

INVESTING In A DYNAMIC SUSTAINABLE FUTURE



ansa mcAl
GROUP OF COMPANIES

Annual Performance and Business Sustainability Report 2021



ANSA McAL
GROUP OF COMPANIES

INVESTING In A
DYNAMIC
SUSTAINABLE
FUTURE

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BOARD OF DIRECTORS



**A. NORMAN SABGA LLD (HON.) UWI; (H.C.) UTT
EXECUTIVE CHAIRMAN**



**TERESA WHITE
CHIEF SHARED SERVICES OFFICER,
EXECUTIVE DIRECTOR**



**RAY A. SUMAIRSINGH
NON-EXECUTIVE DIRECTOR**



**ANTHONY N. SABGA III
GROUP CHIEF EXECUTIVE OFFICER,
EXECUTIVE DIRECTOR**

BOARD OF DIRECTORS



DAVID B. SABGA
DEPUTY CHAIRMAN,
NON-EXECUTIVE DIRECTOR



ANDREW N. SABGA
DEPUTY CHAIRMAN,
NON-EXECUTIVE DIRECTOR



ANTHONY E. PHILLIP
INDEPENDENT DIRECTOR



MARK J. MORGAN
INDEPENDENT DIRECTOR



LARRY HOWAI
NON-EXECUTIVE DIRECTOR



VICKI-ANN ASSEVERO
INDEPENDENT DIRECTOR



KRYSTA BEHRENS DE LIMA
INDEPENDENT DIRECTOR



WINSTON SINGH
INDEPENDENT DIRECTOR



NORMAN CHRISTIE
INDEPENDENT DIRECTOR

EXECUTIVE TEAM



A. NORMAN SABGA LLD (HON.) UWI; (H.C.) UTT
EXECUTIVE CHAIRMAN



ANTHONY N. SABGA III
**GROUP CHIEF EXECUTIVE OFFICER,
EXECUTIVE DIRECTOR**



TERESA WHITE
**CHIEF SHARED SERVICES OFFICER,
EXECUTIVE DIRECTOR**



FRANCES BAIN-CUMBERBATCH
**CHIEF LEGAL AND EXTERNAL AFFAIRS OFFICER
CORPORATE SECRETARY**



NICHOLAS JACKMAN
CHIEF FINANCIAL OFFICER



IAN GALT
CHIEF INFORMATION OFFICER



AMY LAZZARI
CHIEF HUMAN RESOURCES OFFICER



ALASTAIR PATON
**HEAD OF GROUP INTERNAL AUDIT &
ENTERPRISE RISK MANAGEMENT**

EXECUTIVE TEAM



GREGORY N. HILL
MANAGING DIRECTOR -
ANSA MERCHANT BANK LIMITED



MUSA IBRAHIM
MANAGING DIRECTOR -
TATIL & TATIL LIFE



ROBERT LE HUNTE
MANAGING DIRECTOR -
ANSA BANK LIMITED



JEROME BORDE
SECTOR HEAD - AUTOMOTIVE



PETER HALL
SECTOR HEAD - BEVERAGE



ADAM N. SABGA
SECTOR HEAD - CONSTRUCTION



FAZAL ARMAN
SECTOR HEAD - DISTRIBUTION



ANDY MAHADEO
SECTOR HEAD - MANUFACTURING



JOSEPH RAHAEL
MANAGING DIRECTOR - REAL ESTATE

EXECUTIVE CHAIRMAN'S MESSAGE

Dear Fellow Shareholders,

I am pleased to report that in fiscal year 2021, our Group returned to pre-pandemic profitability levels notwithstanding the enduring COVID-19 restrictions and closures.

These results are a testimony to the resilience of the Group even when faced with these unique challenges. We are also quite proud to have been able to achieve these creditable results without any job losses arising directly from the impact of COVID-19.

With almost all segments showing an increase in profit, the Group's overall Profit Before Tax (PBT) increased by \$212 million or 29% to \$935 million (\$723 million – 2020). Revenue increased by \$50 million or 1% to \$5.970 billion (\$5.919 billion – 2020). Earnings Per Share (EPS) was up by 40% – \$3.45 (\$2.46 – 2020) and total assets grew by 11% – \$17.461 billion (\$15.705 billion – 2020). The Group's gearing ratio reduced and remains healthy at 9.1% (9.8%-2020). Your directors have therefore declared a final dividend of \$1.50 per share which will be paid on June 3, 2022. This together with the interim dividend of \$0.30 per share (\$0.15 – 2020) brings the total dividend to \$1.80 per share (\$1.65 – 2020).

A. NORMAN SABGA LLD (HON.) UWI; (H.C.) UTT
EXECUTIVE CHAIRMAN



OUR PEOPLE

The year 2021, though laden with uncertainty, provided an opportunity to test the Group's ability to adapt and to be agile. It is characteristic of ANSA McAL to not only navigate, but to seize opportunities presented during unpredictable and volatile market conditions and this occasion was no different. Our people exhibited unwavering dedication throughout this unprecedented time, finding effective, creative, and safer ways to engage and bring satisfaction to our customers. I am very proud of what our teams have accomplished, and stand assured by the high quality of talent we have across the Group.

The Group was relentless in assuring the health, safety, and well-being of our employees through robust COVID-19 protocols and a supportive Employee Assistance Programme (EAP). We actively promoted vaccine awareness on a national and regional scale in an effort to counteract the effects of misinformation. We were heartened that 80% of our people chose to make ANSA McAL an even safer place to work by becoming vaccinated against COVID-19.



ANSA Bank representative engages with customer at its Port of Spain, Trinidad branch



Carib Brewery Limited vaccination drive, St. Kitts & Nevis



TATIL commemorates World Diabetes Day: TATIL's mission is to join the worldwide goal of reducing the prevalence of Diabetes by 25% by 2025

EXECUTIVE CHAIRMAN'S MESSAGE

SUSTAINABILITY

The Group reached an important milestone in 2021 as it marked 140 years of existence. Over that period, the Group has demonstrated the ability to create value for its shareholders on a consistent basis. However, for us, sustainability is not just about delivering profits and growth. We are very conscious of our duty to our employees, younger generations, investors, customers, and the broader society, to operate our businesses responsibly. It is about leaving a positive impact in the interest of all our stakeholders, such that they are better off by us operating in proximity to their community, and from having invested in us, partnered with us, worked with us and/or used our products and services. Simply put, sustainability is doing business the right way.

In 2021, the Group decided to sharpen its focus and refine its strategy to ensure that our businesses continuously increase the role they already play in alleviating major environmental and social issues.

A key aspect of developing our new sustainability framework was defining why we exist, which culminated in the creation of our new Company

Purpose: *"Inspiring Better Choices for a Better World"*.

The common motivation that permeates our Group is that we all want to create a better future for people. There is also an acknowledgment that the choices we make today determine how we will live tomorrow. The size, nature and diversity of our businesses give the Group the unique opportunity to contribute substantially to building a brighter future for a wide cross-section of people and businesses. We believe that sustainability, if done correctly, is good for people, the environment and the bottom line.

In that context, the Board contributed to, reviewed and approved the Group's Sustainability Business Priorities which are aligned to the UN Sustainable Development Goals (SDGs). Using an Environmental, Social and Governance (ESG) lens, the Group has elected to deepen existing efforts within its own businesses in the areas of water preservation, waste reduction, climate impact, modern energy, people and communities, and corporate governance. The world has never had a clearer understanding of the social and environmental issues that threaten our existence on this planet. The need for action has never been greater.



The Group ensures that our businesses increase their role in alleviating major environmental issues such as the continuous rehabilitation projects at the Carib Glassworks Matura Sand Plant



THE ANSA McAL FOUNDATION

Since its inception, the ANSA McAL Foundation (est. 1992) has been committed to addressing a broad range of social needs and has adopted a policy of concentrating on projects of national and regional significance.

In total, the Foundation disbursed TT\$4,213,414 during 2021. This disbursement comprises TT\$2,213,414 given directly to various charities and TT\$2,000,000 to the Anthony N. Sabga, Caribbean Excellence Laureates for 2021.

The Foundation channeled its resources by way of monetary donations, food and medical supplies and educational equipment in the form of tablets to individual families, schools, and organisations. Children's homes received TT\$150,000, community-based organisations received TT\$547,486, schools and educational initiatives received TT\$846,428, and TT\$669,500 went to individuals, families and NGOs working on COVID-19 relief efforts.

The laureates of the Anthony N. Sabga Awards, Caribbean Excellence (formerly the Anthony N. Sabga Caribbean Awards for Excellence) for 2021 were Maria Nunes (Trinidad & Tobago) and Sean Sutherland (St. Vincent & the Grenadines), Arts & Letters Joint; Dr. Guna Muppuri (Jamaica), Entrepreneurship; Dr. Floyd Morris (Jamaica), Public & Civic Contributions; Professor Rupika Delgoda (Jamaica) and Dr. Ayanna Carla Phillips-Savage, Science & Technology Joint. These accomplished Caribbean men and women of the soil were lauded in a made for television feature which aired regionally on January 20th, 2022. The prize awarded per category was TT\$500,000. This brings the number of laureates named by the Anthony N. Sabga Awards, Caribbean Excellence to 49 and the amount of money disbursed since 2005 to TT\$21.5 million.

EXECUTIVE CHAIRMAN'S MESSAGE

BOARD CHANGES

As part of the ongoing board refreshment process, we were pleased to welcome in May three new independent directors Mr. Norman Christie, Ms. Krysta Behrens de Lima and Ms. Vicki-Ann Assevero. Ms. De Lima and Ms. Assevero joined the Board's Governance Nomination and Remuneration Committee, while Mr. Christie joined the Audit Committee during the year.

Mr. Anthony Phillip will retire from the Board this year after 15 years of stellar service. The Board benefitted enormously from Anthony's vast knowledge and experience during his tenure. I would like to thank Anthony for his long-standing and dedicated service to the Board and the Group, and wish him the best upon his retirement.

CORPORATE GOVERNANCE

The Group continues to focus on upgrading its Corporate Governance Framework and procedures. We were delighted to be the recipient of the award for the Best Corporate Governance Conglomerate in the Caribbean from Ethical

Boardroom, a London based digital magazine well known for in-depth coverage and analysis of global governance issues. The Ethical Boardroom awards recognise annually the outstanding leadership by boards who have raised the bar to ensure that strong corporate governance plays an essential part in protecting and enhancing long-term value for all stakeholders. I wish to thank my fellow directors for their active participation and input throughout the year.

During the year, in the area of board governance, there was an emphasis on board refreshment, to increase the independence of the Board, director training and performance evaluation.

The Group's subsidiary governance structure was also bolstered with the introduction of Sector Advisory Councils for each sector comprising largely persons who are independent of the Group. These eminently qualified Council members with expertise in various fields will, I expect, challenge and bolster our strategic thinking.



From left to right: Mr. Anthony N. Sabga III, Group Chief Executive Officer; Mr. A. Norman Sabga, Executive Chairman and Mrs. Frances Bain-Cumberbatch, Chief Legal and External Affairs Officer/ Corporate Secretary of ANSA McAL Limited

We also streamlined our enterprise risk management framework to provide a further layer of assurance around the achievement of the Group's business objectives. The Board was extremely satisfied with the work done by our leaders to redefine the principles, framework and processes for the management of all of the Group's risks.

ANNUAL MEETING OF SHAREHOLDERS

The Company's Annual Meeting of shareholders will be held in virtual only format via online webcast on Thursday May 26, 2022, at 11:30 a.m. from our Company's boardroom. Further details are available on our company website (www.ansamcal.com) and notices will be placed in print media.

OUTLOOK

As the COVID-19 virus appears to move from pandemic to endemic stage, and the world takes definitive steps to return to normal life, we see significant opportunity for our Group. Even during the current uncertain times, we continue to invest in our people, plant, equipment, and

technology for the future. In addition, when making decisions, we have and will remain steadfast to our stated core values: Employee Centred, Customer Excellence, Creativity and Innovation, Social Responsibility, Respect and Trust. The combination of all of this and the Group's strong balance sheet allows us to drive good growth and properly manage our capital as we have consistently demonstrated over our long history.

In closing, I would like to extend my heartfelt thanks to our 6000 employees for their fortitude and resilience during the year, as well as our customers and suppliers for their business and continued trust. To you, our shareholders, we are deeply appreciative of your support and encouragement and look forward to building an even more rewarding future together.

A. Norman Sabga

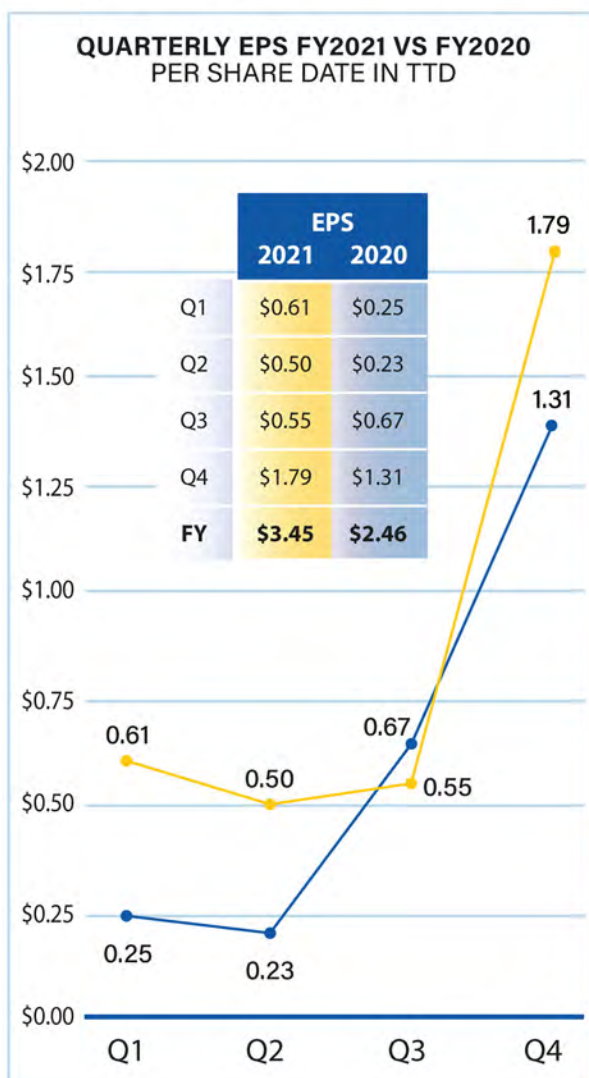
A. NORMAN SABGA LLD (HON.) UWI; (H.C.) UTT
EXECUTIVE CHAIRMAN

GROUP CEO'S MESSAGE

BEYOND THE PANDEMIC

Dear Fellow Shareholders,

Despite the unprecedented peculiarity of the past two years, we intentionally fixed our gaze beyond the horizon of the pandemic and remained focused on our agenda of long-term sustainable growth. 2021 was a year of performance through introspection, innovation, investment, and a heightened sense of responsibility. We were determined to keep our head in the game to deliver better value for our shareholders in a year that was even more challenging than we expected. Our 'Beyond the Pandemic' mindset led to the Group generating an exceptional 40% increase in Earnings Per Share (EPS) from \$2.46 to \$3.45.



ANTHONY N. SABGA III
GROUP CHIEF EXECUTIVE OFFICER

The basis of our success is our people. During this challenging time, our ANSA McAL family came together and found ways to thrive in a very dynamic environment. They are the ones who served our customers and communities, used the equipment and technology, made the strategic decisions, managed the risks, discerned our investments and drove innovation. Whatever complexities, risks and opportunities lie ahead, having a great team of people with fortitude, tenacity, integrity, and enormous capabilities to maintain high standards of professional excellence – this is what ensures our prosperity.

Over the past year, we have focused on building a more inclusive work environment in which our people are empowered and encouraged to speak up. This culture we see as crucial to increasing innovation in the workplace and also as a key to attracting the best talent. We recognise that building capabilities and creating career opportunities across our business is not only important to our people, but it is critical to the Group's success now, and into the future. We will therefore continue to upskill our teams to meet the needs of our business as we seek more possibilities to be efficient and bring value to all our stakeholders.

CREATION OF LONG-TERM VALUE

Profits made internationally by some of “the pandemic market darlings” like Zoom and Peloton have proven to be unsustainable as people return to in-person activities. This is the case even as some of life's routines may have changed for the foreseeable future. We expect a similar situation to unfold in 2022 on the local and regional front with “pandemic gains” being short-lived. Conversely, for the Group we are already beginning to see the reversal of “pandemic shortfalls”. For instance, in 2021, our usually leading Beverage Sector faced strong headwinds due to more extended and severe COVID-19 restrictions than prior year. The closure of bars, restaurants, and other entertainment facilities, significantly impacted the revenues in this sector. Despite this, we pushed ahead with our planned strategies to create long-term value for this business. We proceeded with strategic plant upgrades to improve efficiencies. We also executed the refresh of our flagship Carib brand with the launch of the **CAN YOU FEEL IT** global marketing campaign which was extremely well received in the markets. We adjusted our beverage distribution models in both the Trinidad & Tobago and Guyana markets to broaden our



Group CEO, Anthony N. Sabga III and Deputy Chairman, Andrew Sabga receive gift packages from the international launch of Carib's Can You Feel It Campaign from Antron Forte, Category Manager - Beer & Ciders at Carib Brewery Limited

GROUP CEO'S MESSAGE

customer base and improve customer experience. We are already seeing at the start of Q2 2022, the uptick in volumes following the recent lifting of restrictions in our operating markets as consumer behavioural patterns return to what they were before the pandemic.

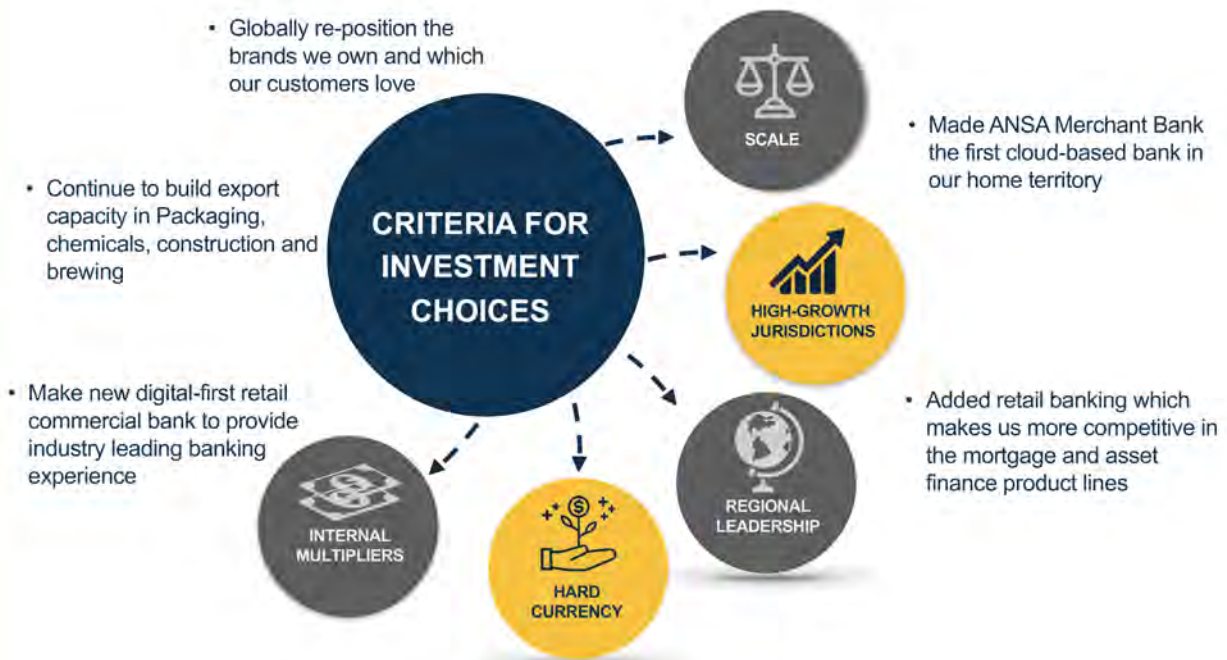
Our focus continues to be on the long-term and as such, we may make decisions differently from some companies. Accordingly, we want to share with you, our shareholders, our fundamental management and decision-making approach:

We will:

- focus relentlessly on our customers.
- make investment decisions in light of long-term market leadership considerations rather than short-term profitability considerations.
- make bold investment decisions where we see a sufficient probability of gaining market leadership advantages.
- measure the effectiveness of our investments analytically to abandon those that do not provide acceptable returns, and to maximize our investment in those that work best.

- continue to reshape our businesses using clear guiding criteria to be globally competitive in businesses which offer scale, regional leadership and hard currency.
- pursue market expansion in new and existing markets.
- spend wisely as we understand the importance of continually reinforcing a cost-conscious culture, particularly in uncertain times.
- balance our focus on growth with good capital management.
- continue to focus on hiring and retaining versatile and talented employees as we know our success will be largely affected by our ability to attract and retain a motivated employee base.

Shareholder value can be built only if we maintain a healthy and vibrant company, which means doing a great job taking care of our customers, employees and communities. You cannot have a healthy company if you neglect your key stakeholders. As we have learned in 2021, there are myriad ways an institution can



demonstrate its compassion for its employees and its communities while still upholding shareholder value. During the pandemic, Group employees who tested positive for COVID-19 were placed under personal medical supervision and their progress was tracked daily by our HR and HSSE teams. Every employee also continues to have access to counselling through the Company's Employee Assistance Programme (EAP), which was in existence even prior to the pandemic. We actively supported national vaccination efforts by providing funding for vaccination sites, and fought misinformation about vaccines through powerful awareness campaigns on both social and traditional media platforms. High vaccination rates in the Group allowed for a faster and safer return to the workplace. Our people felt supported and safe and were therefore motivated, innovative and more productive. We maintained the confidence of our customers by working closely with them to understand their needs, and made practical changes to our systems and procedures to improve the ease-of-doing business with the Group.

As you can see, sustainability for us is not just a catchphrase, it is increasingly an integral part of ANSA McAL's strategy. In this context, sustainability is a collective term for economic, environmental, social, and governance factors. Financially, this means creating a strong balance between risk-taking to create earnings and growth and risk management, as well as a sound financial structure in every way. Socially, this means that we must ensure a strong and healthy balance for our employees, as they are the Company's most important asset. It also means that we must do our part to ensure that we add value to the wider society in the way that we operate our businesses. Environmentally, ANSA McAL has determined key areas of focus which will set the framework for our future efforts within water preservation, waste reduction, climate impact and modern energy. Most recently, in line with our modern energy agenda, we have made an investment in the Monte Plata Solar Park in the Dominican Republic. This together with our wind farm investment in Costa Rica increases our renewable energy portfolio to 90-100 MW.



The Group's investment in the Monte Plata Solar Park in the Dominican Republic is part of our modern energy agenda

GROUP CEO'S MESSAGE



ANSA McAL supported national vaccination efforts by funding national vaccination sites and by hosting vaccination sites throughout Group companies

During 2022, each of our businesses will be required to set environmental, social and governance (ESG) targets as part of their business plans, which collectively will form the basis for the Group's overall ESG goals. In 2023-2024 we hope to be able to report to you on our specific targets and the progress made toward doing sustainability the ANSA McAL way.

OUTLOOK

In our road map for the year 2022 and beyond, there is always going to be a balancing act set against a highly volatile global backdrop of rising inflation, disrupted global supply chains, and material uncertainty around the true economic impact of the conflict in Ukraine. However, we view these as a part of the new normal in which we simply expect new challenges to arise continuously, and are confident we can manage through them to achieve positive business results, while making a real difference in society. We have a proud tradition of evolution, innovation and resilience as for 140 years, we have navigated challenges in a wide range of economic cycles, market conditions and global dynamics.

Our teams will continue to focus on areas of the business that will underpin our growth moving forward. From an increased and improved approach to e-commerce, a renewed focus on growth markets, and ongoing new product and business development, ANSA McAL people will innovate!

We look forward to reaping the rewards of core Enterprise Resource Planning (ERP) investments in our Banking and Insurance businesses to accelerate digital channels and the completion of the transition of ANSA Bank in Q3 2022 to the first digital bank in the region. This will not only radically enhance customer experience but will also significantly advance the Group's agenda to reduce its carbon footprint. Having consolidated our market position with the acquisition of Trident Insurance in Barbados, we also eagerly anticipate the closure of the COLFIRE transaction in Trinidad subject to regulatory approval. We are also seeking to diversify our current financial services portfolio via a potential partnership with international technology and digital asset management experts to establish a data mining centre in the Tamana Industrial Park in Trinidad. Current energy rates in Trinidad & Tobago make



ANSA Bank will be the first fully digital bank in the region

this project very attractive so we will need to secure a long-term Power Purchase Agreement to ensure the sustainability of the project. This project will be the first of its kind in the region and has the potential to create wealth, not only for the Group, but also on a national and regional level.

We are heavily focused on our export thrust to increase hard currency inflows. We have built momentum with the gains in our packaging

business, which doubled export volumes and our chlorine hub in Jamaica, which had its first full year of operations in 2021. Our water treatment business will be looking outward to new markets in the USA and the Dominican Republic. There is a clear strategy to deepen our presence in Guyana where we have had a strong presence for 30 years.

Consumer appetite for our exceptional brands stands us in good stead and we will

continue to invest in them as we did in 2021 with our **Carib** and our **Boldly Berger** campaigns. We will also be introducing new and exciting brands to the market as part of our ongoing innovation process. Underpinning our aggressive growth strategies, is the constant upgrading of the Group's governance, risk and control frameworks and processes. We have an increased focus on emerging risks which is a critical practice in



The Boldly Berger campaign vibrantly took to the streets of the markets in which the brand operates

GROUP CEO'S MESSAGE

today's global economic and geopolitical environment. Increasing the level of independent oversight within our governing structure is a key way of ensuring that we accurately assess the risks related to our strategies. I have already begun to see the benefits of the Sector Advisory Councils which were created toward the end of 2021, and look forward to the members challenging and stress testing our business plans, systems and processes.

Finally, I wish to thank our Board of directors for their insight and constant support, our leadership teams for their relentless pursuit of excellence, our dedicated employees, loyal customers, suppliers and you our shareholders for the continued trust you place in us to deliver value now and in the future. We are committed to engaging with all our key stakeholders and living up to ANSA McAL's purpose:

***"Inspiring Better Choices
for a Better World"***

Anthony N. Sabga III

ANTHONY N. SABGA III
GROUP CHIEF EXECUTIVE OFFICER

The background of the entire page is a blue-tinted image of a wind farm. Several wind turbines are visible, with their blades extending across the sky. The lighting is bright, suggesting a clear day.

FUNDAMENTAL

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND OPERATIONAL HIGHLIGHTS



FINANCIAL AND OPERATIONAL HIGHLIGHTS

ATA

At A Glance

ANSA McAL Limited Performance 2021



REVENUE
\$5,970 million



PROFIT BEFORE TAX
\$935 million



OPERATING MARGIN
16%



DIVIDENDS PAID
\$310 million



EARNINGS PER SHARE
\$3.45

Fiscal Year Highlights

In the second year of the pandemic, when state-mandated COVID-19 containment shutdowns exceeded those in 2020, our Group was able to deliver improved revenue and profitability in 2021.

- \$5.970 billion consolidated revenue; up \$50 million or 1% (\$5.919 billion - 2020).
- \$935 million reported profit before tax (PBT); up \$212 million or 29% (\$723 million - 2020).
- \$3.45 diluted earnings per share (EPS); up 40% (\$2.46 - 2020).
- \$1.436 billion net cash flow from operations (\$917 million - 2020).
- \$1.80 declared dividends per share (DPS) vs \$1.65 - 2020.

FUNDAMENTAL

Discussion and Analysis of Group Results

Results in fiscal year 2021 were off to a strong Q1 but were then adversely impacted by additional state-mandated COVID-19 containment shutdowns, particularly in our two largest operating jurisdictions: Trinidad & Tobago and Barbados. The most significant impacts were observed by the end of Q2 by which time Trinidad & Tobago and Barbados were both under states of emergency which lasted into Q4. During this period, many of our plants were either closed or operated at significantly reduced throughput. We were also affected by diminished social and economic activities because of government-imposed restrictions on travel, restaurants and bars. Our Group benefitted from a strong Q4 during which many but not all the COVID-19 containment and public health protocols of the jurisdictions in which we operate were lifted, delivering earnings at pre-pandemic levels, buoyed by improved gains on our investment portfolios.

In fiscal year 2021 our Group built on some of the cost containment lessons in 2020. We worked assiduously to mitigate the substantial increases to raw material costs and shipping costs. With our Q4 recovery as jurisdictions began to lighten restrictions, we were able to deliver improved operating margins which contributed to our 40% increase in diluted earnings per share.

Top Line Financial Performance

Revenue for the period ended 31 December 2021 was \$5.970 billion which is up \$50 million or 1% from \$5.919 billion in 2020. Manufacturing Packaging, Brewing and Construction Segment led the largest increase up \$67 million (+3%); Automotive Trading and Distribution Segment was down \$44 million (-2%); Insurance & Financial Services was up \$22 million (+2%), while Media, Retail, Services and Parent Company was up \$5 million (+2%).

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	AUDITED YEAR ENDED 31-DEC-2021	AUDITED YEAR ENDED 31-DEC-2020
Revenue	\$5,970	\$5,919
Operating profit	\$977	\$752
Finance cost	(47)	(42)
Share of results of associates and JV	5	13
Profit before taxation	\$935	\$723
Taxation	(238)	(219)
Profit for the period/year	\$697	\$504
Attributable to:		
Equity holders of the parent	\$595	\$423
Non-controlling interest	102	81
	\$697	\$504
EPS		
Basic	3.45	2.46
Diluted	\$3.45	\$2.46
Margins		
<i>Operating margin</i>	<i>16.4%</i>	<i>12.7%</i>
<i>PBT margin</i>	<i>15.7%</i>	<i>12.2%</i>
<i>Net margin</i>	<i>11.7%</i>	<i>8.5%</i>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Revenue increased across almost all geo-markets except Barbados, St. Kitts & Nevis and home territory Trinidad & Tobago which was only marginally down.

Jamaica	↑	23%
USA	↑	22%
Guyana	↑	20%
Grenada	↑	8%
Trinidad & Tobago	→	0%
St Kitts & Nevis	↓	1%
Barbados	↓	5%

Bottom Line Financial Results

Capitalizing on cost containment lessons learned in 2020, our Group continued to right-size our overhead costs, reduce distribution and administration expenses, while maintaining our commitment to staff.

Operating Profit (before share of associated company profits and finance charges) increased

30% to \$977 million (\$752 million – 2020). The operating profit margin increased by 3.5 percentage points to 16.4% with improved profitability in our Banking and Insurance segment due to net gains on investment securities. We also saw broader improvement in profitability across most operating sectors within each reporting segment including Manufacturing, Packaging, Construction, Distribution, Automotive and Retail.

Finance costs increased to \$47 million from \$42 million (2020). Profit Before Taxation was \$935 million up \$212 million or 29% (\$723 million – 2020). This resulted in an after-tax diluted Earnings Per Share (EPS) of \$3.45 up 40% (\$2.46 – 2020).

Cash Flow, Liquidity and Financial Position

Our Group delivered \$1,436 billion in net cash flow from operations (\$917 million – 2020) through proactive inventory and receivables

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	TWELVE MONTHS ENDED 31-DEC-2021	TWELVE MONTHS ENDED 31-DEC-2020
Profit before taxation	\$935	\$723
Adjustment for items not affecting working capital	55	307
Operating profit before working capital changes	991	1,030
Net change in working capital	541	34
Cash flows from operating activities	\$1,531	\$1,064
Other cash applications	(95)	(146)
Net cash flows from operating activities	\$1,436	\$917
Investing activities	(1,251)	248
Financing activities	(520)	(110)
Net increase in cash and cash equivalents	(\$335)	\$1,056
Net foreign exchange differences	12	(2)
Cash and Cash equivalents at the beginning of the year	2,820	1,766
Cash and Cash equivalents at the end of the year	\$2,497	\$2,820

FUNDAMENTAL

management. With improved credit discipline and strengthened controls we mitigated in some measure, the challenges posed by the constrained macroeconomic environment. These deliberate steps ensured a further strengthened financial condition. The gearing ratio, as measured by the total interest-bearing debt to shareholders' equity, is an outstanding 9.1% improving 0.7

percentage points compared to the prior year.

We have therefore affirmatively positioned ourselves to readily fund attractive growth opportunities and are pleased to declare a final dividend for 2021 of \$1.50 per share. Our Group is now well poised to exploit new growth opportunities as we look ahead.



Discussion and Analysis of Reported Segment Results

We are an iconic Corporate Group comprising 73 companies of which 48 are operational, domiciled in over nine (9) territories, offering our renowned brands, products, and services in over 30 markets across the world. We employ a population of close to 6,000 people. We operate

in nine (9) sectors which are aggregated into four (4) reportable segments.

- Manufacturing, Packaging, Brewing & Construction
- Auto, Trading & Distribution
- Insurance & Financial Services
- Media, Retail, Services & Parent Company



MANUFACTURING, PACKAGING, BREWING & CONSTRUCTION

This segment comprises the manufacture of plastics, glass containers, safety matches, bleach, paint, construction materials and supplies, and brewed and non-brewed beverages. Total assets invested were \$3.334 billion across a range of geo-markets including Trinidad & Tobago, Barbados, Eastern Caribbean, Jamaica, and Florida. The segment generated revenue growth of 3% to \$2.482 billion (\$2.415 billion - 2020) and Reportable Segment PBT decreased (-5%) to \$346 million (\$365 million - 2020). The blended profit margin was 14%; down 1.1 percentage points from the prior year.

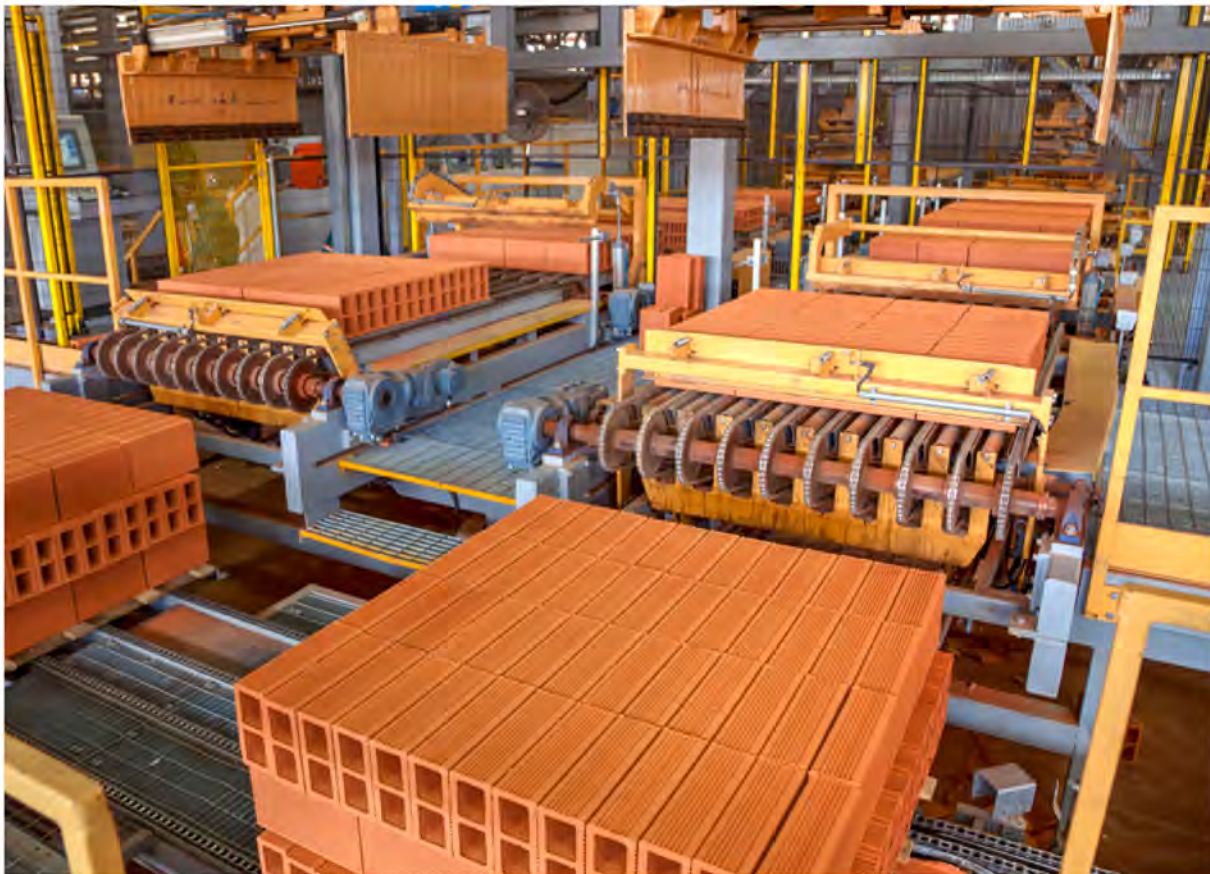
Our chemicals and packaging businesses were among the few selected manufacturing operations deemed 'essential' and therefore allowed to remain operating throughout the pandemic. We doubled exports in our packaging business as a result of the firm rebound in demand from customers who had curtailed orders in the prior year.

In our chemicals business, overall caustic soda volumes increased on prior year as several customers' plants, which were shut down for turnarounds, returned to being fully operational in 2021. Packaged bleach volumes in both local and export markets maintained levels significantly above pre-pandemic volumes, consistent with that of prior year. Chlorine export sales also grew as our chlorine transfill hub in Jamaica had its first full year of operations. Concurrently, we are expanding our water treatment offerings in Guyana and Barbados; soon to be followed by entry into the Dominican Republic and the USA.

Much of our construction businesses' efforts this year were to recover from the shut downs due to COVID-19 containment measures in both Barbados and Trinidad & Tobago. Barbados was further impacted by disruptions due to La Soufrière's ashfall and Hurricane Elsa.

Our clay block manufacturing business maintained consistent revenue and profit before tax over prior year while our concrete block observed slight declines in volumes sold. Despite the drop in volumes our block manufacturing

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business had slightly higher margins with increased plant efficiencies. We look forward to expanding our regional footprint as we deepen our dealer partnership network in Guyana.

In the coatings business we launched our "Boldly Berger" regional campaign which is the initial phase of the re-energizing of all our branding and packaging. Our new colour system innovation brings a more environmentally friendly formulation with improved quality and reduced fading. We now offer over 2,000 standard colours versus 900 previously, and with our newly deployed mixing units, and our TrueTint technology, we can match any colour you can possibly imagine. We observed double digit growth in revenue in each of our jurisdictions, however this was matched by 10% - 40% input cost price increases in our core raw materials and shipping services which negatively

impacted weighted average profitability.

This year our beverage volumes were even more impacted by state-imposed COVID-19 containment measures as curfews plus restrictions on the sale of "on-premise" alcohol at bars and restaurants continued. These precipitated changes to consumer purchasing patterns. In the United States and Grenada where restrictions were lifted, we observed increased volumes compared to prior year; while volumes were down in home territory Trinidad & Tobago and in St Kitts & Nevis. Our brewing business creditably used the time to complete the planned global re-brand of our flagship Carib beer and we look forward to our future rebound. Capital investment in plant and equipment throughout our beverage businesses will further improve efficiencies to offset the negative impacts of higher input costs and still recovering consumption.



AUTOMOTIVE, TRADING & DISTRIBUTION

This segment includes the automotive and distribution businesses in Trinidad & Tobago, Barbados, and Guyana. Total assets invested were \$1.502 billion (\$1.454 billion – 2020) with revenues generated down 2%; to \$2.055 billion (\$2.106 billion – 2020) and reportable segment PBT up 28%; to \$161 million (\$126 million - 2020). Reportable Segment PBT margin was at 8%; up 1.9 percentage points from the prior year.

In Automotive, the economic circumstances experienced in 2021 almost mirrored that in 2020. The one fundamental difference was that of the global semi-conductor shortages in 2021 which adversely impacted new vehicle deliveries. This had different impacts in each of the markets in which we operate as dealers with the highest inventories were the least affected. The Barbados market declined approximately 20%, while Trinidad & Tobago was down 8% and in Guyana we observed 15% growth. In such an environment containment of operational expenses trumped other initiatives. Against this backdrop our automotive business delivered improved profitability. We have repositioned our focus as a mobility company. Our “Max Terms” financing products will better drive our used vehicle sales. Our Guyana portfolio is expanding and ready to experience the huge opportunities unfolding in that market.

Our Trading & Distribution businesses had very strong results vs prior year, surpassing both revenue and profitability due to a combination of continued pandemic driven demand, less restrictive market conditions in Guyana, as well as better overall operating efficiency. Of note were the very successful initiatives across all the markets to better manage pricing and costs leading to the strong bottom line delivered.

We are encouraged that the transformational work to reorganise our commercial operational models to provide a more consistent level of experienced leadership teams across our entire trading and distribution operations has borne fruit.

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BANKING & INSURANCE

This segment includes merchant banking, commercial banking, and life, property & casualty insurance. The segment experienced a revenue increase up 10% to \$1.070 billion (\$970 million - 2020) and a reportable segment PBT up 78% to \$371 million (\$209 million - 2020) surpassing even pre-pandemic levels of 2019.

In our Banking business, our improved performance was a result of the successful execution of innovative transactions by our Investment Banking division, as well as a 15% increase in net interest income from our core lending business. Our Treasury and Foreign Exchange trading business performed quite well and continued to be agile in finding ways to compete in a smaller and more competitive market. Our Investment Services and Wealth Management divisions continue to be affected by the pandemic but performed admirably, growing volumes and revenue, demonstrating the resilience of these lines of business.

ANSA Merchant Bank became the first 100% fully cloud-based Bank in the Caribbean in 2019 with its investment in and installation of a new core banking software system. This foundation allowed us to immediately commence the integration of ANSA Bank Limited, (acquired and rebranded in 2021) into the ANSA Merchant Bank Group. We are focused on our strategic long-term objective of transitioning the bank into a technologically driven digital-first commercial bank.

In Barbados, ANSA Merchant Bank (Barbados) Limited performed exceedingly well, more than quintupling profits as the centralized elements of the back-office into its parent, ANSA Merchant Bank Limited, was successfully executed, along with its corporate rebranding campaign (from Consolidated Finance Corporation Inc.), which was widely publicized in the Barbados market. In view of the strong diversification of our banking businesses and agility to be able to modify our business models, especially during the pandemic, much faster than our larger counterparts, our overall banking business was able to grow market share and achieve a

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market-leading return on assets of 3.26%.

Our insurance business had a record-breaking 2021, having posted its best results and delivering PBT of \$238 million; up from \$74 million in 2020. This performance was due to the combination of solid performance in our core insurance business, and from mark to market gains arising from our investment portfolios which benefited from buoyant international and regional markets.

