



EXIMBANK

EXPORT - IMPORT BANK OF TRINIDAD & TOBAGO LTD.

FINANCIAL STATEMENTS: 31 DECEMBER, 2021



Chairman's Message

FINANCIAL PERFORMANCE



I am pleased to report that the Export-Import Bank of Trinidad and Tobago Limited (EXIMBANK) has generated an after-tax profit of TT\$49.5M in 2021, a substantial increase of 342% over the 2020 achievement of TT\$11.2M. This robust growth resulted from a combination of strategic interventions as follows:

- Increased income from foreign exchange operations to TT\$47.2M, as the Bank ramped up forex delivery to Manufacturers and Importers of Essentials items, to execute the Government of the Republic of Trinidad and Tobago (GORTT) policy of providing financial support to the sectors.
- Despite relatively flat interest income year over year (y-o-y), Net interest income still grew by 39% to TT\$11.3M, as active treasury management resulted in the refinancing and paydowns of higher cost liabilities, dropping interest expense by TT\$3.7M and capitalizing on the global low interest rate environment.
- Impairment expense turnaround, from a loss of TT\$9.5M to a positive write-back of TT\$2.5M, in line with the experience across the Banking sector y-o-y.
- Cost controls and prudent spending resulted in 7% decline in general and administrative expenses. As this occurred at the same time as significant revenue growth, the Bank's operational efficiency and productivity ratios have been considerably improved.

On the Balance Sheet, the loan book declined by TT\$28.7M, due to the negative effects of the Pandemic as experienced by the industry. The current business model of the EXIMBANK is to borrow from Commercial Banks to re-lend to the private sector. Accordingly, when lending assets decrease and funds come back to the Bank, the Bank's line of credits are repaid. In 2021, TT\$47.2M of line of credits balances were repaid, which exceeded the lending asset decrease, this is a signal of strong operating performance and fiscal discipline.

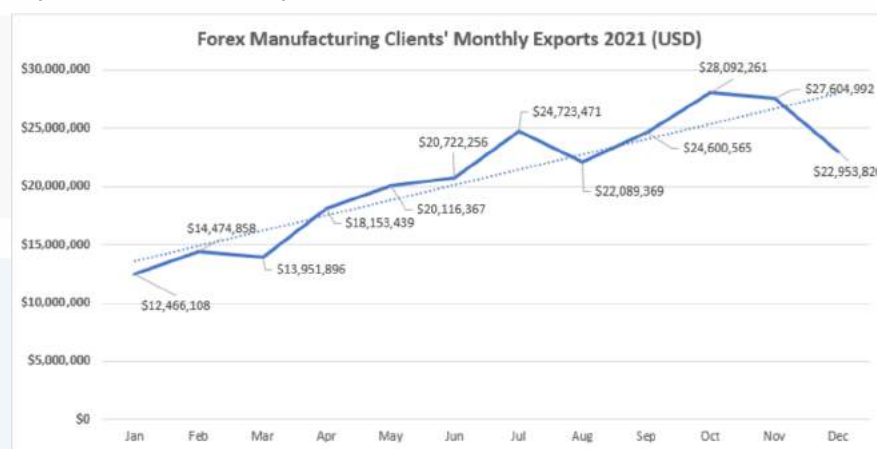
Also, I would like to draw your attention to a capital restoration activity that was completed in 2021. Together with shareholder agreement, a reclassification of funds already held at the Bank, increased share capital. While no new funds were required from the shareholder for this, the net effect of the balance sheet adjustment was the restoration of the Bank's Tier 1 capital base.

National Impact

Manufacturing Forex

The EXIMBANK remains committed to transparency, and accordingly, I wish to report that the forex resource prioritization through the EXIMBANK has contributed to the demonstrable increases in export activity and by extension sectoral growth. The Forex Manufacturing Facility has assisted 122 clients across seventeen (17) sectors, with total sales of USD 173M from January 2021 to February 2022.

In 2021 EXIMBANK's clients generated a significant increase in export sales from TTD 1.28 billion to TTD 1.70 billion, an overall increase of TTD 420M or 33% (see graph below). This distinctly validates the relationship between astute resource allocations and growth-oriented investments, which continue to have a positive national impact.



Operational activity was significantly elevated with the prioritization of forex resources through the EXIMBANK. This contributed to the demonstrable increases in export activity and by extension, sectoral expansion, as **83% of all companies served were in the SME category.**

The Forex facility for manufacturers achieved its intended objective, having acted as a catalyst for economic growth and facilitated the acquisition of much needed raw-material inputs to ensure the sustainability of the manufacturing sector. Forex absorption capacity remained high within key segments, notably, Food and Beverage, Building and Construction, Plastics and Packaging, and Furniture and Appliances.

Forex for Essential Items

The Forex Allocation System for Essential Items – FAS, performed a vital role within the national landscape and was astutely managed to facilitate the purchase of critical consumer goods. The bank remained cognizant of its role to execute GORTT policy to the Import/Distribution sector, to mitigate against trade / supply chain risk to the domestic economy, temper price increases and preventing national shortages of key essential items. Absorption was driven by key sectors which included Pharmaceutical, Food and Non-food, Personal Protective Equipment (PPE), Hygiene products, Cleaning and Agri Supplies, resulting in total disbursements of USD 298M (since inception).

Chairman's Message

FINANCIAL PERFORMANCE (Cont'd)



How we get it done

The EXIMBANK maintained its administrative control of the forex facilities and appreciates the strong collaborations with key stakeholders such as the Trinidad and Tobago Manufacturer's Association and the Trinidad and Tobago Chamber of Industry and Commerce and other Business Support Organisations to ensure the programmes' efficacy, effectiveness, and the transactional integrity.

To accomplish and sustain high customer service levels, the Bank is now employing predictive analytic techniques which remain continuously informed through sectoral demand assessments and forecasting frameworks, which provided directional indicators and an understanding of the companies' absorption capacity. As the forex delivery systems afford clients near term forex availability sightlines, clients are better equipped to improve operational efficiency, repair supplier credit relationships, improve their global competitiveness and sustain employment activity.

Reinvesting profits to drive further improvements in "Ease of Doing Business"

As the EXIMBANK is delivering on its public mandate while generating profits, it is incumbent on the organisation to drive further improvements in the "Ease of Doing Business" for our clients. The Board has approved the reinvestment of some profits to digitisation initiatives across the organisation that will improve:

- Internal operational efficiency → Faster processing of client requests;
- Cyber security vigilance and data integrity → Confidentiality and security of client data
- Self-service technology platforms → To provide transaction transparency with status updates for our clients.

Next Steps

In the 2022 National Budget, the Minister of Finance, the Honourable Colm Imbert stated *"we are setting up a new "Catalytic Fund" at the EXIMBANK where export-oriented companies, in both the manufacturing and service sectors, will be able to access financial support to generate increased exports and earn more foreign exchange"*.

The work on this is proceeding very well and this initiative will change the Bank's business model and enable it to increase access to credit and reduce the cost of business investment to a wider cross section of the economy that is engaged in foreign exchange earning commerce!

Acknowledgements

All of this would not be possible without the strong, continue support from the Minister of Finance, Corporation Sole, the staff at the Ministry of Finance, the Minister and Ministry of Trade and Industry and the Government of the Republic of Trinidad and Tobago.

I would also like to thank my fellow Board members for the ongoing professional and sound contributions as we guide this organisation to increasing its positive national impact. In 2021, we said farewell to one Director, Mrs. Elsa Lara-Joseph who Chaired the Bank's Human Resources Board Sub-committee astutely. I am pleased to Chair a Board, that I consider as diverse, competent and committed to National Development.

