

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2025



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STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying separate and consolidated financial statements of ANSA Merchant Bank Limited (the Parent) and its subsidiaries (the Group) which comprise the separate and consolidated statements of financial position as at 31 December 2025, the separate and consolidated statements of income, the separate and consolidated statements of comprehensive income, the separate and consolidated statements of changes in equity and the separate and consolidated statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements including material accounting policy information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Financial Institutions and Companies Acts; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

Stephen Grell

Stephen Grell
Managing Director
12 March 2026

Trevor Edwards

Trevor Edwards
Chief Financial Officer
12 March 2026

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the separate and consolidated financial statements of ANSA Merchant Bank Limited (the Parent) and its subsidiaries (the Group), which comprise the separate and consolidated statement of financial position as at 31 December 2025, and the separate and consolidated statement of income, separate and consolidated statement of comprehensive income, separate and consolidated statement of changes in equity and separate and consolidated statement of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Parent and Group as at 31 December 2025 and their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of our report. We are independent of the Parent and Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of separate and consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the separate and consolidated financial statements of public interest entities in Trinidad and Tobago. We have also 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 separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and 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 Separate and 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 separate and 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 separate and consolidated financial statements.



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INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Separate and 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 Contract Liabilities</p> <p>Refer to related disclosures in Notes 3ii, 21, 23, 24 and 38 and accounting policy Notes 2xvii and 2viii to the consolidated financial statements. The Group has significant insurance contract liabilities of \$2.21 billion representing 30% of the Group’s total liabilities.</p> <p>Considering the significance of the insurance contract liabilities and the judgement, complexity and estimates involved in the actuarial valuations in accordance with IFRS 17 ‘Insurance Contracts’, we determined this to be a key audit matter in our audit of the consolidated financial statements.</p> <p>Key assumptions are being used to estimate the life and annuity insurance contract liabilities, including:</p> <ul style="list-style-type: none"> • Fulfilment cash flows, which represent estimates of the present value of future cash flows that are expected to arise as the Group fulfills the contracts and an explicit risk adjustment for non-financial risk; and • The contractual service margin (CSM), which represents the unearned profits on a group of contracts. <p>When valuing these liabilities, the Group estimates the expected number and timing of deaths, persistency, future expenses, discount rates for the discounting of expected future cash flows and the risk adjustment for non-financial risk.</p> <p>The Group was eligible to measure certain insurance contracts by applying the premium allocation approach (PAA), which simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17. For the contracts measured by applying the PAA, the liability for incurred claims, is mainly determined on estimates based upon actual claims experience. This includes an adjustment for the time value of money (where settlement is expected to be more than one year after incurred) and an explicit risk adjustment for non-financial risk.</p>	<p>We involved our EY actuarial specialists to assist us in performing our audit procedures, which included amongst others:</p> <ul style="list-style-type: none"> • Review of management’s positions relating to key judgements and assumptions. • Performed an assessment of the internal controls regarding the maintenance of the policyholder databases and the integrity of data used, and tested the completeness and accuracy of data extracted. • Review of management’s calculations regarding the liabilities for remaining coverage including the CSM and loss component, and the liabilities for incurred claims. • Performed an assessment of the relevance, appropriateness and calculation of the risk adjustment, including the scope of non-financial risks. • Considered the validity of the Group’s experience studies and performed an assessment of the key assumptions applied. <p>We considered whether the Group’s presentation and disclosures in the consolidated financial statements in relation to insurance contract liabilities were compliant with IFRS Accounting Standards.</p>



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INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Separate and 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 3i, 5, 6, 7 and 38 and accounting policy Note 2xii(b) to the separate and consolidated financial statements. Net investments in leased assets, loans and advances and investment securities including interest receivable held at amortised cost, and at fair value through other comprehensive income (FVOCI) represent 66% of the total assets of the Group (Parent: 52%) amounting to \$6.8 billion (Parent: \$1.9 billion).</p> <p>IFRS 9 ‘Financial Instruments’ requires the Parent and Group to record an allowance for Expected Credit Losses (ECLs) for all loans and other debt financial assets not held at fair value through statement of income (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 management, involving various assumptions and factors, such as the estimate of the likelihood of default and the potential loss given default. Management 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. These overlays required significant judgement.</p>	<p>We understood and critically assessed the methodology and assumptions used by the Parent and 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.</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> <p>In determining the reasonableness of the ECL overlay applied on the net investment in leased assets, we reviewed management's assessment.</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>



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INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Separate and 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 Parent's and 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; and ▪ additional credit risk that could stem from macro-economic factors, on the ability of the Parent's and 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 separate and consolidated financial statements.</p>	<p>We utilised our EY valuation specialists to assess the appropriateness of the key assumptions used in the models and valuations included within collateral reports.</p> <p>Finally, we focused on the adequacy of the Parent's and Group's separate and consolidated financial statement disclosures as to whether it appropriately reflected the requirements of the IFRS Accounting Standards.</p>



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INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Separate and 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 3ii and 13 and accounting policy Notes 2xvi and 2xix to the consolidated financial statements. As described in these notes, impairment tests are performed annually on goodwill which arose mainly from past business acquisitions and which amounts to \$351 million contained across four (4) separate Cash Generating Units (CGUs) as at 31 December 2025.</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 judgement relative to key assumptions such as the applicable discount rate and forecast future cash-flows.</p> <p>In determining recoverable amounts, the Group uses assumptions and estimates relative to future market conditions, future economic growth, 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/estimates may result in different impairment test conclusions.</p> <p>Given the high level of judgement 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 evaluated and assessed the Group's process for goodwill impairment testing as well as whether the value in use impairment test model utilised by the Group met the requirements of IAS 36.</p> <p>We reviewed and assessed management's judgements utilised in the impairment test, including longer-term assumptions.</p> <p>We also evaluated the CGU determination and assessed the reasonableness of the key assumptions utilised, by comparing to historical performance of the CGU, local economic conditions and other alternative independent sources of information, where available.</p> <p>We, along with our EY valuation specialist reviewed 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 IFRS Accounting Standards.</p>



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INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Separate and 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 investments securities and related disclosures</p> <p>Refer to related disclosures in Notes 3ii, 7 and 37 and accounting policy Note 2xi to the separate and consolidated financial statements. The Parent and Group invests in various investment securities, of which \$2.34 billion (Parent: \$606 million) is carried at fair value in the consolidated (separate) statement of financial position. Additionally, the fair values are disclosed in Note 37ii for \$2.25 billion (Parent: \$304 million) of investment securities carried at amortised cost in the consolidated (separate) statement of financial position. Of these assets, \$1.58 billion (Parent: \$250 million) are 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 Accounting Standards’ fair value hierarchy.</p> <p>Valuation techniques for these investments can be subjective in nature and involve various assumptions regarding pricing factors, particularly in a potentially distressed macro-economic environment. 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>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>As the determination of the fair value for certain investments securities is a key source of estimation uncertainty, is subject to differing underlying assumptions and represents a material balance and disclosure, we deemed this to be a key audit matter in our audit of the separate and consolidated financial statements.</p>	<p>We independently tested the pricing on quoted securities, and we used our valuation specialists to assess the appropriateness of pricing models used by the Parent and 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. • Testing of the inputs used, including cash flows and other market based data. • Assessing the reasonableness of management’s yield curves. • 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. <p>Finally, we assessed whether the separate and consolidated financial statement disclosures, including sensitivity to key inputs and the IFRS Accounting Standards’ fair value hierarchy, appropriately reflect the Group’s exposure to financial instrument valuation risk.</p>



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

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

Other Information included in the Parent's and Group's 2025 Annual Report

Other information consists of the information included in the Parent's and Group's 2025 Annual Report, other than the separate and consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Parent's and Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the separate and 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 separate and 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 separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

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



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Separate and Consolidated Financial Statements

(Continued)

Auditor's Responsibilities for the Audit of the Separate and 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 separate and 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 Parent's and 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 separate and 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 Parent or Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Separate and Consolidated Financial Statements

(Continued)

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

(Continued)

We communicate with the Audit and Risk 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 and Risk 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 and Risk Committee, we determine those matters that were of most significance in the audit of the separate and 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 partner in charge of the audit resulting in this independent auditor's report is Chantal Bachu.

Port of Spain,
TRINIDAD:
13 March 2026

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Notes	Group	
31 Dec 2024	31 Dec 2025			31 Dec 2025	31 Dec 2024
Assets					
398,808	193,715	Cash and short-term funds	4	743,304	1,090,136
–	–	Fixed deposits		8,243	8,214
		Net investment in leased assets and other			
730,513	699,039	instalment loans	5	981,518	1,009,440
507,809	510,389	Loans and advances	6	1,936,317	1,774,964
953,365	909,574	Investment securities	7	4,593,795	4,219,319
6,982	5,479	Interest receivable		39,458	37,633
		Other debtors and prepayments	9	118,027	48,135
		Reinsurance contract assets	21	364,827	330,564
18,680	21,379	Taxation recoverable		32,399	28,517
1,114,510	1,214,510	Investment in subsidiaries	10	–	–
–	–	Investment properties	11	169,370	154,265
3,167	3,459	Property and equipment	12	265,387	252,928
21,173	19,067	Intangible assets	13	662,937	708,602
7,283	4,086	Right-of-use assets	14	37,219	37,864
2,036	3,236	Deferred tax assets	15	78,622	51,201
7,092	9,537	Employee benefits asset	16	152,658	176,798
3,801,523	3,640,969	Total assets		10,184,081	9,928,580

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

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Notes	Group	
31 Dec 2024	31 Dec 2025			31 Dec 2025	31 Dec 2024
Liabilities					
		Customers' deposits, client funds and other funding			
1,521,420	1,333,720	instruments	18	3,777,281	3,733,474
7,570	3,997	Lease liabilities	14	35,594	38,251
10	5	Bank overdraft	4	5	10
		Accrued interest and other payables			
132,003	151,901		17	325,731	283,196
600,000	600,000	Debt securities in issue	19	600,000	600,000
–	6,786	Taxation payable		7,888	–
10,182	13,702	Deferred tax liabilities	15	129,078	101,236
		Employee benefits liability			
897	963		16	13,148	11,386
		Investment contract liabilities			
–	–		20	278,696	295,658
		Insurance contract liabilities			
–	–		21	2,210,945	2,153,169
2,272,082	2,111,074	Total liabilities		7,378,366	7,216,380

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

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Note	Group	
31 Dec 2024	31 Dec 2025			31 Dec 2025	31 Dec 2024
Equity					
667,274	667,274	Stated capital	22	667,274	667,274
–	(1,518)	Treasury shares	22	(1,518)	–
247,891	257,442	Statutory reserve fund		273,386	263,835
(2,057)	3,304	Fair value (deficit)/reserve		(123,755)	(142,278)
4,042	3,751	General loan loss reserve		4,789	8,417
		Foreign currency			
653	673	reserve/(deficit)		(3,099)	(1,130)
<u>611,638</u>	<u>598,969</u>	Retained earnings		<u>1,988,173</u>	<u>1,915,646</u>
		Equity attributable to the			
<u>1,529,441</u>	<u>1,529,895</u>	equity holders of the parent		<u>2,805,250</u>	<u>2,711,764</u>
<u>–</u>	<u>–</u>	Non-controlling interest		<u>465</u>	<u>436</u>
<u>1,529,441</u>	<u>1,529,895</u>	Total equity		<u>2,805,715</u>	<u>2,712,200</u>
<u>3,801,523</u>	<u>3,640,969</u>	Total liabilities and equity		<u>10,184,081</u>	<u>9,928,580</u>

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

These separate and consolidated financial statements were approved by the Board of Directors and authorised for issue on 12 March 2026 and signed on its behalf by:

A. Norman Sabga

A. Norman Sabga
Chairman

Stephen Grell

Stephen Grell
Managing Director

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

Parent		Notes	Group		
2024	2025		2025	2024	
–	–	Net insurance service result	23	107,806	92,072
–	–	Net insurance financial result	24	(44,718)	(56,092)
		Finance charges, loan fees			
110,939	82,042	and other interest income	25	163,910	188,039
95,301	84,481	Investment income	26	336,506	254,356
		Revenue from contracts			
24,456	21,398	with customers	27	14,620	9,319
68,368	105,448	Other income	28	237,911	155,939
(91,021)	(85,579)	Interest expense	29	(121,466)	(118,721)
		Credit loss recovery/(expense)			
		on net investment in leased			
		assets, loans and advances,			
		and investment securities	30	(20,591)	(8,980)
<u>4,063</u>	<u>(1,020)</u>				
212,106	206,770	Net operating income		673,978	515,932
(3,978)	(1,731)	Marketing expenses	31	(8,030)	(7,062)
(52,857)	(47,301)	Personnel expenses	32	(157,992)	(126,221)
		Depreciation and			
(5,445)	(5,641)	amortisation		(79,713)	(60,234)
(4,136)	(4,697)	Management fees		(9,906)	(13,469)
<u>(38,818)</u>	<u>(29,222)</u>	General administrative expenses	33	<u>(120,082)</u>	<u>(124,021)</u>
<u>(105,234)</u>	<u>(88,592)</u>	Total operating expenses		<u>(375,723)</u>	<u>(331,007)</u>
106,872	118,178	Net profit before taxation		298,255	184,925
<u>(20,682)</u>	<u>(21,776)</u>	Taxation	34	<u>(56,065)</u>	<u>(22,677)</u>
<u>86,190</u>	<u>96,402</u>	Profit for the year		<u>242,190</u>	<u>162,248</u>

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

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

Parent			Group	
2024	2025		2025	2024
		Profit/(loss) attributable to:		
86,190	96,402	Equity holders of the Parent	242,157	162,267
<u>—</u>	<u>—</u>	Non-controlling interest	<u>33</u>	<u>(19)</u>
<u>86,190</u>	<u>96,402</u>		<u>242,190</u>	<u>162,248</u>
		Basic and diluted		
		earning per share (\$ per share)	2.83	1.90
		Weighted average		
		number of shares ('000)	85,605	85,605

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

ANSA MERCHANT BANK LIMITED

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

Parent	Stated capital	Treasury shares	Statutory reserve fund	General loan loss reserve	Fair value reserve/ (deficit)	Foreign currency reserve	Retained earnings	Total equity
Balance as at 1 January 2024	667,274	–	238,124	3,969	191	653	639,455	1,549,666
Profit for the year	–	–	–	–	–	–	86,190	86,190
Other comprehensive loss for the year	–	–	–	–	(2,248)	–	(1,441)	(3,689)
Transfer to general loan loss reserve	–	–	–	73	–	–	(73)	–
Transfer to statutory reserve fund	–	–	9,767	–	–	–	(9,767)	–
Dividends (Final 2023 and Interim 2024) (Note 43)	–	–	–	–	–	–	(102,726)	(102,726)
Balance as at 31 December 2024	<u>667,274</u>	<u>–</u>	<u>247,891</u>	<u>4,042</u>	<u>(2,057)</u>	<u>653</u>	<u>611,638</u>	<u>1,529,441</u>

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

ANSA MERCHANT BANK LIMITED

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

Parent	Stated capital	Treasury shares	Statutory reserve fund	General loan loss reserve	Fair value (deficit)/ reserve	Foreign currency reserve	Retained earnings	Total equity
Balance as at 1 January 2025	667,274	–	247,891	4,042	(2,057)	653	611,638	1,529,441
Profit for the year	–	–	–	–	–	–	96,402	96,402
Other comprehensive income for the year	–	–	–	–	5,361	20	2,915	8,296
Transfer from general loan loss reserve	–	–	–	(291)	–	–	291	–
Transfer to statutory reserve fund	–	–	9,551	–	–	–	(9,551)	–
Purchase of treasury shares	–	(1,518)	–	–	–	–	–	(1,518)
Dividends (Final 2024 and Interim 2025) (Note 43)	–	–	–	–	–	–	(102,726)	(102,726)
Balance as at 31 December 2025	<u>667,274</u>	<u>(1,518)</u>	<u>257,442</u>	<u>3,751</u>	<u>3,304</u>	<u>673</u>	<u>598,969</u>	<u>1,529,895</u>

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

ANSA MERCHANT BANK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

Group	Stated capital	Treasury shares	Statutory reserve fund	General loan loss reserve	Fair value (deficit)/reserve	Foreign currency (deficit)/reserve	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at										
1 January 2024	667,274	–	254,068	11,035	(61,289)	(2,172)	1,852,813	2,721,729	451	2,722,180
Profit/(loss) for the year	–	–	–	–	–	–	162,267	162,267	(19)	162,248
Other comprehensive (loss)/income for the year	–	–	–	–	(81,924)	943	10,484	(70,497)	–	(70,497)
Transfer from general loan loss reserve	–	–	–	(2,618)	–	–	2,618	–	–	–
Transfer to statutory reserve fund	–	–	9,767	–	–	–	(9,767)	–	–	–
Dividends (Final 2023 and Interim 2024) (Note 43)	–	–	–	–	–	–	(102,726)	(102,726)	–	(102,726)
Other reserve movements	–	–	–	–	935	99	(43)	991	4	995
Balance as at										
31 December 2024	667,274	–	263,835	8,417	(142,278)	(1,130)	1,915,646	2,711,764	436	2,712,200

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

ANSA MERCHANT BANK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

Group	Stated capital	Treasury shares	Statutory reserve fund	General loan loss reserve	Fair value (deficit)/ reserve	Foreign currency deficit	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at										
1 January 2025	667,274	–	263,835	8,417	(142,278)	(1,130)	1,915,646	2,711,764	436	2,712,200
Profit for the year	–	–	–	–	–	–	242,157	242,157	33	242,190
Other comprehensive loss for the year	–	–	–	–	(19,247)	(1,205)	(27,736)	(48,188)	–	(48,188)
Transfer from general loan loss reserve	–	–	–	(3,939)	–	–	3,939	–	–	–
Transfer to statutory reserve fund	–	–	9,551	–	–	–	(9,551)	–	–	–
Dividends (Final 2024 and Interim 2025) (Note 43)	–	–	–	–	–	–	(102,726)	(102,726)	–	(102,726)
Transfer to fair value reserve	–	–	–	–	37,771	–	(37,771)	–	–	–
Purchase of treasury shares	–	(1,518)	–	–	–	–	–	(1,518)	–	(1,518)
Other reserve movements	–	–	–	311	(1)	(764)	4,215	3,761	(4)	3,757
Balance as at										
31 December 2025	<u>667,274</u>	<u>(1,518)</u>	<u>273,386</u>	<u>4,789</u>	<u>(123,755)</u>	<u>(3,099)</u>	<u>1,988,173</u>	<u>2,805,250</u>	<u>465</u>	<u>2,805,715</u>

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

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Trinidad and Tobago dollars)

Parent		Notes	Group	
2024	2025		2025	2024
Cash flows from operating activities				
106,872	118,178		298,255	184,925
Profit before taxation				
Adjustments for:				
1,299	1,510	16(b)	(2,846)	(2,232)
Employee benefits				
–	–		8,312	(4,594)
Loss/(gain) on disposal of property and equipment				
3,027	3,198	12,13	67,360	49,723
Depreciation and amortisation				
2,417	2,443	14	12,353	10,758
Depreciation of right-of-use assets				
(5,654)	(608)	30	1,725	(12,841)
(Credit loss recovery)/credit loss expense on investment securities				
(3,530)	(7,049)		(19,498)	(14,558)
Amortisation of investment securities and interest capitalised				
1,591	1,628	30	18,595	23,061
Credit loss expense on net investment in leased assets and loans and advances				
–	–	30	271	(1,240)
Credit loss expense/(credit loss recovery) on insurance receivables				
(8,232)	4,755	26,11	(91,168)	(17,595)
(Gain)/loss on revaluation of investment securities and investment properties				
(9,309)	3,396	26	(22,722)	(31,560)
(Gain)/loss on sale of investment securities				
(94,160)	(87,079)	25,26	(291,058)	(279,964)
Interest income				
91,021	85,579	29	121,466	118,721
Finance costs				
(3,256)	(137)		(7,718)	(12,954)
Foreign exchange gains				
82,086	125,814		93,327	9,650
Operating profit before changes in operating assets and liabilities				

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

ANSA MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

Parent			Group	
2024	2025		2025	2024
82,086	125,814	Carried forward operating profit before changes in operating assets and liabilities	93,327	9,650
637,865	27,266	Decrease/(increase) in investment in leased assets and loans and advances	(137,304)	467,389
468	(17,394)	Decrease/(increase) in other debtors and prepayments	(69,892)	11,665
(631,150)	(187,700)	(Decrease)/increase in customers' deposits and other funding instruments	43,807	(511,858)
24,744	11,924	Increase in accrued interest and other payables	42,535	75,398
31,905	20,169	Decrease in Central Bank reserve account	12,854	62,241
—	—	Increase in net insurance and investment contract liabilities	6,551	42,820
145,918	(19,921)		(8,122)	157,305
(88,596)	(81,179)	Finance costs paid	(113,411)	(108,198)
92,492	88,580	Interest received on investment securities	289,233	270,348
(19,290)	(18,808)	Taxes paid	(38,050)	(28,531)
<u>130,524</u>	<u>(31,328)</u>	Net cash generated from/(used in) operating activities	<u>129,650</u>	<u>290,924</u>

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

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

1. Principal activities of the Group

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

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

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

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

The ANSA Merchant Bank Group (the Group) is a financial services group comprising of the Parent and nine subsidiaries at 31 December 2025. A full listing of the Group's subsidiaries is detailed in Note 10. The Group is engaged in a wide range of banking and financial related activities and carries on all classes of long-term and short-term insurance business and the rental of property in Trinidad and Tobago and the Caribbean. The ultimate parent of the Group is ANSA McAL Limited (Ultimate Parent) which is incorporated in the Republic of Trinidad and Tobago.

2. Accounting policies

i) Basis of preparation

These financial statements of the Group have been prepared in accordance with IFRS Accounting Standards.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Accounting policies (continued)

i) Basis of preparation (continued)

These financial statements have been prepared on a historical cost basis, except for the fair value measurement of trading investment securities, investment properties, employee benefits measured as fair value of plan assets less the present value of defined benefit obligation, insurance contract balances measured using the General Measurement Model (GMM) and Premium Allocation Approach (PAA) and other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest (SPPI).

The financial statements are presented in Trinidad and Tobago dollars (TTD) which is the functional currency of the Parent and all values are rounded to the nearest thousand, except when otherwise indicated.

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

Presentation of financial statements

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

The Group presents its statement of financial position broadly in order of liquidity. An analysis of recovery or settlement in the 12 months after the statement of financial position date (current) and greater than 12 months after the statement of financial position date (non-current) is presented in Note 40.

Basis of consolidation

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

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Accounting policies (continued)

i) Basis of preparation (continued)

Basis of consolidation (continued)

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

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

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

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

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

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.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Accounting policies (continued)

i) Basis of preparation (continued)

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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the statement of income. Any investment retained is recognised at fair value.

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

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

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

These mutual funds are financed through the issue of units to investors in the funds. The Group generates fees from managing the assets of the mutual funds and the Group's retirement benefit plans on behalf of third party interests. For the year ended 31 December 2025, the Group earned \$7.71 million (2024: \$8.39 million) in management fees from the retirement plans and \$5.37 million (2024: \$13.44 million) from the mutual funds.

The Group holds an interest of \$80.81 million in sponsored funds as at 31 December 2025 (31 December 2024: \$72.30 million). The maximum exposure to loss in these funds is the carrying value of the assets held by the Group.

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

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

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

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024 except for the adoption of new standards and interpretations noted below.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New and amended standards and interpretations

IAS 21 - The Effects of Changes in Foreign Exchange Rates – Amendments to IAS 21 (effective 1 January 2025)

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of the entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments had no material impact on the Group's financial statements.

Standards issued but not yet effective

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met,
- Clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features,
- Clarifies the treatment of non-recourse assets and contractually linked instruments,
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7, effective for annual reporting periods beginning on or after 1 January 2026. The amendments clarify the application of the own-use requirements for in-scope electricity contracts and permit the designation of variable nominal volumes in hedge accounting relationships. They also introduce new disclosure requirements relating to the financial effects and risks associated with contracts whose electricity output depends on uncontrollable natural conditions (for example, wind and solar).

