



2022

ADMINISTRATIVE REPORT

EXPORT-IMPORT BANK OF TRINIDAD
& TOBAGO (EXIMBANK) LTD.

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Company Summary

The Export-Import Bank of Trinidad and Tobago Ltd - EXIMBANK, remains the country's official Export Credit Agency (ECA). The bank has maintained its leadership position as the preferred option for export financing with a primary focus on developing the export potential of Trinidad and Tobago as a mechanism to diversify the economy and increase non-energy forex earnings. EXIMBANK was created to satisfy the export needs of a rapidly expanding economy. The bank's core function is to conduct the business of a "Confirming House, Acceptance House, Finance Company and Financial Services" to satisfy the export needs of the domestic economy and expand trade opportunities for small and medium size enterprises in the non-energy export sector.

Corporate Mission

To transform the domestic export environment through the expansion of the non-energy sector, by providing the highest quality financial products and services at attractive rates, thereby enabling them to take advantage of global opportunities.

Corporate Vision

To be the premier trade finance and export credit insurance institution facilitating the national export thrust as the country pursues its stated goal of economic diversification through export-led growth.

Guiding Principles

As an entity created with a mandate to enable change in the non-energy export sector, our guiding principles remain as follows:

Integrity

Acting with a shared sense of purpose and binding duty of care, serving our market, shareholders and employees with fairness, honesty and transparency.

Connecting

Collaborating across the organization, engaging stakeholders, government and markets to better understand the challenges faced by exporters.

Improving

Innovating to create effective solutions that meet the objectives of our stakeholders and ensuring finance markets for exporters work effectively.

Delivering

Commitment to delivering professional, quality service to all our stakeholders and colleagues, whilst employing taxpayer resources responsibly to provide solutions.

Commercially Minded

Exercising good commercial judgement to meet the needs of our market while staying focused on the need to drive economic benefit.

Commitment

Taking responsibility for our task and actions regardless of the consequences. Displaying a high level of commitment and dedication in our work.

Our Core Values**Customer Service Excellence**

We are committed to satisfying customer needs, honouring commitments, and exceeding expectations. We will treat all customers fairly, with a high level of respect and with a sense of urgency.

Teamwork

We work cooperatively, respecting and supporting each other and making the environment pleasant and enjoyable. We will contribute fully to the activities of the team and avoid and resolve conflicts.

Professionalism

Professionalism is reflected in everything we do. We promote integrity, high quality service and reliability. We will perform our duties with sincerity and always ensure that we provide a high quality of service to our customers.

Compliance with the Law

In discharging our duties, we will comply with the applicable laws of Trinidad and Tobago and the other private and public regulatory agencies and we will operate in conformity to all industry guidelines.

Fair dealing with Third Parties

We will act ethically and honestly when dealing with customers, suppliers, investors, Government representatives, community members, competitors and other third parties.

Confidential Information

We will protect and not disclose all third-party confidential information from loss, theft or misuse. We will comply with the confidentiality agreement of the CBTT, which restricts the disclosure of such information.

Business Description:

EXIMBANK emerged out of the Trinidad and Tobago Export Credit Insurance Company Limited (EXCICO), established in 1973 by the Government of the Republic of Trinidad and Tobago to promote the export of goods and services. The bank collaborates with local, regional, and international financial institutions to

deliver on its mandate and remains committed to pursuing a business philosophy of promoting the growth and expansion of exports.

The operations of EXIMBANK have been principally self-funded based on profitable trading operations over the years. In addition, the Bank has benefited from lines of credit provided by local financial institutions. Institutional support has been provided by the Government of the Republic of Trinidad and Tobago (GORTT) through a guarantee under the Guarantee of Loans (Companies) Act (Chapter 71:82) in respect of settlement of all claims due and payable by EXIMBANK.

In 2008/2009, the Bank received a capital infusion of \$100 Million from the GORTT. In November 2011, the GORTT approved additional equity input of \$62.7 Million and \$50 Million in low-cost borrowing to enhance the ability of the Bank to provide increased funding to export manufacturers. To date, the bank has drawn down on all equity and have increased domestic borrowing backed by Government guarantee to further expand the non-energy sector.

Notably, 2020 marked the start of a financial turnaround of the EXIMBANK as the company returned to profitability. This was predicated upon a balance sheet clean-up exercise completed during 2018 and 2019. In addition, during this administrative period the Eximbank was able to accelerate the deployment of key forex prioritization programmes on behalf of the GORTT, providing much needed support to the manufacturing sector and contributing to prevention of shortages of essentials items due to the pandemic related supply-chain issues.

The bank currently offers an expanded portfolio of products and services which include the following;

- Raw Material Financing
- Factoring /Discounting
- Asset Financing
- FOREX Facility

The organization's strategic plan is guided by the following:

The Trinidad and Tobago Trade Policy 2019-2023

- Supply affordable trade credit in support of export centred projects in the distribution, services and creative sectors.
- Cater to the working capital and overseas investment requirements.
- Research and Development and other creative initiatives of exporters.

Ministry of Finance Forex Facility

- EXIMBANK's forex facility designed specifically for manufacturers will assist and further enable local manufacturers with export promotion through foreign exchange allocation.

Vision 2030

- Firms are producers of high value-added products and services that can compete in export markets.

- Enhance the capacity for export and foreign exchange earnings (through forex allocation mechanism).
- Encourage and facilitate linkages between local manufacturers and exporters with the Diaspora in Canada, USA and the UK.

Corporate Objectives

The organizations' corporate objectives largely remain the same as those identified in the 2021 Administrative Report. These are:

Transition from the Insurance Act Ch 84:01 to the Financial Institutions Act Ch 79:09

EXIMBANK has operated under the Insurance Act since inception. However, to execute respective initiatives and achieve its transformative goals as defined by the 2021 – 2026 strategic direction, it is essential that the Bank expand its products and services portfolio (including potential deposit taking), with a concomitant transition to the Financial Institutions Act. The Bank would need to maintain the required capital adequacy levels.

Implementation of a Revised Organizational and Salary Structure

The expanded service portfolio of the EXIMBANK and its transition to the Financial Institutions Act will necessitate an update of its organizational structure. The new structure is expected to modify the duties for certain existing roles and introduce additional roles to support the Bank's transformation.

Robust Enterprise Risk Framework

EXIMBANK will be required to establish a robust risk management function to support its future operations.

Alternative Funding Sources

EXIMBANK will seek to reduce its dependence on commercial third-party funding in order to reduce funding costs and by extension improve interest spreads. Funding from CAF has successfully been pursued. Additionally with its transition to the FIA, acceptance of term deposits provides another funding option. Any additional funding from the Government is expected to be equity.

Corporate Structure

The current organizational structure consists of three functional streams being Credit Business Development, Finance and Human Resources. The staff complement for 2022 was 39 persons.

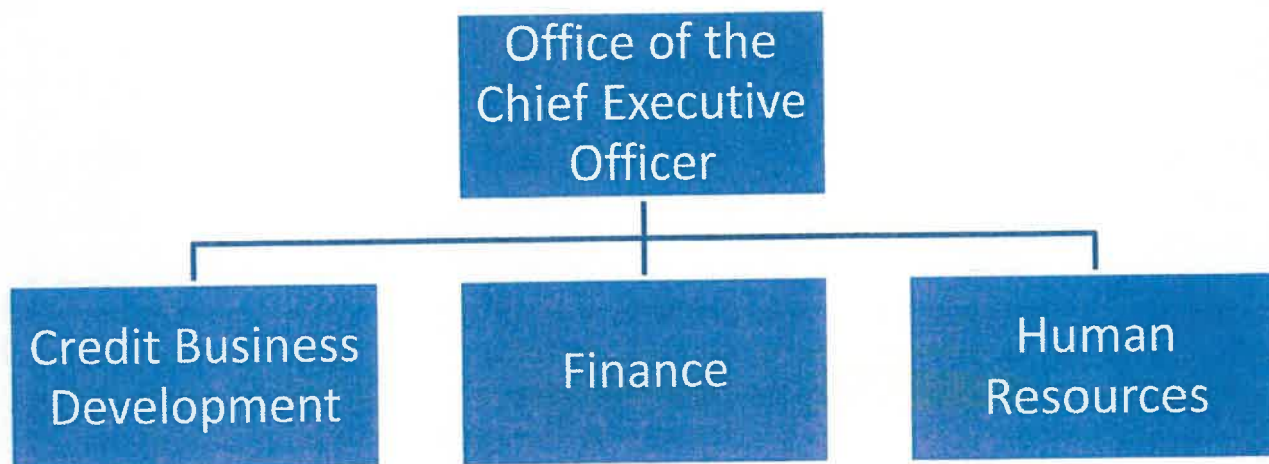


Figure 1. Basic Corporate Structure of EXIMBANK

The Board of Directors is the representative of the shareholder. The Board's main responsibility therefore lies in overseeing and monitoring the activities of the company to ensure optimal utilization of its resources and achievement of its corporate strategic objectives. The company reports to the Line Ministry, Ministry of Finance (Corporation Sole).

The members of the Board of Directors as at December 31st, 2022 are:

Chairman	Mr. John Tang Nian
Member	Mr. Greig Laughlin
Member	Ms. Cindy Anne Bazzard
Member	Mr. Gary Darwent
Member	Ms. Nicole Patrick

BOARD COMMITTEES:

Audit, Operational Risk & Compliance:

Chairman	Mr. Gary Darwent
Member	Ms. Cindy Anne Bazzard
Member	Ms. Nicole Patrick
Ministry of Finance (Representative)	Ms. Nisa Churaman

Credit:

Chairman	Mr. Greig Laughlin
Member	Mr. Gary Darwent
Member	Ms. Cindy Anne Bazzard

Human Resources:

Chairman	Ms. Nicole Patrick
Member	Mr. Greig Laughlin

The members of the Management Team (as of 31st December 2022):

Chief Executive Officer	Mr. Navin Dookeran
Chief Operations Officer	Ms. Josephine Ible
Chief Financial Officer	Mr. Anthony Mohammed
Manager Human Resources	Mrs. Marlene Mendez
Manager Recoveries and Securities	Mr. Lindsay Chevalier
Manager Marketing	Mr. Sheldon Thomas
Manager Credit	Ms. Dana Seepersad
IT Manager	Mr. Scofield Thomas
Project Manager	Mr. Yoganan Dipchan

Role of Committees**Audit, Operational Risk & Compliance Committee**

EXIMBANK's Audit Committee is an essential part of the corporate reporting supply chain. The primary responsibility of the Committee is to oversee on behalf of the Board of Directors, the integrity of the financial reporting systems, controls and accounting procedures implemented by management to protect the interest of shareholders and other stakeholders. The Committee's key task is to ensure the integrity of the published financial information and the accompanying notes.

The Committee's main areas of focus are:

- The Financial Reporting process and systems with special attention to the appropriateness of accounting policies, disclosure requirements, fairness and balance reporting;
- The External Audit- Appointment, remuneration and scope of works of the external auditors, review of audit findings and recommendations of performance of auditors;
- Risk Management and Internal Control – Understanding of the key risk areas, effectiveness of controls and fraud risk;

- Internal Audit Process – The quality of resources, the authorities in place, the scope of work of the internal audit and the effectiveness of controls. Attention has to be given to the implementation of recommendations made to management by the internal auditor;
- Regulatory Compliance and Ethical Matters – Effectiveness of the systems in place for ensuring compliance with laws and regulations and the Code of Conduct.
- Communicating and Reporting.

The Audit, Operational Risk & Compliance Committee consists of three (3) members of the Board. The Chairman of the Audit Committee

The Credit Committee

The Credit Committee is responsible for reviewing credit policies and procedures and establishing review/approval standards and authorities. These standards and authorities are consistent with credit policy guidelines established by the Board of Directors after their review of risk management policies, procedures and guidelines recommended by the Chief Executive Officer, Chief Operations Officer and the Chief Financial Officer.

The Human Resource Committee

The Human Resource Committee is responsible for reviewing, monitoring and making recommendations to the Board on the Bank's HR Policies pertaining to staffing, compensation, and benefits. Additionally, they review, monitor and make recommendations on any other issues of strategic importance with respect to the Human Resource Management of the Bank.

MARKETING DEPARTMENT

The marketing department was engaged in a robust array of activities during 2022, all aligned with supporting the strategic agenda of the bank. These activities are outlined below.

Business Engagement Processes

- Request For Quotes for – Public Education Campaign, Trade and Investment Convention and the Caribbean Investment Forum.