The CEO, Executive Team, Management and Staff of the EXIMBANK have been performing extremely well and I take this opportunity to thank and congratulate them and note that as the bar is raised, so are the expectations! With utmost humility,



Scan the code to view the financial statements

John Tang Nian
Chairman



STATEMENT OF FINANCIAL RESPONSIBILITIES



Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Export-Import Bank of Trinidad and Tobago Limited (the Bank), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising of significant accounting policies and other explanatory information;
- Ensuring that the Bank 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 Bank's assets, detection/prevention of fraud, and the achievement of the Bank's 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 Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

Navin Dookeran
Chief Executive Officer
24 March 2022

Anthony Mohammed
Chief Financial Officer
24 March 2022

Independent auditor's report



To the shareholder of Export-Import Bank of Trinidad and Tobago Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Export-Import Bank of Trinidad and Tobago Limited (the Bank) as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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 Bank'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 Bank'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Price Waterhouse Coopers

Port of Spain,
Trinidad, West Indies
28 March 2022

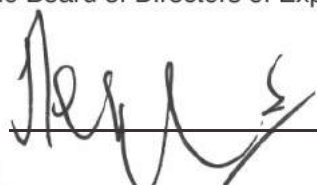
Statement of Financial Position

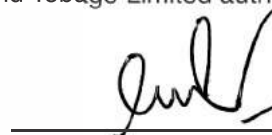
(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 31 December 2021 \$	2020 \$
Assets			
Cash and cash equivalents	4	177,961,885	157,018,876
Loans and receivables	5	233,674,437	262,350,969
Corporation tax receivable		597,923	597,923
Other assets	6	2,806,600	1,781,525
Investments	7	13,574,891	14,526,099
Property and equipment	8(a)	8,116,168	7,064,972
Right-of-use assets	8(b)	153,219	161,080
Deferred tax asset	15	5,144,172	--
Total assets		<u>442,029,295</u>	<u>443,501,444</u>
Liabilities and shareholder's equity			
Accounts payable and accruals	11	18,941,463	22,482,399
Lines of credit	12	188,325,000	235,574,528
Taxation payable		26,498	--
Lease liabilities	14	161,388	166,736
Deferred tax liabilities	15	--	156,482
Deferred income - GORTT subvention	16	2,175,240	2,216,490
Total liabilities		<u>209,629,589</u>	<u>260,596,635</u>
Shareholder's equity			
Stated capital	17	297,934,000	194,934,000
Capital contributions	13	--	103,000,000
Special reserve		441,375	441,375
Statutory surplus reserve		615,612	615,612
Accumulated deficit		(66,591,281)	(116,086,178)
Total shareholder's equity		<u>232,399,706</u>	<u>182,904,809</u>
Total liabilities and shareholder's equity		<u>442,029,295</u>	<u>443,501,444</u>

The notes on pages 8 to 27 are an integral part of these financial statements.

On 24 March 2022, the Board of Directors of Export-Import Bank of Trinidad and Tobago Limited authorised these financial statements for issue.


Chairman


Director

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December 2021 \$	2020 \$
Interest income	19	16,453,033	16,986,679
Interest expense		(5,193,063)	(8,890,407)
Net interest income		<u>11,259,970</u>	<u>8,096,272</u>
Revenue from Forex Programs	20	47,184,503	29,627,135
Other income	20	3,552,344	4,896,266
Total net income		<u>50,736,847</u>	<u>34,523,401</u>
Impairment write back/(expense)	10	2,456,002	(9,536,659)
General and administrative expenses	21	(19,854,394)	(21,267,019)
Total expenses		<u>(17,398,392)</u>	<u>(30,803,678)</u>
Profit before taxation		<u>44,598,425</u>	<u>11,815,995</u>
Taxation	22	4,896,472	(616,081)
Profit for the year		<u>49,494,897</u>	<u>11,199,914</u>
Other comprehensive income for the year, net of tax		--	--
Total comprehensive income for the year		<u>49,494,897</u>	<u>11,199,914</u>

The notes on pages 8 to 27 are an integral part of these financial statements.

Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Stated capital \$	Capital contributions \$	Special reserve \$	Statutory surplus reserve \$	Accumulated deficit \$	Total \$
Balance as at 1 January 2021	194,934,000	103,000,000	441,375	615,612	(116,086,178)	182,904,809
Capital contributions (Note 17)	103,000,000	(103,000,000)	--	--	--	--
Total comprehensive income for the year	--	--	--	--	49,494,897	49,494,897
Balance as at 31 December 2021	<u>297,934,000</u>	<u>--</u>	<u>441,375</u>	<u>615,612</u>	<u>(66,591,281)</u>	<u>232,399,706</u>
Balance as at 1 January 2020	194,934,000	--	441,375	615,612	(127,286,092)	68,704,895
Capital contributions (Note 17)	--	103,000,000	--	--	--	103,000,000
Total comprehensive income for the year	--	--	--	--	11,199,914	11,199,914
Balance as at 31 December 2020	<u>194,934,000</u>	<u>103,000,000</u>	<u>441,375</u>	<u>615,612</u>	<u>(116,086,178)</u>	<u>182,904,809</u>

The notes on pages 8 to 27 are an integral part of these financial statements.

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2021 \$	2020 \$
Cash flows from operating activities			
Profit before taxation		44,598,425	11,815,995
<i>Non-cash items</i>			
Depreciation	8(a)	1,582,650	1,375,410
Depreciation – ROU Assets	8(b)	7,861	7,860
Deferred tax	22	--	--
Amortisation of intangible asset	9	--	18,225
Impairment charge/(writeback) - investments	7	854	1,737
Impairment charge - loans	5	--	11,388,672
Gain on disposal of property and equipment		(5,307)	(1,500)
Interest expense on lease liability		6,651	6,864
Government subvention		<u>(41,250)</u>	<u>(178,750)</u>
		46,149,884	24,434,513
Changes in non-cash working capital amounts:			
Net change in loans and receivables		27,651,457	1,921,089
Net change in accounts payable and accruals		(3,540,936)	14,230,794
Taxation paid		<u>(377,684)</u>	<u>(310,039)</u>
Net cash inflow from operating activities		<u>69,882,721</u>	<u>40,276,356</u>
Cash flows from investing activities			
Payments for property and equipment	8	(2,889,469)	(1,962,740)
Proceeds from disposal of property and equipment		260,930	1,500
Proceeds from disposal of investments	7	<u>950,354</u>	<u>920,053</u>
Net cash outflow from investing activities		<u>(1,678,185)</u>	<u>(1,041,187)</u>
Cash flows from financing activities			
Net change in capital contributions	13	--	68,000,000
Net change in lines of credit	12	(47,249,528)	(5,704,222)
Repayment of lease liability		(5,348)	(5,136)
Interest payment on lease liability		<u>(6,651)</u>	<u>(6,864)</u>
Net cash (outflow)/inflow from financing activities		<u>(47,261,527)</u>	<u>62,283,778</u>
Net increase in cash and cash equivalents		20,943,009	101,518,946
Cash and cash equivalents, beginning of year		<u>157,018,876</u>	<u>55,499,930</u>
Cash and cash equivalents at end of year		<u>177,961,885</u>	<u>157,018,876</u>

The notes on pages 8 to 27 are an integral part of these financial statements.

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021

(Expressed in Trinidad and Tobago Dollars)



1 Incorporation and principal activities

Export Import Bank of Trinidad and Tobago (EXIMBANK or the Bank) was incorporated on 31 December 1973 in the Republic of Trinidad and Tobago as Trinidad and Tobago Export Credit Insurance Company Limited (EXCICO). The Bank's registered office and principal place of business are located at EXIM House, 30 Queen Park West, Port-of-Spain.

EXCICO was converted to EXIMBANK following an Order by the Ministry of Finance on 4 November 1997 cited as the "Financial Institution (Amendment to the Third Schedule) Order 1997".

