Deposit Insurance Corporation
Trinidad and Tobago

$200,000 DEPOSIT INSURANCE COVERAGE

Locked in.

2024

Annual Report

Welcome

The Deposit Insurance Corporation (DIC) was established by the Central Bank and Financial Institutions (Non-Banking) (Amendment) Act, 1986.

The DIC plays a critical role in contributing to the continued stability of Trinidad and Tobago's financial system as a whole.

Its main function is to manage a Fund to provide insurance protection for depositors against the potential loss of their deposits should a member financial institution fail.

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Contents

Depositor Resources

Valuable online resources for depositors to assist them in better understanding how they can best protect their deposits in the event of a failure of a DIC member institution.

- Depositor Insurance Glossary
- Tips for Depositors
- Frequently Asked Questions
- Publications
- Our Strategic Plan
- Claim Forms
- Facts & Myths

Contact Us

Address:

19-20 Victoria Square West
Port of Spain

Telephone: 1 (868) 285-9342
Website: www.dictt.org
Email: info@dictt.org

About Us

The Deposit Insurance Corporation (DIC) was established by the Central Bank and Financial Institutions (Non-Banking) (Amendment) Act, 1986, which amended the Central Bank Act Chapter 79:02.

The DIC insures depositors of deposit-taking institutions licensed to operate under the Financial Institutions Act, 2008. Deposit insurance is payable to depositors only when an institution has been closed as a result of action taken by the Central Bank of Trinidad and Tobago.

Depositors in all licensed financial institutions are insured up to a maximum of TT$200,000. Only deposits held in Trinidad and Tobago and payable in Trinidad and Tobago dollars are insured.

The DIC is supported by contributions and annual premiums levied on licensed member institutions. While the Corporation is empowered to borrow, special premiums can also be levied on all member institutions should the demand on the Fund exceed its resources.

As a participant in the financial safety net, the Deposit Insurance Corporation has contributed to rebuilding confidence in Trinidad and Tobago's financial institutions and the financial system since the difficulties of 1986. The Financial Institutions Act, 2008, and other improvements in the system of inspection and supervision of licensed financial institutions have also contributed to the reduction in the risk of failure.

The public can access additional information about the DIC on its website, www.dictt.org.

Vision and Mission

Vision

To be a dynamic contributor to the financial sector safety net.

Mission

To promote public confidence in the banking system by:

- protecting insured deposits up to the prescribed limit;
- effective fund management; and
- facilitating the resolution of insolvent and distressed institutions.

Core Values

- **Integrity**

  Behaves in a manner that is consistently transparent with high standards of ethics and adheres to codes of conduct and principles

- **Adaptability**

  Receptiveness to change and willingness to alter behaviours to new and changing environment

- **Accountability**

  Takes ownership of actions and outcomes

- **Teamwork**

  Commits and collaborates to the achievement of organisational goals while showing consideration and respect for others

Chairman's Message 2024

Dr. Alvin Hilaire - Chairman

During financial year 2023/24, the Deposit Insurance Corporation maintained its drive to improving its contribution to financial stability in the face of a complex international environment and challenging domestic economy.

For fiscal and monetary authorities worldwide, the ongoing conflict between Russia and Ukraine and geopolitical tensions in the Middle East, along with slowing but still relatively high inflation in many territories, contributed to a high level of uncertainty. Additional tensions were occasioned by the large number of national elections in calendar 2024, adding tremendous uncertainty to future policy directions.

The Trinidad and Tobago economy experienced a measured revival on the strength of the non-energy sector alongside a sharp drop in inflation and a pick-up in domestic financing by the Central Government. Economic activity was impeded by lower output from the energy sector on account of shortfalls in upstream production related to maintenance work and the maturation of oil and gas fields. Lower energy exports, coupled with softer international commodity prices, contributed to building pressures in the foreign exchange market and a decline in international reserves, which nonetheless remained relatively high in terms of import cover. The domestic financial system remained stable and sound, based on indicators of asset quality, liquidity, solvency, capital adequacy and profitability. Nevertheless, high sovereign exposure, cybersecurity threats and climate-related costs remained key risks for the financial system.

In this context, as a consequence of sound management of the investment portfolio and operating expenses, the Deposit Insurance Fund

Chairman's Message 2024 (CONTINUED)

grew by 8 per cent in FY2023/2024, to over TT$5.2 billion. Over this period, the Corporation further strengthened its actions targeted at its overarching goal of maintaining a permanent state of readiness as an essential player in Trinidad and Tobago's financial safety net. Towards this end, the DIC deepened and increased its interaction with other key financial sector players, including the Central Bank and the Securities and Exchange Commission. Emphasis was placed on promoting greater and more effective information sharing among these institutions, with a view to broadening the suite of effective early warning indicators.

At the same time, the DIC deepened its collaboration with Member Institutions to foster preparedness through education and awareness programmes, and simulations. A significant action was the 60 per cent increase of the Deposit Insurance Coverage Level to TT$200,000 from TT$125,000 following consultation with the industry. This took effect from October 1, 2024 and is financed by way of an increase in the Member premium rate to 0.25 per cent and 0.30 per cent of applicable deposits effective October 1, 2024 and October 1, 2025 respectively. These two measures enhance depositor protection by addressing inflationary gaps in coverage, and raise the coverage level to a more appropriate ratio in terms of the country's per capita GDP. The result will be to bolster confidence in the financial system, while at the same time upholding market discipline by curtailing excessive risk-taking and moral hazard within contributing financial institutions.

Internally, the DIC made important strides in enhancing its organisational effectiveness. A major focus was the improvement of the Corporation's cybersecurity and risk management frameworks, enhancing the ability to recognise and respond to threats, and to preserve the integrity of its digital ecosystem. Positive developments were also seen on the employee development front. The DIC delivered targeted and comprehensive training programmes to strengthen core competencies amongst team members, leveraging our relationships with international institutions to promote staff exposure and confidence, while advancing knowledge-sharing.

One example of this was the DIC's exceptional level of participation in the International Association of Deposit Insurers (IADI). As an active participant in several major IADI fora and technical committees, Trinidad and Tobago's DIC makes a vital contribution to the advancement of global deposit protection standards and plays an important role in fostering regional collaboration.

Overall, the Corporation achieved planned strategic milestones and objectives outlined in the 2018–2023 Strategic Plan, and has already embarked on a new Strategic Plan for 2023–2027, comprising eight fresh projects to enhance consumer protection, institutional effectiveness, staff performance and internal processes.

The DIC's staff complement is small, while talented and focussed on the job at hand. I am pleased to congratulate the team for its achievements over the course of the year, founded on dedication and strong commitment to improving the contribution of the DIC domestically, regionally and internationally. I would also like to thank my fellow Directors, the General Manager and other managers for their oversight and guidance.

The period ahead is expected to be marked by uncertainty and constant vigilance of an ever-evolving financial sector will be required. I am confident that the DIC will be up to the challenge.

Dr. Alvin Hilaire
Chairman
December 19, 2024

Public Policy Objectives

No.	Public Policy Objectives	Supporting extracts from the DIC's governing legislation (Central Bank Act - Chapter 79:02)
1.	To provide insurance against the loss of part or all of eligible deposits.	**Section 44N.** (1) The Corporation shall insure each deposit in a member institution which is payable in Trinidad and Tobago currency. **Section 44N.** (2) amended by Legal Notice No. 160 of 2024. Deposit Insurance coverage is limited to two hundred thousand dollars or such other amount as the Minister may prescribe by Order save that where a depositor maintains deposits in more than one institution or in different capacities and rights, the limit shall apply to the total amount maintained on deposit in each institution in each capacity and right.
2.	To contribute to the stability of the financial system in Trinidad and Tobago.	**Section 44W.** (e) to recommend to the Bank the suspension of business or closure of any member where that member is in financial difficulty; **Section 44W.** (f) in the event of a member becoming insolvent to act as receiver or liquidator of that member; **Section 44W.** (g) to arrange after consultation with and on the advice of the Bank for the restructuring of a failed member whether by merger with a financially sound member or otherwise; **Section 44W.** (i) to accumulate, manage and to invest funds collected, to borrow, lend, give guarantees and acquire the undertaking of any institution which is in financial difficulty;
3.	After consultation with the Central Bank, to treat with member institutions in financial distress.	**Section 44W.** (g) to arrange after consultation with and on the advice of the Bank for the restructuring of a failed member whether by merger with a financially sound member or otherwise;

Gazette No. 147 of 2024, October 3rd, 2024

Dated this 1st day of October, 2024.