Business Development Initiatives

- International Shipping Limited / Eximbank In-person export forum.
- TTMA's SME networking engagements.
- MTI / exportTT Trade Missions.
- Content Development Initiatives – Trend Media's, digital and direct mail campaign.

Strategic Partnerships

Strategic Partnership Engagement with -

- AMCHAM TT.
- Arthur Lok Jack Graduate School of Business.
- Caribbean Risk Management Academy.
- Caribbean Lifestyle Communication.
- Caribbean Export Development Agency.
- National Entrepreneurship Development Company Limited - NEDCO
- Trinidad and Tobago Coalition of Service Industries - TTCSI
- Trinidad and Tobago Chamber of Industry and Commerce - TT Chamber
- Trinidad and Tobago Manufacturers' Association - TTMA

Brand building initiatives

Brand building initiatives through our participation at

- AMCHAM TT – Women's leadership Conference & Tech Hub Island Summit.
- TTCSI's – Gateway to Trade Programme.
- Caribbean Export Development – Caribbean Investment Forum.

Brand Awareness Initiatives

Increase Brand awareness initiatives through event sponsorships and key stakeholder engagements.

- TT Chamber, Champions of Business, Internationally Known award.
- TTMA's, Exporter of the Year award.
- TTMA's Post Budget panel discussion.
- TTMA's Annual Meeting and Business Breakfast.
- Trade and Investment Convention.
- Youth Business Trinidad and Tobago (YBTT) / Global Entrepreneurship Week - Pitch to export Challenge.
- Arthur Lok Jack School of Business - Distinguish Leadership and Innovation Conference.
- Trinidad and Tobago Film and Folklore Festival.
- Trinidad and Tobago Cocoa Development Company's 2nd Edition of the National Cocoa Awards.
- NEDCO's – NEDCO Entrepreneurial Week (NEW).

CREDIT DEPARTMENT

The Credit Department is tasked with managing the entire credit process for the bank. The credit process includes but is not limited to the following:

1. The approval of credit to borrowers,
2. Assessment of the creditworthiness of potential customers,
3. Credit review of existing borrowers
4. Monitoring of repayment of loans,
5. Responding to customer queries (both existing and potential),

6. Credit Department is also required to be updated with the regulatory laws governing the various industries.
7. Management of credit portfolio in line with organisation's strategic objectives
8. Preparation of quarterly credit reports to the Board of Directors and any other reports to the stakeholders deemed necessary.
9. Ensure all the above is in line with the bank's credit policy.

Note: The credit review will include an assessment of risk in the areas of Management, Industry, Financials, Collateral, and any other area deemed relevant.

The main structure of the credit department is seen in figure 2 below. The bank also has contract workers who assist with the processing of Forex and FAS disbursements.

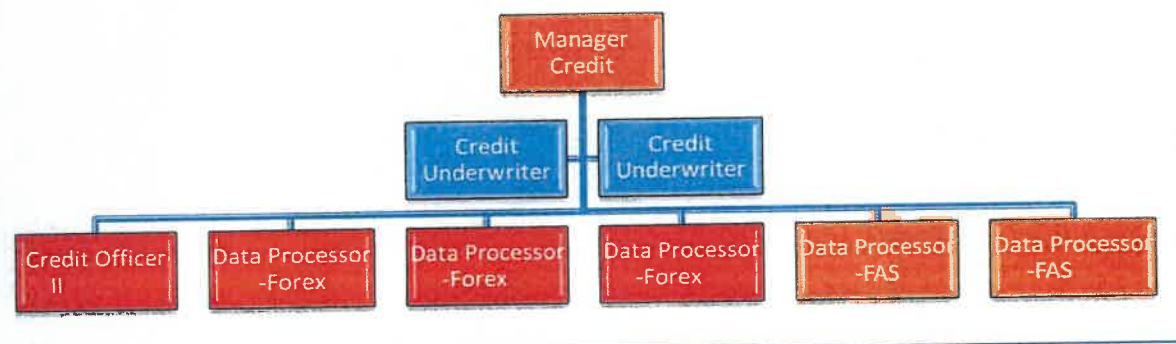


Figure 2. Structure of the Credit Department

Credit Policy

The Credit policy defines the parameters within which EXIMBANK provides trade finance products and insurance protection enhancements to exporters and/or borrowers. It has been prepared with the broad objective of meeting the following goals:

- a. Whilst a main thrust of the bank is profitability, it must be clearly understood that at no time is the lending policy of the bank to be compromised. At all times, the laws of Trinidad and Tobago and all Central Bank regulations must be adhered to. The Bank reports to the Ministry of Trade and Finance but in its day-to-day operations must conform to the Insurance Act for insurance matters and the Financial Institutions Act 2008 for banking matters as it relates to exempted activities of a confirming /acceptance house financing import and export Bills. FIA 2008 1st Sch.)
- b. Build a diversified good quality portfolio through risk-based lending.
- c. Optimize risk return portfolio with adequate exit options.
- d. Build and maintain relationships with clients by servicing needs promptly and efficiently.

e. In its dealing with customers there must be transparency of fees, charges and the calculation of interest. The policy is reviewed periodically and is modified when necessary to ensure that it keeps abreast of general economic conditions, market demands, the bank's financial position, changes in customers' needs and the competitive environment. The policy at a holistic level is an embodiment of the Bank's approach to sanctioning, managing and monitoring credit risks and aims at making systems and controls effective. It has defined the objectives as under:

- Delegation of Powers
- Managing Credit Risk
- Setting Exposure Limits
- Credit Appraisal System
- Credit Administration
- Recovery and Exit Policy

Delegation Of Lending Powers

The bank employs a multi-tier credit approving system where credits are approved by either a 'Management Credit Committee' or a 'Board Credit Committee or the Full Board.

Management Credit Committee

The Management Credit Committee comprises of three (3) persons two (2) of whom is the Chief Executive Officer (CEO) and Chief Operating Officer (COO). The Manager, Credit and Business Development will not sit on this committee in order to prevent undue influence on the credit decision-making process. They will however be involved in presentations for credit approval actions.

Board Credit Committee

The Board Credit Committee was constituted by the Board of Directors and comprised three Directors and the CEO. The COO may sit as an alternative to the CEO in his absence. The Quorum for the meeting comprised of at least two Directors and one of the aforementioned members of Management.

Lending Powers

Please note USD conversion is calculated at a rate of 6.75

APPROVAL LIMITS				
LEVEL	TTD LIMIT		USD LIMIT	
CEO LIMIT (MANAGEMENT)	<	TTD 2,500,000.00	<	USD 370,370.37
BOARD CREDIT COMMITTEE	TTD 2,500,001.00	TTD 6,500,000.00	USD 370,370.52	USD 962,962.96
FULL BOARD	>	TTD 6,500,001.00	>	USD 962,963.11

Table 1. Credit Approval Limits in Eximbank

DISBURSEMENTS

Total Disbursements by Sector for 2022 is graphically displayed in TTD below. See figure 3. Total disbursements amounted to TTD 309M and were spread across twenty-two (22) clients.

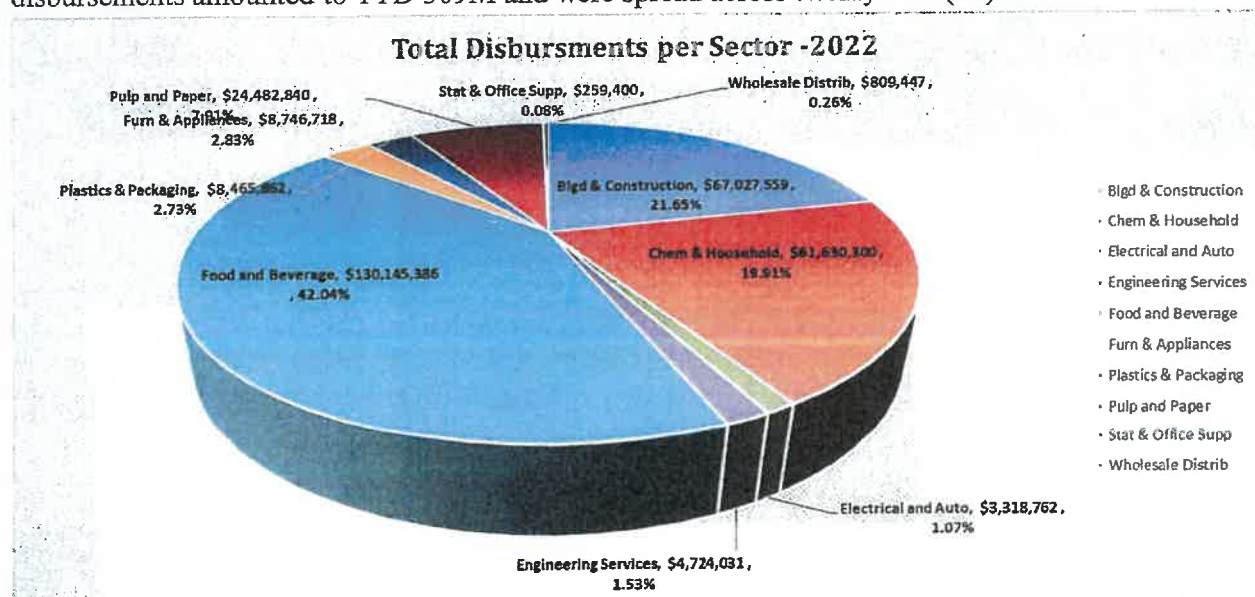


Figure 3. Financial Disbursements for 2022 by Sector

FOREX FACILITY

In August 2018, the Ministry of Finance assessed the need to utilize a small percentage of the country's forex resources to channel it to exporting firms in the non-energy sector that earn foreign exchange. As a result, the GORTT initiated the Forex programme with The Export-Import Bank of Trinidad and Tobago.

The Forex Facility represents a targeted approach to forex distribution, that complements the commercial banking distribution system, and is targeted to export generation and enabling exporters to become Net Foreign Exchange Earners.

Performance Summary of Forex Facility.

Total Forex Sales for 2022 per month is graphically displayed in figure 4 below in USD. Cumulative number of clients that accessed the facility as at December 31st 2022 was 146 however for 2022 only sales of USD236M were generated.

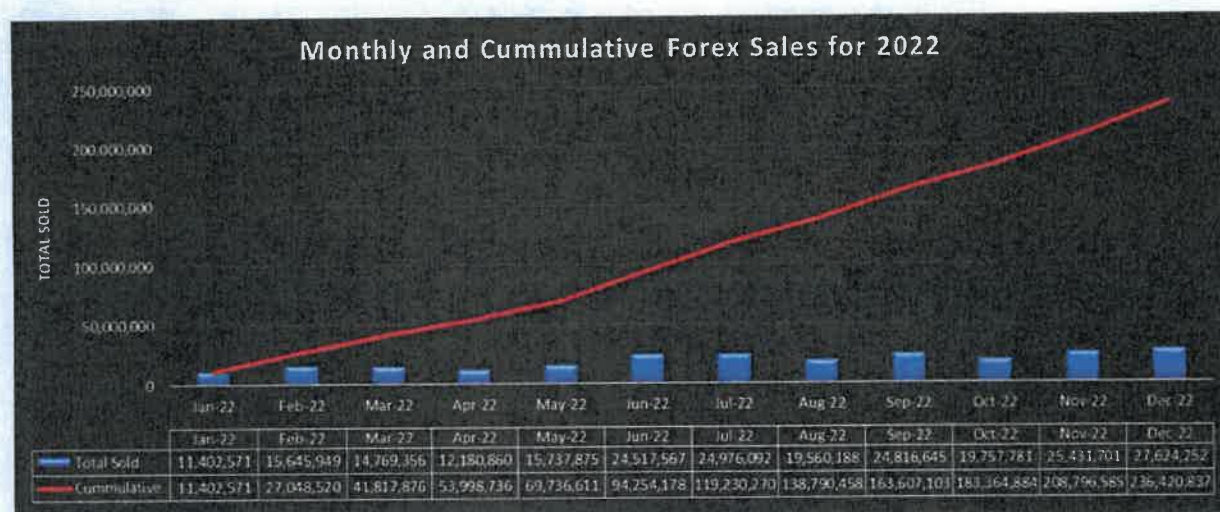


Figure 4. Eximbank's Forex Sales for 2022

FAS ESSENTIALS-COVID 19 RELIEF PROGRAM

On March 18th, 2020, the Government of Trinidad and Tobago (GORTT) announced numerous measures to be implemented to provide economic relief to citizens and businesses in light of the impact of the COVID-19 pandemic. One of the government's primary strategies was to increase the availability of foreign exchange through the Export-Import Bank of Trinidad and Tobago (Eximbank). The increased availability of foreign exchange is to prioritise the purchase of food, pharmaceuticals and other related essential need items.