This Amendment to the Financial Institution Act 1993 granted EXIMBANK the ability to conduct the following types of business:

- a. Confirming House or Acceptance House
- b. Finance House or Finance Company
- c. Financial Services
- d. Registered Insurer

EXIMBANK is primarily involved in providing banking facilities, which include raw material and asset financing and other trade related services to exporters. Other services include the discounting of bills in respect of goods exported from Trinidad and Tobago on credit terms.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except as described below.

a. Basis of preparation

These financial statements comply with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Standards Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS and are stated in Trinidad and Tobago dollars. These financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(i) New standards and amendments/revisions to published standards and interpretations effective in 2021

The following new standards, amendments and interpretations are mandatory for the Bank's accounting periods beginning on or after 1 January 2021:

· IFRS 16 Leases - Amendments - Covid-19-Related Rent Concessions

The amendment provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to Covid-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications.

The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the conditions are met:

- a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b. any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- c. there is no substantive change to the other terms and conditions of the lease.

The amendment had no material impact on the financial statements of the Bank.

(ii) New standards and amendments/revisions to published standards and interpretations effective in 2021 but not applicable to the Bank.

The following new IFRS amendments that have been issued do not apply to the activities of the Bank:

- IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 4 Insurance Contracts
- IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases - Amendments - Interest Rate Benchmark Reform Phase 2

(iii) New standards, interpretations and revised or amended standards that are not yet effective and have not been early adopted by the Bank

The following is a list of new IFRS standards, interpretations and amendments issued that are not yet effective as at 31 December 2021 and have not been early adopted by the Bank.

Effective 1 January 2022:

- IFRS 3 Business Combinations - Amendments - Reference to the Conceptual Framework
- IFRS 16 Leases - Amendments - Covid-19-Related Rent Concessions beyond 30 June 2021
- IAS 16 Property, Plant and Equipment - Amendments - Proceeds before intended use
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments - Onerous contract - Cost of fulfilling a contract

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

(iii) New standards, interpretations and revised or amended standards that are not yet effective and have not been early adopted by the Bank (continued)

Effective 1 January 2022 (continued)

- Annual Improvements to IFRSs 2018 - 2020 Cycle:
- o IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendments - Subsidiary as a first-time adopter
- o IFRS 9 Financial Instruments - Amendments - Fees in the '10 per cent' test for derecognition of financial liabilities
- o IAS 41 Agriculture - Amendments - Taxation in fair value measurements.

Effective 1 January 2023:

- IAS 1 Presentation of Financial Statements - Amendments - Classification of liabilities as current or non-current
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 - Amendments - Disclosure of accounting policies
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments - Definition of accounting estimates
- IAS 12 Income Taxes - Amendments - Deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17 Insurance Contracts

Amendments Postponed:

- IFRS 10 and IAS 28 - Amendments - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - In December 2015, the IASB deferred the effective date of the amendments until such time it has finalised any amendments that result from its research project on the equity method of accounting.

The Bank is currently evaluating the impact of these amendments; however, they are not expected to have a material impact on the Bank's financial statements.

b. IFRS 16 Leases

The Bank leases a building for office accommodation from the Government of the Republic of Trinidad and Tobago (GORTT). The lease expired in 2021 and is presently being reviewed for renewal for a period of twenty years.

The leased asset is not used as security for borrowing purposes.

(i) Measurement of lease liability

- The lease payments are discounted using the Bank's incremental borrowing rate at 31 December 2021.
- Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(i) Measurement of rights-of-use assets (Refer to note 8(b) leases)

- Rights-of-use assets are measured at cost which is the amount of the initial measurement of the lease liability.
- Rights-of-use assets are depreciated over the lease term on a straight-line basis.

c. Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided using the straight-line method. No depreciation is provided on capital work-in-progress. The following rates are considered appropriate to depreciate the assets over their estimated useful lives:

Leasehold improvements	-	5%
Office furniture	-	12.50%
Office equipment	-	20%
Computer hardware	-	25%
Motor vehicles	-	25%

The assets' residual values and useful lives are reviewed at each reporting date and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

d. Intangible assets

Software

Costs associated with maintaining 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 are recognised as intangible assets when the following criteria are met:

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

The asset is amortised over its useful economic life and are reassessed at the end of each financial period. The following rates are considered appropriate to depreciate the assets over their estimated useful lives:

Computer software	-	12.50%
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e. Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised when the Bank becomes a party to the contractual provisions of the instrument.

i. Financial assets

(a) Classification and subsequent measurement

The Bank classifies its financial assets based on the 'Hold to collect' model using the Amortised Cost category.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

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

Based on these factors, the Bank classifies its assets into the amortised cost measurement category. Assets that are held for collection of contractual cash flows where those cash flows represent solely principal and interest (SPPI) and that are not designated as fair value through profit and loss (FVTPL) are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 5. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

(a) Investments

The Bank's investments comprise of bonds with fixed determinable payments of principal and interest and a fixed maturity date. The Bank has both the intent and ability to hold these bonds to maturity i.e. "hold-to-collect" and states the portfolio at amortised cost.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise of Raw Material and Asset Financing and Trade Discounting.

Business model

The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. The Bank's objective is solely to collect the contractual cash flows from the financial assets.

SPPI

In this test, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin.

Impairment

The Bank assesses on a forward-looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost. The Bank recognises a loss allowance for such losses at each reporting date.

2 Summary of significant accounting policies (continued)

e. Financial instruments (continued)

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 24.a. (i) provides more detail of how the expected credit loss is measured.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual right to receive cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred.

ii. Financial liabilities

Classification and subsequent measurement

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

Derecognition

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

f. Loan commitments

Loan commitments provided by the Bank are measured at the amount of the loss allowance (calculated as described in note 24 a.(I). The Bank has not provided any commitment that can be settled net in cash or by delivering or issuing another financial instrument. For loan commitments, the loss allowance is recognised as a provision.

g. Foreign currency

Monetary assets and liabilities recorded in foreign currencies have been translated at the exchange rates prevailing at the Statement of Financial Position date. Transactions recorded during the year in foreign currencies have been converted at the rates prevailing on the dates of the transaction. Exchange gains or losses arising are reflected in the Statement of Comprehensive Income.

h. Interest Income and expense

Interest income and interest expense are recognised on an accrual basis using the effective interest method based on the initial carrying amount. When a loan is impaired, the Bank reduces the carrying amount to its recoverable amount (i.e. net of the expected credit loss provision), being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

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

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cashflows for the purpose of measuring the impairment loss.

For financial assets that are credit impaired (stage 3), interest income is calculated by applying the effective interest rate to the carrying value net of the expected credit loss provision.

i. Revenue from Forex Programs

As an authorised foreign currency distributor, EXIMBANK recognises income (handling fees, trading gains and wire transfer fees) for the Forex Allocation System (FAS) and Forex Manufacturing facilities. These facilities predominantly assist qualified customers with the purchase of essential items in US dollars as well as payment of shipping costs, equipment financing (X-Loan) and trade financing, all in US dollars. Income (handling fees, trading gains and wire transfer fees) is recognised on an accruals basis when the customer agreement has been approved.

j. Fee and commission income

Fees and commission are earned on issuance of loans and are recognised on an accrual basis when the service has been provided.

k. Statutory reserve

Under the provisions of the Insurance Act 1980, the Bank is required to appropriate at least 25% of its profits for the year until the surplus equates or exceeds the liabilities of the Bank with respect to its unexpired policies.

l. Special reserve

An amount of \$450,000 was allocated to the Bank by the Ministry of Finance to assist with the cost of broker fees and other pre-incorporation expenses associated with the partial divestment of the Bank. This initiative was discontinued after an initial expense of \$8,625. No related expenses were incurred during the years ended 31 December 2021.

m. Current taxation

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

Taxation comprises Corporation Tax or Business Levy and the net movement in Deferred Taxation. These amounts are calculated as follows:

- (i) Corporation tax - 30% of the Bank's chargeable profits.
- (ii) Business Levy - 0.6% of the Bank's gross receipts.

n. *Deferred taxation*

Deferred taxation is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Currently enacted tax rates are used to determine Deferred Taxation. The principal temporary differences arise from depreciation of property and equipment and tax losses. Deferred income tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

o. *Government grant*

The GORTT provided subvention income to the Bank to facilitate expansion of the country's export sector to assist in enhancing the country's foreign exchange position and its international trade landscape. Government grants are recognised in the statement of comprehensive income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

p. *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between proceeds net of transactions costs and the redemption value is recognised in the unconsolidated income statement over the period of the borrowings using the effective interest method.

q. *Share capital*

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

r. *Cash and cash equivalents*

Cash and cash equivalents represent cash in hand, cash in transit, money market placements and demand deposits. Cash equivalents are primarily short-term highly liquid investments with original purchased maturities of 90 days or less. Cash and cash equivalents are carried at amortised cost on the statement of financial position.

