlled, or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Bank, or of any entity that is a related party of the Bank.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

The Bank has a related party relationship with its directors and key management personnel, representing certain senior officers of the Bank, its parent company and all their affiliates.

A number of banking transactions are entered into with related parties into the normal course of business.

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2. Summary of material accounting policy information (continued)

k. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Depreciation on furniture, fittings and equipment, which consist of machinery and office equipment, is provided on the reducing balance method at various rates sufficient to write off the assets over their estimated useful lives. All depreciation on property and equipment are computed using the reducing balance method except for depreciation on computer equipment which is written off using the straight-line method.

The rates used are as follows:

Leasehold improvements	10%
Furniture, fittings and equipment	10% - 25%
Computer equipment	33 1/3%
ATM	25%

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. Gains and losses on disposal of property and equipment are determined by comparing proceeds with their carrying amount and are taken into account in determining operating profit.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting date.

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2. Summary of material accounting policy information (continued)

1. Computer software

Effective 1 January 2024, the line item 'intangible assets' previously on the statement of financial position was renamed to 'computer software'.

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 Bank are recognised as computer software when the following criteria are met:

1. It is technically feasible to complete the software product so that it will be available for use;
2. Management intends to complete the software product and use or sell it;
3. It can be demonstrated how the software product will generate probable future economic benefits;
4. Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
5. 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.

These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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(Continued)

2. Summary of material accounting policy information (continued)

m. Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

n. Revenue recognition

(i) Interest income and expense

Interest income and expense are recognised in the statement of income for all interest-bearing instruments on an accrual basis using the effective interest rate method based on the actual purchase price.

Interest income and expense are calculated by applying the effective interest rate to the gross carrying amount of a financial asset or financial liability except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income includes income from investments and loans and advances, excluding gains and losses on disposals. Interest income contains coupons earned on fixed income financial asset instruments and trading securities as well as accrued discount and premium on treasury bills and other discounted instruments.

(ii) Fees and commission income

Unless included in the effective interest calculation, fees and commissions are recognised on an accrual basis as the service is provided. Commissions and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party, are recognised on completion of the underlying transaction. The Bank also makes foreign exchange gains on the sale and purchase of foreign currency.

NOTES TO THE FINANCIAL STATEMENTS
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2. Summary of material accounting policy information (continued)

o. Accounting for leases – where the Bank is the lessee

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

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Bank as a lessee

The Bank mainly leases various commercial office space used in its operations. Rental contracts for these leases are typically made for fixed periods but may have extension options, which are described below. Some contracts contain lease and non-lease components, which are accounted for as separate components based on the standalone prices stated in the contracts.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

The Bank applies a single recognition and measurement approach to all leases, except for short-term leases and leases of low-value assets. At lease commencement date, the Bank recognises a right-of-use asset and a lease liability in the statement of financial position.

The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Bank, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequent to initial measurement, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Bank also assesses the right-of-use asset for impairment when such indicators exist. The Bank does not revalue any of its right-of-use assets.

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(Continued)

2. Summary of material accounting policy information (continued)

o. Accounting for leases – where the Bank is the lessee (continued)

The Bank as a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate, the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives,
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- Lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and
- Penalty payments for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The Bank remeasures the lease liability when there is a change in future lease payments arising from a change in an index or rate, or if the Bank changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of income if the carrying amount of the right-of-use asset has been reduced to zero. Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments. The Bank did not have any variable lease payments that do not depend on an index or a rate for the period ended 31 December 2025.

The Bank applies the short-term lease recognition exemption to its short-term leases 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 to leases that are considered to be low value. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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(Continued)

2. Summary of material accounting policy information (continued)

p. Employee benefits

The Group Parent (refer to Note 1) operates pension plans with defined contribution for all eligible full time employees at the Group Parent company, plus all employees within the subsidiary companies of the Group Parent, inclusive of employees at the Bank. The pension plans are generally funded by payments from employees and by the relevant companies, taking account of the rules of the pension plans and recommendations of independent qualified actuaries.

Defined contribution plan

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Under the defined contribution plan, the Bank has no further payment obligations once the contributions have been paid. Contributions are recognised as an expense when they are due.

Other post-employment benefit plans

The Bank 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.

q. Taxation

Current income tax is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised in the statement of income for the period except to the extent it relates to items recognised directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by at the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

ANSA BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Expressed in thousands of Trinidad and Tobago dollars) (Continued)

2. Summary of material accounting policy information (continued)

q. Taxation (continued)

The principal temporary differences arise from depreciation on property and equipment, provisions, leases and tax losses carried forward.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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

r. Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction net of tax, from the proceeds.

s. Comparative information

Where necessary, comparatives have been adjusted to conform with changes in presentation in the current period. These changes have no effect on the previously reported equity, profit/loss before taxation, profit/loss after taxation or cash flows of the Bank for the current or previous year.

3. Balance with Central Bank

In accordance with the Financial Institutions Act, 2008, the Bank is required to hold and maintain, as a non-interest-bearing deposit with the Central Bank of Trinidad & Tobago, a cash reserve balance equivalent to 10% of total prescribed liabilities (2024 - 10%). The amount held at Central Bank of Trinidad & Tobago comprised of primary reserve and other deposits as follows:

	2025	2024
Primary reserve	108,707	105,863
Other deposits	96,884	144,834
	<u>205,591</u>	<u>250,697</u>

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4. Investments	2025	2024
Investments at amortised cost:		
Treasury bills	50,673	–
GORTT and state owned entities	155,749	–
Mutual funds	164	136
Fixed deposits	12,000	119,702
	<u>218,586</u>	<u>119,838</u>
Less provision for expected credit losses	<u>(100)</u>	<u>(10)</u>
	<u>218,486</u>	<u>119,828</u>
Interest from investments	<u>5,126</u>	<u>4,652</u>
The following is a movement analysis of the ECL provision:		
Balance at beginning of year	(10)	(24)
Net changes to provisions during the year	<u>(90)</u>	<u>14</u>
Balance at end of year	<u>(100)</u>	<u>(10)</u>
Effective ECL loss rate	0.05%	0.01%

Mutual funds have no contractual maturity dates, while fixed deposits and Treasury Bills mature within less than one year. The remaining term to maturity for investments in the Government of the Republic of Trinidad and Tobago (GORTT) and state-owned entities ranges from less than one year to twenty years.