During the year we appointed very experienced and qualified general managers to lead each of our insurance companies. These appointments support our succession planning needs, and

allow each of our businesses to focus on key expansion and growth strategies as we begin a journey of transformation initiatives.

We began the merging of our Barbados Insurance operations (Trident into Brydens Insurance) in our TATIL branch which we have branded "Trident Insurance". The merging of the businesses is being done on a "run off" basis and this 12-month process will be concluded during 2022. We expect to see the full effect of synergies and benefits of this acquisition in 2022. Upon completion, we will account for an estimated 10% share of the Barbados property & casualty insurance market.

In November 2021, TATIL entered into a "Lock up Agreement" with CL Financial Limited (in liquidation), for the purchase of CL Financial's 94.24% shareholding in COLFIRE. Once concluded, we estimate that we will attain a market share of approximately 25% of the property and casualty insurance market in Trinidad and Tobago. This transaction is currently at the regulatory approval stage, and we hope to obtain the necessary approvals to complete the transaction in 2022.





MEDIA, RETAIL, SERVICES & PARENT COMPANY

This segment, which includes our majority stake in multimedia company Guardian Media Limited, furniture retail, purchasing, logistics, shipping and real estate reported a revenue decline of 15% to \$362 million (\$427 million – 2020) with reportable segment PBT up \$33 million or 135% to \$58 million (\$25 million – 2020) which includes a \$47 million one-time gain on sale of associates during FY2021.

Our media business observed shrinking marketing budgets and further shifts in spending commitments from traditional channels to social and e-commerce (digital) advertising channels over the course of the pandemic. All combined, this culminated in yet another challenging year as advertising spend did not recover to pre-COVID levels. In our home territory Trinidad & Tobago, the state of emergency was only discontinued in mid-Q4 at the start of the holiday season. This brought about a welcome rebound in business activity through which our media business returned to profitability. The pandemic has accelerated the transition to digital consumption of content and our media business must meet this demand through the creation of compelling content, while improving organizational agility and efficiencies to protect margins based on leaner digital revenue streams.

Standard Distributors had improved bottom-line results versus prior year. Retail businesses were closed for a period of three and a half months during this financial year due to COVID-19 restrictions as mandated by the Government of Trinidad & Tobago while our Barbados branches were mainly affected as a result of the four-week National Pause in Q1. The retail business did have the predicted positive sales growth after reopening due to 'pent-up demand', however the industry's margins continued to face headwinds from significantly increased product and shipping costs. Notwithstanding these challenges, our business strategy remains centred on the customer experience journey, ensuring the lifestyle range of products they want and need are readily available, together with the delivery of a seamless in-store and online experience for all.

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Our procurement, shipping and logistics businesses ANSA McAL (US) Inc. and Alstons Shipping Limited provide procurement and logistics support to both Group and third-party customers. These businesses observed double digit increases in revenue as customers increased purchases to buffer

stocks to mitigate suppliers' stock outs, lengthened lead times for shipments, and to lessen inland trucking issues and port congestion. We are encouraged by the outsized growth in our Guyana business. We have supplemented resources to ensure the development of this revenue line.





Discussion and Analysis by Geographic Market

Activity rebounded in most of our geo-markets but was flat and down in our largest territories, Trinidad & Tobago and Barbados respectively.

BARBADOS

Barbados had an unusually challenging year with disruptions both man-made and natural. There was a four-week "National Pause" with extended mandated COVID-19 restrictions, volcanic ashfall and Hurricane Elsa. Revenues decreased 5% to \$835 million. Barbados' vehicle market remained challenged with new vehicle sales markedly declined. This was partially offset by increased vehicle parts sales and service revenue. Our distribution business showed slight improvement in revenue as we expanded its retail operation with a Specialty Gourmet store: Cavi & Vino, a pharmacy on our compound as well as an expansion of our walk-in retail facility.

GUYANA

Revenues were up 20% to \$345 million mainly due to distribution reaping the benefits of our new go-to-market strategy. ANSA Motors Guyana, our nascent addition to the automotive business, has shown over 40% growth in new vehicle sales. With such encouraging signs, we have increased

manpower and management, increased rental space and promoted the launch of our construction equipment business, Burmac. To improve market focus and agility we have restructured our beer distribution business under the direct management of Carib Brewery. Our distribution business re-focused to complete its new warehouse which doubles its storage capacity to support its growth expectations.

EASTERN CARIBBEAN

Revenues increased 5% to \$256 million. This relates primarily to our two breweries located in St. Kitts & Nevis and Grenada and our paint manufacturing operation in Grenada. Here we observed mixed results. In Grenada we observed higher sales volumes in both brewing and coatings with the Grenada government's focus on construction and its commitment to no total shutdowns. In St. Kitts & Nevis we observed a low single-digit percentage decline in sales as a very difficult year improved in late 2021 as COVID-19 protocols were relaxed. Notwithstanding, the businesses delivered a commendable performance as breweries in both territories committed to additional promotions with our global Carib rebrand. In the E.C. territory we continue to advance the development of our fifth brewery having signed a Memorandum of Understanding with the Government of Antigua and Barbuda.

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JAMAICA

Reported revenues were \$143 million, up 23% driven by Berger Paints Jamaica Limited which weathered the changing operating environment and was boosted by the Jamaica government's commitment to its domestic construction industry. Our chemicals business marked its first full year of operations for our chlorine transfill hub which positions us to better compete in the CARICOM region's second largest chlorine market. Our water treatment business in Jamaica will focus on offering superior service and cost-effective solutions to the Industrial and Commercial sectors.

USA

Operating businesses include our procurement/logistics hub as well as brewing through Indian River Brewing Company (trading as Carib Brewery USA). Revenue reported was \$49 million, up 22% on prior year as a result of brewery volumes up 33% with our entry into the USVI market and the reopening of Universal Studios in 2021.

TRINIDAD & TOBAGO

In our home territory, reported revenues of \$4.341 billion were almost flat year on year. Most of our businesses were ordered closed for over three months due to re-instituted COVID-19 restrictions beginning in Q2 and lifted for the most part in mid-Q4 2021. Our building block and coatings manufacturing businesses still managed growth in spite of government-imposed shutdowns.

In our automotive business, sales declined because of showrooms being closed for almost a third of the year, along with the shortage in new vehicle arrivals as a result of the global automotive industry experiencing a semi-conductor supply shortage. Brewery volumes declined compared to prior year with the continued restriction on the sale of alcoholic beverages at restaurants, bars, and other entertainment and recreation establishments. Our packaging plants rebounded well as export volumes showed a marked increase. Our profit uplift in this market was due primarily to gains on our investment portfolio within our Banking and Insurance segment.



Risk Management

In August 2021, the Group commenced the implementation of a formal Group-wide Enterprise Risk Management ("ERM") program to integrate risk management into all aspects of the business. The Group-wide ERM framework and policy, which aligns with both the International Standard on Risk Management ISO 31000:2018 (ISO 31000) and the Committee of the Sponsoring Organisation of the Treadway Commission (COSO) framework, will seek to:

- Embed risk management into the culture and operations of the Group.
- Integrate Enterprise Risk Management (ERM) into strategic planning, activity planning, performance management and resource allocation decisions.
- Manage risk and ensure the Group exploits opportunities arising therefrom in accordance with best practices.
- Regularly re-assess the Group's risk profile and effectiveness of risk responses in the context of the various strategic plans.
- Ensure decisions are made with appropriate consideration of the impact on the overall Group, not just the individual subsidiaries.
- Focus on and enable risk management

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND OPERATIONAL HIGHLIGHTS

processes that are proactive rather than reactive.

We define "Risk" as the possibility of an event or activity preventing the Group from achieving our objectives. It may be positive, negative or both, and may address, create, or result in opportunities and threats. Ultimately, the Group seeks to manage risks such that we identify threats and reduce the negative impact of these risks upon achievement of our objectives and increase positive exposure to ensure that potential opportunities are maximised. The major risks are described below.

COVID-19/Business Continuity Risk. The operating environment of the Group was dominated by the social and economic impacts of the COVID-19 pandemic. The threat posed by COVID-19 required us to respond with new operational measures such as social distancing, staff rotation, remote working, and additional sanitisation protocols. The effectiveness of our comprehensive business continuity plans and our ability to respond to unexpected risks and communicate with key stakeholders were tested.

Supply Chain Risk. The impact of COVID-19 and more recently the Russia/Ukraine conflict have significantly impacted global supply chains and have resulted in material cost increases, production capacity impacts, demand volatility, logistics route constraints and increased transportation and freight costs. The Group mitigates this risk by ensuring robust contracts and clauses are in place and closely monitoring inventory levels and reserves.

Investment & Credit Risk. This is concentrated in the Financial Sector and is actively managed by Investment and Credit Risk Committees. Each month, the various committees meet to review the recoverability of investment and appropriate provisions taken in accordance with policy and regulatory requirements. Throughout 2021, the pandemic precipitated changes in consumer and business behaviours and restrictions on economic activity, which have negatively

impacted the global economy and could continue to negatively impact our consumer and commercial credit portfolios. Accordingly, we maintained a heightened allowance for credit losses as a result of the expected macroeconomic impact of COVID-19, which has adversely affected our results of operations. As at 31st December 2021, all necessary provisions and impairments have been reflected in the consolidated financial statements.

Strategic Risk. Strategic risk is the uncertainty and untapped opportunities created and affected by internal and external events that may inhibit the achievement of the Group's strategic intent and strategic objectives. During the year, we mitigated strategic risk by adopting best practice strategy development methodology consistently across the Group and implemented strategy with clear actions, performance targets and metrics.

Geopolitical Risk. Our businesses and revenues derived from non-Trinidad & Tobago jurisdictions are subject to risk of loss from financial, social or judicial instability, changes in governmental policies or policies of central banks, expropriation, nationalization and/or confiscation of assets, price controls, high inflation due to currency fluctuations, natural disasters, the emergence of widespread health emergencies or pandemics, capital controls, currency redenomination risk, exchange controls, unfavourable political and diplomatic developments, oil price fluctuations and changes in legislation. We continue to work collaboratively and support all governments and the countries in which we operate and will increase our monitoring of the economic climate. As a Group, we take seriously our compliance with the respective laws of every territory with which we conduct trade and factor in the growing country risk into our future investment planning.

Credit Risk. Certain jurisdictions in which we do business have been or may be negatively impacted by slowing growth or recessionary conditions, market volatility and/or political or

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civil unrest. The pandemic has had a severe negative impact on global GDP, and the global economic environment remains challenging even as output has begun to improve. Economic weakness may prove persistent, and this risk is heightened in the CARICOM region particularly Trinidad & Tobago and Barbados which are experiencing contractions in government and consumer spending as well as less than timely receipt of payment for government receivables. Each subsidiary has a process around the granting of credit and there is Board oversight of the process. In cases where provisions are taken, debts are still pursued and where necessary, legal action taken to enforce recoverability.

Cybersecurity. With increased prevalence of digital platforms and inter-connectedness, our risk and exposure to cyber-attacks remain heightened because of, among other things, the evolving nature and pervasiveness of cyber threats, our prominent size and scale, our geographic footprint and international presence, our companies' exposure to and reliance on networked systems and the internet, and our role in the financial services industry and the broader economy. The Group mitigates cyber risk by maintaining protective measures including training, backup systems and other safeguards to support our operations and bolster our operational resilience, including periodic third-party evaluation of our Group's cybersecurity risk program. Although to date we have not experienced any material losses or other material consequences relating to technology failure, cyber-attacks or other information or security breaches, there can be no assurance that our controls and procedures in place to monitor and mitigate the risks of cyber threats will be sufficient and that we will not suffer material losses or consequences in the future.

Availability and pricing of hard currency. This remained one of the biggest risks impacting the Group's ability to grow and to manage increased input costs. The Group has positive, long-standing relationships with its principals

and has negotiated favourable credit terms and this has assisted in managing the current situation. In Trinidad & Tobago and Barbados, we experience significant constraints in securing US currency. We have the currency (in Trinidad & Tobago dollars) to consummate almost any transaction or acquisition, however the challenges to purchase foreign exchange has forced us to borrow and has increased the cost of doing business. Also, though our leverage is low, the repayment of hard currency loans is also impacted by unavailability of hard currency.

Illegal Imports/Parallel Trade. Illegal imports and parallel trade impact local content and employment. We have had to actively engage stakeholders to help contain illegal imports, dumping and contravention with local labelling standards. Such imports do not just impact the growth of the Group but also the activity evades the taxation net and is a source of revenue leakage for the host government. We are working with regional Governments to introduce greater enforcement and/or regulatory change as necessary.

FAMILY

MANAGEMENT DISCUSSION AND ANALYSIS

PEOPLE



Our People - 2021

2021 was a year that seemed to stand still for many of us around the globe. There was the ebb and flow of uncertainty, and at times the year seemed even angrier and more intolerant than the year before.

But we remained resilient. At ANSA McAL we steadied ourselves by focusing on the health, stabilization, and support of our teams. Yet we also stayed dedicated to our execution and preparation for our future talent spaces. However we kept our eye on the game-changing opportunities that lie ahead. We are excited to share with you our achievements, and how we are laying the plans for a sensational future.

Review of 2021

Relentless energy has been spent ensuring the well-being and safety of our family of employees and by extension the families of our employees. This was a critical focus for us, and we ensured that this was always our foundation during the global pandemic.

However, we kept our head and eyes up on the way forward, as we positioned ourselves in the shifting landscape of Human Resources and Talent Management. We rose to the challenge to ensure we maintained a forward thinking and dynamic business culture that will be relevant in rapidly changing times and a true investor in human capital and spirit.

We engaged in new ways of working digitally and creatively. We learned to laugh differently, collaborate and come together across geographies more easily than ever before, and boosted our creativity in new initiatives that challenged us.

We launched multiple strategic projects such as our new Human Resources Information System platform, our job standardization and competency development project, and pushed our Leadership Capability improvement model. On top of all that, we ensured that we in HR operate as a measured service delivery hub to deliver exceptional service to our teams.

Employee engagement and communication was a

must as an underlying theme and we are pleased to report that we have maintained astounding scores in this area. We are also pleased to note that in 2021 there was no job loss as a direct result of the pandemic.

"We learned to laugh differently, collaborate, and come together across geographies more easily than ever before, and boosted our creativity in new initiatives that challenged us."



Our Talent

As always, at the core of our Group is our investment in talent. Through an emphasis on developing 'Talentship' within the organization, we commit to not only develop current talent but also to ensure robust succession coverage for our critical positions.

Our annual Talent Day continued to be an integral part of the Group's calendar and is driven directly under the stewardship of our Group CEO. It is a culmination of our commitment to developing our talent and ensures both strategic execution and executive sponsorship on our succession plans, development plans and cross-movement of talent across the Group. The mobility of talent across our sectors and regions is now a critical part of our focus as we expand our horizons to where our businesses will grow next.

Coming out of 2021's Talent Day, a key deliverable was to review talent not just from a Company standpoint but also to assess it by functional area. Intra-Group councils were formed for functional areas by senior Group Executives who are considered subject matter experts in their fields, and they took on a mandate for 2022 to focus on its talent agenda. This is inclusive of standardisation of roles, career pathing and establishment of a competency-based approach to talent management across the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

PEOPLE

The Core Values of the ANSA McAL Group of Companies



Metrics

In analyzing the metrics around our talent management processes, the areas of concentration continue to be talent acquisition, succession planning, and employee development.

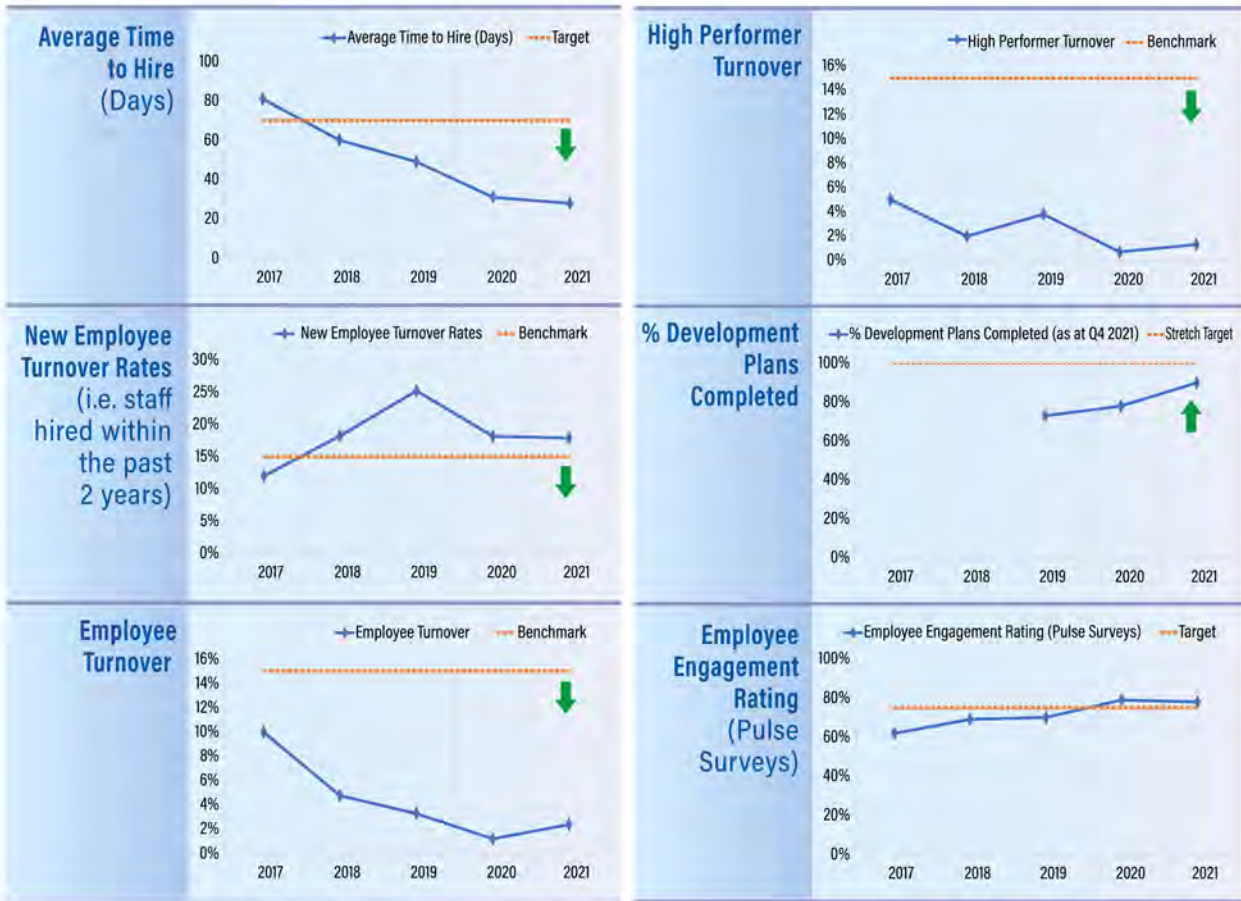
A key category in our Talentship analytics is Talent Development. This metric is critical to our people strategy, as it focuses on the Group delivering on its commitment to develop those identified as successors for leadership roles and ensure their readiness to assume new roles. In 2021, there was a further improvement in the Personal Development Plan (PDP) completion rate and despite the ongoing global pandemic, the Group invested in its talent and focused on its plans and is pleased to report a 90% completion rate in this area.

In addition to promoting group-wide talent development, ANSA McAL also achieved an improvement in the closure of its succession coverage in leadership critical positions from just under 70% last year to 85% this year.

Along with developing talent by investing in company-funded investments in professional development programs such as Leadership

Coaching Programs and the Executive MBA programs, we also continue to look to the future through our successful Champion's program. With an eye to growing and nurturing future leaders, our Champion's program has, since its inception in 2015, sourced and developed young talent through a rotational two-year program which pushes bright young graduates to grow into our future professionals.

We continue to monitor the turnover of newly appointed staff and are happy to note a declining trend in new employee turnover rates over the past three (3) years. A measured approach to managing turnover in this area is critical, as these new recruits are often brought in to fill strategic roles within the Group and as such, retention is key. It is well established globally, that once an employee passes the hurdle of their first two (2) years, their likeliness of turnover significantly decreases. Significant effort is expended on the recruitment process and objective assessment of our applicants. As such the Group believes this is an area of special attention to its overall people strategy. When any employee leaves, exit interview analysis is completed to ensure we are



continuously reviewing compliance with our processes and the potential learnings to further improve them.

Overall employee turnover rate remains well below the benchmark at 2.4% and a further key analytic is the turnover of those in the high performer pool. This is the pool from which successors are identified for the Group's leadership critical roles. The low turnover at ANSA McAL is indicative that our talent identification, development, and retention strategies are working. As we examine the labor market shortages experienced both locally and regionally, it is imperative that we retain those that we hire and develop those that have been identified for future executive-level roles. We continue to do this by ensuring that career paths are well mapped, that new development opportunities are maximized, and that

communication, employee well-being and our family environment are forefront.

Business Stewardship

The Group launched a transformational leadership initiative in 2021, termed Business Stewardship. Being a steward of your business is about taking full responsibility for your behaviour and the effects it has on the environment around it. It involves considering more than just the bottom line but also embracing values, ethics, and morals. Business Stewardship plays an important role in the evolution of our Group culture, and has been identified as a key area which all leaders must be invested in.

There are five (5) areas identified in the Group as indicators of transformational leadership, which represent the thinking and behaviour of the ideal leader we wish to measure and celebrate. ANSA McAL Executives were assessed by their

MANAGEMENT DISCUSSION AND ANALYSIS

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The five (5) Business Stewardship indicators in the Group are:



peers, reports, and managers in each of these five areas to get a baseline understanding of our Executive Team's competency level in Business Stewardship. This encourages reflection on how to become a better leader and essentially identifies the areas both individually and as a Group, that we must focus on to ensure continuous success for the businesses and people we lead. We will continue to drive these areas as critical for our leaders as we look to the years ahead.

HR Transformation

We continue our journey to digital transformation by optimizing our business processes and operations to empower and engage our teams. To this end, in 2021 we embarked on the beginning of our Human Resource Information System (HRIS) and Payroll System transformation,

which will change the way we manage and develop our most valued strategic asset – our employees.

In collaboration with our external provider, HRIZONS, the Group is implementing a new HRIS & Payroll System: SAP SuccessFactors HCM Suite and Payroll123, which will lead to groupwide access for acquiring, storing, analyzing, and distributing information related to our teams. This implementation will transform our internal customer experience excellence as:

- Manual processing of data will be transformed into an automated centralized system across HR & Payroll which will lead to increased efficiencies. The replacement of these systems with an integrated HR & Payroll solution is not only an opportunity, but a necessity to align with the overall organizational drive toward digital transformation and address the

limitations of our current systems.

- Employee Self Service will allow our employees to have increased visibility of personal information and benefits.
- Succession planning and career development processes will be refined to support growth and cultivate talent, with targeted professional development in line with a defined career path.
- A learning management system will improve accessibility to relevant opportunities for employee training and development.

These new systems will be launched in 2022 and rolled out on a phased basis.

Job Standardization and Competency Based Project

The Job Standardization Project (JSP) emerged from a discussion started by the Group CEO at our Annual Talent Day – wherein he proposed that we should harness the collective brain power and extensive expertise residing within the Group, by way of forming Functional Councils in four main areas: Commercial, Supply Chain, Finance, and Operations/Manufacturing. These councils would create benchmarks of best standards within their respective functions and oversee the development of our talent to match and exceed these standards.

This project will produce standardized job titles across our diverse subsidiaries, each associated with clearly defined job scopes, grades, and competencies with assigned proficiency levels. The project will also formalize competency-based management into our HR policies and practices. A few of the major benefits that this project will enable are:

- Ensuring that employees understand their career potential and development trajectory, including tools for objective talent progression conversations.
- Allowing employees to see where they fit and how they can grow within ANSA McAL.
- Building a robust talent pipeline, identifying high potential employees, and keeping potential successors engaged.

- Objective and validated criteria for competency-based interviewing, used to find the best-suited candidate for the role.
- Clear communication of job expectations through robust job descriptions and competencies required to succeed.

Employee Engagement

The continued engagement of our employees remains a strategic focus within the Group. We were tasked with not only navigating the economic impact of the pandemic, but also dealing with the human impact of fear and the loss of life of members of our ANSA community and their loved ones. As an employer, we continue to adjust our workspaces and policies to ensure our employees are motivated, feel safe, cared for, and heard.

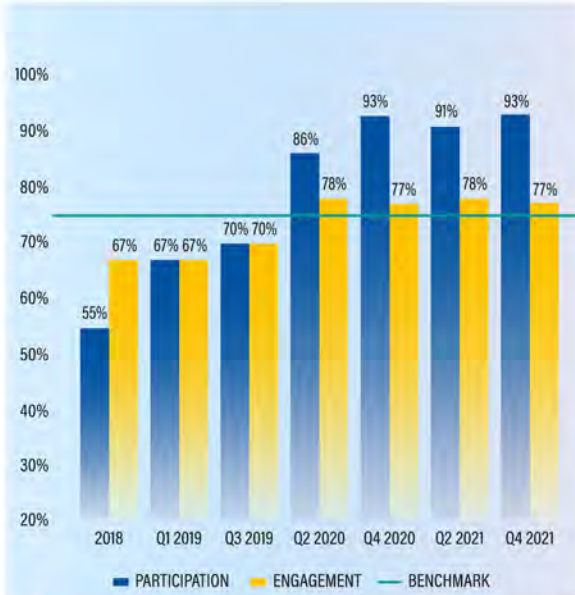
We are pleased to share that our overall employee engagement score for 2021 remained high, at 78%. We are heartened to know that we are truly doing the right things for our teams and our staff. In this year more than ever, we are proud of the hope, support and security that we have been able to offer our teams.

Additionally, we have continued to observe an increase in participation in our surveys and willingness to providing feedback. Our 2021 average participation rate was 92%. This demonstrates a belief that our leadership genuinely listens and acts in response to feedback.

One area which we have placed significant emphasis, based on survey feedback, is the visible development of our internal talent. As noted above, robust talent development programs have been implemented which has strengthened succession planning and created increased, lateral, and upward mobility, career opportunities for employees. It is evident that employees have felt the impact of these programs. In 2021, an average of 83% of employees believe there is the opportunity for continued career growth.

MANAGEMENT DISCUSSION AND ANALYSIS

PEOPLE



In October the ANSA McAL family wore pink as part of the annual campaign, to raise awareness about the impact of breast cancer. Together we celebrated the grit and determination of cancer survivors and those who are tirelessly working towards its eradication.



In recognition of World Down Syndrome Day, which was observed on Sunday March 21st, employees of TATIL, Maraval Road and ANSA McAL's Head Office, purchased colourful, crazy socks at a 'Pop Up Sock Shop' which was coordinated by ANSA McAL's Group Corporate Communications Unit and the Financial Services Marketing Team on Friday 19th March 2021. On Monday 22nd March, employees wore their colourful, crazy socks to work!



HSSE COVID-19 best practices included the use of glass partitions in office spaces.

Health & Safety

COVID-19

The resilience of our teams and strength of our leadership was again showcased in the Group's leadership and navigation of the Global pandemic throughout 2021. Our protocols and systems implemented in response to the COVID-19 remained top of mind to keep our employees safe and ensure business continuity.

Our protocols included rotational shift systems, use of the COVID-19 Screening forms for both employees and visitors, as well as vigilance on the part of managers and supervisors in ensuring adherence to the established protocols, and continuous monitoring and auditing of the processes. Additionally, the decisions made to perform internal contact tracing for positively tested staff, and to provide private testing to those who were exposed at work, proved to be best for swiftly containing the spread of the virus within the affected companies. Inter-company spread was maintained at a bare minimum.

Our commitment to looking after the health and safety of our employees took shape in our new partnership with Acropolis, a local private medical facility in Trinidad. Through this partnership, the Group provided company-funded support for employees who tested positive for the coronavirus to ensure that they were actively monitored and cared for throughout their illness. In addition to this, a monitoring program of all positive, symptomatic, and exposed staff was established together with daily status updates by the respective HR and HSSE teams for each Subsidiary.

Doctors and nurses performed daily check-in calls on all identified members of staff and advised them on measures to take, as well as reported back on the status of all persons daily. This program proved to be critical as the timely intervention of the doctors prevented the further decline and loss of life.



COVID-19 screening forms for employees and visitors were implemented groupwide.

In addition, our work with Families in Action, our Employee Assistance Program (EAP), stands as testimony to the significance of caring for our people, and their wellness being top of mind.

Sadly, in 2021, the Group lost nine of our employees to the COVID-19 virus. We pause to reflect on these teammates who we have lost to this pandemic, and to be consoled and reassured by our resilience, hope and dedication throughout this time.

VACCINE CAMPAIGN

As done in the past, we again took the opportunity to continue our engagement with the leaders of our Recognized Majority Unions (RMUs). We engaged on multiple fronts, but this time our vaccination initiative may have been the most important ever, as it touched so many lives. We came together yet again with the knowledge that we were bound by a shared goal: the wellbeing of our ANSA McAL team. Together we agreed that we would keep our people safe and that we were dedicated to minimizing any job loss or loss of earnings.

With vaccines becoming readily available, our conversations were now shaped on collaborations on vaccine education and uptake throughout the Group. The meetings with our RMUs were focused on engagement on our mutual efforts towards educating our staff on COVID-19 vaccination, and the importance of vaccinations on their health and wellbeing and safety measure compliance. We are heartened by their continued support and for the strong working relationship that we continue to have with each of our collective bargaining units.

In these meetings, we solicited their feedback on our vaccination efforts, and engaged Dr. Victor Coombs, our Occupational Medical consultant, to discuss the importance of vaccination and answer any questions that were raised. These meetings were well-received and helped boost the vaccination statistics within the Group - we are pleased to report that our rates hit 80% by the end of 2021, which is well above the regional average. This was achieved not through any means of coercion but by education, inspiration, and leadership.



Our commitment to look after the health and safety of our employees resulted in a partnership with Acropolis.



ANSA McAL collaborated with regional stakeholders and Ministries of Health in rolling out critical vaccine drives for employees throughout several of the territories in which the Group operates.

MANAGEMENT DISCUSSION AND ANALYSIS

PEOPLE

Other assistance to our employees in this time of the pandemic included shuttling staff to vaccination sites and providing time off for vaccines. We facilitated mass vaccination sites on our compound for staff and their families, provided educational sessions for employees and the public, and covered the cost of PCR tests via the Group Health Insurance plan. We are proud to celebrate this approach as it truly showcases our commitment to look after our ANSA McAL family and to lead the way in this regard.

HSSE GOVERNANCE OUTSIDE THE PANDEMIC

We are proud that there were zero Lost Time Injuries (LTIs) across the group for 2021 and that we saw a decrease in accidents, lost working days, and accident cost. Nonetheless, we continue to keep the focus on a robust health and safety culture as top of mind, with diligence in this regard at the forefront.

	Jan-Dec 2020	Jan-Dec 2021
# of Accidents	76	46
# of LTIs	2	0
Cost of Accidents/LTIs (medical care and wages)	\$110,000	\$38,000
Lost Working Days	84	0

LOOKING BACK AND LOOKING AHEAD

We reflect with pride on two years of resilience, where together we weathered the storm with bravery and kept the passion to plan for exciting things ahead.

We feel steeled in knowing that we kept our employees safe and engaged - in their careers and emotionally - and that we are poised to move quickly and strategically into conquering more of what is to come. We can feel a pulse and an underlying hum of excitement as we look ahead to great things - working together as a driving force for a better world as our ANSA McAL team. *Let's go!*

SECTOR	COMPANY	% VACCINATED
HO	ANSA McAL Ltd	95%
	ANSA Motors	79%
AUTO	ANSA Motors B'dos	68%
	ANSA Motors Guy	100%
BEVG	CDC & CBL	71%
	Carib USA	82%
	Carib Grenada	52%
	Carib SKN	77%
CONS	ABS	85%
	Bestcrete	72%
	Metpro	100%
	ANSA Technologies	100%
	ANSA Coatings	75%
	Sissons Grenada	75%
	Berger Jamaica	43%
	Berger Barbados	65%
	Sector	100%
	AMCO	80%
DIST	TOMCO	48%
	TWEE	80%
	Bryden Stokes	82%
	AMTL Guyana	96%
	Sector	97%
FSS	TATIL & TATIL Life	74%
	AMBL & ANSA Bank	92%
	Trident Insurance	78%
	CFC	82%
	Carib Glassworks Ltd	67%
MANF	ANSA Polymer Ltd	68%
	ANSA Chemicals Ltd	91%
	ANSA Chem Jam	33%
	Trinidad Match Ltd	100%
MEDI	iRadio Guyana	100%
	Guardian Media Ltd	84%
RETL	Standard Distributors	77%
	Standard Barbados	88%
SERV	Alstons Shipping	85%
	ANSA US	70%
PROP	Grand Bazaar	93%
Group Average as at Nov 2021		80%

DYNAMIC

**CORPORATE
GOVERNANCE**



CORPORATE GOVERNANCE



The ANSA McAL Group considers sound corporate governance essential to create value for and maintain the confidence of all of its stakeholders. The Group therefore continuously reviews and strengthens its Corporate Governance Framework and processes to ensure that they remain relevant and in keeping with best practice. In December 2021, the ANSA McAL Group received the award for the Best Corporate Governance Conglomerate in the Caribbean from Ethical Boardroom, a London-based magazine and website, known for its critically acclaimed analysis of global governance issues. The magazine's annual awards recognize boards who have raised the bar in the implementation of corporate governance best practices.

Duties of the Board of Directors

The Board has the vital role of overseeing the Group's management and business strategies to achieve long-term value creation for shareholders. The Board recognizes that the long-term interest of shareholders is served by taking into account the interests of other stakeholders and interested parties including employees, customers, suppliers and the communities in which the Group's businesses operate. The Board has a governing Charter which outlines the duties and responsibilities of the individual directors and of the Board as a whole. The Board's Charter, its Committee Charters and Board policy documents are accessible on the Company's website at www.ansamcal.com.

As at 31st December 2021, the Board has two (2) sub-committees, which provide the Board with support in performing some of its key functions - the Governance, Nominating and Remuneration Committee (GNRC) and the Audit Committee.

The Board meets regularly to discuss matters related to the Company. During 2021, the Board held eight (8) meetings (including two (2) Special Meetings) and attendance at Board meetings was approximately 95%.



BOARD MEETINGS

NO. OF MEETINGS FOR 2021: 8 IN TOTAL (6 REGULAR & 2 SPECIAL)

1 DIRECTOR RESIGNED FEBRUARY 26, 2021

3 NEW INDEPENDENT DIRECTORS APPOINTED ON MAY 27, 2021

DIRECTORS	FEB 04 2021	FEB 18 2021	MAR 25 2021	MAY 12 2021	AUG 03 2021	AUG 12 2021	NOV 11 2021	DEC 09 2021
Mr. A. Norman Sabga (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓
Mr. David B. Sabga (Deputy Chairman)	✓	✓	✓	✗	✗	✓	✗	✓
Mr. Andrew N. Sabga (Deputy Chairman)	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Anthony N. Sabga III (Group CEO)	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ray A. Sumairsingh	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Teresa White	✓	✓	✓	✓	✓	✗	✓	✓
Mr. Anthony E. Phillip	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mark J. Morgan	✓	✓	✓	✓	✓	✓	✗	✓
Mr. Larry Howai	✓	✓	✓	✓	✓	✓	✗	✓
Mr. David Dulal-Whiteway	✓	✓	⊘	⊘	⊘	⊘	⊘	⊘
Mr. Winston Singh	✓	✓	✓	✓	✗	✓	✗	✓
Ms. Krysta Behrens De Lima	⊘	⊘	⊘	⊘	✓	✓	✓	✓
Mr. Norman Christie	⊘	⊘	⊘	⊘	✓	✓	✓	✓
Ms. Vicki-Ann Assevero	⊘	⊘	⊘	⊘	✓	✓	✓	✓

✓ Present

✗ Absent

⊘ Not a Director

Director Diversity and Independence

Toward the end of 2019, the Board made a decision to increase the level of independence within the Board and early in 2020, the Board set a target of at least 50% independent directorship by 2022. The Board's Independent Director Policy provides that a non-executive Director must be free of any business or association which may materially impact or be reasonably deemed to have the potential to materially impact independent judgment.

In 2021, the Board made strides towards achieving its goal when three (3) independent Directors nominated by the Board were elected at the Annual Meeting of Shareholders in the month of May: Ms. Krysta Behrens De Lima, Mr. Norman Christie and Ms. Vicki-Ann

Assevero. These new appointments increased the Board's independent directorship from 27% in 2019 to 47% in 2021. The proportion of women on the Board also increased from 8% in 2019 to 23% in 2021. Collectively, these newly appointed independent directors bring skills in Business Strategy, Corporate Sustainability and Environmental Responsibility, Finance and Accounting, Entrepreneurship and Corporate Governance to the Board.

Directors of the Board serve for a period of one (1) or two (2) years depending on the director rotation requirements in the Company's By-Laws, after which they may offer themselves for re-election by shareholders for an additional term of two (2) years. There are currently no limits on the number of terms a director may serve on the Board.

Governance, Nominating and Remuneration Committee

The Governance Nominating and Remuneration Committee (GNRC) supports the Board in fulfilling its duties related to the nomination of Directors. In making recommendations to the Board, the GNRC considers the technical skills and experience that potential Board members will bring in the context of being aligned to the Group's business operations and the Group's strategy. Ensuring gender balance and the independence of the Board are also important factors which the Committee focuses on during the selection process. The Committee also oversees Board and Executive remuneration to ensure that they are in keeping with current market trends but also with the Company's compensation philosophy. Board compensation is reviewed every three (3) years and is scheduled for review in 2022. The Committee continuously reviews key organizational and management frameworks and supporting policies and processes. This supports the Board in carrying out its responsibility to ensure that the Company maintains an effective and up to date Corporate Governance Framework.

During the year, the GNRC made numerous recommendations which were approved by the Board, including:

1. A new Executive Incentive Plan (EIP). The updated EIP shifts the focus for Executive performance to be measured, not simply based on profit, but rather on the increased economic value created. Performance assessment against people and value driven metrics remains a prominent feature of the EIP.
2. A new Subsidiary Governance Structure which introduced largely independent Advisory Councils in each Sector which will support the Group CEO by making recommendations on business strategy and operations.



3. The implementation of a Group Sustainability Framework which focuses on the environmental, social and corporate governance (ESG) issues and is aligned to the United Nations' Sustainable Development Goals.
4. An amendment of the GNRC Charter to include oversight responsibility for the Group's Sustainability Framework and ESG Agenda. More details on the Group's Sustainability Framework and ESG agenda are included in the Sustainability Report.
5. An amendment of the GNRC's Knowledge and Skills Matrix to include ESG and Sustainability.

In May 2021, Director Mark J. Morgan was appointed as Chair of the GNRC after Director Anthony E. Phillip retired as Chair to assume the Chairmanship of the Audit Committee. In October, new independent Directors, Ms. Vicki-Ann Assevero and Ms. De Lima were appointed to the GNRC. Together, they contribute extensive experience in the areas of Corporate Governance, Sustainability, Environmental Responsibility, Stakeholder Engagement, Law and Entrepreneurship.

As at 31st December 2021, the members of the GNRC comprise the following independent Directors:

Mr. Mark J. Morgan – Chairman of the Committee
Mr. Anthony E. Phillip
Ms. Krysta Behrens De Lima
Ms. Vicki-Ann Assevero

The GNRC had six (6) meetings in 2021 to aid in the advancement of its agenda in accordance with its Charter.

GNRC MEETINGS
NO. OF MEETINGS FOR 2021: 6 IN TOTAL

DIRECTORS	JAN 27 2021	MAR 01 2021	MAY 19 2021	JUL 15 2021	OCT 11 2021	DEC 02 2021
Mr. Anthony E. Phillip (Chairman up to March 01, 2021)	✓	✓	✓	✓	✓	✓
Mr. Mark J. Morgan (Chairman from May 19, 2021)	✗	✓	✓	✓	✓	✓
Mr. David Dulal-Whiteway	✓	⊘	⊘	⊘	⊘	⊘
Ms. Krysta Behrens De Lima	⊘	⊘	⊘	⊘	◆	✓
Ms. Vicki-Ann Assevero	⊘	⊘	⊘	⊘	◆	✓

- ✓ Present
- ✗ Absent
- ⊘ Not a Member
- ◆ By Invitation

New Subsidiary Governance Structure

In the first quarter of 2021, the GNRC made a recommendation which was unanimously approved by the Parent Board for the institution of a new subsidiary governance structure across the ANSA McAL Group. The new structure

comprises Sector Advisory Councils chaired by the Group CEO and comprising advisors, a majority of whom are independent to the Group. The Councils exist solely in an advisory capacity, providing the Group CEO with independent perspectives and industry insight.



DIRECTOR ONBOARDING



The Board's Director Orientation Process provides new Directors with a formal introduction to the Group and its operations to prepare them for their new role. In 2021, all newly appointed Directors completed their Director Orientation as a part of their onboarding.

The onboarding procedure includes an initial discussion with the Chairman of the Board, the Chief Executive Officer and the Corporate Secretary. Directors also participate in educational sessions with the Corporate and Sector leadership as well as the Company's internal and external auditors. In these meetings the directors are provided with an overview of the Group, sector operations and structure as well as a 3-5 year strategic outlook. Through this process, directors are able to gain good insight and knowledge about the Group, thus allowing the Board to benefit very early on from their valuable contributions.

TRAINING AND DEVELOPMENT

Enterprise Risk Management Training – All directors completed enterprise risk management training in September 2021 conducted by external consultants. The training covered risk governance and leadership, information technology and cybersecurity risk, Environmental, Social and Governance (ESG) risk and the connection between enterprise risk management and the audit function.

ANNUAL BOARD EVALUATION

Board evaluation is viewed by our directors as a critical element of board governance. The results of the external board evaluation conducted toward the end of 2020 helped set the stage for the Board's 2021 workplan and agenda.

In October-November 2021, the Board completed a self-evaluation exercise, and the results were compared to those of the 2020 evaluation to measure improvement or gaps in performance. This comparative analysis is being used by the Board as the basis for continued training and the development of action plans for the improvement of individual directors and collective performance of the Board.

The Audit Committee

The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, and the audit process. This Committee is also responsible for overseeing the Group's enterprise risk management policies and procedures, advising the Board on the major risks identified and the related mitigation strategies. During the year, the Committee recommended and the Board unanimously approved Management's implementation plan for the introduction of a new enterprise risk management

framework across the Group to update and standardize the existing risk management procedures and structure.

