JMMB Bank (T&T) Limited

Consolidated and Separate Financial Statements

As at and for the year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

JMMB Bank (T&T) Limited

Index

31 March 2023

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

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated and separate financial statements of JMMB Bank (T&T) Limited (the Company), and its subsidiary (together defined as the Group) which comprise the consolidated and separate statements of financial position as at 31 March 2023, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising 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 consolidated and separate 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 consolidated and separate financial statements have been authorised for issue, if later.

Shawn Moses	Naomi Arjoonsingh
Chief Executive Officer	Chief Financial Officer
Date: June 28, 2023	Date: June 28, 2023

KPMG
Chartered Accountants
Savannah East
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Independent Auditors’ Report
To the Shareholder of JMMB Bank (T&T) Limited

Opinion

We have audited the separate financial statements of JMMB Bank (T&T) Limited (“the Company”) and the consolidated financial statements of the Company and its subsidiary (“the Group”), which comprise the consolidated and the separate statement of financial position as at March 31, 2023, the consolidated and the separate 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 consolidated and separate financial position of the Group and the Company as at March 31, 2023, and 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 Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in the Republic of Trinidad and Tobago and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and the Separate Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

Chartered Accountants
Port of Spain
Trinidad, West Indies
June 30, 2023

JMMB Bank (T&T) Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023 $'000	2022 $'000
Net Interest Income			
Interest income calculated using the effective interest method	4	198,098	160,888
Interest expense	5	(32,000)	(30,176)
		166,098	130,712
Other Revenue			
Gains on securities trading		1,039	918
Gain on disposal of assets		200	-
Fees and commission income		14,307	8,944
Net foreign exchange gains		38,774	24,113
		54,320	33,975
Revenue net of interest expense		220,418	164,687
Operating Expenses			
Staff costs	6	(75,725)	(66,776)
Other expenses	7	(67,258)	(54,052)
		(142,983)	(120,828)
Profit before Impairment Losses and Taxation		77,435	43,859
Impairment losses on financial assets	8	(33,468)	(14,372)
Profit before Taxation		43,967	29,487
Taxation	9	(14,595)	(9,804)
Profit for the Year		29,372	19,683

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

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

Year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023 $'000	2022 $'000
Profit for the year		29,372	19,683
Other Comprehensive Income			
Items that are or may be reclassified subsequently to profit or loss			
Debt instruments at FVOCI:			
Reclassified to profit and loss		(20)	(206)
Remeasurement of investments that existed throughout the year		(5,068)	(1,231)
Remeasurement of purchased investments		357	1,271
Related tax	15	2,556	272
Net movement in investment revaluation reserve		(2,175)	106
Total comprehensive income for the year		27,197	19,789

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Consolidated Statement of Financial Position

Year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023	2022
		$'000	$'000
Assets			
Cash and cash equivalents	10	135,228	165,615
Balances with Central Bank	11	443,931	459,509
Interest receivable		18,103	18,145
Accounts receivable		10,402	17,864
Taxation recoverable		-	4,970
Loans and notes receivable	12	1,597,412	1,346,788
Investment securities	13(i)	968,406	979,027
Property and equipment	14	19,128	19,974
Right of use asset	21	20,457	26,738
Deferred tax assets	15	28,602	22,362
Total Assets		3,241,669	3,060,992
Equity and Liabilities			
Equity			
Share capital	16(i)	107,631	107,631
Investment revaluation reserve	16(ii)	2,131	4,306
Statutory reserve		42,041	39,104
Retained earnings		115,792	89,357
Total Equity		267,595	240,398
Liabilities			
Customer deposits	17	2,716,967	2,561,530
Subordinated debt	18	100,000	100,000
Lease liability	21	23,221	30,223
Interest payable		9,389	8,160
Accounts payable	20	116,037	113,879
Taxation payable		8,011	4,140
Deferred tax liabilities	15	449	2,662
Total Liabilities		2,974,074	2,820,594
Total Equity and Liabilities		3,241,669	3,060,992

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

Approved for issue by the Board of Directors on June 28, 2023 and signed on its behalf by:

Catherine Kumar **Director** **Aliyah Hamel-Smith** **Director**

JMMB Bank (T&T) Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2023

(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital $'000	Investment Revaluation Reserve $'000	Statutory Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 April 2021	107,631	4,200	37,136	72,954	221,921
Profit for the year	-	-	-	19,683	19,683
Impact of prior year adjustment	-	-	-	(1,312)	(1,312)
Other comprehensive income, net of tax					
Debt instrument at FVOCI – reclassification to profit or loss	-	(206)	-	-	(206)
Change in fair value of debt instruments - at FVOCI	-	312	-	-	312
Total comprehensive income for the year	-	106	-	18,371	18,477
Transactions with owners of the Company					
Transfer to statutory reserve	-	-	1,968	(1,968)	-
Balance as at 31 March 2022	107,631	4,306	39,104	89,357	240,398
Balance at 1 April 2022	107,631	4,306	39,104	89,357	240,398
Profit for the year	-	-	-	29,372	29,372
Other comprehensive income, net of tax					
Debt instrument at FVOCI – reclassification to profit or loss	-	(20)	-	-	(20)
Change in fair value of debt instruments - at FVOCI	-	(2,155)	-	-	(2,155)
Total comprehensive income for the year	-	(2,175)	-	29,372	27,197
Transactions with owners of the Company					
Transfer to statutory reserve	-	-	2,937	(2,937)	-
Balance as at 31 March 2023	107,631	2,131	42,041	115,792	267,595

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Profit for the year		29,372	19,683
Adjustments for:			
Interest income		(198,098)	(160,888)
Interest expense		30,217	27,985
Taxation	9	14,595	9,804
Impairment losses on financial assets	8	33,468	14,372
Net gain from trading in investment securities		(1,039)	(918)
Amortisation of securities and discount cost		2,866	(290)
Depreciation on property and equipment	7 & 14	5,655	6,120
Depreciation on right of use asset	7 & 21	6,511	7,345
Finance lease interest charge	5 & 21	1,783	2,191
Gain on disposal of assets		(200)	-
		(74,870)	(74,596)
Changes in operating assets and liabilities			
Accounts receivable		7,462	(3,250)
CBTT Reserve – Primary		(16,175)	22,919
Loans and notes receivable		(284,092)	121,897
Customer deposits		155,437	(17,543)
Accounts payable		2,160	40,569
		(210,078)	89,996
Interest received		202,856	167,337
Interest paid		(30,966)	(28,782)
Taxes refunded		11	-
Taxation paid		(11,640)	(8,377)
Net cash (used in) from operating activities		(49,817)	220,174
Cash Flows from Investing Activities			
Purchase of property and equipment	14	(4,807)	(4,509)
Purchase of investments		(3,153,102)	(1,108,070)
Proceeds from sale or maturity of investments		3,153,895	755,791
Net cash used in investing activities		(4,014)	(356,788)
Cash Flows from Financing Activities			
Payment of lease liabilities	21	(8,309)	(9,138)
Net cash used in financing activities		(8,309)	(9,138)
Net decrease in cash and cash equivalents		(62,140)	(145,752)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		324,960	470,712
CASH AND CASH EQUIVALENTS AT END OF YEAR		262,820	324,960

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023 $'000	2022 $'000
Cash and cash equivalents are represented by:			
Cash at bank and due from other financial institutions	10	135,228	165,615
Balance with Central Bank other than the Primary Reserve Deposit	11	127,592	159,345
		262,820	324,960

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Separate Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023 $'000	2022 $'000
Net interest income			
Interest income			
calculated using the effective interest method	4	139,958	120,520
Interest expense	5	(29,730)	(28,245)
		110,228	92,275
Other revenue			
Gains on securities trading		1,039	918
Gain on disposal of assets		200	-
Fees and commission income		14,307	8,944
Net foreign exchange gains		38,774	24,113
		54,320	33,975
Revenue net of interest expense		164,548	126,250
Operating expenses			
Staff costs	6	(58,566)	(54,187)
Other expenses	7	(55,359)	(46,209)
		(113,925)	(100,396)
Profit before Impairment Losses and Taxation		50,623	25,854
Impairment losses on financial assets	8	(26,871)	(7,542)
Profit before Taxation		23,752	18,312
Taxation	9	(7,451)	(5,758)
Profit for the Year		16,301	12,554

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023 $'000	2022 $'000
Profit for the Year		16,301	12,554
Other Comprehensive Income			
Items that are or may be reclassified subsequently to profit or loss			
Debt instruments at FVOCI:			
Reclassified to profit and loss		(20)	(206)
Remeasurement of investments that existed throughout the year		(5,060)	(1,218)
Remeasurement of purchased investments		357	1,269
Related tax	15	2,556	272
Net movement in investment revaluation reserve		(2,167)	117
Total comprehensive income for the year		14,134	12,671

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.1

JMMB Bank (T&T) Limited

Separate Statement of Financial Position

Year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023	2022
		$'000	**$'000**
ASSETS			
Cash and cash equivalents	10	132,058	164,847
Balances with Central Bank	11	426,953	446,346
Interest receivable		17,427	16,989
Accounts receivable		8,957	17,286
Taxation recoverable		-	4,970
Loans and notes receivable	12	1,394,306	1,199,373
Investment securities	13(i)	968,183	978,691
Investment in subsidiary	13(ii)	15,000	15,000
Due from subsidiary	19	114,336	102,164
Property and equipment	14	16,395	16,364
Right of use asset	21	15,926	22,747
Deferred tax assets	15	25,867	18,767
Total Assets		3,135,408	3,003,544
Equity and Liabilities			
Equity			
Share capital	16(i)	107,631	107,631
Investment revaluation reserve	16(ii)	2,172	4,339
Statutory reserve		37,692	36,062
Retained earnings		93,762	79,091
Total Equity		241,257	227,123
Liabilities			
Customer deposits	17	2,643,720	2,523,805
Subordinated debt	18	100,000	100,000
Lease liability	21	18,372	25,888
Due to subsidiary	19	12,376	7,575
Interest payable		8,147	6,643
Accounts payable	20	108,476	110,088
Taxation payable		2,795	-
Deferred tax liabilities	15	265	2,422
		2,894,151	2,776,421
Total Equity and Liabilities		3,135,408	3,003,544

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

Approved for issue by the Board of Directors on June 28, 2023 and signed on its behalf by:

Catherine Kumar	**Director**	**Aliyah Hamel-Smith**	**Director**

JMMB Bank (T&T) Limited

Separate Statement of Changes in Equity

Year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital $'000	Investment Revaluation Reserve $'000	Statutory Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 April 2021	107,631	4,222	34,807	67,792	214,452
Profit for the year	-	-	-	12,554	12,554
Other comprehensive income, net of tax					
Debt instrument at FVOCI – reclassified to profit or loss	-	(206)	-	-	(206)
Net change in fair value of debt instruments at FVOCI	-	323	-	-	323
Total comprehensive income for the year	-	117	-	12,554	12,671
Transactions with owners of the Company					
Transfer to statutory reserve	-	-	1,255	(1,255)	-
Balance at 31 March 2022	107,631	4,339	36,062	79,091	227,123
Balance at 1 April 2022	107,631	4,339	36,062	79,091	227,123
Profit for the year					
Other comprehensive income, net of tax	-	-	-	16,301	16,301
Debt instrument at FVOCI – reclassified to profit or loss	-	(20)	-	-	(20)
Net change in fair value of debt instruments at FVOCI	-	(2,147)	-	-	(2,147)
Total comprehensive income for the year	-	(2,167)	-	16,301	14,134
Transactions with owners of the Company					
Transfer to statutory reserve	-	-	1,630	(1,630)	-
Balance at 31 March 2023	107,631	2,172	37,692	93,762	241,257

