ANSA MERCHANT BANK LIMITED

ABRIDGED AUDITED FINANCIAL RESULTS
YEAR ENDED 31ST DECEMBER, 2023

ANSA MERCHANT BANK LIMITED

CHAIRMAN'S STATEMENT

The ANSA Merchant Bank Limited Group produced a significant consolidated profit before tax of $201 million for the year ended 31 December 2023, compared to a restated loss before tax of $23 million for the prior year. The need for restatement was driven by the adoption of the IFRS 17 (Insurance Contracts) accounting standard for the first time in 2023.

Total Assets grew by 8% to $10.3 billion in 2023, versus a restated $9.4 billion in 2022. This was partly driven by strong growth of $71 million in Loans & Advances and resulted in our Banking business, comprised of ANSA Merchant Bank Ltd., ANSA Merchant Bank (Barbados) Ltd., and our commercial Bank, ANSA Bank Ltd., producing a profit before tax of $138 million for the year.

Banking | ANSA MERCHANT BANK LIMITED | ANSA MERCHANT BANK (BARBADOS) LIMITED | ANSA BANK

Our Banking Segment continues to strive in highly competitive market conditions. The merchant banking units continue to serve sovereign and corporate customers at home and across the Caribbean, while ANSA Bank Ltd. continues to build-out its state-of-the-art digital banking platform. Our ANSA Mutual Funds also continued to be competitive in their respective classes in 2023.

In 2022, we launched our Natural Capital Hub as part of our ESG Strategy. Energies continue to be directed towards this initiative as we seek to ensure environmental and social sustainability in all of our business practices.

Insurance | Tatil ...where people are people | TATIL LIFE Guaranteed Protection | TRIDENT INSURANCE | COLFIRE

Our Insurance Segment, which comprises TATIL, TATIL Life and COLFIRE, remains well capitalised, and continues to produce increasing revenues across most business lines. TATIL has one of the strongest balance sheets in the insurance industry and is rated A- (Excellent) by the International Rating Agency, AM Best. The COLFIRE acquisition has already begun to contribute to the Group's profitability and growth. COLFIRE's policyholders will now enjoy the benefits of the financial strength and versatility of the ANSA Merchant Bank Group.

The Board of Directors has approved a final dividend of $1.00 per share (2022: $1.00), which will bring total dividends for the 2023 financial year to $1.20 (2022: $1.20). This final dividend will be paid on May 24, 2024, to shareholders on the register as at May 10, 2024.

The Group remains well positioned for the future. Our significant investments in new IT systems across the Banking and Insurance sectors continue to support the execution of our vision and will bear significant returns for all stakeholders in 2024 and beyond.

As we look toward another exciting year of growth and success, I wish to thank our stakeholders including our employees, Boards of Directors and senior executives for their continued hard work over the past year. I also wish to thank our loyal customers for their continued support and patronage, and to extend my assurance that we will continue to strive to provide you with best-in-class service as we go forward.

A. Norman Sabga

A. Norman Sabga
Chairman

EY
Building a better working world

Ernst & Young Services Limited
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Trinidad

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

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

Opinion
The summary separate and consolidated financial statements, which comprise the separate and consolidated statement of financial position as at 31 December 2023, and the separate and consolidated statements of income/(loss), comprehensive income/(loss), changes in equity and cash flows for the year then ended, and related notes, are derived from the audited separate and consolidated financial statements of ANSA Merchant Bank Limited ("Parent") and its subsidiaries ("the Group") for the year ended 31 December 2023.

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

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

The Audited Separate and Consolidated Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on the audited separate and consolidated financial statements in our report dated 26 March 2024. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were most significant in our audit of the separate and consolidated financial statements of the current period.

Responsibility of Management for the Summary Separate and Consolidated Financial Statements
Management is responsible for the preparation of the summary separate and consolidated financial statements on the basis described in Note 2.

