JMMB Bank (T&T) Limited.

Consolidated and Separate Financial Statements

As at and for the year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

Index

Year ended 31 March 2024

Statement of Management's Responsibilities
JMMB Bank (T&T) Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated and separate financial statements of JMMB Bank (T&T) Limited (the Company), and its subsidiary (together defined as the Group) which comprise the consolidated and separate statements of financial position as at March 31, 2024, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

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

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

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

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

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

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

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

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

Shawn Moses
Chief Executive Officer

Naomi Arjoonsingh
Chief Financial Officer

Date: June 27, 2024

Date: June 27, 2024

KPMG

KPMG Chartered Accountants
Savannah East
11 Queen's Park East
Port-of-Spain
Trinidad and Tobago, W.I.
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Independent Auditors' Report
To the Shareholder of JMMB Bank (T&T) Limited

Opinion

We have audited the separate financial statements of JMMB Bank (T&T) Limited ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the consolidated and separate statement of financial position as at March 31, 2024, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at March 31, 2024, and its consolidated and separate financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

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

Independent Auditors' Report (continued)
To the Shareholder of JMMB Bank (T&T) Limited (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated and the Separate 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 the 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 Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and/or subsidiary to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and the separate financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate 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 Group and the Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

Independent Auditors' Report (continued)
To the Shareholder of JMMB Bank (T&T) Limited (continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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

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

KPMG

Chartered Accountants

Port of Spain
Trinidad, West Indies
June 27, 2024

JMMB Bank (T&T) Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024 $'000	2023 $'000
Net interest income			
Interest income calculated using the effective interest method	4	233,565	198,098
Interest expense	5	(38,540)	(32,000)
		195,025	166,098
Other revenue			
Gains on securities trading		562	1,039
Gain on disposal of assets		650	200
Fees and commission income		16,230	14,307
Net foreign exchange gains		39,133	38,774
		56,575	54,320
Revenue net of interest expense		251,600	220,418
Operating expenses			
Staff costs	6	(86,494)	(75,725)
Other expenses	7	(67,300)	(67,258)
		(153,794)	(142,983)
Profit before Impairment Losses and Taxation		97,806	77,435
Impairment losses on financial assets	8	(42,591)	(33,468)
Profit before Taxation		55,215	43,967
Taxation	9	(18,527)	(14,595)
Profit for the Year		36,688	29,372

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

Year ended 31 March 2024

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024 $'000	2023 $'000
Profit for the year		36,688	29,372
Other Comprehensive Income			
Items that are or may be reclassified subsequently to profit or loss			
Net profit on investments in debt instruments measured at FVOCI		7	-
Debt instruments at FVOCI:			
Reclassified to profit and loss		-	(20)
Remeasurement of investments that existed throughout the year		2,677	(5,068)
Remeasurement of purchased investments		189	357
Related tax	17	(979)	2,556
Net movement in investment revaluation reserve		1,894	(2,175)
Total comprehensive income for the year		38,582	27,197

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Consolidated Statement of Financial Position

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024 $'000	2023 $'000
Assets			
Cash and cash equivalents	10	191,271	135,228
Balances with Central Bank	11	450,369	443,931
Interest receivable		7,340	18,103
Accounts receivable	12	15,437	10,402
Reverse repurchase agreement	13	10,000	-
Investment securities	14(i)	860,702	968,406
Taxation recoverable		256	-
Loans and notes receivable	15	1,758,790	1,597,412
Property and equipment	16	19,388	19,128
Right of use asset	23	16,610	20,457
Deferred tax assets	17	31,666	28,602
Total Assets		3,361,829	3,241,669
Equity and Liabilities			
Equity			
Share capital	18(i)	107,631	107,631
Investment revaluation reserve	18(ii)	4,025	2,131
Statutory reserve	18(iii)	45,710	42,041
Retained earnings		148,811	115,792
Total Equity		306,177	267,595
Liabilities			
Customer deposits	19	2,784,347	2,716,967
Subordinated debt	20	100,000	100,000
Lease liability	23	18,774	23,221
Interest payable		11,497	9,389
Accounts payable	22	133,017	116,037
Taxation payable		7,108	8,011
Deferred tax liabilities	17	909	449
Total Liabilities		3,055,652	2,974,074
Total Equity and Liabilities		3,361,829	3,241,669

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

Approved for issue by the Board of Directors on June 17, 2024 and signed on its behalf by:

Lorraine Kam **Director**

Catherine Kumar **Director**

JMMB Bank (T&T) Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	Share Capital $'000	Investment Revaluation Reserve $'000	Statutory Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 April 2022		107,631	4,306	39,104	89,357	240,398
Profit for the year		-	-	-	29,372	29,372
Other comprehensive income, net of tax						
Debt instrument at FVOCI – reclassification to profit or loss		-	(20)	-	-	(20)
Change in fair value of debt instruments - at FVOCI		-	(2,155)	-	-	(2,155)
Total comprehensive income for the year		-	(2,175)	-	29,372	27,197
Transactions with owners of the Company						
Transfer to statutory reserve	18	-	-	2,937	(2,937)	-
Balance as at 31 March 2023		107,631	2,131	42,041	115,792	267,595
Balance at 1 April 2023		107,631	2,131	42,041	115,792	267,595
Profit for the year		-	-	-	36,688	36,688
Other comprehensive income, net of tax						
Change in fair value of Debt instruments — at FVOCI		-	1,894	-	-	1,894
Total comprehensive income for the year		-	1,894	-	36,688	38,582
Transactions with owners of the Company						
Transfer to statutory reserve	18	-	-	3,669	(3,669)	-
Balance as at 31 March 2024		107,631	4,025	45,710	148,811	306,177

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024	2023
		$'000	$'000
Cash Flows from Operating Activities			
Profit for the year		36,688	29,372
Adjustments for:			
Interest income	4	(233,565)	(198,098)
Interest expense		37,276	30,217
Taxation	9	18,527	14,595
Impairment losses on financial assets	8	42,591	33,468
Net gain from trading in investment securities		(562)	(1,039)
Amortisation of securities and discount cost		2,987	2,866
Depreciation on property and equipment	7 & 16	5,239	5,655
Depreciation on right of use asset	7 & 23	5,550	6,511
Lease liability expense	5 & 23	1,264	1,783
Gain on disposal of assets		(650)	(200)
		(84,655)	(74,870)
Changes in operating assets and liabilities			
Accounts receivable		12,652	7,462
CBTT Reserve – Primary		(8,142)	(16,175)
Loans and notes receivable		(203,900)	(284,092)
Customer deposits		67,380	155,437
Due to related party		510	-
Accounts payable		15,202	2,160
		(200,953)	(210,078)
Interest received		247,797	202,856
Interest paid		(39,898)	(32,749)
Taxes refunded		-	11
Taxation paid		(23,270)	(11,640)
Net cash used in operating activities		(16,324)	(51,600)
Cash Flows from Investing Activities			
Purchase of property and equipment (net)	16	(5,499)	(4,807)
Purchase of investments		(3,651,462)	(3,153,102)
Proceeds from sale or maturity of investments		3,743,124	3,153,895
Net cash from (used in) investing activities		86,163	(4,014)
Cash Flows from Financing Activities			
Payment of lease liabilities	23	(5,500)	(6,526)
Repurchase agreement	13	(10,000)	-
Net cash used in financing activities		(15,500)	(6,526)
Net increase (decrease) in cash and cash equivalents		54,339	(62,140)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		262,820	324,960
CASH AND CASH EQUIVALENTS AT END OF YEAR		317,159	262,820

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Consolidated Statement of Cash Flows (continued)

Year ended 31 March 2024

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024 $'000	2023 $'000
Cash and cash equivalents are represented by:			
Cash at bank and due from other financial institutions	10	191,271	135,228
Balance with Central Bank other than the Primary Reserve Deposit	11	125,888	127,592
		317,159	262,820

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Separate Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024	2023
		$'000	$'000
Net interest income			
Interest income calculated using the effective interest method	4	167,024	139,958
Interest expense	5	(35,659)	(29,730)
		131,365	110,228
Other revenue			
Gains on securities trading		562	1,039
Gain on disposal of assets		650	200
Fees and commission income		16,229	14,307
Net foreign exchange gains		39,132	38,774
		56,573	54,320
Other revenue and net interest income		187,938	164,548
Operating expenses			
Staff costs	6	(70,011)	(58,566)
Other expenses	7	(54,868)	(55,359)
		(124,879)	(113,925)
Profit before Impairment Losses and Taxation		63,059	50,623
Impairment losses on financial assets	8	(32,799)	(26,871)
Profit before Taxation		30,260	23,752
Taxation	9	(9,684)	(7,451)
Profit for the Year		20,576	16,301

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Separate Statement of Profit or Loss and Other Comprehensive Income (continued)

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024	2023
		$'000	$'000
Profit for the Year		20,576	16,301
Other Comprehensive Income			
Items that are or may be reclassified subsequently to profit or loss			
Debt instruments at FVOCI:			
Reclassified to profit and loss		-	(20)
Remeasurement of investments that existed throughout the year		2,677	(5,060)
Remeasurement of purchased investments		189	357
Related tax	17	(979)	2,556
Net movement in investment revaluation reserve		1,887	(2,167)
Total comprehensive income for the year		22,463	14,134

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Separate Statement of Financial Position

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024	2023
		$'000	$'000
Assets			
Cash and cash equivalents	10	186,404	132,058
Balances with Central Bank	11	433,391	426,953
Interest receivable		6,354	17,427
Accounts receivable	12	14,301	8,957
Reverse repurchase agreement	13	10,000	-
Investment securities	14(i)	859,407	968,183
Investment in subsidiary	14(ii)	15,000	15,000
Taxation recoverable		256	-
Loans and notes receivable	15	1,501,700	1,394,306
Due from subsidiary	21	153,179	114,336
Property and equipment	16	16,840	16,395
Right of use asset	23	9,273	15,926
Deferred tax assets	17	29,415	25,867
Total Assets		3,235,520	3,135,408
Equity and Liabilities			
Equity			
Share capital	18(i)	107,631	107,631
Investment revaluation reserve	18(ii)	4,059	2,172
Statutory reserve	18(iii)	39,750	37,692
Retained earnings		112,280	93,762
Total Equity		263,720	241,257
Liabilities			
Customer deposits	19	2,709,068	2,643,720
Subordinated debt	20	100,000	100,000
Lease liability	23	11,038	18,372
Due to subsidiary	21	18,001	12,376
Interest payable		10,110	8,147
Accounts payable	22	122,830	108,476
Taxation payable		-	2,795
Deferred tax liabilities	17	753	265
		2,971,800	2,894,151
Total Equity and Liabilities		3,235,520	3,135,408

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

Approved for issue by the Board of Directors on June 17, 2024 and signed on its behalf by:

Lorraine Kam	**Director**	**Catherine Kumar**	**Director**

JMMB Bank (T&T) Limited

Separate Statement of Changes in Equity

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital $'000	Investment Revaluation Reserve $'000	Statutory Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 April 2022	107,631	4,339	36,062	79,091	227,123
Profit for the year					
Other comprehensive income, net of tax	-	-	-	16,301	16,301
Debt instrument at FVOCI – reclassified to profit or loss	-	(20)	-	-	(20)
Net change in fair value of debt instruments at FVOCI	-	(2,147)	-	-	(2,147)
Total comprehensive income for the year	-	(2,167)	-	16,301	14,134
Transactions with owners of the Company					
Transfer to statutory reserve	-	-	1,630	(1,630)	-
Balance at 31 March 2023	107,631	2,172	37,692	93,762	241,257
Balance at 1 April 2023	107,631	2,172	37,692	93,762	241,257
Profit for the year	-	-	-	20,576	20,576
Other comprehensive income, net of tax					
Debt instrument at FVOCI – reclassified to profit or loss	-	-	-	-	-
Net change in fair value of debt instruments at FVOCI	-	1,887	-	-	1,887
Total comprehensive income for the year	-	1,887	-	20,576	22,463
Transactions with owners of the Company					
Transfer to statutory reserve	-	-	2,058	(2,058)	-
Balance at 31 March 2024	107,631	4,059	39,750	112,280	263,720

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Separate Statement of Cash Flows

Year ended 31 March 2024
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2024	2023
		$'000	$'000
Cash Flows from Operating Activities			
Profit for the year		20,576	16,301
Adjustments for:			
Interest income	4	(167,024)	(139,958)
Interest expense		34,796	28,215
Taxation	9	9,684	7,451
Impairment losses on financial assets	8	32,799	26,871
Net gain from trading in investment securities		(562)	(1,039)
Amortisation of securities and discount cost		2,987	2,866
Depreciation on property and equipment	7 & 16	4,455	4,635
Depreciation on right of use asset	7 & 23	3,632	4,714
Lease liability expense	5 & 23	863	1,515
Gain on disposal of assets		(650)	(200)
		(58,444)	(48,629)
Changes in operating assets and liabilities			
Accounts receivable		11,073	8,329
CBTT Reserve – Primary		(7,975)	(12,014)
Loans and notes receivable		(140,193)	(221,804)
Customer deposits		65,348	119,915
Due from subsidiary		(38,843)	(12,171)
Due to subsidiary		5,625	4,801
Accounts payable		14,354	(1,609)
		(149,055)	(163,182)
Interest received		178,097	142,222
Interest paid		(33,696)	(28,188)
Taxation paid		(16,773)	(6,387)
Net cash used in operating activities		(21,427)	(55,535)
Cash Flows from Investing Activities			
Purchase of property and equipment (net)	16	(4,900)	(4,666)
Purchase of investments		(3,650,230)	(3,153,185)
Proceeds from sale and maturity of investments		3,743,028	3,153,894
Net cash from (used in) investing activities		87,898	(3,957)
Cash Flows from Financing Activities			
Payment on lease liabilities	23	(3,663)	(4,704)
Repurchase agreement	13	(10,000)	-
Net cash used in financing activities		(13,663)	(4,704)
Net increase (decrease) in cash and cash equivalents		52,808	(64,196)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		258,806	323,002
CASH AND CASH EQUIVALENTS AT END OF YEAR		311,615	258,806

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Separate Statement of Cash Flows (continued)

Year ended 31 March 2024
(Expressed in Trinidad and Tobago dollars)

	Note	2024 $'000	2023 $'000
Cash and cash equivalents are represented by:			
Cash at bank and due from other financial institutions	10	186,404	132,058
Balance with Central Bank other than the Primary Reserve Deposit	11	125,211	126,748
		311,615	258,806

The accompanying notes on pages 17 to 129 are an integral part of these financial statements.

1. General Information

JMMB Bank (T&T) Limited, (previously Intercommercial Bank Limited) (the 'Company' or 'JMMB') was incorporated on September 4, 1997, in the Republic of Trinidad and Tobago and commenced operations from June 8, 1998. Its registered office and principal place of business is situated at DSM Plaza, Old Southern Main Road, Chaguanas. The Bank offers a complete range of banking and financial services as permitted under the Financial Institutions Act, 2008.

On October 2, 2013, the Bank became a fully owned subsidiary of Jamaica Money Market Brokers (Trinidad and Tobago) Limited, a company licensed to carry on the business of a financial holding company pursuant to Section 70 of the Financial Institutions Act, 2008.

Effective April 26, 2016, the Bank changed its name from Intercommercial Bank Limited to JMMB Bank (T&T) Limited.

On September 8, 2017, the ultimate parent of the Bank was changed from Jamaica Money Market Brokers Limited to JMMB Group Limited (JMMB Group), which is domiciled in Jamaica and is the ultimate parent of all subsidiaries within the JMMB Group.

Effective July 25, 2018, the Bank's fully owned subsidiary changed its name from Intercommercial Trust and Merchant Bank Limited to JMMB Express Finance (T&T) Limited (JEF), and is now focused primarily on consumer lending.

Effective January 31, 2024, the Trinidad and Tobago financial entities of the JMMB Group Limited (which includes the Company and its subsidiary, JEF are now indirectly controlled by JMMB Financial Holdings Limited which is a financial holding company licensed by the Bank of Jamaica.

The ultimate parent remains JMMB Group Limited, a company listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

For the purposes of these financial statements the Bank and its subsidiary are together referred to as the Group, whilst the Bank is referred to as the Company or the Bank.

2. Statement of Compliance and Basis of Preparation

(a) Statement of compliance

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Details of the Group's accounting policies are included in Note 29.

(b) Basis of consolidation

(i) Subsidiary

A 'Subsidiary' is an investee controlled by the Group. The Group 'controls' an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of the subsidiary are included in the Group's consolidated financial statements from the date that control commences until the date that control ceases.

2. Basis of Preparation (continued)

(b) Basis of consolidation (continued)

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the Group's consolidated financial statements.

