

*“The ANSA Merchant Bank Limited (“AMBL”) financial services group is poised for significant growth given major acquisitions and investments in technology and people.”*

### CHAIRMAN'S REPORT

The ANSA Merchant Bank Limited (“AMBL”) financial services group is poised for significant growth given major acquisitions and investments in technology and people. AMBL also attained this past year an Investment Grade Rating of CariAA with a Stable Outlook from CariCRIS, which was the first credit rating for the Group and amongst the best credit ratings in Trinidad and Tobago.

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

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

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

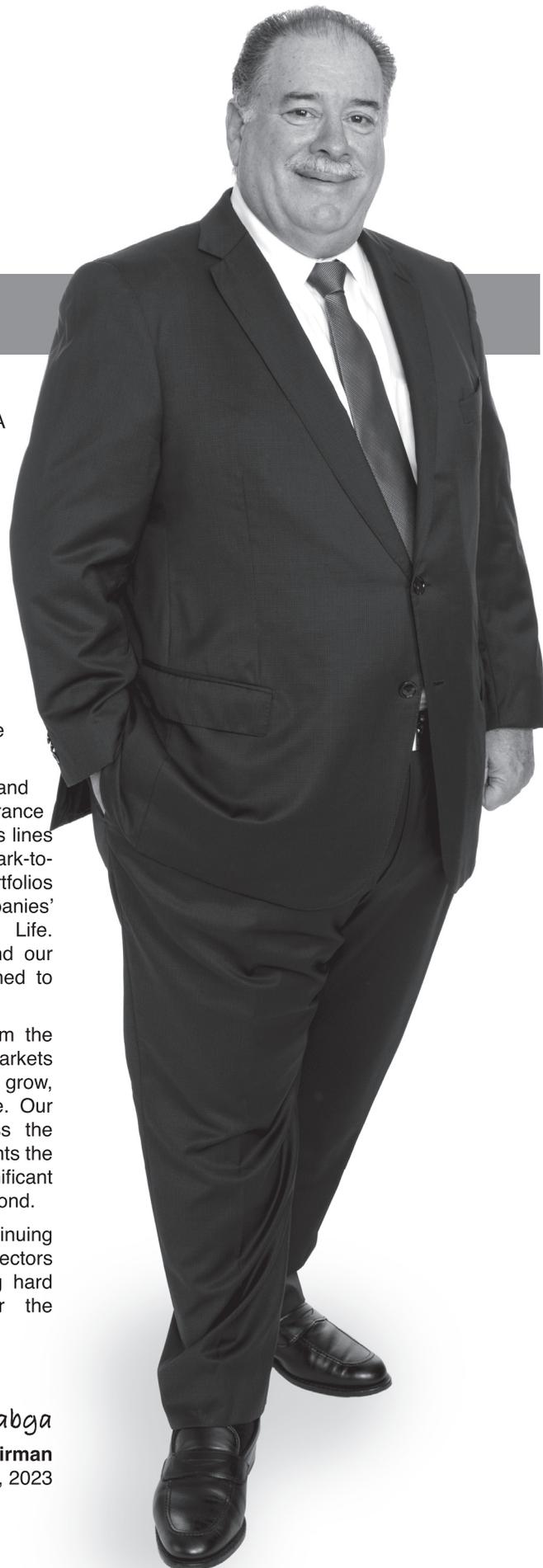
Our Banking Segment comprising ANSA Merchant Bank Ltd., ANSA Merchant Bank (Barbados) Ltd., and our commercial bank, ANSA Bank Ltd., all produced notable new business growth, increased market share and profits over the period. The Bank launched its Natural Capital Hub as part of our ESG Strategy in 2022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

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

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

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

*A. Norman Sabga*  
**Chairman**  
 March 16, 2023





MERCHANT BANK LIMITED

# ANSA MERCHANT BANK LIMITED

## ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



Building a better working world

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### INDEPENDENT AUDITOR'S REPORT

#### TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

#### Report on the Audit of the Summary Separate and Consolidated Financial Statements

##### Opinion

The summary separate and consolidated financial statements, which comprise the separate and consolidated statements of financial position as at 31 December 2022, and the separate and consolidated statements of income/(loss), comprehensive income/(loss), changes in equity and cash flows for the year then ended, and related summary notes, are derived from the audited separate and consolidated financial statements of ANSA Merchant Bank Limited ("Parent") and its subsidiaries (the "Group") for the year ended 31 December 2022.

In our opinion, the accompanying summary separate and consolidated financial statements are consistent, in all material respects, with the audited separate and consolidated financial statements, on the basis described in Note 2.

#### Summary Separate and Consolidated Financial Statements

The summary separate and consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary separate and consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate and consolidated financial statements and the auditor's report thereon.

#### The Audited Separate and Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited separate and consolidated financial statements in our report dated 16 March 2023. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were most significant in our audit of the separate and consolidated financial statements of the current period.