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

EY
Port of Spain
TRINIDAD
26 March 2024

Directors: A. Norman Sabga (Chairman), Ian De Souza (Managing Director), Ray A. Sumairsingh (Deputy Chairman), David Dulal-Whiteway, Timothy Hamel-Smith, Larry Howai, M. Musa Ibrahim, Jeremy Matouk, Nigel Romano, Ian E. Welch.

ansa MERCHANT BANK LIMITED Our Greatest Asset is YOU
FIND US AT: ANSA MERCHANT BANK LIMITED
ansa McAL GROUP OF COMPANIES

ANSA MERCHANT BANK LIMITED

ABRIDGED AUDITED FINANCIAL RESULTS (CONT'D)
YEAR ENDED 31ST DECEMBER, 2023

ansa MERCHANT BANK LIMITED

SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

Parent				Group		
31 Dec 2021	31 Dec 2022	31 Dec 2023		31 Dec 2023	31 Dec 2022 Restated	31 Dec 2021 Restated
			Assets			
729,390	705,070	272,033	Cash and short-term funds	943,136	1,495,579	1,452,588
–	–	–	Fixed deposits	8,496	8,528	8,549
872,462	718,290	733,013	Net investment in leased assets and other instalment loans	1,001,505	987,197	1,165,163
414,541	548,919	1,144,764	Loans and advances	2,250,288	1,541,215	1,023,052
1,035,207	1,062,387	1,102,823	Investment securities	4,391,591	4,161,989	4,429,880
7,766	3,021	5,313	Interest receivable	28,015	18,237	24,100
108,139	20,578	30,573	Other debtors and prepayments	59,800	57,183	130,443
–	–	–	Reinsurance contract assets	252,138	167,540	119,486
6,439	21,532	15,353	Taxation recoverable	26,357	27,723	8,277
989,510	1,039,510	1,089,510	Investment in subsidiaries	–	–	–
–	–	–	Investment properties	153,838	147,047	106,112
3,207	3,008	2,746	Property and equipment	223,716	192,002	201,570
27,418	25,322	23,227	Intangible assets	692,020	434,448	343,430
3,397	8,267	8,368	Right-of-use assets	39,716	20,369	11,619
32,563	18,856	6,837	Deferred tax assets	48,999	32,523	45,905
9,396	8,006	8,436	Employee benefits asset	180,801	153,967	160,908
4,239,435	**4,182,766**	**4,442,996**	**Total assets**	**10,300,416**	**9,445,547**	**9,231,082**
			Liabilities			
1,960,705	1,938,156	2,152,570	Customers' deposits and other funding instruments	4,084,214	3,603,444	3,383,771
3,701	8,265	8,575	Lease liabilities	37,194	19,153	11,766
1,907	3,840	17,789	Bank overdraft	17,789	3,840	1,907
94,658	83,419	98,044	Accrued interest and other payables	368,916	385,902	312,600
600,000	600,000	600,000	Debt securities in issue	600,000	600,000	600,000
–	–	3,751	Taxation payable	7,915	–	–
8,148	7,799	11,687	Deferred tax liabilities	125,359	103,946	120,964
918	1,019	914	Employee benefits liability	9,268	9,250	8,616
–	–	–	Investment contract liabilities	289,010	272,774	263,829
–	–	–	Insurance contract liabilities	2,038,571	1,695,126	1,627,810
2,670,037	**2,642,498**	**2,893,330**	**Total liabilities**	**7,578,236**	**6,693,435**	**6,331,263**
			Equity			
667,274	667,274	667,274	Stated capital	667,274	667,274	667,274
225,896	230,274	238,124	Statutory reserve fund	254,068	246,218	241,839
47	(871)	191	Fair value reserve/(deficit)	(52,152)	(1,929)	(1,236)
4,768	3,884	3,969	General loan loss reserve	11,035	11,298	13,520
672	673	653	Foreign currency reserve/(deficit)	(2,172)	(1,440)	(1,216)
670,741	639,034	639,455	Retained earnings	1,843,676	1,830,015	1,978,898
1,569,398	1,540,268	1,549,666	Equity attributable to the equity holders of the parent	2,721,729	2,751,436	2,899,079
–	–	–	Non-controlling interest	451	676	740
1,569,398	**1,540,268**	**1,549,666**	**Total equity**	**2,722,180**	**2,752,112**	**2,899,819**
4,239,435	**4,182,766**	**4,442,996**	**Total liabilities and equity**	**10,300,416**	**9,445,547**	**9,231,082**

