2023
ANNUAL REPORT

THE CENTRAL BANK OF TRINIDAD AND TOBAGO

CENTRAL BANK OF
TRINIDAD & TOBAGO

The **primary** purpose of the **Bank** is the **promotion** of **monetary, credit** and **exchange** conditions most **favourable** to the **development** of the economy of **Trinidad and Tobago**.

THE MANDATE

CENTRAL BANK ACT CHAPTER 79:02
ACT 23 OF 1964

The Central Bank of Trinidad and Tobago is a corporate body established by an Act of Parliament, the Central Bank Act, Chapter 79:02.

The primary mandate of the Central Bank is set out in Section 3 (3) of the Act:

3 (3) The Bank shall have as its purpose the promotion of such monetary, credit and exchange conditions as are most favourable to the development of the economy of Trinidad and Tobago, and shall, without prejudice to the other provisions of this Act: –

(a) have the exclusive right to issue and redeem currency notes and coins in Trinidad and Tobago;
(b) act as banker for, and render economic, financial and monetary advice to the Government;
(c) maintain, influence and regulate the volume and conditions of supply of credit and currency in the best interest of the economic life of Trinidad and Tobago;
(d) maintain monetary stability, control and protect the external value of the monetary unit, administer external monetary reserves, encourage expansion in the general level of production, trade and employment;
(e) undertake continuously economic, financial and monetary research;
(f) review-
   (i) legislation affecting the financial system;
   (ii) developments in the field of banking and financial services, which appear to be relevant to the exercise of its powers and the discharge of its duties; and
(g) generally have the powers and undertake the duties and responsibilities assigned to it by any other law.

LAWS OF TRINIDAD AND TOBAGO

FINANCIAL INSTITUTIONS ACT CHAPTER 79:09

The Central Bank also administers the Financial Institutions Act, 2008, under which it is responsible for the supervision of banks and non-banks (licensees), the oversight of inter-bank payment systems and the regulation of electronic money issuers.

The primary objective of the Central Bank in respect of licensees is to maintain confidence in, and promote the soundness and stability of, the financial system in Trinidad and Tobago.

Other objectives of the Central Bank under this Act are to:

(a) promote the existence of efficient and fair banking and financial services markets;
(b) supervise licensees to determine whether they are in sound financial condition; and
(c) maintain an appropriate level of protection for depositors of licensees.

INSURANCE ACT CHAPTER 84:01

From May 2004, the Central Bank was charged with the administration of the Insurance Act, 1980 which was repealed and replaced by the Insurance Act, 2018. Under this Act, the Central Bank is responsible for the supervision of insurance registrants and privately administered pension fund plans.

The primary objective of the Central Bank, in respect of registrants, is to maintain confidence in, and promote the soundness and stability of, the financial system in Trinidad and Tobago. The other objectives of the Central Bank, in respect of insurance registrants are to:

(a) promote the existence of efficient and fair insurance markets;
(b) maintain an appropriate level of protection for policyholders and beneficiaries under policies; and
(c) ensure compliance of insurers and intermediaries with legislation to combat money laundering and terrorist financing.

The Central Bank performs functions derived from other pieces of legislation. These include, among others, the Exchange Control Act Chapter 79:50, the Heritage and Stabilisation Fund Act Chapter 70:09 and the Proceeds of Crime Act Chapter 11:27 (Financial Obligations Regulations 2010).

LETTER OF TRANSMITTAL

CENTRAL BANK OF
TRINIDAD & TOBAGO

December 20, 2023

The Honourable Colm Imbert
Minister of Finance
Ministry of Finance
Eric Williams Finance Building
Independence Square
PORT OF SPAIN

REF: CB-G-96/2023

Dear Minister Imbert

In accordance with Section 53(1) of the Central Bank Act Chapter 79:02, I enclose herewith the Report of the Central Bank of Trinidad and Tobago for the year ended September 30, 2023.

Yours sincerely

Alvin Hilaire
Governor

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PART 1

GOVERNOR'S FOREWORD

Global growth during the financial year 2022/23 was tepid. Despite declining commodity prices, inflation, though moderating, remained above many central banks' targets. Higher policy rates as a result of stubborn inflation led to tighter financial conditions, exposing financial sector vulnerabilities with noted bank failures in Europe and the United States. International capital markets also exhibited volatility.

Against this backdrop, the Trinidad and Tobago economy experienced a continued revival in activity, with sustained growth in business operations on the back of good momentum in the availability of credit, and higher consumer confidence. Unemployment conditions improved, while domestic inflation moderated considerably. On the monetary policy front, the Central Bank kept the Repo rate at 3.50 per cent over the financial year, and intensified its use of open market operations. At the same time, the Monetary Policy Committee noted the need for careful ongoing monitoring of developments in the determination of policy moving forward, particularly in light of the evolving situation on external interest rates.

With the firm commitment and diligence of its staff, the Bank registered major successes in the execution of its 2021/22 – 2025/26 Strategic Plan, building on the solid foundation constructed over the last few years. The achievements were broad-based – spanning from implementation of electronic cheque processing and further streamlining of currency operations on the monetary front; to implementing a cybersecurity frame work and Basel II requirements for licensees and exiting from emergency control over two troubled insurance companies after a span of 13 years in the financial stability sphere; and boosting our contribution to disadvantaged communities and the arts as we fortified our internal operations. Engagement by staff remained high, and efforts were ongoing to recognise the excellent teamwork that forms the basis for the Central Bank's accomplishments.

Dr. Alvin Hilaire
Governor

As we look forward to the new financial year, the Bank remains nimble and well-equipped to face upcoming challenges. The focus will be on consolidating what we have achieved to date, by further strengthening our processes, controls, analytical capacity and communications, while improving the interactions among Departments and with external agencies. Four key areas of focus will be cybersecurity, the payments system, fintech and private pension reform. Our dedicated and competent staff constitute the heart of our institution and will continue to work diligently in the service of Trinidad and Tobago.

Dr. Alvin Hilaire
Governor
Chairman of the Board

LEADERSHIP AND **ORGANISATIONAL STRUCTURE**

EXECUTIVE DIRECTORS


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NON-EXECUTIVE DIRECTORS*


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BOARD OF DIRECTORS

i.	*Dr. Alvin Hilaire, Governor*
ii.	*Dr. Dorian Noel, Deputy Governor, Monetary Operations & Policy*
iii.	*Prof. Surendra Arjoon – Period of Reappointment: Feb. 18, 2022 - Feb. 17, 2025*
iv.	*Mr. Richard Duncan – Period of Reappointment: Feb. 18, 2022 - Feb. 17, 2025*
v.	*Ms. Lorraine Ferguson – Period of Reappointment: Feb. 18, 2022 - Feb. 17, 2025*
vi.	*Mr. Kern Gardiner – Period of Reappointment: Feb. 18, 2022 - Feb. 17, 2025*
vii.	*Mr. Lancelot Jack – Period of Reappointment: Feb. 18, 2022 - Feb. 17, 2025*
viii.	*Mrs. Suzette Taylor-Lee Chee – Period of Reappointment: Apr. 20, 2023 – Apr. 19, 2026*
ix.	*Mr. Terrence Walker – Period of Reappointment: Feb. 18, 2022 - Feb. 17, 2025*

* All Directors served throughout the FY2022/23 period.

BOARD GOVERNANCE

The Bank's Governance structure set out in the Central Bank Act, Chap 79:02. Section 5 states that the Bank shall be managed by a Board of Directors comprised of a Governor (as Chairman), not more than two Deputy Governors and not less than six other Directors, two of whom may be Public Service Directors. Pursuant to section 10(1), the Governor, as Chief Executive Officer of the Bank, is entrusted with the day-to-day management, administration, direction and control of the business of the Bank.

The Governor is appointed for a term of not less than three years but no more than five years. The Deputy Governor serves for a specified term and the other Board members are appointed for a three-year term. There were changes to the composition of the Board during the 2022/23 financial year as follows:

- The term of the Public Service Director, Mrs. Suzette Taylor-Lee Chee, expired on April 19, 2023. Mrs. Lee Chee was re-appointed with effect from April 20, 2023, for three years.

The quorum of the Board consists of the Chairman and three other members. Section 15(2) specifies that "the Board shall meet for the transaction of the business of the Bank as may be necessary or expedient, but at least once in every two months and not less than nine times in any calendar year". In keeping with these requirements, the Board held nine meetings in calendar year 2022. Twelve meetings (including two Special Board Meetings) were held during the Financial Year, October 01, 2022 to September 30, 2023.

The dates of the Meetings of the Board for the Financial Year (October 01, 2022 – September 30, 2023) are set out in **Table 1.**

Table 1 – Board Meetings for Financial Year 2022/23

DIRECTORS	2022			2023								
	Oct 28*	Nov 25*	Dec 09*	Jan 27*	Mar 31*	Special Mar 31*	Apr 28*	May 26*	Special May 26*	Jun 30*	Jul 28*	Sep 29*
Dr. Alvin Hilaire	●	●	●	●	●	●	●	●	●	●	●	●
Dr. Dorian Noel	●	●	●	●	●	●	●	●	●	●	●	●
Prof. Surendra Arjoon	●	●	●	●	●	●	●	●	●	●	●	●
Ms. Richard Duncan	●	●	●	●	●	●	●	●	●	●	●	●
Mr. Lancelot Jack	●	●	●	●	●	●	●	●	●	Abs	●	●
Mr. Lorraine Ferguson	●	●	Abs	●	●	●	●	●	●	●	●	●
Mr. Kern Gardiner	●	●	●	●	●	●	●	●	●	●	●	●
Mr. Terrence Walker	●	●	●	●	●	●	●	●	●	●	●	●
Mrs. Suzette Taylor-Lee Chee	●	●	●	●	●	●	●	●	●	●	●	Abs

Source: Central Bank of Trinidad and Tobago

●	Present	*	Meeting held in hybrid format
Abs	Absent		

The Board has appointed three Committees to assist with discharging its functions - the Audit Committee, the Human Resource Committee and the Information Technology Committee. Each Committee comprises only Non-Executive Directors and is governed by a charter. The membership of these Committees is contained in **Table 2.**

Table 2 – Board Committees (October 01, 2022 – September 30, 2023)

Committee	Members (Reappointed on March 25, 2022)
Audit Committee	Mr. Richard Duncan (Chair) Prof. Surendra Arjoon Mr. Kern Gardiner Ms. Lorraine Ferguson
Human Resource Committee	Prof. Surendra Arjoon (Chair) Mr. Lancelot Jack Mrs. Suzette Taylor Lee-Chee (Reappointed on April 20, 2023) Mr. Terrence Walker
Information Technology Committee	Ms. Lorraine Ferguson (Chair) Mr. Lancelot Jack Mr. Kern Gardiner

Source: Central Bank of Trinidad and Tobago

POLICY COMMITTEES

MONETARY POLICY COMMITTEE

The **Monetary Policy Committee** (MPC) is responsible for the development and implementation of the Bank's monetary policy framework. The Committee comprises Dr. Alvin Hilaire, Governor and Chairman of the Board; Dr. Dorian Noel, Deputy Governor, Monetary Operations and Policy; Mr. Terrence Clarke, Senior Manager, Macroeconomics/Finance; and Mr. Alister Noel, Senior Manager, Operations.

In its monetary policy deliberations over the financial year, the Committee took note of international developments such as banking failures and the potential repercussions on financial stability, the slowdown in global growth, geopolitical tensions and a decline in inflationary pressures. In the local economy, factors considered by the Committee include a nascent recovery in economic activity, a sustained deceleration in inflation and buoyancy in private sector credit. Taking all factors into account, the committee maintained the Repo rate at 3.50 per cent over the financial year.

FINANCIAL STABILITY COMMITTEE

The **Financial Stability Committee** (FSC) is a forum for policy coordination on systemic and non-systemic risks within regulated financial institutions, which have the potential to disrupt the stability of the financial system. The Committee includes senior executives from the Central Bank, the Trinidad and Tobago Securities and Exchange Commission, and the Deposit Insurance Corporation. The Committee meets quarterly to discuss issues related to the financial sector and the approach to treating them with the recommendations of the Financial Sector Assessment Program (FSAP) on crisis management.

During the fiscal year 2022/23, the FSC held four routine meetings to provide updates on the performance and stability of the financial sector, early warning indicators, and significant regulatory developments, such as guidelines and legislation. The Committee also held a special meeting on April 14, 2023, to discuss the transition of mutual funds from fixed net asset value (NAV) to floating NAV. Additionally, the FSC established the Financial Stability Support Committee (FSSC) and approved the FSSC's terms of reference and work program for 2022/23.

SENIOR MANAGEMENT

EXECUTIVES


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SENIOR MANAGERS


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EXECUTIVES:
1. **Dr. Alvin Hilaire** *(Governor)*; 2. **Dr. Dorian Noel** *(Deputy Governor, Monetary Operations and Policy)*; 3. **Mr. Patrick Solomon** *(Inspector of Financial Institutions)*

SENIOR MANAGERS:
4. **Mrs. Arvinder Bharath** *[(Senior Manager, Financial Technology and Information Security – (Date of Retirement: Aug 06, 2023)]*; 5. **Ms. Marie Borely** *(Chief Financial Officer)*; 6. **Mr. Gregory Camejo** *(Senior Manager, Corporate, Strategic and Project Services)*; 7. **Ms. Nicole Chapman** *(Senior Manager, Legal, Contract and Corporate Secretariat Services)*; 8. **Mr. Terrence Clarke** *(Senior Manager, Macroeconomics/Finance)*; 9. **Mrs. Nicole Crooks** *(Senior Manager, Human Resources, Industrial and External Relations)*; 10. **Mrs. Michelle Francis-Pantor** *(Deputy Inspector of Financial Institutions)*; 11. **Mr. Alister Noel** *(Senior Manager, Operations)*; 12. **Mr. Dominic Stoddard** *(Financial Services Ombudsman)*

MANAGEMENT

Ms. Sharon Villafana
Manager,
Banking Operations

Ms. Leslie-Ann Figaro
Assistant Manager,
Banking Operations

Mrs. Sonia Raphael
Assistant Manager,
Banking Operations

Mrs. Chrisine Nanton-Winter
Assistant Manager,
Extenal Relations

Mr. Christopher Subryan
Manager,
Finance and Accounting

Ms. Isha Marshall
Assistant Manager,
Finance and Accounting

Mrs. Sandra Swan-Daniel
Assistant Manager,
Finance and Accounting

Ms. Nadira Rahamatula-Rajack
Manager,
Anti-Money Laundering,
Financial Institutions Supervision

Mr. Kendall Cuffy
Manager,
Banks and Non-Banks,
Financial Institutions Supervision

Ms. Natalie Roopchandsingh
Manager,
Insurance,
Financial Institutions Supervision

Mr. Naveen Lalla
Manager,
Pensions and Intermediaries,
Financial Institutions Supervision

Mrs. Marlene Ming Hon-Mackenzie
Assistant Manager,
Insurance,
Financial Institutions Supervision

Mr. Fareez Hardit-Singh
Assistant Manager,
Office of the Financial
Services Ombudsman

Ms. Louella-Anne Edwards
Manager,
Information Technology Services

Ms. Loren Harrinauth
Assistant Manager,
Applications,
Financial Technology and
Information Security

Ms. Keisha Lashley
Assistant Manager,
Information and Cybersecurity,
Financial Technology and
Information Security

MANAGEMENT

Mrs. Lisa Quintyne
Assistant Manager,
Infrastructure, Financial Technology
and Information Security

Mrs. Heather Huggins
Manager,
Human Resources

Mr. Randy Marcano
Chief Internal Auditor,
Internal Audit

Ms. Sabrina Lee-John
Assistant Manager,
Legal, Contract &
Corporate Secretariat Services

Mrs. Karen Campbell-Ash
Assistant Manager,
Knowledge and Information
Management

Ms. Jeanette Joseph
Assistant Manager,
Payments and Financial
Markets Infrastructure

Dr. Kevin Finch
Manager,
Research

Mrs. Susan Ramirez
Assistant Manager,
Research

Dr. Reshma Mahabir
Assistant Manager,
Quantitative Research,
Research
(Assigned to the IMF)

Ms. Wendy D'Arbasie
Manager,
Reserves and Domestic
Market Management

Mr. Kevin Smith
Assistant Manager,
Reserves and Domestic
Market Management

Mr. Harun Abdul-Haqq
Chief Risk Manager,
Risk Management and IT
Governance

Mr. Dennis Gordon
Manager,
Security Services

Mrs. Angela Henry-Small
Manager,
Statistics

Mrs. Shanta Dhoray-Baig
Assistant Manager,
Statistics

Mr. Vaughn Halliday
Manager,
Support Services - Facilities

MANAGEMENT

Mrs. Marlene Quirico-Callendar
Assistant Manager,
Support Services - Administration

Ms. Amrita Gosine
Assistant Manager,
Support Services - Centralised

Mr. Anson Caliste
Assistant Manager,
Support Services - Facilities

Mrs. Joanne Charles-Edwards
Assistant Manager,
Support Services - Procurement

ADVISORS AND SPECIALISTS

Ms. Patricia Babwah
Legal and Contracts Specialist

Mrs. Wynnell De Landro-Robinson
Insurance Supervision Advisor
(Contract Ended: Aug. 31, 2023)

Ms. Denise Daniel
Industrial Relations
Specialist

Ms. Ejenny Espinet
Legal Advisor

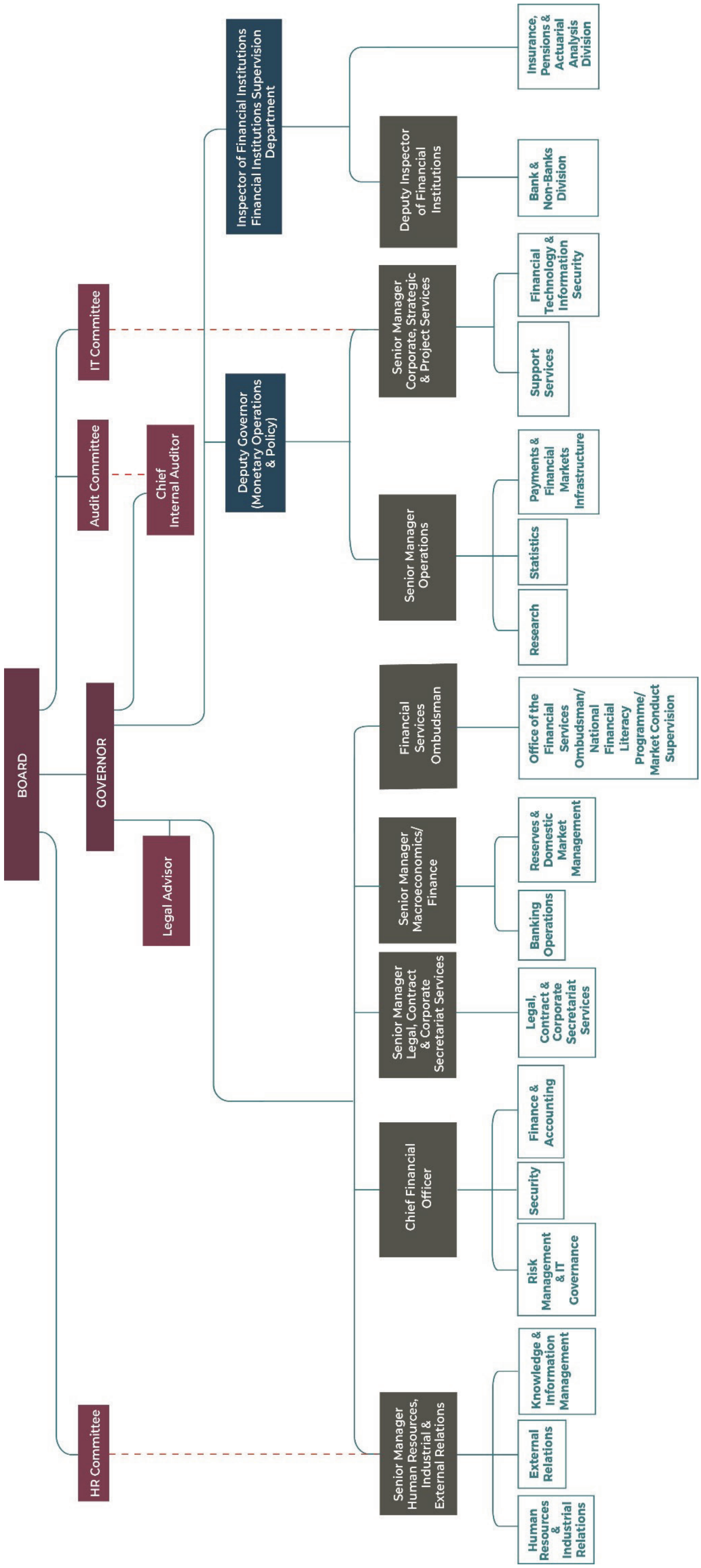
Ms. Sita Mangal
Credit Risk Specialist

Ms. Sandra Racha
Specialist Advisor

Ms. Ingrid Stewart
Specialist
(Date of Retirement: Oct. 12, 2019)
(Retired on Contract: Nov. 11, 2019)

ORGANISATIONAL STRUCTURE

AS AT SEPTEMBER 30, 2023



CENTRAL BANK OF TRINIDAD AND TOBAGO STRATEGIC PLAN 2021/22 – 2025/26

HIGHLIGHTS OF YEAR 2: 2022/23*

The Bank fulfilled numerous project-based objectives in its second year of its Strategic Plan. While the international economic environment was marked by heightened volatility, the Trinidad and Tobago economy showed signs of a gradual recovery.

In a thrust to modernise monetary policy and operations, new currency processing machines were acquired and installed. There were roll-out campaigns to stimulate the use of the 50-cent coin and 50-dollar bill to economise on manufacturing costs. In February 2023, the Central Bank and the commercial banks launched an electronic cheque-clearing facility that reduced the cheque processing time.

In support of the evolving payments landscape, on September 1, 2023, PayWise Limited, Pesh Limited and the Telecommunications Company of Trinidad and Tobago (TSTT) were granted full registration as electronic money providers. Additionally, the Central Bank, in collaboration with the Trinidad and Tobago Securities and Exchange Commission (TTSEC), hosted a panel discussion on 'Considerations in Crypto Asset Regulation' on September 5, 2023, to bring together professionals from the public and private sectors. The intention was for the Bank to share its final perspectives on the overall regulatory environment for crypto assets. Some progress was made in advancing new payments legislation. The Bank is also part of a team of regional central banks convened to propose practical solutions to facilitate payments within CARICOM, as well as be part of international efforts to build a more effective global network.

As we continue to be vigilant in promoting financial stability, work progressed on the implementation of the Basel III capital adequacy requirements. Following Technical Assistance (TA) from the International Monetary Fund (IMF) in April 2023, the Bank took several steps to further boost the security of its cyber operations, by first appointing an Assistant Manager to spearhead this fundamental activity. In addition, the Bank published final guidelines on Cybersecurity Best Practices for licensees in mid-September 2023. Other institutions not regulated by the Bank are encouraged to adopt the provisions in this Guideline but are not required to report to the Central Bank. Notably, in December 2022, the Bank exited from its emergency control of Colonial Life Insurance Company (Trinidad) Ltd. (CLICO) and British American (Trinidad) Ltd. (BAT), however, it will continue to work closely with these companies to ensure protection of policyholders' best interests.

The Office of the Financial Services Ombudsman (OFSO), which is also currently responsible for the National Financial Literacy Program (NFLP) was restructured to better execute its mandate. In mid-September 2023, the OFSO opened an office in Tobago to foster a new level of engagement with the public in financial literacy. The NFLP expanded to boost public awareness and understanding of Fintech applications. There was an increase in engaging the wider population on financial literacy matters via exhibitions and other events being held in the Bank's museum, auditorium and conference facilities. In an effort to grow involvement in supporting disadvantaged communities and deepen our contribution in the area of Corporate Social Responsibility (CSR), the non-Government organisation, "Chosen Hands", collaborated with the Central Bank to host an Evening of Art and Fashion, showing a growth in the Bank's CSR initiatives.

