



CENTRAL BANK OF
TRINIDAD & TOBAGO

2021

ANNUAL REPORT



OUR PURPOSE

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; and
 - (ii) developments in the field of banking and financial services, which appear to it 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

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From May 2004, the Central Bank was charged with the administration of the Insurance Act, 1980 which was repealed and replaced by the Insurance Act, 2018.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.

FINANCIAL INSTITUTIONS ACT CHAPTER 79:09

The Central Bank also administers the Financial Institutions Act, 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.

LETTER OF TRANSMITTAL



December 15, 2021

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

CB-G: 0115/2021

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, 2021.

Alvin Hilaire
Governor

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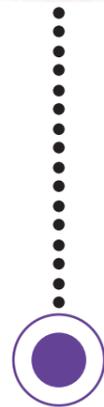


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GOVERNOR'S FOREWORD

Governor's Foreword

The financial year 2020/21 marked the final year of the Central Bank's (the Bank) 2016/17-2020/21 Strategic Plan. Overall, the implementation of the Strategic Plan was very successful, taking into account several initially unanticipated developments. These included the quick pace of digitalisation, depressed external energy prices and domestic energy output, the rapid demonetization of the largest local currency note as part of a national security plan, and the coronavirus pandemic (COVID-19). The Bank was able to retain a clear focus on its objectives, while modifying project timelines and components as required.

Globally, the pandemic continued to influence economic performance over the course of the financial year. While there was recovery, it was defined by a widening gap between developed and developing countries, principally underpinned by access to vaccines. Lower vaccination rates affected the pace of reopening of various economies, while keeping pressure on fragile health systems. The slow lifting of restrictions on international travel and fears of new waves of the virus acutely impacted tourism-based economies. At the same time, commodity-exporting economies benefitted from recent buoyant prices for energy and agricultural commodities. These surging commodity prices, together with supply chain constraints, have contributed to accelerated inflation.

Domestically, setbacks in the energy sector coupled with pandemic-induced restrictions on movement and business activity hindered economic activity. The fiscal situation was marked by a decline in tax revenue alongside expenditure priorities related to shoring up the health infrastructure and providing support to the disadvantaged who were most adversely affected by the pandemic. In the context of low inflation and a sluggish economy, monetary policy remained supportive after the unprecedented reductions of the reserve requirement and Repo rate in March 2020. Additionally, the Special Drawing Rights allocation by the International Monetary Fund in August 2021 improved the country's external position by boosting international reserves by approximately US\$644 million.

Trinidad and Tobago's financial system remained stable. Ongoing improvements to the regulatory framework helped to bolster the sector's resilience to macro-financial shocks. The proclamation of the long-awaited new insurance legislation in early 2021 was a notable achievement. The new legislation will significantly enhance capital requirements, governance and risk management in the sector. Implementation of the Financial Institutions (Capital

Dr. Alvin Hilaire
Governor, Chairman of the Board



Adequacy) Regulations has helped to enhance risk management within the banking sector. In order to deal with the stresses faced by creditors, the Central Bank worked with financial institutions in developing appropriate measures to allow for flexibility in loan management without compromising financial stability. The Bank will continue to take these factors into account in determining the appropriate exit path from the regulatory forbearance measures.

In terms of the Bank's monetary policy mandate, the entire policy framework has become more robust, as the analytical underpinnings and database were strengthened. In addition, the complete suite of Trinidad and Tobago polymer banknotes was introduced, co-circulating with the earlier notes until the end of 2021. The Bank's internal operations have become more organised and streamlined, while public outreach has become more extensive and effective. Specifically, the External Relations team adopted a much stronger social media presence, while several public webinars were held on technical subjects such as the new insurance legislation, consolidated supervision and payments system reforms. The presentations were done in an accessible, non-technical manner to the general public and the live streaming helped in reaching a broad audience.

The Bank also launched its new 2021/22-2025/26 Strategic Plan, for the first time with a public discussion in July 2021. The feedback from the public, as well as financial institutions and other entities, helped to enrich the Plan's contents. The new Strategic Plan aims at ensuring that the Bank adopts the highest global standards in its service delivery. The objectives are ambitious but attainable and center on a modern, state-

of-the-art approach to monetary policy matters, extreme vigilance in assuring financial stability, and simple, effective and direct conduct of internal operations.

The success of the Central Bank in fulfilling its mandate lies squarely in the talent and dedication of our staff and the guidance of our Board of Directors. In extremely challenging circumstances, staff were able to adapt to a new setting marked by masks, social distancing, remote work and an absence of the face-to-face interaction and comradery. The journey is still underway as COVID-19 and its variants remain with us into the new financial year. The Central Bank will continue to play its part in contributing to monetary and financial stability in Trinidad and Tobago.

Governor
Chairman of the Board
Dr. Alvin Hilaire



LEADERSHIP AND ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS

EXECUTIVE DIRECTORS



Dr. Alvin Hilaire
Governor



Dr. Dorian Noel
Deputy Governor
Monetary Operations
and Policy

NON-EXECUTIVE DIRECTORS



Prof. Surendra Arjoon
Period of Appointment:
Feb. 18, 2019 - Feb. 17, 2022



Mr. Richard Duncan
Period of Appointment:
Feb. 18, 2019 - Feb. 17, 2022



Ms. Lorraine Ferguson
Period of Appointment:
Feb. 18, 2019 - Feb. 17, 2022



Mr. Kern Gardiner
Period of Appointment:
Feb. 18, 2019 - Feb. 17, 2022



Mr. Kirk Henry
Period of Appointment:
Feb. 18, 2019 - Feb. 17, 2022
(Date of Resignation:
Jul. 28, 2021)



Mr. Lancelot Jack
Period of Appointment:
Feb. 18, 2019 - Feb. 17, 2022



Mrs. Suzette Taylor-Lee Chee
Period of Appointment:
Apr. 20, 2020 - Apr. 19, 2023



Mr. Terrence Walker
Period of Appointment:
Feb. 18, 2019 - Feb. 17, 2022



Board Governance

The Bank's Governance structure is 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 2020/21 financial year as follows:

- The term of the Governor and Chairman of the Board, Dr. Alvin Hilaire, expired on December 22, 2020.
- Dr. Alvin Hilaire was re-appointed as Governor and Chairman of the Board on December 23, 2020 for a term of three years.
- The following Director was appointed on December 22, 2020 for a term of three years:
 - Dr. Dorian Noel (Deputy Governor)
- The following Director resigned with effect from July 28, 2021:
 - Mr. Kirk Henry

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”, with a quorum consisting of the Chairman of the Board and three other members.

Although Board Meetings are held in a calendar year, the dates of the Meetings of the Board for the Financial Year (October 01, 2020 – September 30, 2021) are set out in **Table 1**. For the FY2020/21, the Board held a total of nine Board Meetings.

Table 1 – Board Meetings for Financial Year 2020/21

| DIRECTORS | 2020 | | | 2021 | | | | | |
|------------------------------|---------|---------------|---------|---------|---------|---------|---------|------------|---------|
| | Oct 30* | Nov 27* | Dec 30* | Jan 29* | Mar 26* | Apr 30* | May 29* | Jun 25* | Sep 30* |
| Dr. Alvin Hilaire | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr. Dorian Noel | NR | App. 22/12/20 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Prof. Surendra Arjoon | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Richard Duncan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Lancelot Jack | ✓ | Abs | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mrs. Suzette Taylor-Lee Chee | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ms. Lorraine Ferguson | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Kern Gardiner | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Kirk Henry | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | R-28/07/21 | NR |
| Mr. Terrence Walker | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Source: Central Bank of Trinidad and Tobago

| | | | |
|-----|----------|-----|-----------------------------------|
| ✓ | Present | App | Appointed |
| Abs | Absent | * | Meeting held via video conference |
| R | Resigned | NR | Not Required |



The Board has appointed three Committees to assist with the discharge of 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, 2020 – September 30, 2021)

| Committee | Members |
|----------------------------------|---|
| Audit Committee | Mr. Richard Duncan (Chair), Prof. Surendra Arjoon, Ms. Lorraine Ferguson, Mr. Kern Gardiner |
| Human Resource Committee | Prof. Surendra Arjoon (Chair), Mr. Lancelot Jack, Mr. Terrence Walker, Mrs. Suzette Taylor Lee-Chee |
| Information Technology Committee | Mr. Kirk Henry (Chair, Resigned Jul. 28, 2021), Ms. Lorraine Ferguson (App. Chair Jul. 30, 2021), Mr. Lancelot Jack |

Source: Central Bank of Trinidad and Tobago

SENIOR MANAGEMENT

EXECUTIVES



SENIOR MANAGERS



SENIOR MANAGEMENT

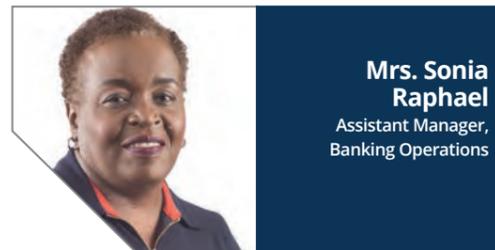
SENIOR MANAGERS CONT'D



MANAGEMENT



Ms. Sharon Villafana
Manager,
Banking Operations



Mrs. Sonia Raphael
Assistant Manager,
Banking Operations



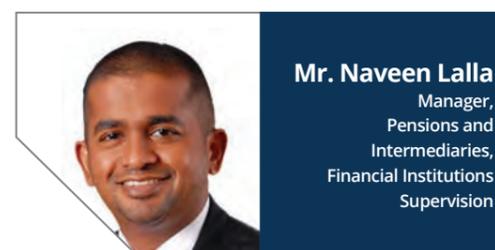
Mr. Christopher Subryan
Manager,
Finance and
Accounting



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



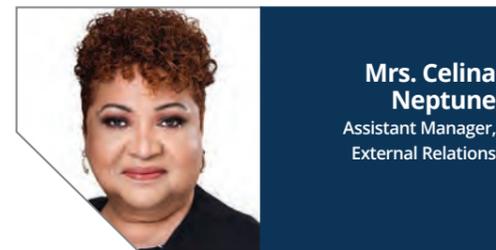
Mr. Kendall Cuffy
Manager,
Banks and Non-Banks
Financial Institutions
Supervision



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



Ms. Leslie-Ann Figaro
Assistant Manager,
Banking Operations



Mrs. Celina Neptune
Assistant Manager,
External Relations



Ms. Isha Marshall
Assistant Manager,
Finance and
Accounting



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



Ms. Natalie Roopchandsingh
Manager,
Insurance
Financial Institutions
Supervision



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

MANAGEMENT



Ms. Leslie-Ann Des Vignes
Assistant Manager,
Payment Systems
Financial Institutions
Supervision



Ms. Louella-Anne Edwards
Manager,
Financial Technology and
Information Security



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



Mr. Randy Marciano
Chief Internal Auditor,
Internal Audit



Dr. Kevin Finch
Manager,
Research
(Effective Jun. 01, 2021)



Mrs. Susan Ramirez
Assistant Manager,
Research



Mr. Dominic Stoddard
Financial Services
Ombudsman



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



Mrs. Heather Huggins
Manager,
Human Resources



Ms. Lenore Hodge
Assistant Manager,
Knowledge and Information
Management
(Date of Retirement:
Aug 17, 2021)
(Retained on Contract)



Mr. Garnett Samuel
Manager,
Research
(Date of Retirement:
Jun. 08, 2021)



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

MANAGEMENT



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



Mr. Harun Abdul-Haqq
Chief Risk Manager,
Risk Management and
IT Governance
(Effective: Feb. 01, 2021)



Mr. John Griffith
Manager,
Risk Management and
IT Governance
(Date of Retirement:
Mar, 06, 2021)



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



Ms. Amrita Gosine
Assistant Manager,
Support Services
- Facilities



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



Mr. Anson Caliste
Assistant Manager,
Support Services
- Facilities



Ms. Patrica Babwah
Assistant Manager,
Legal and Contract Services
Support Services
- Procurement



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

ADVISORS AND SPECIALISTS

ADVISORS



Mrs. Wynnell De Landro-Robinson
Advisor,
Insurance Supervision



Ms. Ejenny Espinet
Legal Advisor

SPECIALISTS



Ms. Denise Daniel
Industrial Relations Specialist



Mrs. Sheriza Hassan-Ali
Specialist Advisor,
ITS, Governance and Risk
Management
(Assigned to CLICO)



Ms. Sita Mangal
Credit Risk Specialist



Ms. Sandra Racha
Specialist Advisor



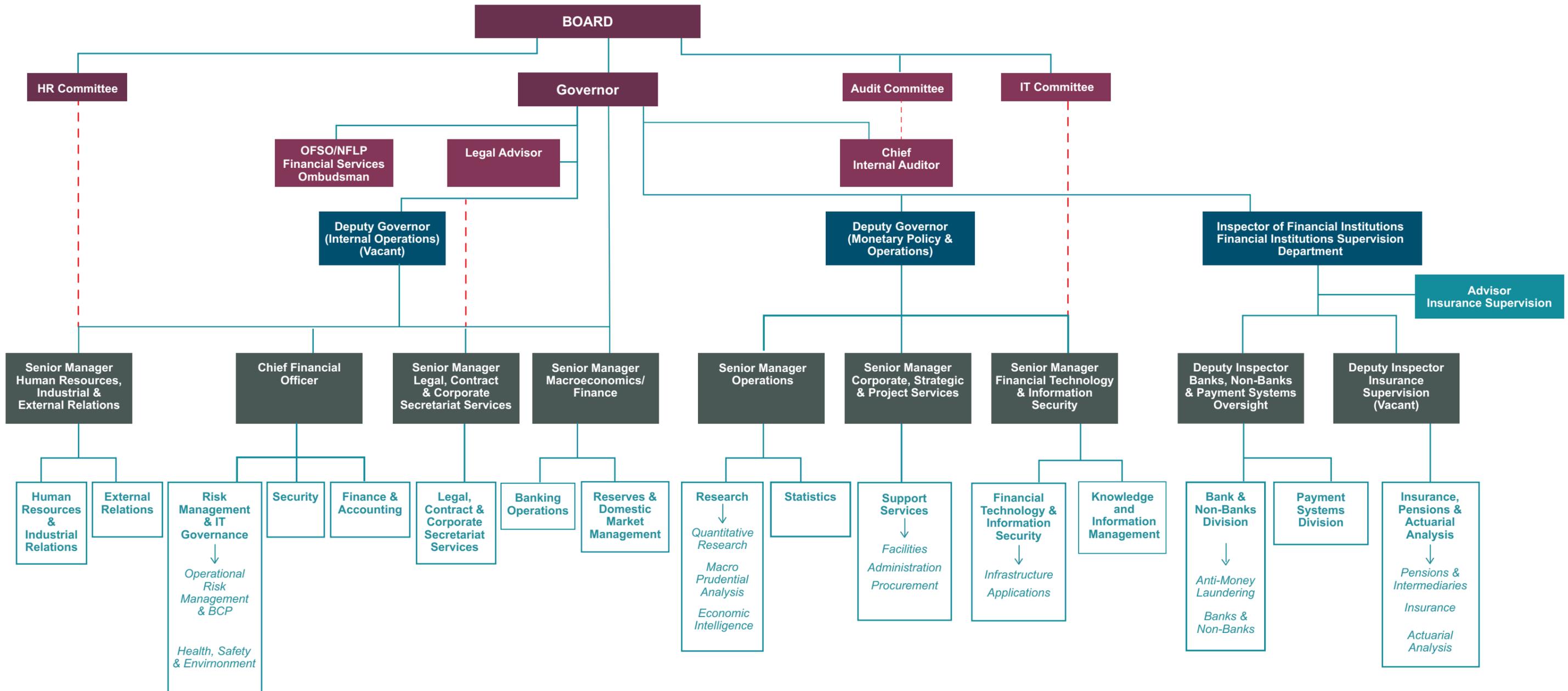
Ms. Jacinta Sohun
Specialist Advisor,
Insurance
(Assigned to CLICO)



Ms. Ingrid Stewart
Specialist,
Financial Institutions
Supervision

ORGANISATIONAL STRUCTURE

AS AT SEPTEMBER 30, 2021



Central Bank of Trinidad and Tobago Strategic Plan 2016/17-2020/21 Highlights of Year 5: 2020/21

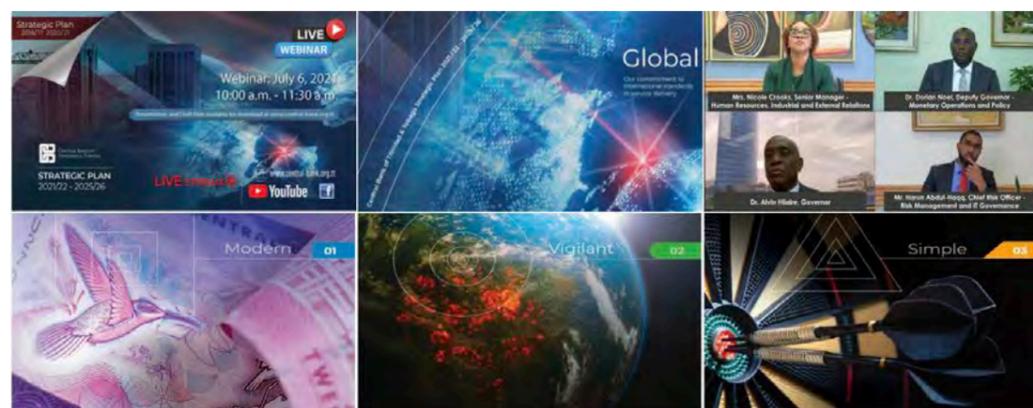
The FY2020/21 brought to a close the Strategic Plan 2016/17-2020/21. Founded on the responsibilities of the Central Bank for monetary policy and financial stability, supported by efficient internal operations, the 2016/17-2020/21 Plan outlined 10 objectives to be effected via 23 projects. Over half of these projects were fully executed as planned, while most of the rest were in advanced stages of implementation.