IFRS 18 – Presentation and Disclosure in Financial Statements (effective 1 January 2027)

In April 2024, the Board issued IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of income. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of profit or loss

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for ‘operating profit or loss’, ‘profit or loss before financing and income taxes’ and ‘profit or loss’.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

In May 2024, the Board issued IFRS 19 - Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency (effective 1 January 2027)

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21, effective for annual reporting periods beginning on or after 1 January 2027. The amendments require all amounts to be translated from a non-hyperinflationary functional currency into a hyperinflationary presentation currency using the closing rate at the reporting date. They also clarify the treatment of comparatives for foreign operations and aim to improve the consistency and usefulness of information presented when translating into a hyperinflationary currency.

The Group has not early adopted these new and amended standards and interpretations but will continue to assess and does not anticipate that these new standards and interpretations will have a material impact on the Group's financial statements when they become effective, except as described below:

IFRS 18: Presentation and Disclosure in Financial Statements becomes applicable for the Company from the financial reporting period ended 31 December 2027. The Company is currently assessing the impact of this new standard which is expected to result in new presentation and disclosure requirements on the primary financial statements and notes when adopted.

Improvements to IFRS Accounting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS Accounting Standards. The following amendments are applicable to annual periods beginning on or after 1 January 2026:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting as a first-time adopter
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition
- IFRS 7 Financial Instruments: Disclosures – Disclosure of Deferred Difference between Fair Value and Transaction Price
- IFRS 7 Financial Instruments: Disclosures – Introduction and Credit Risk Disclosures
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities
- IFRS 9 Financial Instruments – Transaction Price
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'
- IAS 7 Statement of Cash Flows – Cost Method

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Accounting policies (continued)

iii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. 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 costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9, 'Financial Instruments,' is measured at fair value with the changes in fair value recognised in the statement of income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held 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 statement of income.

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 (CGUs) that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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2. Accounting policies (continued)

iii) Business combinations and goodwill (continued)

Where goodwill has been allocated to a CGU 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. Goodwill disposed in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

iv) Cash and short-term funds

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original contractual maturity of three months or less that are readily convertible to a known amount of cash and, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

v) Catastrophe reserve

On an annual basis, the Group determines an amount that is transferred to a catastrophe reserve. This is treated as an appropriation of retained earnings and is disclosed as part of the statutory reserve fund in the statement of financial position.

vi) Comparative information

Comparative information has been reclassified in the consolidated statement notes to the financial statements. The changes are follows:

- Client funds held for investment at the Group level amounting to BB\$49.1 million were reclassified from "Accrued interest and other payables" to "Customers' deposits, client funds and other funding instruments" on the consolidated statement of financial position.
- Note 7 - purchased or originated credit-impaired instruments were reclassified from Stage 3 ECL classification to the POCI category totalling \$32.8 million as it relates to the Group.
- Note 21 which represents the roll-forward of the net insurance asset or liability were adjusted to reflect only individual life insurance and annuity contracts showing estimates of the present value of future cash flows, risk adjustment, and CSM. The balances on group life were excluded of \$4.5 million at the Group level.
- Note 33 - general administrative expenses, IT expenses has been separated from the general expenses category valued at \$8.6 million and \$19.2 million at the Parent and Group levels, respectively.
- Within Note 35, Segmental information, there was a reclassification of profits in the amount of \$44.3 million from the general insurance operations segment to the eliminations category. Within the geographic segmental note, this was also adjusted to mirror this change.

These changes have no effect on the previously reported equity, profit before taxation, profit after taxation or cash flows of the Group for the current or previous year.

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(Continued)

2. Accounting policies (continued)

vii) Deposit insurance contribution

The Central Bank of Trinidad and Tobago and the Financial Institutions (Non-Banking) (Amendment) Act 1986 of Trinidad and Tobago established a Deposit Insurance Fund for the protection of depositors. An annual premium of 0.2% is levied on the average deposit liability up to 30 September 2024; a rate of 0.25% is applicable from 1 October 2024 and 0.3% is applicable from 1 October 2025.

The Barbados Deposit Insurance Corporation in accordance with the Deposit Insurance Act 2006-29 of Barbados established a Deposit Insurance Fund for the protection of depositors. An annual premium of 0.05% is levied on the average deposit liability outstanding at the end of each quarter of the preceding year.

viii) Earnings per share

Earnings per share have been calculated by taking the profit for the year attributable to shareholders over the weighted average number of ordinary shares outstanding during the year, net of treasury shares 2025: \$2.83 (2024: \$1.90). There are no dilutive ordinary shares in issue.

ix) Employee benefits

The ANSA McAL Pension Plan for Monthly Paid Employees is a hybrid plan with both defined benefit and defined contribution characteristics for its members. It is governed by trust deed and rules dated 17 September 1965 and encompasses all eligible full time employees of the ANSA McAL Group of Companies. The Plan was registered to carry on business in Trinidad and Tobago on 31 October 1973.

The Trustees of the plan have elected to fund the benefits by means of a Segregated Asset Plan with Tatil Life Assurance Limited by way of an agreement dated 1 October 1984. Effective 1 January 2009, the name of the plan was changed to the ANSA McAL Pension Plan for Monthly Paid Employees from Alston's Pension Fund Plan and from this date all new entrants to the Plan were admitted to a defined contribution scheme.

Defined benefit plan

The pension accounting costs for the defined benefit plan are assessed using the projected unit credit method. Remeasurements, 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 statement of financial position with a corresponding debit or credit to retained earnings through the statement of other comprehensive income in the period in which they occur. Remeasurements 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.

The date of the last actuarial valuation is 30 September 2024.

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2. Accounting policies (continued)

ix) Employee benefits (continued)

Defined benefit plan (continued)

Past service costs are recognised in the statement of income 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 under 'general administrative expenses' in the statement of income (by function) within Note 33:

- 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 plan

The Group also provides other post-employment benefits to its 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.

Defined contribution plan

Under the defined contribution plan, the Group has no further payment obligations once the contributions have been paid. Contributions are recognised as an expense when they are due.

x) 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 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 statement of financial position as treasury shares.

Dividends on ordinary share capital

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's Board of Directors. Dividends are deducted from the liability when they are paid.

Dividends for the year that are approved after the statement of financial position date are dealt with as an event after the end of reporting date.

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(Continued)

2. Accounting policies (continued)

x) Equity movements (continued)

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

xi) Fair value measurement

The Group measures certain financial instruments at fair value at each year end. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 37. 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. 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.

With the exception of insurance contracts which are specifically excluded under IFRS 9, 'Financial Instruments', the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates.

Consequently, estimates made do not necessarily reflect the amounts that the Group would 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 financial statements and, therefore, the current estimates of the fair value may be significantly different from the amounts presented herein.

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(Continued)

2. Accounting policies (continued)

xi) Fair value measurement (continued)

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and short-term funds, fixed deposits, interest receivable, other debtors, customer deposits and other funding instruments, accrued interest and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

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.

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 and the inherent rates of interest in the portfolio as those rates approximate market conditions. When discounted, the cash flow values are equal to the carrying value.

Debt securities in issue

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.

Determination of fair value and fair value hierarchies

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.

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(Continued)

2. Accounting policies (continued)

xi) Fair value measurement (continued)

Determination of fair value and fair value hierarchies (continued)

All assets and liabilities for which fair value is measured or disclosed in the 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;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable; and
- POCI – Purchased or originated credit-impaired (POCI), fair valued at original recognition with interest income being subsequently recognised on a credit-adjusted effective interest rate (EIR).

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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.

POCI

Included in the POCI category are financial assets that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR.

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2. Accounting policies (continued)

xi) Fair value measurement (continued)

Determination of fair value and fair value hierarchies (continued)

For assets and liabilities that are recognised in the 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.

xii) Financial instruments

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 EIR 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 EIR, 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 statement of income and is included in Note 26.

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2. Accounting policies (continued)

xii) Financial instruments (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.

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

The Group applies the FVOCI category under IFRS 9, for debt instruments measured at FVOCI 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; and
- the contractual cash flows of an asset give rise to payments on specified dates that are SPPI on the principal amount outstanding (the SPPI test).

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 the statement of income in the same manner as for financial assets measured at amortised cost.

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2. Accounting policies (continued)

xii) Financial instruments (continued)

Financial assets (continued)

a) Initial recognition and subsequent measurement (continued)

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 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.

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 statement of income is included in Note 26. Fair value is determined in the manner described in Note 37.

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

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 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.

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(Continued)

2. Accounting policies (continued)

xii) Financial instruments (continued)

Financial assets (continued)

a) Initial recognition and subsequent measurement (continued)

Foreign exchange gains and losses (continued)

Therefore:

- for financial assets that are classified as FVSI, the foreign exchange component is recognised in the 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 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 statement of income.

b) Impairment of financial assets

The Group uses the general probability of default approach when calculating expected credit loss (ECL). 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). The Group's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECL that represents the ECL that results 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 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.

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2. Accounting policies (continued)

xii) Financial instruments (continued)

Financial assets (continued)

b) Impairment of financial assets (continued)

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.

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.

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.

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.

Calculation of Expected Credit Losses (ECLs)

When estimating the ECLs, the Group considers among other factors the risk rating category and aging of the financial asset. Each of these factors is associated with different Probability of Default (PDs), Exposure on Default (EADs) and Loss Given Default (LGDs) (see below). When relevant, it also incorporates how defaulted financial assets are expected to be recovered, including the value of collateral or the amount that might be received for selling the asset.

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(Continued)

2. Accounting policies (continued)

xii) Financial instruments (continued)

Financial assets (continued)

b) Impairment of financial assets (continued)

Calculation of Expected Credit Losses (ECLs) (continued)

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- *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.

- *Exposure at Default (EAD):*

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.

- *Loss Given Default (LGD):*

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.

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 leased assets and loans and advances were derived based on historical loss trends in the portfolios, recoveries, typical collateral and other borrower characteristics.

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2. Accounting policies (continued)

xii) Financial instruments (continued)

Financial assets (continued)

b) Impairment of financial assets (continued)

Cash and short-term funds

Cash and short-term funds are short-term funds placed with Central Banks and commercial banks in the countries where the Group is engaged in the full range of banking and financial activities and correspondent banks. These balances are usually less than three months old and highly liquid, therefore the Group considers the risk of default to be low and has taken the position of nil ECL on these balances.

Collateral valuation

To mitigate its credit risks on financial instruments, 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 and other non-financial assets. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed on a periodic basis.

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

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, should the Group physically repossess assets in its retail portfolio, it sometimes engages external agents to recover the asset, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

Repossessed stock is valued at the lower of the carrying amount and fair value less estimated cost to sell.

Undrawn loan commitments

Undrawn loan commitments are commitments under which the Group is required to provide a credit facility with pre-specified terms to the customer for a defined period. While these contracts are in the scope of the ECL requirements, an ECL provision is established only to the extent that there is an established history of observed defaults.

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2. Accounting policies (continued)

xii) Financial instruments (continued)

Financial assets (continued)

b) Impairment of financial assets (continued)

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.

Forward-looking information

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- Energy prices,
- Gross Domestic Product (GDP) growth,
- Unemployment rates,
- Inflation rate,
- Liquidity, and foreign exchange deficit.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The mechanics of the ECL method are summarised below:

Stage 1

The 12mECL is calculated as the portion of LTECL that represents the ECL that results 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.

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2. Accounting policies (continued)

xii) Financial instruments (continued)

Financial assets (continued)

b) Impairment of financial assets (continued)

The mechanics of the ECL method are summarised below: (continued)

Stage 2

When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECL. The mechanics are similar to those explained above, but PD and LGD are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For a financial instrument considered credit-impaired (as defined in Note 2(xii)(b) above), the Group recognises the LTECL for such a financial instrument. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Purchased or originated credit-impaired (POCI)

POCI assets are financial assets that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the ECLs.

In most instances, LGDs are determined on an individual loan or investment basis, including discounting the expected cash flows at the original EIR. In limited circumstances within the Group, where portfolios were small and the products homogenous with minimal history of defaults, a simplified ECL approach was applied using historical loss rates. These portfolios included premium receivables, policy loans and reinsurance receivables.

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2. Accounting policies (continued)

xii) Financial instruments (continued)

Financial assets (continued)

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.

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 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 the statement of income.

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 FVSI.

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 derecognition 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.

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2. Accounting policies (continued)

xiii) Foreign currency translation

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The separate and consolidated financial statements are expressed in Trinidad and Tobago dollars, which is the functional currency of the parent.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities are translated using exchange rates that existed at the date of the initial transaction. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of income.

Foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into Trinidad and Tobago dollars at the rate of exchange prevailing at 31 December and their statements of income are translated at an average exchange rate. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

xiv) General loan loss reserve

The Bank 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 disclosed in the statement of changes in equity.

xv) Guarantee reserve fund

The Bank has guaranteed 100% return of the principal invested in the ANSA Secured Fund and ANSA US\$ Secured Fund, subject to a minimum period of investment and a fixed minimum yield on the units held subject to a defined period of time, established at the time of purchase.

The Bank establishes a guarantee reserve fund as a liability on its statement of financial position through the statement of income for any shortfalls that may arise under the guarantee, as required. At each end of reporting period, the Bank values these guarantees and any changes required are adjusted accordingly through the statement of income.

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(Continued)

2. Accounting policies (continued)

xvi) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years. Such reversal is recognised in the statement of income unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.

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(Continued)

2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

Some life contracts issued by the Group include the following features which have been assessed to meet the definition of a non-distinct investment component in IFRS 17 since a minimum amount is repaid in all circumstances:

- Minimum guaranteed cash surrender values (after surrender charges),
- Minimum guaranteed payments on annuity policies,
- Universal life account (after surrender charges).

IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance expenses.

Level of aggregation

IFRS 17 requires a Group to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Level of aggregation (continued)

The Group has defined portfolios of insurance and reinsurance contracts issued based on its product lines, namely immediate and deferred annuities and term life contracts due to the fact that the products are subject to similar risks and managed together. The expected profitability of these portfolios at inception is determined based on the actuarial valuation models which take into consideration existing and new business. In determining groups of contracts, the Group has elected to include in the same grouped contracts those where its ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation. The groups of contracts for which the fair value approach has been adopted on transition include contracts issued more than one year apart.

Portfolios of insurance contracts issued are divided into:

- A group of contracts that are onerous at initial recognition,
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently,
- A group of the remaining contracts in the portfolio.

The reinsurance contracts held portfolios are divided into:

- A group of contracts on which there is a net gain on initial recognition,
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition,
- A group of the remaining contracts in the portfolio.

Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts,
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date,
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Recognition (continued)

The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

And

- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Onerous groups of contracts

The Group issues some contracts before the coverage period starts and the first premium becomes due. Therefore, the Group has determined whether any contracts issued form a group of onerous contracts before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder in the group is due. The Group looks at facts and circumstances to identify if a group of contracts are onerous at initial recognition and during the coverage period of the group based on:

- Pricing information,
- Results of similar contracts it has recognised, and
- Environmental factors, e.g., a change in market experience or regulations.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Contract Boundary

The Group includes in the measurement of a group of insurance contracts all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks,
- Or
- Both of the following criteria are satisfied:
 - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio,
 - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

For life contracts with renewal periods or conversion options, the Group assesses whether premiums and related cash flows that arise from the renewed contract or conversion are within the contract boundary. The Group reassesses contract boundary of each group at the end of each reporting period.

Measurement - Premium Allocation Approach

<u>Component</u>	<u>Adopted approach</u>
Premium Allocation Approach (PAA) eligibility	Coverage period for General, Health, and Group life policies and single year losses occurring reinsurance contracts held is one year or less and so qualifies automatically for PAA.
Insurance acquisition cash flows	For all insurance products with a coverage period of one year or less, acquisition cash flows are expensed as incurred.
Liability/asset for remaining coverage (LFRC/AFRC)	For General, Health and Group Life insurance business, including related insurance contracts held, no allowance is made for accretion of interest on the LFRC/AFRC as premiums are received/paid within one year of the coverage period.
Liability/asset for incurred claims (LFIC/AFIC)	No adjustment is made for the time value of money where incurred claims are expected to be paid out or recovered from the reinsurer in less than one year.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

<u>Component</u>	<u>Adopted approach</u>
Insurance finance income and expense	For all insurance business, the change in LFIC/AFIC as a result of changes in discount rates will be captured within statement of income.

Insurance contracts – initial measurement – Premium Allocation Approach (PAA)

The Group applies the PAA to the group's general, health, and group life insurance contracts that it issues and some reinsurance contracts that it holds as the coverage period of each contract in the groups are one year or less, including insurance contract services arising from all premiums within the contract boundary.

For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition, plus
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Insurance contracts – initial measurement – General Model

The general model measures a group of insurance contracts as the total of:

- Fulfilment cash flows, and
- A contractual service margin (CSM) representing the unearned profit the Group will recognise as it provides insurance contract services under the insurance contracts in the group.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Insurance contracts – initial measurement – General Model (continued)

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk. The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows,
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims,
 - Payments to policyholders resulting from embedded surrender value options,
 - An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs,
- Claims handling costs,
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries,
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts, and
- Transaction-based taxes.

The Group incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Group estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders,
- Other information about the known or estimated characteristics of the insurance contracts,
- Historical data about the Group's own experience, supplemented when necessary with data from other sources. Historical data is adjusted to reflect current conditions, and
- Current pricing information, when available.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Insurance contracts – initial measurement – General Model (continued)

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Group does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

Reinsurance contracts – initial measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes,
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer,
- The Group recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Group uses a systematic and rational method to determine the portion of losses recognised on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Where the Group enters into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Insurance contracts – subsequent measurement – general model

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group,
 - Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition,
 - The changes in fulfilment cash flows relating to future service, except to the extent that:
 - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss,
- Or
- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage,
 - The effect of any currency exchange differences on the CSM,
 - The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the top-down approach at inception.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Insurance contracts – subsequent measurement – general model (continued)

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of income and other comprehensive income rather than adjusting the CSM).
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable. The same applies to a policyholder loan that becomes repayable.
- Changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Group comprising the fulfilment cash flows related to past service allocated to the group at that date.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Insurance contracts – subsequent measurement – PAA

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period, and
- Minus the amount recognised as insurance revenue for the services provided in the period.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Reinsurance contracts held – subsequent measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the contractual service margin as they do not relate to future service.

Any change in the fulfilment cash flows of a retroactive reinsurance contract held due to the changes of the liability for incurred claims of the underlying contracts is taken to profit and loss and not the contractual service margin of the reinsurance contract held.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Reinsurance contracts held – subsequent measurement (continued)

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where the Group has established a loss-recovery component, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

A loss-recovery component reverses consistent with reversal of the loss component of underlying groups of contracts issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of reinsurance contracts held. Reversals of the loss-recovery component that are not changes in the fulfilment cashflows of the group of reinsurance contracts held adjust the CSM.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the CSM of the related group of insurance contracts. The Group expects to derecognise all assets for insurance acquisition cash flows within one year.

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2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Insurance acquisition cash flows (continued)

For insurance acquisition cash flows relating to contracts with a coverage period exceeding one year, the Group uses a systematic and rational method to allocate:

- (a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
 - (i) to that group, and
 - (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- (b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

For insurance acquisition cash flows relating to contracts with a coverage period exceeding one year, where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the CSM/LRC of the related group of insurance contracts. The time bands when the Group expects to derecognise the above asset for insurance acquisition cash flows will be disclosed.

At the end of each reporting period, the Group revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

- An impairment test at the level of an existing or future group of insurance contracts, and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Derecognition and modification

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired),

or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Presentation

The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Group disaggregates the total amount recognised in the statement of income and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

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(Continued)

2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Insurance revenue

The Group's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the Group adjusted for financing effect (the time value of money) and excluding any investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Insurance service expenses, excluding any amounts relating to the risk adjustment for non-financial risk and any amounts allocated to the loss component of the liability for remaining coverage,
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage,
- The CSM release, and
- Amounts related to insurance acquisition cash flows,

For contracts measured under the PAA, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

Loss components

The Group has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Group has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

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(Continued)

2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Loss components (continued)

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfilment cash flows to: (i) the loss component; and (ii) the liability for remaining coverage excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfilment cash flows and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialised in the form of incurred claims). The Group uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

For contracts measured under the PAA, the Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Loss-recovery components

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

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(Continued)

2. Accounting policies (continued)

xvii) Insurance and reinsurance contracts accounting treatment (continued)

Loss-recovery components (continued)

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money, and
- The effect of financial risk and changes in financial risk.

The Group does not disaggregate insurance finance income or expenses on insurance contracts issued and reinsurance contracts held between profit or loss and OCI.

Net income or expense from reinsurance contracts held

The Group presents as a single amount on the face of the statement of income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of income. Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts are included as amounts recoverable from the reinsurer.

xviii) Insurance and reinsurance contracts classification

Any insurance contract not considered to be transferring significant risk is, under IFRS, classified as investment contracts. Deposits collected and benefit payments under investment contracts are not accounted for through the statement of income, but are accounted for directly through the 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 statement of income as investment income.

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues general insurance, health, individual life, group life, and annuity contracts.

The Group also holds reinsurance contracts in the normal course of business to transfer insurance risk to other entities.

The Group does not issue any contracts meeting the definition of insurance contracts with direct participating features under IFRS 17.

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(Continued)

2. Accounting policies (continued)

xix) Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net 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.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the 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 operating segment 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.

Computer software

Costs associated with maintaining computer software programmes 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 use,
- Management intends to complete the software product and use or sell it,
- 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
- 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 on a straight line basis over their estimated useful lives, which do not exceed fifteen (15) years.

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(Continued)

2. Accounting policies (continued)

xix) Intangible assets (continued)

Banking license and customer deposits

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite and are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group in its acquisition of ANSA Bank Limited, acquired intangible assets of a banking license as well as customer deposits. The banking license has been assessed to have an indefinite useful life and will be tested for impairment annually. The customer deposits have been assessed to have a useful life of seven (7) years.

Trade name, policy renewal rights, distribution relationship and contracts

The Group acquired the following trademarks and tradenames in prior years: Trident Insurance - Name and Logo, Trident Road Rescue - Name and Logo Flexi-Pay from Trident Insurance - Name and Logo, and Flexi-Pay - Logo. Each trademark was registered in Barbados and is therefore protected via legal rights. Using the relief-from-royalty method, with the Group's intention to continue to use the Trident trademark into the foreseeable future, as such the useful life was determined to be indefinite.

The Policy Renewal Rights acquired in the business transfer agreement for the different lines of business have similar characteristics in that their contract terms do not differ significantly. The renewal rights associated with the different insurance contracts were valued as one group of contracts. The useful life of the renewal rights was determined to be fifteen (15) years.

The Policy Renewal Rights, and Distribution relationship acquired in the acquisition of COLFIRE were identifiable and relates to the value of future profits expected to be earned from the renewal of COLFIRE's direct in-force policies existing as at the acquisition date. The useful life of the policy renewal rights and distribution relationship was determined to be ten (10) years and fifteen (15) years respectively. The value of the COLFIRE brand was considered in the acquisition but deemed not material.

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(Continued)

2. Accounting policies (continued)

xx) Interest bearing debt and borrowings

Borrowings and interest bearing debt are initially recognised at the fair value of the consideration received, net of transaction costs incurred. After initial recognition, these borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any transaction cost, discount, or premium on issue. Gains and losses are recognised in the statement of income when the liabilities are derecognised, as well as through the amortisation process.

xxi) Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property, at the time that cost is incurred, if the recognition criteria is met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured annually by fair values either by way of Management's internal valuations or by an accredited external, independent valuator. Management uses discounted cash flow models and assumptions which reflect the market conditions at the reporting date. External valuers apply valuation models recommended by the International Valuation Standards Committee. Each property is externally valued at least once every three years.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the period in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected. Any gain or loss arising on disposal is recognised in the statement of income.

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 and equipment up to the date of change in use.

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2. Accounting policies (continued)

xxii) 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 3 to 6 years
- Motor vehicles 5 years

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.

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.

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2. Accounting policies (continued)

xxii) Leases (continued)

Group as a lessee (continued)

ii) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (IBR) 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.