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Separate Statement of Cash Flows

Year ended 31 March 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Profit for the year		16,301	12,554
Adjustments for:			
Interest income		(139,958)	(120,520)
Interest expense		28,215	26,365
Taxation	9	7,451	5,758
Impairment losses on financial assets	8	26,871	7,542
Net gain from trading in investment securities		(1,039)	(918)
Amortisation of securities and discount cost		2,866	(290)
Depreciation on property and equipment	7 & 14	4,635	5,251
Depreciation on right of use asset	7 & 21	4,714	5,556
Finance lease charge	5 & 21	1,515	1,880
Gain on disposal of assets		(200)	-
		(48,629)	(56,822)
Changes in operating assets and liabilities			
Accounts receivable		8,329	(3,302)
CBTT Reserve – Primary		(12,014)	24,950
Loans and notes receivable		(221,804)	165,495
Customer deposits		119,915	(10,705)
Due from subsidiary		(12,171)	(21,158)
Due to subsidiary		4,801	(11,802)
Accounts payable		(1,609)	36,359
		(163,182)	123,015
Interest received		142,222	126,730
Interest paid		(26,673)	(27,222)
Taxation paid		(6,387)	(7,266)
Net cash (used in) from operating activities		(54,020)	215,257
Cash Flows from Investing Activities			
Purchase of property and equipment	14	(4,666)	(3,943)
Purchase of investments		(3,153,185)	(1,108,054)
Proceeds from sale and maturity of investments		3,153,894	757,678
Net cash from (used in) investing activities		3,957	(354,319)
Cash Flows from Financing Activities			
Payment on lease liabilities	21	(6,219)	(7,069)
Net cash used in financing activities		(6,219)	(7,069)
Net decrease in cash and cash equivalents		(64,196)	(146,131)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		323,002	469,133
CASH AND CASH EQUIVALENTS AT END OF YEAR		258,806	323,002

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

JMMB Bank (T&T) Limited

Separate Statement of Cash Flows (continued)

Year ended 31 March 2023
(Expressed in Trinidad and Tobago dollars)

	Note	2023	2022
		$'000	$'000
Cash and cash equivalents are represented by:			
Cash at bank and due from other financial institutions	10	132,058	164,847
Balance with Central Bank other than the Primary Reserve Deposit	11	126,748	158,155
		258,806	323,002

The accompanying notes on pages 17 to 141 are an integral part of these financial statements.

1. General Information

JMMB Bank (T&T) Limited (the 'Company' or 'JMMB') was incorporated on September 7, 1997 in the Republic of Trinidad and Tobago and commenced operations from June 8, 1998. Its registered office and principal place of business is situated at DSM Plaza, Old Southern Main Road, Chaguanas. The Bank offers a complete range of banking and financial services as permitted under the Financial Institutions Act, 2008.

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

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

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

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

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

2. Basis of Preparation

(a) Basis of accounting

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

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

(b) Basis of consolidation

(i) Subsidiary

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

2. Basis of Preparation (continued)

(b) Basis of consolidation (continued)

(ii) Transactions eliminated on consolidation

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

(c) Basis of preparation

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

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

(d) Functional and presentation currency

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

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

(e) Use of estimates and judgements

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

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

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

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

(a) Key sources of estimation uncertainty

(i) Impairment of financial assets

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

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 22(a ii)(3) and (4), which also sets out key sensitivities of the ECL to changes in these elements.

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

- Choosing appropriate models and assumptions for the measurement of ECL;

- Establishing the number and relative weightings of forward-looking scenarios, with the increased uncertainties due to geopolitical events for each type of product/market and the associated ECL and

- Establishing groups of similar financial assets for the purposes of measuring ECL.

(ii) Fair value of financial instruments

There are no quoted market prices for a significant portion of the Group's financial assets. Accordingly, fair values of the financial assets are estimated using prices obtained from other sources. There is significant uncertainty inherent in this approach, 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 (Note 24).

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

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

For the purpose of these financial statements, prepared in accordance with IFRS, 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.

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

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 as 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.

4. Interest Income Calculated Using The Effective Interest Rate Method

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Interest income from loans and notes receivable measured at amortised cost	160,528	138,977	102,414	98,645
Interest income from investment securities:				
FVOCI	37,423	21,902	37,398	21,867
FVTPL	1	1	-	-
Other interest income	146	8	146	8
	198,098	160,888	139,958	120,520

5. Interest Expense

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Interest on customers' deposits	25,231	22,985	23,229	21,365
Interest expense on debt securities	4,986	5,000	4,986	5,000
Lease liability expense	1,783	2,191	1,515	1,880
	32,000	30,176	29,730	28,245

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

(Expressed in thousands of Trinidad and Tobago dollars)

6. Staff Costs

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Salaries and wages	47,180	43,784	40,075	36,998
Statutory payroll contributions	2,977	2,773	2,459	2,292
Pension scheme contributions	3,726	3,668	3,051	3,003
Training and development	186	174	180	114
Other staff benefits	21,656	16,377	12,801	11,780
	75,725	66,776	58,566	54,187

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

7. Other Expenses

		The Group		The Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Advertising and promotion		7,075	1,648	4,443	1,190
Auditors' remuneration		1,064	1,045	781	730
Bank charges and interest		1,073	787	1,029	763
Depreciation on property and equipment	14	5,655	6,120	4,635	5,251
Depreciation on right of use asset	21	6,511	7,345	4,714	5,556
Repairs and maintenance		2,419	1,731	2,064	1,397
Directors' fees	19(iv)	1,225	1,329	930	1,329
Information technology		10,175	6,986	8,177	5,797
Legal and other professional fees		6,635	7,100	6,168	6,798
Other		18,517	12,274	16,235	11,016
Security		2,896	2,687	2,521	2,239
Stationery, printing and postage		795	1,036	698	919
Travel and entertainment		223	208	126	201
Utilities		2,995	3,756	2,838	3,023
		67,258	54,052	55,359	46,209

8. Impairment Losses on Financial Assets

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Net impairment losses:				
Impairment loss on loans and notes receivable	35,730	15,399	27,120	7,369
Impairment (loss) on investment securities	(146)	178	(146)	173
Recoveries	(2,116)	(1,205)	(103)	-
	33,468	14,372	26,871	7,542

(Expressed in thousands of Trinidad and Tobago dollars)

9. Taxation

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

(i) Taxation charge

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Business Levy	11	427	-	220
Current income tax:				
Provision for charge on current year's profit	21,180	12,722	14,851	7,731
Changes in estimates related to prior years	(699)	(220)	(699)	(220)
Deferred income tax relating to the origination and reversal of temporary differences				
- Current year	(6,075)	(2,998)	(6,817)	(1,973)
- Change in estimates relating to prior years	178	(128)	116	-
	14,595	9,804	7,451	5,758

(ii) Reconciliation of the effective tax rate

	The Group				The Company			
	2023 %	2023 $'000	2022 %	2022 $'000	2023 %	2023 $'000	2022 %	2022 $'000
Profit before taxation	100	43,967	100	29,487	100	23,752	100	18,312
Tax calculated at statutory rates	35	15,388	35	10,320	35	8,313	35	6,409
Adjusted for the effects of:								
- Income not subject to tax	(1)	(279)	(2)	(643)	(1)	(279)	(4)	(643)
- Change in estimates related to prior years	(1)	(521)	(1)	(348)	(2)	(583)	(1)	(220)
- Business Levy	-	11	1	427	-	-	1	220
- Expenses not allowable	-	-	-	48	-	-	-	-
- Other differences	-	(4)	-	-	-	-	-	(8)
	33	14,595	33	9,804	32	7,451	31	5,758

(Expressed in thousands of Trinidad and Tobago dollars)

10. Cash and Cash Equivalents

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cash at Bank	19,951	21,858	19,246	21,448
Due from other financial institutions	115,277	143,757	112,812	143,399
	135,228	165,615	132,058	164,847

11. Balances with Central Bank

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Primary Reserve Deposit	316,339	300,164	300,205	288,191
Balance with Central Bank other than the Primary Reserve Deposit	127,592	159,345	126,748	158,155
	443,931	459,509	426,953	446,346

12. Loans and Notes Receivable

(i) Analysis of loans

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Stage 1	1,486,645	1,128,568	1,281,046	975,867
Stage 2	126,810	186,091	121,811	181,450
Stage 3	99,945	124,650	95,472	120,963
Gross loans and notes receivable	1,713,400	1,439,309	1,498,329	1,278,280
Impairment loss allowance	(109,789)	(85,496)	(99,622)	(77,502)
	1,603,611	1,353,813	1,398,707	1,200,778
Effect of deferred loan fees	(6,199)	(7,025)	(4,401)	(1,405)
Net loans and notes receivable	1,597,412	1,346,788	1,394,306	1,199,373

(Expressed in thousands of Trinidad and Tobago dollars)

12. Loans and Notes Receivable (continued)

(ii) Impairment allowance on loans and notes receivable

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at 1 April	(85,496)	(77,160)	(77,502)	(70,403)
Charge for year (Note 8)	(35,730)	(15,399)	(27,120)	(7,369)
Write off	11,437	7,063	5,000	270
Balance as 31 March	(109,789)	(85,496)	(99,622)	(77,502)

(iii) Concentration of gross loans

	The Group		The Company	
	2023	2022	2023	2022
Corporate and commercial	864,003	869,067	783,618	869,067
Retail	849,397	570,242	714,711	409,213
	1,713,400	1,439,309	1,498,329	1,278,280

13. Investment Securities and Investment in Subsidiary

(i) Investment Securities

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Fair value through other comprehensive income (FVOCI)				
Government of Trinidad and Tobago Securities	286,106	430,412	286,106	430,412
Other sovereign bonds	441,634	218,235	441,411	217,978
Corporate bonds	217,623	267,959	217,623	267,959
	945,363	916,606	945,140	916,349
Unquoted equity securities	633	633	633	633
	945,996	917,239	945,773	916,982
Fair value through profit and loss (FVTPL)				
Corporate bonds	22,410	61,788	22,410	61,709
	968,406	979,027	968,183	978,691

(Expressed in thousands of Trinidad and Tobago dollars)

13. Investment Securities and Investment in Subsidiary (continued)

(i) Investment Securities (continued)

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
The maturity profile of investment securities, from the reporting date is as follows:				
Government of Trinidad and Tobago Securities				
Within 3 months	138,744	159,158	138,744	159,158
From 3 months to 1 year	26,957	85,126	26,957	85,126
From 1 year to 5 years	39,148	88,987	39,148	88,987
Over 5 years	81,257	97,141	81,257	97,141
	286,106	430,412	286,106	430,412
Other sovereign bonds				
Within 3 months	440,188	215,457	440,188	215,457
From 3 months to 1 year	1,223	-	1,223	-
From 1 year to 5 years	-	2,521	-	2,521
Over 5 years	223	257	-	-
	441,634	218,235	441,411	217,978
Corporate bonds				
Within 3 months	47,082	96,288	47,082	96,209
From 3 months to 1 year	62,127	117,572	62,127	117,572
From 1 year to 5 years	91,366	56,840	91,366	56,840
Over 5 years	39,458	59,047	39,458	59,047
	240,033	329,747	240,033	329,668
Equity				
No fixed maturity	633	633	633	633
	968,406	979,027	968,183	978,691
Summary				
Within 3 months	626,014	470,903	626,014	470,824
From 3 months to 1 year	90,307	202,698	90,307	202,698
From 1 year to 5 years	130,514	148,348	130,514	148,348
Over 5 years	120,938	156,445	120,715	156,188
No fixed maturity	633	633	633	633
	968,406	979,027	968,183	978,691

The Group's investment in The Trinidad and Tobago Interbank Payments System (TTIPS) was previously designated as FVOCI and due to a restructure at the company, JMMB's shares were repurchased effective May 2021. This investment was derecognised with a gain of $2,213 on de-recognition reflected in in other comprehensive income for financial year ended 31 March 2022.