Since September 2016 when the five-year Plan was drawn up, several unanticipated developments took place; these included the rapid pace of digitalisation, depressed external energy prices and domestic energy output, the rapid demonetization of the largest local currency note as part of a national security plan, and the coronavirus pandemic. Nevertheless, the Bank retained a clear focus on its objectives, while modifying project timelines and components as appropriate. Over the five-year period, the entire monetary policy framework has become more robust, the risk-based supervisory framework strengthened and internal operations have become more streamlined, while public outreach has become more effective.

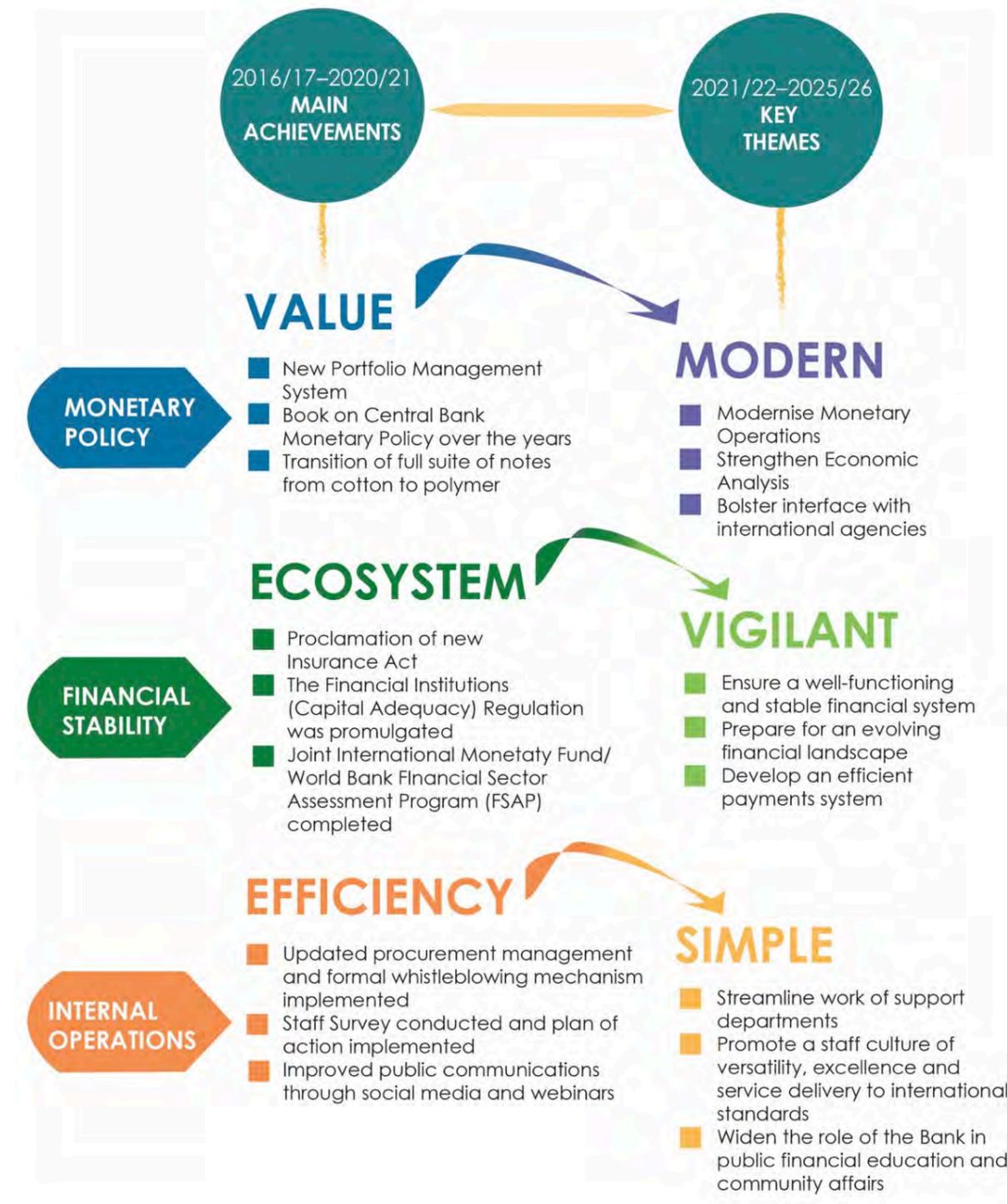
In this final year, the entire new suite of polymer notes was put into circulation, and significant preparatory work was done to further streamline currency management, and to advance electronic financial transactions. The long-awaited new insurance legislation was also passed. Additionally, the Bank significantly stepped up its outreach, via a stronger social media presence and took its public communication on technical issues to a new level via a series of webinars which were also open to the public on social media platforms.

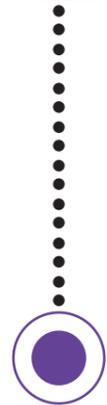
Overall, the implementation of the Strategic Plan was very successful. In the Bank's assessment, the Plan significantly helped to raise the capacity of the institution to deal effectively with evolving monetary and financial challenges, while communicating even more transparently and clearly with the general public.

The achievements made in the last five years provide a solid foundation for a successful transition into the new Plan which focuses on **modernisation** of monetary operations, constant **vigilance** over the financial system and the adoption of **simpler**, more direct approaches to meeting targets. The 2021/22-2025/26 Plan is based on these three themes with nine objectives and 20 projects. For further details, the Bank's Strategic Plans and related updates can be accessed here: <https://www.central-bank.org.tt/about/strategic-plan>.



Strategic Plan Launch Webinar, July 2021





REVIEW OF ACTIVITIES



REVIEW OF ACTIVITIES 2020-2021¹

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



MONETARY POLICY AND ECONOMIC DEVELOPMENTS

Across the globe, economic policy in the 2020/21 financial year largely supported the global economy's recovery from the troughs of the COVID-19 pandemic. The recovery was underpinned by widespread vaccination programmes, an easing of restrictions on economic activity, and accommodative fiscal and monetary policies. The International Monetary Fund (IMF), in its October 2021 World Economic Outlook (WEO), forecasts the world economy to expand by 5.9 per cent in 2021. Economic growth was evident in both Advanced Economies (AEs) and Emerging Market and Developing Economies (EMDEs), particularly in the latter half of the financial year. However, despite an overall improvement in world output, the pace of recovery remained uneven, given varying access to vaccines and the resurgence of the virus in several countries. Meanwhile, post-pandemic demand, coupled with a pickup in international commodity prices and supply chain disruptions associated with the pandemic, helped to drive global inflation rates. Over the year, monetary authorities in major AEs and EMDEs maintained historically low benchmark interest rates as a means of supporting a recovery in economic conditions. However, as price levels surpassed inflation targets towards the end of the financial year, several EMDEs began to increase their policy rates.

In the domestic setting, reduced natural gas supplies plagued the domestic energy sector, while pandemic-induced restrictions limited activity in several non-energy sectors. Over the first half of 2021, domestic economic activity (as measured by the Bank's Quarterly Index of Real Economic Activity²) declined 8.3 per cent (year-on-year). Activity in the energy sector contracted by 11.5 per cent, given a significant fall-off in natural gas availability, related to the natural decline in the productivity rates of producing fields. Lower rates of natural gas production precipitated the closure of the Atlantic Train 1 LNG facility at the end of December 2020. Over the half-year, the non-energy sector contracted by 6.2 per cent as public health restrictions induced declines in large industries such as construction, retail services and transportation.

COVID-19 continued to negatively affect the domestic labour market during the financial year. The reinstatement of stay-at-home measures in April

and May 2021 in light of a resurgence of infections prompted some of the labour market adjustments from the previous year, including pay cuts and reductions in working hours. The relaxed labour environment in 2021 saw a further softening of labour demand and an increase in retrenchments compared to one year before. A slight uptick in inflation in 2021 reflected an inching up of aggregate demand as vaccination rates increased, coupled with supply-side factors such as a surge in international food prices, higher shipping costs, transportation delays and adverse weather conditions. Headline inflation averaged 1.5 per cent from January to September 2021 compared to 0.6 per cent in 2020. Despite this increase, inflationary pressures remained contained during the year.

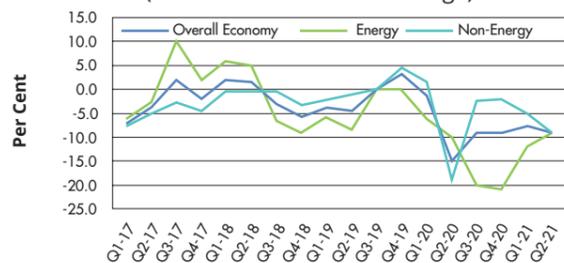
Like in the previous financial year, the Government incurred significant costs in assisting individuals and businesses weather the effects of COVID-19 during FY2020/21. However, while Government expenditure declined only slightly during FY2020/21, an increase in Government revenue led to a reduced budget deficit of \$13.7 billion during FY2020/21, down from \$16.7 billion in the previous year.

The Bank maintained an accommodative monetary policy stance over the year, in the context of a low inflationary environment and a weak domestic economy. Generally, accommodative external monetary conditions also provided little impetus for a hike in the Bank's interest rate. The Bank kept the Repo rate fixed at 3.50 per cent throughout the period, while managing open market operations to ensure ample liquidity to meet the requirements of the domestic market. Commercial bank excess reserves averaged \$9.7 billion in FY2020/21, slightly higher than the \$7.3 billion in the previous year. However, despite high levels of liquidity and low interest rates, private sector credit remained relatively muted. Real estate lending saw a slight moderation in growth in 2021 compared to the previous year, while contractions were evident in both consumer and business lending, given the effect of pandemic-related lockdowns on activity.

² The Central Statistical Office (CSO) is Trinidad and Tobago's official source for National Accounts (GDP) data. The Central Bank compiles a Quarterly Index of Real Economic Activity (QIEA) to gauge short-term economic activity. The QIEA differs from the CSO's national accounts statistics in terms of methodologies and coverage. The QIEA is based on production indicators, excludes price effects and does not comprehensively cover all sub-industries measured by the CSO.

Despite generally persistent tightness, elevated energy prices allowed some decompression of the local foreign exchange market thus far in 2021. Authorised dealers' purchases of foreign exchange from the public increased over January to September 2021 to US\$2,796.6 million (or 8.7 per cent) relative to the same period a year prior. Authorised dealers' foreign currency sales to the public increased 3.7 per cent to US\$3,545 million over the same period. As a result, the net sales gap declined 11.5 per cent to US\$748.4 million. In response, the Bank sold US\$912 million to authorised dealers during January to September 2021. The exchange rate appreciated slightly to TT\$6.7744 = US\$1 at end-September 2021 from TT\$6.7990 = US\$1 at end-September 2020.

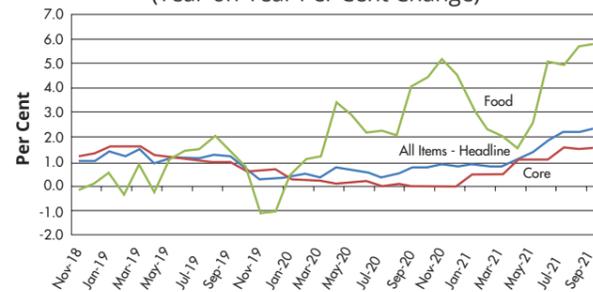
Quarterly Change in Index of Real Economic Activity (Year-on-Year Per Cent Change)



Over the first half of 2021, economic activity declined.

The country's net official reserves stood at US\$7,072.7 million at the end of September 2021, US\$119.0 million higher than the level recorded at the end of 2020. This improved position was aided by the IMF's allocation of SDR450.3 million (approximately US\$644 million) to Trinidad and Tobago in late August 2021. This was part of the IMF's general allocation of Special Drawing Rights to member countries as a means of supporting the global economic recovery from the COVID-19 crisis. The stock of reserves at the end of September 2021 represented 8.6 months of prospective imports of goods and services.

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



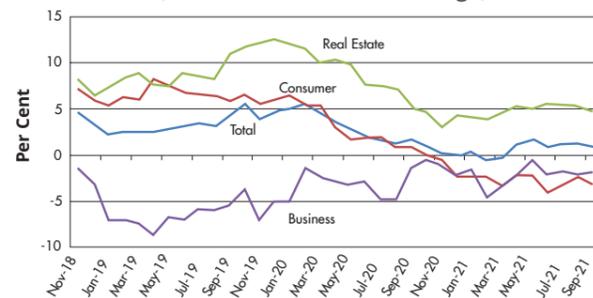
Inflationary pressures remained contained during the year.

Commercial Banks' Excess Reserves



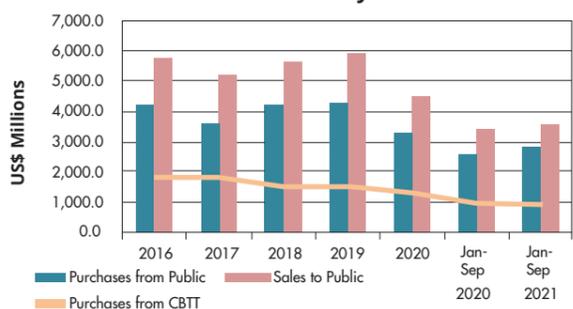
Commercial bank excess reserves averaged higher than the previous year.

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



Private sector credit remained relatively muted.

Authorised Dealers' Purchases and Sales of Foreign Currency



Elevated energy prices allowed some decompression in the foreign exchange market.

Net Official Reserves and Import Cover



The level of net official reserves improved.

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 FY2020/21, the Bank continued with several strategic projects to improve the efficiency of its banking operations and services provided to key stakeholders. Some of these projects included the streamlining of currency operations, automation of Central Bank teller functions, and working with the financial institutions to implement the new Automated Clearings House (ACH) platform for Electronic Funds Transfer (EFT).