* https://www.central-bank.org.tt/about/strategic-plan/strategic-plan-2021/2022-2025/2026.

GLOBAL ENGAGEMENTS

Following a strong performance in the first year of operationalising its Strategic Plan 2021-2026, the Central Bank of Trinidad and Tobago (Bank) continued to make significant strides to achieve some of its main strategic priorities during the financial year 2022/23. These advancements were facilitated, in part, due to the Bank's aim to bolster its interface with international institutions, as per objective seven of the Strategic Plan. More specifically, over the financial year 2022/23, the Bank was engaged with international institutions like the International Monetary Fund (IMF), the World Bank Group (WB), Network for Greening the Financial System (NGFS), Financial Stability Board (FSB), G-24, as well as regional institutions including the Association of Supervisors of Banks of the Americas (ASBA), Caribbean Association of Insurance Regulators (CAIR), Caribbean Regional Technical Assistance Centre (CARTAC), Centre for Latin American Monetary Studies (CEMLA) and Caribbean Financial Action Task Force (CFATF). Some of the main external interactions are summarised in the ensuing paragraphs.

As customary, high-level officials from the Bank were part of Trinidad and Tobago's delegation to the G-24 meeting (October 2022), as well as the IMF/WB Annual and Spring Meetings in October 2022 and April 2023, respectively. Coordinated multilateral support to tackle food and energy crises, managing digitalisation of payments systems, and the adoption of the Central Bank Digital Currencies (CBDC) were discussed at the G-24 meeting while issues of global concern, including the world economic outlook, poverty eradication, economic development, and aid effectiveness were discussed at the IMF/WB meetings. During their annual Staff Visit to Trinidad and Tobago in November 2022, the IMF engaged in consultations with the Bank, along with other key public and private stakeholders, on topics relating to domestic economic developments and the outlook for the local economy. This was followed by the IMF's Article IV Consultations for Trinidad and Tobago in March 2023. The staff report, published in May 2023, concluded that prudential consolidation measures, in the context of high energy prices, supported an improvement in fiscal conditions. However, the IMF noted several downside risks to the country's positive post-pandemic outlook. Similarly, the WB and international and regional credit rating agencies (Moody's Investor Services, Standard and Poor's, and Caribbean Information and Credit Rating Services (CariCRIS)), engaged the Bank to discuss domestic economic developments. Bank officials also attended other meetings over the financial year, such as the CEMLA's CXIII Meeting of Central Bank Governors, the Caribbean Group of Banking Supervisors strategic planning meeting, the FSB Plenary meeting, and the XXVII Meeting of the Central Bank Researchers Network.

The Bank furthered its involvement with the NGFS over the financial year, as senior officials attended Plenary and update meetings where they discussed ongoing work of the Microprudential/Supervision and Macrofinancial/ Scenario analysis work plans. As part of the NGFS, the Bank responded to various questionnaires and surveys to inform and advance the NGFS work agenda. The Bank also responded to an FSB-administered survey, identifying vulnerabilities that could have the highest impact on global, regional and domestic financial stability. In addition, the Bank participated in a few benchmark surveys conducted by Central Banking. On the research front, a study supported by the Inter-American Development Bank (IADB) on "Alternative financing for micro, small and medium enterprises (MSMEs) in Trinidad and Tobago" was presented publicly via webinar in May 2023. Work on another topic, "The role of the Trinidad and Tobago's Government in facilitating financial market development and financial inclusion," was completed with both papers being published in the Bank's Research Paper Series.

Foreign institutions continued to provide Bank staff with opportunities for capacity development through technical assistance (TA) and training on various topics. The IMF provided the Bank with, inter alia, a seminar on strengthening climate risk analysis for Financial Sector Assessment Programmes (FSAP), training on the design and interactions of financial sector policies with other policies, and TA on cybersecurity in financial institutions. Meanwhile, the WB provided TA with best practices to enhance reserve management operations, processes and procedures. Regional institutions also offered training during the financial year. CFATF provided training on financial inclusion, ASBA on green finance and digital banking, consolidated supervision, and financial soundness, and CAIR on the implementation of International Financial Reporting Standards (IFRS) 17. Statistical compilers were able to reinforce their knowledge of external sector accounts through CARTAC and financial mathematics through CEMLA. Moreover, the Bank's interface with foreign institutions has proven beneficial in supporting its work agenda and complementing its strategic objectives. As the global landscape continues to evolve and as climate change becomes an increasing threat, it is expected that the Bank will continue to engage and expand its interactions with foreign institutions.

REVIEW OF ACTIVITIES
2022 - 2023[1]

1. The Bank's financial year runs from October 01 to September 30.

MONETARY POLICY AND ECONOMIC DEVELOPMENTS

In 2023, global economic growth was constrained by the long-term effects of the COVID-19 pandemic, the Russia-Ukraine conflict and unprecedented monetary tightening. Inflation trended downward during the year due to lower food and energy commodity prices, coupled with softening demand and easing supply issues. Nevertheless, underlying price pressures contributed to well-above-target inflation for major economies. In the United States (US), the Federal Reserve Bank raised its benchmark interest rate on six occasions by a cumulative 250 basis points between November 2022 and September 2023. The hike in policy interest rates by central banks in Advanced Economies (AEs), in an effort to rein in inflation, led to tighter credit conditions which exposed financial sector vulnerabilities and hampered economic activity. Against this background, the International Monetary Fund (IMF), in its World Economic Outlook October 2023, forecasts the world economy to expand by 3.0 per cent in 2023, from 3.5 per cent in 2022. The progress made to slow inflation by the end of the financial year was an encouraging sign that would avert a sharp downturn in the global economy.

In the domestic setting, economic activity improved on the strength of the non-energy sector. Data from the Central Statistical Office (CSO) indicate that real GDP grew by 3.0 per cent in the first quarter of 2023, bolstered by strong growth in the non-energy sector (4.2 per cent) and marginal growth in the energy sector (0.3 per cent). For the first half of 2023, indicators allude to positive activity in several non-energy producing sectors including the Transportation and Storage, Wholesale and Retail Trade (excluding Energy), Electricity and Water (excluding Gas) and Construction sectors. In the energy sector, contractions in upstream activity (crude oil and natural gas) prompted reduced output of other commodities, namely LNG, natural gas liquids (NGLs), ammonia and urea. The recent startup of Shell's Baracuda, DeNovo's Zandolie and bpTT's Matapal natural gas projects helped to counter the natural attrition in gas production, while crude oil producers struggled with maturing acreage.

Conditions in the labour market improved, consistent with strengthening business activity and consumer demand. The CSO has indicated that the unemployment rate fell to 3.7 per cent in the second quarter of 2023, from 4.5 per cent recorded in the corresponding quarter a year prior, partly reflecting an increase in labour force participation. Furthermore, anecdotal evidence suggests that job retrenchments declined from January to July 2023, while notices of job vacancies fell over the first three quarters of 2023. Headline inflation slowed throughout the year as supply-side impulses tapered off and underlying demand pressures remained in check. At the end of September 2023, headline inflation measured 3.9 per cent, with food and core inflation at 4.7 per cent and 3.7 per cent, respectively.

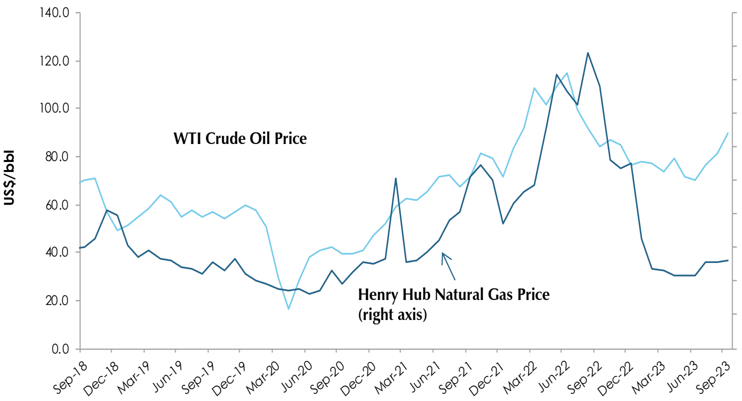
An accommodative monetary policy stance was sustained over the financial year to help foster a steady revival of economic activity. Within the context of a progressive decline in domestic inflation and a gradual economic recovery, the Bank kept the Repo rate unchanged at 3.50 per cent and managed excess liquidity in order to facilitate the smooth operation of financial markets and to support ongoing credit expansion. Banking system liquidity remained elevated, with commercial banks' reserves at the Central Bank over required levels averaging $6.2 billion in FY2022/23, compared with $5.2 billion in the previous year. Ample liquidity bolstered the growth momentum in private sector credit during the first nine months of 2023. Overall financial system credit grew by 7.8 per cent in the twelve months to September 2023, up from 7.1 per cent one year earlier as all three loan categories accelerated in growth – consumer loans by 8.3 per cent, real estate mortgage loans by 6.5 per cent and business loans by 7.9 per cent (year-on-year).

Lower market inflows led to tighter conditions in the domestic foreign exchange market during the financial year. Over FY2022/23, authorised dealers' purchases of foreign currency from the public amounted to US$4,919.8 million, 8.2 per cent lower than the comparative period in 2022. The fall in purchases was attributable to lower conversions of foreign exchange to settle TT dollar obligations by energy sector companies which benefitted from the encashment of VAT bonds. Energy sector conversions continued to be the primary source of foreign currency inflows to the domestic market, accounting for 67.5 per cent of the total foreign currency purchased by the authorised dealers during the year. Authorised dealers' sales in the foreign exchange market decreased by 3.0 per cent to US$6,445.2 million. Therefore, the net sales gap reached US$1,525.4 million. The Central Bank increased its support to the domestic foreign exchange market, selling US$1,331.5 million to authorised dealers, US$83.1 million more than in the previous year. The TTD/USD exchange rate was relatively stable for the financial year. As at September 30, 2023, the weighted average selling rate stood at TT$6.7713/ US$1.00, compared to TT$6.7803/ US$1.00 at the end of September 2022.

Energy-related revenues were impacted by softer energy prices coupled with lower domestic energy production. Preliminary estimates from the Ministry of Finance (MOF) showed that the Central Government accounts registered a deficit of $3.4 billion in FY2022/23 (1.8 per cent of GDP). This compares with an originally budgeted deficit of $1.5 billion and an actual fiscal surplus of $1.3 billion in FY2021/22. Government revenue declined by $787.7 million from the previous financial year to $53.8 billion, due to a fall-off in energy receipts which were partly offset by higher non-energy revenue. Total expenditure increased by $4.0 billion to reach $57.2 billion, due in part to higher transfers and subsidies.

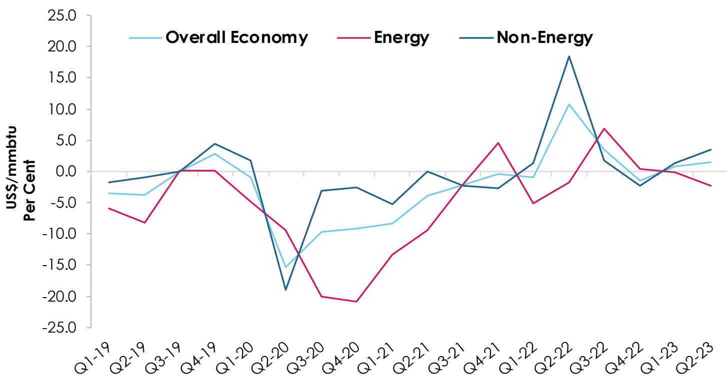
Trinidad and Tobago's gross official reserves amounted to US$6,346.3 million at the end of September 2023, US$486.1 million lower than the level at the end of December 2022. The external accounts, therefore, registered an overall deficit in the first nine months of 2023. The reserves at September 2023 represent 7.9 months of prospective imports of goods and services.

Crude Oil and Natural Gas Prices



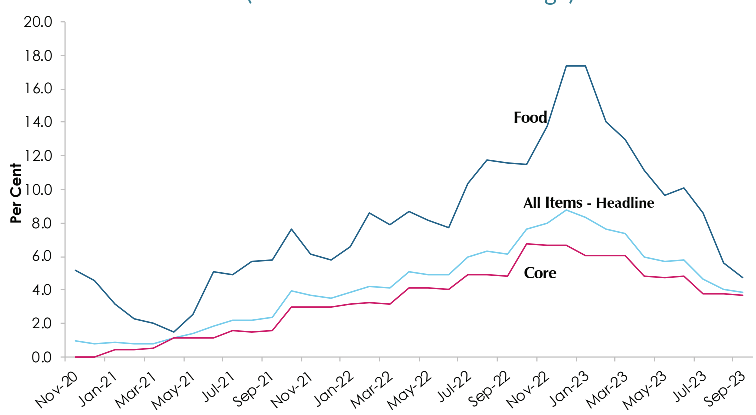
Despite additional output cuts, crude oil prices declined; similarly, natural gas prices reduced due to reduced demand.

Quarterly Change in Index of Real Economic Activity
(Year-on-Year Per Cent Change)



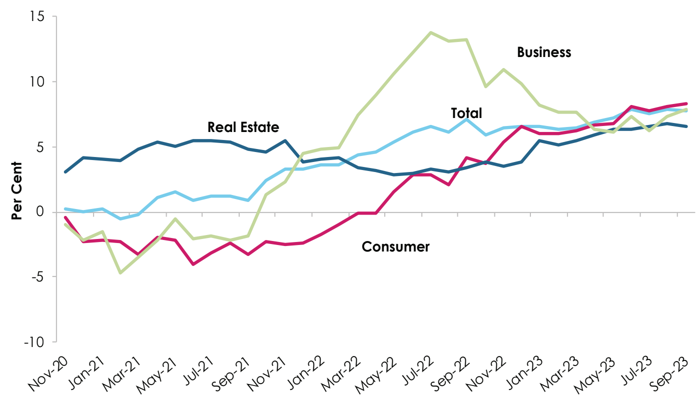
Indicators of economic activity suggest moderate growth in the first two quarters of 2023.

Consumer Price Index
(Year-on-Year Per Cent Change)



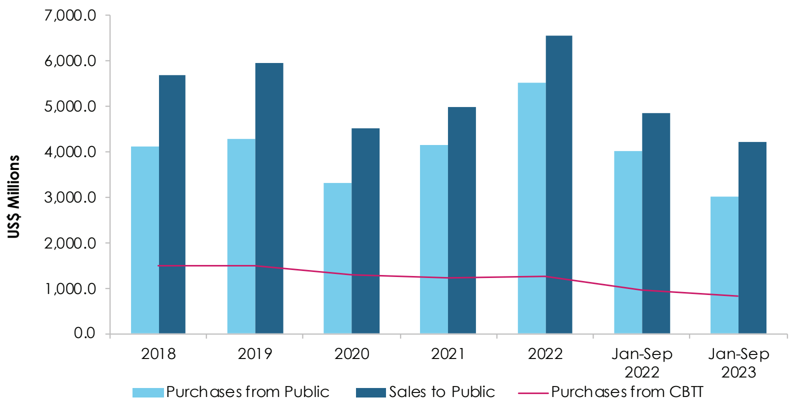
Headline inflation slowed throughout the year as supply-side impulses tapered off and underlying demand pressures remained contained.

Private Sector Credit Overall and Type
(Year-on-Year Per Cent Change)



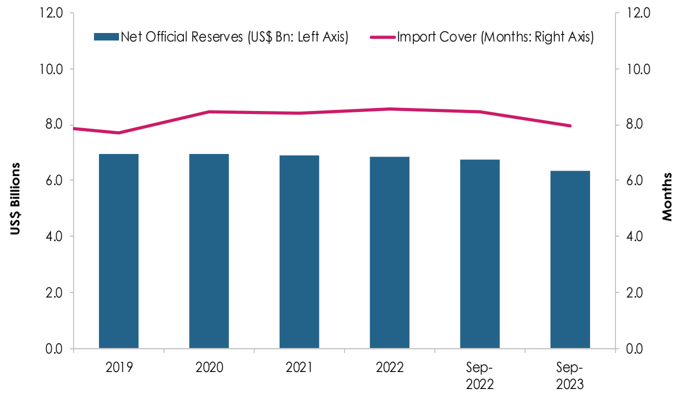
Ample liquidity bolstered the growth momentum in private sector credit during the first nine months of 2023.

Authorised Dealers' Purchases and Sales of Foreign Currency



Energy sector conversions continued to be the primary source of foreign currency inflows to the domestic market, accounting for 67.5 per cent of the total foreign currency purchased by the authorised dealers during the year.

Net Official Reserves and Import Cover



The external accounts registered an overall deficit in the first nine months of 2023. Net official reserves as at September 2023 stood at 7.9 months of import cover.

Sources: Bloomberg, Central Statistical Office and Central Bank of Trinidad and Tobago

MONETARY POLICY AND OPERATIONS

"The Bank shall have as its purpose the promotion of such monetary, credit and exchange conditions as are most favourable to the development of the economy of Trinidad and Tobago..." (Central Bank Act Chapter 79:02). During FY2022/23, the Bank was engaged in ongoing strategic projects which commenced in the prior year. The main theme of the strategic projects is to improve the efficiency of the Bank's monetary operations and services provided to key stakeholders. Key projects included modernising the currency and cheque-clearing operations.

CHEQUE CLEARING SYSTEM

CLEARINGS HOUSE ARRANGEMENTS UPDATE

In FY2022/23, the Central Bank continued to engage market participants, namely the Government and commercial banks, to introduce the new Electronic Cheque Clearing System (ECCS) which was successfully implemented in February 2023. The operator of the ECCS is Infolink Systems Limited (ISL). The Central Bank is a participant and also acts as the settlement agent for the ECCS. The Central Bank remains the operator of the manual Cheque Clearing process which continues to operate alongside the ECCS.

ADOPTION OF ISO 20022 STANDARDS

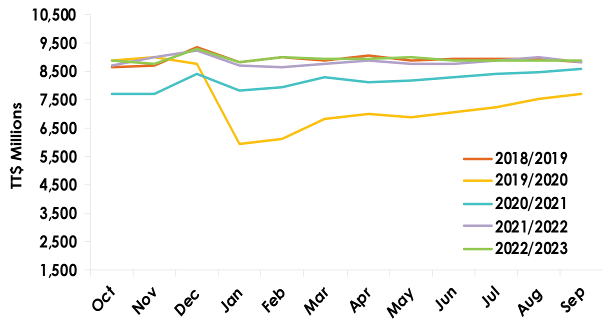
March 2023 was a transformational moment for the global payment industry as SWIFT began the migration of its cross-border payments and reporting to ISO 20022. This milestone marked the start of the co-existence period as all financial institutions were required to ready their systems to receive payment messages in the new standard. This transition was initially set to November 2022; however it was subsequently delayed by SWIFT to March 2023. The Bank completed a seamless transition to this phase of its migration journey and preparations are ongoing for full adoption of the new standards by September 2024.

MONETARY OPERATIONS

CURRENCY IN CIRCULATION

In accordance with the Central Bank Act Chapter 79:02, the Central Bank continued to perform the role of sole issuer of Trinidad and Tobago currency notes and coins during FY2022/23. As at September 30, 2023, there was approximately $8.9 billion in circulation, of which $8.7 billion was held in banknotes and $267 million was in coins. This represented an increase of 1.4 per cent from the $8.8 billion in currency in circulation as at September 30, 2022 (Chart I). As a share of GDP, currency in circulation decreased to 4.5 per cent at the end of September 2023 from 4.9 per cent in the year-earlier period.

Chart I
Currency in Circulation as at September 30, 2023



Source: Central Bank of Trinidad and Tobago

Currency in circulation increased in most months over the period October 2022 to September 2023 when compared to the respective months for the prior year. The most significant increase (year-on-year) in currency in circulation occurred in May 2023 (2.1 per cent). Conversely, currency in circulation declined in November 2022 by 2.2 per cent and August 2023 by 1.7 per cent. Currency in circulation remained the highest in December 2023 in keeping with the higher demand for the Christmas season.

As at September 30, 2023, the $100 denomination represented the largest value of all notes in circulation, accounting for 90 per cent of total value. On the other hand, the $1 denomination accounted for the largest volume of notes in circulation at 44 per cent, while the $100 denomination accounted for 34 per cent **(Chart II).** The volume of new notes issued by the Bank in FY2022/23 decreased by 83 per cent to 7 million, from 39 million new notes issued in the previous financial year when all $1, $5, $10, $20 and $50 denominations bearing series dates before 2020 were demonetized. These demonetized notes can be redeemed indefinitely at the Central Bank. For the period January 1 to September 30, 2023, the Central Bank exchanged a total value of $2.07 million of the demonetized banknote series compared to $4.23 million in the corresponding period of the previous year. The number of exchange transactions declined by 60.0 per cent (year-on-year) in the nine months to September 2023. From October 1, 2022 to September 30, 2023, the Bank conducted 6,065 exchange transactions with a total value of $3.2 million.

During the financial year, the Bank collected $850,000 in fees for processing fit banknotes redeemed by the commercial banks. This fee is calculated based on the total volume of fit notes redeemed in the respective quarter by each commercial bank. The fee was implemented in July 2022 and the first payment was collected in October 2022. A new high speed banknote processing machine, the BPS M7, was commissioned by the Bank in February 2023, in keeping with its strategic objective to streamline currency and overall banking operations. The BPS M7 is fully automated and can count, authenticate and sort banknotes into fit and unfit with a high throughput of up to 79,200 banknotes per hour. The system offers automated end-to-end processing, from the automated feeder module to online destruction of unfit banknotes and packaging and sealing of fit notes for reissue.

Following the demonetization of the one-cent coin in July 2018, the number of unredeemed one-cent coins remained relatively unchanged as at September 2023, when compared to the previous financial year, at about 1.4 billion. This represents 45.0 per cent of the total volume of coins in the hands of the public. The largest volume of circulated coins was the 25-cent coin, accounting for 20.0 percent of total coins in circulation **(Chart III).** The Bank has embarked on a project to sort and repackage all redeemed one-cent and mutilated coins for recycling. During the financial year, a total of 47.65 tonnes of recycled coins were shipped in May 2023 and sold for US$214,400 or the equivalent of $1.4 million.

Chart II
Volume of Notes in Circulation by Demonination
as at September 30, 2023

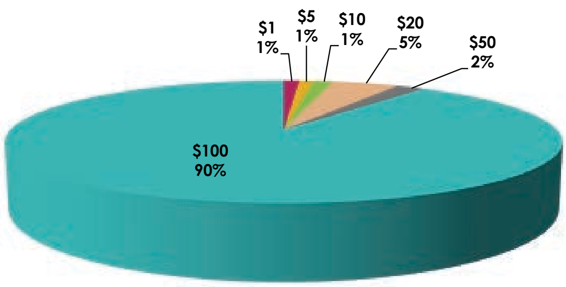
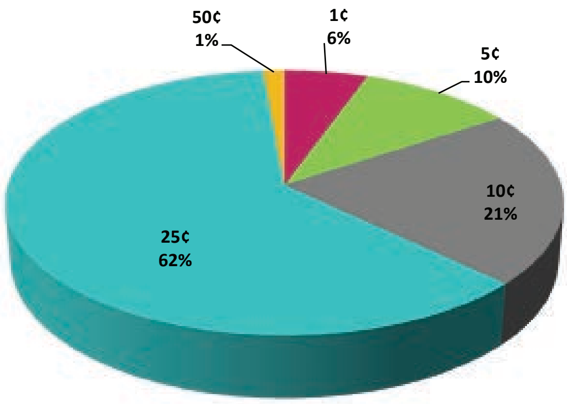


Chart III
Volume of Coins in Circulation by Demonination
as at September 30, 2023



Source: Central Bank of Trinidad and Tobago
Note: Chart does not contain data for the $1 coin

$8.9 Bn
in Circulation

New **BPS M7**
Processing Machine
Installed

$0.85 Mn
Collected in
Processing Fees

CLEARING AND SETTLEMENTS SYSTEMS

The Bank acts as the operator for two payment systems, namely the Cheque Clearinghouse Facility for domestic currency cheques and the Real Time Gross Settlement (RTGS) system, safe-tt.