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 machinery and equipment (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 office equipment 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 lessor

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

xxiii) Property, equipment and leased assets

Property and equipment are stated at historical cost net of accumulated depreciation and/or accumulated impairment loss, if any. Depreciation is provided on the straight line or reducing balance method at various rates sufficient to write off the cost of the assets over their estimated useful lives. Leasehold improvements are depreciated on a straight-line basis. All other repair and maintenance costs are recognised in the statement of income as incurred.

The rates used are as follows:	% per annum
Building	2
Motor vehicles	20 - 33½
Computer equipment	25 - 33½
Leasehold improvements	10 - 20
Office furniture, machinery and equipment	10 - 33½
Leased vehicles and equipment	12.5 - 20

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(Continued)

2. Accounting policies (continued)

xxiii) Property, equipment and leased assets (continued)

Depreciation is computed over the estimated useful life of the asset. The estimated useful lives of property and equipment are reviewed annually and adjusted prospectively if appropriate. Investment property which is owner occupied is accounted for as property and equipment. Where the carrying value of an item of property and equipment exceeds the recoverable amount, the excess would be immediately taken to the statement of income. An item of property 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 de-recognition of the asset is included in the statement of income.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The asset's recoverable amount is the higher of the asset's fair value less cost to sell and the value in use.

xxiv) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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 statement of income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

xxv) Repurchase and reverse repurchase agreements

Securities sold subject to a linked repurchase agreement ('repo') are retained in the financial statements as trading securities and the counterparty liability is included in amounts due to other banks, deposits from banks or other deposits as appropriate. Securities purchased under an agreement to resell ('reverse repo') are recorded as loans and advances to other banks. 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.

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2. Accounting policies (continued)

xxvi) Revenue recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

The effective interest rate (EIR) method

Interest income and expense is recorded using the EIR method for all financial instruments measured at amortised cost. 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 instrument. 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.

Investment income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. For POCI financial assets, a credit-adjusted EIR is applied to the amortised cost of the financial asset.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVSI is recognised using the contractual interest rate in net trading income and net gains or losses on financial assets at FVSI, respectively.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

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2. Accounting policies (continued)

xxvi) Revenue recognition (continued)

Rental income

Rental income from investment property under operating leases is recognised in the statement of income on a straight line basis over the term of the lease.

Fees and commissions

Unless included in the effective interest 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.

Other income and expenditure

Other income and expenditure, inclusive of borrowing costs, are brought into account on the accrual basis.

xxvii) Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (salvage). Salvage is recognised on a cash receipts basis.

The Group may also have the right to pursue third parties for payment of some or all costs (subrogation). Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

xxviii) Statutory deposits with Central Banks

Pursuant to the provisions of Trinidad and Tobago, the Central Bank Act 1964 and the Financial Institutions Act 2008, the Bank 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.

In addition, ANSA Merchant Bank (Barbados) Limited, a subsidiary of the Group, is required to maintain with the Central Bank of Barbados statutory deposit balances in relation to deposit liabilities. Those funds are not available to finance the subsidiary's day-to-day operations.

xxix) Statutory reserve fund

There is a requirement where a portion of net profit after deduction of taxes in each year be transferred to a statutory reserve account. Group statutory reserves amounted to \$273.3 million as at 31 December 2025 (31 December 2024: \$263.8 million).

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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2. Accounting policies (continued)

xxx) Taxation

Current income tax

Current income tax assets and liabilities 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 tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all applicable taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

Current and deferred tax shall be recognised as income or an expense and included in the statement of income for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the statement of income, either in other comprehensive income or directly in equity and a business combination.

3. Significant accounting judgements and estimates in applying Group policies

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and 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.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Financial instruments risk management (Note 38)
- Capital management (Note 39)

i) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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3. Significant accounting judgements and estimates in applying Group policies (continued)

i) Judgements (continued)

Leases (Note 14)

- *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 properties with shorter non-cancellable period (i.e., 3 to 6 years). 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 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 (IBR)*

If the Group cannot readily determine the interest rate implicit in the lease, it uses its 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).

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).

- *Net investment in leased assets (Note 5)*

Leases are classified as net investment in leased assets 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.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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3. Significant accounting judgements and estimates in applying Group policies (continued)

i) Judgements (continued)

Leases (Note 14)

• *Operating lease commitments – Group as lessor*

The Group has entered into vehicle and equipment 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 leases, that it retains all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

Property and equipment (Note 12)

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.

Revenue from contracts with customers (Note 27)

The Group has determined that the performance obligation from contracts with customers has been satisfied at a point in time, i.e. when the service is rendered to a customer.

The amount recognised in the statement of income would be the consideration received.

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;
- 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 macro-economic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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(Continued)

3. Significant accounting judgements and estimates in applying Group policies (continued)

ii) 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 financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of goodwill (Note 13)

The Group assesses whether there are any indicators that goodwill is impaired at each reporting date. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU, to which the goodwill relates. Where the recoverable amount of a CGU is less than its carrying amount an impairment loss is recognised. The Group performs its annual impairment test of goodwill as at 31 December. Previously recorded impairment losses for goodwill are not reversed in future periods.

When goodwill forms part of a CGU (or group of CGUs) and part of the operations within that unit is disposed of, the goodwill associated with the operations disposed of is included in the carrying amount of the operation to determine the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operations disposed of and the portion of the CGUs retained.

Deferred taxation (Note 15)

In calculating the provision for deferred taxation, management uses judgement to determine the possibility that future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

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(Continued)

3. Significant accounting judgements and estimates in applying Group policies (continued)

ii) Estimates and assumptions (continued)

Pension and other post-employment benefits (Note 16)

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.

Insurance contract liabilities (Note 21)

For general, health and group life insurance contracts, the Group applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Insurance and reinsurance contracts (Note 21)

Liability for remaining coverage

In the general and health insurance product line, the Group is eligible and chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued within that product line have a coverage period of one year or less.

The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

3. Significant accounting judgements and estimates in applying Group policies (continued)

ii) Estimates and assumptions (continued)

Insurance and reinsurance contracts (Note 21) (continued)

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Mack Chain Ladder.

The main assumption underlying these techniques is that the Group's past claim development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Some of the insurance contracts permit the Group to sell property acquired in settling a claim. The Group also has the right to pursue third parties for payment of some or all costs. Salvage recoveries and subrogation reimbursements are considered in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

Insurance contract liabilities

The following assumptions were used when estimating future cash flows:

- Mortality and morbidity rates (life insurance business):
Assumptions are based on standard industry tables, according to the type of contract written. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

3. Significant accounting judgements and estimates in applying Group policies (continued)

ii) Estimates and assumptions (continued)

Insurance and reinsurance contracts (Note 21) (continued)

Insurance contract liabilities (continued)

- Mortality and morbidity rates (life insurance business) (continued):

An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Group.

- Longevity (annuity business):

Assumptions are based on standard industry tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type.

An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Group.

- Expenses:

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the expected level of expenses will reduce future expected profits of the Group.

The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

- 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 sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits of the Group, but later increases are broadly neutral in effect.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

3. Significant accounting judgements and estimates in applying Group policies (continued)

ii) Estimates and assumptions (continued)

Insurance and reinsurance contracts (Note 21) (continued)

Insurance contract liabilities (continued)

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

Discount rates applied for discounting of future cash flows are listed below:

General and Health insurance contracts

	1 year	5 years	10 years	15 years	30 years	55 years
2025	4.5%	5.1%	5.8%	6.7%	6.3%	5.5%
2024	3.9%	4.8%	5.5%	6.4%	6.1%	5.5%

Life insurance contracts

	1 year	5 years	10 years	15 years	30 years	55 years
2025	4.5%	5.1%	5.8%	6.7%	6.2%	5.5%
2024	3.8%	4.8%	5.5%	6.3%	6.0%	5.5%

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the percentile see below. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the percentile (see below) confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

3. Significant accounting judgements and estimates in applying Group policies (continued)

ii) Estimates and assumptions (continued)

Insurance and reinsurance contracts (Note 21) (continued)

Insurance contract liabilities (continued)

Risk adjustment for non-financial risk (continued)

Company	Percentile	
	2025	2024
TATIL	75th	75th
COLFIRE	75th	75th
TATIL Life	80th	80th

Valuation of investments (Note 37)

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 judgment 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.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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4. Cash and short-term funds

Parent			Group	
2024	2025		2025	2024
Cash and short-term funds				
222,130	104,696	Cash in hand and at bank	371,167	575,536
<u>68,854</u>	<u>1,364</u>	Short-term deposits with other banks	<u>141,120</u>	<u>270,729</u>
290,984	106,060		512,287	846,265
<u>107,824</u>	<u>87,655</u>	Central Bank Reserve	<u>231,017</u>	<u>243,871</u>
<u>398,808</u>	<u>193,715</u>		<u>743,304</u>	<u>1,090,136</u>

Cash held at banks 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, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

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 as at 31 December 2025 represents 10.0% of average deposit liabilities (31 December 2024: 10.0%) and is non-interest bearing. The Central Bank of Barbados reserve account as at 31 December 2025 represents 5.53% of average deposit liabilities (31 December 2024: 6.4%) and earned interest of 0.10% (2024: 0.10%).

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

Parent			Group	
2024	2025		2025	2024
222,130	104,696	Cash in hand and at bank	371,167	575,536
<u>68,854</u>	<u>1,364</u>	Short-term deposits with other banks	<u>141,120</u>	<u>270,729</u>
290,984	106,060		512,287	846,265
<u>(10)</u>	<u>(5)</u>	Bank overdraft	<u>(5)</u>	<u>(10)</u>
<u>290,974</u>	<u>106,055</u>		<u>512,282</u>	<u>846,255</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
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5. Net investment in leased assets and other instalment loans

a) Net investment in leased assets and other instalment loans

Parent			Group	
2024	2025		2025	2024
625,055	572,322	Hire purchase	859,915	904,495
<u>169,848</u>	<u>165,564</u>	Leases	<u>160,046</u>	<u>165,529</u>
794,903	737,886	Performing	1,019,961	1,070,024
<u>62,798</u>	<u>94,511</u>	Non-performing	<u>100,759</u>	<u>71,648</u>
857,701	832,397	Future minimum lease payments	1,120,720	1,141,672
<u>(91,154)</u>	<u>(106,974)</u>	Future finance charges and loan fees	<u>(105,846)</u>	<u>(90,410)</u>
766,547	725,423	Present value of minimum lease payments	1,014,874	1,051,262
<u>(36,034)</u>	<u>(26,384)</u>	Allowance for ECLs	<u>(33,356)</u>	<u>(41,822)</u>
<u>730,513</u>	<u>699,039</u>	Net investment in leased assets net of provision	<u>981,518</u>	<u>1,009,440</u>

b) New business less unearned income

Parent			Group	
2024	2025		2025	2024
<u>270,462</u>	<u>259,568</u>	New business less unearned income	<u>332,529</u>	<u>423,933</u>

c) Present value of minimum lease payments has the following sectorial breakdown:

Parent			Group	
2024	2025		2025	2024
144,480	99,048	Personal	303,459	345,978
<u>622,067</u>	<u>626,375</u>	Commercial	<u>711,415</u>	<u>705,284</u>
<u>766,547</u>	<u>725,423</u>		<u>1,014,874</u>	<u>1,051,262</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025
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5. Net investment in leased assets and other instalment loans (continued)

d) Present value of minimum lease payments has the following maturity profile:

Parent			Group	
2024	2025		2025	2024
194,053	241,138	Within 1 year	246,966	204,115
383,902	250,566	1 to 5 years	383,619	550,252
<u>188,592</u>	<u>233,719</u>	Over 5 years	<u>384,289</u>	<u>296,895</u>
<u>766,547</u>	<u>725,423</u>		<u>1,014,874</u>	<u>1,051,262</u>

e) Future minimum lease payments has the following maturity profile:

Parent			Group	
2024	2025		2025	2024
192,393	236,610	Within 1 year	241,310	202,448
432,123	284,940	1 to 5 years	417,993	597,736
<u>233,185</u>	<u>310,847</u>	Over 5 years	<u>461,417</u>	<u>341,488</u>
<u>857,701</u>	<u>832,397</u>		<u>1,120,720</u>	<u>1,141,672</u>

Repossessed collateral

As at 31 December 2025, the Group held repossessed vehicles with a fair value of \$2.6 million (31 December 2024: \$1.8 million). Repossessed vehicles are sold as soon as practical, with the proceeds used to reduce the outstanding indebtedness.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

5. Net investment in leased assets and other instalment loans (continued)***Impairment allowance for leased assets and other instalment loans***

The tables below shows the staging of net investment in leased assets and the related ECLs based on the Group's criteria as explained in Note 2(xii)(b).

Parent**Net Investment in Leased Assets**

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2025	524,553	111,053	89,817	725,423
ECL allowance as at 31 December 2025	<u>(3,310)</u>	<u>(1,847)</u>	<u>(21,227)</u>	<u>(26,384)</u>
Net exposure as at 31 December 2025	<u>521,243</u>	<u>109,206</u>	<u>68,590</u>	<u>699,039</u>
Gross carrying amount as at 31 December 2024	627,657	83,174	55,716	766,547
ECL allowance as at 31 December 2024	<u>(4,451)</u>	<u>(2,010)</u>	<u>(29,573)</u>	<u>(36,034)</u>
Net exposure as at 31 December 2024	<u>623,206</u>	<u>81,164</u>	<u>26,143</u>	<u>730,513</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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(Continued)

5. Net investment in leased assets and other instalment loans (continued)

Impairment allowance for leased assets and other instalment loans (continued)

Parent (continued)

Net Investment in Leased Assets (continued)

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	(6,107)	(907)	(27,635)	(34,649)
ECL on new instruments issued during the year	(1,870)	(34)	–	(1,904)
Other credit loss movements, repayments etc.	3,526	(1,069)	(1,603)	854
Credit loss expense	<u>–</u>	<u>–</u>	<u>(335)</u>	<u>(335)</u>
At 31 December 2024	(4,451)	(2,010)	(29,573)	(36,034)
ECL on new instruments issued during the year	(2,068)	(109)	(136)	(2,313)
Other credit loss movements, repayments etc.	3,209	272	(1,783)	1,698
Charge-offs and write-offs	–	–	11,535	11,535
Credit loss expense	<u>–</u>	<u>–</u>	<u>(1,270)</u>	<u>(1,270)</u>
At 31 December 2025	<u>(3,310)</u>	<u>(1,847)</u>	<u>(21,227)</u>	<u>(26,384)</u>

ANSA MERCHANT BANK LIMITED

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

5. Net investment in leased assets and other instalment loans (continued)

Impairment allowance for leased assets and other instalment loans (continued)

Group

Net Investment in Leased Assets

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2025	804,468	114,342	96,064	1,014,874
ECL allowance as at 31 December 2025	<u>(5,292)</u>	<u>(1,868)</u>	<u>(26,196)</u>	<u>(33,356)</u>
Net exposure as at 31 December 2025	<u>799,176</u>	<u>112,474</u>	<u>69,868</u>	<u>981,518</u>
Gross carrying amount as at 31 December 2024	889,499	94,706	67,057	1,051,262
ECL allowance as at 31 December 2024	<u>(6,550)</u>	<u>(2,091)</u>	<u>(33,181)</u>	<u>(41,822)</u>
Net exposure as at 31 December 2024	<u>882,949</u>	<u>92,615</u>	<u>33,876</u>	<u>1,009,440</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

5. Net investment in leased assets and other instalment loans (continued)***Impairment allowance for leased assets and other instalment loans*** (continued)**Group** (continued)**Net Investment in Leased Assets** (continued)

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	(7,580)	(1,022)	(31,220)	(39,822)
ECL on new instruments issued during the year	(1,870)	(34)	–	(1,904)
Other credit loss movements, repayments etc.	2,759	(1,104)	(2,566)	(911)
Charge-offs and write-offs	141	69	940	1,150
Credit loss expense	–	–	(335)	(335)
At 31 December 2024	(6,550)	(2,091)	(33,181)	(41,822)
ECL on new instruments issued during the year	(2,988)	(109)	(4,315)	(7,412)
Other credit loss movements, repayments etc.	3,150	268	1,195	4,613
Charge-offs and write-offs	1,096	64	13,361	14,521
Credit loss expense	–	–	(3,256)	(3,256)
At 31 December 2025	<u>(5,292)</u>	<u>(1,868)</u>	<u>(26,196)</u>	<u>(33,356)</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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(Continued)

6. Loans and advances

Parent			Group	
2024	2025		2025	2024
–	–	Mortgage loans	601,597	512,771
<u>501,371</u>	<u>502,059</u>	Other loans and advances	<u>1,234,247</u>	<u>1,150,388</u>
501,371	502,059	Performing loans and advances	1,835,844	1,663,159
<u>8,496</u>	<u>11,401</u>	Non-performing loans and advances	<u>163,302</u>	<u>162,295</u>
509,867	513,460	Allowance for ECLs	1,999,146	1,825,454
<u>(2,058)</u>	<u>(3,071)</u>		<u>(62,829)</u>	<u>(50,490)</u>
<u>507,809</u>	<u>510,389</u>		<u>1,936,317</u>	<u>1,774,964</u>
Sectorial analysis of advances				
2,539	2,414	Personal	855,699	789,948
–	–	Retail/distribution/manufacturing	122,450	123,984
–	–	Hotel and restaurant	31,882	6,510
–	–	Services	98,831	99,871
74,729	60,108	Construction and real estate	182,411	143,415
243,563	243,032	Financial	217,671	218,206
<u>189,036</u>	<u>207,906</u>	Other	<u>490,202</u>	<u>443,520</u>
<u>509,867</u>	<u>513,460</u>		<u>1,999,146</u>	<u>1,825,454</u>
Loans and advances have the following maturity profile				
179,371	162,512	Within 1 year	318,911	368,177
283,264	272,012	1 to 5 years	643,832	557,537
<u>47,232</u>	<u>78,936</u>	Over 5 years	<u>1,036,403</u>	<u>899,740</u>
<u>509,867</u>	<u>513,460</u>		<u>1,999,146</u>	<u>1,825,454</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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(Continued)

6. Loans and advances (continued)***Impairment allowance for loans and advances***

The tables below shows the staging of loans and advances and the related ECLs based on the Group's criteria as explained in Note 2(xii)(b).

Parent

Other loans and advances	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2025	502,018	–	11,442	513,460
ECL allowance as at 31 December 2025	<u>(1,010)</u>	<u>–</u>	<u>(2,061)</u>	<u>(3,071)</u>
Net exposure as at 31 December 2025	<u>501,008</u>	<u>–</u>	<u>9,381</u>	<u>510,389</u>
Gross carrying amount as at 31 December 2024	439,259	61,144	9,464	509,867
ECL allowance as at 31 December 2024	<u>(107)</u>	<u>–</u>	<u>(1,951)</u>	<u>(2,058)</u>
Net exposure as at 31 December 2024	<u>439,152</u>	<u>61,144</u>	<u>7,513</u>	<u>507,809</u>

ANSA MERCHANT BANK LIMITED

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

6. Loans and advances (continued)

Impairment allowance for loans and advances (continued)

Parent (continued)

Other loans and advances (continued)

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	(844)	(139)	(534)	(1,517)
ECL on new instruments issued during the year	(72)	–	–	(72)
Other credit loss movements, repayments etc.	<u>809</u>	<u>139</u>	<u>(1,417)</u>	<u>(469)</u>
At 31 December 2024	(107)	–	(1,951)	(2,058)
Other credit loss movements, repayments etc.	<u>(903)</u>	<u>–</u>	<u>(110)</u>	<u>(1,013)</u>
At 31 December 2025	<u>(1,010)</u>	<u>–</u>	<u>(2,061)</u>	<u>(3,071)</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

6. Loans and advances (continued)***Impairment allowance for loans and advances*** (continued)**Group**

Other loans and advances	Stage 1	Stage 2	Stage 3	Eliminations	Total
Gross carrying amount as at 31 December 2025	1,750,743	83,539	174,119	(9,255)	1,999,146
ECL allowance as at 31 December 2025	<u>(7,829)</u>	<u>(1,063)</u>	<u>(53,937)</u>	<u>–</u>	<u>(62,829)</u>
Net exposure as at 31 December 2025	<u><u>1,742,914</u></u>	<u><u>82,476</u></u>	<u><u>120,182</u></u>	<u><u>(9,255)</u></u>	<u><u>1,936,317</u></u>
Gross carrying amount as at 31 December 2024	1,545,520	125,622	163,567	(9,255)	1,825,454
ECL allowance as at 31 December 2024	<u>(5,145)</u>	<u>(841)</u>	<u>(44,504)</u>	<u>–</u>	<u>(50,490)</u>
Net exposure as at 31 December 2024	<u><u>1,540,375</u></u>	<u><u>124,781</u></u>	<u><u>119,063</u></u>	<u><u>(9,255)</u></u>	<u><u>1,774,964</u></u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

6. Loans and advances (continued)***Impairment allowance for loans and advances*** (continued)**Group** (continued)**Other loans and advances** (continued)

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	(5,539)	(1,454)	(22,525)	(29,518)
ECL on new instruments issued during the year	(728)	32	(379)	(1,075)
Other credit loss movements, repayments etc.	1,313	485	(20,969)	(19,171)
Charge-offs and write-offs	–	34	172	206
Credit loss (expense)/recovery	<u>(191)</u>	<u>62</u>	<u>(803)</u>	<u>(932)</u>
At 31 December 2024	(5,145)	(841)	(44,504)	(50,490)
ECL on new instruments issued during the year	(698)	(1)	(274)	(973)
Other credit loss movements, repayments etc.	(628)	323	(14,518)	(14,823)
Credit loss (expense)/recovery	<u>(1,358)</u>	<u>(544)</u>	<u>5,359</u>	<u>3,457</u>
At 31 December 2025	<u>(7,829)</u>	<u>(1,063)</u>	<u>(53,937)</u>	<u>(62,829)</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

7. Investment securities

Investment securities are stated net of impairment provisions for both the Parent and Group and comprise of investment securities designated as at fair value through statement of income, investment securities measured at amortised cost and investment securities measured at fair value through statement of other comprehensive income.

Parent			Group	
2024	2025		2025	2024
Investment securities				
Designated at fair value through				
268,107	223,109	statement of income	793,406	539,805
348,310	303,677	Amortised cost	2,253,502	2,268,055
Fair value through other				
336,948	382,788	comprehensive income	1,546,887	1,411,459
<u>953,365</u>	<u>909,574</u>	Total investment securities	<u>4,593,795</u>	<u>4,219,319</u>
Investment securities designated at fair value through statement of income				
22	22	Equity securities	146,894	65,254
185,379	145,313	Managed Funds	547,880	361,406
–	–	Government bonds	1,958	7,642
–	–	State-owned company securities	14,475	15,068
82,706	77,774	Corporate bonds	82,199	90,435
<u>268,107</u>	<u>223,109</u>		<u>793,406</u>	<u>539,805</u>
Investment securities measured at amortised cost				
20,062	4,736	Government bonds	878,420	918,050
12,098	–	State-owned company securities	361,313	351,640
316,150	298,941	Corporate bonds	1,013,769	998,365
<u>348,310</u>	<u>303,677</u>		<u>2,253,502</u>	<u>2,268,055</u>

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FOR THE YEAR ENDED 31 DECEMBER 2025

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(Continued)

7. **Investment securities** (continued)

Parent			Group	
2024	2025		2025	2024
		Investment securities designated and measured at FVOCI		
20,973	21,729	Equity securities	326,545	346,788
118,259	77,314	Government bonds	100,121	174,628
–	–	State-owned company securities	28,689	19,630
<u>197,716</u>	<u>283,745</u>	Corporate bonds	<u>1,091,532</u>	<u>870,413</u>
<u>336,948</u>	<u>382,788</u>		<u>1,546,887</u>	<u>1,411,459</u>
<u>953,365</u>	<u>909,574</u>	Total investment securities	<u>4,593,795</u>	<u>4,219,319</u>

Equity securities listed under investment securities designated and measured at fair value through other comprehensive income relates to the Group's investment in the mutual funds and publicly traded local and regional shares.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

7. Investment securities (continued)*Impairment allowance for investment securities*

The tables below shows the staging of investment securities and the related ECLs based on the Group's criteria as explained in Note 2(xii)(b).