(c) Basis of preparation

The financial statements are prepared on the historical cost basis, except for the following:

- financial instruments at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

(d) Functional and presentation currency

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

These financial statements are presented in Trinidad and Tobago dollars, which is the functional currency of the Company and its subsidiary and the presentation currency of the Group. All amounts are rounded to the nearest thousand, unless otherwise indicated.

(e) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

Note 3 provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

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

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on amounts recognised in the financial statements, or which have a risk of material adjustment in the next financial year, are as follows:

(a) Key sources of estimation uncertainty

(i) Impairment of financial assets

Loans and notes receivable accounted for at amortised cost and FVOCI are evaluated for impairment on the basis described in accounting policy Note 29(a).

The measurement of the expected credit loss allowance (ECL) for financial assets measured at amortised cost and FVOCI 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 resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 24(a ii)(3) and (4), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios, with the increased uncertainties due to geopolitical events for each type of product/market and the associated ECL and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

(ii) Fair value of financial instruments

There are no quoted market prices for a significant portion of the Group's financial assets. Accordingly, fair values of several financial assets are estimated using prices derived from a yield curve. The yield curve is, in turn, obtained from a pricing source which uses indicative prices from the local market. There is significant uncertainty inherent in this approach. The fair values determined in this way are classified as Level 2 or 3 fair values.

The estimates of fair value arrived at from these sources may be significantly different from the actual price of the instrument in an actual arm's length transaction (Note 26).

(b) Critical judgements in applying the Group's accounting policies

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

For the purpose of these financial statements, prepared in accordance with IFRS Accounting Standards, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS Accounting Standards.

(Expressed in thousands of Trinidad and Tobago dollars)

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

(b) Critical judgements in applying the Group's accounting policies (continued)

Impairment of financial assets (Group and Company)

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit losses (ECL) and selection and approval of models used to measure ECL require significant judgement (see notes 24(a)(a.ii) and 29(a)(iii)).

4. Interest Income Calculated Using The Effective Interest Rate Method

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Interest income from loans and notes receivable measured at amortised cost	184,262	160,528	117,750	102,414
Interest income from investment securities:				
FVOCI	49,145	37,423	49,116	37,398
FVTPL	-	1	-	-
Other interest income	158	146	158	146
	233,565	198,098	167,024	139,958

5. Interest Expense

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Interest on customers' deposits	32,262	25,231	29,782	23,229
Interest expense on debt securities	5,014	4,986	5,014	4,986
Lease liability expense	1,264	1,783	863	1,515
	38,540	32,000	35,659	29,730

The amounts above, calculated using the effective interest method, relate to financial liabilities measured at amortised cost.

(Expressed in thousands of Trinidad and Tobago dollars)

6. Staff Costs

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Salaries and wages	57,930	47,180	50,039	40,075
Statutory payroll contributions	3,167	2,977	2,572	2,459
Pension scheme contributions	4,134	3,726	3,393	3,051
Training and development	188	186	165	180
Other staff benefits	21,075	21,656	13,842	12,801
	86,494	75,725	70,011	58,566

Other staff benefits include employee health and life plan payments, expenses for staff functions and events, sales commissions and other incentive payments, and other miscellaneous staff benefits.

7. Other Expenses

		The Group		The Company	
		2024	2023	2024	2023
		$'000	$'000	$'000	$'000
Advertising and promotion		7,537	7,075	5,008	4,443
Auditors' remuneration		2,470	1,064	2,037	781
Bank charges and interest		958	1,073	907	1,029
Depreciation on property and equipment	16	5,239	5,655	4,455	4,635
Depreciation on right of use asset	23	5,550	6,511	3,632	4,714
Directors' fees	21(iv)	1,037	1,225	547	930
Information technology		11,478	10,175	9,297	8,177
Legal and other professional fees		7,153	6,635	6,831	6,168
Other		18,338	18,517	16,085	16,235
Repairs and maintenance		1,504	2,419	1,209	2,064
Security		2,556	2,896	2,148	2,521
Stationery, printing and postage		751	795	668	698
Travel and entertainment		253	223	89	126
Utilities		2,476	2,995	1,955	2,838
		67,300	67,258	54,868	55,359

8. Impairment Losses on Financial Assets

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Net impairment losses:				
Impairment loss on loans and notes receivable	46,032	35,730	34,742	27,120
Impairment (loss) on investment securities	69	(146)	69	(146)
Recoveries	(3,510)	(2,116)	(2,012)	(103)
	42,591	33,468	32,799	26,871

(Expressed in thousands of Trinidad and Tobago dollars)

9. Taxation

Income tax is computed at 35% on the profit for the year adjusted for tax purposes. Business Levy is calculated at 0.6% of gross revenue.

(i) Taxation charge

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Business Levy	-	11	-	-
Current income tax:				
Provision for charge on current year's profit	22,623	21,180	14,245	14,851
Changes in estimates related to prior years	(512)	(699)	(523)	(699)
Deferred income tax relating to the origination and reversal of temporary differences				
- Current year	(3,670)	(6,075)	(4,093)	(6,817)
- Change in estimates relating to prior years	86	178	55	116
	18,527	14,595	9,684	7,451

(ii) Reconciliation of the effective tax rate

	The Group				The Company			
	2024 %	2024 $'000	2023 %	2023 $'000	2024 %	2024 $'000	2023 %	2023 $'000
Profit before taxation	100	55,215	100	43,967	100	30,260	100	23,752
Tax calculated at statutory rates	35	19,325	35	15,388	35	10,591	35	8,313
Adjusted for the effects of:								
- Income not subject to tax	(1)	(446)	(1)	(279)	(1)	(439)	(1)	(279)
- Change in estimates related to prior years	(1)	(425)	(1)	(521)	(2)	(468)	(2)	(583)
- Business Levy	-	-	-	11	-	-	-	-
- Other differences	-	73	-	(4)	-	-	-	-
	33	18,527	33	14,595	32	9,684	32	7,451

(Expressed in thousands of Trinidad and Tobago dollars)

10. Cash and Cash Equivalents

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash at Bank	36,833	19,951	37,454	19,246
Due from other financial institutions	154,438	115,277	148,950	112,812
	191,271	135,228	186,404	132,058

11. Balances with Central Bank

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Primary Reserve Deposit	324,481	316,339	308,180	300,205
Balance with Central Bank other than the Primary Reserve Deposit *	125,888	127,592	125,211	126,748
	450,369	443,931	433,391	426,953

* The balance with Central Bank other than the primary reserve deposit represents surplus cash that is used for normal day to day operating activities including interbank settlements, investment trades and other local currency transactions. As such, the Group has included this balance together with items from Note 10 above as cash and cash equivalents in the Statement of Cash Flows.

12. Accounts Receivable

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Receivable from related parties	12,204	4,504	12,204	4,504
Prepayments and other receivables	1,979	4,644	1,182	3,538
Rental deposits	1,254	1,254	915	915
	15,437	10,402	14,301	8,957

13. Reverse repurchase agreement

Reverse repurchase agreement	10,000	-	10,000	-

The fair value of collateral held pursuant to reverse repurchase agreements is $10.762 million (2023: $NIL)

(Expressed in thousands of Trinidad and Tobago dollars)

14. Investment Securities and Investment in Subsidiary

(i) Investment Securities

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Fair value through other comprehensive income (FVOCI)				
Government of Trinidad and Tobago Securities	223,722	286,106	223,722	286,106
Other sovereign bonds	437,510	441,634	437,308	441,411
Corporate bonds	175,038	217,623	175,038	217,623
	836,270	945,363	836,068	945,140
Unquoted equity securities	1,724	633	631	633
	837,994	945,996	836,699	945,773
Fair value through profit and loss (FVTPL)				
Corporate bonds	22,708	22,410	22,708	22,410
	860,702	968,406	859,407	968,183
The maturity profile of investment securities, from the reporting date is as follows:				
Government of Trinidad and Tobago Securities				
Within 3 months	60,000	138,744	60,000	138,744
From 3 months to 1 year	23,544	26,957	23,544	26,957
From 1 year to 5 years	64,478	39,148	64,478	39,148
Over 5 years	75,700	81,257	75,700	81,257
	223,722	286,106	223,722	286,106
Other sovereign bonds				
Within 3 months	386,073	440,188	386,073	440,188
From 3 months to 1 year	-	1,223	-	1,223
From 1 year to 5 years	51,235	-	51,235	-
Over 5 years	202	223	-	-
	437,510	441,634	437,308	441,411

(Expressed in thousands of Trinidad and Tobago dollars)

14. Investment Securities and Investment in Subsidiary

(i) Investment Securities

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Corporate bonds				
Within 3 months	25,404	47,082	25,404	47,082
From 3 months to 1 year	44,527	62,127	44,527	62,127
From 1 year to 5 years	117,165	91,366	117,166	91,366
Over 5 years	10,650	39,458	10,649	39,458
	197,746	240,033	197,746	240,033
Equity				
No fixed maturity	1,724	633	631	633
	860,702	968,406	859,407	968,183
Summary				
Within 3 months	471,477	626,014	471,477	626,014
From 3 months to 1 year	68,071	90,307	68,071	90,307
From 1 year to 5 years	232,878	130,514	232,879	130,514
Over 5 years	86,552	120,938	86,349	120,715
No fixed maturity	1,724	633	631	633
	860,702	968,406	859,407	968,183

(ii) Investment in Subsidiary

	2024	2023
	$'000	$'000
JMMB Express Finance (T&T) Limited		
15,000,000 ordinary shares, par value $1	15,000	15,000

(Expressed in thousands of Trinidad and Tobago dollars)

15. Loans and Notes Receivable

(i) *Analysis of loans*

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Stage 1	1,669,460	1,486,645	1,412,321	1,281,046
Stage 2	126,176	126,810	120,193	121,811
Stage 3	104,627	99,945	98,212	95,472
Gross loans and notes receivable	1,900,263	1,713,400	1,630,726	1,498,329
Expected credit loss allowance	(134,857)	(109,789)	(122,410)	(99,622)
	1,765,406	1,603,611	1,508,316	1,398,707
Effect of deferred loan fees	(6,616)	(6,199)	(6,616)	(4,401)
Net loans and notes receivable	1,758,790	1,597,412	1,501,700	1,394,306

(ii) *Concentration of gross loans*

	The Group 2024	The Group 2023	The Company 2024	The Company 2023
Corporate and commercial	855,649	864,003	855,649	864,003
Retail	1,044,614	849,397	775,077	634,326
	1,900,263	1,713,400	1,630,726	1,498,329

(iii) *Impairment allowance on loans and notes receivable*

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	(109,789)	(85,496)	(99,622)	(77,502)
Expected credit loss allowance (Note 8)	(46,032)	(35,730)	(34,742)	(27,120)
Write off	20,964	11,437	11,954	5,000
Balance as 31 March	(134,857)	(109,789)	(122,410)	(99,622)

(Expressed in thousands of Trinidad and Tobago dollars)

16. Property and Equipment

In the previous year, (year ended March 31, 2023), the Group and Company changed its property and equipment accounting system which resulted in reclassification of assets among categories as well as changes to the depreciation rates and methodologies. The impact of these were reflected as adjustments in the note below and are part of the depreciation expense for that year.

	The Group				
	Capital Work-in-Progress $'000	Leasehold Improvements $'000	Furniture and Fixtures $'000	Computer Equipment $'000	Total $'000
Cost					
1 April 2022	1,725	22,774	20,461	28,616	73,576
Additions	4,726	93	172	327	5,318
Transfer from work-in-progress	(498)	457	41	-	-
Disposals/adjustments	(4)	(434)	(74)	1	(511)
31 March 2023	5,949	22,890	20,600	28,944	78,383
Additions	3,826	229	312	1,132	5,499
Transfer from work-in-progress	(6,554)	3,361	309	2,884	-
31 March 2024	3,221	26,480	21,221	32,960	83,882
Accumulated depreciation					
1 April 2022	-	16,790	14,503	22,312	53,605
Charge for the year	-	2,182	1,335	2,138	5,655
Adjustments	-	(2)	(1)	(2)	(5)
31 March 2023	-	18,970	15,837	24,448	59,255
Charge for the year	-	1,710	1,149	2,380	5,239
31 March 2024	-	20,680	16,986	26,828	64,494
Net Book Value					
31 March 2024	3,221	5,800	4,235	6,132	19,388
31 March 2023	5,949	3,920	4,763	4,496	19,128

(Expressed in thousands of Trinidad and Tobago dollars)

16. Property and Equipment (continued)

	The Company				
	Capital Work-in-Progress	Leasehold Improvements	Furniture and Fixtures	Computer Equipment	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
1 April 2022	1,725	21,742	17,412	26,127	67,006
Additions	4,726	93	157	199	5,175
Transfer from work in progress	(498)	457	41	-	-
Disposals/adjustments	(4)	(433)	(72)	-	(509)
31 March 2023	5,949	21,859	17,538	26,326	71,672
Additions	3,638	229	292	741	4,900
Transfer from work in progress	(6,554)	3,361	309	2,884	-
Disposals/adjustments	-	-	-	-	-
31 March 2024	3,033	25,449	18,139	29,951	76,572
Accumulated depreciation					
1 April 2022	-	16,070	13,597	20,975	50,642
Charge for the year	-	1,962	1,029	1,644	4,635
Adjustments	-	-	-	-	-
31 March 2023	-	18,032	14,626	22,619	55,277
Charge for the year	-	1,617	841	1,997	4,455
Adjustments	-	-	-	-	-
31 March 2024	-	19,649	15,467	24,616	59,732
Net Book Value					
31 March 2024	3,033	5,800	2,672	5,335	16,840
31 March 2023	5,949	3,827	2,912	3,707	16,395

Capital Work- in- Progress includes costs incurred for various infrastructure and technology related projects which were not yet completed as at March 31, 2024.

(Expressed in thousands of Trinidad and Tobago dollars)

17. Deferred Taxes

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

Deferred income tax is calculated on temporary differences using the rate at which the tax will be paid when the temporary differences reverse. The statutory rate has been used in the calculation of tax.

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Deferred tax assets				
Property and equipment	1,508	1,462	1,508	1,462
Impairment losses on financial assets	22,820	21,996	20,709	20,002
Leases	758	968	618	856
Investment securities	-	444	-	444
Deferred fees-loan fees	6,580	3,732	6,580	3,103
	31,666	28,602	29,415	25,867
Deferred tax liabilities:				
Sub lease IFRS 16	(218)	(265)	(218)	(265)
Investment securities	(535)	-	(535)	-
Property and equipment	(156)	(184)	-	-
	(909)	(449)	(753)	(265)
Net deferred tax asset	30,757	28,153	28,662	25,602

(Expressed in thousands of Trinidad and Tobago dollars)

17. Deferred Taxes (continued)

The movement in the net deferred tax asset is as follows:

	2024 The Group			
	Balance at Beginning of year	**Recognised in Profit or Loss**	**Recognised in Other Comprehensive Income**	**Balance at End of Year**
	$'000	**$'000**	**$'000**	**$'000**
Investment securities	444	-	(979)	(535)
Impairment losses on financial assets	21,996	824	-	22,820
Property and equipment	1,278	74	-	1,352
Leases	703	(163)	-	540
Deferred fees - loan fees	3,732	2,848	-	6,580
	28,153	3,583	(979)	30,757

	2023 The Group			
	Balance at Beginning of year	**Recognised in Profit or Loss**	**Recognised in Other Comprehensive Income**	**Balance at End of Year**
	$'000	**$'000**	**$'000**	**$'000**
Investment securities	(2,112)	-	2,556	444
Impairment losses on financial assets	16,845	5,151	-	21,996
Property and equipment	693	585	-	1,278
Leases	909	(206)	-	703
Deferred fees - loan fees	3,365	367	-	3,732
	19,700	5,897	2,556	28,153

(Expressed in thousands of Trinidad and Tobago dollars)

17. Deferred Taxes (continued)

The movement in the net deferred income tax asset is as follows:

	2024 The Company			
	Balance at Beginning of year	**Recognised in Profit or Loss**	**Recognised in Other Comprehensive Income**	**Balance at End of Year**
	$'000	**$'000**	**$'000**	**$'000**
Investment securities	444	-	(979)	(535)
Impairment losses on financial assets	20,002	707	-	20,709
Property, and equipment	1,462	46	-	1,508
Leases	591	(191)	-	400
Deferred fees	3,103	3,477	-	6,580
	25,602	4,039	(979)	28,662

	2023 The Company			
	Balance at Beginning of year	**Recognised in Profit or Loss**	**Recognised in Other Comprehensive Income**	**Balance at End of Year**
	$'000	**$'000**	**$'000**	**$'000**
Investment securities	(2,112)	-	2,556	444
Impairment losses on financial assets	15,336	4,666	-	20,002
Property, and equipment	933	529	-	1,462
Leases	789	(198)	-	591
Deferred fees	1,399	1,704	-	3,103
	16,345	6,701	2,556	25,602

(Expressed in thousands of Trinidad and Tobago dollars)

18. Share Capital and Reserves

(i) Share Capital

	Group and Company	
	2024	**2023**
	$'000	**$'000**
Authorised: An unlimited number of ordinary shares, par value TT$1.00		
Issued and fully paid: 2024: 107,630,756 (2023: 107,630,756) ordinary shares	107,631	107,631

	Group and Company	
	2024	**2023**
	$'000	**$'000**
Share capital	107,631	107,631

The Company has elected, under the Companies Act 1995, to maintain par value status for its ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings at the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

(ii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of debt securities and equity securities measured at FVOCI until the assets are derecognised or reclassified, 2024: $4,025 (2023: $2,131).