As at 31st December 2021, the members of the Audit Committee comprise the following Directors:

- Mr. Anthony E. Phillip – Independent Chairman of the Committee
- Mr. Mark J. Morgan – Independent
- Mr. Norman Christie – Independent
- Mr. Larry Howai – Non-Executive

The Audit Committee met four (4) times in 2021.

AUDIT COMMITTEE MEETINGS NO. OF MEETINGS FOR 2021: 4 IN TOTAL

DIRECTORS	MAR 01 2021	MAY 05 2021	AUG 05 2021	NOV 05 2021
Mr. Anthony E. Phillip (Chairman)	✓	✓	✓	✓
Mr. Mark J. Morgan	✓	✓	✓	✓
Mr. Larry Howai	✓	✓	✓	✓
Mr. Norman Christie	⊗	⊗	⊗	✓

- ✓ Present
- ✗ Absent
- ⊗ Not a Member

BOARD COMPOSITION

As at 31st December 2021, the Board of Directors of ANSA McAL Limited comprised 13 persons of whom 6 are independent directors.

The Directors on the Board as at 31st December 2021 are as follows:

1. Mr. A. Norman Sabga – Chairman (Executive)
2. Mr. David B. Sabga – Deputy Chairman (Non-Executive)
3. Mr. Andrew N. Sabga – Deputy Chairman (Non- Executive)
4. Mr. Anthony N. Sabga III – Group Chief Executive Officer (Executive)
5. Mr. Ray A. Sumairsingh (Non-Executive)
6. Ms. Teresa White – Chief Shared Services Officer (Executive)
7. Mr. Anthony E. Phillip (Independent)
8. Mr. Mark J. Morgan (Independent)
9. Mr. Larry Howai (Non-Executive)
10. Mr. Winston Singh (Independent)
11. Ms. Krysta Behrens De Lima (Independent)
12. Mr. Norman Christie (Independent)
13. Ms. Vicki-Ann Assevero (Independent)

BOARD OF DIRECTORS



BOARD OF DIRECTORS



A. NORMAN SABGA LLD (HON.) UWI; (H.C.) UTT
EXECUTIVE CHAIRMAN

MR. A. NORMAN SABGA, LLD (Hon.) UWI; (h.c.) UTT holds the esteemed position of the Executive Chairman of the ANSA McAL Group of Companies and Patron of the Anthony N. Sabga Awards – Caribbean Excellence.

Mr. Sabga attended Red Rice College, England, and Fordham University in New York, USA and on return to Trinidad embarked on a business career at Standard Distributors Limited until 1979. He has served as Chairman of several companies throughout the Group, including Caribbean Development Company Limited, Alstons Marketing Company Limited and ANSA McAL Enterprises Limited.

In 1986, Mr. Sabga was appointed Director of the Board of ANSA McAL Limited and Deputy Chairman in 1992. In 1996, Mr. Sabga assumed the role of Group Chief Executive Officer and in 2000 was appointed Group Chairman when his father, the late Dr. Anthony N. Sabga, ORTT, Chairman Emeritus retired.

In recognition of his exceptional achievement in business, Mr. A. Norman Sabga was the recipient of a Doctor of Laws Degree, Honoris Causa, from the University of the West Indies (UWI) in 2015. History was created at UWI as it was the first time that honorary doctorates were conferred to a father and son. He was also awarded a second honorary Doctor of Law from the University of Trinidad and Tobago in 2019.

Mr. Sabga held the role of Chairman of the ANSA McAL Foundation from 2017 to 2020 and currently serves as the Chairman of ANSA Merchant Bank Limited.



TERESA WHITE
CHIEF SHARED SERVICES OFFICER,
EXECUTIVE DIRECTOR

MS. TERESA WHITE in the role of Chief Shared Services Officer leads and directs work streams geared towards greater operational efficacy within the ANSA McAL Group. This role is pivotal to ensure the Group's critical focus for creating and sustaining a high performing shared services organisation which includes Corporate (Group) functional areas of HR, HSSE, IT, Supply Chain and Head of Office Administration.

Ms. White has over twenty years of experience in Strategic Human Resource Management, Organisational Transformation and Change Management.

Prior, she successfully led her own independent regional consulting practice, and her client base spanned the energy, financial, professional services, and telecommunication sectors.

In 2007, Ms. White was appointed as a non-executive Director of the Board of ANSA McAL Limited. In 2011, she held the executive role of Group Human Resources Director, in addition to Media Sector Head in 2016 to 2017.

Ms. White holds a BA (Hons) in Politics from Queen Mary & Westfield College, University of London and an MSc (Econ) in Industrial Relations & Personnel Management from the London School of Economics & Political Science, University of London.

BOARD OF DIRECTORS



RAY A. SUMAIRSINGH
NON-EXECUTIVE DIRECTOR

MR. RAY A. SUMAIRSINGH serves as the Deputy Chairman of ANSA Merchant Bank Limited and is currently the Chairman of TATIL & Tatil Life. In 2000, he joined the ANSA McAL Group in the Financial Services sector as the Managing Director of ANSA Merchant Bank Limited. He currently holds several directorships in the Group, including the Parent Board since 2001.

Mr. Sumairsingh became a Chartered Banker (ACIB) in 1975, after completing studies in London, United Kingdom. In 1982, he achieved his MBA in Finance, while working in New York, USA.

Mr. Sumairsingh is a former President of the Insurance Association of the Caribbean (IAC) and former President of the Association of Trinidad & Tobago Insurance Companies (ATTIC). He has been a Director of the Trinidad and Tobago Stock Exchange for the past nineteen (19) years where he served as Chairman for five (5) years.

In 2020, Mr. Sumairsingh became a non-executive Director of ANSA McAL Limited.



ANTHONY N. SABGA III
GROUP CHIEF EXECUTIVE OFFICER,
EXECUTIVE DIRECTOR

MR. ANTHONY N. SABGA III holds the position of Group Chief Executive Officer (CEO) of ANSA McAL Limited since 2020 and Chairman of Beverage Sector from 2016. In 2018, Mr. Sabga was appointed as a Director of the Board of ANSA McAL Limited.

Mr. Sabga holds a Bachelor of Science Degree in Economics from City University and a Masters in International Business Administration from Regents Business School, United Kingdom.

In 2001, Mr. Sabga started his early career at Trinidad Publishing Company (now known as Guardian Media Limited) as Promotions and Circulations Manager.

In 2003, he was appointed as the Executive at ANSA McAL's Head Office with the focus on Strategic Development of the Group's IT Infrastructure and the development and implementation of the Group's Balanced Score Card and Strategic Management Frameworks. Mr. Sabga's career included diverse portfolios as General Manager at Classic Motors and President of Carib Beer USA.

As Group CEO, Mr. Sabga is accountable for the leadership of the Group's Executive Team in providing long-term strategic vision to maintain the Group's competitiveness and sustainability, while expanding and diversifying the business portfolio and geographic reach to ensure the agility necessary to embrace and respond to the business opportunities in the region and globally.

BOARD OF DIRECTORS



DAVID B. SABGA
DEPUTY CHAIRMAN,
NON-EXECUTIVE DIRECTOR

MR. DAVID B. SABGA is the Deputy Chairman of the Board of ANSA McAL Limited.

Mr. Sabga holds a BA (Economics) from Windsor University Canada. He held several senior management positions and Chairmanships at Standard Equipment, Crown Industries Limited and Farmhouse Industries Limited prior to joining the ANSA McAL Group in 1988.

Mr. David Sabga was appointed as a Director of the Board of ANSA McAL Limited in 1996.

His career in the ANSA McAL Group began at McEneaney Business Machines (MBM) where he held the role of Managing Director. Mr. Sabga moved to the Automotive Companies where his career in the Automotive industry spanned 25 years.

Mr. Sabga also held several chairmanships throughout the Group including Chairman and Sector Head of the Automotive division.

In 2020, Mr. Sabga retired from the Group and became a non-executive Director of ANSA McAL Limited.



ANDREW N. SABGA
DEPUTY CHAIRMAN,
NON-EXECUTIVE DIRECTOR

MR. ANDREW N. SABGA is the Deputy Chairman of ANSA McAL Limited and Chairman of the ANSA McAL Foundation. He holds an MBA in Marketing from the University of Miami and a B.Sc in Business Administration Marketing Finance from Boston University.

Mr. Sabga held the office of Chief Executive Officer of the ANSA McAL Group of Companies from 2017 to 2019. He also held the position of Beverage Sector Head from 2007 to 2015.

In 2010, he was appointed as a Director of the Board of ANSA McAL Limited.

Mr. Sabga's career spans with over 25 years of experience in the Manufacturing industry. This career path holds experience with a diverse portfolio inclusive of Chief Executive Officer of Carib Brewery Limited, Caribbean Development Co. Limited and Carib Glassworks Limited. Mr. Sabga has held directorships at Trinidad Match Limited and Alstons Marketing Company Limited. He was also the Chairman of Grenada Breweries Limited, presently named Carib Brewery (Grenada) Limited, Carib Brewery (St. Kitts & Nevis) Limited and ANSA McAL (US) Inc.

Mr. Sabga was the President of the Trinidad and Tobago Chamber of Industry and Commerce from 2011 to 2013.

In 2020, Mr. Sabga retired from the Group and became a non-executive Director of the Board of ANSA McAL Limited.

BOARD OF DIRECTORS



ANTHONY E. PHILLIP
INDEPENDENT DIRECTOR

MR. ANTHONY E. PHILLIP is an Independent board member of ANSA McAL Limited since 2007 and Caribbean Development Company Limited since 2012.

Mr. Phillip, who began his career as an Industrial Chemist at Caroni Limited holds an Executive Master's in Business Administration (EMBA) from The University of the West Indies (UWI). He also attended programmes at Henley Management College, United Kingdom; Kellogg Graduate School of Management and Northwestern University, USA and the International Institute for Management Development (IMD), Lausanne, Switzerland.

He joined West Indian Tobacco in 1973 as a manager in its Production Department. He was appointed Production Manager and Director in 1984, after completing a secondment assignment to British American Tobacco Kenya Limited. Mr. Phillip was also the Chairman and Managing Director at British American Tobacco (Malawi) Limited from 1994 to 1998. He was then appointed Managing Director of West Indian Tobacco in 1998 and following his retirement in 2006 he became Chairman in 2007.

Mr. Anthony E. Phillip retired from the Board of Directors of West Indian Tobacco at the close of the Annual Meeting of Shareholders in April 2022.



MARK J. MORGAN
INDEPENDENT DIRECTOR

MR. MARK J. MORGAN was appointed as an Independent Director of the Board of ANSA McAL Limited in 2014. He is also a Partner at Fitzwilliam, Stone, Furness-Smith & Morgan (Attorneys-at-Law). He maintains a thriving litigation practice as an Advocate and appears before all the local Courts. He has also acted as an arbitrator in commercial disputes.

Mr. Morgan's practice focuses on the business law aspects relating to the establishment and operation of large commercial and industrial undertakings in Trinidad and Tobago, ranging from Government negotiations, fiscal incentives, oil and gas transactions, alternative dispute resolution, litigation and taxation.

Mr. Morgan is an avid contributor to various legal publishers. He was also the consultant to the Trinidad and Tobago section of Carter-Ruck on Libel & Slander 4th ed. and has authored and co-authored articles on Trinidad and Tobago law for various other publications.

He is listed in Band 1 of the Chambers Global, World's Leading Lawyers for Business.

BOARD OF DIRECTORS



LARRY HOWAI
NON-EXECUTIVE DIRECTOR

MR. LARRY HOWAI is a former Minister of Finance and the Economy (July 2012 – September 2015) who has had a long and distinguished career in the financial services sector.

Prior to joining the Cabinet of the Government of the Republic of Trinidad and Tobago, Mr. Howai was Chief Executive Officer of the First Citizens Group, one of the largest financial institutions in the English-speaking Caribbean. He served as Chairman of the National Gas Company of Trinidad and Tobago and Chairman of the National Energy Corporation and has held several other board appointments in the financial services and energy sectors both locally and regionally.

Mr. Howai was recognized as a Distinguished Alumnus of the University of the West Indies in 2010 and has also received the Award of Excellence from Caribbean Association of Indigenous Banks 2008. He became an honorary Fellow of the Institute of Banking and Finance of Trinidad and Tobago in 2004 and was honoured as the Most Admired Chief Executive Officer in Trinidad and Tobago in 2003.

In 2016, Mr. Howai was appointed as a Director of the Board of ANSA McAL Limited. In addition, he is currently a Director of ANSA Merchant Bank Limited, Trinidad and Tobago Insurance Limited (TATIL), TATIL Life Assurance Limited, Allied Hotels Limited and Allied Innkeepers Limited.



WINSTON SINGH
INDEPENDENT DIRECTOR

MR. WINSTON SINGH is a Senior Director of LinkedIn Corp. (a wholly owned subsidiary of Microsoft) based in Sunnyvale, California. He leads a global organization that helps small and mid-sized companies connect with their customers and advertise on LinkedIn.

Before LinkedIn, Mr. Singh spent almost 12 years at Google Inc. as a director of sales strategy and operations. He led a global organization that helped businesses to grow by leveraging online marketing. Before joining Google, he spent a decade at various start-ups and ADP Inc., a Fortune 250 firm.

Mr. Singh holds an MBA in Strategic Marketing from the Indian School of Business, a M.Sc. in Information Systems from Stevens Institute of Technology, New Jersey and a B.Sc. in Computer Science, University of the West Indies, St. Augustine.

Prior to being appointed in 2020 as an Independent Director of ANSA McAL Limited, Mr. Singh, since August 2017, was a member of the Board of Directors of Guardian Media Limited, a subsidiary of the ANSA McAL Group and a publicly listed company on the Trinidad and Tobago Stock Exchange. Mr. Singh resigned from the Guardian Media Limited's Board effective June 1, 2020.

BOARD OF DIRECTORS



NORMAN CHRISTIE
INDEPENDENT DIRECTOR

MR. NORMAN CHRISTIE had an extraordinary career at BP for over thirty-four years, with his final assignment being that of Regional President, Mauritania and Senegal, from January 2020 to December 2020.

He was the former Regional President of BPTT from January 2011 to March 2018, as well as the joint Head of the Group Chief Executive's Office from April 2018 to December 2019, based in London, United Kingdom.

Jamaican born, Mr. Christie has held several leadership roles including the positions of Chief Financial Officer, and Vice President Commercial & Markets, all at BP Trinidad and Tobago.

He joined Amoco in 1986 and following a series of financial roles at their headquarters in Chicago, served in several commercial leadership roles for three years in Egypt. The end of his tenure in Egypt coincided with the merger of BP and Amoco in 1999.

Mr. Christie subsequently moved to BP's headquarters in London within two years, to work with Mr. Tony Hayward, Group Vice President for Finance, at that time.

His formal educational training has been in Finance, Strategy, Accounting and General Management. Mr. Christie is a certified public accountant (Illinois) and holds an MBA from the University of Chicago.

In 2021, Mr. Christie was appointed as an Independent Director of the Board of ANSA McAL.



KRYSTA BEHRENS DE LIMA
INDEPENDENT DIRECTOR

MS. KRYSTA BEHRENS DE LIMA has been a practising transactional lawyer for nearly 30 years. She is currently in private practice.

Most recently, Ms. De Lima served as the General Counsel and Corporate Secretary of NextDecade Corporation, a Nasdaq listed corporation, for six (6) years.

Before NextDecade, Ms. De Lima was Senior Counsel with Bechtel's Oil, Gas and Chemicals business unit in Houston. She was previously with the BG Group for twelve (12) years, where she served as Vice President, Legal, advising on matters affecting the Group's investment in Atlantic LNG, as well as the company's major assets in Trinidad and Tobago. Ms. De Lima was later appointed Chief of Staff of the Trinidad asset with BG Group where she advised on upstream, midstream and downstream projects, operations and investments.

Prior to BG Group, Ms. De Lima worked in private practice at Arthur Anderson. She holds a Bachelor of Laws from Kings College, London, a Maitrise in French Law and a DESS (Masters) in European Law, both from the Université of Paris I (Panthéon Sorbonne).

A native of Trinidad and Tobago, Ms. De Lima is an active member of the Law Society of England and Wales, and the State Bars of New York and Nevada. She is also qualified to practice law, but holds inactive status, with the bars of Trinidad and Tobago, the British Virgin Islands and Hauts-de-Seine (Versailles Court of Appeal), France.

In 2021, Ms. De Lima was appointed as an Independent Director of the Board of ANSA McAL Limited.

BOARD OF DIRECTORS



VICKI-ANN ASSEVERO
INDEPENDENT DIRECTOR

MS. VICKI-ANN ASSEVERO is the inaugural senior fellow for the Caribbean Initiative at the Atlantic Council's Adrienne Arsht Latin American Centre. She is responsible for highlighting the critical issues and challenges in the Caribbean region for the Washington and global policy making communities, whilst simultaneously convening experts and stakeholders in providing solutions.

As a Senior Legal Counsel and Consultant on transactional mediation, Ms. Assevero has lived and worked in the United States, France and Africa, as an international lawyer, lobbyist and entrepreneur.

A former partner at Holland Knight, she represented multinational energy companies, international organisations and many developing countries, in their relations with international financial institutions and private investors.

Ms. Assevero is a Fellow of Berkeley College at Yale University, her alma mater. She received her Doctor of Law degree from Harvard Law School and graduated in 2010 with an LLM in Sustainable Development Policy, from The Fletcher School of Law and Diplomacy.

Born in the US, but a true West Indian through her Jamaican and Trinidadian parentage, she founded The Green Market Santa Cruz in 2012, which the United Nations Environmental Programme (UNEP) recognized in 2016 as an example of integrated sustainable development in practice.

In 2021, Ms. Assevero was appointed as an Independent Director of the Board of ANSA McAL Limited.



AMBITION

**SUSTAINABLE
FUTURE**

Our Purpose

INSPIRING BETTER CHOICES FOR A BETTER WORLD



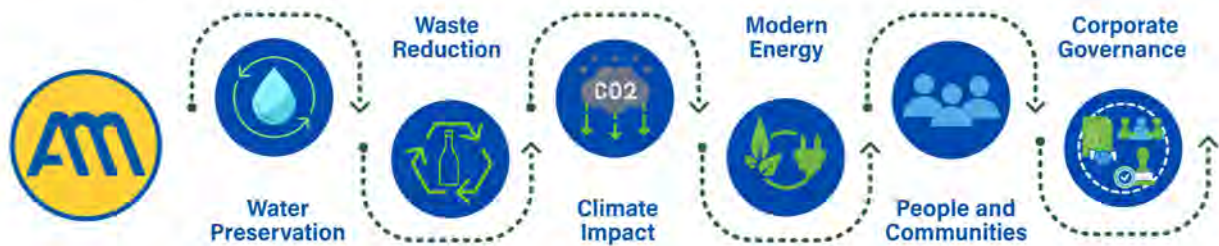
Why Sustainability?

ANSA McAL's 140-year legacy is defined by our rich history which represents many world-renowned brands. The Group's steadfast commitment to the markets we serve has contributed to progressive development and employment that sustains generations.

The Group has reinforced its journey for a Sustainable Future and recognizes that environmental, social, and governance practices are essential components to long-term business success.

Our vision is to create a more sustainable business and shared future for shareholders, business partners, employees, customers, and consumers. It is our responsibility to make decisions that positively impact the environment.

Our Business Priorities



Moving Beyond Compliance



United Nations Sustainable Development Goals (SDGs) is a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated and recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

The United Nations Sustainable Development Goals (SDGs) Guides Our Sustainable Future.



Water Preservation

To preserve our way of life, our consumer habits and production systems, it is imperative to preserve our water resources. Water is finite and an irreplaceable resource that is fundamental to life. ANSA McAL Chemicals Limited has supported industrial and domestic water management processes for purification, conservation and reuse throughout the region and has grown its on-the-ground Water Treatment services in Trinidad, Jamaica, Guyana, Grenada, St. Lucia and Barbados.

2021 marked the first full year our chlorine tranfill hub was fully operational in Jamaica. The chemical water treatment business in Jamaica will focus on offering superior service and cost effective sustainable solutions to the industrial/commercial sectors.



Waste Reduction

Carib Glassworks Limited (CGL), a subsidiary of the ANSA McAL Group, is one of the Caribbean's largest glass and plastic recyclers. CGL continues to support recyclers across the region by encouraging consumers to return their used

glass. This process has contributed over 40% of recycled and used food-safe glass bottles for use in the manufacturing of new glass containers.

The Beverage Sector (Trinidad & Tobago, Grenada and St. Kitts & Nevis) also reuses and recycles glass bottles and crates, representing one of the region's largest Brewery recycling footprints. Another subsidiary, ANSA Polymer manufactures plastic crates, film and other plastic products which are an integral part of this recycling model that has a positive impact on the environment. In this process, rejected film, High Density Polyethylene (HDPE) bottles and crates are regrind and reused in the manufacturing of new film, HDPE bottles & crates. 30% of raw material inputs are from recycled material. The ultimate objective is to have a fleet of crates in circulation made from 100% recycled materials.



Climate Impact

ANSA McAL's strategy to reduce its carbon footprint will mitigate the effects of climate change. Carbon Dioxide (CO₂) recovery processes have been implemented at the

breweries in Trinidad and St. Kitts. The recovery plant is capable of preventing 100,000kg of CO2 being emitted into the atmosphere per month.

ANSA Merchant Bank (Barbados) is proud to be the leader in Green Financing in Barbados. This Bank focuses on its responsibility to climate change and intends to do its part in facilitating the move from petrol and diesel vehicles to electric vehicles (EVs) by offering financing on both new and nearly new Hybrids and EVs. Carib Brewery has transitioned over 25% of its distribution fleet to compressed natural gas (CNG) vehicles which has further reduced carbon emissions.

ANSA McAL remains committed to doing its part to ensure cleaner air for future generations.



Modern Energy

ANSA McAL's way of business for sustainability includes renewable energy. In 2018 we invested in an operational wind farm in Tilawind, located in Tilarán in the Guanacaste Province, Angeles, Costa Rica. Our commitment to Modern Energy continued in June 2021. ANSA McAL and co-investor MPC Caribbean Clean Energy Fund LLC, Grupo Pais Solar S.A. (GPS) along with two additional minority investors from Canada, indirectly acquired full ownership of the Monte Plata Solar Park in the Dominican Republic. The plan is to expand the plant's 33.4 MWp capacity to 74 MWp in 2022.



People and Communities

ANSA McAL continuously invests in its employees, customers, stakeholders, and the communities we serve. We are committed to investing in human capital, implementing sustainable practices, and supporting communities through philanthropic initiatives in the markets in which we operate. The Group's mantra '**Together We Are Family**' guides our practices on how we invest and look after people.



Corporate Governance

ANSA McAL has reinforced and reaffirmed its commitment to good Corporate Governance through strategy formulation and policy making. The Board has established a sound system of risk oversight and management governed by specific policies to guide organisational behaviour. In 2021, the ANSA McAL Group proudly received the award for 'Best Corporate Governance Conglomerate in the Caribbean' from Ethical Boardroom based in the UK. To support continued advancement, there is a Board of Directors evaluation exercise on an annual basis, and also continued education through robust internationally recognized development programs to build a cohesive high-performance leadership team. In 2021, three new esteemed independent directors joined our Board, two of whom are women, as such increasing gender diversity to the Board.

ESG The ANSA McAL Way

ENVIRONMENTAL

- Water Preservation
- Waste Reduction
- Climate Impact
- Modern Energy

SOCIAL

- Education
- Employee Wellbeing
- Safe Work Place, Safe Future
- Consumer Health and Safety
- Responsible Marketing & Innovation
- Diversity, Equity/Inclusion
- Women's Empowerment
- Social Wellbeing

GOVERNANCE

- Enterprise Risk Management (ERM)
- Board Governance
- Responsible Advocacy
- Public Policies
- Stakeholder Engagement
- Business Ethics and Integrity

Environmental



Carib Glassworks Limited (CGL), a subsidiary of the ANSA McAL Group, is one of the Caribbean's largest glass and plastic recyclers

Carib Glassworks Limited (CGL) annually rehabilitates the Matura Sand Plant with trees which are indigenous to the area. CGL intends to restore what is removed from the environment.



ANSA Merchant Bank (Barbados) offers 'Green Financing' on both new and nearly-new Hybrids and Electric Vehicles (EVs)



The Group has invested in renewable energy in Tilawind Windfarm in Costa Rica and the Monte Plata Solar Park in the Dominican Republic



Social Education

ANSA McAL through its C-19 Safe School Pilot Project facilitated several health & safety training sessions with teachers of Nelson Street Boys' R.C. Primary School



The ANSA McAL Foundation donated MiFi devices to the top SEA students Aleem Truman and his elder brother Akiel Truman, who both attended Nelson Street Boys' R.C. Primary School.



Employee Wellbeing - Safe Workplace, Safe Future



ANSA McAL collaborated with Ministries of Health in rolling out critical vaccine drives for employees in many of the markets in which we operate



A Small Dose of Hope Can Bring Us Together

ANSA McAL embarked on a regional public awareness campaign aimed at promoting the benefits of immunization. The campaign featured interviews with medical professionals, scientists and regional and international influencers.



Pandemic Portraits

Pandemic Portraits 10-part series featured citizens from the Caribbean who courageously shared their personal experiences of contracting and surviving the virus



Let's Give Ourselves a Fighting Chance

This educational program was part of the Group's communication towards the benefits of vaccines and featured testimonials from employees, JTUM, NUGFW, NATUC and ANSA McAL Group CEO, Mr. Anthony N. Sabga III

Social

Consumer Health and Safety



TATIL and TATIL Life continued to raise awareness of the impact of Diabetes with its major corporate social initiative 'Diabetes - a Family Concern'. The campaign promoted the role of the family in controlling the condition. This initiative supported the strategies outlined by the Ministry of Health and entailed key partnerships with NGOs involved in Diabetes education.



Standard Distributors, Trinidad & Tobago collaborated with the Ministry of Health in a national COVID-19 vaccination initiative



Take Your Life Back - It's Our Best Shot
The Group embarked on a nationwide vaccine incentive promotion with Standard Distributors Limited where the public of Trinidad & Tobago submitted pictures of themselves with their vaccination cards for a chance to win a kitchen makeover valued at TT\$60K

Responsible Marketing and Innovation



STAG took a stance against gender-based violence with the launch of its "Move Men to Respect" campaign. The campaign received the Angel Award for Excellence in Public Service Advertising in 2021.

Social

Women's Empowerment



Women of ANSA McAL joined millions of people around the world in participating in the International Women's Day 2021 campaign theme #ChoosetoChallenge

Social Wellbeing



Trident Insurance partnered with The Lions Club of Barbados North to sponsor a bus shelter located in Holetown, St James which was constructed in 1976 for use by the public



ANSA McAL Trading (Guyana) Limited donated food items, personal care products, and cleaning supplies to the flood victims in the Hinterland regions in Guyana

Children in Barbados benefited from horse riding lessons from Gaits Equestrian Centre which were sponsored by Trident Insurance



Social

Social Wellbeing



ANSA McAL collaborated with the North West Regional Health Authority in a vaccine rollout to employees and their family members at the Queen's Park Savannah



Carib Brewery Limited produced a special order of lightly carbonated canned water for the people of St. Vincent and the Grenadines. A shipment of over 1300 cases was sent to St. Vincent's National Emergency Management Organisation (NEMO) in support of relief efforts due to eruptions from the La Soufrière volcano.



As part of the Group's efforts for our St. Vincent & Grenadines family, ANSA McAL Chemicals Limited, ANSA Coatings Limited, ANSA Polymer, ANSA Merchant Bank Limited, Alstons Marketing Company Limited, Carib Brewery Limited and Standard Distributors Limited donated a suite of supplies

Social

Social Wellbeing



ANSA McAL Barbados provided food and essential supplies to 'Bajans Helping Bajans', who distributed hampers to vulnerable families in the aftermath of Hurricane Elsa

Trident Insurance launched its **Policies Empowering People** initiative that provided much needed financial support to four key charities on the island: Verdun House, The Barbados Alliance to End Homelessness, The Variety Club and the RSPCA

TRIDENT
INSURANCE

POLICIES EMPOWERING PEOPLE

variety **RSPCA** **Verdun**

Choose your favourite charity.
With every new or renewed insurance policy, we will donate a percentage to these selected charities.
Charitable donations start from 1st September to 31st December

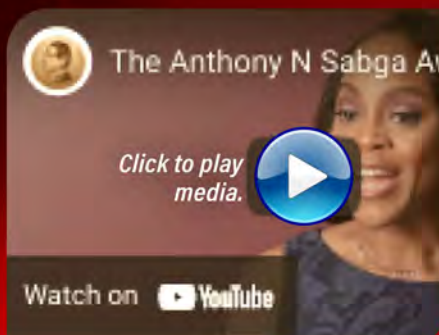
CONTACT US!
(246) 431-2347

Social

ANTHONY N. SABGA AWARDS – CARIBBEAN EXCELLENCE

LAUREATES

Six laureates across the region were recognized by the **Anthony N. Sabga Awards - Caribbean Excellence** for their outstanding work in Arts & Letters, Entrepreneurship, Public & Civic Contributions and Science & Technology.



Governance

ANSA McAL Limited received the award for 'Best Corporate Governance Conglomerate in the Caribbean' from Ethical Boardroom based in the UK.



ANSA McAL Ltd.
Awarded Best Corporate Governance Conglomerate
Caribbean
2021



CORPORATE INFORMATION

BOARD OF DIRECTORS

A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT (Chairman)
David B. Sabga (Deputy Chairman)
Andrew N. Sabga (Deputy Chairman)
Anthony N. Sabga III (Group Chief Executive Officer)
Ray A. Sumairsingh
Teresa White
Anthony E. Phillip
Mark J. Morgan
Larry Howai
Winston Singh
Krysta Behrens De Lima
Norman Christie
Vicki-Ann Assevero

CORPORATE SECRETARY

Frances Bain-Cumberbatch

REGISTERED OFFICE

11th Floor, TATIL Building,
11 Maraval Road, Port of Spain.

REGISTRAR AND TRANSFER OFFICE

The Trinidad and Tobago
Central Depository Limited
10th Floor, Nicholas Tower,
63-65 Independence Square,
Port of Spain.

AUDITORS

Ernst & Young
5-7 Sweet Briar Road,
Port of Spain.

ATTORNEYS-AT-LAW

J. D. Sellier & Co.
129-132 Abercromby Street,
Port of Spain.
M. Hamel-Smith & Co.
Eleven Albion
Corner Dere and Albion Streets,
Port of Spain.

PRINCIPAL BANKERS

Republic Bank Limited
59 Independence Square,
Port of Spain.
First Citizens Bank Limited
50 St. Vincent Street,
Port of Spain.
Scotiabank Trinidad and Tobago Limited
Scotia Centre
56-58 Richmond Street,
Port of Spain.
RBC Royal Bank (Trinidad and
Tobago) Limited
55 Independence Square,
Port of Spain.

AUDIT COMMITTEE

Norman Christie (Chairman)
Mark J. Morgan
Larry Howai
Anthony E. Phillip

GOVERNANCE, NOMINATING AND REMUNERATION COMMITTEE

Mark J. Morgan (Chairman)
Anthony E. Phillip
Krysta Behrens De Lima
Vicki-Ann Assevero

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report to the Members together with the Financial Statements for the year ended December 31, 2021.

RESULTS FOR THE YEAR 2021

Income Attributable to Shareholders of the Parent Company	594,774
Deduct:	
Dividends Paid	
Preference – 6%	10
Ordinary (2021 Interim) – 30 cents per share	51,676
Ordinary (2020 Final) – 1 dollar and 50 cents per share	<u>258,377</u>
	<u>(310,063)</u>
Retained Income for the Year	284,711
Retained Earnings (b/f as previously reported)	7,417,024
Other Movements in Revenue Reserves	<u>20,190</u>
Balance as at December 31, 2021	<u>7,721,925</u>

DIVIDENDS

An interim dividend of 30 cents per share was paid and the Directors have declared a final dividend of \$1.50 per share for the year ended December 31, 2021, making a total distribution on each share of \$1.80 for 2021 (2020: \$1.65). The final dividend will be paid on June 3, 2022 to shareholders on the Register of Ordinary Members at May 19, 2022.

DIRECTORS

In accordance with the By-Law No.1, Paragraph 4.04, Mr. Andrew N. Sabga (Deputy Chairman), Mr. Anthony N. Sabga III (Group Chief Executive Officer), Ms. Teresa White, Mr. Mark J. Morgan, Ms. Krysta Behrens De Lima, Mr. Norman Christie and Ms. Vicki-Ann Assevero retire from the Board and being eligible, offer themselves for re-election.

Mr. Anthony E. Phillip will retire from the Board effective May 26, 2022 and will not be offering himself for re-election.

It is being proposed that Dr. Tonya Villafana be elected at the Annual Meeting of Shareholders to be held on May 26, 2022.

AUDITORS

Ernst & Young have expressed their willingness to continue in office.

BY ORDER OF THE BOARD

Frances Bain-Cumberbatch

Frances Bain-Cumberbatch
Corporate Secretary
March 31, 2022

DIRECTORS' AND SENIOR OFFICERS' INTERESTS

DIRECTORS AND SENIOR OFFICERS	NOTES	DECEMBER 31, 2021		MARCH 31, 2022	
		BENEFICIAL	NON-BENEFICIAL	BENEFICIAL	NON-BENEFICIAL
A. Norman Sabga	(a)	1,619,453	--	1,619,453	--
David B. Sabga	(b)	544,213	--	544,213	--
Andrew N. Sabga	(c)	122,858	--	122,858	--
Anthony N. Sabga III	(d)	74,758	--	74,758	--
Ray A. Sumairsingh		51,000	--	51,000	--
Teresa White	(e)	--	--	--	--
Anthony E. Phillip		--	--	--	--
Mark J. Morgan		1,000	--	1,000	--
Larry Howai		--	--	--	--
Winston Singh		--	--	--	--
Krysta Behrens De Lima		--	--	--	--
Norman Christie		--	--	--	--
Vicki-Ann Assevero		--	--	--	--
Frances Bain-Cumberbatch	(f)	--	--	--	--
Nicholas Jackman	(g)	--	--	--	--
Tisha Teelucksingh	(h)	--	--	--	--
Alastair Paton		--	--	--	--

NOTES

- (a) A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT (Chairman) has a beneficial interest in ANSA Investments Limited, the major shareholder of ANSA McAL Limited.
- (b) Mr. David B. Sabga has a beneficial interest in ANSA Investments Limited, the major shareholder of ANSA McAL Limited.
- (c) Mr. Andrew N. Sabga has a beneficial interest in ANSA Investments Limited and has a beneficial interest in 401,629 shares in the ANSA McAL Limited Employee Share Ownership Plan ("ESOP"). ANSA Merchant Bank Limited is the trustee of the ESOP.
- (d) Mr. Anthony N. Sabga III has a beneficial interest in 98,981 shares in the ESOP.
- (e) Ms. Teresa White has a beneficial interest in 37,254 shares in the ESOP.
- (f) Mrs. Frances Bain-Cumberbatch has a beneficial interest in 11,246 shares in the ESOP.
- (g) Mr. Nicholas Jackman, Chief Financial Officer of ANSA McAL Limited, has a beneficial interest in 3,665 shares in the ESOP.
- (h) Ms. Tisha Teelucksingh, Head of Treasury of ANSA McAL Limited, has a beneficial interest in 433 shares in the ESOP.
- (i) There are no restricted stock or options held by any of the Directors of ANSA McAL Limited.

DIRECTORS', SENIOR OFFICERS' AND CONNECTED PERSONS' INTERESTS

NAME	SHAREHOLDING AS AT DECEMBER 31, 2021	SHAREHOLDING OF CONNECTED PERSONS AS AT DECEMBER 31, 2021
A. Norman Sabga	1,619,453	108,842,036
David B. Sabga	544,213	107,771,895
Andrew N. Sabga	122,858	103,691,628
Anthony N. Sabga III	74,758	--
Ray A. Sumairsingh	51,000	--
Teresa White	--	--
Anthony E. Phillip	--	--
Mark J. Morgan	1,000	1,000
Larry Howai	--	--
Winston Singh	--	--
Krysta Behrens De Lima	--	--
Norman Christie	--	--
Vicki-Ann Assevero	--	--
Frances Bain-Cumberbatch	--	--
Nicholas Jackman	--	--
Tisha Teelucksingh	--	--
Alastair Paton	--	--

SUBSTANTIAL INTERESTS

TOP 10 SHAREHOLDERS OF ANSA McAL LIMITED

NAME	SHARES HELD AS AT DECEMBER 31, 2021
ANSA Investments Limited	85,385,394
MASA Investments Limited	10,445,703
Republic Bank Limited - 1162	9,190,703
Norman Finance Developments Limited	7,232,280
Empire Investments Limited	4,127,315
Alstons Limited	3,760,000
T&T Unit Trust Corporation - FUS	3,189,203
Trintrust Limited A/C 1088	3,144,623
Guardian Life of the Caribbean Limited	2,843,426
Republic Bank Limited - 0778	2,275,781

ANSA RELATIONSHIP

The ANSA Group collectively is the majority shareholder of ANSA McAL Limited. In 1986, the ANSA Group injected \$30 million into McEneaney Alstons Limited (now called ANSA McAL Limited) and in 1990 it invested another \$10 million to acquire a further 10 million shares. The ANSA Group's investment represented fresh capital rather than the purchase of existing shares.

THE ANSA GROUP INCLUDES THE FOLLOWING COMPANIES:

- ANSA Investments Limited
- Anthony N. Sabga Limited
- Bayside Towers Limited
- Norman Finance Developments Limited
- MASA Investments Limited
- Farmhouse Industries Limited
- Standard Graphics Supplies Limited

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

ANSA McAL Limited ("the Company") wishes to advise its shareholders that the **Ninety-Third Annual Meeting** of the Company will be held **in a virtual only format via online live webcast** on Thursday May 26, 2022 at 11:30 a.m. from the Company's Boardroom, 10th Floor, Tatil Building, 11 Maraval Road, Port of Spain.

Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the meeting. Pre-registration can be done via email to agm.registration@ansamcal.com by providing full name (as listed on the Share Register), address, identification number, contact number and e-mail address by May 17, 2022. Once pre-registered, the credentials to join the meeting virtually will be provided on or before May 23, 2022.

The meeting is being held for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Company's audited Financial Statements for the year ended December 31, 2021 and the report of the Directors and Auditors thereon.
2. To re-elect Directors.
3. To elect Directors.
4. To re-appoint Auditors and to authorise the Directors to fix their remuneration in respect of the period ending at the conclusion of the next Annual Meeting.

The text of the proposed resolution in relation to Items 2 and 3 above is contained in the Schedule annexed hereto.

BY ORDER OF THE BOARD

Frances Bain-Cumberbatch

Frances Bain-Cumberbatch
Corporate Secretary

11th Floor, TATIL Building,
11 Maraval Road,
Port of Spain,
Trinidad, W.I.
April 20, 2022

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTES:

1. A member entitled to attend and vote may appoint one or more proxies to attend and vote instead of him. A proxy need not also be a member. Please visit the website **www.ansamcal.com** to download a copy of the Form of Proxy and Management Proxy Circular as well as instructions on how to appoint a proxy.
2. No service contracts were entered into between the Company and any of its Directors.
3. A shareholder which is a body corporate may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or its governing body to represent it at the Annual Meeting.
4. The Directors of the Company have not fixed a record date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. In accordance with Section 111(a)(i) of the Companies Act, Chap. 81:01, the statutory record date applies. Only shareholders of record at the close of business on Tuesday April 19, 2022, the date immediately preceding the date on which the Notice is given, are entitled to receive Notice of the Annual Meeting.

SCHEDULE

Text of Proposed Resolutions regarding the re-election and election of Directors to be considered at the Annual Meeting of Shareholders of the Company to be held on Thursday May 26, 2022.

ORDINARY RESOLUTION

Be it Resolved:-

1. "That in accordance with By-Law No. 1, Paragraph 4.04, Mr. Andrew N. Sabga (Deputy Chairman), Mr. Anthony N. Sabga III (Group Chief Executive Officer), Ms. Teresa White, Mr. Mark J. Morgan, Ms. Krysta Behrens De Lima, Mr. Norman Christie and Ms. Vicki-Ann Assevero each be and each of them is hereby re-elected a Director of the Company to hold office for a term of two years expiring on the close of the second Annual Meeting of the Shareholders of the Company following this election."
2. "That in accordance with By-Law No. 1, Paragraph 4.04, Dr. Tonya Villafana be and is hereby elected a Director of the Company to hold office for a term of one year expiring on the close of the first Annual Meeting of the Shareholders of the Company following this election."

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS



DR. TONYA VILLAFANA

DR. TONYA VILLAFANA, PhD, MPH holds the position of Vice President, Global Franchise Head, Infection Vaccines and Immune Therapies at AstraZeneca. Dr. Villafana works to explore potential new vaccines and drugs to prevent or to treat infectious diseases in the most vulnerable populations globally. She collaborates closely with external stakeholders at a global level, including public health organisations, regulatory authorities, and government representatives and healthcare policymakers on key development milestones from early development to launch of product.

Dr. Villafana's PhD in Immunology is from Weill Cornell University Graduate School of Medical Sciences and her MPH is from Harvard School of Public Health. She has twenty years of experience leading cross-functional drug and vaccine development teams, leading infectious disease vaccines (DNA, recombinant proteins, live attenuated) and monoclonal antibody programs. This includes but is not limited to, AZD1222 (ChAdOx1-S vaccine for SARS-CoV-2) and MEDI8897 (nirsevimab for respiratory syncytial virus). In addition, she drives product strategy and operational activities including executing development milestones, global regulatory filings (FDA, EMA, PMDA), global clinical development plans, and the design of Target Product Profiles (TPP). This wealth of experience spans from utilizing scientific, public health, strategic and operational expertise to guiding the drug development process and to developing innovative solutions. Her acumen encompasses a deep understanding of policy framework for vaccine recommendations at global and country level and raising public (government) and private funding.

Dr. Villafana's professional career is an accumulation of unique experience working with the WHO, the World Bank (as the International Federation of Pharmaceutical Manufacturers and Associations Fellow, IFPMA) and the Bill and Melinda Gates Foundation (BMGF) to address global health and pharmaceutical policy issues. Her global experience spans the US, Latin America, Europe, Japan, Africa, China.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

VIRTUAL ANNUAL MEETING of ANSA McAL Limited

For this virtual approach, the following will be applied:

- The entire meeting will be transmitted in picture and sound.
- Shareholders' voting rights will be exercised via electronic communication.
- The shareholders will be given the opportunity to ask questions by means of electronic communication.