Parent**Investment securities measured at amortised cost**

	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total
Gross carrying amount as at 31 December 2025	305,772	–	–	–	305,772
ECL allowance as at 31 December 2025	<u>(2,095)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(2,095)</u>
Net exposure as at 31 December 2025	<u>303,677</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>303,677</u>
Gross carrying amount as at 31 December 2024	350,090	–	–	–	350,090
ECL allowance as at 31 December 2024	<u>(1,780)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,780)</u>
Net exposure as at 31 December 2024	<u>348,310</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>348,310</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

7. Investment securities (continued)

Impairment allowance for investment securities (continued)

Parent (continued)

Investment securities measured at amortised cost (continued)

	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total
ECL allowance as at 1 January 2024	(5,835)	(1)	(239)	–	(6,075)
ECL on new instruments issued during the year	(76)	–	–	–	(76)
Other credit loss movements, repayments etc.	4,131	1	1,598	–	5,730
Credit loss expense	–	–	(1,359)	–	(1,359)
At 31 December 2024	(1,780)	–	–	–	(1,780)
ECL on new instruments issued during the year	(839)	–	–	–	(839)
Other credit loss movements, repayments etc.	1,447	–	–	–	1,447
Credit loss expense	(923)	–	–	–	(923)
At 31 December 2025	(2,095)	–	–	–	(2,095)

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

7. **Investment securities** (continued)

Impairment allowance for investment securities (continued)

Group

Investment securities measured at amortised cost

	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total
Gross carrying amount as at 31 December 2025	2,229,430	–	2,184	33,209	2,264,823
ECL allowance as at 31 December 2025	<u>(6,790)</u>	<u>–</u>	<u>(758)</u>	<u>(3,773)</u>	<u>(11,321)</u>
Net exposure as at 31 December 2025	<u>2,222,640</u>	<u>–</u>	<u>1,426</u>	<u>29,436</u>	<u>2,253,502</u>
Gross carrying amount as at 31 December 2024	2,240,476	–	2,139	34,320	2,276,935
ECL allowance as at 31 December 2024	<u>(6,598)</u>	<u>–</u>	<u>(755)</u>	<u>(1,527)</u>	<u>(8,880)</u>
Net exposure as at 31 December 2024	<u>2,233,878</u>	<u>–</u>	<u>1,384</u>	<u>32,793</u>	<u>2,268,055</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

7. Investment securities (continued)

Impairment allowance for investment securities (continued)**Group** (continued)**Investment securities measured at amortised cost** (continued)

	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total
ECL allowance as at 1 January 2024	(10,931)	(99)	(1,025)	(3,914)	(15,969)
Translation adjustments	(15)	(17)	5	–	(27)
ECL on new instruments issued during the year	(170)	–	–	(2,086)	(2,256)
Other credit loss movements, repayments etc.	4,713	14	1,584	4,473	10,784
Charge-offs and write-offs	–	102	–	–	102
Credit loss expense	(195)	–	(1,319)	–	(1,514)
At 31 December 2024	(6,598)	–	(755)	(1,527)	(8,880)
Translation adjustments	(18)	–	(15)	–	(33)
ECL on new instruments issued during the year	(1,054)	–	(122)	(2,239)	(3,415)
Other credit loss movements, repayments etc.	1,690	–	–	–	1,690
Charge-offs and write-offs	42	–	–	–	42
Credit loss (expense)/recovery	(852)	–	134	(7)	(725)
At 31 December 2025	(6,790)	–	(758)	(3,773)	(11,321)

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

7. **Investment securities** (continued)

Impairment allowance for investment securities (continued)

Parent

Investment securities designated and measured at FVOCI

	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total
Gross carrying amount as at 31 December 2025	361,059	–	–	–	361,059
ECL allowance as at 31 December 2025	<u>(356)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(356)</u>
Net exposure as at 31 December 2025	<u>360,703</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>360,703</u>
Gross carrying amount as at 31 December 2024	315,975	–	–	–	315,975
ECL allowance as at 31 December 2024	<u>(106)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(106)</u>
Net exposure as at 31 December 2024	<u>315,869</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>315,869</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

7. **Investment securities** (continued)

Impairment allowance for investment securities (continued)

Parent (continued)

Investment securities designated and measured at FVOCI (continued)

	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total
ECL allowance as at 1 January 2024	(18)	–	–	–	(18)
ECL on new instruments issued during the year	<u>(88)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(88)</u>
At 31 December 2024	(106)	–	–	–	(106)
ECL on new instruments issued during the year	(338)	–	–	–	(338)
Other credit loss movements, repayments etc.	<u>88</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>88</u>
At 31 December 2025	<u><u>(356)</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>(356)</u></u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

7. **Investment securities** (continued)

Impairment allowance for investment securities (continued)

Group

Investment securities designated and measured at FVOCI

	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total
Gross carrying amount as at 31 December 2025	1,220,342	–	–	–	1,220,342
ECL allowance as at 31 December 2025	<u>(592)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(592)</u>
Net exposure as at 31 December 2025	<u>1,219,750</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,219,750</u>
Gross carrying amount as at 31 December 2024	1,064,671	–	–	–	1,064,671
ECL allowance as at 31 December 2024	<u>(156)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(156)</u>
Net exposure as at 31 December 2024	<u>1,064,515</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,064,515</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

7. **Investment securities** (continued)

Impairment allowance for investment securities (continued)

Group (continued)

Investment securities designated and measured at FVOCI (continued)

	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Total
ECL allowance as at 1 January 2024	(67)	–	–	–	(67)
ECL on new instruments issued during the year	(182)	–	–	–	(182)
Other credit loss movements, repayments etc.	146	–	–	–	146
Credit loss expense	<u>(53)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(53)</u>
At 31 December 2024	(156)	–	–	–	(156)
ECL on new instruments issued during the year	(296)	–	–	–	(296)
Other credit loss movements, repayments etc.	(38)	–	–	–	(38)
Credit loss expense	<u>(102)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(102)</u>
At 31 December 2025	<u>(592)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(592)</u>

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(Continued)

8. Assets pledged

Parent		Group	
2024	2025	2025	2024
–	–	10,245	16,325
–	–	39,801	32,790
–	–	50,046	49,115

A statutory fund and deposit is 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.

Previously under the provisions of the Insurance Act 1980, the Company had established and maintained a statutory fund and a statutory deposit to which the assets were pledged and held to the order of the Inspector of Financial Institutions. Based on the new Insurance Act 2018 which came into effect on 1 January 2021, this will no longer be a requirement for the Company for the Trinidad territory of business. This 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.

9. Other debtors and prepayments

Parent		Group	
2024	2025	2025	2024
14,748	29,570	2,217	979
4,323	2,687	2,687	4,323
582	3,829	23,869	14,745
9,806	11,312	12,230	15,173
–	101	101	–
646	–	22	1,020
–	–	1,026	635
–	–	75,875	11,260
30,105	47,499	118,027	48,135

Other receivables includes an amount of \$31.9 million (31 December 2024: \$2.8 million) which relate to short-term clearing items whose balances fluctuate as part of normal bank processing and typically settles within five business days.

ANSA MERCHANT BANK LIMITED

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10. Investment in subsidiaries

	Parent	
	2025	2024
At beginning of the period	1,114,510	1,089,510
Capital funding	<u>100,000</u>	<u>25,000</u>
At end of the period	<u>1,214,510</u>	<u>1,114,510</u>

The financial statements include the subsidiaries listed in the following table:

Name of Company	Country of incorporation and operation	Proportion of issued capital held 31-Dec-25	Proportion of issued capital held 31-Dec-24
Trinidad and Tobago Insurance Limited	Trinidad and Tobago	100%	100%
TATIL Life Assurance Limited	Trinidad and Tobago	99.93%	99.93%
TATIL Re Limited	St. Lucia	100%	100%
ANSA Wealth Management Limited	Trinidad and Tobago	100%	100%
ANSA Financial Holdings (Barbados) Limited	Barbados	100%	100%
ANSA Merchant Bank (Barbados) Limited	Barbados	100%	100%
ANSA Bank Limited	Trinidad and Tobago	100%	100%
First Class Services Limited	Trinidad and Tobago	100%	100%
Colonial Fire Insurance Company Limited (Colfire)	Trinidad and Tobago	100%	100%

The transfer of assets from the subsidiaries to the parent is subject to approval by the relevant governance committees including the Board of Directors of the individual subsidiaries.

On 7 February 2023, Trinidad and Tobago Insurance Limited (TATIL) completed the acquisition of 100% of Colonial Fire & General Insurance Company Limited (Colfire). This was an acquisition of a non-listed company engaged in the underwriting of general insurance policies.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

10. Investment in subsidiaries (continued)

On 23 June 2022, TATIL Life Assurance Limited acquired 100% of First Class Services Limited (FCSL). This was an acquisition which consisted of an investment property.

In February 2020, Trident Insurance Company Limited (TICL) (wholly owned by ANSA McAL (Barbados) Ltd., entered into a business transfer agreement (BTA) with Trinidad and Tobago Insurance Limited (TATIL) to sell, assign and transfer the business, trademark, logo and assets of TICL free and clear of all encumbrances, liens and other restrictions. In December 2021, the Central Bank of Trinidad and Tobago (CBTT) approved the commencement of the renewal of all insurance policies in the name of TATIL trading as Trident Insurance renewing as the policies expired commencing 1 May 2021 via a Scheme of Transfer. They did not, however, approve the transfer of the assets and liabilities to TATIL as at that time. The remaining assets and liabilities of TICL were transferred to the company in December 2023 after the final approval by the CBTT was granted.

On 28 February 2021, the Bank completed the acquisition of 100% of the financial services business of Bank of Baroda (Trinidad) Limited (BOB) which was rebranded as ANSA Bank Limited (ABL). From the date of acquisition ANSA Merchant Bank Limited has made capital injections totaling \$225 million into ANSA Bank Limited of which \$100 million was injected in financial year 2025. The capital injections have been accounted for as additional shares issued by the subsidiary. These injections align with the Group's commitment to supporting the subsidiary's long term growth and financial stability.

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(Continued)

11. Investment properties

Parent		Group	
2024	2025	2025	2024
–	–	154,265	153,838
–	–	627	(474)
–	–	14,478	901
–	–	169,370	154,265
–	–	20,541	20,756
–	–	12,683	14,260

The Group's investment properties consist of seven commercial properties located across Port of Spain, San Fernando, Mt. Hope and St. James.

The fair values were based on independent valuations. The valuation model applied was in accordance with that recommended by the International Valuation Standards Committee.

Operating leases

The Group's policy is to rent investment properties to tenants through operating leases. Minimum future rentals to be received on non-cancellable operating leases of the Group's investment properties are receivable in the following periods:

	2025	2024
No later than 1 year	17,667	25,876
Later than 1 year but not later than 5 years	27,666	36,346
Later than 5 years	22,586	26,490
	<u>67,919</u>	<u>88,712</u>

The Group has no restrictions on the realisability of its investment properties and no contractual obligation for repairs, maintenance and enhancements.

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12. Property and equipment

Parent 2025	Furniture & equipment	Computer equipment	Motor vehicles	Leasehold improvements	Total
Cost					
At beginning of the period	2,321	9,854	1,771	5,437	19,383
Additions	<u>553</u>	<u>743</u>	<u>–</u>	<u>88</u>	<u>1,384</u>
At end of the period	<u>2,874</u>	<u>10,597</u>	<u>1,771</u>	<u>5,525</u>	<u>20,767</u>
Accumulated depreciation					
At beginning of the period	1,557	8,918	1,289	4,452	16,216
Current depreciation	<u>155</u>	<u>549</u>	<u>138</u>	<u>250</u>	<u>1,092</u>
At end of the period	<u>1,712</u>	<u>9,467</u>	<u>1,427</u>	<u>4,702</u>	<u>17,308</u>
Net book value	<u><u>1,162</u></u>	<u><u>1,130</u></u>	<u><u>344</u></u>	<u><u>823</u></u>	<u><u>3,459</u></u>

ANSA MERCHANT BANK LIMITED

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(Continued)

12. Property and equipment (continued)

Parent 2024	Furniture & equipment	Computer equipment	Motor vehicles	Leasehold improvements	Total
Cost					
At beginning of the period	2,019	9,170	1,540	5,302	18,031
Additions	<u>302</u>	<u>684</u>	<u>231</u>	<u>135</u>	<u>1,352</u>
At end of the period	<u>2,321</u>	<u>9,854</u>	<u>1,771</u>	<u>5,437</u>	<u>19,383</u>
Accumulated depreciation					
At beginning of the period	1,487	8,395	1,193	4,210	15,285
Current depreciation	<u>70</u>	<u>523</u>	<u>96</u>	<u>242</u>	<u>931</u>
At end of the period	<u>1,557</u>	<u>8,918</u>	<u>1,289</u>	<u>4,452</u>	<u>16,216</u>
Net book value	<u><u>764</u></u>	<u><u>936</u></u>	<u><u>482</u></u>	<u><u>985</u></u>	<u><u>3,167</u></u>

ANSA MERCHANT BANK LIMITED

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(Continued)

12. Property and equipment (continued)

Group 2025	Furniture & equipment	Computer equipment	Motor vehicles	Leasehold improvements	Land & buildings	Leased vehicles & equipment	Total
Cost							
At beginning of the period	84,243	59,611	4,940	17,289	99,135	197,532	462,750
Additions	2,164	4,287	31	4,402	4,083	47,574	62,541
Transfers	1,417	839	(571)	(2,013)	(623)	–	(951)
Disposals	(246)	(167)	(799)	(516)	(82)	(38,007)	(39,817)
Reclassification	597	–	–	–	(597)	–	–
Exchange differences on translation of foreign operations	29	30	1	3	–	–	63
Other movements	98	75	38	134	1	5,620	5,966
At end of the period	<u>88,302</u>	<u>64,675</u>	<u>3,640</u>	<u>19,299</u>	<u>101,917</u>	<u>212,719</u>	<u>490,552</u>

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(Continued)

12. Property and equipment (continued)

Group 2025 (continued)	Furniture & equipment	Computer equipment	Motor vehicles	Leasehold improvements	Land & buildings	Leased vehicles & equipment	Total
Accumulated depreciation							
At beginning of the period	51,081	53,056	2,681	11,549	7,104	84,351	209,822
Current depreciation	4,206	5,288	401	861	712	32,181	43,649
Disposals	(149)	(163)	(480)	–	(612)	(29,629)	(31,033)
Exchange differences on translation of foreign operations	27	27	–	3	–	–	57
Other movements	<u>820</u>	<u>(640)</u>	<u>14</u>	<u>141</u>	<u>138</u>	<u>2,197</u>	<u>2,670</u>
At end of the period	<u>55,985</u>	<u>57,568</u>	<u>2,616</u>	<u>12,554</u>	<u>7,342</u>	<u>89,100</u>	<u>225,165</u>
Net book value	<u>32,317</u>	<u>7,107</u>	<u>1,024</u>	<u>6,745</u>	<u>94,575</u>	<u>123,619</u>	<u>265,387</u>

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(Continued)

12. Property and equipment (continued)

Group 2024	Furniture & equipment	Computer equipment	Motor vehicles	Leasehold improvements	Land & buildings	Leased vehicles & equipment	Total
Cost							
At beginning of the period	68,185	54,141	4,583	17,329	103,671	176,189	424,098
Additions	945	3,101	9,137	2,591	390	53,947	70,111
Transfers	15,038	2,613	(7,844)	(2,294)	1,636	–	9,149
Disposals	(159)	(508)	(972)	(531)	(3,613)	(41,023)	(46,806)
Reclassification	86	135	–	–	(624)	–	(403)
Exchange differences on translation of foreign operations	148	129	36	194	143	7,309	7,959
Other movements	–	–	–	–	(2,468)	1,110	(1,358)
At end of the period	<u>84,243</u>	<u>59,611</u>	<u>4,940</u>	<u>17,289</u>	<u>99,135</u>	<u>197,532</u>	<u>462,750</u>

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(Continued)

12. Property and equipment (continued)

Group 2024 (continued)	Furniture & equipment	Computer equipment	Motor vehicles	Leasehold improvements	Land & buildings	Leased vehicles & equipment	Total
Accumulated depreciation							
At beginning of the period	40,269	45,338	2,990	11,101	6,393	94,291	200,382
Current depreciation	4,101	5,452	370	790	711	21,726	33,150
Disposals	(159)	(19)	(697)	(531)	–	(33,617)	(35,023)
Transfers	6,739	2,201	–	–	–	–	8,940
Exchange differences on translation of foreign operations	131	84	18	189	–	4,962	5,384
Other movements	–	–	–	–	–	(3,011)	(3,011)
At end of the period	<u>51,081</u>	<u>53,056</u>	<u>2,681</u>	<u>11,549</u>	<u>7,104</u>	<u>84,351</u>	<u>209,822</u>
Net book value	<u>33,162</u>	<u>6,555</u>	<u>2,259</u>	<u>5,740</u>	<u>92,031</u>	<u>113,181</u>	<u>252,928</u>

As at 31 December 2025, the Parent's gross carrying amount of fully depreciated assets still in use amounted to \$1.0 million (31 December 2024: \$1.1 million) and the Group's carrying amount of fully depreciated assets still in use was \$58.7 million (31 December 2024: \$89.9 million).

There were no property and equipment retired, held for disposal, restrictions on title or pledged as security for liabilities as well as no contractual commitments for the acquisition of property and equipment as at 31 December 2025 and 31 December 2024 for both Parent and Group.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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 (Continued)

13. Intangible assets

Parent	Computer software & work in progress	Total
2025		
Gross carrying amounts		
At beginning of the period	<u>32,886</u>	<u>32,886</u>
At end of the period	<u>32,886</u>	<u>32,886</u>
Accumulated impairment and amortisation		
At beginning of the period	11,713	11,713
Amortisation for the year	<u>2,106</u>	<u>2,106</u>
At end of the period	<u>13,819</u>	<u>13,819</u>
Net carrying amounts	<u>19,067</u>	<u>19,067</u>
2024		
Gross carrying amounts		
At beginning of the period	32,844	32,844
Additions	<u>42</u>	<u>42</u>
At end of the period	<u>32,886</u>	<u>32,886</u>
Accumulated impairment and amortisation		
At beginning of the period	9,617	9,617
Amortisation for the year	<u>2,096</u>	<u>2,096</u>
At end of the period	<u>11,713</u>	<u>11,713</u>
Net carrying amounts	<u>21,173</u>	<u>21,173</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

13. Intangible assets (continued)

Group	Goodwill	Banking license & Customer deposits	Brand & policy renewal	Policy renewal right & distribution relationship	Computer software & work in progress	Total
2025						
Gross carrying amounts						
At beginning of the year	351,031	81,042	5,987	38,472	309,564	786,096
Additions during the year	39	–	21	–	8,789	8,849
Exchange differences on translation of foreign operations	–	–	–	–	813	813
Disposals during the year	–	–	–	–	(31,616)	(31,616)
At end of the year	<u>351,070</u>	<u>81,042</u>	<u>6,008</u>	<u>38,472</u>	<u>287,550</u>	<u>764,142</u>
Accumulated impairment and amortisation						
At beginning of the year	–	10,178	69	3,361	63,886	77,494
Amortisation for the year	–	<u>2,655</u>	<u>259</u>	<u>3,362</u>	<u>17,435</u>	<u>23,711</u>
At end of the year	–	<u>12,833</u>	<u>328</u>	<u>6,723</u>	<u>81,321</u>	<u>101,205</u>
Net carrying amounts	<u>351,070</u>	<u>68,209</u>	<u>5,680</u>	<u>31,749</u>	<u>206,229</u>	<u>662,937</u>
2024						
Gross carrying amounts						
At beginning of the year	350,975	81,042	5,980	38,472	276,489	752,958
Additions during the year	–	–	–	–	36,078	36,078
Exchange differences on translation of foreign operations	56	–	7	–	–	63
Disposals during the year	–	–	–	–	(3,003)	(3,003)
At end of the year	<u>351,031</u>	<u>81,042</u>	<u>5,987</u>	<u>38,472</u>	<u>309,564</u>	<u>786,096</u>
Accumulated impairment and amortisation						
At beginning of the year	–	7,523	–	3,081	50,334	60,938
Exchange differences on translation of foreign operations	–	–	(17)	–	–	(17)
Amortisation for the year	–	<u>2,655</u>	<u>86</u>	<u>280</u>	<u>13,552</u>	<u>16,573</u>
At end of the year	–	<u>10,178</u>	<u>69</u>	<u>3,361</u>	<u>63,886</u>	<u>77,494</u>
Net carrying amounts	<u>351,031</u>	<u>70,864</u>	<u>5,918</u>	<u>35,111</u>	<u>245,678</u>	<u>708,602</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

13. Intangible assets (continued)

Goodwill

On 1 January 2004, the Bank acquired 100% of the issued ordinary shares of Trinidad and Tobago Insurance Limited.

The cost of acquisition was \$622.5 million, resulting in goodwill of \$133.8 million. The purchase consideration was discharged by the issuance of 54,605,263 new ordinary shares of the Bank at a price of \$11.40 per share, which was the publicly listed price at 31 December 2003. As at 30 September 2010, the Bank invested \$10 million into its subsidiary ANSA Securities Limited which represents 100% of its shareholding.

On 28 February 2021, the Bank completed the acquisition of 100% of the financial services business of Bank of Baroda (Trinidad) Limited (BOB) which was rebranded as ANSA Bank Limited (ABL). The cost of acquisition was \$179.2 million, resulting in goodwill of \$43.9 million.

On 7 February 2023, Trinidad and Tobago Insurance Limited (TATIL) completed the acquisition of 100% of Colonial Fire & General Insurance Company Limited (COLFIRE). The cost of acquisition was \$320 million, resulting in goodwill of \$162 million.

In February 2020, Trident Insurance Company Limited (TICL) (wholly owned by ANSA McAL (Barbados) Ltd., entered into a business transfer agreement (BTA) with the Company to sell, assign and transfer the business, trademark, logo and assets of TICL to the Company free and clear of all encumbrances, liens and other restrictions. In December 2021, the Central Bank of Trinidad and Tobago (CBTT) approved the commencement of the renewal of all insurance policies in the name of TATIL trading as Trident Insurance renewing as the policies expired commencing 1 May 2021 via a Scheme of Transfer. They did not, however, approve the transfer of the assets and liabilities to TATIL as at that time. The remaining assets and liabilities of TICL were transferred to the Group in December 2023 after the final approval by the CBTT was granted.

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.

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(Continued)

13. Intangible assets (continued)

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:

	Cash generating unit	Carrying amount of goodwill	Discount rate	Growth rate (extrapolation period)	Year of acquisition
ANSA Bank Limited (Group)	Banking	43,855	7.90%	2.17%	2021
Trident Insurance Scheme of Transfer (Group)	Insurance	11,384	12.50%	2.00%	2021
Colonial Fire & General Insurance Limited (Group)	Insurance	<u>162,030</u>	12.60%	1.80%	2023
Group		<u>217,269</u>			

Intangible assets

Intangible assets include the internal development cost arising from the development of computer software for the Group 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.

Core deposit intangibles acquired through the ABL business combination have been determined to have a life of 7 years from acquisition date. Banking license intangibles acquired through the ABL business combination have been determined to have an infinite useful life.

Trade name, policy renewal rights and contracts

Based on the BTA, the Group acquired the following trademarks and tradenames in February 2020: Trident Insurance - Name and Logo, Trident Road Rescue - Name and Logo, Flexi-Pay from Trident Insurance - Name and Logo, and Flexi-Pay - Logo. Each trademark was registered in Barbados and is therefore protected via legal rights. Using the relief-from-royalty method, with the Group's intention to continue to use the Trident trademark into the foreseeable future, as such the useful life was determined to be indefinite.

The Policy Renewal Rights acquired in the BTA for the different lines of business have similar characteristics in that their contract terms do not differ significantly. The renewal rights associated with the different insurance contracts were valued as one group of contracts. The useful life of the renewal rights was determined to be 15 years.

The Policy Renewal Rights, and Distribution relationship acquired in February 2023 upon the acquisition of COLFIRE were identifiable and relates to the value of future profits expected to be earned from the renewal of COLFIRE's direct in-force policies existing as at the acquisition date. The useful life of the renewal rights was determined to be 15 years. The value of the COLFIRE brand was not considered in the acquisition.

