NCB GLOBAL FINANCE LIMITED

Financial Statements
30 September 2019

(Expressed in Trinidad and Tobago Dollars)

Contents

Statement of Management's Responsibilities

The Financial Institutions Act, 2008 (The Act), requires that management prepare and acknowledge responsibility for the following:

- Preparing and fairly presenting the accompanying financial statements of NCB Global Finance Limited (the Company) which comprise the statement of financial position as at 30 September 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

Nothing has come to the attention of management to indicate that the Company 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.

Angus P. Young	
Chief Executive Officer	Finance Manager
December 2019	December 2019

Independent Auditor's Report

To the shareholder of NCB Global Finance Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of NCB Global Finance Limited (the Company) as at 30 September 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:
- the statement of financial position as at 30 September 2019;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

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

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

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

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
December 2019

Income Statement

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2019 $	2018 $
Operating income			
Interest income		18,087,168	14,190,578
Interest expense		(7,864,095)	(5,698,984)
Net interest income	4	10,223,073	8,491,594
Fee and commission income	5	7,058,791	2,724,892
Net gains on foreign currency and investment activities	6	19,310,796	13,174,706
Dividend income		47,751	46,687
Other operating income		117,811	282,890
		19,476,358	13,504,283
		36,758,222	24,720,769
Operating expenses			
Staff costs	7	6,612,517	6,883,168
Net impairment gains on loans	13	(1,098,314)	(85,990)
Net impairment gains on investment securities		(888,406)	--
Depreciation, amortisation		1,183,876	1,240,908
Other operating expenses	8	7,061,652	5,631,436
		12,871,325	13,669,522
Profit before taxation		23,886,897	11,051,247
Taxation	9	(3,749,336)	4,753,228
Net profit		20,137,561	15,804,475

The notes on pages 3 to 18 are an integral part of these financial statements.

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2019 $	2018 $
Net profit		20,137,561	15,804,475
Other comprehensive income/(loss), net of tax			
Items that may be reclassified to profit or loss			
Expected credit losses on debt instruments as fair value through other comprehensive income (FVOCI)		(888,406)	--
Net gains on investments in debt instruments measured at FVOCI		387,262	--
		(501,144)	--
Unrealised losses on available for sale investments		--	(229,762)
Total comprehensive income		19,636,417	15,574,713

The notes on pages 3 to 18 are an integral part of these financial statements.

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 30 September 2019 $	2018 $
Assets			
Cash in hand and balances at Central Bank	10	34,705,216	41,527,455
Due from other banks		146,500,786	81,027,528
Investment securities	11	222,200,314	87,701,843
Pledged assets	12	12,234,835	7,697,005
Loans and advances, net of provisions for credit losses	13	164,619,089	143,512,055
Intangible assets	14	2,252,415	3,161,797
Property, plant and equipment	15	160,664	391,983
Deferred income tax asset	16	9,043,529	12,288,343
Other assets	17	8,068,135	6,074,396
Total assets		599,784,983	383,382,405
Liabilities			
Customer deposits	18	465,683,451	278,808,976
Repurchase agreements	19	10,458,220	6,794,034
Deferred income tax liability	16	171,545	--
Other liabilities	20	21,350,239	15,026,727
Total liabilities		497,663,455	300,629,737
Equity			
Share capital	21	82,921,789	82,921,789
Fair value and capital reserves	22	1,632,277	(54,070)
Statutory reserve fund	23	10,672,844	8,659,087
Retained earnings		6,894,618	(8,774,138)
Total equity		102,121,528	82,752,668
Total equity and liabilities		599,784,983	383,382,405

The notes on pages 3 to 18 are an integral part of these financial statements.

Approved for issue by the Board of Directors on 2nd December 2019 and signed on its behalf by:

Angus P. Young

Director

Director

Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Notes	Share capital $	Fair value reserve $	Statutory reserve fund $	Retained earnings/(deficit) $	Total $
Balance as at 30 September 2018		82,921,789	(54,070)	8,659,087	(8,774,138)	82,752,668
Initial impact of IFRS 9 application	32 a.	--	2,187,491	--	(2,455,048)	(267,557)
Balance at 1 October 2018		82,921,789	2,133,421	8,659,087	(11,229,186)	82,485,111
Total comprehensive (loss)/income		--	(501,144)	--	20,137,561	19,636,417
Transfer to statutory reserve fund	23	--	--	2,013,757	(2,013,757)	--
Balance at 30 September 2019		82,921,789	1,632,277	10,672,844	6,894,618	102,121,528
Balance at 1 October 2017		82,921,789	175,692	7,078,640	(22,998,166)	67,177,955
Total comprehensive (loss)/income		--	(229,762)	--	15,804,475	15,574,713
Transfer to statutory reserve fund	23	--	--	1,580,447	(1,580,447)	--
Balance at 30 September 2018		82,921,789	(54,070)	8,659,087	(8,774,138)	82,752,668

The notes on pages 3 to 18 are an integral part of these financial statements.

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2019 $	2018 $
Cash flows from operating activities			
Net profit after taxation		20,137,561	15,804,475
Adjustments to reconcile net profit to net cash provided by operating activities	24	175,389,773	41,620,953
Net cash provided by operating activities		195,527,334	57,425,428
Cash flows from investing activities			
Acquisition of property, plant and equipment	15	(12,993)	(14,485)
Acquisition of intangible asset - computer software	14	(30,182)	(532,369)
Purchases of investment securities		(447,293,645)	(66,952,367)
Proceeds from sales/maturities of investment securities		310,460,505	21,010,838
Net cash used in investing activities		(136,876,315)	(46,488,383)
Net increase in cash and cash equivalents		58,651,019	10,937,045
Cash and cash equivalents at beginning of period		122,554,983	111,617,938
Cash and cash equivalents at end of period		181,206,002	122,554,983
Comprising:			
Cash in hand and balances at Central Bank	10	34,705,216	41,527,455
Due from other banks		146,500,786	81,027,528
		181,206,002	122,554,983

The notes on pages 3 to 18 are an integral part of these financial statements.

Notes to the Financial Statements

30 September 2019

(Expressed in Trinidad and Tobago Dollars)

1 Incorporation and business activities

NCB Global Finance Limited (formerly AIC Finance Limited) (the "Company") was incorporated in the Republic of Trinidad and Tobago on 5 November 1982, and commenced operations in January 1983. Effective 11 August 1993, the Company was licensed under the Financial Institutions Act 1993 as a financial institution. On 26 August 2003, the Company's application for a merchant bank's licence was approved by the Central Bank of Trinidad and Tobago (CBTT), thereby authorising the Company to conduct the additional activity of foreign exchange dealing.

On 13 December 2013, NCB Capital Markets Limited (the "Parent") acquired 100% of the shareholding of AIC Finance Limited from AIC Financial Group Limited (AICFG). NCB Capital Markets Limited is a 100% owned subsidiary of National Commercial Bank Jamaica Limited ("the Bank"). The Bank is a wholly owned subsidiary of NCB Financial Group Limited, a company incorporated and domiciled in Jamaica. NCB Financial Group Limited is a 56.13% subsidiary of AIC (Barbados) Limited. The ultimate parent company is Portland Holdings Inc. incorporated in Canada and controlled by Hon. Michael A. Lee-Chin, OJ, Chairman of the Bank.

Shares in NCB Financial Group Limited are listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange.

As part of the sale agreement, AIC Finance Limited transferred its 43% shareholding in AIC Securities Limited to AIC Financial Group Limited on 12 December 2013.

NCB Global Finance Limited is authorised to carry on the following classes of business: finance company, confirming house/acceptance house, leasing corporation, mortgage institution, merchant bank, trust company, unit trust and financial services.