(iii) Statutory Reserve

The Company and its subsidiary transferred 10% of their net income after tax to the statutory reserve fund, in accordance with the Financial Institutions Act, 2008.The statutory reserve fund balance is as follows:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Statutory reserve balance at end of year	45,710	42,041	39,750	37,692

(Expressed in thousands of Trinidad and Tobago dollars)

19. Customer Deposits

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Savings	430,591	402,604	430,591	402,604
Demand	1,257,984	1,161,640	1,257,984	1,161,640
Time	1,095,772	1,152,723	1,020,493	1,079,476
	2,784,347	2,716,967	2,709,068	2,643,720

Sectoral analysis of deposits is as follows:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
State enterprises	346,842	423,752	346,842	423,752
Corporate and commercial	1,505,131	1,429,439	1,497,455	1,421,825
Personal	932,374	863,776	864,771	798,143
	2,784,347	2,716,967	2,709,068	2,643,720

20. Subordinated Debt

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Subordinated debt	100,000	100,000	100,000	100,000

The initial term of the subordinated debt matured on 28 March 2022 and was subsequently extended for seven (7) years until 28 March 2030. The debt remains at a value of $100 million and at a rate of 5%.

21. Related Party Transactions and Balances

(a) A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the "reporting entity") in this case, ("The Company or the Group").

(i) A person or a close member of that person's family is related to the Company if that person:

(1) has control or joint control over the Company;

(2) has significant influence over the Company; or

(3) is a member of the key management personnel of the Company or of a parent of the company.

(ii) An entity is related to the Company if any of the following conditions applies:

(1) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.

(6) The entity is controlled, or jointly controlled by a person identified in (i).

(7) A person identified in (i) (1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(8) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the parent of the group.

(9) A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

(Expressed in thousands of Trinidad and Tobago dollars)

21. Related Party Transactions and Balances (continued)

The statement of financial position includes balances, other than those specifically disclosed, as shown below:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
(i) Due from related parties				
Advances, investments, cash and balances with bank and other assets				
Parent and ultimate parent company				
Accounts receivable	3,620	3,206	3,620	3,206
Affiliated companies				
Accounts receivable	8,303	1,077	8,303	1,077
	8,303	1,077	8,303	1,077
Subsidiary company				
Due from subsidiary company	-	-	153,179	114,336
Interest receivable from subsidiary	-	-	1,267	1,101
	-	-	154,446	115,437
Key Management Personnel and their close family members				
Loans and notes receivable	4,451	6,370	4,451	6,370

Affiliated companies are fellow subsidiaries of the JMMB Group.

Accounts receivable have no specific condition or terms attached to the transactions. Due from subsidiary company includes both accounts receivable and placements at commercial terms by the parent with the subsidiary with varying tenors ranging from six to twelve months and interest rates ranging from 1.9% to 3.25%.

Loans and notes receivable to key management personnel and their close family members relate to various types of loans including vehicle loans, mortgages, overdraft facilities and unsecured lending. The tenors range from 1-22 years while the interest rates range from 4% to 7.75%.

(Expressed in thousands of Trinidad and Tobago dollars)

21. Related Party Transactions and Balances (continued)

The statement of financial position includes balances, other than those specifically disclosed, as shown below:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
(ii) Due to related parties				
Deposits and liabilities				
Subsidiary company				
Deposits	-	-	18,001	12,376
	-	-	18,001	12,376
Affiliated companies				
Accounts payable	7	-	7	-
Deposits	74,658	86,460	74,658	86,460
	74,665	86,460	74,665	86,460
Ultimate parent company				
JMMB Group Limited				
Deposits	932	16,693	932	16,693
Accounts payable	19,845	15,438	19,335	15,438
	20,777	32,131	20,267	32,131

Accounts payable have no specific condition or terms attached to the transactions. With regard to deposits, these are generally conducted at market rates on commercial terms and conditions. These balances are held in demand accounts and interest rates vary based on the average balances which is consistent to what is available to similar types of clients.

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
(iii) Credit Commitments in respect of affiliated companies				
Letters of Credit	4,900	9,700	4,900	9,700
Undrawn Commitments	8,000	8,000	8,000	8,000
	12,900	17,700	12,900	17,700

(Expressed in thousands of Trinidad and Tobago dollars)

21. Related Party Transactions and Balances (continued)

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Directors				
Deposits	652	682	652	682
Key management personnel and their close family members				
Deposits	1,868	1,631	1,868	1,631

These deposits relate to savings and demand accounts and are generally conducted at market rates on commercial terms. Interest rates vary based on the average balances and in some cases, based on the type of product, interest rates may be tiered which is consistent to what is available to other clients.

(iv) Amounts reported in profit or loss

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Interest Income				
Directors	-	7	-	7
Key management personnel	225	222	225	222
	225	229	225	229
Interest Expense				
Directors	(1)	(1)	(1)	(1)
Key management personnel	(14)	(7)	(14)	(7)
	(15)	(8)	(15)	(8)

Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors, senior management and company secretary. The compensation paid or payable to key management for employee services is as shown below:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Directors fees	1,037	1,225	547	930
Other short term employee benefits	14,741	14,118	11,693	10,867
Post-employment benefits	754	783	536	557
	16,532	16,126	12,776	12,354

The Group has determined that there is no Expected Credit Loss (ECL) on related party balances as at March 31, 2024 (2023: NIL). There were no balances written off during the year at March 31, 2024 (2023: NIL).

(Expressed in thousands of Trinidad and Tobago dollars)

22. Accounts Payable

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Accrued expenses	65,739	44,776	56,065	37,217
Uncashed manager's cheques	20,242	21,281	20,242	21,281
Other miscellaneous– note below	47,036	49,980	46,523	49,978
	133,017	116,037	122,830	108,476

Note: Other miscellaneous items comprises of settlement accounts and unclaimed funds.

23. Leases – Right Of Use Asset And Lease Liability

(a) Leases as lessee

The Group leases properties for office space and other uses. The leases run for a period of 3 years to 15 years. Certain leases have an option to renew the lease after the lease term. Lease payments are renegotiated periodically to reflect market rentals. Some leases, in accordance with the lease terms and conditions, provide for additional rent payments that are based on changes in local price indices.

The Group holds short term leases (one to three years) and/or leases of low value items (less that USD$1,000) and has elected not to recognise right-of-use assets and lease liabilities for these leases. Information about leases for which the Group is a lessee is presented below.

(i) Right of use assets

Right-of-use assets are recognised in relation to leased properties that do not meet the definition of investment property.

The Group	Land and building	
	2024	2023
	$'000	$'000
Balance at 1 April	20,457	26,738
Depreciation charge for the year (Note 7)	(5,550)	(6,511)
Additions	6,447	6,196
**Re-measurement	(4,744)	(5,966)
Balance at 31 March	16,610	20,457

(Expressed in thousands of Trinidad and Tobago dollars)

23. Leases – Right-Of-Use-Asset and Lease Liability (continued)

(a) Leases as lessee (continued)

(i) Right of use assets (continued)

The Company

	2024	**2023**
	$'000	**$'000**
Balance at 1 April	15,926	22,747
Depreciation charge for the year (Note 7)	(3,632)	(4,714)
Additions	1,723	3,859
**Re-measurement (note below)	(4,744)	(5,966)
Balance at 31 March	9,273	15,926

** Right of use asset re-measurement is due to modification of lease term.

(ii) Lease liability

The Group

	2024	**2023**
	$'000	**$'000**
Balance at 1 April	23,221	30,223
Interest expense	1,264	1,783
Additions to right of use liabilities	6,447	6,195
Re-measurement (note above)	(4,744)	(5,966)
Gains on termination	(650)	(705)
Lease payments	(6,764)	(8,309)
Balance at 31 March	18,774	23,221
Amounts recognised in cash flow	5,500	6,526

(Expressed in thousands of Trinidad and Tobago dollars)

23. Leases – Right-of-use-asset and Lease liability (continued)

(a) Leases as lessee (continued)

(ii) Lease liability (continued)

The Company

	2024 $'000	2023 $'000
Balance at 1 April	18,372	25,888
Interest expense	863	1,515
Additions to right of use liabilities	1,723	3,859
Re-measurements	(4,744)	(5,966)
Gains on termination	(650)	(705)
Lease payments	(4,526)	(6,219)
Balance at 31 March	11,038	18,372
Amounts recognised in cash flow	3,663	4,704

Lease Liability Maturity Analysis

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Less than 1 year	6,588	5,916	4,364	4,524
Between 1 and 5 years	14,001	17,208	7,502	13,418
Over 5 years	639	4,987	639	4,547
Interest	(2,454)	(4,890)	(1,467)	(4,117)
Present value of minimum lease payments	18,774	23,221	11,038	18,372
Less than 1 year	5,606	4,601	3,777	3,463
Between 1 and 5 years	12,652	14,377	6,744	11,092
Over 5 years	516	4,243	517	3,817
	18,774	23,221	11,038	18,372

(Expressed in thousands of Trinidad and Tobago dollars)

23. Leases – Right-of-use-asset and Lease liability (continued)

(a) Leases as lessee (continued)

(iii) Amounts recognised in profit or loss

The Group

	Note	2024 $'000	2023 $'000
Lease liability expense	5	1,264	1,783
Expenses relating to short-term leases and low-value assets		462	857
Lease payments		6,764	8,309

The Company

	Note	2024 $'000	2023 $'000
Lease liability expense	5	863	1,515
Expenses relating to short-term leases and low-value assets		403	723
Lease payments		4,526	6,219

(iv) Amounts recognised in statement of cash flows

The Group

	2024 $'000	2023 $'000
Total cash outflows for leases	5,500	6,526

The Company

	2024 $'000	2023 $'000
Total cash outflows for leases	3,663	4,704

(v) Extension options

Where the renewal option is exercisable by the Group (lessee) and are reasonably expected to be exercised, these have been included in the lease liability.

24. Financial Risk Management

Introduction and overview

A financial instrument is any contract that gives rise to a financial asset of one enterprise and financial liability or equity instrument of another enterprise.

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

- Credit Risk
- Settlement Risk
- Liquidity Risk
- Market Risk
- Operational Risk

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

Risk Governance

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Group's Risk Management Framework. The Board has delegated responsibilities to various sub committees for the areas of Credit Risk Management, Audit and Compliance and Enterprise Risk Management. These Board sub committees currently employ an integrated Enterprise Risk Management Framework supported by three Management Committees in order to ensure the maximization of shareholders' value within the Group's risk appetite. The Management Credit Committee, Asset and Liability Committee (ALCO), and Operational Risk Management Committee (ORMC), are responsible for the development and monitoring of the Group's Risk Management policies in their specified areas. All Board committees have non-executive members and report regularly to the Board.

The Group's Risk Management policies, as approved by Board, establish a framework for identification, analysis and measurement of the risks faced by the Group, setting of appropriate risk limits and controls, as well as the monitoring of risks and adherence to limits through the Enterprise Risk Dashboard. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to continuously develop a disciplined and constructive control environment, in which all team members understand their roles and obligations.

The Group's Board Audit and Compliance and Risk Committees are responsible for monitoring compliance with the Group's Risk Management policies and procedures and for reviewing the adequacy of the Enterprise Risk Management Framework in relation to the risks faced by the Group in keeping with the risk appetite. The Group Audit and Compliance and Risk Committees are assisted in these functions by Internal Audit, Compliance and Risk Departments. Internal Audit undertakes both planned and special reviews of risk management controls and procedures, the results of which are reported quarterly to the Board Audit and Compliance and Risk Committee. The Risk Management and Compliance Units ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

24. Financial Risk Management (continued)

(a) Credit risk

Credit risk is the risk of financial loss should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk of the Group arises mainly from the Group's loans and notes receivable to customers and other banks and investment securities. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as the individual obligor, the obligor risk group and the obligor risk rating, country and sector risk).

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to an industry segment.

Management of credit risk

The Board has delegated responsibility for the management of credit risk to its Board Enterprise Risk Management Committee (ERMC) (formerly the Board Credit and Risk Committees), the Management Credit Committee and individual Team Members as deemed necessary. A separate Group Credit Risk department, reporting to the Chief Risk Officer, is responsible for oversight of the Group's credit risk, including:

- *Formulating credit policies* in consultation with business units, covering credit assessment, risk grading and reporting, collateral requirements, 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, as approved by the Board, are allocated on an individual and/or committee basis which includes the Credit Risk Managers or individuals, Board ERMC, and the Management Credit Committee. Approval under each committee is based on delegated authority level as approved by the Board.

- *Reviewing and assessing credit risk*. Group Credit Risk and officers with approved delegated limits of authority (DLAs) assess credit exposures prior to facilities being approved and committed to customers by the business unit concerned. Renewals and requests for new facilities are subject to the same assessment.

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

24. Financial Risk Management (continued)

(a) Credit risk (continued)

Management of credit risk (continued)

- *Developing and maintaining the Group's risk* rating systems and guidelines is an integral part of the credit appraisal process. Each borrower under the business banking credit categories has to be risk rated in accordance with the model recommended by the Group Risk Unit and approved by the Board. The risk rating assigned is reviewed annually or earlier as appropriate. The risk rating model takes into account the risk relating to management, the business, collateral security, financial performance and transactional data. In the case of credit facilities to consumers a scoring model is used in the appraisal process. The risk rating or credit score of the obligor reflects the level of risk associated with the exposure and is the main driver in pricing.

- *Reviewing compliance* with agreed exposure limits, including those for selected industries, country and cross border risk and product types. Regular reports are provided by the Group Credit Risk department to the Management Credit Committee and the Board ERMC on the credit quality of the Group's portfolios and where necessary appropriate corrective action is taken.

- *Providing advice*, *guidance and specialist skills* to business units to promote best practice throughout the Group in the management of credit risk.

Each business unit is required to implement the Group's credit policies and procedures, with credit approval authorities delegated to the Board ERMC, the Management Credit Committees and Credit Risk Officers. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios.

Regular audits of business units and Group Credit processes are undertaken by Internal Audit.

Current global geopolitical events and the resulting macro economic fallout have caused market volatility which has increased the Group's credit risk. The downgrading of credit ratings and/or outlooks for counterparties has resulted in an increase in credit risk for debt securities and loans.

Credit risk measurement

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9. Refer to Note 24(a ii)(4) for more details.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

Credit risk grading

The Group uses internal credit risk grading that reflects its assessment of the probability of default of individual counterparties. The Group uses internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model. In addition, exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees and for the treasury portfolio by investing in liquid securities with counterparties that have high credit quality.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

The credit risk on key financial assets are managed as follows:

(i) Loans and notes receivable

The Group assesses the probability of default of individual counterparties using internal ratings. Clients of the Group are segmented into rating classes. The Group's rating scale reflects the range of default probabilities defined for each rating class.

Rating Grades	Description of the Grade
1	Excellent
2	Good credit
3	Average credit
4	Acceptable
5	Marginal
6	Substandard
7	Doubtful
8	Loss

Under the IFRS 9 'three stage' model for impairment (Note 24 (a.ii) Expected Credit Loss Measurement), exposures rated 1-4 are generally classified as stage 1 and requiring standard monitoring, exposures rated as 5 are classified as stage 2 and requiring special monitoring, while exposures rated 6 and above are classified as stage 3 in the default category.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(i) Loans and notes receivable (continued)

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular review. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and to take corrective action.

(ii) Investment securities and reverse repurchase agreements

The Group limits its exposure to credit risk by investing in liquid securities and with counterparties that have high credit quality. As a consequence, management's expectation of default is low.

The Group has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Group's exposure and the credit ratings of its counterparties are continually monitored.

(iii) Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as possessing acceptable credit quality and there is no significant concentration. The strength of these financial institutions is continually reviewed by the credit and risk management committees.

(iv) Receivables

Exposure to credit risk on receivables is managed through regular analysis of the ability of continuing customers and new customers to meet repayment obligations.

