JMMB Investments
(Trinidad and Tobago) Limited

Consolidated Financial Statements

As at and for the year ended 31 March 2022
(Expressed in Trinidad and Tobago dollars)

JMMB Investments (Trinidad and Tobago) Limited
Index
31 March 2022

Statement of Management's Responsibilities
JMMB Investments (Trinidad and Tobago) Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying separate and consolidated financial statements of JMMB Investment (Trinidad and Tobago) Limited (the Company) and its subsidiary (together defined as the Group), which comprise the separate and consolidated statements of financial position as at 31 March 2022, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

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

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

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

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

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

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

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

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

Tricia Kissoon
Chief Executive Officer

Naomi Arjoonsingh
Chief Financial Officer

Date: May 25, 2022

Date: May 25, 2022

KPMG
Chartered Accountants
Savannah East
11 Queen's Park East
P.O. Box 1328
Port of Spain
Trinidad and Tobago, W.I.

Tel: (868) 612-KPMG
Email: kpmg@kpmg.co.tt
Web: https://home.kpmg/tt

Independent Auditors' Report

To the Shareholders of JMMB Investments (Trinidad and Tobago) Limited

Opinion

We have audited the separate financial statements of JMMB Investments (Trinidad and Tobago) Limited (the Company) and the consolidated financial statements of the Company and its subsidiary (the Group), which comprise the Group's and the Company's statements of financial position as at March 31, 2022, the Group's and the Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial positions of the Group and the Company as at March 31, 2022, and of its consolidated and separate financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Separate and Consolidated 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.

Key Audit Matters

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

Key Audit Matters (continued)

Valuation of unquoted investment securities

Refer to Note 28 (a) “Significant Accounting Policies: Note 11 “Investment Securities” and Note 26 “Fair Value of Financial Instruments”.

Description of the key audit matter	**How the matter was addressed in our audit**
The Group’s investments measured at fair value amounted to $1,017 million for the Group and $982 million for the Company. Of these investments, $432 million was categorised as Level 2 for the Group and Company and $35 million was categorised as Level 3 for the Group and $28 million as Level 3 for the Company in the fair value hierarchy, as no quoted prices are available for these instruments. As a result of the COVID-19 pandemic, volatility in the financial markets and in interest rates has increased, there have been sharp declines in value, greater illiquidity of financial assets and higher credit risk for securities issuers, all of which has diminished the observability of the market data needed to measure these financial instruments, making their measurement more complex. In the absence of a quoted price in an active market, determining the fair value of financial instruments requires a complex estimate using valuation techniques that may take into consideration market data that are neither directly nor indirectly observable, or complex pricing models that require a high degree of subjectivity, which has in turn increased due to the situation arising from the COVID-19 pandemic. We have therefore considered the estimate of fair value using these.	Our audit procedures with regard to the fair value measurement of financial instruments focused on assessing the models and valuation methods used by the Group to estimate the fair value of complex financial instruments (those classified in level 2 or 3). To this end, we performed tests of controls and tests of detail on the Group’s decisions and estimates, with the involvement of our own financial instrument valuation specialists. Our procedures relating to the assessment of the design and operating effectiveness of the relevant controls associated with the process of measuring financial instruments focused on the following key areas: - Identification and approval of the risk management framework and controls relating to operations in the financial markets in which the Group operates. - Evaluation of the application of the Group’s accounting policies. - Examination of the key controls associated with the process of measuring financial instruments. - Analysis of the integrity, accuracy and updating of the data used and of the control and management process in place with regard to existing databases.

Key Audit Matters (continued)

Valuation of unquoted investment securities (continued)

Description of the key audit matter	How the matter was addressed in our audit
	Our procedures as regards the tests of detail performed were as follows: - We assessed the fair value of Level 2 and Level 3 financial instruments through the use of our own valuation specialist to independently test the valuation model and assess the appropriateness of the valuation by management, such as discount factors as well as utilized key underlying financial data inputs from external sources, as applicable - We selected a sample of complex financial instruments measured at fair value, for which we assessed the correctness of their classification, the appropriateness of the valuation criteria applied and the reasonableness of their valuation by contrasting this with a valuation performed independently by our specialists. - We evaluated the adjustments made by the Group to the parameters and data that have been affected by the impacts of COVID-19. No material exceptions were noted as part of our testing.

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

In preparing the consolidated and separate 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 or 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and 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 consolidated and separate 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.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 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 and separate 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.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Marissa Quashie.

KPMG

Chartered Accountants

Port of Spain
Trinidad, and Tobago
June 24, 2022

JMMB Investments (Trinidad and Tobago) Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 March 2022
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022	2021
		$'000	$'000
Net interest income			
Interest income calculated using the effective interest method	4	49,693	42,975
Interest expense	5	(29,344)	(26,336)
		20,349	16,639
Other revenue			
Gains on securities trading, (net) FVOCI		4,835	1,737
Net gain (loss) from financial instruments at fair value through profit or loss		5,050	(3)
Fees and commission income (net)		12,077	4,852
Foreign exchange (losses) gain		(1,272)	310
		20,690	6,896
Revenue net of interest expense		41,039	23,535
Other income			
Dividends		339	308
		41,378	23,843
Operating expenses			
Staff costs	6	(13,970)	(9,808)
Other expenses	7	(6,181)	(4,910)
		(20,151)	(14,718)
Profit before Impairment Losses and Taxation		21,227	9,125
Impairment losses on financial assets	8	(1,843)	(1,825)
Profit before Taxation		19,384	7,300
Taxation	9	(3,592)	(1,276)
Profit for the Year		15,792	6,024

The accompanying notes on pages 20 to 112 are an integral part of these financial statements

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022	2021
		$'000	**$'000**
Profit for the Year		15,792	6,024
Other Comprehensive (Loss) Income			
Items that are or may be reclassified subsequently to profit or loss			
Debt investments at FVOCI – reclassified to profit or loss		316	2,238
Related tax	15	(95)	(671)
		221	1,567
Change in fair value of debt instruments at FVOCI		(24,349)	69,791
Related tax	15	7,802	(20,412)
		(16,547)	49,379
Items that will not be reclassified subsequently to profit or loss			
Net (loss) gain on investments in equity instruments at FVOCI		(332)	176
Related tax	15	100	(53)
		(232)	123
Total Other Comprehensive (Loss) Income		(16,558)	51,069
Total Comprehensive (Loss) Income for the year		(766)	57,093

The accompanying notes on pages 20 to 112 are an integral part of these financial statements

JMMB Investments (Trinidad and Tobago) Limited
Consolidated Statement of Financial Position
31 March 2022
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022	2021
Assets		**$'000**	**$'000**
Cash and cash equivalents	10	155,490	161,218
Interest receivable		16,185	15,065
Accounts receivable		16,790	10,922
Taxation recoverable		70	70
Investment securities	11	1,016,888	912,347
Intangible assets	13	620	676
Property and equipment	14	1,364	1,773
Right of use asset	23	880	-
Deferred tax assets	15	8,208	4,467
Total Assets		1,216,495	1,106,538
Equity and Liabilities			
Equity			
Share capital	16	100,764	100,764
Investment revaluation reserve	16	1,020	17,578
Retained earnings		41,532	29,418
Total Equity		143,316	147,760
Liabilities			
Securities sold under agreements to repurchase	17	583,183	568,164
Secured notes payable	18	139,801	180,944
Other notes payable	19	208,310	108,031
Redeemable preference shares	20	33,772	33,802
Lease liability	23	884	-
Dividends payable		13,909	10,231
Interest payable		7,028	9,526
Accounts payable	21	80,791	36,514
Taxation payable		3,774	4,703
Deferred tax liabilities	15	1,727	6,863
Total Liabilities		1,073,179	958,778
Total Equity and Liabilities		1,216,495	1,106,538

Approved for issue by the Board of Directors on May 25, 2022 and signed on its behalf by:

Wayne Sutherland Director   **Kisha Anderson** Director

The accompanying notes on pages 20 to 112 are an integral part of these financial statements

(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital	Investment Revaluation Reserve	Retained Earnings	Total Equity
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April 2020	100,764	(33,491)	26,667	93,940
Profit for the year	-	-	6,024	6,024
Other comprehensive income, net of tax				
Net change in fair value of debt and equity instruments at FVOCI	-	49,502	-	49,502
Debt instruments at FVOCI – reclassified to profit or loss	-	1,567	-	1,567
Total comprehensive income for the year	-	51,069	6,024	57,093
Transactions with owners of the Company				
Dividends declared	-	-	(3,273)	(3,273)
Balance at 31 March 2021	100,764	17,578	29,418	147,760
Balance at 1 April 2021	100,764	17,578	29,418	147,760
Profit for the year	-	-	15,792	15,792
Other comprehensive income, net of tax				
Net change in fair value of debt and equity instruments at FVOCI	-	(16,779)	-	(16,779)
Debt instruments at FVOCI – reclassified to profit or loss	-	221	-	221
Total comprehensive (loss) income for the year	-	(16,558)	15,792	(766)
Transactions with owners of the Company				
Dividends declared	-	-	(3,678)	(3,678)
Balance at 31 March 2022	100,764	1,020	41,532	143,316

The accompanying notes on pages 20 to 112 are an integral part of these financial statements

JMMB Investments (Trinidad and Tobago) Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2022
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022	2021
		$'000	$'000
Cash Flows from Operating Activities			
Profit for the year		15,792	6,024
Adjustments for:			
Interest income	4	(49,693)	(42,975)
Interest expense	5	29,336	26,336
Taxation	9	3,592	1,276
Impairment losses on financial assets	8	1,843	1,825
Depreciation on property and equipment	14	500	830
Depreciation on right of use asset	23	24	-
Finance lease interest charge	23	8	-
Exchange loss (gain) on redeemable preference shares		30	151
Net gain (loss) from financial instruments at fair value through profit or loss		(5,050)	3
Amortisation of intangible assets	13	56	60
		(3,562)	(6,470)
Changes in operating assets and liabilities:			
Accounts receivable		(5,957)	(1,923)
Securities purchased on agreements to resell		-	9,832
Securities sold under agreements to repurchase		15,019	94,321
Accounts payable		44,277	(116)
		49,777	95,644
Interest received		48,573	41,666
Interest paid		(31,842)	(25,933)
Taxation paid		(2,373)	(380)
Net cash from operating activities		64,135	110,997
Cash Flows from Investing Activities			
Purchase of property and equipment	14	(91)	(293)
Purchase of investment securities		(210,848)	(187,497)
Proceeds from sale or maturity of investment securities		81,968	62,961
Net cash used in investing activities		(128,971)	(124,829)
Cash Flows from Financing Activities			
Repayment of secured notes payable	18	(172,567)	(123,938)
Proceeds from issuance of secured notes payable	18	131,424	115,813
Repayment of other notes payables	19	(108,031)	(40,381)
Proceeds from issuance of other notes payable	19	208,310	108,031
Payment of lease liabilities	23	(28)	-
Net cash flows from financing activities		59,108	59,525

JMMB Investments (Trinidad and Tobago) Limited

Consolidated Statement of Cash Flows (continued)

Year ended 31 March 2022
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022 $'000	2021 $'000
Net (decrease) increase in cash and cash equivalents		(5,728)	45,693
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		161,218	115,525
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	155,490	161,218

The accompanying notes on pages 20 to 112 are an integral part of these financial statements