Michelle Rolingson-Pierre

General Manager

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Corporate Profile

OFFICE

19-20 Victoria Square West
Port of Spain
Tel: 868 285-9342
Hotline: 800-4DIC
E-Mail: info@dictt.org
Website: www.dictt.org

BANKER

Central Bank of Trinidad and Tobago
Central Bank Building
Eric Williams Plaza
Independence Square
Port of Spain

AUDITOR

BDO
Frederick Street
Port of Spain

Member Institutions

(As at September 30, 2024)

ANSA Merchant Bank Limited
ANSA Bank Limited
Caribbean Finance Company Limited
CIBC Caribbean Bank (Trinidad and Tobago) Limited
Citibank (Trinidad and Tobago) Limited
Citicorp Merchant Bank Limited
Development Finance Limited
Fidelity Finance and Leasing Company Limited
First Citizens Bank Limited
First Citizens Depository Services Limited
First Citizens Trustee Services Limited
Guardian Group Trust Limited
JMMB Bank (Trinidad and Tobago) Limited
JMMB Express Finance (Trinidad and Tobago) Limited
Island Finance Trinidad and Tobago Limited
Massy Finance GFC Limited
NCB Merchant Bank (Trinidad and Tobago) Limited
RBC Royal Bank (Trinidad and Tobago) Limited
RBC Investment Management (Caribbean) Limited
RBC Merchant Bank (Caribbean) Limited
RBC Trust (Trinidad and Tobago) Limited
Republic Bank Limited
Scotiabank Trinidad and Tobago Limited
Scotia Investments Trinidad and Tobago Limited

Board Members

Dr. Alvin Hilaire
Chairman

Dr. Alvin Hilaire is a career Central Banker, having worked with the Central Bank of Trinidad and Tobago for a cumulative period of approximately 20 years.

He was first appointed as Governor and Chairman of the Board of the Central Bank of Trinidad and Tobago on December 23, 2015, for a five-year term. He was reappointed on December 23, 2020, for a second three-year term, and commenced his third three-year term on December 23, 2023. Prior to his role as Governor he has held positions of Senior Economist, Chief Economist and Director of Research, and Deputy Governor.

Dr. Hilaire has extensive experience in macro-economic policy development and implementation and monetary policy matters.

Within the region, Dr. Hilaire has made significant contributions to developing the economies of small, vulnerable CARICOM countries through his work as Chairman of the CARICOM Development Fund, where he was influential in increasing financial assistance to these islands.

Dr. Hilaire is also well respected internationally, having spent 11 years at the International Monetary Fund (IMF), serving as a Senior Economist and as the IMF Resident Representative to Guinea and Sierra Leone. He has worked on IMF financial programmes in several other countries, including Croatia, Colombia, Cameroon, Ecuador and Nicaragua. Dr. Hilaire holds a Doctor of Philosophy in Economics from Columbia University in New York and graduated with First Class Honours from the University of the West Indies, St. Augustine, Trinidad.

Ms. Cindy Pierre
Director

From the banking halls to the Hall of Justice, Cindy Pierre worked in the banking sector prior to becoming an Attorney-at-Law.

While employed at RBTT Bank Limited (now RBC Royal Bank (Trinidad and Tobago) Limited), Ms. Pierre advised customers on investment portfolios such as money market funds and certificates of deposit, conducting foreign currency transactions and assessing money-laundering risks based on customer profiles.

Ms. Pierre is currently State Counsel in the Office of the Treasury Solicitor, Ministry of Finance. Her experience in this capacity is extensive as the Office is responsible for providing legal advice in all matters that impact on the fiscal affairs of the State.

Ms. Pierre also held the position of Corporate Secretary for the Board of Directors of the Caribbean Corporate Governance Institute for the period 2017–2018.

Ms. Pierre graduated with a First Class Honours Bachelors of Laws from The University of the West Indies–Cave Hill, Barbados, in 2013, a Legal Education Certificate from the Hugh Wooding Law School in 2015, and an LLM in Commercial Law from the University of Cambridge, United Kingdom, in 2016. She was admitted to the Trinidad and Tobago Bar in 2016. Prior to her legal studies, Ms. Pierre obtained a B.Sc. in Management Studies (Second Class Honours) from The University of the West Indies–St. Augustine.

Board Members (CONTINUED)

Ms. Chintamani Sookoo
Director

Ms. Chintamani Sookoo is Acting Director, Social and Economic Transformation in the Investments Division, Ministry of Finance.

She is a Fellow of the Association of Certified Chartered Accountants and holds a Masters of Business Administration from the Heriot-Watt University, Edinburgh Business School. Ms. Sookoo is a career public servant with over 33 years of service and has been with the Investments Division of the Ministry of Finance for over 16 years. She has a vast knowledge and experience of oversight and monitoring of the State Enterprise Sector and has undertaken feasibility studies of numerous State Enterprises, which includes financial and operational performances.

Ms. Sookoo's experience also includes examining and evaluating strategies to be adopted by State Enterprises, as well as the implementation and execution of Government's Divestment Policy including the winding-up of companies.

Ms. Isha Marshall
Director

Ms. Isha Marshall has been employed at the Central Bank of Trinidad and Tobago for the past 17 years where she currently holds the position of Assistant Manager of the Finance and Accounting Department.

She is a Fellow of the Association of Chartered Certified Accountants with over 25 years experience in the financial services sector, covering Insurance and Banking, and holds a Masters of Business Administration with Specialism in Strategic Planning from the Heriot-Watt University, Edinburgh Business School. Ms. Marshall has performed the role of Secretary for various Committees of the Bank such as the Tenders, the Savings Plan and Pension Scheme and participated in many successful projects throughout her tenure with the Bank. She is an avid fitness enthusiast.

Board Members (CONTINUED)

Ms. Tashay Francis
Director

A macroeconomist with 15 years of experience, Ms. Tashay Francis is the Assistant Manager of the Economic Management Division at the Ministry of Finance.

During her time at the Ministry, she has gained extensive knowledge and experience in macroeconomic modelling, forecasting, and economic analysis and reporting. Her role also encompasses participation in national budget preparations, policy formulation and policy discussions with international institutions and credit rating agencies.

She was also assigned as Advisor and Senior Advisor to the Executive Director of the Brazilian Constituency at the World Bank, where she was Trinidad and Tobago's representative based in Washington, D.C., ensuring that the country's interests were integrated into the policies and facilities approved by the Board of Directors.

Ms. Francis obtained a B.Sc. in Economics with a minor in Accounting from the University of the West Indies, St. Augustine Campus. She also earned an M.Sc. in Energy Studies with a specialisation in Energy Economics (with distinction) from the University of Dundee in Scotland. Her professional training spans the areas of financial programming and policies, medium-term economic modelling, fiscal and revenue forecasting, tax policy analysis, management in resource-rich countries, fiscal risk management, fiscal sustainability and debt sustainability, from local, regional and international institutions.

Outside of work, Ms. Francis also holds a diploma in Fashion Management, which speaks to her creative side and love for fashion.

The DIC Management Team

From left to right:

Standing:

Geeta Canning - Senior Internal Auditor
Christine Baksh - Executive Secretary
Michelle Rolingson-Pierre - General Manager
Anika Mitchell - Head, Corporate Services & Finance
Ria Badree - Human Resource Officer

Seated:

Allison Edwards - Manager, Research, Policy and Resolution
Nicole Fusco - Legal Counsel/Corporate Secretary

THE DIC TEAM MEMBERS

Ms. Jennifer Singh-Paulson
Administrative Assistant

Ms. Kavita Parag
Receptionist/ Administrative Assistant

Mr. Riad Mohammed
Research/Database Assistant

Ms. Nisha Latchman
Risk Analyst

Ms. Allison Field
Assistant Accountant

Mr. Eon Crichlow
Network & Systems Specialist

Ms. Onifa Olúségun-Murray
Hospitality Attendant

Ms. Veneeta Ramsingh
Legal Counsel

Ms. Dixie-Ann Thom
Communications Technician

Mr. Christian Emile
Office Assistant/Courier

Mr. Maurice Duprey
Office Assistant/Courier
(Retired May 3, 2024)

Not pictured: Ms. Jacqueline Davis-Mc Kree - Accounting Assistant

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Management Discussion & Analysis

Financial Highlights

(Reflected in Trinidad and Tobago Dollars)

Table 1: Statement of Financial Position	Sept 30, 2020	Sept 30, 2021	Sept 30, 2022	Sept 30, 2023	Sept 30, 2024
	$M	$M	$M	$M	$M
Total Assets	3,846.45	4,157.93	4,487.62	4,828.88	5,203.67
% change (YoY)	7.69%	8.10%	7.93%	7.60%	7.76%
Deposit Insurance Fund	3,847.98	4,158.81	4,485.06	4,832.16	5,211.52
% change (YoY)	7.98%	8.08%	7.84%	7.74%	7.85%
Investment Portfolio	3,772.41	4,081.15	4,411.23	4,746.87	5,102.37
% change (YoY)	7.78%	8.18%	8.09%	7.61%	7.49%

Table 2: Statement of Net Income and Deposit Insurance Fund for the Year Ended	Sept 30, 2020	Sept 30, 2021	Sept 30, 2022	Sept 30, 2023	Sept 30, 2024
	$M	$M	$M	$M	$M
Net Income	283.90	310.84	326.25	347.09	379.36
% change (YoY)	8.77%	9.49%	4.96%	6.39%	9.29%
Interest Earned	128.61	140.41	151.26	171.86	197.05
% change (YoY)	18.89%	9.18%	7.73%	13.62%	14.66%
Premium Income	168.45	183.23	191.38	192.67	197.18
% change (YoY)	2.96%	8.77%	4.45%	0.67%	2.34%
Expenses	13.43	13.06	17.13	17.43	14.87
% change (YoY)	-4.89%	-2.76%	31.16%	1.77%	-14.71%