3 Critical judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions about the future in the process of applying the Bank's accounting policies. The resulting accounting estimates will, by definition, rarely equal the related actual results.

These are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Actual results could differ from those estimates.

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

a. *Critical judgements*

The critical judgements apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements are as follows:

- (i) Application of going concern principles
- (ii) Discount rate used in IFRS 16 leases
- (iii) Discounting of loan collateral

b. *Key assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) *Measurement of the expected credit loss*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 24.a.(i) which also sets out key sensitivities of the ECL to changes in these elements.

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

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- Determination of macroeconomic drivers and forecasting macroeconomic scenarios;
- Recovery rates on unsecured exposures.

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



4 Cash and cash equivalents

	2021 \$	2020 \$
Cash	3,000	3,000
Republic Bank Limited	4,509,421	4,473,572
RBC Royal Bank (Trinidad & Tobago) Limited	2,280,271	1,143,758
Scotiabank Trinidad and Tobago Limited	1,813,420	2,387,432
First Citizens Bank Limited	14,697	7,364
Citibank (Trinidad and Tobago) Limited	109	109
CIBC FirstCaribbean International Bank Limited	138,631,486	97,141,657
Cash in hand and at bank	147,252,404	105,156,892
Guardian Asset Management Mutual Funds – TTD Monthly Income Fund	237,350	127,251
Trinidad and Tobago Unit Trust Corporation	30,472,131	51,734,733
Money market funds	30,709,481	51,861,984
	177,961,885	157,018,876

5 Loans and receivables

The loan notes due to the Bank comprise the following:

Raw materials and asset financing (See (i) below)	274,402,919	334,704,908
Trade discounting (See (ii) below)	6,535,790	6,387,594
Interest receivable	7,652,414	10,807,828
	288,591,123	351,900,330
Less loss allowance:	(54,916,686)	(89,549,361)
	233,674,437	262,350,969
<i>Allowance for loan losses</i>		
Allowance at beginning of the year	89,549,361	114,588,846
Loan loss release	(2,456,856)	(1,853,749)
Charge for the year	--	11,388,672
Write off	(32,175,819)	(34,574,408)
Allowance at the end of year	54,916,686	89,549,361

(i) This amount represents raw material (working capital) and asset financing (demand loans) advances made to exporters from US\$ and TT\$ lines of credit at varying rates of interest.

(ii) This amount represents trade discounting advances to exporters both in US\$ and TT\$ at varying rates of interest.

Loans to customers

	2021 \$	2020 \$
Loans – Stages 1 and 2	232,637,935	260,419,015
Loans – Stage 3	55,953,188	91,481,315
	288,591,123	351,900,330
Allowance for loan losses	(54,916,686)	(89,549,361)
Total credit risk exposure	233,674,437	262,350,969
Loans analysed by sector		
Food and beverage	45,273,430	70,503,909
Consumer goods	77,465,767	70,012,100
Pulp, paper, plastics and packaging	101,728,928	110,004,077
Fuel and oils	--	436,255
Media products and services	9,206,312	11,394,628
	233,674,437	262,350,969
Current portion	117,068,445	210,318,725
Non current portion	116,605,992	52,032,244
Total credit risk exposure	233,674,437	262,350,969

6 Other assets

Insurance premium receivable	113,338	113,338
Interest receivable - investments	11,779	6,836
Other receivables	1,499,831	608,728
Other receivables - Forex	3,264	33,664
Prepaid expenses	1,178,388	1,018,959
	2,806,600	1,781,525

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



7 Investments

Securities of/or guaranteed by the Government of the Republic of Trinidad and Tobago
Less: loss allowance

Current portion
Non-current portion

Balance at beginning of the year
Maturities
Charge back

Balance at end of year

Colonial Life Insurance Company Limited (current)

Colonial Life Insurance Company Limited (non - current)

Government of the Republic of Trinidad and Tobago 7.75% bonds (2024)

Total

2021 \$	2020 \$
13,610,848	14,561,203
(35,957)	(35,104)
<u>13,574,891</u>	<u>14,526,099</u>
1,565,952	1,568,165
<u>12,008,939</u>	<u>12,957,934</u>
<u>13,574,891</u>	<u>14,526,099</u>
14,526,099	15,447,888
(950,354)	(920,053)
(854)	(1,736)
<u>13,574,891</u>	<u>14,526,099</u>
<u>1,565,952</u>	<u>1,568,165</u>
10,462,435	11,407,334
<u>1,546,504</u>	<u>1,550,600</u>
<u>12,008,939</u>	<u>12,957,934</u>
<u>13,574,891</u>	<u>14,526,099</u>

On 30 January 2009 the Minister of Finance (MOF) and the Central Bank of Trinidad and Tobago announced that the Government of the Republic of Trinidad and Tobago (GORTT) had reached an agreement with the CL Financial Group for the provision of a package of financial support for the Group's financial services companies. These companies included Colonial Life Insurance Company limited (CLICO), Caribbean Money Market Brokers Limited (CMMB) and British American Insurance Company (Trinidad) Limited (BAT).

Subsequent to this the Minister of Finance stated that GORTT would repay local investors of Short term Investment Products (STIPS) in CLICO and BAT their principal balances that is, the capital sum as at the issue date or last renewal date, minus any capital withdrawals or loans made prior to 8 September 2010.

On 9 February 2012 the GORTT made an offer to the Bank to repay the principal balances, plus interest up to the maturity date, on all policies held up to 8 September 2010. The total amount due from CLICO amounted to \$32,869,200 inclusive of \$128,000 in interest. The Bank has accepted the offer made by the GORTT for initial payments of approximately \$75,000 on each policy and with the remaining balance to be settled by the issuance of 20 Year Zero Coupon Bonds.

Four (4) contracts were issued by the GORTT and during the year ended 31 December 2012 the initial payments of \$300,200 together with the first annual bond repayment of \$1,631,000 were received. Annual bond repayments of \$ 1.6M have been received in accordance with the agreed terms.