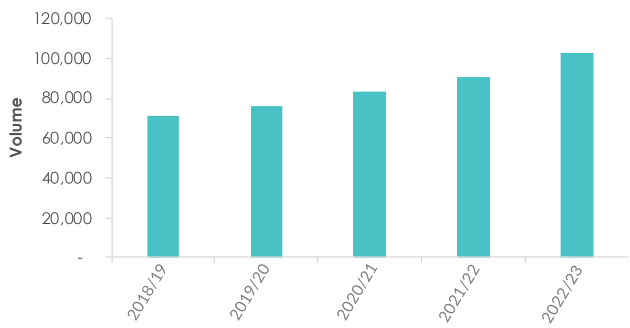
CHEQUES CLEARINGHOUSE FACILITY

As a participant in the domestic currency cheques clearing arrangement, the number of cheques cleared by the Central Bank declined by 22.6 per cent to one million cheques for the twelve months to September 2023, while the total value increased by 5.9 per cent to $52.0 billion from $49.0 billion.

REAL TIME GROSS SETTLEMENT (RTGS)

The RTGS electronic system facilitates the clearance and settlement of large value ($500,000 and over) and time-sensitive transactions among the system's eight direct participants (commercial banks). As the most significant payment system in the domestic economy, a total value of $427 billion in transactions was settled over the RTGS for the year ended September 30, 2023. This represented an increase of 12.0 per cent in the value of the transactions over the prior year. The total volume of RTGS-settled transactions continued to increase steadily, by 13.5 per cent year-on-year in FY2022/23 **(Chart IV).**

Chart IV
RTGS-Annual Volume of Transactions
2018/19 - 2022/23



Source: Central Bank of Trinidad and Tobago

FINANCIAL INSTITUTIONS RESERVE MONITORING

The required statutory cash reserve ratios for commercial banks and non-bank financial institutions remained unchanged at 14.0 per cent and 9.0 per cent, respectively, of their prescribed liabilities from October 2022 to September 2023. Notwithstanding, the total daily average cash balances of the commercial banks increased by 3.2 per cent, while the non-banks' required reserves increased by 16.0 per cent over the financial year.

REGIONAL ARRANGEMENTS

BANCO LATINAMERICANO DE EXPORTACIONES S.A. (BLADEX)

The Central Bank of Trinidad and Tobago holds a total of 160,626.50 Class A shares in BLADEX. Dividends totalling US$160,626.52 were received during the 2022/23 financial year.

ANDEAN DEVELOPMENT CORPORATION/ CORPORACION ANDINA DE FORMENTO (CAF)

The Bank has a subscription for 7,590 Series "C" shares of Common Capital Stock of CAF for US$107,778,000. There were no dividend payments for the year ended September 2023.

DOMESTIC SETTLEMENTS

REGISTERED BONDS

The Bank currently serves as a paying agent for several registered bonds issued under the Development Loans Act, Chap 71:04.

Public Sector (Arrears of Emoluments) Bonds

The Bank continued to encash bonds issued under the Public Sector (Arrears of Emoluments) Act 1995 and the Public Sector (Arrears of Emoluments) Amendment Act 1998. The final maturity date of these bond issues was January 31, 2001. During the financial year, payments of $4,000 were made compared to $4,500 in the previous year.

Tax-Free Bonds

The final issue of Tax Free Bonds created under the Government Savings Bond Act Chap 71:41 (i.e. the 10-year 8 per cent tax-free bond of December 1995) matured in December 2005. Total principal and interest repayments were $300 this fiscal year compared to $881 in the prior period.

CENTRALISED SECURITIES SYSTEM (CSS) GOVERNMENT OF TRINIDAD AND TOBAGO (GOTT) BONDS

The Bank continued as the Registrar and Paying Agent of all issues of Government and State Enterprise (Agency) bonds maintained under the Government Securities Auction System and Depository.

During the FY2022/23, principal repayments and interest payments to State Agency bondholders amounted to $700 million and $185.7 million, respectively, compared with principal repayments and interest payments of $475.0 million and $205.9 million in the prior year.

The GOTT Zero Coupon bond (HCU bonds) payment for FY2022/23 amounted to $18.4 million compared to the previous year's payment of $18.5 million.

The GOTT Zero Coupon bond (CLICO bonds) payment for FY2022/23 amounted to $58.1 million compared to the payment of $469.3 million in the previous year.

Total principal and interest paid to Central Government (inclusive of NIPDEC) bondholders amounted to $5.3 billion and $1.3 billion, respectively, compared with $691.0 million and $1.3 billion in the previous financial year.

The Government of Trinidad and Tobago issued no bonds via the Central Bank Auction System during this period.

DOMESTIC MARKET OPERATIONS

GOVERNMENT SECURITIES

The Bank maintained an accommodative stance in its management of system liquidity to aid the ongoing recovery of the domestic economy following the COVID-19 pandemic.

During the financial year 2022/23, commercial banks excess reserves balances decreased to a daily average of $6.2 billion compared with an average of $5.2 billion in the prior financial year.

During FY2022/23, the Bank in its management of system liquidity arranged 19 open market operations (OMO) auctions and issued a total of $8.3 billion in treasury bills and treasury notes compared with the issue of $12.9 billion via 23 OMO auctions in the previous financial year. The Bank maintained its schedule of publicly-auctioned debt management treasury bills over FY2022/23, issuing $1.7 billion in 24 auctions.

FOREIGN EXCHANGE MARKET

Conditions in the domestic foreign exchange market tightened during FY2022/23 when compared to the previous year, due to relatively lower market inflows. During the year, total purchases of foreign exchange by authorised dealers from the public amounted to US$4,919.8 million, which was 8.2 per cent lower when compared with the previous financial year. Conversions by energy sector companies – the main source of foreign exchange inflows to the market, fell by 16.5 per cent and accounted for 67.5 per cent of the dealers' total purchases from the public. The Bank maintained its regular interventions in the market, selling a total of US$1,333.1 million to the authorised dealers during the year. The authorised dealers sold US$6,444.1 million to the public, 3.0 per cent higher than the US$6,257.2 million sold during FY2021/22.

The TTD/USD weighted average exchange rate appreciated slightly during FY2022/23. As at September 30, 2023, the weighted average selling rate stood at TT$6.7713/US$1.00, compared to TT$6.7803/ US$1.00 at the end of September 2022.

FOREIGN CURRENCY RESERVE MANAGEMENT

The foreign currency reserves portfolio continued to be managed in accordance with the strategic asset allocation approved by the Board for the period 2021 to 2024. Guided by an investment philosophy of preserving capital, ensuring adequate liquidity to meet obligations and generating modest returns, the portfolio was held in high-quality, short-duration securities. Amid the higher interest rate environment during FY2022/23, all segments of the portfolio performed well, with the composite portfolio posting a return of 3.99 per cent compared with a loss of 1.57 per cent in the previous year. The improved performance was largely driven by higher earnings on time deposits in which a significant portion of the portfolio was invested, as US deposit rates ranged from 3.0 per cent to 5.7 per cent over the year.

As at September 30, 2023, net official reserves stood at US$6.4 billion, compared with US$6.8 billion a year prior. Receipts from the energy sector – the largest contributor to overall inflows, decreased to US$2.3 billion for the year, down from US$2.6 billion in the year-earlier period. The largest outflows from the reserves portfolio included interventions in the domestic market of US$1.3 billion, the drawdown of various foreign exchange facilities totalling US$2.4 billion and Government payments of US$1.1 billion. In addition, the Government of Trinidad and Tobago deposited US$182.2 million into the Heritage and Stabilisation Fund (HSF), which also contributed to the decline in the reserves during FY2022/23.

The Bank continued to perform the agency functions for the HSF, completing and submitting the quarterly and annual reports to the Board of the HSF in accordance with the requirements of the Act.

US $6.4 Bn
net official reserves

US $1.7 Bn
in Treasury Bills Issued

US $182.2 Bn
HSF allocation

FINANCIAL STABILITY

During the year, the Bank continued to deliver on its mandate to promote financial stability by implementing measures to promote a resilient financial system, enhance financial institutions' governance and risk management processes, and strengthen operational controls.

The following outlines the key actions undertaken during 2023:

ADVANCING THE LEGAL FRAMEWORK

The Bank derives its authority and functions as it relates to the financial sector from a combination of legislation, regulations and guidelines. During the period, there was progress with advancements in the operationalisation of the Insurance Act and initial work on the amendment of the Financial Institutions Act.

THE LEGISLATIVE AGENDA

Operationalisation of the Insurance Act 2018 (IA 2018)

The Bank continues to engage in ongoing coordination with the industry to ensure implementation of the IA 2018, including:

i. **Transitional Provisions of IA 2018** – These provisions relate to ensuring capital adequacy and excess credit exposure are satisfied on an institutional and sectoral basis, as well as assisting insurers in managing their entities by highlighting the potential risks so they can determine appropriate risk management strategies.

ii. **Reorganisation of Foreign Insurers** – The IA 2018 requires the reorganisation of foreign branch operations. This resulted in the branches of the four foreign insurers becoming locally incorporated entities effective January 31, 2023, which facilitates ring-fencing of the entities' financial assets and capital from the rest of the group.

iii. **Restructuring of Financial Groups** – The Act requires insurers that are members of a mixed group comprising two or more financial entities to restructure to form a financial group to facilitate consolidated supervision of the financial entities in the group. The Act also requires the 'ring-fencing' of the financial entities in the group from the non-financial entities. Engagement with the relevant entities is ongoing.

Amendments to the Financial Institutions Act (FIA) 2008

An internal committee comprising representatives from the Bank's Financial Institutions Supervision and Legal Departments was established to discuss and develop proposals to amend the Financial Institutions Act (FIA) 2008. The proposed amendments seek to address recommendations of the 2019/2020 joint IMF/ World Bank FSAP and the banking sector, clarify errors and omissions in the FIA, address areas to be harmonised with other legislation, and consider technological and other developments in the financial sector.

Development of a policy document containing the proposed areas for amendment is in progress.

Credit Union Legislation Implementation Project

The Central Bank is a member of a cabinet-appointed Implementation Team that finalised the policy proposal document for the establishment of deposit insurance for shares and deposits in a credit union. The Team also continues to work on finalising a policy proposal document for the establishment of an independent co-operative authority to fall under the Ministry of Finance (MOF), which will regulate all co-operatives including credit unions. The policy proposals focus on introducing, inter alia, more stringent registration and governance standards for credit unions as well as a prudential regulatory framework and criteria. The draft policy proposal documents will be issued to the co-operative sector for consultation upon completion.

" ...Other companies are encouraged to adopt the Guideline as a means of managing their cybersecurity risks" (CBTT 2023)

STRENGTHENING THE REGULATORY FRAMEWORK

IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARD 17 – INSURANCE CONTRACTS (IFRS 17)

The implementation of IFRS 17 progressed as the Bank continued to work closely with the industry on various activities including the development of amended regulatory reports, legislative amendments and monitoring insurers' readiness for IFRS 17. Technical Assistance from CARTAC, including training on key aspects of the IFRS 17 Project, is ongoing.

AML ADMINISTRATIVE FINES

The Central Bank collaborated with the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) and the Trinidad and Tobago Securities and Exchange Commission (TTSEC) to propose amendments to the AML administrative fines regime, established by the Miscellaneous Provisions (FATF Compliance) Act, 2020 ("the FATF Compliance Act"). The proposed amendments, which seek to strengthen the regulatory framework, are currently with the Chief Parliamentary Counsel for review. The regulators are also collaborating to establish a regulatory schedule of the specific monetary penalties that will apply to contraventions of AML/CFT/CPF requirements.

BASEL II/III IMPLEMENTATION – BANKING SECTOR

The Central Bank continued its rollout of the Basel II/III implementation plan in 2023, with a focus on preparing for the introduction of Basel III elements such as the Leverage Ratio, Capital Conservation Buffer (CCB), Capital Add-On for domestic systemically important banks (DSIBs) and the Liquidity Coverage Ratio (LCR).

The Leverage Ratio, CCB and DSIB capital add-on will come into effect in 2024 via a Notice published in the Gazette by the Minister of Finance in accordance with Regulation 2 of the Financial Institutions (Capital Adequacy) Regulations, 2020. The LCR, which must be implemented by way of Regulations that are subject to the negative resolution of Parliament, is scheduled to come into effect in 2024.

The Bank continued its supervisory review of licensees' Internal Capital Adequacy Assessment Process (ICAAP)[2] under Pillar 2 of the Basel II/III framework. The Bank received technical assistance including training from CARTAC to (i) assist with the supervision of interest rate risk in the banking book (IRRBB), and (ii) develop a Guideline and Reporting Framework for Management of and determination of additional capital needed for IRRBB under Pillar 2 of the new capital adequacy framework.

CYBERSECURITY OF FINANCIAL INSTITUTIONS

At the request of the Central Bank, the Monetary and Capital Markets Department within the International Monetary Fund (IMF) provided technical assistance on strengthening cybersecurity in financial institutions and strengthening the cybersecurity posture of the Central Bank during the period October 31 to November 4, 2022[3].

The technical assistance (TA) mission involved the Central Bank establishing a working group comprising other domestic financial regulators including the TTSEC, the FIUTT, and the Office of the Commissioner for Cooperative Development (CCD) to draft a guideline for the management of cybersecurity risks in the financial sector[4]. The guideline was issued on September 14, 2023 following industry consultation. The guideline incorporates 20 requirements under six categories **(Figure 1).**

To supplement these efforts, the Central Bank held a webinar on cybersecurity in June 2023[5].

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2 The ICAAP is an internal risk management process established by a bank to identify, measure, monitor and control all their key risks including ensuring adequate capital to deal with growth, expansion and periods of stress. https://www.central-bank.org.tt/sites/default/files/page-file-uploads/internal-capital-adequacy-assessment-process-guideline-november-2020_0.pdf

3 https://www.imf.org/en/Publications/high-level-summary-technical-assistance-reports/Issues/2023/04/17/TRINIDAD-AND-TOBAGO-STRENGTHENING-CYBERSECURITY-IN-FINANCIAL-INSTITUTIONS-532437.

4 https://www.central-bank.org.tt/sites/default/files/page-file-uploads/cybersecurity-best-practices-guideline-09132023.pdf.

5 https://www.central-bank.org.tt/sites/default/files/latest-news/presentation-cybersecurity-webinar-20230206.pdf.

Figure 1 - Elements of Cybersecurity Guidelines

Table 1 - Other Supervisory Guidelines

Guidelines	Date of Issue	Description
The Publication of Abridged Financial Statements[6]	October 2022	The Guideline specifies the form and contents of the abridged financial statements for the purposes of publication by financial institutions in the daily newspapers.
Simplified Due Diligence for Basic Banking Services[7]	March 2023	The Guidance encourages commercial banks to implement simplified due diligence measures to allow vulnerable persons in society, including low income and undocumented persons, to have access to basic banking services.
Amending a Pension Plan's Trust Deed and Rules and Correcting the Register of Pension Plans[8]	June 2023	The Guideline informs Plan Sponsors and Trustees of the legislation which they should be aware of, and steps that they are to take, prior to submitting amendments to Trust Deeds and Rules to the Bank for registration in accordance with the Insurance Act, 2018.
Market Conduct Guideline for Registrants under the Insurance Act 2018[9]	July 2023	The guideline supplements legislation, regulations and other guidelines governing the insurance sector. It considers best practices in market conduct as espoused in the Market Conduct Framework and Policy outcomes promulgated by the International Association of Insurance Supervisors (IAIS).

6 https://www.central-bank.org.tt/sites/default/files/page-file-uploads/guideline-publication-abridged-financial-statements-20221410.pdf.
7 https://www.central-bank.org.tt/sites/default/files/page-file-uploads/ssd-requirements-for-basic-banking-account-march2023-20230803.pdf.
8 https://www.central-bank.org.tt/sites/default/files/page-file-uploads/guideline-on-preparing-amedments-t-tdrs-and-correcting-the-register-of-pension-plans.pdf.
9 https://www.central-bank.org.tt/sites/default/files/page-file-uploads/market-conduct-guideline-2023-20230728.pdf

RISK BASED SUPERVISION (RBS) FRAMEWORK AND MANUAL

An internal committee was established to update the RBS Framework for the banking sector. The scope of work includes revisiting the methodology to ensure continued alignment with best practices; updating examiners' guidance for the review of corporate governance, credit, market, operational and liquidity risks; and developing new guidance on areas like technology, cyber risks, and climate risks. This project is proposed for completion by the end of fiscal year 2023/24.

ANTI-MONEY LAUNDERING, COUNTER TERRORIST FINANCING, AND PROLIFERATION FINANCING (AML/CTF/PF)

THE CENTRAL BANK'S AML POLICY

The Bank's 2018 AML Policy was updated in July 2023. The revisions sought to clarify and strengthen the Central Bank's internal AML risk management controls including, inter alia, the on-boarding process for walk-in customers purchasing T-Bills; measures to identify politically exposed persons doing business with the Bank; and guidance on conducting enhanced due diligence.

NATIONAL RISK ASSESSMENT

The Central Bank supported the National Anti-Money Laundering and Terrorism Financing Committee (NAMLC) by conducting the country's second National AML Risk Assessment (NRA). The assessment seeks to identify the sources of illicit financial flows and areas in the financial and non-financial sectors which may be vulnerable to money laundering and terrorist financing in order to strengthen or implement countermeasures aimed at detecting and preventing illicit financial flows. In this regard, the Central Bank completed the sector risk assessments for banking, insurance, payments, and other financial institutions and submitted same to the NAMLC for review and inclusion in the overall NRA report. It should be noted that the results of the NRA will feed into the Caribbean Financial Action Task Force's 5th Round mutual on-site evaluation of Trinidad and Tobago, which is scheduled for March 2026.

King's College UK is also providing technical assistance to Trinidad and Tobago to conduct a standalone risk assessment of the country's exposure to proliferation financing risks. Representatives of the Central Bank are part of the working group. The findings of the assessments will inform policy measures to strengthen or implement countermeasures aimed at detecting and preventing illicit financial flows for proliferation purposes.

REGULATORY COOPERATION

The Bank continued its collaboration with regional regulators to discuss matters of mutual interest, including the restructuring/ reorganisation of financial entities and/or financial groups, the financial performance of insurers and changes in controlling shareholders. The discussions include developing a harmonised supervisory approach for consolidated supervision and risk-based supervisory oversight of regional financial conglomerates and groups.

The Bank also continues to work with a Caribbean Group of Banking Supervisors (CGBS) Technical Working Group (Regional WG) on a draft Group-wide liquidity guidance document. In the interim, the Bank plans to leverage learnings from recent training on Financial Conglomerate supervision provided by CARTAC in April 2023 to update internal guidance on consolidated supervision, as well as update its consolidated prudential reporting guideline.

The Bank also participated in the CGBS' XL Annual Conference hosted by the Central Bank of Belize in June 2023. The Conference's theme was "Resilience in Changing Times" and provided a forum for regulators to address regulatory responses to shocks, emerging issues and implications for the region.

SUPERVISORY COLLEGES

The CGBS facilitated the hosting of a supervisory college on the NCB Financial Group Limited (NCBFG) by the Central Bank of Belize in June 2023. Discussions at the supervisory college centred on the restructuring of NCBFG and its financial performance.

ENHANCING GOVERNANCE AND RISK MANAGEMENT PRACTICES OF FINANCIAL INSTITUTIONS

DEEMED SYSTEMICALLY IMPORTANT FINANCIAL INSTITUTIONS

The Central Bank has re-assessed five entities in line with international benchmarks for determining systemic importance. A draft recommendatory paper providing a proposed way forward for the supervision and regulation of each of these five entities has been prepared. It is soon to be finalised and submitted to the Ministry of Finance for consideration.

IMPROVING RESILIENCE TO STRESS

THE FINANCIAL STABILITY COMMITTEE

Since the finalisation of the Framework for the Recovery and Resolution of Financial Institutions ('Framework' - previously 'National Crisis Management Plan') in August 2020, the Financial Stability Committee (FSC), which comprises the Deposit Insurance Corporation (DIC), TTSEC and the Central Bank, has been meeting routinely to discuss and share pertinent information relating to the financial sector and coordinate on policy options to ensure that the Framework can be implemented fully. In addition, special meetings of the FSC were also convened to discuss, inter alia:

- Simulation exercises and scenario analyses for resolution planning; and
- Potential crisis preparedness and response following the failure of large banks in the US during 2023.

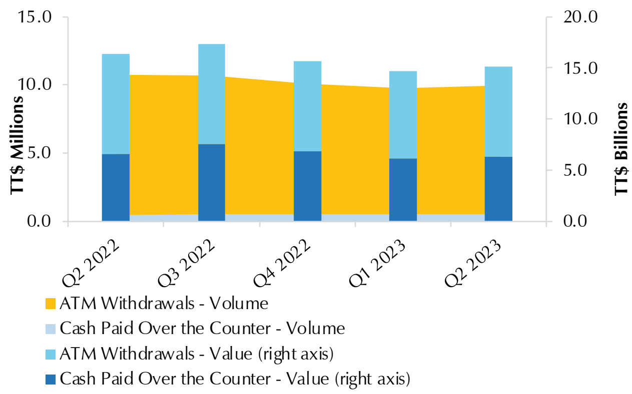
PAYMENTS AND FINANCIAL MARKET INFRASTRUCTURES

The domestic payments landscape continues to evolve in the context of regional and international developments. The Bank has bolstered its efforts to meet these demands through Technical Assistance from the IMF, which was focused on FinTech Regulation and developing a Payments System Bill. Additionally, the Bank initiated a national dialogue on crypto asset regulation in collaboration with the TTSEC with the two-fold objective of enhancing public education in the area and setting a base for regulatory action.

DEVELOPMENTS IN PAYMENTS SYSTEMS

The domestic payments landscape saw an increase in the volume and value of electronic wholesale and retail payments in FY2022/23 compared to the previous year. Internet banking transactions continued to grow as consumers made greater use of online payment options. Growth of in-store shopping was also observed, supported by a notable increase in the volume and value of debit and credit card transactions made at physical point-of-sale (POS) machines. Commercial banks continued to upgrade to "Tap and Go" enabled machines, with approximately 56 per cent of all POS machines already enabled for "Tap & Go". The value of cash withdrawals (Over the Counter (OTC) and at Automated Teller Machines (ATMs)) declined, while credit and debit card payments increased during the period.

Chart V
Cash Withdrawals - Volumes and Values



Source: Central Bank of Trinidad and Tobago

Panel Discussion - Consideration in Crypto Asset Redulation

"… it's only in the past few years that crypto assets have moved from being niche products to having a more mainstream presence." (IMF 2022)

The Bank continued to work with Payment System Operators (PSOs) towards addressing the gaps revealed under the Principles for Financial Market Infrastructure (PFMI). The Systemically Important Payment System (SIPS) (the Real Time Gross Settlement System) and the Significant Retail Payment Systems (SRPS) (Automated Clearing House, Cheque Clearings, and Debit Card Switch) all continued to progress in their implementation of the PFMI recommendations. Regarding the SRPS, two systems were upgraded and/or launched in 2022 and 2023, respectively. In February 2022, the upgraded Automated Clearing House and Electronic Funds Transfer (ACH/EFT) was launched. A year later, an Electronic Cheque Clearing System (ECCS) was implemented. All SRPS systems are currently owned and operated by Infolink Services Limited (ISL), a private operator. An oversight framework for the risk assessment and implementation of the PFMIs for all PSOs will be developed in 2023/24.

The Bank issued three E-money Issuer (EMI) provisional licenses over the financial year. These EMIs were automatically registered as Payment Service Providers (PSPs) under the EMI Order 2020. The Bank also received several other E-money applications which are currently being reviewed. The three licensed EMIs were granted full registration effective September 1, 2023. A supervisory framework to assess and monitor the operations of EMIs and take corrective action when necessary will be developed during the upcoming financial year.