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(Continued)

13. Intangible assets (continued)**Impairment testing of intangible assets*****Goodwill***

In accordance with IFRS 3, 'Business Combinations', all assets that gave rise to goodwill were reviewed for impairment at 31 December 2025 using the 'value in use' method. Based on the results of this review no impairment expense was required.

The following table highlights the goodwill and impairment information for each CGU:

	TICL	TATIL	COLFIRE	ANSA Bank Limited
Carrying amount of Goodwill:	11,384	133,801	162,030	43,855
Basis for recoverable amount:	Value in use	Value in use	Value in use	Value in use
Discount rate:	12.5%	10.1%	12.6%	7.9%
Cash flow projection term:	Five years to perpetuity	Five years to perpetuity	Five years to perpetuity	Five years to perpetuity
Growth rate (extrapolation period):	2.0%	2.5%	1.8%	2.2%

Goodwill impairment testing was completed for ANSA Bank Limited including cash flow projections on a five (5) year basis.

No significant or material events occurred from the date of acquisition to the statement of financial position date which would give rise to indicators of impairment. In accordance with IAS 36, 'Impairment of Assets,' management intends to carry out the annual review for impairment within the first year of acquisition and on each anniversary date thereafter.

Trade name, policy renewal rights and contracts, banking license and customer deposits

The following table highlights the impairment testing information for each trade name, policy renewal right and contract as well as the assumptions to which the impairment testing were most sensitive:

	Cash generating unit	Carrying amount of		Growth rate Discount (extrapolation rate period)	
		2025	2024		
Brand and license	Insurance	2,662	2,653	17.50%	2.30%
Banking license	Banking	60,800	60,800	7.90%	2.17%

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 (Continued)

13. Intangible assets (continued)

Impairment testing of intangible assets (continued)

Trade name, policy renewal rights and contracts, banking license and customer deposits (continued)

The following intangibles asset are not subject to impairment testing

		2025	2024
	Cash generating unit	Net carrying amount	Net carrying amount
Trade and policy renewal rights	Trident Insurance Scheme of Transfer	3,018	3,265
Policy renewal rights & Distribution relationship	COLFIRE	31,749	35,111
Customer deposits	ANSA Bank Limited	7,409	10,064

Intangible assets composition:

	Cash generating unit	Amount on acquisition
Trade name	Trident Insurance Scheme of Transfer	2,640
Policy renewal rights	Trident Insurance Scheme of Transfer	3,340
Policy renewal rights & Distribution relationship	COLFIRE	38,472
		<u>44,452</u>
Banking license	ANSA Bank Limited	60,800
Customer deposits	ANSA Bank Limited	20,242
		<u>81,042</u>

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(Continued)

14. Leases

Parent	Land and building	Total	
As at 1 January 2025	7,283	7,283	
Addition	4,489	4,489	
Charge for the year	(2,443)	(2,443)	
Other movements	<u>(5,243)</u>	<u>(5,243)</u>	
As at 31 December 2025	<u>4,086</u>	<u>4,086</u>	
As at 1 January 2024	8,368	8,368	
Addition	588	588	
Charge for the year	(2,417)	(2,417)	
Other movements	<u>744</u>	<u>744</u>	
As at 31 December 2024	<u>7,283</u>	<u>7,283</u>	
Group	Land and building	Motor vehicles	Total
As at 1 January 2025	36,724	1,140	37,864
Additions	12,280	2,551	14,831
Charge for the year	(11,013)	(1,340)	(12,353)
Other movements	29	–	29
Modification	<u>(2,937)</u>	<u>(215)</u>	<u>(3,152)</u>
As at 31 December 2025	<u>35,083</u>	<u>2,136</u>	<u>37,219</u>
As at 1 January 2024	38,373	1,343	39,716
Additions	7,778	721	8,499
Charge for the year	(10,086)	(672)	(10,758)
Other movements	835	–	835
Modification	<u>(176)</u>	<u>(252)</u>	<u>(428)</u>
As at 31 December 2024	<u>36,724</u>	<u>1,140</u>	<u>37,864</u>

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(Continued)

14. Leases (continued)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Parent			Group	
2024	2025		2025	2024
8,575	7,570	As at 1 January	38,251	37,194
588	4,489	Additions	12,280	5,790
(2,644)	(2,634)	Principal payments	(12,467)	(11,983)
307	213	Interest expense on lease liabilities	1,203	1,373
744	–	Other movements	63	744
–	(5,641)	Modifications	(3,749)	4,990
–	–	Exchange differences on translation of foreign operations	13	143
<u>7,570</u>	<u>3,997</u>	As at 31 December	<u>35,594</u>	<u>38,251</u>

The maturity analysis of lease liabilities are disclosed in Note 41.

The following are the amounts recognised in the statement of income.

Parent			Group	
2024	2025		2025	2024
2,417	2,443	Depreciation expense of right-of-use assets	12,353	10,758
307	213	Interest expense on lease liabilities	1,203	1,373
–	511	Expense relating to short term leases	2,358	1,689
–	–	Expense relating to leases of low value assets	490	678
<u>2,724</u>	<u>3,167</u>		<u>16,404</u>	<u>14,498</u>

The Group has no lease contracts that contains variable payments.

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.

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15. Deferred taxation

Parent	2024	Other movements	Credit/(charge) to		2025
			Income	OCI	
Employee benefits liability	271	–	22	(2)	291
Net investment in leased assets	(947)	–	947	–	–
Provisions	<u>2,712</u>	<u>–</u>	<u>157</u>	<u>76</u>	<u>2,945</u>
Total deferred tax assets	<u>2,036</u>	<u>–</u>	<u>1,126</u>	<u>74</u>	<u>3,236</u>
Property and equipment	(8,764)	3,330	509	–	(4,925)
Net investment in leased assets	–	–	(3,143)	–	(3,143)
Employee benefits asset	(2,130)	–	(55)	(679)	(2,864)
Unrealised investment gains	<u>712</u>	<u>(3,330)</u>	<u>1,456</u>	<u>(1,608)</u>	<u>(2,770)</u>
Total deferred tax liabilities	<u>(10,182)</u>	<u>–</u>	<u>(1,233)</u>	<u>(2,287)</u>	<u>(13,702)</u>

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(Continued)

15. Deferred taxation (continued)

Parent	2023	Other movements	Credit/(charge) to		2024
			Income	OCI	
Employee benefits liability	277	–	26	(32)	271
Net investment in leased assets	3,906	–	(4,853)	–	(947)
Provisions	2,654	–	31	27	2,712
Total deferred tax assets	<u>6,837</u>	<u>–</u>	<u>(4,796)</u>	<u>(5)</u>	<u>2,036</u>
Property and equipment	(8,836)	–	72	–	(8,764)
Employee benefits asset	(2,533)	–	(55)	458	(2,130)
Provisions	(318)	–	357	673	712
Total deferred tax liabilities	<u>(11,687)</u>	<u>–</u>	<u>374</u>	<u>1,131</u>	<u>(10,182)</u>

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15. Deferred taxation (continued)

Group	2024	Other movements	Credit/(charge) to		2025
			Income	OCI	
Employee benefits liability	2,483	(63)	168	(19)	2,569
Property and equipment	4,150	–	(126)	–	4,024
Net investment in leased assets	6,351	–	(1,057)	–	5,294
Tax losses	30,694	1,227	11,201	–	43,122
Unrealised investment and foreign exchange losses	4,585	12,077	(1,120)	3,790	19,332
Provisions	<u>2,938</u>	<u>–</u>	<u>1,269</u>	<u>74</u>	<u>4,281</u>
Total deferred tax assets	<u>51,201</u>	<u>13,241</u>	<u>10,335</u>	<u>3,845</u>	<u>78,622</u>
Unrealised foreign exchange losses	(339)	–	(817)	–	(1,156)
Employee benefits asset	(47,263)	–	(2,943)	8,028	(42,178)
Property and equipment	(23,098)	3,330	(8,855)	–	(28,623)
Deferred income IFRS 15	(897)	–	(303)	–	(1,200)
Net investment in leased assets	(8,886)	–	(1,409)	–	(10,295)
Unrealised investment gains	<u>(20,753)</u>	<u>(15,407)</u>	<u>(7,061)</u>	<u>(2,405)</u>	<u>(45,626)</u>
Total deferred tax liabilities	<u>(101,236)</u>	<u>(12,077)</u>	<u>(21,388)</u>	<u>5,623</u>	<u>(129,078)</u>

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15. Deferred taxation (continued)

Group	2023	Other movements	Credit/(charge) to		2024
			Income	OCI	
Employee benefits liability	1,929	14	126	414	2,483
Property and equipment	4,454	–	(304)	–	4,150
Net investment in leased assets	8,909	2,024	(4,582)	–	6,351
Tax losses	18,905	3,953	7,836	–	30,694
Unrealised investment and foreign exchange losses	6,189	–	551	(2,155)	4,585
Provisions	8,613	–	(5,701)	26	2,938
Total deferred tax assets	<u>48,999</u>	<u>5,991</u>	<u>(2,074)</u>	<u>(1,715)</u>	<u>51,201</u>
Unrealised foreign exchange losses	319	(645)	(13)	–	(339)
Employee benefits asset	(48,091)	66	(3,169)	3,931	(47,263)
Property and equipment	(25,178)	853	1,227	–	(23,098)
Deferred income IFRS 15	–	–	(897)	–	(897)
Net investment in leased assets	(7,797)	(1,933)	844	–	(8,886)
Unrealised investment gains	(44,612)	(364)	1,723	22,500	(20,753)
Total deferred tax liabilities	<u>(125,359)</u>	<u>(2,023)</u>	<u>(285)</u>	<u>26,431</u>	<u>(101,236)</u>

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16. Employee benefits

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 plan requires contributions to be made to a separately administered fund. The fund has a separate legal form and is governed by the Board of Trustees who are 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 Pensions 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.

a) Amounts recognised in the statement of financial position

	Defined benefit pension plan		Post-retirement health benefits	
	2025	2024	2025	2024
Parent				
Present value of				
defined benefit obligation	29,527	28,675	963	897
Fair value of plan assets	<u>(39,064)</u>	<u>(35,767)</u>	<u>–</u>	<u>–</u>
(Asset)/liability recognised in the statement of financial position	<u>(9,537)</u>	<u>(7,092)</u>	<u>963</u>	<u>897</u>
Group				
Present value of				
defined benefit obligation	229,452	219,917	13,148	11,386
Fair value of plan assets	<u>(382,110)</u>	<u>(396,715)</u>	<u>–</u>	<u>–</u>
(Asset)/liability recognised in the statement of financial position	<u>(152,658)</u>	<u>(176,798)</u>	<u>13,148</u>	<u>11,386</u>

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(Continued)

16. Employee benefits (continued)

b) Changes in defined benefit obligation and fair value of plan assets

The changes in the benefit obligations and fair value of plan assets are analysed below.

Parent	Defined benefit obligation	Fair value of plan assets	Defined benefit pension plans	Post- employment medical benefits
Balance at 1 January 2025	<u>28,675</u>	<u>(35,767)</u>	<u>(7,092)</u>	<u>897</u>
<i>Pension cost charged to statement of income</i>				
Current service cost	1,785	–	1,785	75
Net interest cost/(credit)	1,774	(2,192)	(418)	54
Administrative expenses	<u>14</u>	<u>–</u>	<u>14</u>	<u>–</u>
Total charge/(credit) to statement of income	<u>3,573</u>	<u>(2,192)</u>	<u>1,381</u>	<u>129</u>
<i>Experience (gains)/losses in OCI</i>				
Experience gains				
- demographic	(2,638)	–	(2,638)	(7)
Experience losses				
- financial	<u>–</u>	<u>376</u>	<u>376</u>	<u>–</u>
Total (credit)/charge to OCI	<u>(2,638)</u>	<u>376</u>	<u>(2,262)</u>	<u>(7)</u>
<i>Other movements</i>				
Contributions by employee	1,563	(1,563)	–	–
Contributions by employer	–	(1,564)	(1,564)	–
Transfers	50	(50)	–	–
Administrative expenses	(14)	14	–	–
Benefits paid	<u>(1,682)</u>	<u>1,682</u>	<u>–</u>	<u>(56)</u>
Total other movements	<u>(83)</u>	<u>(1,481)</u>	<u>(1,564)</u>	<u>(56)</u>
Balance at 31 December 2025	<u>29,527</u>	<u>(39,064)</u>	<u>(9,537)</u>	<u>963</u>

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(Continued)

16. Employee benefits (continued)

b) Changes in defined benefit obligation and fair value of plan assets (continued)

Group	Defined benefit obligation	Fair value of plan assets	Defined benefit pension plans	Post- employment medical benefits
Balance at 1 January 2025	<u>219,917</u>	<u>(396,715)</u>	<u>(176,798)</u>	<u>11,386</u>
<i>Pension cost charged to statement of income</i>				
Current service cost	6,246	–	6,246	713
Net interest cost/(credit)	13,399	(24,231)	(10,832)	716
Past service cost				
Administrative expenses	<u>14</u>	<u>297</u>	<u>311</u>	<u>–</u>
Total charge/(credit) to statement of income	<u>19,659</u>	<u>(23,934)</u>	<u>(4,275)</u>	<u>1,429</u>
<i>Experience losses in OCI</i>				
Experience losses				
- demographic	3,272	–	3,272	547
Experience losses				
- financial	<u>–</u>	<u>32,326</u>	<u>32,326</u>	<u>–</u>
Total charge to OCI	<u>3,272</u>	<u>32,326</u>	<u>35,598</u>	<u>547</u>
<i>Other movements</i>				
Contributions by employee	4,504	(4,504)	–	–
Contributions by employer	–	(6,921)	(6,921)	–
Transfers	93	(93)	–	426
Administrative expenses	(14)	14	–	–
Exchange differences	(223)	(39)	(262)	113
Benefits paid	<u>(17,756)</u>	<u>17,756</u>	<u>–</u>	<u>(753)</u>
Total other movements	<u>(13,396)</u>	<u>6,213</u>	<u>(7,183)</u>	<u>(214)</u>
Balance at 31 December 2025	<u>229,452</u>	<u>(382,110)</u>	<u>(152,658)</u>	<u>13,148</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

16. Employee benefits (continued)

b) Changes in defined benefit obligation and fair value of plan assets (continued)

Parent	Defined benefit obligation	Fair value of plan assets	Defined benefit pension plans	Post- employment medical benefits
Balance at 1 January 2024	<u>24,442</u>	<u>(32,878)</u>	<u>(8,436)</u>	<u>914</u>
<i>Pension cost charged to statement of income</i>				
Current service cost	1,617	–	1,617	89
Net interest cost/(credit)	1,616	(2,114)	(498)	56
Administrative expenses	<u>35</u>	<u>–</u>	<u>35</u>	<u>–</u>
Total charge/(credit) to statement of income	<u>3,268</u>	<u>(2,114)</u>	<u>1,154</u>	<u>145</u>
<i>Experience (gains)/losses in OCI</i>				
Experience gains				
- demographic	(95)	–	(95)	(104)
Experience (gains)/losses				
- financial	<u>(697)</u>	<u>2,318</u>	<u>1,621</u>	<u>–</u>
Total (credit)/charge to OCI	<u>(792)</u>	<u>2,318</u>	<u>1,526</u>	<u>(104)</u>
<i>Other movements</i>				
Contributions by employee	1,336	(1,336)	–	–
Contributions by employer	–	(1,336)	(1,336)	–
Transfers	1,573	(1,573)	–	–
Administrative expenses	(35)	35	–	–
Benefits paid	<u>(1,117)</u>	<u>1,117</u>	<u>–</u>	<u>(58)</u>
Total other movements	<u>1,757</u>	<u>(3,093)</u>	<u>(1,336)</u>	<u>(58)</u>
Balance at 31 December 2024	<u>28,675</u>	<u>(35,767)</u>	<u>(7,092)</u>	<u>897</u>

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(Continued)

16. Employee benefits (continued)

b) Changes in defined benefit obligation and fair value of plan assets (continued)

Group	Defined benefit obligation	Fair value of plan assets	Defined benefit pension plans	Post-employment medical benefits
Balance at 1 January 2024	<u>229,200</u>	<u>(410,001)</u>	<u>(180,801)</u>	<u>9,268</u>
<i>Pension cost charged to statement of income</i>				
Current service cost	6,776	–	6,776	599
Net interest cost/(credit)	14,131	(25,083)	(10,952)	614
Administrative expenses	<u>35</u>	<u>696</u>	<u>731</u>	<u>–</u>
Total charge/(credit) to statement of income	<u>20,942</u>	<u>(24,387)</u>	<u>(3,445)</u>	<u>1,213</u>
<i>Experience (gains)/losses in OCI</i>				
Experience (gains)/losses				
- demographic	(17,077)	–	(17,077)	527
Experience (gains)/losses				
- financial	<u>(1,372)</u>	<u>31,026</u>	<u>29,654</u>	<u>943</u>
Total (credit)/charge to OCI	<u>(18,449)</u>	<u>31,026</u>	<u>12,577</u>	<u>1,470</u>
<i>Other movements</i>				
Contributions by employee	4,186	(4,186)	–	–
Contributions by employer	–	(7,133)	(7,133)	–
Transfers	3,377	(3,377)	–	–
Administrative expenses	(35)	104	69	63
Exchange differences	297	1,638	1,935	(13)
Benefits paid	<u>(19,601)</u>	<u>19,601</u>	<u>–</u>	<u>(615)</u>
Total other movements	<u>(11,776)</u>	<u>6,647</u>	<u>(5,129)</u>	<u>(565)</u>
Balance at 31 December 2024	<u>219,917</u>	<u>(396,715)</u>	<u>(176,798)</u>	<u>11,386</u>

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(Continued)

16. Employee benefits (continued)

c) Movements in net (asset)/liability recognised in the statement of financial position

	Defined benefit pension plan		Post-retirement health benefits	
	2025	2024	2025	2024
Parent				
Net (asset)/liability at the start of the year	(7,092)	(8,436)	897	914
Net expense recognised in the statement of income	1,381	1,154	129	145
Net (income)/expense recognised in the statement of other comprehensive income	(2,262)	1,526	(7)	(104)
Contributions paid	<u>(1,564)</u>	<u>(1,336)</u>	<u>(56)</u>	<u>(58)</u>
Net (asset)/liability recognised at the end of the year	<u>(9,537)</u>	<u>(7,092)</u>	<u>963</u>	<u>897</u>
Group				
Net (asset)/liability at the start of the year	(176,798)	(180,801)	11,386	9,268
Net (income)/expense recognised in the statement of income	(4,275)	(3,445)	1,429	1,213
Net expense recognised in the statement of other comprehensive income	35,598	12,577	547	1,470
Contributions paid	<u>(7,183)</u>	<u>(5,129)</u>	<u>(214)</u>	<u>(565)</u>
Net (asset)/liability recognised at the end of the year	<u>(152,658)</u>	<u>(176,798)</u>	<u>13,148</u>	<u>11,386</u>

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(Continued)

16. Employee benefits (continued)

d) Actual return on plan assets	2025	2024
Parent	<u>1,816</u>	<u>(204)</u>
Group	<u>34,643</u>	<u>5,222</u>

e) Major categories of plan assets as a percentage of total plan assets

	Defined benefit pension plan	
Parent and Group	2025	2024
Local equities	26%	26%
Local bonds	38%	38%
Foreign investments	33%	33%
Real estate/mortgages	1%	1%
Short-term securities	<u>2%</u>	<u>2%</u>
	<u>100%</u>	<u>100%</u>

f) Principal actuarial assumptions

	Defined benefit pension plan	
Parent and Group	2025	2024
Discount rate	6%	6%
Future salary increases	3%	3%
Medical costs trend rates	3%	3%

Shown below is quantitative sensitivity analysis for the impact of significant assumptions on the defined benefit obligation:

Parent

Assumptions	Discount rate		Future salary increases		Future medical claims inflation	
Sensitivity level	+1%	-1%	+1%	-1%	+1%	-1%
At 31 December 2025	(1,652)	2,038	258	(235)	114	(91)
At 31 December 2024	(2,065)	2,573	697	(618)	104	(82)

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(Continued)

16. Employee benefits (continued)

g) Principal actuarial assumptions (continued)

Group Assumptions	Discount rate		Future salary increases		Future medical claims inflation	
	+1%	-1%	+1%	-1%	+1%	-1%
Sensitivity level						
At 31 December 2025	(11,222)	13,609	2,436	(2,161)	1,582	(1,286)
At 31 December 2024	(12,695)	15,509	4,035	(3,411)	1,372	(1,110)

The sensitivity analyses above have been determined on a method that extrapolates the impact on the net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

As advised by the consulting actuary, the Group is expected to contribute \$5.7 million to its defined benefit plan in 2025 and the average duration of the defined benefit obligation at the end of the reporting period is 11 years (2024: 9 years).

Defined contribution plan

Certain employees of the Group are enrolled in the defined contribution pension plan which is operated by the ultimate parent – ANSA McAL Limited. The Group's contributions recognised in the statement of income is shown below:

Parent		Group	
2024	2025	2025	2024
94	94	5,601	5,787

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17. Accrued interest and other payables

Parent			Group	
2024	2025		2025	2024
29,711	34,112	Interest payable	50,640	42,585
9,679	8,880	Accrued expenses	60,393	40,605
5,065	4,672	Client funds held for investment	4,672	5,065
(94)	(94)	Due (from)/to statutory authorities	29,192	37,955
–	–	Distributions payable	875	921
–	–	Deferred fee income	4,531	3,161
517	467	Unapplied premiums	1,775	2,028
9,087	8,343	Stale-dated cheques	14,393	16,106
(5,265)	(6,217)	Asset finance promotional items	(6,217)	(5,265)
83,565	87,862	Related party balances	43,234	28,232
(262)	13,876	Other creditors (net)	122,243	111,803
<u>132,003</u>	<u>151,901</u>		<u>325,731</u>	<u>283,196</u>

18. Customers' deposits and other funding instruments

Sectorial analysis of customers' deposits and other funding instruments:

Parent			Group	
2024	2025		2025	2024
65,514	130,908	Individuals	1,215,459	1,251,083
536,311	336,964	Pension funds/credit unions/ trustees	393,957	637,438
919,595	865,848	Private companies/estates/ financial institutions	2,167,865	1,844,953
<u>1,521,420</u>	<u>1,333,720</u>		<u>3,777,281</u>	<u>3,733,474</u>

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19. Debt securities in issue

Parent			Group	
2024	2025		2025	2024
<u>600,000</u>	<u>600,000</u>	Medium and long-term notes	<u>600,000</u>	<u>600,000</u>
<u>600,000</u>	<u>600,000</u>		<u>600,000</u>	<u>600,000</u>

TT\$ denominated notes

In April 2022, the Bank issued a TT\$600 million sub-ordinated medium-term note maturing on 20 April 2029. Interest was set at a fixed rate of 5.375% per annum.

20. Investment contract liabilities

	Group	
	2025	2024
At the beginning of year	295,658	289,010
Premiums received	24,660	22,455
Interest credited	9,498	11,013
Liabilities realised for payment on death, surrender and other terminations in the year	(49,633)	(25,081)
Other movements	<u>(1,487)</u>	<u>(1,739)</u>
	<u>278,696</u>	<u>295,658</u>

These investment contracts have neither reinsurance arrangements nor discretionary participation features (DPF).