* rounded to two decimal figures

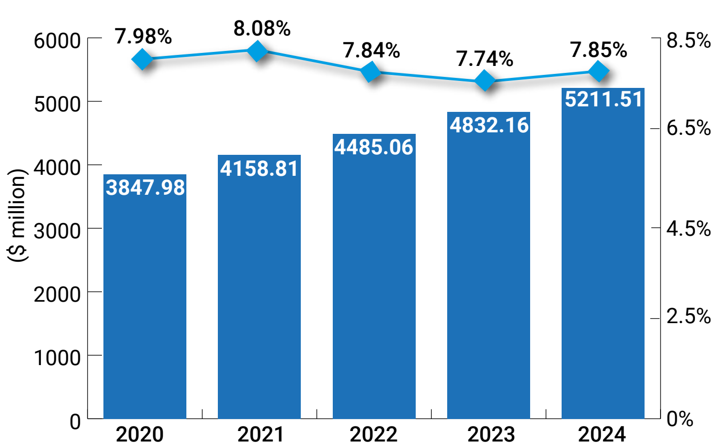
Management Discussion & Analysis (CONTINUED)

Deposit Insurance Fund

Section 44K of the Central Bank Act Chapter 79:02 as amended by the Central Bank and Financial Institutions (Non-Banking) (Amendment) Act, 1986 provides for the establishment of the Deposit Insurance Fund. The Deposit Insurance Corporation is responsible for the management of the Fund, which is to be used for the payment of deposit insurance claims if a member institution fails. Membership in the Fund is compulsory for all institutions that are licensed by the Central Bank of Trinidad and Tobago, under the Financial Institutions Act, 2008.

The Deposit Insurance Fund[1] balance as of September 30, 2024, was $5,211.52 million, reflecting a 7.85% year-on-year increase. Primary growth drivers were premium collections and interest income, net of expenses, with a 5-year average growth rate of 7.9%. (Refer to Chart I.)

Chart I: Deposit Insurance Fund 2020–2024 ($M)



Total income for fiscal year 2024 was $394.2 million, up by $29.7 million from September 30, 2023. Total expenses for Fund management were $14.7 million, a $2.5 million decrease from the previous year, which included a $3.3 million legal obligation.

Net income for the fiscal year ending September 30, 2024, was $379.4 million, a 9.29% increase from $347.09 million in the previous year, surpassing the 6.39% growth rate recorded for fiscal year 2023.

The primary contributors to income, Interest Earned and Annual Premiums, are detailed below.

Interest Income

Interest income[2] is generated from the Corporation's investment activities. In the fiscal year concluded on September 30, 2024, the portfolio yielded $197.05 million, demonstrating an increase of 14.66% when compared to the $171.86 million earned in the preceding year. Rates have fluctuated over the five-year period due to the global economic slowdown caused by the COVID-19 pandemic, and the gradual recovery. At fiscal year-end, average yields on short-term deposits increased from 0.58% in September 2023 to 0.89% in September 2024. Corporate securities yields rose slightly from 5.04% to 5.06%, while government securities yields climbed to 4.14% from 4.04% in the previous fiscal year.

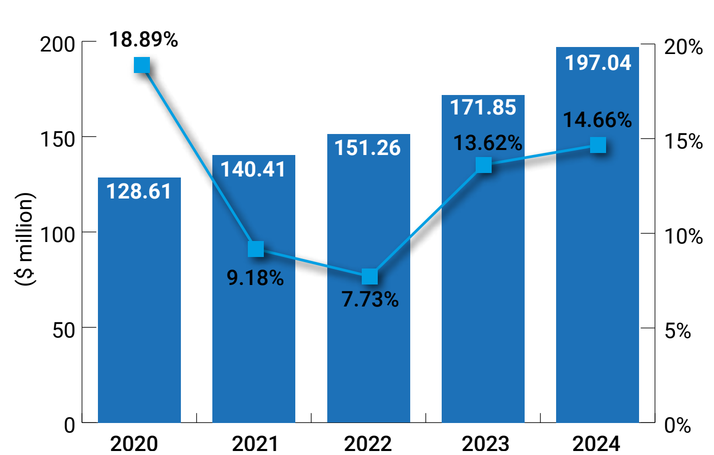
The overall average yield on the investment portfolio for fiscal year 2024 was 4.20%, compared to 4.12% in fiscal year 2023, as shown in Chart II, illustrating an upward trend in interest earned over the past five years.

1 The Deposit Insurance Fund calculated as follows: Fund brought forward + Fund surplus/deficit + Gain/loss on revaluation of investments

2 Interest earned is based on the effective interest and not the coupon interest.

Management Discussion & Analysis (CONTINUED)

Chart II: Interest Income 2020–2024 ($M)

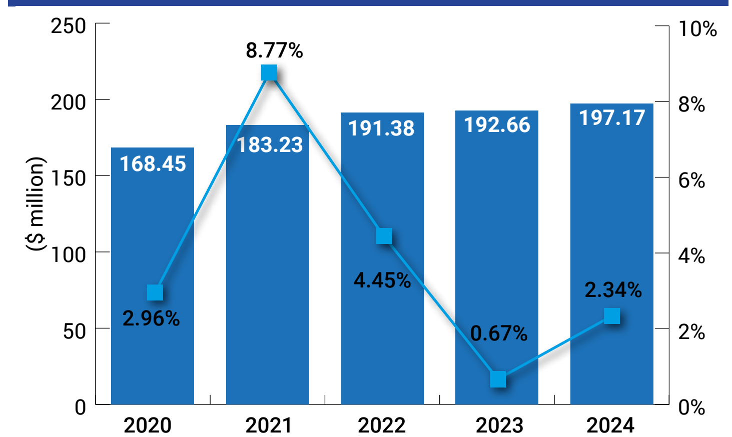


Annual Premiums

The Corporation is mandated by law to levy each member institution and record contributions to the Deposit Insurance Fund; the first contribution is made six (6) months after the institution acquires membership status (initial contribution). Another levy follows twelve (12) months after admittance (first annual premium) and thereafter levies are made on institutions once annually at the beginning of every calendar year (annual premium). Two Bye-Laws provide the basis for which the levy is to be made. The rate for the initial contribution, which must be matched equally by a contribution from the Central Bank of Trinidad and Tobago, is fixed at 0.4% of the aggregate of the deposit liabilities. An increase in the premium rate to 0.25% and 0.30% of applicable deposits effective October 1, 2024 and October 1, 2025 respectively took effect due to published legal notices 159/2024 and 160/2024 on October 1, 2024.

For the fiscal year ending September 30, 2024, annual premiums were collected from 24 member institutions, totalling $197.18 million, marking a 2.34% increase from the $192.67 million collected in 2023. The trend in annual premiums over the past five years is shown in Chart III below.

Chart III: Premiums Income 2020–2024 ($M)



Between 2019 and 2020, deposit liabilities of member institutions rose by 7.52%, leading to an increase in premiums collected in 2021[3]. This growth was driven by pandemic-related economic conditions, where reduced consumer spending and higher savings retention bolstered deposit levels. As the impact of COVID-19 diminished, growth in deposit liabilities stabilised, with a 1.02% increase observed from 2022 to 2023, impacting 2024 premiums collected. Membership in the Fund remained constant at 24 institutions as of September 30, 2024, with no changes in membership status during the reporting period.

3 Annual Premiums are computed for a calendar year by applying a fixed rate to the quarterly average of the prior calendar year's aggregate deposit liabilities of each member institution

Investments

(a) Primary Investment Objectives and Approved Investment Categories

The Corporation has been given the power in the legislation under which it is governed, to "… accumulate, manage and invest funds collected". Under this provision, the Corporation's Board of Management has approved an Investment Policy, which guides the Corporation's investment activities through specified investment objectives and approved investment categories.

The primary investment objectives for managing the portfolio of the Fund are as follows:

(i) Maintenance of Capital Value

This requires that all investments be of a very high quality, in terms of the ability of the investee to meet its obligations to the Corporation and the legal arrangements, which are in place to protect the Corporation as an investor.

(ii) Provision of an Adequate Liquidity Profile

Investment choices and the periods for which the investments are placed should be informed by potential, anticipated or contingent deposit insurance payouts, as well as, conditions operating in the banking and financial sectors.

(iii) Reasonable Growth of the Fund

Although the best efforts should be made to grow the Fund, this should only be undertaken subject to the other two (2) objectives described at (i) and (ii) above, being satisfied. A standard of what would be considered reasonable is based on a margin above the risk-free interest rate. The growth rate of the Fund is significantly guided by the two objectives at (i) and (ii) above.

The approved investment categories are as follows:

- Deposits in Member Institutions and fixed income mutual funds (0–10% of the portfolio).
- Corporate Securities (0–20% of the portfolio).
- Trinidad and Tobago Government Securities (20–100% of the portfolio).
- Foreign Investments (0–30% of the portfolio).
- Equities (0–1% of the portfolio).