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(Expressed in thousands of Trinidad and Tobago dollars)

13. Investment Securities and Investment in Subsidiary (continued)

(ii) Investment in Subsidiary

	2023 $'000	2022 $'000
JMMB Express Finance (T&T) Limited 15,000,000 ordinary shares, par value $1	15,000	15,000

14. Property and Equipment

	The Group				
	Capital Work-in-Progress $'000	Leasehold Improvements $'000	Furniture and Fixtures $'000	Computer Equipment $'000	Total $'000
Cost					
1 April 2021	2,312	20,507	25,381	20,867	69,067
Additions	1,748	150	13	2,635	4,546
Transfer from work-in-progress	(2,298)	123	54	2,121	-
Adjustments	(37)	1,994	(4,987)	2,993	(37)
31 March 2022	1,725	22,774	20,461	28,616	73,576
Additions	4,726	93	172	327	5,318
Transfer from work-in-progress	(498)	457	41	-	-
Disposals	(4)	(434)	(74)	1	(511)
31 March 2023	5,949	22,890	20,600	28,944	78,383
Accumulated depreciation					
1 April 2021	-	13,629	15,796	18,057	47,482
Charge for the year	-	1,355	3,526	1,333	6,214
Adjustments	-	1,805	(4,820)	2,921	(94)
31 March 2022	-	16,789	14,502	22,311	53,602
Charge for the year	-	2,182	1,335	2,138	5,655
Adjustments	-	(1)	-	(1)	(2)
31 March 2023	-	18,970	15,837	24,448	59,255
Net Book Value					
31 March 2023	5,949	3,920	4,763	4,496	19,128
31 March 2022	1,725	5,985	5,959	6,305	19,974

(Expressed in thousands of Trinidad and Tobago dollars)

14. Property and Equipment (continued)

Capital Work- in- Progress includes costs incurred for various infrastructure and technology related projects which were not yet completed as at 31 March 2023.

During the financial year ended 31 March 2022 the Group changed its property and equipment accounting system which resulted in reclassification of assets among categories as well as changes to the depreciation rates and methodologies. The impact of these are reflected as adjustments in the note above and are part of the depreciation expense for that year.

	The Company				
	Capital Work-in-Progress	**Leasehold Improvements**	**Furniture and Fixtures**	**Computer Equipment**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Cost					
1 April 2021	2,312	19,959	21,700	19,129	63,100
Additions	1,748	151	13	2,031	3,943
Transfer from work in progress	(2,298)	123	54	2,121	-
Adjustments	(37)	1,509	(4,355)	2,846	(37)
31 March 2022	1,725	21,742	17,412	26,127	67,006
Additions	4,726	93	157	199	5,175
Transfer from work in progress	(498)	457	41	-	-
Disposals/adjustments	(4)	(433)	(72)	-	(509)
31 March 2023	5,949	21,859	17,538	26,326	71,672
Accumulated depreciation					
1 April 2021	-	13,372	14,806	17,213	45,391
Charge for the year	-	1,189	3,146	916	5,251
Adjustments	-	1,509	(4,355)	2,846	-
31 March 2022	-	16,070	13,597	20,975	50,642
Charge for the year	-	1,962	1,029	1,644	4,635
Adjustments	-	-	-	-	-
31 March 2023	-	18,032	14,626	22,619	55,277
Net Book Value					
31 March 2023	5,949	3,827	2,912	3,707	16,395
31 March 2022	1,725	5,672	3,815	5,152	16,364

Capital Work- in- Progress includes costs incurred for various infrastructure and technology related projects which were not yet completed as at 31 March 2023.

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes

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

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

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax assets				
Property and equipment	1,462	933	1,462	933
Impairment losses on financial assets	21,996	16,845	20,002	15,336
Leases	968	1,219	856	1,099
Investment securities	444	-	444	-
Deferred fees-loan fees	3,732	3,365	3,103	1,399
	28,602	22,362	25,867	18,767
Deferred tax liabilities:				
Sub lease IFRS 16	(265)	(310)	(265)	(310)
Investment securities	-	(2,112)	-	(2,112)
Property and equipment	(184)	(240)	-	-
	(449)	(2,662)	(265)	(2,422)
Net deferred tax asset	28,153	19,700	25,602	16,345

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes (continued)

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

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

	2022 The Group				
	Balance at Beginning of year	Recognised in Profit or Loss	Adjusted through Retained Earnings	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000	$'000	$'000	$'000
Investment securities	(2,408)	24	-	272	(2,112)
Tax losses	2,048	(2,048)	-	-	
Impairment losses on financial assets	14,043	2,802	-	-	16,845
Property and equipment	243	450	-	-	693
Leases	764	145	-	-	909
Deferred fees - loan fees	542	2,116	707	-	3,365
Deferred fees - Sub debt	363	(363)	-	-	-
	15,595	3,126	707	272	19,700

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes (continued)

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

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

	2022 The Company			
	Balance at Beginning of year	**Recognised in Profit or Loss**	**Recognised in Other Comprehensive Income**	**Balance at End of Year**
	$'000	**$'000**	**$'000**	**$'000**
Investment securities	(2,408)	24	272	(2,112)
Tax losses	2,048	(2,048)	-	-
Impairment losses on financial assets	12,980	2,356	-	15,336
Property, and equipment	468	465	-	933
Leases	654	135	-	789
Deferred fees	356	1,043	-	1,399
	14,098	1,975	272	16,345

(Expressed in thousands of Trinidad and Tobago dollars)

16. Share Capital and Reserves

(i) Share Capital

	Group and Company	
	2023	2022
	$'000	$'000
Authorised: An unlimited number of ordinary shares, par value TT$1.00		
Issued and fully paid: 107,630,756 (2022: 107,630,756) ordinary shares	107,631	107,631

	Group and Company	
	2023	2022
	$'000	$'000
Share capital	107,631	107,631

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

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

(ii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of debt securities and equity securities measured at FVOCI until the assets are derecognised or reclassified.

(Expressed in thousands of Trinidad and Tobago dollars)

17. Customer Deposits

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Savings	402,604	394,963	402,604	394,963
Demand	1,161,640	1,114,690	1,161,640	1,107,115
Time	1,152,723	1,051,877	1,079,476	1,021,727
	2,716,967	2,561,530	2,643,720	2,523,805

Sectoral analysis of deposits is as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
State enterprises	423,752	346,230	423,752	346,230
Corporate and commercial	1,429,439	1,355,243	1,421,825	1,352,681
Personal	863,776	860,057	798,143	824,894
	2,716,967	2,561,530	2,643,720	2,523,805

18. Subordinated Debt

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Subordinated debt	100,000	100,000	100,000	100,000

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

19. 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 the Company if that person:

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

(2) has significant influence over the Company; or

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

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

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

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

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

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

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

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

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

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

19. Related Party Transactions and Balances (continued)

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

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
(i) Due from related parties				
Advances, investments, cash and balances with bank and other assets				
Parent and ultimate parent company				
Accounts receivable	3,206	2,410	3,206	2,410
Affiliated companies				
Accounts receivable	1,077	4,688	1,077	4,688
	1,077	4,688	1,077	4,688
Subsidiary company				
Due from subsidiary company	-	-	114,336	102,164
Interest receivable from subsidiary	-	-	1,101	1,940
	-	-	115,437	104,104
Key Management Personnel and close family members				
Loans and notes receivable	6,370	4,422	6,370	4,422

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

19. Related Party Transactions and Balances (continued)

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
(ii) Due to related parties				
Deposits and liabilities				
Subsidiary company				
Deposits	-	-	12,376	7,575
Interest payable to subsidiary	-	-	-	26
	-	-	12,376	7,601
Affiliated companies				
Deposits	86,460	125,615	86,460	125,615
Ultimate parent company				
JMMB Group Limited				
Deposits	16,693	9,131	16,693	9,131
Accounts payable	15,438	9,169	15,438	9,169
	32,131	18,300	32,131	18,300

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
(iii) Credit Commitments in respect of affiliated companies				
Letters of Credit	9,700	7,500	9,700	7,500
Undrawn Commitments	8,000	8,000	8,000	8,000
	17,700	15,500	17,700	15,500

(Expressed in thousands of Trinidad and Tobago dollars)

19. Related Party Transactions and Balances (continued)

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Directors				
Deposits	682	1,004	682	1,004
Key management personnel and close family members				
Deposits	1,631	1,483	1,631	1,483

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

(iv) Amounts reported in profit or loss

Interest Income	229	247	229	247
Interest Expense	(8)	(9)	(8)	(9)

Compensation

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Directors fees	1,225	1,329	930	1,329
Other short term employee benefits	14,118	10,451	10,867	7,864
Post-employment benefits	783	746	557	514
	16,126	12,526	12,354	9,707

The Group has determined that there is no Expected Credit Loss (ECL) on related party balances as at 31 March, 2023 (2022: NIL). There were no balances written off during the year at 31 March, 2023 (2022: NIL).

(Expressed in thousands of Trinidad and Tobago dollars)

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20. Accounts Payable

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Accrued expenses	44,776	27,949	37,217	24,158
Uncashed manager's cheques	21,281	27,089	21,281	27,089
Other miscellaneous– note below	49,980	58,841	49,978	58,841
	116,037	113,879	108,476	110,088

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

21. Leases – Right Of Use Asset And Lease Liability

(a) Leases as lessee

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

The Group 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 recognise right of use assets and lease liabilities for these leases as allowed under the standard.

Information about leases for which the Group is a lessee is presented below.