GUIDELINES FOR THE CONDUCT OF THE ANNUAL MEETING

1. It is important to note that only attendees who have registered for the meeting are entitled to receive the meeting credentials. As such, please do not share or forward the meeting credentials (meeting link/meeting ID).
2. Unregistered participants will not be allowed to join meeting.
3. It is the Company's desire to conduct a safe and informative Annual Meeting for or within a period of one hour.
4. The meeting will only be held virtually via Zoom which will be accessible 15 minutes before start time to ensure your spot and adjust any technical issues. It is recommended that you attempt to join at this time to cater for any potential challenges that may be encountered.
5. If you have not used Zoom before, we suggest that you download Zoom prior to the day of the meeting and familiarize yourself with some of the features you may need to use for the Annual Meeting such as muting/unmuting your microphone, stop/start video, the raise hand feature, etc. There are many good training videos online and we recommend that you view one prior to the meeting.
6. Adjust your camera on your computer to be at around eye level, if possible, especially take note of the angle of your laptop screen if using the built-in camera. Keep in mind that people will be seeing whatever the camera is pointed at behind you.
7. Please join the meeting with your full name and/or your company name.
8. Please keep your microphone on mute to avoid distractions or feedback unless asking a question in accordance with guideline 11.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

GUIDELINES FOR THE CONDUCT OF THE ANNUAL MEETING ...cont'd

9. Kindly turn on your video which will indicate your presence.
10. No personal recordings – Use of cameras, audio or video recording equipment, web screen capture or sharing, communication devices, or any other similar equipment or means is strictly prohibited without the prior written permission of ANSA McAL Limited.
11. If you wish to ask questions during the Q&A segment, show a raise of hand using the icon from the task bar and wait until you are requested to unmute by speaker/host.
12. To locate the Raise Hand feature on the Zoom App on your laptop or computer, click on the icon labeled "Reactions" at the bottom centre of your screen. The options will pop-up, then click the button labeled "Raise Hand".
13. To locate the Raise Hand feature on Zoom launched on Browser, click on the icon labeled "Participants" at the bottom centre of your screen. A window will open on the right side of the screen, click the button labeled "Raise Hand" at the bottom, left side of the window.
14. To locate the Raise Hand feature on your mobile, tap screen for taskbar to be seen at bottom of your screen, select "More" in task bar then select "Raise Hand" in the pop-up option.
15. If you are planning to vote by casting a ballot electronically during the meeting, be prepared to vote as soon as the polls open.

Kindly e-mail us at agm.registration@ansamcal.com should you require any further information.

MANAGEMENT PROXY CIRCULAR

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CHAP. 81:01
[SECTION 144]

1. Name of Company: **ANSA McAL Limited** Company No.: **A-1444(C)**

2. Particulars of Meeting:

Ninety-Third Annual Meeting of ANSA McAL Limited (the "Company") to be held on Thursday May 26, 2022 at 11:30 a.m. in a virtual only format via online live webcast from the Company's Boardroom, 10th Floor, Tatil Building, 11 Maraval Road, Port of Spain, for the following purposes:

3. Solicitation:

It is intended to vote the Proxy solicited hereby (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Form of Proxy sent to the Shareholders with this Management Proxy Circular and, in the absence of a specific direction, in the discretion of the Proxy holder in respect of any other resolution.

4. Any Director's statement submitted pursuant to Section 76(2) of the Companies Act, Chap. 81:01:
No statement has been received from any Director of the Company pursuant to Section 76(2) of the Companies Act.

5. Any Auditor's statement submitted pursuant to Section 171(1) of the Companies Act, Chap. 81:01:
No statement has been received from the Auditors of the Company pursuant to Section 171(1) of the Companies Act.

6. Any shareholder's proposal and/or statement submitted pursuant to Sections 116(a) and 117(2) of the Companies Act, Chap. 81:01:
No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(2) of the Companies Act.

April 20, 2022

DATE

Frances Bain-Cumberbatch
Corporate Secretary

NAME AND TITLE

Frances Bain-Cumberbatch

SIGNATURE

REPUBLIC OF TRINIDAD AND TOBAGO

THE COMPANIES ACT, CHAP. 81:01 [SECTION 143(1)]

1. Name of Company: **ANSA McAL Limited** Company No.: **A-1444(C)**

2. Particulars of Meeting:

Ninety-Third Annual Meeting of ANSA McAL Limited (the "Company") to be held on Thursday May 26, 2022 at 11:30 a.m. in a virtual only format via online live webcast from the Company's Boardroom, 10th Floor, Tatil Building, 11 Maraval Road, Port of Spain.

3. I/We being a member/ members of the Company hereby appoint Mr. A. Norman Sabga of Port of Spain, or failing him Mr. David B. Sabga of Port of Spain, or failing him of as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting of the Company to be held on Thursday May 26, 2022 and at any adjournment thereof.

Dated this day of 2022.

Signed:

Please indicate with an "X" in the spaces below how you wish your votes to be cast.

RESOLUTION ORDINARY RESOLUTION	FOR	AGAINST
1. That the audited Financial Statements for the Company for the financial year ended December 31, 2021 and the reports of the Directors and of the Auditors thereon having been considered be adopted.		
2. That in accordance with By-Law No. 1, Paragraph 4.04, each of the following persons who retires and being eligible be and is hereby re-elected a Director of the Company to hold office for a term of two years expiring on the close of the second Annual Meeting of the Shareholders of the Company following this election: Mr. Andrew N. Sabga (Deputy Chairman) Mr. Anthony N. Sabga III (Group Chief Executive Officer) Ms. Teresa White Mr. Mark J. Morgan Ms. Krysta Behrens De Lima Mr. Norman Christie Ms. Vicki-Ann Assevero		

FORM OF PROXY

RESOLUTION ORDINARY RESOLUTION	FOR	AGAINST
3. That in accordance with By-Law No. 1, Paragraph 4.04, Dr. Tonya Villafana be and is hereby elected a Director of the Company to hold office for a term of one year expiring on the close of the first Annual Meeting of the Shareholders of the Company following this election.		
4. That Messrs. Ernst & Young be appointed as Auditors of the Company and that the Directors be and hereby are authorised to fix their remuneration in respect of the period ending at the conclusion of the next Annual Meeting of the Company.		

Notes:

1. A shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words "Mr. A. Norman Sabga of Port of Spain, or failing him Mr. David B. Sabga of Port of Spain, or failing him" from the Form of Proxy above and insert the name and address of the person appointed as proxy in the space provided and initial the alteration.
2. To be effective, this Form of Proxy or other authority (if any) must be deposited at the Registered Office of the Company, 11th Floor TATIL Building, 11 Maraval Road, Port of Spain not later than forty-eight hours before the time appointed for holding the Annual Meeting.
3. Any alteration made to this Form of Proxy should be initialled.
4. If the appointor is a Corporation, this Form of Proxy must be under its Common Seal, or under the hand of an officer or attorney duly authorised in writing.
5. In the case of joint holders, the signature of any holder is sufficient, but, the names of all joint holders should be stated.

ANSA McAL GROUP COMPANIES' BUSINESSES AND PRODUCTS

AUTOMOTIVE

ANSA MOTORS LIMITED

100%

Ford, Honda, Mitsubishi, Jaguar & Land Rover Motor Vehicles; Industrial & Agricultural Equipment; Used Vehicles; Long Term Leasing of Motor Vehicles, Industrial & Agricultural Equipment, Short Term Rentals & Chauffeur Services (Europcar)

ANSA MOTORS (BARBADOS) LIMITED (formerly McENEARNEY QUALITY INC.)

100%

Mazda, Kia, Ford, BMW & Mini Cooper Motor Vehicles

ANSA MOTORS GUYANA INC.

100%

Suzuki Motor Vehicles

BEVERAGE

CARIBBEAN DEVELOPMENT COMPANY LIMITED

80%

Carib & Stag Lager Beers, Stouts & Ciders, Shandy and Soft Drinks

CARIB BREWERY LIMITED

80%

Carib & Stag Lager Beers, Stouts & Ciders, Shandy and Soft Drinks

CARIB BREWERY (GRENADA) LIMITED (formerly GRENADA BREWERIES LIMITED)

55.54%

Carib & Stag Lager Beer, Stouts, Shandy & Soft Drinks

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

51.18%

Carib Lager Beer, Stouts & Shandy

DCI MIAMI, INC.

100%

Distributor of Brewery Products

GUYANA BREWERIES INC.

100%

Distributor of Brewery Products

INDIAN RIVER BEVERAGE CORPORATION doing business as CARIB BREWERY USA

100%

Ales, Lagers and Ciders

CONSTRUCTION

ABEL BUILDING SOLUTIONS (ABS)

100%

Clay Products, Steel, Aluminium, PVC, Building Products, Air Conditioning Solutions

ABEL SOLUTIONS GUYANA INC.

100%

Construction Products and Services

ANSA COATINGS LIMITED

100%

Automotive, Industrial, Marine & Decorative Paints (Penta & Sissons, Glidden, Nexa, Devoe, International & Aquabase Brands)

ANSA McAL ENTERPRISES LIMITED

100%

Construction Products and Services

ANSA TECHNOLOGIES LIMITED

100%

Drilling Fluids, Tools, Equipment & Related Engineering Services, Electrical & Instrumentation Services

BERGER PAINTS BARBADOS LIMITED

100%

Decorative Paints, Industrial Paints & Furniture Finishes

BERGER PAINTS JAMAICA LIMITED

54.12%

Decorative Paints, Industrial Paints & Furniture Finishes

ANSA McAL GROUP COMPANIES' BUSINESSES AND PRODUCTS

BESTCRETE AGGREGATES LIMITED

100%

Concrete Products

BRICKFOURCE LIMITED

100%

Construction Services

CARIBBEAN ROOF TILE COMPANY LIMITED

100%

Roof Tiles

SISSONS PAINTS (GRENADA) LIMITED

100%

Decorative Paints

DISTRIBUTION

ALSTONS MARKETING COMPANY LIMITED

100%

Pharmaceuticals, Food & Consumer Products,
Wines & Spirits, Household Products

ANSA McAL TRADING LIMITED (Guyana)

100%

Pharmaceuticals, Food & Consumer Products,
Brewery, Wines & Spirits and Household
Products

BRYDEN STOKES LIMITED (Barbados)

100%

General Wholesale, Distribution,
Pharmaceuticals, Wines & Spirits and Brewery

TOBAGO MARKETING COMPANY LIMITED

100%

Pharmaceuticals, Food & Consumer Products,
Brewery, Wines & Spirits and Household
Products

T.WEE

100%

Food & Consumer Products, Wines & Spirits

FINANCIAL SERVICES

ANSA MERCHANT BANK LIMITED

82.48%

Investment & Merchant Bank

ANSA MERCHANT BANK BARBADOS LIMITED (Formerly CONSOLIDATED FINANCE CO. LIMITED) (Barbados)

82.48%

Hire Purchase, Finance, Fixed Deposits, Lease Rental

ANSA BANK LIMITED

(Formerly BANK OF BARODA TRINIDAD & TOBAGO
LIMITED)

82.48%

Investments & Banking

ANSA RE LIMITED

100%

Reinsurance Services

ANSA SECURITIES LIMITED

82.48%

Investments

TATIL LIFE ASSURANCE LIMITED

82.48%

Life Insurance, Pensions, Mortgages, Critical Illness

TRINIDAD AND TOBAGO INSURANCE LIMITED

82.48%

Motor, Property, Accident & Health,
Marine and Group Health Insurance

TATIL RE LIMITED

82.48%

Reinsurance Services

TRIDENT INSURANCE COMPANY LIMITED (Barbados)

100%

Insurance Company

ANSA McAL GROUP COMPANIES' BUSINESSES AND PRODUCTS

MANUFACTURING

ANSA McAL CHEMICALS LIMITED

100%

Liquid Chlorine, Caustic Soda,
Hydrochloric Acid & Bleach

ANSA POLYMER

100%

Flexible Plastic Packaging & Plastic Crates

ANSA CHEMICALS JAMAICA LIMITED (Formerly ANSA COATINGS JAMAICA LIMITED)

100%

Distribution Hub for Liquid Chlorine, Caustic
Soda, Hydrochloric Acid, Bleach and other
Products

CARIB GLASSWORKS LIMITED

80%

Glass Bottles

EASI INDUSTRIAL SUPPLIES LIMITED

100%

Caustic Soda Supplier

TRINIDAD MATCH LIMITED

100%

Safety Matches and Candles

TILAWIND S.A.

50%

Wind Farm (Renewable Energy)

MEDIA

GUARDIAN MEDIA LIMITED

51.03%

Newspaper Publishers, Cable Television
Programming: **CNC3™**, Radio Broadcasting:

TBC RADIO NETWORK™ (Aakash Vani 106.5FM,
95.1FM Remix, Sangeet 106.1FM, Sky 99.5AM,
Slam 100.5FM and Vibe CT 105FM), Digital
Billboards: **THE BIG BOARD COMPANY™**,
GMLABS Studios

IRADIO INC.

(Guyana)

100%

Radio Broadcasting: Mix 90.1FM

PURCHASING, LOGISTICS & TRAVEL

ALSTONS SHIPPING LIMITED

100%

Shipping, Air Cargo, Freight, Stevedoring
& Inspection Services

ANSA McAL LOGISTICS INC.

(Guyana)

100%

Procurement & Logistics Services

ANSA McAL TRADING INC.

(USA)

100%

Procurement & Logistics Services, Marketing
& Distribution (Kenmore, Sears, Diehard,
Ford Motors Company Brands)

ANSA McAL (US) INC.

100%

Purchasing, Warehousing Services & Freight
Forwarders

RETAIL

BRYDENS RETAIL INC.

(Barbados)

52%

Stationery & Office Supplies

BRYDENS XPRESS OFFICE SUPPLIES INC.

(Barbados)

52%

Office Supplies

ANSA McAL GROUP COMPANIES' BUSINESSES AND PRODUCTS

STANDARD DISTRIBUTORS LIMITED

100%

Furniture & Equipment

STANDARD DISTRIBUTION & SALES (BARBADOS) LIMITED

100%

Furniture & Equipment

INTERMEDIATE HOLDING COMPANIES

ALSTONS LIMITED

100%

AMCL HOLDINGS LIMITED

100%

ANSA COATINGS INTERNATIONAL LIMITED

100%

ANSA FINANCIAL HOLDINGS (BARBADOS) LIMITED

82.48%

ANSA McAL (BARBADOS) LIMITED

100%

ANSA McAL BEVERAGES (BARBADOS) LIMITED

(St. Lucia)

100%

CCEF ANSA RENEWABLE ENERGIES HOLDINGS LIMITED

(Barbados)

50%

McAL TRADING LIMITED

(Barbados)

100%

THE CARIBBEAN DEVELOPMENT COMPANY (ST. KITTS) LIMITED

100%

REAL ESTATE

BAYSIDE WEST LIMITED

100%

Residential Development

B.E.H. HOLDINGS LIMITED

100%

Commercial Property Rentals

CONCRETION LIMITED

100%

DAVID MORRIN & SONS LIMITED

100%

FONTANA LIMITED

100%

GRAND BAZAAR LIMITED

40%

Owner & Operator of Shopping Malls

O'MEARA HOLDINGS LIMITED

100%

PROMENADE DEVELOPMENT LIMITED

100%

TRINIDAD LANDS LIMITED

40%

VANALTA LIMITED

100%

4 SWEET BRIAR ROAD LIMITED

100%

6 SWEET BRIAR ROAD LIMITED

100%

ANSA McAL GROUP COMPANIES' CONTACT INFORMATION

AUTOMOTIVE

ANSA MOTORS LIMITED

25 Richmond Street, Port of Spain, Trinidad.

Phone: (868) 285-2277 Fax: (868) 623-6882

E-mail: info@ansamotorstt.com

Website: www.ansamotors.com

Sector Head & Managing Director: Jerome Borde

ANSA MOTORS (BARBADOS) LIMITED (formerly McENEARNEY QUALITY INC.)

Willey, St. Michael, Barbados.

Phone: (246) 467-2400 Fax: (246) 427-0764

E-mail: reachus@ansamotorsbb.com

Website: www.ansamotorsbb.com

Sector Head - Automotive: Jerome Borde

ANSA MOTORS GUYANA INC.

60-64 Industrial Site, Beterverwagting,

East Coast Demerara, Guyana.

Phone: +592 220-0455

Website: www.suzukicaribbean.com

General Manager: Sudesh Mahase

BEVERAGE

CARIBBEAN DEVELOPMENT COMPANY LIMITED

Eastern Main Road, Champs Fleurs, Trinidad.

Phone: (868) 645-2337 Fax 662-2231 to 2237

E-mail: askus@caribbrewery.com

Website: www.caribbrewery.com

Sector Head - Beverage: Peter Hall

CARIB BREWERY LIMITED

Eastern Main Road, Champs Fleurs, Trinidad.

Phone: (868) 645-2337 Fax 662-2231 to 2237

E-mail: askus@caribbrewery.com

Website: www.caribbrewery.com

Sector Head - Beverage: Peter Hall

CARIB BREWERY (GRENADA) LIMITED (formerly GRENADA BREWERIES LIMITED)

Grand Anse, St. George's, Grenada.

Phone: (473) 444-4248 Fax: (473) 444-4842

E-mail: askus@caribbrewery.com

Website: www.caribbrewery.com

Managing Director: Ron Antoine

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

Buckley's Site, P.O. Box 1113, Basseterre, St. Kitts.

Phone: (869) 465-2309/2903 Fax: (869) 465-0902

E-mail: askus@caribbrewery.com

Website: www.caribbrewery.com

Managing Director: Mark Wilkin

DCI MIAMI INC.

11403 NW 39th Street, Doral, Florida 33178, USA.

Phone: (305) 591-0885 Fax: (305) 591-3104

E-mail: james.webb@dcimiami.com

President: James Webb

GUYANA BREWERIES INC.

**60-64 Industrial Site, Beterverwagting,
East Coast Demerara, Guyana.**

Phone: +592 220-0200 Fax: +592 220-0455

E-mail: askus@caribbrewery.com

Website: www.caribbrewery.com

Sector Head - Beverage: Peter Hall

INDIAN RIVER BEVERAGE CORPORATION doing business as CARIB BREWERY USA

**200 Imperial Blvd, Cape Canaveral, Florida
32920.**

Phone: (321) 728-4114

E-mail: askus@caribbrewery.com

Website: www.caribbreweryusa.com

President/Chief Executive Officer: James Webb

ANSA McAL GROUP COMPANIES' CONTACT INFORMATION

CONSTRUCTION

ABEL BUILDING SOLUTIONS (ABS)

ANSA Centre, 1st Floor Guardian Media Ltd Building, Uriah Butler Highway & Endeavour Road, Chaguana, Trinidad.

Phone: (868) 235-4ABS (235-4227);
(868) 28-BUILD (282-8453)

E-mail: abel.sales@ansamcal.com

Website: www.abel.co.tt

Sector Head - Construction: Adam Sabga

ABEL SOLUTIONS GUYANA INC.

60-64 Industrial Site, Beterverwagting, East Coast Demerara, Guyana.

Phone: +592 220-0455

E-mail: abel.sales@ansamcal.com

Website: www.abel.co.tt

Sector Head - Construction: Adam Sabga

ANSA COATINGS LIMITED

ANSA McAL Industrial Park, 51-59 Tumpuna Road South, Guanapo, Arima, Trinidad.

Phone: (868) 643-2425-8 Fax: (868) 643-2509

E-mail: edwin.ramcharitar@ansamcal.com

Website: www.ansacoatings.com

Sector Head - Construction: Adam Sabga

ANSA McAL ENTERPRISES LIMITED

Lightpole 4, Depot Road, Longdenville, Chaguana, Trinidad.

Phone: (868) 235-4227/282-8453

E-mail: abel.sales@ansamcal.com

Website: www.abel.co.tt

Sector Head - Construction: Adam Sabga

ANSA TECHNOLOGIES LIMITED

40 Ciper Road, San Fernando, Trinidad.

Phone: (868) 652-3571 Fax: (868) 652-6407

E-mail: ansatech@ansamcal.com

Website: www.ansatech.com

Sector Head - Construction: Adam Sabga

BERGER PAINTS BARBADOS LIMITED

Exmouth Gap, Brandons St. Michael, Barbados, BB12069.

Phone: (246) 425-9073 Fax: (246) 228-0866

Email: info@bergeronline.com

Website: www.bergerpaintscaribbean.com

General Manager: Rhea Singh

BERGER PAINTS JAMAICA LIMITED

256 Spanish Town Road, Kingston 11 Jamaica.

Phone: (876) 923-6229 Fax: (876) 923-5129

Consumer Enquiry or Technical Assistance:

1-(888)-4BERGER

Email: bergerja_marketing@bergercaribbean.com

Website: www.bergerpaintscaribbean.com

General Manager: Shashi Mahase

BESTCRETE AGGREGATES LIMITED

LP# 4, Depot Road, Longdenville, Chaguana, Trinidad.

Phone: (868) 235-4227/282-8453

E-mail: abel.sales@ansamcal.com

Website: www.abel.co.tt

Sector Head - Construction: Adam Sabga

BRICKFOURCE LIMITED

LP# 4, Depot Road, Longdenville, Chaguana, Trinidad.

Phone: (868) 235-4227/282-8453

Sector Head - Construction: Adam Sabga

CARIBBEAN ROOF TILE COMPANY LIMITED

C/o ABS, ANSA Centre, 1st Floor Guardian Media Ltd Building, Uriah Butler Highway & Endeavour Road, Chaguana, Trinidad.

Phone: (868) 235-4227/282-8453

Sector Head - Construction: Adam Sabga

SISSONS PAINTS (GRENADA) LIMITED

Frequente Industrial Park, Grand Anse, St. George's, Grenada.

Phone: (473) 444-1457 Fax: (473) 444-1676

E-mail: chris.deallie@ansamcal.com

Website: www.sissonspaints.com

Managing Director: Christopher De Allie

ANSA McAL GROUP COMPANIES' CONTACT INFORMATION

DISTRIBUTION

ALSTONS MARKETING COMPANY LIMITED

**Uriah Butler Highway & Endeavour Road,
Chaguanas, Trinidad.**

Phone: (868) 671-2713 to 2720/4264 to 4267

Fax: (868) 671-2857

E-mail: abdel.ali@ansamcal.com

Website: www.amcott.info

Managing Director: Abdel Ali

ANSA McAL TRADING (GUYANA) LIMITED

**Lot 60-64 Industrial Area, Beterverwagting,
East Coast, Demerara, Guyana.**

Phone: (592) 220-0455 Fax: (592) 220-0796

E-mail: troy.cadogan@ansamcal.com

Website: www.facebook.com/AnsaMcAlGuyana

Managing Director: Troy Cadogan

BRYDEN STOKES LIMITED

**Meadow Road, Wildey, St. Michael, Barbados,
BB11104.**

Phone: (246) 431-2600 Fax: (246) 426-0755

E-mail: info@brydenstokes.com

Website: www.brydenstokes.com

Chief Executive Officer: Adrian Padmore

TOBAGO MARKETING COMPANY LIMITED

**"Highmoor", Plymouth Road, Scarborough,
Tobago.**

Phone: (868) 639-2455/2758 Fax: (868) 639-3624

E-mail: david.lumkong@ansamcal.com

General Manager: David Lum Kong

T.WEE

**Piarco International Airport,
Golden Grove Road, Piarco, Trinidad.**

Phone: (868) 369-5038/5228/5421

E-mail: support@tweedutyfree.com

Website: www.tweedutyfree.com

Managing Director: Abdel Ali

FINANCIAL SERVICES

ANSA MERCHANT BANK LIMITED

**ANSA Centre, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 623-8672 Fax: (868) 624-8763

E-mail: ansamerchant@ansamcal.com

Website: www.tt.ansamerchantbank.com

Managing Director: Gregory Hill

ANSA MERCHANT BANK BARBADOS LIMITED (Formerly CONSOLIDATED FINANCE CO. LIMITED)

Hasting Main Road, Christ Church, Barbados.

Phone: (246) 467-2350 Fax: (246) 426-8626

E-mail: ambb.info@ansamcal.com

Website: www.bb.ansamerchantbank.com

Managing Director: Victor W. Boyce

ANSA BANK LIMITED (formerly BANK OF BARODA TRINIDAD & TOBAGO LIMITED)

**Furness House, 90 Independence Square,
Port of Spain, Trinidad.**

Phone: (868) 225-1098/1109/1111

Website: www.ansabank.com

Managing Director: Robert Le Hunte

ANSA RE LIMITED

Meridian Place, Choc Estate, Castries, St. Lucia.

Phone: (758) 450-7777 Fax: (758) 451-3079

E-mail: pkf@andw.lc

Director: M. Musa Ibrahim

ANSA SECURITIES LIMITED

**ANSA Centre, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 623-8672 Fax: (868) 624-8763

Managing Director: Gregory Hill

ANSA McAL GROUP COMPANIES' CONTACT INFORMATION

TATIL LIFE ASSURANCE LIMITED

11 Maraval Road, Port of Spain, Trinidad.

Phone: (868) 628-2845 Fax: (868) 628-0035/6545

E-mail: life@tatil.co.tt

Website: www.tatil.co.tt

Managing Director: M. Musa Ibrahim

TRINIDAD AND TOBAGO INSURANCE LIMITED

11 Maraval Road, Port of Spain, Trinidad.

Phone: (868) 628-2845 Fax: (868) 628-0035/6545

E-mail: info@tatil.co.tt

Website: www.tatil.co.tt

Managing Director: M. Musa Ibrahim

TATIL RE LIMITED

**Meridian Place, Choc Estate, Castries,
St. Lucia.**

Phone: (758) 450-7777 Fax: (758) 451-3079

E-mail: pkf@andw.lc

Director: M. Musa Ibrahim

TRIDENT INSURANCE COMPANY LIMITED

**Trident Insurance Financial Centre,
Highway 7, Hastings, Christ Church,
Barbados, BB15154.**

Phone: (246) 431-2347 Fax: (246) 427-5750

Website: www.tridentins.com

General Manager: David Alleyne

MANUFACTURING

ANSA McAL CHEMICALS LIMITED

**North Sea Drive, Point Lisas Industrial Estate,
Savonetta, Trinidad.**

Phone: (868) 235-5560 Fax: (868) 636-9931

E-mail: devon.oudit@ansamcal.com

Website: ansamcal.com/sectors/manufacturing

Managing Director: Devon Oudit

ANSA POLYMER

**ANSA McAL Industrial Park,
Tumpuna Road South, Guanapo, Arima,
Trinidad.**

Phone: (868) 643-3137/2615 Fax: (868) 643-1254

Website: www.ansapolymer.com

Managing Director: David Hadeed

ANSA CHEMICALS JAMAICA LIMITED

(Formerly ANSA COATINGS JAMAICA LIMITED)

256 Spanish Town Road, Kingston 11, Jamaica.

Phone: (876) 923-6229 Fax: (876) 923-5129

Sector Head - Manufacturing: Andy Mahadeo

CARIB GLASSWORKS LIMITED

Eastern Main Road, Champs Fleurs, Trinidad.

Phone: (868) 662-2231 to 2237 Fax: (868) 663-1779

E-mail: marketing@caribglass.com

Website: www.caribglass.com

Managing Director: David Hadeed

EASI INDUSTRIAL SUPPLIES LIMITED

**North Sea Drive, Point Lisas Industrial Estate,
Savonetta, Trinidad.**

Phone: (868) 636-3111 Fax: (868) 636-7977

E-mail: operations.easi@ansamcal.com

General Manager: Shivanand Maharaj

TRINIDAD MATCH LIMITED

**Cor. Gordon & Maingot Streets, Mt. Hope,
Trinidad.**

Phone: (868) 638-1974 Fax: (868) 675-0084

Email: marc.hadeed@ansamcal.com

Website: ansamcal.com/sectors/manufacturing

General Manager: Marc Hadeed

TILAWIND S.A.

**Guanacaste, Tilarán, Santa Rosa
El Pueblo Los Ángeles, Costa Rica.**

Phone/Fax: (506) 2205-3810

Director: Nicholas Jackman

ANSA McAL GROUP COMPANIES' CONTACT INFORMATION

MEDIA

GUARDIAN MEDIA LIMITED

Port of Spain Office:

22-24 St. Vincent Street, Port of Spain,
Trinidad.

Chaguanas Office:

Guardian Building, 4-10 Rodney Road,
Endeavour, Chaguanas, Trinidad.

Phone: (868) 225-4465 Fax: (868) 225-3147

E-mail: newsroom@guardian.co.tt

Website: www.guardian.co.tt

Managing Director: Dr. Karrian Hepburn Malcolm

IRADIO INC.

28 Garnett & Delph Avenue, Campbellville,
Georgetown, Guyana.

Phone: (592) 227-2826/2847

Website: www.mix901fm.com

Director: Beverley Harper

PURCHASING, LOGISTICS & TRAVEL

ALSTONS SHIPPING LIMITED

Head Office:

Building #10, ANSA McAL Centre,
Uriah Butler Highway & Endeavour Road,
Chaguanas, Trinidad.

Phone: (868) 235-5643

E-mail: info@alstonsshippingtt.com

Website: www.alstonsshippingtt.com

Managing Director: Edwin Ramcharitar

ANSA McAL LOGISTICS INC.

60-64 Industrial Site, Beterverwagting,
East Coast, Demerara, Guyana.

Phone: (868) 225-4570

E-mail: guyana@ufofreight.com

Website: www.ufofreight.com/brochure/ansa-gy

Head of Group Supply Chain - Gillian Beckles

ANSA McAL TRADING INC.

11403 NW 39th Street, Miami, FL 33178, USA.

Phone: (305) 599-8766 Fax: (305) 599-8917

E-mail: customerservice@ansamcalus.com

Website: www.ansamcalus.com

Senior Manager Operations: Mike Basanta

ANSA McAL (US) INC.

11403 NW 39th Street, Miami, FL 33178, USA.

Phone: (305) 599-8766 Fax: (305) 599-8917

E-mail: customerservice@ansamcalus.com

Website: www.ansamcalus.com

Senior Manager Operations: Mike Basanta

RETAIL

BRYDENS RETAIL INC.

Norman Centre, Bridgetown, Barbados.

Phone: (246) 431-2648 Fax: (246) 431-2600

E-mail: happyhelp@brydensxpress.com

Website: ansamcal.com/companies/brydens

General Manager: Nicholas Thomas

BRYDENS XPRESS (OFFICE SUPPLIES) INC.

Lower Estate Factory Complex,
St. Michael, Barbados, BB19188.

Phone: (246) 431-2646 Fax: (246) 426-3556

E-mail: sales@brydensxpress.com

Website: www.brydensxpress.com

General Manager: Nicholas Thomas

STANDARD DISTRIBUTORS LIMITED

ANSA McAL Centre, Endeavour Road,
Chaguanas, Trinidad.

Phone: (868) 299-0219 Fax: (868) 665-6774

E-mail: standards.customercare@ansamcal.com

Website: www.standarddt.com

Managing Director: Ronald Milford

ANSA McAL GROUP COMPANIES' CONTACT INFORMATION

STANDARD DISTRIBUTION AND SALES (BARBADOS) LIMITED

Tudor Street, Bridgetown, Barbados.

Phone: (246) 430-7000 Fax: (246) 427-6844

E-mail: katrina.newton@standard.bb

Chief Executive Officer: Katrina Newton

INTERMEDIATE HOLDING COMPANIES

ALSTONS LIMITED

**11th Floor, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 625-3670 Fax: (868) 624-8753

E-mail: ansamcal@tstt.net.tt

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

AMCL HOLDINGS LIMITED

**McEneaney Quality Complex, Wildey,
St. Michael, BB14007, Barbados.**

Phone: (246) 434-2900 Fax: (246) 228-1619

E-mail: headoffice@mcalbds.com

ANSA COATINGS INTERNATIONAL LIMITED

**Meridian Place, Choc Estate, Castries,
St. Lucia.**

Phone: (758) 450-7777 Fax: (758) 451-3079

E-mail: pkf@andw.lc

Chairman: Ray A. Sumairsingh

ANSA FINANCIAL HOLDINGS (BARBADOS) LIMITED

**McEneaney Quality Complex, Wildey,
St. Michael, Barbados, BB14007.**

Phone: (246) 434-2900 Fax: (246) 228-1619

E-mail: headoffice@mcalbds.com

ANSA McAL (BARBADOS) LIMITED

**McEneaney Quality Complex, Wildey,
St. Michael, Barbados, BB14007.**

Phone: (246) 434-2900 Fax: (246) 228-1619

E-mail: headoffice@mcalbds.com

ANSA McAL BEVERAGES (BARBADOS) LIMITED

**Meridian Place, Choc Estate, Castries,
St. Lucia.**

Phone: (758) 450-7777 Fax: (758) 451-3079

E-mail: pkf@candw.lc

Directors: Ray A. Sumairsingh & Anthony Sabga III

CCEF ANSA RENEWABLE ENERGIES HOLDINGS LIMITED

**Suite 1, Ground Floor, The Financial Services
Centre, Bishop's Court Hill, St. Michael,
Barbados, BB14004.**

Phone: (246) 621-0760

Director: Nicholas Jackman

McAL TRADING LIMITED

**McEneaney Quality Complex, Wildey,
St. Michael, Barbados, BB14007.**

Phone: (246) 434-2900 Fax: (246) 228-1619

E-mail: headoffice@mcalbds.com

THE CARIBBEAN DEVELOPMENT COMPANY (ST. KITTS) LIMITED

**Buckley's Site, P.O. Box 1113, Basseterre,
St. Kitts.**

Phone: (869) 465-2309 Fax: (869) 465-0902

E-mail: markwilkin@caribbrewery.com

Managing Director: Mark Wilkin

ANSA McAL GROUP COMPANIES' CONTACT INFORMATION

REAL ESTATE

BAYSIDE WEST LIMITED

**9th Floor, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 223-2672/225-6225

Fax: (868) 624-8753

Website: ansamcal.com/sectors/real-estate

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

B.E.H. HOLDINGS LIMITED

11 Maraval Road, Port of Spain, Trinidad.

Phone: (868) 223-2672/225-6225

Fax: (868) 624-8753

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

CONCRETION LIMITED

**11th Floor, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 625-3670 Fax: (868) 624-8753

E-mail: ansamcal@tstt.net.tt

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

DAVID MORRIN & SONS LIMITED

**69 Independence Square,
Port of Spain, Trinidad.**

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

FONTANA LIMITED

**11th Floor, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 625-3670 Fax: (868) 624-8753

E-mail: ansamcal@tstt.net.tt

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

GRAND BAZAAR LIMITED

**The City of Grand Bazaar, Churchill Roosevelt
& Uriah Butler Highways, Valsayn, Trinidad.**

Phone: (868) 662-2045/ 645-0942/ 663-2363

E-mail: ronald.annandsingh@ansamcal.com

Website: www.facebook.com/GrandBazaarTrinidad

General Manager: Ronald Annandsingh

O'MEARA HOLDINGS LIMITED

**11th Floor, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 223-2672/225-6225

Fax: (868) 624-8753

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

PROMENADE DEVELOPMENT LIMITED

**9th Floor, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 223-2672/225-6225

Fax: (868) 624-8753

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

TRINIDAD LANDS LIMITED

**9th Floor, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 223-2672/225-6225

Fax: (868) 624-8753

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

VANALTA LIMITED

**11th Floor, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 625-3670 Fax: (868) 624-8753

E-mail: ansamcal@tstt.net.tt

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

4 SWEET BRIAR ROAD LIMITED

**Floors 9-11, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 225-6225 Fax: (868) 624-8753

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT

6 SWEET BRIAR ROAD LIMITED

**Floors 9-11, TATIL Building, 11 Maraval Road,
Port of Spain, Trinidad.**

Phone: (868) 225-6225 Fax: (868) 624-8753

Director: A. Norman Sabga, LLD (Hon.) UWI; (h.c.) UTT



TEAMWORK

FINANCIAL HIGHLIGHTS 2017-2021



FINANCIAL HIGHLIGHTS 2017-2021

	2021	2020	2019	2018	2017
*Sales to third parties	5,969,663	5,919,179	6,593,435	6,385,229	6,244,482
*Profit before taxation	935,260	723,317	1,017,398	967,715	1,107,285
*Income attributable to shareholders	594,774	423,246	644,846	609,391	543,588
*Share units in issue weighted average-net of treasury shares	172,252	171,856	172,204	172,432	172,362
Earnings per stock unit	\$3.45	\$2.46	\$3.74	\$3.54	\$3.15
Dividends:					
*Amount	310,063	26,440	310,319	258,653	258,649
Per Unit:					
Interim	\$0.30	\$0.15	\$0.30	\$0.30	\$0.30
Final	\$1.50	\$1.50	\$0.00	\$1.50	\$1.20
TOTAL:	\$1.80	\$1.65	\$0.30	\$1.80	\$1.50
Times Covered	1.92	1.49	12.47	1.97	2.10
Shareholders' equity per stock unit	\$47.95	\$46.34	\$44.57	\$42.37	\$40.91
*Shareholders' equity	8,260,214	7,964,206	7,674,643	7,306,417	7,051,395

*Expressed in Thousands in Trinidad and Tobago Dollars



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ANSA McAL Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

(Continued)

Key Audit Matters

(Continued)

Key Audit Matters	How our audit addressed the key audit matter
<p>Estimates used in the calculation of Insurance Contracts' Liabilities</p> <p>Refer to related disclosures in Notes 3, 20 and 21 and accounting policy Note 2 (xxvii). The Group has significant insurance liabilities of \$1.76 billion representing 22% of the Group's total liabilities as at 31 December 2021. The valuation of insurance contracts' liabilities involves extensive judgement and is dependent on a number of subjective assumptions, including primarily the timing and ultimate settlement value of long-term policyholder liabilities as well as the estimation of claims incurred, whether reported or not, for short-term insurance contracts.</p> <p>Various economic and non-economic key assumptions are used to estimate the long-term liabilities. Specifically, the Group estimates the expected number and timing of deaths, persistency, future expenses and future investment income arising from the assets backing long-term insurance contracts and the potential negative effects of the COVID-19 pandemic (the pandemic).</p> <p>For short-term insurance contracts, in calculating the estimated cost of unpaid claims (both reported and incurred but not reported (IBNR)), the Group uses a combination of loss-ratio-based estimates and estimates based upon actual claims experience.</p> <p>The Group uses valuation models to support the calculations of these insurance contracts' liabilities. The complexity of the models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models.</p> <p>Considering the significance of the insurance contracts' liabilities and the complexity and estimates involved in the actuarial valuations, we determined this to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>We involved our EY actuarial specialists to assist us in performing our audit procedures in this area, which included among others:</p> <ul style="list-style-type: none"> • Assessment of the key assumptions applied including consideration of emerging trends and studies on mortality and morbidity, voluntary terminations, persistency, interest rate, capital gains, policy maintenance and administrative expenses, inflation, tax and lapse rates and the possible impact of the pandemic on these factors. • Recalculation of technical provisions produced by the models on a sample basis. • An assessment of the internal controls regarding the maintenance of the policyholder database. • An analysis of the movements in insurance liabilities during the year. We assessed whether the movements are in line with changes in assumptions adopted by the Group, our understanding of developments in the business and our expectations derived from market experience. • We considered whether the Group's disclosures in the consolidated financial statements in relation to insurance contracts' liabilities were compliant with IFRS.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

(Continued)

Key Audit Matters

(Continued)

Key Audit Matters (continued)	How our audit addressed the key audit matter
<p>Allowance for Expected Credit Losses (ECLs)</p> <p>Refer to related disclosures in Notes 3, 9, 10 and 33 and accounting policy Note 2 (xvi). Investment securities and loans, advances and other assets not held at fair value through statement of income (FVSI) represent 31% of the total assets of the Group amounting to \$5.4 billion as at 31 December 2021.</p> <p>IFRS 9 'Financial Instruments' requires the Group to record an allowance for Expected Credit Losses (ECLs) for all loans and other debt financial assets not held at FVSI, together with investment in leased assets.</p> <p>The appropriateness of ECLs is a highly subjective area due to the level of judgement applied by the Group, involving various assumptions and factors, such as the estimate of the likelihood of default and the potential loss given default. The Group also applied adjustments, or overlays, where they believe the data driven parameters and calculations were not appropriate, either due to emerging trends or models not capturing the risks in the portfolios, as well as assessing the impact of the pandemic. These overlays required significant judgement.</p>	<p>We understood and critically assessed the methodology and assumptions used by the Group in its ECL models while evaluating its compliance with IFRS 9 requirements.</p> <p>We tested the completeness and accuracy of the inputs used within the models, including the Probabilities of Default (PDs), recoveries and the associated Loss Given Defaults (LGDs) and Exposures At Default (EADs). We also considered whether all relevant risks were reflected in the ECL calculation, and where this was not, whether overlays appropriately reflected those risks, particularly those stemming from the pandemic.</p> <p>The aging of the portfolios and other qualitative factors were assessed to determine the staging and thus indication of a significant deterioration in credit risk in accordance with IFRS 9.</p> <p>Independent testing on PD and LGD inputs was performed through validation to international external credit rating agencies, where these were used, as well as typical collateral, historical loss trends and other borrower characteristics.</p>



INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

(Continued)

Key Audit Matters

(Continued)

Key Audit Matters (continued)	How our audit addressed the key audit matter
<p>Allowance for Expected Credit Losses (ECLs) (continued)</p> <p>Other significant areas of judgement included:</p> <ul style="list-style-type: none"> the interpretation of the requirements to determine impairment under the application of IFRS 9, which is reflected in the Group's ECL models; the application of assumptions where there was limited or incomplete data; the identification of exposures with a significant deterioration in credit quality; assumptions used in the ECL model such as the financial condition of the counterparty or valuation of security; the need to apply overlays, the quantification of which can be highly subjective, to reflect current or future external factors that are not appropriately captured by the ECL model, including the effects of the pandemic; and additional credit risk that could stem from the impact of the pandemic, on the ability of the Group's customers/investors to meet their financial commitments. <p>Given the combination of inherent subjectivity in the valuation, and the material nature of the balance, we considered the measurement of ECLs to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>In determining the reasonableness of the ECL overlay applied on the net investment in leased assets, we reviewed management's risk assessment of the high-risk industries and customer groups in its portfolio in addition to customers who were offered a moratorium during the period due to the pandemic.</p> <p>For ECLs calculated on an individual basis, we tested the factors underlying the impairment identification and quantification including forecasts of the amount and timing of future cash flows, valuation of assigned collateral and estimates of recovery on default.</p> <p>We utilised our EY valuation specialists to assess the appropriateness of the key assumptions used in the models.</p> <p>Finally, we focused on the adequacy of the Group's financial statement disclosures as to whether it appropriately reflected the requirements of the IFRSs.</p>



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

(Continued)

Key Audit Matters

(Continued)

Key Audit Matters (continued)	How our audit addressed the key audit matter
<p>Fair value measurement of investment securities and related disclosures</p> <p>Refer to the related disclosures in Notes 3, 9 and 32 and accounting policy Note 2 (xvii). The Group invests in various investment securities, of which \$2.3 billion is carried at fair value in the consolidated statement of financial position as at 31 December 2021. Additionally, the fair values are disclosed for \$2.9 billion of investment securities carried at amortised cost in the consolidated statement of financial position. Of these assets, \$2.0 billion is related to investments for which no published prices in active markets are available and have been classified as Level 2 and Level 3 assets within the IFRS fair value hierarchy.</p> <p>Valuation techniques for these investment securities can be subjective in nature and involve various assumptions regarding pricing factors, particularly in a potentially distressed macroeconomic environment stemming from the possible current and future negative effects of the pandemic. Associated risk management disclosure is complex and dependent on high quality data. A specific area of audit focus includes the determination of fair value of Level 2 and Level 3 assets where valuation techniques are applied in which unobservable inputs are used.</p>	<p>We independently tested the pricing on quoted securities, and utilized EY valuation specialists to assess the appropriateness of pricing models used by the Group. This included:</p> <ul style="list-style-type: none"> • An assessment of the pricing model methodologies and assumptions against industry practice and valuation guidelines, especially with the added estimation uncertainty brought on by the pandemic. • Testing of the inputs used, including cash flows and other market based data. • An evaluation of the reasonableness of other assumptions applied such as credit spreads and the volatility in the market. • The re-performance of valuation calculations on a sample basis of internally priced securities that were classified as higher risk and estimation. • An assessment of management's impairment analysis, including underlying indicators resulting from the pandemic.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

(Continued)

Key Audit Matters

(Continued)

Key Audit Matters (continued)	How our audit addressed the key audit matter
<p>Fair value measurement of investment securities and related disclosures (continued)</p> <p>For Level 2 assets, these techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analyses making maximum use of market inputs, such as the market risk free yield curve.</p> <p>Included in the Level 3 category are financial assets that are not quoted as there are no active markets to determine a price. The fair value of these assets cannot be measured reliably and are therefore held at cost, being the fair value of the consideration paid on acquisition. These assets are regularly assessed for impairment.</p> <p>As the determination of the fair value for certain investments securities is a key source of estimation uncertainty, is subject to differing underlying assumptions, could be substantially impacted by the pandemic and represents a material balance and disclosure, we deemed this to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>Finally, we assessed whether the consolidated financial statement disclosures, including sensitivity to key inputs and the IFRS fair value hierarchy, appropriately reflect the Group's exposure to financial instrument valuation risk.</p>



INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

(Continued)

Key Audit Matters

(Continued)

Key Audit Matters (continued)	How our audit addressed the key audit matter
<p>Estimation uncertainty involved in impairment testing of goodwill and other intangibles with indefinite lives</p> <p>Refer to related disclosures in Notes 3 and 6, and accounting policy Notes 2 (vi) and 2 (ix). As described in these notes, impairment tests are performed annually on goodwill and certain indefinite life brands and licenses which arose mainly from past business combinations or acquisitions and which amount to \$508 million contained within 14 separate Cash Generating Units (CGUs) as at 31 December 2021.</p> <p>As required by IAS 36: “Impairment of Assets”, the Group performed the requisite annual impairment tests which involve the estimation of the recoverable amounts of the separate CGUs, inherent in which there is significant estimation uncertainty and the application of a high level of judgment relative to key assumptions such as the applicable discount rate and forecast future cash-flows, especially with the added estimation uncertainty brought on by the pandemic.</p>	<p>We evaluated and tested the Group's process for goodwill and other intangibles assessment as well as whether the value in use impairment test model utilized by the Group met the requirements of IAS 36.</p> <p>With the added estimation uncertainty brought on by the pandemic, we closely analysed management's judgments used in its assessment, including longer-term assumptions, by applying sensitivity analyses to account for market volatility. These calculations were reassessed to factor in any negative impact from the pandemic on the discount rate and other performance factors, along with assessing the potential future impact on the business.</p> <p>We also evaluated the CGU determination and assessed the Group’s assumptions by comparing to historical performance of the entity, local economic conditions and other alternative independent sources of information.</p>



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

(Continued)

Key Audit Matters

(Continued)

Key Audit Matters (continued)	How our audit addressed the key audit matter
<p>Estimation uncertainty involved in impairment testing of goodwill and other intangibles with indefinite lives (continued)</p> <p>In determining recoverable amounts, the Group uses assumptions and estimates relative to future market conditions, future economic growth, expected market share, discount rates and terminal growth rates. The outcome of the impairment testing is sensitive to these assumptions and estimates, such that changes in these assumptions and estimates may result in different impairment test conclusions, particularly in a potentially distressed macroeconomic environment stemming from the possible current and future negative effects of the pandemic.</p> <p>Given the high level of judgment and estimation uncertainty involved in the selection of appropriate assumptions and the relative complexities inherent in the impairment testing process, we considered this to be a key audit matter in our audit.</p>	<p>We involved our EY valuation specialist to assist with our audit of the appropriateness of the impairment test model, including the future cash flows projections, discount rate, long term growth rates and the evaluation of the sensitivity of test results to a variation of these assumptions.</p> <p>We also assessed the adequacy of the disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.</p>



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Other information included in the Group's 2021 Annual Report

Other information consists of the information included in the Group's 2021 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2021 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

FINANCIALS 2021



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

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

The engagement partner in charge of the audit resulting in this independent auditor's report is Sheldon Griffith.