JMMB Investments (Trinidad and Tobago) Limited

Separate Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2022
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022	2021
		$'000	**$'000**
Net interest income			
Interest income calculated using the effective interest method	4	50,158	42,876
Interest expense	5	(29,344)	(26,336)
		20,814	16,540
Other revenue			
Gain on securities trading, (net) FVOCI		4,835	1,737
Fees and commission income (net)		6,733	2,028
Foreign exchange (losses) gains		(212)	326
		11,356	4,091
Revenue net of interest expense		32,170	20,631
Operating expenses			
Staff costs	6	(12,208)	(9,105)
Other expenses	7	(4,268)	(3,102)
		(16,476)	(12,207)
Profit before Impairment Losses and Taxation		15,694	8,424
Impairment losses on financial assets	8	(1,661)	(1,735)
Profit before Taxation		14,033	6,689
Taxation	9	(3,643)	(1,251)
Profit for the Year		10,390	5,438

The accompanying notes on pages 20 to 112 are an integral part of these financial statements

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022	2021
		$'000	**$'000**
Profit for the Year		10,390	5,438
Other Comprehensive (Loss) Income			
Item that are or may be reclassified subsequently to profit or loss:			
Debt instruments at FVOCI – reclassified to profit or loss		316	2,238
Related tax	15	(95)	(671)
		221	1,567
Change in fair value of debt instruments at FVOCI		(24,349)	69,791
Related tax	15	7,802	(20,412)
		(16,547)	49,379
Total Other Comprehensive (Loss) Income		(16,326)	50,946
Total Comprehensive (Loss) Income for the year		(5,936)	56,384

The accompanying notes on pages 20 to 112 are an integral part of these financial statements

JMMB Investments (Trinidad and Tobago) Limited

Separate Statement of Financial Position

31 March 2022
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022 $'000	2021 $'000
Assets			
Cash and cash equivalents	10	105,713	139,170
Interest receivable		16,185	15,065
Accounts receivable		1,950	3,093
Taxation recoverable		70	70
Investment securities	11	982,260	901,378
Investment in subsidiary	12	5,364	5,364
Due from subsidiary	22	28,377	-
Property and equipment	14	1,327	1,773
Right of use asset	23	880	-
Deferred tax assets	15	4,757	1,147
Total Assets		1,146,883	1,067,060
Equity and Liabilities			
Equity			
Share capital	16	100,764	100,764
Investment revaluation reserve	16	(195)	16,131
Retained earnings		23,350	16,638
Total Equity		123,919	133,533
Liabilities			
Securities sold under agreements to repurchase	17	583,183	568,164
Secured notes payable	18	139,801	180,944
Other notes payable	19	208,310	108,031
Redeemable preference shares	20	33,772	33,802
Lease liability	23	884	-
Dividends payable	22	13,909	10,231
Interest payable		7,028	9,526
Accounts payable	21	32,303	13,089
Taxation payable		3,773	4,703
Deferred tax liabilities	15	1	5,037
Total Liabilities		1,022,964	933,527
Total Equity and Liabilities		1,146,883	1,067,060

Approved for issue by the Board of Directors on May 25, 2022 and signed on its behalf by:

Wayne Sutherland	**Director**	**Kisha Anderson**	**Director**

The accompanying notes on pages 20 to 112 are an integral part of these financial statements.

JMMB Investments (Trinidad and Tobago) Limited

Separate Statement of Changes in Equity

Year ended 31 March 2022
(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital	Investment Revaluation Reserve	Retained Earnings	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April 2020	100,764	(34,815)	14,473	80,422
Profit for the year	-	-	5,438	5,438
Other comprehensive income, net of tax				
Net change in fair value of debt and equity instruments at FVOCI	-	49,379	-	49,379
Debt securities at FVOCI – reclassified to profit or loss	-	1,567	-	1,567
Total comprehensive income for the year	- -	50,946	5,438	56,384
Transactions with owners of the Company				
Dividends declared	-	-	(3,273)	(3,273)
Balance at 31 March 2021	100,764	16,131	16,638	133,533
Balance at 1 April 2021	100,764	16,131	16,638	133,533
Profit for the year	-	-	10,390	10,390
Other comprehensive income, net of tax				
Net change in fair value of debt and equity instruments at FVOCI	-	(16,547)	-	(16,547)
Debt securities at FVOCI – reclassified to profit or loss	-	221	-	221
Total comprehensive (loss) income for the year	-	(16,326)	10,390	(5,936)
Transactions with owners of the Company				
Dividends declared	-	-	(3,678)	(3,678)
Balance at 31 March 2022	100,764	(195)	23,350	123,919

The accompanying notes on pages 20 to 112 are an integral part of these financial statements.

JMMB Investments (Trinidad and Tobago) Limited

Separate Statement of Cash Flows

Year ended 31 March 2022
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022	2021
		$'000	$'000
Cash Flows from Operating Activities			
Profit for the year		10,390	5,438
Adjustments for:			
Interest income	4	(50,158)	(42,876)
Interest expense	5	29,336	26,336
Taxation	9	3,643	1,251
Impairment losses on financial assets	8	1,661	1,735
Depreciation on property and equipment	14	490	830
Depreciation on right of use asset	23	24	-
Finance lease interest charge	23	8	-
Exchange loss (gain) redeemable preference shares		30	151
		(4,576)	(7,135)
Changes in operating assets and liabilities:			
Accounts receivable		1,143	4,673
Securities sold under agreements to repurchase		15,019	94,321
Securities purchased under agreements to resell		-	9,832
Accounts payable		19,214	(659)
Due from subsidiary		(28,377)	-
		2,423	101,032
Interest received		49,038	41,567
Interest paid		(31,842)	(25,933)
Taxation paid		(2,293)	(355)
Net cash from operating activities		17,326	116,311
Cash Flows from Investing Activities			
Purchase of property and equipment	14	(44)	(293)
Purchase of investment securities		(154,022)	(185,494)
Proceeds from sale or maturity of investment securities		44,175	62,961
Net cash used in investing activities		(109,891)	(122,826)

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2022	2021
		$'000	**$'000**
Cash Flows from Financing Activities			
Proceeds from issuance of secured notes payable	18	131,424	115,813
Repayment of secured notes payable	18	(172,567)	(123,938)
Proceeds from issuance of other notes payable	19	208,310	108,031
Repayment of other notes payable	19	(108,031)	(40,381)
Repayment of lease liability	23	(28)	-
Net cash from financing activities		59,108	59,525
Net (decrease) increase in cash and cash equivalents		(33,457)	53,010
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		139,170	86,160
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	105,713	139,170

The accompanying notes on pages 20 to 112 are an integral part of these financial statements.

1. General Information

JMMB Investments (Trinidad and Tobago) Limited ("the Company") is a limited liability company, incorporated and domiciled in Trinidad and Tobago, with registered office at #169 Tragarete Road, Port of Spain, Trinidad and Tobago. The Company was incorporated on October 19, 2011. The Company is a fully owned subsidiary of Jamaica Money Market Brokers (Trinidad and Tobago) Limited, a company licenced to carry on the business of a financial holding company pursuant to Section 70 of the Financial Institutions Act, 2008. The ultimate parent, JMMB Group Limited, is incorporated and domiciled in Jamaica. The registered office of the ultimate parent is located at 6 Haughton Terrace, Kingston 10, Jamaica.

The Company is a licensed securities dealer and its principal activities are dealing in securities and stock brokering. It has one subsidiary, as follows:

Name of Subsidiary	% Shareholding	Country of Incorporation	Principal Activities
JMMB Securities (Trinidad and Tobago) Limited	100	Trinidad and Tobago	Stock brokering

The consolidated financial statements comprise the Company and its wholly owned subsidiary (together referred to as the Group). References to the Group also include the Company unless stated otherwise.

2. Basis of Preparation

(a) Basis of accounting

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

Details of the Group's accounting policies are included in Notes 28.

(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.

(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.

2. Basis of Preparation (continued)

(c) Basis of preparation

These 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 operations ("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, and are expressed in thousands of dollars unless otherwise stated.

(e) Use of estimates and judgements

The preparation of the 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.

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 consolidated and separate 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 Judgements 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 consolidated and separate 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

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and fair value through other comprehensive income (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/issuers 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), 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:

- Determining criteria for significant increase in credit risk with qualitative factors incorporated for the economic impact of financial market uncertainty for example as experienced recently during the COVID 19 pandemic and Russia/Ukraine Crisis
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios with the increased uncertainty due to COVID-19 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 and financial liabilities. Accordingly, fair values of the financial assets are estimated using prices obtained from other sources. There is significant uncertainty inherent in this approach, particularly due to COVID-19 with the fair values estimated being categorised as Level 2 fair values, consequently, the estimates arrived at may be different from the actual price of the instrument in an actual arm's length transaction (see Notes 11 and 26).

(b) Critical accounting 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 consolidated and separate financial statements, prepared in accordance with IFRS, 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.

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

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

(i) Classification of financial assets

In classifying financial assets, management makes judgements about whether the criteria are met. For example, the determination of whether a financial asset may be classified FVTPL, FVOCI, or amortised cost. Also, whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy requires judgement as to whether a market is active.

(ii) Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(Expressed in thousands of Trinidad and Tobago dollars)

4. Interest Income Calculated Using the Effective Interest Method

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Interest income from investment securities at FVOCI	49,577	42,893	49,577	42,794
Other interest income	116	82	581	82
	49,693	42,975	50,158	42,876

5. Interest Expense

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Securities sold under agreements to repurchase	15,102	13,280	15,102	13,280
Preference shares	2,023	2,097	2,023	2,097
Secured notes	5,506	6,288	5,506	6,288
Other notes payable	6,705	4,671	6,705	4,671
Lease liability expense	8	-	8	-
	29,344	26,336	29,344	26,336

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

(Expressed in thousands of Trinidad and Tobago dollars)

6. Staff Costs

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Salaries and wages	12,124	7,571	10,492	6,923
Statutory payroll contributions	712	611	684	582
Pension scheme contributions	690	215	639	192
Training and development	74	29	74	30
Other staff benefits	370	1,382	319	1,378
	13,970	9,808	12,208	9,105

7. Other Expenses

		The Group		The Company	
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Bank charges		18	18	18	18
Depreciation on property and equipment	14	500	830	490	830
Depreciation on right of use asset	23	24	-	24	-
Amortisation	13	56	60	-	-
Legal and other professional fees		651	295	373	81
Auditors' remuneration		295	287	210	127
Stationery and printing		17	36	12	22
Utilities		181	175	90	87
Travel and entertainment		1	10	1	10
Equipment and motor vehicle rental		37	-	37	-
Information technology expenses		794	442	617	317
Repairs and maintenance		204	187	109	111
Directors' fees		448	458	448	458
Office rental		1,389	1,453	680	725
Security		64	100	34	52
Donations and subscriptions		23	46	15	19
Insurance		82	74	7	12
Advertising and promotion		248	205	185	146
Other		1,149	234	918	87
		6,181	4,910	4,268	3,102

(Expressed in thousands of Trinidad and Tobago dollars)

8. Impairment Losses on Financial Assets

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Net impairment losses:				
Impairment loss on investment securities	1,661	1,735	1,661	1,735
Impairment on receivables	182	90	-	-
	1,843	1,825	1,661	1,735

9. Taxation

Income tax is computed at 30% on the profit for the year adjusted for tax purpose. Business levy is calculated as 0.6% of gross revenue.