CHEQUE CLEARING SYSTEM

UPDATE CLEARINGS HOUSE ARRANGEMENTS

The initiative, identified by the Central Bank and commercial banks nationally, to modernise the domestic cheque clearing arrangements involves the implementation of an Electronic Cheque Clearings System (ECCS) by the third quarter of FY2021/22. During FY2020/21, system participants, including the Central Bank, focused on implementing the adopted standards³ for cheque design and layout, a basic requirement for electronic cheque clearing. The Central Bank collaborated with its customers and other internal stakeholders, including the Government, to educate and advise on these new standards. The roll-out of the new cheque designs commenced with the introduction of new cheques by the Ministry of Social Development under its social welfare programme. As of September 30, 2021, the Central Bank was already at a 50 per cent compliance ratio in terms of the re-design of cheques to be issued under the new system; the full roll-out is expected to continue through FY2021/22. The Central Bank also worked with the Ministry of Finance to pilot key legislative reforms necessary to facilitate cheque truncation, a fundamental requirement for introducing an ECCS. The legislative amendments to the Bill of Exchange Act Chap. 82:31 are expected to be communicated to the Chief Parliamentary Counsel for review by the end of the first quarter of the new financial year.

AUTOMATED TELLER SOLUTION (ATS)

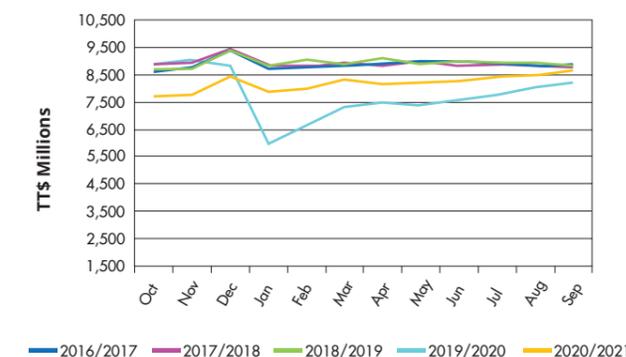
A software to facilitate the automation of teller operations at the Central Bank was developed internally, with phase one of the Bank's Automated Teller System (ATS) being implemented on December 16, 2020. Some of the benefits derived from this software development included reduction in processing time and improvements in operational efficiency. Phase two of this project is scheduled to be completed within the third quarter of FY2021/22.

MONETARY OPERATIONS

CURRENCY IN CIRCULATION

As at September 30, 2021, there was approximately TT\$8.6 billion in circulation (TT\$8.4 billion notes and TT\$257 million coins) compared with TT\$8.2 billion at the end of the last financial year (Chart I). This represented an increase of approximately 5.0 per cent, due in part to the co-circulation of cotton and new polymer banknotes. As at September 2021, currency in circulation marginally increased to 5.7 per cent as a share of GDP.

Chart I
Currency in Circulation as at September 30, 2021
2016/17-2020/21

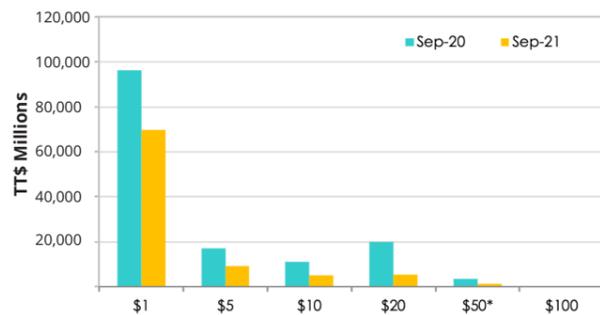


Source: Central Bank of Trinidad and Tobago

Compared with the last financial year, the relative volume of notes in circulation per denomination generally remained unchanged, except the \$100 polymer which increased by 2 per cent. The total volume of new notes issued by the Central Bank in FY2020/21 was 100 million compared with 127 million notes issued in the prior financial year.

In FY2020/21, the Bank continued the roll-out of the polymer suite of notes. Denominations of \$20, \$10 and \$5 were introduced into circulation in November 2020 and denominations of \$50 and \$1 in February 2021. The Bank successfully managed this roll-out, using the Know Your Money (KYM) infrastructure to deliver an extensive public education programme supported by stakeholder discussions and presentations. Compared with the previous financial period, the volume of cotton notes in circulation decreased on an average by approximately 47 per cent as the Bank ceased to issue cotton notes with the introduction of the new polymer counterparts (**Chart II**).

*Chart II
Change in Cotton Notes in Circulation
September 30, 2020 vs September 30, 2021*



Source: Central Bank of Trinidad and Tobago
* Includes old \$50 polymer notes.

Following the demonetization of the 1-cent coin, there was minimal change in the volume of unredeemed one-cent coins presumed to be still in the hands of the public, which stood at a value of \$14 million as at September 2021. The 25-cent coin remained the largest volume of circulated coins.

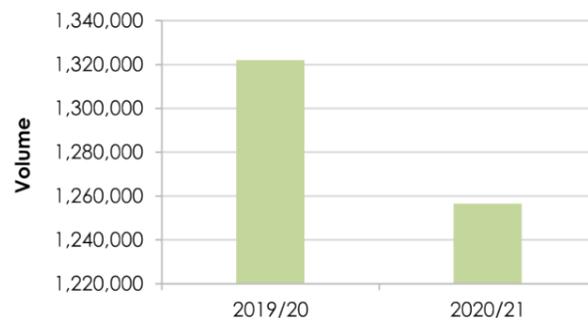
CLEARING AND SETTLEMENTS SYSTEMS

The Bank continued to perform the roles of operator of the Cheque Clearinghouse for domestic currency cheques, and the Real Time Gross Settlement (RTGS) system, safe-tt.

CHEQUES

As a participant in the domestic currency cheques clearing arrangement, the Central Bank cleared a total volume of approximately 1.3 million cheques as at September 30, 2021, a decline of approximately 5 per cent from the previous year (**Chart III**). In similar fashion, the total value decreased by about 10 per cent from TT\$47 billion to TT\$42 billion.

*Chart III
Cheques Cleared by the Central Bank
2019/20 and 2020/21*



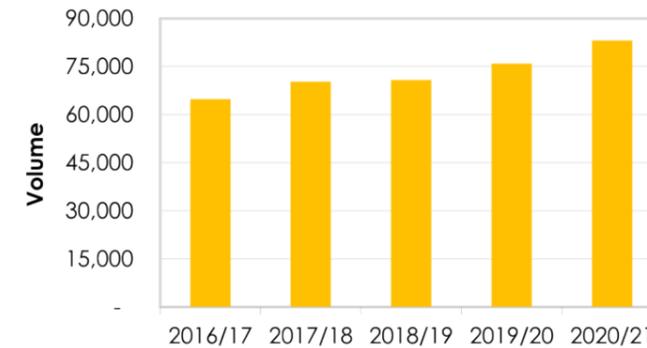
Source: Central Bank of Trinidad and Tobago

REAL TIME GROSS SETTLEMENT (RTGS)

The RTGS electronic system facilitates the clearance and settlement of large value (TT\$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 TT\$319 billion in transactions was settled over the RTGS as at September 30, 2021. This represented a decrease of 11 per cent over the prior period. In terms of volume, however, there was a further increase

of 10 per cent in the settlement of transactions from about 76,000 in 2019/20 to 83,000 in 2020/21 (**Chart IV**).

*Chart IV
RTGS Annual Volumes
2016/17 - 2020/21*



Source: Central Bank of Trinidad and Tobago

 100 Mn
New Notes Issued

 1.3 Mn
Cheques Cleared

 \$8.6 Bn in
Circulation

Our Polymer Suite of Banknotes

Central Bank of Trinidad & Tobago

The New Suite of Polymer Banknotes in Trinidad & Tobago

Featured Themes

- Red House—Parliament
- Market Scene
- Waterfront Activity
- Steelbands
- Carnival
- Energy Sector

PUBLIC NOTICE

KNOW YOUR POLYMER BANKNOTES \$5, \$10, \$20 AND \$100

The Central Bank of Trinidad and Tobago encourages you to **Know Your Money!** Here are a few tips to help you to identify genuine notes.

1 LOOK

When you hold the note up to the light you will see the denomination of the note appearing in the coloured window.

2 FEEL

Polymer notes feel smoother than paper. Run your fingers over the bottom corner of the note to feel the shape.

3 TILT

As you move the note around you will see sharp white shimmering coloured ink.

Security Features

FEEL the raised dots on the bottom corner of your notes

LOOK for the clear window that can be seen from the front and back of each note.

Remember your polymer notes feel smoother than paper.

Central Bank of Trinidad & Tobago

FINANCIAL INSTITUTIONS RESERVE MONITORING

As at September 30, 2021, the required statutory cash reserve ratios for both commercial banks and non-bank financial institutions remained unchanged at 14 per cent and 9 per cent, respectively. Notwithstanding, over the period October 2020 to September 2021, the average value of the commercial banks' required reserves decreased by about 4 per cent from the prior period, while non-banks' required reserves increased by about 15 per cent over that of the same period for FY2019/20.

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. During the current financial year, dividends totalling US\$160,626.52 were received.

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 the sum of US\$107,778,000. There were no dividend payments for the year ended September 2021.

DOMESTIC SETTLEMENTS

REGISTERED BONDS

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

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 FY2020/21 principal repayments and interest payments to State Agency bondholders amounted to \$328 million and \$233.4 million respectively, compared with principal repayments and interest payments of \$317.2 million and \$261.4 million in the prior year.

The GOTT Zero Coupon bond (HCU bonds) payment for FY2020/21 amounted to \$18.6 million, similar to the previous year's payment.

The GOTT Zero Coupon bond (CLICO bonds) payment for FY2020/21 amounted to \$475.4 million as compared to the previous year of \$470.4 million.

Total principal and interest paid to Central Government (inclusive of NIPDEC) bondholders amounted to \$1.0 billion and \$1.3 billion, respectively, as compared to \$1.5 billion and \$1.4 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

FOREIGN CURRENCY RESERVE MANAGEMENT

During the FY2020/21, the COVID-19 pandemic contributed to increased financial market volatility which impacted the management of the foreign currency reserves. Despite the volatility, the Bank continued its disciplined approach as the foreign currency reserves were managed in line with the approved investment framework which is underpinned by the investment philosophy of preserving capital, maintaining adequate liquidity to meet obligations, and achieving an acceptable rate of return within well-defined risk parameters.

Over the period, the economic environment was characterised by extremely low interest rates, elevated inflation, and heightened uncertainty regarding global economic prospects, causing the Bank to adapt its investment strategy to weather these challenging conditions. The reserve portfolio,

which is invested primarily in fixed deposits and short-dated U.S. Treasuries, generated a return of 0.19 per cent for the financial year compared with a return of 2.26 per cent in the previous year. This lower performance reflected the significantly lower yields and deposit rates in the international financial markets.

As at September 30, 2021, net official reserves stood at US\$7.1 billion, down from US\$7.3 billion one year earlier. The main outflows from net official reserves were interventions in the domestic market of US\$1.2 billion, disbursements in support of various foreign exchange facilities of US\$0.6 billion, Central Government debt servicing of US\$0.6 billion and Government payments of US\$0.3 billion. These outflows more than outweighed the inflows which mainly came from the energy sector in the amount of US\$0.8 billion, transfers from the Heritage and Stabilisation Fund (HSF) of US\$0.9 billion and new Special Drawing Rights (SDRs) of US\$0.6 billion which were allocated by the IMF in August 2021. During the financial year, the Bank also successfully completed its transition to a new Global Custodian and continued to carry out its agency function concerning managing the HSF.

GOVERNMENT SECURITIES

The COVID-19 pandemic and the measures implemented by the Government of Trinidad and Tobago throughout the year to control the spread of the virus, influenced the Bank's stance on monetary policy. Over the financial year 2020/21, there was some build-up of excess liquidity in the system with the commercial banks' excess reserve balances averaging \$9.7 billion per day, compared to a daily average of \$7.3 billion in the previous year.

During the financial year 2020/21, the Bank staged 10 open market auctions and reissued a total of \$9,411 million in one-year treasury bills and two-year treasury notes. This was a significant decrease

from the \$14,062 million in OMO securities issued in 20 auctions during the prior financial year.

The Bank maintained its almost bi-monthly schedule of auctions of treasury bills, performing 24 auctions for a total of \$1,725 million, in tenors of 90, 182, and 365 days.

FOREIGN EXCHANGE MARKET

The domestic foreign exchange market remained relatively tight over the FY2020/21 on account of robust demand. Over the year, total purchases of foreign exchange by the authorised dealers from the public amounted to US\$3,521 million, similar to the US\$3,581 million recorded in the previous financial year. Energy sector conversions, which accounts for most inflows to the market, increased by 14.0 per cent (year-on-year). The Bank maintained its regular intervention in the market, selling a total of US\$1,264 million to the authorised dealers during the year. Combined with the public supply purchased by the dealers, a total of US\$4,631 million was sold to the public. This level of sales was approximately 4 per cent lower than the US\$4,823 million sold in the previous financial year.

The TT-dollar weighted average exchange rate against the U.S. dollar appreciated slightly over the year. At the end of September 2021, the TT-dollar selling rate stood at TT\$6.7747 to US\$1.00, compared to TT\$6.7990 to US\$1.00 at the end of September 2020.

FINANCIAL STABILITY

During the financial year, the Bank continued to perform its role of maintaining financial stability and promoting confidence in the domestic financial system. Given the heightened risks and challenges, the Bank increased its supervisory vigilance and financial sector engagement. Regulatory efforts were directed to identifying emerging risks and promoting early action.

STRENGTHENING THE REGULATORY FRAMEWORK

PROCLAMATION OF INSURANCE ACT

The legislative and regulatory framework for insurance companies was strengthened significantly with the proclamation of the Insurance Act, 2018 (IA 2018)⁴ (except sections 184 and 185, with effect from January 01, 2021). Accompanying the IA 2018 were the nine Regulations pertaining to, inter alia, capital adequacy, accounting, registrations, pension funds and intermediaries. The IA 2018 facilitates a new framework for institutionalisation of risk-based and consolidated supervision of the insurance industry and also includes provisions for enhanced corporate governance, limits on credit risk exposures to counterparties/related groups and connected persons, and improved market conduct practices. Following its proclamation, multiple activities were initiated to facilitate the operationalisation of the new Act and to provide the necessary guidance to stakeholders in the insurance industry. Such initiatives included outreach programmes to provide awareness of the new IA 2018, issuance of new reporting forms and templates, the dissolution of Statutory Fund, Statutory Deposit and Catastrophe Reserve for locally incorporated insurers and the issuance of guidelines and circulars.

Additionally, all insurance companies registered under the Insurance Act, 2018 are required under Section 144(1) to submit financial statements audited in accordance with financial reporting standards to the Inspector of Financial Institutions. Accordingly, for annual reporting periods on or after January 01, 2023, insurance companies will be required to submit audited financial statements in accordance with IFRS 17. The Bank has issued a questionnaire to the institutions to assist in their implementation of IFRS 17 and assess their progress.



Mr. Patrick Solomon, Inspector of Financial Institutions

Ms. Natalie Roopchandisingh, Manager, Insurance

⁴ <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/act-no4of2018-the-insurance-act-2018.pdf>.

 US \$7.1 Bn
Net Official Reserves

 0.19%
Rate Of Return

 US \$644 Mn inflow
From IMF SDR Allocation



IMPROVING RISK-BASED SUPERVISION

Interim Monitoring Questionnaire

The Bank heightened off-site monitoring of institutions due to postponement of on-site examinations as a result of the pandemic and associated public health protocols. Consequently, the quarterly submission of an Interim Monitoring Questionnaire for the banking sector was reintroduced from October 01, 2020. The Questionnaire requires banks and non-bank financial institutions to report all significant developments in key areas of their operations on a quarterly basis.

ANTI-MONEY LAUNDERING/COMBATTING THE FINANCING OF TERRORISM/COUNTERING PROLIFERATION FINANCING (AML/CFT/CPF) RISK-BASED SUPERVISORY FRAMEWORK

The Central Bank issued an AML/CFT/CPF (AML) Risk-based Supervisory Framework to its regulated financial institutions in November 2020. The Framework explains the Bank's process for conducting risk-based AML supervision of its regulated entities, including how the AML risk assessment for a regulated entity is derived.