(a.i) Credit risk measurement

Credit risk grading

The Group uses internal credit risk grading that reflects its assessment of the probability of default of individual counterparties. The Group uses internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model. In addition, exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees and for the treasury portfolio by investing in liquid securities with counterparties that have high credit quality.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.i) Credit risk measurement (continued)

The following are additional considerations for each type of portfolio held by the Group:

Retail

After the date of initial recognition, for retail business, the payment behaviour of the borrower is monitored on a periodic basis to develop a behavioural score. Any other known information about the borrower which impacts their creditworthiness - such as unemployment and previous delinquency history - is also incorporated into the behavioural score. This score is mapped to a PD.

Commercial & Corporate

For commercial and corporate business, the rating is determined at the borrower level. A relationship manager will incorporate any updated or new information/credit assessments into the credit system on an ongoing basis. In addition, the relationship manager will also update information about the creditworthiness of the borrower on an annual basis from sources such as financial statements. This will determine the updated internal credit rating and PD.

Treasury

For debt securities in the Treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. Where debt securities are not rated by external rating agencies the Group Risk function determines internal credit ratings for investment counterparties in accordance with its investment risk rating methodology. The PDs associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii) Expected credit loss measurement

The Group recognises loss allowances for ECL on the following financial instruments not measured at FVTPL:

- Financial assets that are debt instruments at FVOCI
- Loans and notes receivable and
- Loan commitments issued.

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

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

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. A description of how the Group determines when a significant increase in credit risk has occurred is detailed below.

- 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 description of inputs, assumptions and estimation techniques used in measuring the ECL is detailed below in Note 24(a.ii.)(4).

- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. An explanation of how the Group has incorporated this in its ECL models is included in Note 24.(a.ii)(5) below.

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

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii) Expected credit loss measurement (continued)

The key inputs, assumptions and techniques used for estimating impairment adopted by the Group are as follows:

(1) Significant increase in credit risk (SICR)

Determining when credit risk has increased significantly

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument, the borrower and the geographical region.

The Group considers that there is a significant increase in credit risk for its loans portfolio no later than when a loan is more than 30 days past due or any two-notch downgrade in its internal ratings. The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors aligned to the Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This is the case for exposures that meet certain heightened risk criteria such as placement on a watch list as a result of adverse changes in specific business or environment impacts.

The Group considers that there is a significant increase in credit risk for its investment portfolio when there is a decrease in credit rating as follows: a three-notch downgrade from investment grade to non-investment grade (below BBB-); a two-notch downgrade within or outside the BB/B bucket or a one-notch downgrade within or outside the B-, CCC, CC and C buckets.

Financial instruments for which it is determined that there is a significant increase in credit risk are transferred from stage 1 to stage 2 and impairment loss is measured based on lifetime expected credit loss.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period ranging from immediately to twelve months, depending on the nature of the portfolio, during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

Management overlays have been applied to the model outputs where this is consistent with the objective of identifying a significant increase in credit risk.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii) Expected credit loss measurement (continued)

(2)(a) Definition of default

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost and effort. This incorporates both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment including forward-looking information. These include:

- The borrower is more than 90 days past due on its obligation to the Group.
- A decrease in internal rating beyond specific rating thresholds.
- The borrower is unlikely to pay its obligation to the Group in full, without recourse by the Group to actions such as realizing security. This may arise from instances such as bankruptcy, long-term forbearance, insolvency, breach of financial covenants, death and restructuring.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Financial assets classified as 'default' are transferred to stage 3 and impairment loss is measured based on lifetime expected credit losses.

Financial assets classified as 'default', are considered 'cured' once all outstanding amounts are cleared and normal payments are resumed for a reasonable time frame which is determined based on the exposure type (secured/unsecured) repayment history and continued ability to repay. Cure periods generally range from immediately to six months or up to one year for renegotiated loans.

In accordance with local regulations, during the cure period all payments towards the loans are taken to principal only. In the case of a renegotiated loan, at the end of the cure period, the loan is re-amortised to include the accrued interest and subsequently returned to stage 1. A re-amortised loan is amortised for the remaining tenor of the loan at the end of the cure period with the accrued interest being added onto the principal outstanding at that point.

(2)(b) Credit-impaired financial assets

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that it would not consider otherwise;

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii) Expected credit loss measurement (continued)

(2)(b) Credit-impaired financial assets

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.
- a loan that is overdue for 90 days or more is considered credit-impaired.

(3) Presentation of allowance for ECL in the statement of financial position

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

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

(4) Expected credit loss measurement

The key inputs into the measurement of ECL are the term structure of the following variables:
- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD.

Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next twelve months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by property, loan to value (LTV) ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii) Expected credit loss measurement (continued)

(4) Expected credit loss measurement (continued)

They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation.

EAD is computed as the sum of the amortized cost and accrued interest to reflect contractual cash flows.

Subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

The Group employs a simplified scorecard in estimating its forward-looking indicator factors. This model differentiates between sovereign, corporate and retail loan exposures. A minimum of three leading macroeconomic variables are used for each asset class. There were no other significant changes in estimation techniques or significant assumptions made during the reporting period.

(5) Incorporation of forward-looking information

The Group incorporates forward-looking information into the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of the expected credit losses (ECL).

The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument.

The impact of these economic variables on the PD, EAD and LGD has been determined by performing a trend analysis and comparing historical information with forecast macro-economic data to determine whether the indicator describes a very positive, positive, stable, negative or very negative trend and to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

The Group formulates three scenarios: a base case, which is the median scenario and assigned a 75% probability of occurring and two less likely scenarios; being best, assigned a rating of 10% and worst, assigned a rating of 15%. The base case is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by government bodies, monetary bodies and supranational organisations such as International Monetary Fund.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii) Expected credit loss measurement (continued)

(5) Incorporation of forward-looking information (continued)

The scenario weightings are determined by a combination of statistical analysis and expert credit judgement.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments, and using the scorecard approach has estimated relationships between macro-economic variables and credit risk and credit losses.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii.) Expected credit loss measurement (continued)

(5) Incorporation of forward-looking information (continued)

2024			
Measure	**Base Scenario**	**Upside Scenario**	**Downside Scenario**
Debt/GDP ratio	70% to 75% - Stable outlook	Less than 70% - Stable outlook	Greater than 75% - Stable outlook
GDP annual growth rate	2% to 4% - Positive outlook	Greater than 4% - Positive outlook	Less than 2% - Negative outlook
Inflation rate	4% to 6% - Positive outlook	Less than 4% - Positive outlook	Greater than 6% - Negative outlook
Current account/GDP ratio	2% to 6% - Positive outlook	Greater than 6% - Positive outlook	Less than 2% - Negative outlook
Net international Reserves	USD11B to USD13B - Stable outlook	Greater than USD13B - Positive outlook	Less than USD11B - Stable outlook
Interest rates	Increase - Negative outlook	Flat/Marginal Decrease - Stable outlook	Increase - Negative outlook
Unemployment rate	4% to 5% - Positive outlook	Less than 4% - Positive outlook	Greater than 5% - Negative outlook

2023			
Measure	**Base Scenario**	**Upside Scenario**	**Downside Scenario**
Debt/GDP ratio	70% to 75%- stable outlook	Less than 70%- stable outlook	Greater than 75%- negative outlook
GDP annual growth rate	2% to 4%- positive outlook	Greater than 4%- positive outlook	Less than 2%- negative outlook
Inflation rate	3.5% to 5%- positive outlook	Less than 3.5%- positive outlook	Greater than 5%- negative outlook
Current account/GDP ratio	2% to 6%- positive outlook	Greater than 6%- positive outlook	Less than 2%- negative outlook
Net international Reserves	$11 to $13 billion US dollars- stable outlook	Greater than $13 billion US dollars- stable outlook	Less than $11 billion US dollars- stable outlook
Interest rates	Increase- negative outlook	Remain flat to marginal decrease- stable outlook	Increase- negative outlook
Unemployment rate	7% to 9%-positive outlook	Less than 7%- positive outlook	Greater than 9%- negative outlook

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii.) Expected credit loss measurement (continued)

(5) Incorporation of forward-looking information (continued)

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the EL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs collateral values change are monitored and reviewed on a quarterly basis.

Geopolitical and economic conditions are reviewed periodically and updates are made to the forward-looking information are incorporated in the ECL models or management overlays are applied where necessary.

(6) Collateral held and other credit enhancements and their financial effects

Collateral

As part of Group's credit risk management strategy, the Company ensures sufficient collateral is taken regarding funds advanced to its clients. Policies and procedures are developed with the oversight of the respective Management and Board sub-committees as well as the Group Management Risk department. The policies and procedures covers the specific security and their valuation that are acceptable to JMMB as collateral.

The main collateral types are as follows: -
- Mortgages over residential and commercial property.
- Charges over business assets such as premises, inventory and accounts receivable
- Charges over debt instruments and equity instruments.

Valuation of collateral is reviewed and updated at each annual review date or when the credit risk of a loan deteriorates significantly. For each secured loan, the value of collateral is capped at the nominal amount of the loan that it is held against. Further, annual property inspections are performed by management on the corporate and commercial portfolio.

Repossessed collateral

JMMB enforces its power of sale agreements over various types of collateral (as noted above) as a consequence of failure by borrowers or counter-parties to honour their financial obligations to JMMB. Various methodologies are utilised to obtain the current value of the collateral as an input to the impairment measurement, and once repossessed, the collateral is liquidated in the shortest possible timeframe. The proceeds net of disposal cost are then applied to the outstanding debt.
No such repossessed collateral has been recognised in the statement of financial position for the year (2023: NIL).

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii.) Expected credit loss measurement (continued)

(6) Collateral held and other credit enhancements and their financial effects (continued)

The Group

	Gross Exposure	Impairment Allowance	Carrying Amount	Fair Value of Collateral
2024	**$'000**	**$'000**	**$'000**	**$'000**
Credit impaired assets				
Retail	24,606	18,490	6,116	10,290
Corporate/Commercial	80,021	52,025	27,997	74,295
Total credit impaired loans	104,627	70,515	34,113	84,585

The Company

	Gross Exposure	Impairment Allowance	Carrying Amount	Fair Value of Collateral
2024	**$'000**	**$'000**	**$'000**	**$'000**
Credit impaired assets				
Retail	18,191	12,075	6,116	10,290
Corporate/Commercial	80,021	52,025	27,997	74,295
Total credit impaired loans	98,212	64,100	34,113	84,585

Loan to Value (LTV)

The LTV is a ratio of the amount of the loan against the value of the collateral.
The following table shows the distribution of LTV ratios for the Group's mortgage credit-impaired portfolio:

Mortgage portfolio - LTV distribution	**Credit-impaired (Gross carrying amount)**	
	2024	**2023**
	$'000	**$'000**
Lower than 50%	8,471	16,504
50 to 60%	604	4,406
60 to 70%	4,315	3,898
70 to 80%	15,167	12,606
80 to 90%	2,814	12,144
90 to 100%	1,517	5,945
Higher than 100%	14,689	33,571
Total	47,577	89,074

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii.) Expected credit loss measurement (continued)

(6) Collateral held and other credit enhancements and their financial effects (continued)

Details of Collateral held

Collateral is not usually held against investment securities and no such collateral was held at March 2024 (March 2023: NIL).

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

The Group /Company

	Loans notes receivable	
	2024	**2023**
	$'000	**$'000**
Against Stage 3		
Property	47,577	89,074
Other	50,635	6,386
Against Stage 2		
Property	47,086	34,459
Other	171,209	118,378
Against Stage 1		
Property	242,960	235,811
Equities	43,627	43,452
Other	1,247,312	1,190,055
	1,850,406	1,717,615

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments, before collateral held or credit enhancements, for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk recognised on the statement of financial position.

Loans and Notes Receivable

The Group

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Standard monitoring	1,669,460	-	-	1,669,460
Special monitoring	-	126,176	-	126,176
Default	-	-	104,627	104,627
Gross carrying amount	1,669,460	126,176	104,627	1,900,263
Loss allowance	(17,577)	(46,764)	(70,516)	(134,857)
Carrying amount	1,651,883	79,412	34,111	1,765,406

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) Maximum exposure to credit risk (continued)

Loans and Notes Receivable (continued)

The Group

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Standard monitoring	1,486,645	-	-	1,486,645
Special monitoring	-	126,810	-	126,810
Default	-	-	99,945	99,945
Gross carrying amount	1,486,645	126,810	99,945	1,713,400
Loss allowance	(15,206)	(46,853)	(47,730)	(109,789)
Carrying amount	1,471,439	79,957	52,215	1,603,611

The Company

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Standard monitoring	1,412,321	-	-	1,412,321
Special Monitoring	-	120,193	-	120,193
Default	-	-	98,212	98,212
Gross carrying amount	1,412,321	120,193	98,212	1,630,726
Loss allowance	(12,994)	(45,316)	(64,100)	(122,410)
Carrying amount	1,399,327	74,877	34,112	1,508,316

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) Maximum exposure to credit risk (continued)

The Company

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Standard monitoring	1,281,046	-	-	1,281,046
Special Monitoring	-	121,811	-	121,811
Default	-	-	95,472	95,472
Gross carrying amount	1,281,046	121,811	95,472	1,498,329
Loss allowance	(11,522)	(44,843)	(43,257)	(99,622)
Carrying amount	1,269,524	76,968	52,215	1,398,707

Credit risk related to items not recognised on the Statement of Financial Position

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Acceptances, guarantees, Letters of credit	9,175	14,012	9,175	14,012
Undrawn credit commitments	25,748	45,255	25,748	45,255
- ECL	-	-	-	-
	34,923	59,267	34,923	59,267

The above credit exposures are classified at stage 1 requiring standard monitoring.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) Maximum exposure to credit risk (continued)

Investment Securities

The Group

	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Investment grade	428,181	-	-	428,181
Watch	408,089	-	-	408,089
Carrying amount	836,270	-	-	836,270

	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Investment grade	474,519	-	-	474,519
Watch	457,498	13,346	-	470,844
Carrying amount	932,017	13,346	-	945,363

The Company

	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Investment grade	428,182	-	-	428,182
Watch	407,886	-	-	407,886
Carrying amount	836,068	-	-	836,068

	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Investment grade	474,519	-	-	474,519
Watch	457,275	13,346	-	470,621
Carrying amount	931,794	13,346	-	945,140

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) Maximum exposure to credit risk (continued)

Investment Securities (continued)

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in Note 24(a.ii)(4) ‘Expected credit loss measurement’.