8(a) Property and equipment

	Leasehold property \$	Office furniture and equipment \$	Computer equipment and software \$	Motor vehicles \$	Work-in progress \$	Total \$
Cost						
At 1 January 2021	6,860,312	2,367,998	11,133,498	2,221,999	52,875	22,636,682
Additions	19,962	411,683	286,552	16,450	2,154,822	2,889,469
Transfers	279,563	--	--	--	(279,563)	--
Disposals	--	--	(66,399)	(337,500)	--	(403,899)
At 31 December 2021	<u>7,159,837</u>	<u>2,779,681</u>	<u>11,353,651</u>	<u>1,900,949</u>	<u>1,928,134</u>	<u>25,122,252</u>
Accumulated depreciation						
At 1 January 2021	3,335,599	1,718,546	9,705,946	811,619	--	15,571,710
Charge for the year	321,703	255,918	621,259	383,770	--	1,582,650
Disposals	--	--	(63,901)	(84,375)	--	(148,276)
At 31 December 2021	<u>3,657,302</u>	<u>1,974,464</u>	<u>10,263,304</u>	<u>1,111,014</u>	<u>--</u>	<u>17,006,084</u>
Net book value						
At 31 December 2021	<u>3,502,535</u>	<u>805,217</u>	<u>1,090,347</u>	<u>789,935</u>	<u>1,928,134</u>	<u>8,116,168</u>
At 31 December 2020	<u>3,524,713</u>	<u>649,452</u>	<u>1,427,552</u>	<u>1,410,380</u>	<u>52,875</u>	<u>7,064,972</u>
Cost						
At 1 January 2020	6,713,115	2,260,927	11,000,866	1,666,889	26,035	21,667,832
Additions	44,193	107,071	132,632	1,549,000	129,844	1,962,740
Transfers	103,004	--	--	--	(103,004)	--
Disposals	--	--	--	(993,890)	--	(993,890)
At 31 December 2020	<u>6,860,312</u>	<u>2,367,998</u>	<u>11,133,498</u>	<u>2,221,999</u>	<u>52,875</u>	<u>22,636,682</u>
Accumulated depreciation						
At 1 January 2020	3,005,672	1,504,849	9,111,850	1,567,819	--	15,190,190
Charge for the year	329,927	213,697	594,096	237,690	--	1,375,410
Disposals	--	--	--	(993,890)	--	(993,890)
At 31 December 2020	<u>3,335,599</u>	<u>1,718,546</u>	<u>9,705,946</u>	<u>811,619</u>	<u>--</u>	<u>15,571,710</u>
Net book value						
At 31 December 2020	<u>3,524,713</u>	<u>649,452</u>	<u>1,427,552</u>	<u>1,410,380</u>	<u>52,875</u>	<u>7,064,972</u>
At 31 December 2019	<u>3,707,443</u>	<u>756,078</u>	<u>1,889,016</u>	<u>99,070</u>	<u>26,035</u>	<u>6,477,642</u>

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



8 (b) Rights-of-use assets (Refer to Note 2 (d) for accounting policy)

Cost

Less: accumulated depreciation

At 1 January

Charge for the year

At 31 December

Net book value at 31 December

2021
\$

176,803

(15,723)

(7,861)

(23,584)

153,219

2020
\$

176,803

(7,863)

(7,860)

(15,723)

161,080

9 Intangible asset

Development of the Made in TNT website commenced in October 2014.

The portal was determined to have a finite useful life of 5 years and was amortised effective October 2014 using the straight-line method at a rate of 20%.

Opening net book value

Current year amortisation (Note 21)

Closing net book value

Cost or valuation

Accumulated amortisation

Closing net book value

--

--

--

881,975

(881,975)

--

18,225

(18,225)

--

881,975

(881,975)

--

10 Impairment write back/(expense)

Loan loss write back/(expense) (Note 5)

Expected credit loss - investments (Note 7)

2,456,856

(854)

2,456,002

(9,534,923)

(1,737)

(9,536,660)

11 Accounts payable and accruals

Salaries payable

Advances from customers - forex

Interest payable

Accrued expenses

Audit fee

Other payable

Deferred income on financing activities

Marine insurance

Amounts due to exporters

9,119,395

6,823,583

1,280,345

913,855

355,968

320,853

100,799

16,286

10,379

18,941,463

7,500,379

10,731,283

2,356,528

755,050

360,344

679,976

73,149

16,286

9,404

22,482,399

12 Lines of credit

CIBC FirstCaribbean International Bank Limited

Scotiabank Trinidad and Tobago Limited

RBC Royal Bank (Trinidad & Tobago) Limited

Banco Latinamericano de Exportaciones (Bladex)

125,550,000

42,525,000

20,250,000

--

188,325,000

112,050,000

69,525,000

20,250,000

33,749,528

235,574,528

CIBC FirstCaribbean International Bank Limited

(i) US \$10M facility which was renewed on 26 January 2022 and matures on 26 July 2022

Collateral: Government guarantee

Repayment: Semi-annually in arrears

(ii) US \$10M facility which was renewed on 5 February 2022 and matures on 5 February 2023

Collateral: Government guarantee

Repayment: Semi-annually in arrears

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



12 Lines of credit (continued)

Scotiabank Trinidad and Tobago Limited

The balance represents drawdowns from two (2) facilities which continues to be rolled over as follows:

- (i) TT\$ 50M or the equivalent amount in US dollars
Collateral: Unsecured. Repayment: 30 to 180 days.
- (ii) TT\$ 44.68M or the equivalent amount in US dollars.
Collateral: Government guarantee. Repayment: 30 to 180 days.

RBC Royal Bank (Trinidad & Tobago) Limited

- (i) US \$3M facility
Collateral: Unsecured. Repayment: 90 days.

13 Forex facility

Forex facility - Manufacturing Sector

GORTT introduced a US Dollar foreign exchange facility to EXIMBANK to facilitate allocation to local manufacturing and exporting companies.

Since inception GORTT has allocated US\$ 350M to EXIMBANK for this facility. As at 31 December 2021, US\$ 111M is available for drawdown.

Forex facility - Essential Food and Pharmaceuticals

The Government rolled out a Foreign Exchange Facility in March 2020, to facilitate the importation of essential items, including food and pharmaceutical products. Since inception GORTT has allocated US\$ 430M to EXIMBANK for this facility. As at 31 December 2021, US\$ 131.5M is available for sale.

14 Lease liability

The Bank has a lease contract on the building at 30 Queen's Park West. The lease expired in 2021 and is presently being reviewed for renewal for a period of twenty years. Future rent payable as at 31 December 2021 is as follows:

	2021 \$	2020 \$
Current	10,427	10,859
Non-current	<u>150,961</u>	<u>155,877</u>
	<u>161,388</u>	<u>166,736</u>

- Interest expense included in statement of comprehensive income TT\$6,652 (2020 - 6,865)
- The total cash outflow for leases in 2021 was TT\$12,000 (2020 – TT\$12,000)

15 Deferred taxation

The movement in the deferred taxation account is as follows:

	2021 \$	2020 \$
Balance at beginning of year – liability/(asset)	156,482	(149,560)
(Credit)/expense for the year	<u>(5,300,654)</u>	<u>306,042</u>
Balance at end of year – (asset)/liability	<u>(5,144,172)</u>	<u>156,482</u>
Deferred taxation is attributable to:		
Excess of net book value over written down tax value		
and the recognition of a tax asset relating to unused tax losses.	<u>(5,144,172)</u>	<u>156,482</u>

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



15 Deferred taxation (continued)

The deferred tax asset/(liability) is attributable to the following:

	2020 \$	Credit to statement of income \$	2021 \$
Accelerated tax depreciation	156,482	(233,557)	(77,075)
Deferred tax recognised	<u>--</u>	<u>(5,067,097)</u>	<u>(5,067,097)</u>
	<u>156,482</u>	<u>(5,300,654)</u>	<u>(5,144,172)</u>
	2019 \$	Charge to statement of income \$	2020 \$
Accelerated tax depreciation	<u>(149,560)</u>	<u>306,042</u>	<u>156,482</u>
	<u>(149,560)</u>	<u>306,042</u>	<u>156,482</u>

16 Deferred Income – GORTT subvention

The GORTT provided subvention income of six million dollars (TT\$6M) to facilitate expansion of the country's export sector to assist in enhancing the country's foreign exchange position and its international trade landscape. This subvention is to facilitate the development of an online portal (Made in TNT) which is still in progress at year end.

	2021 \$	2020 \$
Deferred Income – GORTT subvention	<u>2,175,240</u>	<u>2,216,490</u>

17 Stated capital

Issued and fully paid

2,979,340 (2020: 1,949,340) ordinary shares of no-par value	<u>297,934,000</u>	<u>194,934,000</u>
---	--------------------	--------------------

Capital contributions of TT\$103M (TT\$68M for Essentials and TT\$35M for Manufacturing) was converted to ordinary share capital on 25 November 2021.

18 Special reserve

An amount of \$450,000 was allocated to the Bank by the Ministry of Finance to assist with the cost of broker fees and other pre-incorporation expenses associated with the partial divestment of the Bank. This initiative was discontinued after an initial expense of \$8,625.