BOLSTERING MERGER AND ACQUISITION ASSESSMENTS

The Central Bank issued a Mergers and Acquisitions Guideline in July 2021⁵ to enhance the disclosure and transparency of the application and assessment process for mergers, acquisitions, transfers, and amalgamations under the Financial Institutions Act 2008 and Insurance Act 2018. Prior to the issuance of the Guideline, the Central Bank held a public webinar on the Merger and Acquisitions of Financial Institutions in April 2021.



Mrs. Michelle Francis-Pantor
Deputy Inspector,
Banks, Non-Banks and Payment Systems Oversight

ENHANCING GOVERNANCE AND RISK MANAGEMENT PRACTICES OF FINANCIAL INSTITUTIONS AND PROMOTING FINANCIAL INCLUSION

During the period, the Bank issued a series of guidelines aimed at strengthening the risk management practices of the financial institutions under its regulatory purview and promoting financial inclusion. These include:

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP) GUIDELINE

The ICAAP Guideline was issued on November 16, 2020⁶, and is a fundamental aspect of the revised Financial Institutions (Capital Adequacy) Regulations, 2020 which was promulgated in May 2020. The ICAAP is intended to assist financial institutions with the adequate identification, quantification, monitoring and management, inclusive of stress testing of all material risk exposures (and not only credit, market and operational risks) in order to determine the optimal capital adequacy required for their operations.

CORPORATE GOVERNANCE GUIDELINE

A revised Corporate Governance Guideline (CGG) was issued on March 10, 2021⁷, and reflects emerging best corporate governance standards or principles as espoused by the Organisation for Economic and Cooperative Development (OECD), the Basel Committee on Banking Supervision and the International Association of Insurance Supervisors. The updated Guideline seeks to strengthen a financial institution's risk governance, promote a strong risk culture, and ensure that the financial institution's risk appetite is commensurate with its size, complexity and risk profile.

LIQUIDITY RISK MANAGEMENT GUIDELINE FOR INSTITUTIONS LICENSED UNDER THE FINANCIAL INSTITUTIONS ACT, 2008

The Liquidity Risk Guideline was issued on January 06, 2021⁸. The Guideline aims to enhance financial institutions' liquidity risk management frameworks and ensure that their practices are appropriate, sufficiently sound, effective, and align with international best practices and legislative requirements.

SIMPLIFIED DUE DILIGENCE GUIDELINE

The Simplified Due Diligence (SDD) Guideline was issued to all commercial banks in September 2021⁹. The Guideline seeks to promote financial inclusion by encouraging commercial banks to implement simplified due diligence measures for vulnerable persons in society as commensurate with their risk profile. Accordingly, the SDD Guidelines specifies a threshold and customer identification requirements to be considered when opening accounts for low income persons and micro-enterprises.

IMPROVING RESILIENCE TO STRESS

DRAFT FRAMEWORK FOR IDENTIFICATION OF A DOMESTIC SYSTEMICALLY IMPORTANT BANK (D-SIB) AND HIGHER LOSS ABSORBENCY (HLA) REQUIREMENT

In accordance with Regulation 20 of the Financial Institutions (Capital Adequacy) Regulations, 2020, the Central Bank developed and issued a draft framework in August 2021 for identifying a domestic systemically important bank and determining the corresponding capital add-on or higher loss absorbency requirement. It includes the three criteria for determining a D-SIB – size, interconnectedness and substitutability – and also describes in detail the indicators and methodology used to determine the HLA.

REGULATORY ACTIONS TO TREAT WITH COVID-19 IMPACTS

As the COVID-19 pandemic measures impacted operations throughout the country, the Bank enhanced oversight of the banking and insurance sectors to ensure that soundness and stability were maintained. Consequently, regulatory forbearance measures were either re-introduced or maintained as new lockdown measures came into effect at the end of April 2021¹⁰.

Supervisory intensity of the banking sector increased given its vulnerability to heightened credit risk posed by the ongoing pandemic. Bank examiners met with key credit risk personnel at all the financial institutions during the year to discuss their strategies for monitoring and managing their credit exposures during and after the pandemic. Going forward, the Bank will focus on widening its scope to ascertain the impact of pandemic-induced stresses on banks/non-banks and prioritise interventions.

5 <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/mergers-and-acquisitions-guideline.pdf>.

6 <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/internal-capital-adequacy-assessment-process-guideline-november-2020.pdf>.

7 https://www.central-bank.org.tt/sites/default/files/page-file-uploads/corporate-governance-guideline-march-2021_0.pdf.

8 <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/guideline-for-management-liquidity-risk-january2021.pdf>.

9 <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/sdd-requirements-for-basic-banking-account.pdf>.

10 <https://www.central-bank.org.tt/core-functions/supervision/COVID-19-response-updates>.

TREATMENT OF DEFERRED PAYMENTS

Following the cessation of the first moratorium on the regulatory treatment of deferred/ restructured loans on December 31, 2020, a new six-month moratorium was introduced effective May 01 to September 30, 2021. The latter occurred as new lockdown measures were introduced in April 2021, given an increase in COVID-19 infections. The second loan deferral moratorium was extended on an “opt in” basis only¹¹ and was not applied to the whole loan portfolio.

PROMOTING SOUND MARKET CONDUCT PRACTICES

MARKET CONDUCT SURVEY REPORT

Subsequent to issuance of a Market Conduct Guideline to banks and non-banks on November 15, 2018, the Central Bank issued a Market Conduct Survey to all licensees in June 2020. The results of the survey were compiled and a Market Conduct Survey Report was disseminated to the industry on February 17, 2021.

MARKET CONDUCT SUPERVISION FRAMEWORK

In September 2020, the Central Bank completed a Market Conduct Supervision Framework for the supervision and regulation of market conduct activities within the financial sector. The framework provides for the on-site and off-site supervision of market conduct. It includes the use of key performance indicators to monitor the sector's fair treatment of customers. The framework is also tailored to enhance collaboration with the Office of the Financial Services Ombudsman (OFSO).

GUIDELINE ON COMMUNICATION WITH PENSION PLAN MEMBERS

The Guideline on Communication with Pension Plan Members was issued in October 2020¹². The Guideline specifies information that should be disclosed to a pension plan's membership to promote their knowledge and understanding of the pension plan's operations and their benefit entitlements. The Guideline is meant to further encourage best practices in the operations of pension plans as advocated in the Guideline on Pension Plan Governance, issued in August 2019.

REFORM OF THE NATIONAL PAYMENTS SYSTEM

TRENDS IN ELECTRONIC PAYMENTS

The shift in business and consumer payment behaviour that commenced in 2020 amid the COVID-19 pandemic persisted in 2021. The declared State of Emergency and curfew restrictions early in 2021 resulted in many businesses remaining closed, while some were allowed to operate within limited opening hours. As a consequence, the volume of debit and credit card Point of Sale (POS) purchases continued to trend downward. Also, the volume and value of cash withdrawals, both at Automated Teller Machines (ATMs) and over-the-counter at commercial banks, fell. Moreover, commercial banks intensified their promotion of online banking and mobile applications and businesses promoted e-commerce opportunities in an effort to move customers online. As such, there was an uptick in the volume of internet payments and online bank transfers which resulted in a significant rise in the volume and value of Automated Clearing House (ACH) transactions.

Against this backdrop, the Central Bank as overseer of the national payments system continued its efforts to promote the safety and efficiency of the

payments systems, including the development of a policy for comprehensive payments system legislation. In addition, a joint Innovation Hub for engaging with Fintech entities was established in October 2020 by the Central Bank, Trinidad and Tobago Securities and Exchange Commission (TTSEC) and the Financial Intelligence Unit of Trinidad and Tobago (FIUTT). The regulators responded to numerous queries and applications for registration as e-money Issuers (EMIs) submitted via the Hub¹³.

DEVELOPMENT OF A POLICY PROPOSAL DOCUMENT (PPD) FOR A PAYMENTS SYSTEM ACT

The current legislative framework for the payment system is fragmented and inadequate to address the ongoing financial technology (Fintech) developments in the domestic space. Accordingly, the Central Bank, with technical assistance of the IMF, developed a draft PPD to inform the development of a modern and comprehensive Payments Systems Bill. The objectives of the PPD are to 1) streamline the oversight of payments systems participants (PSPs), and the regulation and supervision of PSPs under a single comprehensive legislative framework for all payments systems (interbank and non-interbank) and a wider range of activity-based PSPs; 2) promote the safety and efficiency of payments systems and enhancement of financial system stability; 3) give legal certainty

to and protecting users of payments, clearing and settlement systems; 4) implement a modular and risk-based regulatory regime that is calibrated to the risks posed by different types of activities; and 5) facilitate e-commerce, cashless payments and financial inclusion.

The PPD was circulated for public consultation on May 17, 2021 and a public webinar on Reforming Trinidad and Tobago's National Payments System to advise of the key elements of the draft PPD was held in June 2021.

JOINT REGULATORY INNOVATION HUB AND JOINT REGULATORY SANDBOX

The Innovation Hub was launched on October 02, 2020 and serves as a central point of contact for the three regulators to engage with entities seeking regulatory guidance on their Fintech products and services. The Hub also facilitates the submission of applications for those entities that have a finished payment product or service.

As at September 30, 2021, 35 requests were received by the regulators, of which 26 were made directly through the Innovation Hub and nine via other means (e.g. via emails). These comprised requests for regulatory guidance on e-money, payment service provider and cryptocurrency activities as well as information on the joint Regulatory Sandbox (the Sandbox) and the Innovation Hub. There were six applications for registration as EMIs which are in various stages of review. Currently, the Regulatory Sandbox is only available to PSP/EMI type applicants. The sandboxing of wider fintechs is engaging the



¹¹ This means that customers had to 'opt-in' to the loan deferral program and loan deferrals were not applied automatically.
¹² https://www.central-bank.org.tt/sites/default/files/page-file-uploads/guideline-on-communication-pension-plan-members-2020_0.pdf.

¹³ <https://www.central-bank.org.tt/fintech>.

attention of the regulators.

CENTRAL BANK DIGITAL CURRENCY (CBDC)

The Central Bank held initial discussions with the Trinidad and Tobago International Financial Centre (TTIFC) to discuss the feasibility of establishing a CBDC. Further progress was made on the feasibility assessment when the Bank obtained technical assistance from the IMF on issues to be considered for establishing a CBDC.

SUPERVISORY COLLABORATION AND COOPERATION

The Bank continues to engage with regional and domestic counterparts to enhance supervision of the financial system. These engagements involve:

REGIONAL SUPERVISORY COLLEGES/MEETINGS

The Bank participated in the meetings of the Caribbean Group of Banking Supervisors (CGBS) in February and July 2021, and also attended a virtual Royal Bank of Canada (RBC) supervisory college hosted by the Office of the Superintendent of Financial Institutions (OSFI) of Canada in September 2021.

DOMESTIC SUPERVISORY CO-OPERATION

The Central Bank collaborated with the TTSEC in July and September 2021 to conduct a review of key officers at one of the dual registrants in the area of AML/CFT.

Additionally, the Bank collaborated with the FIUTT on Know Your Customer (KYC) Guidelines for EMIs.

RECONSTITUTION OF THE FINANCIAL STABILITY COMMITTEE (FSC)

During 2020, the FSC was reconstituted in accordance with the Framework for the Recovery and Resolution of Financial Institutions.

The Committee, which previously comprised senior representatives of the Central Bank only, now comprises senior representatives of the Central Bank, the Deposit Insurance Corporation Trinidad and Tobago (DIC) and the TTSEC. The FSC will serve as the forum for policy coordination on systemic and non-systemic risks within regulated financial institutions that can disrupt the stability of the financial system.

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

CLICO has continued to repay the Government of Trinidad and Tobago the monies that were advanced. The debt has been reduced to less than \$1.2 billion as of September 30, 2021.

BAT has repaid \$50 million to the Government of Trinidad and Tobago as of September 30, 2021, leaving an outstanding balance of \$1.7 billion.

The resolution plan, including the sale of the traditional portfolio for both CLICO and BAT, is presently halted.

The Central Bank will continue to ensure the safeguarding of policyholders' interests, assuring continued financial stability in Trinidad and Tobago.

INTERNAL OPERATIONS

The Bank's governance initiatives focused on maintaining operations and accomplishing strategic projects despite restrictions imposed by the COVID-19 pandemic. However, due to these restrictions, a 20 per cent on-site presence was maintained, hence impacting the operations of the Bank by alternative workforce arrangements and the necessity to transition to a hybrid work from home arrangement. The Offices of the Governor and Deputy Governor led the process to research, prepare, and update the 2021/22-2025/26 Strategic Plan. This involved participation by internal and external stakeholders, which will guide the Bank for the next five years.

GOVERNANCE AND THE CONTROL ENVIRONMENT

During the financial year, the traditional risk categories were revisited and refined by the Risk Management and IT Governance Department to facilitate better evaluation and reporting in light of the changing risk environment. Several areas currently under review include IT Governance and Security, Banking and Reserves Management, and bank-wide Health and Safety practices. In addition, the Department was able to strengthen business continuity elements and expand the Business Continuity Programme to the wider financial sector. There is now more open and ongoing communication between the Bank and key registrants to proactively manage potential operational exposures. Inter-agency communication is also a feature of these interactions, whereby agencies such as the Office of Disaster Preparedness and Management (ODPM) are also intimately involved in these discussions.

The Internal Audit (IA) Department completed 89 per cent of the annual Internal Audit Plan in the areas of Cybersecurity, Business Continuity, Banking Operations, Health and Safety, Incident Management, Authorised Dealers Trading Positions, Insurance Act implementation, Interim Financial Statements Reporting, Asset

Verifications, Project Management, Payroll, Application User Entitlements and Software Implementations. In addition, IA introduced the Institute of Internal Auditor's (IIA) Global Competency framework to IA staff, provided ongoing consultancy services and developed a consulting engagements policy and procedures internal document. As a continuation of last year's project, the IA Department executed activities outlined in the Quality Assurance Improvement Programme (QAIP) Implementation Plan, such as creating annual surveys and templates, updating sections of the Standard Operating Procedures, formalising customer service standards and key performance indicators, and completing a partial self-assessment. Following the implementation of the 2019 Procurement Policy and Procedures Manual, the Support Services Department (SSD) developed and introduced new procurement procedures, documents and management reports to users. In addition, to improve Procurement's process control systems, a revised purchase order format will be introduced as part of the unit's collaboration with the Legal, Contract and Corporate Secretariat Services Department. In January 2021, a legal services section was added to SSD. Their inclusion has facilitated a faster turnaround in preparing contracts and available legal advice on various aspects of the department's work.

Despite the COVID-19 restrictions, SSD completed infrastructural upgrades, interior renovations, exterior building repairs and enhancement works. In keeping with the Capital Replacement Plan, SSD also replaced several building system assets. To support the drive towards improved monitoring, control and enhancement of the reliability of the Bank's building systems, the Facilities Unit is sourcing a Building Management System (BMS). As part of the Bank's corporate environmental responsibility, efforts were made to reduce paper use, utilise more efficient print management solutions and procure vehicles that should

consume less fuel and emit less CO₂ (hybrid). Furthermore, the Bank has also commissioned a building Energy Audit to guide its energy reduction initiative further.

The Security Services Department continued its collaboration with the Trinidad and Tobago Police Service (TTPS) to successfully investigate and advance several matters of importance, both to national security and the security of the Bank, its estate, personnel and assets. Although its training programme was adversely affected by the pandemic, Security Services continued its thrust towards exposing Officers to several areas of highly specialised training. The training will further enhance the Department's ability to effectively and efficiently fulfil its objective to protect the Bank's property, personnel, and information.

During the FY2020/21, the Finance and Accounting (F&A) Department worked with cross-functional teams to transition to the new Custodian for the Foreign Reserves and HSF. In the coming FY, F&A will concentrate on reviewing the core Oracle software and its related modules' functionality and review of the department's staffing to determine its medium-term succession planning for critical roles.