(i) Right of use assets

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

The Group	Land and building	
	2023	**2022**
	$'000	**$'000**
Balance at 1 April	26,738	34,988
Depreciation charge for the year (Note 7)	(6,511)	(7,345)
Additions	6,196	-
Sub lease	-	(905)
**Re-measurement	(5,966)	-
Balance at 31 March	20,457	26,738

(Expressed in thousands of Trinidad and Tobago dollars)

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

(a) Leases as lessee (continued)

(i) Right of use assets (continued)

The Company

	2023 $'000	2022 $'000
Balance at 1 April	22,747	29,208
Depreciation charge for the year (Note 7)	(4,714)	(5,556)
Additions	3,859	-
Sub lease	-	(905)
**Re-measurement (note below)	(5,966)	-
Balance at 31 March	15,926	22,747

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

(ii) Lease liability

The Group

	2023 $'000	2022 $'000
Balance at 1 April	30,223	37,170
Interest expense	1,783	2,191
Additions to right of use liabilities	6,195	-
Re-measurement (note above)	(5,966)	-
Gains on termination	(705)	-
Lease payments	(8,309)	(9,138)
Balance at 31 March	23,221	30,223
Amounts recognised in cash flow	8,309	9,138

(Expressed in thousands of Trinidad and Tobago dollars)

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

(a) Leases as lessee (continued)

(ii) Lease liability (continued)

The Company

	2023 $'000	2022 $'000
Balance at 1 April	25,888	31,077
Interest expense	1,515	1,880
Additions to right of use liabilities	3,859	-
Re-measurements	(5,966)	-
Gains on termination	(705)	-
Lease payments	(6,219)	(7,069)
Balance at 31 March	18,372	25,888
Amounts recognised in cash flow	6,219	7,069

Lease Liability Maturity Analysis

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Less than 1 year	5,916	8,158	4,524	6,328
Between 1 and 5 years	17,208	21,479	13,418	18,718
Over 5 years	4,987	8,636	4,547	8,195
Interest	(4,890)	(8,050)	(4,117)	(7,353)
Present value of minimum lease payments	23,221	30,223	18,372	25,888
Less than 1 year	4,601	6,387	3,463	4,771
Between 1 and 5 years	14,377	16,456	11,092	14,163
Over 5 years	4,243	7,380	3,817	6,954
	23,221	30,223	18,372	25,888

(Expressed in thousands of Trinidad and Tobago dollars)

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

(a) Leases as lessee (continued)

(iii) Amounts recognised in profit or loss

The Group

	2023 $'000	2022 $'000
Interest on lease liabilities	1,783	2,191
Expenses relating to short-term leases and low-value assets	857	907
Lease payments	8,309	9,138
Contingent lease payments	28,112	38,272

The Company

	2023 $'000	2022 $'000
Interest on lease liabilities	1,515	1,880
Expenses relating to short-term leases and low-value assets	723	729
Lease payments	6,219	7,069
Contingent lease payments	22,489	33,241

(iv) Amounts recognised in statement of cash flows

The Group

	2023 $'000	2022 $'000
Total cash outflows for leases	8,309	9,138

	The Company	
	2023 $'000	2022 $'000
Total cash outflows for leases	6,219	7,069

(v) Extension options

Where the renewal option is exercisable by the Group (lessee), these have been included in the lease liability.

22. Financial Risk Management

Introduction and overview

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

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

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

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

Risk Governance

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

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

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

Impact of COVID-19

The World Health Organization (WHO) has declared an end to COVID-19 as a public health emergency. All COVID-19 related restrictions and concessions have ended in our jurisdictions of operation. While we do not see this as a material risk going forward the Group will ensure that all contingency plans that were developed during the pandemic will be periodically reviewed as part of our Business Continuity Plans (BCP) should the need arise in the future.

22. Financial Risk Management (continued)

(a) Credit risk

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

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

Management of credit risk

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

- *Formulating credit policies* in consultation with business units, covering credit assessment, risk grading and reporting, collateral requirements, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- *Establishing the authorisation structure* for the approval and renewal of credit facilities. Authorisation limits, as approved by the Board, are allocated on an individual and/or committee basis which includes the Credit Risk Managers or individuals, Board ERMC, and the Management Credit Committee. Approval under each committee is based on delegated authority level as approved by the Board.

- *Reviewing and assessing credit risk*. Group Credit Risk assesses credit exposures prior to facilities being approved and committed to customers by the business unit concerned. Renewals and requests for new facilities are subject to the same assessment.

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

Management of credit risk (continued)

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

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

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

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

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

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

(i) Loans and notes receivable

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

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

Under the IFRS 9 'three stage' model for impairment (Note 22 (a.ii) Expected Credit Loss Measurement), exposures rated 1-4 are generally classified as stage 1 and requiring standard monitoring, exposures rated as 5 are classified as stage 2 and requiring special monitoring, while exposures rated 6 and above are classified as stage 3 in the default category.

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

(ii) Investment securities

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.

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(iii) Cash and cash equivalents

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

(iv) Receivables

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

(a.i) Credit risk measurement

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

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.i) Credit risk measurement (continued)

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

Retail

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

Commercial & Corporate

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

Treasury

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii) Expected credit loss measurement

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

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

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

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

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

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. A description of inputs, assumptions and estimation techniques used in measuring the ECL is detailed below in Note 22(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 22.(a.ii)(5) below.

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

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

(1) Significant increase in credit risk (SICR)

Determining when credit risk has increased significantly

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

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

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.

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

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

(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 incorporates both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment including forward-looking information. These include:

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

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

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

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

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

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

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

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

(4) Expected credit loss measurement

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

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

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

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

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

(4) Expected credit loss measurement (continued)

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

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

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

(5) Incorporation of forward-looking information

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

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

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

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

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

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

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

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

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

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

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

2022			
Measure	**Base Scenario**	**Upside Scenario**	**Downside Scenario**
Debt/GDP ratio	84-89%- stable outlook	Less than 84%- stable outlook	Greater than 89%-negative outlook
GDP annual growth rate	-1% to 3%- stable outlook	3%- stable outlook	Less than -1%- negative outlook
Inflation rate	1% to 3%- stable outlook	Less than 1%- stable outlook	Greater than 3%- negative outlook
Current account/GDP ratio	2% to 3%- stable outlook	Greater than 3%- stable outlook	Less than 2%- negative outlook
Net international Reserves	$11 to $13 billion US dollars- positive outlook	Greater than $13 billion US dollars- positive outlook	Less than $11 billion US dollars- stable outlook
Interest rates	Increase- negative outlook	Remain flat to marginal decrease- stable outlook	Increase- negative outlook
Unemployment rate	3% to 6%-stable outlook	Less than 7%- stable outlook	Greater than 6%- negative outlook

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

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

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

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

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

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

Collateral

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

The main collateral types are as follows: -

- Mortgages over residential and commercial property.
- Charges over business assets such as premises, inventory and accounts receivable
- Charges over debt instruments and equity instruments.

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

Repossessed collateral

JMMB enforces its power of sale agreements over various types of collateral (as noted above) as a consequence of failure by borrowers or counter-parties to honour their financial obligations to JMMB. Various methodologies are utilised to obtain the current value of the collateral as an input to the impairment measurement, and once repossessed, the collateral is liquidated in the shortest possible timeframe. The proceeds net of disposal cost are then applied to the outstanding debt.

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

The Group

	Gross Exposure	Impairment Allowance	Carrying Amount	Fair Value of Collateral
2023	**$'000**	**$'000**	**$'000**	**$'000**
Credit impaired assets				
Retail	25,517	10,370	15,146	67,550
Corporate/Commercial	74,417	37,360	37,058	97,440
Total credit impaired loans	**99,934**	**47,730**	**52,204**	**164,990**

The Company

	Gross Exposure	Impairment Allowance	Carrying Amount	Fair Value of Collateral
2023	**$'000**	**$'000**	**$'000**	**$'000**
Credit impaired assets				
Retail	21,044	5,897	15,146	67,550
Corporate/Commercial	74,417	37,360	37,058	97,440
Total credit impaired loans	**95,461**	**43,257**	**52,204**	**164,990**

(a.iii.3) Loan to Value (LTV)

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

Mortgage portfolio - LTV distribution	**Credit-impaired (Gross carrying amount)**	
	2023	**2022**
	$'000	**$'000**
Lower than 50%	16,504	30,101
50 to 60%	4,406	11,493
60 to 70%	3,898	1,460
70 to 80%	12,606	21,572
80 to 90%	12,144	9,144
90 to 100%	5,945	687
Higher than 100%	33,571	32,084
Total	**89,074**	**106,541**

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

(aiii4) Details of Collateral held

Collateral is not usually held against investment securities and no such collateral was held at March 2023 (March 2022: NIL).

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

The Group /Company

	Loans notes receivable	
	2023	**2022**
	$'000	**$'000**
Against Stage 3		
Property	89,075	106,540
Other	6,386	14,283
Against Stage 2		
Property	34,459	37,873
Other	118,378	187,356
Against Stage 1		
Property	235,811	212,114
Equities	43,452	31,648
Other	1,190,055	1,059,932
	1,717,616	1,649,746

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) Maximum exposure to credit risk

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

Loans and Notes Receivable

The Group

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

Loans and Notes Receivable

The Group

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Standard monitoring	1,128,568	-	-	1,128,568
Special monitoring	-	186,091	-	186,091
Default	-	-	124,650	124,650
Gross carrying amount	1,128,568	186,091	124,650	1,439,309
Loss allowance	(13,255)	(33,940)	(38,301)	(85,496)
Carrying amount	1,115,313	152,151	86,349	1,353,813

The Company

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

The Company

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Standard monitoring	975,867	-	-	975,867
Special Monitoring	-	181,450	-	181,450
Default	-	-	120,963	120,963
Gross carrying amount	975,867	181,450	120,963	1,278,280
Loss allowance	(10,179)	(32,708)	(34,615)	(77,502)
Carrying amount	965,688	148,742	86,348	1,200,778

Credit risk not recognised on the Statement of Financial Position

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Acceptances, guarantees, Letters of credit	14,012	11,505	14,012	11,505
Undrawn credit commitments	45,255	15,924	45,255	15,924
ECL	-	-	-	-
	59,267	27,429	59,267	27,429

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

Investment Securities

The Group

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

	2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Investment grade	261,755	-	-	261,755
Watch	641,165	13,686	-	654,851
Carrying amount	902,920	13,686	-	916,606

The Company

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

	2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Investment grade	261,755	-	-	261,755
Watch	640,908	13,686	-	654,594
Carrying amount	902,663	13,686	-	916,349

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

Investment Securities (continued)

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in Note 22(a.ii)(4) 'Expected credit loss measurement'.

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

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

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

2022	**Maximum exposure from financial assets**	
	The Group	**The Company**
	$'000	**$'000**
Financial assets at fair value through other comprehensive income (FVOCI)		
Equities	633	633

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

There were no purchased or originated credit-impaired financial assets during the year (2022: NIL). The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

The Group

Loans and Notes Receivable
Retail

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2021	6,419	5,035	8,824	20,278
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(290)	290	-	-
- Transfer from Stage 1 to Stage 3	(2,638)	-	2,638	-
- Transfer from Stage 2 to Stage 1	173	(173)	-	-
- Transfer from Stage 2 to Stage 3	-	(1,262)	1,262	-
- Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	3,757	144	1,154	5,055
Changes in PDs/LGDs/EADs	1,703	(912)	7,035	7,826
Financial assets derecognised during the period	(2,292)	(1,057)	(3,326)	(6,675)
Write-offs	-	-	(7,063)	(7,063)
Net profit or loss change during the period	413	(2,970)	1,700	(857)
Loss allowance at 31 March 2022	6,832	2,065	10,524	19,421

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group/The Company

Loans and Notes Receivable Commercial/Corporate

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) *Credit risk* (continued)

(a.iv) Loss allowance (continued)

The Group/The Company

Loans and Notes Receivable Commercial/Corporate

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2021	9,472	18,445	28,965	56,882
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(3,001)	3,001	-	-
- Transfer from Stage 1 to Stage 3	-	-	-	-
- Transfer from Stage 2 to Stage 1	654	(654)	-	-
- Transfer from Stage 2 to Stage 3	-	(1)	1	-
- Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or Purchased	1,600	22,488	-	24,088
Changes in PDs/LGDs/EADs	677	(478)	(1,061)	(862)
Financial assets derecognised during the period	(2,979)	(10,926)	(128)	(14,033)
Net profit or loss change during the period	(3,049)	13,430	(1,188)	9,193
Loss allowance at 31 March 2022	6,423	31,875	27,777	66,075