(i) Taxation charge

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current income tax:				
Business levy	266	380	186	355
Provision for charge on current year's profit	4,250	1,849	4,250	1,849
Change in estimates relating to prior years	146	-	146	-
Deferred income tax relating to the origination and reversal of temporary differences				
Current year (Note 15)	(1,070)	(953)	(939)	(953)
	3,592	1,276	3,643	1,251

(Expressed in thousands of Trinidad and Tobago dollars)

9. Taxation (continued)

(ii) Reconciliation of the effective tax rate

	The Group				The Company			
	2022		2021		2022		2021	
	%	$'000	%	$'000	%	$'000	%	$'000
Profit before taxation	100	19,384	100	7,300	100	14,033	100	6,689
Tax calculated at statutory rates	30	5,815	30%	2,190	30	4,210	30	2,007
Adjusted for the effects of:								
Income not subject to tax	(4)	(708)	(8)	(609)	(4)	(593)	(8)	(514)
Tax losses recognized	(8)	(1,571)	(2)	(138)	-	-	-	
Change in estimates relating to prior years	(2)	(361)	(5)	(352)	(2)	(281)	(5)	(352)
Business levy	-	80	-	25	-	-	-	-
Expenses not allowable	2	319	2	142	-	307	2	110
Other	-	18	-	18	-	-	-	-
	19	3,592	17	1,276	26	3,643	19	1,251

As at the reporting date tax losses, subject to agreement of the Board of Inland Revenue available for set off against future taxable profits, amounted to $11,047 (2021: $16,279) for the Group and NIL (2020: NIL) for the Company, all of which have been recognised as a deferred tax asset as at 31 March 2022. Note for 2021, $5,216 of these losses were not recognised as a deferred asset.

10. Cash and Cash Equivalents

	The Group		The Company	
	2022	2021	2022	2021
	$000	$'000	$'000	$'000
Balances held with related party	124,617	133,015	77,819	112,641
Balances held with other banks	30,873	28,203	27,894	26,529
	155,490	161,218	105,713	139,170

11. Investment Securities

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Investment securities at FVOCI				
Government of Trinidad and Tobago Securities	424,195	373,789	424,195	373,789
Other sovereign bonds	49,052	56,671	49,052	56,671
Corporate bonds	501,487	466,543	501,487	466,543
Quoted and unquoted equities	15,121	12,301	7,526	4,375
	989,855	909,304	982,260	901,378
Investment securities at FVTPL				
Equities	27,033	3,043	-	-
	1,016,888	912,347	982,260	901,378

Investment securities of $752,807 thousand (2021: $807,393) are pledged under the Group's sale and repurchase agreements (Note 17) and secured notes payable (Note 18).

The Group has designated its equity holding in the Trinidad and Tobago Stock Exchange valued $6,919 thousand (2021: $7,374) as well as other quoted shares valued $676 (2021: $552) as FVOCI as these are not intended for trading purposes. None of these assets were derecognized during the period (2021: NIL).

During the year dividends of $61 were recognized in the profit or loss (2021: $284).

11. Investment Securities (continued)

The maturity profile of investment securities from the reporting date is as follows:

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$000	**$'000**	**$'000**	**$'000**
Government of Trinidad and Tobago securities:				
Within 3 months	-	6,000	-	6,000
From 3 months to 1 year	14,424	6,028	14,424	6,028
From 1 year to 5 years	254,320	111,842	254,320	111,842
Over 5 years	155,451	249,919	155,451	249,919
	424,195	373,789	424,195	373,789
Other sovereign bonds:				
Within 3 months	-	-	-	
From 3 months to 1 year	-	-	-	
From 1 year to 5 years	6,768	7,538	6,768	7,538
Over 5 years	42,284	49,133	42,284	49,133
	49,052	56,671	49,052	56,671
Corporate bonds:				
Within 3 months	14,150	13,226	14,150	13,226
From 3 months to 1 year	27,268	2,774	27,268	2,774
From 1 year to 5 years	252,058	204,483	252,058	204,483
Over 5 years	208,011	246,060	208,011	246,060
	501,487	466,543	501,487	466,543
Equities				
No fixed maturities	42,154	15,344	7,526	4,375
	1,016,888	912,347	982,260	901,378
Summary				
Within 3 months	14,150	19,226	14,150	19,226
From 3 months to 1 year	41,692	8,802	41,692	8,802
From 1 year to 5 years	513,146	323,863	513,146	323,863
Over 5 years	405,746	545,112	405,746	545,112
No fixed maturities	42,154	15,344	7,526	4,375
	1,016,888	912,347	982,260	901,378

12. Interest in subsidiary

Interest in subsidiary comprises equity shares at cost.

(Expressed in thousands of Trinidad and Tobago dollars)

13. Intangible Assets

	The Group				
	Computer Software	Trade Mark	License	Customer List	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
31 March 2021 and 2022	4	12	620	483	1,119
Accumulated Amortisation					
1 April 2020	4	12	-	367	383
Charge for the year	-	-	-	60	60
31 March 2021	4	12	-	427	443
Charge for the year	-	-	-	56	56
31 March 2022	4	12	-	483	499
Net Book Value					
31 March 2022	-	-	620	-	620
31 March 2021	-	-	620	56	676

(Expressed in thousands of Trinidad and Tobago dollars)

14. Property and Equipment

	The Group			
	Leasehold Improvements	**Furniture & Fixtures**	**Computer Equipment**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Cost				
1 April 2020	2,360	1,988	881	5,229
Additions	106	48	139	293
31 March 2021	2,466	2,036	1,020	5,522
Additions	-	3	88	91
31 March 2022	2,466	2,039	1,108	5,613
Accumulated Depreciation				
1 April 2020	1,613	755	553	2,921
Charge for the year	426	267	137	830
Adjustments	1	2	(5)	(2)
31 March 2021	2,040	1,024	685	3,749
Charge for the year	114	259	127	500
31 March 2022	2,154	1,283	812	4,249
Net book Value				
31 March 2022	312	756	296	1,364
31 March 2021	426	1,012	335	1,773

(Expressed in thousands of Trinidad and Tobago dollars)

14. Property and Equipment (continued)

	The Company			
	Leasehold Improvements	**Furniture & Fixtures**	**Computer Equipment**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Cost				
1 April 2020	2,360	1,988	881	5,229
Additions	106	48	139	293
31 March 2021	2,466	2,036	1,020	5,522
Additions			44	44
31 March 2022	2,466	2,036	1,064	5,566
Accumulated Depreciation				
1 April 2020	1,613	755	553	2,921
Charge for the year	426	267	137	830
Adjustments	1	2	(5)	(2)
31 March 2021	2,040	1,024	685	3,749
Charge for the year	114	259	117	490
31 March 2022	2,154	1,283	802	4,239
Net Book Value				
31 March 2022	312	753	262	1,327
31 March 2021	426	1,012	335	1,773

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes

Deferred tax assets and liabilities recognised in the statement of financial position are as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Deferred tax assets		
Property and equipment	279	265
Tax losses	3,315	3,320
Impairment losses on financial	1,944	882
Investment securities	2,670	-
	8,208	4,467
Deferred tax liabilities		
Investment securities	(1,726)	(6,863)
Leases	(1)	-
	(1,727)	(6,863)
Net deferred tax asset (liability)	6,481	(2,396)

The movement in the deferred tax account is as follows:

	The Group			
		Recognised in		
	Balance at 1 April 2021	**Profit or Loss**	**Other Comprehensive Income**	**Balance at 31 March 2022**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets				
Property and equipment	265	14	-	279
Tax losses	3,320	(5)	-	3,315
Impairment losses on financial assets	882	1,062	-	1,944
Investment securities	-	-	2,670	2,670
	4,467	1,071	2,670	8,208
Deferred tax liabilities				
Investment securities	(6,863)	-	5,137	(1,726)
Leases	-	(1)	-	(1)
	(2,396)	1,070	7,807	6,481

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes (continued)

	The Group			
	Recognised in			
	Balance at 1 April 2020	Profit or Loss	Other Comprehensive Income	Balance at 31 March 2021
	$'000	$'000	$'000	$'000
Deferred tax assets				
Property and equipment	194	71	-	265
Tax losses	3,320	-	-	3,320
Impairment losses on financial assets	-	882	-	882
Investment securities	16,046	-	(16,046)	-
	19,560	953	(16,046)	4,467
Deferred tax liabilities				
Investment securities	(1,773)	-	(5,090)	(6,863)
	17,787	953	(21,136)	(2,396)

	The Company	
	2022	2021
	$'000	$'000
Deferred tax assets		
Property and equipment	277	265
Impairment losses on financial assets	1,810	882
Investment securities	2,670	-
	4,757	1,147
Deferred tax liabilities		
Investment securities	-	(5,037)
Leases	(1)	-
	(1)	(5,037)
Net deferred tax asset (liability)	4,756	(3,890)

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes (continued)

	The Company			
	Recognised in			
	Balance at 1 April 2021	Profit or Loss	Other Comprehensive Income	Balance at 31 March 2022
	$'000	$'000	$'000	$'000
Deferred tax assets				
Property and equipment	265	12	-	277
Impairment losses on financial assets	882	928	-	1,810
Leases				
Investment securities	-	-	2,670	2,670
	1,147	940	2,670	4,757
Deferred tax liabilities				
Investment securities	(5,037)	-	5,037	-
Leases	-	(1)	-	(1)
	(3,890)	939	7,707	4,756

	The Company			
	Recognised in			
	Balance at 1 April 2020	Profit or Loss	Other Comprehensive Income	Balance at 31 March 2021
Deferred tax assets				
Property and equipment	194	71	-	265
Impairment losses on financial assets	-	882	-	882
Investment securities	16,046	-	(16,046)	-
	16,240	953	(16,046)	1,147
Deferred tax liabilities				
Investment securities	-	-	(5,037)	(5,037)
	16,240	953	(21,083)	(3,890)

(Expressed in thousands of Trinidad and Tobago dollars)

16. Share Capital and Reserves

(i) Share capital

	2022 Number of shares	2021 Number of shares	2022 $'000	2021 $'000
Authorised:				
Ordinary shares	100,763,490	100,763,490	100,764	100,764
Issued and fully paid:				
Ordinary shares	100,763,490	100,763,490	100,764	100,764
Stated capital				
At beginning of year	100,763,490	100,763,490	100,764	100,764
Issued during the year	-	-	-	-
At end of year	100,763,490	100,763,490	100,764	100,764

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 Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of debt and equity securities measured at FVOCI until the assets are derecognised or reclassified. This amount is increased by the amount of the loss allowance on debt securities at FVOCI.

17. Securities Sold Under Agreements to Repurchase

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Denominated in Trinidad and Tobago dollars	379,867	377,636	379,867	377,636
Denominated in United States dollars	203,316	190,528	203,316	190,528
	583,183	568,164	583,183	568,164

Repurchase agreements are collateralized by certain securities and other instruments held by the Group and the Company with a carrying value of $599,963 (2021: $589,958) (Note 11).

(Expressed in thousands of Trinidad and Tobago dollars)

18. Secured Notes Payable

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
(i) Senior secured fixed rate TT$ notes	107,380	103,200	107,380	103,200
(ii) Senior secured fixed rate US$ notes	32,421	77,744	32,421	77,744
	139,801	180,944	139,801	180,944

Both the TT$ and US$ notes were refinanced during the financial year which created additional tranches (see Note (i) and (ii) below. These are secured by certain securities and other instruments held by the Group and the Company with a carrying value of $152,844 (2021: $217,435) (Note 11).