HUMAN RESOURCES

The ongoing pandemic saw the Bank continuing with a hybrid model of staff working on-site and at home. The Bank moved from an objective of 25 per cent to 20 per cent on-site presence to assure the health and safety of staff. In addition, the Human Resource Department's (HR) strategic project in the Bank's Strategic Plan – Redesign and Restructure Work Processes, Review Job Roles, Working Arrangements and HR Systems – was completed during the period. Out of it, redeployment and job sharing approaches were adopted to ensure that staff contributes where their jobs could not be done off-site or where the pandemic affected their work areas. Staff willingly accepted new roles as development opportunities.

Figure 1 highlights the main changes to the workforce over the period.

The pandemic continued to impact the 2020/21 Training Plan. HR successfully transitioned by leveraging technology, building on the approach used during the previous year. The HR Department capitalised on virtual training opportunities, resulting in 491 staff members being trained during this period. The Bank continued to build capacity by exposing staff to specific organisations through assignments, attachments and secondments. For example, through no-pay leave, the Bank supported the attachment of two of its staff members to legal firms to complete their compulsory Legal In-Service training. HR also focused on evaluating training effectiveness so as to assure that the Bank got value for money and to inform training in the future.

Figure 1: Human Resource Highlights



Staff engagement activities arising from the 2018

Staff Opinion Survey continued. The Bank held its first-ever virtual staff meeting in June to reconnect with staff and then another in July to present on the 2021/22-2025/26 Strategic Plan. All departments participated in the first-ever virtual CB Village. With an internal competition component, this orientation event gave new employees an overview of each department's essential functions and created a departmental team-building opportunity. The Research Department's fun and informative video production won the competition, garnering the most votes from staff. In addition, staff nominated and voted for their 2020 Employee of the Year – Ms. Germaine Mendez, Senior Banking Operations Officer I. The Bank's mobile app, CB Connect, gained even more traction with an increase in the staff download rate from 74 per cent at the end of the last financial year to 88 per cent at the end of September 2021.

Out of concern for the welfare of current and retired staff, HR partnered with the Ministry of Health (MOH) for a very successful COVID-19 vaccination drive. In addition, HR worked with the Risk Management Department to manage the impact of COVID-19 within the organisation. They conducted regular pulse checks with staff to ensure they were coping well and conducted a survey in January 2021, gathering rich feedback from staff. Families in Action (FIA), the Bank's Employee Assistance Programme (EAP) provider, gave support through online counselling services, education sessions and regular publications such as its Watercooler Wednesdays to employees and retirees. These initiatives assisted with managing mental, physical and emotional issues arising from the COVID-19 pandemic. The Bank's Group Health Plan's second year commenced with a new provider in May 2021 with no change in the premiums, but with a few enhancements in benefits.

EMPLOYEE-OF-THE-YEAR GERMAINE MENDEZ



"I have been employed at the Central Bank for the past 12 years and currently hold the position of Senior Banking Operations Officer in the Banking Operations Department.

I was allowed to make a meaningful contribution to many of the Bank's objectives.

It is undoubtedly an honour to be a part of such a dynamic and prestigious institution."



CB Village Winners

Box 1: MANAGING THE COVID-19 PANDEMIC

The COVID-19 pandemic has significantly influenced the Bank's operations over the past year. In response to the crisis, the Bank has carefully managed its internal operations to fulfill our role as an essential organisation while maintaining the safety of staff.

Work practices were adjusted in response to the pandemic, while maintaining governance, efficiency and service delivery. A Pandemic Response Plan was implemented to support staff in adjusting to new working arrangements which included an expanded work-from-home programme. In order to protect the health, safety and well-being of staff in the face of the pandemic, the Bank sought to limit staff on-site presence to 20 per cent on a daily basis. As a result, staff were provided with technology solutions to operate remotely when required, with secure access to the Bank's information technology systems. Additionally, the Bank's information technology and security arm further refined and strengthened the Bank's network and security infrastructure.

As part of the Pandemic Response Plan, the Human Resources Department implemented several initiatives to assist staff. These included deferral of staff loan payments, pandemic leave, a staff vaccination drive in collaboration with the Ministry of Health, as well as the promotion of mental health and well-being in collaboration with the Bank's Employee Assistance provider. Restrictions on mobility and face-to-face interactions drove a growing reliance on virtual meetings and electronic communications. As a result, since mid-2020, the traditional in-person media conferences were replaced by public webinars.

Several events such as the Vacation Internship Programme, Eric Williams Memorial Lecture, auditorium and museum activities were cancelled. Nevertheless, both the Museum and Auditorium embraced the opportunity to engage their audiences virtually through tours, exhibits and performances via their social media pages. Additionally, aided by staff contributions, the Bank's We Care Charity supported a number of groups and individuals in need.

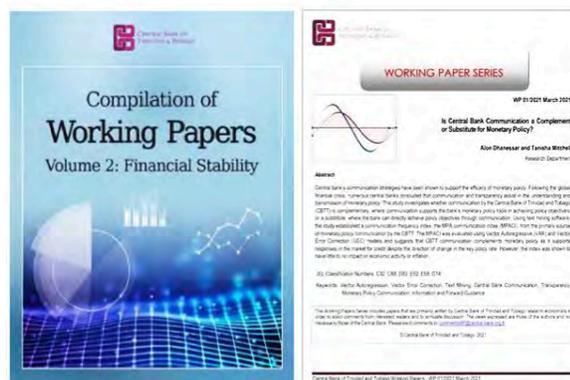
The uncertainty surrounding COVID-19 and its impact on the economic climate will continue to drive the Bank's operations in the short to medium term. The Bank will continue to monitor the rapidly changing environment and remains prepared to adjust operations as required.

ECONOMIC RESEARCH AND STATISTICAL SERVICES

To mark the Bank's 55th anniversary, the Research Department completed a special publication on financial stability¹⁴. The collection included papers on:

- the resilience of the financial sector to climate change;
- the balance sheet resilience of households and non-financial corporations;
- macro-financial linkages in Trinidad and Tobago;
- the impact of financial stress on Trinidad and Tobago's Gross Domestic Product; and
- the relationship between economic uncertainty and the performance of the banking sector.

Five working papers were published in the Bank's Working Paper Series. They covered topics such as the mutual fund industry, Central Bank communication and Central Bank Digital Currencies¹⁵.



Research Department's Working Paper Series

The Department continued to take the lead in preparing the Bank's flagship analytical reports, including the Economic Bulletins, the Monetary Policy Reports, the Annual Economic Survey and the Financial Stability Report. The Department also provided technical and administrative support to the Monetary Policy Committee for its quarterly meetings and prepared briefs, analytical reports and policy notes as requested by the Ministry of Finance.

The financial programming framework produced quarterly projections and a mid-year update of key macroeconomic variables for the economy and monthly reserves projections. In addition, the Research Discussion Series provided an avenue through which economists presented and received feedback on their research papers. Moreover, the newly launched Internal Staff Paper Series targeted the Bank's Executive and Senior Management feedback. Finally, the Department and the Inter-American Development Bank (IADB) produced a joint research paper on the Macroeconomic Implications of Digitalisation for Trinidad and Tobago.



Financial Programming and Policies (FPP) Framework

Staff participated on several external/ international committees, such as the Network for Greening the Financial System and the inter-ministerial committee on the United Nations Framework Convention on Climate Change during the year. Staff also served on several cross-departmental teams charged with executing the strategic

projects related to monetary policy and financial stability. Such collaboration is ongoing with the Statistics Department which provides statistical support to the Department's key operations.

In addition to the routine operations that support many departments throughout the Bank, the Statistics Department successfully completed two of three strategic projects and was well advanced with another. Collaborations with CARTAC supported the entrancement of the compilation of the country's external sector statistics (ESS), with the subscription to the IMF's Coordinated Direct Investment Survey (CDIS) in the last year. Additionally, a quarterly summary of debt statistics was compiled and will further be enhanced along with the Research Department to provide an assessment of the Government's fiscal and debt sustainability. In addition, the Department continues to collaborate with an external vendor and internal stakeholders to successfully implement the FAME Economic Data Manager (FEDM) Data Intake and Reporting System, designed to streamline and improve the efficiency of data capture and validation, immensely improving existing operations. A significant development in this project was the creation of a new data template for the Insurance Sector consequent on the passage of the new Insurance Act in January 2021. Unfortunately, some portions of the data intake project encountered delays stemming from the COVID-19 pandemic. Nevertheless, the Statistics Department has collaborated with the IT and supervisory arms of the Bank to work around the pandemic-related constraints and expects to conclude the project by end-December, 2021. Additionally, the Department led the Bank's participation in the country's subscription to the IMF's Enhanced Data Dissemination System (e-GDDS). As country coordinator, the Bank, along with the Central Statistical Office (CSO) and MOF, launched the country's National Data Summary Page (NSDP) and Advance Release Calendar (ARC)¹⁶ to meet the requirements of this system.

14 <https://www.central-bank.org.tt/sites/default/files/latest-news/compilation-of-working-papers-vol2-september-2021.pdf>
 15 <https://www.central-bank.org.tt/publications/research>

16 <https://www.central-bank.org.tt/statistics/egdds>



The Research and Statistics Departments will continue to strengthen economic analyses and technical research and undertake a critical review of the Department's output in keeping with the objectives set out in the new Strategic Plan 2021/22-2025/26.

INFORMATION TECHNOLOGY AND KNOWLEDGE MANAGEMENT

The Financial Technology and Information Security (FTIS) team focused on its core objectives of keeping the Bank's information safe and IT systems relevant to its needs. Despite the pandemic's ongoing influence significantly affecting resource capacity, the team delivered most planned initiatives. In the face of the second national lockdown and limited on-site presence of staff, the Bank continued to provide services expected by its stakeholders.

80 per cent of staff were provided with technology solutions to operate remotely with secure access to Bank systems. To ensure staff could work seamlessly, FTIS further refined and strengthened the Bank's network and security infrastructure to improve efficiency of virtual working practices, meetings, webinars and events. Secure document-sharing solutions were deployed for internal and external stakeholders. A modern and more enhanced solution for the Bank's Automated Clearing House function was deployed to lay the foundation for further digitisation in Banking Operations.

The Bank's information security maturity profile was enhanced by the introduction of a 24x7 managed detection and reporting service that monitors the Bank's logical boundaries and critical systems for any abnormal activity; deployment of tools to detect and isolate suspicious email items and attachments and development of an Enterprise Architecture which will continue into the new financial year. Tabletop simulations were used to test incident responses to ransomware attacks and phishing attempts to access critical systems.

The Knowledge and Information Management Department (KIM) in support of the Bank's digitisation agenda, continued roll-out of the Electronic Document and Records Management System (EDRMS). This has already led to greater efficiency in storage, management and retrieval of information and documents while working from home. Work also commenced on the development of Information Governance, Cloud and Electronic-Signatures Policies. Virtual library and records management services were launched for staff to facilitate continued remote working practices.

In the coming year, focus of the two Departments will be sharpened on supporting the Bank's digitisation drive. This will require further strengthening of the Bank's information security posture; greater momentum in the roll-out of EDRMS and ongoing modernisation of operations and infrastructure. The Bank's primary data centre will be rebuilt to meet increased demands for efficiency and resiliency, whilst DR As A Service (DRAAS) will be fully explored for the Bank's back-up and disaster recovery operations. In the face of developments in the national communications network, further consideration will be given to Cloud applications and solutions for selected business operations.

Box 2: CENTRAL BANK OF TRINIDAD AND TOBAGO ENGAGEMENTS WITH INTERNATIONAL AND REGIONAL ENTITIES

In the execution of its mandate, the Central Bank engages with various institutional stakeholders at the global and regional levels. These activities aid in, inter alia, capacity building, supervisory collaboration and representation in international and regional working groups. Over the 2021 financial year, interactions with agencies such as the International Monetary Fund (IMF), the World Bank Group (WB), the Inter-American Development Bank (IDB), the Intergovernmental Group of Twenty-Four (G24), Moody's Investors Service (Moody's), Standard and Poor's and the Caribbean Regional Technical Assistance Centre (CARTAC), assisted in the advancement of the Bank's work agenda. This box summarises some of the main external interactions that took place over the financial year 2020/21.

On the international front, the Governor, Deputy Governor and other Central Bank staff were part of Trinidad and Tobago's delegation to the IMF/WB Spring and Annual Meetings in April and October 2021, respectively. The delegation participated in a number of high-level meetings including; the IMF/WB constituency meetings, G24 Ministers and Deputies meetings and the WB's Small States Forum. Some of the themes from these meetings underpinned the ensuing 2021 IMF Article IV Consultation mission which took place in November 2021. Trinidad and Tobago's participation in efforts by the international community to boost global liquidity via the issue of Special Drawing Rights by the IMF (where Trinidad and Tobago received the equivalent of US\$644 million), subsidy contributions to the IMF's Poverty Reduction and Growth Trust (PRGT) as well as direct support for Sudan debt relief were highlights of engagement with the multilateral agencies. The Central Bank also routinely collaborated with other international agencies as the Bank sought to forge policies to deal with the fallout from COVID-19. These interactions included participation in Group of 20 and Financial Stability Board (FSB) virtual workshops on regulatory and supervisory solutions to address accelerated digitisation of financial services. Additionally, virtual workshops complemented meetings with the Basel Consultative Group to identify, inter alia, climate-related financial risks and the finalisation of the Network for Greening the Financial System's (NFGS) climate risk assessment scenarios. The NFGS was established in 2017 as a forum to share best practices and collaborate on environmental issues. Trinidad and Tobago joined the NFGS in February 2021 to support the Central Bank's strategic thrust towards integrating climate change considerations into monetary and financial stability policies. As focus on climate change accelerated during 2021, the Central Bank sought to fortify its capacity to respond by engaging the Toronto Centre to explore capacity building opportunities.

At the regional level, the 56th and 57th bi-annual meetings of the Caribbean Community (CARICOM) Committee of Central Bank Governors took place in May and November 2021, respectively. The meetings were chaired by Dr. Alvin Hilaire, Governor of the Central Bank of Trinidad and Tobago. A key outcome of Governor Hilaire's stewardship was the establishment of a regional Technical Working Group to explore avenues to strengthen and improve the efficiency of intra-regional payments. The 56th meeting also marked a more direct re-engagement of relationships between regional central banks and the Caribbean Development Bank. As part of the Regional Financial Stability Coordination Council, the Central Bank also made contributions to the drafting of the 2020 Regional Financial Stability Report. Other CARICOM engagements included the review of the draft Financial Services Agreement and Policy on Regional Securities Market Regulation. On the research front, the Central Bank collaborated with the IDB to produce a research paper which examined the macroeconomic implications of digitalisation for Trinidad and Tobago. Further, following a kick-off seminar jointly hosted by the Central Bank and the IDB in August 2021, another research project investigating financial intermediation for structural transformation commenced.

Other regional engagements complemented agendas and topics addressed by the international agencies, with a focus mainly on training. These included technical assistance from CARTAC on climate risks, cyber risks, insurance supervision, and Residential Property Price Indices. In addition, the Centre for Latin American Monetary Studies (CEMLA) hosted virtual workshops for supervisory capacity development and a number of macroeconomic and financial courses. During the year, the Central Bank developed a relationship with the Bank for International Settlements (BIS) Americas Office, with representation at engagements taking place at the senior level. Similarly, high-level representation continued at the FSB's Regional Consultative Group Americas. Moving forward, Central Bank engagements with foreign entities are anticipated to heighten in the context of the strategic plan for 2021/22 – 2025/26 which lists as strategic imperatives strengthening the Bank's interface with international agencies and expanding the Central Bank's presence and involvement in projects at the international and regional levels.

COMMUNITY ENGAGEMENT AND OUTREACH

Public engagement and outreach remains a crucial priority for the Bank. The onset of the pandemic reiterated the importance of communication to deepen public trust in the Bank. The Bank's activities in this area are aimed at supporting this.