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Loans and Notes Receivable Retail

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Loans and Notes Receivable Retail

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2021	4,181	4,232	5,108	13,521
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	(258)	258	-	-
- Transfer from Stage 1 to Stage 3	(904)	-	904	-
- Transfer from Stage 2 to Stage 1	168	(168)	-	-
- Transfer from Stage 2 to Stage 3	-	(606)	606	-
- Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated or purchased	995	74	116	1,185
Changes in PDs/LGDs/EADs	327	(1,995)	605	(1,063)
Financial assets derecognised during the period	(753)	(963)	(230)	(1,946)
Financial assets derecognised during the period	-	-	(270)	(270)
Net profit or loss change during the period	(425)	(3,400)	1,731	(2,094)
Loss allowance at 31 March 2022	3,756	832	6,839	11,427

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

Investment Securities

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

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2021	715	42	-	757
Movements with P&L impact				
Transfers:				
New financial assets originated or purchased	651	-	-	651
Financial assets derecognised during the period	(459)	-	-	(459)
FX and other changes in inputs used in ECL calculations	4	(18)	-	(14)
Net profit or loss change during the period	196	(18)	-	178
Loss allowance at 31 March 2022	911	24	-	935

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Investment Securities

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

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance at 1 April 2021	715	42	-	757
Movements with P&L impact				
Transfers:				
- Transfer from Stage 1 to Stage 2	-	-	-	-
New financial assets originated or purchased	651	-	-	651
Financial assets derecognised during the period	(459)	-	-	(459)
FX and other changes in inputs used in ECL calculations	(1)	(18)	-	(19)
Net profit or loss change during the period	191	(18)	-	173
Loss allowance at 31 March 2022	906	24	-	930

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

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

The Group

Loans and Notes Receivable
Retail

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

Loans and Notes Receivable
Retail

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2021	490,788	46,138	25,436	562,362
Transfers:				
- Transfer from Stage 1 to Stage 2	(6,998)	6,998	-	-
- Transfer from Stage 1 to Stage 3	(3,329)	-	3,329	-
- Transfer from Stage 2 to Stage 1	17,492	(17,492)	-	-
- Transfer from Stage 2 to Stage 3	-	(1,340)	1,340	-
- Transfer from Stage 3 to Stage 2	-	35	(35)	-
New financial assets originated or purchased	230,749	6,105	1,272	238,126
Financial assets derecognised during the period other than write-offs & paydowns	(197,823)	(22,530)	(2,830)	(223,183)
Write offs	-	-	(7,063)	(7,063)
Gross carrying amount at 31 March 2022	530,879	17,914	21,449	570,242

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group/The Company

Commercial/Corporate

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group/The Company

Commercial/Corporate

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2021	640,879	236,164	124,761	1,001,804
Transfers:				
- Transfer from Stage 1 to Stage 2	(41,858)	41,858	-	-
- Transfer from Stage 1 to Stage 3	(166)	-	166	-
- Transfer from Stage 2 to Stage 1	83,483	(83,483)	-	-
- Transfer from Stage 2 to Stage 3	-	(792)	792	-
New financial assets originated or purchased	243,874	109,111	22,584	375,569
Financial assets derecognised during the period other than write-offs & paydowns	(328,523)	(134,682)	(45,101)	(508,306)
Gross carrying amount at 31 March 2022	597,689	168,176	103,202	869,067

The Company

Retail

	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2022	378,178	13,274	17,761	409,213
Transfers:				
- Transfer from Stage 1 to Stage 2	(8,857)	8,857	-	-
- Transfer from Stage 1 to Stage 3	(4,996)	-	4,996	-
- Transfer from Stage 2 to Stage 1	3,372	(3,372)	-	-
- Transfer from Stage 2 to Stage 3	-	(79)	79	-
New financial assets originated or purchased	285,759	6,627	7,418	299,804
Financial assets derecognised during the period other than write-offs & Paydowns	(57,887)	(4,251)	(7,552)	(69,690)
Write offs	-	-	(5,000)	(5,000)
Gross carrying amount at 31 March 2023	595,569	21,056	17,702	634,327

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Retail

	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount at 1 April 2021	380,036	39,630	21,720	441,386
Transfers:				
- Transfer from Stage 1 to Stage 2	(5,367)	5,367	-	-
- Transfer from Stage 1 to Stage 3	(1,595)	-	1,595	-
- Transfer from Stage 2 to Stage 1	17,153	(17,153)	-	-
- Transfer from Stage 2 to Stage 3	-	(683)	683	-
New financial assets originated or purchased	96,539	3,516	234	100,289
Financial assets derecognised during the period other than write-offs & Paydowns	(108,588)	(17,403)	(6,201)	(132,192)
Write offs	-	-	(270)	(270)
Gross carrying amount at 31 March 2022	378,178	13,274	17,761	409,213

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group

Investment Securities

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

	2022				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased Credit Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at 1 April 2021	548,805	14,988	-	-	563,793
Transfers:					
- Transfer from Stage 1 to Stage 2					
New financial assets originated or purchased	811,290	-	-	-	811,290
Financial assets derecognised	(456,553)	(838)	-	-	(457,391)
FX and other changes in inputs used in ECL calculations	(623)	(463)	-	-	(1,086)
Carrying amount at 31 March 2022	902,919	13,687	-	-	916,606

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Company

Investment Securities

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

	2022				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased Credit Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amount at 1 April 2021	548,510	14,988	-	-	563,498
Transfers:					
Transfer from Stage 1 to Stage 2					
New financial assets originated or purchased	811,290	-	-	-	811,290
Financial assets derecognised	(456,553)	(838)	-	-	(457,391)
FX and other changes in inputs used in ECL calculations	(585)	(463)	-	-	(1,048)
Carrying amount at 31 March 2022	902,662	13,687	-	-	916,349

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 (2022: Nil).

(Expressed in thousands of Trinidad and Tobago dollars)

22. 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 2023 was $11,437 million (2022: $7,063 million). The Group still seeks to recover amounts it is legally owed, but which have been partially written off.

(a.vi) Concentration of credit risk

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

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

The Group

	Loans and Advances to Customers		**Investment Securities**	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Gross amount	1,713,400	1,439,309	968,406	979,027
Concentration by sector				
Corporate/commercial	864,003	869,067	216,370	294,421
Sovereign	-	-	727,740	648,647
Bank	-	-	23,663	35,326
Retail	849,397	570,242	-	-
Equities	-	-	633	633
	1,713,400	1,439,309	968,406	979,027
Concentration by location				
Trinidad	1,681,610	1,434,425	487,899	730,149
Regional	31,790	4,884	30,369	33,421
Other	-	-	450,138	215,457
	1,713,400	1,439,309	968,406	979,027

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(a) Credit risk (continued)

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

The Company

	Loans and Advances to Customers		**Investment Securities**	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Gross amount	1,498,329	1,278,280	968,183	978,691
Concentration by sector				
Corporate/commercial	864,003	869,067	216,370	294,421
Sovereign	-	-	727,517	648,390
Bank	-	-	23,663	35,247
Retail	634,326	409,213	-	-
Equities	-	-	633	633
	1,498,329	1,278,280	968,183	978,691
Concentration by location				
Trinidad	1,466,539	1,273,397	487,899	730,070
Regional	31,790	4,883	30,146	33,164
Other	-	-	450,138	215,457
	1,498,329	1,278,280	968,183	978,691

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

Management of liquidity risk

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

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

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

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

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

22. Financial Risk Management (continued)

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

Liquidity limits

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

Liquidity ratios

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

Market triggers

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

Liquidity Stress Testing

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

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

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

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(c) Liquidity risk (continued)

(i) Maturity analysis for financial assets and liabilities

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

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

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

	2023 The Group					
	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Nominal Cash Flow $'000	Carrying Amount $'000
Cash and cash equivalents	135,228	-	-	-	135,228	135,228
Balances with Central Bank	443,931	-	-	-	443,931	443,931
Interest receivable	-	19,128	-	-	19,128	19,128
Loans and notes receivable	108,264	1,131,965	376,592	167,811	1,784,632	1,597,412
Investment securities	629,818	91,952	143,200	121,572	986,542	968,407
Other receivables	-	10,402	-	-	10,402	10,402
Total financial assets	1,317,241	1,253,447	519,792	289,383	3,379,863	3,174,508
Customer deposits	1,796,003	906,984	38,878	1,255	2,743,120	2,716,967
Subordinated debt	-	2,521	20,014	110,000	132,535	100,000
Lease liability	1,602	4,314	17,208	4,987	28,111	23,221
Interest payable	9,389	-	-	-	9,389	9,389
Accounts payable	116,037	-	-	-	116,037	116,037
Total financial liabilities	1,923,031	913,819	76,100	116,242	3,029,192	2,965,614
Bonds guarantees and letters of credit	12,971	970	71	-	14,012	14,012
Undrawn credit commitments	45,255	-	-	-	45,255	45,255
Total Credit Commitments	58,226	970	71	-	59,267	59,267

(Expressed in thousands of Trinidad and Tobago dollars)

22.Financial Risk Management (continued)

(c) Liquidity risk (continued)

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

2022
The Group

	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Nominal Cash Flow $'000	Carrying Amount $'000
Cash and cash equivalents	165,615	-	-	-	165,615	165,615
Balances with Central Bank	459,509	-	-	-	459,509	459,509
Interest receivable	-	18,145	-	-	18,145	18,145
Loans and notes receivable	154,001	1,017,032	286,611	34,297	1,491,941	1,346,788
Investment securities	473,928	206,605	163,598	157,078	1,001,209	979,027
Other receivables	-	17,864	-	-	17,864	17,864
Total financial assets	1,253,053	1,259,646	450,209	191,375	3,154,283	2,986,948
Customer deposits	1,816,530	755,893	9,871	188	2,582,482	2,561,530
Subordinated debt	-	2,521	22,493	100,000	125,014	100,000
Lease liability	2,129	6,029	21,479	8,635	38,272	30,223
Interest payable	8,160	-	-	-	8,160	8,160
Accounts payable	113,879	-	-	-	113,879	113,879
Total financial liabilities	1,940,698	764,443	53,843	108,823	2,867,807	2,813,792
Bonds guarantees and letters of credit	10,850	66	589	-	11,505	11,505
Undrawn credit commitments	15,924	-	-	-	15,924	15,924
Total Credit Commitments	26,774	66	589	-	27,429	27,429

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(c) Liquidity risk (continued)

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

	2023 The Company					
	Within 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Nominal Cash Flow**	**Carrying Amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	132,058	-	-	-	132,058	132,058
Balances with Central Bank	426,953	-	-	-	426,953	426,953
Interest receivable	-	17,427	-	-	17,427	17,427
Loans and notes receivable	106,977	1,109,044	98,672	167,813	1,482,506	1,394,306
Investment securities	629,818	91,952	143,200	121,348	986,318	968,183
Due from subsidiary	-	114,336	-	-	114,336	114,336
Other receivables	-	8,957	-	-	8,957	8,957
Total financial assets	1,295,806	1,341,716	241,872	289,161	3,168,555	3,062,220
Customer deposits	1,795,385	832,028	38,878	1,255	2,667,546	2,643,720
Subordinated debt	-	2,521	20,014	110,000	132,535	100,000
Lease liability	1,157	3,367	13,418	4,547	22,489	18,372
Interest payable	8,147	-	-	-	8,147	8,147
Accounts payable	108,476	-	-	-	108,476	108,476
Due to subsidiary	12,376	-	-	-	12,376	12,376
Total financial liabilities	1,925,541	837,916	72,310	115,802	2,951,569	2,891,091
Bonds guarantees and letters of credit	12,971	970	71	-	14,012	14,012
Undrawn credit commit- ments	45,255	-	-	-	45,255	45,255
Total Credit Commitments	58,226	970	71	-	59,267	59,267