(i) This represents fixed rate TT$ debt issued in two tranches bearing interest from 3.00% to 3.75% per annum, payable on a semi-annual basis. The notes mature in November 2022 and November 2024 and are secured by investment securities (Note 11).

(ii) This represents fixed rate US$ debt issued in two tranches bearing interest from 3.15% to 3.65% per annum, payable on a semi-annual basis. The notes mature in November 2022 and November 2024 and are secured by investment securities (Note 11).

Reconciliation of movements of liabilities to cashflow arising from financing activities:

	2022	**2021**
	$'000	**$'000**
Balance at 1 April	180,944	189,069
Repayment of debt securities	(172,567)	(123,938)
Proceeds from issue of debt securities	131,424	115,813
Balance at 31 March	139,801	180,944

19. Other Notes Payable

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
(i) Due to related party	93,055	86,501	93,055	86,501
(ii) Unsecured fixed rate notes	115,255	21,530	115,255	21,530
	208,310	108,031	208,310	108,031

(Expressed in thousands of Trinidad and Tobago dollars)

19. Other Notes Payable (continued)

(i) These are unsecured promissory notes which bear interest ranging from 2.4% to 6.5%. There are no specific conditions or terms attached to these related party balances.

(ii) During the year the Company issued a series of TT$ and US$ unsecured debt bearing interest at 3.25% to 4.00% and maturing over the period 2022 to 2025.

Reconciliation of movements of liabilities to cashflow arising from financing activities:

	2022	2021
	$'000	$'000
Balance at 1 April 2021	108,031	40,381
Repayment of debt securities	(108,031)	(40,381)
Proceeds from issue of debt securities	208,310	108,031
Balance at 31 March 2022	208,310	108,031

20. Redeemable Preference Shares

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
JMMB Group Limited	33,772	33,802	33,772	33,802

On the 14 March 2015, the Company issued 5,000,000 6% fixed rate cumulative redeemable preference shares at a price of US$1.00. Dividends are paid quarterly, and shares are redeemable in full at maturity on 14 January 2024.

21. Accounts Payable

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade payables	31,111	16,733	-	-
Other payables	6,976	3,969	5,934	1,337
Related party balances	42,704	15,812	26,369	11,752
	80,791	36,514	32,303	13,089

22. 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 Group").

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

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

(2) has significant influence over the Group; or

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

(ii) An entity is related to the Group and 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

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

(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.

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

(b) Identity of related parties

Related parties include the Company's subsidiary, the Group's fellow subsidiaries and ultimate parent company, as well as their directors and executive management.

(Expressed in thousands of Trinidad and Tobago dollars)

22. Related Party Transactions and Balances (continued)

(c) The statement of financial position includes balances, arising in the normal course of business, with related parties, as follows:

	Note	The Group 2022	The Group 2021	The Company 2022	The Company 2021
		$'000	$'000	$'000	$'000
Due from related parties:					
Affiliated companies					
Accounts Receivable		2,428	787	-	-
Cash and cash equivalents	10	124,617	133,015	77,819	112,641
Subsidiary					
Accounts Receivable		-	-	273	256
Loan to subsidiary		-	-	28,377	-
		127,045	133,802	106,469	112,897
Due to related parties:					
Affiliated companies					
Accounts payable		42,704	15,812	25,231	11,752
Securities sold under agreements to repurchase	17	14,700	14,316	14,700	14,316
Other notes payable	19	18,812	17,896	18,812	17, 896
Guarantees and commitments		15,500	15,500	8,000	8,000
Ultimate parent company					
Redeemable preference shares	20	33,772	33,802	33,772	33,802
Other notes payable	19	74,243	68,605	74,243	68,605
Securities sold under agreements to repurchase		-	106	-	106
Dividends payable		13,909	10,231	13,909	10,231
Subsidiary					
Accounts payable		-	-	1,138	-
Directors and key management					
Securities sold under agreements to repurchase		263	266	263	266
		213,903	176,534	190,068	164,974

For related party transactions, general payables and receivables have no specific condition or terms attached to the transaction. With regard to loan to subsidiary and funding instruments, these are generally conducted at market rates on commercial terms and conditons.

(Expressed in thousands of Trinidad and Tobago dollars)

22. Related Party Transactions and Balances (continued)

(d) The statement of profit or loss includes amounts arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Interest Income	-	-	581	-
Interest expense	7,043	7,183	7,043	7,183

(e) 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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Directors fees	448	458	448	458
Short-term employee benefits	1,157	1,157	1,157	1,157
Post-employment benefits	116	116	116	116
	1,721	1,731	1,721	1,731

The Group has determined that there is no Expected Credit Loss (ECL) on related party balances as at 31 March 2022 (31 March 2021: NIL)

23. Leases

The Group leases properties for office space and other uses. These leases run for a period of 3 to 15 years. Certain leases have the 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 rental payments that are based on changes in local prices indices.

Due to termination options a portion of the Group's leases for office space are classified as short term leases and no right of use assets or lease liabilities has been recognized.

The Group leases IT and other office equipment with contract terms of one to three years. These leases are short- term and/or leases of low-value items. The Group has elected not to recognised right of use assets and lease liabilities for these leases as allowed by the standard.

(Expressed in thousands of Trinidad and Tobago dollars)

23. Leases *(continued)*

(i) Right of use asset

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

	The Group/Company Land and Building	
	2022	**2021**
	$'000	**$'000**
Balance at 1 April	-	-
Additions to right of use assets	904	-
Depreciation charge for the year	(24)	-
Balance at 31 March	880	-

(ii) Lease liability

	The Group/Company Land and Building	
	2022	**2021**
	$'000	**$'000**
Balance at 1 April	-	-
Additions to right of use liabilities	904	-
Interest expense	8	-
Lease payments	(28)	-
Balance at 31 March	884	-

(Expressed in thousands of Trinidad and Tobago dollars)

23. Leases *(continued)*

(ii) Lease liability (continued)

Lease liability maturity analysis

	The Group/Company	
	2022	**2021**
	$'000	**$'000**
Less than 1 year	174	-
Between 1 and 5 years	870	-
Over 5 years	-	-
Interest	(160)	-
	884	-
Less than 1 year	127	-
Between 1 and 5 years	757	-
Over 5 years	-	-
	884	-

(iii) Amounts recognised in profit or loss

	The Group	
	2022	**2021**
	$'000	**$'000**
Interest on lease liability	8	-
Expenses relating to short-term and low value lease	1,318	1,511
Lease payments	28	-
Contingent lease payments	1,044	-

	The Company	
	2022	**2021**
	$'000	**$'000**
Interest on lease liability	8	-
Expenses relating to short-term and low value lease	659	783
Lease payments	28	-
Contingent lease payments	1,044	-

(iv) Amounts recognised in statement of cashflows

	The Group/Company	
	2022	**2021**
	$'000	**$'000**

Total cash outflow for leases	28	-

24. Financial Risk Management

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 risk 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.

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 Market Risk Management, Audit and Compliance and Enterprise Risk Management. These Board sub committees currently employ an integrated Enterprise Risk Management Framework supported by several Management Committees in order to ensure the maximization of shareholders' value within the Group's risk appetite.

The Group's Asset and Liability Committee (ALCO) is responsible for the development and monitoring of the Group's risk management policies, which are approved by the Board of Directors. All Board committees have non-executive members and report regularly to the Board.

The Group's Risk Management policies, 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 Risk reports and 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 of Directors and Board Audit and Compliance Committee are responsible for monitoring compliance with the Group's Risk Management policies and procedures and for reviewing the adequacy of the Risk Management Framework in relation to the risks faced by the Group in keeping with the risk appetite. The Board Risk Committee of the ultimate parent regularly reviews and monitors compliance with the Group's risk management policies. 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 Committee. The Risk Management and Compliance Units ensure adherence to internal policies and procedures, and regulatory rules and guidelines.

24. Financial Risk Management (continued)

Impact of Covid-19

The Government of Trinidad and Tobago has lifted most Covid-19 pandemic related restrictions, following several months of gradual easing of restrictions both locally and internationally as the world prepares to return to a level of normalcy in spite of the continued presence of the virus. This has been made possible through the widespread use of vaccines as well as the presence of less severe strains of the virus which helps to develop herd immunity over time. While the virus is likely to be prevalent for the foreseeable future and further waves of infection are likely, the management through large scale lockdowns is a less likely outcome despite being used in some places like China. The accommodative stance taken by local regulators during the height of the pandemic has been reduced and removed in some cases with the large-scale accommodation arrangements that were offered by most financial institutions being reduced significantly.

The Group operates in multiple segments of the local financial sector that are susceptible to the impact of any resurgence in the Covid-19 pandemic. The Group continues to monitor its exposure to systemic risk and has continues to focus on active management of capital, liquidity and operational risks.

There is a framework in place to ensure that the Group is adequately capitalized through the Internal Capital Adequacy Assessment Process (ICAAP) and that there is sufficient liquid assets and ready access to financing to support business operations and growth. Furthermore, the Group has developed contingency plans to ensure that the impact of any unforeseen events is manageable and to facilitate timely responses. The Group maintains its Business Continuity Plan (BCP) to ensure that our clients, team members and other key stakeholders remain safe and that the Group is prepared for any eventuality.

Despite the gradual reduction of the impact of the pandemic and reopening of the economy, management has adopted several measures specifically around financial risk management. These measures include the following:

(i) Enhanced monitoring of market movements by the Risk Unit and the impact on the credit and investment portfolios and the resulting impact on capital and liquidity to support timely decision making.

(ii) Ensuring that the Group's recovery plan is kept up to date. The key aspects of the plan include:

- Measures to secure sufficient funding and adequate availability;
- Contingency arrangements that enable continuation of operations as recovery measures are being implemented;
- Actions that can be taken to strengthen the entity's capital base;
- A clear escalation and decision-making process to ensure that the plan can be executed in a timely manner; and
- Crisis Management and Communication plan to ensure that stakeholders (internal and external) are given timely and appropriate information during any recovery process.

(iii) Keeping close communication with our clients and supporting them through the use of payment accommodations where appropriate as well as restructuring options to provide more appropriate payment arrangements and modification of loan terms and conditions based on clients' specific situation. Other special arrangements with clients, such as amending their collateral/margin requirements on select products based on their needs continue to be utilized in some cases.

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. The Group is exposed to credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

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.

The Covid-19 pandemic has caused significant 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 the credit risk of debt securities and other financial assets.

Management of credit risk

The credit risks on key financial assets are managed as follows;

(i) Securities purchased under agreements to resell

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.

(ii) Cash and cash equivalents

A significant portion of the Group's cash and cash equivalents is held with related parties. Any other cash and cash equivalent balances are held in financial institutions which management regards as possessing acceptable credit quality and there is no significant concentration in any particular financial institution. The strength of these financial institutions is continually reviewed by Risk Management Committees.

(iii) Accounts receivable

Generally, equity transactions are settled within three business days after the trade date. However, in instances where this is not adhered to by clients, the Trinidad and Tobago Stock Exchange allows for liquidation of the equities by the broker in settlement of the outstanding amounts. In this regard, the Group analyses all outstanding amounts in comparison to the market value of equity securities in the particular client's portfolio. The client's payment history, relationship with the Company and the age of the balances are also factors considered in determining the expected credit loss. Full provision is made for any balance where there is potential loss.