Port of Spain,
TRINIDAD:
24 March 2022

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

		31 December	
	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	4	2,371,873	2,400,044
Investment properties	5	172,696	200,537
Intangible assets	6	657,822	536,157
Right-of-use assets	7	104,051	68,541
Investment in associates and joint venture interests	8	118,227	165,919
Investment securities	9	2,225,749	2,852,562
Loans, advances and other assets	10	1,803,188	1,624,625
Deferred tax assets	11	209,509	229,778
Employee benefits asset	12	1,079,307	906,283
Restricted cash	13	100,000	–
		<u>8,842,422</u>	<u>8,984,446</u>
Current assets			
Investment securities	9	2,963,980	1,276,129
Loans, advances and other assets	10	720,925	525,170
Inventories	14	1,055,261	1,010,284
Trade, other receivables and contract assets	15	1,187,597	975,347
Cash and short term deposits	16	2,690,453	2,933,217
		<u>8,618,216</u>	<u>6,720,147</u>
TOTAL ASSETS		<u><u>17,460,638</u></u>	<u><u>15,704,593</u></u>

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

FINANCIALS 2021

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

	Notes	31 December	
		2021	2020
EQUITY AND LIABILITIES			
Equity			
Stated capital	17	175,566	175,566
Other reserves	17	380,687	410,290
Treasury shares	17	(17,964)	(38,674)
Retained earnings		<u>7,721,925</u>	<u>7,417,024</u>
Equity attributable to equity holders of the Parent		8,260,214	7,964,206
Non-controlling interests		<u>1,075,631</u>	<u>1,002,545</u>
Total equity		<u>9,335,845</u>	<u>8,966,751</u>
Non-current liabilities			
Deferred tax liabilities	11	732,827	674,446
Employee benefits liability	12	96,900	98,930
Customers' deposits and other funding instruments	18	206,935	278,175
Lease liabilities	7	75,488	34,021
Medium and long term notes and other borrowings	19	195,261	638,087
Insurance contracts' liabilities	20	<u>1,332,536</u>	<u>1,237,526</u>
		<u>2,639,947</u>	<u>2,961,185</u>
Current liabilities			
Customers' deposits and other funding instruments	18	3,131,466	1,938,348
Current portion of lease liabilities	7	34,956	30,894
Current portion of medium and long term notes and other borrowings	19	655,605	244,907
Insurance contracts' liabilities	20	431,409	464,199
Trade and other payables	22	1,203,504	1,080,971
Taxation payable		<u>27,906</u>	<u>17,338</u>
		<u>5,484,846</u>	<u>3,776,657</u>
Total liabilities		<u>8,124,793</u>	<u>6,737,842</u>
TOTAL EQUITY AND LIABILITIES		<u>17,460,638</u>	<u>15,704,593</u>

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

These consolidated financial statements were authorised for issue by the Board of Directors on 24 March 2022 and signed on their behalf by:

A. Norman Sabga Director

David B. Sabga Director

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2021 (Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	Year ended 31 December	
		2021	2020
Revenue from contracts with customers	23	4,968,907	4,919,688
Other revenue	25	<u>1,000,756</u>	<u>999,491</u>
Total revenue	24, 25	<u>5,969,663</u>	<u>5,919,179</u>
Operating profit	25	977,223	751,731
Finance costs	26	(46,713)	(41,609)
Share of results of associates and joint venture interests	8	<u>4,750</u>	<u>13,195</u>
Profit before taxation		935,260	723,317
Taxation expense	27	<u>(238,152)</u>	<u>(219,499)</u>
Profit for the year		<u>697,108</u>	<u>503,818</u>
Attributable to:			
Equity holders of the Parent		594,774	423,246
Non-controlling interests		<u>102,334</u>	<u>80,572</u>
		<u>697,108</u>	<u>503,818</u>
Earnings per share:			
Basic (expressed in \$ per share)	28	\$3.45	\$2.46
Diluted (expressed in \$ per share)	28	\$3.45	\$2.46

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

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ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	Year ended 31 December	
		2021	2020
Profit for the year		697,108	503,818
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(4,232)	8,825
Mark to market (loss)/gain on investments at fair value through other comprehensive income		(171)	(4,042)
Income tax impact		423	618
Net other comprehensive (loss)/gain to be reclassified to profit or loss in subsequent periods		<u>(3,980)</u>	<u>5,401</u>
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement gain/(loss) on defined benefit plans	12	139,942	(124,254)
Income tax impact	11	<u>(34,425)</u>	<u>32,402</u>
Net other comprehensive income/(loss) not be reclassified to profit or loss subsequent periods		<u>105,517</u>	<u>(91,852)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>101,537</u>	<u>(86,451)</u>
Total comprehensive income for the year, net of tax		<u>798,645</u>	<u>417,367</u>
Attributable to:			
Equity holders of the Parent		684,408	347,913
Non-controlling interests		<u>114,237</u>	<u>69,454</u>
		<u>798,645</u>	<u>417,367</u>

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Stated capital (Note 17)	Other reserves (Note 17)	Treasury shares (Note 17)	Retained earnings			
Year ended 31 December 2021							
Balance at 1 January 2021	175,566	410,290	(38,674)	7,417,024	7,964,206	1,002,545	8,966,751
Profit for the year	–	–	–	594,774	594,774	102,334	697,108
Other comprehensive income/(loss) for the year	–	(2,250)	–	91,884	89,634	11,903	101,537
Transfers and other movements	–	(27,353)	9,618	(71,694)	(89,429)	(4,014)	(93,443)
Net movement in unallocated ESOP shares	–	–	11,092	–	11,092	–	11,092
Dividends (Note 29)	–	–	–	(310,063)	(310,063)	–	(310,063)
Dividends of subsidiaries	–	–	–	–	–	(37,137)	(37,137)
Balance at 31 December 2021	175,566	380,687	(17,964)	7,721,925	8,260,214	1,075,631	9,335,845

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

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ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Stated capital (Note 17)	Other reserves (Note 17)	Treasury shares (Note 17)	Retained earnings			
Year ended 31 December 2020							
Balance at 1 January 2020	175,566	378,523	(19,756)	7,140,310	7,674,643	902,768	8,577,411
Profit for the year	–	–	–	423,246	423,246	80,572	503,818
Other comprehensive income/(loss) for the year	–	8,825	–	(84,158)	(75,333)	(11,118)	(86,451)
Transfers and other movements	–	22,942	–	(36,000)	(13,058)	64,893	51,835
Net movement in unallocated ESOP shares	–	–	(18,918)	66	(18,852)	–	(18,852)
Dividends (Note 29)	–	–	–	(26,440)	(26,440)	–	(26,440)
Dividends of subsidiaries	–	–	–	–	–	(34,570)	(34,570)
Balance at 31 December 2020	175,566	410,290	(38,674)	7,417,024	7,964,206	1,002,545	8,966,751

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	2021	2020
Cash flows from operating activities			
Profit before taxation		935,260	723,317
Adjustments to reconcile net profit to net cash from operating activities:			
Depreciation	4, 5, 7	403,412	389,793
Amortisation of intangible assets	6	22,632	19,879
Net realised and unrealised (gain)/loss on disposal of property, plant and equipment, investment securities	25	(257,741)	43,024
Impairment on property, plant and equipment, investment securities and associates		–	7,200
Lease modifications and other movements	7	2,453	(15,906)
Foreign currency gains		(605)	(10,910)
Share of results of associates and joint venture interests	8	(4,750)	(13,195)
Employee benefit net gains		(12,795)	(5,789)
Interest and investment income	25	(143,835)	(148,882)
Finance costs	26	46,713	41,609
Operating profit before working capital changes		990,744	1,030,140
(Increase)/decrease in inventories		(44,977)	164,529
(Increase)/decrease in trade, other receivables and contract assets		(210,432)	272,090
Increase/(decrease) in trade and other payables		120,935	(220,163)
Increase/(decrease) in customers' deposits and other funding instruments		773,242	(303,340)
Increase in loans, advances and other assets		(239,663)	(123,120)
Increase in insurance contracts' liabilities		62,220	169,009
Decrease in Central Bank reserve		79,356	74,612
Cash generated from operations		1,531,425	1,063,757
Finance costs paid		(32,951)	(41,609)
Contributions paid		(22,317)	(24,636)
Interest received		155,520	148,883
Taxation paid		(195,343)	(229,059)
Net cash inflow from operating activities		1,436,334	917,336

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

FINANCIALS 2021

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021 (Expressed in Thousands of Trinidad and Tobago dollars) (Continued)

	Notes	2021	2020
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	39	(169,108)	–
Acquisition of investment in joint venture interests	8	(25,641)	–
Acquisition of intangible assets	6	(17,738)	(2,023)
Proceeds from sale of property, plant and equipment and investment properties		71,859	33,648
Purchase of property, plant, equipment and investment properties	4, 5	(372,790)	(330,410)
Dividends received from associates	8	4,631	18,155
Proceeds from sale of investment in associates	8	43,483	–
Proceeds from sale, maturity, or placement of investment securities/fixed deposits		2,243,310	2,345,446
Purchase of investment securities		<u>(3,028,715)</u>	<u>(1,816,815)</u>
Net cash (outflow)/inflow from investing activities		<u>(1,250,709)</u>	<u>248,001</u>
Cash flows from financing activities			
Repayment of medium and long term notes and other borrowings		(32,128)	(3,457)
Purchases of treasury shares - net		(435)	(18,918)
Payment of principal portion of lease liabilities	7	(40,432)	(26,347)
Increase in restricted cash	13	(100,000)	–
Dividends paid to non-controlling interests and preference shareholders		(37,147)	(34,580)
Dividends paid to ordinary shareholders	29	<u>(310,053)</u>	<u>(26,430)</u>
Net cash outflow from financing activities		<u>(520,195)</u>	<u>(109,732)</u>
Net (decrease)/increase in cash and cash equivalents		(334,570)	1,055,605
Net foreign exchange differences		11,523	(1,625)
Cash and cash equivalents at beginning of year		<u>2,819,967</u>	<u>1,765,987</u>
Cash and cash equivalents at end of year	16	<u>2,496,920</u>	<u>2,819,967</u>

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago dollars)

1. Incorporation and business activities

ANSA McAL Limited (the “Company” or the “parent company”), incorporated and domiciled in the Republic of Trinidad and Tobago, is the ultimate parent company of a diversified group of companies engaged in trading and distribution, construction, manufacturing, packaging and brewing, banking and insurance and the media, retail and service industries. ANSA McAL Limited and its consolidated subsidiaries (“the Group”) operate in Trinidad and Tobago, the wider Caribbean region and the United States of America. A listing of the Group’s subsidiaries and associates/joint venture interests is detailed in Notes 35 and 8.

The Company is a limited liability company with its registered office located at 11 Maraval Road, Port of Spain, Trinidad, West Indies and has a primary listing on the Trinidad and Tobago Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

i. Basis of preparation

These consolidated financial statements are expressed in thousands of Trinidad and Tobago dollars (except when otherwise indicated) and have been prepared on a historical cost basis except for the measurement at fair value of certain financial assets measured at fair value through statement of income, and other comprehensive income.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Presentation of consolidated financial statements

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

FINANCIALS 2021

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Basis of consolidation

The consolidated financial statements comprise the financial statements of ANSA McAL 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.

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 consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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.

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Basis of consolidation (continued)

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 assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interests represent the interests not held by the Group in the ANSA Merchant Bank Group, Guardian Media Group, Caribbean Development Company Group, Carib Brewery (St Kitts & Nevis) Limited, Carib Brewery (Grenada) Limited and Berger Paints Jamaica Limited, a subsidiary of ANSA Coatings International Limited.

iii. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except for the adoption of new standards and interpretations below.

New and amended standards and interpretations

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021)

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

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ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021) (continued)

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The amendments are mandatory, with earlier application permitted.

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Leases - Covid-19 Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021)

On 28 May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying IFRS 16 guidance on lease modification to rent concessions arising as a direct consequence of the Covid-19 pandemic.

In March 2021, the Board amended the conditions of the practical expedient. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago dollars)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Amendments to IFRS 16 Leases - Covid-19 Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021) (continued)

Following the amendment, the practical expedient now applies to rent concessions occurring as a direct consequence of the Covid-19 pandemic and affects only payments originally due on or before 30 June 2022, once the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- There is no substantive change to other terms and conditions of the lease.

Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied. In the reporting period in which a lessee first applies the 2021 amendment, the lessee will not be required to disclose the information required by paragraph 28(f) of IAS 8.

In accordance with paragraph 2 of IFRS 16, a lessee is required to apply the relief consistently to eligible contracts with similar characteristics and in similar circumstances, irrespective of whether the contract became eligible for the practical expedient before or after the amendment.

The Group has adopted the practical expedient to all rent concessions that meet the criteria stated above in the consolidated financial statements.

FINANCIALS 2021

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below.

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

- Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework – effective 1 January 2022
- Amendments to IAS 16 Property, Plant and Equipment - Proceeds before intended use - effective 1 January 2022
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Costs of fulfilling a contract – effective 1 January 2022
- IFRS 17 Insurance Contracts – Effective 1 January 2023
- Amendments to IAS 1 Presentation of Financial Statements - Classification of liabilities as Current or Non-current - effective 1 January 2023
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and errors – Definition of accounting estimates - effective 1 January 2023
- Amendments to IAS 1 and IFRS Practice statement 2 – Disclosure of accounting policies - effective 1 January 2023
- Amendments to IAS 12 Income Taxes – Deferred tax related to assets and liabilities arising from a single transaction - effective 1 January 2023

Improvements to International Financial Reporting Standards

The annual improvement process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS. The following amendments are applicable to periods beginning on or after 1 January 2022, and the Group will adopt these amendments, if applicable, when they become effective.

IFRS Subject of Amendment

IFRS 1- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter - effective 1 January 2022

IFRS 9- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities - effective 1 January 2022

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago dollars)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iv. Current versus non-current distinction

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

v. Investment in associates and joint arrangements

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture interests are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment separately.

FINANCIALS 2021

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Investment in associates and joint arrangements (continued)

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the joint venture and some associates are prepared for the same reporting period as that of the Group. For other associates with different reporting dates, these dates were established when those companies were incorporated and have not been changed. Where the reporting dates are within three months of the Group's year end, the associates' audited financial statements are utilised. Where the reporting dates differ from the Group's year end by more than three months or the audited financial statements are not yet available, management accounts are utilised. Further, the financial statements of these associates are adjusted for the effects of significant transactions or events that occurred between that date and the Group's year end. When necessary, adjustments are also made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago dollars)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vi. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Where business combinations under common control occur, the acquisition method is also used as permitted under the guidelines of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vi. Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

vii. Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

viii. Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 3)
- Debt instruments at fair value through statement of income and OCI (Note 33)
- Trade receivables, including contract assets (Note 33)

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

viii. Impairment of financial assets (continued)

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted where applicable for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90-180 days past due depending on the nature of the financial asset. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ix. Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ix. Intangible assets (continued)

Goodwill (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the CGU level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Brands, licenses and contracts

Separately acquired brands, licenses and contracts are measured on initial recognition at fair value. Following initial recognition, these intangible assets are carried at cost less any accumulated amortisation or impairment. Brands, licenses and contracts acquired in a business combination are recognised at fair value at the acquisition date. In respect of the Group's brands and licenses which have been assessed to have an indefinite useful life, impairment tests are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Those which are assessed to have a finite life are amortised over the expected economic life.

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ix. Intangible assets (continued)

Computer software (continued)

- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed ten (10) years.

x. Cash and short term deposits

Cash and short term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, net of fixed deposits and the Central Bank reserve (Note 16).

xi. Foreign currency translation

Foreign currency transactions

The Group's consolidated financial statements are presented in Trinidad and Tobago dollars (expressed in thousands), which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities are translated using exchange rates that existed at the dates of the initial transactions. Exchange differences on foreign currency transactions are recognised in the consolidated statement of income.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xi. Foreign currency translation (continued)

Foreign entities

On consolidation, assets and liabilities of foreign entities are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the reporting date and their statements of income are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on re-translation are recognised in other comprehensive income and accumulated in equity. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

xii. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

xiii. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repairs and maintenance costs are charged to the consolidated statement of income when incurred.

The freehold buildings of non-manufacturing companies are depreciated on the straight line basis at 2% per annum. Depreciation on the freehold buildings of the major manufacturing subsidiaries is charged on the straight line basis at rates varying between 2% and 5%. Land and capital work in progress are not depreciated.

Depreciation is provided on plant and other assets, either on the straight line or reducing balance basis, at rates varying between 5% and 33 1/3% which are considered sufficient to write off the assets over their estimated useful lives.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xiii. **Property, plant and equipment** (continued)

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of income.

xiv. **Investment properties**

Investment properties principally comprise office buildings and land not occupied by the Group, which are held for long term rental yields and capital appreciation. Investment properties are classified as non-current assets and carried at cost less accumulated depreciation and accumulated impairment losses.

Buildings are depreciated on a straight line basis at a rate of 2% per annum. Land is not depreciated.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15: Revenue from contracts with customers.

Transfers are made to or from investment property only when there is a change in use. If owner occupied property becomes investment property, the Group accounts for such property in accordance with the policy under property, plant and equipment up to the date of change in use.

xv. **Financial instruments – initial recognition**

Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in Note 2 (xvi) below.
- FVOCI, as explained in Note 2 (xvi) below.
- FVPL

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities

Financial assets

a) *Initial recognition and subsequent measurement*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost and effective interest method

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt instruments that are designated as at fair value through the statement of income on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test").

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in the consolidated statement of comprehensive income and is further disclosed in Note 25.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

a) *Initial recognition and subsequent measurement* (continued)

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

Equity instruments at fair value through other comprehensive income (FVOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to the statement of income on disposal of the investments.

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

Debt instruments at fair value through other comprehensive income (FVOCI)

The Group applied the FVOCI category under IFRS 9, for debt instruments measured at fair value through other comprehensive income when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets,
- the contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding (“the SPPI test”).

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

a) *Initial recognition and subsequent measurement* (continued)

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

Debt instruments at fair value through other comprehensive income (FVOCI) (continued)

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

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

Investments in equity instruments are classified as FVSI, unless the Group designates an investment that is not held for trading as fair value through other comprehensive income (FVOCI) on initial recognition. The Group has designated all investments in equity instruments that are held for trading as FVSI on initial application of IFRS 9.

Debt instruments that do not meet the amortised cost criteria are measured as FVSI. In addition, debt instruments that meet the amortised cost criteria but are designated as FVSI are measured at FVSI. A debt instrument may be designated as FVSI upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVSI when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as FVSI on initial recognition is not allowed. The Group has not designated any debt instrument as FVSI.

Financial assets at FVSI are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of income. The net gain or loss recognised in the consolidated statement of income is included in Note 25. Fair value is determined in the manner described in Note 32.

Interest income on debt instruments designated at FVSI is included in the net gain or loss described above.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

a) *Initial recognition and subsequent measurement* (continued)

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

Dividend income on investments in equity instruments at FVSI is recognised in the statement of income when the Group's right to receive the dividends is established in accordance with IFRS 15: Revenue from contracts with customers and is included in the net gain or loss described above.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss.

Therefore:

- for financial assets that are classified as FVSI, the foreign exchange component is recognised in the consolidated statement of income;
- for equity instruments that are designated as FVOCI, any foreign exchange component is recognised in other comprehensive income;
- for debt instruments that are designated as FVOCI, any foreign exchange component is recognised in the consolidated statement of income; and
- for foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'investment income' line item in the consolidated statement of income.

b) *Impairment of financial assets*

Overview of the ECL principles

The Group records the allowance for expected credit losses for all loans and other debt, financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

b) *Impairment of financial assets* (continued)

Overview of the ECL principles (continued)

The Group uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in the sub-section below "The Calculation of ECLs". The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 33.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 33.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 33.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

b) *Impairment of financial assets* (continued)

Overview of the ECL principles (continued)

The calculation of ECLs

The mechanics of the ECL method are summarised below:

- Stage 1 The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. The expected 12-month default probability is applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- Stage 2 When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3 For financial instruments considered credit-impaired (as defined in Note 33), the Group recognises the lifetime expected credit losses. The method is similar to that for Stage 2 assets, with the PD set at 100%.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

b) *Impairment of financial assets* (continued)

Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as oil prices, unemployment rates and money supply.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the reporting date. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 33.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets such as vehicles and equipment, in the case of the Group's asset financing portfolios. Collateral, unless repossessed, is not recorded on the Group's consolidated statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on an annual basis. Details of the impact of the Group's various credit enhancements are disclosed in Note 33.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on independent valuation data provided by third parties such as mortgage brokers or independent valuers.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

b) *Impairment of financial assets* (continued)

Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the valuation cost of the asset.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but it sometimes engages external agents to recover the asset, to settle outstanding. Any surplus funds are returned to the customers/obligors.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

c) **Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

c) Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of income. On derecognition of an equity instrument that is classified as FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statement of other comprehensive income, but is reclassified to retained earnings. On derecognition of debt instruments at FVOCI, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit and loss.

Financial liabilities

a) Initial recognition and subsequent measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through the statement of income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value. The Group's financial liabilities include other payables, bank overdrafts, deposit liabilities and debt securities in issue. The Group has not designated any financial liabilities upon initial recognition as at fair value through statement of income.

b) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

xvii. Fair value measurement

The Group measures certain financial instruments at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 32. 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvii. Fair value measurement (continued)

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Refer to Note 32 for further details on the valuation techniques and inputs used to account for financial instruments measured at fair value.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvii. Fair value measurement (continued)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xviii. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and building	2 to 30 years
- Plant and machinery	3 to 5 years
- Motor vehicles and other equipment	3 to 5 years

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xviii. Leases (continued)

Group as a lessee (continued)

i) Right-of-use assets (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2 (vii).

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xviii. Leases (continued)

Group as a lessee (continued)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of \$1,002 (2020: \$509) (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of \$231 (2020: \$0) that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

xix. Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value. Cost is arrived at on the first-in first-out or at the average method, including, in the case of manufacturing subsidiaries, a proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xx. Reinsurance assets

The Group cedes reinsurance in the normal course of business. Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities. Premiums on reinsurance assumed are recognised as revenue in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Amounts due from reinsurers are estimated in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contract. Premiums ceded and claims reimbursed are presented on a gross basis.

The benefit to which the Group is entitled under its reinsurance contract held is recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contract.

An impairment review is performed on all reinsurance assets when an indication of impairment occurs. Reinsurance assets are impaired only if there is objective evidence that the Group may not receive all amounts due to it under the terms of the contract and it can be measured reliably.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxi. Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled based on the enacted tax rate at the reporting date.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

xxii. Employee benefits

The Group operates multiple pension plans with defined contribution, defined benefit or hybrid schemes for all eligible full time employees of the Group. The pension plans are governed by the relevant trustee rules and are generally funded by payments from employees and by the relevant Group companies, taking account of the rules of the pension plans and recommendations of independent qualified actuaries.

Defined contribution plans

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

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxii. Employee benefits (continued)

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. The pension accounting costs for the plans are assessed using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. The maximum economic benefits available, as limited by the asset ceiling will crystallise in the form of reductions in future contributions.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation within “administrative and distribution costs” (Note 25):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other post-employment benefit plans

The Group also provides other post-employment benefits to their retirees. These benefits are unfunded. The entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for the defined benefit plans.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxiii. Share based payment transactions

The Group operates an equity settled share based compensation plan whereby senior executives of the Group render services as consideration for stock options of the parent company. The cost of equity settled transactions is measured by reference to the fair value of the options at the date on which they were granted. The fair value is determined by an independent external valuer using the binomial model.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant executive becomes fully entitled to the award (the vesting date). The cumulative expense recognised at each reporting date reflects the extent of which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the consolidated statement of income for the period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as an additional share dilution in the computation of earnings per share (Note 28).

xxiv. Employee share ownership plan ("ESOP")

As stated in Note 17, the Group operates an ESOP, whereby employees of the Group have the option to receive a percentage of their profit share bonuses in the form of ordinary shares of the parent company. The Group recognises an expense within staff costs when bonuses are awarded. Shares acquired by the ESOP are funded by parent company contributions and the cost of the unallocated ESOP shares is presented as a separate component within equity (treasury shares).

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxv. Equity movements

Stated capital

Ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares or options are shown as a reduction in equity, net of tax. As equity is repurchased, the amount of consideration paid is recognised as a charge to equity and reported in the consolidated statement of financial position as treasury shares.

Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Board of Directors of the parent company. Interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the reporting date are dealt with as an event after the end of reporting date.

Treasury shares

Own equity instruments which are re-acquired (“treasury shares”) are deducted from equity. No gain or loss is recognised in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

xxvi. Product classification

Insurance contracts

IFRS 4, ‘Insurance Contracts’ defines insurance contracts as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Long-term insurance contracts include those contracts with and without discretionary participation features (‘DPF’). For insurance contracts with DPFs, the guaranteed element has not been recognised separately. Changes to the insurance contract liability are recognised in the consolidated statement of income as an item of expense.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxvii. Insurance contracts' liabilities

Investment contracts

Any insurance contracts not considered to be transferring significant risks are, under IFRS, classified as investment contracts. Deposits collected and benefit payments under investment contracts are not accounted for through the consolidated statement of income, but are accounted for directly through the consolidated statement of financial position as a movement in the investment contract liability. Changes in the fair value of financial assets backing investment contracts are recognised in the consolidated statement of income as investment income.

Life insurance contracts' liabilities

The provision for life insurance contracts is calculated on the basis of a cash flow matching method where the expected cash flows are based on prudent assumptions depending on the circumstances prevailing.

The liability is determined as the sum of the discounted value of the expected benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the actual gross premiums that would be paid over the expected future lifetime of the contract. The liability is based on best estimate assumptions as to mortality, persistency, investment income and maintenance expenses that are expected to prevail over the life time of the contract.

A margin for adverse developments is added to each best estimate assumption to provide a prudent estimate of possible future claims. Adjustments to the liabilities at each reporting date are recorded in the consolidated statement of income as an expense.

General insurance contracts' liabilities

General insurance contract liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. Significant delays can be experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business, therefore the ultimate cost cannot be known with certainty at the reporting date.

Provision for unearned premiums

The proportion of written premiums attributable to subsequent periods is deferred as unearned premium. The change in the provision for unearned premium is taken to the consolidated statement of income in the order that revenue is recognised over the period of risk.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxvii. Insurance contracts' liabilities (continued)

Provision for unexpired risk

Provision for unexpired risk is computed as a percentage of the provision for unearned premiums at the end of the year. At each reporting date, liability adequacy tests are performed to ensure the adequacy of the insurance liabilities. Any deficiency is charged to the consolidated statement of income by subsequently establishing a provision for losses arising from the liability adequacy tests (the unexpired risk provision).

Liability adequacy test

In accordance with IFRS 4, reserving for liabilities existing as at the reporting date from property and casualty lines of business has been tested for adequacy by independent actuarial consultants using the Bornhuetter-Fergusson model.

The Bornhuetter-Fergusson model can be summarised as follows:

- The valuation method makes an independent estimate of the gross ultimate claims to a corresponding premium for each underwriting year based on expectations of claims arising from the gross premiums written in that year.
- It estimates a claim run-off pattern of how claims emerge year by year until all is known about the total ultimate claim.
- From the independent estimate of gross ultimate claims, the portion that relates to past periods is removed and the resultant balance is the gross claims yet to emerge.

The independent actuaries concluded in their report dated 11 February 2022 that the carrying amounts of the insurance liabilities of the general insurance subsidiary as at 31 December 2021, in respect of incurred but not reported claims (IBNR) from unexpired contracts were adequate.

xxviii. Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30-90 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxix. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income, net of reimbursements.

When the Group can reliably measure the outflow of economic benefits in relation to a specific matter and considers such outflows to be probable, the Group records a provision against the matter. Given the subjectivity and uncertainty of determining the probability of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xxx. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxx. Revenue from contracts with customers (continued)

Sales of products to third parties

Revenue from the sale of products to third parties is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the items. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. providing servicing). In determining the transaction price for sales, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

- Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxx. Revenue from contracts with customers (continued)

Sale of products to third parties (continued)

- Variable consideration (continued)

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Warranty obligations

Some companies in the Group provide warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

A company in the Group provides a warranty beyond fixing defects that existed at the time of sale. This service-type warranty is sold bundled together with the sale of the related items. Contracts for bundled sales of goods or services and a service-type warranty comprise two or more performance obligations because the promises to transfer the other goods or services and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxx. Revenue from contracts with customers (continued)

Loyalty points programme

A company in the Group operates a loyalty points programme. Under IFRS 15, the loyalty points give rise to a separate performance obligation because they provide a material right to the customer and a portion of the transaction price was allocated to the loyalty points awarded to customers.

Rendering of services

The Group provides services that are either sold separately or bundled with the sale of goods and/or other services. Bundled sales may comprise two or more performance obligations where the items being sold are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices.

The Group recognises revenue from certain services over time, using an input method to measure progress towards complete satisfaction of the service where the customer simultaneously receives and consumes the benefits provided by the Group.

Group as principal and agent

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

The Group has contracts with customers to acquire, on their behalf, shipping, procurement and travel services provided by shipping companies, airlines and other suppliers. The Group is acting as an agent in these arrangements.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxx. Revenue from contracts with customers (continued)

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2 (xv) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Assets and liabilities arising from rights to return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxi. Recognition of interest income

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial assets measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income is accrued until the investment contractually becomes three months in arrears, at which time, the interest is suspended and then accounted for on a cash basis until the investment is brought up to date.

Interest and similar income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures (as outlined in Note 33) and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxi. Recognition of interest income (continued)

Interest and similar income (continued)

Income from loans, including origination fees, is recognised on an ongoing basis. Interest is accounted for on the accruals basis except where a loan contractually becomes three months in arrears, at which point, the accrued interest is suspended and subsequently accounted for on a cash basis until the arrears are cleared.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and Net gains/(losses) on financial assets at fair value through profit or loss, respectively.

xxxii. Other revenue

Premium income

Premiums from life insurance contracts are recognised as revenue when payable by the policyholders. For single premium business this is the date from which the policy is effective. For non-life business, premiums written are recognised on policy inception and earned on a pro-rated basis over the term of the related policy coverage.

Premiums written on general insurance policies are recognised on policy inception and earned on a pro-rata basis over the term of the related policy coverage. For single premium business this is the date from which the policy is effective.

Reinsurance premiums

Reinsurance premiums are recognised when the right to receive the gross premium is recognised in accordance with the relevant reinsurance contract.

Fees and commissions

Unless included in the EIR calculation, fees are recognised on an accrual basis as the service is provided. Fees and commissions not integral to the effective interest arising from negotiating or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contract.

Rental income

Rental income arising on investment properties under operating lease is recognised in the consolidated statement of income on a straight-line basis over the lease term.

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(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxii. Other revenue (continued)

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

xxxiii. Benefits and claims

Life insurance

Life insurance business claims reflect the cost of all claims incurred during the year. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

General insurance

Reported outstanding general insurance claims comprise the estimated costs of all claims incurred but not settled at the end of the reporting period, less any reinsurance recoveries. In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims incurred but not reported (IBNR) until after the end of the reporting period. Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the consolidated statement of income in the year the claims are settled.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant reinsurance contract.

xxxiv. Lapses – life insurance

Life Insurance Policies will lapse and the Group's liability will cease:

- i. At the end of the grace period (30 days) for any unpaid premium unless the premium or part of it is advanced under the automatic premium loan provision or the policy is changed to paid up; or
- ii. At the end of the pro-rated period for which insurance is provided if part of an unpaid premium was advanced under the automatic loan provision; or
- iii. At the end of the 30 day period following the mailing of a lapse notice indicating that the indebtedness equals or exceeds the gross cash value.

ANSA McAL LIMITED AND ITS SUBSIDIARIES

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxv. Deposit insurance contribution

The Central Bank and the Financial Institutions (Non-Banking) (Amendment) Act, of the relevant jurisdictions of the subsidiaries which are financial institutions, have established a Deposit Insurance Fund for the protection of depositors. An annual premium of 0.05% to 0.2% is levied on the average deposit liability outstanding at the end of each quarter of the preceding year.

xxxvi. Repurchase and reverse repurchase agreements

Securities sold subject to a linked repurchase agreement ('repo') are retained in the consolidated financial statements as trading securities and the counterparty liability is included in customers' deposits and other funding instruments, loans and advances. Securities purchased under an agreement to resell ('reverse repo') are recorded as loans and advances. The difference between the sale and repurchase price is treated as interest and accrued over the life of the repo agreement using the effective yield.

xxxvii. Statutory deposits with Central Bank

Pursuant to the provisions of the Central Bank Act 1964 and the Financial Institutions Act 2008, a financial services subsidiary within the Group is required to maintain with the Central Bank of Trinidad and Tobago statutory balances in relation to deposit liabilities and certain funding instruments of the institutions. Additionally, a financial services subsidiary in Barbados is also required to maintain with the Central Bank of Barbados, statutory deposit balances in relation to deposit liabilities. These funds are not available to finance the subsidiary's day-to-day operations.

xxxviii. Earnings per share

Earnings per share (EPS) have been calculated by dividing the profit for the year attributable to shareholders over the weighted average number of ordinary shares in issue during the year net of treasury shares. Diluted EPS is computed by adjusting the weighted average number of ordinary shares in issue (net of treasury shares) for the assumed conversion of potential dilutive ordinary shares.

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ANSA McAL LIMITED AND ITS SUBSIDIARIES

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(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxix. Segment information

For management purposes, the Group is organised into business units based on its products and services and has four (4) reportable segments as follows:

- The construction, manufacturing, packaging and brewing segment;
- The automotive, trading and distribution segment;
- The banking and insurance segment; and
- The media, retail, services and parent company segment.

xxxx. Comparative information

Changes in presentation were made to the comparative information of the previous year (2020) in these consolidated financial statements to allow consistent presentation with the current year. These changes were not material to the overall consolidated financial statements and had no impact on net assets, profit for the year or earnings per share as reported.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Impairment of financial instruments

The measurement of impairment losses under IFRS 9 across all categories of financial instruments requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and if so, allowances for financial instruments should be measured on a LTECL basis and the qualitative assessment;

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Judgments (continued)

- The segmentation of financial instruments when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Provision for impairment of trade receivables

Management exercises judgement in determining the adequacy of provisions for trade accounts receivable balances for which collections are considered doubtful. Judgement is used in the assessment of the extent of the recoverability of long outstanding balances. Actual outcomes may be materially different from the provision established by management. The accounting policies related to impairment of trade receivables is disclosed in Note 2 (viii).

Property, plant and equipment

Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value. The accounting policy related to property, plant and equipment is disclosed in Note 2 (xiii).

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations in a bundled sale of equipment and installation services*

The Group provides installation services that are either sold separately or bundled together with the sale of items to a customer. The installation services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Judgments (continued)

Revenue from contracts with customers (continued)

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers: (continued)

- *Identifying performance obligations in a bundled sale of equipment and installation services* (continued)

The Group determined that both the equipment items and installation are capable of being distinct. The fact that the Group regularly sells both equipment and installation on a stand-alone basis indicates that the customer can benefit from both products on their own. The Group also determined that the promises to transfer the items and to provide installation are distinct within the context of the contract. The equipment and installation are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the equipment and installation together in this contract do not result in any additional or combined functionality and neither the equipment nor the installation significantly modify or customise the other. In addition, the equipment and installation are not highly interdependent or highly interrelated, because the Group would be able to transfer the equipment even if the customer declined installation and would be able to provide installation in relation to products sold by other distributors. Consequently, the Group allocated a portion of the transaction price to the equipment and the installation services based on relative stand-alone selling prices.

- *Determining the timing of satisfaction of installation services*

The Group concluded that revenue for some installation services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the installation that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Judgments (continued)

Revenue from contracts with customers (continued)

- *Determining the timing of satisfaction of installation services* (continued)

The Group applies either the input or output method of measuring progress of the installation services depending on how management measures progress towards completion for project management purposes. Where input methods are applied, the Group recognises revenue on the basis of the cost incurred relative to the total expected cost to complete the service. Where output methods are applied, the Group recognises revenue based on the progress towards completing pre-established milestones, given the revenue allocated to those milestones, relative to total revenue.

- *Principal versus agent considerations*

The Group enters into contracts with its customers to perform ship handling and processing duties on behalf of principals. The following factors indicate that the Group is acting in the capacity as an agent in these contracts:

- The Group is not primarily responsible for fulfilling the promise to provide the shipping services.
- The Group has no discretion in establishing the price for the shipping services. The Group's consideration in these contracts is only based on commissions that are a fixed fee or a percentage of the cost of shipping services.

In addition, the Group concluded that it transfers control over its services (i.e., arranging for the shipping services), at a point in time, upon completion of the shipping services, because this is when the customer benefits from the Group's agency service.

- *Determining method to estimate variable consideration and assessing the constraint*

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Judgments (continued)

Revenue from contracts with customers (continued)

- *Determining method to estimate variable consideration and assessing the constraint* (continued)

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of products with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of products with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Determining whether the loyalty points provide material rights to customers

The Group operates a loyalty points programme which allows customers to accumulate points when they purchase certain Group products. The points can be redeemed for a discount, subject to a minimum number of points obtained. The Group assessed whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation.

The Group determined that the loyalty points provide a material right that the customer would not receive without entering into the contract. The discount the customer would receive by exercising the loyalty points do not reflect the stand-alone selling price that a customer without an existing relationship with the Group would pay for those products. The customers' right also accumulates as they purchase additional products.