No related expenses were incurred during the year ended 31 December 2021.

19 Interest income

Income from raw material and asset financing	15,945,372	16,361,080
Income from trade discounting	<u>507,661</u>	<u>625,599</u>
	<u>16,453,033</u>	<u>16,986,679</u>

20 Revenue from Forex Programs and Other Income

Forex Allocation System (FAS) fees	25,829,202	19,753,892
Forex Manufacturing fees	<u>21,355,301</u>	<u>9,873,243</u>
Revenue from Forex Programs	<u>47,184,503</u>	<u>29,627,135</u>
Fees and commissions	1,557,678	2,090,541
Miscellaneous income (see below)	1,088,567	1,554,653
Investment income	906,099	1,229,719
Results on insurance operations	--	17,964
Unexpired risk adjustments	<u>--</u>	<u>3,389</u>
Other Income	<u>3,552,344</u>	<u>4,896,266</u>

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



20 Revenue from Forex Programs and Other Income (continued)

Miscellaneous income

	2021 \$	2020 \$
Bad debt recovery	647,427	893,763
Agency fees - TTTBDL (net)	286,038	255,000
Other income	104,930	75
Government subvention	41,250	178,750
Gain on disposal of property and equipment	5,307	1,500
Staff loan interest	2,927	4,676
Foreign exchange gains on loan portfolio.		
	<u>688</u>	<u>220,889</u>
	<u>1,088,567</u>	<u>1,554,653</u>

21 General and administrative expenses

Employee benefits expense (see below)	10,741,103	14,806,792
General administrative expenses	4,649,492	2,457,121
Building occupancy and equipment	2,605,021	2,443,196
Other business expenses	1,644,910	1,316,064
Communications	207,216	218,756
Lease liability interest expenses	6,652	6,865
Amortisation of intangible assets (Note 9)	--	18,225
	<u>19,854,394</u>	<u>21,267,019</u>

Employee benefits expense

Salaries	7,042,372	5,820,521
Backpay - Accrual for year	1,581,746	5,967,569
Other benefits and allowances	1,111,479	1,705,501
Pension contributions	527,046	883,686
National insurance	381,197	336,751
Health insurance	97,263	92,764
	<u>10,741,103</u>	<u>14,806,792</u>

22 Taxation

Business levy	(404,182)	(310,039)
Deferred taxation	<u>5,300,654</u>	<u>(306,042)</u>
	<u>4,896,472</u>	<u>(616,081)</u>

The tax on the Bank's net income before taxation differs from the theoretical amount that would arise using the basic rate of tax as follows:

Profit before taxation	44,598,425	11,815,995
Tax calculated at 30%	(13,379,528)	(3,544,799)
Exempt income	41,219	134,452
Expenses not deductible for tax purposes	(73,540)	(2,822,053)
Business levy	(404,182)	(310,039)
Utilisation of tax losses not previously recognised	13,645,406	5,926,358
Recognition of previously unrecognised tax losses	<u>5,067,097</u>	<u>--</u>
	<u>4,896,472</u>	<u>(616,081)</u>

As at 31 December 2021, the Bank had tax losses that are available to be carried forward and utilised against future taxable profits of \$16,890,325. In accordance with its accounting policy, the Bank has recognised a potential deferred tax asset of \$5,067,097 relating to the losses.

23 Related party transactions

Parties are considered to be related if one has the ability to control or exercise significant influence over the other in making financial and operational decisions.

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

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and conditions at market rates.

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



23 Related party transactions (continued)

Balances and transactions with related parties during the year were as follows:

	2021 \$	2020 \$
a. <i>Income</i>		
Agency fees – TTTBDL (net)	286,038	255,000
b. <i>Expenses</i>		
Directors fees and travelling	373,500	378,000
c. <i>Key management compensation</i>		
Short term benefits	3,534,579	3,949,909
Post-employment benefits	296,206	299,430
	3,830,785	4,249,339
d. There were several transactions and balances entered into with the Government of Trinidad and Tobago as at 31 December 2021 (refer to notes 13,16 and 17).		

24 Financial risk management

The Bank has established a framework for managing financial risks and aims to achieve a balance between risk and return so as to minimise negative effects on the Bank's financial performance.

Financial risk management is carried out by an organisational structure which comprises the Board of Directors, the Board Credit Committee, the Management Credit Committee, and the Board Audit and Compliance Committee. The risk management system is so designed to analyse risks through an up to date information system and in close co-operation with the Bank's Credit and Internal Audit Departments.

The Bank invests in financial instruments and maintains a balance between investments whilst maintaining sufficient liquidity to service the loan portfolio. The main risks arising from the Bank's financial instruments are credit risk, market risk, liquidity risk and operational risk. The Bank's policies for managing risks are as follows:

a. *Credit risk*

Credit risk arises in lending and investing activities and it relates to the possibility that a counter party may fail to fulfil its contractual obligations and thereby cause a financial loss to the Bank. The principal business of the bank is loans and advances and as such these significant assets are responsible for a large percent of the revenue generated.

Exposure to credit risk is managed through credit policies, procedures and audit functions together with approved limits and also by obtaining collateral and corporate and personal guarantees.

(i) *Credit risk management*

The Board of directors maintains general oversight ensuring the strategic direction and credit philosophy is maintained and vests responsibility in the sub committees for the day to day decisions. The Credit Department is responsible for the management and administration of the credit portfolio whilst the Treasury Department oversees the Investment and Borrowing Portfolios. These two (2) departments ensure that current legislation, best practice and the credit and borrowing policies of the Bank are maintained.

Loans and receivables

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) which is used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

Investments

A probability of default is established for each investment grade based on realised default rates for the Caribbean as observed over the prior 12 months.

Expected credit loss measurement

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

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



24 Financial risk management (continued)

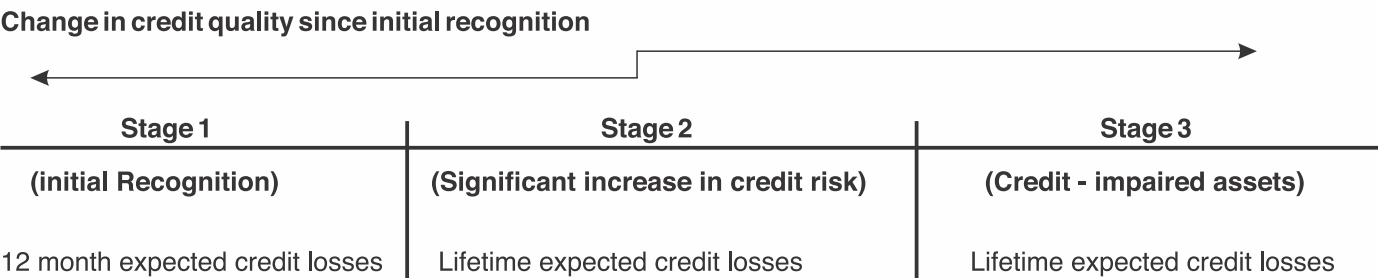
a. Credit risk (continued)

(i) Credit risk management (continued)

Expected credit loss measurement (continued)

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. Please refer to note below for a description of how the Bank determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note for a description of how the Bank defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. See below for an explanation of how the Bank has incorporated this in its ECL model.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit- impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):



Significant increase in credit risk (SICR)

The Bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following criteria have been met:

Loans

- Increase in risk rating by two (2) points as per internal risk rating system
- Increase in two classes as per internal risk rating system
- Movement into class four (4) or five (5) as per internal risk rating system

Investments

A downgrade in the overall credit rating for the Caribbean from rating agencies such as Moody's or Standard and Poor's.

Significant decrease in credit risk (SDCR)

With respect to the cure for SDCR, the Bank considers a significant decrease in credit risk has occurred when the following happens:

Loans

- Decrease in risk rating by two (2) points as per internal risk rating system
- Decrease in two classes as per internal risk rating system. Movements from class (4) or (5) to class (1) or (3).