24. Financial Risk Management (continued)

(a) Credit risk

Management of credit risk

(iv) Investment securities

For debt securities, 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 PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

(a.i) 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 27 (a.ii)(4) for more details.

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. 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 investing in liquid securities with counterparties that have high credit quality.

24. Financial Risk Management (continued)

(a) Credit risk

(a.ii) Expected credit loss measurement

The Group recognises loss allowances for ECL on financial assets that are debt instruments at FVOCI.

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 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).

- 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

(1) Significant increase in credit risk

Determining when credit risk as 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 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 during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

(2) 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 includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

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

(2) Definition of default (continued)

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.

(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;
- 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.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

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

(4) Computation of the expected credit loss

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. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. 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.

During the financial year ended March 2021, the Group clarified its definition of EAD. Specifically, EAD is no longer taken as the gross carrying amount at the time of default. Instead, EAD is computed as the sum of the amount invested, amortized amount 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 commitment or guarantee.

The Group employs a simplified scorecard in estimating its forward-looking indicator factors. This model differentiates between sovereign, corporate and retail exposures. A minimum of three leading macroeconomic variables are used for each asset class.

There were no significant changes in estimation techniques or significant assumptions made during the reporting period.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

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

(5) Incorporation of forward-looking information models

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 forecast published by government bodies, monetary bodies and supranational organisations such as International Monetary Fund. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement.

As with any economic forecasts, 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. The Group has assessed that the key drivers of its sovereign portfolio are debt to GDP ratio, current account to GDP ratio and net international reserves with weightings of 30%, 20% and 50% respectively. The drivers for the corporate portfolio are debt to GDP ratio, annual inflation rate and GDP annual growth rate with weightings of 10%, 30% and 60% respectively.

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 ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis

(Expressed in thousands of Trinidad and Tobago dollars)

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.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) 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):

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Financial assets designated at fair value through profit and loss (FVTPL):				
Equities	27,033	3,043	-	-
Financial assets at fair value through other comprehensive income (FVOCI)				
Equities	15,121	12,301	7,526	4,375
	42,154	15,344	7,526	4,375

(Expressed in thousands of Trinidad and Tobago dollars)

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

(a) **Credit risk** (continued)

(a.iii)(1) Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments 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 on these assets.

The Group and the Company

	2022			
	ECL Staging			
Investment Securities	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Credit grade				
Investment grade	57,670	-	-	57,670
Watch	804,828	112,234	-	917062
Default	-	-	2	2
Carrying amount	862,498	112,234	2	974,734

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) (1) Maximum exposure to credit risk (continued)

The Group and the Company

	2021			
	ECL Staging			
Investment Securities	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Credit grade				
Investment grade	106,868	-	-	106,868
Watch	705,760	83,246	-	793,381
Default	-	-	1,129	1,129
Carrying amount	812,628	83,246	1,129	897,003

The Group

Client Receivables

	2022			
	ECL Staging			
	Stage 1 12 month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Credit grade				
Standard monitoring	10,843	-	-	10,843
Watch listed	-	449	-	449
Gross carrying amount	10,843	449	-	11,292

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) (1) Maximum exposure to credit risk (continued)

The Group

	2021			
	ECL Staging			
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Credit grade				
Standard monitoring	5,988	-	-	5,988
Watch listed	-	267	-	267
Gross carrying amount	5,988	267	-	6,255

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) (1) Maximum exposure to credit risk (continued)

The Group has determined there is no expected credit loss on other financial assets, such as cash and cash equivalents, broker balances, sundry debtors and related party balances due to the short maturities and the financial strengths of the various entities as evidenced by the credit ratings and financial strength of the entities.

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) (2) Collateral and other credit enhancements

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral to secure exposure. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

Collateral held as security for financial assets depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period.

(a.iv) Loss allowance

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

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

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

The Group and the Company

	ECL Staging			
	2022			
Investment Securities	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2021	2,135	1,697	539	4,371
Movements with P&L impact				
- Transfer from Stage 1 to Stage 2	(286)	286	-	-
- Transfer from Stage 2 to Stage 1	40	(40)	-	-
New financials assets originated or purchased	257	-	-	257
Changes in PDs/LGDs/EADs				
Modification of contractual cashflows of financial assets	-	-	-	-
FX and other movements	(61)	2,055	(93)	1,901
Financial assets derecognized during the period	(40)	(12)	(445)	(497)
Total net profit or loss change during the period	(90)	2,289	(538)	1,661
Other changes not impacting profit or loss	-	3	-	3
Loss allowance at 31 March 2022	2,045	3,989	1	6,035

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management *(continued)*

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

	ECL Staging			
	2021			
Investment Securities	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2020	2,607	29	-	2,636
Movements with P&L impact				-
- Transfer from Stage 1 to Stage 2	(113)	113	-	-
- Transfer from Stage 1 to Stage 3	(5)	-	5	-
New financials assets originated or purchased	211	-	-	211
Changes in PDs/LGDs/EADs	-	-	-	-
Modification of contractual cashflows of financial assets	-	-	-	-
FX and other movements	(346)	1,555	534	1,743
Financial assets derecognized during the period	(219)	-	-	(219)
Total net profit or loss change during the period	(472)	1,668	539	1,735
Loss allowance at 31 March 2021	2,135	1,697	539	4,371

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

Client Receivables

	ECL Staging 2022			
	Stage 1 12 month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Loss allowance at 1 April 2021	-	267	-	267
Movements with P&L impact				
- Transfer from Stage 1 to Stage 2	-	-	-	-
- Transfer from Stage 1 to Stage 3	-	-	-	-
- Transfer from Stage 2 to Stage 1	-	-	-	-
- New financial assets recognized during year	-	182	-	182
Total net P&L charge during the period	-	182	-	182
Loss allowance at 31 March 2022	-	449	-	449

Client Receivables

	ECL Staging 2021			
	Stage 1 12 month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Loss allowance at 1 April 2020	-	177	-	177
Movements with P&L impact				
- Transfer from Stage 1 to Stage 2	-	-	-	-
- Transfer from Stage 1 to Stage 3	-	-	-	-
- Transfer from Stage 2 to Stage 1	-	-	-	-
- New financial assets recognized during year	-	90	-	90
Total net P&L charge during the period	-	90	-	90
Loss allowance at 31 March 2021	-	267	-	267

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The following table further explains changes in the gross carrying amount of the investment securities portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

The Group and the Company

	ECL Staging			
	2022			
Investment Securities	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April 2021	812,629	83,245	1,129	897,003
Movements with P&L impact				
- Transfer from Stage 1 to Stage 2	(45,465)	45,465	-	-
- Transfer from Stage 1 to Stage 3				
- Transfer from Stage 2 to Stage 1	354	(354)	-	-
New financial assets originated or purchased	150,597	-	-	150,597
Changes in PDs/LGDs/EADs	-	-	-	-
Modification of contractual cashflows of financial assets		-	-	-
FX and other movements	(24,600)	(14,480)	(224)	(39,304)
Financial assets derecognized during the period	(31,016)	(1,644)	(902)	(33,562)
Write offs	-	-	-	-
Balance at 31 March 2022	862,499	112,232	3	974,734

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group and the Company

Investment Securities	**ECL Staging 2021 Stage 1 $'000**	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Balance at 1 April 2020	703,646	1,522	-	705,168
Movements with P&L impact				
- Transfer from Stage 1 to Stage 2	(74,837)	74,837	-	-
- Transfer from Stage 1 to Stage 3	(766)	-	766	-
- Transfer from Stage 2 to Stage 3	191,413	-	-	191,413
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	-	-	-	
Modification of contractual cashflows				-
of financial assets	-	-	-	-
FX and other movements	39,626	6,886	363	46,875
Financial assets derecognized during the period	(46,453)	-	-	(46,453)
Write offs	-	-	-	-
Balance at 31 March 2021	812,629	83,245	1,129	897,003

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

Securities purchased under agreements to resell	**ECL Staging Hold to collect 2021**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	TT$'000	**TT$'000**	**TT$'000**	**TT$'000**
Balance at 1 April 2020	9,832	-	-	9,832
Financial Assets Derecognized	(9,832)	-	-	(9,832)
Balance at 31 March 2021	-	-	-	-

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.

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 31 March 2022 was $2 (2021: $1). The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

(a.vi) Concentration of credit risk

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:

(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 Group		The Company	
	Investment Securities		Investment Securities	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Concentration by sector:				
Corporate/commercial	541,636	479,134	509,013	468,165
Sovereign	473,247	430,460	473,247	430,460
Bank	2,005	2,753	-	2,753
	1,016,888	912,347	982,260	901,378
Concentration by location:				
Trinidad	863,300	754,492	831,584	743,739
Regional	143,887	156,523	143,098	156,307
Other	9,701	1,332	7,578	1,332
	1,016,888	912,347	982,260	901,378

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 approvals from the Risk Management Unit.

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and/or to replace funds when they are withdrawn or matured. Liquidity risk arises from the fluctuations in cash flows.

Management of liquidity risk

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

The daily liquidity position is monitored by the Trading/ Treasury Team and Risk Unit. Weekly reports cover the liquidity position of the Group based on upcoming obligations and projected cash flow gaps is prepared by the Risk Management Unit. A summary report is submitted regularly to the Asset and Liability Committee (ALCO) with any exceptions and remedial action taken, and also being submitted to the Board Risk Committee of the ultimate parent for review and monitoring.

The impact of Covid-19 and now more recently the Russia/Ukraine Crisis has resulted in unprecedented 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.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

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

The following table presents the contractual maturities of financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity.

The Group

	2022					
	Within 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Nominal Cash Flows**	**Carrying Amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Securities sold under agreements to repurchase	233,085	355,519	-	-	588,604	583,183
Dividends payable	13,909	-	-	-	13,909	13,909
Redeemable preference shares	-	-	34,211	-	34,211	33,772
Secured notes payable	-	94,402	45,906	-	140,308	139,801
Other notes payable	66,925	71,483	70,564	-	208,972	208,310
Lease liability	42	132	870	-	1,044	884
Interest payable	7,028	-	-	-	7,028	7,028
Accounts payable	80,791	-	-	-	80,791	80,791
	401,780	521,536	151,551	-	1,074,867	1,067,678

	2021					
	Within 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Nominal Cash Flows**	**Carrying Amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Securities sold under agreements to repurchase	225,523	348,185	-	-	573,708	568,164
Dividends payable	10,231	-	-	-	10,231	10,231
Redeemable preference shares	-	-	34,246	-	34,246	33,802
Secured notes payable		173,638	8,487	-	182,125	180,944
Other notes payable	88,793	21,595	-	-	110,388	108,031
Interest payable	9,526	-	-	-	9,526	9,526
Accounts payable	36,514	-	-	-	36,514	36,514
	370,587	543,418	42,733	-	956,738	947,212

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

The Company

	2022					
	Less than 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Nominal Cash Flows**	**Carrying Amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Securities sold under agreements to repurchase	233,085	355,519	-	-	588,604	583,183
Dividends payable	13,909	-	-	-	13,909	13,909
Redeemable preference shares	-	-	34,211	-	34,211	33,772
Secured notes payable	-	94,402	45,906	-	140,308	139,801
Other notes payable	66,925	71,483	70,564	-	208,972	208,310
Lease liability	42	132	870	-	1,044	884
Interest payable	7,028	-	-	-	7,028	7,028
Accounts payable	32,303	-	-	-	32,303	32,303
	353,292	521,536	151,551	-	1,026,379	1,019,190

	2021					
	Less than 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Nominal Cash Flows**	**Carrying Amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Securities sold under agreements to repurchase	225,523	348,185	-	-	573,708	568,164
Dividends payable	10,231	-	-	-	10,231	10,231
Redeemable preference shares	-	-	34,246	-	34,246	33,802
Secured notes payable	-	173,638	8,487	-	182,125	180,944
Other notes payable	88,793	21,595	-	-	110,388	108,031
Interest payable	9,526	-	-	-	9,526	9,526
Accounts payable	13,089	-	-	-	13,089	13,089
	347,162	543,418	42,733	-	933,313	923,787

24. Financial Risk Management (continued)

(d) Market risk

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.