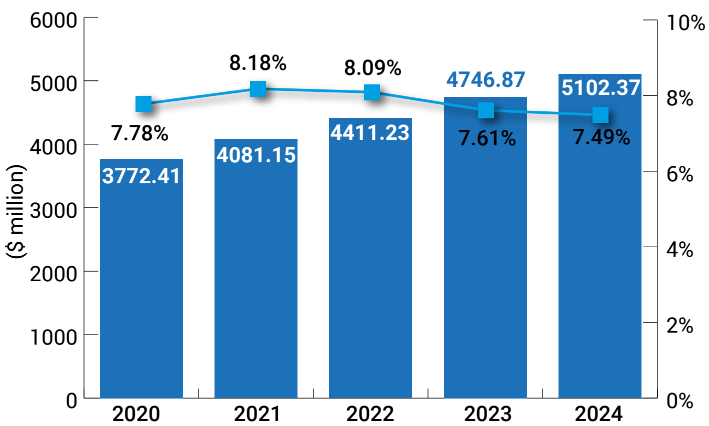
(b) Status of the Investment Portfolio[4]

As of September 30, 2024, the investment portfolio reached $5,102.37 million, up from $4,746.87 million on September 30, 2023, marking a year-over-year increase of $355.51 million or 7.49%, as shown in Chart IV below. This consistent upward growth over the past five years has averaged around 7.82%.

4 The investment portfolio is measured at amortised cost, calculated as the initial recognition amount of the asset, minus principal repayments, adjusted for the cumulative amortisation of any premium or discount, and reduced by any write-downs for impairment or irrecoverability.

Management Discussion & Analysis (CONTINUED)

Chart IV: Investment Portfolio ($M)



The composition of the investment portfolio from September 30, 2020, to September 30, 2024, was as follows:

Table 3:
Investment Portfolio Mix 2019–2023

Investment Category	% of Portfolio as at				
	Sept 30, 2020	Sept 30, 2021	Sept 30, 2022	Sept 30, 2023	Sept 30, 2024
Deposits and MMFs	4.21	2.99	2.41	0.29	0.32
Corporate Securities	3.53	4.02	6.78	9.55	8.29
Government Securities	91.92	92.64	90.45	89.96	91.32
Equities	0.35	0.35	0.36	0.20	0.07

Deposits

During the fiscal year, deposit balances increased to $16.09 million as of September 30, 2024, compared to $13.77 million on September 30, 2023. The availability of suitable investment opportunities, in line with our Investment Policy, led to the reinvestment of a significant portion of our cash.

Corporate Securities

As of September 30, 2024, the value of Corporate Securities was $423.40 million, a decrease from $453.40 million in the previous year, reflecting a $30 million change. The average yield on Corporate Securities increased to 5.06% as of September 30, 2024, up from 4.72% the previous year.

Government Securities

Treasury Bills

As of September 30, 2024, the value of Treasury Bills increased to $282.34 million, up from $123.73 million the previous year, marking an increase of $158.61 million. The average yield on Treasury Bills rose to 2.74% as of September 30, 2024, compared to 1.10% in the prior year.

Treasury Notes

As of September 30, 2024, the value of Treasury Notes amounted to $25.03 million, with no Treasury Notes recorded as of September 30, 2023. The average yield on Treasury Notes stood at 2.15% as of September 30, 2024.

Government Bonds - Local

The holdings of Government Bonds - Local increased during the period, reaching $2,746.50 million as of September 30, 2024, compared to $2,573.00 million in the previous year, reflecting a growth of $173.50 million. The average yield on Government Bonds - GORTT rose to 4.27%, up from 4.10% the prior year.

Government Bonds – State Enterprise

The holdings of Government Bonds – State Enterprise grew during the period, reaching $1,605.85 million as of September 30, 2024, up from $1,573.43 million in the previous year, reflecting an increase of $32.42

Management Discussion & Analysis (CONTINUED)

million. The average yield on Government Bonds – State Enterprise rose slightly to 4.2%, compared to 4.18% in the prior year.

Liquidation

Since its inception, the Corporation has overseen the payment of insurance claims to depositors of nine institutions closed by the Central Bank of Trinidad and Tobago and classified as failed. For each of these failures, the Corporation was appointed as the liquidator by the High Court of Trinidad and Tobago. The most recent appointment was the Corporation's appointment as Liquidator of Clico Investment Bank (CIB), which took effect on October 17, 2011, following a High Court ruling under the provisions of the Companies Act, Chapter 18:01.

To date, six of these liquidations have been completed and Court orders received in 2021 allowed the Corporation to exit three of these liquidations in 2022. Currently, three institutions remain under the Corporation's purview.

International Outreach

International Association of Deposit Insurers

A key aspect of the Deposit Insurance Corporation's (DIC's) operations involves evaluating its practices against international best practice standards while staying updated on trends and developments in the global financial system.

As a member of the International Association of Deposit Insurers (IADI), the global standard-setting body for deposit insurers, the DIC has benefitted from access to research and guidance papers, networking and collaboration with its professional colleagues in the advancement of deposit insurance. This has helped shape the DIC's operating policies and procedures regarding public awareness, crisis management, reimbursement, coverage, resolution, funding and contingency planning.

The DIC also maximises its use of other IADI resources such as webinars, educational programmes and conferences to develop core competencies through capacity building.

In FY 2023/2024, IADI's membership grew by 4%[1]. Other noteworthy IADI developments included a change in financial year-end reporting, and the restructuring of the Association's governance framework to enhance operations and better serve its membership.

Networking and Collaboration

The IADI progresses its work through its various committees, each tasked with specific objectives. Involvement in these committees provides an opportunity for the DIC to make important contributions at an international level, while participating in decisions that may impact the DIC, Trinidad and Tobago. Currently, the DIC is represented on the following IADI committees:

1. **High Level Steering Group (HLSG) - Core Principles**

   The review of IADI Core Principles (CPs) continued in FY 2023/2024 through the establishment of the HLSG, comprised of designated representatives from each IADI region. Michelle Rolingson-Pierre, General Manager, serves as representative for the Caribbean, supported by Allison Edwards, Manager, Research, Policy and Resolution; Nicole Fusco, Legal Counsel/Corporate Secretary; and Ria Badree, Human Resources Officer. The HLSG was tasked with future-proofing the CPs in light of the banking turmoil of 2023. In summary, three of the key changes resulting from the CPs Review are:

   (i) clarification of the principles generally applicable to the deposit insurer (DI) and those generally applicable to the deposit insurance system (DIS);

   (ii) introduction of the concept of "Additional Criteria" as aspirational practices for jurisdictions with more developed deposit insurance systems; and

   (iii) tightening of the reimbursement requirement for deposit insurers to be ambitious and aspirational.

   The outcome of these reviews was presented for consideration by IADI's membership at the Annual General Meeting in November 2024.

1 IADI has three categories of participation. Currently, IADI has Members (99), Associates (11), and Partners (17). https://www.iadi.org/about-iadi/who-we-are/#:~:text=IADI%20has%20three%20categories%20of,approved%20for%20membership%20in%20IADI.

International Outreach (CONTINUED)

2. Implementation Council Committee

Capacity Building Technical Committee (CBTC)

In the revised governance committee structure, the Implementation Council Committee has, *inter alia*, responsibility for promoting the implementation of effective DIS policies as well as facilitating technical assistance, capacity building, and training to assist members. The DIC is represented in the CBTC, a subcommittee of the Implementation Council Committee, by Ria Badree, Human Resource Officer, who participated in the brainstorming meeting held on August 13-14, 2024 in Thun, Switzerland. The session aimed at identifying current challenges and areas of opportunity, generating innovative ideas through collaboration and knowledge sharing, and developing priorities and actions plans, all in an effort to enhance member compliance with IADI's CPs for effective DISs. Decisions arrived at the brainstorming session will be used to develop a high-level implementation strategy for IADI, including the development of annual work plans for both the Implementation Council Committee and the CBTC, which will make participation in the IADI more meaningful for its membership.

3. Policy Council Committee

Financial Cooperatives Technical Committee (FCTC)

The Policy Council Committee develops and proposes to the Executive Council sound DIS policies, and strengthens the IADI as a forum for the discussion of policy issues on effective DISs. The DIC is represented on the FCTC through its Legal Counsel/Corporate Secretary, Nicole Fusco. The Committee continues to explore various aspects of financial cooperatives, and research continues regarding tools and best practices currently used within the banking sector and its applicability to financial cooperatives under the FCTC 2023/2024 deliverables.

4. Caribbean Regional Committee (CRC)

The Caribbean Regional Committee (CRC) is one of the seven regional committees tasked with providing support to the Executive Council in the execution of the IADI's strategic objectives for the period 2022-2026 as follows:

(i) promoting the CPs and DIS compliance;

(ii) advancing deposit insurance research and policy development;

(iii) providing members with technical support to modernise and upgrade their systems; and

(iv) enhancing the IADI's governance by improving efficiency and transparency.

The DIC, as a member of the CRC, led by Jamaica (current Chair), along with its Caribbean representatives from the Bahamas, Barbados, the British Virgin Islands, the Dutch Caribbean islands and Belize, planned a CRC Virtual Knowledge Event during FY 2023/2024 entitled "Introduction to Core Principles (CPs)". The two-day virtual learning session exposed DI representatives and other safety net participants to the CPs by key international subject matter experts. The webinars were intended to promote DIS compliance within the region.

During the period, the CRC also established a sub-committee to develop a peer review of Core Principle 8: Coverage within the Caribbean Region. It is anticipated that the research and peer review will be completed in fiscal 2025, enabling benchmarking and comparison of practices within the region against international counterparts, providing a baseline and harmonisation in approach to regional DI coverage.