The purpose of the FAS Essentials-Covid 19 relief program is to aid in the importation of essential items by making foreign exchange available to importers in the sectors identified in Figure 5 below.



Figure. 5 Essential Need Sectors

Total monthly FAS Essentials USD sales for 2022 is graphically displayed in figure 6 below. The cumulative number of clients that accessed the facility as at December 31st 2022 were 92 however for 2022 only sales of 281M were generated.

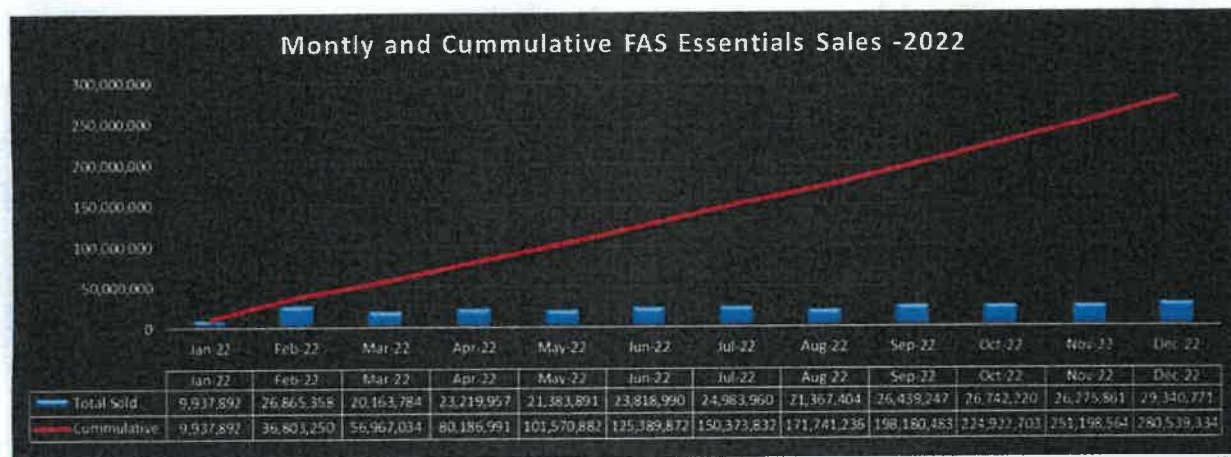


Figure. 6 Eximbank's FAS Essentials sales for 2022

HIGHLIGHTS

- ✚ The introduction of Forex Manufacturing 2022 – Fueling Export Led Growth with revised calculations and allocation methods to increase efficiency.
- ✚ Successful completion of a Demand Assessment and Cabinet Paper on the Forex Manufacturing Facility and FAS Essentials Program which resulted in an additional allocation of USD 150M each.
- ✚ Other noteworthy reports: IMF, COINFIN and CAF
- ✚ Work E Flow Design of the Forex Manufacturing and FAS Facility
- ✚ Customer Relationship Management (CRM) onboarding with FAS Essentials Clients
- ✚ Addition of specialized staffing to aid in the workflow process i.e Credit Underwriter and Data Processors.

- ✚ Cross Training of Staff from other Departments
- ✚ Recommencement of in person visits
- ✚ Grand Bay and TTL Restructure with increased interest rate from 4% to 5% and implementation of renegotiation fees.
- ✚ Successful Internal Audit Results for FAS Essentials Program, Forex Manufacturing and Credit Evaluation Process
- ✚ Successful upgrade of Portfolio Plus in January 2022

RECOVERIES

Administrative Report on Loan Loss Provisioning (ECL) for 2022 by Sectors

An analysis of the Provisions / ECL as at December 2022, on the EXIMBANK's loan portfolio, indicated that of the nineteen (19) sectors covered, five (5) remained unchanged, seven (7) increased and seven (7) decreased. See data in table 2 below.

The two sectors that showed the largest increase were the "Food & Beverages" sector and the "Paper & Pulp" sector, which increased by approximately \$3.3M and \$1.5M respectively. This does not mean that these sectors were not doing well or were high risk, but just that more funds were being lent in these sectors, due to increased demand. On the other side, the two sectors that showed the largest decrease were the "Wholesale Distributions" sector, \$6.3m and the "Furniture & Home Appliances" sector \$3.lm.

Overall, the provision/ ECL amount was reduced by approximately \$6.7m, from the 2021 figure. This has been achieved by reducing our unsecured facilities, along with better risk management of the loan portfolio. We are also requesting tangible security from clients to secure their borrowings with Exim, as opposed to "paper security".

SECTOR	ECL HELD
Agriculture Supplies	NIL
Automotive & Electrical Supplies	\$ 2,023,184.20
Building & Construction	\$ 626,414.28
Chemicals & Household Products	\$ 2,279,581.39
Clothing & Accessories	\$ 210,636.40
Cosmetics & Toiletries	\$ 11,679,506.37
Electronics	NIL
Engineering	\$ 10,058,617.90
Food & Beverages	\$ 8,918,140.89
Fuel & Oils	NIL
Furniture & Home Appliances	\$ 2,507,011.93
Hardware & Lumber	\$ 1,621,394.19
Paper & Pulp	\$ 1,503,520.78
Pharmaceuticals	NIL
Plastics & Packaging	\$ 38,073.69

Precious Stones & Gems	NIL
Services	\$ 6,150,392.96
Stationery & Office Materials	\$ 9,581.24
Wholesale Distributions	\$ 572,499.95
TOTALS	\$ 48,198,556.17

Table 2. Expected Credit Loss (ECL) held by Sector

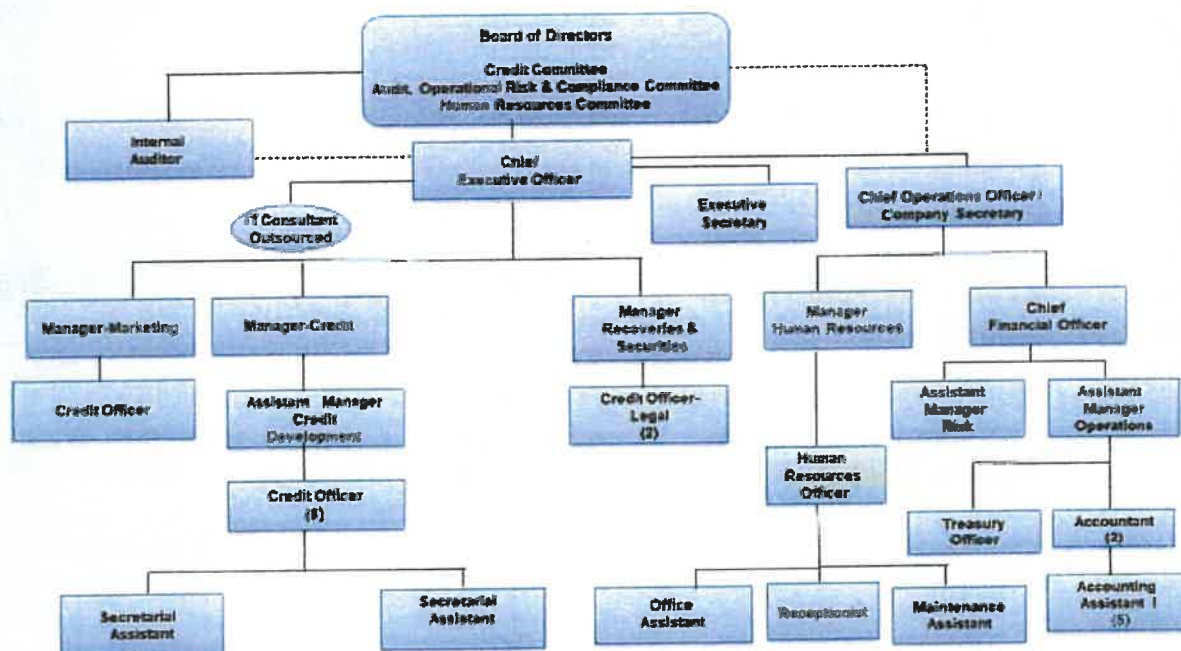
HUMAN RESOURCES DEPARTMENT

Eximbank recognises that Human Resources administration is an essential function in ensuring the efficient and effective execution of human resources processes while maintaining compliance with legal and regulatory requirements.

The Human Resources department continues to work closely with the Executive Management and plays a critical role in supporting the overall human resources strategy and objectives of the Bank.

The Human Resources team remains focused on the day-to-day HR operations with respect to recruitment and onboarding, training and development, performance management, employee relations, maintaining accurate and up to date records of employees' data and providing HR reporting to facilitate decision making.

EXPORT-IMPORT BANK OF TRINIDAD & TOBAGO LIMITED ORGANIZATIONAL STRUCTURE AS AT DECEMBER 31, 2022



No. of Approved Positions: 36

Figure 7. Eximbank's Organizational Structure

Eximbank remains in conversation with the Ministry of Finance and Chief Personnel Officer (CPO) and awaits the approval of its organizational transformation structure/plan as described in its Administrative Report for 2021. The organizational structure of Eximbank as of December 31, 2022 is seen in figure 7 above.

Human Resources Projects and Policy Upgrades

1) Partnership with Ministry of Education, Scholarship and Advanced Training Division for Engagement in the Associate Professional Programme

Eximbank partnered with the Ministry of Education, Scholarship and Advanced Training Division (SATAD) effective October 20, 2022 to employ an individual who is a recipient of a Government scholarship for a period of one (1) year.

The programme is designed to maximize the return of investment by ensuring that scholars' knowledge and skills are effectively utilized for the development of Trinidad and Tobago. The programme is funded by the Ministry of Education for the duration of the one-year period.

2) Implementation of Job Rotation Programme

A Job Rotation Programme was implemented in August 2022. The programme is intended to provide skill development by exposing employees to different roles and functions to broaden their understanding of the Bank's operations. The Bank expects that this programme will also enhance employee engagement and motivation as well as talent retention and succession planning.

Management is confident that this would stimulate some level of innovation and creativity among staff and would be a valuable tool for leadership development.

3) Completion of OSHA Risk Assessment and Rollout / Awareness Sessions of Findings & Recommendations

Eximbank is committed to being OSHA compliant and ensures that all safety mechanisms are in place to protect its workforce as reasonably practicable. The Bank's Annual Risk Assessment was undertaken in August, 2022 and the findings and recommendations of the Assessment were also rolled out to all members of staff.

The purpose of the Risk Assessment was to identify, evaluate and prioritize potential risks or hazards associated with different activities and processes to provide a basis for making informed decisions for effective risk management and communication to the relevant stakeholders.

The Bank will also be engaged in updating its Health Safety Environment (HSE) Policy in the next year and ensuring that all relevant activities and programmes are in compliance and meets the required standards.

INTERNAL AUDIT

SUMMARY OF COMPLETED INTERNAL AUDITS FOR FY 2022 AND ACTION ITEMS

	2022 INTERNAL AUDITS	ACTION ITEM
1.	Review of the Business Continuity Plan	1) To revise alternate location as it is in close proximity to primary location. 2) Schedule review of BCP that was not done for 31 st March 2021. 3) Perform annual BCP training
2.	Foreign Exchange Process (Manufacturing & FAS)	1) Implement a due diligence checklist to ensure that required documents are received and there is an annual check.
3.	Review of Accounting Processes	1) Update of accounting policies and procedures in accordance with changes. 2) Implementation of an accounting software to reduce financial and operational risks.
4.	Receipt and application of Loan Payments Process	1) Payment Receipt books - US\$ and TT\$ payments must have individual sequence numbering. 2) The manual record of payments received must be in one log and sequence.
5.	Loan Origination and Disbursement Process	1) In accordance with the disbursement policy, a procedure should be implemented to ensure there is evidence of the communication of signed transaction letter (Particulars of loan sent to customer upon completion of the transaction) with the customer.
6.	Credit Evaluation and Approval Process (Includes Securities Review)	1) As per the credit risk rating form – Utilize all three ratios under the parameter “Financing Ability”. 2) As per the credit risk rating form – Ensure that subjective/qualitative conditions are not used in the quantitative categories especially where there is no guidance on using subjective/qualitative conditions in that category/parameter.
7.	HR - Recruitment and Selection (contract employment)	1) Update of recruitment and selection policy to include a section for the

		recruitment and selection of Agency workers.
8.	AML & CFT Compliance Program	1) Review and rework of the AML/CFT compliance program so the requirements for the forex products are clearly stated.
9.	Review of the Procurement Process	1) Controls in relation to the purchase requisitions, purchase orders and request for quotations must be consistently adhered to.