The Board reviews and approves the risk policies recommended by management. 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 Covid-19 pandemic and more recently the Russia/Ukraine Crisis has caused significant market volatility which has increased the Group's market risk. The downgrading of credit ratings and/or outlooks for investment securities has resulted in increased trading and liquidity risk.

There has been no change to the management of market risk since during this year.

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 prices volatility declines and vice-versa.

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 Board. 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 Board.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

A summary of the VaR position of the Group's overall portfolio as at 31 March 2022 and during the year then ended is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	**$'000**	**$'000**	**$'000**
2022 Overall VaR	11,341	9,232	13,937	4,954
2021 Overall VaR	12,706	15,051	23,180	7,827

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) 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 primarily exposed to such risk arising from its United States dollar transactions and its United States denominated assets and liabilities

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

24. Financial Risk Management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

At the reporting date the Trinidad and Tobago dollar equivalents of net foreign currency assets/ (liabilities) were as follows:

	2022	2021
	$000	$000
Net position	216,688	184,769

Sensitivity to exchange rate movements

The following table indicates the currency to with the Group had significant exposure on its monetary assets and liabilities and the estimated effect of the changes in rate 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:

	2022	2021
Change US$ Currency Rate %	6%	6%

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

Pre-tax effect on profit $'000	1,925	1,640
Post-tax effect on profit $'000	1,347	1,148

(ii) 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.

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing gaps. The ALCO is the monitoring body for compliance with these limits and is assisted by the Risk Unit in its day-to-day monitoring activities.

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Group

	2022						
	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	155,490	-	-	-	-	-	155,490
Interest receivable	-	-	-	-	-	16,185	16,185
Investment securities	14,149	2,185	39,507	513,146	405,747	42,154	1,016,888
Accounts receivable	-	-	-	-	-	16,790	16,790
Total financial assets	169,639	2,185	39,507	513,146	405,747	75,129	1,205,353
Financial liabilities							
Securities sold under agreements to repurchase	231,080	122,702	229,401	-	-	-	583,183
Dividends payable	-	-	-	-	-	13,909	13,909
Interest payable	-	-	-	-	-	7,028	7,028
Redeemable preference shares	-	-	-	33,772	-	-	33,772
Secured notes payable	-	-	94,044	45,757	-	-	139,801
Other notes payable	66,714	26,341	45,000	70,255	-	-	208,310
Lease liability	-	-	-	-	-	884	884
Accounts payable	-	-	-	-	-	80,791	80,791
Total financial liabilities	297,794	149,043	368,445	149,784	-	102,612	1,067,678
Total interest sensitivity gap	(128,155)	(146,858)	(328,938)	363,362	405,747	(27,483)	137,675
Cumulative interest sensitivity gap	(128,155)	(275,013)	(603,951)	(240,589)	165,158	137,675	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Group

	2021						
	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	161,218	-	-	-	-	-	161,218
Interest receivable	-	-	-	-	-	15,065	15,065
Investment securities	19,226	8,802	-	323,863	545,112	15,344	912,347
Accounts receivable	-	-	-	-	-	10,922	10,922
Total financial assets	180,444	8,802	-	323,863	545,112	41,331	1,099,552
Financial liabilities							
Securities sold under agreements to repurchase	223,421	112,135	232,608	-	-	-	568,164
Dividends payable	-	-	-	-	-	10,231	10,231
Interest payable	-	-	-	-	-	9,526	9,526
Redeemable preference shares	-	-	-	33,802	-	-	33,802
Secured notes payable	-	-	172,564	8,380	-	-	180,944
Other notes payable	86,501	-	21,530	-	-	-	108,031
Accounts payable	-	-	-	-	-	36,514	36,514
Total financial liabilities	309,922	112,135	426,702	42,182	-	56,271	947,212
Total interest sensitivity gap	(129,478)	(103,333)	(426,702)	281,681	545,112	(14,940)	152,340
Cumulative interest sensitivity gap	(129,478)	(232,811)	(659,513)	(377,832)	167,280	152,340	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Company

	2022						
	Within 3 Months	**3 to 12 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	105,713	-	-	-	-	-	105,713
Interest receivable	-	-	-	-	-	16,185	16,185
Investment securities	14,149	2,185	39,507	513,146	405,747	7,526	982,260
Accounts receivable	-	-	-	-	-	1,950	1,950
Due from subsidiary	3,377	-	-	25,000	-	-	28,377
Total financial assets	123,239	2,185	39,507	538,146	405,747	25,661	1,134,485
Financial liabilities							
Securities sold under agreements to repurchase	231,080	122,702	229,401	-	-	-	583,183
Dividend payable	-	-	-	-	-	13,909	13,909
Interest payable	-	-	-	-	-	7,028	7,028
Redeemable preference shares	-	-	-	33,772	-	-	33,772
Secured notes payable	-	-	94,044	45,757	-	-	139,801
Other notes payable	66,714	26,341	45,000	70,255	-	-	208,310
Lease liability	-	-	-	-	-	884	884
Accounts payable	-	-	-	-	-	32,303	32,303
Total financial liabilities	297,794	149,043	368,445	149,784	-	54,124	1,019,190
Total interest sensitivity gap	(174,555)	(146,858)	(328,938)	388,362	405,747	(28,463)	115,295
Cumulative interest sensitivity gap	(174,555)	(321,413)	(650,351)	(261,989)	143,758	115,295	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Company

	2021						
	Within 3 Months	**3 to 12 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	139,170	-	-	-	-	-	139,170
Interest receivable	-	-	-	-	-	15,065	15,065
Investment securities	19,226	-	8,802	323,863	545,112	4,375	901,378
Accounts receivable	-	-	-	-	-	3,093	3,093
Total financial assets	158,396	-	8,802	323,863	545,112	22,533	1,058,706
Financial liabilities							
Securities sold under agreements to repurchase	223,421	112,135	232,608	-	-	-	568,164
Dividend payable	-	-	-	-	-	10,231	10,231
Interest payable	-	-	-	-	-	9,526	9,526
Redeemable preference shares	-	-	-	33,802	-	-	33,802
Other secured notes payable	-	-	172,564	8,380	-	-	180,944
Other notes payable	86,501	-	21,530	-	-	-	108,031
Accounts payable	-	-	-	-	-	13,089	13,089
Total financial liabilities	309,922	112,135	426,702	42,182	-	32,846	923,787
Total interest sensitivity gap	(151,526)	(112,135)	(417,900)	281,681	545,112	(10,313)	134,919
Cumulative interest sensitivity gap	(151,526)	(263,661)	(681,561)	(399,880)	145,232	134,919	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities

The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group 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 profit based on floating rate financial assets and revaluing fixed rate financial assets at fair value through other comprehensive income (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 a variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	The Group			
	Effect on Profit 2021	**Effect on Equity 2021**	**Effect on Profit 2020**	**Effect on Equity 2020**
	$'000	**$'000**	**$'000**	**$'000**
Change in basis points				
TT/USD				
-100/-100		47,237	-	43,094
+ 100/+100		(40,496)	-	(40,991)

Change in basis points TT/USD	**The Company**			
	Effect on Profit 2021	**Effect on Equity 2021**	**Effect on Profit 2020**	**Effect on Equity 2020**
	$'000	**$'000**	**$'000**	**$'000**
Change in basis points				
-100/-100		47,237	-	43,094
+ 100/+100		(40,496)	-	(40,991)

24. Financial Risk Management (continued)

(e) Operational risk

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.

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

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

(i) Cyber Risk and IT Governance Security

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

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 Trinidad and Tobago JMMB entities have 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. This is monitored via an IT risk dashboard risk and Cybersecurity Response Plan is in place to manage cyber-attacks. This is supported by ongoing updates to its technology infrastructure, system vulnerability assessments, training of IT team members and sensitisation of customers and other stakeholders to any new and emerging threats.

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

24. Financial Risk Management (continued)

(e) Operational risk (continued)

(i) **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 safe guard 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

The Group's lead regulator, the Trinidad and Tobago Securities Exchange Commission (TTSEC), monitors the capital requirements for the Group as a whole.

The objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To comply with the capital requirements set by the regulators of the financial markets where the entities within the Group operate;

(ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders;

(iii) To maintain a strong capital base to support the development of its business;

(iv) To positively impact the capital of its holding company and ultimate parent.

Capital adequacy and the use of regulatory capital are monitored monthly by the Group's management based on the guidelines developed by the Trinidad and Tobago Stock Exchange, the Trinidad and Tobago Central Depository and the Group's Risk Management Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

The regulated authorities require each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and

(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The Rules of the Trinidad and Tobago Securities Exchange Commission states that the minimum capital requirement is $15,000 for the Company and $6,000 for its subsidiary JMMB Securities (T&T) Limited. The actual capital at the reporting date was $100,764, for the Company and $12,909 for the subsidiary. The Company and the subsidiary were in compliance with requirements throughout the year.

26. Fair Value of Financial Instruments

The fair value of financial instruments that are recognised on the statement of financial position and the fair value of financial instruments that are not recognised on the statement of financial position are based on the valuation methods and assumptions set out in the significant accounting policies Note 28.

(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 on 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.

(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 are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts 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) is not disclosed.