E-MONEY ISSUERS

pe$h :money

PayWise Limited

TSTT

PAYMENTS SYSTEM LEGISLATION

The Bank continued to work aggressively on the preparation of comprehensive Payments System legislation. Having engaged the IMF to provide Technical Assistance (TA) to strengthen the Legal Framework for the National Payments System since January 2021, the IMF submitted a preliminary draft Payment Systems Bill (Bill) in May 2022, which was the subject of extensive policy discussions and reviews, culminating in an in-person TA Mission by the IMF's Legal Team in May 2023. Work also began on the accompanying regulations to the Bill during the Mission. Additionally, the Bank received technical assistance from the United Nations Capital Development Fund (UNCDF) on certain technical areas that impacted the draft legislation. The Bank expects to consult on the payment systems reform package with external stakeholders and make appropriate revisions before submission to the Minister of Finance during FY2023/24.

JOINT REGULATORY INNOVATION HUB

The Central Bank of Trinidad and Tobago is the administrator of the Joint Regulatory Innovation Hub (the Hub)[9]. The Hub is an information-rich space for the general public to access and make enquiries regarding Fintech. Regulatory Authorities or members of the Joint FinTech Steering Committee (JFSC)[10] i.e., the Bank, TTSEC, and the FIUTT therefore utilise the Hub to:

- Obtain a better understanding of the innovative products and services proposed by the entities;
- Engage with firms in a dedicated space with links to all the relevant legislation, regulations and guidelines for Fintech/ innovative entities; and
- Receive information that will be useful in determining whether such products and services are eligible for registration under the existing legislative framework.

9 https://www.central-bank.org.tt/fintech/innovation-hub.
10 The JFSC was established in 2020 by the three Authorities (the Central Bank, the Trinidad and Tobago Securities and Exchange Commission (TTSEC) and the Financial Intelligence Unit of Trinidad and Tobago (FIUTT). It is a collaborative effort among the three Authorities to ensure the adequate regulation of firms engaging in FinTech activities spanning the remit of multiple agencies and to prevent regulatory arbitrage.

Since its launch in 2020, the Authorities have engaged with approximately 61 entities, of which 13 have submitted applications for registration as E-Money Issuers (11) and Payment Service Providers (2), and several have made enquiries regarding the provision of innovative products such as Cryptocurrencies and Crowdfunding. The operations of the Hub will be further defined during 2023/24.

PAYMENTS SYSTEM COUNCIL AND OTHER REGULATORY RELATIONSHIPS

The Central Bank also acts as the Secretariat to the Payments System Council (PSC). In 2022, its strategic plan (2021/22 – 2025/26) was finalised and work is ongoing in four areas:

1. Policy, Legislation, and Regulation – Advocating and advancing the development of comprehensive national payments legislation;
2. Enhancing Efficiency in Payments – Supporting Fintechs Entering the Space;
3. Monitoring and evaluating global payment system trends; and
4. Communications – Enhance and drive Public (consumer/business) awareness and education on payment system issues and developments.

The PSC will continue to support the development of the National Payments System by improving its efficiency and effectiveness.

In addition, the Bank will seek to improve its international and regional relationships with other regulatory bodies to enhance the Regulatory and Supervisory Framework for the National Payments System.

UPDATE ON THE COLONIAL LIFE INSURANCE COMPANY LIMITED (CLICO) AND BRITISH AMERICAN INSURANCE COMPANY (TRINIDAD) LIMITED (BAT) RESOLUTION PLAN

CENTRAL BANK EXIT FROM EMERGENCY CONTROL

The Central Bank relinquished emergency control over CLICO and BAT on December 1, 2022 and December 22, 2022, respectively. Since 2009, following the financial collapse of the parent company, CL Financial Limited, the Central Bank had exercised emergency control over the two insurance subsidiaries. The Central Bank will continue to work closely with these insurance companies to ensure that the interests of their traditional life insurance policies are well protected.

INTERNAL OPERATIONS

During this financial year, engagements were designed to add value and improve the Bank's governance and risk management and internal processes.

GOVERNANCE AND THE CONTROL ENVIRONMENT

Efforts focused on continuing to cultivate effective risk management practices across the Bank. The Internal Audit function assisted in improving the Bank's governance, risk management and control processes by supporting the rollout of the COSO Internal Control Framework and completing 100 per cent of planned audits in the areas of Banks and Non-Banks Supervisory Mandate, Patch Management, Infrastructure Maintenance, Reserves Management, Third-Party Risk Management, Interim Financial Statements Reporting, Ransomware Readiness, Cheque Clearing, Currency Management, Fixed Assets, and Health and Safety. An external consultant also completed an External Quality Assessment of the Bank's IA function, and the Department received the highest rating of "generally conforms", which confirms IA's conformance with international Internal Auditing Standards. Furthermore, IA emerged victorious in this year's Internal Audit Advocacy Competition hosted by the Institute of Internal Auditors of Trinidad and Tobago.

Internal Audit Advocacy Competition Prize Giving

Enhancing the Bank's incident response capabilities was achieved through the implementation of an Incident Response and Management Programme which created a consistent and enterprise-wide approach that includes incident reporting, risk assessment and continuity planning and management. Given the ongoing focus on cyber readiness in the face of adverse cyber events, ISO/IEC 27035: Information security incident management and response was used as the baseline to ensure the adoption of a consistent baseline approach.

In the context of the digital transformation, many initiatives were undertaken during the 2022/23 financial year to support the governance and risk management function and enhance internal operations:

- The Audit Management and Data Analytics software systems were upgraded to improve operational efficiency and capacity.
- Recommendations for a more efficient document management system were provided via an external subject matter expert to secure the Bank's digital records.
- The launch of an Information Governance Policy.
- Updated Information Security Policy, Data Privacy Policy, Information Security Standards, and Electronic Signature Policy.
- Implementation of numerous automation projects in the 2022/23 financial year, such as the Cafeteria, Tenders, Vendor Management, Procurement Qualification Catalogue and Facilities Service Desk.
- Newly digitised forms and processes for Security Services.

Maintaining a safe and comfortable working environment remained a key priority. One of the most significant accomplishments was the successful installation of the High Voltage Switchgear, which substantially enhanced reliability for the Bank's utility electrical supply. Improvements in the Bank's surveillance capability through the installation of additional CCTV cameras aimed to improve efforts to keep staff, visitors and the Bank's premises safe. Strengthening our relationship with the Trinidad and Tobago Police Service (TTPS) and other National Protection/Defense Agencies continued, although emphasis was on areas critical to the Bank's operations such as counterfeiting and fraud.

HUMAN RESOURCES

HYBRID WORKING ARRANGEMENTS

Existing hybrid working arrangements for staff eligible to work from home continued, with onsite presence for three days a week and remote work up to two days a week.

STAFF SATISFACTION AND ENGAGEMENT

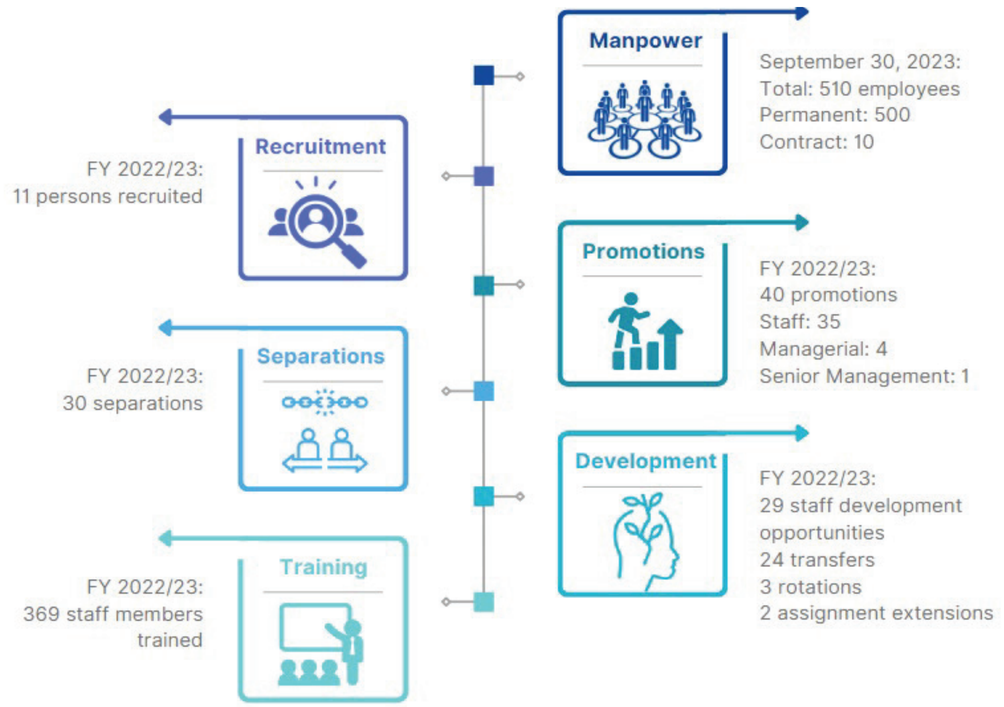
To address the areas with the lowest scores in the 2022 Staff Opinion Survey, a draft Survey Action Plan Framework was shared with staff early in the financial year. To support the implementation of the Plan, a Staff Survey Track Team (SSTT) was established comprising 26 staff volunteers from across the Bank.

This Team, along with two staff focus groups, has been instrumental in working with Management to progress, support and monitor Plan implementation.

STRUCTURE AND STAFFING

The Bank continued to address key competency gaps through a blend of internal and external recruitment. There were 29 separations, largely due to resignations, mandatory and early retirements and end of long-term contracts. The Bank also suffered the loss of an employee who passed away. A total of 38 staff members were promoted and staff development continued through transfers, staff rotations and secondments **(Figure 2).**

Figure 2: Human Resource Highlights



EMPLOYEE AND INDUSTRIAL RELATIONS

The contracts with Sagicor, the Bank's insurance provider and Gallagher Insurance Brokers, formally Risk Management Services the Bank's broker, were renewed for a further three-year period from May 01, 2023 to April 30, 2026. Negotiations for the 2018 to 2020 Collective Agreement between the Bank and Bank Insurance General Workes Union (BIGWU) were settled by the parties and Terms of Settlement and the Memorandum of Articles for the Collective Agreement were signed on March 23, 2023. The Parties are awaiting the decision of the Industrial Court on the 2015 to 2017 Collective Agreement for the Estate Police Association (EPA).

Families in Action (FIA), the Bank's Employee Assistance Programme (EAP) provider, continued to provide consultative and clinical support to employees and retirees to assist with mental, physical, and emotional issues which arose during the year, via online counselling services, psychological support for grief and loss and Lunch and Learn sessions. FIA shared periodic bulletins on various topics including Mental Health and Wellness, Getting Ready for SEA for Parents and Child and Carnival Check Point for 2023. In addition, the HR department arranged for staff and retirees approximately ten lunch and learn sessions which focused on the wellness themes, e.g. eye health, personal safety protection, breast cancer awareness and epilepsy awareness. In June 2023, a Wellness Week was hosted which included sessions on hydroponics gardening and yoga for life. As is customary, HR hosted its annual Retirees Function in October 2022, where Retirees were exposed to sessions addressing physical, social and mental wellness.

OUTREACH

Vacation Internship Programme (VIP)

Thirty-four students were selected to participate in the Bank's 18th VIP. This was the largest number of Interns accommodated by the Bank in the history of the programme. It was completed successfully and well received by the participants. As part of their community outreach project, the vacation interns contributed $13,200.00 towards two causes.

VIP Interns 2023

De La Rue Currency Scholarship

In keeping with the Bank's commitment to assist in developing the country's human capital, students pursuing Post Graduate degrees at the University of the West Indies (UWI), St. Augustine Campus, were jointly awarded two scholarships by the Central Bank of Trinidad and Tobago and De La Rue, United Kingdom, after an application and interview process. The scholarships include an award of US$8,500.00, plus a two-month internship at the Central Bank.

ECONOMIC RESEARCH AND STATISTICAL SERVICES

In keeping with key strategic deliverables, the Research Department continued work on a number of projects, including the development of a Residential Real Estate Price Index, the construction of a macroeconomic model for Trinidad and Tobago and the development of an Inflation Expectations. The Department also developed new non-traditional indicators of economic activity to be operationalised in the new financial year.

The Bank's flagship analytical reports – Economic Bulletin, Monetary Policy Report, Annual Economic Survey and Financial Stability Report – were prepared, with feature articles included as a standard component across all the economic publications.

The Research Department produced six Internal Staff Papers as part of its ongoing series and its Discussion Series continued to be well-subscribed by a wide cross section of Bank staff. Three working papers were published in the Working Paper Series on the Bank's website, two of which benefitted from external peer reviews for publication consideration in CEMLA's Latin American Journal of Central Banking. The Department also published two research papers emanating from a research project supported by the Inter-American Development Bank (IADB). The Research Department assumed leadership for the Caribbean Economic Research Team's (CERT) research work stream on climate change and climate-related risks.

The Research Review Seminar was hosted in a hybrid format in September 2023 and included a segment targeting emerging economists, namely postgraduate students. The Seminar's panel discussion on "Re-engineering the Economics of Carnival for Sustainability" was livestreamed to the public.

As part of a Technical Working Group (TWG) on the Digital Economy spearheaded by the Ministry of Digital Transformation, the Research Department contributed to the drafting of a National Digital Transformation Strategy.


Reasearch Review Seminar 2023

In addition, the Department produced quarterly projections of key macroeconomic variables for Trinidad and Tobago. Several iterations of monetary and external sector projections were also produced to support engagements between the Ministry of Finance and the credit rating agencies

The Department also supported the Bank's engagement with the Network for Greening the Financial System (NGFS) and the Financial Stability Board Regional Consultative Group of the Americas and facilitated a meeting of the NGFS Secretariat with a CERT working group on the development of climate scenarios.

Along with the Statistics Department, routine support of the Bank's monetary policy and financial stability objectives continued through the production of key statistics and reports to stakeholder departments and the Executive. Staff in both Departments also participated in meetings with credit rating agencies, a staff visit and Article IV consultation by the International Monetary Fund (IMF) and a mission by the World Bank. Meetings with the Ministry of Energy and Energy Industries (MEEI) were conducted which facilitated re-engagement with several individual energy and energy-based companies via their Annual Technical Meetings with the MEEI.

During the financial year 2022/23, the Statistics Department undertook several key initiatives, one of which was the implementation of an automated data intake system in line with the Bank's focus to streamline and digitally transform operations. The FAME Enterprise Data Management (FEDM) system was implemented alongside a supporting application (GoAnywhere) to automate the intake of regulatory and other submissions from the Department's external data providers. This system interfaces with the Bank's data warehouse for economic and financial data, the Forecasting Analysis and Modelling Environment (FAME) System. FEDM and FAME have materially enhanced the Bank's data processing and reporting capabilities. The features of the FEDM system were presented to the commercial banks and non-bank financial institutions and the Department continues to collaborate with a few institutions on an initial adoption. The system's full implementation is expected to yield significant synergies and enhancements in the timeliness and accuracy of regulatory reporting.

Streamlining efforts continued as the Statistics Department collaborated with the Banking Operations Department to enhance the reporting efficiency between the Vault Management System and the Currency Register System. Additionally, the Department supported the Payments and Financial Markets Infrastructure Department in issuing new survey instruments to monitor the evolving E-money market as part of the Bank's objective to promote the safety, efficiency and soundness of the payment systems in Trinidad and Tobago. Members of the team also assisted in a preliminary measurement of the Bank's carbon footprint. Moreover, the team commenced efforts to form strategic partnerships with influential chambers and associations to gather data on unlicensed entities.

With all pandemic restrictions removed, staff participated in a series of in-person sessions to improve capacity, including a week-long Technical Assistance Mission from CARTAC on the External Sector Statistics and training in Liquidity and Interest Rate Risk. The Department also supported the Financial Institution Supervision Department on an engagement with the Eastern Caribbean Central Bank (ECCB) on Basel reporting requirements and procedures.

INFORMATION TECHNOLOGY

The Financial Technology and Information Security (FTIS) team continued to focus on its core objectives of keeping the Bank's information secure and information technology (IT) systems relevant, primarily through enhancing the overall resiliency while meeting the ever-changing needs and expectations of users and key stakeholders.

One of the key areas that the Department undertook was to ensure that the Bank's technology was optimised by ensuring that the resources deployed provided high-quality service. This was achieved by engaging in a series of assessments on our environment with the overall objective of improving efficiency, convenience and end-user experience.

FTIS also supported the provision of business systems analysis and design, and web applications. This required a close partnering with users to improve efficiency brought about by evaluating, recommending and even improving on current services.

FTIS collaborated closely with Support Services – Facilities (SS-F) and Procurement (SS-P) over this FY to review the Bank's Computer Disposal policy and procedure in an effort to decrease the turnaround time on this process and later engaged in a feasibility study to determine the most appropriate and cost-effective approach to the proposed upgrade of its Data Centre.

Additionally, FTIS provided support on the upgrade and implementation of systems, such as the automated lunch chit system, Detrak, Integrated Security Management System (ISMS) and Portfolio Management System (PMS) and supported the Bank's Business Continuity programme by replicating additional services and improving the communication to the Disaster Recovery site.

Cybersecurity was a priority area during the period. The Bank's cybersecurity maturity profile continues to improve as the need to protect the confidentiality, integrity and availability of the Bank's IT systems and networks is essential. **Figure 3** highlights the key accomplishments in this area. The Key priorities for the new financial year will involve enhancing the Bank's infrastructure, improving its cybersecurity posture, advancing work on the upgrade and redesign of the data centre and providing continued support to business holders.

As technology needs increase across the Bank, the necessity for a robust and secure infrastructure, while working collaboratively with our stakeholders is paramount to the success of the Department.

Figure 3: Key Accomplishments in Cybersecurity

COMMUNITY ENGAGEMENT AND OUTREACH

Boosting our contribution to disadvantaged communities and the arts was central to the Bank's efforts over the financial year.

FINANCIAL SERVICES

NATIONAL FINANCIAL LITERACY PROGRAMME (NFLP) - PUBLIC EDUCATION

The activities of the NFLP revolved around the programme's main aim of producing more financially informed individuals with the skills and knowledge needed to make sensible decisions with their money. Notably, the inaugural celebration of the National Financial Literacy Month (NFLM) was hosted in April 2023. Several outreach and informational activities were also undertaken. Free sessions of the 'Be SMART' with Money series were made available to the public over a three-day period. The NFLP's website launched new tools and resources, along with a special video featuring the Central Bank's Governor, with other guests, to enhance the public's financial knowledge[11]. Other flagship events also continued, including Global Money Week and the Entrepreneurship Series.

The NFLP continued its outreach sessions and collaborative work with the Central Bank Museum virtually and in person during the period. While the NFLP's social media reach declined on its Facebook and Instagram pages, these pages, coupled with its website, remained active spaces for engagement with the public[12].

NFLP continued its work on the formulation of the National Financial Literacy Strategy which identifies top priority areas and target audiences in collaboration with key stakeholders, building a coordinated approach to disseminate financial education to the public.

The second annual Entrepreneurial JAVA Camp was held for two weeks for 135 persons on areas such as Setting Money Goals, Developing a Business Mindset, Creating a Business Plan and Marketing Strategies.

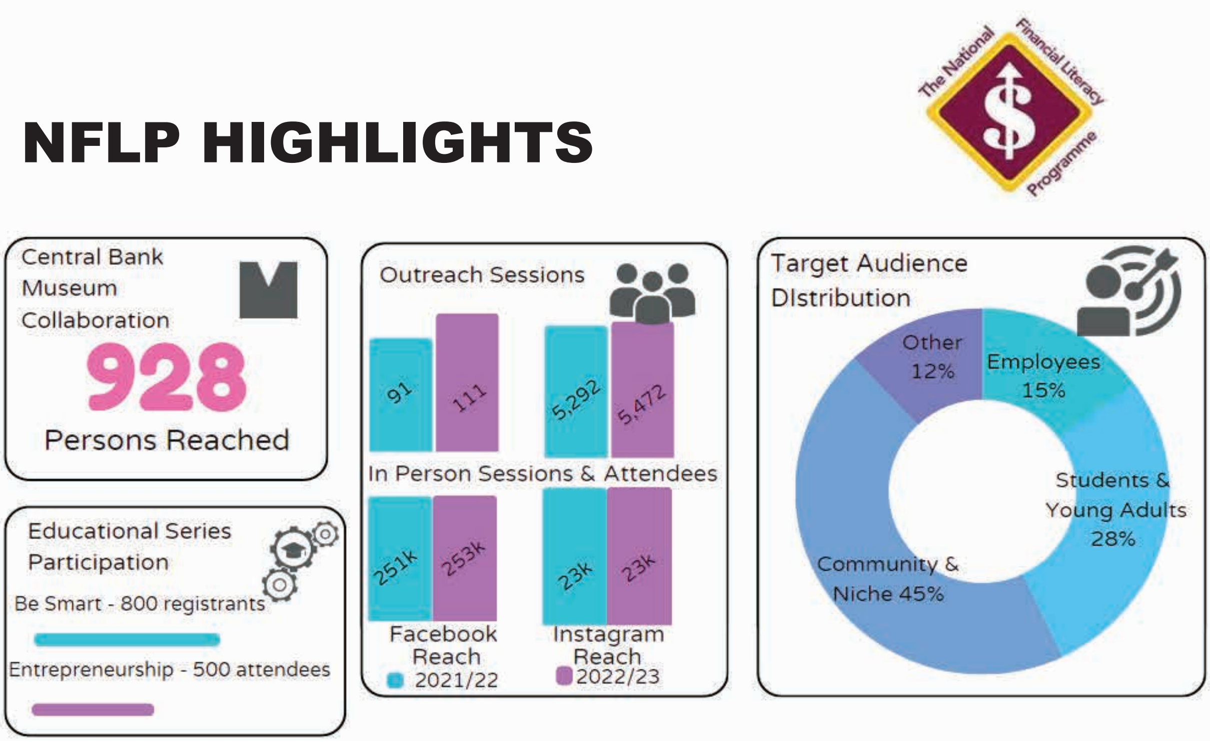
In the financial year 2023/24, the NFLP's aim is to expand the depth and range of published data and increase engagement on market conduct issues, engage stakeholders on current and emerging data needs and compile a comprehensive catalogue of market conduct issues for attention on the basis of priority.

NFLP's Global Money Week 2023

National Financial Literacy Month Celebrations - LitGreen Initiative

11 https://nflp.org.tt/flm/.
12 The reach of a page is the number of people who saw any content from our Page or about our Page.

NFLP HIGHLIGHTS



OFFICE OF THE FINANCIAL SERVICES OMBUDSMAN (OFSO) – REDRESS AND SUPERVISION

Effective October 1, 2022, the Market Conduct Supervision function of the Financial Institutions Supervision Department (FISD) commenced its transition to the Office of the Financial Services Ombudsman (OFSO). This transition aims to enhance financial consumer protection while FISD maintains prudential regulatory oversight of licensed financial institutions.

Notably, the OFSO celebrated its 20th anniversary on May 19, 2023. The OFSO remains the first and only financial ombudsman scheme in existence in the Caribbean region and only one of four in the Americas, with the other schemes operating in the USA, Canada and Chile.

The financial year 2022/23 saw an increase in the overall number of complaints lodged at the OFSO, despite a small decrease in those against banking institutions. The trend for the banking institutions resulted from the reduction in concerns involving deferrals granted by commercial banks compared to the preceding year.

In line with the number of complaints lodged, the total number of complaints closed and the resolution rate increased. However, the average number of days taken to close these complaints increased as well. In instances where files remained outstanding for some time or involved complex matters, meetings were held with insurance companies and banks to bring resolution to these matters.

Enquiries fell in 2022/23 compared to the previous period. These relate to services provided by insurance companies, banks and non-bank financial institutions, as well as institutions falling outside of the scope of the OFSO, including credit unions, Government Ministries and Agencies, and the Unit Trust Corporation (UTC).

In January 2023, the OFSO published its first data dashboard[13] which contained selected performance statistics, including the number of resolved complaints and penalty charges, for the period 2015 to 2022.