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Judgments (continued)

Leases

- *Determining the lease term of contracts with renewal and termination options – Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of land and buildings and plant and machinery with shorter non-cancellable period. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of land and buildings and plant and machinery with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

- *Estimating the incremental borrowing rate*

If the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Judgments (continued)

Leases (continued)

- *Estimating the incremental borrowing rate* (continued)

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

- *Operating lease commitments – Group as lessor*

The Group has entered into vehicle, equipment and property leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial assets, that it retains all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

- *Finance lease commitments – Group as lessor*

Leases are classified as finance leases when the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when

Impairment of goodwill and other intangibles

The Group determines whether goodwill or other indefinite life intangibles are impaired at least on an annual basis. This requires an estimation of the 'value in use' or 'fair value less costs of disposal' of the cash-generating units to which the goodwill or other intangibles are allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are provided in Note 6 and accounting policy Note 2 (ix).

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

(continued)

Estimates and assumptions (continued)

Valuation of investments

Fair values are based on quoted market prices for the specific instrument, comparisons with other similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of estimates and applying judgment in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors. Further details are provided in Note 32 and accounting policy Note 2 (xvii).

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the existence of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and the level of future taxable profits together with future tax planning strategies. Further details are provided in accounting policy Note 2 (xxi).

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Further details are provided in Note 12 and accounting policy Note 2 (xxii).

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

(continued)

Estimates and assumptions (continued)

Insurance contracts' liabilities

The estimation of the ultimate liability arising from claims made under life and general insurance contracts is an accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the Group ultimately pays for those claims.

For the life insurance contracts, estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk. The Group based these estimates on standard industry mortality tables that reflect historical mortality experience, adjusted where appropriate to reflect the Group's unique risk exposure. The number of deaths determines the value of possible future benefits to be paid out which will be factored into ensuring sufficient cover reserves, which in return is monitored against current and future premiums. For those contracts that insure risk to longevity, prudent allowance is made for expected future mortality improvements, both endemic, as well as wide ranging changes to lifestyle, could result in significant changes to the expected future mortality exposure. All of this results in even more uncertainty in estimating the ultimate liability.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Estimates for future deaths, voluntary terminations, investment returns and administration expenses are determined at the inception of the contract and are used to calculate the liability over the term of the contract. At the end of each reporting period, these estimates are reassessed for adequacy and changes will be reflected in adjustments to the liability.

For general insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date. It can take a significant period of time before the ultimate claims costs can be established with certainty. The primary technique adopted by management in estimating the cost of notified and IBNR claims is that of using past claim settlement trends to predict future claims settlement estimates. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision. General insurance claims provisions are not discounted for the time value of money. Further details are provided in Note 20 and accounting policy Note 2 (xxvii).

ANSA McAL LIMITED AND ITS SUBSIDIARIES

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

(continued)

Estimates and assumptions (continued)

Estimating variable consideration for returns and volume rebates

The Group estimates variable considerations to be included in the transaction price for the sale of electronics equipment with rights of return and volume rebates.

The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 31 December 2021, the amount recognised as refund liabilities for the expected returns and volume rebates was \$1.2 million (31 December 2020: \$1.2 million).

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(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

(continued)

Impact of COVID-19

Background

COVID-19, a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation on 11 March 2020. The pandemic continued to affect economies in 2021 and the Group has considered this impact in preparing its consolidated financial statements.

The duration and extent of the COVID-19 pandemic and related financial, social and public health impacts of the pandemic are uncertain. As such, the actual economic events and conditions in the future may be materially different from those estimated by the Group at the reporting date.

Consideration of the consolidated statement of financial position and further disclosures

Key considerations of the impact of COVID-19 on the consolidated statement of financial position and related disclosures were as follows:

Expected Credit Losses

Trade, other receivables and contract assets:

For trade, other receivables and contract assets, the Group adopted the simplified approach for determining the provision for expected credit losses, as permitted by IFRS 9.

In response to the COVID-19 pandemic, the Group assessed the need to adjust the loss rates to incorporate forward-looking information, taking into account the expected recovery rate of receivables and various applicable macroeconomic factors. Based on the analysis performed as at 31 December 2021, no material overlay adjustments specifically related to the COVID-19 pandemic was considered necessary.

ANSA McAL LIMITED AND ITS SUBSIDIARIES

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

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Impact of COVID-19 (continued)

Consideration of the consolidated statement of financial position and further disclosures (continued)

Investment securities, Loans, advances and other assets:

In response to COVID-19, the Group undertook a review of its loan portfolios, determining the high-risk sectors and the Expected Credit Losses for each. The review considered the macro-economic outlook, customer credit quality, type and value of collateral held, exposure at default and the effect of payment deferral options as at the reporting date. Based on the analysis performed as at 31 December 2021, an overlay adjustment specifically related to the COVID-19 pandemic was considered necessary and was applied.

To support our customers from the continued impact of the pandemic, the banking subsidiaries in the Group offered a moratorium to customers in good standing, which included a deferral of monthly instalments, including the principal and interest, for a period of one to six months beginning on the date of acceptance, with interest continuing to accrue during the period of the moratorium. These loans amounted to \$209 million as at 31 December 2021 (2020: \$363 million).

The financial impact of the moratorium was not material and these loans were not determined to be restructured.

Impairment of intangible assets

The effects of COVID-19 on future cashflows, were taken into account in the Group's assessment of the impairment of goodwill and other intangible assets.

Goodwill assigned to the CGUs affected by the pandemic were tested for impairment and it was determined that goodwill was not impaired. The Group will continue to monitor the effect of COVID-19 and the impact on goodwill and intangible assets.

Going concern

In accordance with the requirements of IAS 1 'Presentation of Financial Statements', the Group has performed a going concern assessment as of the reporting date. While the COVID-19 pandemic has heightened the inherent uncertainty in the going concern assessment, the Group has concluded that there are no material uncertainties that may cast significant doubt on the ability of its subsidiaries to continue to operate as a going concern. The consolidated financial statements have therefore been prepared on the going concern basis.

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(Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

(continued)

Impact of COVID-19 (continued)

Consideration of the consolidated statement of financial position and further disclosures (continued)

Leases

The Group elected to apply the practical expedient issued by the IASB in May 2020 and the amendment issued in March 2021, whereby COVID-19 rent concessions offered to the Group (as the lessee) were not treated as lease modifications as defined in IFRS 16, but as an adjustment to the lease liability recorded through the consolidated statement of comprehensive income. The lease arrangements impacted by this practical expedient related to property leases, and the changes/concessions offered by the lessors met one or all of the following criteria:

- The change in lease payments resulted in a revised consideration for the lease that was substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- The reduction in lease payments impacted only payments originally due on or before 30 June 2022.
- There was no substantive change to other terms and conditions of the lease.

Refer to Note 7 for further disclosures.

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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(Continued)

4. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2021	Land & building freehold	Land & building leasehold	Plant	Other assets	Capital W.I.P	Total
Gross carrying amounts, 1 January 2021	1,113,324	172,987	2,341,287	1,083,784	73,384	4,784,766
Additions	3,070	2,376	28,926	98,254	231,109	363,735
Acquired in business combinations	–	2,493	–	7,458	–	9,951
Transfers from/(to) investment properties (Note 5)	22,480	5,982	–	–	(8,304)	20,158
Transfers from work in progress	8,726	2,308	52,127	93,376	(156,537)	–
Disposals, write downs and other movements	(12,231)	(17,794)	(48,967)	(191,340)	(1,287)	(271,619)
Gross carrying amounts, 31 December 2021	<u>1,135,369</u>	<u>168,352</u>	<u>2,373,373</u>	<u>1,091,532</u>	<u>138,365</u>	<u>4,906,991</u>
Accumulated depreciation, 1 January 2021	278,987	85,544	1,418,566	601,625	–	2,384,722
Depreciation	22,602	10,475	136,297	184,740	–	354,114
Acquired in business combinations	–	1,951	–	6,457	–	8,408
Transfers from investment properties (Note 5)	–	536	–	–	–	536
Disposals, write downs and other movements	(2,434)	(14,072)	(37,057)	(159,099)	–	(212,662)
Accumulated depreciation, 31 December 2021	<u>299,155</u>	<u>84,434</u>	<u>1,517,806</u>	<u>633,723</u>	<u>–</u>	<u>2,535,118</u>
Net carrying amounts, 31 December 2021	<u>836,214</u>	<u>83,918</u>	<u>855,567</u>	<u>457,809</u>	<u>138,365</u>	<u>2,371,873</u>

Other assets include furniture and fittings, motor vehicles, computer equipment and other tangible fixed assets.

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4. PROPERTY, PLANT AND EQUIPMENT (continued)

Year ended 31 December 2020	Land & building freehold	Land & building leasehold	Plant	Other assets	Capital W.I.P	Total
Gross carrying amounts, 1 January 2020	1,006,963	199,490	2,423,809	884,485	86,675	4,601,422
Additions	4,533	4,920	37,618	91,238	191,969	330,278
Acquisition of subsidiary	–	–	–	–	–	–
Transfers from investment properties (Note 5)	49,653	–	–	–	–	49,653
Transfers from work in progress, disposals, write downs and other movements	52,175	(31,423)	(120,140)	108,061	(205,260)	(196,587)
Gross carrying amounts, 31 December 2020	<u>1,113,324</u>	<u>172,987</u>	<u>2,341,287</u>	<u>1,083,784</u>	<u>73,384</u>	<u>4,784,766</u>
Accumulated depreciation, 1 January 2020	238,698	83,706	1,294,386	592,866	–	2,209,656
Depreciation	22,577	8,131	139,164	181,103	–	350,975
Transfers from investment properties (Note 5)	4,152	–	–	–	–	4,152
Disposals, write downs and other movements	13,560	(6,293)	(14,984)	(172,344)	–	(180,061)
Accumulated depreciation, 31 December 2020	<u>278,987</u>	<u>85,544</u>	<u>1,418,566</u>	<u>601,625</u>	<u>–</u>	<u>2,384,722</u>
Net carrying amounts, 31 December 2020	<u>834,337</u>	<u>87,443</u>	<u>922,721</u>	<u>482,159</u>	<u>73,384</u>	<u>2,400,044</u>

Other assets include furniture and fittings, motor vehicles, computer equipment and other tangible fixed assets.

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5. INVESTMENT PROPERTIES	2021	2020
Balance 1 January	200,537	235,653
Transfers to property, plant and equipment (net) (Note 4)	(19,622)	(45,501)
Additions	9,055	132
Disposals	(11,600)	–
Foreign exchange differences and other movements	(3,246)	11,218
Depreciation for the year	<u>(2,428)</u>	<u>(965)</u>
Balance 31 December	<u><u>172,696</u></u>	<u><u>200,537</u></u>
Investment properties at cost	203,684	251,568
Accumulated depreciation	<u>(30,988)</u>	<u>(51,031)</u>
Net carrying amount	<u><u>172,696</u></u>	<u><u>200,537</u></u>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations at year end to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The property rental income earned by the Group from third parties during the year from its investment properties, amounted to \$22,803 (2020: \$24,640). Direct operating expenses arising on the investment properties amounted to \$9,649 (2020: \$13,245).

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6. INTANGIBLE ASSETS

	Goodwill	Brands, licenses and contracts	Computer software	Total
<i>Gross carrying amounts, 1 January 2021</i>	286,061	150,468	226,844	663,373
Goodwill on acquisition (Note 39)	43,855	–	–	43,855
Other intangibles acquired on acquisition (Note 39)	–	81,042	–	81,042
Computer software purchased	–	–	17,738	17,738
Foreign exchange differences	–	–	(153)	(153)
Transfers	–	–	1,746	1,746
Disposals and other adjustments	–	–	(2,041)	(2,041)
Gross carrying amounts, 31 December 2021	329,916	231,510	244,134	805,560
<i>Accumulated impairment and amortisation, 1 January 2021</i>	(16,384)	(11,227)	(99,605)	(127,216)
Amortisation	–	(2,213)	(20,419)	(22,632)
Impairment	–	–	–	–
Disposals and other adjustments	–	3	2,107	2,110
Accumulated impairment and amortisation, 31 December 2021	(16,384)	(13,437)	(117,917)	(147,738)
Net carrying amounts, 31 December 2021	313,532	218,073	126,217	657,822
<i>Gross carrying amounts, 1 January 2020</i>	295,468	151,160	206,041	652,669
Computer software purchased	–	–	2,023	2,023
Foreign exchange differences	(7)	(7)	(157)	(171)
Transfers	–	–	15,419	15,419
Disposals and other adjustments	(9,400)	(685)	3,518	(6,567)
Gross carrying amounts, 31 December 2020	286,061	150,468	226,844	663,373
<i>Accumulated impairment and amortisation, 1 January 2020</i>	(26,296)	(4,156)	(79,220)	(109,672)
Amortisation	–	–	(19,879)	(19,879)
Impairment	–	(7,731)	–	(7,731)
Disposals and other adjustments	9,912	660	(506)	10,066
Accumulated impairment and amortisation, 31 December 2020	(16,384)	(11,227)	(99,605)	(127,216)
Net carrying amounts, 31 December 2020	269,677	139,241	127,239	536,157

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6. INTANGIBLE ASSETS (continued)

Goodwill

In accordance with IFRS 3, 'Business Combinations', goodwill acquired through business combinations has been allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units to which goodwill relates. The following table highlights the goodwill and impairment testing information for each cash-generating unit, as well as the assumptions to which the impairment testing were most sensitive:

Subsidiary	Cash generating unit	Carrying amount of goodwill	Discount rate	Growth rate (extrapolation period)	Year of acquisition
Grenada Breweries Limited	Manufacturing, packaging & brewing	1,134	13.90%	1.00%	2002
A.S. Bryden & Sons (Barbados) Limited	Automotive, trading & distribution	21,009	15.90%	1.50%	2004
Sissons Paints Limited	Manufacturing, packaging & brewing	6,167	11.50%	1.00%	2008
Standard Distributors Limited	Media, retail, services & parent company	45,165	13.70%	1.00%	2012
Alstons Marketing Company Limited	Automotive, trading & distribution	11,795	12.50%	1.00%	2013
Indian River Beverage Corporation	Manufacturing, packaging & brewing	26,174	7.70%	2.00%	2016
Easi Industrial Supplies Limited	Manufacturing, packaging & brewing	60,233	14.30%	1.00%	2016
ANSA Coatings International Limited	Manufacturing, packaging & brewing	24,601	11.5% - 13.5%	1.00%	2017
Trinidad Aggregate Products Limited (TAP)	Manufacturing	57,885	15.30%	1.00%	2019
Trident Insurance Company Limited	Media, retail, services & parent company	15,514	13.60%	1.00%	2019
ANSA Bank Limited	Banking	43,855	N/A	N/A	2021
		<u>313,532</u>			

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6. INTANGIBLE ASSETS (continued)

Brands, licenses and contracts

Intangible assets also include the brands, licenses and contracts arising from the acquisition of Sissons Paints Limited, ANSA Coatings International Limited, Indian River Beverage Corporation, the Mackeson brand, various broadcast licenses and rights, banking license and customer contracts which were recognised at fair value at the acquisition dates.

Subsequent to initial recognition, brands and licenses were carried at cost and are expected to have an indefinite life due to the overall strength and longevity of the brands. Impairment tests were performed on the indefinite life brands and radio licenses at year end and there were no impairment arising other than for the Mackeson brand, which was recognized in 2020.

The Mackeson brand has been granted for a term of twenty-five (25) years with the option to renew at little or no cost to the Group, and is therefore treated as an indefinite life brand. Previous radio licenses acquired have been renewed and have allowed the Group to determine that this asset has an indefinite useful life. The banking license is tied directly to the operations of the bank as the bank cannot legally operate without. It is expected that the bank would continue into the foreseeable future with no anticipated cessation date and as such the bank license would have an indefinite useful life.

The following table highlights the impairment testing information for each brand, license and contract as well as the assumptions to which the impairment testing were most sensitive:

Brands and licenses	Cash generating unit	Carrying amount of brands and licenses	Discount rate	Growth rate (extrapolation period)
Berger brand	Manufacturing, packaging & brewing	46,042	11.5% - 13.5%	1.00%
Indian River Beverage Corporation	Manufacturing, packaging & brands	25,625	7.70%	2.00%
Mackeson brand	Manufacturing, packaging & brewing	36,965	11.90%	2.00%
Broadcast licenses	Media, retail, services & parent company	11,223	13.60%	1.00%
Sissons brand	Manufacturing, packaging & brewing	14,108	11.50%	1.00%
Banking License	Banking	60,242	N/A	N/A
Intangible assets subject to impairment testing		<u>194,205</u>		

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6. INTANGIBLE ASSETS (continued)

Brands, licenses and contracts (continued)

With the exception of ANSA Bank Limited, for all other impairment tests for goodwill, brands and licenses, the recoverable amount of the relevant business units was determined based on value in use calculations using pre-tax cash flow projections over a five-year term. These projections are based on financial budgets approved by the Board of Directors of the respective companies. In assessing value in use, some budgets were adjusted to deliver an adequate balance between historic performance and likely future outcomes. Growth rates are based on published industry research where available or on the historic average of real gross domestic product (GDP) for the local economy.

The recoverable amount for the goodwill and other intangibles of ANSA Bank Limited was determined based on the fair value less cost of disposal model. This was done using the market approach, which considers comparable trading multiples to estimate the fair value.

Intangible assets subject to impairment testing	194,205
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Intangible assets not subject to impairment testing

Customer contracts	Banking	18,587
Contract manufacturing agreements	Manufacturing, packaging & brewing	<u>5,281</u>
Total brands, licenses and contracts		<u>218,073</u>

The useful life of the contract manufacturing agreements is 20 years. The useful life of the customer contracts is 7 years.

Computer software

Intangible assets also include the internal development cost arising from the Enterprise Resource Planning (ERP) Project which was recognised at fair value at the capitalisation date. Subsequent to initial recognition, computer software was carried at cost, less amortisation and impairment losses where necessary, and is expected to have a finite life not exceeding ten (10) years.

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7. LEASES

Group as a lessee

The Group has lease contracts for various items of land, building, plant and machinery, motor vehicles and other assets used in its operations. Leases of land and building generally have lease terms between 2 and 30 years, while plant and machinery, motor vehicles and other equipment generally have lease terms between 3 and 5 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of equipment and machinery with lease terms of 12 months or less and leases of plant and machinery with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Group recognised rent expense from short-term leases of \$1,002 (2020: \$509) and from low-value assets of \$231 (2020: \$0) for the year ended 31 December 2021. The Group also recognised rent expense relating to variable lease payments of \$1,142 (2020: \$232) for the year ended 31 December 2021.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and building	Plant and machinery	Motor Vehicles	Other equipment	Total
As at 1 January 2021	62,285	6,156	39	61	68,541
Additions	83,485	–	220	76	83,781
Depreciation	(44,599)	(2,108)	(72)	(91)	(46,870)
Other movements	(1,864)	93	38	332	(1,401)
As at 31 December 2021	<u>99,307</u>	<u>4,141</u>	<u>225</u>	<u>378</u>	<u>104,051</u>
As at 1 January 2020	86,520	9,656	–	–	96,176
Additions	8,432	80	–	53	8,565
Depreciation	(34,454)	(2,164)	(79)	(31)	(36,728)
Other movements	1,787	(1,416)	118	39	528
As at 31 December 2020	<u>62,285</u>	<u>6,156</u>	<u>39</u>	<u>61</u>	<u>68,541</u>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021	2020
As at 1 January	64,916	98,741
Additions	83,781	8,565
Principal payments	(40,432)	(26,347)
Interest payments	(6,100)	(4,473)
Accretion of interest (Note 26)	6,100	4,473
Modifications and other movements	2,453	(15,906)
Foreign exchange	(274)	(137)
As at 31 December	<u>110,444</u>	<u>64,916</u>
Current	34,956	30,894
Non-current	75,488	34,021

The maturity analysis of lease liabilities are disclosed in Note 33.

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7. LEASES (continued)

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within five years	More than five years	Total
Extension options expected not to be exercised	140	–	140
Termination options expected to be exercised	–	–	–

Group as lessor - Operating lease commitments

The Group is involved in leases on motor vehicles, computer equipment and investment properties. These non-cancellable leases have remaining terms of up to 6 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2021	2020
Within one year	8,434	10,223
After one year but not more than five years	4,564	4,702
After five years	–	–
	<u>12,998</u>	<u>14,925</u>

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8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE INTERESTS

	2021	2020
Carrying value:		
Associates	110,175	165,918
Joint venture interests	<u>8,052</u>	<u>1</u>
	<u>118,227</u>	<u>165,919</u>
Share of results:		
Associates	7,952	14,261
Joint venture interests	<u>(3,202)</u>	<u>(1,066)</u>
	<u>4,750</u>	<u>13,195</u>

Associates

Significant associates interests at 31 December are as follows:

Company/Entity	Country of incorporation/ principal place of business	% Interest 2021	% Interest 2020
Trinidad Lands Limited	Republic of Trinidad and Tobago	40	40
Various interests held by ANSA McAL (Barbados) Limited	Various Caribbean islands and Barbados	23.5-49.5	23.5-49.5

In December 2021, the Group disposed of its interest in A.S. Bryden (Antigua) Ltd. and Brydens & Minors Ltd. in Antigua and recognized a gain on disposal of \$43.5 million which is included in operating profit (Note 25).

The following table illustrates the summarised financial information of the Group's investment in associates:

	2021	2020
Assets:		
Non-current assets	202,704	245,396
Current assets	<u>205,040</u>	<u>357,530</u>
	<u>407,744</u>	<u>602,926</u>
Liabilities:		
Non-current liabilities	45,243	39,398
Current liabilities	<u>88,088</u>	<u>137,972</u>
	<u>133,331</u>	<u>177,370</u>
Net assets	<u>274,413</u>	<u>425,556</u>
Average proportion of the Group's ownership	40%	39%
Carrying amount of the investment	<u>110,175</u>	<u>165,918</u>

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8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE INTERESTS (continued)

<i>Associates</i> (continued)	2021	2020
Revenue	881,508	865,877
Cost of sales	(637,681)	(608,841)
Administrative expenses	<u>(212,567)</u>	<u>(213,290)</u>
Profit before taxation	31,260	43,746
Taxation	(9,912)	(10,187)
Other comprehensive gain/(loss)	<u>80</u>	<u>(2,028)</u>
Total comprehensive income	<u>21,428</u>	<u>31,531</u>
Group's share of total comprehensive income	<u>7,952</u>	<u>14,261</u>
Dividends received for the year	<u>4,631</u>	<u>18,155</u>

The associates had no contingent liabilities or capital commitments as at 31 December 2021 or 2020. Depreciation included in administrative expenses and cost of sales is \$15,159 (2020: \$16,630).

Joint venture interest

The Group's investment consists of a joint venture arrangement with MPC Caribbean Clean Energy Fund for a 50% interest in a joint venture company, CCEF ANSA Renewable Energies Holdings Limited (CARE), a company incorporated in Barbados. CARE is the 100% owner of a 21MW wind farm, Tilawind S.A. which is located in Costa Rica. This joint venture represents the Group's entry into the renewable energy power sector.

In 2021, the Group invested an additional \$25.6 million in CCEF ANSA Renewable Energies Holdings Limited (CARE).

In 2021, the joint venture signed an agreement to acquire 72.8% of the shares in Monte Plata Solar Park in the Dominican Republic, with a capacity of 33.4MW. The transaction was not completed as at 31 December 2021.

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8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE INTERESTS (continued)

Joint venture interests (continued)

The Group's joint venture interest is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on the IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2021	2020
Assets:		
Non-current assets	234,144	249,030
Current assets	<u>76,268</u>	<u>25,025</u>
	<u>310,412</u>	<u>274,055</u>
Liabilities:		
Non-current liabilities	264,291	294,438
Current liabilities	<u>30,016</u>	<u>9,991</u>
	<u>294,307</u>	<u>304,429</u>
Net assets/(liabilities)	<u>16,105</u>	<u>(30,374)</u>
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	<u>8,052</u>	<u>1</u>
Summarised statement of comprehensive income for the joint venture interest:		
	2021	2020
Revenue	43,826	44,413
Administrative expenses	<u>(48,906)</u>	<u>(45,925)</u>
Loss before tax	(5,080)	(1,512)
Taxation	<u>(1,326)</u>	<u>(620)</u>
Total comprehensive loss for the year	<u>(6,406)</u>	<u>(2,132)</u>
Group's share of loss for the year	(3,202)	(1,066)

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8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE INTERESTS (continued)

Joint venture interests (continued)

No dividends were received from joint venture interests during 2021 or 2020. Depreciation included in administrative expenses is \$14,941 (2020: \$11,576). The joint venture entities had no contingent liabilities or capital commitments as at 31 December 2021 and 2020 and cannot distribute its profits until it obtains the consent from the two venture partners.

9. INVESTMENT SECURITIES	2021	2020
Investment securities designated as at fair value through statement of income	2,282,927	722,668
Investment securities measured at amortised cost	2,874,147	3,333,599
Investment securities measured at fair value through other comprehensive income	<u>32,655</u>	<u>72,424</u>
Total investment securities	<u><u>5,189,729</u></u>	<u><u>4,128,691</u></u>
Represented by:		
Non-current portion		
Investments at amortised cost maturing in more than one year	<u>2,225,749</u>	<u>2,852,562</u>
Current portion		
Investments at amortised cost maturing in less than one year	648,398	481,037
Investments at fair value through statement of income	2,282,927	722,668
Investments at fair value through other comprehensive income	<u>32,655</u>	<u>72,424</u>
	<u><u>2,963,980</u></u>	<u><u>1,276,129</u></u>

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9. INVESTMENT SECURITIES (continued)

	2021	2020
Investment securities designated as at fair value through statement of income		
Equities	1,524,297	519,527
Managed funds	628,609	–
Government bonds	12,055	69,950
State-owned company securities	47,490	66,377
Corporate bonds	<u>70,476</u>	<u>66,814</u>
	<u>2,282,927</u>	<u>722,668</u>
Investment securities measured at amortised cost		
Government bonds	583,240	659,659
State-owned company securities	597,091	878,246
Corporate bonds	<u>1,693,816</u>	<u>1,795,694</u>
	<u>2,874,147</u>	<u>3,333,599</u>
Investment securities measured at fair value through other comprehensive income		
Government bonds	5,463	28,777
Corporate bonds	<u>27,192</u>	<u>43,647</u>
	<u>32,655</u>	<u>72,424</u>
Total investment securities	<u>5,189,729</u>	<u>4,128,691</u>

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9. INVESTMENT SECURITIES (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit rating system, aging and year-end stage classification.

Investments at amortised cost	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at 31				
December 2021	2,784,556	32,009	103,882	2,920,447
ECL allowance	(15,090)	(691)	(30,519)	(46,300)
Net exposure at 31 December 2021	<u>2,769,466</u>	<u>31,318</u>	<u>73,363</u>	<u>2,874,147</u>
Investments at amortised cost				
Gross carrying amount at				
31 December 2020	3,027,760	270,897	84,355	3,383,012
ECL allowance	(12,060)	(11,697)	(25,656)	(49,413)
Net exposure at 31 December 2020	<u>3,015,700</u>	<u>259,200</u>	<u>58,699</u>	<u>3,333,599</u>
Impairment on investments at amortised cost				
ECL allowance as at 1 January 2021	(12,060)	(11,697)	(25,656)	(49,413)
Translation adjustments	–	–	(2)	(2)
ECL on new instruments and other adjustments	(2,779)	–	–	(2,779)
Other credit loss movements, repayments etc.	100	3,740	–	3,840
Charge-offs and write-offs	(351)	7,266	(4,861)	2,054
ECL allowance at 31 December 2021	<u>(15,090)</u>	<u>(691)</u>	<u>(30,519)</u>	<u>(46,300)</u>
Impairment on investments at amortised cost				
ECL allowance as at 1 January 2020	(5,980)	(9,359)	(40,723)	(56,062)
Translation adjustments	(9)	(1)	(1)	(11)
ECL on new instruments and other adjustments	(1,951)	(3,053)	3,176	(1,828)
Other credit loss movements, repayments etc.	826	–	–	826
Charge-offs and write-offs	(4,946)	716	11,892	7,662
ECL allowance at 31 December 2020	<u>(12,060)</u>	<u>(11,697)</u>	<u>(25,656)</u>	<u>(49,413)</u>
Investments at fair value through other comprehensive income				
Gross carrying amount at				
31 December 2021	32,655	–	–	32,655
ECL allowance	–	–	–	–
Net exposure at 31 December 2021	<u>32,655</u>	<u>–</u>	<u>–</u>	<u>32,655</u>

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(Continued)

9. INVESTMENT SECURITIES (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit rating system, aging and year-end stage classification. (continued)

	Stage 1	Stage 2	Stage 3	Total
Investments at fair value through other comprehensive income				
Gross carrying amount at 31 December 2020	73,242	–	–	73,242
ECL allowance	(818)	–	–	(818)
Net exposure at 31 December 2020	<u>72,424</u>	<u>–</u>	<u>–</u>	<u>72,424</u>
Impairment on investments at fair value through other comprehensive income				
ECL allowance as at 1 January 2021	(818)	–	–	(818)
ECL on new instruments and other adjustments	<u>818</u>	<u>–</u>	<u>–</u>	<u>818</u>
ECL allowance at 31 December 2021	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Impairment at fair value through other comprehensive income				
ECL allowance as at 1 January 2020	(1,643)	–	–	(1,643)
ECL on new instruments and other adjustments	<u>825</u>	<u>–</u>	<u>–</u>	<u>825</u>
ECL allowance at 31 December 2020	<u>(818)</u>	<u>–</u>	<u>–</u>	<u>(818)</u>

10. LOANS, ADVANCES AND OTHER ASSETS

Included herein are amounts receivable under hire purchase and finance lease agreements in the financial statements of various subsidiary companies in the financial services and retail sectors. Also included, are other interest bearing loans and advances of the Group which are stated at amortised cost.

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10. LOANS, ADVANCES AND OTHER ASSETS (continued)

	2021	2020
Hire purchase and finance leases	1,222,599	1,406,183
Mortgages, policy loans and other loans and advances	<u>1,084,547</u>	<u>512,599</u>
Total loans and advances	2,307,146	1,918,782
Other assets – reinsurance assets (Note 20)	<u>216,967</u>	<u>231,013</u>
Total loans, advances and other assets	2,524,113	2,149,795
Current portion	<u>(720,925)</u>	<u>(525,170)</u>
Non-current portion	<u>1,803,188</u>	<u>1,624,625</u>
Hire purchase and finance leases is analysed as follows:		
Hire purchase	1,301,019	1,578,446
Finance leases	<u>210,585</u>	<u>150,808</u>
	1,511,604	1,729,254
Less: Unearned finance charges	<u>(167,039)</u>	<u>(208,004)</u>
	1,344,565	1,521,250
Less: Provisions	<u>(121,966)</u>	<u>(115,067)</u>
Net hire purchase and finance leases	<u>1,222,599</u>	<u>1,406,183</u>
Mortgages, policy loans and other loans and advances is analysed as follows:		
Mortgages and policy loans	214,635	207,686
Other loans and advances	<u>892,777</u>	<u>316,498</u>
	1,107,412	524,184
Less: Provisions	<u>(22,865)</u>	<u>(11,585)</u>
Net mortgages, policy loans and other loans and advances	<u>1,084,547</u>	<u>512,599</u>

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10. LOANS, ADVANCES AND OTHER ASSETS (continued)

	2021	2020
Minimum lease payments of hire purchase and finance leases:		
Amounts due:		
Within one year	196,841	187,732
After one year but less than five years	859,880	924,421
More than five years	<u>454,883</u>	<u>617,101</u>
	<u>1,511,604</u>	<u>1,729,254</u>
Present value of minimum lease payments of hire purchase and finance leases:		
Amounts due:		
Within one year	174,315	173,624
After one year but less than five years	770,267	893,299
More than five years	<u>399,983</u>	<u>454,327</u>
	<u>1,344,565</u>	<u>1,521,250</u>
Sectorial analysis of total loans, advances and other assets:		
Personal	1,133,805	1,110,201
Commercial	1,301,064	966,940
Professional and other services	<u>89,244</u>	<u>72,654</u>
	<u>2,524,113</u>	<u>2,149,795</u>

As at 31 December 2021, the Group held repossessed vehicles with a fair value of \$6.8 million (2020: \$5.9 million). Repossessed vehicles are sold as soon as practical, with the proceeds used to reduce the outstanding indebtedness.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Gross carrying amount at 31 December 2021	2,081,250	208,406	162,321	2,451,977
ECL allowance	<u>(19,520)</u>	<u>(14,824)</u>	<u>(110,487)</u>	<u>(144,831)</u>
Net exposure at 31 December 2021	<u>2,061,730</u>	<u>193,582</u>	<u>51,834</u>	2,307,146
Other assets - reinsurance assets				<u>216,967</u>
Loans, advances and other assets				<u>2,524,113</u>

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10. LOANS, ADVANCES AND OTHER ASSETS (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:
(continued)

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at 31 December 2020	1,537,312	349,641	158,481	2,045,434
ECL allowance	<u>(11,843)</u>	<u>(17,447)</u>	<u>(97,362)</u>	<u>(126,652)</u>
Net exposure at 31 December 2020	<u>1,525,469</u>	<u>332,194</u>	<u>61,119</u>	1,918,782
Other assets – reinsurance assets				<u>231,013</u>
Loans, advances and other assets				<u>2,149,795</u>
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	(11,843)	(17,447)	(97,362)	(126,652)
ECL on new instruments issued during the year	(8,490)	(1,067)	(30,486)	(40,043)
Other credit loss movements, repayments etc.	742	3,690	(2,459)	1,973
Charge-offs and write-offs	71	–	19,820	19,891
Recoveries	–	–	–	–
ECL allowance at 31 December 2021	<u>(19,520)</u>	<u>(14,824)</u>	<u>(110,487)</u>	<u>(144,831)</u>
ECL allowance as at 1 January 2020	(9,625)	(5,785)	(72,725)	(88,135)
Translation adjustments	–	–	–	–
ECL on new instruments issued during the year	2,726	716	(4,461)	(1,019)
Other credit loss movements, repayments etc.	(4,782)	(12,378)	(35,855)	(53,015)
Charge-offs and write-offs	(162)	–	13,979	13,817
Recoveries	–	–	1,700	1,700
ECL allowance at 31 December 2020	<u>(11,843)</u>	<u>(17,447)</u>	<u>(97,362)</u>	<u>(126,652)</u>

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11. DEFERRED TAXATION

	2020	(Credit) / charge to			2021
		Consolidated statement of income (Note 27)	Life reserve and other movement	OCI	
Deferred tax assets					
Unutilised tax losses	(158,572)	17,036	7,645	–	(133,891)
Employee benefit liability, leases and other	(71,206)	(7,131)	599	2,120	(75,618)
	<u>(229,778)</u>	<u>9,905</u>	<u>8,244</u>	<u>2,120</u>	<u>(209,509)</u>
Deferred tax liabilities					
Property, plant and equipment	293,111	(8,413)	(1,852)	–	282,846
Employee benefit asset	262,072	8,041	2,632	32,305	305,050
Life insurance reserves	65,486	–	(2,168)	–	63,318
Unrealised investment gains	32,308	23,248	13,986	(423)	69,119
Other	21,469	79	(9,054)	–	12,494
	<u>674,446</u>	<u>22,955</u>	<u>3,544</u>	<u>31,882</u>	<u>732,827</u>
Net deferred tax charge		<u>32,860</u>			
	2019	(Credit) / charge to			2020
		Consolidated statement of income (Note 27)	Life reserve and other movement	OCI	
Deferred tax assets					
Unutilised tax losses	(185,209)	9,141	17,496	–	(158,572)
Employee benefit liability, leases and other	(52,628)	(2,165)	(16,374)	(39)	(71,206)
	<u>(237,837)</u>	<u>6,976</u>	<u>1,122</u>	<u>(39)</u>	<u>(229,778)</u>
Deferred tax liabilities					
Property, plant and equipment	297,340	(15,493)	11,188	76	293,111
Employee benefit asset	284,078	11,900	(4,380)	(29,526)	262,072
Life insurance reserves	59,512	–	5,974	–	65,486
Unrealised investment gains	50,286	(11,944)	(3,114)	(2,920)	32,308
Other	39,261	(384)	(17,415)	7	21,469
	<u>730,477</u>	<u>(15,921)</u>	<u>(7,747)</u>	<u>(32,363)</u>	<u>674,446</u>
Net deferred tax income		<u>(8,945)</u>			

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11. DEFERRED TAXATION (continued)

The Group has unutilised tax losses of \$526,172 (2020: \$483,134) available to be carried forward and applied against future taxable income of the Group. These losses have not yet been verified by the relevant Revenue authorities.

Some subsidiaries have incurred tax losses either in the current or prior year, yet recognised deferred tax assets of \$93,493 (2020: \$126,495) on some or all of their total taxation losses. The recoverability of these deferred tax assets depends on these subsidiaries' ability to generate future taxable profits. The Group believes that these deferred tax assets are recoverable because these losses are expected to shelter taxable profits in the foreseeable future.

The Group has \$198,467 (2020: \$68,513) of tax losses, representing the sum of tax losses for several years carried forward and related to subsidiaries that have a history of losses. The losses for some of these subsidiaries expire after seven years and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have no opportunities that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

12. EMPLOYEE BENEFITS

The Group has defined benefit, defined contribution and hybrid pension plan schemes in Trinidad & Tobago, Barbados, Jamaica and Guyana. The Group also provides certain post-retirement healthcare benefits to employees. These plans are governed by the deeds and rules of the specific plan and the employment laws relevant to the jurisdictions in which they operate.

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

	2021	2020
Contribution expense – Trinidad & Tobago plans	10,428	9,883
Contribution expense – Overseas plans	<u>3,359</u>	<u>1,620</u>
	<u>13,787</u>	<u>11,503</u>

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12. EMPLOYEE BENEFITS (continued)

The level of pension benefits provided under the defined benefit plans depends on the member's length of service and salary at retirement age. The defined benefit pension plans require contributions to be made to a separately administered fund. The fund has a separate legal form and is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The Board of Trustees periodically reviews the level of funding in the pension plan. Such a review includes the asset-liability matching strategy and investment risk management policy which considers the term of the pension obligation while simultaneously remaining compliant with the requirements of the Pension Act. The pension plans are exposed to inflation, interest rate risks and changes in the life expectancy for pensioners in the relevant jurisdictions. As the plan assets include significant investments in quoted equity shares, the Group is also exposed to equity market risk.

	2021	2020
Employee benefits asset		
Trinidad & Tobago plans (See Note 12 (a))	1,021,659	867,549
Overseas plans (See Note 12 (b))	<u>57,648</u>	<u>38,734</u>
	<u>1,079,307</u>	<u>906,283</u>
Employee benefits liability		
Trinidad & Tobago plans (See Note 12 (a))	66,066	63,995
Overseas plans (See Note 12 (b))	<u>30,834</u>	<u>34,935</u>
	<u>96,900</u>	<u>98,930</u>

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12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans

The amounts recognised in the consolidated statement of financial position are as follows:

Defined benefit pension plans			Other post - employment benefits	
2020	2021		2021	2020
1,170,484	1,176,467	Present value of obligations	66,066	63,995
<u>(2,056,520)</u>	<u>(2,217,830)</u>	Fair value of plan assets	<u>—</u>	<u>—</u>
(886,036)	(1,041,363)	Benefit (surplus)/deficit	66,066	63,995
<u>18,487</u>	<u>19,704</u>	Unrecognised portion	<u>—</u>	<u>—</u>
<u>(867,549)</u>	<u>(1,021,659)</u>		<u>66,066</u>	<u>63,995</u>

Based on the report of the Pension Plans' actuary, the present value of any economic benefits available in the form of reductions in future contributions to the defined benefit plans has been limited in accordance with IAS 19, 'Employee Benefits'.

Return on plan assets

2020	2021	2021	2020
<u>(12,831)</u>	<u>215,682</u>	<u>—</u>	<u>—</u>

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12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

Movements in the net (asset)/liability recognised in the consolidated statement of financial position are as follows:

Defined benefit pension plans			Other post - employment benefits	
2020	2021		2021	2020
(947,626)	(867,549)	Net (asset)/liability at 1 January	63,995	69,702
(19,507)	(11,377)	Net (income)/expense recognised in the consolidated statement of income	3,441	62
115,639	(125,686)	Net (income)/expense recognised in the consolidated statement of comprehensive income	1,267	(793)
<u>(16,055)</u>	<u>(17,047)</u>	Contributions/benefits paid	<u>(2,637)</u>	<u>(4,976)</u>
<u>(867,549)</u>	<u>(1,021,659)</u>		<u>66,066</u>	<u>63,995</u>

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12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

Changes in the defined benefit obligation, fair value of plan assets and movements in other post-employment benefit plans:

	Defined benefit obligation	Fair value of plan assets	Unrecogni- sed portion	Defined benefit pension plans	Other post- employment benefits
Balance at 1 January 2021	<u>1,170,484</u>	<u>(2,056,520)</u>	<u>18,487</u>	<u>(867,549)</u>	<u>63,995</u>
<i>Pension cost charged to profit or loss</i>					
Current service cost	30,338	–	–	30,338	2,573
Past service cost	–	–	–	–	(1,861)
Administrative expenses	–	2,796	–	2,796	–
Curtailment gain	(1,772)	325	–	(1,447)	–
Net interest loss/(gain)	<u>56,713</u>	<u>(99,777)</u>	<u>–</u>	<u>(43,064)</u>	<u>2,729</u>
Sub-total included in profit or loss	<u>85,279</u>	<u>(96,656)</u>	<u>–</u>	<u>(11,377)</u>	<u>3,441</u>
<i>Re-measurement (gains)/losses in OCI</i>					
Experience (gains)/losses - demographic	(10,998)	–	–	(10,998)	1,267
Experience (gains)/losses - financial	–	(115,905)	–	(115,905)	–
Remeasurement gains/(losses) - Financial	<u>–</u>	<u>–</u>	<u>1,217</u>	<u>1,217</u>	<u>–</u>
Sub-total included in OCI	<u>(10,998)</u>	<u>(115,905)</u>	<u>1,217</u>	<u>(125,686)</u>	<u>1,267</u>
<i>Other movements</i>					
Contributions by employee	15,987	(16,176)	–	(189)	–
Contributions by employer	–	(16,858)	–	(16,858)	–
Benefits paid	(84,285)	84,285	–	–	(2,637)
Transfers	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Sub-total - other movements	<u>(68,298)</u>	<u>51,251</u>	<u>–</u>	<u>(17,047)</u>	<u>(2,637)</u>
Balance at 31 December 2021	<u>1,176,467</u>	<u>(2,217,830)</u>	<u>19,704</u>	<u>(1,021,659)</u>	<u>66,066</u>

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12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

Changes in the defined benefit obligation, fair value of plan assets and movements in other post-employment benefit plans: (continued)

	Defined benefit obligation	Fair value of plan assets	Unrecognised portion	Defined benefit pension plans	Other post- employment benefits
Balance at 1 January 2020	<u>1,125,025</u>	<u>(2,090,189)</u>	<u>17,538</u>	<u>(947,626)</u>	<u>69,702</u>
<i>Pension cost charged to profit or loss</i>					
Current service cost	31,019	–	–	31,019	2,746
Past service cost	–	–	–	–	(5,523)
Administrative expenses	–	1,834	–	1,834	–
Curtailment gain	(5,177)	–	–	(5,177)	167
Net interest loss/(gain)	<u>55,831</u>	<u>(103,014)</u>	<u>–</u>	<u>(47,183)</u>	<u>2,672</u>
Sub-total included in profit or loss	<u>81,673</u>	<u>(101,180)</u>	<u>–</u>	<u>(19,507)</u>	<u>62</u>
<i>Re-measurement (gains)/ losses in OCI</i>					
Experience losses - demographic	(1,155)	–	–	(1,155)	(793)
Experience losses - financial	–	115,845	–	115,845	–
Remeasurement gains/(losses) - Financial	<u>–</u>	<u>–</u>	<u>949</u>	<u>949</u>	<u>–</u>
Sub-total included in OCI	<u>(1,155)</u>	<u>115,845</u>	<u>949</u>	<u>115,639</u>	<u>(793)</u>
<i>Other movements</i>					
Contributions by employee	15,933	(15,933)	–	–	–
Contributions by employer	–	(16,055)	–	(16,055)	–
Benefits paid	(50,992)	50,992	–	–	(4,976)
Transfers	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Sub-total - other movements	<u>(35,059)</u>	<u>19,004</u>	<u>–</u>	<u>(16,055)</u>	<u>(4,976)</u>
Balance at 31 December 2020	<u>1,170,484</u>	<u>(2,056,520)</u>	<u>18,487</u>	<u>(867,549)</u>	<u>63,995</u>

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12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

The major categories of plan assets as a percentage of total plan assets are as follows:

	2021	2020
Local equities – quoted	31%	28%
Local bonds	32%	36%
Foreign investments	24%	24%
Real estate/mortgages	2%	2%
Short-term securities	11%	10%

Principal actuarial assumptions at the reporting date:

Discount rate at 31 December	5%	5%
Future salary increases	3%	3%
Future medical claims inflation	3%	3%

Shown below is a quantitative sensitivity analysis for the impact of significant assumptions on the defined benefit obligation:

Assumptions	Discount rate		Future salary increases		Future medical claims inflation	
	+1%	-1%	+1%	-1%	+1%	-1%
At 31 December 2021	(130,677)	163,572	39,040	(34,634)	5,965	(4,770)
At 31 December 2020	(132,906)	166,548	38,890	(34,476)	5,783	(4,607)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

The pension plan is maintained at a significant surplus. The Group has chosen not to take any contribution holidays to ensure the continued health of the plan in changing economic circumstances. The Group's contribution rate of 4% to 6% of pensionable salaries will continue into the foreseeable future.