International Outreach (CONTINUED)

Regional Cooperation/ Information Sharing

The DIC:

1. hosted representatives from the Centrale Bank van Curaçao en Sint Maarten for a one-day information sharing on DISs in January 2024.
2. participated as a panellist in the joint ASBA/ IADI Conference "Charting the Course Ahead – Reform Needs and Issues for further Reflection".
3. attended the 8th Americas Deposit Insurance Forum, themed "Protecting Depositors: Reimbursement and Beyond".

Building Core Competencies

Through its membership, the DIC was provided with opportunities to expose its staff to emerging trends in DI, bank resolutions, data visualisation tools, target fund, crisis management preparedness, as well as other IADI resources, including literature, webinars and podcasts. These IADI resources formed part of the DIC's core competencies training during FY 2023/2024.

They included:

Five staff members were nominated and participated in the Bank Resolution Online Course certificate 40-hour training programme developed by the Financial Stability Institute of the Bank for International Settlements and the International Monetary Fund.

The training programme consisted of webinars, literature, quizzes, online discussions on topics relating to dealing with weak and failing banks, resolution tools and their application, resolution planning, strategies and cross-border implementation, protecting depositors.

Three staff members attended the Federal Deposit Insurance Corporation Forum on "Setting a Deposit Insurance Target Fund".

Four staff members were selected to participate in two sessions on IADI's "Visualisation of IADI's Data Analysis", which introduced analytical and reporting workflows through interactive dashboards.

All staff virtually attended an outreach session on "Lessons Learnt from 2023 Bank Failures" and the 8th Americas Deposit Insurance Forum's "Protecting Depositors: Reimbursement and Beyond".

Team Building and Community Outreach

Community Outreach - December, 2023

In December, 2023, the DIC once again partnered with the non-profit organisation the Touch of Joy Foundation to provide assistance to families in need throughout Trinidad and Tobago.

The Foundation was established in December 2020 and its main objective is to provide assistance to underprivileged families nationwide.

As part of the DIC's work with the Foundation, staff members donated hampers of non-perishable food items and other household supplies, which were distributed to vulnerable families.

The donation of the food hampers provided short-term sustenance during the holiday season.

Community Outreach - February, 2024

On February 8, 2024, the DIC team visited the Love All, Serve All soup kitchen, located at Abercromby Street, Port of Spain, where they worked in teams to prepare meals for distribution to displaced persons from Port of Spain and environs. Team members demonstrated their culinary skills, preparing a meal of vegetarian pelau complemented by a freshly tossed green salad.

Members of staff with experience in pelau-making undertook the role of adding the ingredients to the pot over a medium flame and cooked the meal to perfection.

In the end, staff successfully packaged two hundred and sixty-nine (269) boxes of meals for distribution.

The DIC thanked the Love All, Serve All Foundation for the opportunity to serve the community in this rewarding and fulfilling endeavour.

Team Building and Community Outreach (CONTINUED)

Team building Activity

In March 2024, staff participated in a team-building activity at Rizzoni's restaurant, located at Movie Towne, Port of Spain and at which we also took the opportunity to say farewell to Maurice Duprey upon his retirement.

The occasion provided staff with an opportunity to connect with each other through numerous problem-solving activities that sought to enhance critical thinking, improve communication skills and unlock hidden leadership qualities.

The team-building exercises played a pivotal role towards improving working relationships and interactions across departments while exuding a positive company culture that inculcates the organisation's core values. It also creates memories and long-lasting relationships amongst colleagues.

2024 AUDITED FINANCIAL STATEMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

For the year ended September 30, 2024

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of the Deposit Insurance Corporation (the "Corporation") which comprise the statement of financial position as at September 30, 2024, the statement of comprehensive income, statement of changes in members' equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- Ensuring that the Corporation 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 the security of the Corporation's assets, detection/prevention of fraud, and the achievement of the Corporation'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; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these 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 Corporation 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.

Chairman
Date: December 12, 2024

Director
Date: December 12, 2024

Independent Auditors' Report

Shareholder
Deposit Insurance Corporation

Opinion

We have audited the financial statements of the Deposit Insurance Corporation (the "Corporation"), which comprise the statement of financial position as at September 30, 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at September 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issues by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

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

Responsibilities of Management and the Board of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting 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 Corporation'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 Corporation or to cease operations or has no realistic alternative but to do so.

The Board of Management is responsible for overseeing the Corporation's financial reporting process.

BDO Trinity Limited, a Trinidad and Tobago company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.
BDO is the brand name for the BDO network and for each of the BDO Member Firms.
Telephone: (868) 625 8662
Address: 2nd Floor CIC Building, 122-124 Frederick Street, Port of Spain, 100825, Trinidad and Tobago, West Indies
Website: www.bdo.tt

Independent Auditors' Report (continued)

BDO

Auditors' 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 auditors' 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation 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 the Board of Management 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.

BDO

Port of Spain
Trinidad, West Indies
12 December 2024

Statement of Financial Position

As at September 30, 2024

	Notes	30 September 2024 $'000	2023 $'000
ASSETS			
Non-Current Assets			
Property and equipment	6	18,839	19,118
Intangible assets	7	82	187
Investments	8	5,150,597	4,790,781
Total Non-Current Assets		**5,169,518**	**4,810,086**
Current Assets			
Liquidation advances recoverable		5	6
Accounts receivable	9	9,231	622
Cash and cash equivalents	10	24,918	18,162
Total Current Assets		**34,154**	**18,790**
Total Assets		**5,203,672**	**4,828,876**
EQUITY AND LIABILITIES			
Equity			
Stated capital	11	1,000	1,000
Revaluation deficit		(11,625)	(5,566)
Deposit Insurance Fund		5,211,515	4,832,157
Total Equity		**5,200,890**	**4,827,591**
Liabilities			
Balance due to Central Bank	15	-	1
Accounts payable		2,782	1,284
Total Liabilities		**2,782**	**1,285**
Total Equity and Liabilities		**5,203,672**	**4,828,876**

These audited financial statements have been approved by the Board of Management on December 12, 2024

Chairman **Director**

(The accompanying notes form part of these financial statements)

Statement of Comprehensive Income

For the year ended September 30, 2024

	Notes	30 September 2024 $'000	2023 $'000
Income			
Interest income		197,049	171,857
Initial contributions and annual premia	2(l)	197,175	192,668
Realised gain on sale of investments		-	2
Other income		2	-
		394,226	364,527
Expenses			
Staff costs	12	9,773	9,021
General and administrative	13	4,573	7,674
Depreciation and amortisation		521	737
		14,868	17,432
Net income for the year		379,358	347,095
Other comprehensive (loss)/income			
Increase in unrealised loss on investments		(6,059)	(6,161)
Total other comprehensive loss		(6,059)	(6,161)
Total comprehensive income for the year		373,299	340,934

(The accompanying notes form part of these financial statements)

Statement of Changes in Equity

For the year ended September 30, 2024

	Stated Capital $'000	Revaluation Reserve $'000	Deposit Insurance Fund $'000	Total $'000
Balance as at October 1, 2023	1,000	(5,566)	4,832,157	4,827,591
Net income	-	-	379,358	379,358
Other Comprehensive loss	-	(6,059)	-	(6,059)
Balance as at September 30, 2024	**1,000**	**(11,625)**	**5,211,515**	**5,200,890**
Balance as at October 1, 2022	1,000	595	4,485,062	4,486,657
Net income	-	-	347,095	347,095
Other Comprehensive loss	-	(6,161)	-	(6,161)
Balance as at September 30, 2023	**1,000**	**(5,566)**	**4,832,157**	**4,827,591**

(The accompanying notes form part of these financial statements)

Statement of Cash Flows

For the Year ended September 30, 2024

	30 September 2024 $'000	2023 $'000
Cash Flows from Operating Activities:		
Net income for the year	379,356	347,095
Adjustments for:		
Depreciation and amortisation	521	737
Interest income and dividends	(197,049)	(171,857)
	182,830	175,975
Operating surplus before working capital changes:		
Net change in liquidation advances recoverable	1	28
Net change in accounts receivable	(8,609)	(71)
Net change in balance due to Central Bank	(1)	-
Net change in accounts payable	1,498	316
Cash provided by operating activities	**175,719**	**176,248**
Cash flows from investing activities:		
Interest and dividends received	170,146	148,690
Purchase of Government Treasury Bills	(282,345)	(123,730)
Proceeds from maturity of Government Treasury Bills	123,730	248,650
Purchase of Government Treasury Notes	(25,049)	-
Purchase of Corporate Bonds	-	(269,888)
Proceeds from maturity of Corporate Bonds	29,745	115,338
Purchase of Government Bonds - Local	(610,344)	(1,110,600)
Proceeds from maturity of Government Bonds	425,291	721,811
Proceeds from sale of Equities	12	163
Purchase of property and equipment	(149)	(267)
Cash used in investing activities	**(168,963)**	**(269,833)**
Net change in cash and cash equivalents	**6,756**	**(93,585)**
Cash and cash equivalents, beginning of year	**18,162**	**111,747**
Cash and cash equivalents, end of year	**24,918**	**18,162**

(The accompanying notes form part of these financial statements)

Notes to the Financial Statements

For the Year ended 30 September 2024

1. Establishment and Principal Activity

The Deposit Insurance Corporation (the "Corporation") was established by the Central Bank and Financial Institutions (Non-Banking) (Amendment) Act, 1986 (Act No. 2 of 1986), which amended the Central Bank Act Chapter 79:02 (the "Act").