In January 2016, the Company was issued a Broker-Dealer license from the Trinidad and Tobago Securities and Exchange Commission which allows the Company to conduct the following activities:
(1) Broker-Dealer as agent; (2) Broker-Dealer as principal; (3) Investment adviser and (4) Underwriter.

In July 2018, the CBTT granted approval for the Company to be included in the group of Second Tier Primary Dealers. This allows the Company to participate in up to 50% of the Open Market Operations (OMO) auctions staged by the CBTT in its efforts to manage liquidity in the Banking system.

The Company's registered office is located at 68 Ariapita Avenue, Woodbrook, Trinidad and Tobago.

2 Summary of significant accounting policies

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

a. *Basis of preparation*
The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets at fair value.

The Company has prepared these financial statements to file with The Central Bank of Trinidad and Tobago in accordance with The Financial Institutions Act, 2008.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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.

(i) New and amended standards adopted by the Company

The Company has adopted the following new and amended standards as at 1 October 2018:

- IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. The Company has identified and reviewed the contracts with customers that are within the scope of this standard and has concluded that the impact of adoption will not be significant.

- Amendment to IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018). These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The IASB has also included additional practical expedients related to transition to the new revenue standard. The Company's main source of revenue is out of the scope of IFRS 15. The Company has identified and reviewed the contracts with customers that are within the scope of this standard and has concluded that the impact of adoption will not be significant.

- IFRS 9, 'Financial Instruments', (effective for annual periods beginning on or after 1 January 2018).

  The Company adopted IFRS 9 - Financial Instruments (IFRS 9) effective October 1, 2018. Resulting from the application of this new standard, the Company made changes to the accounting policies relating to the treatment of financial assets as outlined in Note 2 (c) below. The Company has elected not to restate the comparative results as allowed under the transition provisions of IFRS 9; the 2018 comparative financial information on financial assets is presented in accordance with IAS 39 – Financial Instruments – Recognition and Measurement (Note 2 k.). Adjustments to the carrying amounts of financial assets and financial liabilities as of October 1, 2018 were recognised directly to statement of equity (See Note 32 a.).

(ii) Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company:

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position, and which the Company has not early adopted.

- Amendment to IFRS 9, 'Financial instruments', on prepayment features with negative compensation (effective for annual periods beginning on or after 1 January 2019). The IASB issued a narrow-scope amendment to IFRS 9 enabling companies to measure some financial assets containing a prepayment feature which results in negative compensation, at amortised cost. The relevant assets (certain loans and debt securities), would otherwise have been measured at fair value through profit or loss (FVPL). Negative compensation occurs where the contractual terms give a borrower the right to prepay the instrument before its contractual maturity, with the resulting prepayment being less than the unpaid amounts of principal and interest. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract. The Company does not expect that this amendment will have a significant impact on its operations.

- IFRS 16, 'Leasing' (effective for annual periods beginning on or after 1 January 2019) under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

  For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The Company does not expect any significant impact on the financial statements arising from future adoption of the standard.

- IFRIC 23, 'Uncertainty over income tax treatments' (effective for annual periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company does not expect any significant impact on the financial statements arising from future adoption of the interpretation.

- Annual improvements IFRS 2015-2017 Cycle – Amendments to IAS 12 and IAS 23 (effective for annual periods beginning on or after 1 January 2019). The amendments to IAS 12 clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless of how the tax arises. The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact on the financial statements arising from future adoption of these amendments.

- Amendments to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors', (effective for annual periods beginning on or after 1 January 2020). These amendments use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting, clarifies explanation of the definition of material and incorporate guidance in IAS 1 about immaterial information.

(iii) Functional and presentation currency

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

(iv) 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 and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary items, such as equities held at fair value through the profit or loss are reported as part of the fair value gain or loss.

b. Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition including cash in hand, deposits held at call with banks and other short term highly liquid investments.

c. Financial assets under IFRS 9 – from 1 October 2018

(i) Business model assessment

The business models are determined at the level which best reflects how the Company manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, supported by relevant and objective evidence including:

- How the performance and risks of a portfolio of assets is managed, evaluated and reported to key management and how the managers of the portfolio are compensated;

- How the Company intends to generate profits from holding the portfolio of assets;

- The past experience on how the cash flows of the portfolio of assets were collected;

- The historical and future expectations of asset sales within a portfolio.

  The Company reclassifies debt instruments only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be infrequent.

(ii) Solely repayments of principal and interest ("SPPI")

Where the business model is to collect or, to collect and sell a financial instruments' contractual cash flows, the Company assesses whether those cash flows represent solely payments of principal and interest. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The cash flows of financial assets which contain an embedded derivative are not disaggregated when determining whether their cash flows are solely payments of principal and interest but are considered in their entirety. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

(iii) Equity instruments

The Company has elected to measure equity holdings that fall under IFRS 9 at FVPL, unless they form part of a strategic acquisition that is not held for trading purposes.

(iv) Debt instruments

The Company classifies portfolios of debt instruments, including hybrid contracts, based on:

(a) the Company's business model for managing the asset; and

(b) the cash flow characteristics of the asset.

(v) Initial recognition

Financial assets and liabilities are recognised when the Company becomes party to a contractual provision of the instrument. At initial recognition, regular purchase of financial assets are recorded at fair value. The carrying value of financial assets at initial recognition includes any directly attributable transactions costs. Purchases of financial assets are recognised on the date on which the Company becomes the beneficial owner of the security.

(vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company, is recognised as a separate asset or liability in the statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income ("OCI") is recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(vii) Classification of financial assets

After initial recognition, financial assets are measured based on the business model and the resulting classification. As required by IFRS 9, the Company applies a principles-based approach to the classification of financial assets on its business model and the nature of the cash flows of the asset.

Financial instruments are classified as either:
- fair value through profit or loss ("FVPL"),
- fair value through other comprehensive income ("FVOCI") or
- amortised cost

Financial assets measured at fair value through profit and loss (FVPL)

Financial instruments are classified in this category if they meet one of the criteria set out below and are so designated irrevocably at inception:
- this designation removes or significantly reduces an accounting mismatch; or
- when a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- the financial instrument is held for trading purposes.
- The financial instrument is a derivative that is not designated as a hedge.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets held for a business model that is achieved by both collecting and selling contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net gains/(losses) on investment securities. Foreign exchange gains or losses are presented in foreign exchange income and impairment losses are presented as a separate line item in the statement of comprehensive income.

Financial assets measured at amortised cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains or losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

(viii) Impairment of financial assets

Under IFRS 9 the Company applies an impairment model that recognises expected credit losses ("ECL") on financial assets measured at amortised cost and FVOCI and off balance sheet loan commitments and financial guarantees which were previously provided for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

At initial recognition, an allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR) an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'Stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'Stage 2'; and financial assets for which there is objective evidence of impairment and are therefore considered to be in default or otherwise credit-impaired are in 'Stage 3'.

To determine whether the lifetime credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available, including information from the past as well as forward-looking information. Factors such as whether payments of principal and interest are in delinquency, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

Purchased or originated credit-impaired assets

These are financial assets that are purchased or originated at a deep discount that reflects their incurred credit losses, these assets are considered to be already credit-impaired on initial recognition. The Company calculates the credit adjusted effective interest rate, which is based on the originated fair value instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. The ECL of these financial assets is always measured on a lifetime basis and changes in the ECL are recorded in the Statement of Comprehensive Income.

Definition of default

The Company determines that a financial instrument is in default, credit-impaired and in 'Stage 3' by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is greater than 90 days past due.

Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

Recognition and measurement of ECL

The general approach to recognising and measuring ECL reflects:

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

Expected credit losses are calculated by multiplying the following three main components:

- the probability of default ("PD")
- the loss given default ("LGD") and
- the exposure at default ("EAD"), discounted at the original effective interest rate.

Management has calculated these inputs based on the estimated forward-looking economic and historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the lifetime ECL on initial recognition. For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed periodically. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in modelling and for the incorporation of scenarios which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are subjective and sensitive to risk factors, in particular to changes in economic and credit conditions across geographical areas. Many of the risk factors have a high degree of interdependency and there is no single factor to which impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and these results are not extrapolated to the wider population of financial assets.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected lifetime losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the expected credit loss calculation have forecasts of the relevant macroeconomic variables. The estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is be based on macroeconomic forecasts that are publicly available. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on an annual basis or more frequently as warranted. The base scenario reflects the most likely outcome and is assigned the highest weighting.

The weightings assigned to each economic scenario as at October 1, 2018 and September 30, 2019 were as follows:

	Base	**Optimistic**	**Pessimistic**
Scenarios	85%	15%	5%

Impairment on financial assets measured at amortised cost and FVOCI, recognise impairment gains and losses are recognised in the statement of profit or loss. Unrealised gains and losses arising from changes in fair value on FVOCI assets are measured in other comprehensive income and the loss allowance is recycled to profit or loss in the credit loss provision line. When the asset is sold, the cumulative gain or loss is reclassified to investment income and the impairment on these financial assets will be reversed to provision for credit losses in the profit and loss.

Renegotiated loans

Where possible, the Company seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur.

d. *Assets leased to customers under finance leases*

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable and is reported on the statement of financial position in "loans and advances, net provisions for credit losses". The difference between the gross and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using net investment method before tax, which reflects a constant periodic rate of return.

e. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

f. *Property, plant and equipment*

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The expected useful life of the assets are as follows:

Furniture, equipment and motor vehicles - 5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within net trading gain/loss in the income statement.

g. *Intangible asset*

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis at annual rates that will write off the carrying value of the asset over its expected useful life. The expected useful life for computer software is 3-5 years.

h. *Borrowings*

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

i. *Repurchase and reverse repurchase transactions*

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the agreements using the effective yield method.

j. *Loans and advances and provisions for credit losses*

Loans and advances are recognised when cash is advanced to borrowers. They are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method.

Provision for credit losses determined under the requirements of IFRS 9. See Note 2c (viii) for details of policy under IFRS 9 after 1 October 2018.

Accounting policy prior to 1 October 2018 – under IAS 39

The Company continuously monitors loans or groups of loans for indicators of impairment. In the event that indicators are present, the loans or groups of loans are tested for impairment. A provision for credit losses is established if there is objective evidence of impairment. A loan or group of loans is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan (a 'loss event') and that loss event has reduced the estimated future cash flows of the loan and the amount of the reduction can be reliably estimated.

k. *Investment securities*

See Note 2c (viii) for details of policy under IFRS 9 after 1 October 2018.

Accounting policy prior to 1 October 2018 – under IAS 39

Investment securities are classified into the following categories: investment securities at FVPL, AFS securities and loans and receivables (LAR). Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Investment securities at FVPL are those which were acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit-making exists or those financial assets that the entity upon initial recognition, designates as FVPL. They are initially recognised at fair value and transaction costs are expensed in the income statement. They are subsequently carried at fair value. Interest income on investment securities at FVPL is recognised as part of interest income in the income statement. All other realised and unrealised gains and losses are included in gain on foreign currency and investment activities in the income statement.

AFS securities are those intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity, changes in interest rates, foreign exchange rates or market prices. They are initially recognised at fair value (including transaction costs), and subsequently remeasured at fair value. Unrealised gains and losses arising from changes in fair value of AFS securities are recognised in other comprehensive income. When the securities are disposed of, or impaired, the related accumulated unrealised gains or losses included in other comprehensive income are transferred to the income statement.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than: (i) those financial assets that the Company intends to sell immediately or in the short-term, which are classified as fair value through profit or loss, and (ii) those financial assets that the entity upon initial recognition, designates as at fair value through profit or loss or that it has designated as available-for-sale. Loans and receivables are initially recognised at fair value plus transaction cost. They are subsequently carried at amortised cost using the effective interest method.

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Company establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Financial assets are assessed at each date of the statement of financial position for objective evidence of impairment. A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The recoverable amount of a financial asset carried at fair value is the present value of expected future cash flows discounted at the current market interest rate for a similar financial asset.

In the case of equity securities classified as AFS, a significant or prolonged decline in the fair value below cost is considered an indicator of impairment. 'Significant' or 'prolonged' are assessed based on market conditions and other indicators. If any such evidence exists for AFS financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment losses previously recognised in the income statement, is removed from other comprehensive income and recognised in the income statement. Impairment losses recognised on the equity instruments are not reversed through the income statement. All purchases and sales of investment securities are recognised at settlement date.

Investment securities are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition).

l. *Repurchase agreements*

Securities sold under agreements to repurchase are treated as collateralised financing transactions.The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective yield method.

m. *Share capital*

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

n. *Reverse repurchase agreements*

Securities purchased subject to repurchase agreements ('repos') are included in the financial statements under Reverse Repurchase Agreements. The difference between the purchase price and the repurchase price is treated as interest and accrued over the life of the agreement using the effective interest method.

o. *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

p. *Income tax*

(i) Current income tax
Income tax payable (receivable) is calculated on the basis of the applicable tax law in Trinidad and Tobago and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on unrealised gains on available-for-sale investment).

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from accelerated tax depreciation, revaluation of financial assets and tax losses carried forward.

Deferred tax assets are recognised where it is probable that future taxable profit will be available in the foreseeable future against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited to other comprehensive income or equity, in which case, deferred tax is also dealt with in other comprehensive income or equity.

q. *Interest income and expenses*

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or where appropriate, a shorter period to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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

r. *Fees and commissions*

Arrangement fees

Commission and fees arising from negotiating, or participating in the negotiation of a transaction for a third party – such as the acquisition of loans, shares of other financial assets or the purchase or sale of businesses – are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised over the period the service is provided.

Origination fees

Fees relating to the creation or acquisition of a financial asset other than under IAS 39 classified as a financial asset 'at fair value through profit or loss' are amortised over the expected life of the instrument using the effective interest rate method.

s. *Dividend income*

Dividends are recognised in the income statement in "dividend and other income" when the Company's right to receive payment is established.

3 Critical accounting estimates and judgements

The Company's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of preparation of the financial statements.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and assumptions are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality.

a. *Income and deferred income taxes*

Significant judgement is required in determining the provision for income taxes and deferred income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company recognises deferred tax assets on temporary differences from accelerated tax depreciation, revaluation of financial assets and losses carried forward to the extent that there are probable future taxable profits in the foreseeable future in which the temporary differences can be utilised.

b. *Impairment losses on loans and advances*

In determining amounts recorded for impairment losses in the financial statements, management makes judgements as to whether there are any observable data indicating that there is a measurable decrease in the estimated future cash flows from financial assets. The evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets.

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed to reduce any differences between loss estimates and actual loss experience.

c. *Fair value of financial assets*

The fair value of financial assets where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated using models. These models are validated and periodically reviewed by independent qualified personnel.