Investments

An upgrade in the overall credit rating for the Caribbean from the rating agencies such as Moody's or Standard and Poor's.

➤ Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when a borrower has failed to repay a loan according to the terms of the agreement with the bank via payments on either the principal loan amount or the interest that the loan has accrued after 90 days from the loan's maturity date/installment. There are also qualitative default criteria which may cause the financial instrument to be in default which includes the disappearance of an active market, when it becomes probable that a borrower will enter bankruptcy and the borrower's financial difficulties have granted the borrower a concession that the Bank would not have otherwise considered.



24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

➤ Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). Each term is defined as follow:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per “Definition of default and credit-impaired” above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by product type, while the availability of collateral is factored before LGD is considered. A robust system for recovering on all delinquent facilities managed by the recoveries department ensures that measures are taken to contain loss. The recovery on the various products managed by the Bank are recorded and this historical information is used to determine LGD. LGD is expressed as the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by multiplying the PD, LGD and EAD after taking into consideration the discounted present value of the EAD and collateral enhancements. The EAD is determined by reducing the outstanding balance from the discounted collateral value. The cost of disposal of the collateral item is factored together with the time frame for disposal before discounting to present values. The discount rate used in the ECL calculation is the estimated average effective interest rate of 8%.

➤ Forward-looking information incorporated in the ECL models

The calculation of ECL incorporates forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Loan portfolio

The weighting assigned to each economic scenario as at 31 December 2020 were as follows: -

	Base	Upside	Downside
Loans	20%	20%	60%

The weighting assigned to each economic scenario as at December 31, 2021 were as follows:

	Base	Upside	Downside
Loans	20%	20%	60%

The Bank also made the following key assumptions in its assessment:

Recovery rates

Recovery rates used on loans represent the actual historical experience of repayments on each loan type.

➤ Determination of macroeconomic scenarios and probabilities

The macroeconomic factors and the weights were chosen based on a review of the 6-year trend (Year 2016 to 2021) of the Bank's Loan Portfolio to determine which factors would have a higher impact on the portfolio as compared to others. Different weights were assigned to component indicators of the scorecard in order to reflect their economic significance on the particular portfolio assessed, based on management's judgement and experience.

➤ Maximum exposure to credit risk before collateral held or other credit enhancement

Credit risk exposures relating to financial assets carried on the Bank's statement of financial position are as follows:

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

	Gross maximum exposure 2021 \$	Gross maximum exposure 2020 \$
Cash and bank balances	177,961,885	157,018,876
Loans and receivables	233,674,437	262,350,969
Other assets and taxes recoverable	3,404,523	2,379,448
Investments	13,574,891	14,526,099
Total credit risk exposure	428,615,736	436,275,392

The above table represents a worst-case scenario of credit risk exposure to the Bank without taking account of any collateral held or other credit enhancements attached.

➤ Loans to customers and other financial assets

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

Loans and receivables 31 December 2021				
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Raw material and asset financing	108,479,124	118,121,382	55,451,801	282,052,307
Trade discounting	6,037,429	--	501,387	6,538,816
Sub-total	114,516,553	118,121,382	55,953,188	288,591,123
Loss allowance	(789,651)	(659,931)	(53,467,104)	(54,916,686)
Carrying balance	113,726,902	117,461,451	2,486,084	233,674,437

Investments 31 December 2021				
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Investment grade	13,610,848	--	--	13,610,848
Loss allowance	(35,957)	--	--	(35,957)
Carrying balance	13,574,891	--	--	13,574,891

Loans and receivables 31 December 2020				
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Raw material and asset financing	107,431,081	147,237,679	90,829,940	345,498,700
Trade discounting	--	5,750,256	651,375	6,401,631
Sub-total	107,431,081	152,987,935	91,481,315	351,900,331
Loss allowance	(2,218,826)	(1,875,427)	(85,455,109)	(89,549,362)
Carrying balance	105,212,255	151,112,508	6,026,206	262,350,969

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

Investments 31 December 2020				
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Investment grade	14,561,204	--	--	14,561,204
Loss allowance	(35,104)	--	--	(35,104)
Carrying balance	14,526,100	--	--	14,526,100

Maximum exposure to credit risk

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Loans

Credit impaired assets

31 December 2021

	Gross exposure \$	Impairment allowance \$	Carrying amount \$	Fair value collateral held \$
Raw material & asset financing	4,549,987	(4,549,987)	--	--
Trade discounting	501,387	(501,387)	--	--
Demand loans	50,901,814	(48,415,729)	2,486,085	--
Sub-total	55,953,188	(53,467,103)	2,486,085	--

31 December 2020

Raw material & asset financing	27,367,337	(27,277,546)	89,791	--
Trade discounting	651,375	(651,375)	--	--
Demand loans	63,462,603	(57,526,188)	5,936,415	1,109,086
Sub-total	91,481,315	(85,455,109)	6,026,206	1,109,086

➤ Loss allowance

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

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent step up (or step down) between 12 month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period.
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models; currently nine years of data for PDs are being used, however it is management's intention to have a ten year rolling average for the PDs.
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets that were written off during the period.

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

Loans

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2021	2,218,825	1,875,426	85,455,110	89,549,361
Movement with P&L Impact				
Transfer from Stage 1 to Stage 2	(2,306)	319	--	(1,987)
Transfer from Stage 1 to Stage 3	--	--	--	--
Transfer from Stage 2 to Stage 1	--	(9,037)	--	(9,037)
Transfer from Stage 2 to Stage 3	--	--	--	--
Transfer from Stage 3 to Stage 1	--	--	--	--
New financial assets originated	787,396	645,873	2,666,828	4,100,097
Change in PDs/LGDs/EADs	1,988	11,081	5,204,882	5,217,951
Repayments	(2,216,251)	(1,863,731)	(7,683,898)	(11,763,880)
Total net P&L charge during the period	(1,429,173)	(1,215,495)	187,812	(2,456,856)
Other movement with no P&L impact				
Write-offs	--	--	(32,175,819)	(32,175,819)
Loss allowance as at 31 December 2021	789,652	659,931	53,467,103	54,916,686

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

➤ Maximum exposure to credit risk

Loans	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2020	2,683,573	751,047	111,154,226	114,588,846
Movement with P&L Impact				
Transfer from stage 1 to stage 2	--	--	--	--
Transfer from stage 1 to stage 3	--	--	--	--
Transfer from stage 2 to stage 1	--	--	--	--
Transfer from stage 2 to stage 3	--	--	--	--
Transfer from stage 3 to stage 1	--	--	--	--
New financial assets originated	2,192,313	1,625,558	9,662,792	13,480,663
Change in PDS/LGDs/EADs	(1,268,725)	198,468	11,939,079	10,868,822
Repayment	(1,388,336)	(603,768)	(12,822,458)	(14,814,562)
Total net P&L charge during the period	(464,748)	1,220,258	8,779,413	9,534,923
Other movement with no P&L impact				
Write-offs	--	(95,879)	(34,478,529)	(34,574,408)
Loss allowance as at 31 December 2020	2,218,825	1,875,426	85,455,110	89,549,361

(a) Single and group borrower limits

The Bank on a regular basis rates the credit facilities and concentrates attention on the loan portfolio as the need arises. A risk limit control policy is in effect in relation to one borrower or groups of borrowers so that no single borrower default will have a material impact on the Bank.

For any exceptions, board or shareholder approval is secured.

This is implemented and monitored by the Credit Department.

(b) Collateral

The principal collateral types for loans and advances are letters of assignments of receivables, mortgage bills of sale and where possible mortgages and debentures and promissory notes.

(ii) Provisioning policies

Loan loss provisions are set aside to cover potential losses in respect of non-performing loans. These provisions are reviewed annually by the board credit committee or as the circumstance require and recommendations are made and submitted to the Board of Directors for approval. Non-performing loans recommended for write offs are also reviewed annually and action taken in accordance with set guidelines.