These financial statements were approved by the Board of Directors and authorised for issue on 25 March 2024 and signed on its behalf by:

A. Norman Sabga
A. Norman Sabga
Chairman

Ian De Souza
Ian De Souza
Managing Director

SEPARATE AND CONSOLIDATED STATEMENT OF INCOME/(LOSS)

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

Parent			Group	
2022	2023		2023	2022 Restated
–	–	Net insurance service result	50,515	(3,461)
–	–	Net insurance financial result	(61,617)	(39,449)
106,569	116,462	Finance charges, loan fees and other interest income	192,390	171,703
36,023	99,895	Investment income/(loss)	263,829	(33,965)
26,654	35,931	Revenue from contracts with customers	21,191	17,524
38,962	45,400	Other income	118,548	134,826
(55,643)	(86,730)	Interest expense	(108,623)	(74,605)
27,382	19,026	Credit loss expense on net investment in leased assets, loans and advances, and investment securities	6,300	20,292
179,947	229,984	**Net operating income**	482,533	192,865
(3,829)	(2,860)	Marketing expenses	(8,186)	(6,584)
(43,990)	(38,597)	Personnel expenses	(105,957)	(91,560)
(4,476)	(5,024)	Depreciation and amortisation	(54,008)	(37,705)
(2,160)	(4,136)	Management fees	(13,152)	(6,556)
(21,316)	(23,458)	General administrative expenses	(100,563)	(66,672)
(75,771)	(74,075)	**Total operating expenses**	(281,866)	(209,077)
104,176	155,909	**Net profit/(loss) before taxation**	200,667	(16,212)
(27,893)	(44,910)	Taxation	(71,374)	(29,125)
76,283	110,999	**Profit/(loss) for the year**	129,293	(45,337)
		Profit/(loss) attributable to:		
76,283	110,999	Equity holders of the Parent	129,311	(45,269)
–	–	Non-controlling interest	(18)	(68)
76,283	110,999		129,293	(45,337)
		Basic and diluted (loss)/ earning per share ($ per share)	1.51	(0.53)
		Weighted average number of shares ('000)	85,605	85,605
76,283	110,999	**Profit/(loss) for the year**	129,293	(45,337)
		Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
1	–	Net gain/(loss) on investment securities at fair value through other comprehensive income	(51,485)	–
–	–	Income tax effect	15,733	–
–	–	Revaluation of property	(9,585)	–
–	–	Income tax effect	2,875	–
(799)	151	Other movements	(4,827)	3,674
(1,509)	537	Experience (losses)/gains on defined benefit plans	(15,012)	(13,483)
447	(162)	Income tax effect	5,541	3,350
(1,062)	375		(9,471)	(10,133)
(1,860)	526		(56,760)	(6,459)

SEPARATE AND CONSOLIDATED STATEMENT OF INCOME/(LOSS) (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

Parent 2022	Parent 2023		Group 2023	Group 2022 Restated
		Other comprehensive income/ (loss) that may be reclassified subsequently to profit and loss, net of tax		
		Debt instruments at fair value through other comprehensive income		
(918)	1,062	Net change in fair value during the year	1,710	(1,161)
(1)	(128)	Changes in allowance for expected credit losses	(208)	(104)
92	(315)	Income tax effect	(315)	92
(827)	619		1,187	(1,173)
–	(20)	Exchange differences on translation of foreign operations	(732)	(224)
73,596	112,124	**Total comprehensive income/(loss) for the year, net of tax**	72,988	(53,193)
		Attributable to:		
73,596	112,124	Equity holders of the Parent	73,006	(53,125)
–	–	Non-controlling interest	(18)	(68)
73,596	112,124		72,988	(53,193)