4 Net interest income

	2019 $	2018 $
Interest income		
Loans and advances	11,280,020	10,309,088
Investment securities		
- Fair value through other comprehensive income	6,752,974	3,552,616
- Fair value through profit or loss	28,282	279,000
Deposits and other	25,892	35,877
Reverse repurchase agreements	--	13,997
	18,087,168	14,190,578
Interest expense		
Customer deposits	(7,535,090)	(5,657,895)
Repurchase agreements	(329,005)	(41,089)
	(7,864,095)	(5,698,984)
Net interest income	10,223,073	8,491,594

5 Fee and commission income

Arrangement fees	6,775,139	2,226,668
Loan commitment fees	173,967	341,613
Registrar, trustee and paying agent fees	80,232	114,969
Other fees	29,453	41,642
	7,058,791	2,724,892

6 Net gains on foreign currency and investment activities

Net foreign exchange gains	16,461,160	13,141,629
Gains on investment securities:		
- Realised gain on debt securities	2,776,112	69,439
- Unrealised loss on debt securities	(17,843)	(84,331)
- Unrealised gain on equity securities	91,367	47,969
	19,310,796	13,174,706

Net foreign exchange gains include gains and losses arising from translation of assets and liabilities denominated in foreign currencies as well as those arising from foreign currency dealing activities.

7 Staff costs

	2019 $	2018 $
Wages, salaries, allowances and benefits	6,372,623	6,647,428
Payroll taxes	239,894	235,740
	6,612,517	6,883,168

8 Other operating expenses

	2019 $	2018 $
Property lease rental	1,342,614	1,509,354
Marketing, advertising and donations	807,305	227,628
Technical, consultancy and professional fees	746,674	439,380
Travelling, courier and telecommunication	572,461	511,698
Insurance	544,363	455,450
Service level agreement (IT Support)	525,501	525,958
Auditor's remuneration	501,954	384,260
Other expenses	469,471	331,998
Commissions	422,455	--
License and transaction processing fees	330,127	396,054
Irrecoverable value added tax	299,832	260,100
Property maintenance and utilities	276,392	485,676
Loan directly written off	207,459	90,944
Stationery	15,044	12,936
	7,061,652	5,631,436

9 Taxation

	2019	2018
Business levy and green fund levy	504,522	383,960
Deferred tax (Note 16)	3,244,814	(5,137,188)
	3,749,336	(4,753,228)

The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	2019	2018
Profit before taxation	23,886,897	11,051,247
Tax calculated at a tax rate of 30% (2018: 30%/25%)	7,166,069	3,265,374
Income not subject to tax or in respect of which tax has been remitted	(4,220)	(17,381)
Expenses not deductible for tax purposes	258,407	525,616
Previously unrecognised tax losses utilised	(3,670,920)	(8,526,837)
	3,749,336	(4,753,228)

10 Cash in hand and balances at Central Bank of Trinidad and Tobago

	2019	2018
Statutory deposit with Central Bank of Trinidad and Tobago	34,682,850	41,503,160
Cash in hand	22,366	24,295
	34,705,216	41,527,455

The Statutory Deposit is made up of $34,682,850 which represents the required ratio of prescribed liabilities to be maintained with the Central Bank of Trinidad and Tobago. The prior year amount of $41,503,160 includes $21,503,160 prescribed liabilities and $20,000,000 deposited to facilitate Open Market Operations (OMO) trading. The reserve account is non-interest bearing and is not available for investment, lending or other use by the Company.

11 Investment securities

	2019	2018
Classified as FVPL		
Government of Trinidad and Tobago debt securities	--	4,523,256
Quoted and unquoted equity securities	1,575,221	1,489,286
Interest receivable on FVPL	--	112,364
Gross carrying amount	1,575,221	6,124,906
ECL allowance	(98,878)	(100,085)
Net carrying amount	1,476,343	6,024,821
Classified as FVOCI		
Government of Trinidad and Tobago debt securities	185,999,149	11,026,940
Other government securities	6,728,640	--
Corporate debt securities	39,234,565	77,245,208
Interest receivable	996,452	1,101,879
Carrying amount	232,958,806	89,374,027
Total investment securities	234,435,149	95,398,848
Less: pledged assets (Note 12)	(12,234,835)	(7,697,005)
Amount reported in the financial statements	222,200,314	87,701,843
Current portion	60,795,373	4,635,620
Long term portion	161,404,941	83,066,223
	222,200,314	87,701,843

12 Pledged assets

	2019 $	2018 $
Investment securities classified as FVOCI pledged as collateral for:		
Repurchase agreements	12,234,835	7,697,005

13 Loans and advances

	2019	2018
Instalment loans	106,145,137	93,613,468
Finance leases	29,518,155	27,068,749
Mortgage loans	19,076,068	23,110,132
Trade financing	9,293,051	--
Gross loans and advances	164,032,411	143,792,349
ECL allowance	(383,840)	(1,014,870)
	163,648,571	142,777,479
Interest receivable	970,518	734,576
	164,619,089	143,512,055
Current	54,650,197	24,881,596
Non-current	109,968,892	118,630,459
	164,619,089	143,512,055

Present value of mimimum lease payments

	2019	2018
Gross investment (future minimum lease payments)	33,025,243	30,606,412
Future finance charges	(3,507,088)	(3,537,663)
Present value of minimum lease payments	29,518,155	27,068,749

Finance leases

	2019	2018
Not later than 1 year	1,688,043	1,960,894
Later than 1 year and not later than 5 years	27,830,112	25,107,855
Net investment in finance leases	29,518,155	27,068,749

The movement in the provision for credit losses is as follows:

	2019	2018
Balance at beginning of year	1,014,870	1,052,310
IFRS 9 initial adjustment effective 1 October 2018	267,557	--
Revised opening balance	1,282,427	1,052,310
Net decrease in provision during the year	(12,946)	(37,440)
Recoveries of loans provided for	(705,088)	--
Reversal provision-loan written off	(180,553)	--
Balance at end of year	383,840	1,014,870
Specific provision	--	885,642
General provision	383,840	129,228
	383,840	1,014,870

During the year, the following gains were recognised in profit or loss in relation to impaired loans:

	2019	2018
Recoveries of loans previously written off	199,727	48,550
Recoveries of loans provided for	705,088	--
Reversal provision - loan written off	180,553	--
Decrease in provision during the year	12,946	37,440
	1,098,314	85,990

14 Intangible assets

	Computer software 2019 $	2018 $
Net book value at beginning of year	3,161,797	3,629,592
Additions	30,182	532,369
Amortisation charge	(939,564)	(1,000,164)
Net book value at end of year	2,252,415	3,161,797
Cost	6,038,391	6,008,209
Accumulated amortisation	(3,785,976)	(2,846,412)
Net book value		

15 Property, plant and equipment

	Furniture, equipment and motor vehicles $
Cost	
At 1 October 2017	3,037,945
Additions	14,485
At 30 September 2018	3,052,430
Additions	12,993
At 30 September 2019	3,065,423
Accumulated depreciation	
At 1 October 2017	2,419,703
Charge for the year	240,744
At 30 September 2018	2,660,447
Charge for the year	244,312
At 30 September 2019	2,904,759
Net book value	
30 September 2018	391,983
30 September 2019	160,664