FINANCIAL SERVICES

NATIONAL FINANCIAL LITERACY PROGRAMME (NFLP)

For the financial year 2020/21, the NFLP rolled out 108 sessions to 3,897 participants, increasing over the previous financial year. Of these sessions, entrepreneurship workshops and sessions increased significantly, arising from an augmented demand for these sessions. As schools operated online during the period, the programme facilitated virtual financial literacy sessions to several summer camps, reaching 252 students. The NFLP also hosted two digital competitions, which engaged 5,775 teenage students and young adults on Facebook and 2,456 on Instagram, respectively.



NFLP Digital Competition

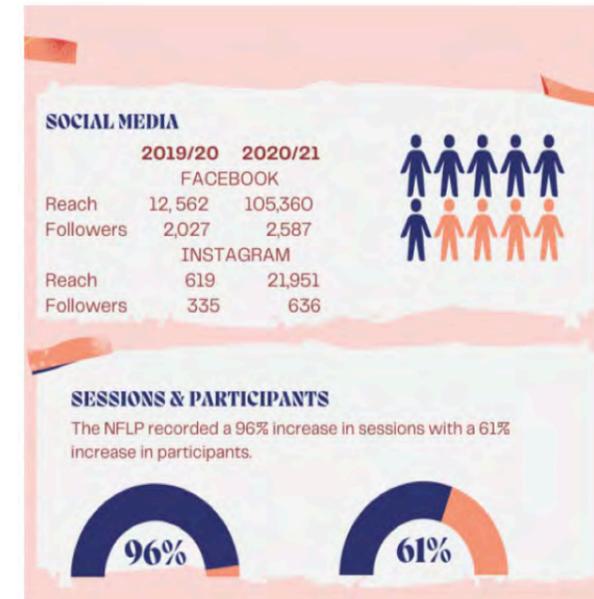
The NFLP's website and social media platforms remained active throughout the pandemic as most of its financial education activity moved online. In FY2020/21, the reach of the NFLP's Facebook and Instagram pages were as much as 105,360 and 21,951, significantly increasing from the previous year. In terms of its social media platforms, the NFLP's Facebook and Instagram pages were cumulatively able to gain 861 new followers (Figure 2).

The NFLP augmented its reach through a) the publishing of five one-minute-long videos scripted and produced on the following themes: the Basics of Beginning A Business, Managing Personal Debt, Financial Planning In Difficult Times, Where To Turn To In These Challenging Times and a Personal Testimony on Beating the Odds and b) two radio advertisements aired on national radio stations for four months between May and August 2021.

A significant achievement in FY2020/21 involved engaging a market research company to conduct the third wave of the National Financial Literacy Survey. The Survey will assess the impact of the NFLP interventions, programmes and publications, and inform the strategic direction of the NFLP in the future. The publication of the Survey Report and National Financial Literacy Strategy is expected in the second quarter of 2022.

The development of a Web Portal designed to teach fundamental financial literacy concepts to children ages 9-13 years old was well advanced and will be finalised in FY2021/22. This portal includes several interactive games and online activities to meet the need of this specific target group, with plans to expand to the secondary school cohort in the coming year.

Figure 2: NFLP Highlights



OFFICE OF THE FINANCIAL SERVICES OMBUDSMAN (OFSO)

During the financial year, the total number of complaints lodged at the OFSO increased compared to the previous period. In the current financial year customers lodged 230 insurance and 47 banking complaints with the Office.

While the number of complaints saw an only moderate increase, the number of enquiries (the stage prior to lodging a formal complaint) showed a sharp increase to reach 735 for the year, increasing by 25 per cent from the previous year. However, the most significant increase was in banking enquiries which grew 76 per cent and may reflect the challenges encountered in transitioning to online banking, occasioned by the pandemic. Insurance enquiries continued to dominate the scheme, accounting for two-thirds of all enquiries (Figure 3).

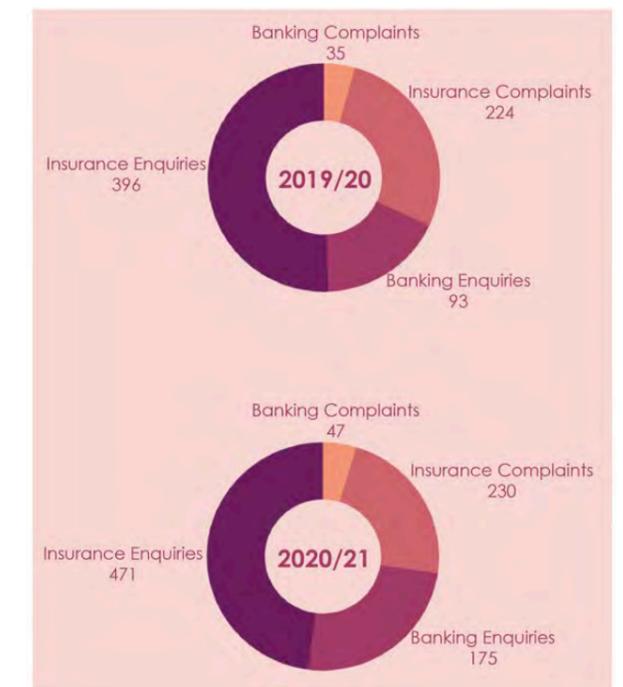
After completing a scoping exercise in March 2021, the OFSO launched its digital transformation project. The project aims to facilitate the shift to

working off-site to reduce the number of staff physically in the office in keeping with the Bank's staffing guidelines. All active resolution-related documents were required to be transferred electronically to an Online Case Management System to facilitate off-site retrieval. At the end of the financial year, the project was approximately 50 per cent complete. However, despite an internet penetration rate over 77 per cent and the infrastructure to access services online, many clients preferred to access our services in person, still requiring on-site presence.

Staff attended the virtual International Network of Financial Services Ombudsman Schemes (INFO Network) Conference in September 2021. Discussions included emerging issues that Schemes are facing globally in banking, insurance, credit and investments.

The Office transitioned to managing its social media platforms in-house and has since established a monthly public education calendar for Facebook, Instagram and the OFSO's website.

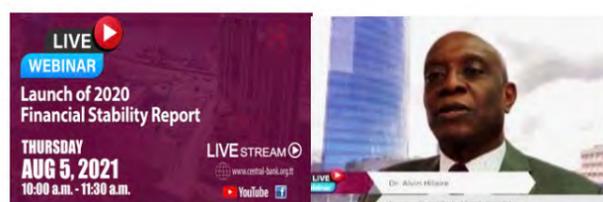
Figure 3: OFSO Highlights



COMMUNICATIONS

PUBLIC EDUCATION

The External Relations Department (ER), through its continued collaboration with the External Interface Project (EIP) team, continued to enhance the Bank's external communications, including website improvements and the publication of the second in a series of public education animated videos on the Roles and Functions of the Central Bank. Additionally, over the period October 2020 to August 2021, the Bank hosted six public webinars. Following the transition of the entire suite of notes to polymer, ER championed a Know Your New Polymer Notes currency education campaign which included a blend of broadcast and social media advertisements and posts and virtual sessions for particular groups in collaboration with the Banking Operations Department. Additionally, the Department played an integral role in the communications team responsible for the conceptualisation and design of promotional material to facilitate the successful launch of the joint Fintech initiatives.



FSR Launch 2021 Webinar, August 2021



"Know Your Polymer Notes" Webinar, October 2020

SOCIAL MEDIA

During the period, the Bank expanded its social media presence by creating an Instagram page, a public WhatsApp group and a LinkedIn page (Figure 4). All platforms were utilised to communicate

key messages to the public, specifically educating stakeholders on the new polymer notes. The Auditorium and Museum pages also remained vibrant over the period to maintain a connection with the public that could not be achieved in person due to the closure of the facilities.

OUTREACH

CENTRAL BANK MUSEUM AND ART COLLECTION

The Bank's Museum was closed to the public because of the COVID-19 pandemic. However, this served as an opportunity to host many virtual activities. These included (a) a virtual edition of the Bank's Art Club exhibition; (b) a Let's Talk Carnival Series; (c) a Walkthrough tour video; (d) the Life is A Celebration Virtual Exhibition; (e) the launch of the Virtual Tour of the Central Bank Museum for International Museum Day; (f) two Art in August Workshops – for children of staff; and (g) the donation of art supplies to 14 Secondary School Art Programmes. The Bank procured several pieces to enhance the Bank's Art Collection, and a photography section was added to the Collection.

CENTRAL BANK AUDITORIUM

Although the Auditorium remained closed over the period, engagement continued with its patrons. A video of past TUCO concerts hosted by the Bank was released in commemoration of Calypso History Month 2020. Additionally, the Auditorium produced Plaza Riddims on the Inside – a virtual Carnival concert to replace our usual Carnival Friday live event on the Bank's Plaza. The Bank also capitalised on the downtime, taking the opportunity to upgrade the sound equipment in the space.

CORPORATE SOCIAL RESPONSIBILITY

In keeping with the Bank's Corporate Social Responsibility Policy, 23 institutions were assisted in the areas of education, health and culture. Additionally, staff across the Bank donated clothing and footwear to four institutions, and vouchers

were presented to 155 persons in need to assist them with accessing essential items.

Figure 4: Social Media Highlights



Excerpts from past TUCO Concerts

SCHOLARSHIPS AND INTERNSHIPS

The De La Rue Currency Scholarship interviews were held virtually on July 26, 2021. The two successful candidates for the 2020/21 period were Mr. Johan Richards and Mr. Afeef Ali-Mohammed. For the second year, there was no Vacation Internship Programme due to the COVID-19 pandemic.

SPORTS AND CULTURAL CLUB

The continuing COVID-19 pandemic curtailed the Central Bank Sports and Cultural Club's (CBSCC) activities.

WE CARE

The Bank's charitable activities continued through its "We Care" Committee. Given the ongoing impact of the pandemic, and consequently national restrictions, initiatives were designed to provide relief to 372 persons in need in the form of grocery supplies and financial aid towards medical assistance. Urgent needs unrelated to COVID-19 were supported on a case-by-case basis. Assistance was also rendered to St. Vincent and the Grenadines after the eruption of the La Soufrière volcano through the donation of necessities.



Virtual Tour of CBTT Museum

The Bank invited staff to participate in a Donate a Vacation Day initiative where staff voluntarily monetised one day's vacation leave with the value matched by the Bank. The funds were donated to lend assistance to our Caribbean neighbours following the eruption of the La Soufrière volcano in St. Vincent and the Grenadines and the major earthquake in Haiti. The Bank matched staff donations and contributed US\$34,703 and US\$25,175 to St Vincent and the Grenadines and Haiti, respectively.





FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

2020 - 2021



REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT

REPORT OF THE
AUDITOR GENERAL
OF THE FINANCIAL STATEMENTS OF THE
CENTRAL BANK OF TRINIDAD AND TOBAGO

FOR THE YEAR ENDED
30 September, 2021

REPORT OF THE AUDITOR GENERAL



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 2021

OPINION

The financial statements of the Central Bank of Trinidad and Tobago (the Bank) for the year ended 30 September 2021 have been audited. The statements as set out on pages 1 to 48 comprise a Statement of Financial Position as at 30 September 2021, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 30 September 2021 and Notes to the Financial Statements numbered 1 to 30, 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 2021 and the related financial performance and its cash flows for the year ended 30 September 2021 in accordance with International Financial Reporting Standards except as stated at Note 2a 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.

REPORT OF THE AUDITOR GENERAL

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 26th March, 2021 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 7th May, 2021 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 his 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.

REPORT OF THE AUDITOR GENERAL

- 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.



**7TH DECEMBER, 2021
PORT OF SPAIN**


**LORELLY PUJADAS
AUDITOR GENERAL**

**CENTRAL BANK OF TRINIDAD AND TOBAGO
STATEMENT OF FINANCIAL POSITION**

As at 30 September 2021
(Expressed in Trinidad & Tobago Dollars)

| | Notes | Sep-21 \$'000 | Sep-20 \$'000 |
|--|---------|-------------------|-------------------|
| ASSETS | | | |
| Foreign currency assets | | | |
| Foreign currency cash and cash equivalents | 4 | 17,131,741 | 24,860,896 |
| Foreign currency investment securities | 5,7 | 22,719,836 | 22,054,236 |
| Foreign receivables | 9 | 4,015,863 | 4,330,065 |
| Subscriptions to international financial institutions | 10 | 5,437,124 | 5,202,573 |
| International Monetary Fund - Holdings of Special Drawing Rights | 11 | 7,467,548 | 2,223,842 |
| | | 56,772,112 | 58,671,612 |
| Local currency assets | | | |
| Local currency cash and cash equivalents | 4 | 778,801 | 530,638 |
| Local currency investment securities | 5, 6, 7 | 119,365 | 144,633 |
| Retirement benefit asset | 8 | 67,347 | 74,718 |
| Accounts receivable and prepaid expenses | 9 | 2,184,412 | 2,186,841 |
| Other assets | 12 | 176,851 | 166,013 |
| Property, plant and equipment | 13 | 122,740 | 133,249 |
| Intangible assets | 14 | 10,053 | 11,180 |
| Non current assets held for sale | 15 | 20 | 20 |
| | | 3,459,589 | 3,247,292 |
| TOTAL ASSETS | | 60,231,701 | 61,918,904 |
| LIABILITIES | | | |
| Foreign currency liabilities | | | |
| Demand liabilities - foreign | 16 | 743,530 | 789,187 |
| International Monetary Fund - Allocation of Special Drawing Rights | 11 | 7,467,519 | 2,950,659 |
| Accounts payable | 17 | 4,032,773 | 4,574,605 |
| | | 12,243,822 | 8,314,451 |
| Local currency liabilities | | | |
| Demand liabilities - local | 16 | 28,337,518 | 31,552,248 |
| Accounts payable | 17 | 11,238,909 | 12,584,937 |
| Provision for transfer of surplus to government | | 756,480 | 1,377,582 |
| Provisions | 18 | 6,054,972 | 6,489,686 |
| | | 46,387,879 | 52,004,453 |
| CAPITAL AND RESERVES | | | |
| Capital | 26 | 800,000 | 800,000 |
| General reserve | | 800,000 | 800,000 |
| | | 1,600,000 | 1,600,000 |
| TOTAL LIABILITIES, CAPITAL AND RESERVES | | 60,231,701 | 61,918,904 |




Governor


Deputy Governor

**CENTRAL BANK OF TRINIDAD AND TOBAGO
STATEMENT OF COMPREHENSIVE INCOME**

For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)

| | Notes | Sep-21 \$'000 | Sep-20 \$'000 |
|---|-------|------------------|------------------|
| Income from foreign currency assets | | | |
| Investment income | 19 | 368,470 | 669,516 |
| Investment expense | | (30,082) | (29,955) |
| | | 338,388 | 639,561 |
| Realised (loss)/gain from currency translations | | (28,506) | 14,629 |
| Net gain realised on disposal and amortisation of investments | 19 | 6,596 | 114,339 |
| | | 316,478 | 768,529 |
| Income from local currency assets | | | |
| Interest income | 20 | 918,020 | 1,093,795 |
| Rental income | | 2,245 | 2,634 |
| Other income | 20 | 68,755 | 59,949 |
| | | 989,020 | 1,156,378 |
| Decrease in provisions | | 7,330 | - |
| Total income | | 1,312,828 | 1,924,907 |
| Operating expenses | | | |
| Printing of notes and minting of coins | 21 | 111,606 | 98,461 |
| Salaries and related expenses | 22 | 254,842 | 244,284 |
| Interest paid | | 70,656 | 76,595 |
| Directors' fees | | 1,727 | 1,784 |
| Depreciation | 13 | 28,229 | 28,666 |
| Amortization of intangible assets | | 1,345 | 1,307 |
| Other operating expenses | 23 | 87,943 | 89,280 |
| Increase in provisions | | - | 6,948 |
| Total operating expenses | | 556,348 | 547,325 |
| Net surplus for the period | | 756,480 | 1,377,582 |
| Total comprehensive income for the period | | 756,480 | 1,377,582 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 30 September 2021