These investments are considered low-risk financial instruments. Accordingly, they were classified as Stage 1 at the date of initial recognition and at the statement of financial position date. There were no transfers between staging categories during the year.

The fair value of mutual funds and fixed deposits approximate their cost since the assets will mature within the next year and the rates are not materially different from the market rate.

The fair value of Treasury Bills and GORTT and state-owned entities investments are captured within Note 26.

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5. Loans and advances	2025	2024
Performing and underperforming loans	757,480	699,995
Non-performing loans	151,899	144,423
	<u>909,379</u>	<u>844,418</u>
Less: Provision for expected credit losses (Note 5.1)	(57,322)	(46,799)
	<u>852,057</u>	<u>797,619</u>

5.1 Provision for loan losses	Average ECL rate %	Carrying amount	Expected credit loss
As at 31 December 2025			
Performing (Stage 1)	0.65%	700,095	(4,535)
Underperforming (Stage 2)	1.70%	57,385	(976)
Non-performing (Stage 3)	34.11%	151,899	(51,811)
Subtotal per above	6.30%	909,379	(57,322)
Loan commitments (Note 23)		23,365	–
Total	6.15%	<u>932,744</u>	<u>(57,322)</u>
As at 31 December 2024			
Performing (Stage 1)	0.54%	635,654	(3,430)
Underperforming (Stage 2)	1.30%	64,341	(836)
Non-performing (Stage 3)	29.45%	144,423	(42,533)
Subtotal per above	5.54%	844,418	(46,799)
Loan commitments (Note 23)	0.28%	5,060	(14)
Total	5.51%	<u>849,478</u>	<u>(46,813)</u>

During 2025, the Expected Credit Loss (ECL) model was enhanced to improve the assessment of credit risk. As part of this enhancement, the Exposure at Default (EAD) methodology was refined to incorporate the impact of undrawn loan commitments, thereby eliminating the need to calculate ECL on undrawn commitments separately.

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5. Loans and advances (continued)

5.1 Provision for loan losses (continued)

	Advances under Stage 1	Advances under Stage 2	Advances under Stage 3	Total
Movement analysis loans and advances carrying amount by category				
Year ended				
31 December 2025				
Balance at beginning of the year	635,654	64,341	144,423	844,418
New assets originated	240,692	10,232	1,195	252,119
Assets derecognised or repaid	(136,650)	(10,580)	(36,018)	(183,248)
Transfers through stage 1	28,146	(24,899)	(3,247)	–
Transfers through stage 2	(42,008)	42,731	(723)	–
Transfers through stage 3	(25,739)	(24,440)	50,179	–
Write-offs	–	–	(3,910)	(3,910)
Balance at end of the year	700,095	57,385	151,899	909,379
Year ended				
31 December 2024				
Balance at beginning of the year	566,837	137,791	112,758	817,386
New assets originated	181,954	16,631	5,404	203,989
Assets derecognised or repaid	(131,135)	(29,992)	(15,830)	(176,957)
Transfers through stage 1	83,236	(53,143)	(30,093)	–
Transfers through stage 2	(36,347)	48,820	(12,473)	–
Transfers through stage 3	(28,891)	(55,766)	84,657	–
Balance at end of the year	635,654	64,341	144,423	844,418

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5. Loans and advances (continued)

5.1 Provision for loan losses (continued)

	Advances under Stage 1	Advances under Stage 2	Advances under Stage 3	Total
Movement analysis				
ECL by category				
Year ended				
31 December 2025				
Balance at beginning of the year	(3,430)	(836)	(42,533)	(46,799)
New assets originated	(2,277)	(209)	(961)	(3,447)
Assets derecognised or repaid	433	38	588	1,059
Remeasurements	1,264	(258)	(13,051)	(12,045)
Transfers through stage 1	(825)	408	417	–
Transfers through stage 2	192	(345)	153	–
Transfers through stage 3	107	226	(333)	–
Write-offs	–	–	3,910	3,910
Balance at end of the year	(4,536)	(976)	(51,810)	(57,322)
Year ended				
31 December 2024				
Balance at beginning of the year	(4,399)	(1,307)	(22,970)	(28,676)
New assets originated	(1,210)	(287)	(401)	(1,898)
Assets derecognised or repaid	301	163	234	698
Remeasurements	1,878	595	(19,396)	(16,923)
Transfers through stage 1	(518)	1,054	(536)	–
Transfers through stage 2	251	(1,524)	1,273	–
Transfers through stage 3	267	470	(737)	–
Balance at end of the year	(3,430)	(836)	(42,533)	(46,799)

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5. Loans and advances (continued)

5.1 Provision for loan losses (continued)

Reconciliation to the expense in the statement of income	2025	2024
Expenses		
Net changes to provisions for loan and advances	(14,433)	(18,123)
Net change to provisions for loan commitments	14	27
Net expense recorded in the statement of income	(14,419)	(18,096)