16 Deferred income tax

	2019 $	2018 $
Net asset at beginning of year	(12,288,343)	(7,047,866)
Deferred tax charge/(credit) in the income statement	3,244,814	(5,137,188)
Deferred tax charge/(credit) on securities at fair value through other comprehensive income (OCI)	171,545	(103,289)
Net deferred tax asset at end of year	(8,871,984)	(12,288,343)
(Assets)/liabilities recognised on the statement of financial position are as follows:		
Deferred tax asset	(9,043,529)	(12,288,343)
Deferred tax liability	171,545	--
Net asset	(8,871,984)	(12,288,343)
Deferred income tax assets:		
Tax losses	(7,785,090)	(11,035,387)
Accelerated depreciation	(1,258,439)	(1,224,207)
Fair value on investment securities-available-for-sale	--	(28,749)
	(9,043,529)	(12,288,343)
Deferred income tax liabilities:		
Investment securities at fair value through OCI	171,545	--
Net asset at end of year	(8,871,984)	(12,288,343)
The amounts shown in the statement of financial position include the following:		
Deferred tax assets to be recovered after more than 12 months	9,840,958	9,772,037
The amounts recognised in the income statement were due to:		
Accelerated tax depreciation	(34,232)	(427,875)
Tax losses	3,279,046	(4,709,313)
	3,244,814	(5,137,188)
The amount recognised in other comprehensive income was due to the following items:		
Securities at fair value through other comprehensive income	171,545	--
Unrealised losses on available for sale investments	--	(103,289)

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable in the foreseeable future. The Company has unutilised tax losses of $26,088,321 (2018: $49,088,239) to carry forward against future taxable profits. The losses can be carried forward indefinitely and have no expiry date. The losses were incurred prior to the acquisition by NCB Capital Markets Limited (the Parent) of 100% of the share capital of the Company in December 2013 and were due mainly to losses on disposal of financial assets. In May 2015 the BIR advised that they were satisfied that the change in ownership in December 2013 was not effected with a view to avoiding or reducing any liability to tax which is the key hurdle to overcome in utilising tax losses accumulated under different ownership.The tax assessment for income years 2015 and 2016 were received and they did not indicate any objection to the utilisation of the losses.

The Company has concluded that based on its assessment of taxable profits it is forecasted to generate in the foreseeable future, a deferred tax asset up to $8,871,984 (2018: $12,288,343) should be recognised as at 30 September 2019.

17 Other assets

	2019 $	2018 $
Client balances	5,525,454	4,613,277
Prepayments	1,325,958	722,141
VAT recoverable	1,215,277	719,447
Intercompany receivables	1,446	19,531
	8,068,135	6,074,396

18 Customer deposits

Deposit balances	461,352,463	276,293,892
Accrued interest	4,330,988	2,515,084
	465,683,451	278,808,976

19 Repurchase agreements

The securities pledged for the repurchase agreements were two eurobonds with total market value plus accrued interest of $12,234,835 (TTD equivalent).The tenors of the agreements are 365 and 637 days.

20 Other liabilities

Client balances	18,829,741	11,503,963
Accrued staff benefits	1,677,140	2,352,843
Accrued other operating expenses	807,110	1,128,047
Intercompany payables	36,248	41,874
	21,350,239	15,026,727

21 Share capital

	2019 $	2018 $
Authorised		
An unlimited number of shares of no par value		
Issued and fully paid		
92,698,531 ordinary shares of no par value	82,921,789	82,921,789

22 Fair value reserve

The fair value reserve represents the unrealised gains/(losses) on securities measured at FVOCI, the ECL allowances recognised in profit or loss and the respective deferred tax asset or liability.

23 Statutory reserve fund

The Financial Institutions Act, 2008 requires that a minimum of 10% of the profit for the year in each period be transferred to a statutory reserve account until the balance on this reserve is not less than the paid-up capital.

24 Adjustments to reconcile net profit to net cash provided by operating activities

	Notes	2019 $	2018 $
Depreciation of property, plant and equipment	15	244,312	240,744
Amortisation of intangible asset	14	939,564	1,000,164
Net provision on credit losses		(1,081,905)	(37,440)
Loss on write off on loans		207,459	90,944
Interest income		(18,087,168)	(14,190,578)
Interest expense		7,864,095	5,698,984
Income tax expense/(credit)		3,749,336	(4,753,228)
Unrealised revaluation exchange loss/(gain) on investments		255,497	(72,540)
Net gain on disposal of financial assets		(2,776,112)	(69,439)
(Gain)/loss on investment securities at fair value through profit or loss		(73,524)	36,362
Changes in operating assets and liabilities:			
(Increase)/decreasein loans to customers		(20,420,615)	27,012,383
Increase in customer deposits		185,058,571	10,447,379
Increase in repurchase agreements		3,367,293	6,792,731
(Increase)/decrease in other assets		(1,993,739)	1,840,300
Increase in other liabilities		6,323,512	197,956
		163,576,576	34,234,722
Interest received		18,069,018	13,638,353
Interest paid		(5,751,299)	(5,868,161)
Income taxes paid		(504,522)	(383,961)
Net cash provided by operating activities		175,389,773	41,620,953

The net provision on credit losses of $1,081,905 above includes reversal of provision in relation to a loan written off – $180,553; decrease in loan provision during the year – $12,946 and ECL allowances on investment securities through profit or loss $888,406.

25 Related party transactions

	The parent and entities with significant influence over the entity 2019 $	2018 $	Directors and key management personnel (and their families) 2019 $	2018 $
Loans and advances				
Balance at 1 October	--	--	1,123,268	1,762,305
Issued during the year	--	--	687,676	300,000
Repayment during the year	--	--	(200,599)	(939,037)
Balance at 30 September	--	--	1,610,345	1,123,268
Interest income earned (loans)	--	--	69,276	80,154
Reverse repurchase agreements				
Balance at 1 October	--	14,293,336	--	--
Net movement during the year	168,779	(14,293,336)	--	--
Balance at 30 September	168,779	--	--	--
Other assets	1,446	15,238	--	--
Other liabilities	1,012,938	41,874	--	--
Interest income earned	--	35,877	--	--
Fee income earned	5,093,462	--	--	--
Repurchase agreement (Repo)	--	6,792,731	--	--
Interest expense on Repo	--	41,089	--	--
Other operating expenses	525,501	525,958	--	--

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties as none of the outstanding balances are considered impaired.

Key management compensation	2019 $	2018 $
Salaries and other short term benefits	4,840,236	4,923,015

26 Financial risk management

The Company's activities expose it to a variety of financial risks. These risks include liquidity risk, credit risk, and market risk which includes; interest rate risk, foreign exchange risk and price risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk limits and benchmarks are integral to the risk management process, as they characterise the Board's risk tolerance and also that of the Regulator. Limits are established for:

- Credit and Counterparty risk - exposures to individuals, group, counterparty, country
- Market risk - rate gap exposure, currency exposure, market value exposure
- Liquidity risk - liquidity gaps, funding exposures/liability diversification and liquid assets levels

Limits and benchmarks are monitored on an ongoing basis and reported to the relevant governance committees.

Policies and procedures

Policies and operational procedures are established throughout the organisation and are approved by the relevant management personnel and/or governance committees.

These policies and procedures incorporate requirements for compliance monitoring, maintenance of contingency plans and the provision of reports to management and the relevant governance committees and/or the Board of Directors.

a. Credit risk

Credit risk is the risk that a borrower or counter-party fails to meet contractual obligations, or to perform as agreed. This risk is managed through credit appraisal governed by adherence to credit risk policies in compliance with regulatory requirements. The major classes of credit facilities advanced are instalment loans, mortgage loans, finance leases and trade financing.

Authorisation limits are established for different credit facilities with approval levels for Group Risk Management Division, the Risk Management Committee and the Board.

Portfolio management is the key in managing the performance of the instalment loans, mortgage loans, finance leases and trade financing. In that regard, focus is on relationship management and monitoring of repayments to ensure that they are not only paid but paid in a timely manner. Having the relevant legal support in cases of default is also a critical component of ensuring early redress of the situation to minimise loss through default. In addition, particular attention is paid to ensuring the maintenance of collateral.