(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 2019 | 800,000 | 800,000 | - | 1,600,000 |
| Net surplus for the period | - | - | 1,377,582 | 1,377,582 |
| Transfer of surplus to Consolidated Fund | - | - | (1,377,582) | (1,377,582) |
| Balance as at 30 September 2020 | <u>800,000</u> | <u>800,000</u> | <u>-</u> | <u>1,600,000</u> |
| Balance as at 1st October 2020 | 800,000 | 800,000 | - | 1,600,000 |
| Net surplus for the period | - | - | 756,480 | 756,480 |
| Transfer of surplus to Consolidated Fund | - | - | (756,480) | (756,480) |
| Balance as at 30 September 2021 | <u>800,000</u> | <u>800,000</u> | <u>-</u> | <u>1,600,000</u> |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
STATEMENT OF CASH FLOWS**

For the Year Ended 30 September 2021

(Expressed in Trinidad & Tobago Dollars)

| | Notes | Sep-21 \$'000 | Sep-20 \$'000 |
|--|----------|--------------------|-------------------|
| Cash flows from operating activities | | | |
| Net surplus for the year before taxation | | 756,480 | 1,377,582 |
| Adjustments for: | | | |
| Depreciation | | 28,229 | 28,666 |
| Amortisation of intangible assets | | 1,345 | 1,307 |
| Net (gain)/loss on disposal of fixed assets | | (686) | 41 |
| Interest income | | (1,252,521) | (1,744,632) |
| Interest expense | | 70,656 | 76,595 |
| Dividend income | | (1,135) | (1,424) |
| Provisions | | (7,330) | 6,948 |
| Revaluation of Artwork | | 59 | - |
| Cash outflows before changes in operating assets and liabilities | | (404,902) | (254,917) |
| Changes in operating assets and liabilities | | | |
| Decrease in accounts receivable & prepaid expenses | | 310,023 | 1,344,668 |
| (Increase) in other assets | | (24,254) | (24,775) |
| Decrease/(increase) in retirement benefit asset | | 7,371 | (6,582) |
| (Decrease)/increase in accounts payable and other liabilities | | (5,148,435) | 321,928 |
| Net cash flows used (used in)/from operations | | (5,260,198) | 1,380,322 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (18,016) | (19,056) |
| Proceeds from sale of property, plant and equipment | | 705 | - |
| Net proceeds from (purchase)/sale of investments | | (1,326,658) | 334,230 |
| Net repayment of loans and advances | | 24,398 | 23,545 |
| Interest received | | 1,259,130 | 1,800,889 |
| Dividends received | | 1,135 | 1,424 |
| Interest paid | | (70,498) | (80,833) |
| Net (increase) in International Monetary Fund Holding of Special Drawing Rights and Allocation account | | (726,846) | (12,155) |
| Payment to Consolidated Fund | | (1,377,582) | (1,883,991) |
| Net cash flows (used in)/from investing activities | | (2,234,232) | 164,053 |
| Cash flows from financing activities | | | |
| Lease payment | | 13,416 | 13,153 |
| Net cash flows from financing activities | | 13,416 | 13,153 |
| Net (decrease)/increase in cash and cash equivalents | | (7,481,013) | 1,557,528 |
| Foreign currency differences in monetary assets & liabilities | | 21 | (1,153) |
| Cash and cash equivalents, beginning of period | 4 | 25,391,534 | 23,835,159 |
| Cash and cash equivalents, end of period | 4 | 17,910,542 | 25,391,534 |

CENTRAL BANK OF TRINIDAD AND TOBAGO NOTES TO FINANCIAL STATEMENTS

For the Year Ended 30 September 2021
(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 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:

- o *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.*

CENTRAL BANK OF TRINIDAD AND TOBAGO NOTES TO FINANCIAL STATEMENTS

For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)

a. Basis of preparation cont'd

- o *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 18.*
- o *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.*
- o *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 unrealised gains or losses on these investments under "Provisions" (see Note 18).*

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 and interpretations adopted by the Bank

There were no new standards and interpretations adopted by the Bank during the financial year.

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

There are new standards and amendments to standards and interpretations that are not yet effective for accounting periods beginning on or after January 1 2020 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 adopting these new standards and interpretations. 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.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS
For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)

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

These standards and amendments include:

o 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 relevant to the Bank as it does not issue insurance contracts.

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.

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.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS
For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

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 2021 was 0.103303 (September 2020 - 0.108835).

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).

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)*

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)

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

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)*

2. Significant accounting policies cont'd

g. Investment securities cont'd

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 from 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.

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

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)*

2. Significant accounting policies cont'd

g. Investment securities cont'd

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.

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

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)*

2. Significant accounting policies cont'd

i. Impairment of financial assets cont'd

increase in credit risk since origination, the Bank records an allowance for the LTECLs (i.e. reflecting the remaining lifetime of the financial asset).

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.

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

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS
For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

i. Impairment of financial assets cont'd

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.

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.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS
For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies cont'd

j. Fair value measurement cont'd

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.

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.

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.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
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2. Significant accounting policies cont'd

I. Employee Benefits cont'd

i. Pension benefits cont'd

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.

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

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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2. Significant accounting policies cont'd

o. Intangible Assets cont'd

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.

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 valued 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.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
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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 26).

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.

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.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
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2. Significant accounting policies cont'd

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.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended 30 September 2021
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4. CASH AND CASH EQUIVALENTS

| | Sep-21 \$'000 | Sep-20 \$'000 |
|--------------------------|-------------------|-------------------|
| Currency on hand | 100,115 | 84,664 |
| Balances held with banks | 2,245,306 | 3,160,232 |
| Repurchase agreements | 2,409,857 | 915,913 |
| Fixed deposits | 12,164,422 | 20,050,585 |
| Short-term investments | 990,842 | 1,180,140 |
| | 17,910,542 | 25,391,534 |

Represented by:

Foreign currency - cash and cash equivalents

| | | |
|--------------------------|-------------------|-------------------|
| Currency on hand | 91,488 | 76,085 |
| Balances held with banks | 1,475,132 | 2,638,173 |
| Repurchase agreements | 2,409,857 | 915,913 |
| Fixed deposits | 12,164,422 | 20,050,585 |
| Short-term investments | 990,842 | 1,180,140 |
| | 17,131,741 | 24,860,896 |

Local currency - cash and cash equivalents

| | | |
|--------------------------|-------------------|-------------------|
| Cash on hand | 8,627 | 8,579 |
| Balances held with banks | 770,174 | 522,059 |
| Short-term investments | - | - |
| | 778,801 | 530,638 |
| | 17,910,542 | 25,391,534 |

Local currency - balances with banks

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.

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS

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5. INVESTMENT SECURITIES

| | Sep-21 \$'000 | Sep-20 \$'000 |
|---|-------------------|-------------------|
| Foreign currency investment securities | | |
| Fair value through profit or loss | 22,719,836 | 22,054,236 |
| | 22,719,836 | 22,054,236 |
| Local currency investment securities | | |
| Bonds - amortised cost | 26 | 26 |
| Treasury Bills - amortised cost | 65 | - |
| Fair value through profit or loss | 3,500 | 4,422 |
| Loans and advances - amortised cost | 115,774 | 140,185 |
| | 119,365 | 144,633 |
| Total investment securities | 22,839,201 | 22,198,869 |
| Fair value through profit and loss | | |
| Foreign currency | | |
| Investment securities | 22,731,959 | 21,783,910 |
| Appreciation in market value | (12,123) | 270,326 |
| | 22,719,836 | 22,054,236 |
| Local currency | | |
| Investments in related enterprises (Note 6) | 3,500 | 4,422 |
| | 3,500 | 4,422 |
| Total fair value through profit and loss | 22,723,336 | 22,058,658 |
| Amortised cost | | |
| Local currency | | |
| Bonds | 26 | 26 |
| Treasury Bills | 65 | - |
| Loans and advances | 115,774 | 140,185 |
| | 115,865 | 140,211 |
| Total amortised cost | 115,865 | 140,211 |
| Total investment securities | 22,839,201 | 22,198,869 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)*

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-21 | Sep-20 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Trinidad and Tobago Unit Trust Corporation | 2,500 | 2,500 |
| Deposit Insurance Corporation | 1,000 | 1,000 |
| Trinidad and Tobago Interbank Payments System | - | 922 |
| | 3,500 | 4,422 |

During the year the Bank disposed of its shareholding in Trinidad and Tobago Interbank Payments System (TTIPS). A gain of \$2.2 million was realised on the sale of the shares (see Note 20).

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.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)*

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 2021

| Financial Assets | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|-------------------|----------------|-------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Asset-backed Securities: | | | | |
| Auto Loan Receivable | - | 1,226,294 | - | 1,226,294 |
| Credit Card Receivable | - | 495,932 | - | 495,932 |
| Other Asset-backed Securities | - | 414,707 | - | 414,707 |
| Corporate Bonds | - | 3,580,963 | - | 3,580,963 |
| Mortgage-backed Securities: | | | | |
| Federal Home Loan Mortgage Corp. (MULTICLASS) | - | 9,142 | - | 9,142 |
| Federal Home Loan Mortgage Corp. (POOLS) | - | 142,611 | - | 142,611 |
| Federal National Mortgage Association (POOLS) | - | 325,634 | - | 325,634 |
| Federal National Mortgage Association (REMIC) | - | 33,143 | - | 33,143 |
| Gov't National Mortgage Association (MULTI FAMILY POOLS) | - | 192,969 | - | 192,969 |
| Gov't National Mortgage Association (REMIC) | - | 7,675 | - | 7,675 |
| Gov't National Mortgage Association (SINGLE FAMILY POOLS) | - | 4,927 | - | 4,927 |
| Government Issues | 4,654,602 | 10,884,156 | - | 15,538,758 |
| Gold | 740,582 | - | - | 740,582 |
| Investments in related enterprises | - | - | 3,500 | 3,500 |
| Derivatives | 3,377 | 3,122 | - | 6,499 |
| Artwork | - | 15,416 | - | 15,416 |
| Total | 5,398,561 | 17,336,691 | 3,500 | 22,738,752 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
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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 2020

| Financial Assets | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|--|---------------------------|---------------------------|---------------------------|-------------------------|
| Asset-backed Securities: | | | | |
| Auto Loan Receivable | - | 1,621,221 | - | 1,621,221 |
| Credit Card Receivable | - | 1,020,956 | - | 1,020,956 |
| Other Asset-backed Securities | - | 608,927 | - | 608,927 |
| Corporate Bonds | - | 3,311,712 | - | 3,311,712 |
| Mortgage-backed Securities: | - | - | - | - |
| Federal Home Loan Mortgage Corporation (FHLMC) | - | 249,531 | - | 249,531 |
| Federal National Mortgage Association (FNMA) | - | 557,103 | - | 557,103 |
| Government National Mortgage Association (GNMA) I | - | 6,180 | - | 6,180 |
| Government National Mortgage Association (GNMA) II | - | 636,915 | - | 636,915 |
| Collateralized Mortgage backed Securities (CMO) | - | 26,280 | - | 26,280 |
| Government Issues | 2,687,420 | 10,530,581 | - | 13,218,001 |
| Gold | 797,409 | - | - | 797,409 |
| Investments in related enterprises | - | - | 4,422 | 4,422 |
| Municipals | - | - | - | - |
| Artwork | - | 15,176 | - | 15,176 |
| Total | 3,484,829 | 18,584,583 | 4,422 | 22,073,834 |

The Bank had no traded financial liabilities at the reporting date.

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.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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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 2020 and 30 September 2021.

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.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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8. RETIREMENT BENEFIT ASSET

| | Sep-21 \$'000 | Sep-20 \$'000 |
|--|------------------|------------------|
| Consolidated statement of financial position obligations for: | | |
| - Pension plan | 114,943 | 111,168 |
| - Post-retirement medical plan | (47,596) | (36,450) |
| | 67,347 | 74,718 |
| a) Pension plan | | |
| | Sep-21 \$'000 | Sep-20 \$'000 |
| Defined benefit obligation | (873,180) | (826,250) |
| Fair value of assets | 988,123 | 937,418 |
| IAS 19 net defined asset | 114,943 | 111,168 |
| Reconciliation of opening and closing defined benefit assets: | | |
| Defined benefit asset at prior year end | 111,168 | 102,304 |
| Decrease in pension asset: | | |
| Net pension cost | (24,453) | (16,727) |
| Re-measurements of net defined benefit asset/liability | 14,681 | 12,231 |
| Bank contribution paid | 13,547 | 13,360 |
| | 3,775 | 8,864 |
| Closing defined benefit asset | 114,943 | 111,168 |
| Amounts recognised in the earnings statement: | | |
| Current service cost | (24,327) | (22,736) |
| Net interest on net defined benefit asset | 7,250 | 6,710 |
| Past service cost | (6,663) | - |
| Expense Allowance | (713) | (701) |
| Net pension cost | (24,453) | (16,727) |
| Re-measurements of net defined benefit asset/liability | | |
| Experience gains/(losses) | 14,681 | 12,231 |
| Actuarial loss on plan assets | - | - |
| Actual return on plan assets | 14,681 | 12,231 |
| Actuarial assumptions | | |
| | Sep-21 | Sep-20 |
| Discount rate | 6.00% | 6.00% |
| Expected return on plan assets | n/a | n/a |
| Projected future rate of salary increase | 5.12% | 5.15% |

Value of Pension Scheme Asset

Based on Fair Value at
Balance Sheet Date

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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(Expressed in Trinidad & Tobago Dollars)

8. RETIREMENT BENEFIT ASSET CONT'D

| | Sep-21 \$'000 | Sep-20 \$'000 |
|---|------------------|------------------|
| b) Post-Employment Medical Plan | | |
| IAS 19 net defined obligation | (47,596) | (36,450) |
| Reconciliation of opening and closing defined benefit liability: | | |
| Defined benefit liability at prior year end | (36,450) | (34,168) |
| Decrease in plan: | | |
| Net benefit cost | (3,807) | (3,641) |
| Re-measurements of net defined benefit asset/liability | (8,160) | 556 |
| Bank contribution paid | 821 | 803 |
| | (11,146) | (2,282) |
| Closing defined benefit liability | (47,596) | (36,450) |
| Amounts recognised in the earnings statement | | |
| Current service cost | (1,646) | (1,614) |
| Interest on defined benefit obligation | (2,161) | (2,027) |
| Net benefit cost | (3,807) | (3,641) |
| Return on plan assets: The plan holds no assets | | |
| Actuarial assumptions | | |
| Medical cost increases | 5.00% | 5.00% |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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9. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

| | Sep-21 \$'000 | Sep-20 \$'000 |
|--|------------------|------------------|
| Foreign receivables | | |
| Pending trades - investments sold | 3,940,155 | 4,250,315 |
| Foreign interest receivable | 67,152 | 73,760 |
| Other receivables | 8,556 | 5,990 |
| | 4,015,863 | 4,330,065 |
| Local receivables | | |
| Interest receivable on domestic investments | 1 | 1 |
| Amounts recoverable from CLF/GORTT (Note 28) | 2,169,187 | 2,172,058 |
| Other receivables | 669 | 1,611 |
| Prepayments | 12,658 | 10,674 |
| Suspense accounts- pending transfers | 44 | 968 |
| Value added tax | 1,853 | 1,529 |
| | 2,184,412 | 2,186,841 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
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10. SUBSCRIPTIONS TO INTERNATIONAL FINANCIAL INSTITUTIONS

| | Sep-21 \$'000 | Sep-20 \$'000 |
|--|------------------|------------------|
| Banco Latino Americano De Exportaciones | 19,018 | 13,211 |
| Caribbean Development Bank | 8,194 | 8,194 |
| Caribbean Information and Credit Rating Services Ltd | 1,771 | 1,776 |
| Corporacion Andina de Formento | 727,534 | 729,603 |
| Inter-American Development Bank | 6,695 | 6,695 |
| International Bank for Reconstruction & Development | 119,050 | 119,389 |
| International Development Association | 6,742 | 6,745 |
| International Finance Corporation | 333 | 333 |
| International Monetary Fund | 4,547,787 | 4,316,627 |
| | 5,437,124 | 5,202,573 |

The holdings in Banco Latino Americano De Exportaciones (Bladex) are based on a quoted market price off the New York Stock Exchange of US\$ 17.54/ share as at 30 September 2021 (2020 US\$ 12.15/ share).