#### Responsibility of Management for the Summary Separate and Consolidated Financial Statements

Management is responsible for the preparation of the summary separate and consolidated financial statements on the basis described in Note 2.

#### Auditor's Responsibility for the Audit of the Summary Separate and Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary separate and consolidated financial statements are consistent, in all material respects, with the audited separate and consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Port of Spain

TRINIDAD

16 March 2023

### SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

*A. Norman Sabga*

A. Norman Sabga  
Chairman

*Gregory N. Hill*

Gregory N. Hill  
Managing Director

### SEPARATE AND CONSOLIDATED STATEMENT OF INCOME/(LOSS)

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

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

### SEPARATE AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

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

### SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

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

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

Group	Stated capital	Statutory reserve fund	Statutory surplus reserve	General loan loss reserve	Fair value deficit	Foreign currency deficit	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
<b>Balance as at 31 December 2020</b>	667,274	231,841	66,539	13,906	(369)	(5,351)	1,703,081	2,676,921	649	2,677,570
Profit for the year	–	–	–	–	–	–	306,222	306,222	95	306,317
Other comprehensive (loss)/income for the year	–	–	–	–	(867)	4,135	9,259	12,527	–	12,527
Other life insurance reserve movements	–	–	–	–	–	–	(11,817)	(11,817)	–	(11,817)
Transfer to general loan loss reserve	–	–	–	677	–	–	(677)	–	–	–
Transfer to statutory reserve fund	–	9,998	–	(828)	–	–	(9,170)	–	–	–
Transfer from statutory surplus reserve	–	–	(66,539)	–	–	–	66,539	–	–	–
Dividends (Final 2020 and Interim 2021)	–	–	–	–	–	–	(81,325)	(81,325)	–	(81,325)
Other reserve movements	–	–	–	(235)	–	–	–	(235)	–	(235)
<b>Balance as at 31 December 2021</b>	667,274	241,839	–	13,520	(1,236)	(1,216)	1,982,112	2,902,293	744	2,903,037
<b>Balance as at 31 December 2021</b>	667,274	241,839	–	13,520	(1,236)	(1,216)	1,982,112	2,902,293	744	2,903,037
Loss for the year	–	–	–	–	–	–	(60,944)	(60,944)	(78)	(61,022)
Other comprehensive loss for the year	–	–	–	(1,161)	(224)	(7,218)	(8,603)	–	–	(8,603)
Other life insurance reserve movements	–	–	–	–	–	9,957	9,957	–	–	9,957
Transfer from general loan loss reserve	–	–	(2,154)	–	–	2,154	–	–	–	–
Transfer to statutory reserve fund	–	4,379	–	–	–	(4,379)	–	–	–	–
Dividends (Final 2020 and Interim 2021)	–	–	–	–	–	(102,726)	(102,726)	–	–	(102,726)
Other reserve movements	–	–	(68)	468	–	8	408	–	–	408
<b>Balance as at 31 December 2022</b>	667,274	246,218	11,298	(1,929)	(1,440)	1,818,964	2,740,385	666	2,741,051	

**SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Group	
2021	2022		2022	2021
		<b>Cash flows from operating activities</b>		
146,222	104,176	Profit/(loss) before taxation	(34,047)	360,179
		Adjustments for:		
670	980	Employee benefits	(3,255)	(3,967)
		Gain on disposal of property and equipment	(4,812)	(4,548)
2,771	2,987	Depreciation and amortisation	36,013	37,663
1,745	1,489	Depreciation of right-of-use assets	5,108	5,708
		Credit loss expense/(credit loss recovery) on investment securities	4,422	(7,393)
(3,368)	(445)	Amortisation of investment securities and interest capitalised	(8,100)	(11,164)
		Credit loss expense/(credit loss recovery) on net investment in leased assets		
21,281	(30,559)	and loans and advances	(25,098)	30,617
		Credit loss expense on insurance receivables	384	3,393
(7,724)	4,696	(Gain)/loss on revaluation of investment securities	146,030	(165,823)
		Loss on revaluation of investment property		3,910
4,705	18,160	Loss/(gain) on sale of investment securities	38,014	(21,557)
(69,589)	(60,488)	Interest income	(200,895)	(216,084)
47,152	55,643	Finance costs	86,790	76,697
4,625	327	Foreign exchange (gains)/losses	7,754	338
		Operating profit before changes in operating assets and liabilities	48,308	87,969
		Decrease/(increase) in investment in leased assets and loans and advances	(316,982)	(40,439)
(26,758)	50,354	(Increase)/decrease in other receivables, debtors and prepayments	33,508	(132,518)
(77,244)	87,561	Increase/(decrease) in customers' deposits and other funding instruments	219,673	745,310
784,654	(22,549)	(Decrease)/increase in accrued interest and other payables	66,124	76,364
(26,018)	(13,544)	Decrease/(increase) in Central Bank reserve account	(132,396)	(82,629)
(41,944)	11,314	Increase in insurance and investment contract liabilities	88,477	122,602
			6,712	776,659
763,256	213,280	Finance costs paid	(79,549)	(86,214)
(54,347)	(48,774)	Interest received on investment securities	206,770	220,625
68,234	65,233	Taxes paid	(18,136)	(45,742)
(29,561)	(28,820)			
747,582	200,919	Net cash generated from operating activities	115,797	865,328
		<b>Cash flows from investing activities</b>		
		Placement of fixed deposits	(5)	(140)
		Maturity of fixed deposits	25	
19		Proceeds from sale of property and equipment	11,418	14,938
		Additions to property and equipment, leases and intangible assets	(154,173)	(192,971)
(1,173)	(7,051)	Purchase of investment property	(40,935)	
		Purchase of investment securities	(1,832,418)	(2,679,830)
(1,125,730)	(1,226,153)	Sale or maturity of investment securities	1,911,679	2,154,938
874,161	1,170,075	Net cash outflow from the purchase of interests in subsidiary		(9,080)
(179,190)	(50,000)			
(431,913)	(113,129)	Net cash used in investing activities	(104,409)	(712,146)
		<b>Cash flows from financing activities</b>		
	600,000	Issue of debt securities		
(202,836)	(600,000)	Repayment of debt securities		(202,836)
(81,325)	(102,726)	Dividends paid	(102,726)	(81,325)
(284,161)	(102,726)	Net cash used in financing activities	(102,726)	(284,161)
31,508	(14,939)	<b>Net increase/(decrease) in cash and cash equivalents</b>	(91,338)	(130,979)
584,420	615,928	<b>Cash and cash equivalents at the beginning of the year</b>	1,266,389	1,397,368
615,928	600,989	<b>Cash and cash equivalents at the end of the year</b>	1,175,051	1,266,389
615,928	600,989	<b>Represented by:</b>	1,175,051	1,266,389
615,928	600,989	Cash and cash equivalents	1,175,051	1,266,389
		<b>Supplemental information:</b>		
68,234	65,233	Interest and dividends received	377,276	397,963
54,347	48,774	Interest paid	79,549	86,214

**NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

**1. Principal activities of the Group**

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

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

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

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

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

**2. Significant accounting policies**
**i) Basis of preparation**

These abridged financial statements of the Group have been prepared in accordance with the Guidelines on the Publication of Abridged Financial Statements issued by the Central Bank of Trinidad and Tobago in conjunction with Section 80 (1A) of the Financial Institution Act.

The abridged financial statements were derived from the audited financial statements of ANSA Merchant Bank Limited for the year ended 31 December 2022 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The full audited financial statements of the Group can be accessed at each of its offices during normal business hours and on our website (<https://t.ansamerchantbank.com>).

These abridged financial statements have been prepared in accordance with accounting policies set out in the respective notes to the audited financial statements, consistently applied from period to period. All new and revised accounting standards and interpretations that are mandatory for the period under review and which are relevant to the Group have been adopted. Additionally, these abridged financial statements were prepared on the basis that it will continue to operate as a going concern.

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

**Presentation of financial statements**

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

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

**Basis of consolidation**

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

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

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

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

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

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

### 2. Significant accounting policies (continued)

#### i) Basis of preparation (continued)

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

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

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

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

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

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

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

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

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

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

#### ii) Statement of Compliance

Whilst the audited financial statements were prepared under IFRS, all the notes necessary for a fair presentation in accordance with IFRS have not been included in these abridged financial statements. The disclosures to the notes in these abridged financial statements are limited to those numbers that were considered material and necessary to present a true and fair view of the performance of the Group.

#### iii) Functional and presentation currency

The abridged financial statements are presented in Trinidad and Tobago dollars (TTD) which is the functional currency of the Parent and all values are rounded to the nearest thousand, except when otherwise indicated. Group companies whose functional currency is not TTD has been converted to TTD for this presentation.

### 3. Related party transactions and balances

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

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

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

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

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

#### Key management compensation

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

### 4. Contingent liabilities

The Parent's and Group's potential liability, for which there are equal and offsetting claims, against its customers in the event of a call on these commitments is as follows:

	Parent		Group	
	2021	2022	2022	2021
	<u>20</u>	<u>–</u>	<u>1,511</u>	<u>1,855</u>

### 5. Events after the reporting period

Pursuant to an Offer and Take-Over Bid Circular dated December 29, 2022 ("Offer"), Trinidad and Tobago Insurance Limited ("TATIL") acquired and paid for 97.5% of the issued and outstanding ordinary shares of Colonial Fire & General Insurance Company Limited ("Colfire") for the cash price of TTD\$20.32 per share. TATIL intends to exercise its right under Sections 202 and 203 of the Companies Act, Chap. 81:01 to acquire compulsorily 2.5% of the ordinary shares in Colfire, which represents the shares held by Colfire shareholders who did not accept the Offer. TATIL shall become the holder of the entire shareholding in Colfire upon conclusion of the compulsory acquisition of the 2.5% ordinary shareholding in Colfire.