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21. Insurance and reinsurance contracts

The group disaggregates information to provide disclosure in respect of major lines of business. This disaggregation has been determined based on how the group is managed. The breakdown of portfolios of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	Group 2025		Group 2024	
	Assets	Liabilities	Assets	Liabilities
Insurance contracts issued				
Life insurance contracts	–	1,600,981	–	1,556,333
General health and group life insurance contracts	–	609,964	–	596,836
Total insurance contracts issued	<u>–</u>	<u>2,210,945</u>	<u>–</u>	<u>2,153,169</u>
Life insurance contracts	49,414	–	43,548	–
General health and group life insurance contracts	315,413	–	287,016	–
Total reinsurance contracts held	<u>364,827</u>	<u>–</u>	<u>330,564</u>	<u>–</u>

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(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

21. Insurance and reinsurance contracts (continued)

Insurance contracts (Group)	Liabilities for remaining coverage		Liabilities for incurred claims		2025
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Insurance contract liabilities as at 1 January	1,804,538	37,432	291,446	24,229	2,157,645
Insurance contract assets as at 1 January	(6,001)	1,505	20	–	(4,476)
Net insurance contract liabilities as at 1 January	1,798,537	38,937	291,466	24,229	2,153,169
Insurance revenue	(1,256,200)	–	–	–	(1,256,200)
Insurance service expenses:					
Incurred claims and other expenses	–	(4,799)	463,099	6,465	464,765
Amortisation of insurance acquisition cashflows	96,704	–	–	–	96,704
Losses on onerous contracts and reversals of those losses	–	(1,696)	–	–	(1,696)
Par fund	8,124	–	–	–	8,124
Investment component and premium refunds	(89,943)	–	89,943	–	–
Changes to liabilities for incurred claims	–	–	504,572	(8,131)	496,441
Insurance service result	(1,241,315)	(6,495)	1,057,614	(1,666)	(191,862)
Insurance finance expenses	44,266	1,036	299	–	45,601
Total changes in the statement of income	(1,197,049)	(5,459)	1,057,913	(1,666)	(146,261)
Cash flows:					
Premium received	1,380,683	–	–	–	1,380,683
Claims and other expenses paid	–	–	(1,069,304)	–	(1,069,304)
Insurance acquisition cash flows	(107,342)	–	–	–	(107,342)
Total cash flows	1,273,341	–	(1,069,304)	–	204,037
Insurance contract liabilities as at 31 December	1,882,062	33,113	279,826	22,563	2,217,564
Insurance contract assets as at 31 December	(7,233)	365	249	–	(6,619)
Net insurance contract liabilities as at 31 December	1,874,829	33,478	280,075	22,563	2,210,945

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(Continued)

21. Insurance and reinsurance contracts (continued)

Insurance contracts (Group)					2024
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract liabilities as at 1 January	1,713,535	23,369	280,956	23,304	2,041,164
Insurance contract assets as at 1 January	(2,608)	–	15	–	(2,593)
Net insurance contract liabilities as at 1 January	1,710,927	23,369	280,971	23,304	2,038,571
Insurance revenue	(1,151,733)	–	–	–	(1,151,733)
Insurance service expenses:					
Incurred claims and other expenses	–	(3,299)	530,195	8,224	535,120
Amortisation of insurance acquisition cashflows	49,402	–	–	–	49,402
Losses on onerous contracts and reversals of those losses	–	18,394	–	–	18,394
Par fund	(20,065)	–	–	–	(20,065)
Investment component and premium refunds	(87,551)	–	87,551	–	–
Changes to liabilities for incurred claims	–	–	(4,712)	(7,299)	(12,011)
Insurance service result	(1,209,947)	15,095	613,034	925	(580,893)
Insurance finance expenses	57,152	473	(817)	–	56,808
Total changes in the statement of income	(1,152,795)	15,568	612,217	925	(524,085)
Cash flows:					
Premium received	1,301,714	–	–	–	1,301,714
Claims and other expenses paid	–	–	(601,722)	–	(601,722)
Insurance acquisition cash flows	(61,309)	–	–	–	(61,309)
Total cash flows	1,240,405	–	(601,722)	–	638,683
Insurance contract liabilities as at 31 December	1,804,538	37,432	291,446	24,229	2,157,645
Insurance contract assets as at 31 December	(6,001)	1,505	20	–	(4,476)
Net insurance contract liabilities as at 31 December	1,798,537	38,937	291,466	24,229	2,153,169

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(Continued)

21. Insurance and reinsurance contracts (continued)

Reinsurance contracts held (Group)					2025
	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss- recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 1 January	(203,562)	(835)	(122,128)	(7,774)	(334,299)
Reinsurance contract liabilities as at 1 January	3,735	–	–	–	3,735
Net reinsurance contract assets as at 1 January	(199,827)	(835)	(122,128)	(7,774)	(330,564)
An allocation of reinsurance premium	651,445	–	–	–	651,445
Amounts recoverable from reinsurers for incurred					
Amounts recoverable for incurred claims and other expenses	–	133	(43,508)	(726)	(44,101)
Loss-recovery on onerous underlying contracts and adjustments	–	1,506	–	–	1,506
Changes to amounts recoverable for incurred claims	–	–	(524,560)	(234)	(524,794)
Net income or expense from reinsurance contracts held	651,445	1,639	(568,068)	(960)	84,056
Reinsurance finance income	(860)	(11)	(12)	–	(883)
Total changes in the statement of income	650,585	1,628	(568,080)	(960)	83,173
Cash flows:					
Premium paid	(692,956)	–	–	–	(692,956)
Amounts received	–	–	583,290	(7,770)	575,520
Total cash flows	(692,956)	–	583,290	(7,770)	(117,436)
Reinsurance contract assets as at 31 December	(244,912)	793	(106,918)	(16,504)	(367,541)
Reinsurance contract liabilities as at 31 December	2,714	–	–	–	2,714
Net reinsurance contract assets as at 31 December	(242,198)	793	(106,918)	(16,504)	(364,827)

ANSA MERCHANT BANK LIMITED

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

21. Insurance and reinsurance contracts (continued)

Reinsurance contracts held (Group)					2024
	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 1 January	(139,763)	(1,254)	(96,060)	(15,061)	(252,138)
Reinsurance contract liabilities as at 1 January	–	–	–	–	–
Net reinsurance contract assets as at 1 January	(139,763)	(1,254)	(96,060)	(15,061)	(252,138)
An allocation of reinsurance premium	578,365	–	–	–	578,365
Amounts recoverable for incurred claims and other expenses	–	269	(90,483)	(2,291)	(92,505)
Loss-recovery on onerous underlying contracts and adjustments	–	379	–	–	379
Changes to amounts recoverable for incurred claims	–	–	5,791	(3,209)	2,582
Net income or expense from reinsurance contracts held	578,365	648	(84,692)	(5,500)	488,821
Reinsurance finance income	(664)	(229)	177	–	(716)
Effect of changes in non-performance of reinsurers	11	–	–	–	11
Total changes in the statement of income	577,712	419	(84,515)	(5,500)	488,116
Cash flows:					
Premium paid	(637,776)	–	–	–	(637,776)
Amounts received	–	–	58,447	12,787	71,234
Total cash flows	(637,776)	–	58,447	12,787	(566,542)
Reinsurance contract assets as at 31 December	(203,562)	(835)	(122,128)	(7,774)	(334,299)
Reinsurance contract liabilities as at 31 December	3,735	–	–	–	3,735
Net reinsurance contract assets as at 31 December	(199,827)	(835)	(122,128)	(7,774)	(330,564)

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)**Roll-forward of the net asset or liability for individual life insurance and annuity contracts showing estimates the present value of future cash flows, risk adjustment, and CSM**

	2025			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Life insurance and annuity contract liabilities as at 1 January	1,373,972	52,164	130,125	1,556,261
Life insurance and annuity contract assets as at 1 January	(15,813)	3,753	7,587	(4,473)
Net life and annuity insurance contract liabilities as at 1 January	1,358,159	55,917	137,712	1,551,788
Changes that relate to current services				
Contractual service margin recognised for service provided	–	–	(15,809)	(15,809)
Risk adjustment recognised for the risk expired	–	(3,608)	–	(3,608)
Experience adjustments	27,206	–	–	27,206
Changes that relate to future services				
Contracts initially recognised in the period	(9,840)	4,198	10,122	4,480
Changes in estimates that adjust the contractual service margin	16,400	1,741	(18,141)	–
Changes in estimates that do not adjust the contractual service margin	(7,006)	831	–	(6,175)
Insurance service result	26,760	3,162	(23,828)	6,094
Insurance finance expenses	40,155	–	5,148	45,303
Total changes in the statements of income and OCI	66,915	3,162	(18,680)	51,397

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)

Roll-forward of the net asset or liability for individual life insurance and annuity contracts showing estimates the present value of future cash flows, risk adjustment, and CSM (continued)

				2025
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Cash flows				
Premiums received	162,756	–	–	162,756
Claims and other expenses paid (including investment components and premium refunds)	(154,532)	–	–	(154,532)
Insurance acquisition cash flows	(15,914)	–	–	(15,914)
Total cash flows	(7,690)	–	–	(7,690)
Net life insurance and annuity contract liabilities as at 31 December				
Life insurance and annuity contract liabilities as at 31 December	1,431,912	55,860	114,341	1,602,113
Life insurance and annuity contract assets as at 31 December	(14,528)	3,219	4,691	(6,618)
Net life insurance and annuity contract liabilities as at 31 December	1,417,384	59,079	119,032	1,595,495

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NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)

Roll-forward of the net asset or liability for individual life insurance and annuity contracts showing estimates the present value of future cash flows, risk adjustment, and CSM (continued)

	2024			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Life insurance and annuity contract liabilities as at 1 January	1,384,554	50,939	52,940	1,488,433
Life insurance and annuity contract assets as at 1 January	(10,997)	2,226	6,180	(2,591)
Net life and annuity insurance contract liabilities as at 1 January	1,373,557	53,165	59,120	1,485,842
Changes that relate to current services				
Contractual service margin recognised for service provided	–	–	(17,197)	(17,197)
Risk adjustment recognised for the risk expired	–	(3,048)	–	(3,048)
Experience adjustments	(1,053)	–	–	(1,053)
Changes that relate to future services				
Contracts initially recognised in the period	(11,779)	4,808	10,359	3,388
Changes in estimates that adjust the contractual service margin	(82,474)	698	81,776	–
Changes in estimates that do not adjust the contractual service margin	14,711	295	–	15,006
Insurance service result	(80,595)	2,753	74,938	(2,904)
Insurance finance expenses	53,970	–	3,654	57,624
Total changes in the statements of income and OCI	(26,625)	2,753	78,592	54,720

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)

Roll-forward of the net asset or liability for individual life insurance and annuity contracts showing estimates the present value of future cash flows, risk adjustment, and CSM (continued)

	2024			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Cash flows				
Premiums received	188,116	–	–	188,116
Claims and other expenses paid (including investment components and premium refunds)	(161,112)	–	–	(161,112)
Insurance acquisition cash flows	(15,777)	(1)	–	(15,778)
Total cash flows	11,227	(1)	–	11,226
Net life insurance and annuity contract liabilities as at 31 December	1,358,159	55,917	137,712	1,551,788
Life insurance and annuity contract liabilities as at 31 December	1,373,972	52,164	130,125	1,556,261
Life insurance and annuity contract assets as at 31 December	(15,813)	3,753	7,587	(4,473)
Net life insurance and annuity contract liabilities as at 31 December	1,358,159	55,917	137,712	1,551,788

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)**Roll-forward of the net asset or liability for reinsurance contracts held showing estimates the present value of future cash flows, risk adjustment, and CSM** (continued)

	2025			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Reinsurance contract assets as at 1 January	(16,790)	(7,668)	(15,061)	(39,519)
Reinsurance contract liabilities as at 1 January	690	(342)	584	932
Net reinsurance contract assets as at 1 January	(16,100)	(8,010)	(14,477)	(38,587)
Changes that relate to current services				
Contractual service margin recognised for service received	–	–	2,817	2,817
Risk adjustment recognised for the risk expired	–	511	–	511
Experience adjustments	10,218	–	–	10,218
Changes that relate to future services				
Contracts initially recognised in the period	(109)	(108)	155	(62)
Changes in estimates that adjust the contractual service margin	4,920	(15)	(4,905)	–
Changes in the contractual service margin due to reversal of a loss-recovery component from onerous underlying contracts	–	–	897	897
Changes in estimates that do not adjust the contractual service margin	(699)	(87)	–	(786)
Changes in amounts recoverable arising from changes in liability for incurred claims	(5,295)	–	–	(5,295)
Reinsurance finance income	(335)	–	(537)	(872)
Total changes in the statements of income and OCI	8,700	301	(1,573)	7,428

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)**Roll-forward of the net asset or liability for reinsurance contracts held showing estimates the present value of future cash flows, risk adjustment, and CSM** (continued)

				2025
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Cash flows				
Premiums and similar expenses paid	(15,750)	–	–	(15,750)
Amounts received	3,254	–	–	3,254
Total cash flows	(12,496)	–	–	(12,496)
Reinsurance contract assets as at 31 December	(20,323)	(7,566)	(16,520)	(44,409)
Reinsurance contract liabilities as at 31 December	427	(143)	470	754
Net life insurance contract assets as at 31 December	(19,896)	(7,709)	(16,050)	(43,655)

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)

Roll-forward of the net asset or liability for reinsurance contracts held showing estimates the present value of future cash flows, risk adjustment, and CSM (continued)

	2024			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Reinsurance contract assets as at 1 January	(16,535)	(7,881)	(9,192)	(33,608)
Reinsurance contract liabilities as at 1 January	(47)	(187)	1,317	1,083
Net reinsurance contract assets as at 1 January	(16,582)	(8,068)	(7,875)	(32,525)
Changes that relate to current services				
Contractual service margin recognised for service received	–	–	2,322	2,322
Risk adjustment recognised for the risk expired	–	438	–	438
Experience adjustments	7,916	–	–	7,916
Changes that relate to future services				
Contracts initially recognised in the period	(559)	(147)	561	(145)
Changes in estimates that adjust the contractual service margin	9,309	(70)	(9,239)	–
Changes in the contractual service margin due to recognition of a loss-recovery component from onerous underlying contracts	–	–	262	262
Changes in estimates that do not adjust the contractual service margin	195	(163)	–	32
Changes in amounts recoverable arising from changes in liability for incurred claims	(2,358)	–	–	(2,358)
Reinsurance finance income	(385)	–	(507)	(892)
Total changes in the statements of income and OCI	14,118	58	(6,601)	7,575

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)

Roll-forward of the net asset or liability for reinsurance contracts held showing estimates the present value of future cash flows, risk adjustment, and CSM (continued)

	2024			
	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Cash flows				
Premiums and similar expenses paid	(17,222)	–	–	(17,222)
Amounts received	3,585	–	–	3,585
Total cash flows	(13,637)	–	–	(13,637)
Reinsurance contract assets as at 31 December	(16,790)	(7,668)	(15,061)	(39,519)
Reinsurance contract liabilities as at 31 December	690	(342)	584	932
Net life insurance contract assets as at 31 December	(16,100)	(8,010)	(14,477)	(38,587)

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)**Impact on the current period of the transition approaches adopted to establishing CSMs for individual life insurance and annuity contracts**

				2025
	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
Contractual service margin as at 1 January	–	90,135	47,577	137,712
Changes that relate to current services				
Contractual service margin recognised for services provided	–	(9,639)	(6,170)	(15,809)
Changes that relate to future services				
Contracts initially recognised in the period	–	–	10,122	10,122
Changes in estimates that adjust the contractual service margin	–	(11,061)	(7,080)	(18,141)
Insurance service result	–	(20,700)	(3,128)	(23,828)
Insurance finance expenses	–	3,139	2,009	5,148
Total changes in the statements of income and OCI	–	(17,561)	(1,119)	(18,680)
Contractual service margin as at 31 December	–	72,574	46,458	119,032

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)**Impact on the current period of the transition approaches adopted to establishing CSMs for individual life insurance and annuity contracts**

(continued)

				2024
	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
Contractual service margin as at 1 January	–	45,476	13,644	59,120
Changes that relate to current services				
Contractual service margin recognised for services provided	–	(11,258)	(5,941)	(17,199)
Changes that relate to future services				
Contracts initially recognised in the period	–	–	10,359	10,359
Changes in estimates that adjust the contractual service margin	–	53,524	28,252	81,776
Insurance service result	–	42,266	32,670	74,936
Insurance finance expenses	–	2,393	1,263	3,656
Total changes in the statements of income and OCI	–	44,659	33,933	78,592
Contractual service margin as at 31 December	–	90,135	47,577	137,712

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)**Impact on the current period of the transition approaches adopted to establishing CSMs for reinsurance contracts held**

				2025
	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
Contractual service margin as at 1 January	–	(8,826)	(5,651)	(14,477)
Changes that relate to current services				
Contractual service margin recognised for services received	–	1,736	1,081	2,817
Changes that relate to future services				
Contracts initially recognised in the period	–	–	155	155
Changes in estimates that adjust the contractual service margin	–	(2,470)	(1,538)	(4,008)
Insurance finance income	–	(331)	(206)	(537)
Total changes in the statements of income and OCI	–	(1,065)	(508)	(1,573)
Contractual service margin as at 31 December	–	(9,891)	(6,159)	(16,050)

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)**Impact on the current period of the transition approaches adopted to establishing CSMs for reinsurance contracts held (continued)**

				2024
	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
Contractual service margin as at 1 January	–	(4,459)	(3,416)	(7,875)
Changes that relate to current services				
Contractual service margin recognised for services received	–	1,415	907	2,322
Changes that relate to future services				
Contracts initially recognised in the period	–	–	560	560
Changes in estimates that adjust the contractual service margin	–	(5,472)	(3,505)	(8,977)
Insurance finance income	–	(309)	(198)	(507)
Total changes in the statements of income and OCI	–	(4,366)	(2,236)	(6,602)
Contractual service margin as at 31 December	–	(8,825)	(5,652)	(14,477)

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

21. Insurance and reinsurance contracts (continued)

Components of new business for individual life insurance and annuity contracts issued

2025

Individual life insurance and annuity contract liabilities

	Profitable contracts issued	Onerous contracts issued	Total
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	71,677	27,994	99,671
Estimate of insurance acquisition cash flows	5,191	4,377	9,568
Estimate of present value of future cash outflows	76,868	32,371	109,239
Estimate of present value of future cash inflows	(90,081)	(28,999)	(119,080)
Risk adjustment	2,819	1,379	4,198
CSM	10,394	(272)	10,122
Losses on onerous contracts at initial recognition	–	4,479	4,479

Components of new business for individual life insurance and annuity contracts issued

2024

Individual life insurance and annuity contract liabilities

	Profitable contracts issued	Onerous contracts issued	Total
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	97,961	33,186	131,147
Estimate of insurance acquisition cash flows	6,076	5,372	11,448
Estimate of present value of future cash outflows	104,037	38,558	142,595
Estimate of present value of future cash inflows	(118,178)	(36,196)	(154,374)
Risk adjustment	3,191	1,618	4,809
CSM	10,950	(591)	10,359
Losses on onerous contracts at initial recognition	–	3,389	3,389

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

21. Insurance and reinsurance contracts (continued)**Disclosure of when the CSM is expected to be in profit or loss in future years**

	2025					Total
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	
Insurance contracts issued	12,874	11,842	10,803	9,792	73,721	119,032
Reinsurance contracts held	(2,188)	(1,935)	(1,700)	(1,487)	(8,740)	(16,050)
	2024					
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
Insurance contracts issued	14,796	13,549	12,490	11,397	85,480	137,712
Reinsurance contracts held	(1,930)	(1,702)	(1,512)	(1,334)	(7,999)	(14,477)
2025 CSM run off	13%	12%	11%	10%	72%	
2024 CSM run off	11%	10%	9%	8%	62%	

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NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

21. Insurance and reinsurance contracts (continued)

General insurance - Claims development table - Group

The risks associated with these insurance contracts and in particular, casualty insurance contracts, are complex and subject to a number of variables that complicate a quantitative sensitivity analysis. The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The tables below illustrate how the Group's estimate of total gross and net claims outstanding for each accident year has changed at successive year-ends.

Insurance claims

Accident year - Gross	2020	2021	2022	2023	2024	2025	Total
Estimate of undiscounted ultimate claims costs:							
– at end of accident year	249,413	268,882	301,608	265,742	285,508	211,289	–
– one year later	245,359	267,945	311,223	284,864	243,088	–	–
– two years later	242,072	279,149	303,094	767,468	–	–	–
– three years later	204,634	273,520	205,848	–	–	–	–
– four years later	204,021	174,947	–	–	–	–	–
– five years later	150,345	–	–	–	–	–	–
Current estimate of cumulative claims incurred	150,345	174,947	205,848	767,468	243,088	211,289	1,752,985
Cumulative payments to date	(133,187)	(163,493)	(194,861)	(727,892)	(204,998)	(145,245)	(1,569,676)
Liability recognised in the consolidated statement of financial position	17,158	11,454	10,987	39,576	38,090	66,044	183,309
Effect of discounting and risk adjustment							3,604
Liability in respect of prior years							40,917
Total gross liabilities for incurred claims							<u>227,830</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

21. Insurance and reinsurance contracts (continued)

General insurance - Claims development table - Group (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 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 accident year has changed at successive year-ends. This table shows net claims expenses by underwriting year over a six year period. We have made the assumption that all Health claims are settled within three months after reported and therefore this does not result in any long outstanding claims liabilities.