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(c) Liquidity risk (continued)

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

	2022 The Company					
	Within 3 Months $'000	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Nominal Cash Flow $'000**	**Carrying Amount $'000**
Cash and cash equivalents	164,847	-	-	-	164,847	164,847
Balances with Central Bank	446,346	-	-	-	446,346	446,346
Interest receivable	-	16,989	-	-	16,989	16,989
Loans and notes receivable	152,614	995,688	91,024	34,297	1,273,623	1,199,373
Investment securities	473,849	206,605	163,598	156,821	1,000,873	978,691
Due from subsidiary	-	102,164	-	-	102,164	102,164
Other receivables	-	17,286	-	-	17,286	17,286
Total financial assets	1,237,656	1,338,732	254,622	191,118	3,022,128	2,925,696
Customer deposits	1,816,530	714,370	9,871	188	2,540,959	2,523,805
Subordinated debt	-	2,521	22,493	100,000	125,014	100,000
Lease liability	1,612	4,716	18,718	8,195	33,241	25,888
Interest payable	6,643	-	-	-	6,643	6,643
Accounts payable	110,088	-	-	-	110,088	110,088
Due to subsidiary	7,575	-	-	-	7,575	7,575
Total financial liabilities	1,942,448	721,607	51,082	108,383	2,823,520	2,773,999
Bonds guarantees and letters of credit	10,850	66	589	-	11,505	11,505
Undrawn credit commit-ments	15,924	-	-	-	15,924	15,924
Total Credit Commitments	26,774	66	589	-	27,429	27,429

22. Financial Risk Management (continued)

(d) Market risks

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

Management of market risks

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

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

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

Value at Risk (VaR)

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

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(d) Market risks (continued)

Value at Risk (VaR) (continued)

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

A summary of the VaR position of the Group's overall portfolio as at 31 March 2023 and during the year then ended is as follows:

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

	March 31	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2022 Overall VaR	5,562	5,304	10,478	3,104

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

(i) Interest rate risk

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

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

To this end, the Group has an ALCO which reviews on a monthly basis the non-credit and non-operational risk for each subsidiary, since asset and liability management is a vital part of the risk management framework. The mandate of the Committee is to assess and approve strategies for the management of the non-credit risks of the Group, including interest rate, foreign exchange, liquidity and market risks. The primary tools currently in use are gap analysis, interest rate sensitivity analysis and exposure limits for financial instruments. The limits are defined in terms of amount, term, issuer, depositor and country. Interest on financial instruments classified as floating is repriced at intervals of less than one year while interest on financial instruments classified as fixed is fixed until the maturity of the instrument.

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

Interest sensitivity of financial assets and financial liabilities

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

The Group

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (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**
31 March 2022							
Financial assets							
Cash and cash equivalents	-	-	-	-	-	165,615	165,615
Balances with Central Bank	-	-	-	-	-	459,509	459,509
Interest receivable	-	-	-	-	-	18,145	18,145
Loans and notes receivable	150,568	73,595	878,326	210,002	34,297	-	1,346,788
Investment securities	470,903	73,249	129,449	148,348	156,445	633	979,027
Accounts receivable	-	-	-	-	-	17,864	17,864
Total financial assets	621,471	146,844	1,007,775	358,350	190,742	661,766	2,986,948
Financial liabilities							
Customer deposits	1,814,778	325,867	411,496	9,389	-	-	2,561,530
Subordinated debt	-	-	-	-	100,000	-	100,000
Lease liability	1,648	1,674	3,065	13,705	10,131	-	30,223
Interest payable	-	-	-	-	-	8,160	8,160
Accounts payable	-	-	-	-	-	113,879	113,879
Total financial liabilities	1,816,426	327,541	414,561	23,094	110,131	122,039	2,813,792
Total Interest sensitivity Gap	(1,194,955)	(180,697)	593,214	335,256	80,611	539,727	173,156
Cumulative interest sensitvity gap	(1,194,955)	(1,375,652)	(782,483)	(447,182)	(366,571)	173,156	-

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (continued)

The Company

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

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (continued)

The Company

	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**
31 March 2022							
Financial assets							
Cash and cash equivalents	-	-	-	-	-	164,847	164,847
Balances with Central Bank	-	-	-	-	-	446,346	446,346
Interest receivable	-	-	-	-	-	16,989	16,989
Loans and notes receivable	149,908	72,683	871,858	70,627	34,297	-	1,199,373
Investment securities	470,824	73,249	129,449	148,348	156,188	633	978,691
Accounts receivable	-	-	-	-	-	17,286	17,286
Due from subsidiary	-	-	-	-	-	102,164	102,164
Total financial assets	620,732	145,932	1,001,307	218,975	190,485	748,265	2,925,696
Financial liabilities							
Customer deposits	1,814,779	323,141	376,496	9,389			2,523,805
Subordinated debt	-	-	-	-	100,000	-	100,000
Lease liability	1,193	1,213	2,365	11,412	9,705	-	25,888
Interest payable	-	-	-	-	-	6,643	6,643
Accounts payable	-	-	-	-	-	110,088	110,088
Due to subsidiary	-	-	-	-	-	7,575	7,575
Total financial liabilities	1,815,972	324,354	378,861	20,801	109,705	124,306	2,773,999
Total interest sensitivity gap	(1,195,240)	(178,422)	622,446	198,174	80,780	623,959	151,697
Cumulative interest sensitivity gap	(1,195,240)	(1,373,662)	(751,216)	(553,042)	(472,262)	151,697	-

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(d) Market risks (continued)

(i) Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (continued)

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

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

The Group 31 March 2023			The Group 31 March 2022		
Change in basis points	**Effect on Net Profit**	**Effect on Equity**	**Change in basis points**	**Effect on Net Profit**	**Effect on Equity**
	$'000	**$'000**		**$'000**	**$'000**
-100	(178)	12,277	-100	(454)	15,928
100	178	(14,444)	100	454	(16,033)
-50	(89)	5,397	-50	(227)	7,905
50	89	(7,987)	50	227	(8,332)

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(d) Market risks (continued)

(ii) Other market risks – non-trading portfolios

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

(iii) Foreign currency risk

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

The techniques to manage currency risk vary subject to market conditions. Assets are primarily funded from liabilities of the same currency, thus eliminating currency risk. Foreign currency transactions have not required the use of interest rate swaps, foreign currency options or other derivative instruments. Currency exposure resides mainly in trading activity where the Group buys and sells currencies in the spot markets. Trading portfolios are managed with the intent to buy and sell over short periods, rather than to hold positions for investments. Explicit limits are established by currency, position and term, and daily reports are reviewed for compliance.

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

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

	The Group		**The Company**		**Exchange Rates**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**		
United States Dollars	299,835	179,771	300,054	179,987	6.75	6.75
Great Britain Pound	5,753	2,653	5,753	2,653	8.54	9.16
Euros	18,609	5,809	18,609	5,809	7.50	7.82
Canadian Dollars	(2,808)	(2,072)	(2,808)	(2,072)	5.10	5.56

(Expressed in thousands of Trinidad and Tobago dollars)

22. Financial Risk Management (continued)

(d) Market risks (continued)

(iii) Foreign currency risk (continued)

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

	The Group			
	2023		2022	
	Change in currency rate	Effect on Profit	Change in currency rate	Effect on Profit
	%	TT $'000	%	TT $'000
Currency				
BBD	6	1	6	1
CAD	6	(169)	6	(124)
EUR	6	1,117	6	349
GBP	6	345	6	159
USD	6	18,016	6	11,738
XCD	6	(1)	6	(1)
		19,309		12,122

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

(e) Operational risks

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

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

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

22. Financial Risk Management (continued)

(e) Operational risks (continued)

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

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

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

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

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

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

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

22. Financial Risk Management (continued)

(e) Operational risks (continued)

***(i)* Cyber Risk and IT Governance Security**

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

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

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

22. Financial Risk Management (continued)

(e) Operational risks (*continued****)***

(ii) 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.

23. Capital Management

Regulatory capital

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

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

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

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

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

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

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

23. Capital Management (continued)

Regulatory capital (continued)

The regulatory capital position at March 31 was as follows:

	Limit	**The Group**		**The Company**	
		2023	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
Tier I capital		236,091	216,412	222,785	210,231
Tier II capital		144,578	132,937	127,823	122,725
Total regulatory capital		380,669	349,349	335,608	332,956
Risk-weighted assets:					
Loans and notes receivable, investment securities and other assets, being total risk-weighted assets		1,794,088	1,643,292	1,680,141	1,567,678
Operational risk capital requirement		248,183	223,122	200,024	189,408
Market risk capital requirement		530,973	355,503	530,475	354,953
		2,573,244	2,221,917	2,410,640	2,112,039
Common Equity Tier I Ratio	4.5%	9.17%	9.74%	9.24%	9.95%
Tier I Capital Ratio	6.0%	9.17%	9.74%	9.24%	9.95%
Capital Adequacy Ratio	10.0%	14.79%	15.72%	13.92%	15.76%

24. Fair Value of Financial Assets and Liabilities

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 29.

(a) Valuation models

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

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the Group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the Group uses observable data as far as possible. Fair values are categorised 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.

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

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

	The Group 31 March 2023							
	Amortised Cost	Fair Value through Other Comprehensive Income (FVOCI)	Fair Value Through Profit or Loss (FVTPL)	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Government of Trinidad and Tobago securities	-	286,106	-	286,106	-	286,106	-	286,106
Other Sovereign	-	441,634	-	441,634	440,188	1,446	-	441,634
Corporate bonds	-	217,623	22,410	240,033	-	240,033	-	240,033
Quoted and unquoted equities	-	633		633	-	-	633	633
	-	945,996	22,410	968,406	440,188	527,585	633	968,406
Financial assets not measured at fair value								
Cash and cash equivalents	135,228	-	-	135,228				
Balances with Central Bank	443,931	-	-	443,931				
Interest receivable	19,128	-	-	19,128				
Loans and advances to customers	1,597,412	-	-	1,597,412				
Accounts receivable	10,402	-	-	10,402				
	2,206,101	-	-	2,206,101				
Financial Liabilities not measured at fair value								
Customer deposits	2,716,967	-	-	2,716,967				
Subordinated debt	100,000	-	-	100,000				
Lease liability	23,221	-	-	23,221				
Interest payable	9,389	-	-	9,389				
Accounts payable	116,037	-	-	116,037				
	2,965,614	-	-	2,965,614				