5.2 Concentration of loans and advances

	2025	2024
<i>Concentration by sector</i>		
Agriculture	9,126	11,517
Transport and communication	14,676	17,105
Distribution	46,235	47,816
Real estate	17,222	14,558
Manufacturing	7,419	8,933
Construction	81,609	85,313
Hotel and restaurant	15,288	6,283
Other services	181,973	159,523
Consumers	535,831	493,370
Total	909,379	844,418
<i>Concentration by location</i>		
Trinidad	909,379	844,418

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6. Property and equipment

	Leasehold improvements	Furniture fittings and equipment	Computer equipment	Capital WIP	Total
Year ended 31 December 2025					
Cost at the beginning of the period	4,081	8,409	4,715	1,980	19,185
Additions	101	63	673	2,672	3,509
Transfers	751	–	712	(1,980)	(517)
Disposals	–	(57)	–	–	(57)
Gross carrying amount as at 31 December 2025	4,933	8,415	6,100	2,672	22,120
Accumulated depreciation					
At the beginning of the period	(1,514)	(3,646)	(3,419)	–	(8,579)
Depreciation charge	(590)	(661)	(1,637)	–	(2,888)
Disposals	–	57	–	–	57
Accumulated depreciation as at 31 December 2025	(2,104)	(4,250)	(5,056)	–	(11,410)
Net carrying amount as at 31 December 2025	2,829	4,165	1,044	2,672	10,710
Year ended 31 December 2024					
Cost at the beginning of the period	4,556	8,250	4,363	1,980	19,149
Additions	56	159	371	–	586
Disposals	(531)	–	(19)	–	(550)
Gross carrying amount as at 31 December 2024	4,081	8,409	4,715	1,980	19,185
Accumulated depreciation					
At the beginning of the period	(1,527)	(2,700)	(2,322)	–	(6,549)
Depreciation charge	(518)	(946)	(1,116)	–	(2,580)
Disposals	531	–	19	–	550
Accumulated depreciation as at 31 December 2024	(1,514)	(3,646)	(3,419)	–	(8,579)
Net carrying amount as at 31 December 2024	2,567	4,763	1,296	1,980	10,606

During 2025, no transfers occurred between property and equipment and computer software (2024 - nil). Capital expenditure of \$517 thousand relating to prior years was expensed to the statement of income (2024 - nil).

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	2025	2024
7. Other assets		
Interest receivable on loans	1,644	1,534
Interest receivable on investments	2,315	159
Prepayments	6,820	2,461
Receivable from Parent company (Note 19)	–	4,397
Accounts receivable net of provision*	31,938	2,819
	<u>42,717</u>	<u>11,370</u>

Accounts receivable includes short-term clearing items whose balances fluctuate as part of normal processing and typically settle within five business days.

* Included within accounts receivable are provisions amounting to \$1,325 thousand (2024: \$6,778 thousand). Of this total, \$1,212 thousand relates to repossession costs associated with non-performing loans (2024: \$688 thousand), while the remaining \$113 thousand represents a general provision for suspense accounts.

8. Computer software	Software	Software WIP	Software Total
Year ended 31 December 2025			
Balance at beginning of year	40,956	64,102	105,058
Transfers	63,867	(63,901)	(34)
Additions	–	1,235	1,235
Amortisation	(9,537)	–	(9,537)
Balance at end of the year	<u>95,286</u>	<u>1,436</u>	<u>96,722</u>
Year ended 31 December 2024			
Balance at beginning of year	44,107	52,193	96,300
Additions	–	11,909	11,909
Amortisation	(3,151)	–	(3,151)
Balance at end of the year	<u>40,956</u>	<u>64,102</u>	<u>105,058</u>

During 2025, no transfers occurred between property and equipment and computer software (2024 - nil). Capital expenditure of \$34 thousand relating to prior years was expensed to the statement of income (2024 - nil).

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9. Leases **2025** **2024**

The following tables provide information for leases where the Bank is a lessee.

a) Right-of-use assets

As at 31 December

Balance at beginning of year	17,383	20,692
Additions	849	1,467
Depreciation charge	(2,165)	(4,583)
Disposals and other movements	(133)	(193)
	<u>15,934</u>	<u>17,383</u>
Balance at end of year		
Cost	22,375	22,573
Accumulated depreciation	(6,441)	(5,190)
	<u>15,934</u>	<u>17,383</u>
Balance at end of year		

b) Lease liabilities

As at 31 December

Balance at beginning of year	19,676	20,905
Additions	793	1,635
Interest expense	1,117	1,196
Lease repayments	(3,218)	(3,170)
Disposal and other movements	(258)	(890)
	<u>18,110</u>	<u>19,676</u>
Balance at end of year		

c) Amount recognised in the statement of income

Interest expense on lease liabilities	1,117	1,196
Depreciation on right-of-use assets	2,165	4,583
Expenses on short-term leases and low value assets (Note 18)	2,328	1,401
	<u>5,610</u>	<u>7,180</u>

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10. Stated capital	2025	2024
Authorised		
An unlimited number of ordinary shares of no par value		
Issued and fully paid		
2,775,597 ordinary shares at no par value (2024: 1,775,597)	<u>277,560</u>	<u>177,560</u>
The following is the movement in stated capital		
Balance at beginning of year	177,560	152,560
Issuance of 1,000,000 ordinary shares at \$100 to Parent	100,000	–
Issuance of 250,000 ordinary shares at \$100 to Parent	<u>–</u>	<u>25,000</u>
Balance at end of year	<u>277,560</u>	<u>177,560</u>

11. Statutory reserve

The Financial Institutions Act 2008, Part VI, Section 56 1(a) stipulates that a licensee must transfer annually a minimum of 10% of its profits after taxation to a Reserve Fund until the amount at credit of the Reserve Fund equals the paid-up capital of the Bank.