(a.iii)(1) Maximum exposure to credit risk - Financial instruments not subject to impairment

The following table contains an analysis of the maximum exposure from financial assets not subject to impairment under IFRS 9 (e.g. FVTPL):

2024	**Maximum exposure from financial assets**	
	The Group	**The Company**
	$’000	**$’000**
Financial assets at fair value through other comprehensive income (FVOCI)		
Equities	1,724	631

2023	**Maximum exposure from financial assets**	
	The Group	**The Company**
	$’000	**$’000**
Financial assets at fair value through other comprehensive income (FVOCI)		
Equities	633	633

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance

There were no purchased or originated credit-impaired financial assets during the year (2023: NIL). The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

The Group

Loans and Notes Receivable
Retail

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2023	9,401	6,174	9,597	25,172
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(1,463)	1,463	-	-
- Transfer from Stage 1 to Stage 3	(8,667)	-	8,667	-
- Transfer from Stage 2 to Stage 1	64	(64)	-	-
- Transfer from Stage 2 to Stage 3	-	(1,973)	1,973	-
- Transfer from Stage 3 to Stage 2	-	2	(2)	-
New financial assets originated or purchased	23,428	5,947	27,702*	57,077
Changes in PDs/LGDs/EADs	(8,288)	(446)	(11,505)	(20,239)
Financial assets derecognised during the period	(3,333)	(145)	(6,643)	(10,121)
Write-offs	-	-	(11,298)	(11,298)
Net profit or loss change during the period	1,741	4,784	8,894	15,419
Loss allowance at 31 March 2024	11,142	10,958	18,491	40,591

* All new financial assets that were originated or purchased during the current period were classified as stage 1 and may have subsequently moved to stage 2 or stage 3 during the current period.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2022	6,832	2,065	10,524	19,421
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(2,960)	2,960	-	-
- Transfer from Stage 1 to Stage 3	(3,887)	-	3,887	-
- Transfer from Stage 2 to Stage 1	37	(37)	-	-
- Transfer from Stage 2 to Stage 3	-	(509)	509	-
- Transfer from Stage 3 to Stage 2	-	1	(1)	-
New financial assets originated or purchased	6,365	730	2,317*	9,412
Changes in PDs/LGDs/EADs	5,776	1,064	10,734	17,574
Financial assets derecognised during the period	(2,762)	(100)	(6,936)	(9,798)
Write-offs	-	-	(11,437)	(11,437)
Net profit or loss change during the period	2,569	4,109	(927)	5,751
Loss allowance at 31 March 2023	9,401	6,174	9,597	25,172

* All new financial assets that were originated or purchased during the current period were classified as stage 1 and may have subsequently moved to stage 2 or stage 3 during the current period.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group/The Company

Loans and Notes Receivable Commercial/Corporate

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2023	5,805	40,681	38,131	84,617
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(9,734)	9,734	-	-
- Transfer from Stage 1 to Stage 3	(6,230)	-	6,230	-
- Transfer from Stage 2 to Stage 1	2	(2)	-	-
- Transfer from Stage 2 to Stage 3	-	(2,976)	2,976	-
- Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	34,038	20,827	38,181*	93,046
Changes in PDs/LGDs/EADs	(15,994)	(263)	(7,875)	(24,132)
Financial assets derecognised during the period	(1,452)	(32,195)	(15,952)	(49,599)
Write offs	-	-	(9,666)	(9,666)
Net profit or loss change during the period	630	(4,875)	13,894	9,649
Loss allowance at 31 March 2024	6,435	35,806	52,025	94,266

* All new financial assets that were originated or purchased during the current period were classified as stage 1 and may have subsequently moved to stage 2 or stage 3 during the current period.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group/The Company

Loans and Notes Receivable Commercial/Corporate

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2022	6,423	31,875	27,777	66,075
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(7,183)	7,183	-	-
- Transfer from Stage 1 to Stage 3	(326)	-	326	-
- Transfer from Stage 2 to Stage 1	242	(242)	-	-
- Transfer from Stage 2 to Stage 3	-	(1,436)	1,436	-
- Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or Purchased	1,950	30,860	1,660*	34,470
Changes in PDs/LGDs/EADs	5,797	(5,283)	9,261	9,775
Financial assets derecognised during the period	(1,098)	(22,276)	(2,329)	(25,703)
Net profit or loss change during the period	(618)	8,806	10,354	18,542
Loss allowance at 31 March 2023	5,805	40,681	38,131	84,617

* All new financial assets that were originated or purchased during the current period were classified as stage 1 and may have subsequently moved to stage 2 or stage 3 during the current period.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Loans and Notes Receivable
Retail

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2023	5,718	4,162	5,125	15,005
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(1,405)	1,405	-	-
- Transfer from Stage 1 to Stage 3	(5,040)	-	5,040	-
- Transfer from Stage 2 to Stage 1	60	(60)	-	-
- Transfer from Stage 2 to Stage 3	-	(1,419)	1,419	-
- Transfer from Stage 3 to Stage 2	-	1	(1)	-
New financial assets originated or purchased	13,099	5,864	8,063*	27,026
Changes in PDs/LGDs/EADs	(5,126)	(363)	(2,700)	(8,189)
Financial assets derecognised during the period	(747)	(80)	(2,583)	(3,410)
Write offs	-	-	(2,288)	(2,288)
Net profit or loss change during the period	841	5,348	6,950	13,139
Loss allowance at 31 March 2024	6,559	9,510	12,075	28,144

* All new financial assets that were originated or purchased during the current period were classified as stage 1 and may have subsequently moved to stage 2 or stage 3 during the current period.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Loans and Notes Receivable Retail

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2022	3,756	832	6,839	11,427
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(2,928)	2,928	-	-
- Transfer from Stage 1 to Stage 3	(1,949)	-	1,949	-
- Transfer from Stage 2 to Stage 1	35	(35)	-	-
- Transfer from Stage 2 to Stage 3	-	(6)	6	-
- Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	3,027	657	573*	4,257
Changes in PDs/LGDs/EADs	4,308	(176)	4,752	8,884
Financial assets derecognised during the period	(531)	(38)	(3,994)	(4,563)
Write offs	-	-	(5,000)	(5,000)
Net profit or loss change during the period	1,962	3,330	(1,714)	3,578
Loss allowance at 31 March 2023	5,718	4,162	5,125	15,005

* All new financial assets that were originated or purchased during the current period were classified as stage 1 and may have subsequently moved to stage 2 or stage 3 during the current period.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

Investment Securities

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2023	7799	10	-	7899
Movements with P&L impact				
Transfers:				
New financial assets originated or purchased	349	-	-	349
Financial assets derecognised during the period	(315)	(10)	-	(325)
FX and other changes in inputs used in ECL calculations	45	-	-	45
Net profit or loss change during the period	79	(10)	-	69
Loss allowance at 31 March 2024	858	-	-	858

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2022	911	24	-	935
Movements with P&L impact				
Transfers:				
New financial assets originated or purchased	451	-	-	451
Financial assets derecognised during the period	(561)	-	-	(561)
FX and other changes in inputs used in ECL calculations	(22)	(14)	-	(36)
Net profit or loss change during the period	(132)	(14)	-	(146)
Loss allowance at 31 March 2023	779	10	-	789

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Investment Securities

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2023	774	10	-	784
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2				
New financial assets originated or purchased	349	-	-	349
Financial assets derecognised during the period	(315)	(10)	-	(325)
FX and other changes in inputs used in ECL calculations	45	-	-	45
Net profit or loss change during the period	79	(10)	-	69
Loss allowance at 31 March 2024	853	-	-	853

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2022	906	24	-	930
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	-	-	-	-
New financial assets originated or purchased	451	-	-	451
Financial assets derecognised during the period	(561)	-	-	(561)
FX and other changes in inputs used in ECL calculations	(22)	(14)	-	(36)
Net profit or loss change during the period	(132)	(14)	-	(146)
Loss allowance at 31 March 2023	774	10	-	784

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The following tables further explain changes in the gross carrying amount of the loans and notes receivable and investment portfolios to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

The Group

Loans and Notes Receivable
Retail

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2023	801,168	26,054	22,175	849,397
Transfers:				
- Transfer from Stage 1 to Stage 2	(11,173)	11,173	-	-
- Transfer from Stage 1 to Stage 3	(9,672)	-	9,672	-
- Transfer from Stage 2 to Stage 1	7,559	(7,559)	-	-
- Transfer from Stage 2 to Stage 3	-	(3,628)	3,628	-
- Transfer from Stage 3 to Stage 2	-	103	(103)	-
New financial assets originated or purchased	525,028	16,560	22,530	564,118
Financial assets derecognised during the period other than write-offs & paydowns	(328,298)	(7,308)	(21,997)	(357,603)
Write offs	-	-	(11,298)	(11,298)
Gross carrying amount at 31 March 2024	984,612	35,395	24,607	1,044,614

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

Loans and Notes Receivable
Retail

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2022	530,879	17,914	21,449	570,242
Transfers:				
- Transfer from Stage 1 to Stage 2	(10,719)	10,719	-	-
- Transfer from Stage 1 to Stage 3	(6,934)	-	6,934	-
- Transfer from Stage 2 to Stage 1	3,560	(3,560)	-	-
- Transfer from Stage 2 to Stage 3	-	(582)	582	-
- Transfer from Stage 3 to Stage 2	-	90	(90)	-
New financial assets originated or purchased	468,473	9,244	9,162	486,879
Financial assets derecognised during the period other than write-offs & paydowns	(184,091)	(7,771)	(4,425)	(196,287)
Write offs	-	-	(11,437)	(11,437)
Gross carrying amount at 31 March 2023	801,168	26,054	22,175	849,397

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group/The Company

Commercial/Corporate

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2023	685,477	100,755	77,771	864,003
Transfers:				
- Transfer from Stage 1 to Stage 2	(13,241)	13,241	-	-
- Transfer from Stage 1 to Stage 3	(6,230)	-	6,230	-
- Transfer from Stage 2 to Stage 1	112	(112)	-	-
- Transfer from Stage 2 to Stage 3	-	(6,216)	6,216	-
New financial assets originated or purchased	301,675	69,153	15,970	386,798
Financial assets derecognised during the period other than write-offs & paydowns	(282,945)	(86,041)	(16,500)	(385,486)
Write offs	-	-	(9,666)	(9,666)
Gross carrying amount at 31 March 2024	684,848	90,780	80,021	855,649

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group/The Company

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2022	597,689	168,176	103,202	869,067
Transfers:				
- Transfer from Stage 1 to Stage 2	(12,275)	12,275	-	-
- Transfer from Stage 1 to Stage 3	(326)	-	326	-
- Transfer from Stage 2 to Stage 1	26,937	(26,937)	-	-
- Transfer from Stage 2 to Stage 3	-	(1,879)	1,879	-
New financial assets originated or purchased	339,030	81,063	8,363	428,456
Financial assets derecognised during the period other than write-offs & paydowns	(265,578)	(131,943)	(35,999)	(433,520)
Gross carrying amount at 31 March 2023	685,477	100,755	77,771	864,003

The Company

Retail

	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2023	595,569	21,056	17,701	634,326
Transfers:				
- Transfer from Stage 1 to Stage 2	(8,505)	8,505	-	-
- Transfer from Stage 1 to Stage 3	(6,045)	-	6,045	-
- Transfer from Stage 2 to Stage 1	7,177	(7,177)	-	-
- Transfer from Stage 2 to Stage 3	-	(3,074)	3,074	-
- Transfer from Stage 3 to Stage 2	-	17	(17)	-
New financial assets originated or purchased	304,483	13,776	3,358	321,617
Financial assets derecognised during the period other than write-offs & Paydowns	(165,206)	(3,690)	(9,682)	(178,578)
Write offs	-	-	(2,288)	(2,288)
Gross carrying amount at 31 March 2024	727,473	29,413	18,191	775,077

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Retail

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2022	378,178	13,274	17,761	409,213
Transfers:				
- Transfer from Stage 1 to Stage 2	(8,857)	8,857	-	-
- Transfer from Stage 1 to Stage 3	(4,996)	-	4,996	-
- Transfer from Stage 2 to Stage 1	3,372	(3,372)	-	-
- Transfer from Stage 2 to Stage 3	-	(79)	79	-
New financial assets originated or purchased	285,759	6,627	7,417	299,803
Financial assets derecognised during the period other than write-offs & Paydowns	(57,887)	(4,251)	(7,552)	(69,690)
Write offs	-	-	(5,000)	(5,000)
Gross carrying amount at 31 March 2023	595,569	21,056	17,701	634,326

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

Investment Securities

	2024				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased Credit Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at 1 April 2023	932,015	13,348	-	-	945,363
Transfers:					
- Transfer from Stage 1 to Stage 2					
New financial assets originated or purchased	627,884	-	-	-	627,884
Financial assets derecognised	(725,935)	(13,348)	-	-	(739,283)
FX and other changes in inputs used in ECL calculations	2,306	-	-	-	2,306
Carrying amount at 31 March 2024	836,270	-	-	-	836,270

	2023				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased Credit Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at 1 April 2022	902,919	13,687	-	-	916,606
Transfers:					
- Transfer from Stage 1 to Stage 2					
New financial assets originated or purchased	712,250	-	-	-	712,250
Financial assets derecognised	(750,448)	-	-	-	(750,448)
FX and other changes in inputs used in ECL calculations	67,294	(339)	-	-	66,955
Carrying amount at 31 March 2023	932,015	13,348	-	-	945,363

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Investment Securities

	2024				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased Credit Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at 1 April 2023	931,792	13,348			945,140
Transfers:					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	627,884	-	-	-	627,884
Financial assets derecognised	(725,934)	(13,348)	-	-	(739,282)
FX and other changes in inputs used in ECL calculations	2,326	-	-	-	2,326
Carrying amount at 31 March 2024	836,068	-	-	-	836,068

	2023				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased Credit Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at 1 April 2022	902,662	13,687	-	-	916,349
Transfers:					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	712,250	-	-	-	712,250
Financial assets derecognised	(750,448)	-	-	-	(750,448)
FX and other changes in inputs used in ECL calculations	67,328	(339)	-	-	66,989
Carrying amount at 31 March 2023	931,792	13,348	-	-	945,140

The total amount of undiscounted expected credit losses at initial recognition for purchased or originated credit-impaired financial assets recognised during the period was NIL (2023: Nil).

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.v) Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended March 31, 2024 was $20,964 (2023: $11,437). The Group still seeks to recover amounts it is legally owed, but which have been partially written off.

(a.vi) Concentration of credit risk

Concentration by location for loans and notes receivable is measured based on the location of the obligor. Concentration by location for investment securities is measured based on the location of the issuer of the security.

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

The Group

	Loans and Advances to Customers		Investment Securities	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Gross amount	1,900,263	1,713,400	860,702	968,406
Concentration by sector				
Corporate/commercial	855,649	864,003	181,765	216,370
Sovereign	-	-	661,232	727,740
Bank	-	-	15,981	23,663
Retail	1,044,614	849,397	-	-
Equities	-	-	1,724	633
	1,900,263	1,713,400	860,702	968,406
Concentration by location				
Trinidad	1,869,411	1,681,610	371,636	487,899
Regional	30,852	31,790	102,994	30,369
Other	-	-	386,072	450,138
	1,900,263	1,713,400	860,702	968,406

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.vi) Concentration of credit risk (continued)

The Company

	Loans and Advances to Customers		Investment Securities	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Gross amount	1,630,726	1,498,329	859,407	968,183
Concentration by sector				
Corporate/commercial	855,649	864,003	181,765	216,370
Sovereign	-	-	661,030	727,517
Bank	-	-	15,981	23,663
Retail	775,077	634,326	-	-
Equities	-	-	631	633
	1,630,726	1,498,329	859,407	968,183
Concentration by location				
Trinidad	1,599,874	1,466,539	370,543	487,899
Regional	30,852	31,790	102,791	30,146
Other	-	-	386,073	450,138
	1,630,726	1,498,329	859,407	968,183

24. Financial Risk Management (continued)

(b) Settlement risk

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

Settlement limits form part of the credit approval/limit monitoring process. Acceptance of settlement risk on trades requires transaction specific or counterparty specific assessments and limit determination with any additional positions over and above established limits requiring approval from the Risk Management Unit.

(c) Liquidity risk

Liquidity risk is the risk that the Group either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access these only at excessive cost.

Management of liquidity risk

The Group's approach to managing liquidity is primarily designed to ensure that it has sufficient funds to meet all of its obligations under regular and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group utilizes three primary sources of funds for liquidity purposes – retail funding, corporate and wholesale funding and debt issuances. A substantial portion of the Group is funded with 'core funding'. This represents a core base of retail and wholesale funds, which can be drawn on to meet ongoing liquidity needs. Facilities are also established with other financial institutions, which can provide additional liquidity as conditions demand. The Group's liquidity is also bolstered by a stock of unencumbered, high quality liquid assets, to withstand a range of stressed events.

As part of its sound and robust liquidity management framework, The Group's Senior Management and the Board of Directors ("the Board") have full oversight of strategies, policies and practices to manage liquidity risk in accordance with risk tolerance set and approved by the Board, with the ultimate objective of ensuring that the Group maintains sufficient liquidity. Accordingly, the Asset/Liability Committee ("ALCO") sets targets for liquidity gaps, allowable liquid assets and funding diversification in line with established risk tolerance and system liquidity trends. The Enterprise Risk Management Committee ("ERMC") has immediate oversight of the ALCO and investment policies with bi-monthly updates as part of the Group's governance process.

The Group's liquidity monitoring and reporting is supported by ongoing reporting and stress analysis which are reviewed by the independent risk management unit. Regular liquidity reporting is submitted monthly to ALCO which assesses the overall liquidity and financial position of the Group. Furthermore, reporting of the liquidity metrics inclusive of concentration, market, geopolitical and systemic risks are submitted to the Enterprise Risk Management Committee and reported to the Board.

The Group prepares a liquidity and contingency funding plan biennially which incorporates the economic and business conditions impacting the liquidity of the country. As part of the funding and liquidity plan, liquidity limits, liquidity ratios, market triggers and assumptions for periodic stress tests are established and approved. The plan also includes the strategies for addressing liquidity and funding challenges in stress scenarios, triggers, procedures, roles and responsibilities, communication plan and key contacts to manage a local liquidity event.

24. Financial Risk Management (continued)

***(c) Liquidity risk** (continued)*

Liquidity limits

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

Liquidity ratios

A series of standard liquidity ratios have been established to monitor the structural elements of the Group's liquidity. The key liquidity ratios include top five (5) large fund providers to total third party liabilities, liquid assets against liquidity gaps, core deposits to loans, and deposits to loans. Triggers for management discussion, which may result in other actions, have been established against these ratios. The Group also monitors other ratios and liquidity metrics as approved in its funding and liquidity plan.

Market triggers

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

Liquidity Stress Testing

The Group's liquidity stress testing process utilises assumptions about significant changes in key funding sources, adverse changes in political and macroeconomic conditions, market triggers (such as credit ratings) and outlines contingent uses of funding. These conditions include expected and stressed market conditions as well as entity-specific events. The assumptions used in the liquidity stress tests are reviewed and approved by the ALCO.