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

Parent	Stated capital	Statutory reserve fund	General loan loss reserve	Fair value reserve/ (deficit)	Foreign currency reserve	Retained earnings	Total equity
Balance as at 31 December 2021	667,274	225,896	4,768	47	672	670,741	1,569,398
Profit for the year	–	–	–	–	–	76,283	76,283
Other comprehensive (loss)/income for the year	–	–	–	(918)	1	(1,770)	(2,687)
Transfer from general loan loss reserve	–	–	(884)	–	–	884	–
Transfer to statutory reserve fund	–	4,378	–	–	–	(4,378)	–
Dividends (Final 2021 and Interim 2022)	–	–	–	–	–	(102,726)	(102,726)
Balance as at 31 December 2022	667,274	230,274	3,884	(871)	673	639,034	1,540,268
Balance as at 31 December 2022	667,274	230,274	3,884	(871)	673	639,034	1,540,268
Profit for the year	–	–	–	–	–	110,999	110,999
Other comprehensive income/(loss) for the year	–	–	–	1,062	(20)	83	1,125
Transfer to general loan loss reserve	–	–	85	–	–	(85)	–
Transfer to statutory reserve fund	–	7,850	–	–	–	(7,850)	–
Dividends (Final 2022 and Interim 2023)	–	–	–	–	–	(102,726)	(102,726)
Balance as at 31 December 2023	667,274	238,124	3,969	191	653	639,455	1,549,666

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

Group	Stated capital	Statutory reserve fund	General loan loss reserve	Fair value deficit	Foreign currency deficit	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at 31 December 2021	667,274	241,839	13,520	(1,236)	(1,216)	1,982,081	2,902,262	744	2,903,006
Impact of initial application of IFRS 17	–	–	–	–	–	(3,183)	(3,183)	(4)	(3,187)
Restated balance as at 1 January 2022	667,274	241,839	13,520	(1,236)	(1,216)	1,978,898	2,899,079	740	2,899,819
Loss for the year	–	–	–	–	–	(45,269)	(45,269)	(68)	(45,337)
Other comprehensive loss for the year	–	–	–	(1,161)	(224)	(6,472)	(7,857)	–	(7,857)
Other life insurance reserve movements	–	–	–	–	–	7,809	7,809	–	7,809
Transfer from general loan loss reserve	–	–	(2,154)	–	–	2,154	–	–	–
Transfer to statutory reserve fund	–	4,379	–	–	–	(4,379)	–	–	–
Dividends (Final 2020 and Interim 2021)	–	–	–	–	–	(102,726)	(102,726)	–	(102,726)
Other reserve movements	–	–	(68)	468	–	–	400	4	404
Restated balance as at 31 December 2022	667,274	246,218	11,298	(1,929)	(1,440)	1,830,015	2,751,436	676	2,752,112
Restated balance as at 31 December 2022	667,274	246,218	11,298	(1,929)	(1,440)	1,830,015	2,751,436	676	2,752,112
Profit/(loss) for the year	–	–	–	–	–	129,311	129,311	(18)	129,293
Other comprehensive loss for the year	–	–	–	(50,223)	(732)	(5,350)	(56,305)	–	(56,305)
Transfer from general loan loss reserve	–	–	(276)	–	–	276	–	–	–
Transfer to statutory reserve fund	–	7,850	–	–	–	(7,850)	–	–	–
Dividends (Final 2021 and Interim 2022)	–	–	–	–	–	(102,726)	(102,726)	(207)	(102,933)
Other reserve movements	–	–	13	–	–	–	13	–	13
Balance as at 31 December 2023	667,274	254,068	11,035	(52,152)	(2,172)	1,843,676	2,721,729	451	2,722,180