12. Customer deposits	2025	2024
Corporate and commercial sector	770,520	667,320
Personal sector	<u>421,244</u>	<u>495,429</u>
	<u>1,191,764</u>	<u>1,162,749</u>
Interest on customer deposits	<u>14,824</u>	<u>15,187</u>

13. Debt securities in issue

Medium term note	<u>25,000</u>	<u>25,000</u>
Interest on medium term note	<u>1,425</u>	<u>1,425</u>

On 29 March 2022, the Bank issued a medium term note to its Parent with a term of seven years. Interest was set at a fixed rate of 5.70% per annum. There was no movement in the principal balance during 2025.

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	2025	2024
14. Other liabilities and accruals		
Interest accrued on deposits and other funding instruments	8,800	7,605
Outstanding managers' cheques	6,806	3,848
Provision for ECL on loan commitments (Note 5.1)	–	14
Accounts payable and accruals	38,213	26,240
	53,819	37,707
15. Interest on loans and advances		
Interest on overdrafts	3,938	4,591
Interest on loans	40,707	40,698
	44,645	45,289
16. Fees and commissions		
Credit related charges	1,505	2,097
Fees on forex transactions	348	204
Other	35	–
	1,888	2,301
17. Staff costs		
Salaries	33,150	19,462
National insurance	1,230	902
Other benefits	2,067	1,629
	36,447	21,993
18. Administrative and other expenses		
Postage and stationery	230	295
Repairs and maintenance	257	201
Travel and entertainment	265	148
Statutory expenses	466	359
Short term, variable and other lease payments (IFRS 16)	2,328	1,401
Professional fees	2,824	9,675
Insurance	3,302	3,071
Information system-related expenses	16,453	10,578
Other	2,918	4,810
	29,043	30,538

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19. Taxation	2025	2024
Deferred tax adjustment for current year	(2,243)	(9,745)
Deferred tax adjustment to prior year's estimates	(206)	2,089
Business levy	650	393
	<u>(1,799)</u>	<u>(7,263)</u>
Reconciliation of tax expense of the accounting profit multiplied by the applicable tax rate:		
Loss before taxation	<u>(8,251)</u>	<u>(29,730)</u>
Income tax at statutory rate of 35%	(2,888)	(10,406)
Tax allowances	(252)	(101)
Group loss relief	–	733
Exempt income	(10)	(33)
Business levy	650	393
Expenses not deductible for tax purposes	177	69
Adjustments for prior year tax charges	(206)	2,089
Other	730	(7)
	<u>(1,799)</u>	<u>(7,263)</u>

Deferred taxation

Deferred tax asset

	Balance at beginning of year	(Charge)/ credit for the year	Charge to OCI	Other	Balance at end of year
Year ended 31 December 2025					
Leases	6,886	(548)	–	–	6,338
Provisions	4,552	(1,460)	–	–	3,092
Employee benefit obligation	38	22	(11)	–	49
Tax losses	25,952	10,739	–	1,226	37,917
Total deferred tax asset	<u>37,428</u>	<u>8,753</u>	<u>(11)</u>	<u>1,226</u>	<u>47,396</u>

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19. Taxation (continued)

Deferred tax liability	Balance at beginning of year	(Charge)/ credit for the year	Charge to OCI	Other	Balance at end of year
Year ended 31 December 2025					
Accelerated tax depreciation	(6,622)	(6,508)	–	–	(13,130)
Deferred income	(897)	(303)	–	–	(1,200)
Lease liabilities	(6,084)	507	–	–	(5,577)
Total deferred tax liability	(13,603)	(6,304)	–	–	(19,907)
Deferred tax asset					
Year ended 31 December 2024					
Leases	7,339	(453)	–	–	6,886
Provisions	6,804	(2,252)	–	–	4,552
Employee benefit obligation	33	24	(19)	–	38
Tax losses	18,325	12,024	–	(4,397)	25,952
Total deferred tax asset	32,501	9,343	(19)	(4,397)	37,428
Deferred tax liability					
Year ended 31 December 2024					
Accelerated tax depreciation	(4,674)	(1,948)	–	–	(6,622)
Deferred income	–	(897)	–	–	(897)
Lease liabilities	(7,242)	1,158	–	–	(6,084)
Total deferred tax liability	(11,916)	(1,687)	–	–	(13,603)

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(Continued)

19. Taxation (continued)

Schedule of tax losses

As at 31 December 2025, the unused tax losses amounted to \$108,335 thousand (2024 - \$74,148 thousand).

Tax year	Loss for the year	Losses utilised/offset	Loss carried forward
2021	17,905	–	17,905
2022	–	(1,080)	(1,080)
2023	30,884	–	30,884
2024	41,137	(10,568)	30,569
2025	30,057	–	30,057
			108,335

The Bank has tax losses that are available indefinitely for offsetting against future taxable profits.

During 2024, the Bank surrendered tax losses of \$14,658 thousand to its Parent company under the Group Loss Relief (GLR) guidelines. Accordingly, a tax payment receivable of \$4,397 thousand was recognised within other assets in the 2024 financial statements.

In 2025, the GLR claim relating to 2024 was revised to \$3,170 thousand, resulting in a reduction of losses utilised from \$14,658 thousand to \$10,568 thousand. Payment of \$3,170 thousand was received from the Bank's Parent company during 2025.