Liquidity stress tests are developed and performed to quantify the potential impact of an adverse liquidity event on the balance sheet and liquidity position and to ascertain potential mismatches between liquidity sources and uses over a variety of time horizons and over different stressed conditions. To monitor the liquidity of the Group, these stress tests and potential mismatches are calculated on an ongoing basis.

To mitigate against the impact of an adverse liquidity event, the Group maintains contingency funding plans. These plans specify a wide range of readily available actions for a variety of adverse market conditions or idiosyncratic stresses.

The Group continues to monitor the current global geopolitical events and the ongoing impact on market conditions with respect to asset and liability management. Against this backdrop, the Group continues to robustly manage our liquidity planning in keeping with our regulatory and internal obligations and have applied enhanced risk controls including stress testing, monitoring liquidity coverage and net stable funding ratios.

There was no change in the Group's approach to managing its liquidity risk during the year.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

(i) Maturity analysis for financial assets and liabilities

The table below summarises the residual contractual maturities of financial liabilities (including interest payments) based on their undiscounted cash flows, including interest payments, and their earliest possible contractual maturity at 31 March.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from contractual cash flows. The principal differences are as follows:

1. retail savings and demand deposits from customers are expected to remain stable or increase; and
2. unrecognized loan commitments are not all expected to be drawn down immediately.

2024
The Group

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Nominal Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	191,271	-	-	-	191,271	191,271
Balances with Central Bank	450,369	-	-	-	450,369	450,369
Interest receivable	-	7,340	-	-	7,340	7,340
Loans and notes receivable	154,626	270,021	773,747	801,741	2,000,135	1,758,790
Reverse repurchase agreement	10,081	-	-	-	10,081	10,000
Investment securities	474,341	70,424	255,515	87,183	887,463	860,702
Other receivables	-	15,437	-	-	15,437	15,437
Total financial Assets	1,280,688	363,222	1,029,262	888,924	3,562,096	3,293,909
Customer deposits	1,952,334	750,341	116,473	1,986	2,821,134	2,784,347
Subordinated debt	-	5,000	20,014	105,000	130,014	100,000
Lease liability	1,128	5,460	14,001	639	21,228	18,774
Interest payable	11,497	-	-	-	11,497	11,497
Accounts payable	133,017	-	-	-	133,107	133,017
Total financial liabilities	2,097,976	760,801	150,488	107,625	3,116,980	3,047,635
Bonds guarantees and letters of credit	8,743	368	64	-	9,175	9,175
Undrawn credit commitments	25,748	-	-	-	25,748	25,748
Total Credit Commitments	34,491	368	64	-	34,923	34,923

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

(i) Maturity analysis for financial assets and liabilities (continued)

2023
The Group

	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Nominal Cash Flow $'000	Carrying Amount $'000
Cash and cash equivalents	135,228	-	-	-	135,228	135,228
Balances with Central Bank	443,931	-	-	-	443,931	443,931
Interest receivable	-	18,103	-	-	18,103	18,103
Loans and notes receivable	108,264	1,131,965	376,592	167,811	1,784,632	1,597,412
Investment securities	629,818	91,952	143,200	121,572	986,542	968,406
Other receivables	-	10,402	-	-	10,402	10,402
Total financial assets	1,317,241	1,252,422	519,792	289,383	3,378,838	3,173,482
Customer deposits	1,796,003	906,984	38,878	1,255	2,743,120	2,716,967
Subordinated debt	-	2,521	20,014	110,000	132,535	100,000
Lease liability	1,602	4,314	17,208	4,987	28,111	23,221
Interest payable	9,389	-	-	-	9,389	9,389
Accounts payable	116,037	-	-	-	116,037	116,037
Total financial liabilities	1,923,031	913,819	76,100	116,242	3,029,192	2,965,614
Bonds guarantees and letters of credit	12,971	970	71	-	14,012	14,012
Undrawn credit commitments	45,255	-	-	-	45,255	45,255
Total Credit Commitments	58,226	970	71	-	59,267	59,267

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

(i) Maturity analysis for financial assets and liabilities (continued)

	2024 The Company					
	Within 3 Months $'000	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Nominal Cash Flow $'000**	**Carrying Amount $'000**
Cash and cash equivalents	186,404	-	-	-	186,404	186,404
Balances with Central Bank	433,391	-	-	-	433,391	433,391
Interest receivable	-	6,354	-	-	6,354	6,354
Loans and notes receivable	136,929	202,298	481,337	801,682	1,622,246	1,501,700
Reverse repurchase Agreement	10,081	-	-	-	10,081	10,000
Investment securities	474,300	69,294	255,188	86,980	885,762	859,407
Due from subsidiary	-	153,179	-	-	153,179	153,179
Other receivables	-	14,301	-	-	14,301	14,301
Total financial assets	1,241,105	445,426	736,525	888,662	3,311,718	3,164,736
Customer deposits	1,951,715	724,283	61,884	1,952	2,739,834	2,709,068
Subordinated debt	-	5,000	20,014	105,000	130,014	100,000
Lease liability	788	3,576	7,502	639	12,505	11,038
Interest payable	10,110	-	-	-	10,110	10,110
Accounts payable	122,830	-	-	-	122,830	122,830
Due to subsidiary	18,001	-	-	-	18,001	18,001
Total financial liabilities	2,103,444	732,859	89,400	107,591	3,033,294	2,971,047
Bonds guarantees and letters of credit	8,743	368	64	-	9,175	9,175
Undrawn credit commit-ments	25,748	-	-	-	25,748	25,748
Total Credit Commitments	34,491	368	64	-	34,923	34,923

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

(i) Maturity analysis for financial assets and liabilities (continued)

2023
The Company

	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Nominal Cash Flow $'000	Carrying Amount $'000
Cash and cash equivalents	132,058	-	-	-	132,058	132,058
Balances with Central Bank	426,953	-	-	-	426,953	426,953
Interest receivable	-	17,427	-	-	17,427	17,427
Loans and notes receivable	106,977	1,109,044	98,672	167,813	1,482,506	1,394,306
Investment securities	629,818	91,952	143,200	121,348	986,318	968,183
Due from subsidiary	-	114,336	-	-	114,336	114,336
Other receivables	-	8,957	-	-	8,957	8,957
Total financial assets	1,295,806	1,341,716	241,872	289,161	3,168,555	3,062,220
Customer deposits	1,795,385	832,028	38,878	1,255	2,667,546	2,643,720
Subordinated debt	-	2,521	20,014	110,000	132,535	100,000
Lease liability	1,157	3,367	13,418	4,547	22,489	18,372
Interest payable	8,147	-	-	-	8,147	8,147
Accounts payable	108,476	-	-	-	108,476	108,476
Due to subsidiary	12,376	-	-	-	12,376	12,376
Total financial liabilities	1,925,541	837,916	72,310	115,802	2,951,569	2,891,091
Bonds guarantees and letters of credit	12,971	970	71	-	14,012	14,012
Undrawn credit commit-ments	45,255	-	-	-	45,255	45,255
Total Credit Commitments	58,226	970	71	-	59,267	59,267

24. Financial Risk Management (continued)

(d) Market risks

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risks

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

The Enterprise Risk Management Committee (ERMC) reviews and approves the risk policies recommended by management and makes recommendation to the Board of Directors as appropriate. Overall management of market risk is vested in the Asset Liability Committee (ALCO). The Group's Risk Unit is responsible for the development of detailed risk management policies and for the day-to-day review of their implementation.

The current global geopolitical events have caused significant market volatility which has increased the Group's market risk. The downgrading of credit rating and/or outlook for investment securities has resulted in increased trading and liquidity risk.

Value at Risk (VaR)

The principal tool used to measure and control market risk exposures within the Group is Value at Risk (VaR). The VaR of a portfolio is the estimated loss that would arise on the portfolio over a specified period of time (the holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 99 percent confidence level and assumes a 10 day holding period. The VaR model used is based mainly on the Monte Carlo simulation model. Taking account of market data from the previous year and observed relationships between differences in market prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 10 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a reasonable assumption, but may not be the case in situations in which there is severe market illiquidity for a prolonged period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress; and
- The VaR Measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice-versa.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risks (continued)

Value at Risk (VaR) (continued)

The Group uses VaR limits for its overall portfolio and for sub-portfolios. The overall structure of VaR limits is subject to review and approval by the Group ERMC. VaR is measured at least once daily. Daily reports of utilisation of VaR limits are prepared by the Risk department and regular summaries submitted to the Group ERMC.

A summary of the VaR position of the Group's overall portfolio as at 31 March 2024 and during the year then ended is as follows:

	March 31	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2024 Overall VaR	4,908	7,490	12,532	4,057

	March 31	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2023 Overall VaR	6,653	6,067	6,869	4,824

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration of risks within the portfolio.

(i) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the operation to cash flow interest risk, whereas fixed interest rate instruments expose the operation to fair value interest risk. The primary form of interest rate risk encountered by the Group occurs due to the timing differences in the maturity (for fixed rate) and repricing (for floating rate) of bank assets, liabilities and off-balance positions.

In this regard, the Group has an effective risk management process that maintains interest rate risk within prudent levels which is essential to the safety and soundness of the Group. Interest rate risk is managed principally across four broad areas, these are repricing risk, yield curve risk, basis risk and optionality and the subsequent impact on earnings and economic value. The Group management of interest rate risk incorporates the following:

- Appropriate Board and senior management oversight;
- Adequate risk management policies and procedures;
- Appropriate risk measurement and monitoring systems; and
- Comprehensive internal controls and independent external audits

(Expressed in thousands of Trinidad and Tobago dollars)

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

(d) Market risks (continued)

(i) Interest rate risk (continued)

To this end, the Group has an ALCO which reviews on a monthly basis the non-credit and non-operational risk for each subsidiary, since asset and liability management is a vital part of the risk management framework. The mandate of the Committee is to assess and approve strategies for the management of the non-credit risks of the Group, including interest rate, foreign exchange, liquidity and market risks. The primary tools currently in use are gap analysis, interest rate sensitivity analysis and exposure limits for financial instruments. The limits are defined in terms of amount, term, issuer, depositor, country as well as interest rate gap buckets. Interest on financial instruments classified as floating is repriced at intervals of less than one year while interest on financial instruments classified as fixed is fixed until the maturity of the instrument. There were no changes in the Group's approach to managing its interest rate risk during the year.

Interest sensitivity of financial assets and financial liabilities

The following table summarises the carrying amounts of financial assets, financial liabilities and equity to arrive at the Group's and Company's interest rate gap based on the earlier of contractual repricing and maturity dates.

The negative gap within 3-month bucket is primarily as a result of the treatment of savings and demand deposits. This risk is significantly mitigated by the Group's historical high retention rates for these deposits. The Group also mitigates this risk by maintaining sufficient liquidity in the form of cash and other highly liquid assets to meet any runoff in these deposits.

The Group

	2024						
	Within 3 Months	**3 to 6 Months**	**6 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents	-	-	-	-	-	191,271	191,271
Balances with Central Bank	-	-	-	-	-	450,369	450,369
Interest receivable	-	-	-	-	-	7,340	7,340
Loans and notes receivable	95,593	57,594	1,001,741	320,392	283,470	-	1,758,790
Reverse repurchase agreement	10,000	-	-	-	-	-	10,000
Investment securities	471,477	44,817	23,254	232,879	86,552	1,723	860,702
Accounts receivable	-	-	-	-	-	15,437	15,437
Total financial assets	577,070	102,411	1,024,995	553,271	370,022	666,140	3,293,909

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (continued)

The Group (continued)

	2024						
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Over 5 Years	Non-interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities							
Customer deposits	1,949,519	327,595	400,647	104,752	1,834	-	2,784,347
Subordinated debt	-	-	-	-	100,000	-	100,000
Lease liability	1,404	1,424	2,778	12,652	516	-	18,774
Interest payable	-	-	-	-	-	11,497	11,497
Accounts payable	-	-	-	-	-	133,017	133,017
Total financial liabilities	1,950,923	329,019	403,425	117,404	102,350	144,514	3,047,635
Total Interest sensitivity Gap	(1,373,853)	(226,608)	621,570	435,867	267,672	521,626	246,274
Cumulative interest sensitvity gap	(1,373,853)	(1,600,461)	(978,891)	(543,024)	(275,352)	246,274	-

The Group

	2023						
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Over 5 Years	Non-interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	-	-	-	-	-	135,228	135,228
Balances with Central Bank	-	-	-	-	-	443,931	443,931
Interest receivable	-	-	-	-	-	18,103	18,103
Loans and notes receivable	105,657	124,900	929,047	269,997	167,811	-	1,597,412
Investment securities	626,015	70,143	20,163	130,514	120,938	633	968,406
Accounts receivable	-	-	-	-	-	10,402	10,402
Total financial assets	731,672	195,043	949,210	400,511	288,749	608,297	3,173,482
Financial liabilities							
Customer deposits	1,794,058	482,692	402,462	36,541	1,214	-	2,716,967
Subordinated debt	-	-	-	-	100,000	-	100,000
Lease liability	1,248	1,233	2,120	14,377	4,243	-	23,221
Interest payable	-	-	-	-	-	9,389	9,389
Accounts payable	-	-	-	-	-	116,037	116,037
Total financial liabilities	1,795,306	483,925	404,582	50,918	105,457	125,426	2,965,614
Total Interest sensitivity Gap	(1,063,634)	(288,882)	544,628	349,593	183,292	482,871	207,868
Cumulative interest sensitvity gap	(1,063,634)	(1,352,516)	(807,888)	(458,295)	(275,003)	207,868	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (continued)

The Company

	2024						
	Within 3 Months	**3 to 6 Months**	**6 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents	-	-	-	-	-	186,404	186,404
Balances with Central Bank	-	-	-	-	-	433,391	433,391
Interest receivable	-	-	-	-	-	6,354	6,354
Loans and notes receivable	95,163	56,352	994,107	75,486	280,592	-	1,501,700
Reverse repurchase Agreement	10,000	-	-	-	-	-	10,000
Investment securities	471,477	44,817	23,254	232,879	86,349	631	859,407
Accounts receivable	-	-	-	-	-	14,301	14,301
Due from subsidiary	-	-	-	-	-	153,179	153,179
Total financial assets	576,640	101,169	1,017,361	308,365	366,941	794,260	3,164,736
Financial liabilities							
Customer deposits	1,948,919	307,368	395,647	55,300	1,834	-	2,709,068
Subordinated debt	-	-	-	-	100,000	-	100,000
Lease liability	956	970	1,851	6,744	517	-	11,038
Interest payable	-	-	-	-	-	10,110	10,110
Accounts payable	-	-	-	-	-	122,830	122,830
Due to subsidiary	-	-	-	-	-	18,001	18,001
Total financial Liabilities	1,949,875	308,338	397,498	62,044	102,351	150,941	2,971,047
Total interest sensitivity gap	(1,373,235)	(207,169)	619,863	246,321	264,590	643,319	193,689
Cumulative interest sensitivity gap	(1,373,235)	(1,580,404)	(960,541)	(714,220)	(449,630)	193,689	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (continued)

The Company

	2023						
	Within 3 Months	**3 to 6 Months**	**6 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents	-	-	-	-	-	132,058	132,058
Balances with Central Bank	-	-	-	-	-	426,953	426,953
Interest receivable	-	-	-	-	-	17,427	17,427
Loans and notes receivable	104,894	124,038	922,674	74,887	167,813	-	1,394,306
Investment securities	626,015	70,143	20,163	130,514	120,715	633	968,183
Accounts receivable	-	-	-	-	-	8,957	8,957
Due from subsidiary	-	-	-	-	-	114,336	114,336
Total financial assets	730,909	194,181	942,837	205,401	288,528	700,364	3,062,220
Financial liabilities							
Customer deposits	1,793,458	453,046	359,462	36,541	1,213	-	2,643,720
Subordinated debt	-	-	-	-	100,000	-	100,000
Lease liability	872	886	1,705	11,092	3,817	-	18,372
Interest payable	-	-	-	-	-	8,147	8,147
Accounts payable	-	-	-	-	-	108,476	108,476
Due to subsidiary	-	-	-	-	-	12,376	12,376
Total financial Liabilities	1,794,330	453,932	361,167	47,633	105,030	128,999	2,891,091
Total interest sensitivity gap	(1,063,421)	(259,751)	581,670	157,768	183,498	571,365	171,129
Cumulative interest sensitivity gap	(1,063,421)	(1,323,172)	(741,502)	(583,734)	(400,236)	171,129	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (continued)

The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit or loss and stockholders' equity.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on floating rate financial assets and revaluing fixed rate financial assets at FVOCI for the effects of the assumed changes in interest rates. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

The Group 31 March 2024			The Group 31 March 2023		
Change in basis points	Effect on Net Profit	Effect on Equity	Change in basis points	Effect on Net Profit	Effect on Equity
	$'000	$'000		$'000	$'000
-100	(164)	13,218	-100	(178)	12,277
100	164	(14,724)	100	178	(14,444)
-50	(82)	6,043	-50	(89)	5,397
50	82	(7,929)	50	89	(7,987)

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risks (continued)

(ii) Other market risks – non-trading portfolios

Equity price risk is subject to regular monitoring by the Group Risk Unit, but is not currently significant in relation to the overall results and financial position of the Group.