13 https://www.ofso.org.tt/index.php/2023/01/20/selected-performance-statistics/

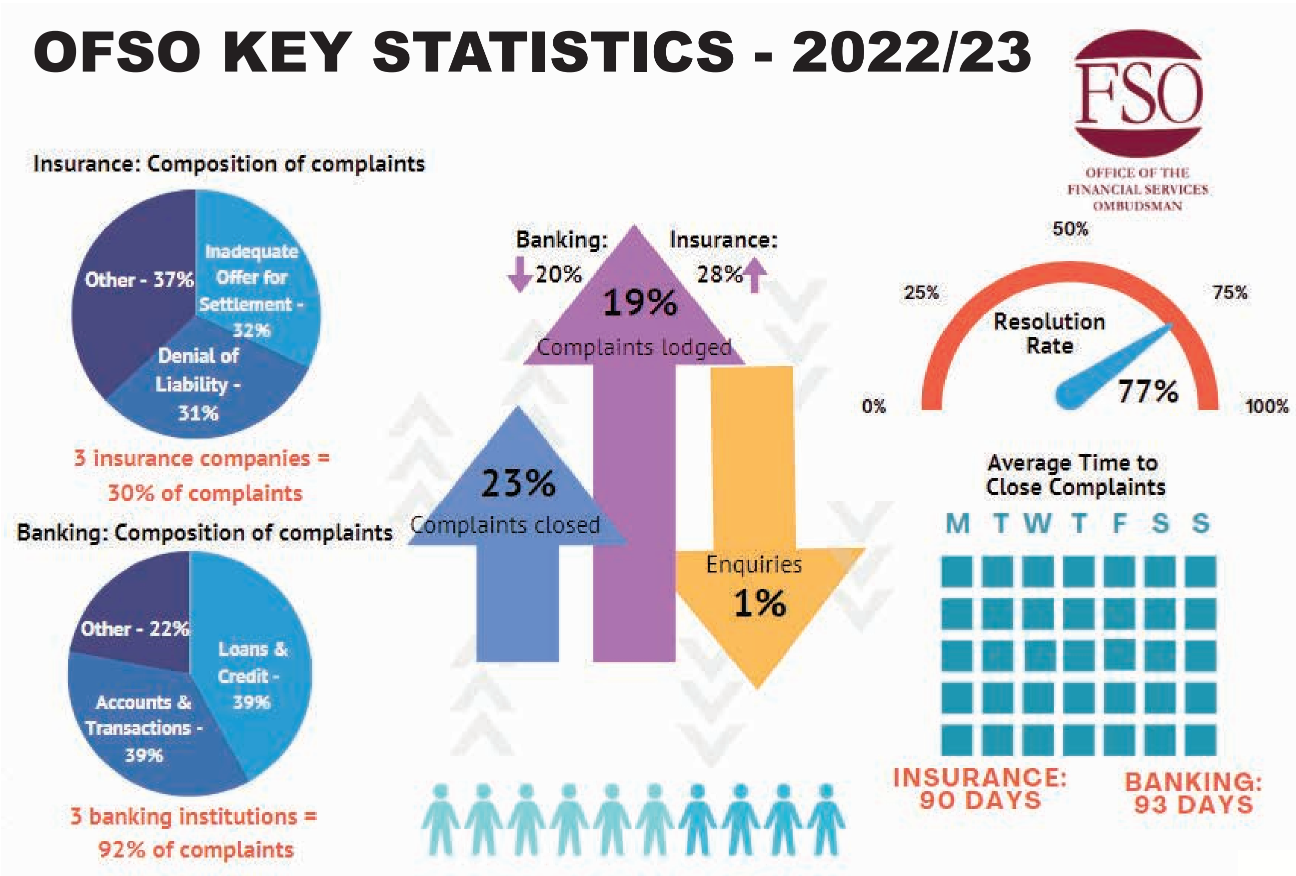
Opening of the OFSO's Tobago Office

An examination of the OFSO's financial statements for the years 2019 and 2020 was conducted by the Auditor General's Department during the period January to March 2023. Certified copies confirming that these financials, in all material respects, reflected the financial position of the OFSO in accordance with International Financial Reporting Standards were received in July.

Staff underwent training in Motor Insurance Claims Investigation and Adjusting, Data Storytelling and Visualisation, Creating a Professional Social Media Presence for Business and Visual Strategy and Design Essentials.

The period ended with the opening of the Office of the Financial Services Ombudsman (OFSO) in Tobago, initiating a new level of engagement of the Bank in financial literacy and redress. This, along with the regular external office days in San Fernando and Sangre Grande, provides access to all of the services available at the OFSO's main Office.

The OFSO continues to engage with members of the public through its social media feeds on Facebook and Instagram, its Website's 'Contact Us' Form and its Toll-Free number 800-4FSO.



COMMUNICATIONS AND OUTREACH

The Bank's External Relations function continued to be strengthened within the period for agility in support of the Bank's commitment to service delivery at the highest international standards. Stakeholder engagement through clear and transparent communication remained a priority, evident in the range of topics addressed in public webinars, advances in social media, and focused media relations. During the year, the Bank's framework for delivering communication and outreach initiatives included new pathways in its contribution to the arts and charting a new direction for its Corporate Social Responsibility programme.

PUBLIC ENGAGEMENT

The Bank continued to foster public engagement via webinars and campaigns designed to advance public education and gather perspectives on various topical issues. This year, face-to-face interactions with key stakeholders returned as the Bank transitioned from an entirely virtual to a hybrid format. The Bank continued to expand and deepen its outreach, particularly on the topics of cybersecurity, alternative financing and crypto asset regulation. Over the period, the Bank hosted ten hybrid public events.

TikTok, the newest addition to the Bank's social media platforms, launched on a pilot basis in February 2023. It now joins five other platforms where the Bank has a presence – Facebook, Instagram, LinkedIn, YouTube and WhatsApp.

The two major campaigns in the period put the spotlight on banknotes and coins. The Bank continued efforts to raise awareness of the Bank Notes' security features through the Know Your Money (KYM) seminars. A new tagline, Know Your Money and Stay Safe this Carnival, was adopted to especially target consumers during the 2023 Carnival season, featuring two local influencers, as it was the first for the full polymer suite of banknotes.

The seminars reverted to the pre-pandemic "road trip" format as the Bank engaged communities throughout the two islands, which included engagements for select groups, including the Trinidad and Tobago Police Service (TTPS) and financial institutions. Handheld UV lights were distributed to representatives of the Bar Keepers and Operators Association and the Maxi Taxi Association.

The Bank reminded the public in July 2023 that the 50-cent remains legal tender and in circulation. Messages were placed in the press and shared via the Bank's Social Media platforms. Visitors to the Museum and its outreach activities were presented with 50-cent coins as tokens, resulting in a positive response and increase in the usage of the 50-cent coin.

MEDIA RELATIONS

The Bank commenced a review of its media relations strategy in 2022, which revealed the opportunity for improvement by onboarding a new service to bolster its ability to monitor media mentions and measure the performance of key Bank initiatives. The revamped approach allowed the Bank to establish clear baselines in its record of media attendance at events, traditional mentions of key reports and their related data, as well as feature articles and interviews on strategic topics.

COMMITMENT TO THE ARTS

The launch of the year-long program, Creative Residency Program (CRP) in August 2023 represented a significant milestone in the Bank's deepened commitment to the Arts, and runs until July 2024. It afforded two local creatives – Alana Rajah and Khamille Andrews, the opportunity to be engaged in the day-to-day activities of the Auditorium and Museum, respectively – in effect, an Artist in Residence. They will gain hands-on technical, administrative and operative experience in the various aspects of the curative, visual and performing arts.

The Central Bank Museum welcomed over 8,000 visitors during the period: 70 per cent of visitors opted for the guided tour experience, which is customisable based on the audience to promote an understanding of the roles, functions and importance of the Central Bank, how the economy operates, and key concepts of saving and budgeting. Additionally, visitors now explore Trinidad and Tobago's history through a newly installed philatelic (postage stamp) collection, bringing the Bank's collections up to three, alongside the numismatic and art collections. The Bank's Ground Floor Concourse now serves as an exhibition space for collaborations with emerging, established and legacy artists and for displaying pieces from the Bank's expansive Art Collection – one of the largest in the country. The Bank acquired ten new art pieces under its Art Acquisition Program during this period and emerging artists were also engaged in a one-day Art Swap workshop. Through the Art Grant Program, now in its second year, the Bank once again provided funding via vouchers to qualifying Secondary Schools for acquiring art supplies to aid students pursuing art for the 2024 CSEC examinations.

The Central Bank Auditorium reopened its doors on August 1, 2022, after a lengthy closure due to the COVID-19 pandemic, rebranding with a new logo that depicted the dynamism and creativity of the local performing arts. The Bank commemorated World Theatre Day with a series of morning television interviews to premiere the short film Passages, which chronicled the growth of local performing arts spaces. The Bank commissioned renowned artist Gillian Bishop to design an artistic light fixture for the Auditorium's entrance area in August 2023.

CORPORATE SOCIAL RESPONSIBILITY

The Bank's robust engagement with the local non-government Organisation Chosen Hands represented a significant stride in the realm of Corporate Social Responsibility. On July 2, 2023, a collaborative effort between the both parties culminated in an enchanting Evening of Art and Fashion. This event served as a testament to the Bank's evolving commitment to uplift disadvantaged communities. In a creative celebration of wearable art, young women from St. Jude's Home, along with key stakeholders from Chosen Hands and members of the Bank's Management team, showcased exquisite pieces from local designers. Attendees were treated to a captivating live performance by Muhammad Muwakil of Freetown Collective.

The event's proceeds were dedicated to advancing the NGO's Art and Wellness Programmes, with a special focus on supporting the St. Jude's School for Girls.

Furthermore, the Bank extended its support to 30 institutions, spanning education, health and culture, in alignment with its CSR policy.

Support Services - Facilities initiated a complete refurbishment for the traffic triangle island at the junction of Wrightson Road and St. Vincent Street, as well as enhancements of the landscaping and lighting to the Block 3, Independence Square flagpole area.

SPORTS AND CULTURAL CLUB

The Central Bank Sports and Cultural Club Executive changed this year following an election process. The Club, in its bid to foster camaraderie among staff, worked towards re-engaging staff to bring home medals and titles at the CARIFIN Games 2023. Among other initiatives, an appreciation for mothers were pampered with a lunchtime spa experience celebrating Mother's Day. Fathers were treated to an All Fours and Dominoes lime with special Father's Day giveaways. Discounts, social events and workshops were deployed to engage and give back to the membership. The Club will be involved in ongoing training in the various sporting disciplines as part of the preparation strategy for the upcoming 2024 Inter-Regional Central Bank Games (IRG) to be hosted in the Bahamas.

WE CARE

The Bank's charity committee, the 'We Care', embarked on several initiatives over the period. Through the Committee's flagship event, the annual Christmas Hamper Drive, the Bank distributed 235 hampers to needy families over the Christmas period. The Committee's other major event during the year focused on its Back to School Initiative, where it provided school supplies to 13 schools throughout Trinidad and Tobago, which benefitted a total of 260 needy students. The 'We Care' Committee was also successful in providing financial assistance to charitable organisations and several needy cases for medical expenses and flood victims.

SOCIAL MEDIA

PERCENTAGE GROWTH BY PLATFORM

- Facebook: 5%
- LinkedIn: 106%
- Instagram: 50%

TOP PERFORMING POSTS

- 11,906 IMPRESSIONS – Creative Residency Programme
- 10,040 IMPRESSIONS – Know Your Money and Stay Safe this Carnival
- 9,235 IMPRESSIONS – 50 Cent Coin

FOLLOWER COUNT AND % ENGAGEMENT BY PLATFORM

Facebook	15,363	6%
Instagram	2,472	2%
LinkedIn	8,352	16%

WEBSITE

TOP 3 PAGES ACCESSED

01 Homepage

02 Exchange Rates Daily

03 Data Centre

TOP WEBSITE VISITORS BY COUNTRY

Trinidad and Tobago, Germany, United States, United Kingdom, Canada

PUBLICATION MOST ACCESSED VIA THE WEBSITE – ECONOMIC BULLETIN JULY 2023

01 Economic Bulletin July 2023

www.central-bank.org.tt

Central Bank of Trinidad & Tobago

Average Monthly Visitors	30,715
Total Monthly Visitors	368,579
Total Page Views	951,668

MEDIA MONITORING

SHARE OF MEDIA

- Print 38.2%
- Social Media 27.3%
- Online News 21.5%
- TV Broadcast 13.1%

Total number of mentions 1,254

Total number of news reports 255

PUBLIC ENGAGEMENTS

CBTT's Know Your Money (KYM) Seminar 2023

CBTT's Creative Residency Programme: Artists in Residence

CBTT's Handheld UV Lights Handover Ceremony

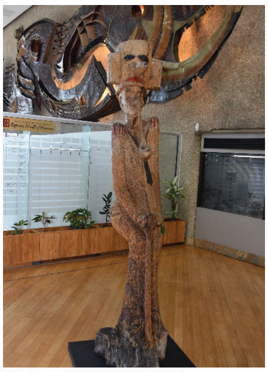
COMMITMENT TO THE ARTS

One-Day Art Swap Workshop

CORPORATE AND SOCIAL RESPONSIBILITY

An Evening of Art and Fashion in Support of Chosen Hands

Art Exhibition on Ground Floor



Guided Museum Tour

SPORTS AND CULTURAL CLUB

CARIFIN Games 2023

WE CARE

We Care Christmas Hamper Drive

PART 2

FINANCIAL STATEMENTS
2022 - 2023

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO

on the

FINANCIAL STATEMENTS

of the

CENTRAL BANK OF TRINIDAD AND TOBAGO

for the year ended

30 September 2023

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE CENTRAL BANK OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED 30 SEPTEMBER 2023

OPINION

The financial statements of the Central Bank of Trinidad and Tobago (the Bank) for the year ended 30 September 2023 have been audited. The statements as set out on pages 1 to 52 comprise a Statement of Financial Position as at 30 September 2023, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 30 September 2023 and Notes to the Financial Statements numbered 1 to 31, including a summary of significant accounting policies.

2. In my opinion, the financial statements as outlined at paragraph one above, present fairly, in all material respects, the financial position of the Central Bank of Trinidad and Tobago as at 30 September 2023 and the related financial performance and its cash flows for the year ended 30 September 2023 in accordance with International Financial Reporting Standards except as stated at Note 2 a to the Financial Statements.

BASIS FOR OPINION

3. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs). The Auditor General's responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the financial statements section of this report. The Auditor General is independent of the Bank in accordance with the ethical requirements that are relevant to the audit of the financial statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above audit opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

4. Management of the Bank is responsible for the preparation and fair presentation of these 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.

5. In preparing the financial statements, management is responsible for assessing the ability of the Bank to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance are responsible for overseeing the financial reporting process of the Bank.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

7. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit and to report thereon in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 52 (1) and (2) of the Central Bank Act No. 23 of 1964 provide for the Accounts of the Bank to be audited by auditors who shall be appointed by the Board with the approval of the Minister of Finance. The Board on 31st March, 2023 agreed to the appointment of the Auditor General as Auditor of the Accounts of the Central Bank of Trinidad and Tobago. The Minister of Finance on 19th April, 2023, conveyed his approval of the appointment of the Auditor General as Auditor of the Accounts.

8. The Auditor General's 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 audit report that includes her opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards 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.

9. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an 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.

- Obtains 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 internal controls of the Bank.

- Concludes 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 ability of the Bank to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in her audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify her opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of her audit report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluates 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.

- Obtains sufficient appropriate audit evidence regarding, the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. The Auditor General is responsible for the direction, supervision and performance of the audit of the Bank. The Auditor General remains solely responsible for her audit opinion.

10. The Auditor General communicates 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 were identified during the audit.

15TH DECEMBER, 2023
PORT OF SPAIN

JAIWANTIE RAMDASS
AUDITOR GENERAL

CENTRAL BANK OF TRINIDAD AND TOBAGO
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023
(Expressed in Trinidad & Tobago Dollars)

	Notes	Sep-23 $'000	Sep-22 $'000
ASSETS			
Foreign currency assets			
Foreign currency cash and cash equivalents	4	16,243,467	20,361,303
Foreign currency investment securities	5,7	19,145,392	19,276,059
Foreign receivables	9	4,735,549	3,315,666
Subscriptions to international financial institutions	10	5,119,533	5,117,508
International Monetary Fund - Holdings of Special Drawing Rights	11	6,976,725	6,953,969
		52,220,666	55,024,505
Local currency assets			
Local currency cash and cash equivalents	4	182,202	1,856,061
Local currency investment securities	5, 6,7	108,251	285,923
Retirement benefit asset	8	94,056	154,377
Accounts receivable and prepaid expenses	9	2,188,070	2,257,408
Other assets	12	123,831	143,116
Property, plant and equipment	13	109,585	109,470
Intangible assets	14	7,345	8,714
Non current assets held for sale	15	20	20
		2,813,360	4,815,089
TOTAL ASSETS		55,034,026	59,839,594
LIABILITIES			
Foreign currency liabilities			
Financial Liabilties	16,7	101,017	16,866
Demand liabilities - foreign	17	942,437	821,308
International Monetary Fund - Allocation of Special Drawing Rights	11	6,941,636	6,951,019
Accounts payable	18	4,295,923	4,364,619
		12,281,013	12,153,812
Local currency liabilities			
Demand liabilities - local	17	28,071,462	30,626,406
Accounts payable	18	5,818,313	9,574,844
Provision for transfer of surplus to government		1,587,477	550,668
Provisions	19	5,675,761	5,333,864
		41,153,013	46,085,782
CAPITAL AND RESERVES			
Capital	27	800,000	800,000
General reserve		800,000	800,000
		1,600,000	1,600,000
TOTAL LIABILITIES, CAPITAL AND RESERVES		55,034,026	59,839,594

Approved for issue by the Board of Directors on November 30, 2023 and signed on its behalf by:

Governor

Deputy Governor

REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL

CENTRAL BANK OF TRINIDAD AND TOBAGO
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(Expressed in Trinidad & Tobago Dollars)

	Notes	Sep-23 $'000	Sep-22 $'000
Income from foreign currency assets			
Investment income	20	1,528,089	457,125
Investment expense		(26,457)	(23,092)
		1,501,632	434,033
Realised (loss) from currency translations		(13,707)	(55,603)
Net (loss) realised on disposal and amortisation of investments	20	(160,662)	(247,610)
		1,327,263	**130,820**
Income from local currency assets			
Interest income	21	950,437	882,125
Rental income		2,524	2,115
Other income	21	70,505	67,472
		1,023,466	**951,712**
Decrease in provisions		57,875	-
Total income		**2,408,604**	**1,082,532**
Operating expenses			
Printing of notes and minting of coins	22	12,082	32,774
Salaries and related expenses	23	350,552	167,350
Interest paid		324,527	113,603
Directors' fees		2,107	1,491
Depreciation	13	26,357	27,251
Amortization of intangible assets	14	1,369	1,363
Other operating expenses	24	104,133	100,116
Increase in provisions		-	87,916
Total operating expenses		**821,127**	**531,864**
Net surplus for the period		**1,587,477**	**550,668**
Total comprehensive income for the period		**1,587,477**	**550,668**

CENTRAL BANK OF TRINIDAD AND TOBAGO
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(Expressed in Trinidad & Tobago Dollars)

	Issued and Fully Paid Up Capital $'000	General Reserves $'000	Retained Earnings $'000	Total $'000
Balance as at 1st October 2021	800,000	800,000	-	1,600,000
Net surplus for the period	-	-	550,668	550,668
Transfer of surplus to Consolidated Fund	-	-	(550,668)	(550,668)
Balance as at 30th September 2022	800,000	800,000	-	1,600,000
Balance as at 1st October 2022	800,000	800,000	-	1,600,000
Net surplus for the period	-	-	1,587,477	1,587,477
Transfer of surplus to Consolidated Fund	-	-	(1,587,477)	(1,587,477)
				-
Balance as at 30th September 2023	800,000	800,000	-	1,600,000

CENTRAL BANK OF TRINIDAD AND TOBAGO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(Expressed in Trinidad & Tobago Dollars)

	Notes	Sep-23 $'000	Sep-22 $'000
Cash flows from operating activities			
Net surplus for the year before taxation		1,587,477	550,668
Adjustments for:			
Depreciation		26,357	27,251
Amortisation of intangible assets		1,369	1,363
Net (gain)/ loss on disposal of fixed assets		(661)	9
Interest income		(2,429,514)	(1,322,909)
Interest expense		324,527	113,603
Dividend income		(2,194)	(1,149)
Provisions		(57,875)	87,916
Cash outflows before changes in operating assets and liabilities		**(550,514)**	**(543,248)**
Changes in operating assets and liabilities			
(Increase)/decrease in accounts receivable & prepaid expenses		(1,303,755)	761,304
Decrease in other assets		3,437	20,050
Increase in retirement benefit asset		60,321	(87,030)
(Decrease)/increase in accounts payable and other liabilities		(6,287,143)	1,015,675
Net cash flows (used in)/from operations		**(8,077,654)**	**1,166,751**
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		(26,496)	(14,020)
Proceeds from sale of property, plant and equipment		685	6
Net proceeds from sale of investments		799,396	2,787,826
Net (issue) /repayment of loans and advances		(6,590)	17,866
Interest received		2,381,968	1,187,952
Dividends received		2,194	1,149
Interest paid		(296,456)	(94,859)
Net (increase) in International Monetary Fund Holding of Special Drawing Rights and Allocation account		(32,138)	(2,921)
Payment to Consolidated Fund		(550,668)	(756,480)
Net cash flows from investing activities		**2,271,895**	**3,126,519**
Cash flows from financing activities			
Lease payment		13,958	13,685
Net cash flows from financing activities		**13,958**	**13,685**
Net (decrease)/increase in cash and cash equivalents		(5,791,801)	4,306,955
Foreign currency differences in monetary assets & liabilities		106	(133)
Cash and cash equivalents, beginning of period	4	22,217,364	17,910,542
Cash and cash equivalents, end of period	4	**16,425,669**	**22,217,364**

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(Expressed in Trinidad & Tobago Dollars)

1. Incorporation & principal activities

The Central Bank of Trinidad and Tobago (the Bank) was established as a corporate body in 1964 under the Central The Central Bank of Trinidad and Tobago (the Bank) was established as a corporate body in 1964 under the Central Bank Act (Chapter 79:02). The principal office is located at Eric Williams Plaza, Independence Square, Port of Spain, Trinidad and Tobago.

The Central Bank Act entrusts the Bank with a range of responsibilities, among which is the promotion of monetary, credit and exchange conditions most favourable to the development of the economy of Trinidad and Tobago.

The Bank has the exclusive right to issue and redeem currency notes and coins in Trinidad and Tobago, and is empowered, inter alia, to act as banker for, and render economic, financial and monetary advice to the Government of the Republic of Trinidad and Tobago (GORTT) and open accounts for and accept deposits from the Central Government, Local Government, statutory bodies, commercial banks and other financial institutions. It also has the authority to make advances, purchase and sell discounted bills of exchange and promissory notes on behalf of the above named institutions, and to purchase and sell foreign currencies and securities of other Governments and international financial institutions.

The Bank is also responsible for protecting the external value of the currency, managing the country's external reserves and taking steps to preserve financial stability.

2. Significant accounting policies

The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been applied to all of the years presented unless otherwise stated.

a. Basis of preparation

These Financial Statements have been prepared on the historical cost basis except for the following:

- Artwork measured at fair value
- Financial assets measured at fair value through profit or loss

These Financial Statements have been prepared in accordance with the Central Bank Act (Chapter 79:02). The Bank has chosen to adopt the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) together with the presentation and disclosure framework in the preparation of these Financial Statements insofar as the Bank considers it appropriate to do so having regard to its functions.

These Financial Statements depart from the IFRS because of the nature of the Bank, including its role in the development of the financial infrastructure of the country as well as the regulations by which it is governed. The IFRS which have not been fully adopted are:

- *IAS 21 – The Effect of Changes in Foreign Exchange Rates,* requires that all unrealised gains and losses be accounted for through the Income Statement. The Central Bank Act requires that the profit for the year be transferred to the Consolidated Fund but does not distinguish between realised and unrealised profits. As such the Bank accounts for all unrealised gains and losses on Changes in Exchange Rates through a Provision for Foreign Currency Exchange Rate Reserves.