Table 3. Summary of Eximbank's Completed Internal Audits for 2022

PROCUREMENT FUNCTION

Both Houses of Parliament passed the Public Procurement and Disposal of Public Property (PDPP) Act, 2015. The act was assented to by the President on January 14, 2015. The Act comes into operation only upon proclamation by the President and for the period covered in this report it remained partially proclaimed. Public entities in preparation for the Act's full implementation, are seeking to be compliant by understanding and institutionalizing Procurement as required by the Act, and, setting up key processes and committees identified as necessary by the Office of the Procurement Regulator (OPR).

The Bank was successful in setting up the general components required for the Procurement process, which included description of roles and functions, management, committees etc. In addition, the management team was sensitized and trained in the area over a period of approximately four (4) months.

Procurement Officer

The 'Named' Procurement Officer is responsible for leading the public body's total procurement, retention and disposal of public property functions, in a manner designed to achieve the objects of the Public Procurement and Disposal of Public Property Act 2015, as amended. The 'Named' Procurement Officer collaborates with department heads and budget holders and develops organisational procurement strategies to support the achievement of the public body's strategic mandate. He/she manages the procurement and disposal functions; develops the Annual Procurement Plan; develops and submits quarterly reports on contracts awarded to the Office of Procurement Regulation; develops the Annual Procurement Performance Report; and makes recommendations for improvements in the performance of the functions Procurement and Disposal. The role of the 'Named Procurement Officer' was assigned to Miss Josephine Ible with the understanding upon her retirement (early 2023), the position would be taken up by Mr. Yoganan Dipchan.

Functions of Procurement (Responsibility of Named Procurement Officer)

Procurement Planning

The Procurement unit analyses the public body's mandate and budget, assesses, and optimizes its procurement portfolio including objectives, strategies, organisation, policies, procedures and capabilities within this context. Additionally, the unit analyses annual expenditure and in conjunction with the requesting manager, accesses procurement risks thereby determining spend categories for goods, works and services; contributes to the framing of the annual budget estimates and develops the annual schedule of all planned procurement activities; and completes all accountability and Reporting for the Office of Procurement Regulation.

Procurement Management

Manages the procurement function in accordance with the Approved Annual Procurement Plan. This includes the procurement of goods and services via the Request for Information (RFI), Request for Quotation (RFQ) or Request for Proposals (RFP), bid opening and evaluation processes, and subsequent award of contract. Receives and reviews the procurement and disposal file including the report with recommendations for contract award or disposal, develops and maintains efficient filing system that ensures that procurement, disposal and contract management records are maintained and are readily available, including to Internal Audit and to the Office of Procurement Regulation.

Objectives of EXIMBANK procurement Processes

To secure supplies of Goods and Services on terms that are economically favorable to the company while ensuring that purchase contracts (Purchase Orders, Contracts, SLA's) are structured to contain all the information necessary to promote efficient administration during performance. To document procurement activity to allow the following:

- Improves the bottom line;
- Acts as an information source;
- Increases efficiency and productivity;
- Improves competitive position and customer satisfaction;
- Impacts the organization's image and social policy; and
- Assists in the attainment of strategic objectives.

Committees – Appointees, roles and function

Procurement and Disposal Advisory Committee

The appointment of a Procurement and Disposal Advisory Committee (PDAC) as recommended by the OPR must comprise at least three members. Their objectives and mandate as follow:

- To meet as needed to review significant procurement and disposal action prior to contract award.
- Verify the procurement and disposal activities performed by a public body providing a level of reassurance to the Accounting Officer that these activities were performed in accordance with approved policies and procedures, handbooks and guidelines, and the annual procurement plan.

- Provide an opinion in writing to the Accounting Officer including whether there was compliance with the approved procurement or disposal strategy, whether the objects of the Act and the programmatic/ business goals and objectives were accomplished.

The PDAC committee should comprise a representative of the legal department, finance department and an individual with relevant technical expertise to advise on the specific procurement activity. See table 4 below.

PDAC Committee Recommendations (CEO)	
Organizational Unit	Name/ Function
Operations	Josephine Ible
Finance	Anthony Mohammed CFO
Legal	Lindsay Chevalier

Table 4. Composition of PDAC Committee

Disposal Committee

The overall purpose of the Committee is to expedite the disposal of unserviceable equipment and property (unserviceable, absolute, redundant and/or excess equipment, supplies, and materials). This committee comprising not less than three officers and must recommend the best method of disposal to the Account Officer after due diligence to ensure that Assets are only disposed of after appropriate planning and approval are undertaken and they meet identified criteria for disposal; and best practice asset management (disposal) principles are upheld.

The Disposal Committee should comprise an asset management officer/ stores & inventory management officer or any as delegated from within the procurement unit and, a subject matter/ technical expert from within or outside the organization).

Disposal Committee Recommendations (CEO)	
Job Role	Name
Disposal member#1	Yoganan Dipchan
Disposal member#2	Corey Bobb
Disposal member#3	Kacy Nero

Table 5. Composition of Disposal Committee

Delegation of Authority

To expedite the Purchase Order and Purchase Requisitioning process, the CEO, as Accounting Officer is given the authority to delegate expenditure and commitment Authority for the purpose of business continuity and effectiveness of processing. As the accounting officer cannot be available to sign off on all transactions, this

delegation allows members of the organization within specific limits to assist by signing off POs and PRs respectively within their assigned limits.

When a Purchase Order or Purchase Requisition is to be approved, the documents are to be routed to the officer with the relevant authority level as shown in the table below.

Delegation of Authority - Sign-off authority		
Office	Authority to Approve Purchase Orders / Purchase Requisitions	Value of Award
Manager 1	Yoganan Dipchan / Sheldon Thomas/ Dana Seepersad / Scofield Thomas	Up to \$25,000
Manager 2	Lindsay Chevalier / Marlene Mendez	Up to \$50,000
Executive	Josephine Ible /Anthony Mohammed	Up to \$100,000
Accounting Officer	Navin Dookeran CEO	Above \$100,000

Table 6. Delegation of Sign- Off authority

Purchasing Methods

- I. For all purchases valued between \$1.00 and \$1,000.00 – A Petty Cash Voucher Form is prepared by the designated Accounting Office, specifying the amount of money, date requested and the purpose for the purchase. The following individuals – CEO, COO or CFO, approve a Petty Cash request. The form is signed and approved for disbursement by the Assistant Manager Operations.
- II. For all purchases valued between \$1,001.00 and \$250,000.00 –
 - A Request for Quotation (RFQ) system is used to invite vendors to submit bids. The Procurement Officer chooses a minimum of three vendors from the Office of Procurement Regulator's Vendor Database. The RFQ which specifies a submission date is requested from the vendors via email using Eximbank's dedicated Purchasing email account.
 - A Purchase Order is prepared by the Procurement Officer and is approved by the relevant delegated individual based on the value of the purchase. All purchase orders must be accompanied by a minimum of three Quotations, a Quotation Analysis Form, and the Purchase Requisition. For a sole source or sole select an appropriate justification must accompany the Purchase Requisition and Purchase Order.
- III. For purchases valued over \$250,000.00, the tender procedure is followed. A Tender Document is issued either by Request for Quotation (RFQ), Request for Proposal (RFP), Invitation to Bid (ITB) or Sole Source / Single Source Tender to selected vendors or by Public Tender, ensuring that EXIMBANK's tender policies and procedures are observed. Final approval for all purchases above the value of \$100,000.00 for goods, services and works is the responsibility of the CEO.

PROJECTS

SUMMARY OF MAJOR PROJECTS FY 2022 – PROGRESS AND COMPLETION

	PROJECT	STATUS	NOTES
1	Portfolio Plus Upgrade (Core banking software)	Completed	Commenced in 2021 and concluded in March 2022.
2	Ernst and Young - Development of a strategic plan, Target operating model and Human Resource considerations	Completed	Commenced in 2021 and concluded in May 2022
3	HR Plus Software (Software to support human resource administration)	Completed	Commenced in 2021 and implemented by 4 th quarter of FY 2022.
4	EFLOW – Internally developed automation of customer communications and transaction processing	Ongoing	Commenced in FY 2021 and ongoing. Planned implementation by 3 rd quarter 2023.
5	Electronic Channel for Exports	Ongoing	Commenced in FY 2021. Phase one was completed. Phase 2 is still in progress.
6	Eximbank Information Technology security review – performed by External IT consultant	Completed	Commenced in FY 2022 and completed in FY 2023. Planned implementation in June 2023.
7	Oracle Accounting Software	Ongoing	Commenced in September 2022 and ongoing. Planned implementation in June 2023.
8	IDB Technical Assistance – Establishing a collateral guarantee program	Completed	Commenced in FY 2022 and concluded in FY 2023
9	CAF Technical Assistance – Review and implementation of robust credit risk framework	Ongoing	Commenced in FY 2022 and ongoing. Expected completion of consultancy project in June 2023.
10	Procurement solution – Internally developed automation of processes	Completed	Commenced and developed in FY 2022

Table 7. Major Projects undertaken by Eximbank for 2022

FINANCIAL REPORT

Financial Report – Actual Results 2022



RESULTS

(Expressed in Trinidad and Tobago Dollars)

	AUDITED 12 months 31-Dec-22 \$	AUDITED 12 months 31-Dec-21 \$	AUDITED 12 months 31-Dec-20 \$
Profit for the year	56,279,309	49,494,897	11,199,914
Total Assets	552,094,161	442,029,295	443,501,444
Total Liabilities	263,415,146	209,629,589	260,596,635
Total Equity	288,679,015	232,399,706	182,904,809
Total Cash and Cash Equivalents	258,216,614	177,961,885	157,018,876
	%	%	%
Working Capital Ratio			
1 Current Ratio	2.02	2.01	1.64
Productivity & Debt Ratios			
2 Interest Expense as a % of Interest Income	45.77	31.56	52.34
3 Administrative Expense as a % of Total Revenue	21.38	28.69	40.37
4 Debt Equity Ratio	0.63	0.63	0.79
Profitability Ratios			
5 Interest Cover = EBIT / Interest Expense	9.85	9.59	2.33
6 Net Margin as a % of Interest Income	54.23	68.44	47.66
7 Net Profit after Tax as a % of Total Income	51.81	80.89	26.78
8 Return on Shareholders' Investment (ROSI)	18.89	16.61	3.76
9 Return on average Total Assets	11.32	11.18	2.53
Year on Year Growth			
10 Total Net Income	76.43	45.47	187.07
11 Profit before tax	80.72	277.44	126.48

Table 8. Highlight of Financial Results for YE 2022

Highlights

- 1.1 Eximbank achieved a notable milestone with profit after tax surpassing TT\$50.0M for the first time on record with **TT\$56.3M** for the year ending December 31, 2022. Profit After Tax increased by TT\$6.8M or 13.7% over the prior year's results.
- 1.2 Total income was another highlight, eclipsing TT\$100.0M with **TT\$109.4M**. Income increased by TT\$47.4M or 76.4% over the prior year. Disbursements via the Forex program continue to increase with sales of US\$ 516.9M in 2022, an increase from US\$297.1M in 2021.
- 1.3 Administrative expenses for the year were TT\$25.9M, an increase over the prior year. This increase was mainly due to the accruals made for backpay.
- 1.4 A loan loss provision of TT\$2.9M was booked in 2022.
- 1.5 Profit before tax - TT\$80.6M, a 80.7% increase from the prior year results of TT\$36.0M.
- 1.6 The financial position of Eximbank continues to improve year on year with total assets exceeding TT\$500.0M and is now recorded at **TT\$552.1M**
- 1.7 Total cash increased to TT\$258.2M.
- 1.8 The loan portfolio (net) recorded a TT\$38.5M increase to TT\$ 272.2M in 2022.
- 1.9 Lines of credit increased by US\$3.6M to US\$31.5M
- 1.10 Total Equity increased to TT\$288.7M from TT\$232.4M
 - 1.10.1 Retained Loss now reduced to TT\$10.3M.