20. Employee benefits

The Group Parent company has a defined contribution pension plan and provides certain post-retirement healthcare benefits to employees of the Bank. These plans are governed by the deeds and rules of the specific plan and the employment laws of Trinidad & Tobago.

Contributions recognised in the statement of income with respect to defined contribution plans are as follows:

	2025	2024
Contribution expense	473	384

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 net liability recognised in the statement of financial position are as follows:

	2025	2024
Employee benefits obligation	138	108

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20. Employee benefits (continued)

Changes in the defined benefit obligation:

	Other post-employment benefits	
	2025	2024
Net liability at beginning of year	108	93
Net expense recognised in statement of income	62	69
Net gains recognised in the statement of comprehensive income	(32)	(54)
Net liability at 31 December	138	108

Principal actuarial assumptions at the reporting date:

Discount rate at 31 December	6%	6%
Future medical claims inflation	2%	2%

Sensitivity of present value of defined benefit obligation

	2025	2024
Medical inflation rate		
1% increase	31	24
1% decrease	(24)	(18)

The Bank is not expected to contribute to its post-retirement medical plan in 2026.

21. Related party balances and transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Certain banking transactions are entered into with related parties in the normal course of business. For the year ended 31 December 2025, the Bank did not make any provision for expected credit losses relating to amounts owed by related parties (2024: nil).

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year.

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21. Related party balances and transactions (continued)	2025	2024
Loans, investments and other assets:		
ANSA McAL Group	12,355	124,258
Directors and key management personnel	4,566	2,799
	<u>16,921</u>	<u>127,057</u>
Deposits and other liabilities:		
ANSA McAL Group	171,687	138,576
Directors and key management personnel	1,092	791
Other related parties	91,787	90,079
	<u>264,566</u>	<u>229,446</u>
Interest and other income:		
ANSA McAL Group	1,551	17,234
Directors and key management personnel	57	87
	<u>1,608</u>	<u>17,321</u>
Interest and other expense:		
ANSA McAL Group	3,771	5,410
Directors and key management personnel	838	853
Other related parties	1,452	1,758
	<u>6,061</u>	<u>8,021</u>
Directors and key management personnel:		
Compensation: short-term employee benefits	<u>1,475</u>	<u>336</u>

22. Contingent liabilities

The Bank conducts business involving guarantees which are not reflected in the statement of financial position. As at 31 December 2025, there were guarantees of \$524 thousand (2024: \$768 thousand).

The Bank is the subject of legal actions arising in the normal course of business. Management considers that the liability, if any, of these actions will not be material beyond what is already provided for in these financial statements.

23. Commitments

As at 31 December 2025, the Bank had loan commitments (Note 5.1) of \$23,365 thousand (2024: \$5,060 thousand).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Expressed in thousands of Trinidad and Tobago dollars) (Continued)

24. Capital commitments

As at 31 December 2025, capital expenditure approved by the Directors but not provided for in these financial statements amounted to \$9,838 thousand (2024: nil).

25. Financial risk management

Introduction and overview

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

- a. Credit risk
- b. Liquidity risk
- c. Market risk
- d. Capital management

Risk management framework

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies, and processes for measuring and managing risk, and the Bank's management of capital.

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Credit and Investment, Audit and Risk committees. These Board committees currently employ an integrated Risk Management Framework supported by four sub-committees in order to maximise shareholder value within the group's risk appetite; Credit Risk Committee, Asset and Liability Committee (ALCO), Audit Committee and Digital Sub-Committee, which are responsible for developing and monitoring risk management practices in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board on their activities.

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

The Audit and Risk Committees are responsible for monitoring compliance with the Risk Management policies and procedures and for reviewing the adequacy of the Risk Management framework in relation to the risks faced by the Bank. The Audit and Risk Committees are assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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(Continued)

25. Financial risk management (continued)

Risk management framework (continued)

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

a) Credit risk

The Board has delegated responsibility for the management of credit risk to the Credit and Investment Committee. The Credit and Investment Committee is responsible for oversight of the Bank's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by the Credit Committee of the Board.
- Reviewing and assessing credit risk. The Credit and Investment Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies, and industries (for loans and advances).
- Developing and maintaining the Bank's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of various grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades is with the final approving executive/committee as appropriate. Risk grades are subject to regular reviews by the Audit and Risk Committees.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the Credit and Investment Committee on the credit quality of local portfolios and appropriate corrective action is taken, where necessary.
- Providing advice, guidance, and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

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(Continued)

25. Financial risk management (continued)

Risk management framework (continued)

a) Credit risk (continued)

The Bank is required to implement credit policies and procedures, with credit approval authorities delegated from the Credit and Investment Committee. The Bank is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to central approval.

Regular audits of the Bank's credit processes are undertaken by Internal Audit.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Bank has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category independent of satisfactory performance after restructuring.

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.

	2025	2024
Cash and cash equivalents	38,836	34,996
Balance with Central Bank	205,591	250,697
Investments	218,486	119,828
Loans and advances	852,057	797,619
	<u>1,314,970</u>	<u>1,203,140</u>

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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

Risk management framework (continued)

a) Credit risk (continued)

Cash and cash equivalents, balances with Central Bank and investments

With respect to credit risk arising from cash and cash equivalents, balances with Central Bank and investments, the exposure to credit risk arises from default of the counter party. Cash and cash equivalents are placed with highly rated international financial institutions with which the Bank has banking relationships. The Bank's credit risk exposures for balances with Central Bank and investments are geographically concentrated in Trinidad and Tobago with the Government of the Republic of Trinidad and Tobago (GORTT) and the United States of America with the United States Treasury. Management therefore considers the risk of default of these counterparties to be very low.