- *IAS 37 – Provisions, Contingent Liabilities and Contingent Assets,* defines Provisions as liabilities of uncertain timing or amount. The Central Bank Act imposes specific limitations on the scope of the Bank to create reserves and so prepare for certain unforeseen events. The Bank has therefore established Provisions for specific types of transactions and obligations, which would more typically be reflected as various types of reserves under the IFRS. See Note 19.

2. Significant accounting policies cont'd

a. Basis of preparation cont'd

- *IFRS 7 – Financial Instruments Disclosures*, requires that an entity discloses very detailed information on its investments including information on concentration of risk on investments; geographical information on investments and sensitivity analysis for each type of market risk. The Bank's investment of the country's reserves is managed under strict governance procedures and the Central Bank Act requires that the Bank maintain a prudential level of confidentiality.

- *IFRS 9 - Financial Instruments: Classification and Measurement,* requires that where an asset is classified as fair value through profit and loss, the unrealised gains or losses on fair value movements should be recognised through the Statement of Comprehensive Income. The Central Bank Act requires the net profit for the year be transferred to the Consolidated Fund but does not distinguish between realised and unrealised profits. Therefore, the Bank recognises its unrealized gains or losses on these investments under "Provisions" (see Note 19).

The accounting treatment adopted for each of these departures is defined in the accounting policies and notes below. The impact of this is reflected in the improved stability in the operations of the Bank. Management considers that these Financial Statements fairly represent the Bank's financial position, financial performance and cash flows.

b. Changes in accounting policies and disclosures

i. New standards, amendments and interpretations that are effective and have been adopted by the Bank in the accounting period.

- Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets-Onerous Contracts-Cost of fulfilling a contract *(effective 1 January 2022).*

  The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

2. Significant accounting policies cont'd

b Changes in accounting policies and disclosures cont'd

i. New standards, amendments and interpretations that are effective and have been adopted by the Bank in the accounting period cont'd

- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before intended use *(effective 1 January 2022).*

  The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

- Amendment to IFRS 3 – Business Combinations- Reference to the Conceptual Framework *(effective January 1, 2022).*

  The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

- Amendments to IFRS 9 –Financial Instruments –Fees included in the 10 percent test for derecognition of financial liabilities *(effective January 1, 2022).*

  This amendment seeks to clarify the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The standard specifies that the terms are substantially different if the discounted present value of the cash flows under the new terms using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

  Management has assessed the impact of all of the above mentioned amendments and has determined that it has no material impact on the Bank.

ii. New standards, amendments and interpretations that are not yet effective and have not been early adopted by the Bank

There are new standards, amendments and interpretations to existing standards that are not yet effective for accounting periods beginning on or after January 1, 2022 and have not been early adopted by the Bank. The Bank intends to adopt these standards and interpretations, if applicable, when they become effective.

The Bank is currently assessing the impact of the new and revised standards. Some of these by nature are not expected to have a significant effect on the Bank's financial statements. However, the impact of adoption depends on the assets and liabilities held by the Bank at the date of adoption; therefore, it is not practical to quantify the effect at this time.

2. Significant accounting policies cont'd

b Changes in accounting policies and disclosures cont'd

ii. New standards, amendments and interpretations that are not yet effective and have not been early adopted by the Bank cont'd

These standards and amendments include:

- Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors -Definition of Accounting Estimates *(effective 1 January 2023)*.

  The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. This amendment is not expected to have a significant impact on the Bank.

- Amendment to IAS 12 – Income Taxes- Deferred Tax related to Assets and Liabilities arising from a Single Transaction *(effective January 1, 2023)*

  The amendments introduce an exception to the initial recognition exemption in IAS 12. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. This amendment has no impact to the Bank.

- Amendments to IAS 1 – Presentation of Financial Statements- Classification of Liabilities as Current or Non-Current *(effective 1 January 2023)*.

  The amendments clarify the requirements for classifying liabilities as current or non-current, it specifies that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant. Additionally, the amendments clarify the situations that are considered settlement of a liability. This amendment is not expected to have a significant impact on the Bank.

2. Significant accounting policies cont'd

b Changes in accounting policies and disclosures cont'd

ii. New standards and interpretations that are not yet effective and have not been early adopted by the Bank cont'd

- Amendments IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies *(effective 1 January 2023).*

  The amendments require that an entity discloses its material accounting policy information instead of its significant accounting policies. Several paragraphs were added to explain how an entity can identify a material accounting policy information and examples given of when an accounting policy is likely to be material. Additionally, amendments were made to the IFRS Practice Statement by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process'. This amendment will be further assessed to determine the potential impact on the Bank.

- IFRS 17 – Insurance Contracts *(effective January 1, 2023)*

  IFRS 17 would replace IFRS 4 on accounting for insurance contracts; it establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This standard is not expected to impact the Bank as it does not issue insurance contracts.

- Amendments to IFRS 16 – Leases – Lease liability in a sale and leaseback *(effective 1 January 2024).*

  The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15- *Revenue from Contracts with Customers* to be accounted for as a sale. This amendment is not expected to have a significant impact on the Bank.

c. Consolidation

Section 36(g) of the Central Bank Act empowers the Bank, with the approval of the Minister of Finance, to acquire, hold and sell shares or other securities of any statutory body or company registered under the Companies Act for the purpose of promoting the development of a money or securities market or for financing the economic development of Trinidad and Tobago. The Bank has interests in a number of institutions – the Trinidad and Tobago Unit Trust Corporation, the Deposit Insurance Corporation, Caribbean Credit Rating and Information Agency and the Office of the Financial Services Ombudsman.

In all but the Deposit Insurance Corporation, the Bank has a minority financial interest, in fulfilment of the Bank's role to help promote the development of the country's financial infrastructure. The Deposit Insurance Corporation was established for the protection of depositors in the domestic financial system. While the share capital was paid up by the Bank, the Deposit Insurance Corporation was always conceived to be a separate and independent institution with its own mandate and operates as such. The Financial Statements of these related enterprises have not been consolidated with those of the Bank.

2. Significant accounting policies cont'd

d. Foreign currency translation

i. Functional and presentation currency

The Financial Statements are presented in Trinidad and Tobago dollars, which is the Bank's functional and presentation currency.

ii. Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the rates of exchange prevailing at the close of business at the Statement of Financial Position date.

Translation gains or losses, at year end exchange rates of these monetary and non-monetary assets and liabilities, are recognised in Provisions – Foreign currency exchange rate reserves.

Foreign currency transactions are translated at the exchange rates prevailing on the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

iii. Special Drawing Rights

Transactions with the International Monetary Fund (IMF) are recorded at the local currency equivalent of Special Drawing Rights using rates notified by the IMF. Special Drawing Rights (SDR) are defined in terms of a basket of currencies. To revalue the Bank's holdings of SDRs, the value of the SDR was calculated as a weighted sum of the exchange rates of five major currencies (the US dollar, euro, Japanese yen, pound sterling and the Chinese renminbi) against the Trinidad and Tobago dollar. The TT: SDR rate as at 30 September 2023 was 0.111129 (September 2022 - 0.110979). See Note 11.

2. Significant accounting policies cont'd

e. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of the assets and liabilities within the financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events.

The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are illustrated below:

i. Estimated pension and post–employment medical plan

The estimate of the pension and post-employment medical plan obligations, in relation to the defined benefit plans operated by the Bank on behalf of its employees, are primarily based on the estimation of independent qualified actuaries. The value of the obligations is affected by the actuarial assumptions used in deriving the estimate.

ii. Provision for bad and doubtful debts

Pursuant to Section 35(4) of the Act, provisions are made for bad and doubtful debts in the accounts. In this regard, the relevant assets are shown in the Statement of Financial Position net of the amount which, in the opinion of the Bank, requires a specific provision.

iii. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

iv. Measurement of the expected credit loss allowance

The measurement of expected credit loss allowance for the financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI) is an area that requires assumptions about economic conditions and credit behaviour (i.e. the likelihood of customers defaulting and the resulting losses).

2. Significant accounting policies cont'd

e. Critical accounting estimates and judgments cont'd

v. Business Model Assessment

Determining the appropriate business model and assessing the solely payments of principal and interest (SPPI) requirements for financial assets may require significant accounting judgement and have a significant impact on the financial statements (see Note 2.g.).

vi. Estimated replacement value of artwork

The estimated replacement value of artwork was primarily based on the valuation of an independent art consultant. The estimated market value is established based on the valuation report of the condition of the artwork.

f. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise balances with less than or equal to three months to maturity from the date of acquisition. It consists of cash, balances with other banks, short term funds and highly liquid investments, including fixed deposits and reverse repurchases.

g. Investment securities

The classification of financial instruments at initial recognition depends on their contractual terms and management's business model for managing the instruments. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities which are recorded at fair value through profit or loss.

The Bank classifies all of its financial assets based on the Bank's business model for managing the assets and the instruments' contractual cash flow characteristics, measured at either:

- Amortised Cost
- Fair value through profit or loss (FVPL)

2. Significant accounting policies cont'd

g. Investment securities cont'd

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVPL:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and by the sale of financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

The financial assets that are not measured at amortised cost or FVOCI are classified in the category FVPL, with gains and losses arising from changes in the fair value recognised in profit and loss. Management can also, on initial recognition, irrevocably designate a financial asset as measured at FVPL if doing so eliminates or significantly reduce an inconsistency in measurement or recognition that would otherwise result from the measurement of assets or liabilities, and their gains and losses, on different bases.

Business model assessment

Business model assessment entails a determination of the way financial assets are managed in order to generate cash flows. There are three business models available under IFRS 9:

- Hold to collect: it is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest form the counterparty.
- Hold to collect and sell: this model is similar to the hold to collect model, except that the entity elects to sell some or all of the assets before maturity as circumstances change or to hold the assets for liquidity purposes.
- Other: all those models that do not meet the 'hold to collect' or 'hold to collect and sell' qualifying criteria.

The assessment of business model requires judgement based on facts and circumstances at the date of initial application. The business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios per instrument type and is based on observable factors.

2. Significant accounting policies cont'd

g. Investment securities cont'd

The Bank determines its business model at the portfolio level (foreign reserves and domestic assets portfolios) as this best reflects the way the Bank manages its financial assets to achieve its business objective. The Bank's business model assessment considers certain qualitative and observable factors that are implicitly in the standards, such as the objectives for each reserve tranche, sales activity, basis for management decisions making, risk parameters, performance evaluation and relative significance of the various sources of income.

Solely Payments of Principal and Interest (SPPI) Test

The Bank assesses the contractual terms of financial assets to determine whether they meet the SPPI test i.e. contractual cash flows that represent solely payments of principal and interest on the principal amount outstanding that are consistent with basic lending arrangements.

'Principal' for the purpose of this test is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as the consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period of time.

If a financial asset is held in either a 'Hold to Collect' or a 'Hold to Collect and Sell' business model, then assessment to determine whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding at initial recognition is required to determine the classification. The SPPI test is performed on an individual instrument basis.

In assessing whether the contractual cash flows are SPPI, the Bank considers whether the contractual terms of the financial asset contain a term that could change the timing or amount of contractual cash flows arising over the life of the instrument which could affect whether the instrument is considered to meet the SPPI test. If the SPPI test is failed, such financial assets are measured at FVPL.

2. Significant accounting policies cont'd

h. Recognition and derecognition of financial instruments

The Bank uses trade date accounting when recording financial asset transactions. Financial assets are derecognised when the contractual right to receive the cash flows from these assets has ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

i. Impairment of financial assets

IFRS 9 requires the Bank to record expected credit loss (ECL) on all financial assets measured at amortised cost or FVOCI with the introduction of a three-stage approach to impairment of financial assets. The ECL allowance is based on credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The Bank's policies for determining if there has been a significant increase in credit risk for assets carried at amortised cost involves assessing changes in existing arrangements or other related terms which affect credit quality. The 12-month ECL is the portion of lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetime and 12-month expected credit losses are calculated on either an individual basis or a collective basis, depending on the size and nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment of whether a financial instrument's credit risk has increased significantly since initial recognition, at the end of each reporting period. This is undertaken by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank classifies its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: 12 months ECL
When financial assets are first recognised and continue to perform in accordance with the contractual terms and conditions at initial recognition, the Bank recognises a loss allowance based on 12 months ECLs. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date.

Stage 2: Lifetime ECL – not credit impaired
When a financial asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs (i.e. reflecting the remaining lifetime of the financial asset).

2. Significant accounting policies cont'd

i. Impairment of financial assets cont'd

Stage 3: Lifetime ECL – credit impaired
A financial asset is considered credit impaired based on whether the occurrence of one or more events having a detrimental impact on the estimated future cash flows of that asset. For exposures that have become credit impaired, a lifetime ECL is recognized.

Measurement of expected credit losses (ECL)

The Bank derives ECLs from probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the Effective Interest Rate (EIR). The cash shortfall is the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the EIR.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD – The Probability of Default (PD) is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD — The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD — The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers among other factors the risk rating category and aging of the financial asset. Each of these is associated with different PDs, EADs and LGDs.

2. Significant accounting policies cont'd

i. Impairment of financial assets cont'd

The mechanics of the ECL method are summarised below:

Stage 1
The 12 months ECL is calculated as the portion of the lifetime expected credit losses that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD.

Stage 2
When a financial asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the lifetime expected credit losses. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The LGDs are derived as explained under Stage 3 for loans and using Global Credit Loss tables for traded investments and modified with management overlays when not traded.

Stage 3
For financial assets considered credit-impaired, the Bank recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%. In most instances, LGDs are determined on an individual loan/advance or investment basis, including discounting the expected cash flows at the original EIR. Stage 3 LGDs are grouped by similar types to provide percentage averages to be applied for Stage 1 and Stage 2 loans.

In the assessment of its assets carried at amortised cost, the Bank has applied provision matrix based on an entity's historical default rates and adjusted for forward-looking estimates. In its ECL model, the Bank considers a range of forward looking information as economic inputs such as:

- GDP growth
- Inflation rates
- Unemployment rates

In reviewing these factors, the Bank observed little correlation between the overall performance of the assets and historic loss trends. It was therefore not possible to directly correlate macroeconomic expectations to adjustments within the ECL model.

The Bank however recognised that the inputs and models used for calculating ECLs may not always capture all characteristics and expectations of the market at the date of the financial statements. To reflect this, management adjustments or overlays may occasionally be made based on expert credit judgement.

2. Significant accounting policies cont'd

j. Fair value measurement

The Bank measures certain financial instruments at fair value at each reporting date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the orderly sale of asset or transfer of liability takes place in the principal market for the asset or liability. In the absence of a principal market, the most advantageous market for the asset or liability is used as the basis for fair value measurement.

The fair value estimate of an asset or liability is based on the assumptions that market participants would use when pricing the asset or liability, assuming the market participants act in their best economic interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques considered to be appropriate in the circumstances for which sufficient data is available and for which the use of relevant observable inputs is maximised. Valuation techniques include the market approach, the cost approach and the income approach.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the 3 levels of the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement. The levels of the fair value hierarchy are:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable

Further details on fair value measurement are included in Note 7.

2. Significant accounting policies cont'd

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

l. Employee benefits

i. Pension benefits

The Bank operates a Defined Benefit Plan (Plan) for all its eligible employees. The assets of the Plan are held in a separate trustee administered plan, which is governed by Trust Deed and Rules under the Laws of Trinidad and Tobago.

A Defined Benefit Plan is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension benefit is based on the final salary of the employee.

An asset or liability recognised in the Statement of Financial Position in respect of the Plan is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of the Plan's assets.

The Plan's accounting costs are assessed on the basis of the Projected Unit Credit Method. A valuation is done every three years by independent actuaries. The last triennial valuation was performed as at 30 September, 2020 and the next valuation would be performed as at 30 September 2023.

In accordance with the advice of the actuaries, the Plan's costs of providing pensions are charged to the Statement of Comprehensive Income in order to spread the regular cost over the service lives of employees. The Bank has adopted the amendments to IAS 19; therefore, actuarial gains and losses would no longer be deferred but recognised immediately in the period in which they occur.

The Plan is funded by payments from employees and the Bank, taking into account the recommendations of independent qualified actuaries.

ii. Post-employment medical benefits

The Bank operates a post-employment medical benefit scheme for its retirees, whereby a subsidy is provided for premium due for member only contribution. The method of accounting, assumptions and the frequency of valuations are similar to those used for the defined benefit pension scheme.

2. Significant accounting policies cont'd

m. Notes and coins

The stock of notes and coins is stated at original cost. Issues are accounted for using the First In First Out Method. All associated costs such as shipping, handling and insurance are expensed immediately. Printing and minting costs are expensed when the units of currency are issued and put into circulation.

n. Leases

i. Leases (as lessee)

The Bank currently has several agreements for the rental of office space, photocopiers, off-site storage and carpark facilities. An assessment was carried out and it was determined that according to the principles outlined by IFRS 16 these rental agreements do not contain leases. The payments made under these rental agreements are therefore charged to the Statement of Comprehensive Income.

ii. Finance leases (as lessor)

Where the Bank grants long-term leases on property, the land and the building are treated as a finance lease. These finance leases are valued at the lower of the gross investment less principal payments and any provisions in the lease, and the present value of the minimum lease payments receivable at the Statement of Financial Position date and are shown as receivable. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

o. Intangible Assets

Where the Bank purchases software that does not relate directly to the operation of related hardware, it will be classified as an Intangible Asset in accordance with IAS 38. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and impairment losses. The useful life of intangible assets is assessed as finite and are amortised over the useful economic life, but generally not exceeding ten years. The amortisation expense on intangible assets is recognised in the Statement of Comprehensive Income.

2. Significant accounting policies cont'd

p. Property, plant & equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes the purchase price of the assets plus any further cost incurred in bringing the asset to its present condition and location. Capital work-in-progress are recorded at cost but are not depreciated until the asset is available for its intended use. Any additions or improvements to assets during the year, which significantly add to the value of, or extend the useful life of such assets, are capitalised as part of the cost. All other repairs and maintenance are expensed in the Statement of Comprehensive Income during the financial period in which they were incurred. When an asset is retired or sold, any gain or loss on disposal is recognised in the Statement of Comprehensive Income.

Artwork, which is classified under Fixtures and Fittings, is initially carried at cost. The Bank's Artwork is independently and professionally valuated and is carried at its revalued amount, being its fair value at the date of revaluation. Any increase in the carrying amount as a result of the revaluation is recognised in reserves as a provision for revaluation of artwork except to the extent that the increase reverses a revaluation deficit of the Artwork previously recognised in the Statement of Comprehensive Income. The Bank will conduct valuations every five years, with the most recent being performed at September 2021. The next valuation is therefore due September 2026.

Depreciation is charged on a straight-line basis and is applied over the estimated useful lives of the assets, as shown below. Land is not depreciated.

Building	40 years
Building improvements	10 years
Leasehold properties	over the period of the lease
Motor vehicles	4 years
Machinery and equipment	5 years
Computer hardware	3-4 years
Computer software	5-10 years
Furniture	7-10 years
Fixtures and fittings	10 years

The assets' useful lives are reviewed and adjusted if appropriate at each reporting date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

q. Taxation

Section 55(1) of the Central Bank Act exempts the Bank from the provisions of any Act relating to income taxation, company taxation and from the payment of stamp duty.

2. Significant accounting policies cont'd

r. Provisions

The Bank has a policy of providing for all known and foreseeable losses in the accounts and has adopted a prudent approach to provisioning. Provisions shown on the Statement of Financial Position include the Foreign currency translation reserves, Gold revaluation reserves and Market value revaluation reserves.

s. Gold reserve

Gold is valued at the market price prevailing at the year end. No distinction is made between the price and currency revaluation differences for gold. Instead, a single gold valuation is accounted for on the basis of the price in Trinidad and Tobago dollars per troy ounce of gold.

t. Subscriptions to international financial institutions

The Bank acts as financial agent for the Government of the Republic of Trinidad and Tobago (GORTT) with international financial institutions (See Note 10). In order to provide a more appropriate presentation, these amounts include the portion of the GORTT's contributions issued to these organisations in the form of Promissory Notes where applicable. These balances are stated at cost once there is no quoted market price in an active market and the fair value cannot be reliably determined. For those that are quoted in an active market, the instrument is carried at fair value based on the closing price at year end.

u. Capital

The entire capital of the Bank is held by the GORTT. Provision is made in Section 34(5) of the Central Bank Act for the Paid-up portion of the authorised capital of the Bank to be increased each year by an amount of not less than fifteen percent (15%) of the amount to be paid into the Consolidated Fund, until the Paid-up portion of the Authorised Capital is equal to the Authorised Capital. Currently the Paid up portion of the Authorised Capital of the Bank is equal to the Authorised Capital (see Note 27).

v. Reserves

Provision is made in Sections 35(3) and 35(6) of the Central Bank Act for the Bank to place in the General Reserve Fund or the Special Reserve Funds, or in both, an amount not exceeding ten percent (10%) of the net surplus of the Bank for each financial year, until the General Reserve Fund is equal to the Authorised Capital. On 30 September 2015, the General Reserve Fund equalled to the amount of the Authorised capital of $800 million.

2. Significant accounting policies cont'd

w. Transfer of surplus

The Central Bank Act states under section 35(5) that at the end of each financial year, after allowing for the amount referred to in section 35(3), the net profit of the Bank shall be paid into the Consolidated Fund.

x. Revenue recognition

i. Interest income and interest expense

Interest income and expense are recognised in the Statement of Comprehensive Income for all interest-bearing instruments on an accruals basis. Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discount instruments.

ii. Dividend income

Dividend income is recognised when the right to receive payment is established.

iii. Other income and expenses

All other significant items of income and expenditure are accounted for on the accruals basis.

y. Comparatives

Where necessary comparative figures have been adjusted to take into account changes in presentation in the current year.

3. Financial risk management

Operational risk is the risk of loss in both financial and non-financial terms resulting from human error and the failure of internal processes and systems. Operational risk management includes bank-wide corporate policies which describe the standard of conduct required of staff and specific internal control systems designed around the particular characteristics of various Bank activities.

In addition to operational risk, the Bank is exposed to various risks arising from its responsibility for the management of the official foreign currency reserves of the country. These risks and the measures taken to mitigate them in the portfolio are as follows:

Credit risk
The Bank takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due.

Credit risk is mitigated by the establishment of counterparty concentration limits and by the establishment of minimum rating standards that each counterparty must attain.

Currency risk
The Bank takes on exposure to fluctuations in the prevailing foreign currency exchange rates on its foreign currency portfolios. Management seeks to mitigate currency risk by aligning the currency composition of the foreign portfolio to the settlement of trade and central government's external debt.

Interest rate risk
The Bank invests in securities and maintains time deposits as a part of its normal course of business. Interest rate risk is the risk of loss arising from changes in prevailing interest rates. The Bank manages this risk by establishing duration limits for the portfolio.

Liquidity risk
The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts and maturing deposits.
Liquidity risk is managed by the grouping of reserves into several tranches according to liquidity requirements, and defining specific asset classes and duration limits for each tranche, consistent with its defined liquidity objectives.

4. Cash and cash equivalents

	Sep-23 $'000	Sep-22 $'000
Currency on hand	93,734	81,217
Balances held with banks	1,646,376	3,154,065
Repurchase agreements	1,823,925	3,044,339
Fixed deposits	11,726,642	14,984,373
Treasury Bills	907,948	18,005
Short-term investments	227,044	935,365
	16,425,669	**22,217,364**
Represented by:		
Foreign currency - cash and cash equivalents		
Currency on hand	88,087	78,043
Balances held with banks	1,469,821	1,319,183
Repurchase agreements	1,823,925	3,044,339
Fixed deposits	11,726,642	14,984,373
Treasury Bills	907,948	-
Short-term investments	227,044	935,365
	16,243,467	**20,361,303**
Local currency - cash and cash equivalents		
Cash on hand	5,647	3,174
Balances held with banks	176,555	1,834,882
Treasury Bills	-	18,005
	182,202	**1,856,061**
	16,425,669	**22,217,364**

<u>Local currency - balances with banks</u>

This balance is comprised mostly of cheque deposits made by the GORTT which are sent for clearance at the commercial banks. These are settled against commercial banks' reserve balances on the next working day.