Income Statement

➤ Actual vs Budget



EXPORT - IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED YEAR TO DATE ACTUAL VS BUDGET COMPARISONS

	Year Ending - December'22				
	Actual	Budget	VAR	VAR	
	\$'000	\$'000	\$'000	%	Δ
Interest Income	19,890	19,207	683	4%	▲
Interest Expense	(9,103)	(7,605)	(1,498)	-20%	▼
Net Result on Financing Activities	10,787	11,602	(815)	-7%	▼
Revenue from Forex Programs	92,633	58,452	34,181	58%	▲
Fees and Commissions	4,056	3,482	574	16%	▲
Investment Income	1,456	935	521	56%	▲
Other Income	447	882	(435)	-49%	▼
Total Income	109,379	75,353	34,026	45%	▲
Administrative Expenses	(25,921)	(23,779)	(2,142)	-9%	▼
Profit/(Loss) Before Tax & Loss Provision	83,458	51,574	31,884	62%	▲
Loan Loss Release/(Provision)	(2,859)	(1,500)	(1,359)	-91%	▼
Profit/(Loss) Before Tax	80,599	50,074	30,525	61%	▲
Taxation	(24,320)	(7,668)	(16,652)	-217%	▼
Profit/(Loss) After Tax	56,279	42,406	13,873	33%	▲

Table 9. Income Statement (Budgeted v Actual) YE 2022

The financial results of EXIMBANK for the year ending December 2022 shows a Net Profit of TT\$56.3M vs budget of TT\$42.4M. This positive variance of TT\$13.9M was primarily due to:

- Revenue from Forex Programs.
- Disbursements for the year were US\$516.9M (MFG - US\$236.4M, FAS - US\$280.5) vs budget of US\$380.0M. This translated into handling fees of TT\$79.1M which was further increased by gains on exchange of TT\$12.9M.

Reduced by:

- Increased Interest Expense of TT\$1.5M due to rising 2022 commercial lending rates.
- Administrative Expenses were TT\$2.1M higher than budget.

- This adverse variance was mainly due to increased provisioning for the backpay accrual; reduced by lower spend on Legal, IR consulting, Recruitment Fees and Made in TNT costs.
- ECL impairment loss - TT\$2.9M, mainly due to:
 - NFM TT\$1.8M
 - TGA Engineering – TT\$1.6M
 - Specific provision - LTL TT\$1.0M
 - Reduced by payments on facilities.
- Corporation Tax of TT\$24.3M is above budget primarily due to higher taxable profits.
 - Note – All b/fwd tax losses were utilised in 2022.

➤ Actual vs Prior Year



EXPORT - IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED

YEAR TO DATE ACTUAL VS PRIOR YEAR COMPARISONS

	Year Ending - December'22				
	Actual	Prior Year	VAR	VAR	
	\$'000	\$'000	\$'000	%	Δ
Interest Income	19,890	16,456	3,434	21%	▲
Interest Expense	(9,103)	(5,196)	(3,907)	-75%	▼
Net Result on Financing Activities	10,787	11,260	(473)	-4%	▼
Revenue from Forex Programs	92,633	46,373	46,260	100%	▲
Fees and Commissions	4,056	1,557	2,499	161%	▲
Investment Income	1,456	906	550	61%	▲
Other Income	447	1,089	(642)	-59%	▼
Total Income	109,379	61,185	48,194	78.8%	▲
Administrative Expenses	(25,921)	(19,042)	(6,879)	-36%	▼
Profit/(Loss) Before Tax & Loss Provision	83,458	42,143	41,315	98%	▲
Loan Loss Release/(Provision)	(2,859)	2,456	(5,315)	216%	▲
Profit/(Loss) Before Tax	80,599	44,599	36,000	80.7%	▲
Taxation	(24,320)	4,896	(29,216)	597%	▲
Profit/(Loss) After Tax	56,279	49,495	6,784	14%	▲

Table 10. Income Statement (Actual v Prior) YE 2022

The financial results of EXIMBANK for the year ending December 2022 shows a Net Profit of TT\$56.3M compared to PY of TT\$49.5M. The explanations in 3.1 also hold for the PY comparisons. Other points to note:

- As per 3.1.2, disbursements were US\$516.9M for the current period vs US\$297.1M in PY.
- Fees and Commissions for the period were TT\$4.1M, an increase of TT\$2.5M when compared to PY. This was mainly due to pre-shipment disbursements to TRINRICO, NFM and arrangement fee from NFM.
- Other Income for the period was TT\$0.4M. When compared to PY it was TT\$0.6M/59% lower. This was mainly due to income realised from irrecoverable debt in PY.
- Administrative Expenses for the period was TT\$6.9M higher than PY. Mainly due to:
 - Higher staff costs of TT\$14.2M vs PY TT\$9.7M - Backpay accrual for 2022
 - Provision for "Notice of Refund applied to Tax Liability" - TT\$0.19M.
 - Legal expenses (TT\$0.42M) – TSI (TT\$0.08M), review of changes in Insurance Act (TT\$0.05M), legal fees and stamp duty on FCIB LOC agreement.
 - IT outsourcing (TT\$0.40M) - Diagon Azure Cyber Assessment Testing, TT\$.28M
 - Promotions (TT\$0.69M) - TT Chamber Platinum Award Sponsorship TT\$0.28M
- ECL impairment loss - TT\$2.9M

2. Total Income

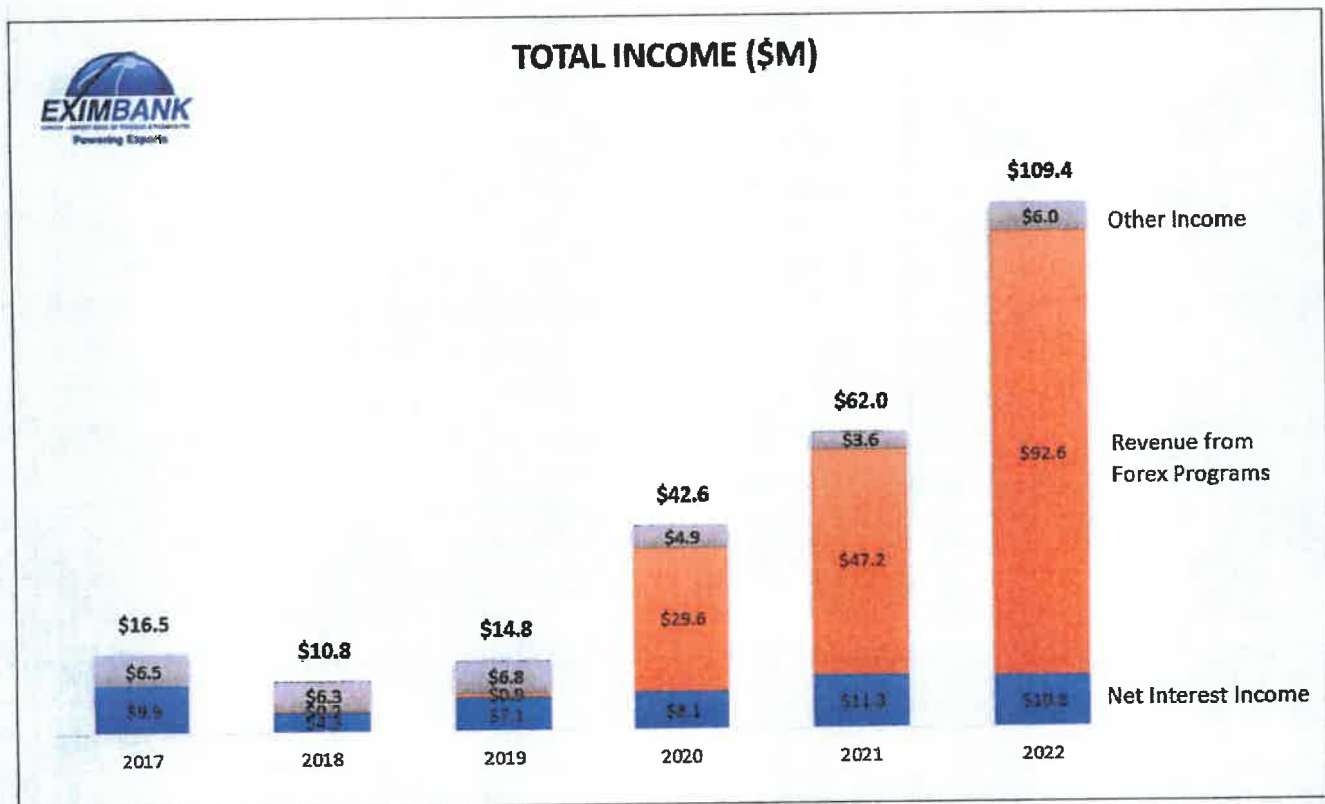


Figure 8. Eximbank's Total Income (Gross) from 2017-2022

- Total Income increased year-on-year from 2018 to 2022.
- Forex Income have increased year-on-year for the same period.

- Statement of Comprehensive Income



Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	DRAFT 31-Dec-22	AUDITED 31-Dec-21	AUDITED 31-Dec-20	AUDITED 31-Dec-19	AUDITED 31-Dec-18
	\$	\$	\$	\$	\$
Interest income	19,889,968	16,453,033	16,986,679	18,762,754	16,725,303
Interest expense	(9,103,032)	(5,193,063)	(8,890,407)	(11,658,583)	(12,398,900)
Net interest income	10,786,936	11,259,970	8,096,272	7,104,171	4,326,403
Revenue from Forex Programs	92,632,957	47,184,503	29,627,135	-	-
Other income	5,958,666	3,552,344	4,896,266	7,742,358	6,497,681
	<u>98,591,623</u>	<u>50,736,847</u>	<u>34,523,401</u>	<u>7,742,358</u>	<u>6,497,681</u>
Total net income	109,378,559	61,996,817	42,619,673	14,846,529	10,824,084
Impairment write back/(expense)	(2,859,259)	2,456,002	(9,536,659)	(45,470,368)	(12,717,202)
General and administrative expenses	(25,920,743)	(19,854,394)	(21,267,019)	(14,005,071)	(16,372,015)
Total expenses	(28,780,002)	(17,398,392)	(30,803,678)	(59,475,439)	(29,089,217)
Profit before taxation	80,598,557	44,598,425	11,815,995	(44,628,910)	(18,265,133)
Taxation	(24,319,248)	4,896,472	(616,081)	(63,861)	305,596
Profit /(loss) for the year	56,279,309	49,494,897	11,199,914	(44,692,771)	(17,959,537)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	56,279,309	49,494,897	11,199,914	(44,692,771)	(17,959,537)

Table 11. Eximbank's Statement of Comprehensive Income from 2018-2022

Statement of Financial Position



Export-Import Bank of Trinidad and Tobago Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	AUDITED 31-Dec-22 \$	AUDITED 31-Dec-21 \$	AUDITED 31-Dec-20 \$	AUDITED 31-Dec-19 \$	AUDITED 31-Dec-18 \$
Assets					
Cash and cash equivalents	258,216,614	177,961,885	157,018,876	55,499,930	57,885,985
Loans and receivables	272,161,704	233,674,437	262,350,969	276,614,645	301,988,519
Corporation tax receivable	187,709	597,923	597,923	-	-
Other assets	1,606,619	2,806,600	1,781,525	1,425,533	1,344,079
Investments	12,603,894	13,574,891	14,526,099	15,447,888	16,346,454
Property and equipment	7,172,262	8,116,168	7,064,972	6,477,642	7,711,259
Right-of-use assets	145,359	153,219	161,080	168,940	-
Intangible asset	-	-	-	18,225	194,621
Deferred tax asset	-	5,144,172	-	149,560	-
Total assets	552,094,161	442,029,295	443,501,444	355,802,363	385,470,917
Liabilities and shareholder's equity					
Accounts payable and accruals	19,008,042	11,831,313	11,444,170	8,248,217	5,024,015
Other Payables - Forex	21,748,189	7,110,150	11,038,229	-	-
Lines of credit	212,625,000	188,325,000	235,574,528	241,278,750	232,031,250
Forex facility	-	-	-	35,000,000	35,000,000
Provision for unexpired risk	-	-	-	3,389	6,092
Taxation payable	7,726,354	26,498	-	-	-
Lease liabilities	155,818	161,388	166,736	171,872	-
Deferred tax liabilities	43,703	-	156,482	-	11,894
Deferred income - GORTT subvention	2,108,040	2,175,240	2,216,490	2,395,240	-
Total liabilities	263,415,146	209,629,589	260,596,635	287,097,468	272,073,251
Shareholder's equity					
Stated capital	297,934,000	297,934,000	194,934,000	194,934,000	194,934,000
Capital contributions	-	-	103,000,000	-	-
Special reserve	441,375	441,375	441,375	441,375	441,375
Statutory surplus reserve	615,612	615,612	615,612	615,612	615,612
Accumulated deficit	(10,311,972)	(66,591,281)	(116,086,178)	(127,286,092)	(82,593,321)
Total shareholder's equity	288,679,015	232,399,706	182,904,809	68,704,895	113,397,666
Total liabilities and shareholder's equity	552,094,161	442,029,295	443,501,444	355,802,363	385,470,917

Table 12. Eximbank's Statement of Financial Position 2018-2022

- Cash – Increased to TT\$258.2M as at YE 2022 from TT\$178.0M at YE 2021.
- Loans and receivables – Increased by TT\$38.5M to TT\$272.2M mainly due to:
 - Increased drawdown from TRINRICO (TT\$11.9M),
 - Initial increase from NFM (TT\$41.0M),
 - Paydown by Trinidad Tissues US\$2M / TT\$13.5M (US\$200k/month)
 - Paydown by Solo Beverages (TT\$1.0M)
- Credit Exposures as a % of Capital Base:
 - Grand Bay St. Lucia (TT\$81.5M) submitted to CBTT at YE 2022 was 28.6%, down from what was reported to CBTT in Q3 2022 of 31.3%.
 - Forecasted to comply with CBTT guidelines of < 25% in Q2 2023.
- Accounts payable and accruals – Increased by TT\$7.2M mainly due to:
 - Increase of backpay accrual in 2022. Now provisioned at TT\$14.5M.
- Lines of credit – US\$31.5M as at YE 2022 up from US\$27.9M at YE 2021.
- The capital adequacy return calculated a regulatory capital ratio of 1800% at YE 2021. YE 2022 ratio submitted to CBTT – 2249%. Note - The minimum Regulatory Capital Ratio of 150% is required by the fifth financial year following commencement of the Regulations.
- Retained Earnings – Although still negative, the current YTD profit has reduced retained losses from TT\$ (66.6)M at Y.E. 2021 to TT\$ (10.3)M as at YE 2022.