Maximum exposure to credit risk before collateral held or other credit enhancements.

Credit risk exposures relating to on balance sheet assets are as follows:

	2019 $	2018 $
Balances with Central Bank of Trinidad and Tobago	34,682,850	41,503,160
Due from other banks	146,500,786	81,027,528
Investment securities	232,932,634	94,009,647
Loans and advances, net of provision for credit losses	164,619,089	143,512,055
	578,735,359	360,052,390

The credit quality of loans is summarised as follows:

Not impaired	163,920,325	142,906,077
Impaired	112,086	886,272
	164,032,411	143,792,349
Less: provision for credit losses	(383,840)	(1,014,870)
Net	163,648,571	142,777,479

The ageing analysis of past due but not impaired loans was as follows:

Less than 30 days	162,720,412	13,351,058
31 to 60 days	1,199,913	150,659
	163,920,325	13,501,717

Of the aggregate amount of gross past due but not impaired loans, $154,751,708 was secured (2018: $20,341,317).

Credit exposures

(i) Loans

The following table summarises the credit exposure to businesses and government by sector:

	2019 $	2018 $
Agriculture	--	72,617
Central government	67,285,079	42,490,882
Construction and land development	19,637,595	22,463,486
Other financial institutions	1,324,562	1,450,942
Distribution	25,349,706	33,177,938
Manufacturing	3,628,964	1,519,387
Personal	10,387,925	8,969,291
Professional and other services	30,915,581	29,989,187
Tourism	3,661,010	1,109,276
Transportation, storage and communication	1,841,989	2,549,343
	164,032,411	143,792,349
Expected credit losses	(383,840)	(1,014,870)
Interest receivable	970,518	734,576
	164,619,089	143,512,055

26 Financial risk management (continued)

a. Credit risk (continued)

Credit exposures (continued)

(ii) Debt securities

The following table summarises the Company's credit exposure for debt securities at their carrying amounts, as categorised by issuer:

Government of Trinidad and Tobago	185,999,149	15,550,196
Corporate	39,234,565	77,245,208
Foreign governments	6,728,640	--
	231,962,354	92,795,404
Interest receivable	996,452	1,214,244
	232,958,806	94,009,648

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

External credit ratings (Standard and Poor's)

	2019 $	2018 $
AA+	6,728,640	--
BBB+	--	11,026,940
BBB	198,088,329	--
BB	5,891,200	6,982,694
B+	4,938,051	13,796,316
Unrated	16,316,134	56,466,198
	231,962,354	88,272,148

Debt securities at fair value through profit or loss

BBB+	--	4,523,256

(iii) The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognised. The gross carrying amounts of investments below represent the Company's maximum exposure to credit risk on these assets.

Alternate classification for internal rating – S&P or equivalent	Classification	External
Low risk	Investment Grade	AAA – BBB
Medium risk	Non-Investment Grade	BB – B
High risk	Non-Investment Grade	CCC - C
Default	Default	D

Debt securities	ECL staging Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Purchased credit-impaired $	Total $
Risk rating					
Low	214,400,576	--	--	--	214,400,576
Medium	9,987,651	841,600	--	--	10,829,251
High	6,732,527	--	--	--	6,732,527
Default	--	--	--	--	--
Gross carrying amount	231,120,754	841,600	--	--	231,962,354

Loans and advances	ECL staging Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Purchased credit-impaired $	Total $
Risk rating					
Low	163,920,325	--	112,086	--	164,032,411
Gross carrying amount	163,920,325	--	112,086	--	164,032,411
Loss allowance	(355,819)	--	(28,021)	--	(383,840)
Carrying amount	163,564,506	--	84,065	--	163,648,571

Other assets	ECL staging Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Purchased credit-impaired $	Total $
Risk rating					
Low	8,068,135	--	--	--	8,068,135
Gross carrying amount	8,068,135	--	--	--	8,068,135
Loss allowance	--	--	--	--	--
Carrying amount	8,068,135	--	--	--	8,068,135

The following tables contain an analysis of the expected credit losses:

Debt securities	ECL staging Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Purchased credit-impaired $	Total $
Risk rating					
Low	90,777	--	--	--	90,777
Medium	95,316	26,734	--	--	122,050
High	1,086,258	--	--	--	1,086,258
Loss allowance	1,272,351	26,734	--	--	1,299,085

Loans and advances	ECL staging Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Purchased credit-impaired $	Total $
Low	355,819	--	28,021	--	383,840
Loss allowance	355,819	--	28,021	--	383,840

Loss allowance

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

Debt securities	ECL staging Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Purchased credit-impaired $	Total $
Loss allowance as at 1 October 2018	2,145,952	23,696	--	--	2,169,648
New financial assets originated or purchased	68,844	--	--	--	68,844
Financial assets derecognised during the period	(892,950)	--	--	--	(892,950)
Changes to inputs to the ECL model	(51,577)	(12,792)	--	--	(64,369)
Foreign exchange movement	17,912	--	--	--	17,912
Loss allowance as **at 30 September 2019**	1,288,181	10,904	--	--	1,299,085

Loans and advances	ECL staging Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	Purchased credit-impaired $	Total $
Loss allowance as at 1 October 2018	396,268	518	885,641	--	1,282,427
Transfer from Stage 2 to Stage 3	--	(518)	28,021	--	27,503
New financial assets originated or purchased	168,571	--	--	--	168,571
Financial assets derecognised during this period	--	--	(885,641)	--	(885,641)
Changes to principal	(209,020)	--	--	--	(209,020)
Loss allowance as at 30 September 2019	355,819	--	28,021	--	383,840

b. Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. The Company's liquidity management process is carried out by the Company's Treasurer as follows:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers.
- Maintaining a portfolio of marketable assets that can be liquidated as protection against any unforeseen interruption to cash flow.
- Managing the concentration and profile of maturities.
- Use of Liquidity Gap analysis.

26 Financial risk management (continued)

b. *Liquidity risk (continued)*

The tables below present the contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the financial liabilities based on the remaining period.

As at 30 September 2019	Within 1 month $	2 to 3 months $	4 to 12 months $	1 to 5 years $	Over 5 years $	Total $
Liabilities						
Customers deposits	7,108,380	70,037,651	350,968,123	46,363,045	--	474,477,199
Repurchase agreements	--	3,484,224	7,208,594	--	--	10,692,818
Other liabilities	21,350,239	--	--	--	--	21,350,239
Total financial liabilities (contractual maturity dates)	28,458,619	73,521,875	358,176,717	46,363,045	--	506,520,256
Assets held for managing liquidity risk	190,407,438	--	53,070,281	21,046,002	151,117,432	415,641,152

As at 30 September 2018	Within 1 month $	2 to 3 months $	4 to 12 months $	1 to 5 years $	Over 5 years $	Total $
Liabilities						
Customers deposits	5,197,579	71,779,897	176,435,820	29,526,688	--	282,939,984
Repurchase agreements	--	6,851,353	--	--	--	6,851,353
Payables and accruals	15,026,727	--	--	--	--	15,026,727
Total financial liabilities (contractual maturity dates)	20,224,306	78,631,250	176,435,820	29,526,688	--	304,818,064
Assets held for managing liquidity risk	125,158,427	4,523,256	--	35,340,882	52,931,266	217,953,831

c. *Market risk*

The Company takes on exposure to market risk, which is defined as the potential for loss arising from changes in the market value of the organisation's financial instruments due to changes in certain market variables, such as interest rates, foreign exchange rates, equity prices, market liquidity and credit spreads.