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

Parent 2022	Parent 2023		Group 2023	Group 2022 Restated
		Cash flows from operating activities		
104,176	155,909	Profit/(loss) before taxation	200,667	(16,212)
		Adjustments for:		
980	1,226	Employee benefits	(2,547)	(3,255)
–	–	Gain on disposal of property and equipment	(20,513)	(4,812)
2,987	2,955	Depreciation and amortisation	53,806	36,013
1,489	2,069	Depreciation of right-of-use assets	9,358	5,108
3,178	(7,340)	Credit loss expense/(credit loss recovery on investment securities	(15,486)	4,428
(445)	(3,586)	Amortisation of investment securities and interest capitalised	(14,018)	(8,100)
(30,560)	(11,686)	(Credit loss recovery)/ credit loss expense on net investment in leased assets and loans and advances	8,933	(25,097)
–	–	Credit loss expenses on insurance receivables	253	377
4,696	(22,859)	Loss/(gain) on revaluation of investment securities	(49,307)	146,030
18,160	(4,235)	Loss/(gain) on sale of investment securities	(18,876)	38,014
(60,488)	(85,611)	Interest income	(267,697)	(200,895)
55,643	86,730	Finance costs	108,623	74,605
327	1,269	Foreign exchange losses	263	7,509
100,143	114,841	Operating profit before changes in operating assets and liabilities	(6,541)	53,713

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

Parent 2022	Parent 2023		Group 2023	Group 2022 Restated
100,143	114,841	Carried forward operating profit before changes in operating assets and liabilities	(6,541)	53,713
50,354	(598,882)	Decrease/(increase) in investment in leased assets and loans and advances	(746,933)	(316,982)
87,561	(9,995)	Decrease/(increase) in other receivables, debtors and prepayments	(1,902)	33,508
(22,549)	214,414	(Decrease)/increase in customers' deposits and other funding instruments	480,770	219,673
(13,544)	6,488	(Decrease)/increase in accrued interest and other payables	(27,401)	66,124
11,314	(39,488)	Decrease/(increase) in Central Bank reserve account	10,576	(132,396)
–	–	Increase in insurance and investment contract liabilities	359,681	76,261
213,279	(312,622)		68,250	(99)
(48,774)	(78,282)	Finance costs paid	(98,208)	(79,549)
65,231	83,319	Interest received on investment securities	241,550	206,771
(28,820)	(18,320)	Taxes paid	(53,404)	(18,136)
200,916	(325,905)	Net cash generated from/(used in) operating activities	158,188	108,987

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

Parent 2022	Parent 2023		Group 2023	Group 2022 Restated
		Cash flows from investing activities		
–	–	Placement of fixed deposits	(3,000)	(5)
–	–	Maturity of fixed deposits	2,997	25
–	–	Proceeds from sale of property and equipment	30,193	11,418
(7,051)	(2,768)	Additions to property and equipment, leases and intangible assets	(379,249)	(154,173)
–	–	Purchase of investment property	(6,791)	(34,125)
(1,226,153)	(1,498,399)	Purchase of investment securities	(3,214,951)	(1,832,418)
1,170,075	1,493,324	Sale or maturity of investment securities	3,246,668	1,911,679
(50,000)	(50,000)	Net cash outflow from the purchase of interests in subsidiary	(287,145)	–
(113,129)	(57,843)	Net cash used in investing activities	(611,278)	(97,599)
		Cash flows from financing activities		
600,000	–	Issue of debt securities	–	–
(600,000)	–	Repayment of debt securities	–	–
(102,726)	(102,726)	Dividends paid	(102,726)	(102,726)
(102,726)	(102,726)	Net cash used in financing activities	(102,726)	(102,726)
(14,939)	(486,474)	**Net decrease in cash and cash equivalents**	(555,816)	(91,338)
615,928	600,989	**Cash and cash equivalents at the beginning of the year**	1,175,051	1,266,389
600,989	114,515	**Cash and cash equivalents at the end of the year**	619,235	1,175,051
		Represented by:		
600,989	114,515	Cash and cash equivalents	619,235	1,175,051
600,989	114,515		619,235	1,175,051
		Supplemental information:		
65,233	83,318	Interest and dividends received	430,407	377,276
48,774	78,282	Interest paid	98,208	79,549

NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023
(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 2023. 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.

NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

2. Accounting policies

i) Basis of preparation

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

The abridged financial statements were derived from the audited financial statements of ANSA Merchant Bank Limited for the year ended 31 December 2023 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The full audited financial statements of the Group can be accessed at each of its offices during normal business hours and on our website (https://tt.ansamerchantbank.com).

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

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

Presentation of financial statements

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

The Group presents its statement of financial position broadly in order of liquidity.

Basis of consolidation

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

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

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

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

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

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

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

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

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

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

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

These mutual funds are financed through the issue of units to investors in the funds. The Group generates fees from managing the assets of the mutual funds and the Group's retirement benefit plans on behalf of third party interests. For the year ended 31 December 2023, the Group earned $8.44 million (2022: $8.6 million) in management fees from the retirement plans and $13.4 million (2022: $7.95 million) from the mutual funds.

The Group holds an interest of $71.6 million in sponsored funds as at 31 December 2023 (2022: $71 million). The maximum exposure to loss in these funds is the carrying value of the assets held by the Group.

2. Accounting policies (continued)

i) Basis of preparation (continued)

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

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

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

ii) Change in accounting policies and disclosures

IFRS 17 Insurance Contracts

In these financial statements, the Group has applied IFRS 17 Insurance Contracts for the first time. IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023.

ii) Statement of compliance

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

iii) Functional and presentation currency

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

3. Related party transactions and balances

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

A number of transactions are entered into with related parties in the normal course of business. These include hire purchase, 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 2022	Parent 2023		Group 2023	Group 2022
		Loans, investments and other assets		
44,596	50,067	ANSA McAL Group	233,636	151,198
199,549	66,010	Subsidiaries	–	–
2,066	2,066	Directors and key management personnel	13,586	12,084
114,353	165,975	Other related parties	190,419	152,620
360,564	284,118		437,641	315,902
		Deposits and other liabilities		
233,782	245,341	ANSA McAL Group	507,268	640,509
94,028	183,106	Subsidiaries	–	–
–	–	Directors and key management personnel	62,777	62,221
–	–	Other related parties	156,656	143,387
327,810	428,447		726,701	846,117

NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in thousands of Trinidad and Tobago dollars)

3. Related party transactions and balances (continued)

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

Parent 2022	Parent 2023		Group 2023	Group 2022
		Interest and other income		
14,281	15,224	ANSA McAL Group	55,988	37,898
17,210	21,202	Subsidiaries	–	–
83	90	Directors and key management personnel	572	698
221	1,380	Other related parties	4,608	3,440
31,795	37,896		61,168	42,036
		Interest and other expense		
5,788	8,202	ANSA McAL Group	35,259	14,789
596	2,062	Subsidiaries	–	–
–	–	Directors and key management personnel	3,338	3,327
–	–	Other related parties	2,203	1,546
6,384	10,264		40,800	19,662

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

Key management compensation

Parent 2022	Parent 2023		Group 2023	Group 2022
10,283	11,857	Short-term benefits	49,212	22,861
105	122	Contribution to defined contribution plans	183	176
220	253	Post employment benefits	253	220
10,608	12,232		49,648	23,257

4. Contingent liabilities

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

Parent 2022	Parent 2023	Group 2023	Group 2022
–	–	839	1,511

5. Events after the reporting period

There were no material events after the statement of financial position date of 31 December 2023 which required recording for disclosure in the financial statements of the Bank or its subsidiaries as at 25 March 2024.