5. Investment securities

	Sep-23 $'000	Sep-22 $'000
Foreign currency investment securities		
Fair value through profit or loss	19,145,392	19,276,059
	19,145,392	**19,276,059**
Local currency investment securities		
Bonds - amortised cost	27	26
Treasury Bills - amortised cost	-	184,492
Fair value through profit or loss	3,500	3,500
Loans and advances - amortised cost	104,724	97,905
	108,251	**285,923**
Total investment securities	**19,253,643**	**19,561,982**
Fair value through profit and loss		
Foreign currency		
Investment securities	19,536,683	19,968,043
Appreciation in market value	(391,291)	(691,984)
	19,145,392	**19,276,059**
Local currency		
Investments in related enterprises (Note 6)	3,500	3,500
	3,500	**3,500**
Total fair value through profit and loss	**19,148,892**	**19,279,559**
Amortised cost		
Local currency		
Bonds	27	26
Treasury Bills	-	184,492
Loans and advances	104,724	97,905
	104,751	**282,423**
Total amortised cost	**104,751**	**282,423**
Total investment securities	**19,253,643**	**19,561,982**

6. Investment in related enterprises

The Bank has an interest in the following related enterprises to help promote the development of the country's financial infrastructure:

	Sep-23 $'000	Sep-22 $'000
Trinidad and Tobago Unit Trust Corporation	2,500	2,500
Deposit Insurance Corporation	1,000	1,000
	3,500	**3,500**

The Bank also has a related interest in the Office of the Financial Services Ombudsman (OFSO). The main objectives of the OFSO are to receive complaints arising from the provision of financial services to individuals and small businesses, and to facilitate the settlement of these complaints. The Ombudsman is provided with a secretariat drawn from or approved by the Central Bank. The remuneration of the Financial Services Ombudsman and the costs of establishing the Ombudsman scheme are borne by the Bank, while recurrent operational costs of the Office are funded by the financial institutions.

7. Fair value of assets and liabilities

a. Fair value hierarchy

The fair value of the Bank's assets and liabilities are analysed by the fair valuation hierarchy below:

Recurring fair value measurement of assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 30 September 2023

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets				
Asset-backed Securities:				
Auto Loan Receivable	-	1,399,984	-	1,399,984
Credit Card Receivable	-	897,018	-	897,018
Other Asset-backed Securities	-	646,238	-	646,238
Corporate Bonds	-	2,163,154	-	2,163,154
Mortgage-backed Securities:				-
Federal Home Loan Mortgage Corp. (MULTICLASS)	-	3,740	-	3,740
Federal Home Loan Mortgage Corp. (POOLS)	-	303,263	-	303,263
Federal National Mortgage Association (POOLS)	-	723,171	-	723,171
Federal National Mortgage Association (REMIC)	-	19,127	-	19,127
Gov't National Mortgage Association (MULTI FAMILY POOLS)	-	219,258	-	219,258
Gov't National Mortgage Association (REMIC)	-	4,537	-	4,537
Gov't National Mortgage Association (SINGLE FAMILY POOLS)	-	-	-	-
Government Issues	1,676,829	10,153,501	-	11,830,330
Gold	780,895	-	-	780,895
Investments in related enterprises	-	-	3,500	3,500
Derivatives				-
Mortgage-Backed Securities		144,840		144,840
Futures Contracts	9,837			9,837
Artwork	-	15,939	-	15,939
Total Financial Assets	**2,467,561**	**16,693,770**	**3,500**	**19,164,831**
Financial Liabilities				
Derivatives				
Mortgage-Backed Securities	-	101,017	-	101,017
Total Financial Liabilities	-	**101,017**	-	**101,017**

7. **Fair value of assets and liabilities cont'd**

a. Fair value hierarchy cont'd

Recurring fair value measurement of assets and liabilities cont'd

Quantitative disclosures fair value measurement hierarchy for assets as at 30 September 2022

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets				
Asset-backed Securities:				
Auto Loan Receivable	-	1,458,779	-	1,458,779
Credit Card Receivable	-	657,170	-	657,170
Other Asset-backed Securities	-	400,642	-	400,642
Corporate Bonds	-	3,009,776	-	3,009,776
Mortgage-backed Securities:				-
Federal Home Loan Mortgage Corp. (MULTICLASS)	-	5,612	-	5,612
Federal Home Loan Mortgage Corp. (POOLS)	-	123,242	-	123,242
Federal National Mortgage Association (POOLS)	-	375,603	-	375,603
Federal National Mortgage Association (REMIC)	-	21,668	-	21,668
Gov't National Mortgage Association (MULTI FAMILY POOLS)	-	116,688	-	116,688
Gov't National Mortgage Association (REMIC)	-	5,244	-	5,244
Gov't National Mortgage Association (SINGLE FAMILY POOLS	-	3,530	-	3,530
Government Issues	1,349,673	10,663,648	-	12,013,321
Gold	700,164	-	-	700,164
Investments in related enterprises	-	-	3,500	3,500
Derivatives				-
Mortgage-Backed Securities		376,859		376,859
Futures Contracts	7,762			7,762
Artwork	-	15,615	-	15,615
Total Financial Assets	**2,057,599**	**17,234,075**	**3,500**	**19,295,174**
Financial Liabilities				
Derivatives				
Futures Contracts	16,866	-	-	16,866
Total Financial Liabilities	**16,866**	-	-	**16,866**

Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability. Furthermore, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, the estimates made do not necessarily reflect the amounts that the Bank could realise in a current market exchange.

7. Fair value of assets and liabilities cont'd

b. Transfers between fair value hierarchy levels

There were no transfers between the hierarchy levels during the period 1 October 2022 and 30 September 2023.

c. Level 1 fair values

Assets and liabilities categorized as Level 1 are those whose values are based on quoted market prices in active markets. No adjustments are made to the quoted price when determining the fair value of these assets.

d. Level 2 fair values

Assets and liabilities categorized as Level 2 are valued based on a compilation of primarily observable market information. This includes broker quotes in a non-active market, alternative pricing sources supported by observable inputs and investments in securities with fair values obtained via fund managers.

e. Level 3 fair values

The Bank investments in several related companies are accounted for as fair value through profit or loss (see Note 6). However, none of these equity investments have a quoted market price in an active market and therefore their fair value cannot be reliably measured. The cost of these equity investments is therefore considered a reasonable approximation of fair value.

8. Retirement benefit asset

	Sep-23 $'000	Sep-22 $'000
Consolidated statement of financial position obligations for:		
- Pension plan	144,678	196,881
- Post-retirement medical plan	(50,622)	(42,504)
	94,056	**154,377**

a) Pension plan	Sep-23 $'000	Sep-22 $'000
Defined benefit obligation	(871,937)	(835,403)
Fair value of assets	1,016,615	1,032,284
IAS 19 net defined asset	**144,678**	**196,881**

Reconciliation of opening and closing defined benefit assets:		
Defined benefit asset at prior year end	196,881	114,943
Decrease in pension asset:		
Net pension cost	(8,888)	(17,233)
Re-measurements of net defined benefit asset	(60,989)	82,484
Bank contribution paid	17,674	16,687
	(52,203)	81,938
Closing defined benefit asset	**144,678**	**196,881**
Amounts recognised in the earnings statement:		
Current service cost	(21,731)	(24,094)
Net interest on net defined benefit asset	13,583	7,567
Expense Allowance	(740)	(706)
Net pension cost	**(8,888)**	**(17,233)**
Re-measurements of net defined benefit asset		
Experience (losses)/gains	(60,989)	82,484
Actual return on plan assets	**(60,989)**	**82,484**

	Sep-23	Sep-22
Actuarial assumptions		
Discount rate	6.50%	6.50%
Expected return on plan assets	n/a	n/a
Projected future rate of salary increase	5.61%	5.61%

Value of Pension Scheme Asset	Based on Fair Value at Balance Sheet Date

8. Retirement benefit asset cont'd

a) Pension plan cont'd

(i) Summary of Principal Assumptions

Assumptions regarding future mortality are based on published mortality tables with an allowance for the mortality rates to improve by 0.5%pa each year in the future. The life expectancies underlying the value of the Defined Benefit Obligation as at 30 September 2022 and 2023 are as follows:

	2023	2022
Life expectancy at age 60 for current pensioner in years		
Male	21.9	21.9
Female	26.2	26.1
Life expectancy at age 60 for current members age 40 in years		
Male	22.8	22.7
Female	27.1	27.1

(ii) Sensitivity Analysis

The calculation of the Defined Benefit Obligation is sensitive to the assumptions used. The following IAS 19 145(a) table summarises how the Defined Benefit Obligation as at 30 September 2023 would have changed as a result of a change in the assumptions used.

	2023 $'000	2022 $'000
1%pa higher		
Discount rate	(98,396)	(91,569)
Future salary increases	41,583	36,128
1%pa lower		
Discount rate	121,616	112,975
Future salary increases	(36,632)	(31,654)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 September 2023 by $11.3 million.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

(iii) Funding

The Bank meets the balance of the cost of funding the defined benefit Pension Scheme as determined by the Actuary subject to the Bank contributing at least as much members. Member's contributions are fixed at 5% of pensionable salary. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Scheme and the assumptions used to determine the funding required may differ from those set out above. The Bank expects to pay contributions of $18.4 million to the Pension Scheme in 2023/24.

8. Retirement benefit asset cont'd

b) Post-Employment Medical Plan	Sep-23 $'000	Sep-22 $'000
IAS 19 net defined obligation	(50,622)	(42,504)
Reconciliation of opening and closing defined benefit liability:		
Defined benefit liability at prior year end	(42,504)	(47,596)
Decrease in plan:		
Net benefit cost	(4,536)	(5,051)
Re-measurements of net defined benefit liability	(4,539)	9,265
Bank contribution paid	957	878
	(8,118)	5,092
Closing defined benefit liability	**(50,622)**	**(42,504)**
Amounts recognised in the earnings statement		
Current service cost	(1,814)	(2,232)
Interest on defined benefit obligation	(2,722)	(2,819)
Net benefit cost	**(4,536)**	**(5,051)**
Return on plan assets: The plan holds no assets		
Actuarial assumptions		
Premium rate increases	5.00%	5.00%

(i) Summary of Principal Assumptions

Assumptions regarding future mortality are based on published mortality tables with an allowance for the mortality rates to improve by 0.5%pa each year in the future. The life expectancies underlying the value of the Defined Benefit Obligation as at 30 September 2022 and 2023 are as follows:

	2023	2022
Life expectancy at age 60 for current pensioner in years		
Male	21.9	21.9
Female	26.2	26.1
Life expectancy at age 60 for current members age 40 in years		
Male	22.8	22.7
Female	27.1	27.0

8. Retirement benefit asset cont'd

b) Post-Employment Medical Plan cont'd

(ii) Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 30 September 2023 would have changed as a result of a change in the assumptions used.

	2023 $'000	2022 $'000
1%pa higher		
Discount rate	(6,589)	(5,598)
Future rate of medical cost inflation	8,088	6,884
1%pa lower		
Discount rate	8,256	7,016
Future rate of medical cost inflation	(6,569)	(5,592)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 30 September 2023 by $1.7 million.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

(iii) Funding

The Bank's Post-Retirement Medical Plan is now fully insured. The Bank expects to pay $0.988 million in retiree medical benefit premiums in 2023/24 (net of retiree contributions).

9. Accounts receivable and prepaid expenses

	Sep-23 $'000	Sep-22 $'000
Foreign receivables		
Pending trades - investments sold	4,483,014	3,182,517
Foreign interest receivable	249,655	129,783
Other receivables	2,880	3,366
	4,735,549	**3,315,666**
Local receivables		
Interest receivable on domestic investments	1	72,326
Amounts recoverable from CLF/GORTT (Note 29)	2,171,787	2,169,575
Other receivables	1,240	1,034
Prepayments	12,856	12,724
Suspense accounts- pending transfers	261	221
Value added tax	1,925	1,528
	2,188,070	**2,257,408**

10. Subscriptions to international financial institutions

	Sep-23 $'000	Sep-22 $'000
Banco Latino Americano De Exportaciones	22,953	14,157
Caribbean Development Bank	8,194	8,194
Caribbean Information and Credit Rating Services Ltd	1,768	1,771
Corporacion Andina de Formento	726,456	727,361
Inter-American Development Bank	6,695	6,695
International Bank for Reconstruction & Development	118,874	119,022
International Development Association	6,741	6,742
International Finance Corporation	333	333
International Monetary Fund	4,227,519	4,233,233
	5,119,533	**5,117,508**

The holdings in Banco Latino Americano De Exportaciones (Bladex) are based on a quoted market price off the New York Stock Exchange of US$ 21.20/share as at 30 September 2023 (2022 US$ 13.06/share).

11. International Monetary Fund – Holdings and Allocations of Special Drawing Rights

	Sep-23			Sep-22		
	SDRs '000	SDR rate	$'000	SDRs '000	SDR rate	$'000
Holdings	775,317	0.111129	6,976,725	771,445	0.110979	6,953,969
Allocations	771,417	0.111129	6,941,636	771,417	0.110979	6,951,019

12. Other assets

	Sep-23 $'000	Sep-22 $'000
Leased asset	14,237	28,196
Stock of notes and coins	109,594	113,011
Consumables	-	1,909
	123,831	**143,116**

Leased asset

In 1995 the Bank entered into a thirty-year finance lease agreement with the GORTT for the purchase of the Ministry of Finance Building with a rate of interest of 2%. This lease agreement matures in 2024.

	Sep-23 $'000	Sep-22 $'000
Gross receivable due	14,522	29,044
Present value of minimum lease payments	(14,237)	(28,196)
Total unearned finance income	**285**	**848**
Gross receivables due		
Not later than one year	14,522	14,522
Later than one year but within five years	-	14,522
	14,522	29,044
Less: unearned finance income	(285)	(848)
Net investment in finance lease	**14,237**	**28,196**

The net investment in finance lease is analysed as follows:

	Sep-23 $'000	Sep-22 $'000
Not later than one year	14,237	13,959
Later than one year but within five years	-	14,237
	14,237	**28,196**

12. Other assets cont'd

Inventory of notes and coins

	Sep-23 $'000	Sep-22 $'000
Notes	94,621	99,797
Coins	14,973	13,214
	109,594	**113,011**

Inventory of notes

	Sep-23 $'000	Sep-22 $'000
Opening balance	99,797	116,466
Cost of notes issued (Note 22)	(5,176)	(27,872)
Purchase of notes	-	11,203
Closing balance	**94,621**	**99,797**

Inventory of coins

	Sep-23 $'000	Sep-22 $'000
Opening balance	13,214	16,703
Cost of coins issued (Note 22)	(5,730)	(3,489)
Purchase of coins	7,494	-
Sale of commemorative coins	(5)	-
Closing balance	**14,973**	**13,214**

13. Property, plant and equipment

	Land & Building	Leasehold Property	Machinery & Equipment	Computer & Equipment	Furniture, Fixture & Fittings, Artwork	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 30th September 2023							
Net book value							
Balance b/fwd 1st Oct 2022	41,975	10,626	12,908	11,463	22,951	9,547	109,470
Transfers	62	-	21,951	2,199	183	(24,395)	-
Additions	103	-	1,622	1,859	465	22,447	26,496
Disposals		-	(23)	-	(1)	-	(24)
Depreciation for the period	(10,891)	-	(7,851)	(5,795)	(1,820)	-	(26,357)
	31,249	10,626	28,607	9,726	21,778	7,599	109,585
Represented by:							
Cost	437,042	10,924	135,354	99,493	57,475	7,599	747,887
Accumulated depreciation	(405,793)	(298)	(106,747)	(89,767)	(35,697)	-	(638,302)
	31,249	10,626	28,607	9,726	21,778	7,599	109,585

	Land & Building	Leasehold Property	Machinery & Equipment	Computer & Equipment	Furniture, Fixture & Fittings, Artwork	Capital Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 30th September 2022							
Net book value							
Balance b/fwd 1st Oct 2021	51,238	10,626	16,027	14,563	24,265	6,021	122,740
Transfers	2,004	-	3,807	1,915	367	(8,093)	-
Additions	149	-	59	1,882	287	11,619	13,996
Disposals	-	-	-	(9)	(6)	-	(15)
Depreciation for the period	(11,416)	-	(6,985)	(6,888)	(1,962)	-	(27,251)
Balance c/fwd	41,975	10,626	12,908	11,463	22,951	9,547	109,470
Represented by:							
Cost	436,876	10,923	115,786	99,141	56,843	9,547	729,116
Accumulated depreciation	(394,901)	(297)	(102,878)	(87,678)	(33,892)	-	(619,646)
	41,975	10,626	12,908	11,463	22,951	9,547	109,470

14. Intangible Assets

	Intangible Assets $'000	Total $'000
As at 30th September 2023		
Net book value		
Balance b/fwd 1st Oct 2022	8,714	8,714
Amortization for the period	(1,369)	(1,369)
	7,345	**7,345**
Represented by:		
Cost	13,690	13,690
Accumulated amortization	(6,345)	(6,345)
	7,345	**7,345**
As at 30th September 2022		
Net book value		
Balance b/fwd 1st Oct 2021	10,053	10,053
Additions	24	24
Amortization for the period	(1,363)	(1,363)
	8,714	**8,714**
Represented by:		
Cost	13,689	13,689
Accumulated amortization	(4,975)	(4,975)
	8,714	**8,714**

15. Non–current assets held for sale

	Sep-23 $'000	Sep-22 $'000
Freehold land	20	20
	20	**20**

The Bank owns a parcel of land located at Toco which the Board made a decision to dispose of in the financial year September 30, 2018. The land remains available for immediate sale and continues to be actively marketed. It is classified as Non-Current assets held for sale and it continues to be reflected in the Financial Statements at the lower of the carrying value and fair value less costs to sell.

16. Financial Liabilities

	Sep-23 $'000	Sep-22 $'000
Financial Liabilities at Fair Value through Profit and Loss		
Unrealis		
Derivatives		
Mortagage-Backed Securities	101,017	-
Future Contracts	-	16,866
	101,017	**16,866**

17. Demand liabilities

	Sep-23 $'000	Sep-22 $'000
Demand liabilities - foreign		
Foreign deposits	6,358	7,401
Government special accounts	936,079	813,907
	942,437	**821,308**
Demand liabilities - local		
Notes in circulation	8,662,593	8,570,352
Coins in circulation	266,880	261,029
Deposits by commercial banks	17,925,548	18,884,973
Deposits by non-banking financial institutions	408,298	369,972
Statutory deposits - insurance companies	7,500	12,894
Deposits by government and government agencies	(4,616,638)	(3,199,611)
Deposits by other current accounts	2,213,676	2,501,535
Deposits by regional and international institutions	56,343	45,224
Promissory Notes due to international financial institutions	3,147,262	3,180,038
	28,071,462	**30,626,406**

a. Deposits by financial institutions

The required statutory cash reserve ratios for financial institutions remained unchanged at 14 percent as at the last Monetary Policy Announcement on September 29, 2023. Non-bank financial institutions' required reserve ratios also remained unchanged at 9 percent of their prescribed liabilities. Notwithstanding, over the period October 2022 to September 2023, the average value of the commercial banks' required reserves increased by about 3.2 percent, while the non-banks' required reserves increased by about 16 percent over that of 2021-2022.

2. Promissory Notes due to international financial institutions

The Promissory Note represents amounts due to the IMF, International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) as part of the arrangement whereby the Bank acts as the Agent for the country.

18. Accounts payable

	Sep-23 $'000	Sep-22 $'000
Accounts payable - Foreign		
Bilateral accounts	-	7,993
Pending trades - investments purchased	4,295,748	4,352,246
Other payables	175	4,380
	4,295,923	**4,364,619**
Accounts payable - Local		
Trade payables and accrued charges	93,650	127,305
Interest payable	47,502	19,432
Unclaimed monies	94,328	68,312
Blocked accounts	4,971,241	8,791,891
Other payables	611,592	567,904
	5,818,313	**9,574,844**

Blocked accounts

These accounts represent funds withheld when liquidity levels are considered to be too high. Typically, these funds are Open Market Operations Instruments (OMO), treasury bills and treasury notes, as well as Government Bonds. The resources absorbed from the system are then sterilized (held in blocked accounts at the Central Bank).

19. Provisions

The Bank has adopted a prudent approach for provisioning in order to maintain adequate capacity to fulfil its functions. This accounting treatment reflects the limitations on the creation of reserves set out in Section 35 of the Central Bank Act. The Act specifies the terms and conditions governing General and Special Reserve funds and the creation of provisions for bad and doubtful debts, depreciation in assets, contributions to staff pension benefits and other contingencies, before payment of the net surplus for the financial year to the GORTT. This is a departure from the definition outlined in IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The provisions shown on the Statement of Financial Position comprise:

19. Provisions cont'd

	Sep-23 $'000	Sep-22 $'000
Provisions		
Gold reserve	555,005	476,826
Foreign currency exchange rate reserves	5,379,334	5,381,564
Pension reserve	94,056	154,377
Revaluation reserve on investments	(352,634)	(678,903)
	5,675,761	**5,333,864**

20. Income from foreign currency assets

	Sep-23 $'000	Sep-22 $'000
Investment income		
Interest on United States dollar balances & securitie	1,238,514	400,408
Interest on other foreign balances & securities	240,563	40,376
Other income	49,012	16,341
	1,528,089	**457,125**
Investment expenses	(26,457)	(23,092)
Realised (loss) from currency translation	(13,707)	(55,603)
Net (loss)/gain realised on disposal and amortisation of investment		
Net (loss) realised on disposal of investments	(287,267)	(185,601)
Amortisation of premium and discounts	126,605	(62,009)
	(160,662)	**(247,610)**
Total income from foreign assets	**1,327,263**	**130,820**

21. Income from local currency assets

	Sep-23 $'000	Sep-22 $'000
Interest income		
Loans	947,378	879,377
Other investments	3,059	2,748
	950,437	**882,125**
Other income		
General earnings	1,525	2,247
Dividends	120	65
Fees charged to financial institutions	66,517	64,376
Profit on sale of assets	676	1
Other	1,667	783
	70,505	**67,472**

22. Printing of notes and minting of coins

	Sep-23 $'000	Sep-22 $'000
Cost of new notes issued (Note 12)	5,176	27,872
Cost of new coins issued (Note 12)	5,730	3,489
Other printing and minting expenses	1,176	1,413
	12,082	**32,774**

23. Salaries and related expenses

	Sep-23 $'000	Sep-22 $'000
Salaries and allowances	246,109	212,911
National insurance	7,278	7,469
Employee benefits- pension and post retirement medical plan (Note 8)	60,321	(87,030)
Other staff costs	36,844	34,000
	350,552	**167,350**

24. Other operating expenses

	Sep-23 $'000	Sep-22 $'000
Other operating expenses include:		
Advertising and public relations	3,328	2,279
CL Financial expenses (Note 29)	1,759	6,304
Computer expenses	32,740	29,213
Conferences and meetings	1,914	636
Contribution to other organizations	2,235	2,220
Electricity	3,763	3,551
Insurance	4,091	3,998
Library expenses	3,695	3,498
Loss on disposal of assets	14	10
Maintenance cost	27,758	27,617
Printing and stationery	1,937	2,369
Professional fees	5,258	4,141
Rent	4,936	4,489
Telephone	5,906	6,464
Other expenses	4,799	3,328
	104,133	**100,116**

25. Capital commitments

There was $3.8 million in outstanding commitments for capital expenditure as at 30 September 2023 (30 September 2022 - $2.5 million).

26. Leasehold obligations – operating leases

Operating leases where the Bank is the lessor

The Bank currently has one lease arrangement for office space located within the Bank's building. The tenant is charged monthly rental and service fees based on the square footage occupied.