	Group						
Insurance claims							
Accident year - Net	2020	2021	2022	2023	2024	2025	Total
Estimate of ultimate claims costs:							
– at end of accident year	211,103	241,778	272,578	223,223	225,954	176,707	–
– one year later	208,239	233,295	278,332	234,003	186,278	–	–
– two years later	203,104	225,120	271,626	181,218	–	–	–
– three years later	187,433	220,136	176,986	–	–	–	–
– four years later	183,890	125,031	–	–	–	–	–
– five years later	128,675	–	–	–	–	–	–
Current estimate of cumulative claims incurred	128,675	125,031	176,986	181,218	186,278	176,707	974,895
Cumulative payments to date	(121,706)	(119,902)	(168,823)	(168,331)	(165,480)	(127,403)	(871,644)
Liability recognised in the consolidated statement of financial position	6,969	5,129	8,163	12,887	20,798	49,304	103,250
Effect of discounting and risk adjustment							999
Liability in respect of prior years							21,232
Total net liabilities for incurred claims							125,481

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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 (Continued)

22. Stated capital

Parent			Group	
2024	2025		2025	2024
		Authorised		
		An unlimited number of shares		
		Issued and fully paid		
		31 December 2025: 85,605,263		
		(31 December 2024: 85,605,263)		
<u>667,274</u>	<u>667,274</u>	ordinary shares of no par value	<u>667,274</u>	<u>667,274</u>

Treasury shares

Parent			Group	
2024	2025	<u>Number of shares</u>	2025	2024
–	–	Opening balance	–	–
–	38,482	Purchases	<u>38,482</u>	–
<u>–</u>	<u>38,482</u>	Closing	<u>38,482</u>	–

Parent			Group	
2024	2025	<u>Value of shares</u>	2025	2024
–	–	Opening balance	–	–
–	1,518	Purchases	<u>1,518</u>	–
<u>–</u>	<u>1,518</u>	Closing	<u>1,518</u>	–

During the year the Parent transferred consideration of \$1.5 million (2024: \$nil) for the purchase of shares in the Parent. These shares have been segregated for distribution in a future Long-Term Incentive Plan for certain employees of the Parent.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

23. Net insurance service result	Group	
	2025	2024
Insurance revenue	1,256,200	1,151,733
Insurance service expense	<u>(1,064,338)</u>	<u>(570,840)</u>
Insurance service result before reinsurance contracts held	191,862	580,893
Net expense from reinsurance contracts held	<u>(84,056)</u>	<u>(488,821)</u>
Net insurance service result	<u>107,806</u>	<u>92,072</u>

24. Net insurance financial result	Group	
	2025	2024
Insurance finance expenses for insurance contracts issued	(45,601)	(56,808)
Reinsurance finance income for reinsurance contracts held	<u>883</u>	<u>716</u>
	<u>(44,718)</u>	<u>(56,092)</u>

25. Finance charges, loan fees and other interest income

Parent			Group	
2024	2025		2025	2024
61,834	55,060	Finance charges earned	78,970	84,215
48,996	26,963	Interest income on loans and advances	70,249	92,864
<u>109</u>	<u>19</u>	Other income	<u>14,691</u>	<u>10,960</u>
<u>110,939</u>	<u>82,042</u>		<u>163,910</u>	<u>188,039</u>

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26. Investment income

Parent			Group	
2024	2025		2025	2024
		Interest income from investments designated at fair value through statement of income	39,601	17,896
4,730	19,091			
		Interest income from investments designated at fair value through statement of comprehensive income	35,615	16,631
10,606	12,564			
		Interest income on impaired financial assets	907	879
–	–			
		Interest income from financial assets measured at amortised cost	144,686	151,694
29,827	28,461			
32,597	32,516	Dividend income	16,285	18,395
		Realised gains/(losses) on sale of investment securities	22,722	31,266
9,309	(3,396)			
		Unrealised gains/(losses) on investments held at year-end designated at fair value through statement of income	76,690	17,595
<u>8,232</u>	<u>(4,755)</u>			
<u>95,301</u>	<u>84,481</u>		<u>336,506</u>	<u>254,356</u>

27. Revenue from contracts with customers

Parent			Group	
2024	2025		2025	2024
6,218	12,448	Arrangement fees	12,448	6,218
17,610	8,538	Investment management fees	1,761	2,020
<u>628</u>	<u>412</u>	Other	<u>411</u>	<u>1,081</u>
<u>24,456</u>	<u>21,398</u>		<u>14,620</u>	<u>9,319</u>

ANSA MERCHANT BANK LIMITED

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28. Other income

Parent			Group	
2024	2025		2025	2024
		Administrative fees and commissions		
164	119	(net)	(12,662)	(1,335)
66,099	102,370	Foreign exchange trading and gains	155,253	72,791
5	–	– Lease sales and recoveries	3,232	4,029
–	–	– Property rental	67,432	61,450
–	–	– Trustee and other fiduciary fees	15,610	10,161
<u>2,100</u>	<u>2,959</u>	Other	<u>9,046</u>	<u>8,843</u>
<u>68,368</u>	<u>105,448</u>		<u>237,911</u>	<u>155,939</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

29. Interest expense

Parent			Group	
2024	2025		2025	2024
58,464	53,116	Customers' deposits	88,013	85,098
307	213	Lease liabilities (Note 14)	1,203	1,373
<u>32,250</u>	<u>32,250</u>	Debt securities in issue	<u>32,250</u>	<u>32,250</u>
<u>91,021</u>	<u>85,579</u>		<u>121,466</u>	<u>118,721</u>

30. Credit loss (recovery)/expense

Parent			Group	
2024	2025		2025	2024
1,050	615	Net investment in leased assets	2,799	2,815
541	1,013	Loans and advances	15,796	20,246
(5,654)	(608)	Investment securities	1,725	(12,841)
<u>—</u>	<u>—</u>	Insurance receivables	<u>271</u>	<u>(1,240)</u>
<u>(4,063)</u>	<u>1,020</u>		<u>20,591</u>	<u>8,980</u>

31. Marketing expenses

Parent			Group	
2024	2025		2025	2024
—	—	Agents and brokers commissions	12	—
—	—	Agents allowance and bonus	8	6
—	—	Asset finance promotional expense	229	227
<u>3,978</u>	<u>1,731</u>	Advertising costs	<u>7,781</u>	<u>6,829</u>
<u>3,978</u>	<u>1,731</u>		<u>8,030</u>	<u>7,062</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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32. Personnel expenses

Parent			Group	
2024	2025		2025	2024
50,330	44,198	Salaries and bonus	142,135	115,351
1	–	Health, life and pension benefits	2,671	5,095
<u>2,526</u>	<u>3,103</u>	Other staff cost	<u>13,186</u>	<u>5,775</u>
<u>52,857</u>	<u>47,301</u>		<u>157,992</u>	<u>126,221</u>

33. General administrative expenses

Parent			Group	
2024	2025		2025	2024
7,915	8,191	Professional and insurance	20,597	25,667
1,701	1,983	Property related expenses	19,756	19,570
703	320	Subscriptions & donations	5,264	4,238
2,368	912	Finance charges	1,358	2,422
906	505	Travel & entertainment	2,580	2,968
1,810	1,603	Communications, printing & stationery	5,717	5,309
8,651	9,573	IT expenses	26,026	19,229
<u>14,764</u>	<u>6,135</u>	General expenses	<u>38,784</u>	<u>44,618</u>
<u>38,818</u>	<u>29,222</u>		<u>120,082</u>	<u>124,021</u>

Fees for services provided by EY:

Parent			Group	
2024	2025		2025	2024
1,485	1,717	Audit services	6,916	8,358
30	70	Professional tax services	238	165
<u>94</u>	<u>53</u>	Other professional non-audit services	<u>834</u>	<u>830</u>
<u>1,609</u>	<u>1,840</u>		<u>7,988</u>	<u>9,353</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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34. Taxation

Parent			Group	
2024	2025		2025	2024
16,607	23,982	Corporation tax	40,787	21,581
		Over provision to		
(1,328)	(3,681)	prior year tax charge	(3,006)	(224)
1	–	Withholding tax	113	125
4,422	107	Deferred tax (Note 15)	11,053	(2,359)
–	–	Provision for other taxes	2,956	–
<u>980</u>	<u>1,368</u>	Green Fund levy and other taxes	<u>4,162</u>	<u>3,554</u>
<u>20,682</u>	<u>21,776</u>		<u>56,065</u>	<u>22,677</u>
Reconciliation between taxation expense and net profit before taxation				
Income taxes in the statement of income vary from amounts that would be computed by applying the statutory tax rate for the following reasons:				
<u>106,872</u>	<u>118,178</u>	Net profit before taxation	<u>298,255</u>	<u>184,925</u>
32,062	35,453	Tax at applicable statutory tax rates	82,880	51,737
Tax effect of items that are adjustable in determining taxable profit:				
(14,289)	(12,651)	Tax exempt income	(41,767)	(38,710)
5,759	2,302	Non-deductible expenses	10,147	10,445
(5,623)	(908)	Allowable deductions	(11,827)	(19,249)
(1,328)	(3,681)	Adjustment to prior year tax charge	(3,006)	(224)
3,120	(107)	Other temporary differences	15,363	14,999
<u>981</u>	<u>1,368</u>	Provision for green fund levy and other taxes	<u>4,275</u>	<u>3,679</u>
<u>20,682</u>	<u>21,776</u>	Total taxation	<u>56,065</u>	<u>22,677</u>

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(Continued)

35. Segmental information

For management purposes the Group is organised into four operating segments based on the following core areas of operation to the Group:

Banking services	Asset financing, Commercial banking, Merchant banking, Investment services, Securities trading and Foreign exchange trading.
Mutual funds	ANSA Secured Fund, ANSA US\$ Secured Fund, ANSA TT\$ Income Fund and ANSA US\$ Income Fund. These Funds are open-ended mutual funds registered in Trinidad & Tobago and established by ANSA Merchant Bank Limited (the 'Bank'). The Bank is the Sponsor, Investment Manager, Administrator and Distributor of these Funds.
Life insurance operations	Underwriting the following classes of longer-term insurance business: (i) individual participating and non-participating life insurance, (ii) group life insurance, (iii) individual insurance and (iv) group annuity and pension.
General insurance operations	Underwriting the following classes of short-term insurance business: (i) commercial and residential fire, (ii) general accident, (iii) marine, (iv) motor, (v) workmen compensation, (vi) group and individual health and rental of property.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating statement of income, and is measured consistently with the operating statement of income in the consolidated financial statements.

Interest income is reported net of related expenses as management primarily relies on net interest revenue as a performance measure, rather than the gross income and expense.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third-parties.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2025 or 2024.

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(Continued)

35. Segmental information (continued)

The following table presents income and profit and certain asset and liability information regarding the Group's operating segments.

	Banking services	Mutual funds	Life insurance operations	General insurance operations	Eliminations	Total
2025						
Total operating income	511,181	43,755	282,084	1,022,630	(105,572)	1,754,078
Total operating expense	(113,512)	(7,954)	(143,654)	(800,774)	–	(1,065,894)
Credit loss (expense)/recovery	(18,147)	7	(180)	(2,271)	–	(20,591)
Selling and administration expense	<u>(253,212)</u>	<u>(17,648)</u>	<u>(41,433)</u>	<u>(107,918)</u>	<u>50,873</u>	<u>(369,338)</u>
Profit/(loss) before taxation	126,310	18,160	96,817	111,667	(54,699)	298,255
Taxation	<u>(27,699)</u>	<u>–</u>	<u>(19,461)</u>	<u>(8,905)</u>	<u>–</u>	<u>(56,065)</u>
Profit/(loss) after taxation	<u>98,611</u>	<u>18,160</u>	<u>77,356</u>	<u>102,762</u>	<u>(54,699)</u>	<u>242,190</u>
Total assets	6,491,564	602,360	2,692,375	1,998,134	(1,600,352)	10,184,081
Total liabilities	4,246,403	600,970	2,033,218	731,567	(233,792)	7,378,366
Purchase of property and equipment	51,476	–	1,019	10,046	–	62,541
Depreciation and amortisation	(55,247)	–	(4,956)	(13,493)	(6,017)	(79,713)

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(Continued)

35. Segmental information (continued)

The following table presents income and profit and certain asset and liability information regarding the Group's operating segments.
(continued)

	Banking services	Mutual funds	Life insurance operations	General insurance operations	Eliminations	Total
2024						
Total operating income	446,818	27,870	228,222	1,161,566	(105,091)	1,759,385
Total operating expense	(110,431)	(8,289)	(143,009)	(980,418)	–	(1,242,147)
Credit loss (expense)/recovery	(15,688)	1,092	863	4,753	–	(8,980)
Selling and administration expense	<u>(239,972)</u>	<u>(15,333)</u>	<u>(42,341)</u>	<u>(87,579)</u>	<u>61,892</u>	<u>(323,333)</u>
Profit/(loss) before taxation	80,727	5,340	43,735	98,322	(43,199)	184,925
Taxation	<u>(7,683)</u>	<u>–</u>	<u>(12,815)</u>	<u>(2,179)</u>	<u>–</u>	<u>(22,677)</u>
Profit/(loss) after taxation	<u>73,044</u>	<u>5,340</u>	<u>30,920</u>	<u>96,143</u>	<u>(43,199)</u>	<u>162,248</u>
Total assets	6,374,235	592,551	2,589,106	2,014,151	(1,641,463)	9,928,580
Total liabilities	4,292,417	595,281	1,978,605	722,730	(372,653)	7,216,380
Purchase of property and equipment	56,808	–	8,764	4,539	–	70,111
Depreciation and amortisation	<u>(39,271)</u>	<u>–</u>	<u>(4,081)</u>	<u>(11,112)</u>	<u>(6,017)</u>	<u>(60,481)</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

35. Segmental information (continued)

The following table presents income and profit and certain asset and liability information regarding the Group's geographic segments.

	Domestic services	Regional	International	Eliminations	Total
2025					
Total operating income	1,659,734	106,917	92,999	(105,572)	1,754,078
Total operating expense	(1,030,584)	(35,432)	122	–	(1,065,894)
Credit loss (expense)/recovery	(20,488)	(190)	87	–	(20,591)
Selling and administration expense	<u>(341,194)</u>	<u>(78,581)</u>	<u>(436)</u>	<u>50,873</u>	<u>(369,338)</u>
Profit/(loss) before taxation	267,468	(7,286)	92,772	(54,699)	298,255
Taxation	<u>(50,962)</u>	<u>(5,103)</u>	<u>–</u>	<u>–</u>	<u>(56,065)</u>
Profit/(loss) after taxation	<u>216,506</u>	<u>(12,389)</u>	<u>92,772</u>	<u>(54,699)</u>	<u>242,190</u>
Total assets	7,633,557	1,702,715	2,448,161	(1,600,352)	10,184,081
Total liabilities	6,559,583	1,049,861	2,714	(233,792)	7,378,366
Purchase of property and equipment	14,097	48,444	–	–	62,541
Depreciation and amortisation	(35,243)	(38,453)	–	(6,017)	(79,713)

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

35. Segmental information (continued)

The following table presents income and profit and certain asset and liability information regarding the Group's geographic segments.
(continued)

	Domestic services	Regional	International	Eliminations	Total
2024					
Total operating income	1,658,084	108,066	98,326	(105,091)	1,759,385
Total operating expense	(1,214,159)	(27,988)	–	–	(1,242,147)
Credit loss (expense)/recovery	(13,494)	3,515	999	–	(8,980)
Selling and administration expense	<u>(304,238)</u>	<u>(64,833)</u>	<u>(5,135)</u>	<u>50,873</u>	<u>(323,333)</u>
Profit/(loss) before taxation	126,193	18,760	94,190	(54,218)	184,925
Taxation	<u>(24,585)</u>	<u>1,908</u>	<u>–</u>	<u>–</u>	<u>(22,677)</u>
Profit/(loss) after taxation	<u>101,608</u>	<u>20,668</u>	<u>94,190</u>	<u>(54,218)</u>	<u>162,248</u>
Total assets	7,740,178	1,510,909	2,318,956	(1,641,463)	9,928,580
Total liabilities	6,653,487	931,812	3,735	(372,654)	7,216,380
Purchase of property and equipment	8,470	61,641	–	–	70,111
Depreciation and amortisation	(33,731)	(20,733)	–	(6,017)	(60,481)

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36. Related party transactions and balances

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

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

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

Parent			Group	
2024	2025		2025	2024
Loans, investments and other assets				
55,433	60,549	ANSA McAL Group	132,295	239,945
71,987	82,740	Subsidiaries	–	–
		Directors and key management		
1,683	510	personnel	7,941	4,482
<u>141,156</u>	<u>176,043</u>	Other related parties	<u>182,722</u>	<u>156,181</u>
<u>270,259</u>	<u>319,842</u>		<u>322,958</u>	<u>400,608</u>
Deposits and other liabilities				
162,132	136,876	ANSA McAL Group	463,184	454,373
180,070	79,743	Subsidiaries	–	–
		Directors and key management		
–	–	personnel	68,703	64,758
<u>105,991</u>	<u>107,815</u>	Other related parties	<u>257,975</u>	<u>156,656</u>
<u>448,193</u>	<u>324,434</u>		<u>789,862</u>	<u>675,787</u>

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36. Related party transactions and balances (continued)

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

Parent			Group	
2024	2025		2025	2024
Interest and other income				
32,985	53,696	ANSA McAL Group	144,088	113,380
31,904	57,299	Subsidiaries	–	–
		Directors and key management		
74	48	personnel	177	234
<u>3,740</u>	<u>4,544</u>	Other related parties	<u>4,642</u>	<u>3,957</u>
<u>68,703</u>	<u>115,587</u>		<u>148,907</u>	<u>117,571</u>
Interest and other expense				
9,996	9,161	ANSA McAL Group	32,027	32,368
4,924	2,950	Subsidiaries	–	–
		Directors and key management		
–	–	personnel	3,497	3,334
<u>6,828</u>	<u>4,649</u>	Other related parties	<u>6,991</u>	<u>9,592</u>
<u>21,748</u>	<u>16,760</u>		<u>42,515</u>	<u>45,294</u>

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

Key management compensation

Parent			Group	
2024	2025		2025	2024
15,079	13,445	Short-term benefits	37,397	36,303
		Contribution to defined		
155	250	contribution plans	291	209
<u>322</u>	<u>278</u>	Post employment benefits	<u>278</u>	<u>322</u>
<u>15,556</u>	<u>13,973</u>		<u>37,966</u>	<u>36,834</u>

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37. Fair value of financial instruments**(i) Carrying amounts and fair values**

The tables in the following pages summarise the carrying amounts and the fair values of the Parent's and the Group's financial assets and liabilities for 2025 and 2024.

2025

Parent				Group		
Carrying values	Fair values	Unrecognised gain/(loss)	Financial assets	Carrying values	Fair values	Unrecognised gain/(loss)
			Net investment in leased assets and other			
699,039	699,039	–	instalment loans	981,518	998,584	17,066
510,389	510,389	–	Loans and advances	1,936,317	1,954,551	18,234
909,574	911,669	2,095	Investment securities	4,593,795	4,585,912	(7,883)
<u>2,119,002</u>	<u>2,121,097</u>	<u>2,095</u>		<u>7,511,630</u>	<u>7,539,047</u>	<u>27,417</u>
			Financial liabilities			
			Customers' deposits, client funds			
1,333,720	1,333,720	–	and other funding instruments	3,777,281	3,768,800	8,481
600,000	613,927	(13,927)	Debt securities in issue	600,000	617,239	(17,239)
<u>1,933,720</u>	<u>1,947,647</u>	<u>(13,927)</u>		<u>4,377,281</u>	<u>4,386,039</u>	<u>(8,758)</u>

For all other financial instruments, the carrying amount is a reasonable approximation of fair value.

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37. Fair value of financial instruments (continued)**(i) Carrying amounts and fair values** (continued)

2024

Parent				Group		
Carrying values	Fair values	Unrecognised gain/(loss)		Carrying values	Fair values	Unrecognised (loss)/gain
			Financial assets			
			Net investment in leased assets and other			
730,513	730,513	–	instalment loans	1,009,440	955,133	(54,307)
507,809	507,809	–	Loans and advances	1,774,964	1,674,725	(100,239)
953,365	960,773	7,408	Investment securities	4,219,319	4,249,475	30,156
<u>2,191,686</u>	<u>2,199,095</u>	<u>7,408</u>		<u>7,003,723</u>	<u>6,879,333</u>	<u>(124,390)</u>
			Financial liabilities			
			Customers' deposits, client funds			
1,521,420	1,521,420	–	and other funding instruments	3,733,474	3,710,269	23,205
600,000	618,926	(18,926)	Debt securities in issue	600,000	618,926	(18,926)
<u>2,121,420</u>	<u>2,140,346</u>	<u>(18,926)</u>		<u>4,333,474</u>	<u>4,329,195</u>	<u>4,279</u>

For all other financial instruments, the carrying amount is a reasonable approximation of fair value.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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37. Fair value of financial instruments (continued)

	Level 1	Level 2	Level 3	POCI	Total
(ii) Determination of fair value and fair value hierarchies					
2025					
Parent					
Investment securities designated at FVSI					
Equity securities	22	–	–	–	22
Managed Funds	145,313	–	–	–	145,313
Corporate bonds	–	77,774	–	–	77,774
	<u>145,335</u>	<u>77,774</u>	<u>–</u>	<u>–</u>	<u>223,109</u>
Investment securities measured at amortised cost for which fair values are disclosed					
Government bonds	–	4,798	–	–	4,798
Corporate bonds	55,277	245,697	–	–	300,974
	<u>55,277</u>	<u>250,495</u>	<u>–</u>	<u>–</u>	<u>305,772</u>
Investment securities designated and measured at FVOCI					
Equity securities	–	21,729	–	–	21,729
Government bonds	77,314	–	–	–	77,314
Corporate bonds	283,745	–	–	–	283,745
	<u>361,059</u>	<u>21,729</u>	<u>–</u>	<u>–</u>	<u>382,788</u>

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(Continued)

37. Fair value of financial instruments (continued)

(ii) Determination of fair value and fair value hierarchies (continued)

2025 Group	Level 1	Level 2	Level 3	POCI	Total
Investment securities designated at FVSI					
Equity securities	146,894	–	–	–	146,894
Managed Funds	508,939	38,941	–	–	547,880
Government bonds	–	1,958	–	–	1,958
State-owned company securities	–	14,475	–	–	14,475
Corporate bonds	4,425	77,774	–	–	82,199
	<u>660,258</u>	<u>133,148</u>	<u>–</u>	<u>–</u>	<u>793,406</u>
Investment securities measured at amortised cost for which fair values are disclosed					
Government bonds	257,768	540,338	–	24,597	822,703
State-owned company securities	102,110	276,404	–	–	378,514
Corporate bonds	279,101	765,301	–	–	1,044,402
	<u>638,979</u>	<u>1,582,043</u>	<u>–</u>	<u>24,597</u>	<u>2,245,619</u>
Investment securities designated and measured at FVOCI					
Equity securities	325,487	–	1,058	–	326,545
Government bonds	94,114	6,007	–	–	100,121
State-owned company securities	–	28,689	–	–	28,689
Corporate bonds	1,091,532	–	–	–	1,091,532
	<u>1,511,133</u>	<u>34,696</u>	<u>1,058</u>	<u>–</u>	<u>1,546,887</u>

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(Continued)

37. Fair value of financial instruments (continued)

(ii) Determination of fair value and fair value hierarchies

2024 Parent	Level 1	Level 2	Level 3	POCI	Total
Investment securities designated at FVSI					
Equity securities	22	–	–	–	22
Managed Funds	185,379	–	–	–	185,379
Corporate bonds	–	82,706	–	–	82,706
	<u>185,401</u>	<u>82,706</u>	<u>–</u>	<u>–</u>	<u>268,107</u>
Investment securities measured at amortised cost for which fair values are disclosed					
Government bonds	–	20,251	–	–	20,251
State-owned company securities	–	12,301	–	–	12,301
Corporate bonds	<u>215,993</u>	<u>103,796</u>	<u>3,377</u>	<u>–</u>	<u>323,166</u>
	<u>215,993</u>	<u>136,348</u>	<u>3,377</u>	<u>–</u>	<u>355,718</u>
Investment securities designated and measured at FVOCI					
Equity securities	–	20,973	–	–	20,973
Government bonds	118,259	–	–	–	118,259
Corporate bonds	<u>197,716</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>197,716</u>
	<u>315,975</u>	<u>20,973</u>	<u>–</u>	<u>–</u>	<u>336,948</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

37. Fair value of financial instruments (continued)

(ii) Determination of fair value and fair value hierarchies (continued)

2024 Group	Level 1	Level 2	Level 3	POCI	Total
Investment securities designated at FVSI					
Equity securities	65,254	–	–	–	65,254
Managed Funds	329,292	32,114	–	–	361,406
Government bonds	2,953	4,689	–	–	7,642
State-owned company securities	–	15,068	–	–	15,068
Corporate bonds	<u>7,730</u>	<u>82,705</u>	<u>–</u>	<u>–</u>	<u>90,435</u>
	<u>405,229</u>	<u>134,576</u>	<u>–</u>	<u>–</u>	<u>539,805</u>
Investment securities measured at amortised cost for which fair values are disclosed					
Government bonds	343,448	549,826	–	27,894	921,168
State-owned company securities	13,861	350,963	–	–	364,824
Corporate bonds	<u>463,362</u>	<u>543,835</u>	<u>5,022</u>	<u>–</u>	<u>1,012,219</u>
	<u>820,671</u>	<u>1,444,624</u>	<u>5,022</u>	<u>27,894</u>	<u>2,298,211</u>
Investment securities designated and measured at FVOCI					
Equity securities	345,730	–	1,058	–	346,788
Government bonds	169,190	5,438	–	–	174,628
State-owned company securities	2,698	16,932	–	–	19,630
Corporate bonds	<u>870,413</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>870,413</u>
	<u>1,388,031</u>	<u>22,370</u>	<u>1,058</u>	<u>–</u>	<u>1,411,459</u>

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(Continued)

37. Fair value of financial instruments (continued)

(iii) Transfers between Level 1 and 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 from level 1 to level 2 for the year ended 31 December 2025 (31 December 2024: no transfers from level 1 to level 2).

(iv) Reconciliation of Level 3 financial assets

Parent			Group	
2024	2025		2025	2024
		Investment securities measured at amortised cost for which fair values are disclosed		
–	3,377	Opening balance	5,022	1,425
3,377	–	Purchases	–	3,377
–	–	Gains recognised	–	1,681
–	(3,377)	Disposals	(5,022)	(1,461)
<u>3,377</u>	<u>–</u>	Closing balance	<u>–</u>	<u>5,022</u>
		Investment securities at FVOCI		
–	–	Opening balance	1,058	1,058
–	–	Additions	–	–
–	–	Disposals	–	–
–	–	Transfers to level 2	–	–
<u>–</u>	<u>–</u>	Closing balance	<u>1,058</u>	<u>1,058</u>

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(Continued)

38. 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, market risk and insurance risk.

Risk management structure

The Board of Directors (the Board) is ultimately responsible for identifying and controlling risks; however, there are separate bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles and policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Bank and its subsidiaries in compliance with the policies approved by the Board of Directors.

Treasury management

The Bank and its subsidiaries employ Treasury functions which are responsible for managing their assets and liabilities and the overall financial structure. The Treasury function is also primarily responsible for the funding and liquidity risks of the Bank and its subsidiaries.

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(Continued)

38. Risk management (continued)

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.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise credit risk, interest rate risk, currency risk and equity price risk each of which are considered below and include, where relevant, the sensitivity of the Group's financial result on movements in certain market risk variables.