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

	The Group 31 March 2022 – Restated (see note 33)							
	Amortised Cost	Fair Value through Other Comprehensive Income (FVOCI)	Fair Value Through Profit or Loss (FVTPL)	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Government of Trinidad and Tobago securities	-	430,412	-	430,412	-	430,412	-	430,412
Other Sovereign	-	218,235	-	218,235	215,457	2,778	-	218,235
Corporate bonds	-	267,959	61,788	329,747	-	329,747	-	329,747
Quoted and unquoted equities	-	633	-	633	-	-	633	633
	-	917,239	61,788	979,027	215,457	762,937	633	979,027
Financial assets not measured at fair value								
Cash and cash equivalents	165,615	-	-	165,615				
Balances with Central Bank	459,509	-	-	459,509				
Interest receivable	18,145	-	-	18,145				
Loans and advances to customers	1,346,788	-	-	1,346,788				
Accounts receivable	17,864	-	-	17,864				
	2,007,921	-	-	2,007,921				
Financial Liabilities not measured at fair value								
Customer deposits	2,561,530	-	-	2,561,530				
Subordinated debt	100,000	-	-	100,000				
Lease liability	30,223	-	-	30,223				
Interest payable	8,160	-	-	8,160				
Accounts payable	113,879	-	-	113,879				
	2,813,792	-	-	2,813,792				

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

The Company
31 March 2023

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

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

The Company
31 March 2022 – Restated (see note 33)

	Amortised Cost	Fair Value through Other Comprehensive Income (FVOCI)	Fair Value Through Profit or Loss (FVTPL)	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Government of Trinidad and Tobago securities	-	430,412	-	430,412	-	430,412	-	430,412
Other Sovereign	-	217,978	-	217,978	215,457	2,521	-	217,978
Corporate bonds	-	267,959	61,709	329,668	-	329,668	-	329,668
Quoted and unquoted equities	-	633	-	633	-	-	633	633
	-	916,982	61,709	978,691	215,457	762,601	633	978,691
Financial assets not measured at fair value								
Cash and cash equivalents	164,847	-	-	164,847				
Balances with Central Bank	446,346	-	-	446,346				
Interest receivable	16,989	-	-	16,989				
Loans and advances to customers	1,199,373	-	-	1,199,373				
Accounts receivable	17,286	-	-	17,286				
Due from subsidiary	102,164	-	-	102,164				
	1,947,005	-	-	1,947,005				
Financial Liabilities not measured at fair value								
Customer deposits	2,523,805	-	-	2,523,805				
Subordinated debt	100,000	-	-	100,000				
Lease liability	25,888	-	-	25,888				
Interest payable	6,643	-	-	6,643				
Due to subsidiary	7,575	-	-	7,575				
Accounts payable	110,088	-	-	110,088				
	2,773,999	-	-	2,773,999				

24. Fair Value of Financial Assets and Liabilities (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) Loans and advances

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

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

(2) Short-term financial assets and financial liabilities

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

(3) Lease liabilities

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

(4) Subordinated debt

The fair value 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.

(Expressed in thousands of Trinidad and Tobago dollars)

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

(c) Level 3 fair value measurements

(i) Reconciliation

The following table presents the changes in Level 3 instruments for the year ended 31 March 2023.

	Equities $'000	Total $'000
The Group 2023		
Opening balance	633	633
Additions	-	-
Disposals	-	-
Total gains or losses:		
- in OCI	-	-
Closing balance	633	633
The Group 2022		
Opening balance	1,555	1,555
Additions	-	-
Disposals	(922)	(922)
Total gains or losses:		
- in OCI	-	-
Closing balance	633	633
The Company 2023		
Opening balance	633	633
Additions	-	-
Disposals	-	-
Total gains or losses:		
- in OCI	-	-
Closing balance	633	633
The Company 2022		
Opening balance	1,555	1,555
Additions	-	-
Disposals	(922)	(922)
Total gains or losses:		
- in OCI	-	-
Closing balance	633	633

(Expressed in thousands of Trinidad and Tobago dollars)

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

(c) Level 3 fair value measurements (continued)

(ii) Unobservable inputs used in measuring fair value

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

Type of Financial Instrument	**Fair Values at March 31, 2023** **$'000**	**Valuation Technique**	**Significant Unobservable Input**	**(1) Range**	**(2) Weighted Average**
Equities	$633 (2022: $633)	Discounted Cashflow	Revenue Growth Cost of equity Volatility of earning	5% above and below	100 per share

1) The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Company's Level 3 financial instruments as March 31, 2023. 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 Company's Level 3 financial instruments.

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

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

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

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

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

(Expressed in thousands of Trinidad and Tobago dollars)

25. Contingent Liabilities

As at March 31, 2023, there were two legal proceeding outstanding against the Group. Based on legal advice, the directors do not expect the outcome of that action to have material impact on the Group's financial position and as such no provisions were required (2022: 1).

26. Credit Commitments

The commitments of a credit nature are as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Undrawn commitments for loans and advances	45,255	15,924	45,255	15,924
Loans and advances approved pending final documents	113,233	97,423	113,233	97,423

27. Operating Segment

The Group has the following four 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
Retail	Loans, deposits and other transactions and balances with retail customers
Corporate/Commercial	Loans, deposits and other transactions and balances with corporate/commercial customers
Treasury management and investment banking	FX trading, liquidity management and investment banking services including corporate finance, and specialised financial trading
Other Functions	All other revenue and support functions within the Group

(Expressed in thousands of Trinidad and Tobago dollars)

27. Operating Segment (continued)

The Group

	Retail	Corporate/ Commercial	Treasury	Other Functions	Total
	$'000	$'000	$'000	$'000	$'000
Year ended 31 March 2023					
Net interest income	66,876	66,664	32,558	-	166,098
Net fee and commission income	10,377	3,857	73	-	14,307
Foreign exchange gains	-	-	38,774	-	38,774
Other income	-	-	1,039	200	1,239
Total income	77,253	70,521	72,444	200	220,418
Impairment losses	(19,415)	(14,053)	-	-	(33,468)
Staff costs	(32,176)	(5,800)	(2,738)	(35,011)	(75,725)
Other expenses	(41,336)	(4,228)	(692)	(21,002)	(67,258)
Total non-interest expenses	(92,927)	(24,081)	(3,430)	(56,013)	(176,449)
Profit (loss) before taxation	(15,674)	46,440	69,014	(55,813)	43,967
Segment assets	831,989	901,640	1,449,532	58,508	3,241,669
Segment liabilities	1,383,230	611,770	956,714	22,360	2,974,074

(Expressed in thousands of Trinidad and Tobago dollars)

27. Operating Segment (continued)

The Group

	Retail	Corporate/ Commercial	Treasury	Other Functions	Total
	$'000	$'000	$'000	$'000	$'000
Year ended 31 March 2022 – Restated (see note 33)					
Net interest income	58,692	68,939	3,081	-	130,712
Net fee and commission income	7,926	669	340	9	8,944
Foreign exchange gains	-	-	24,113	-	24,113
Other income	-	-	918	-	918
Total income	66,618	69,608	28,452	9	164,687
Impairment losses	(7,281)	(7,091)	-	-	(14,372)
Staff costs	(12,570)	(4,816)	(2,351)	(47,039)	(66,776)
Other expenses	(36,605)	(3,277)	(1,034)	(13,136)	(54,052)
Total non-interest expenses	(56,456)	(15,184)	(3,385)	(60,175)	(135,200)
Profit (loss) before taxation	10,162	54,424	25,067	(60,166)	29,487
Segment assets	464,589	816,365	1,638,582	141,456	3,060,992
Segments liabilities	1,241,303	528,639	909,583	141,069	2,820,594

The Company

	Retail	Corporate/ Commercial	Treasury	Other Functions	Total
	$'000	$'000	$'000	$'000	$'000
Year ended 31 March 2023					
Net interest income	11,007	66,664	32,557	-	110,228
Net fee and commission income	10,376	3,856	75	-	14,307
Foreign exchange gains	-	-	38,774	-	38,774
Other income	-	-	1,039	200	1,239
Total income	21,383	70,520	72,445	200	164,548
Impairment losses	(12,818)	(14,053)	-	-	(26,871)
Staff costs	(15,018)	(5,800)	(2,738)	(35,010)	(58,566)
Other expenses	(29,434)	(4,228)	(692)	(21,005)	(55,359)
Total non-interest expenses	(57,270)	(24,081)	(3,430)	(56,015)	(140,796)
Profit (loss) before taxation	(35,887)	46,439	69,015	(55,815)	23,752
Segment assets	710,727	901,641	1,449,532	73,508	3,135,408
Segment liabilities	1,303,307	611,770	956,714	22,360	2,894,151

27. Operating Segment (continued)

The Company

	Retail $'000	Corporate/ Commercial $'000	Treasury $'000	Other Functions $'000	Total $'000
Year ended 31 March 2022 – Restated (see note 33)					
Net interest income	20,256	68,939	3,080	-	92,275
Net fee and commission income	7,926	669	340	9	8,944
Foreign exchange gains	-	-	24,113	-	24,113
Other income	-	-	918	-	918
Total income	28,182	69,608	28,451	9	126,250
Impairment losses	(451)	(7,091)	-	-	(7,542)
Staff costs	(12,570)	(4,816)	(2,350)	(34,451)	(54,187)
Other expenses	(28,762)	(3,277)	(1,035)	(13,135)	(46,209)
Total non-interest expenses	(41,783)	(15,184)	(3,385)	(47,586)	(107,938)
Profit (loss) before taxation	(13,601)	54,424	25,066	(47,577)	18,312
Segment assets	407,141	816,365	1,638,582	141,456	3,003,544
Segment liabilities	1,197,130	528,639	909,583	141,069	2,776,421

28. Earnings per Share

Amounts are noted in thousands except per share

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
Profit attributable to ordinary shares	29,372	19,683	16,301	12,554
Ordinary shares	107,631	107,631	107,631	107,631
	$0.27	$0.18	$0.15	$0.12

The above represents both basic and diluted EPS.

29. Significant Accounting Policies

(a) Financial instruments

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

(a) Loans and notes receivable

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

(b) Repurchase and reverse repurchase agreements

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

(c) Investment Securities

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

(d) Cash and cash equivalents

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

(e) Balances with Central Bank

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

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

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

(f) Customer deposits

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

(g) Debt securities in issue

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

(h) Accounts payable

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

(i) Share capital

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

(j) Financial guarantee contracts and loan commitments

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

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

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

- The amount of the loss allowance (calculated as described in Note 22(a.ii); and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

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

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

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

(k) Offsetting

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

(ii) Measurement methods

Amortised cost and effective interest rate

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

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

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

Interest income calculated using effective interest method

Presentation

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

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

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(ii) Measurement methods (continued)

Initial recognition and measurement

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

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

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in Note 29(a)(iii), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

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

(iii) Financial assets

Classification and subsequent measurement

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

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

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

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

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

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 22(a)(ii). Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

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

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

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Debt instruments (continued)

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

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

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

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Debt instruments (continued)

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

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

Equity instruments

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

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

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

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Impairment

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

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Note 22(a.ii) provides more detail of how the expected credit loss allowance is measured.

Modification of loans

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

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced, that substantially affects the risk profile of the loan;
- Material change of the loan term when the borrower is not in financial difficulty;

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets (continued)

Classification and subsequent measurement (continued)

Modification of loans (continued)

- Significant change in the interest rate;
- Change in the currency the loan is denominated in;
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

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

Derecognition other than on a modification

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

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

29. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(i) Financial liabilities

Classification and subsequent measurement

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

Derecognition

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

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

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

29. Significant Accounting Policies (continued)

(b) Revenue recognition

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

(i) Interest income and expense

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

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

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

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

(ii) Gains on securities trading, net

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

29. Significant Accounting Policies (continued)

(b) Revenue recognition

(iii) Fee and commission income

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

(iv) Net income from financial instruments at FVTPL

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

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

(v) Foreign exchange gains

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

29. Significant Accounting Policies (continued)

(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.