The Corporation's principal objective is to manage a Deposit Insurance Fund (the "Fund") established by the Act to provide insurance coverage on deposits held with member institutions to a maximum of $125,000 per depositor in each capacity and right in each institution. Membership of the Fund is compulsory for all institutions licensed under the Financial Institutions Act, 2008.

Section 44W of the Act authorizes the Corporation to take such action as it deems necessary to fulfil its mandate including levying premia and contributions from member institutions, hiring of staff, borrowing, lending, arranging for the restructuring of a failed member whether by merger with a financially sound member or otherwise and acquiring the undertaking of any member institution which is in financial difficulty. The Corporation may also act as receiver or liquidator of an insolvent member institution.

2. Summary of Significant Accounting Policies

a) Basis of preparation

These financial statements are expressed in Trinidad and Tobago dollars, rounded to the nearest thousand and are prepared under the historical cost convention in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

b) Use of estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

c) New accounting standards and interpretations

(i) New and amended standards adopted by the Corporation

The Corporation adopted the following new Standard and amendments with a transition date of October 1, 2023. There were no significant changes made to these financial statements resulting from the adoption of this new standard/amendment.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

c) New accounting standards and interpretations (continued)

(i) New and amended standards adopted by the Corporation (continued)

- In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material.
- In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

(ii) New standards, amendments and interpretations issued but not effective and not early adopted

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Corporation's future financial statements in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the note below.

- The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
- The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after January 1, 2024.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

c) New accounting standards and interpretations (continued)

(ii) New standards, amendments and interpretations issued but not effective and not early adopted (continued)

- Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
- On May 25, 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
- On August 15, 2023, the IASB issued Lack of Exchangeability which amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Corporation and have not been disclosed.

(iii) Standards and amendments to published standards early adopted by the Corporation

The Corporation did not early adopt any new, revised or amended standards.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

d) Financial instruments

(i) Financial assets

The Corporation classifies its financial assets based on the following business models:

- Held for trading
- Hold to collect and sell or
- Hold to collect

Based on the Corporation's business model, financial assets are classified into the following categories:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not recognised at fair value through profit and loss (FVPL) 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 2 d) iii). Interest income from these financial assets is included in the statement of comprehensive income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI)

At initial recognition, the Corporation made an irrevocable election to present subsequent changes in the fair value of its investments in equity instruments in other comprehensive income, as they are not held for trading. Dividends are recognised in profit or loss only when the Corporation's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the Corporation, and the amount of the dividend can be measured reliably.

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:

a) The cash flow characteristics of the asset; and
b) The Corporation's business model for managing the asset.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

d) Financial instruments (continued)

(i) Financial assets (continued)

Corporation's business model

The business model reflects how the Corporation manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Corporation's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows from the sale of assets.
- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel.
- Management identification of and response to various risks, which includes but not limited to liquidity risk, market risk, credit risk and interest rate risk.
- How managers are compensated e.g. if compensation is based on the fair value of assets managed or contractual cash flows collected.

Arising out of the assessment, the Corporation's debt portfolio was deemed to have the 'hold to collect' business model.

The Corporation reclassifies debt instruments when, and only when, it's business model for managing those assets changes. The classification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows the Corporation assesses whether flows represent solely payment of principal and interest (SPPI test). In making this assessment, the Corporation 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 that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

d) Financial instruments (continued)

(i) Financial assets (continued)

Recognition/de-recognition of financial assets

All purchases and sales of financial assets are recognised on the trade date - the date on which the Corporation commits to purchase or sell the financial asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Corporation has transferred substantially all risks and rewards of ownership.

(ii) Impairment

The Corporation assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The Corporation recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

(iii) Expected credit loss measurement

IFRS 9 outlines a 'three-stage' mode 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 Corporation.
- 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.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- 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.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- 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).

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of material accounting policies (continued)

d) Financial instruments (continued)

(iii) Expected credit loss measurement (continued)

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

(iv) Significant increase in credit risk (SICR)

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

Criteria	Investment Grade Portfolio	Single "B" Speculative Grade Portfolio
Absolute Measure	PD - 15% or higher	PD - 25% or higher
AND	**AND**	**AND**
Relative Measure	One notch downgrade (investment securities rating scale)	One notch downgrade (investment securities rating scale)

The Corporation has used the low credit risk exemption for all of its financial instruments as at September 30, 2024. The Corporation considers the following characteristics to be low credit risk:

- Direct Government instruments
- Government guaranteed instruments
- Investments with a minimum long term investment grade rating:
  - BBB (Standard and Poor's)
  - BBB (Fitch Ratings)
  - Baa2 (Moody's)
  - CariAA(+/-) (CariCRIS)

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

d) Financial instruments (continued)

v) Definition of default and credit-impaired assets

The Corporation defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

The borrower formally files for bankruptcy or there is a commencement of foreclosure proceedings. The obligation is classified as doubtful or worse as per the Corporation's classification process.

A modification to the terms and conditions of the original agreement that would not normally be considered is executed.

Restructure proceedings or an indication of the intention to restructure is initiated by the issuer.

The criteria above have been applied to all financial instruments held by the Corporation and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), throughout the Corporation's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

d) Financial instruments (continued)

(vi) 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), defined as follows:

- 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 Corporation expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents the Corporation's expectation of the extent of loss on a defaulted exposure. LGD varies by seniority of the claim and product type, while the availability of collateral is factored before LGD is considered. LGD is expressed as the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the debt instrument.

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 original effective interest rate.

The EAD is considered as follows:

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment assumptions are also incorporated into the calculation.
- For revolving products, the exposure at default is calculated by taking the current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on an analysis of the product's usage over a two-year period.
- The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post-default.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

d) Financial instruments (continued)

(vi) Measuring ECL– Explanation of inputs, assumptions and estimation techniques (continued)

The Investments PDs are taken from the transaction matrices of Standard and Poor's, Fitch Ratings, Moody's and CariCRIS.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

(vii) Forward-looking information incorporated in the ECL models

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

The most significant assumption affecting the ECL allowance for the investment portfolio is GDP-given the significant impact on Corporation performance and collateral valuations.

(viii)Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost. Financial liabilities include the balance due to Central Bank and accounts payable. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished (that is, when the obligation specified in the contract is discharged, cancelled or expired).

(ix) Determination of fair value

For financial instruments traded in an active market, the determination of fair values of financial assets and liabilities is based on quoted market prices or dealer price quotations.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

Indicators that a market is inactive are when there is a wide bid-offer spread or a significant increase in the bid-offer spread or there are few recent transactions. For all other financial instruments, fair value is determined using valuation techniques. In these techniques fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques using input existing at year-end.

The Corporation uses an internally developed model which is generally consistent with other valuation models used in the industry. Valuation models are used to value unlisted debt securities and other debt securities for which the market has become or is illiquid. Some of the inputs of this model may not be market observable and are therefore based on assumptions.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

e) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is adjusted to reflect the revised estimate.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro-rata basis.

f) Stated capital

Ordinary 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, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

g) Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

h) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the Corporation operates (the "functional currency"). The financial statements are presented in Trinidad and Tobago Dollars, which is the Corporation's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year- end exchange rates of monetary assets liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

i) Property and equipment

Items of property and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost of the assets over their estimated useful lives for all asset groups. Land is not depreciated.

The rates used are as follows:

		Rate	Method
Buildings	-	2%	Straight line
Buildings improvements	-	2%	Straight line
Motor vehicles	-	25%	Straight line
Furniture and fixtures	-	10%	Straight line
Office equipment	-	20%	Straight line
Computer equipment	-	25%	Straight line

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditure is recognised in the statement of comprehensive income.

Disposal

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with their carrying amounts and are recognised in the statement of comprehensive income for the year.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

j) Intangible assets

Computer software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Corporation are recognised as intangible assets in accordance with IAS 38 Intangible Assets. Costs associated with maintaining computer software programmes are recognised as expenses when incurred. Computer software costs recognised as assets are amortised over their estimated useful lives of four (4) years on a straight line-basis.

k) Comparative figures

Certain comparative figures were reclassified to facilitate changes in presentation. These changes had no effect on the previously reported net income.

l) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Corporation and the amount of the revenue can be measured reliably.

i) Premium income

Premium income is recognised on the accruals basis. Annual premia in respect of a given year are paid on the basis of a rate of 0.2 per centum of the average deposit liabilities existing at the end of each of the quarters in the preceding calendar year, except that for a new institution the first year's levy is based on its average deposit liabilities existing in the first year of operation.

ii) Investment income

Investment income is accrued on the time basis by reference to the principal outstanding and the interest rate applicate under the effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability and is not revised subsequently. When calculating the effective interest rate, the Corporation estimates the future cash flows considering all contractual terms of the financial instrument, but not the future credit losses.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

2. Summary of Significant Accounting Policies (continued):

m) Other assets

Other assets are generally measured at amortised cost.

n) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates market value.

o) Levy of initial contributions

All institutions are required to pay an initial contribution on becoming members, and annual premia in subsequent years. Initial contributions paid by member institutions are matched by the Central Bank (Section 44M).