Credit risk management

The Group takes on exposure to credit risk, which is the potential for loss due to a counter-party or borrower's failure to pay amounts when due. Credit risk arises from traditional lending, underwriting and investing activity, and from settling payments between financial institutions. Impairment provisions are established for losses that have been incurred at the end of the reporting period.

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided at the end of the reporting period. Management therefore carefully manages its exposure to credit risk.

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(Continued)

38. Risk management (continued)

Credit risk management (continued)

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers, and to geographical and industry segments. Such risks are monitored on an ongoing basis, and limits on the levels of credit risk that the Group can engage in are approved by the Board of Directors.

Exposure to credit risk is further managed through regular analysis of the ability of borrowers to meet capital and interest repayment obligations and by changing these lending limits when appropriate. In addition, collateral, corporate, state and personal guarantees are obtained.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as the primary underwriter. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The following table shows the maximum exposure to credit risk 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.

Parent			Group	
2024	2025		2025	2024
398,808	193,715	Cash and short-term funds	743,304	1,090,136
–	–	Fixed deposits	8,243	8,214
		Net investment in leased assets		
730,513	699,039	and other instalment loans	981,518	1,009,440
507,809	510,389	Loans and advances	1,936,317	1,774,964
932,370	887,823	Investment securities	4,120,356	3,807,277
6,982	5,479	Interest receivable	39,458	37,633
–	–	Reinsurance contract assets	364,827	330,564
<u>2,576,482</u>	<u>2,296,445</u>	Total	<u>8,194,023</u>	<u>8,058,228</u>

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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

38. Risk management (continued)

Credit risk management (continued)

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements (continued)

Parent			Group	
2024	2025		2025	2024
2,576,482	2,296,445	Total	8,194,023	8,058,228
–	–	Undrawn commitments	9,838	5,060
–	–	Contingent liabilities	524	768
<u>2,576,482</u>	<u>2,296,445</u>		<u>8,204,385</u>	<u>8,064,056</u>

The main types of collateral obtained are as follows:

- For hire purchase and leases – charges over auto vehicles and industrial and general equipment;
- For reverse repurchase transactions – cash and securities;
- For corporate loans – charges over real estate property, industrial equipment, inventory and trade receivables; and
- For mortgage loans – mortgages over commercial and residential properties.

Cash and short-term funds and fixed deposits

These funds are placed with highly rated local banks and Central Banks within the Caribbean region where the Group transacts business. 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 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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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

38. Risk management (continued)

Credit risk management (continued)

Net investment in leased assets

Since these financial assets are homogeneous in nature, a vintage approach was applied looking at the number of defaults by portfolio over a period of time. Historical PDs were developed and there being little correlation between macro-economic trends, management applied judgemental overlays based on expectations. LGD percentage estimates were developed based on historical loss trends for non-performing loans which are assessed on both an individual and collective level. EAD equals the loan balance outstanding plus accrued interest.

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 and other loans, 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.

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(Continued)

38. Risk management (continued)

Analysis of gross carrying amount and the corresponding ECLs are as follows:

Stage 1	Group			
2025	Net investment in leased assets	Loans and advances	Investment securities	Total
Gross balance	804,468	1,750,743	3,449,772	6,004,983
ECL	<u>(5,292)</u>	<u>(7,829)</u>	<u>(7,382)</u>	<u>(20,503)</u>
	<u>799,176</u>	<u>1,742,914</u>	<u>3,442,390</u>	<u>5,984,480</u>
ECL as a % of Gross balance	0.66%	0.45%	0.21%	0.34%
Stage 1	Group			
2024	Net investment in leased assets	Loans and advances	Investment securities	Total
Gross balance	889,499	1,545,520	3,305,147	5,740,166
ECL	<u>(6,550)</u>	<u>(5,145)</u>	<u>(6,754)</u>	<u>(18,449)</u>
	<u>882,949</u>	<u>1,540,375</u>	<u>3,298,393</u>	<u>5,721,717</u>
ECL as a % of Gross balance	0.74%	0.33%	0.20%	0.32%

The ECL percentage for Net investment in leased assets decreased and Loans and advances increased as a result of changes in PDs and LGDs used in the Group's calculation for the current year. The ECL percentage for Investment securities increased as a result of higher PDs utilised.

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(Continued)

38. Risk management (continued)

Analysis of gross carrying amount and the corresponding ECLs are as follows: (continued)

Stage 2	Group			
2025	Net investment in leased assets	Loans and advances	Investment securities	Total
Gross balance	114,342	83,539	–	197,881
ECL	<u>(1,868)</u>	<u>(1,063)</u>	<u>–</u>	<u>(2,931)</u>
	<u>112,474</u>	<u>82,476</u>	<u>–</u>	<u>194,950</u>
ECL as a % of Gross balance	1.63%	1.27%	0.00%	1.48%

Stage 2	Group			
2024	Net investment in leased assets	Loans and advances	Investment securities	Total
Gross balance	94,706	125,622	–	220,328
ECL	<u>(2,091)</u>	<u>(841)</u>	<u>–</u>	<u>(2,932)</u>
	<u>92,615</u>	<u>124,781</u>	<u>–</u>	<u>217,396</u>
ECL as a % of Gross balance	2.21%	0.67%	0.00%	1.33%

The decrease in ECL percentage for Stage 2 Net investment in leased assets and the increase in the ECL percentage for Loans and advances, both were impacted by changes in PD and LGDs.

Stage 3	Group			
2025	Net investment in leased assets	Loans and advances	Investment securities	Total
Gross balance	96,064	174,119	2,184	272,367
ECL	<u>(26,196)</u>	<u>(53,937)</u>	<u>(758)</u>	<u>(80,891)</u>
	<u>69,868</u>	<u>120,182</u>	<u>1,426</u>	<u>191,476</u>
ECL as a % of Gross balance	27.27%	30.98%	34.71%	29.70%

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(Continued)

38. Risk management (continued)

Analysis of gross carrying amount and the corresponding ECLs are as follows: (continued)

Stage 3	Group			
2024	Net investment in leased assets	Loans and advances	Investment securities	Total
Gross balance	67,057	163,567	2,139	232,763
ECL	<u>(33,181)</u>	<u>(44,504)</u>	<u>(755)</u>	<u>(78,440)</u>
	<u>33,876</u>	<u>119,063</u>	<u>1,384</u>	<u>154,323</u>
ECL as a % of Gross balance	49.48%	27.21%	35.30%	33.70%

The ECL percentage for Net investment in leased assets decreased and Loans and advances percentages increased as a result of higher gross balances and movement in PDs and LGDs used in the Group's calculation for the current year. The ECL percentage for Investment securities decreased as a result of changes in PDs utilised.

POCI	Group			
2025	Net investment in leased assets	Loans and advances	Investment securities	Total
Gross balance	–	–	33,209	33,209
ECL	<u>–</u>	<u>–</u>	<u>(3,773)</u>	<u>(3,773)</u>
	<u>–</u>	<u>–</u>	<u>29,436</u>	<u>29,436</u>
ECL as a % of Gross balance	0.00%	0.00%	11.36%	11.36%

POCI	Group			
2024	Net investment in leased assets	Loans and advances	Investment securities	Total
Gross balance	–	–	34,320	34,320
ECL	<u>–</u>	<u>–</u>	<u>(1,527)</u>	<u>(1,527)</u>
	<u>–</u>	<u>–</u>	<u>32,793</u>	<u>32,793</u>
ECL as a % of Gross balance	0.00%	0.00%	4.45%	4.45%

The ECL percentage for Investment Securities increased due to changed in the credit-adjusted EIR in the current year.

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(Continued)

38. Risk management (continued)

Reinsurance assets

The credit quality of reinsurance assets, can be assessed by reference to external credit ratings agencies, Standard & Poor's and A.M. Best. Based on the high ratings, management therefore considers the risk of default of these counterparties to be very low.

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 funding instruments over the respective term. On the lending side, loans will be granted at fixed rates over specified periods. As 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 repricing that may be undertaken, which is monitored daily by the Group Treasury function.

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(Continued)

38. Risk management (continued)

Interest rate risk (continued)

The table below demonstrates the sensitivity to a reasonably possible change in interest rates on the Group's income and equity with all other variables held constant.

The sensitivity of income is the effect of the assumed changes in interest rates on the income for one year, based on the floating rate non-trading financial assets and financial liabilities held at 31 December 2025 and 2024.

Change in basis points		Sensitivity of income	
		2025	2024
Parent	+ 100	–	14
	– 100	–	(14)
Group	+ 100	1	15
	– 100	(1)	(15)

Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The tables on the following pages indicate the currencies to which the Parent and Group had significant exposure at 31 December 2025 and 2024 on its monetary assets and liabilities. The analysis also calculates the effects of a reasonably possible movement of each currency rate against the Trinidad and Tobago dollar, with other variables held constant.

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(Continued)

38. Risk management (continued)**Currency risk** (continued)

The tables below indicate the currencies to which the Parent and Group had significant exposure at 31 December on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the TTD rate against other currencies, with all other variables held constant.

Parent	TTD	USD	EURO	OTHER	TOTAL
2025					
Cash and short-term funds	94,692	94,214	2,512	2,297	193,715
Loans and advances	144,640	365,749	–	–	510,389
Investment securities	136,845	772,729	–	–	909,574
Interest receivable	1,801	3,678	–	–	5,479
Total financial assets	<u>377,978</u>	<u>1,236,370</u>	<u>2,512</u>	<u>2,297</u>	<u>1,619,157</u>
Customers' deposits and other funding instruments	980,678	353,042	–	–	1,333,720
Debt securities in issue	600,000	–	–	–	600,000
Total financial liabilities	<u>1,580,678</u>	<u>353,042</u>	<u>–</u>	<u>–</u>	<u>1,933,720</u>
Net currency risk exposure		<u>883,328</u>	<u>2,512</u>	<u>2,297</u>	
Reasonably possible change in currency rate		5%	5%	5%	
Effect on profit before taxation		<u>44,166</u>	<u>126</u>	<u>115</u>	<u>44,407</u>

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(Continued)

38. Risk management (continued)**Currency risk** (continued)

Parent (continued)	TTD	USD	EURO	OTHER	TOTAL
2024					
Cash and short-term funds	140,374	246,576	9,859	1,999	398,808
Loans and advances	122,863	384,946	–	–	507,809
Investment securities	125,209	828,156	–	–	953,365
Interest receivable	2,123	4,859	–	–	6,982
Total financial assets	<u>390,569</u>	<u>1,464,537</u>	<u>9,859</u>	<u>1,999</u>	<u>1,866,964</u>
Customers' deposits and other funding instruments	1,175,087	346,333	–	–	1,521,420
Debt securities in issue	600,000	–	–	–	600,000
Total financial liabilities	<u>1,775,087</u>	<u>346,333</u>	<u>–</u>	<u>–</u>	<u>2,121,420</u>
Net currency risk exposure		<u>1,118,204</u>	<u>9,859</u>	<u>1,999</u>	
Reasonably possible change in currency rate		5%	5%	5%	
Effect on profit before taxation		<u>55,910</u>	<u>493</u>	<u>100</u>	<u>56,503</u>

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(Continued)

38. Risk management (continued)**Currency risk** (continued)**Group**

2025	TTD	USD	BDS	EURO	OTHER	TOTAL
Cash and short-term funds	411,169	254,225	39,358	6,452	32,100	743,304
Fixed deposits	–	–	3,378	–	4,865	8,243
Net investment in leased assets and other instalment loans	694,651	–	286,867	–	–	981,518
Loans and advances	1,124,983	365,749	445,585	–	–	1,936,317
Investment securities	1,600,447	2,723,474	75,719	–	194,155	4,593,795
Interest receivable	20,648	15,451	655	–	2,704	39,458
Other debtors and prepayments	104,062	62	10,771	–	3,132	118,027
Reinsurance assets	193,570	–	82,834	–	88,423	364,827
Total financial assets	4,149,530	3,358,961	945,167	6,452	325,379	8,785,489
Customers' deposits and other funding instruments	2,408,117	540,493	828,671	–	–	3,777,281
Debt securities in issue	600,000	–	–	–	–	600,000
Total financial liabilities	3,008,117	540,493	828,671	–	–	4,377,281
Net currency risk exposure		2,818,468	116,496	6,452	325,379	
Reasonably possible change in currency rate		5%	5%	5%	5%	
Effect on profit before taxation		140,923	5,825	323	16,269	163,340

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

38. Risk management (continued)**Currency risk** (continued)**Group** (continued)

2024	TTD	USD	BDS	EURO	OTHER	TOTAL
Cash and short-term funds	508,312	465,005	48,953	13,223	54,643	1,090,136
Fixed deposits	–	–	3,367	–	4,847	8,214
Net investment in leased assets and other instalment loans	726,895	–	282,545	–	–	1,009,440
Loans and advances	1,065,085	384,947	324,932	–	–	1,774,964
Investment securities	1,496,690	2,473,826	41,140	–	207,663	4,219,319
Interest receivable	17,163	17,647	137	–	2,686	37,633
Other debtors and prepayments	29,030	62	19,043	–	–	48,135
Reinsurance assets	133,428	–	78,372	–	118,764	330,564
Total financial assets	3,976,603	3,341,487	798,489	13,223	388,603	8,518,405
Customers' deposits and other funding instruments	2,537,731	489,097	706,646	–	–	3,733,474
Debt securities in issue	600,000	–	–	–	–	600,000
Total financial liabilities	3,137,731	489,097	706,646	–	–	4,333,474
Net currency risk exposure		2,852,390	91,843	13,223	388,603	
Reasonably possible change in currency rate		5%	5%	5%	5%	
Effect on profit before taxation		142,620	4,592	661	19,430	167,303

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(Continued)

38. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial instruments when they fall due under normal and stress circumstances. To mitigate this risk, Management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group sources funds for the provision of liquidity from three main sources; retail and wholesale deposits, funding instruments and the capital markets. A substantial portion of the funding for the Group is provided by core deposits and premium income. The Group maintains a core funding base which can be drawn on to meet immediate liquidity needs. Facilities are also established with correspondent banks, which can provide additional liquidity if conditions demand.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. The Group employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Group's assets as well as generating sufficient cash from new and renewed customer deposits and insurance policies.

Analysis of financial liabilities by remaining contractual maturities

The tables below summarise the maturity profile of the Parent's and Group's financial liabilities as at 31 December 2025 and 2024, based on contractual repayment obligations, over the remaining life of those liabilities.

Parent	Up to one year	One to five years	Over five years	Total
2025				
Customers' deposits and other				
funding instruments	1,128,921	277,779	6,397	1,413,097
Debt securities in issue	38,610	674,354	–	712,964
Lease liabilities	1,870	2,541	–	4,411
Bank overdraft	5	–	–	5
	<u>1,169,406</u>	<u>954,674</u>	<u>6,397</u>	<u>2,130,477</u>

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

38. Risk management (continued)

Liquidity risk (continued)

Analysis of financial liabilities by remaining contractual maturities (continued)

Parent	Up to one year	One to five years	Over five years	Total
2024				
Customers' deposits and other				
funding instruments	1,520,595	15,893	35,474	1,571,962
Debt securities in issue	38,610	706,515	–	745,125
Lease liabilities	3,142	4,842	–	7,984
Bank overdraft	10	–	–	10
	<u>1,562,357</u>	<u>727,250</u>	<u>35,474</u>	<u>2,325,081</u>
Group	Up to one	One to	Over five	
2025	year	five years	years	Total
Customers' deposits and other				
funding instruments	3,095,178	639,227	42,876	3,777,281
Undrawn commitments	23,365	–	–	23,365
Debt securities in issue	38,610	674,354	–	712,964
Lease liabilities	9,450	21,161	6,511	37,122
Bank overdraft	5	–	–	5
Investment contract liabilities	278,696	–	–	278,696
	<u>3,445,304</u>	<u>1,334,742</u>	<u>49,387</u>	<u>4,829,433</u>
2024				
Customers' deposits and other				
funding instruments	2,860,851	710,364	162,259	3,733,474
Undrawn commitments	5,060	–	–	5,060
Debt securities in issue	38,610	706,515	–	745,125
Lease liabilities	9,008	21,883	8,617	39,508
Bank overdraft	10	–	–	10
Investment contract liabilities	295,658	–	–	295,658
	<u>3,209,197</u>	<u>1,438,762</u>	<u>170,876</u>	<u>4,818,835</u>

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(Continued)

38. Risk management (continued)

Equity price risk

Equity price risk is the risk that the fair values of equities will decrease as the result of a decrease 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. In the case of the Parent, changes in fair value affect the capital reserve as a component of equity, whereas with respect to the subsidiaries, changes in fair value have an impact on the capital reserve and/or income.

The effect on income at 31 December 2025 and 2024 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	
		2025	2024
Group			
TTSE	+/- 3	49	273
S&P 500	+/- 8	34,474	15,757

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

38. Risk management (continued)

Insurance risk

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Group faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency and severity of claims.

The variability of risks is improved by careful selection and implementation of underwriting strategy and guidelines as well as the use of reinsurance arrangements.

Sensitivities

The table 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 the change 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 the relationships between these assumptions are non-linear and larger or smaller impacts cannot easily be gleaned from these results.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
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 (Continued)

38. Risk management (continued)

Insurance risk (continued)

**Group
 2025**

	Change in assump- tions	Impact on fulfilment cash flows - gross	Impact on fulfilment cash flows - net	Impact on CSM - gross	Impact on CSM - net	Impact on profit before taxation	Impact on profit after taxation
Expenses	+/- 10%	26,339	26,322	(18,088)	(19,528)	(6,794)	(6,115)
Mortality/ Morbidity	+/- 10%	19,789	8,345	(13,262)	(4,036)	(4,309)	(3,878)
Longevity	+/- 10%	(10,000)	(10,000)	9,125	9,125	875	788
Lapses	+/- 10%	157	1,238	(2,163)	(2,590)	1,352	1,217
Observable interest rates	+/- 1%	122,774	120,358	–	–	(120,358)	(108,322)
2024							
Expenses	+/- 10%	23,764	23,743	(17,532)	(18,550)	(5,193)	(3,894)
Mortality/ Morbidity	+/- 10%	19,874	8,349	(14,099)	(4,514)	(3,835)	(2,876)
Longevity	+/- 10%	(9,511)	(9,511)	8,521	8,521	990	(743)
Lapses	+/- 10%	526	1,534	(1,669)	(2,482)	948	(711)
Observable interest rates	+/- 1%	120,376	118,140	–	–	(118,140)	(88,605)

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39. 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 statement of financial position, the objectives of the Parent and its subsidiaries are:

- To comply with the capital requirements set by the regulators of the markets where the parent and its subsidiaries operate;
- To safeguard the parent's and the subsidiaries' 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.

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 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 10% plus an additional 2.5% capital conservation buffer.

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 2025 and 2024, the Parent and its subsidiaries complied with all of the externally-imposed capital requirements to which they are subject at the date of this report.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in thousands of Trinidad and Tobago dollars)

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40. Maturity analysis of assets and liabilities

The tables below show an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled based on contractual cash flows.

Parent	2025			2024		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Assets						
Cash and short-term funds	193,715	–	193,715	398,808	–	398,808
Net investment in leased assets and other instalment loans	228,165	470,874	699,039	177,771	552,742	730,513
Loans and advances	161,555	348,834	510,389	179,335	328,474	507,809
Investment securities	314,247	595,327	909,574	356,366	596,999	953,365
Interest receivable	5,479	–	5,479	6,982	–	6,982
Other debtors and prepayments	47,499	–	47,499	30,105	–	30,105
Taxation recoverable	21,379	–	21,379	18,680	–	18,680
Investment in subsidiaries	–	1,214,510	1,214,510	–	1,114,510	1,114,510
Property and equipment	–	3,459	3,459	–	3,167	3,167
Intangible assets	–	19,067	19,067	–	21,173	21,173
Right-of-use assets	–	4,086	4,086	–	7,283	7,283
Deferred tax assets	–	3,236	3,236	–	2,036	2,036
Employee benefits asset	–	9,537	9,537	–	7,092	7,092
Total assets	972,039	2,668,930	3,640,969	1,168,047	2,633,476	3,801,523

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

40. Maturity analysis of assets and liabilities (continued)

Parent (continued)	2025			2024		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Liabilities						
Customers' deposits and other funding instruments	1,079,069	254,651	1,333,720	1,475,924	45,496	1,521,420
Lease liabilities	1,648	2,349	3,997	2,920	4,650	7,570
Bank overdraft	5	–	5	10	–	10
Accrued interest and other payables	151,901	–	151,901	132,003	–	132,003
Debt securities in issue	–	600,000	600,000	–	600,000	600,000
Taxation payable	6,786	–	6,786	–	–	–
Deferred tax liabilities	–	13,702	13,702	–	10,182	10,182
Employee benefits liability	–	963	963	–	897	897
Total liabilities	1,239,409	871,665	2,111,074	1,610,857	661,225	2,272,082

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

40. Maturity analysis of assets and liabilities (continued)

Group	2025			2024		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Assets						
Cash and short-term funds	743,304	–	743,304	1,090,136	–	1,090,136
Fixed deposits	8,243	–	8,243	8,214	–	8,214
Net investment in leased assets and other instalment loans	229,820	751,698	981,518	185,963	823,477	1,009,440
Loans and advances	260,890	1,675,427	1,936,317	320,850	1,454,114	1,774,964
Investment securities	1,834,490	2,759,305	4,593,795	1,745,233	2,474,086	4,219,319
Interest receivable	39,458	–	39,458	37,633	–	37,633
Other debtors and prepayments	109,604	8,423	118,027	43,040	5,095	48,135
Reinsurance assets	315,413	49,414	364,827	287,016	43,548	330,564
Taxation recoverable	31,253	1,146	32,399	27,359	1,158	28,517
Investment properties	–	169,370	169,370	–	154,265	154,265
Property and equipment	26	265,361	265,387	–	252,928	252,928
Intangible assets	–	662,937	662,937	34	708,568	708,602
Right-of-use assets	–	37,219	37,219	–	37,864	37,864
Deferred tax assets	–	78,622	78,622	134	51,067	51,201
Employee benefits asset	–	152,658	152,658	–	176,798	176,798
Total assets	3,572,501	6,611,580	10,184,081	3,745,612	6,182,968	9,928,580

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

40. Maturity analysis of assets and liabilities (continued)

Group (continued)	2025			2024		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Customers' deposits and other funding instruments	3,114,077	663,204	3,777,281	2,866,723	866,751	3,733,474
Lease liabilities	12,604	22,990	35,594	6,284	31,967	38,251
Bank overdraft	5	–	5	10	–	10
Accrued interest and other payables	279,869	45,862	325,731	240,425	42,771	283,196
Debt securities in issue	–	600,000	600,000	–	600,000	600,000
Taxation payable	7,888	–	7,888	–	–	–
Deferred tax liabilities	–	129,078	129,078	137	101,099	101,236
Employee benefits liability	6,426	6,722	13,148	4,958	6,428	11,386
Investment contract liabilities	278,696	–	278,696	295,658	–	295,658
Insurance contract liabilities	654,328	1,556,617	2,210,945	631,027	1,522,142	2,153,169
Total liabilities	4,353,893	3,024,473	7,378,366	4,045,222	3,171,158	7,216,380

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41. Capital commitments

Parent			Group	
2024	2025		2025	2024
<u>13,363</u>	<u>13,363</u>	Capital expenditure	<u>23,201</u>	<u>35,677</u>

42. Contingent liabilities

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

Parent			Group	
2024	2025		2025	2024
<u>—</u>	<u>—</u>		<u>524</u>	<u>768</u>

43. Dividends

Dividends paid are analysed as follows:

	2025	2024
Final dividend for 2024 – \$1.00 per share (2023: \$1.00 per share)	85,605	85,605
Interim dividend for 2025 – \$0.20 per share (2024: \$0.20 per share)	<u>17,121</u>	<u>17,121</u>
	<u>102,726</u>	<u>102,726</u>

On 5 March 2026, the Board of Directors declared a final dividend of \$1.00 (2024: \$1.00) per share for the year ended 31 December 2025. This dividend amounting to \$85,605,263 (2024: \$85,605,263) is not recorded as a liability in the statement of financial position as at 31 December 2025.

44. Events after the reporting period

There are no events after the reporting date that require adjustment to, or a disclosure in these separate and consolidated financial statements through to the audit opinion date.