Collateral

The Bank holds collateral against loans and advances to customers in the form of mortgage interest over property, other registered securities over assets and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity.

An estimate of the fair value of collateral and other security enhancements held against loans and advances is shown below:

	2025	2024
Property	348,045	261,268
Other	628,182	655,607
	<u>976,227</u>	<u>916,875</u>

During the year the Bank obtained forty-four (44) assets by taking possession of collateral held as security against loans and advances (2024 - 39). Fourteen (14) assets were returned to customers after clearance of the arrears on the loans and advances (2024 - 12). Twenty (20) were sold for which the proceeds was used to settle the outstanding balance on the credit facilities (2024 - 36). As at 31 December 2025, the Bank held twenty (20) assets by taking possession of collateral held as security against loans and advances which amounted to \$21,760 thousand (2024 - 7 assets - \$7,598 thousand). Nine (9) assets are motor-vehicles and eleven (11) assets are real-estate (2024 - three (3) motor vehicles and four (4) real-estate).

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25. Financial risk management (continued)

Risk management framework (continued)

a) Credit risk (continued)

Expected credit loss

The Bank establishes an expected credit loss that represents its estimate of expected credit losses in its loan and advances and investments portfolios. The details of the provisioning policies and methods are disclosed in Note 2(f).

Analysis of gross carrying amount and the corresponding ECLs are as follows:

Stage 1	Loans and	Investments	Total
31 December 2025	advances		
Gross balance	700,095	218,586	918,681
ECL	(4,535)	(100)	(4,635)
	695,560	218,486	914,046
ECL as a % of Gross Balance	0.65%	0.05%	0.50%
Stage 1	Loans and	Investments	Total
31 December 2024	advances		
Gross balance	635,654	119,838	755,492
ECL	(3,430)	(10)	(3,440)
	632,224	119,828	752,052
ECL as a % of Gross Balance	0.54%	0.01%	0.46%

The ECL percentage for Stage 1 loans and advances increased year over year, reflecting changes in the composition of the portfolio and enhancements to the ECL model, including refinements to the PDs and LGDs methodologies.

The ECL percentage for investment securities, comprising mutual funds, fixed deposits, Treasury Bills, and investments issued by GORTT and state-owned entities, also increased, primarily due to higher investment volumes, as these instruments are considered low risk.

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FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

Risk management framework (continued)

a) Credit risk (continued)

Expected credit loss (continued)

Stage 2	Loans and	Investments	Total
31 December 2025	advances		
Gross balance	57,385	–	57,385
ECL	(976)	–	(976)
	56,409	–	56,409
ECL as a % of Gross Balance	1.70%	0.00%	1.70%
Stage 2	Loans and	Investments	Total
31 December 2024	advances		
Gross balance	64,341	–	64,341
ECL	(836)	–	(836)
	63,505	–	63,505
ECL as a % of Gross Balance	1.30%	0.00%	1.30%

The ECL percentage for Stage 2 loans and advances increased as a result of enhancements to the ECL model, including refinements to the PDs and LGDs methodologies.

Stage 3	Loans and	Investments	Total
31 December 2025	advances		
Gross balance	151,899	–	151,899
ECL	(51,811)	–	(51,811)
	100,088	–	100,088
ECL as a % of Gross Balance	34.11%	0.00%	34.11%

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(Continued)

25. Financial risk management (continued)

Risk management framework (continued)

a) Credit risk (continued)

Expected credit loss (continued)

Stage 3 31 December 2024	Loans and advances	Investments	Total
Gross balance	144,423	–	144,423
ECL	(42,533)	–	(42,533)
	101,890	–	101,890
ECL as a % of Gross Balance	29.45%	0.00%	29.45%

The ECL percentage for Stage 3 loans and advances increased due to portfolio growth, which was not accompanied by a corresponding increase in collateral for the additional loans.

Write-off policy

The Bank writes off a loan balance (and any related allowances for impairment losses) when the Credit and Investment Committee determines that the credit facility is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Write-offs for the year ended 31 December 2025 was \$3,910 thousand (2024: nil).

Concentration

The Bank monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk of loans and advances by sector at the reporting date is shown in Note 5.

ANSA BANK LIMITED

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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

Risk management framework (continued)

b) Liquidity risk

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

Concentration

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

The daily liquidity position is monitored by Treasury. All liquidity policies and procedures are subject to review and approval by ALCO. Daily reports cover the liquidity position of the Bank. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO.

Exposure to liquidity risk

The Bank is exposed to various risks and the ALCO continually reviews and manages these risks. The matching and controlled mismatching of the maturities of assets and liabilities is fundamental to the management of the Bank. Liquidity gaps are also mitigated by the marketable nature of a substantial segment of the Bank's assets and by the availability of inter-bank funding.

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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

Risk management framework (continued)

b) Liquidity risk (continued)

The table below summarises the maturity profile of the Bank's financial liabilities as at 31 December, based on contractual repayment obligations, over the remaining life of those liabilities.

	Up to 1 Year	Over 1 Year	Total
As at 31 December 2025			
Liabilities			
Customer deposits	959,982	231,782	1,191,764
Debt securities in issue	–	25,000	25,000
Lease liabilities	2,214	15,896	18,110
Interest payable	8,800	–	8,800
Total	970,996	272,678	1,243,674
As at 31 December 2024			
Liabilities			
Customer deposits	884,469	278,280	1,162,749
Debt securities in issue	–	25,000	25,000
Lease liabilities	2,122	17,554	19,676
Interest payable	7,605	–	7,605
Total	894,196	320,834	1,215,030

During the year, there were no movements in subordinated debt. Movements in lease liabilities during the period are disclosed in Note 9 to these financial statements.