Foreign Exchange Initiatives

6.1 Fee Structure

Forex Handling Fee – Manufacturing Initiative:

MFG FACILITY	%
Handling Fees Rate (August 5th, 2020 - Current)	2.00
Handling Fees Rate (April 16th, 2020 to July 31st, 2020)	1.50
Handling Fees Rate (April 1st, 2020 to April 15th, 2020)	1.00

Table 13. Handling Fees for Forex Manufacturing Facility

6.2 Forex Sales – Manufacturing

6.2.1 Manufacturing Sales by Customer for the ten (12) months ending December 31st, 2022 - US\$236.4M (Refer to Appendix 1)

6.2.2 Manufacturing Sales by month

Export Import Bank of Trinidad and Tobago Ltd
Summary - Manufacturing Monthly Income 2022

Month	Amount Sold US\$	Converted Amount		Forex Gain TTS	Rate %	Handling Fees		Wire Transfer Fees TTS	Total Revenue Manufacturing TTS
		Purchase TTS	Sale TTS			Income US\$	Converted 6.7993		
January	11,402,571	77,285,787	77,529,500	243,713	2%	225,267	1,531,655	19,539	1,794,906
February	15,645,949	106,015,879	106,381,502	365,623	2%	304,717	2,071,860	37,575	2,475,059
March	14,769,356	100,205,047	100,421,281	216,234	2%	294,626	2,003,253	36,740	2,256,227
April	12,180,860	82,613,517	82,821,323	207,806	2%	232,931	1,583,768	26,720	1,818,294
May	15,775,197	106,738,977	107,260,295	521,318	2%	314,522	2,138,529	35,738	2,695,585
June	24,480,245	165,580,306	166,448,531	868,225	2%	476,874	3,242,412	39,913	4,150,550
July	24,976,092	169,392,144	169,819,943	427,798	2%	498,955	3,392,542	45,591	3,865,931
August	19,560,188	132,367,142	132,995,589	628,446	2%	355,286	2,415,698	37,241	3,081,386
September	24,816,645	168,012,195	168,735,814	723,619	2%	490,189	3,332,944	39,579	4,096,141
October	19,757,781	133,562,923	134,339,079	776,155	2%	390,180	2,652,952	38,243	3,467,351
November	25,431,701	172,447,358	172,917,766	470,408	2%	483,199	3,285,415	42,418	3,798,241
December	27,624,252	187,102,472	187,825,576	723,103	2%	546,917	3,718,654	45,591	4,487,348
Total	236,420,837	1,601,323,748	1,607,496,196	6,172,449		4,613,664	31,369,682	444,888	37,987,019

Table 14. Summary of Eximbank's Manufacturing Monthly Income 2022

6.3 FOREX SALES – ESSENTIALS

6.3.1 Forex Handling Fee:

FAS INITIATIVE	%
Handling Fees Rate (May 26th 2021 - Current)	2.50
Handling Fees Rate (August 5th, 2020 - May 26th 2021)	2.00
Handling Fees Rate (April 16th, 2020 to July 31st, 2020)	1.50
Handling Fees Rate (April 1st, 2020 to April 15th, 2020)	1.00

Table 15. Handling Fees for FAS Forex Facility

6.3.2 FOREX Essentials Sales by Customer for the ten (12) months ending December 31st, 2022 – US\$280.5M (Refer to Appendix 2)

6.3.3 FOREX Essential Sales by month

Export Import Bank of Trinidad and Tobago Ltd
Summary - FAS Monthly Income 2022

Month	Amount Sold US\$	Converted Amount		Forex Gain TT\$	Rate N	Handling Fees		Wire Transfer Fees TT\$	Total Revenue FAS TT\$
		Purchase	Sale			Income	Converted		
		TT\$	TT\$			US\$	G.7985		
January	9,937,892	67,397,870	67,570,706	172,835	2.5%	248,447	1,689,268	16,867	1,878,970
February	26,865,358	181,720,618	182,665,631	945,013	2.5%	671,634	4,566,641	36,740	5,548,394
March	20,163,784	136,853,447	137,099,617	246,170	2.5%	504,095	3,427,490	29,225	3,702,886
April	23,219,957	157,573,526	157,879,454	305,928	2.5%	580,499	3,946,986	26,887	4,279,802
May	21,383,891	144,804,316	145,395,489	591,173	2.5%	534,597	3,634,887	29,726	4,255,787
June	23,818,990	161,164,637	161,952,460	787,823	2.5%	595,475	4,048,811	30,394	4,867,029
July	24,983,960	169,653,120	169,873,438	220,318	2.5%	624,599	4,246,836	32,231	4,499,385
August	21,367,404	144,523,019	145,283,392	760,373	2.5%	534,185	3,632,085	24,215	4,416,672
September	26,439,247	179,427,112	179,768,370	341,258	2.5%	660,981	4,494,209	35,070	4,870,538
October	26,742,220	180,966,100	181,828,379	862,278	2.5%	668,556	4,545,709	30,728	5,438,716
November	26,275,861	177,918,075	178,657,459	739,384	2.5%	656,897	4,466,436	34,068	5,239,888
December	29,340,771	198,725,772	199,496,701	770,929	2.5%	733,519	4,987,418	35,571	5,793,918
Total	280,539,334	1,900,727,613	1,907,471,097	6,743,484		7,013,483	47,686,777	361,722	54,791,984

Table 16. Summary of Eximbank's FAS Essentials Monthly Income 2022

Treasury Management & Cost of Borrowings

7.1. The schedule below shows the Borrowing Level as at December 31st, 2022

LOC's - Approved & Utilized as at 31st December 2022

	Approved Facility US\$M	Amount Utilised US\$M	Balance US\$M	Secured/ Unsecured	Approved Facility TT\$M*	Amount Utilised TT\$M	Balance TT\$M	Secured/ Unsecured
Scotiabank	7.30	1.95	5.35	GORTT*	44.68	44.21	0.47	GORTT
RBC	3.00	3.00	-	-	-	-	-	-
FCIB	10.00	10.00	-	GORTT	-	-	-	GORTT
FCIB	10.00	10.00	-	GORTT	-	-	-	GORTT
FCIB	5.00	-	5.00	GORTT	67.00	-	67.00	GORTT
	35.30	24.95	10.35		111.68	44.21	67.47	

TT\$M* This facility can be drawdown in TT Dollars or US dollars

GORTT* Awaiting Government Guarantee Finalisation from GORTT
Total USD equivalent \$31.5M

Table 17. Approved and Utilized Lines of Credit as of December 31st, 2022

7.2. Borrowings and Rates

SCHEDULE OF BORROWINGS (USD) AND RATES TO DECEMBER 2022						
FACILITY	Y.E. DECEMBER 2021		YTD DECEMBER 2022			CURRENT
	\$	\$	RATES (%)	\$	\$	RATES (%)
SCOTIA BANK LOC	6,300,000		3.28525	-	-	Paid
	-			2,000,000	6.97000	7.18703
	-			1,100,000	6.80452	7.04794
	-			1,950,000	7.09375	7.20804
	-			3,450,000	6.98218	7.09647
		6,300,000			8,500,000	
RBC LOC	1,000,000		2.13000	1,000,000	5.88000	5.88000
	2,000,000		2.13000	2,000,000	5.88000	5.88000
		3,000,000			3,000,000	
FCIB LOC	10,000,000		2.15730	10,000,000	4.42460	4.24600
	8,600,000		1.90660	10,000,000	6.32340	6.53440
		18,600,000			20,000,000	
TOTAL		27,900,000			31,500,000	

Table 18. Borrowings and Rates as of December 31st, 2022

APPENDIX

Export-Import Bank of Trinidad and Tobago Limited

Financial Statements

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

Export-Import Bank of Trinidad and Tobago Limited

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Export-Import Bank of Trinidad and Tobago Limited

Statement of Management's 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 2022, 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
20 March 2023



Anthony Mohammed
Chief Financial Officer
20 March 2023



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 2022, 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 2022;
- 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.

Other information

Management is responsible for the other information. The other information comprises the Management discussion and analysis (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Other information (continued)

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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
20 March 2023

Export-Import Bank of Trinidad and Tobago Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at 31 December	
	Notes	2022 \$	2021 \$
Assets			
Cash and cash equivalents	4	258,216,614	177,961,885
Loans and receivables	5	272,161,704	233,674,437
Corporation tax receivable		187,709	597,923
Other assets	6	1,606,619	2,806,600
Investments	7	12,603,894	13,574,891
Property and equipment	8(a)	7,172,262	8,116,168
Right-of-use assets	8(b)	145,359	153,219
Deferred tax asset	15	—	5,144,172
		<u>552,094,161</u>	<u>442,029,295</u>
Total assets			
Liabilities			
Accounts payable and accruals	11	40,756,231	18,941,463
Lines of credit	12	212,625,000	188,325,000
Taxation payable		7,726,354	26,498
Lease liabilities	14	155,818	161,388
Deferred tax liabilities	15	43,703	—
Deferred income - GORTT subvention	16	2,108,040	2,175,240
		<u>263,415,146</u>	<u>209,629,589</u>
Total liabilities			
Shareholder's equity			
Stated capital	17	297,934,000	297,934,000
Special reserve		441,375	441,375
Statutory surplus reserve		615,612	615,612
Accumulated deficit		(10,311,972)	(66,591,281)
		<u>288,679,015</u>	<u>232,399,706</u>
Total shareholder's equity			
Total liabilities and shareholder's equity		<u>552,094,161</u>	<u>442,029,295</u>

The notes on pages 8 to 45 are an integral part of these financial statements.

On 20 March 2023, the Board of Directors of Export-Import Bank of Trinidad and Tobago Limited authorised these financial statements for issue.


Director


Director

Export-Import Bank of Trinidad and Tobago Limited

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

		Year ended 31 December	
	Notes	2022 \$	2021 \$
Interest income	19	19,889,968	16,453,033
Interest expense		<u>(9,103,032)</u>	<u>(5,193,063)</u>
Net interest income		10,786,936	11,259,970
Revenue from Forex Programs	20	92,632,957	47,184,503
Other income	20	<u>5,958,666</u>	<u>3,552,344</u>
		<u>98,591,623</u>	<u>50,736,847</u>
Total net income		<u>109,378,559</u>	<u>61,996,817</u>
Impairment (expense)/writeback	10	(2,859,259)	2,456,002
General and administrative expenses	21	<u>(25,920,743)</u>	<u>(19,854,394)</u>
Total expenses		<u>(28,780,002)</u>	<u>(17,398,392)</u>
Profit before taxation		80,598,557	44,598,425
Taxation	22	<u>(24,319,248)</u>	<u>4,896,472</u>
Profit for the year		<u>56,279,309</u>	<u>49,494,897</u>
Other comprehensive income for the year, net of tax		---	---
Total comprehensive income for the year		<u>56,279,309</u>	<u>49,494,897</u>

The notes on pages 8 to 45 are an integral part of these financial statements.