(ii) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on transactions that it undertakes in foreign currencies that give rise to the net currency gains and losses recognised during the year. Such exposures comprise the assets and liabilities that are not denominated in the functional currency of the respective subsidiaries". The Group ensures that the risk is kept to an acceptable level by monitoring its value at risk exposure.

The techniques 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. Currency exposure resides mainly in trading activity where the Group buys and sells currencies in the spot markets. Foreign exchange trading positions are managed with the intent to buy and sell over short periods, rather than to hold positions. Explicit limits are established by currency, position and term, and daily reports are reviewed for compliance.

There was no change in the Group's approach to managing its foreign currency risk during the year.

At the reporting date, the Trinidad and Tobago dollar equivalents of net foreign currency assets were as follows:

	The Group		The Company		Exchange Rates	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000		
United States Dollars	309,923	299,835	267,990	300,054	6.74	6.75
Great Britain Pound	3,120	5,753	3,120	5,753	8.64	8.54
Euros	18,506	18,609	18,506	18,609	7.83	7.50
Canadian Dollars	(722)	(2,808)	(722)	(2,808)	5.11	5.10

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risks (continued)

(iii) Foreign currency risk (continued)

The following tables indicate the currencies to which the Group had significant exposure on their monetary assets and liabilities and estimated effect of changes in rates on profit for the year. The change in currency rates below represents management's assessment of a reasonably probable change in foreign exchange rates at the reporting date:

	The Group			
	2024		2023	
	Change in currency rate	Effect on Profit	Change in currency rate	Effect on Profit
	%	TT $'000	%	TT $'000
Currency				
BBD	6	1	6	1
CAD	6	(43)	6	(169)
EUR	6	1,110	6	1,117
GBP	6	187	6	345
USD	6	16,092	6	18,016
XCD	6	0	6	(1)
		17,347		19,309

The currency shock was determined at the Group level and applied at the subsidiary level across all operating jurisdictions.

(e) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The Group follows the three lines of defence governance model, encompassing the organizational roles and responsibilities for the management of operational risks.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

24. Financial Risk Management (continued)

(e) Operational risks (continued)

This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

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

Sound Operational Risk Management allows the Group to better understand and mitigate its risks. Operational Risk Management encompasses:

- Risk Identification and Assessment: The Group utilises key tools such as Risk and Control Self-Assessments (RCSA), Business Process Mapping, Scenario Analysis, Audit Reviews, Key Risk Indicators, Operational Loss Data and Analysis to identify and assess Operational Risks inherent in all material products, activities, processes, systems, third-party arrangements, as well as ongoing monitoring post-implementation of Operational Risk, to ensure that inherent risks and incentives are well understood. Additionally, these tools help risk owners understand and proactively manage operational risk exposures. Management uses outputs of these tools to make informed risk decisions.

  Control and mitigation: Another critical element to sound Operational Risk Management is the existence of a sound internal control system. Internal controls are embedded into JEF’s day-to-day business activities and are designed to ensure, to the extent possible, that the Group’s activities are efficient and effective; that information is reliable, timely and complete; and that the Group is compliant with applicable laws and regulations.

  Monitoring and Reporting: An effective monitoring process is essential for managing Operational Risk at it assists in early detection and correction of emerging Operational Risk issues. Additionally, appropriate reporting mechanisms are implemented at the Business Unit, Senior Management and Board levels to support proactive management of Operational Risk and to establish the overall operational risk profile of the Group. Any changes to the operational risk profile that are not aligned to our business strategy or operational risk appetite are identified and discussed at the Management and Board Committees.

  A significant component of operational risk that has become increasingly prevalent in the business environment and that affects the operations of the Group, is technology and information security risk.

24. Financial Risk Management (continued)

(e) Operational risks (continued

Cyber Risk and IT Governance Security

The Group acknowledges that the constantly evolving nature of technology and its importance in the conduct of financial transactions globally, have increased the risk of attacks on the networks and systems that support electronic and digital information and transactions flow. The impact of any such attack on the Group's technology and information systems includes, among others, unauthorised access to these systems, loss, misappropriation and destruction of data including that of customers and other stakeholders, critical system unavailability, increased costs of operations, potential fines and penalties for breaches of privacy laws, reputational damage and financial loss.

The Group has adopted a proactive, enterprise-wide approach and has implemented appropriate processes and controls across all its critical electronic interfaces and touch points to continuously monitor, manage and mitigate the impact of this risk on its networks, systems and other technology infrastructure in order to safeguard its information and other assets and by extension those of its customers and other stakeholders. Specifically, cybersecurity risk is managed and monitored using a separate risk dashboard and a cybersecurity response plan is in place to manage cyber-attacks. These controls are supported by ongoing updates to its technology infrastructure, system vulnerability assessments, training of its team members and sensitisation of customers and other stakeholders to any new and emerging threats.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit.

24. Financial Risk Management (continued)

(e) Operational risks (*continued*

Business continuity

The Group's Business Continuity Plan (BCP) encompasses a defined set of planning, preparatory and related activities which are intended to ensure that the critical business functions will either continue to operate despite serious incidents or disasters that might otherwise have interrupted its operations, or will be recovered to an operational state within a reasonably short period. The oversight of Business Continuity falls largely within the sphere of Risk Management.

The objectives of the Group's BCP are to:

1. Protect human life.
2. Identify processes critical to the operations of the Group and safeguard the Group's assets
3. Provide tested plans which, when executed, will permit timely and efficient recovery and resumption of the Group's critical business functions
4. Minimize the inconvenience and potential disruption of service to internal and external customers.
5. Describe the organizational structure necessary for executing the plan.
6. Identify the equipment, procedures and activities for recovery.
7. Ensure that the reputation and financial viability of the Group is maintained at all times.
8. Ensure compliance with regulatory requirements.

The BCP is focused on minimizing the down time and data loss within the thresholds identified by the Group. The plan is meant to minimize the loss to the Group and or negative impact to customer service as a result of serious incidents or disasters that may occur for some time.

Group standards are supported by periodic reviews undertaken by the Internal Audit department.

25. Capital Management

Regulatory capital

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

The Financial Institutions (Capital Adequacy) Regulations 2020 were promulgated effective 14 May 2020 and set out the industry's Basel II/III framework and regulatory limits as follows:

(i) Common equity Tier I capital ratio of at least 4.5%
(ii) Tier 1 capital ratio of at least 6%
(iii) Capital adequacy ratio of at least 10%
(iv) Each financial organization must document and implement an internal capital adequacy assessment process which must be approved by the Board of Directors

Based on the regulations, Tier I capital is comprised of:

- Common equity Tier I Capital includes inter alia fully paid issued ordinary share capital and surplus, statutory reserve fund, capital and general reserves (excluding those created for asset revaluation and losses on assets) and audited retained earnings
- Fully paid up non-cumulative preference shares and related surplus

The composition of Tier II capital includes inter alia:
(a) Perpetual cumulative preference shares where the issue has no right to defer or eliminate dividends
(b) Limited life preference shares not less than five years in original maturity
(c) Capital instruments which consist of both debt and equity and are permanent in nature
(d) Subordinated term debt with an original maturity of no less than five years
(e) Unaudited profits
(f) General reserves or provisions for losses on assets.

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

The Group have complied with all externally imposed capital requirements throughout the year. The Group's approach to capital management has been consistent with prior years.

(Expressed in thousands of Trinidad and Tobago dollars)

25. Capital Management (continued)

Regulatory capital (continued)

The regulatory capital position at March 31 was as follows:

	Regulatory Limit	The Group 2024 $'000	The Group 2023 $'000	The Company 2024 $'000	The Company 2023 $'000
Tier I capital		265,467	236,091	239,085	222,785
Tier II capital		153,882	144,578	133,570	127,823
Total regulatory capital		419,349	380,669	372,655	350,608
Risk-weighted assets:					
Loans and notes receivable, investment securities and other assets, being total risk-weighted assets		1,920,774	1,794,088	1,783,344	1,680,141
Operational risk capital requirement		302,263	248,183	238,807	200,024
Market risk capital requirement		512,314	530,973	511,841	530,475
		2,735,351	2,573,244	2,533,992	2,410,640
Common Equity Tier I Ratio	4.50%	9.71%	9.17%	9.44%	9.24%
Tier I Capital Ratio	6.00%	9.71%	9.17%	9.44%	9.24%
Capital Adequacy Ratio	10.00%	15.33%	14.79%	14.11%	13.92%

26. Fair Value of Financial Assets and Liabilities

The fair value of financial instruments are recognised on the statement of financial position and the fair value of financial instruments that are not recognised on the statement of financial position are based on the valuation methods and assumptions set out in the material accounting policies Note 29.

(a) Valuation models

The Group's accounting policies on measurement and disclosure require the measurement of fair values for financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the Group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the Group uses observable data as far as possible. Fair values are categorized into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

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

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

Level 3 refers to financial assets and financial liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(Expressed in thousands of Trinidad and Tobago dollars)

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

(b) Financial instruments measured at fair value – fair value hierarchy

The following table shows the classification of financial assets and financial liabilities and their carrying amounts. Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information (including amounts, and levels in the fair value hierarchy) are not disclosed.

The Group
31 March 2024

	Amortised Cost	Fair Value through Other Comprehensive Income (FVOCI)	Fair Value Through Profit or Loss (FVTPL)	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000		
Financial assets measured at fair value								
Government of Trinidad and Tobago securities	-	223,722	-	223,722	-	223,722	-	223,722
Other Sovereign	-	437,510	-	437,510	386,072	51,438	-	437,510
Corporate bonds	-	175,038	22,708	197,746	-	197,746	-	197,746
Quoted and unquoted equities	-	1,724	-	1,724	-	-	1,724	1,724
	-	837,994	22,708	860,702	386,072	472,906	1,724	860,702
Financial assets not measured at fair value								
Cash and cash equivalents	191,271	-	-	191,271				
Balances with Central Bank	450,369	-	-	450,369				
Interest receivable	7,340	-	-	7,340				
Loans and advances to customers	1,758,790	-	-	1,758,790				
Reverse repurchase agreement	10,000	-	-	10,000				
Accounts receivable	15,437	-	-	15,437				
	2,433,207	-	-	2,433,207				
Financial Liabilities not measured at fair value								
Customer deposits	2,784,347	-	-	2,784,347				
Subordinated debt	100,000	-	-	100,000				
Lease liability	18,774	-	-	18,774				
Interest payable	11,497	-	-	11,497				
Accounts payable	133,017	-	-	133,017				

(Expressed in thousands of Trinidad and Tobago dollars)

3,047,635	-	-	3,047,635

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

(b) Financial instruments measured at fair value – fair value hierarchy (continued)

The Group
31 March 2023

	Amortised Cost	Fair Value through Other Comprehensive Income (FVOCI)	Fair Value Through Profit or Loss (FVTPL)	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Government of Trinidad and Tobago securities		286,106	-	286,106	-	286,106	-	286,106
Other Sovereign		441,634	-	441,634	440,188	1,446	-	441,634
Corporate bonds		217,623	22,410	240,033	-	240,033	-	240,033
Quoted and unquoted equities		633		633	-	-	633	633
		945,996	22,410	968,406	440,188	527,585	633	968,406
Financial assets not measured at fair value								
Cash and cash equivalents	135,228	-	-	135,228				
Balances with Central Bank	443,931	-	-	443,931				
Interest receivable	18,103	-	-	18,103				
Loans and advances to customers	1,597,412	-	-	1,597,412				
Accounts receivable	10,402	-	-	10,402				
	2,205,101	-	-	2,205,076				
Financial Liabilities not measured at fair value								
Customer deposits	2,716,967	-	-	2,716,967				
Subordinated debt	100,000	-	-	100,000				
Lease liability	23,221	-	-	23,221				
Interest payable	9,389	-	-	9,389				
Accounts payable	116,037	-	-	116,037				
	2,965,614	-	-	2,965,614				

(Expressed in thousands of Trinidad and Tobago dollars)

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

(b) ***Financial instruments measured at fair value – fair value hierarchy*** (continued)

The Company
31 March 2024

	Amortised Cost	Fair Value through Other Comprehensive Income (FVOCI)	Fair Value Through Profit or Loss (FVTPL)	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Government of Trinidad and Tobago securities	-	223,722	-	223,722	-	223,722	-	223,722
Other Sovereign	-	437,308	-	437,308	386,072	51,236	-	437,308
Corporate bonds	-	175,038	22,708	197,746	-	197,746	-	197,746
Quoted and unquoted equities	-	631	-	631	-	-	631	631
	-	836,699	22,708	859,407	386,072	472,704	631	859,407
Financial assets not measured at fair value								
Cash and cash equivalents	186,404	-	-	186,404				
Balances with Central Bank	433,391	-	-	433,391				
Interest receivable	6,354	-	-	6,354				
Loans and advances to customers	1,501,700	-	-	1,501,700				
Reverse repurchase agreement	10,000	-	-	10,000				
Accounts receivable	14,301	-	-	14,301				
Due from subsidiary	153,179	-	-	153,179				
	2,305,329	-	-	2,305,329				
Financial Liabilities not measured at fair value								
Customer deposits	2,709,068	-	-	2,709,068				
Subordinated debt	100,000	-	-	100,000				
Lease liability	11,038	-	-	11,038				
Interest payable	10,110	-	-	10,110				
Due to subsidiary	18,001	-	-	18,001				
Accounts payable	122,830	-	-	122,830				
	2,971,047	-	-	2,971,047				

(Expressed in thousands of Trinidad and Tobago dollars)

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

(b) Financial instruments measured at fair value – fair value hierarchy (continued)

	The Company 31 March 2023							
	Amortised Cost	Fair Value through Other Comprehensive Income (FVOCI)	Fair Value Through Profit or Loss (FVTPL)	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Government of Trinidad and Tobago securities	-	286,106	-	286,106	-	286,106	-	286,106
Other Sovereign	-	441,411	-	441,411	440,188	1,223	-	441,411
Corporate bonds	-	217,623	22,410	240,033	-	240,033	-	240,033
Quoted and unquoted equities	-	633	-	633	-	-	633	633
	-	945,773	22,410	968,183	440,188	527,362	633	968,183
Financial assets not measured at fair value								
Cash and cash equivalents	132,058	-	-	132,058				
Balances with Central Bank	426,953	-	-	426,953				
Interest receivable	17,427	-	-	17,427				
Loans and advances to customers	1,394,306	-	-	1,394,306				
Accounts receivable	8,957	-	-	8,957				
Due from subsidiary	114,336	-	-	114,336				
	2,094,037	-	-	2,094,037				
Financial Liabilities not measured at fair value								
Customer deposits	2,643,720	-	-	2,643,720				
Subordinated debt	100,000	-	-	100,000				
Lease liability	18,372	-	-	18,372				
Interest payable	8,147	-	-	8,147				
Due to subsidiary	12,376	-	-	12,376				
Accounts payable	108,476	-	-	108,476				
	2,891,091	-	-	2,891,091				

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

(c) Financial instruments not measured at fair value

The following financial instruments are not measured at fair value. An assessment of fair value is disclosed below:

(1) Loans and advances

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

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

(2) Short-term financial assets and financial liabilities

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

(3) Lease liabilities

The fair value is approximate to the carrying value which is determined using the discounted cash flow analysis. The discount rate used to present value the cash flows is based on current market rates for the Group's debt instruments.

(4) Subordinated debt

The fair value approximates $102,550 (2023: $105,200) which is determined using the discounted cash flow analysis. The discount rate used to present value the cash flows is based on current market rates.

(Expressed in thousands of Trinidad and Tobago dollars)

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

(d) Level 3 fair value measurements

(i) Reconciliation

The following table presents the changes in Level 3 instruments for the year ended March 31, 2024.