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(Continued)

25. Financial risk management (continued)

c) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risks management is to manage and control market risks exposures within acceptable parameters, while optimising the return on risk.

Management of market risks

The Bank holds no exposure to trading portfolios. With the exception of translation risk arising on the Bank's net balance sheet position, all foreign exchange risk within the Bank is managed by Treasury.

Exposure to interest rate risk - non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing. ALCO is the monitoring body for compliance with these limits and is assisted by the Audit and Risk Committees. The table below summarises the Bank's exposure to interest rate risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

c) Market risk (continued)

Interest sensitivity of assets and liabilities

	Up to 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total
As at 31 December 2025					
Assets					
Cash and cash equivalents	–	–	–	38,836	38,836
Balance with Central Bank	–	–	–	205,591	205,591
Investments	98,308	79,774	40,404	–	218,486
Loans and advances	69,844	254,695	427,544	99,974	852,057
Interest receivable	–	–	–	3,959	3,959
Total	168,152	334,469	467,948	348,360	1,318,929
Liabilities					
Customer deposits	716,654	203,694	28,088	243,328	1,191,764
Debt securities in issue	–	25,000	–	–	25,000
Interest payable	–	–	–	8,800	8,800
Total	716,654	228,694	28,088	252,128	1,225,564
Net gap	(548,502)	105,775	439,860	96,232	93,365

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

c) Market risk (continued)

Interest sensitivity of assets and liabilities (continued)

	Up to 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total
As at 31 December 2024					
Assets					
Cash and cash equivalents	–	–	–	34,996	34,996
Balance with Central Bank	–	–	–	250,697	250,697
Investments	119,828	–	–	–	119,828
Loans and advances	43,462	177,462	475,017	101,678	797,619
Interest receivable	–	–	–	1,693	1,693
Total	163,290	177,462	475,017	389,064	1,204,833
Liabilities					
Customer deposits	697,333	277,468	812	187,136	1,162,749
Debt securities in issue	–	25,000	–	–	25,000
Interest payable	–	–	–	7,605	7,605
Total	697,333	302,468	812	194,741	1,195,354
Net gap	(534,043)	(125,006)	474,205	194,323	9,479

The interest rate risk arises due to changes in interest rate among the rate sensitive assets and liabilities. The interest rate risk on the banking book is measured through traditional gap approach wherein, the financial assets and liabilities are placed in different residual maturity buckets (up to one year, one to five years, over five years and non-interest bearing).

The interest rate risk is measured in terms of changes in net interest income and depends upon the quantum and direction of interest rate change among the asset and liability classes in different buckets and direction of change.

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NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

c) Market risk (continued)

Interest sensitivity of assets and liabilities (continued)

As the rate of interest has reduced during the years, a simplified calculation of the bucket impact of a 1% rise in interest rate has been considered across all assets and liabilities and is presented below:

Impact on net interest income:	2025	2024
Bucket		
Up to one year	(5,485)	(5,340)
One to five years	1,058	(1,250)
Over five years	<u>4,399</u>	<u>4,742</u>
Total	<u>(28)</u>	<u>(1,848)</u>

The ALCO of the Bank dynamically manages the interest rate risk and directional changes in interest rate are countered by the changes in interest rate on deposit and loan products and across different tenures.

Exposure to currency risk

The techniques used by the Bank to manage currency risk vary subject to market conditions. Assets are primarily funded from liabilities of the same currency, thus eliminating currency risk. Foreign currency transactions have not required the use of interest rate swaps, foreign currency options or other derivative instruments.

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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

c) Market risk (continued)

Exposure to currency risk (continued)

The following information is expressed in thousands of Trinidad and Tobago dollars.

	TT	US	Other	Total
As at 31 December 2025				
Assets				
Cash and cash equivalents	10,156	28,626	54	38,836
Balance with Central Bank	205,591	–	–	205,591
Investments	161,367	57,119	–	218,486
Loans and advances	852,057	–	–	852,057
Interest receivable	3,893	66	–	3,959
Total	1,233,064	85,811	54	1,318,929
Liabilities				
Customer deposits	1,091,182	100,582	–	1,191,764
Debt securities in issue	25,000	–	–	25,000
Interest payable	8,737	63	–	8,800
Total	1,124,919	100,645	–	1,225,564
<i>Net statement of financial position</i>	108,145	(14,834)	54	93,365
As at 31 December 2024				
Assets				
Cash and cash equivalents	10,073	24,462	461	34,996
Balance with Central Bank	250,697	–	–	250,697
Investments	50,088	69,740	–	119,828
Loans and advances	797,619	–	–	797,619
Interest receivable	1,541	152	–	1,693
Total	1,110,018	94,354	461	1,204,833
Liabilities				
Customer deposits	1,050,845	111,904	–	1,162,749
Debt securities in issue	25,000	–	–	25,000
Interest payable	7,540	65	–	7,605
Total	1,083,385	111,969	–	1,195,354
<i>Net statement of financial position</i>	26,633	(17,615)	461	9,479

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NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

c) Market risk (continued)

Exposure to currency risk (continued)

The Bank has no significant currency mismatch. The assets are created out of liabilities in the same currency, except the balances maintained in corresponding bank accounts maintained in Indian Rupee (INR), Great British Pound (GBP) and European Dollar (EURO) used for the wire transfer/trade related transactions only.

Foreign currency sensitivity

The following table indicate the currencies to which the Bank had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 2% change in foreign currency rates (31 December 2024: 2%). The sensitivity of the loss was as a result of foreign exchange gains/losses on translation of foreign currency denominated loans and advances, receivables, cash and deposits.