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

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

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

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

29. Significant Accounting Policies (continued)

(e) Provisions

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

(f) Statutory reserve fund

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

(g) Leases – where the Group is the lessee

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

(i) As a lessee

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

29. Significant Accounting Policies (continued)

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

(i) As a lessee (continued)

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

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

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

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.

29. Significant Accounting Policies (continued)

(g) Leases (continued)

(i) As a lessee (continued)

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

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

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

Short-term leases and leases of low-value assets

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

(h) Employee benefits

(i) Short-term

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

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

29. Significant Accounting Policies (continued)

(h) Employee benefits (continued)

(ii) Post employment

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

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

The Group's contribution expense to this Plan is charged to the profit or loss in the year to which they relate. For the current financial year, 31 March 2023, the Group's contributions amounted to $3,726 (2022: $3,668).

(i) Taxation

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

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

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

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

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

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

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

29. Significant Accounting Policies (continued)

(j) Earnings per share

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

(k) Impairment of non-financial assets

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

(l) Other assets and liabilities

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

(m) Acceptances, guarantees and letters of credit

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

The Group's commitments under acceptances, guarantees and letters of credit have been excluded from these financial statements because they do not meet the criteria for recognition. These commitments as at 31 March 2023 totalled $14,012 (2022: $11,505). In the event of a call on these commitments, the Group has equal and offsetting claims against its customers.

29. Significant Accounting Policies (continued)

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

Certain new amended standards that 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* 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 June 30, 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 adoption of amendments to IFRS 16 did not result in any changes to the financial statements.

- Amendments to IAS 37 *Provisions, 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 adoption of amendments to IAS 37 did not result in any changes to the financial statements.

- Amendments to IAS 16 *Property, Plant and Equipment*, effective for annual periods beginning on or after January 1, 2022, will mainly affect extractive and petrochemical industries and include the following guidance. In the process of making an item of property, plant and equipment (PPE) available for its intended use, a company may produce and sell items – e.g. minerals extracted in the process of constructing an underground mine or oil and gas from testing wells before starting production. It provides guidance on the accounting for such sale proceeds and the related production costs. Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

29. Significant Accounting Policies (continued)

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

- Amendments to IAS 16 (continued)

  Companies will therefore need to distinguish between, costs associated with producing and selling items before the item of PPE is available for use, and costs associated with making the item of PPE available for its intended use. Making this allocation of costs may require significant estimation and judgement. Companies in the extractive industry may need to monitor costs at a more granular level. The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to; disclose separately the sales proceeds and related production cost recognised in profit or loss, and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

  The adoption of amendments to IFRS 16 did not result in any changes to the 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.

- The amendments to IAS 41 *Agriculture* removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 *Fair Value Measurement*.

The adoption of Annual Improvements to IFRS Standards 2018-2020 cycle did not result in any changes to the financial statements.

29. Significant Accounting Policies (continued)

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

At the date of authorisation of the financial statements, certain new standards and amendments to existing standards and interpretations have been issued which are not yet effective 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:

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4, Insurance Contracts and is effective for annual reporting periods beginning on or after January 1, 2023. It outlines a new measurement model for insurance contracts, a General Measurement Model (GMM), which is modified for insurance contracts with direct participation features, described as Variable Fee Approach. The GMM is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

  The new standard focuses on types of contracts and therefore applies to all entities whether or not they are regulated as insurances entities or not.

  Generally, an entity will apply IFRS 17 to contracts that meet the definition of an insurance contract with certain exceptions where accounting under another standard is permitted, for example, financial guarantee contracts accounted for under IFRS 9.

  The Group is in the process of reviewing the impact of the standard on the various types of contracts it issues.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 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, the Group classifies a liability as current when it does 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, a right to defer settlement must have substance and exist at the reporting date. The Group 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 Group 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 the Group 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 Group's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that the reporting entity can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

29. Significant Accounting Policies (continued)

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

The Group does not expect the amendment to have a significant impact 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 that 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.

- Amendments to IAS 1 (continued)

  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 does not expect the amendments to have a significant impact 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.

29. Significant Accounting Policies (continued)

(o) New and amended standards and interpretations that are not yet effective (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 does not expect the amendment to have a significant impact 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.

- Amendments to IAS 12

  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 does not expect the amendments to have a significant impact on its financial statements.

29. Significant Accounting Policies (continued)

(p) Comparative information

Certain changes in presentation have been made in these financial statements. These changes had no effect in the operating results or profit after tax on the Group for the previous year.

30. Events after the Reporting Period

The Company's wholly owned subsidiary, JMMB Express Finance (T&T) Limited, is in the process of making a minority stake investment of 19.9% in another privately owned financial institution in Trinidad and Tobago. An initial subscription agreement has been signed by both parties and is pending regulatory and other approvals.

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

31. Ukraine Russia Tensions

The ongoing Russia-Ukraine crisis poses geopolitical risks that could lead to market volatility and disrupt international trade. While the Group has no direct exposure to Russia and Ukraine, there can be indirect impacts through global financial markets. While we believe that these impacts have been largely priced in we continue to monitor the situation and take any developments into account in our management strategies and will respond as the situation evolves.

32. Climate Related Risks

The JMMB Group acknowledges that climate change can have serious implications for our business and our clients going forward. We understand that the effects of climate change may pose physical, transition, and other risks that could impact our operations and financial performance. This disclosure outlines these potential risks while also highlighting opportunities related to a low-carbon, sustainable economy and our plans to develop a framework to address this emerging risk area.

Physical risks arise from potential damage to our physical assets and those of our clients due to climate change-induced events, including acute events like floods and storms, and chronic conditions like rising sea levels and changing precipitation patterns.

Transition risks arise from the process of adjustment towards a low-carbon economy. These risks are varied and include changes in technology, policy and legal frameworks, and market conditions which can have financial and reputational impacts on our operations.

These risks could influence the viability of certain sectors or businesses, the valuation of collateral and by extension the credit risk associated with certain borrowers. There are also the risks associate with shifts in supply and demand, changes in energy prices, changes in asset valuations or changing sentiment towards certain industries that could affect the financial performance of our clients and impact our own investment and credit portfolios.

32. Climate Related Risks (continued)

The transition to a low-carbon, sustainable economy also presents various opportunities such as the growing demand for green finance products, such as green bonds and sustainability-linked loans as well as opportunities in advising clients on sustainability and climate-related issues.

The Group currently identifies climate change risk as an emerging risk within its Enterprise Risk Management framework. Progress is being made 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 in our credit portfolios. This will be cascaded throughout the Group in the upcoming fiscal year.

While there is no formal climate risk policy in place at present, the Group has started the work on building our expertise in this area. The Group ensures that there are mitigants in place for certain climate related events such as insurance for its physical assets as well as assets held as collateral for loan facilities. There is also a Business Continuity Plan (BCP) in place to ensure that the Group can operate in situations where climate related disruptions to business may occur. The Group recognizes the growing importance of this emerging risk area and will be implementing methodologies for identifying and quantifying how climate risks could impact us and our clients as well as strategies to manage this risk going forward. With this said, we acknowledge that we are in the preliminary stages of developing this framework and will be working to progress this in the upcoming year.

(Expressed in thousands of Trinidad and Tobago dollars)

33. Restatement of the prior year comparatives

Financial instruments measures at fair value – fair value hierarchy

A restatement has been made to correct an inconsistency in the fair value hierarchy which was disclosed in the financial statements for the year ended 31 March 2022 to comply with the classification of investments into the various levels in accordance with IFRS, with no changes to the overall reported amounts for these financial instruments.

Financial assets measured at fair value

The Group

		Level 1	Level 2	Level 3	Total
Government of Trinidad and Tobago securities	As previously reported	20,451	409,961	-	430,412
	Adjustment	(20,451)	20,451	-	-
	Restated	-	430,412	-	430,412
Other sovereign	As previously reported	217,978	-	257	218,235
	Adjustment	(2,521)	2,778	(257)	-
	Restated	215,457	2,778	-	218,235
Corporate bonds	As previously reported	59,047	77,176	193,524	329,747
	Adjustment	(59,047)	252,571	(193,524)	-
	Restated	-	329,747	-	240,033
Quoted and unquoted securities	As previously reported				
	Adjustment	-	-	-	-
	Restated		-	633	633
Total	As previously reported	297,476	487,137	194,414	979,027
	Adjustment	(82,019)	275,800	(193,781)	-
	Restated	215,457	762,937	633	979,027

(Expressed in thousands of Trinidad and Tobago dollars)

33. Restatement of the prior year comparatives (continued)

Financial instruments measures at fair value – fair value hierarchy (continued)

The Company

		Level 1	**Level 2**	**Level 3**	**Total**
Government of Trinidad and Tobago securities	As previously reported	20,451	409,961	-	430,412
	Adjustment	(20,451)	20,451	-	-
	Restated	-	430,412	-	430,412
Other sovereign	As previously reported	217,978	-	-	217,978
	Adjustment	(2,521)	2,521	-	-
	Restated	215,457	2,521	-	217,978
Corporate bonds	As previously reported	59,047	77,176	193,445	329,668
	Adjustment	(59,047)	252,492	(193,445)	-
	Restated	-	329,668	-	329,668
Quoted and unquoted securities	As previously reported				
	Adjustment	-	-	-	-
	Restated		-	633	633
Total	As previously reported	297,476	487,137	194,078	978,691
	Adjustment	(82,019)	275,464	(193,445)	-
	Restated	215,457	762,601	633	978,691

(Expressed in thousands of Trinidad and Tobago dollars)

33. Restatement of the prior year comparatives (continued)

Operating Segment

A restatement has been made to the segment assets and liabilities which were disclosed in the financial statements for the year ended 31 March 2022. System enhancements facilitate a more refined classification into the reported segments and for consistency this was applied to the prior year as well. This was a voluntary change by management and not a prior period error.

The Group
Segment assets

	Retail	Corporate/ Commercial	Treasury and Portfolio Management	Other Functions	Total
As previously reported	83,267	1,252,816	1,543,283	181,626	3,060,992
Adjustment	381,322	(436,451)	95,299	(40,170)	-
As restated	464,589	816,365	1,638,582	141,456	3,060,992

Segment liabilities

	Retail	Corporate/ Commercial	Treasury and Portfolio Management	Other Functions	Total
As previously reported	140,289	2,533,374	100,626	46,305	2,820,594
Adjustment	1,101,014	(2,004,735)	808,957	94,764	-
As restated	1,241,303	528,639	909,583	141,069	2,820,594

The Company

Segment assets

	Retail	Corporate/ Commercial	Treasury and Portfolio Management	Other Functions	Total
As previously reported	25,819	1,252,816	1,543,283	181,626	3,003,544
Adjustment	381,322	(436,451)	95,299	(40,170)	-
As restated	407,141	816,365	1,638,582	141,456	3,003,544

Segment liabilities

	Retail	Corporate/ Commercial	Treasury and Portfolio Management	Other Functions	Total
As previously reported	96,116	2,533,374	100,626	46,305	2,776,421
Adjustment	1,101,014	(2,004,735)	808,957	94,764	-
As restated	1,197,130	528,639	909,583	141,069	2,776,421

GLOSSARY

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

GLOSSARY (continued)

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