The payment of initial contributions is based on a rate of 0.4 per centum of the average deposit liabilities existing at the end of the first and second quarters of the first twelve (12) months of operation.

p) Exemption from the provisions of taxation and insurance legislation

The Corporation is exempt from the provisions of any Act relating to income taxation or corporation taxation and from payment of stamp duty, and is also exempt from the provisions of the Insurance Act 1980, [Section 55 (1) and (2)].

q) Expenses

Staff costs, and general and administrative expenses are recognised on an accrual basis.

r) Pensions

The Corporation maintains a voluntary contribution plan for its employees. This is a funded scheme and the Corporation's contributions are charged in the profit or loss for the year as incurred.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

3. Financial Risk Management:

Financial risk factors

The Corporation is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Corporation to manage these risks are discussed below:

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Corporation is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds and other funding instruments.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

i) Bonds

The Corporation invests mainly in medium to long term bonds consisting of both floating rate and fixed rate instruments.

The market values of the floating rate bonds are not very sensitive to changes in interest rates. The market values of the fixed rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are being held to maturity and are not traded, any changes in market values will not impact profit or loss.

The Corporation actively monitors bonds with maturities greater than ten years, as well as the interest rate policies of the Central Bank of Trinidad and Tobago.

ii) Interest rate sensitivity gap

The Corporation's exposure to interest rate risk is summarised in the table below, which analyses assets and liabilities at their carrying amounts categorised according to their maturity dates.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

3. Financial Risk Management (continued)

Financial risk factors (continued)

a) Interest rate risk (continued)

ii) Interest rate sensitivity gap (continued)

	Up to 1 year $'000	2 to 5 years $'000	Over 5 years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets					
Investments	1,379,718	2,836,544	930,860	3,475	5,150,597
Liquidation advances recoverable	-	-	-	5	5
Accounts receivable	-	-	-	8,842	8,842
Cash and cash equivalents	24,918	-	-	-	24,918
	1,404,636	2,836,544	930,860	12,322	5,184,362
Financial Liabilities					
Accounts payable	-	-	-	2,782	2,782
	-	-	-	2,782	2,782
Interest sensitivity gap	**1,404,636**	**2,836,544**	**930,860**	**9,540**	**5,181,580**
Financial Assets					
Investments	363,847	2,749,141	1,668,259	9,534	4,790,781
Liquidation advances recoverable	-	-	-	6	6
Accounts receivable	-	-	-	120	120
Cash and cash equivalents	18,162	-	-	-	18,162
	382,009	2,749,141	1,668,259	9,660	4,809,069
Financial Liabilities					
Balance due to Central Bank	-	-	-	1	1
Accounts payable	-	-	-	1,284	1,284
	-	-	-	1,285	1,285
Interest sensitivity gap	**382,009**	**2,749,141**	**1,668,259**	**8,375**	**4,807,784**

The Corporation is not subject to significant interest rate changes as interest rates are fixed on investments at amortised cost. Therefore, changes in interest rates will not have a significant impact on the Corporation.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

3. Financial Risk Management (continued)

Financial risk factors (continued)

b) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date.

Cash balances are held with high credit quality financial institutions and the Corporation has policies to limit the amount of exposure to any single financial institution.

The Corporation also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

The Corporation's maximum exposure to credit risk is represented by amounts included for investments, liquidation advances recoverable, accounts receivables and cash and cash equivalents on the statement of financial position.

c) Liquidity risk

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Corporation has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The Corporation is able to make daily calls on its available cash resources to settle financial and other liabilities. The Corporation's liabilities at the reporting date are due within the next six months and are not considered material for disclosure purposes.

d) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Corporation's measurement currency. The Corporation is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Corporation's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Corporation's net exposure to currency risk is as follows:

	30 September	
	2024 $'000	2023 $'000
United States Dollars	95	182

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

3. Financial Risk Management (continued)

e) Price risk

Price risk is the risk that the value of a financial investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instruments or its issuer or factors affecting all investments traded in the market. The Corporation has no significant exposure to other price risks.

f) Operational risk

Operational risk is the risk derived from deficiencies relating to the Corporation's information technology and control systems, as well as the risk of human error and natural disasters. The Corporation's systems are evaluated, maintained and upgraded continuously. Supervisory controls are also installed to minimise human error.

g) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Central Bank of Trinidad and Tobago, as well as by the monitoring controls applied by the Corporation.

h) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Corporation's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Corporation. The Corporation engages in public social endeavours to engender trust and minimize this risk.

i) Capital management – adequacy of the Deposit Insurance Fund

The Corporation's capital comprises stated capital and the Deposit Insurance Fund (DIF). The Corporation is not subject to externally imposed capital requirements, and there were no changes in what the Corporation considers as capital, and management of capital was performed on a basis consistent with that of prior years. The key mechanisms used to manage the level of capital are premium assessments and borrowings, if necessary.

The Corporation's principal objective is to establish and manage a scheme for the insurance of deposits, or part thereof, held by Policyholders against the risk of loss of deposits up to a maximum of $125,000 per depositor, in each right and capacity, in each institution.

As at September 30, 2024, there were 24-member institutions with total eligible deposits estimated at $100 billion (2023: $100 billion), of which the Corporation covered at a flat rate of 0.2% (2023: 0.2%). The adequacy of the DIF will be based primarily on the assessed risk posed by Policyholders. In relation to its insurance obligations, the Corporation's main exposure is to unexpected loss from the non-viability or insolvency of a Policyholder that is not readily estimated due to the unavailability of data on specific loss experience.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

3. Financial Risk Management (continued)

i) Capital management – adequacy of the Deposit Insurance Fund (continued)

If a Policyholder's future viability or solvency is deemed to be at risk or the Policyholder becomes insolvent and the DIF is required to intervene by providing financial assistance or payout depositors in accordance with its resolution powers under the Act, and if the DIF is insufficient to meet the obligation, the Corporation has the power to borrow, as well as, with the approval of the Minister of Finance, prescribe the levying of additional premiums payable by Policyholders.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions in the process of applying the Corporation's accounting policies. See Note 2 (b).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Corporation makes estimates and assumptions concerning the future.

However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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.

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) Whether investments are classified as fair value through profit or loss, fair value through other comprehensive income or amortise cost.

ii) Whether arrangements are classified as leases, in accordance with IFRS 16.

iii) Which depreciation method for property, plant and equipment is used.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

4. Critical Accounting Estimates and Judgments (continued)

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:

a) Impairment of assets

Management assesses at each statement of financial position date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

b) Property and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

c) Determining fair values using valuation techniques

The determination of fair values for financial assets for which there is no observable market price requires the use of valuation techniques which utilizes various degrees of judgements affecting the specific investment.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

5. Assets Under Administration

There exist three (3) failed non-banking financial institutions for which the Corporation serves as liquidator. These companies and their year of liquidation are as follows:

- Trade Confirmers Limited (in liquidation) 1986
- Swait Finance Limited (in liquidation) 1986
- CLICO Investment Bank Limited (in compulsory liquidation) 2011

In its role as liquidator, the Corporation is engaged in liquidating the assets of these failed institutions in an attempt to settle the outstanding liabilities associated with these institutions.

The Corporation submits reports every six (6) months to The Official Receiver (High Court) providing details of receipts and payments for the period being reported. The Corporation is presently awaiting the order of the court to exit Trade Confirmers Limited (in liquidation) and Swait Finance Limited (in liquidation).

The statement of financial position does not include the assets of these closed financial institutions under the administration of the Corporation. However, the table presented hereunder provides in summary, the balances as at September 30, 2024. In relation to the table, the following points should be noted:

a) The assets at closure are reported at net realizable value representing a reasonable estimate of the amount for which the assets could have been sold.

b) Total realisations represent the amount received to date from the sale of liquidated assets.

c) The liabilities at closure represent the total amount owing by the failed institutions, inclusive of deposit liabilities, as at the date of closure.

d) Liabilities incurred represent liquidation expenses from the date of closure up to the end of the reporting period.

e) Total payments represent liquidation expenses paid, and insurance payments recovered as at the reporting date.

f) Remaining liabilities represent the balance due to unsecured creditors as at the reporting date.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

5. Assets Under Administration (continued)

The legislation authorises the Deposit Insurance Corporation to recover insurance paid from the sales proceeds of liquidated assets in priority to unsecured creditors.