The Company incurs market risk primarily in treasury, trading and structural banking activities. The Company manages the risk in accordance with the Group's risk management framework. This includes:

- Oversight provided by the relevant governance committees.
- An independent market risk oversight function.
- Limit setting mechanisms and a monitoring process.

(i) *Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Company takes an open position in a currency. To control this exchange risk, the Company has approved limits for net open positions in each currency for both intra-day and overnight.

The Company also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to be settled. The Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

As at September 2019	TTD $	JMD $	USD $	CAND $	Other $	Total $
Assets						
Cash and balances at Central Bank of Trinidad and Tobago	34,686,674	--	18,542	--	--	34,705,216
Due from other banks	110,963,485	--	28,151,212	7,385,778	311	146,500,786
Investment securities (including pledged assets)	148,870,974	26,173	85,538,002	--	--	234,435,149
Loans and advances net of provision	132,602,400	--	32,016,689	--	--	164,619,089
Other assets	5,625,564	4,610	2,060,382	365,464	12,115	8,068,135
Total assets	432,749,097	30,783	147,784,827	7,751,242	12,426	588,328,375
Liabilities						
Customer deposits	377,563,830	--	88,119,621	--	--	465,683,451
Repurchase agreements	--	--	10,458,220	--	--	10,458,220
Other liabilities	7,919,530	10,689	5,682,756	7,737,264	--	21,350,239
Total liabilities	385,483,360	10,689	104,260,597	7,737,264	--	497,491,910
Net on-balance sheet position	47,265,737	20,094	43,524,230	13,978	12,426	90,836,465

As at September 2018	TTD $	JMD $	USD $	CAND $	Other $	Total $
Assets						
Cash and balances at Central Bank of Trinidad and Tobago	41,506,362	--	21,093	--	--	41,527,455
Due from other banks	68,414,425	--	10,496,338	2,116,454	311	81,027,528
Investment securities – fair value through profit or loss	5,131,163	26,492	867,166	--	--	6,024,821
Investment securities – available-for-sale	50,235,883	--	39,138,144	--	--	89,374,027
Loans and advances net of provision	113,433,425	--	30,078,630	--	--	143,512,055
Other assets	1,837,733	--	4,236,663	--	--	6,074,396
Total assets	280,558,991	26,492	84,838,034	2,116,454	311	367,540,282
Liabilities						
Customer deposits	244,674,337	--	34,134,639	--	--	278,808,976
Repurchase agreements	--	--	6,794,034	--		6,794,034
Other liabilities	7,877,139	20,081	5,028,083	2,101,424	--	15,026,727
Total liabilities	252,551,476	20,081	45,956,756	2,101,424	--	300,629,737
Net on-balance sheet position	28,007,515	6,411	38,881,278	15,030	311	66,910,545

Foreign currency sensitivity

The following table indicates the currencies to which the Company has significant exposures on its monetary assets and liabilities and its forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents the outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for changes in foreign currency rates. The sensitivity analysis includes loans and advances to customers, investment securities and deposits.

	% Change in currency rate 2019	Effect on net profit 2019 $	Effect on equity 2019 $	% Change in currency rate 2018	Effect on net profit 2018 $	Effect on equity 2018 $
Currency						
USD	4%	1,740,969	1,740,969	%	1,555,251	1,555,251
USD	-10%	(4,352,423)	(4,352,423)	%	(3,888,128)	(3,888,128)

(ii) *Interest rate risk*

Interest rate risk arises when the Company's principal and interest cash flows from balance sheet items have mismatched re-pricing dates. The short-term impact is experienced on the Company's net interest income and long-term impact is felt on its equity.

The Company incurs interest rate mismatches from its interest bearing assets and liabilities with the size of such exposure being heavily dependent on the direction and degree of interest rate movements in addition to the size and maturity structure of the mismatched position. The Company's policy requires that such mismatches are managed. Accordingly, a comprehensive system of limits and gap analysis is used to manage the Company's exposure.

26 Financial risk management (continued)

c. *Market risk (continued)*

(ii) *Interest rate risk (continued)*

As at 30 September 2019	Within 1 month $	2 to 3 months $	4 to 12 months $	1 to 5 years $	Over 5 years $	Non-interest bearing $	Total
Assets							
Cash and balances at Central Bank of Trinidad and Tobago	--	--	--	--	--	34,705,216	34,705,216
Due from other banks	146,500,786	--	--	--	--	--	146,500,786
Investment securities	6,728,640	--	53,070,280	21,046,002	151,117,431	2,472,796	234,435,149
Loans and advances net of provision	38,849	12,130,795	42,480,553	36,302,268	73,079,946	586,678	164,619,089
Other assets	--	--	--	--	--	8,068,135	8,068,135
Total assets	153,268,275	12,130,795	95,550,833	57,348,270	224,197,377	45,832,825	588,328,375
Liabilities							
Customer deposits	2,775,528	69,698,108	345,400,408	43,478,419	--	4,330,988	465,683,451
Repurchase agreements	--	3,366,400	6,793,624	--	--	298,196	10,458,220
Other liabilities	--	--	--	--	--	21,350,239	21,350,239
Total liabilities	2,775,528	73,064,508	352,194,032	43,478,419	--	25,979,423	497,491,910
On balance sheet interest sensitivity gap	150,492,747	(60,933,713)	(256,643,199)	13,869,851	224,197,377		
Cumulative interest sensitivity gap	150,492,747	89,559,034	(167,084,165)	(153,214,314)	70,983,063		

As at 30 September 2018	Within 1 month $	2 to 3 months $	4 to 12 months $	1 to 5 years $	Over 5 years $	Non-interest bearing $	Total
Assets							
Cash and balances at Central Bank of Trinidad and Tobago	--	--	--	--	--	41,527,455	41,527,455
Due from other banks	81,027,528	--	--	--	--	--	81,027,528
Investment securities fair value through profit or loss	--	4,523,256	--	--	--	1,501,565	6,024,821
Investment securities – available-for- sale	--	--	--	35,340,882	52,931,265	1,101,880	89,374,027
Loans and advances net of provision	8,848,062	6,792,727	12,199,593	78,589,185	36,500,984	581,504	143,512,055
Other asstes	--	--	--	--	--	6,074,396	6,074,396
Total assets	89,875,590	11,315,983	12,199,593	113,930,067	89,432,249	50,786,800	367,540,282
Liabilities							
Customers deposits	2,681,115	71,490,227	174,504,979	27,617,571	--	2,515,084	278,808,976
Repurchase agreements	--	6,794,034	--	--	--	--	6,794,034
Other liabilities	--	--	--	--	--	15,026,727	15,026,727
Total liabilities	2,681,115	78,284,261	174,504,979	27,617,571	--	17,541,811	300,629,737
On balance sheet interest sensitivity gap	87,194,475	(66,968,278)	(162,305,386)	86,312,496	89,432,249		
Cumulative interest sensitivity gap	87,194,475	20,226,197	(142,079,189)	(55,766,693)	33,665,556		

(ii) *Interest rate sensitivity*

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the income statement and stockholders' equity.

Change in basis points	Effect on net profit 2019 $	Effect on net equity 2019 $	Effect on net profit 2018 $	Effect on net equity 2018 $
-200 bps	(1,419,661)	(1,419,661)	(673,311)	(673,311)
+200 bps	1,419,661	1,419,661	673,311	673,311

(iii) *Other price risk*

The Company is exposed to equity securities price risk because of investments held classified as fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Percentage change in share price	Effect on net profit 2019 $	Effect on net equity 2019 $	Effect on net profit 2018 $	Effect on net equity 2018 $
10% decrease	(147,634)	(147,634)	(138,920)	(138,920)
10% increase	147,634	147,634	138,920	138,920

d. *Capital management*

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The statutorily required capital is TT$15 million. The Company meets its objectives for managing capital and ensures adherence to the requirements of regulatory authorities by continuous monitoring and ensuring awareness of the regulations and by ensuring that the relevant procedures and controls are in place within the Company's systems.