The Group is expected to contribute \$16,298 to its defined benefit plans and \$10,246 to its post-employment Trinidad and Tobago benefit plans in 2022.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 14 years (2020: 14 years) for the defined benefit pension plan and 7 years (2020: 7 years) for other post-employment benefit plans.

(b) Overseas plans

The amounts recognised in the consolidated statement of financial position are as follows:

Defined benefit pension plans			Other post - employment benefits	
2020	2021		2021	2020
214,385	199,834	Present value of obligations	30,834	34,935
<u>(268,566)</u>	<u>(271,842)</u>	Fair value of plan assets	<u>—</u>	<u>—</u>
(54,181)	(72,008)	Benefit (surplus)/deficit	30,834	34,935
<u>15,447</u>	<u>14,360</u>	Unrecognised portion	<u>—</u>	<u>—</u>
<u><u>(38,734)</u></u>	<u><u>(57,648)</u></u>		<u><u>30,834</u></u>	<u><u>34,935</u></u>

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12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

Based on the report of the Pension Plans' actuary, the present value of any economic benefits available in the form of reductions in future contributions to the defined benefit plans has been limited in accordance with IAS 19, 'Employee Benefits'.

Return on plan assets:

2020	2021		2021	2020
(4,984)	23,669	Actual return on plan assets	-	-

Movements in the net (asset)/liability recognised in the consolidated statement of financial position are as follows:

Defined benefit pension plans			Other post - employment benefits	
2020	2021		2021	2020
(51,429)	(38,734)	Net (asset)/liability at 1 January	34,935	28,172
-	-	- Acquired in business combination	-	-
		Net (income)/expense recognised in the consolidated statement of		
3,317	(5,421)	income	562	10,339
		Net (income)/expense recognised in the consolidated statement of		
11,571	(12,313)	comprehensive income	(3,210)	(2,164)
(2,193)	(1,180)	Contributions/benefits paid	(1,453)	(1,412)
<u>(38,734)</u>	<u>(57,648)</u>		<u>30,834</u>	<u>34,935</u>

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(Continued)

12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

Changes in the defined benefit obligation, fair value of plan assets and movements in other post-employment benefit plans:

	Defined benefit obligation	Fair value of plan assets	Unrecognised portion	Defined benefit pension plans	Other post- employment benefits
Balance at 1 January 2021	<u>214,385</u>	<u>(268,566)</u>	<u>15,447</u>	<u>(38,734)</u>	<u>34,935</u>
<i>Pension cost charged to profit or loss</i>					
Current service cost	2,300	–	–	2,300	1,410
Past service cost	(4,777)	–	–	(4,777)	(2,863)
Administrative expenses	–	94	–	94	–
Net interest loss/(gain)	15,841	(18,879)	–	(3,038)	2,015
Net exchange loss/(gain)	–	–	–	–	–
Sub-total included in profit or loss	<u>13,364</u>	<u>(18,785)</u>	<u>–</u>	<u>(5,421)</u>	<u>562</u>
<i>Re-measurement (gain)/loss in OCI</i>					
Experience (gains)/losses					
- demographic	(7,665)	–	–	(7,665)	(3,210)
Experience losses - financial	–	(4,790)	–	(4,790)	–
Re-measurement loss - financial	–	–	142	142	–
Changes in asset ceiling	–	–	–	–	–
Sub-total included in OCI	<u>(7,665)</u>	<u>(4,790)</u>	<u>142</u>	<u>(12,313)</u>	<u>(3,210)</u>
<i>Other movements</i>					
Contributions by employee	1,640	(1,745)	–	(105)	–
Contributions by employer	105	(1,837)	–	(1,732)	–
Other movements	(3,763)	5,649	(1,229)	657	(522)
Benefits paid	<u>(18,232)</u>	<u>18,232</u>	<u>–</u>	<u>–</u>	<u>(931)</u>
Sub-total - other movements	<u>(20,250)</u>	<u>20,299</u>	<u>(1,229)</u>	<u>(1,180)</u>	<u>(1,453)</u>
Balance at 31 December 2021	<u>199,834</u>	<u>(271,842)</u>	<u>14,360</u>	<u>(57,648)</u>	<u>30,834</u>

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(Continued)

12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

Changes in the defined benefit obligation, fair value of plan assets and movements in other post-employment benefit plans: (continued)

	Defined benefit obligation	Fair value of plan assets	Unrecognised portion	Defined benefit pension plans	Other post- employment benefits
Balance at 1 January 2020	<u>205,960</u>	<u>(281,671)</u>	<u>24,282</u>	<u>(51,429)</u>	<u>28,172</u>
<i>Pension cost charged to profit or loss</i>					
Current service cost	2,892	–	–	2,892	1,602
Past service cost	3,973	–	–	3,973	6,573
Administrative expenses	–	27	–	27	–
Net interest loss/(gain)	15,168	(18,743)	–	(3,575)	2,164
Net exchange loss/(gain)	–	–	–	–	–
Sub-total included in profit or loss	<u>22,033</u>	<u>(18,716)</u>	<u>–</u>	<u>3,317</u>	<u>10,339</u>
<i>Re-measurement (gain)/loss in OCI</i>					
Experience (gains)/losses					
- demographic	(3,302)	–	–	(3,302)	(1,269)
Experience losses - financial	–	23,723	–	23,723	–
Re-measurement loss - financial	–	–	(8,850)	(8,850)	(895)
Changes in asset ceiling	–	–	–	–	–
Sub-total included in OCI	<u>(3,302)</u>	<u>23,723</u>	<u>(8,850)</u>	<u>11,571</u>	<u>(2,164)</u>
<i>Other movements</i>					
Contributions by employee	2,009	(2,183)	–	(174)	–
Contributions by employer	179	(2,213)	–	(2,034)	–
Other movements	–	–	15	15	–
Benefits paid	<u>(12,494)</u>	<u>12,494</u>	<u>–</u>	<u>–</u>	<u>(1,412)</u>
Sub-total - other movements	<u>(10,306)</u>	<u>8,098</u>	<u>15</u>	<u>(2,193)</u>	<u>(1,412)</u>
Balance at 31 December 2020	<u>214,385</u>	<u>(268,566)</u>	<u>15,447</u>	<u>(38,734)</u>	<u>34,935</u>

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12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2021	2020
Fixed deposits	17%	16%
Local equities - quoted, mortgage and real estate	48%	39%
Foreign investments	26%	35%
Bonds	9%	10%

Principal actuarial assumptions at the reporting date:

Discount rate at 31 December	7.5%	7.5%
Future salary increases	5.5%	5.5%
Future medical claims inflation	4.75% - 5.5%	4.75% - 5.5%

Shown below is a quantitative sensitivity analysis for the impact of significant assumptions on the defined benefit obligation:

Assumptions	Discount rate		Future salary increases		Future medical claims inflation	
	+1%	-1%	+1%	-1%	+1%	-1%
At 31 December 2021	(19,315)	23,675	7,378	(6,188)	(656)	808
At 31 December 2020	(30,070)	38,366	20,175	(17,940)	3,045	(2,107)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

The pension plan is maintained at a significant surplus. The Group has chosen not to take any contribution holidays to ensure the continued health of the plan in changing economic circumstances. The Group's contribution rate of up to 5% of pensionable salaries will continue into the foreseeable future.

The Group is expected to contribute \$1,754 to its overseas defined benefit plans and \$989 to its overseas post-employment benefit plans in 2022.

The average duration of the defined benefit obligation at the end of the reporting period is 12 years (2020: 13 years) for the defined benefit plan and 16 years (2020: 16 years) for the other post-employment benefits.

13. RESTRICTED CASH

A cash deposit account is held with Citibank Trinidad and Tobago Limited in the sum of TT\$100 million, as collateral against the US\$25 million Citibank Financing loan for the duration of loan as described in Note 19 and bears no interest. This deposit account is held for the specific purpose as described above and thus is not available for use in the normal day to day activities of the Group.

14. INVENTORIES

	2021	2020
Finished goods	703,024	681,263
Raw materials and work in progress	182,468	150,774
Goods in transit	106,805	124,164
Consumables and spares	<u>62,964</u>	<u>54,083</u>
	<u>1,055,261</u>	<u>1,010,284</u>

Inventories is presented net of provisions of \$149.2 million (2020: \$169.7 million) as at 31 December 2021.

The amount of inventories written back to cost of sales for the year amounted to \$63,436 (2020: \$3,419).

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15. TRADE, OTHER RECEIVABLES AND CONTRACT ASSETS

	2021	2020
Trade (net of provision) (Note 23)	625,198	595,602
Due from associates and joint venture interests (Note 36)	3,243	1,968
Due from other related parties (Note 36)	5,497	9,456
Right of return assets (Note 23)	753	757
Contract assets (Note 23)	12,140	9,775
Prepayments	129,681	61,488
Interest receivable	37,061	38,571
Insurance receivable	94,961	108,848
VAT recoverable	98,433	68,582
Taxation recoverable	30,851	31,277
Other receivables	<u>149,779</u>	<u>49,023</u>
	<u>1,187,597</u>	<u>975,347</u>

Contract assets

As at 31 December 2021, the Group has contract assets of \$12,140 (2020: \$9,775).

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	2021		2020	
	Trade	Other	Trade	Other
Balance at 1 January	123,666	19,466	104,609	9,780
Charge for the year (Note 25)	22,606	10,880	44,748	8,880
Recoveries, reversals and other	<u>(27,268)</u>	<u>(584)</u>	<u>(25,691)</u>	<u>806</u>
Balance at 31 December	<u>119,004</u>	<u>29,762</u>	<u>123,666</u>	<u>19,466</u>

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(Continued)

15. TRADE, OTHER RECEIVABLES AND CONTRACT ASSETS (continued)

As at 31 December, the ageing analysis of trade receivables is as follows:

		Neither past due nor	Past due but not impaired	Over 60 days
	Total	impaired	1 to 60 days	
2021	625,198	95,702	387,065	142,431
2020	595,602	209,763	289,035	96,804

The significant changes in the balances of trade receivables and contract assets are disclosed in Note 23 (b) while the information about the credit exposures are disclosed in Note 33.

16. CASH AND SHORT TERM DEPOSITS

	2021	2020
Cash and bank balances	2,549,294	2,591,431
Short term deposits	132,489	332,725
Fixed deposits	8,670	9,061
	<u>2,690,453</u>	<u>2,933,217</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months and earns interest at the respective short-term deposit rates. Fixed deposits carry maturity periods in excess of three months but within twelve months.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are derived as follows:

	2021	2020
Cash and short term deposits	2,690,453	2,933,217
Less: Central Bank reserve	(184,863)	(104,190)
Fixed deposits	(8,670)	(9,060)
	<u>2,496,920</u>	<u>2,819,967</u>

Central Bank reserve:

The Central Bank Reserve balance represents the amounts held at the Central Bank of Trinidad and Tobago and the Central Bank of Barbados as required under the respective regulatory pronouncements. The Central Bank of Trinidad and Tobago reserve account represents 10% of average deposit liabilities and is non-interest bearing. The Central Bank of Barbados reserve account represents 4% of average deposit liabilities and earned interest of 0.10% (2020: 0.10%). These funds are not available to finance day to day operations and as such are excluded from the cash reserves to arrive at cash and cash equivalents.

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17. STATED CAPITAL AND OTHER RESERVES 2021 2020

Authorised

Unlimited cumulative preference shares of no par value

Unlimited ordinary shares of no par value

Issued and fully paid

1,630 6% cumulative preference shares of no par value

176,197,617 (2020: 176,197,617) ordinary shares of no

par value converted into ordinary stock transferable in
units of no par value

163 163

175,403 175,403

175,566 175,566

of units
Thousands **\$**

At 1 January 2020

176,198 175,403

Stock options exercised during the year

— —

At 31 December 2020

176,198 175,403

Stock options exercised during the year

— —

At 31 December 2021

176,198 175,403

Treasury shares

The number and value of own equity shares (treasury shares) held by the Group is:

2021 **2020**

Number of shares (000's)

3,946 4,342

Value of shares (cost - \$000's)

17,964 38,674

As detailed in Note 2 (xxiv), the Group operates an Employee Share Ownership Plan (ESOP) in which shares purchased by the Plan are vested in the name of the Trustee. The cost of these unallocated ESOP shares are accounted for and disclosed within equity as treasury shares.

Participation in the Plan is entirely voluntary and details are as follows:

2021 **2020**

Number of members

495 472

Number of allocated shares (000's)

1,940 1,774

Market value of allocated shares held at 31 December (\$000's)

115,389 94,928

ANSA McAL LIMITED AND ITS SUBSIDIARIES

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(Continued)

17. STATED CAPITAL AND OTHER RESERVES (continued)

Other reserves

	Attributable to equity holders of the Parent				Total
	Statutory reserve fund	Statutory surplus reserve	General loan loss reserve	Foreign currency & other	
Balance, 1 January 2020	256,024	66,539	15,446	40,514	378,523
Total other comprehensive income for the year	–	–	–	8,825	8,825
Transfers and other movements	12,594	6,531	521	3,296	22,942
Balance, 31 December 2020	268,618	73,070	15,967	52,635	410,290
Total other comprehensive loss for the year	–	–	–	(2,250)	(2,250)
Transfers and other movements	11,678	(66,539)	(131)	27,639	(27,353)
Balance, 31 December 2021	280,296	6,531	15,836	78,024	380,687

Nature and purpose of other reserves

Statutory reserve fund

The Financial Institutions Act in the respective jurisdiction of the Group's Merchant Banking subsidiaries, requires a portion of the net profit of the Bank after deduction of taxes in each year be transferred to a statutory reserve fund.

Statutory surplus reserve

As previously required by Section 171 of the Insurance Act 1980 of Trinidad and Tobago at least 25% of the Insurance subsidiary's profit from general insurance business, for the preceding year is to be appropriated towards a statutory surplus reserve until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. This reserve is not distributable. Due to change in legislation and with the proclamation of the Insurance Act 2018 effective 1 January 2021, this requirement has been lifted in Trinidad and Tobago, and therefore the reserve is no longer required and was reversed. The amount remaining in the reserve relates to Trident Insurance Company Limited in Barbados.

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17. STATED CAPITAL AND OTHER RESERVES (continued)

Other reserves (continued)

Nature and purpose of other reserves (continued)

General loan loss reserve

The Group's Merchant Banking subsidiary has established a general reserve for loan losses in accordance with the guidelines issued by the Central Bank of Trinidad and Tobago. The reserve has been calculated at 0.5% of the loan balance at the year end and encompasses hire purchase loans, finance leases and premium financing loans after deducting unearned finance charges. This reserve has been accounted for as an appropriation of retained earnings and is included in other reserves in the consolidated statement of changes in equity.

Foreign currency reserve

The foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries into Trinidad and Tobago dollars (the Group's presentation currency).

18. CUSTOMERS' DEPOSITS AND OTHER FUNDING INSTRUMENTS

Sectoral analysis is as follows:

	2021	2020
Amounts due:		
Within 1 year	3,131,466	1,938,348
Over 1 year	<u>206,935</u>	<u>278,175</u>
	<u>3,338,401</u>	<u>2,216,523</u>

This balance represents deposit liabilities and other funding instruments included in the financial statements of the various subsidiary companies that are financial institutions.

	2021	2020
Individuals	973,952	906,376
Pension funds/Credit unions/Trustees	1,482,693	753,268
Private companies/estates/financial institutions	<u>881,756</u>	<u>556,879</u>
	<u>3,338,401</u>	<u>2,216,523</u>

Customers' deposits and other funding instruments include investment contract liabilities of \$273,902 (2020: \$265,923). These investment contract liabilities have neither reinsurance arrangements nor discretionary participation features.

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19. MEDIUM AND LONG TERM NOTES AND OTHER BORROWINGS

	2021	2020
Amounts due:		
Within 1 year	655,605	244,907
Over 1 year	195,261	638,087
	<u>850,866</u>	<u>882,994</u>

Medium and long term notes

Notes issued by the Group's Merchant Banking Subsidiary

In September 2015, the Bank issued a US\$30 million medium-term note which matured on 17 September 2021. Interest was set at a fixed rate of 4% per annum.

In November 2014, the Bank issued a TT\$250 million medium-term note maturing on 28 November 2022. Interest was set at a fixed rate of 3.35% per annum. An additional TT\$295 million medium-term note was issued on 5 June 2015 also maturing 28 November 2022 with the interest set at a fixed rate of 3.75% per annum.

RBC TTD Promissory Notes

The Group converted existing USD obligations to TTD cashflows, effectively removing tail-end foreign exchange risk from its statement of financial position, in addition to reducing the duration of its liabilities.

Existing USD debt related to the acquisition of Lewis Berger Overseas (Holdings) Limited and the Berger brands was refinanced to a TTD obligation in the form of a promissory note to RBC Merchant Bank Caribbean. The note was issued for a face value of TT\$119.543 million on 21 October 2021 and matures on 21 October 2024. Interest is fixed at 5.5% per annum. This loan is repayable via 36 monthly instalments of principal and interest. The current portion of this arrangement amounting to TT\$38.0 million is included in the current portion of medium and long term notes.

The Group similarly refinanced USD debt related to its renewable energy business in the form of another promissory note to RBC Merchant Bank Caribbean. The note was issued for a face value of TT\$53.251 million on 21 October 2021 and matures on 21 October 2024. Interest is fixed at 5.5% per annum. The current portion of this arrangement amounting to TT\$16.9 million is included in the current portion of medium and long term notes.

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19. MEDIUM AND LONG TERM NOTES AND OTHER BORROWINGS (continued)

Medium and long term notes (continued)

Citibank Loan Financing

The Group entered into a US\$25 million arrangement in the form of a promissory note with Citibank NA on 9 April 2021. The purpose of the loan was primarily to fund the initial phase of the Group's strategic plan to build a significant hard currency asset base, augmented through capital contributions and investment return.

The loan is repayable through quarterly principal repayments of US\$2.083 million, with interest due at 5.90% per annum on the reducing balance. The loan matures on 9 April 2024, with an early repayment option after 2 years in April 2023. The current portion of this amounting to TT\$56.1 million is included in the current portion of medium and long term notes.

The loan is secured by a cash collateral in the sum of TT\$100 million (refer to Note 13). The cash collateral account is held at Citibank (Trinidad & Tobago) Limited until maturity of the loan as described above, and bears no interest.

Other borrowings

This includes other interest bearing debt from third parties.

20. INSURANCE CONTRACTS' LIABILITIES	2021	2020
Due within one year:		
General insurance contracts	386,823	407,177
Life insurance contracts – outstanding claims	<u>44,586</u>	<u>57,022</u>
	431,409	464,199
Due over one year:		
Life insurance contracts	<u>1,332,536</u>	<u>1,237,526</u>
	<u>1,763,945</u>	<u>1,701,725</u>

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20. INSURANCE CONTRACTS' LIABILITIES (continued)

	Notes	2021			2020		
		Insurance contracts' liabilities	Reinsurers' share of liabilities (Note 10)	Net	Insurance contracts' liabilities	Reinsurers' share of liabilities (Note 10)	Net
Life insurance contracts	20 (a)	1,377,122	(17,368)	1,359,754	1,294,548	(15,549)	1,278,999
General insurance contracts	20 (b)	386,823	(199,599)	187,224	407,177	(215,464)	191,713
Total insurance contracts' liabilities		<u>1,763,945</u>	<u>(216,967)</u>	<u>1,546,978</u>	<u>1,701,725</u>	<u>(231,013)</u>	<u>1,470,712</u>

a) Life insurance contracts' liabilities may be analysed as follows:

	2021			2020		
	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net
With DPF	194,282	–	194,282	194,432	–	194,432
Without DPF	1,138,254	(17,368)	1,120,886	1,043,094	(15,549)	1,027,545
	1,332,536	(17,368)	1,315,168	1,237,526	(15,549)	1,221,977
Outstanding claims	44,586	–	44,586	57,022	–	57,022
Total life insurance contracts' liabilities	<u>1,377,122</u>	<u>(17,368)</u>	<u>1,359,754</u>	<u>1,294,548</u>	<u>(15,549)</u>	<u>1,278,999</u>

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20. INSURANCE CONTRACTS' LIABILITIES (continued)

a) Life insurance contracts' liabilities may be analysed as follows: (continued)

	2021			2020		
	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net
At 1 January	1,294,548	(15,549)	1,278,999	1,202,787	(13,776)	1,189,011
Premiums received	194,726	(15,448)	179,278	204,567	(14,481)	190,086
Liabilities realised for payment on death, surrender and other terminations in the year	(112,152)	13,629	(98,523)	(112,806)	12,708	(100,098)
At 31 December	<u>1,377,122</u>	<u>(17,368)</u>	<u>1,359,754</u>	<u>1,294,548</u>	<u>(15,549)</u>	<u>1,278,999</u>

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20. INSURANCE CONTRACTS' LIABILITIES (continued)

b) General insurance contracts' liabilities may be analysed as follows:

	2021			2020		
	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net
<i>i) Claims reported and IBNR</i>						
Claims reported and IBNR	172,612	(75,469)	97,143	183,016	(96,685)	86,332
Provisions for unearned premiums and unexpired notes	214,211	(124,130)	90,081	224,161	(118,779)	105,382
Total at end of year	<u>386,823</u>	<u>(199,599)</u>	<u>187,224</u>	<u>407,177</u>	<u>(215,464)</u>	<u>191,713</u>
Provisions for claims reported by policy	143,484	(72,147)	71,337	160,401	(86,714)	73,687
Provisions for claims incurred but not reported (IBNR)	40,502	(20,863)	19,639	42,649	(21,785)	20,864
	183,986	(93,010)	90,976	203,050	(108,499)	94,551
Cash paid for claims settled in the year	(141,314)	2,842	(138,472)	(187,424)	55,603	(131,821)
Increase in liabilities	129,939	14,700	144,639	167,390	(43,788)	123,602
Total at end of year	<u>172,611</u>	<u>(75,468)</u>	<u>97,143</u>	<u>183,016</u>	<u>(96,685)</u>	<u>86,332</u>

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20. INSURANCE CONTRACTS' LIABILITIES (continued)

(b) General insurance contracts' liabilities may be analysed as follows (continued):

i) Claims reported and IBNR (continued)

	2021			2020		
	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net
Provision for claims reported by policy holders	130,723	(54,676)	76,047	143,484	(72,124)	71,360
Provision for claims incurred but not reported (IBNR)	41,888	(20,792)	21,096	39,532	(24,560)	14,972
	<u>172,611</u>	<u>(75,468)</u>	<u>97,143</u>	<u>183,016</u>	<u>(96,684)</u>	<u>86,332</u>

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20. INSURANCE CONTRACTS' LIABILITIES (continued)

(b) General insurance contracts' liabilities may be analysed as follows (continued):

ii) Provisions for unearned premiums and unexpired risk

	2021			2020		
	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net	Insurance contracts' liabilities	Reinsurers' share of liabilities	Net
Provisions for unearned premiums	204,379	(112,561)	91,818	198,911	(99,084)	99,827
Provision for unexpired risk	19,781	(9,893)	9,888	19,620	(8,921)	10,699
	224,160	(122,454)	101,706	218,531	(108,005)	110,526
Increase/(decrease) in the period	556,187	(326,922)	229,265	534,793	(312,013)	222,780
Release in the period	(566,135)	325,245	(240,890)	(529,163)	301,238	(227,924)
Total at end of year	214,212	(124,131)	90,081	224,161	(118,780)	105,381
Provision for unearned premiums	190,780	(110,636)	80,144	204,380	(108,886)	95,494
Provision for unexpired risk	23,431	(13,494)	9,937	19,781	(9,893)	9,888
	214,211	(124,130)	90,081	224,161	(118,779)	105,381

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(Continued)

20. INSURANCE CONTRACT LIABILITIES (continued)

Claims development table

The risks associated with these insurance contracts and in particular, casualty insurance contracts, are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group has no known or reported latent claims such as disease or asbestosis and therefore no actuarial analysis is made. The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of total claims outstanding for each underwriting year has changed at successive year ends.

Accident year - Gross	2016	2017	2018	2019	2020	2021	Total
Estimate of outstanding claims costs (gross):							
- at end of accident year	130,018	130,705	167,363	171,263	139,677	179,601	918,627
- one year later	136,771	135,476	170,480	176,045	160,372	-	779,144
- two years later	133,504	132,018	170,603	176,037	-	-	612,162
- three years later	131,953	132,473	173,770	-	-	-	438,196
- four years later	134,663	137,152	-	-	-	-	271,815
- five years later	136,026	-	-	-	-	-	136,026
Current estimate of cumulative claims	136,026	137,152	173,770	176,037	160,372	179,601	962,958
Cumulative payments to date	(130,316)	(128,117)	(159,531)	(161,552)	(141,767)	(145,405)	(866,688)
Liability recognised in the consolidated statement of financial position	5,710	9,035	14,239	14,485	18,605	34,196	96,270
Total liability in respect of prior years							76,341
Total liability included in the consolidated statement of financial position							172,611

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20. INSURANCE CONTRACT LIABILITIES (continued)

Claims development table (continued)

The risks associated with these insurance contracts and in particular, casualty insurance contracts, are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group has no known or reported latent claims such as disease or asbestosis and therefore no actuarial analysis is made. The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of total claims outstanding for each underwriting year has changed at successive year ends.

Accident year - Net	2016	2017	2018	2019	2020	2021	Total
Estimate of outstanding claims costs (net):							
- at end of accident year	95,724	94,656	137,342	151,216	117,414	152,464	748,816
- one year later	103,218	103,054	138,801	155,240	123,085	-	623,398
- two years later	100,726	101,094	138,382	152,719	-	-	492,921
- three years later	99,844	101,502	140,418	-	-	-	341,764
- four years later	102,218	104,448	-	-	-	-	206,666
- five years later	102,975	-	-	-	-	-	102,975
Current estimate of cumulative claims	102,975	104,448	140,418	152,719	123,085	152,464	776,109
Cumulative payments to date	(99,138)	(98,099)	(132,005)	(142,780)	(112,022)	(130,067)	(714,111)
Liability recognised in the consolidated statement of financial position	3,837	6,349	8,413	9,939	11,063	22,397	61,998
Total liability in respect of prior years							35,145
Total liability included in the consolidated statement of financial position							97,143

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21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES

(a) Life insurance contracts and investment contracts

Terms and conditions

Insurance subsidiaries in the Group offer a combination of individual life, pension, annuity and group life contracts with and without discretionary participation features. These contracts are determined by actuaries and all subsequent valuation assumptions are determined by independent consulting actuaries.

Key assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions relating to both life insurance contracts and investment contracts. Assumptions in use are based on past experience, current internal data and conditions and external market indices and benchmarks, which reflect current observable market prices and other published information. Assumptions are determined as appropriate and prudent estimates are made at the date of valuation. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

For insurance contracts, estimates are made in two stages. Firstly, at inception of the contract, the Group determines the assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. Secondly, at the end of each reporting period, new estimates are developed to determine whether the liabilities are appropriate in light of the latest current estimates.

For investment contracts, assumptions used to determine the liabilities are also updated at the end of each reporting period to reflect latest estimates.

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21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES (continued)

(a) Life insurance contracts and investment contracts (continued)

Key assumptions (continued)

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

Mortality and morbidity rates

Assumptions are based on underlying experience as well as standard industry mortality tables, according to the type of contract written. For contracts that insure the risk of longevity, appropriate but not excessively prudent allowance is made for expected future mortality improvements. Assumptions are differentiated by sex, underwriting class and contract type.

Mortality rates higher than expected will lead to a larger number of insurance claims and claims will occur sooner than anticipated, which will increase the expenditure and reduce profits for the shareholders.

Investment return

The weighted average rate of return is derived from a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

Expenses

Operating expense assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. An increase in the level of expenses would result in an increase in expenditure thereby reducing profits for the shareholders.

Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and changes in policyholders' circumstances.

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(Continued)

21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES (continued)

(a) Life insurance contracts and investment contracts (continued)

Key assumptions (continued)

Lapse and surrender rates (continued)

The impact of a decrease in lapse rates at early duration of the policy would tend to reduce profits for the shareholders but lapse rates at later policy durations is broadly neutral in effect.

Sensitivities

The table below illustrates the impact of various changes in assumptions which are within a reasonable range of possible outcomes given the uncertainties involved in the estimation process. It demonstrates the effect of changes in key assumptions whilst other assumptions remain unchanged, if these assumptions were changed in a single calendar year. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact on the claims liabilities due to changes in assumptions, these assumption changes had to be done on an individual basis. It should also be stressed that these assumptions are nonlinear and larger or smaller impacts cannot easily be gleaned from these results.

Assumption change	Required increase in insurance contract liabilities	
	2021	2020
2% Increase in mortality	11,400	9,800
5% Increase in expenses	10,200	10,000
10% Change in lapse rates	9,400	8,900
1% Decrease in investment earnings	148,300	140,900

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21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES (continued)

(b) General insurance contracts

Terms and conditions

The major classes of general insurance written by insurance subsidiaries in the Group include motor, property, casualty, marine, general accident and other miscellaneous types of general insurance. Risks under these policies usually cover a 12 month duration.

For general insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and claims incurred but not yet reported) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the end of reporting period.

The provisions are refined as part of a regular ongoing process as claims experience develops, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Assumptions

The principal assumption underlying the estimates is the Group's past claims development experience. This includes assumptions in respect of average costs and claim numbers for each accident year. Claims provisions are separately analysed by geographical area and class of business. In addition, larger claims are usually separately assessed by loss adjusters. Judgment is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates, as well as testing reported claims subsequent to the end of reporting period.

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process and other factors is not possible to quantify. Furthermore, because of delays that arise between the occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claims provisions are not known with certainty at the end of the reporting period.

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21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES (continued)

(b) General insurance contracts (continued)

Assumptions (continued)

Sensitivities

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognised in subsequent consolidated financial statements.

22. TRADE AND OTHER PAYABLES	2021	2020
Trade	427,841	432,383
Due to associates and joint venture interests (Note 36)	578	1,191
Due to other related parties (Note 36)	3,104	236
Due to statutory authorities	136,163	84,216
Client funds	82,976	42,204
Accruals	237,079	238,787
Refund liabilities (Note 23)	1,188	1,204
Contract liabilities (Note 23)	8,054	15,526
Other payables	<u>306,521</u>	<u>265,224</u>
	<u>1,203,504</u>	<u>1,080,971</u>

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23. REVENUE

a) Disaggregated revenue information

Segments	For the year ended 31 December 2021				Total
	Construction, Manufacturing, packaging and brewing	Automotive, trading & distribution	Banking & Insurance	Media, retail, services & parent company	
Revenue from contracts with customers					
Agency services	–	–	–	10,260	10,260
Construction products	595,916	4,581	–	–	600,497
Construction services	17,029	21,834	–	–	38,863
Consumer, retail and IT products	–	1,962,990	–	249,510	2,212,500
Consumer, retail and IT services	1,011	66,001	–	–	67,012
Sale of beverages and bottles	1,658,763	–	–	–	1,658,763
Media sales	–	–	–	12,693	12,693
Media services	–	–	–	86,854	86,854
Manufactured products	209,450	–	–	–	209,450
Financial services	–	–	72,015	–	72,015
Subtotal	2,482,169	2,055,406	72,015	359,317	4,968,907
Revenue from insurance contracts (Note 25)					
	–	–	773,383	–	773,383
Total	2,482,169	2,055,406	845,398	359,317	5,742,290
Segments	For the year ended 31 December 2020				Total
	Construction, Manufacturing, packaging and brewing	Automotive, trading & distribution	Banking & Insurance	Media, retail, services & parent company	
Revenue from contracts with customers					
Agency services	–	7,518	–	3,703	11,221
Construction products	580,280	6,143	–	–	586,423
Construction services	17,052	18,032	–	–	35,084
Consumer, retail and IT products	–	2,019,866	–	233,675	2,253,541
Consumer, retail and IT services	1,765	55,107	–	–	56,872
Sale of beverages and bottles	1,616,253	–	–	–	1,616,253
Media sales	–	–	–	15,071	15,071
Media services	–	–	–	92,008	92,008
Manufactured products	199,686	–	–	–	199,686
Financial services	–	–	53,529	–	53,529
Subtotal	2,415,036	2,106,666	53,529	344,457	4,919,688
Revenue from insurance contracts (Note 25)					
	–	–	768,008	–	768,008
Total	2,415,036	2,106,666	821,537	344,457	5,687,696

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23. REVENUE (continued)

b) Contract balances

	2021	2020
Trade receivables (Note 15)	625,198	595,602
Contract assets (Note 15)	12,140	9,775
Contract liabilities (Note 22)	8,054	15,526

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2021, \$119,004 (2020: \$123,666) was recognised as provision for expected credit losses on trade receivables. There were no major changes to the trade receivables balance from the beginning to the end of the year.

Contract assets are initially recognised for revenue earned from installation services as receipt of consideration is conditional on successful completion of specific milestones or of the entire installation process. Upon acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. In 2021 and 2020, no provision was recognised for expected credit losses on contract assets.

Contract liabilities relate to billings made to customers for which no revenue was recognised. These billings may have been based on milestones being met that are not reflective of meaningful progress towards the satisfaction of performance obligations. Billings may also be based on advances required prior to or on commencement of work.

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23. REVENUE (continued)

c) Right of return assets and liabilities

	2021	2020
Right of return assets (Note 15)	<u>753</u>	<u>757</u>
Refund liabilities (Note 22) - Arising from rights of return	<u>1,188</u>	<u>1,204</u>

d) Performance obligations

Automotive sector

For the sale of motor vehicles and vehicle parts, the performance obligation is satisfied upon delivery of the vehicle or the vehicle parts to the customer. Payment is due upon delivery and is sometimes completed through a financial institution via a vehicular loan in the case of motor vehicle sales. In the case of credit customers, payment is due within 30 days of delivery. Customers are granted assurance-type warranties that cover manufacturer defects only. Partial refunds are provided to customers who return vehicle parts within the stipulated return period.

For vehicle repairs or as-required servicing, the performance obligation is satisfied upon the completion of repairs or servicing, which is usually completed within one day. Payment is due upon delivery of the repaired or serviced vehicle, or within 30 days, in the case of credit customers.

Vehicle servicing packages are also sold to customers. These performance obligations are satisfied over time, with payment being required at the inception of the contract.

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(Continued)

23. REVENUE (continued)

d) Performance obligations (continued)

Beverage sector

The performance obligation is satisfied upon delivery of the beverages and/or bottles. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit for a period of 7, 21 or 30 days. Returns due to damaged or expired products or sales errors are entitled to full refunds. Such returns usually occur within one month of delivery. Empty bottles and crates in good condition can be returned at any time in exchange for a partial refund. A deposit liability has been created based on the historic trends of such returns. Companies in this sector have no warranties.

Distribution sector

The performance obligation is satisfied upon delivery of various consumer products. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit for a period of 7, 21 or 30 days. Returns due to damaged or expired products or sales errors are entitled to full or partial refunds. Such returns usually occur within one month of delivery, but may occasionally occur outside of this period. Companies in this sector have no warranties.

Financial services sector

Revenue from contracts with customers in this sector relates to investment management and arrangement fees and spread income. The performance obligation for:

- Investment management fees is satisfied over time and payment is due quarterly in
- Arrangement fees is satisfied upon disbursement of the relevant loan and payment is due at that time.
- Spread income is satisfied upon the disbursement of the interest payment to investors and payment is due at that time.

Manufacturing sector

The performance obligation is satisfied upon delivery of manufactured products or of equipment purchased for resale. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit for a period of 7, 21 or 30 days. Returns due to damaged or faulty products or sales errors are entitled to full or partial refunds. Such returns usually occur within one month of delivery but may occasionally occur outside of this period. Warranties for equipment purchased for resale are provided for manufacturers' defects only.

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23. REVENUE (continued)

d) Performance obligations (continued)

Manufacturing sector (continued)

The performance obligation for the servicing of equipment as-and-when required is performed when the servicing is completed. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit for a period of 7, 21 or 30 days.

Equipment servicing packages are also sold to customers. These performance obligations are satisfied over time, with payment being required at the inception of the contract.

In some cases, installation services are provided to customers who purchase manufactured products or equipment purchased for resale. This performance obligation is separate from that for the supply of the relevant item and is satisfied over-time. Payment terms vary depending on the contract terms. In the case of short-term contracts, payment is generally due within 30 days of the completion of the installation. In the case of long-term contracts, payment is due according to a schedule of specific milestones.

Services sector

Performance obligations in this sector are generally satisfied over time, however in many cases, these performance obligations are typically completed within a day or a few days and therefore are recognised as if they are satisfied at a point in time for simplicity. These performance obligations include the supervision of loading or unloading of containers on a vessel, the facilitation of payments to principals by the ultimate customer, the co-ordination of all activities relating to the processing of voyages through various ports and the monitoring of the movement of containers. Payment is due within 30 days of completion of the relevant service.

The supply and installation of office equipment, including information technology solutions are considered separate performance obligations, satisfied upon delivery of the equipment or solution and over the period of installation, respectively. For supply only contracts, payment is required within 30 days of delivery. For supply and installation contracts, payment is often based on a schedule of milestones. No returns or refunds are allowed as customers must sign a completion certificate confirming successful installation. An assurance-type warranty of one to two years is provided, which covers manufacturers' defects only.

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(Continued)

23. REVENUE (continued)

d) Performance obligations (continued)

Media sector

Performance obligations in this sector are satisfied upon the appearance of the advertisement, the delivery of newspapers and the printing of third-party publications. Payment is due within 30 days of the completion of the relevant performance obligations. Refunds are granted only if the relevant performance obligation was not completed to the satisfaction of the customer. There are no warranties.

Where customers are granted access to the online newspaper or advertisements are placed for a period of time on a billboard, the performance obligation is satisfied over the subscription period. Payment is due at inception of the contract. Refunds are granted only if the relevant performance obligation was not completed to the satisfaction of the customer. There are no warranties.

Retail sector

The performance obligation is completed upon delivery of the relevant retail products. Payment is generally due within 30 days of delivery. Partial or full refunds are provided for returns within the stipulated return period, which varies from company to company. For some retail products, an assurance-type warranty of one to two years is provided, which covers manufacturers' defects only.

An extended or service-type warranty is provided for some retail products. This performance obligation is completed over the period of the extended warranty. Payment is due at inception of the contract. No refunds are allowed.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

	2021	2020
Within one year	22,393	45,810
More than one year	1,483	3,650
	<u>23,876</u>	<u>49,460</u>

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23. REVENUE (continued)

d) Performance obligations (continued)

The remaining performance obligations expected to be recognised in more than one year relate to installation services on various long-term contracts. All the other remaining performance obligations are expected to be recognised within one year.

24. SEGMENT INFORMATION

For management purposes, the Group's operating segments are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products.

The construction, manufacturing, packaging and brewing segment is a diversified supplier of construction building materials, beverage, glass, chemicals and paint products. The automotive, trading and distribution segment provides services in passenger vehicles, spare parts and household/consumer products. The banking and insurance segment provides services relating to commercial banking, asset financing, merchant banking and life and general insurance. The media, retail, services and parent company segment includes print, radio, television, retail, shipping and corporate services. Transfer prices amongst operating segments are set on an arm's length basis under normal commercial terms and conditions, similar to transactions with unrelated third parties. Segment revenue, expenses and results include transfers amongst operating segments. Those transfers are eliminated upon consolidation.