	Equities $'000	Total $'000
The Group 2024		
Opening balance	633	633
Additions	1,093	1,093
Disposals	(2)	(2)
Total gains or losses:		
- in OCI	-	-
Closing balance	1,724	1,724
The Group 2023		
Opening balance	633	633
Additions	-	-
Disposals	-	-
Total gains or losses:		
- in OCI	-	-
Closing balance	633	633
The Company 2024		
Opening balance	633	633
Additions	-	-
Disposals	(2)	(2)
Total gains or losses:		
- in OCI	-	-
Closing balance	631	631
The Company 2023		
Opening balance	633	633
Additions	-	-
Disposals	-	-
Total gains or losses:		
- in OCI	-	-
Closing balance	633	633

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

(d) Level 3 fair value measurements (continued)

(ii) Unobservable inputs used in measuring fair value

The following table set out information about unobservable inputs used at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of Financial Instrument	Fair Values at March 31, 2024	Valuation Technique	Significant Unobservable Input	(1) Range	(2) Weighted Average
	$'000				
Equities	$1,724 (2023: $633)	Discounted Cashflow	Revenue Growth Cost of equity Volatility of earning	5% above and below	$1 per share

1) The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Company's Level 3 financial instruments as March 31, 2024. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments.

2) Weighted average has been calculated by weighting inputs by the relative fair value.

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

(e) Valuation techniques for investment securities classified as Level 2

The following methods and assumptions have been used to estimate fair values:

	Financial Instrument	Fair value estimation technique
(i)	Cash and cash equivalents, other receivables, accounts payable, and repurchase agreements	Considered to approximate their carrying values, due to their short-term nature and are classified as Level 1
(ii)	Quoted equities	Quoted market bid prices.
(iii)	Non-Trinidad and Tobago sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers
(iv)	Government of Trinidad and Tobago securities: • Eurobonds • Other	Estimated using bid-prices published by major overseas brokers. Estimated model valuation
(v)	Interest in money market funds	Considered to be the carrying value because of the short-term nature and variable interest rate.
(vi)	Loans and notes receivable	The fair value of the loan portfolio is considered to be the amortised cost in the absence of an active market
(vii)	Demand deposits and other accounts with no specific maturity	Considered to be the amount payable on demand on the reporting date.
(viii)	Deposits and other liabilities maturing after one year	Discounting future cash flows using reporting date yields of similar investments.

(Expressed in thousands of Trinidad and Tobago dollars)

27. Contingent Liabilities

As at 31 March, 2024, there were two legal proceeding outstanding against the Group. Based on legal advice, the directors do not expect the outcome of these actions to have material impact on the Group's financial position and as such no provisions were required (2023: NIL).

28. Credit Commitments

The commitments of a credit nature are as follows:

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Undrawn commitments for loans and advances	25,748	45,255	25,748	45,255
Loans and advances approved pending final documents	89,922	113,233	89,922	113,233

The Group/Company's assessment of the expected credit loss (ECL) for loans and advances includes commitments for such facilities. The Group/Company has assessed the ECL on these credit commitments as not material for both the current and prior financial years.

29. Material Accounting Policies

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

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

Management reviewed and assessed the accounting policies accordingly. The information disclosed in this Note 29 Material Accounting Policies (2023: Significant accounting policies) is in line with the amendments.

(a) Financial instruments

(i) The Group's financial instruments fall under the following categories:

(a) Loans and notes receivable

The Group's loans and notes receivable are debt instruments with fixed or determinable payments and that are managed mainly for the collection of the contractual cash flows that management has classified within a hold to collect business model and are measured at amortised cost under IFRS 9. The detailed classification and measurement criteria are noted below.

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(i) The Group's financial instruments fall under the following categories: (continued)

(b) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing transactions. These are classified within a hold to collect business model and are measured at amortised cost under IFRS 9. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the agreements using the effective yield method.

(c) Investment Securities

The Group's investment securities include both debt and equity instruments. These instruments are classified and measured according to the business model for managing each asset as well as based on the cashflow characteristics of each instrument as detailed below.

(d) Cash and cash equivalents

Cash and equivalents include notes and coins on hand, deposits 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 Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(e) Balances with Central Bank

In accordance with the Financial Institutions Act, 2008, the Group is required to hold and maintain, as a non-interest bearing deposit with the Central Bank of Trinidad and Tobago (CBTT), a cash reserve balance equivalent to 14% and 9% for the Bank and the subsidiary respectively of total prescribed liabilities in the primary reserve. The surplus deposits are held in the CBTT to facilitate interbank settlements, local investment trades and other local transactions.

(f) Customer deposits

Deposits from customers are the Group's main source of funding and fall under the categories of savings, demand or time deposits, and are measured at amortised cost according to the business model for managing these instruments.

(g) Debt securities in issue

The Group also uses debt securities as a source of funding. Debt securities in issue are initially measured at fair value, which equates to the agreed terms at the issue date minus incremental direct transaction costs and are subsequently measured at amortised cost using the effective interest rate method according to the business model for managing these instruments.

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(i) The Group's financial instruments fall under the following categories:

(h) Accounts payable

Accounts payable are recognised on trade date, that is, the date the transactions are contracted with counterparties and are measured at amortised cost.

(i) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance (calculated as described in Note 24(a.ii); and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

(k) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the separate statement of financial position when, and only when, JMMB has a current legally enforceable right to set off the amounts and it intends to either settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(ii) Measurement methods

Amortised cost and effective interest rate

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees that are integral to the effective interest rate, such as origination fees.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income calculated using effective interest method

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

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

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(ii) Measurement methods (continued)

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in Note 24(a)(ii), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets (i.e. Level 2 input) the difference is recognised as a gain or loss.

(iii) Financial assets

Classification and subsequent measurement

The Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

(i) the Group's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 24(a)(ii). Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Gains/loss on investment at FVTPL'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Debt instruments (continued)

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. An example is the liquidity portfolio of assets, which is held by the Group as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test').

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVTPL are included in the 'Net gain/loss from investment securities at fair value through profit or loss'.

Classification and subsequent measurement (continued)

Impairment

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loans, commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Note 24(a.ii) provides more detail of how the expected credit loss allowance is measured.

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group 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 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;
- Material change of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in;
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a ‘new’ asset at fair value and recalculates a 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. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. 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).

29. Material Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Modification of loans (continued)

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

(i) Financial liabilities

Classification and subsequent measurement

In both the current and prior period, financial liabilities of the Group are classified and subsequently measured at amortised cost.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

29. Material Accounting Policies (continued)

(b) Revenue recognition

Revenue is income that arises in the course of the ordinary activities of the Group, and is accounted for as follows:

(i) Interest income and expense

Interest income and expense are recognised on the accruals basis in profit or loss for all interest bearing instruments using the effective interest rate yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investment and trading securities as well as accrued discount and premium on treasury bills and other instruments. Interest income is reversed when loans are 90 days overdue and considered "default".

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Financial assets classified as 'default', are considered 'cured' once all outstanding amounts are cleared and normal payments are resumed for a reasonable time frame which is determined based on the exposure type (secured/unsecured) repayment history and continued ability to repay. Cure periods generally range from three to six months or up to one year for renegotiated loans.

In accordance with local regulations, during the cure period all payments towards the loans are taken to principal only. In the case of a renegotiated loan, at the end of the cure period, the loan is re-amortised to include the accrued interest and subsequently returned to stage 1. A re-amortised loan is amortised for the remaining tenor of the loan at the end of the cure period with the accrued interest being added onto the principal outstanding at that point.

(ii) Gains on securities trading, net

Gains on sale of debt securities classified as FVOCI (net of any losses incurred) are recognized in the profit or loss and other comprehensive income on trade date, after recycling from the investment revaluation reserve.

(iii) Fee and commission income

Unless included in the effective interest calculation in accordance with IFRS 9, the majority of the Group's fees are transactional in nature and are recognised on an accrual basis as the service is provided. Commissions and fees not integral to the effective interest arising from negotiating or participating in negotiation of a transaction for a third party are recognised on the completion of the underlying transaction.

29. Material Accounting Policies (continued)

(b) Revenue recognition *(continued)*

(iv) Net income from financial instruments at FVTPL

Net income from financial instruments at FVTPL represents both realised gains and losses on the sale these instruments as well as fair value changes in the subsequent measurement. These are recognised in the statement of profit or loss and other comprehensive income on trade date or valuation date as applicable.

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(v) Dividends

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for quoted equity securities. Dividends are reflected as a component of net trading income, net income on other financial instruments at fair value or other operating income based on the underlying classification of the equity instrument.

(v) Foreign exchange gains

Foreign exchange gains represent the gains recorded from trading in foreign currencies.

(c) Foreign currency

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in profit or loss (applicable for trading securities), or within other comprehensive income.

29. Material Accounting Policies (continued)

(d) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognised in profit or loss.

Property and equipment, are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Leasehold improvements	The shorter of the estimated useful life and the period of the lease
Computer equipment	20% - 25%
Furniture and Fixtures	10% - 20%

Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

(e) Provisions

Provisions are recognised when the Group 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.

(f) Statutory reserve fund

In accordance with the Financial Institutions Act, 2008, the Company and its subsidiary are required to transfer at the end of each financial year no less than 10% of their net income after tax to a statutory reserve fund until the amount standing to the credit of the statutory reserve fund is not less than their paid-up capital. This reserve is not available for distribution as dividend or for any other form of appropriation.

29. Material Accounting Policies (continued)

(g) Leases – where the Group is the lessee

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

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

29. Material Accounting Policies (continued)

(g) Leases – where the Group is the lessee (continued)

(i) As a lessee (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents right of use assets that do not meet the definition of investment property in 'property and equipment' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT and other office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

29. Material Accounting Policies (continued)

(h) Employee benefits

(i) Short-term

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

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

(ii) Post employment

The Group operates a two tiered defined contribution arrangement with Guardian Life of the Caribbean Limited, which is in compliance with the provisions of the Income Tax Act of Trinidad & Tobago section 134(6). Under the terms of employment, the Group is obligated to contribute on behalf of all eligible employees an amount of 10% of the employees' pensionable salary directly to the Company's plan. Under this plan contribution are issued in the name of each eligible employee but is separate from the 5% plan contributed to by the employee.

In addition, all eligible employees contribute an amount of 5% of their pensionable salary to individual annuities.

The Group's contribution expense to this Plan is charged to the profit or loss in the year to which they relate. For the current financial year, March 31, 2024, the Group's contributions amounted to $4,134 (2023: $3,726).

(i) Taxation

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

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (as for deferred tax).

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

29. Material Accounting Policies (continued)

(i) Taxation (continued)

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(j) Earnings per share

Earnings per share has been computed by dividing the net profit attributable to ordinary shareholders, by the weighted average number of ordinary shares in issue during the year.

(k) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Other assets and liabilities

Other assets and liabilities, not classified as financial instruments, are initially recognised and subsequently measured at amortised cost in the statement of financial position with relevant costs recognised in profit or loss.

(m) Acceptances, guarantees and letters of credit

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that occurs because a specified debtor failed to make payments in accordance with the terms of a debt instrument.

The Group's commitments under acceptances, guarantees and letters of credit have been excluded from these financial statements because they do not meet the criteria for recognition. These commitments as at March 31, 2024 totalled $9,175175 (2023: $14,012). In the event of a call on these commitments, the Group has equal and offsetting claims against its customers.

29. Material Accounting Policies (continued)

(n) **New and amended standards and interpretations that became effective during the year:**

The Group has assessed them and has adopted those which are relevant to its financial statements.

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

  The key amendments to IAS 1 include:

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

  The amendments are consistent with the refined definition of material:

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

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

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

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

  Developing an accounting estimate includes both:

  – selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
  – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

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

29. Material Accounting Policies (continued)

(n) **New and amended standards and interpretations that became effective during the year:.** (continued)

The Group has assessed them and has adopted those which are relevant to its financial statements (continued)

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

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

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

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

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

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

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

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

29. Material Accounting Policies (continued)

(o) New and amended standards and interpretations that are not yet effective: (continued)

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

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

- Amendments to IFRS 16 Leases will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and lease back transaction. The amendments introduce a new accounting model for variable payments and will require seller lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Bank does not expect the adoption of these new, revised and amended standards to have a significant impact on the financial statement.

(p) Comparative information

No changes in presentation have been made in these financial statements.

30. Events after the Reporting Period

There are no events occurring after the reporting date and before the date of approval of these financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements.

31. Ukraine Russia Tensions

The continuing Russia-Ukraine war has caused significant humanitarian crisis and disruptions to global economic sectors and commodity markets. While the Group has no direct exposure to the region, we remain vigilant due to the potential for indirect impacts, such as increased volatility in global financial markets and supply chain disruptions. We continue to monitor and execute our management strategies to mitigate these risks and ensuring our resilience in the face of this ongoing geopolitical instability.

32. Climate Related Risks

The JMMB Group is committed to addressing the impacts of climate change on our business and our clients. We recognize climate change as a significant emerging risk with both threats and opportunities. This disclosure outlines potential risks, categorized as physical and transition risks, that could disrupt our financial performance as well as opportunities related to a low-carbon, sustainable economy and our plans to develop a framework to address this emerging risk area.

Physical risks arise from climate-driven events such as floods, storms, rising sea levels that could damage our physical assets and those of our clients and changing weather patterns that could disrupt our operations.

Transition risks arise from the shift towards a low-carbon economy. These risks are varied and include changes in policy and regulations, technological advancements, and consumer preferences which can have financial and reputational impacts on our operations. These changes could affect the viability of certain sectors or businesses, collateral valuation, and ultimately, borrower creditworthiness. There are also the risks associated with shifts in supply and demand, changes in energy prices, changes in asset valuations or changing sentiment towards certain industries that could affect the financial performance of our clients and impact our own investment and credit portfolios.

The transition to a sustainable future presents various opportunities for JMMB Group such as the growing demand for green finance products, sustainability-linked loans, and client advisory services related to climate-related issues.

The Group ensures that there are mitigants in place for certain climate related events such as insurance for its physical assets as well as assets held as collateral for credit exposures. There is also a Business Continuity Plan (BCP) in place to ensure that the Group can operate in situations where climate related disruptions to business may occur. The Group also integrated an environmental and social risk management framework into our existing lending policies, guidelines and business practices to promote sustainability within our credit portfolios.

The Group acknowledges that we are in the early stages of building our expertise to develop a robust climate-related risk management framework and remain committed to further progress in developing a formal policy with clear methodologies to identify, quantify, and manage climate risks potentially impacting both JMMB Group and our clients. We will be working to progress this in the upcoming fiscal year.

GLOSSARY

IFRS	International Financial Reporting Standards	Standardized accounting standards across international boundaries.
IASB	International Accounting Standards Board	Independent account standard-setting body of the IFRS Foundation.
FVOCI	Fair value through other comprehensive income	Comprising items of income and expense that are not recognised in profit or loss.
FVTPL	Fair value through profit and loss	Comprising items of income and expense that are recognised in profit or loss.
ECL	Expected Credit Losses	Measurement of expected credit losses that result from default of financial assets e.g. loans and investments.
SICR	Significant increase in credit risk	Significant change in estimated default risk.
PD	Probability of default	The likelihood of failure by borrower to repay debt.
EAD	Exposure at default	The total value a bank is exposed to when a counterparty defaults.
IG	Investment grade	A level of credit rating for counterparties and issues regarded as carrying a minimal risk to investors.
LGD	Loss given default	The loss incurred by a financial institution when a borrower defaults on a loan.
VaR	Value at Risk	Tool used to measure and control market risk exposures within a firm, portfolio or position over a specified time.
Bp	Basis point	Used in expressing differences of interest rates.
BCP	Business continuity plan	Process involved in creating a system of prevention and recovery from potential threats to a company.
POCI	Purchased or originated credit-impaired	Assets that are credit impaired at initial recognition/purchase.
SPPI	Solely payments of principal and interest	Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent solely payments of principal and interest.
ROU	Right of Use Asset	The lessees right to use an asset over the life of a lease.
	Standard Monitoring	This classification applies to financial assets that are current and whose original source of repayment is adequate. It has adequate collateral support and does not carry more than a normal risk of loss.
	Watch listed	This classification applies to financial assets that are of acceptable quality. However, due to particular weaknesses, it requires more than usual management attention to prevent deterioration.
	Credit Grades	Credit grades refer to the credit quality of an issuer and/or a specific debt investment security. The JMMB Group categorizes credit grades as either 'investment grade', 'watch', 'speculative' or 'default'.

GLOSSARY (continued)

	Investment Grade	Investment grade refers to a credit grade. The JMMB Group considers a debt investment security to be 'investment grade' when its credit risk rating is 'BBB-' or better on JMMB Group's internal rating scale.
	Watch	Watch refers to a credit grade. The JMMB Group considers a debt investment security as 'watch' when its credit risk rating is 'B-' or better but worse than 'BBB-' on JMMB Group's internal rating scale.
	Speculative	Speculative refers to a credit grade. The JMMB Group considers a debt investment security as 'speculative' when its credit risk rating is 'C' or better but worse than 'B-' on JMMB Group's internal rating scale.
	Default	'Default' refers to a credit grade. The JMMB Group considers a debt investment security as 'Default' when its credit risk rating is 'D' or 'SD' on JMMB Group's internal rating scale.