	Change in currency rate %	Effect on net profit 31 December 2025	Change in currency rate %	Effect on net profit 31 December 2024
Currency:				
USD	2%	(297)	2%	(352)
Other	2%	<u>1</u>	2%	<u>9</u>
Total		<u>(296)</u>		<u>(343)</u>

d) Capital management

Regulatory capital

The Bank's lead regulator, The Central Bank of Trinidad and Tobago (the Central Bank), sets and monitors capital requirements for the Bank. In implementing current capital requirements, the Central Bank requires that the Bank maintains a prescribed ratio of total capital to total risk-weighted assets.

The Central Bank of Trinidad and Tobago requires each financial institution to:

- Maintain a ratio of qualifying capital to risk adjusted assets of not less than the minimum standard of 10%.
- Core capital must not be less than fifty percent (50%) of qualifying capital i.e. supplementary capital must not exceed core capital.

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(Continued)

25. Financial risk management (continued)

d) Capital management (continued)

Regulatory capital (continued)

The Bank's regulatory capital is analysed into two tiers:

- Tier 1 capital, which includes ordinary share capital, retained earnings and translation reserve after deductions for regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, collective impairment allowances and the element of the fair value reserve relating to unrealised gains on equity instruments (if any).

Various limits are applied to elements of the capital base. Tier 1 capital comprises of equity and disclosed reserves. These capital elements are considered core because they are either: (i) permanent in nature, or (ii) available to absorb losses while the institution remains a going concern. Qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying term subordinated loan capital may not exceed 50 percent of tier 1 capital. There are also restrictions on the amount of collective impairment allowances that may be included as part of tier 2 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investments in the capital of banks and certain other regulatory items. The minimum capital adequacy ratio is 10%, plus the maintenance of a minimum capital conservation buffer of 2.5% of the risk weighted assets in the form of Common Equity Tier 1 capital.

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

The Bank has complied with all externally imposed capital requirements throughout the year.

There have been no material changes in the Bank's capital management policy during the year.

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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

25. Financial risk management (continued)

d) Capital management (continued)

Regulatory capital (continued)

The Bank's Regulatory Capital Position was as follows:

	2025	2024
Tier 1 capital		
Ordinary share capital	277,560	177,560
Statutory reserve	972	972
Accumulated deficit	(58,821)	(52,390)
Total core capital	219,711	126,142
Supplementary capital	20,511	29,959
Adjusted qualifying capital	240,222	156,101
Total risk adjusted assets	1,100,519	995,975
Core capital to risk adjusted assets	19.96%	12.67%
Total qualifying capital to risk adjusted assets	21.83%	15.67%

e) Fair value of financial assets and liabilities

(i) Financial instruments not measured at fair value

The following table summarises the carrying amounts and fair values of those financial assets and liabilities presented on the Bank's statement of financial position at an amount other than their fair value.

	Carrying value		Fair value	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Financial assets				
Cash and cash equivalents	38,836	34,996	38,836	34,996
Balance with Central Bank	205,591	250,697	205,591	250,697
Loans and advances	852,057	797,619	852,057	797,619
Investments	218,486	119,828	227,138	119,828
Financial liabilities				
Customer deposits	1,191,764	1,162,749	1,191,764	1,162,749
Debt securities in issue	25,000	25,000	25,000	25,000

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(Continued)

25. Financial risk management (continued)

e) Fair value of financial assets and liabilities (continued)

(i) Financial instruments not measured at fair value (continued)

Financial instruments where carrying value is equal to fair value

The carrying amounts of certain financial instruments approximate their fair values due to their short-term maturities and high liquidity. These financial instruments include cash and cash equivalents, comprising balances due from other banks, as well as statutory deposits held with the Central Bank.

Loans to customers less allowance for loan losses

Loans to customers are net of specific and other provisions for impairment, which reflects the additional credit risk. The estimated fair value of these loans represents the discounted amount of future cash flows based on prevailing market rates.

Customer deposits

Due to their liquidity and short-term maturity, the carrying values of some customer deposits approximate their fair value. The fair value of the other customer deposits is computed using discounted cash flow analyses at current market interest rates.

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(Continued)

26. 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.

	31 December 2025			31 December 2024		
	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
Assets						
Cash and cash equivalents	38,836	–	38,836	34,996	–	34,996
Balance with Central Bank	205,591	–	205,591	250,697	–	250,697
Investments	98,308	120,178	218,486	119,828	–	119,828
Loans and advances	123,966	728,091	852,057	104,877	692,742	797,619
Property and equipment	–	10,710	10,710	–	10,606	10,606
Computer software	–	96,722	96,722	–	105,058	105,058
Deferred tax asset	–	47,396	47,396	–	37,428	37,428
Right-of-use assets	–	15,934	15,934	–	17,383	17,383
Other assets	42,717	–	42,717	11,370	–	11,370
Total assets	509,418	1,019,031	1,528,449	521,768	863,217	1,384,985
Liabilities						
Customer deposits	959,982	231,782	1,191,764	884,469	278,280	1,162,749
Debt securities in issue	–	25,000	25,000	–	25,000	25,000
Employee benefits obligation	–	138	138	–	108	108
Lease liabilities	2,122	15,988	18,110	2,122	17,554	19,676
Other liabilities and accruals	53,819	–	53,819	37,707	–	37,707
Deferred tax liability	–	19,907	19,907	–	13,603	13,603
Total liabilities	1,015,923	292,815	1,308,738	924,298	334,545	1,258,843

27. Subsequent events

There were no events after the reporting period which were material to the financial statements and should have resulted in adjustments to the financial statements or disclosures when the financial statements were authorised for issue.