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



24 Financial risk management (continued)

b. Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market values. Market risk comprises currency risk, interest rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank is exposed to the effects of changes in exchange rates on its financial position and cash flows.

The Bank's policy is to match the loans granted in foreign currencies with funding in the same currency. The principal currencies of the Bank are Trinidad and Tobago (TTD) and United States of America (USD) dollars.

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank is exposed to the effects of changes in exchange rates on its financial position and cash flows.

Balances as at 31 December 2021 and 31 December 2020, in their reporting currencies, were as follows:

	TTD \$	USD \$	Total \$
31 December 2021			
Assets			
Cash and cash equivalents	143,633,605	34,328,280	177,961,885
Loans and receivables	63,753,994	169,920,443	233,674,437
Held-to-maturity investments	13,574,891	--	13,574,891
	<u>220,962,490</u>	<u>204,248,723</u>	<u>425,211,213</u>
Liabilities			
Accounts payable and accruals	18,941,463	--	18,941,463
Lines of credit	--	188,325,000	188,325,000
	<u>18,941,463</u>	<u>188,325,000</u>	<u>207,266,463</u>
31 December 2020			
Assets			
Cash and cash equivalents	83,275,259	73,743,617	157,018,876
Loans and receivables	44,504,837	217,846,132	262,350,969
Investments	14,526,099	--	14,526,099
	<u>142,306,195</u>	<u>291,589,749</u>	<u>433,895,944</u>
Liabilities			
Accounts payable and accruals	22,482,399	--	22,482,399
Lines of credit	--	235,574,528	235,574,528
	<u>22,482,399</u>	<u>235,574,528</u>	<u>258,056,927</u>

The functional currency of the Bank is TT dollars since the currency of Trinidad is TT dollars; almost all contractual arrangements are with local companies and the day to day expenses are also in TT dollars.

ii) Interest rate risk

Interest rate risk arises due to fluctuations in market interest rates and this in turn will affect the value of financial instruments as well as future cash flows. The Bank aims to manage this risk by reducing the sensitivity of its earnings and overall portfolio value to fluctuations in the interest rate. This objective is achieved by periodically reviewing the price of loan products, diversifying portfolios and by making timely adjustments to the overall term to maturity based on the relevant economic and financial market conditions.

The table below shows the Bank's exposure to interest rate risk:

	Up to 30 days	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
31 December 2021	\$	\$	\$	\$	\$	\$
Assets						
Cash and cash equivalents	177,961,885	--	--	--	--	177,961,885
Loans to customers	29,970,100	31,628,677	126,191,788	43,399,857	2,484,015	233,674,437
Investments	--	--	1,565,952	5,493,778	6,515,161	13,574,891
Total assets	<u>207,931,985</u>	<u>31,628,677</u>	<u>127,757,740</u>	<u>48,893,635</u>	<u>8,999,176</u>	<u>425,211,213</u>
Liabilities						
Line of credit	42,525,000	20,250,000	125,550,000	--	--	188,325,000
Total liabilities	<u>42,525,000</u>	<u>20,250,000</u>	<u>125,550,000</u>	<u>--</u>	<u>--</u>	<u>188,325,000</u>
Net gap	165,406,985	11,378,677	2,207,740	48,893,635	8,999,176	236,886,213
Cumulative gap	165,406,985	176,785,662	178,993,402	227,887,037	236,886,213	--

EXPORT-IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

Notes to the Financial Statements

31 December 2021 (continued)

(Expressed in Trinidad and Tobago Dollars)



24 Financial risk management (continued)

b. Market risk (continued)

ii) Interest rate risk (continued)

31 December 2020	Up to 30 days \$	1-3 Months \$	3-12 Months \$	1-5 Years \$	Over 5 Years \$	Total \$
Assets						
Cash and cash equivalents	157,018,876	--	--	--	--	157,018,876
Loans to customers	58,919,051	22,041,694	134,817,769	44,584,819	1,987,636	262,350,969
Investments	--	--	1,572,095	5,550,635	7,403,369	14,526,099
Total assets	215,937,927	22,041,694	136,389,864	50,135,454	9,391,005	433,895,944
Liabilities						
Line of credit	20,250,000	69,525,000	145,799,528	--	--	235,574,528
Total liabilities	20,250,000	69,525,000	145,799,528	--	--	235,574,528
Net gap	195,687,927	(47,483,306)	(9,409,664)	50,135,454	9,391,005	198,321,416
Cumulative gap	195,687,927	148,204,621	138,794,957	188,930,412	198,321,416	--

c. Liquidity risk

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet its obligations and commitments as they fall due. The Bank's liquidity management system is so designed to ensure that the demands of customers for additional borrowings can be met, that the short term investments can be easily liquidated to meet day to day needs, and that there is a right mix of short term and long term debt portfolio. The Bank's Treasury Department manages the liquidity management process.

The table below shows the maturity profile of the liabilities of the Bank as at 31 December 2021 to the contractual maturity date. These balances include interest to be paid over the remaining term of the liabilities and are therefore greater than the Statement of Financial Position figures. The figures are also undiscounted cash flows.

31 December 2021	Up to 30 days \$	1-3 Months \$	3-12 Months \$	1-5 Years \$	Over 5 Years \$	Total \$
Total assets	207,931,985	31,628,677	127,757,740	48,893,635	8,999,176	425,211,213
Total liabilities	42,525,000	20,250,000	125,550,000	--	--	188,325,000
Net gap	165,406,985	11,378,677	2,207,740	48,893,635	8,999,176	236,886,213
Cumulative gap	165,406,985	176,785,662	178,993,402	227,887,037	236,886,213	--
31 December 2020	Up to 30 days \$	1-3 Months \$	3-12 Months \$	1-5 Years \$	Over 5 Years \$	Total \$
Total assets	215,937,927	22,041,694	136,389,864	50,135,455	9,391,005	433,895,945
Total liabilities	20,250,000	69,525,000	145,799,528	--	--	235,574,528
Net gap	195,687,927	(47,483,306)	(9,409,664)	50,135,455	9,391,005	198,321,417
Cumulative gap	195,687,927	148,204,621	138,794,957	188,930,413	198,321,417	--

25 Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

No financial instruments are measured at fair value as at 31 December 2021.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

i. Current assets and liabilities

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

25 Fair values (continued)

ii. Loans and receivables

Loans are net of specific provisions for losses. The Portfolio consists of:

- a. Assets from transactions conducted under typical market conditions whose values are not adversely affected by unusual terms – 100% of Loan Portfolio

The inherent rates of interest at (a) approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

iii. Investments

The fair values of investments are determined on the basis of quoted market prices available at 31 December 2021.

(a) Classification of financial instruments at fair value

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(b) Fair values of financial assets measured at amortised cost

The table below shows the fair values of financial assets measured at amortised cost which are not materially different from their carrying values. Fair values are calculated based on the cash flows discounted using a current lending rate.

	Fair value \$	Carrying amount \$
As at 31 December 2021		
<i>Financial instruments</i>		
Loans and receivables	233,674,437	233,674,437
Investments	13,574,891	13,574,891
	Fair value \$	Carrying amount \$
As at 31 December 2020		
<i>Financial instruments</i>		
Loans and receivables	262,350,969	262,350,969
Investments	14,526,099	14,526,099

26 Capital risk management

The Bank manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its shareholder. The Bank's overall strategy remains unchanged from previous years.

The capital structure of the Bank consists of equity attributable to the shareholder and comprises stated capital and retained earnings.

The Bank is fully compliant with the transitional capital ratios as dictated by the Insurance Act 2018. As at 31 December 2021, the Bank reported a capital adequacy ratio of 1133%.

27 Commitments

a. Capital commitments

The Bank has no capital commitments at the year end.

b. Credit commitments

As at 31 December 2021 the Bank had approved loan facilities not yet drawn for \$129.24M. The associated ECL on these facilities amounted to \$1.07M.



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