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

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

The Group

	2022							
	Amortised Cost	Investments at FVOCI	Investments at 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	-	424,195	-	424,195	216,347	207,848	-	424,195
Other sovereign securities	-	49,052	-	49,052	49,052	-	-	49,052
Corporate bonds	-	501,487	-	501,487	256,531	224,119	20,837	501,487
Quoted and unquoted equities	-	15,121	27,033	42,154	27,710	-	14,444	42,154
	-	989,855	27,033	1,016,888	549,640	431,967	35,281	1,016,888
Financial assets not measured at fair value								
Cash and cash equivalents	155,490	-	-	155,490				
Interest receivable	16,185	-	-	16,185				
Accounts receivable	16,790	-	-	16,790				
	188,465	-	-	188,465				
Financial liabilities not measured at fair value								
Securities sold under agreements to repurchase	583,183	-	-	583,183				
Redeemable preference shares	33,772	-	-	33,772				
Secured notes payable	139,801	-	-	139,801				
Other notes payable	208,310	-	-	208,310				
Interest payable	7,028	-	-	7,028				
Lease liability	884	-	-	884				
Dividend payable	13,909			13,909				
Accounts payable	80,791	-	-	80,791				
	1,067,678	-	-	1,067,678				

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

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

The Group

	2021							
	Amortised Cost	Investments at FVOCI	Investments at 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	-	373,789	-	373,789	202,988	170,801	-	373,789
Other sovereign securities	-	56,671	-	56,671	56,671	-	-	56,671
Corporate bonds	-	466,543	-	466,543	245,914	220,629	-	466,543
Quoted and unquoted equities	-	12,301	3,043	15,344	3,595	-	11,749	15,344
	-	909,304	3,043	912,347	509,168	391,430	11,749	912,347
Financial assets not measured at fair value								
Cash and cash equivalents	161,218	-	-	161,218				
Interest receivable	15,065	-	-	15,065				
Accounts receivable	10,922	-	-	10,922				
	187,205	-	-	187,205				
Financial liabilities not measured at fair value								
Securities sold under agreements to repurchase	568,164	-	-	568,164				
Redeemable preference shares	33,802	-	-	33,802				
Secured notes payable	180,944	-	-	180,944				
Other notes payable	108,031	-	-	108,031				
Interest payable	9,526	-	-	9,526				
Lease liability	-			-				
Accounts payable	36,514	-	-	36,514				
Dividends payable	10,231	-	-	10,231				
	947,212	-	-	947,212				

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

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

The Company

	2022						
	Amortised Cost	**Investments at FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets measured as fair value							
Government of Trinidad and Tobago securities	-	424,195	424,195	216,347	207,848	-	424,195
Other sovereign bonds	-	49,052	49,052	49,052	-	-	49,052
Corporate bonds	-	501,487	501,487	256,531	224,119	20,837	501,487
Equities	-	7,526	7,526	-	-	7,526	7,526
	-	**982,260**	**982,260**	**521,930**	**431,967**	**28,363**	**982,260**
Financial assets not measured at fair value							
Cash and cash equivalents	105,713	-	105,713				
Interest receivable	16,185	-	16,185				
Due from subsidiary	28,377	-	28,377				
Accounts receivable	1,950	-	1,950				
	152,225	-	152,225				
Financial liabilities not measured at fair value							
Securities sold under agreements to repurchase	583,183	-	583,183				
Redeemable preference shares	33,772	-	33,772				
Notes payable	139,801	-	139,801				
Notes due to related party	208,310	-	208,310				
Interest payable	7,028	-	7,028				
Lease liability	884	-	884				
Accounts payable	32,303	-	32,303				
Dividends payable	13.909	-	13,909				
	1,019,190	-	1,019,190				

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

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

The Company

	2021						
	Amortised Cost	**Investments at FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets measured as fair value							
Government of Trinidad and Tobago securities	-	373,789	373,789	202,989	170,800	-	373,789
Other sovereign bonds	-	56,671	56,671	56,671	-	-	56,671
Corporate bonds	-	466,543	466,543	245,913	220,630	-	466,543
Equities	-	4,375	4,375	-	-	4,375	4,375
	-	**901,378**	**901,378**	**505,573**	**391,430**	**4,375**	**901,378**
Financial assets not measured at fair value							
Cash and cash equivalents	139,170	-	139,170				
Interest receivable	15,065	-	15,065				
Accounts receivable	3,093	-	3,093				
	157,328	-	157,328				
Financial liabilities not measured at fair value							
Securities sold under agreements to repurchase	568,164	-	568,164				
Redeemable preference shares	33,802	-	33,802				
Notes payable	180,944	-	180,944				
Notes due to related party	108,031	-	108,031				
Interest payable	9,526	-	9,526				
Lease liability	-		-				
Accounts payable	13,089	-	13,089				
Dividends payable	10,231		10,231				
	923,787	-	923,787				

26. Fair Value of Financial Instruments (continued)

Financial instruments not measured at fair value

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

(1) Short-term financial assets and financial liabilities

The carrying amount of short term financial assets and financial liabilities comprising cash and cash equivalents, 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.

(2) 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.

(3) Debt instruments

The fair value of debt instruments including securities sold under agreements to repurchase, notes payable and preference shares 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.

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

The following table shows the valuation techniques used in measuring the fair value of financial assets including the methods and assumptions that have been used to estimate fair values:

	Financial Instrument	Fair value estimation technique
(i)	Non-Trinidad and Tobago sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers
(ii)	Government of Trinidad and Tobago securities	Estimated using bid-prices published by major overseas brokers.

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(d) Level 3 fair value measurements

(i) Reconciliation

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

	Equities $'000	Corporate $'000	Total $'000
The Group 2022			
Opening balance	11,749	-	11,749
Additions	7,526	20,837	28,363
Disposals	(4,375)	-	(4,375)
Total gains or losses:			
- in OCI	(456)	-	(456)
Closing balance	14,444	20,837	35,281
The Group 2021			
Opening balance	10,523	20,879	31,402
Additions	1,226	-	1,226
Disposals	-	(20,879)	(20,879)
Total gains or losses:			
- in OCI	-	-	-
Closing balance	11,749	-	11,749

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(d) Level 3 fair value measurements (continued)

(i) *Reconciliation* (continued)

	Equities $'000	Corporate $'000	Total $'000
The Company 2022			
Opening balance	4,375	-	4,375
Additions	7,526	20,837	38,116
Disposals	(4,375)	-	(4,375)
Total gains or losses:			
- in OCI	-	-	-
Closing balance	7,526	20,837	28,363
The Company 2021			
Opening balance	3,380	20,879	24,259
Additions	995	-	995
Disposals		(20,879)	(20,879)
Total gains or losses:			
- in OCI	-	-	-
Closing balance	4,375	-	4,375

(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, 2022 $'000	Valuation Technique	Significant Unobservable Input	(1) Range	(2) Weighted Average
Equities	$14,444 (2021:$ 11,749)	See below	See below	See below	See below
Corporate	$20,837 (2021:NIL)	Model - Discounted Cash Flow	Credit Spread Market yields	4.76% to 11%	3.5%

Equities

Given the nature of the analysis in respect of private equity holding, it is not practical to quote a range of key unobservable inputs. The fair value was estimated to be equivalent to the cost.

26. Fair Value of Financial Instruments (continued)

(d) Level 3 fair value measurements (continued)

(ii) Unobservable inputs used in measuring fair value (continued)

Corporate

Significant unobservable inputs are developed as follows:

1) There is a range of values that represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as March 31, 2022. 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.

The following section describes the significant unobservable inputs identified in the valuation technique table:

- Market Yield is the rate that is used to discount the future cash flows in a discounted cash flow model. Though impacted by availability in the local market of comparable instruments, theoretically valuation using comparable instruments can be done by calculating an implied yield (or spread over a liquid benchmark) from the price of a comparable instrument (where available), then adjusting that yield (or spread) to derive a value for the instrument. The adjustment should account for relevant differences in the financial instruments such as maturity and/or credit quality. Alternatively, a price-to-price basis can be assumed between the comparable instrument and the instrument being valued in order to establish the value of the instrument. An increase in price, in isolation, would result in a favorable movement in the fair value of the asset. An increase in yield, in isolation, would result in an unfavorable movement in the fair value of the asset
- Credit spread represents the additional yield that a market participant would demand for taking exposure to the credit risk of the specific instrument
- Discount rate refers to the rate of return used to convert expected cash flows into present value

(iii) *The effects of unobservable inputs in fair value measurement*

Sensitivity analysis may be performed on products with significant unobservable inputs. This sensitivity analysis aims to measure a range of fair values consistent with the application of a 95% confidence interval. The percentage shift is determined by statistical analysis performed on a set of reference prices based on the composition of the Group's Level 3 portfolio as the measurement date. Favourable and unfavourable changes (which show the balance adjusted for input change) are determined on the basis of changes in the value of the instrument as a result of varying the levels of the unobservable parameters.

26. Fair Value of Financial Instruments (continued)

(e) Fair value measurement

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
(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	Estimated using bid-prices published by major overseas brokers.
	• Other	Estimated using 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)	Funding 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. Operating Segment

The Group has the following strategic business lines, which are reportable segments. These divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure.

Reportable Segments	Operations
Portfolio Management	Funding instruments backed by investment securities
Bond Trading	Trading of investment securities
Equity Brokerage	Commissions earned on equity trading on behalf of customers and on proprietary book.
Other Functions	All other revenue and support functions within the Group.

The Group

31 March 2022	**Portfolio Management**	**Bond Trading**	**Equity Brokerage**	**Other Functions**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Net interest income	20,349	-	-	-	20,349
Net fees and commissions	(212)	4,835	12,938	3,468	21,029
Total Income	**20,137**	**4,835**	**12,938**	**3,468**	**41,378**
Impairment losses	(1,661)	-	(182)	-	(1,843)
Staff cost	-	-	(1,762)	(12,208)	(13,970)
Administrative cost	-	-	(1,913)	(4,268)	(6,181)
Total non-interest expense	**(1,661)**	**-**	**(3,857)**	**(16,476)**	**(21,994)**
Profit before tax	**18,476**	**4,835**	**9,081**	**(13,008)**	**19,384**
As at 31 March 2022					
Segment assets	973,978	8,282	69,612	164,623	1,216,495
Segment liabilities	945,076	27,018	50,214	50,871	1,073,179

(Expressed in thousands of Trinidad and Tobago dollars)

27. Operating Segment (continued)

The Group

31 March 2021	**Portfolio Management**	**Bond Trading**	**Equity Brokerage**	**Other Functions**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Net interest income	16,639	-	-	-	16,639
Net fees and commissions	326	1,737	4,915	226	7,204
Total Income	**16,965**	**1,737**	**4,915**	**226**	**23,843**
Impairment losses	(1,735)	-	(90)	-	(1,825)
Staff cost	-	-	(704)	(9,104)	(9,808)
Administrative cost	-	-	(1,796)	(3,114)	(4,910)
Total non-interest expense	**(1,735)**	**-**	**(2,590)**	**(12,219)**	**(16,544)**
Profit before tax	**15,230**	**1,737**	**2,325**	**(11,993)**	**7,300**
As at 31 March 2021					
Segment assets	916,443	-	39,478	150,617	1,106,538
Segment liabilities	749,108	-	25,251	184,419	958,778

(Expressed in thousands of Trinidad and Tobago dollars)

27. Operating Segment (continued)

The Company

31 March 2022	**Portfolio Management**	**Bond Trading**	**Equity Brokerage**	**Other Functions**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Net interest income	20,814	-	-	-	20,814
Net fees and commissions	(212)	4,835	3,269	3,464	11,356
Total Income	**20,602**	**4,835**	**3,269**	**3,464**	**32,170**
Impairment losses	(1,661)	-	-	-	(1,661)
Staff cost	-	-	-	(12,208)	(12,208)
Administrative cost	-	-	-	(4,268)	(4,268)
Total non-interest expense	**(1,661)**	**-**	**-**	**(16,476)**	**(18,137)**
Profit before tax	**18,941**	**4,835**	**3,269**	**(13,012)**	**14,033**
As at 31 March 2022					
Segment assets	973,978	8,282	-	164,623	1,146,883
Segment liabilities	945,076	27,018	-	50,870	1,022,964

(Expressed in thousands of Trinidad and Tobago dollars)

27. Operating Segment (continued)

The Company

31 March 2021	**Portfolio Management**	**Bond Trading**	**Equity Brokerage**	**Other Functions**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Net interest income	16,540	-	-	-	16,540
Net fees and commissions	326	1,737	1,802	226	4,091
Total Income	**16,866**	**1,737**	**1,802**	**226**	**20,631**
Impairment losses	(1,735)	-	-	-	(1,735)
Staff cost	-	-	-	(9,105)	(9,105)
Administrative cost	-	-	-	(3,102)	(3,102)
Total non-interest expense	(1,735)	-	-	(12,207)	(13,942)
Profit before tax	**15,131**	**1,737**	**1,802**	**(11,981)**	**6,689**
As at 31 March 2021					
Segment assets	916,443	-	-	150,617	1,067,060
Segment liabilities	749,108	-	-	184,419)	933,527

28. Significant Accounting Policies

The Group has consistently applied the following accounting policies to all period presented in these financial statements.