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ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

24. SEGMENT INFORMATION (continued)

	Construction, Manufacturing, packaging and brewing		Automotive, trading & distribution		Banking & Insurance		Media, retail, services & parent company		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue										
Total gross revenue	2,817,138	2,708,281	2,103,604	2,163,968	1,152,006	1,065,194	1,017,915	943,104	7,090,663	6,880,547
Inter-segment	(334,969)	(293,245)	(48,198)	(57,304)	(82,040)	(95,125)	(655,793)	(515,694)	(1,121,000)	(961,368)
Third party revenue	2,482,169	2,415,036	2,055,406	2,106,664	1,069,966	970,069	362,122	427,410	5,969,663	5,919,179
Results										
Finance costs	1,600	1,655	1,449	557	27,848	29,618	15,816	9,779	46,713	41,609
Depreciation and amortisation	285,262	273,874	39,806	38,819	44,051	41,023	56,925	55,956	426,044	409,672
Impairments	—	7,731	—	—	—	—	—	—	—	7,731
Reportable segment profit before taxation	346,329	364,590	160,799	125,526	370,562	208,686	57,570	24,515	935,260	723,317
Taxation expense	107,784	120,640	56,154	42,018	54,118	42,739	20,096	14,102	238,152	219,499
Share of results of associates and joint venture interests	—	—	—	—	499	—	4,251	13,195	4,750	13,195
Assets										
Reportable segment assets	3,333,933	3,180,217	1,502,704	1,454,135	9,374,016	7,724,075	3,249,985	3,346,166	17,460,638	15,704,593
Investment in associates and joint venture interests	—	—	—	—	10,176	—	108,051	165,919	118,227	165,919
Capital expenditure	244,125	238,651	37,845	26,931	96,044	44,500	12,514	21,673	390,528	331,755
Liabilities										
Reportable segment liabilities	476,816	430,113	461,187	458,982	6,519,162	5,126,051	667,628	722,696	8,124,793	6,737,842

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24. SEGMENT INFORMATION (continued)

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2021 or 2020.

Geographical information

	Trinidad & Tobago		Barbados		Other countries		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Third party revenue	4,340,926	4,353,531	834,986	877,034	793,751	688,614	5,969,663	5,919,179
Non-current assets	2,555,226	2,465,666	352,184	372,782	413,207	464,209	3,320,617	3,302,657

Other countries include Grenada, Guyana, St. Lucia, St. Kitts and Nevis, Jamaica and the USA. The revenue information is based on the relevant subsidiaries' principal place of business.

Non-current assets include property, plant and equipment, investment properties, intangible assets and investment in associates and joint venture interests.

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25. OPERATING PROFIT	2021	2020
Revenue		
Revenue from contracts with customers		
- Sale of goods	4,712,220	4,690,784
- Rendering of services	<u>256,687</u>	<u>228,904</u>
Total revenue from contracts with customers	4,968,907	4,919,688
Other revenue		
- Revenue from insurance contracts (Note 23)	773,383	768,008
- Finance charges, loan fees and other interest income	<u>227,373</u>	<u>231,483</u>
Total Other revenue	<u>1,000,756</u>	<u>999,491</u>
Total revenue	5,969,663	5,919,179
Cost of sales	<u>(3,546,190)</u>	<u>(3,513,062)</u>
Gross profit	2,423,473	2,406,117
Other income (see below)	366,242	355,300
Net gain/(loss) on disposal of property, plant and equipment, investment securities and other assets	257,741	(43,024)
Interest on customer deposits	(34,170)	(39,509)
Staff costs	(733,562)	(694,883)
Credit loss expense on financial assets (see below)	(40,051)	(75,161)
(Impairment)/reversal of impairment on property, plant and equipment, brands and licenses and associates	(2,785)	(9,013)
Depreciation and amortisation	(123,606)	(121,576)
Depreciation on right-of-use-assets	(44,387)	(34,187)
Administrative and distribution costs	(703,036)	(652,946)
Other general costs	<u>(388,636)</u>	<u>(339,387)</u>
Operating profit	<u>977,223</u>	<u>751,731</u>
Depreciation and amortisation included in cost of sales above amounts to \$258,051 (2020: \$253,909).		
Employee benefits expenses included in administrative and distribution costs above amounts to \$992 (2020: \$5,713).		
Net insurance revenue		
Revenue from insurance contracts	773,383	768,008
Costs related to revenue from insurance contracts - included in cost of sales above	<u>(353,798)</u>	<u>(362,980)</u>
	<u>419,585</u>	<u>405,028</u>

Revenue from insurance contracts amounting to \$362,980 previously presented within "Rendering of services" in Revenue from contracts with customers, has been reclassified to Other revenue in the category of "Revenue from insurance contracts" for the year ended 31 December 2020, to allow for consistent presentation with the current year.

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25. OPERATING PROFIT (continued)

The components of other income are as follows:

	2021	2020
Interest and investment income	143,835	148,882
Net exchange gains	75,202	50,813
Miscellaneous income	86,765	92,329
Rental income	22,803	24,640
Dividend income	16,794	12,885
Management and service fees	6,389	7,628
Commission income	14,429	18,005
Promotional income	25	118
	<u>366,242</u>	<u>355,300</u>

Credit loss on financial assets are as follows:

Credit loss on investments	(1,059)	1,831
Credit loss on loans, advances and other assets	18,504	28,582
Credit loss on trade receivables (Note 15)	22,606	44,748
	<u>40,051</u>	<u>75,161</u>

26. FINANCE COSTS

Interest on lease liabilities (Note 7)	6,100	4,473
Interest on medium and long term notes and other borrowings	39,996	37,136
Interest on overdrafts and other finance costs	617	-
	<u>46,713</u>	<u>41,609</u>

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27. TAXATION EXPENSE

	2021	2020
Consolidated statement of income		
Current year provision	188,432	209,429
Green fund levy	18,609	18,704
Adjustments to prior year tax provisions	(1,749)	311
Deferred tax expense/(income) (Note 11)	<u>32,860</u>	<u>(8,945)</u>
Income tax expense reported in the consolidated statement of income	<u><u>238,152</u></u>	<u><u>219,499</u></u>
The provision for income tax is as follows:		
Current year provision and green fund levy:		
Trinidad and Tobago	182,698	208,995
Other countries	<u>24,343</u>	<u>19,138</u>
	<u><u>207,041</u></u>	<u><u>228,133</u></u>
Adjustments to prior year tax provisions:		
Trinidad and Tobago	(1,996)	441
Other countries	<u>247</u>	<u>(130)</u>
	<u><u>(1,749)</u></u>	<u><u>311</u></u>
Deferred taxes:		
Trinidad and Tobago	38,462	(2,945)
Other countries	<u>(5,602)</u>	<u>(6,000)</u>
	<u><u>32,860</u></u>	<u><u>(8,945)</u></u>

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27. TAXATION EXPENSE (continued)

The following items represent the principal differences between income taxes computed at the aggregate statutory tax rates of all jurisdictions and the tax reported in the consolidated statement of income:

	2021	2020
Taxes at aggregate statutory tax rates of all jurisdictions:		
Trinidad and Tobago	151,192	180,605
Other countries	27,894	20,074
	<u>179,086</u>	<u>200,679</u>
Differences resulting from:		
Exempt income	(24,196)	(28,160)
Allowances	(7,499)	(32,952)
Adjustments to prior year tax provisions	(1,749)	311
Non-allowable expenses	48,594	47,996
Green fund and business levy	23,613	24,578
Other permanent differences	20,303	7,047
	<u>238,152</u>	<u>219,499</u>

28. EARNINGS PER SHARE

Basic earnings per share is computed by relating profit attributable to ordinary shareholders of the Parent (net of preference dividends) to the weighted average number of ordinary share units outstanding during the year. The weighted average number of shares has been adjusted for the removal of treasury shares.

Diluted earnings per share is computed by relating profit attributable to ordinary shareholders of the Parent to the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all potential dilutive ordinary shares into issued ordinary shares.

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28. EARNINGS PER SHARE (continued)	2021	2020
Profit attributable to ordinary shareholders of the Parent (net of preference dividend) (\$000's)	<u>594,764</u>	<u>423,236</u>
	Thousands of units	Thousands of units
Weighted average number of ordinary shares in issue (000's) –	172,252	171,856
Effect of dilution of share options	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares in issue (000's) –	<u>172,252</u>	<u>171,856</u>
Basic earnings per share (\$ per share)	\$3.45	\$2.46
Diluted earnings per share (\$ per share)	\$3.45	\$2.46
29. DIVIDENDS	2021	2020
6% Cumulative preference	10	10
2021: 30c Interim ordinary – paid (2020: 15c)	51,676	26,430
2020: 150c Final ordinary – paid (2019: nil)	<u>258,377</u>	<u>–</u>
	<u>310,063</u>	<u>26,440</u>

During the year ended 31 December 2021, an interim dividend of 30 cents per ordinary share (amounting to \$51,676) was declared and paid. The 2020 final ordinary dividend of 150 cents per ordinary share (amounting to \$258,377) has been included as a charge against retained earnings in the current year.

In addition, a final dividend of 150 cents (2020: 150 cents) per ordinary share in respect of 2021 has been declared by the Directors subsequent to year end. This 2021 final dividend amounting to \$258,377 is not recorded as a liability as at 31 December 2021.

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30. SHARE BASED TRANSACTIONS

In accordance with the Ordinary Resolution approved by members in the General Meeting dated 19 May 1988, 6,000,000 share units were allocated for share options under the control of the Board of Directors. Of that number, none were granted and exercised and 1,397 (2020: 7,888) have expired. None have been granted (2020: nil). The following table summarises the number and weighted average price of and movements in share options during the period:

	2021		2020	
	No. of options	Weighted average exercise price per share \$	No. of options	Weighted average exercise price per share \$
At 1 January	1,397	65.33	9,285	65.49
Granted	–	–	–	–
Expired	(1,397)	65.33	(7,888)	65.52
Exercised	–	–	–	–
At 31 December	<u>–</u>	–	<u>1,397</u>	65.33

Share options are granted to senior executives of the Group, and are settled by cash consideration. The exercise price of the granted options is equal to the market price of the shares at the grant date. Options are conditional on the Executives remaining in the Company's employ for periods ranging from a minimum of ten months to seven years after the date of issue. Thereafter, eligible executives have one year within which to exercise the option.

The table below summarises the share options that have been granted to Executives but have not been exercised at year end:

Grant date	No. of options granted	Exercise price (\$)	Fair value	Maturity date
9-May-18	<u>1,397</u>	65.33	26	8-May-21
	<u>1,397</u>			

The expense for share options charged within administrative expenses for the year was Nil (2020: Nil).

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31. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	2021	2020
(i) Guarantees, bills discounted, performance and customs bonds, acceptances and other contingencies	<u>358,838</u>	<u>246,034</u>

(ii) Litigation

In the ordinary course of business, certain subsidiaries became defendants in various legal claims and proceedings. Provisions have been established where necessary based on the professional advice received.

(iii) Capital commitments	2021	2020
Contracts for capital expenditure and other commitments not accounted for in these consolidated financial statements	<u>98,895</u>	<u>76,614</u>

32. FAIR VALUES

With the exception of insurance contracts which are specifically excluded under IFRS 7: Financial Instruments disclosures, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgment in interpreting market data and developing estimates. Consequently, the estimates made do not necessarily reflect the amounts that the Group could realise in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

The fair value information is based on information available to management as at the dates presented. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these consolidated financial statements and, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

(i) Short-term financial assets and liabilities

The carrying amounts of short-term financial assets and liabilities comprising the Group's cash and short-term deposits, fixed deposits, short-term borrowings, the current portion of customers' deposits and other funding instruments, current portion of medium and long term notes, trade and other receivables and trade and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

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32. FAIR VALUES (continued)

(ii) Investment securities

The fair value of trading investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value. This process relies on available market data to generate a yield curve for each country in which valuations were undertaken, using interpolated results where there were no market observable rates.

In pricing callable bonds, where information is available, the price of a callable bond is determined as at the call date using the Yield to Worst. For bonds with irregular cash flows (sinking funds, capitalisation of interest, moratoria, amortisations or balloon payments), a process of iteration using the Internal Rate of Return is used to arrive at bond values. Yields on all tax-free bonds are grossed-up to correspond to similar taxable bonds at the prevailing rate of corporation tax.

(iii) Loans and advances

The estimated fair value for performing loans is computed as the future cash flows discounted at the yield to maturity based on the carrying values at the inherent rates of interest in the portfolio as those rates approximate market conditions. When discounted, the cash flow values are substantially equal to the carrying value.

(iv) Medium and long term notes

The Group values the debt and asset backed securities using valuation models which use discounted cash flow analysis which incorporates either only observable data or both observable and non-observable data. Observable inputs include assumptions regarding current rates of interest and real estate prices; unobservable inputs include assumptions regarding expected future default rates, prepayment rates and liquidity discounts.

(v) Carrying amounts and fair values

The following table summarises the carrying amounts and the fair values of the Group's financial assets and liabilities:

Financial assets/liabilities	Carrying amount 2021	Fair value 2021	Carrying amount 2020	Fair value 2020
Investment securities	5,189,729	5,220,721	4,128,691	4,318,982
Medium and long term notes	850,866	869,297	882,994	801,150

For all other financial assets and liabilities, the carrying value is considered a reasonable approximation of fair value.

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32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques. Refer also to Note 2 (xvii).

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part 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

Included in the Level 2 category are financial assets and 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 private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2021:

	Level 1	Level 2	Level 3	Total
Investment securities designated at FVSI				
Equities	1,381,815	93,285	49,197	1,524,297
Managed Funds	–	628,609	–	628,609
Government bonds	5,498	6,557	–	12,055
State owned company securities	–	47,490	–	47,490
Corporate bonds	63,355	7,121	–	70,476
	<u>1,450,668</u>	<u>783,062</u>	<u>49,197</u>	<u>2,282,927</u>

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32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies (continued)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2021: (continued)

	Level 1	Level 2	Level 3	Total
Investment securities designated at amortised cost for which fair values are disclosed				
Government bonds	116,789	431,218	34,297	582,304
State owned company securities	–	615,973	–	615,973
Corporate bonds	<u>796,972</u>	<u>907,354</u>	<u>2,536</u>	<u>1,706,862</u>
	<u>913,761</u>	<u>1,954,545</u>	<u>36,833</u>	<u>2,905,139</u>
Investment securities measured at Fair Value through OCI				
Government bonds	–	5,463	–	5,463
State owned company securities	–	–	–	–
Corporate bonds	<u>27,192</u>	<u>–</u>	<u>–</u>	<u>27,192</u>
	<u>27,192</u>	<u>5,463</u>	<u>–</u>	<u>32,655</u>

Description of significant unobservable inputs to valuation:

	Valuation Technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Unquoted securities	Discounted Cashflows	Rate of return	2.51% to 12.00%	2% increase/(decrease) in the rate of return would result in decrease/(increase) in fair value by \$6,377/(\$5,523)

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32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies (continued)

Transfers between Level 1 and Level 2

At each reporting date the Group assesses the fair value hierarchy of its financial instruments. A transfer between levels will occur when a financial instrument no longer meets the criteria in which the financial instrument is classified. There were no transfers between Level 1 and Level 2 in 2021 or 2020.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2020:

	Level 1	Level 2	Level 3	Total
Investment securities designated at FVSI				
Equities	498,524	15,773	5,230	519,527
Managed funds	–	–	–	–
Government bonds	63,375	6,575	–	69,950
State owned company securities	10,032	56,345	–	66,377
Corporate bonds	42,975	23,839	–	66,814
	<u>614,906</u>	<u>102,532</u>	<u>5,230</u>	<u>722,668</u>
Investment securities at amortised cost for which fair values are disclosed				
Government bonds	44,722	594,132	34,385	673,239
State owned company securities	145,259	794,681	–	939,940
Corporate bonds	641,428	1,241,929	27,354	1,910,711
	<u>831,409</u>	<u>2,630,742</u>	<u>61,739</u>	<u>3,523,890</u>

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32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies (continued)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2020: (continued)

	Level 1	Level 2	Level 3	Total
Investment securities measured at Fair Value through OCI				
	28,777	–	–	28,777
State owned company securities	–	–	–	–
Corporate bonds	43,647	–	–	43,647
	<u>72,424</u>	<u>–</u>	<u>–</u>	<u>72,424</u>

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Unquoted securities	Discounted cash flows	Rate of return	0.54% to 12.00%	2% increase/(decrease) in the rate of return would result in decrease/(increase) in fair value by \$17,410/(\$7,159)

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32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies (continued)

Movements in Level 3 financial assets measured at fair value

	2021	2020
Balance at 1 January	66,969	89,130
Gains recognised	(2,341)	(4,125)
Purchases	43,967	1,687
Transfers into/(out of) Level 3	(4,460)	(6,331)
Disposals	<u>(18,105)</u>	<u>(13,392)</u>
	<u>86,030</u>	<u>66,969</u>

33. RISK MANAGEMENT

Introduction

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to their responsibilities. The Group is exposed to credit risk, liquidity risk and market risk.

Board of Directors

The Board of Directors of the Group is responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Group in compliance with the policies approved by the Board of Directors.

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33. RISK MANAGEMENT (continued)

Treasury management

The Group's Head Office employs a Treasury function which is responsible for managing the assets, liabilities and the overall financial structure of the Group. The Treasury function is also primarily responsible for the funding and liquidity risks of the Group.

Concentrations of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's procedures include specific monitoring controls to focus on the maintenance of a diversified portfolio.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group manages its interest rate exposure by offering fixed rates on its deposits over the respective term. The Group's long-term debt and borrowings consist primarily of fixed interest rate loans. On the lending side hire purchase loans are granted at fixed rates over specified periods. As the interest rates on both deposits and loans remain fixed over their lives, the risk of fluctuations in market conditions is mitigated.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily by the Group Treasury Department. The Group has assessed its financial assets and liabilities to determine the impact of a change in interest rates by 100 basis points, and has concluded that this change will not be material to the consolidated statement of income or consolidated statement of changes in equity of the Group.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses. The aggregate value of financial assets and liabilities by reporting currency are as follows:

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33. RISK MANAGEMENT (continued)

Currency risk (continued)

Year ended 31 December 2021	TTD	USD	ECD	BDS	EURO	OTHER	TOTAL
ASSETS							
Cash and short term deposits	1,650,668	718,972	88,515	164,878	12,273	55,147	2,690,453
Investment securities	2,219,388	2,850,007	905	93,462	–	25,966	5,189,728
Loans, advances and other assets	1,785,648	300,453	–	437,825	–	187	2,524,113
Restricted cash	100,000	–	–	–	–	–	100,000
Trade and other receivables	561,498	119,125	23,698	249,829	4,520	68,397	1,027,067
Total financial assets	6,317,202	3,988,557	113,118	945,994	16,793	149,697	11,531,361
LIABILITIES							
Short term borrowings	–	–	–	–	–	–	–
Customers' deposits and other funding instruments	2,113,429	868,728	–	356,244	–	–	3,338,401
Lease liabilities	95,406	227	–	9,602	–	5,208	110,443
Medium and long term notes and other borrowings	708,923	141,943	–	–	–	–	850,866
Trade and other payables	646,106	262,202	60,591	183,877	18,252	32,476	1,203,504
Total financial liabilities	3,563,864	1,273,100	60,591	549,723	18,252	37,684	5,503,214
Net currency risk exposure	–	2,715,457	52,527	396,271	(1,459)	112,013	
Reasonably possible change in foreign exchange	–	5%	5%	5%	5%	5%	
Effect on profit before tax	–	135,773	2,626	19,814	(73)	5,601	163,741

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33. RISK MANAGEMENT (continued)

Currency risk (continued)

Year ended 31 December 2020	TTD	USD	ECD	BDS	EURO	OTHER	TOTAL
ASSETS							
Cash and short term deposits	1,849,895	754,299	67,372	200,443	41,489	19,719	2,933,217
Investment securities	1,986,624	2,027,083	163	96,268	–	18,553	4,128,691
Loans, advances and other assets	1,404,687	257,021	–	487,968	–	119	2,149,795
Trade and other receivables	430,797	106,206	20,358	257,645	4,953	62,623	882,582
Total financial assets	5,672,003	3,144,609	87,893	1,042,324	46,442	101,014	10,094,285
LIABILITIES							
Short term borrowings	240,636	4,235	–	36	–	–	244,907
Customers' deposits and other funding instruments	1,249,040	565,660	–	401,823	–	–	2,216,523
Lease liabilities	50,053	55	–	5,323	–	9,483	64,914
Medium and long term notes and other borrowings	305,408	325,509	–	7,170	–	–	638,087
Trade and other payables	528,012	298,351	49,074	177,071	12,711	15,752	1,080,971
Total financial liabilities	2,373,149	1,193,810	49,074	591,423	12,711	25,235	4,245,402
Net currency risk exposure	–	1,950,799	38,819	450,901	33,731	75,779	–
Reasonably possible change in foreign exchange	–	5%	5%	5%	5%	5%	
Effect on profit before tax	–	97,540	1,941	22,545	1,687	3,789	127,502

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33. RISK MANAGEMENT (continued)

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than six months although they continue to be subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries.

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33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Trade Receivables - as at 31 December 2021		
	Up to 180		Total
	days	Over 180 days	
	\$000s	\$000s	\$000s
Expected credit loss rate	2.40%	90.05%	15.99%
Estimated total gross carrying amount at default	628,781	115,422	744,203
Expected credit loss	15,062	103,942	119,004

	Trade Receivables - as at 31 December 2020		
	Up to 180		Total
	days	Over 180 days	
	\$000s	\$000s	\$000s
Expected credit loss rate	4.64%	64.34%	17.19%
Estimated total gross carrying amount at default	568,055	151,213	719,268
Expected credit loss	26,381	97,285	123,666

Impairment assessment on financial assets

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

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33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Definition of default and cure (continued)

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Internal rating of the borrower indicating default or near-default
- The borrower requesting emergency funding from the Group
- The borrower having past due liabilities to public creditors or employees
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A material decrease in the borrower's turnover or the loss of a major customer
- A covenant breach not waived by the Group
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Debtor's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Probability of default (PD):

The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

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33. RISK MANAGEMENT (continued)**Credit risk management** (continued)*Exposure at default*

The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

Loss Given Default

The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility/investment to the watch list to non-investment grade, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Other considerations

For investments, the Group primarily relies on international external credit rating agencies to provide data for PDs and LGDs. PDs and LGDs for other financial assets such as loans and advances were derived based on historical loss trends in the portfolios, recoveries, typical collateral and other borrower characteristics.

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33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Gross maximum exposure to credit risk

The following table shows the maximum exposure to credit risk which represents a worst case scenario of credit risk exposure, without taking account of any collateral held or other credit enhancements attached. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

	2021	2020
Trade and other receivables	1,027,067	882,582
Cash and short term deposits (excluding Central Bank Reserve)	2,505,591	2,829,027
Loans, advances and other assets	2,524,113	2,149,795
Investment securities (excluding equities)	<u>3,665,431</u>	<u>3,609,164</u>
Sub-total	9,722,202	9,470,568
Contingent liabilities and undrawn commitments	<u>358,838</u>	<u>246,034</u>
Total	<u>10,081,040</u>	<u>9,716,602</u>

The main types of collateral obtained are as follows:

- Hire purchase and leases – charges over auto vehicles, industrial, household and general equipment.
- Reverse repurchase transactions – cash and securities.
- Corporate loans – charges over real estate property, industrial equipment, inventory and trade receivables.
- Mortgage loans – mortgages over commercial and residential properties.

Cash and short-term deposits

These funds are placed with highly rated local banks and Central Banks within the Caribbean region where the Group operates. In addition cash is held by international financial institutions with which the Group has relationships as custodians or fund managers. All custodians and fund managers are highly rated by Moody's and have been classified with a 'stable' outlook. Management therefore considers the risk of default of these counterparties to be very low.

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33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Loans and advances

For the merchant banking portfolio within loans and advances, given the limited historical data, the PD history of the leased assets portfolio was used as a starting point of the calculation. For certain Stage 2 loans, where management considered the entity's financial position or industry to present higher risks, the PDs were judgementally adjusted to reflect the increased risk. LGDs were assessed on an individual loan by loan basis due to the portfolio being non-homogeneous. This was based on the security held, factoring in the liquidity, current condition and estimated value of the collateral. EAD equals the loan balance outstanding plus accrued interest.

Other financial assets

For mortgage loans, policy loans, premium receivables and reinsurance receivables, a simplified ECL approach was applied. Historical losses on these respective portfolios were calculated and applied to the current positions, with management applying judgemental overlays based on expectations as required.

Investment securities

PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instruments or the country for sovereign exposures. PDs and LGDs for non-traded instruments as well as local debt instruments were based on three notches below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. EAD equals the amortised security balance plus accrued interest.

	2021	2020
Investment securities		
Stage 1	2,817,211	3,101,002
Stage 2	32,009	270,897
Stage 3	103,882	84,355
	<u>2,953,102</u>	<u>3,456,254</u>

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33. RISK MANAGEMENT (continued)

Credit risk management (continued)

	2021	2020
Loans, advances and other assets		
Stage 1	2,081,250	1,537,312
Stage 2	208,406	349,641
Stage 3	<u>162,321</u>	<u>158,481</u>
	<u>2,451,977</u>	<u>2,045,434</u>

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

Stage 1

As at 31 December 2021	Investment securities	Loans, Advances and Other Assets	Total
Gross balance	2,817,211	2,081,250	4,898,461
ECL	<u>(15,090)</u>	<u>(19,520)</u>	<u>(34,610)</u>
	<u>2,802,121</u>	<u>2,061,730</u>	<u>4,863,851</u>
ECL as a % of Gross balance	0.54%	0.94%	0.71%

Stage 1

As at 31 December 2020	Investment securities	Loans, Advances and Other Assets	Total
Gross balance	3,101,002	1,537,312	4,638,314
ECL	<u>(12,878)</u>	<u>(11,842)</u>	<u>(24,720)</u>
	<u>3,088,124</u>	<u>1,525,470</u>	<u>4,613,594</u>
ECL as a % of Gross balance	0.42%	0.77%	0.53%

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33. RISK MANAGEMENT (continued)

Credit risk management (continued)

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

Stage 2

As at 31 December 2021	Investment Loans, Advances securities and Other assets		Total
Gross balance	32,009	208,406	240,415
ECL	(691)	(14,824)	(15,515)
	<u>31,318</u>	<u>193,582</u>	<u>224,900</u>
ECL as a % of Gross balance	2.16%	7.11%	6.45%

Stage 2

As at 31 December 2020	Investment Loans, Advances securities and Other assets		Total
Gross balance	270,897	349,641	620,538
ECL	(11,697)	(17,447)	(29,144)
	<u>259,200</u>	<u>332,194</u>	<u>591,394</u>
ECL as a % of Gross balance	4.32%	4.99%	4.70%

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33. RISK MANAGEMENT (continued)

Credit risk management (continued)

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

Stage 3

As at 31 December 2021	Investment Loans, Advances securities and Other assets		Total
Gross balance	103,882	162,321	266,203
ECL	<u>(30,519)</u>	<u>(110,487)</u>	<u>(141,006)</u>
	<u>73,363</u>	<u>51,834</u>	<u>125,197</u>
ECL as a % of Gross balance	29.38%	68.07%	52.97%

Stage 3

As at 31 December 2020	Investment Loans, Advances securities and Other assets		Total
Gross balance	84,355	158,481	242,836
ECL	<u>(25,656)</u>	<u>(97,362)</u>	<u>(123,018)</u>
	<u>58,699</u>	<u>61,119</u>	<u>119,818</u>
ECL as a % of Gross balance	30.41%	61.43%	50.66%

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33. RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Group monitors its liquidity risk by considering the maturity of both its financial investments and financial assets and projected cash flows from operations. Where possible the Group utilises surplus internal funds to a large extent to finance its operations and ongoing projects. However, the Group also utilises available credit facilities such as loans, overdrafts and other financing options where required.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments.

Year ended 31 December 2021	Up to 1 year	1 to 5 years	>5 years	Total
Lease liabilities	34,956	68,411	7,077	110,444
Customers' deposits and other funding instruments	3,131,466	200,166	6,768	3,338,400
Medium and long term notes and other borrowings	655,605	195,261	–	850,866
Trade and other payables	966,426	–	–	966,426
Interest payable	59,089	13,355	8,305	80,749
	<u>4,847,542</u>	<u>477,193</u>	<u>22,150</u>	<u>5,346,885</u>
Year ended 31 December 2020	Up to 1 year	1 to 5 years	>5 years	Total
Lease liabilities	30,894	26,402	7,619	64,915
Customers' deposits and other funding instruments	1,938,348	278,175	–	2,216,523
Medium and long term notes and other borrowings	244,907	638,087	–	882,994
Trade and other payables	842,184	–	–	842,184
Interest payable	35,267	52,542	–	87,809
	<u>3,091,600</u>	<u>995,206</u>	<u>7,619</u>	<u>4,094,425</u>

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33. RISK MANAGEMENT (continued)

Equity price risk

Equity price risk is the risk that the fair values of equities will decrease as the result of decreases in equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio.

The effect on income will arise as a result of the change in fair value of equity instruments categorised as fair value through the statement of income.

The effect on income at 31 December due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

Market indices	Change in equity price	Effect on income	
		2021	2020
TTSE	+/- 3	33,263	23,006
S&P 500	+/- 8	90,732	10,335

34. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

When managing capital, which is a broader concept than the 'equity' in the consolidated statement of financial position, the objectives of the Group are:

- To comply with the capital requirements set by the regulators of the markets where the parent and its subsidiaries operate;
- To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

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34. CAPITAL MANAGEMENT (continued)

Capital adequacy and the use of regulatory capital are monitored monthly by Management, employing techniques based on the guidelines developed and implemented by the Central Bank of Trinidad & Tobago for supervisory purposes. The required information is filed with the Central Bank on a monthly basis.

The Central Bank of Trinidad and Tobago requires each bank or banking group to: (a) hold the minimum level of the regulatory capital of \$15 million, and (b) maintain a ratio of total regulatory capital to the risk-weighted asset (the 'Basel ratio') at or above the internationally agreed minimum of 8%.

In each country in which the Group's insurance subsidiaries operates, the local insurance regulator indicates the required minimum amount and type of capital that must be held by each of the subsidiaries in addition to their insurance liabilities. The Group is subject to the insurance solvency regulations in all the territories in which it issues insurance contracts. The minimum required capital must be maintained at all times throughout the year.

For 2021 and 2020, the Group complied with all of the externally imposed capital requirements to which they are subject at the date of this report.

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35. SUBSIDIARY COMPANIES

The consolidated financial statements include the financial statements of ANSA McAL Limited and the consolidated subsidiaries listed as follows:

Company/Entity	Country of incorporation/ principal place of business	% Interest 2021	% Interest 2020
Alstons Limited	Republic of Trinidad and Tobago	100	100
Alstons Marketing Company Limited	Republic of Trinidad and Tobago	100	100
Alstons Shipping Limited	Republic of Trinidad and Tobago	100	100
Alstons Travel Limited	Republic of Trinidad and Tobago	100	100
AMCL Holdings Limited	Republic of Trinidad and Tobago	100	100
ANSA Motors Limited	Republic of Trinidad and Tobago	100	100
ANSA Coatings Group	Republic of Trinidad and Tobago	100	100
ANSA Coatings International Limited	St. Lucia	100	100
ANSA Global Brands Limited	St. Lucia	100	100
ANSA Merchant Bank Group	Republic of Trinidad and Tobago	82.48	82.48
ANSA McAL (US) Inc.	United States of America	100	100
ANSA McAL (Barbados) Group	Barbados	100	100
ANSA McAL Beverages (Barbados) Limited	St. Lucia	100	100
ANSA McAL Chemicals Limited	Republic of Trinidad and Tobago	100	100
ANSA McAL Enterprises Limited	Republic of Trinidad and Tobago	100	100
ANSA McAL Trading (Guyana) Limited	Guyana	100	100
Guardian Media Group	Republic of Trinidad and Tobago	51.03	51.03
ANSA Re Limited	St. Lucia	100	100
ANSA Technologies Limited	Republic of Trinidad and Tobago	100	100
Carib Brewery (St Kitts & Nevis) Limited	St. Kitts & Nevis	51.18	51.18
Carib Glassworks Limited	Republic of Trinidad and Tobago	100	100

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35. SUBSIDIARY COMPANIES (continued)

Company/Entity	Country of incorporation/ principal place of business	% Interest 2021	% Interest 2020
Caribbean Development Company	Republic of Trinidad and Tobago	80	80
Caribbean Roof Tile Company Limited	Republic of Trinidad and Tobago	100	100
DCI Miami Inc.	United States of America	100	100
Easi Industrial Supplies Limited	Republic of Trinidad and Tobago	100	100
Carib Brewery (Grenada) Limited	Grenada	55.54	55.54
Indian River Beverage Corporation	United States of America	100	100
ANSA McAL Trading Limited (formerly McEneaney Business Machines)	Republic of Trinidad and Tobago	100	100
Promenade Development Limited	Republic of Trinidad and Tobago	100	100
Sissons Paints Limited	Republic of Trinidad and Tobago	100	100
Sissons Paints Grenada Limited	Grenada	100	100
Standard Distributors Limited	Republic of Trinidad and Tobago	100	100
Standard Distributors and Sales Barbados Limited	Republic of Barbados	100	100
Standard Equipment Limited	Republic of Trinidad and Tobago	100	100
Tobago Marketing Company Limited	Republic of Trinidad and Tobago	100	100
Trinidad Aggregate Products Limited	Republic of Trinidad and Tobago	97.14	97.14
Trinidad Match Limited	Republic of Trinidad and Tobago	100	100
Trident Insurance Company Limited	Republic of Barbados	100	100

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36. RELATED PARTY DISCLOSURES

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 sales to and purchases from related parties are made at normal commercial terms and market rates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, the Group has recorded an impairment charge in respect of receivables relating to amounts owed by related parties of nil (2020: nil).

The following summarises the value of outstanding balances/transactions between the Group and related parties for the relevant financial year:

	Year	Sales to/ other income from related parties	Purchases from/ expenses with related parties	Amounts owed by related parties (Note 15)	Amounts owed to related parties (Note 22)	Investments /loans and advances	Customer deposits and other funding instruments
Associates:	2021	16,100	16,402	3,232	578	–	–
	2020	58,615	3,106	1,968	1,191	–	–
Joint venture in which the Parent is a venturer	2021	3,641	–	11	–	45,092	–
	2020	–	–	–	–	15,187	–
Other related parties:	2021	6,664	21,436	5,497	3,104	369	62,222
	2020	17,431	12,886	9,456	236	43,724	55,000

Terms and conditions of transactions with related parties

Compensation of key management personnel of the Group

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

	2021	2020
Salaries and other short-term employee benefits	<u>45,919</u>	<u>38,037</u>
Contributions to defined contribution plans	<u>621</u>	<u>657</u>
Post-employment benefits	<u>1,197</u>	<u>1,290</u>

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36. RELATED PARTY DISCLOSURES (continued)

Terms and conditions of transactions with related parties (continued)

Directors' interests in the Executive Share Option Plan

Outstanding share options held by executive members of the Group to purchase ordinary shares have the following maturity dates and exercise prices:

Financial years ended - year of issue	Maturity date	Exercise price	Number 2021	Number 2020
2018	2021	65.33	—	1,397
			—	1,397

37. ASSETS PLEDGED

	2021	2020
Cash and short term deposits	6,725	124,144
Loans and advances	—	194,148
Bonds and debentures	52,186	1,215,608
Equities	—	417,120
Real estate	—	7,800
	<u>58,911</u>	<u>1,958,820</u>

In the prior years, under the provisions of the Trinidad and Tobago Insurance Act, 1980 the Group established and maintained a statutory fund and a statutory deposit to which the assets totalling \$1,958,820 were pledged and held to the order of the Inspector of Financial Institutions. Due to change in legislation and with the proclamation of the Insurance Act 2018 effective 1 January 2021, this requirement has been lifted in Trinidad and Tobago, and therefore these assets are no longer pledged or held to the order of the Inspector of Financial Institutions. A statutory fund and deposit is still a requirement under the provisions of the Barbados Insurance Act, Cap 310 for the Barbados territory of business held to the order of the Financial Services Commission.

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38. MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Company Name	Country of Incorporation and Operation	% Interest 2021	% Interest 2020
ANSA Merchant Bank Group	Republic of Trinidad and Tobago	17.52	17.52
Guardian Media Group	Republic of Trinidad and Tobago	48.97	48.97
Other	Several Caribbean territories	20-48.82	20-48.82

Other includes Caribbean Development Company Limited, Carib Brewery (St. Kitts & Nevis) Limited, Carib Brewery (Grenada) Limited and Berger Paints Jamaica Limited, a subsidiary of ANSA Coatings International Limited. These entities operate in various territories including Trinidad & Tobago, Jamaica, Barbados, St. Kitts & Nevis and Grenada.

	2021	2020
Accumulated balances of material non-controlling interests:		
ANSA Merchant Bank Group	508,727	469,110
Guardian Media Group	127,236	120,457
Other	420,773	367,455

Profit allocated to material non-controlling interests:

ANSA Merchant Bank Group	56,701	24,723
Guardian Media Group	7,892	(3,161)
Other	38,363	39,346

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations:

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38. MATERIAL PARTLY OWNED SUBSIDIARIES (continued)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations:

Summarised statement of comprehensive income:

	ANSA Merchant Bank Group		Guardian Media Group		Other	
	2021	2020	2021	2020	2021	2020
Revenues	1,163,870	903,695	104,713	110,634	1,603,700	1,564,187
Cost of sales	–	–	(51,007)	(51,060)	(993,388)	(946,040)
Administrative expenses	(94,592)	(59,479)	(34,854)	(40,859)	(199,679)	(150,273)
Other expenses	(705,882)	(639,464)	(13,019)	(12,726)	(179,749)	(201,033)
Finance costs - net	–	–	706	1,010	(6,966)	(4,860)
Profit before taxation	363,396	204,752	6,539	6,999	223,918	261,981
Taxation	(55,091)	(42,738)	(2,337)	(2,306)	(64,944)	(81,322)
Profit after tax	<u>308,305</u>	<u>162,014</u>	<u>4,202</u>	<u>4,693</u>	<u>158,974</u>	<u>180,659</u>
Total comprehensive income/(loss)	<u>323,635</u>	<u>141,113</u>	<u>16,117</u>	<u>(6,454)</u>	<u>159,918</u>	<u>168,423</u>
Attributable to non- controlling interests	<u>56,701</u>	<u>24,723</u>	<u>7,892</u>	<u>(3,161)</u>	<u>38,363</u>	<u>39,346</u>
Dividends paid to non-controlling interests	<u>14,248</u>	<u>–</u>	<u>1,022</u>	<u>–</u>	<u>19,834</u>	<u>29,372</u>

FINANCIALS 2021

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

38. MATERIAL PARTLY OWNED SUBSIDIARIES (continued)

Summarised statement of financial position:

	ANSA Merchant Bank Group		Guardian Media Group		Other	
	2021	2020	2021	2020	2021	2020
Non-current assets	<u>(4,844,536)</u>	<u>(5,022,650)</u>	<u>(206,937)</u>	<u>(198,395)</u>	<u>(718,664)</u>	<u>(659,973)</u>
Current assets	<u>(4,562,727)</u>	<u>(2,938,085)</u>	<u>(134,933)</u>	<u>(121,115)</u>	<u>(1,442,180)</u>	<u>(1,302,783)</u>
Non-current liabilities	<u>1,994,753</u>	<u>2,194,083</u>	<u>51,350</u>	<u>48,666</u>	<u>137,507</u>	<u>135,910</u>
Current liabilities	<u>4,508,818</u>	<u>3,089,082</u>	<u>30,696</u>	<u>24,863</u>	<u>271,851</u>	<u>216,227</u>

Total equity

Attributable to:

Equity holders of parent	<u>2,394,965</u>	<u>2,208,459</u>	<u>132,588</u>	<u>125,524</u>	<u>1,330,713</u>	<u>1,243,164</u>
Non-controlling interests	<u>508,727</u>	<u>469,110</u>	<u>127,236</u>	<u>120,457</u>	<u>420,773</u>	<u>367,455</u>

Summarised cash flow information:

Operating	866,718	43,508	18,398	20,693	400,412	299,226
Investing	(713,437)	463,776	(15,858)	(8,744)	(172,018)	(134,762)
Financing	<u>(284,161)</u>	<u>—</u>	<u>(5,215)</u>	<u>(3,408)</u>	<u>(105,134)</u>	<u>(149,215)</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(130,880)</u>	<u>507,284</u>	<u>(2,675)</u>	<u>8,541</u>	<u>123,260</u>	<u>15,249</u>

ANSA McAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago dollars)

(Continued)

39. BUSINESS COMBINATIONS

Acquisition of Bank of Baroda Trinidad and Tobago Ltd

On 26 February 2021, one of the Group's subsidiaries, ANSA Merchant Bank Limited, completed the acquisition of 100 percent of the total issued and outstanding shares held in the Bank of Baroda Trinidad and Tobago Limited ('the Bank'). Effective 24 March 2021, the Bank's name was changed to ANSA Bank Limited.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the Bank as at the date of acquisition were:

	Fair value recognised on acquisition
Assets	
Cash and short term deposits	170,110
Financial assets	102,887
Loans and advances	134,655
Other assets	9,249
	<hr/> 416,901
Liabilities	
Customer deposits	348,636
Other liabilities	6,579
	<hr/> 355,215
Net asset value	61,686
Fair value adjustments	(7,393)
Intangible assets:	
Banking license	62,455
Customer contracts	18,587
	<hr/> 135,335
Fair value of net assets acquired	135,335
Goodwill arising on acquisition (Note 6)	43,855
Purchase consideration transferred	179,190
Net cash and cash equivalents acquired	(10,082)
Net cash outflow on acquisition	169,108

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39. BUSINESS COMBINATIONS (continued)

The fair value of net assets acquired were based on a valuation of the acquired assets and liabilities at the date of acquisition performed by an independent third party.

The goodwill arising on acquisition of \$43.9 million is allocated entirely to the Banking and Insurance segment of the Group and comprises other intangible benefits acquired that do not qualify for separate recognition.

From the date of acquisition, the Bank contributed \$15.3 million towards other income of the Group and recorded a loss before tax of \$18.3 million during 2021.

40. DISCONTINUED OPERATIONS

Discontinuation of operations of ANSA McAL Trading Limited

On 1 August 2021, the operations of 100% owned subsidiary, ANSA McAL Trading Limited (formerly McEneaney Business Machines Limited), were ceased and the operating assets were sold, including fixed assets, inventory and customer contracts. The effect of this sale has been appropriately recorded and is not material to the consolidated financial statements.

41. EVENTS AFTER THE REPORTING PERIOD

Acquisition of Colonial Fire & General Insurance Company Limited

On 25 November 2021, Trinidad and Tobago Insurance Limited (TATIL) entered into a lock-up agreement with CL Financial Limited to acquire 94.24 per cent of the total issued and outstanding shares held in Colonial Fire & General Insurance Company Limited (Colfire) pursuant to a takeover-bid to be made by TATIL for 100 percent of the total issued capital in Colfire. The acquisition is subject to regulatory approvals and the fulfilment of specific conditions, as contained in the agreement. The acquisition is expected to close in 2022.



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