	30 September 2024 $'000	30 September 2023 $'000
a) Total value of assets at closure of Financial Institutions	**6,052,802**	**6,052,802**
b) Total subsequent realisations	**6,857,185**	**6,831,609**
c) Total liabilities at closure of Financial Institutions	(11,826,397)	(11,826,397)
d) Total addition liabilities incurred	(3,801,599)	(3,784,876)
e) Total subsequent payments	10,454,852	10,454,797
f) Outstanding liabilities at year end	**(5,173,144)**	**(5,156,476)**

Notes to the Financial Statements (continued)

For the Year ended 30 September 2024

6. Property and equipment

	Land and Buildings $'000	Building Improvements $'000	Motor Vehicles $'000	Furniture and Fixtures $'000	Office Equipment $'000	Computer Equipment $'000	Work in Progress $'000	Total $'000
Year ended September 30, 2024								
Cost								
Balance as at October 1, 2023	15,859	5,061	240	1,208	2,231	1,582	10	26,191
Additions	-	36	-	41	-	72	-	149
Disposals	-	-	-	(14)	(354)	(25)	(10)	(403)
Balance as at September 30, 2024	15,859	5,097	240	1,235	1,877	1,629	-	25,937
Accumulated Depreciation								
Balance as at October 1, 2023	1,560	696	240	998	2,214	1,365	-	7,073
Depreciation charge for the year	156	91	-	68	(2)	103	-	416
Disposals	-	-	-	(14)	(354)	(23)	-	(391)
Balance as at September 30, 2024	1,716	787	240	1,052	1,858	1,445	-	7,098
Net book value as at September 30, 2024	14,143	4,310	-	183	19	184	-	18,839

Notes to the Financial Statements (continued)

For the Year ended 30 September 2024

6. Property and equipment (continued)

	Land and Buildings $'000	Building Improvements $'000	Motor Vehicles $'000	Furniture and Fixtures $'000	Office Equipment $'000	Computer Equipment $'000	Work in Progress $'000	Total $'000
Year ended September 30, 2023								
Cost								
Balance as at October 1, 2022	15,859	4,997	754	1,234	2,414	1,513	10	26,781
Additions	-	64	-	12	3	161	-	240
Disposals	-	-	(514)	(38)	(186)	(92)	-	(830)
Balance as at September 30, 2023	15,859	5,061	240	1,208	2,231	1,582	10	26,191
Accumulated Depreciation								
Balance as at October 1, 2022	1,386	595	737	955	2,339	1,291	-	7,303
Charge for the year	174	101	17	76	61	166	-	595
Disposals	-	-	(514)	(33)	(186)	(92)	-	(825)
Balance as at September 30, 2023	1,560	696	240	998	2,214	1,365	-	7,073
Net book value as at September 30, 2023	14,299	4,365	-	210	17	217	10	19,118

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

7. Intangible Assets

	30 September 2024 $'000	30 September 2023 $'000
Computer software		
Cost		
Balance as at October 1	5,541	5,509
Additions	-	32
Balance as at September 30	5,541	5,541
Accumulated amortisation		
Balance as at October 1	5,354	5,212
Charge for the year	105	142
Balance as at September 30	5,459	5,354
Net book values as at September 30	82	187

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

8. Investments

	30 September 2024 $'000	30 September 2023 $'000
Amortised cost		
Current		
Government Treasury Bills	285,153	124,313
Government Bonds	1,062,580	231,169
Corporate Bonds	31,751	8,366
	1,379,484	363,848
Non-current		
Government Treasury Note	25,260	-
Government Bonds	3,343,527	3,964,217
Corporate Bonds	398,851	453,182
	3,767,638	4,417,399
	5,147,122	4,781,247
Fair value through other comprehensive income		
Equities	3,475	9,534
	3,475	9,534
	5,150,597	4,790,781

9. Accounts Receivables

	30 September 2024 $'000	30 September 2023 $'000
Prepayments	389	496
Loan receivable	75	115
Interest receivable	11	6
Other receivables	8,756	5
	9,231	622

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

10. Cash and Cash Equivalents

	30 September	
	2024 $'000	**2023 $'000**
Cash held at the Central Bank of Trinidad and Tobago	20,103	13,349
Cash held at other financial institutions	4,789	4,798
Cash on hand	26	15
	24,918	18,162

11. Stated Capital

The Corporation is a statutory body, the authorised and issued capital of which is fixed by the Central Bank Act Chapter 79:02 in the amount of $1,000,000. However, an increase may be approved by the Minister to whom the responsibility for finance is assigned.

12. Staff Cost

	30 September	
	2024 $'000	**2023 $'000**
Salaries and overtime	6,002	5,619
Staff allowance	1,847	1,634
Pension contributions	471	412
Staff benefits	353	334
Directors' fees	316	314
National Insurance contributions	263	269
Bonus	216	-
Gratuity	173	331
Medical and workmen compensation insurance	132	108
	9,773	9,021
Number of Employees	18	18

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

13. General and Administrative Expenses

	30 September	
	2024 $'000	2023 $'000
Information technology	915	821
Security services	705	675
Public relations and advertising	524	408
Repairs and maintenance	504	455
Professional fees	363	3,854
Janitorial services	325	327
Meeting expenses/Conferences and Official Visits	293	58
Utilities	209	206
International Association of Deposit Insurers membership fees	186	177
Property services	142	136
Telecommunications	136	141
Training and education	111	194
Printing and stationery	94	86
Motor vehicles repairs and maintenance	23	26
Miscellaneous	12	17
Archiving	11	13
Library services	11	8
Rates and taxes	9	9
Broker fees	-	59
Loss on disposal of property and equipment	-	4
	4,574	7,674

14. Retirement Benefits

The Corporation does not operate a pension plan but a non-compulsory arrangement exists whereby the Corporation contributes 150% of an employee's contribution to an approved individual annuity or the Individual Retirement Unit Account of the Trinidad and Tobago Unit Trust Corporation up to a maximum of 10% of an employee's base salary. Costs incurred during the year ended September 30, 2024 were **$470,847** (2023: $412,258).

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

15. Related Party Transactions

Related party balances

A party is related to the Corporation if:

(a) The party is an associate of the Corporation;

(b) The party is, directly or indirectly, either under common control with the Corporation or has significant or joint control over the Corporation;

(c) The party is a close family member of a person who is part of key management personnel or who controls the Corporation;

(d) The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Corporation;

(e) The party is a joint venture in which the Corporation is a venture partner;

(f) The party is a member of the Corporation's or its parent's key management personnel;

Significant aspects of the relationship between the Corporation and the Central Bank of Trinidad and Tobago (the Central Bank) are as follows:

(a) Capital contribution

The paid-up capital has been contributed entirely by the Central Bank.

(b) Representation on the Board of Management (Section 44Q (1) (a))

Two members represent the Central Bank on the Board of Management Corporation.

	30 September	
	2024 $'000	2023 $'000
Transactions with the Central Bank of Trinidad and Tobago		
Balance as at October 1	1	2
Personnel and administration expenses reimbursable to the Central Bank of Trinidad and Tobago	(5)	(4)
Reimbursements made by the Corporation	4	3
Balance as at September 30	-	1

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

15. Related Party Transactions (continued)

Key management personnel compensation

	30 September	
	2024 $'000	**2023 $'000**
Short-term employee benefits	3,966	3,558
Post-employment benefits	171	135
Balance as at September 30	4,137	3,693

16. Fair Values of Financial Instruments

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer quotations. For all other financial instruments, the Corporation determines fair values using other valuation techniques.

(a) Valuation models

The Corporation's accounting policy on fair value measurements is discussed in accounting policy 2 d)(ix).

The Corporation 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.

There were no transfers of financial instruments between levels during the year, neither were there any changes in the categorisation from the prior year.

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

16. Fair Values of Financial Instruments (continued)

(b) Financial instruments measured at fair value – fair value hierarchy

At year-end, the following financial instruments were measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at September 30, 2024				
Investment - equities	3,475	-	-	3,475
As at 30 September 2023				
Investment - equities	9,535	-	-	9,535

The following financial instruments were not measured at fair value.

	30 September 2024 $'000	30 September 2023 $'000
As at September 30		
Investment at amortised cost	5,147,122	4,781,247

Notes to the Financial Statements (CONTINUED)

For the Year ended 30 September 2024

17. Classification of Financial Assets and Financial Liabilities

The following table provides a reconciliation between line items in the statement of financial position and the categories of financial instruments.

	Fair value Through other Comprehensive Income ($)	Amortised Cost ($)	Total ($)
Year ended September 30, 2024			
Assets			
Investments	3,475	5,147,122	5,150,597
Liquidation advances recoverable	-	5	5
Accounts receivable	-	8,842	8,842
Cash and cash equivalents	-	24,918	24,918
Total financial assets	**3,475**	**5,180,887**	**5,184,362**
Liabilities			
Accounts payable	-	2,782	2,782
Total financial liabilities	**-**	**2,782**	**2,782**
Year ended September 30, 2023			
Assets			
Investments	9,535	4,781,246	4,790,781
Liquidation advances recoverable	-	6	6
Account receivable	-	120	120
Cash and cash equivalents	-	18,162	18,162
Total financial assets	**9,535**	**4,799,414**	**4,808,069**
Liabilities			
Balance due to Central Bank	-	1	1
Accounts payable	-	1,284	1,284
Total financial liabilities	**-**	**1,285**	**1,285**

18. Subsequent Events

Management has evaluated the possibility of subsequent events existing in the Corporation's financial statements from October 1, 2024 through December 12, 2024, the date the financial statements were available to be issued.

On August 28, 2024, the Minister of Finance issued two Orders to increase the deposit insurance coverage from $125,000 to $200,000 from October 1, 2024, and to increase the associated premium to be paid by contributing financial institutions.

DEPOSIT INSURANCE CORPORATION
TRINIDAD AND TOBAGO

Address:

19-20 Victoria Square West, Port of Spain

Telephone: 1 (868) 285-9342
Website: www.dictt.org
Email: info@dictt.org