The regulatory qualifying capital ratio for the Company is:

	2019 $'000	2018 $'000
Qualifying capital	102,505	82,882
Risk adjusted assets	176,392	158,332
Capital ratio	28.74%	28.90%

The licensed non-banking financial institutions in Trinidad and Tobago are required to maintain a qualifying capital ratio of total regulatory capital to risk-weighted assets of at least 8%. On 13 December 2013, the date of the acquisition of NCB Global Finance Limited by NCB Capital Markets Limited, the Central Bank of Trinidad and Tobago (CBTT) stated that the Company's minimum capital ratio should not fall below 10%.

27 Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The following tables provide an analysis of financial instruments held as at the date of the statement of financial position that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3, based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at financial year ended:

27 Fair value estimation (continued)

As at 30 September 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Investment securities classified as FVOCI				
Government of the Republic of Trinidad and Tobago debt securities	--	185,999,149	--	185,999,149
Other government securities	--	6,728,640	--	6,728,640
Corporate debt securities	--	34,724,975	4,509,590	39,234,565
	--	227,452,764	4,509,590	231,962,354
Investment securities at fair value through profit or loss				
Quoted and unquoted equity securities	1,450,170	--	26,173	1,476,343

As at 30 September 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Investment securities classified as available for sale				
Government of the Republic of Trinidad and Tobago debt securities	--	11,026,940	--	11,026,940
Corporate debt securities	--	72,586,007	4,659,201	77,245,208
	--	83,612,947	4,659,201	88,272,148
Investment securities at fair value through profit or loss				
Government of the Republic of Trinidad and Tobago debt securities	--	4,523,256	--	4,523,256
Quoted and Unquoted equity securities	1,362,708	--	26,493	1,389,201
	1,362,708	4,523,256	26,493	5,912,457

The movement in the Company's financial assets classified as Level 3 during the year was as follows:

	2019 $	2018 $
At start of year	4,685,694	4,813,749
Foreign exchange loss recognised in arriving at net profit or loss	(320)	(837)
Fair value gains recognised in other comprehensive income	--	13,805
Disposals	(149,611)	(141,023)
At end of year	4,535,763	4,685,694

If credit spreads were to increase or decrease by 100 basis points with all other variables held constant, the impact on the carrying value on the level 3 bond would be $3,050 (2018: $4,286).

There were no transfers between levels.

28 Contingent liabilities

The Company is not a party to any material pending legal proceedings other than ordinary routine litigation incidental to the business. It is not expected that the disposition of such litigation will have a material effect on the Company's financial position.

29 Lease rentals

The Company leases its premises under an operating lease arrangement and the future lease obligations are summarised below:

Not later than 1 year	552,000	790,614

30 Capital commitments

The Company has no capital commitments.

31 Subsequent events

Management evaluated all events that occurred from 1 October 2019 through to the date the financial statements were available to be issued. During the period, the Company did not have any subsequent events requiring recognition or disclosure in the financial statements.

32 Changes in accounting policies

a. *Impact on financial statements*

The Company has adopted IFRS 9 for the financial year ended 30 September 2019 which resulted in a change in the Company's accounting policies. IFRS 9 was generally adopted without restating comparative information. The reclassifications and adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position at 30 September 2018, but are recognised in the opening statement of financial position on 1 October 2018.

The following table shows the adjustment recognised for each individual line item for the statement of financial position.

Statement of financial position

	30 September 2018 as originally presented $	Transition adjustment- IFRS 9 $	Transition adjustment- IFRS 15 $	As at 1 October 2018 $
Assets				
Cash and deposits	122,554,983	--	--	122,554,983
Investment securities at fair value through profit or loss	6,024,821	(4,635,620)	--	1,389,201
Investment securities classified as available-for-sale	81,677,022	(81,677,022)	--	--
Investment securities at fair value through other comprehensive income	--	86,312,642	--	86,312,642
Pledged assets	7,697,005	--	--	7,697,005
Loans and advances	143,512,055	(267,557)	--	143,244,498
Deferred income tax asset	12,288,343	--	--	12,288,343
Property, plant and equipment	391,983	--	--	391,983
Intangible assets	3,161,797	--	--	3,161,797
Other assets	6,074,396	--	--	6,074,396
Total assets	383,382,405	(267,557)	--	383,114,848

	30 September 2018 as originally presented $	Transition adjustment- IFRS 9 $	Transition adjustment- IFRS 15 $	As at 1 October 2018 $
Stockholders' equity and liabilities:				
Stockholders' equity attributable Stockholders' of the Company				
Share capital	82,921,789	--	--	82,921,789
Fair value reserve	(54,070)	2,187,491	--	2,133,421
Statutory reserve fund	8,659,087	--	--	8,659,087
Retained deficit	(8,774,138)	(2,455,048)	--	(11,229,186)
Total equity	82,752,668	(267,557)	--	82,485,111
Liabilities				
Customer deposits	278,808,976	--	--	278,808,976
Repurchase agreements	6,794,034	--	--	6,794,034
Other liabilities	15,026,727	--	--	15,026,727
Total liabilities	300,629,737	--	--	300,629,737
Total equity and liabilities	383,382,405	(267,557)	--	383,114,848

32 Changes in accounting policies (continued)

b. Reconciliation of financial investment balances from IAS 39 to IFRS 9

	IAS 39 carrying amount 30 September 2018 $	Reclassifications $	Remeasurements $	IFRS 9 carrying amount 1 October 2018 $
Financial investments at amortised cost:				
Loans and advances	143,512,055	--	(267,557)	143,244,498

	IAS 39 carrying amount 30 September 2018 $	Reclassifications $	Remeasurements $	IFRS 9 carrying amount 1 October 2018 $
Financial investments at FVOCI:				
Debt securities	89,374,027	4,635,620	--	94,009,647

	IAS 39 carrying amount 30 September 2018 $	Reclassifications $	Remeasurements $	IFRS 9 carrying amount 1 October 2018 $
Financial investments at FVTPL:				
Debt securities	4,635,620	(4,635,620)	--	--
Equity securities	1,389,201	--	--	1,389,201
Total financial investments measured at FVTPL	6,024,821	(4,635,620)	--	1,389,201

c. Reconciliation of impairment allowance balances from IAS 39 to IFRS 9

The following tables reconcile the prior period's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with the IFRS 9 expected loss model at October 1, 2018.

	IAS 39 carrying amount 30 September 2018 $	Reclassifications $	Remeasurements $	IFRS 9 carrying amount 1 October 2018 $
Loans and receivables (IAS 39)/Financial assets at amortised cost (IFRS 9)				
Loans and advances impairment allowance	1,014,870	--	267,557	1,282,427
AFS financial instruments (IAS 39)/ financial assets at FVOCI (IFRS 9)				
Debt securities impairment allowance	--	--	2,169,648	2,169,648

The total impact on the Company's retained deficit as at 1 October 2018 is as follows:

	2018 $
Closing retained deficit 30 September - IAS 39	(8,774,138)
Reclassify investments from FVPL to FVOCI	(17,843)
Increase in provision for loans and advances	(267,557)
Increase in provision for debt investments at FVOCI	(2,169,648)
Adjustment to retained earnings from adoption of IFRS 9 on 1 October 2018	(2,455,048)
Opening retained deficit 1 October 2018	(11,229,186)