27. Capital

	Sep-23 $'000	Sep-22 $'000
Authorised capital	800,000	800,000
Paid-up capital	800,000	800,000

28. Related party transactions

a. Government of the Republic of Trinidad and Tobago

The Bank as part of its regular operations enters into various transactions with the GORTT, state owned entities, state agencies and local government bodies. It should be noted that all transactions are done at arms' length and in accordance with normal business practices. Transactions and balances with the Bank and these entities are listed below:

	Sep-23 $'000	Sep-22 $'000
Interest income from local currency assets	946,221	877,757
Interest expense	85,861	72,366
Assets		
Local currency investment securities	27	184,518
Other Assets	14,237	28,196
Interest Receivable	1	72,326
Liabilities		
Demand liabilities - foreign	936,079	813,907
Demand liabilities - local	(3,419,746)	(2,025,843)
Accounts payable	4,971,241	8,791,891

28. Related party transactions cont'd

b. *Related enterprises*

These Financial Statements include the following transactions with related enterprises (see Note 6) during the year:

	Sep-23 $'000	Sep-22 $'000
Income		
Dividend Income	120	65
Rental income	243	243
Other income	42	42
	405	**350**
Expenditure		
Salaries and related expenditure	2,011	1,159
	2,011	**1,159**
Ending period balances		
Investments in related enterprises	3,500	3,500
Payables to related enterprises	999,857	1,310,842

c. *Key management compensation*

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the key activities of the Bank, directly or indirectly, including all executives, senior, middle and junior managers.

	Sep-23 $'000	Sep-22 $'000
Short-term employee benefits	68,504	65,228
Employer pension contributions	2,861	2,975
*Directors' fees	2,128	1,512

* This includes the costs incurred for Group medical contributions.

d. *Other expenses*

	Sep-23 $'000	Sep-22 $'000
Other expenses	122	-

Other expenses represent cost incurred for Board Meeting.

29. CL Financial group matter

During January 2009, representatives of CL Financial Limited (CLF) met with the Bank and the Ministry of Finance requesting urgent liquidity support for CLICO Investment Bank Limited (CIB), CLICO (Trinidad) Limited (CLICO) and British American Insurance Co (Trinidad) Limited (BAT). On 30 January 2009, in an effort to protect the interest of depositors and policyholders, the Minister of Finance entered into a Memorandum of Understanding with CLF for the provision of liquidity support for CIB, CLICO and BAT under certain conditions.

On 31 January 2009 the Bank assumed control of CIB, under section 44D of the Central Bank Act (the Act) and consequent to an amendment to the Act, it also assumed control of CLICO and BAT on 13 February 2009. By Order of the Court, CIB was placed into Liquidation in October 2011 and the Deposit Insurance Corporation appointed its Liquidator.

A resolution strategy with a number of phases was developed to stabilise the activities of CLICO and BAT. The resolution strategy included the sale of the traditional insurance portfolios of these institutions to a suitable purchaser at prices consistent with independent valuations, and the repayment of the debt owed to the Government arising from bail out funding. Progress of the sale of the traditional insurance portfolios of CLICO and BAT while the Bank was in emergency control was impacted by court proceedings in the context of a challenge by one of the bidders for the portfolios.

The repayment of the Government debt progressed steadily from 2015 with CLICO significantly reducing its liabilities to the Government. By way of a notification published in the Gazette, Vol. 61, No. 210, Item No. 1752 dated December 1, 2022, issued pursuant to section 44G of the Central Bank Act Chap. 79:02, the Bank has ceased to be in special emergency control of CLICO with effect from December 1, 2022. By way of a notification published in the Trinidad and Tobago Gazette, Vol. 61, No. 224, Item No. 1880 dated December 22, 2022, issued pursuant to section 44G of the Act, the Bank ceased to be in special emergency control of BAT with effect from December 22, 2022. All powers of control over the affairs, property and undertakings of CLICO and BAT vested in the Bank by or in consequence of the notification published in Legal Notice No. 32 of 2009 (dated February 13, 2009) in respect of CLICO and in Legal Notice No. 33 of 2009 (dated February 13, 2009) in respect of BAT, have been transferred to CLICO and BAT from December 1 and December 22, 2022, respectively.

The Bank and CLICO continue to pursue civil proceedings initiated against former executives of CLICO with the dual objective of bringing those responsible to justice and recovering compensation. As a result of these actions the Bank currently has in its Financial Statements the following assets:

29. CL Financial group matter cont'd

In the context of delays with criminal action, this suit was filed by the Bank and CLICO against former executives of CLICO with the dual objective of bringing those responsible to justice and recovering compensation. The outcome of this matter cannot reliably be estimated at this time.

	Sep-23 $'000	Sep-22 $'000
Assets		
Amounts recoverable from CLF/GORTT	2,171,787	2,169,575

30. Contingent liabilities

The Bank is currently involved in claims and counterclaims arising from the conduct of its business. Based on the facts currently available to the Bank, it has been concluded that the outcome of these matters would not have a material adverse effect on the position of the Bank.

31. Statement of Financial Position – Current/Non-Current distinction

	-----------	Sep-23	-----------
	Current	Non-Current	Total
ASSETS	$'000	$'000	$'000
Foreign currency assets			
Foreign currency cash and cash equivalents	16,243,467	-	16,243,467
Foreign currency investment securities	2,117,471	17,027,921	19,145,392
Foreign receivables	4,735,549	-	4,735,549
Subscriptions to international financial institutions	-	5,119,533	5,119,533
International Monetary Fund - Holdings of Special Drawing Rights	-	6,976,725	6,976,725
	23,096,487	29,124,179	52,220,666
Local currency assets			
Local currency cash and cash equivalents	182,202	-	182,202
Local currency investment securities	20,393	87,858	108,251
Retirement benefit asset	-	94,056	94,056
Accounts receivable and prepaid expenses	2,187,998	72	2,188,070
Other assets	44,187	79,644	123,831
Property, plant and equipment	-	109,585	109,585
Intangible assets	-	7,345	7,345
Non current assets held for sale	20	-	20
	2,434,800	378,560	2,813,360
TOTAL ASSETS	25,531,287	29,502,739	55,034,026
LIABILITIES			
Foreign currency liabilities			
Financial Liabilties	-	101,017	101,017
Demand liabilities - foreign	942,437	-	942,437
International Monetary Fund - Allocation of Special Drawing Rights	-	6,941,636	6,941,636
Accounts payable	4,295,923	-	4,295,923
	5,238,360	7,042,653	12,281,013
Local currency liabilities			
Demand liabilities - local	28,071,462	-	28,071,462
Accounts payable	5,104,026	714,287	5,818,313
Provision for transfer of surplus to government	1,587,477	-	1,587,477
Provisions	5,234,819	440,942	5,675,761
	39,997,784	1,155,229	41,153,013
CAPITAL AND RESERVES			
Capital	-	800,000	800,000
General reserve	-	800,000	800,000
	-	1,600,000	1,600,000
TOTAL LIABILITIES, CAPITAL AND RESERVES	45,236,144	9,797,882	55,034,026

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023
(Expressed in Trinidad & Tobago Dollars)

31. Statement of Financial Position – Current/Non-Current distinction cont'd

	-----------	Sep-22	-----------
ASSETS	**Current $'000**	**Non-Current $'000**	**Total $'000**
Foreign currency assets			
Foreign currency cash and cash equivalents	20,361,303	-	20,361,303
Foreign currency investment securities	4,034,240	15,241,819	19,276,059
Foreign receivables	3,315,666	-	3,315,666
Subscriptions to international financial institutions	289	5,117,219	5,117,508
International Monetary Fund - Holdings of Special Drawing Rights	-	6,953,969	6,953,969
	27,711,498	**27,313,007**	**55,024,505**
Local currency cash and cash equivalents	1,856,061	-	1,856,061
Local currency investment securities	207,511	78,413	285,923
Retirement benefit asset	-	154,377	154,377
Accounts receivable and prepaid expenses	2,257,283	125	2,257,408
Other assets	128,878	14,237	143,116
Property, plant and equipment	-	109,470	109,470
Intangible assets	-	8,714	8,714
Non current assets held for sale	20	-	20
	4,449,753	**365,336**	**4,815,089**
TOTAL ASSETS	**32,161,251**	**27,678,343**	**59,839,594**
LIABILITIES			
Foreign currency liabilities			
Financial Liabilties	16,866	-	16,866
Demand liabilities - foreign	821,258	50	821,308
International Monetary Fund - Allocation of Special Drawing Rights	-	6,951,019	6,951,019
Accounts payable	4,364,619	-	4,364,619
	5,202,743	**6,951,069**	**12,153,812**
Local currency liabilities			
Demand liabilities - local	30,619,858	6,548	30,626,406
Accounts payable	8,396,558	1,178,286	9,574,844
Provision for transfer of surplus to government	550,668	-	550,668
Provisions	5,131,535	202,329	5,333,864
	44,698,620	**1,387,162**	**46,085,782**
CAPITAL AND RESERVES			
Capital	-	800,000	800,000
General reserve	-	800,000	800,000
	-	**1,600,000**	**1,600,000**
TOTAL LIABILITIES, CAPITAL AND RESERVES	**49,901,363**	**9,938,231**	**59,839,594**

APPENDICES
2022 - 2023

TABLE A.1
CURRENCY IN CIRCULATION
2018 – 2023
(TT$ '000s)

End of Month	Notes (Old TT)	Notes (Republic)	Total Notes in Circulation	Coins	Total Currency in Circulation
Sep-18	19,044	8,495,199	8,514,243	238,088	8,752,331
Sep-19	19,044	8,606,726	8,625,770	244,951	8,870,721
Sep-20	19,044	7,930,631	7,949,675	252,096	8,201,771
Oct-19	19,044	8,651,394	8,670,438	245,802	8,916,240
Nov-19	19,044	8,771,510	8,790,554	246,623	9,037,177
Dec-19	19,044	8,554,958	8,574,002	247,112	8,821,114
Jan-20	19,044	5,692,615	5,711,659	247,807	5,959,466
Feb-20	19,044	6,382,172	6,401,216	248,105	6,649,321
Mar-20	19,044	7,037,001	7,056,045	248,688	7,304,733
Apr-20	19,044	7,217,858	7,236,902	249,201	7,486,103
May-20	19,044	7,127,382	7,146,426	249,700	7,396,126
Jun-20	19,044	7,281,798	7,300,842	250,273	7,551,115
Jul-20	19,044	7,493,443	7,512,487	250,793	7,763,280
Aug-20	19,044	7,769,793	7,788,837	251,451	8,040,288
Sep-20	19,044	7,930,631	7,949,675	252,096	8,201,771
Sep-21	19,043	8,839,561	8,858,604	257,043	9,115,647
Sep-22	19,085	8,551,309	8,570,394	261,029	8,831,423
Sep-23	19,085	8,643,551	8,662,636	266,880	8,929,516

Source: Central Bank of Trinidad and Tobago

TABLE A.2
CENTRAL BANK STATEMENT OF LIABILITIES AND ASSETS, 2022 – 2023
(TT$ '000s)

End of Month	LIABILITIES								ASSETS							
		DEPOSITS							EXTERNAL ASSETS							
	Currency in Cir-culation Total	Comm-ercial Banks	Non-Bank Financial Instiutions	Govern-ment & Govern-mental Organ-isations [1]	Inter-national Organ-isations	Other Liabilities	Capital & Reserve Funds	Total Liabilities, Capital and Reserves	Balances With Banks Abroad [2]	Other Foreign Securities	Gold Sub-scription To Inter-national Monetary Fund	Sub-scriptions to Inter-national Organ-isations	SDR's	TT Dollar Securities	Other Assets Including Fixed Asset	Total Assets
2021/22																
OCTOBER	8,748,840	21,067,430	352,830	(8,065,019)	11,017,204	26,355,488	1,600,000	61,076,773	16,623,729	23,597,078	4,547,787	887,503	7,467,548	119,057	7,834,072	61,076,773
NOVEMBER	9,000,844	20,813,770	366,701	(8,902,958)	11,017,148	24,422,025	1,600,000	58,317,531	14,966,209	22,762,125	4,547,787	883,430	7,467,649	120,284	7,570,049	58,317,531
DECEMBER	9,260,539	17,659,075	364,851	(4,076,386)	10,787,625	21,857,177	1,600,000	57,452,881	15,838,265	22,891,152	4,442,385	891,171	7,294,576	120,457	5,974,875	57,452,881
JANUARY	8,730,093	18,353,273	316,180	(3,889,613)	10,787,102	21,650,516	1,600,000	57,547,551	15,609,817	22,543,386	4,442,385	888,085	7,294,576	119,429	6,649,874	57,547,551
FEBRUARY	8,698,110	18,213,349	338,155	(5,388,161)	10,787,102	21,787,934	1,600,000	56,036,489	15,570,714	21,522,588	4,442,385	886,481	7,294,744	118,957	6,200,621	56,036,489
MARCH	8,782,173	17,540,492	364,878	(4,725,725)	10,787,995	21,435,775	1,600,000	55,785,588	15,937,008	21,580,342	4,442,385	888,393	7,294,744	122,917	5,519,799	55,785,588
APRIL	8,924,109	16,885,710	318,556	(3,202,090)	10,501,915	22,476,623	1,600,000	57,504,824	18,825,505	19,801,088	4,267,960	886,530	7,008,235	139,778	6,575,727	57,504,824
MAY	8,814,855	17,521,944	373,180	(4,022,055)	10,501,845	20,711,886	1,600,000	55,501,655	18,454,252	19,368,764	4,267,960	884,801	7,008,879	138,871	5,378,128	55,501,655
JUNE	8,800,258	15,770,187	372,890	(1,983,873)	10,445,124	21,449,255	1,600,000	56,453,841	19,602,410	19,031,443	4,233,233	885,987	6,951,850	164,049	5,584,868	56,453,841
JULY	8,885,812	15,809,419	349,791	(702,633)	10,386,251	21,217,496	1,600,000	57,546,136	19,420,785	19,537,120	4,233,233	884,657	6,951,850	235,772	6,282,718	57,546,136
AUGUST	9,032,426	17,390,432	371,113	(2,751,782)	10,178,793	21,042,537	1,600,000	56,863,519	19,354,383	19,793,681	4,233,233	883,842	6,953,969	236,832	5,407,579	56,863,519
SEPTEMBER	8,831,380	18,884,973	369,972	(1,208,998)	10,176,281	21,185,985	1,600,000	59,839,594	20,361,303	19,276,059	4,233,233	884,275	6,953,969	285,923	7,844,832	59,839,594
2022/23																
OCTOBER	8,909,273	19,295,940	511,798	(2,332,149)	10,173,800	19,940,299	1,600,000	58,098,961	19,980,764	19,520,111	4,233,233	885,611	6,953,969	332,880	6,192,393	58,098,961
NOVEMBER	8,806,471	19,999,603	467,616	(4,118,725)	10,174,137	20,112,923	1,600,000	57,042,025	17,935,754	19,843,109	4,233,233	887,633	6,958,803	341,360	6,842,133	57,042,025
DECEMBER	9,305,294	20,039,109	360,673	(2,428,572)	10,063,089	20,451,606	1,600,000	59,391,198	19,068,700	19,652,708	4,183,735	889,426	6,877,435	297,332	8,421,861	59,391,198
JANUARY	8,846,952	20,681,890	355,066	(1,403,818)	10,063,068	17,161,716	1,600,000	57,304,874	18,473,553	19,867,175	4,183,735	890,853	6,877,435	330,113	6,682,010	57,304,874
FEBRUARY	9,019,076	19,120,281	348,421	(2,612,381)	10,061,769	18,356,692	1,600,000	55,893,857	18,197,857	19,325,858	4,183,735	888,371	6,885,031	330,459	6,082,546	55,893,857
MARCH	8,946,316	18,328,370	376,547	(2,803,625)	10,059,063	20,479,956	1,600,000	56,986,627	18,863,087	19,781,441	4,183,735	888,611	6,885,031	252,330	6,132,392	56,986,627
APRIL	8,957,928	18,203,405	381,224	(1,471,558)	10,182,233	20,374,520	1,600,000	58,227,751	19,008,682	20,515,396	4,259,486	891,316	7,009,599	185,180	6,358,091	58,227,751
MAY	8,999,830	20,755,112	384,659	(3,807,775)	10,174,523	17,524,021	1,600,000	55,630,371	16,503,925	21,188,278	4,259,486	886,267	7,018,789	185,517	5,588,109	55,630,371
JUNE	8,885,085	18,487,603	399,049	(1,895,734)	10,145,988	17,664,019	1,600,000	55,286,010	16,604,953	20,449,757	4,227,519	896,295	6,966,115	185,305	5,956,065	55,286,010
JULY	8,940,742	20,443,976	392,513	(5,134,596)	10,145,745	18,061,181	1,600,000	54,449,561	16,072,079	19,557,270	4,227,519	896,576	6,966,115	105,291	6,624,711	54,449,561
AUGUST	8,883,798	19,367,980	416,655	(4,747,226)	10,145,115	17,423,687	1,600,000	53,090,010	15,425,885	19,355,518	4,227,519	892,836	6,976,725	200,122	6,011,405	53,090,010
SEPTEMBER	8,929,473	17,925,549	408,298	(2,480,729)	10,145,241	18,506,196	1,600,000	55,034,026	16,243,467	19,145,392	4,227,519	892,013	6,976,725	108,251	7,440,659	55,034,026

Source: Central Bank of Trinidad and Tobago

1 Includes Exchequer and Other Deposits by Public Sector Corporations.

2 Includes Foreign Currencies on hand

TABLE A.3
COMMERCIAL BANKS:
AVERAGE DEPOSIT LIABILITIES AND REQUIRED AND ACTUAL CASH RESERVES
for Period Ending September 2023
(TT$ '000s)

Reserve Period Ending	Average Deposit Liabilities	Required Cash Reserves	Average Cash Reserves
05-Oct-22	92,361,964	12,930,675	18,319,475
12-Oct-22	92,405,329	12,936,746	18,264,469
19-Oct-22	92,600,014	12,964,002	17,945,499
26-Oct-22	92,794,950	12,991,293	18,495,157
02-Nov-22	92,612,350	12,965,729	19,431,206
09-Nov-22	92,845,829	12,998,416	18,841,477
16-Nov-22	93,191,900	13,046,866	19,285,358
23-Nov-22	93,462,500	13,084,750	19,487,585
30-Nov-22	93,810,250	13,133,435	19,999,603
07-Dec-22	94,118,514	13,176,592	20,374,463
14-Dec-22	94,377,357	13,212,830	20,290,884
21-Dec-22	94,749,564	13,264,939	19,552,015
28-Dec-22	94,971,371	13,295,992	19,549,699
04-Jan-23	95,142,957	13,320,014	18,779,712
11-Jan-23	95,257,957	13,336,114	18,832,629
18-Jan-23	94,961,200	13,294,568	19,077,319
25-Jan-23	94,559,879	13,238,383	20,294,094
01-Feb-23	94,180,486	13,185,268	20,747,571
08-Feb-23	94,085,829	13,172,016	21,395,417
15-Feb-23	94,327,907	13,205,907	19,001,002
22-Feb-23	94,927,679	13,289,875	19,636,779
01-Mar-23	95,096,550	13,313,517	19,801,389
08-Mar-23	95,164,379	13,323,013	20,396,148
15-Mar-23	95,315,514	13,344,172	20,301,199
22-Mar-23	95,349,786	13,348,970	19,778,009
29-Mar-23	142,711,971	19,979,676	18,510,610
05-Apr-23	95,591,000	13,382,740	18,263,428
12-Apr-23	94,665,100	13,253,114	18,152,575
19-Apr-23	95,384,957	13,353,894	17,281,799
26-Apr-23	95,228,021	13,331,923	18,250,316
03-May-23	94,805,629	13,272,788	18,337,448
10-May-23	94,795,471	13,271,366	18,997,615
17-May-23	94,666,800	13,253,352	19,860,247
24-May-23	94,519,179	13,232,685	20,584,641
31-May-23	94,675,029	13,254,504	20,523,636
07-Jun-23	94,785,571	13,269,980	21,241,152
14-Jun-23	95,122,486	13,317,148	20,963,066
21-Jun-23	95,484,664	13,367,853	19,749,041
28-Jun-23	95,903,943	13,426,552	18,717,233
05-Jul-23	95,931,707	13,430,439	18,358,019
12-Jul-23	95,944,179	13,432,185	17,925,914
19-Jul-23	95,567,929	13,379,510	19,180,915
26-Jul-23	95,016,079	13,302,251	19,576,231
02-Aug-23	94,627,243	13,247,814	20,261,559
09-Aug-23	94,671,743	13,254,044	21,420,594
16-Aug-23	94,979,471	13,297,126	20,599,162
23-Aug-23	95,775,429	13,408,560	21,737,679
30-Aug-23	96,392,329	13,494,926	19,148,901
06-Sep-23	96,475,500	13,506,570	19,592,111
13-Sep-23	96,780,743	13,549,304	19,238,422
20-Sep-23	96,562,436	13,518,741	19,749,971
27-Sep-23	96,407,157	13,497,002	19,407,116

Source: Central Bank of Trinidad and Tobago

TABLE A.4

NON-BANK FINANCIAL INSTITUTIONS: AVERAGE DEPOSIT LIABILITIES AND REQUIRED AND ACTUAL CASH RESERVES for Period Ending September 2023 (TT$ '000s)

Reserve Period Ending	Average Deposit Liabilities	Required Cash Reserves	Average Cash Reserves
05-Oct-22	3,482,278	313,405	429,810
12-Oct-22	3,519,278	316,735	433,113
19-Oct-22	3,622,056	325,985	442,126
26-Oct-22	3,723,922	335,153	451,798
02-Nov-22	3,835,522	345,197	521,614
09-Nov-22	3,899,644	350,968	617,125
16-Nov-22	3,899,422	350,948	492,384
23-Nov-22	3,909,678	351,871	493,284
30-Nov-22	3,899,789	350,981	467,616
07-Dec-22	3,888,211	349,939	467,943
14-Dec-22	3,874,067	348,666	465,408
21-Dec-22	3,841,400	345,726	465,631
28-Dec-22	3,827,233	344,451	460,441
04-Jan-23	3,825,989	344,339	360,800
11-Jan-23	3,816,822	343,514	359,367
18-Jan-23	3,793,644	341,428	357,928
25-Jan-23	3,747,256	337,253	357,056
01-Feb-23	3,747,256	337,253	355,066
08-Feb-23	3,662,667	329,640	350,257
15-Feb-23	3,655,022	328,952	345,949
22-Feb-23	3,670,489	330,344	347,121
01-Mar-23	3,695,344	332,581	349,282
08-Mar-23	3,777,444	339,970	356,597
15-Mar-23	3,847,311	346,258	362,779
22-Mar-23	3,927,522	353,477	369,936
29-Mar-23	3,998,311	359,848	376,547
05-Apr-23	4,012,900	361,161	377,600
12-Apr-23	4,036,300	363,267	383,217
19-Apr-23	4,044,444	364,000	380,586
26-Apr-23	4,046,111	364,150	380,461
03-May-23	4,048,078	364,327	381,671
10-May-23	4,048,944	364,405	385,028
17-May-23	4,050,022	364,502	382,009
24-May-23	4,053,733	364,836	403,359
31-May-23	4,089,744	368,077	384,659
07-Jun-23	4,123,300	371,097	387,480
14-Jun-23	4,182,156	376,394	392,705
21-Jun-23	4,237,156	381,344	397,834
28-Jun-23	4,262,967	383,667	399,049
05-Jul-23	4,268,500	384,165	393,759
12-Jul-23	4,267,733	384,096	393,563
19-Jul-23	4,257,389	383,165	392,795
26-Jul-23	4,248,756	382,388	392,113
02-Aug-23	4,235,578	381,202	390,856
09-Aug-23	4,241,056	381,695	391,345
16-Aug-23	4,273,411	384,607	434,189
23-Aug-23	4,301,933	387,174	436,468
30-Aug-23	4,357,944	392,215	416,655
06-Sep-23	4,378,000	394,020	418,354
13-Sep-23	4,387,411	394,867	409,388
20-Sep-23	4,395,822	395,624	409,890
27-Sep-23	4,378,744	394,087	408,298

Source: Central Bank of Trinidad and Tobago

NOTES

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