Export-Import Bank of Trinidad and Tobago Limited

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 2022	297,934,000	--	441,375	615,612	(66,591,281)	232,399,706
Total comprehensive income for the year	--	--	--	--	56,279,309	56,279,309
Balance as at 31 December 2022	<u>297,934,000</u>	<u>--</u>	<u>441,375</u>	<u>615,612</u>	<u>(10,311,972)</u>	<u>288,679,015</u>
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>

The notes on pages 8 to 45 are an integral part of these financial statements.

Export-Import Bank of Trinidad and Tobago Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

		Year ended 31 December	
	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Profit before taxation		80,598,557	44,598,425
<i>Non-cash items</i>			
Depreciation	8(a)	2,008,834	1,582,650
Depreciation – ROU Assets	8(b)	7,860	7,861
Impairment (writeback)/charge - investments	7	(5,006)	854
Impairment charge/(writeback) - loans	5	2,534,314	(2,456,856)
Impairment charge - other receivables		329,951	—
Gain on disposal of property and equipment		(16,305)	(5,307)
Interest expense on lease liability		6,430	6,651
Government subvention		(67,200)	(41,250)
		85,397,435	43,693,028
Changes in non-cash working capital amounts:			
Net change in loans and receivables		(40,151,551)	30,108,313
Net change in accounts payable and accruals		21,814,768	(3,540,936)
Taxation paid		(11,021,303)	(377,684)
Net cash inflow from operating activities		<u>56,039,349</u>	<u>69,882,721</u>
Cash flows from investing activities			
Payments for property and equipment	8	(1,170,651)	(2,889,469)
Proceeds from disposal of property and equipment		122,028	260,930
Proceeds from disposal of investments	7	<u>976,003</u>	<u>950,354</u>
Net cash outflow from investing activities		<u>(72,620)</u>	<u>(1,678,185)</u>
Cash flows from financing activities			
Net change in lines of credit	12	24,300,000	(47,249,528)
Repayment of lease liability		(5,570)	(5,348)
Interest payment on lease liability		<u>(6,430)</u>	<u>(6,651)</u>
Net cash inflow/(outflow) from financing activities		<u>24,288,000</u>	<u>(47,261,527)</u>
Net increase in cash and cash equivalents		80,254,729	20,943,009
Cash and cash equivalents, beginning of year		<u>177,961,885</u>	<u>157,018,876</u>
Cash and cash equivalents at end of year		<u>258,216,614</u>	<u>177,961,885</u>

The notes on pages 8 to 45 are an integral part of these financial statements.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements

31 December 2022

(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:

1. Confirming House or Acceptance House
2. Finance House or Finance Company
3. Financial Services
4. Registered Insurer

EXIMBANK is primarily involved in providing banking facilities, which include foreign exchange sales, 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 2022

The following new standards, amendments and interpretations are mandatory for the Bank's accounting periods beginning on or after 1 January 2022:

- *IFRS 16 Leases - Amendments - Covid-19-Related Rent Concessions* beyond 30 June 2021. The amendment extends by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a Covid 19 related rent concessions is a lease modification.

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

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

(ii) *New standards and amendments/revisions to published standards and interpretations effective in 2022 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 3 Business Combinations - Amendments - Reference to the Conceptual Framework
- IFRS 16 Leases - Amendments
- 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
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendments - Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments - Amendments - Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Amendments – Taxation in fair value measurements.

(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 2022 and have not been early adopted by the Bank.

Effective 1 January 2023:

- IFRS 17 Insurance Contracts
- IAS 1 Classification of Liabilities as Current or Non-current
- IAS 1 and IFRS Practice Statement 2 – 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

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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

b. 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 was renewed retroactively in 2022 from 8 June 2021 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 2022.
- 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.

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

- Right-of-use assets are measured at cost which is the amount of the initial measurement of the lease liability.
- Right-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.

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

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

d. *Intangible assets (continued)*

Software (continued)

- 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%
-------------------	---	--------

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 measures the portfolio at amortised cost.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

e. Financial instruments (continued)

i. Financial assets (continued)

(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.

The measurement of ECL reflects:

- a. An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. The time value of money; and
- c. 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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

e. *Financial instruments (continued)*

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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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 qualifying 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. Revenue related to these transactions are recognised at the point in time when the transaction takes place.

k. *Statutory reserve*

Under the provisions of the Insurance Act 2018, 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 year ended 31 December 2022.

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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

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 Statement of Comprehensive Income 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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

3 Critical judgments 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 Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

4 Cash and cash equivalents

	2022 \$	2021 \$
Cash	3,000	3,000
Republic Bank Limited	1,061,356	4,509,421
RBC Royal Bank (Trinidad & Tobago) Limited	2,178,831	2,280,271
Scotiabank Trinidad and Tobago Limited	2,965,298	1,813,420
First Citizens Bank Limited	14,340	14,697
CIBC FirstCaribbean International Bank Limited	230,154,171	138,631,486
Citibank (Trinidad and Tobago) Limited	—	109
Cash in hand and at bank	<u>236,376,996</u>	<u>147,252,404</u>
Guardian Asset Management Mutual Funds		
– TTD Monthly Income Fund	73,477	237,350
Trinidad and Tobago Unit Trust Corporation	<u>21,766,141</u>	<u>30,472,131</u>
Money market funds	<u>21,839,618</u>	<u>30,709,481</u>
Cash and cash equivalents	<u>258,216,614</u>	<u>177,961,885</u>

5 Loans and receivables

The loan notes due to the Bank comprise the following:

Raw materials and asset financing (See (i) below)	307,465,834	274,402,919
Trade discounting (See (ii) below)	6,434,844	6,535,790
Interest receivable	<u>6,459,582</u>	<u>7,652,414</u>
	320,360,260	288,591,123
Less loss allowance	<u>(48,198,556)</u>	<u>(54,916,686)</u>
	<u>272,161,704</u>	<u>233,674,437</u>
<i>Allowance for loan losses</i>		
Allowance at beginning of the year	54,916,686	89,549,361
Loan loss release	(748,220)	(2,456,856)
Charge for the year	3,282,534	—
Write off	<u>(9,252,444)</u>	<u>(32,175,819)</u>
Allowance at the end of year	<u>48,198,556</u>	<u>54,916,686</u>

(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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

5 Loans and receivables (continued)

<i>Loans to customers</i>	2022 \$	2021 \$
Loans – Stages 1 and 2	278,131,056	232,637,935
Loans – Stage 3	<u>42,229,204</u>	<u>55,953,188</u>
	320,360,260	288,591,123
Allowance for loan losses	<u>(48,198,556)</u>	<u>(54,916,686)</u>
Total credit risk exposure	<u>272,161,704</u>	<u>233,674,437</u>
Loans analysed by sector		
Food and beverage	86,469,653	45,273,430
Consumer goods	89,883,926	77,465,767
Pulp, paper, plastics and packaging	86,987,376	101,728,928
Media products and services	<u>8,820,749</u>	<u>9,206,312</u>
	<u>272,161,704</u>	<u>233,674,437</u>
Current portion	214,715,664	117,068,445
Non-current portion	<u>57,446,040</u>	<u>116,605,992</u>
Total credit risk exposure	<u>272,161,704</u>	<u>233,674,437</u>

6 Other assets

Prepaid expenses	1,144,120	1,178,388
Other receivables	433,424	1,499,831
Interest receivable - investments	28,951	11,779
Other receivables - Forex	124	3,264
Insurance premium receivable	<u>–</u>	<u>113,338</u>
	<u>1,606,619</u>	<u>2,806,600</u>

7 Investments

Securities of/or guaranteed by the Government of the Republic of Trinidad and Tobago	12,634,845	13,610,848
Less loss allowance	<u>(30,951)</u>	<u>(35,957)</u>
	<u>12,603,894</u>	<u>13,574,891</u>
Current portion	1,561,883	1,565,952
Non-current portion	<u>11,042,011</u>	<u>12,008,939</u>
	<u>12,603,894</u>	<u>13,574,891</u>
Balance at beginning of the year	13,574,891	14,526,099
Maturities	(976,003)	(950,354)
Charge back	<u>5,006</u>	<u>(854)</u>
Balance at end of year	<u>12,603,894</u>	<u>13,574,891</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

7 Investments (continued)

	2022 \$	2021 \$
Colonial Life Insurance Company Limited (current)	<u>1,561,883</u>	<u>1,565,952</u>
Colonial Life Insurance Company Limited (non - current)	9,495,209	10,462,435
Government of the Republic of Trinidad and Tobago 7.75% bonds (2024)	<u>1,546,802</u>	<u>1,546,504</u>
	<u>11,042,011</u>	<u>12,008,939</u>
Total	<u>12,603,894</u>	<u>13,574,891</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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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 2022	7,159,837	2,779,681	11,353,651	1,900,949	1,928,134	25,122,252
Additions	8,900	29,766	320,610	337,500	473,875	1,170,651
Transfers	--	(17,570)	1,945,704	--	(1,928,134)	--
Disposals	--	(11,324)	(335,046)	(258,750)	--	(605,120)
At 31 December 2022	7,168,737	2,780,553	13,284,919	1,979,699	473,875	25,687,783
Accumulated depreciation						
At 1 January 2022	3,657,302	1,974,464	10,263,304	1,111,014	--	17,006,084
Charge for the year	258,211	258,961	1,131,003	360,659	--	2,008,834
Disposals	--	(11,324)	(331,745)	(156,328)	--	(499,397)
At 31 December 2022	3,915,513	2,222,101	11,062,562	1,315,345	--	18,515,521
Net book value						
At 31 December 2022	3,253,224	558,452	2,222,357	664,354	473,875	7,172,262
At 31 December 2021	3,502,535	805,217	1,090,347	789,935	1,928,134	8,116,168
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	7,159,837	2,779,681	11,353,651	1,900,949	1,928,134	25,122,252
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	3,657,302	1,974,464	10,263,304	1,111,014	--	17,006,084
Net book value						
At 31 December 2021	3,502,535	805,217	1,090,347	789,935	1,928,134	8,116,168
At 31 December 2020	3,524,713	649,452	1,427,552	1,410,380	52,875	7,064,972

(20)

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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

	2022 \$	2021 \$
Cost	176,803	176,803
Less: accumulated depreciation		
At 1 January	(23,584)	(15,723)
Charge for the year	<u>(7,860)</u>	<u>(7,861)</u>
At 31 December	<u>(31,444)</u>	<u>(23,584)</u>
Net book value at 31 December	<u>145,359</u>	<u>153,219</u>

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)	<u>--</u>	<u>--</u>
Closing net book value	<u>--</u>	<u>--</u>
Cost or valuation	881,975	881,975
Accumulated amortisation	<u>(881,975)</u>	<u>(881,975)</u>
Closing net book value	<u>--</u>	<u>--</u>

10 Impairment (expense)/write back

Loan loss (expense)/write back (Note 5)	(3,282,534)	2,456,856
Loan loss release (Note 5)	748,220	--
Expected credit loss - investments (Note 7)	5,006	(854)
Other receivables	<u>(329,951)</u>	<u>--</u>
	<u>(2,859,259)</u>	<u>2,456,002</u>

11 Accounts payable and accruals

Advances from customers - forex	21,476,825	6,823,583
Salaries payable	14,503,966	9,119,395
Interest payable	2,671,422	1,280,345
Accrued expenses	1,244,226	913,855
Other payable	491,920	320,853
Audit fee	288,300	355,968
Deferred income on financing activities	70,070	100,799
Amounts due to exporters	9,502	10,379
Marine insurance	<u>--</u>	<u>16,286</u>
	<u>40,756,231</u>	<u>18,941,463</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

12 Lines of credit

	2022 \$	2021 \$
CIBC FirstCaribbean International Bank Limited	135,000,000	125,550,000
Scotiabank Trinidad and Tobago Limited	57,375,000	42,525,000
RBC Royal Bank (Trinidad & Tobago) Limited	20,250,000	20,250,000
	<u>212,625,000</u>	<u>188,325,000</u>

CIBC FirstCaribbean International Bank Limited

- (i) US \$10M facility which was renewed on 26 January 2023 and matures on 26 July 2023
Collateral: Government guarantee
Repayment: Semi-annually in arrears
- (ii) US \$10M facility which was renewed on 5 February 2023 and matures on 5 February 2024
Collateral: Government guarantee
Repayment: Semi-annually in arrears
- (iii) US \$5M facility was entered into on 14 March 2022 and matures on 14 March 2024
Collateral: Government guarantee
Repayment: Semi-annually in arrears
- (iv) TT \$67M facility was entered into on 14 March 2022 and matures on 14 March 2024
Collateral: Government guarantee
Repayment: Semi-annually in arrears

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: Government guarantee.
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\$ 600M to EXIMBANK for this facility. As at 31 December 2022, US\$ 120M is available for drawdown.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

13 Forex facility (continued)

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\$680M to EXIMBANK for this facility. As at 31 December 2022, US\$100M 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 was renewed retroactively in 2022 from 8 June 2021 for a period of twenty years. Future rent payable as at 31 December 2022 is as follows:

	2022 \$	2021 \$
Current	10,011	10,427
Non-current	<u>145,807</u>	<u>150,961</u>
	<u>155,818</u>	<u>161,388</u>

- Interest expense included in the Statement of Comprehensive Income was TT\$6,430 (2021 – TT\$6,651).
- The total cash outflow for leases in 2022 was TT\$12,000 (2021 – TT\$12,000).