(a) Financial instruments

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

(a) Cash and cash equivalents

Cash and equivalents include cash on hand, deposits held other financial institutions and short term balances with brokers. Cash equivalents are short-term, highly liquid financial assets with less than 90 days to maturity from the date of acquisition, are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(b) Repurchase and reverse repurchase agreements

Transactions involving purchases of securities under resale agreements ('resale agreements' or reverse repos') or sales of securities under repurchase agreements ('repurchase agreements' or 'repos) are accounted for as short-term collateralised lending and borrowing, respectively. Accordingly, securities sold under repurchase agreements remain on the statement of financial position and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position at amortised cost. It is the policy of the Group to obtain possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

Interest earned on resale agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense, respectively, over the life of each agreement using the effective interest method.

(c) Investment securities

The Group's investment securities comprise 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) 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.

(e) 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.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

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

(f) 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.

(g) Receivables

Receivables are recognised on trade date, that is, the date the transactions are contracted with counterparties. Receivables are measured at amortised cost less impairment. The expected credit loss impairment is determined as outlined in Note 24 (aii) (4).

(2) Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which a 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.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(2) Measurement methods (continued)

Presentation

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

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

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, 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), the difference is recognised as a gain or loss.

(i) 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.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Classification and subsequent measurement (continued)

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

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.

Classification and subsequent measurement of debt instruments depend on:
(i) the Group's business model for managing the asset; and
(j) 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)(4). Interest income from these financial assets is included in interest 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 other comprehensive income, 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 other comprehensive income is reclassified from equity to profit or loss and recognised in 'Gains on securities trading'. 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 gain/loss from financial assets at FVTPL in the period in which it arises. Interest income from these financial assets is included in interest income using the effective interest rate method.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Classification and subsequent measurement (continued)

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

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.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(i) 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 financial assets at fair value through profit or loss' line in the statement of profit or loss.

(ii) 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 accounts receivable. 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))(4) provides more detail of how the expected credit loss allowance is measured.

(iii) 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.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Derecognition other than on a modification (continued)

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the asset
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

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. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

(iv) Financial liabilities

Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as 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.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iv) **Financial liabilities** (continued)

Derecognition (continued)

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.

(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 are recognised on the accruals basis in profit or loss for all interest bearing instruments using the effective 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.

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.

(ii) Gains on securities trading (net)

Gains on sale of investment securities classified as FVOCI (net of any losses incurred) are recognized in the statement of profit or loss and other comprehensive income on trade date.

(iii) Fees and commissions

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. These fees include:

- Equity brokerage commissions - Revenue is recognised at the point in time the service is provided.
- Capital market fees- Revenue is recognised at the point in time when the transaction has been successfully executed.

(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.

28. Significant Accounting Policies (continued)

(b) Revenue recognition (continued)

Other Income

Dividends

Dividend income is recognized when the right to receive payment is irrevocably established. Usually this is the ex-dividend date for quoted equity securities and is reflected in other income.

(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.

(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.

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 rate is as follows:

-	Computer equipment	25%
-	Leasehold improvements	33 1/3%
-	Furniture and fixtures	10%

The depreciation method, useful lives and residual values are reassessed at each reporting date.

28. Significant Accounting Policies (continued)

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs meeting the criteria of IAS 38, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

(i) Computer software

Computer software is carried at cost less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis over the useful lives of the assets at a rate of 25% per annum, from the date it is available for use.

(ii) Customer list

Acquired customer lists are measured initially at cost. Customer lists have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the expected retention period with the Group, which approximates 8 to 15 years.

(iii) Licence

This represents the value of the stock brokering licence acquired by the Group. It has an indefinite useful life. The asset is tested for impairment annually, and whenever there is an indication that the asset may be impaired, the recoverable amount is computed to determine the allowance for the impairment, if any.

(iv) Trademark

The trademark acquired by the Group has a finite useful life, estimated at one year, and is measured at cost less accumulated amortisation and any accumulated impairment losses.

(f) Share capital

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.

28. Significant Accounting Policies (continued)

(g) Taxation

Taxation expense in the profit and loss account comprises current and deferred income tax.

Current tax charges are based on taxable profits for the period, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The group's liability for current tax is calculated at tax rates that have been enacted at the date of the statement of financial position.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Current and deferred taxes are recognised in profit or loss, except where they relate to items recorded in other comprehensive income, in which case they are also recognised in other comprehensive income.

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.

(h) Leases

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

(i) As a lessee

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.

28. Significant Accounting Policies (continued)

(h) Leases

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.

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, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

(ii) *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 office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Right of set-off

Financial assets and financial liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legally enforceable right to set off the amounts. In the case of client balances once these are held in separately named client accounts there is no legal right of set off in accordance with the rules of the Trinidad and Tobago Stock Exchange as each account is managed separately.

28. Significant Accounting Policies (continued)

(j) Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group operates a defined contribution pension plan (the Plan) which covers all employees. The Group's contribution expense in relation to this Plan for the year amounted to $690 thousand (2021: $215 thousand).

(k) New, revised and amended standards and interpretations that became effective during the year

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

- Amendments to IFRS 16 Leases is effective for annual periods beginning on or after June 1, 2020, with early application permitted. It provides guidance for COVID-19 related rent concessions.

  The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

  The practical expedient will only apply if:

  - the revised consideration is substantially the same or less than the original consideration
  - the reduction in lease payments relates to payments due on or before 30 June 2021; and
  - no other substantive changes have been made to the terms of the lease.

  Lessees applying the practical expedient are required to disclose:

  - that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
  - the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

  No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

  The Group does not expect the amendment to have a significant impact on its financial statements.

- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance contracts and IFRS 16 Leases, is effective for annual accounting periods beginning on or after January 1, 2021 and address issues affecting financial reporting in the period leading up to interbank offered rates (IBOR) reform. The second phase amendments apply to all hedging relationships directly affected by IBOR reform. by IBOR reform. In these instances, a revise discount rate that reflects the change in interest rate will be used in remeasuring the lease liability.

28. Significant Accounting Policies (continued)

(k) New, revised and amended standards and interpretations that became effective during the year

- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments (continued)

  The amendments principally address practical expedient for modifications. A practical expedient has been introduced where changes will be accounted for by updating the effective interest rate if the change results directly from IBOR reform and occurs on an 'economically equivalent' basis. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required The amendments also address specific relief from discontinuing hedging relationships as well as new disclosure requirements.

  The Group does not expect the amendment to have a significant impact on its financial statements. not result in any changes to the financial statements.

(l) New standards, amendments and interpretations 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 37 Provision, Contingent Liabilities and Contingent Assets is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

  The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

  The Group does not expect the amendment to have a significant impact on its financial statements.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, IAS 41 Agriculture, and are effective for annual periods beginning on or after January 1, 2022.

  IFRS 9 Financial Instruments amendment clarifies that for the purpose of performing the ''10 per cent test' for derecognition of financial liabilities in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  IFRS 16 Leases amendment removes the illustration of payments from the lessor relating to leasehold improvements.

28. Significant Accounting Policies (continued)

(l) New standards, amendments and interpretations not yet effective *(continued)*

- Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

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

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

  The Group does not expect the amendment to have a significant impact on its financial statements.

28. Significant Accounting Policies (continued)

(l) New standards, amendments and interpretations not yet effective (continued)

- Amendments to IFRS 16 Leases are effective for annual periods beginning on or after April 1, 2021, early adoption is permitted. The amendments extend the practical expedient by 12 months – i.e. allowing lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

  The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f) of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application.

  The Group is assessing the impact that the amendment will have on 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 Group is assessing the impact that the amendment will have on its 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.

28. Significant Accounting Policies (continued)

(i) New standards, amendments and interpretations not yet effective (continued)

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (continued)

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 effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The Group is assessing the impact that the amendment will have on its financial statements.

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

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

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

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

  The Group is assessing the impact that the amendment will have on its financial statements.

29. Guarantee

The Group has an open ended Standby Letter of Credit in favour of Trinidad and Tobago Central Depository Limited (TTCD) for $7.5 million which is secured by a letter of undertaking. The Letter of Credit is dated 4 June 2020 and is due to expire on June 4, 2022. This guarantee protects the TTCD against credit risk arising from trading activities of the Group.

30. Third Party Assets under Management

The Group provides investment management services to third parties. All related assets are held in a fiduciary capacity and are not included in these consolidated financial statements as they are not the assets of the Group. The value of these assets under management as at March 31, 2022, totaled $18.3 million (2021: $14.9 million).

31. Events after the Reporting Period

There are no events occurring after the Group's and the Company's 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.

32. Ukraine Russia Tensions

The Group has evaluated events occurring after 31st March, 2022 in order to assess and determine the need for potential recognition or disclosure in these financial statements. Such events were evaluated through to, the date these financial statements were available to be issued.

Based upon this evaluation, the Group has determined the following subsequent event requires disclosure:

- The recent action of Russian military forces and support personnel in Ukraine has escalated tensions between Russia and the U.S., NATO, the EU and the U.K. Certain jurisdictions have imposed, and are likely to impose material additional, financial and economic sanctions and export controls against certain Russian entities and/or individuals.
- Commencing from the week of February 21, 2022, the U.S., the U.K., and the EU each imposed packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals; transactions in Russian sovereign debt; and investment, trade, and financing to, from, or in certain regions of Ukraine.
- While the Group does not have direct exposures in Russia or Ukraine, it continues to monitor the potential indirect macroeconomic and financial market impacts from the tensions and conflict in order to mitigate its exposures and risks.

33. Climate Related Risks

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

Transition risk considers how changes in policy, technology, business practices and market preferences to address climate change can lead to changes in the value of assets. Climate change risk is an overarching risk that can act as a driver of other categories of risk, such as credit risk from obligors exposed to high climate risk, reputational risk from increased stakeholder concerns about financing high carbon industries and operational risk from physical climate risks to the Group's facilities.

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

33. Climate Related Risks (continued)

Over the last fiscal year, the JMMB Group has made further progress in developing a comprehensive environmental and social policy geared at enhancing and complementing our existing lending policies, guidelines and business practices to better manage sustainability challenges and promote responsible growth across our core business lines. This will be cascaded throughout the Group in the upcoming fiscal year. Climate risk is a new and emerging area and will also be assessed in more detail in the upcoming year.

While there is no formal climate related policy in place, the Group ensures that there are mitigants in place for climate related events such as insurance for its physical assets as well as assets held as collateral for loan facilities. There is also a BCP in place to ensure that the Group can operate in situations where climate related disruptions to business may occur. The Group recognizes the growing importance of this area and will be exploring methodologies for identifying and quantifying how climate risks could impact the Group and the individual credit profiles of its clients across various sectors. This will not only help the Group better understand its clients' businesses and climate-related risks, but will also eventually be a source of climate data. With this said, we acknowledge that we are in the very early stages of developing this framework.

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 or 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.

GLOSSARY (continued)

-	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'.
-	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.