15 Deferred taxation

The movement in the deferred taxation account is as follows:

	2022 \$	2021 \$
Balance at beginning of year – (asset)/liability	(5,144,172)	156,482
Expense/(credit) for the year	<u>5,187,875</u>	<u>(5,300,654)</u>
Balance at end of year – liability/(asset)	<u>43,703</u>	<u>(5,144,172)</u>
Deferred taxation is attributable to:		
Excess of net book value over written down tax value/ asset on recoverable losses	<u>43,703</u>	<u>(5,144,172)</u>

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

	2021 \$	Charge to statement of comprehensive income \$	2022 \$
Accelerated tax depreciation	(77,075)	120,778	43,703
Tax losses	<u>(5,067,097)</u>	<u>5,067,097</u>	<u>–</u>
	<u>(5,144,172)</u>	<u>5,187,875</u>	<u>43,703</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

15 Deferred taxation (continued)

	2020 \$	Charge to statement of comprehensive income \$	2021 \$
Accelerated tax depreciation	156,482	(233,557)	(77,075)
Tax losses	--	(5,067,097)	(5,067,097)
	<u>156,482</u>	<u>(5,300,654)</u>	<u>(5,144,172)</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.

	2022 \$	2021 \$
Deferred Income – GORTT subvention	<u>2,108,040</u>	<u>2,175,240</u>

17 Stated capital

Issued and fully paid

2,979,340 ordinary shares of no-par value

<u>297,934,000</u>	<u>297,934,000</u>
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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 2022.

19 Interest income

Income from raw material and asset financing	19,302,916	15,945,372
Income from trade discounting	<u>587,052</u>	<u>507,661</u>
	<u>19,889,968</u>	<u>16,453,033</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

20	Revenue from Forex programs and other Income	2022 \$	2021 \$
	Forex Allocation System (FAS) fees	54,707,466	25,829,202
	Forex manufacturing fees	<u>37,925,491</u>	<u>21,355,301</u>
	Revenue from Forex programs	<u>92,632,957</u>	<u>47,184,503</u>
	Fees and commissions	4,056,231	1,557,678
	Miscellaneous income (see below)	447,086	1,088,567
	Investment income	<u>1,455,349</u>	<u>906,099</u>
	Other income	<u>5,958,666</u>	<u>3,552,344</u>
	<i>Miscellaneous income</i>		
	Agency fees - TTTBDL (net)	150,635	286,038
	Other income	104,415	104,930
	Bad debt recovery	99,895	647,427
	Government subvention	67,200	41,250
	Gain on disposal of property and equipment	16,305	5,307
	Foreign exchange gains on loan portfolio	6,276	688
	Staff loan interest	<u>2,360</u>	<u>2,927</u>
		<u>447,086</u>	<u>1,088,567</u>
21	General and administrative expenses		
	Employee benefits expense (see below)	14,521,210	10,741,103
	General administrative expenses	5,049,605	4,649,492
	Building occupancy and equipment	3,133,554	2,605,021
	Other business expenses	2,925,585	1,644,910
	Communications	284,359	207,216
	Lease liability interest expenses	<u>6,430</u>	<u>6,652</u>
		<u>25,920,743</u>	<u>19,854,394</u>
	<i>Employee benefits expense</i>		
	Salaries	12,008,547	8,624,118
	Other benefits and allowances	1,430,361	1,111,479
	Pension contributions	653,201	527,046
	National insurance	340,496	381,197
	Health insurance	<u>88,605</u>	<u>97,263</u>
		<u>14,521,210</u>	<u>10,741,103</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

22 Taxation

	2022 \$	2021 \$
Business levy	(661,378)	(404,182)
Corporation tax	(18,469,995)	—
Deferred taxation	<u>(5,187,875)</u>	<u>5,300,654</u>
	<u>(24,319,248)</u>	<u>4,896,472</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	<u>80,598,557</u>	<u>44,598,425</u>
Tax calculated at 30%	(24,179,567)	(13,379,528)
Exempt income	88,203	41,219
Expenses not deductible for tax purposes	(179,359)	(73,540)
Business levy	(661,378)	(404,182)
Utilisation of tax losses	612,853	13,645,406
Recognition of tax losses	<u>—</u>	<u>5,067,097</u>
	<u>(24,319,248)</u>	<u>4,896,472</u>

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 except for the leased building were carried out on commercial terms and conditions at market rates.

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

a. <i>Income</i>		
Agency fees – TTTBDL (net)	<u>255,000</u>	<u>286,038</u>
b. <i>Expenses</i>		
Directors' fees and travelling	<u>324,000</u>	<u>373,500</u>
c. <i>Key management compensation</i>		
Short term benefits	3,805,452	3,534,579
Post-employment benefits	<u>364,521</u>	<u>296,206</u>
	<u>4,169,973</u>	<u>3,830,785</u>
d. There were several transactions and balances entered into with the Government of Trinidad and Tobago as at 31 December 2022 (refer to Notes 13,14,16 and 17).		

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

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.

- 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):

Change in credit quality since initial recognition



Stage 1	Stage 2	Stage 3
(initial Recognition)	(Significant increase in credit risk)	(Credit - impaired assets)
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

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:

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

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.
- A downgrade in the credit rating for Trinidad and Tobago by four (4) grades.
- Downgrades to Trinidad and Tobago's credit rating to non-investment grade (below BBB- for 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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

Loan portfolio

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

	Base	Upside	Downside
Loans	20%	20%	60%

The weighting assigned to each economic scenario as at December 31, 2022 were as follows:

	Base	Upside	Downside
Loans	50%	10%	40%

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 2022) 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:

	Gross maximum exposure 2022 \$	Gross maximum exposure 2021 \$
Cash and bank balances	258,216,614	177,961,885
Loans and receivables	272,161,704	233,674,437
Other assets and taxes recoverable	1,794,328	3,404,523
Investments	12,603,894	13,574,891
Total credit risk exposure	544,776,540	428,615,736

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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

➤ 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 2022				
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Raw material and asset financing	176,218,639	95,912,625	41,775,343	313,906,607
Trade discounting	5,999,791	--	453,862	6,453,653
Sub-total	182,218,430	95,912,625	42,229,205	320,360,260
Loss allowance	(2,097,240)	(4,655,067)	(41,446,249)	(48,198,556)
Carrying balance	180,121,190	91,257,558	782,956	272,161,704

Investments 31 December 2022				
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Investment grade	12,634,845	--	--	12,634,845
Loss allowance	(30,951)	--	--	(30,951)
Carrying balance	12,603,894	--	--	12,603,894

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

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

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

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 2022

	Gross exposure \$	Impairment allowance \$	Carrying amount \$	Fair value collateral held \$
Raw material & asset financing	2,924,409	(2,924,409)	--	--
Trade discounting	453,862	(453,862)	--	--
Demand loans	38,850,934	(38,067,978)	782,956	402,500
Sub-total	42,229,205	(41,446,249)	782,956	402,500

31 December 2021

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	--

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

➤ 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 (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

Loans

Loss allowance as at 1 January 2022

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 2
New financial assets originated
Change in PDs/LGDs/EADs
Repayments

Total net P&L charge during the period

Other movement with no P&L impact Write-offs

Loss allowance as at 31 December 2022

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2022	789,652	659,931	53,467,103	54,916,686
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	16	(318)	--	(302)
Transfer from Stage 2 to Stage 3	--	(4,971)	1,667,632	1,662,661
Transfer from Stage 3 to Stage 2	--	2,186,828	(2,666,828)	(480,000)
New financial assets originated	2,088,522	2,177,385	--	4,265,907
Change in PDs/LGDs/EADs	174	5,144,812	(3,520,527)	1,624,459
Repayments	(781,124)	(654,944)	(3,102,343)	(4,538,411)
Total net P&L charge during the period	1,307,588	8,948,792	(7,622,066)	2,534,314
Other movement with no P&L impact				
Write-offs	--	--	(9,252,444)	(9,252,444)
Loss allowance as at 31 December 2022	2,097,240	9,508,723	36,592,593	48,198,556

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

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 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
Repayment	(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

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

(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.

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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

b. Market risk (continued)

(i) Currency risk (continued)

Balances as at 31 December 2022 and 31 December 2021, in their reporting currencies, were as follows:

31 December 2022	TTD \$	USD \$	Total \$
Assets			
Cash and cash equivalents	202,653,589	55,563,025	258,216,614
Loans and receivables	73,520,730	198,640,974	272,161,704
Investments	12,603,894	—	12,603,894
	<u>288,778,213</u>	<u>254,203,999</u>	<u>542,982,212</u>
Liabilities			
Accounts payable and accruals	40,756,231	—	40,756,231
Lines of credit	—	212,625,000	212,625,000
	<u>40,756,231</u>	<u>212,625,000</u>	<u>253,381,231</u>
 31 December 2021	 TTD \$	 USD \$	 Total \$
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
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>

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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

b. Market risk (continued)

(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:

31 December 2022	Up to 30 days \$	1-3 Months \$	3-12 Months \$	1-5 Years \$	Over 5 Years \$	Total \$
Assets						
Cash and cash equivalents	258,216,614	--	--	--	--	258,216,614
Loans to customers	83,720,617	37,463,297	47,721,422	103,256,368	--	272,161,704
Investments	--	--	1,561,883	5,440,175	5,601,836	12,603,894
Total assets	341,937,231	37,463,297	49,283,305	108,696,543	5,601,836	542,982,212
Liabilities						
Line of credit	57,375,000	20,250,000	135,000,000	--	--	212,625,000
Total liabilities	57,375,000	20,250,000	135,000,000	--	--	212,625,000
Net gap	284,562,231	17,213,297	(85,716,695)	108,696,543	5,601,836	330,357,212
Cumulative gap	284,562,231	301,775,528	216,058,833	324,755,376	330,357,212	--

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

b. Market risk (continued)

(ii) Interest rate risk (continued)

31 December 2021	Up to 30 days \$	1-3 Months \$	3-12 Months \$	1-5 Years \$	Over 5 Years \$	Total \$
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	207,931,985	31,628,677	127,757,740	48,893,635	8,999,176	425,211,213
Liabilities						
Line of credit	42,525,000	20,250,000	125,550,000	--	--	188,325,000
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	--

(41)

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

24 Risk management (continued)

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 2022 and 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 2022	Up to 30 days \$	1-3 Months \$	3-12 Months \$	1-5 Years \$	Over 5 Years \$	Total \$
Total assets	341,937,231	37,463,297	49,283,305	108,696,543	5,601,836	542,982,212
Total liabilities	57,375,000	20,250,000	135,000,000	--	--	212,625,000
Net gap	284,562,231	17,213,297	(85,716,695)	108,696,543	5,601,836	330,357,212
Cumulative gap	284,562,231	301,775,528	216,058,833	324,755,376	330,357,212	--
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	--

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

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 2022.

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.

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 2022.

(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.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

25 Fair values (continued)

iii. Investments (continued)

(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 2022		
<i>Financial instruments</i>		
Loans and receivables	<u>272,161,704</u>	<u>272,161,704</u>
Investments	<u>12,603,894</u>	<u>12,603,894</u>
	Fair value \$	Carrying amount \$
As at 31 December 2021		
<i>Financial instruments</i>		
Loans and receivables	<u>233,674,437</u>	<u>233,674,437</u>
Investments	<u>13,574,891</u>	<u>13,574,891</u>

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 2022, the Bank reported a capital adequacy ratio of 2,249%.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2022

(Expressed in Trinidad and Tobago Dollars)

27 Commitments

a. *Capital commitments*

The Bank has no capital commitments at the year end.

b. *Credit commitments*

As at 31 December 2022 the Bank had approved loan facilities not yet drawn for \$51.08M. The associated ECL on these facilities amounted to \$0.68M.