**CENTRAL BANK OF TRINIDAD AND TOBAGO
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**11. INTERNATIONAL MONETARY FUND –
HOLDINGS OF SPECIAL DRAWING RIGHTS**

A General Allocation of SDR's was approved by the IMF Board of Governors on August 2, 2021. The amount allocated to Trinidad and Tobago amounted to SDRs 450,282,171 (TTD 4,358,848,929.84) which was paid on August 23, 2021. This allocation would have increased both the Holdings and the Allocations positions. A separate purchase was made by the Bank on August 25, 2021 for SDRs 77,099,298 holdings (TTD 746,341,326.00).

12. OTHER ASSETS

| | Sep-21 \$'000 | Sep-20 \$'000 |
|--------------------------|------------------|------------------|
| Leased asset | 41,880 | 55,297 |
| Stock of notes and coins | 133,169 | 108,994 |
| Consumables | 1,801 | 1,722 |
| | 176,851 | 166,013 |

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12. OTHER ASSETS CONT'D

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%.

| | Sep-21 \$'000 | Sep-20 \$'000 |
|---|------------------|------------------|
| Gross receivable due | 43,566 | 58,089 |
| Present value of minimum lease payments | (41,880) | (55,297) |
| Total unearned finance income | 1,686 | 2,792 |
| Gross receivables due | | |
| Not later than one year | 14,522 | 14,522 |
| Later than one year but within five years | 29,044 | 43,567 |
| | 43,566 | 58,089 |
| Less: unearned finance income | (1,686) | (2,792) |
| Net investment in finance lease | 41,880 | 55,297 |

The net investment in finance lease is analysed as follows:

| | Sep-21 \$'000 | Sep-20 \$'000 |
|---|------------------|------------------|
| Not later than one year | 14,237 | 14,238 |
| Later than one year but within five years | 27,643 | 41,059 |
| | 41,880 | 55,297 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2020
(Expressed in Trinidad & Tobago Dollars)*

12. OTHER ASSETS CONT'D

Inventory of notes and coins

| | Sep-21 | Sep-20 |
|-------|----------------|----------------|
| | \$'000 | \$'000 |
| Notes | 116,466 | 100,692 |
| Coins | 16,703 | 8,302 |
| | 133,169 | 108,994 |

Inventory of notes

| | Sep-21 | Sep-20 |
|-------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Opening balance | 100,692 | 74,677 |
| Cost of notes issued | (69,131) | (78,772) |
| Purchase of notes | 116,446 | 113,104 |
| Demonetisation of notes | (31,541) | (8,317) |
| Closing balance | 116,466 | 100,692 |

Inventory of coins

| | Sep-21 | Sep-20 |
|----------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Opening balance | 8,302 | 9,342 |
| Cost of coins issued | (5,109) | (6,373) |
| Accruals | (1,342) | 1,341 |
| Purchase of coins | 14,852 | 3,992 |
| Closing balance | 16,703 | 8,302 |

In the last financial year, by way of Legal Notice No. 357 of 2019, the Bank demonetised the \$100 cotton-based notes which ceased to be legal tender effective January 1, 2020. As a result, the stock of \$100 cotton notes held, both at the Bank and at De La Rue, valued at \$8,317,138.12 was written off.

On June 1, 2021, a Notice was issued to the public advising of the withdrawal from circulation with effect from July 1, 2021, of the \$1, \$5, \$10, \$20 and \$50 notes, bearing series dates prior to 2020. Additionally, with effect from January 1, 2022 the said notes shall cease to be legal tender and the Bank shall indefinitely redeem them for face value. Consequently, the cost of unissued stock of these notes held, both at the Bank and at De La Rue, valued at \$31,541,242.17 was written off.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2020
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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 |
| <u>As at 30th September 2021</u> | | | | | | | |
| Net book value | | | | | | | |
| Balance b/fwd 1st Oct 2020 | 60,914 | 10,635 | 15,602 | 11,640 | 25,880 | 8,578 | 133,249 |
| Transfers | 2,071 | - | 2,278 | 9,012 | 268 | (13,629) | - |
| Additions | 280 | - | 4,420 | 1,474 | 552 | 11,072 | 17,798 |
| Disposals | - | - | - | - | (19) | - | (19) |
| Revaluation adjustment | - | - | - | - | (59) | - | (59) |
| Depreciation for the period | (12,027) | (9) | (6,273) | (7,563) | (2,357) | - | (28,229) |
| | 51,238 | 10,626 | 16,027 | 14,563 | 24,265 | 6,021 | 122,740 |
| Represented by: | | | | | | | |
| Cost | 434,723 | 10,923 | 112,426 | 95,357 | 56,304 | 6,021 | 715,754 |
| Accumulated depreciation | (383,485) | (297) | (96,399) | (80,794) | (32,039) | - | (593,014) |
| | 51,238 | 10,626 | 16,027 | 14,563 | 24,265 | 6,021 | 122,740 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
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13. PROPERTY, PLANT AND EQUIPMENT CONT'D

| | 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 2020 | | | | | | | |
| Net book value | | | | | | | |
| Balance b/fwd 1st Oct 2019 | 72,018 | 10,642 | 15,288 | 13,456 | 27,682 | 4,456 | 143,542 |
| Transfers | 834 | - | 905 | 3,539 | 208 | (5,486) | - |
| Additions | 107 | - | 5,975 | 1,886 | 838 | 9,608 | 18,414 |
| Disposals | - | - | (41) | - | - | - | (41) |
| Depreciation for the period | (12,045) | (7) | (6,525) | (7,241) | (2,848) | - | (28,666) |
| Balance carried forward | 60,914 | 10,635 | 15,602 | 11,640 | 25,880 | 8,578 | 133,249 |
| Represented by: | | | | | | | |
| Cost | 432,372 | 10,923 | 113,154 | 85,033 | 64,944 | 8,578 | 715,004 |
| Accumulated depreciation | (371,458) | (288) | (97,552) | (73,393) | (39,064) | - | (581,755) |
| | 60,914 | 10,635 | 15,602 | 11,640 | 25,880 | 8,578 | 133,249 |



**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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(Expressed in Trinidad & Tobago Dollars)*

14. INTANGIBLE ASSETS

As at 30th September 2021

Net book value

| | | |
|-----------------------------|---------------|---------------|
| Balance b/fwd 1st Oct 2020 | 11,180 | 11,180 |
| Additions | 218 | 218 |
| Amortization for the period | (1,345) | (1,345) |
| | 10,053 | 10,053 |

Represented by:

| | | |
|--------------------------|---------------|---------------|
| Cost | 13,665 | 13,665 |
| Accumulated amortization | (3,613) | (3,613) |
| | 10,053 | 10,053 |

As at 31st September 2020

Net book value

| | | |
|-----------------------------|---------------|---------------|
| Balance b/fwd 1st Oct 2019 | 11,845 | 11,845 |
| Additions | 642 | 642 |
| Amortization for the period | (1,307) | (1,307) |
| | 11,180 | 11,180 |

Represented by:

| | | |
|--------------------------|---------------|---------------|
| Cost | 13,448 | 13,448 |
| Accumulated amortization | (2,268) | (2,268) |
| | 11,180 | 11,180 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)*

15. NON-CURRENT ASSETS HELD FOR SALE

| | Sep-21 \$'000 | Sep-20 \$'000 |
|---------------|------------------|------------------|
| Freehold land | 20 | 20 |
| | 20 | 20 |

In the financial year September 30, 2018 the Board made a decision to dispose of two properties owned by the Bank. The properties were a commercial building situated at 78 Independence Square, Port of Spain and a parcel of land located at Toco. The properties were classified as held for sale and were reflected in the Financial Statements at the lower of the carrying value and fair value less costs to sell.

During the financial year 2019, the commercial building was sold, whilst the parcel of land located at Toco remains available for immediate sale and continues to be actively marketed. It continues to be reflected in the Financial Statements at the lower of the carrying value and fair value less costs to sell.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

*For the Year Ended 30 September 2021
(Expressed in Trinidad & Tobago Dollars)*

16. DEMAND LIABILITIES

| | Sep-21 \$'000 | Sep-20 \$'000 |
|--|-------------------|-------------------|
| Demand liabilities - foreign | | |
| Foreign deposits | 6,150 | 3,829 |
| Government special accounts | 737,380 | 785,358 |
| | 743,530 | 789,187 |
| Demand liabilities - local | | |
| Notes in circulation | 8,386,758 | 7,474,527 |
| Coins in circulation | 257,043 | 252,097 |
| Deposits by commercial banks | 20,666,999 | 27,597,398 |
| Deposits by non-banking financial institutions | 380,256 | 220,760 |
| Statutory deposits - insurance companies | 12,397 | 8,898 |
| Deposits by government and government agencies | (8,338,095) | (10,065,580) |
| Deposits by other current accounts | 3,422,537 | 2,616,593 |
| Deposits by regional and international institutions | 157,800 | 222,098 |
| Promissory Notes due to international financial institutions | 3,391,823 | 3,225,457 |
| | 28,337,518 | 31,552,248 |

a. Deposits by financial institutions

At the Monetary Policy Announcement on September 30, 2021, both the required statutory cash reserve ratios for commercial banks and Non-bank financial institutions remained unchanged at 14% and 9% respectively. Notwithstanding, over the period October 2020 to September 2021 the average value of the commercial banks' required reserves decreased by about 4.0 percent over the prior period, while non-banks' required reserves increased by about 15 percent over that of the same period for 2019-2020.

b. 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.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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(Expressed in Trinidad & Tobago Dollars)*

17. ACCOUNTS PAYABLE

| | Sep-21 | Sep-20 |
|--|-------------------|-------------------|
| | \$'000 | \$'000 |
| Accounts payable - Foreign | | |
| Bilateral accounts | 35,422 | 15,434 |
| Pending trades - investments purchased | 3,997,056 | 4,557,735 |
| Other payables | 295 | 1,436 |
| | 4,032,773 | 4,574,605 |
| Accounts payable - Local | | |
| Trade payables and accrued charges | 83,760 | 65,244 |
| Interest payable | 688 | 529 |
| Unclaimed monies | 31,883 | 27,745 |
| Blocked accounts | 10,528,574 | 11,902,268 |
| Other payables | 594,004 | 589,151 |
| | 11,238,909 | 12,584,937 |

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).

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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18. 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:

| | Sep-21 | Sep-20 |
|---|------------------|------------------|
| | \$'000 | \$'000 |
| Provisions | | |
| Gold reserve | 517,438 | 574,542 |
| Foreign currency exchange rate reserves | 5,470,515 | 5,565,125 |
| Pension reserve | 67,347 | 74,718 |
| Revaluation reserve on investments | (328) | 275,301 |
| | 6,054,972 | 6,489,686 |

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS
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19. INCOME FROM FOREIGN CURRENCY ASSETS

| | Sep-21 \$'000 | Sep-20 \$'000 |
|---|------------------|------------------|
| Investment income | | |
| Interest on United States dollar balances & securities | 332,119 | 641,111 |
| Interest on other foreign balances & securities | 2,381 | 9,726 |
| Other income | 33,970 | 18,679 |
| | 368,470 | 669,516 |
| Investment expenses | (30,082) | (29,955) |
| Realised (loss)/gain from currency translation | (28,506) | 14,629 |
| Net gain realised on disposal and amortisation of investment | | |
| Gains realised on disposal of investments | 114,498 | 140,129 |
| Losses realised on disposal of investments | (107,902) | (25,790) |
| | 6,596 | 114,339 |
| Total income from foreign assets | 316,478 | 768,529 |

CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS
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20. Income from local currency assets

| | Sep-21 \$'000 | Sep-20 \$'000 |
|---|------------------|------------------|
| Interest income | | |
| Loans | 915,405 | 1,090,281 |
| Other investments | 2,615 | 3,514 |
| | 918,020 | 1,093,795 |
| Other income | | |
| General earnings | 309 | 307 |
| Dividends | 50 | 45 |
| Fees charged to financial institutions | 64,173 | 59,039 |
| Profit on sale of assets | 705 | - |
| Profit on sale of investments in related entities | 2,213 | - |
| Other | 1,305 | 558 |
| | 68,755 | 59,949 |

21. Printing of notes and minting of coins

| | Sep-21 \$'000 | Sep-20 \$'000 |
|-------------------------------------|------------------|------------------|
| Cost of new notes issued | 69,134 | 78,772 |
| Cost of new coins issued | 5,109 | 6,373 |
| Other printing and minting expenses | 5,386 | 4,999 |
| Demonetisation of notes | 31,977 | 8,317 |
| | 111,606 | 98,461 |

22. Salaries and related expenses

| | Sep-21 \$'000 | Sep-20 \$'000 |
|--|------------------|------------------|
| Salaries and allowances | 209,199 | 211,494 |
| National insurance | 7,740 | 7,839 |
| Employee benefits- pension and post retirement medical plan (Note 8) | 7,371 | (6,582) |
| Other staff costs | 30,532 | 31,533 |
| | 254,842 | 244,284 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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23. OTHER OPERATING EXPENSES

| | Sep-21 | Sep-20 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Other operating expenses include: | | |
| Advertising and public relations | 1,997 | 4,402 |
| CL Financial expenses (Note 28) | 1,624 | 2,365 |
| Computer expenses | 28,587 | 27,332 |
| Conferences and meetings | 74 | 654 |
| Contribution to other organizations | 2,800 | 2,514 |
| Electricity | 4,065 | 3,889 |
| Insurance | 3,750 | 3,222 |
| Library expenses | 3,541 | 3,503 |
| Loss on disposal of assets | 18 | 41 |
| Maintenance cost | 24,369 | 23,035 |
| Printing and stationery | 2,018 | 2,581 |
| Professional fees | 3,060 | 1,939 |
| Rent | 4,502 | 4,423 |
| Telephone | 5,093 | 4,933 |
| Other expenses | 2,445 | 4,447 |
| | 87,943 | 89,280 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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24. CAPITAL COMMITMENTS

There was \$3.2 million in outstanding commitments for capital expenditure as at 30 September 2021 (30 September 2020 - \$2.3 million).

25. 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.

26. CAPITAL

| | Sep-21 | Sep-20 |
|--------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Authorised capital | 800,000 | 800,000 |
| Paid-up capital | 800,000 | 800,000 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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27. 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-21 \$'000 | Sep-20 \$'000 |
|---|--------------------------|--------------------------|
| Interest income from local currency assets | 912,894 | 1,087,621 |
| Interest expense | 66,438 | 63,782 |
| Assets | | |
| Local currency investment securities | 91 | 26 |
| Liabilities | | |
| Demand liabilities - foreign | 737,380 | 785,358 |
| Demand liabilities - local | (7,141,367) | (8,838,410) |
| Accounts payable | 10,528,574 | 11,902,268 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
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27. 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-21 \$'000 | Sep-20 \$'000 |
|------------------------------------|--------------------------|--------------------------|
| Income | | |
| Dividend Income | 50 | 45 |
| Rental income | 243 | 243 |
| Other income | 42 | 42 |
| | 335 | 330 |
| Expenditure | | |
| Salaries and related expenditure | 1,120 | 1,107 |
| | 1,120 | 1,107 |
| Ending period balances | | |
| Investments in related enterprises | 3,500 | 4,422 |
| Payables to related enterprises | 2,208,392 | 1,375,058 |

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-21 \$'000 | Sep-20 \$'000 |
|------------------------------|--------------------------|--------------------------|
| Short-term employee benefits | 67,632 | 66,552 |
| Directors' fees | 1,753 | 1,802 |

**CENTRAL BANK OF TRINIDAD AND TOBAGO
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28. 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 under the Deposit Insurance Corporation.

A resolution strategy with a number of phases was developed to stabilise the activities of CLICO and BAT. A key component of the resolution strategy included the sale of the traditional portfolios of these institutions to a suitable purchaser at prices consistent with independent valuations.

Following a competitive and rigorous bidding process conducted by CLICO/BAT with Central Bank oversight, Sagicor was selected as the preferred purchaser. Agreements for the transfer of their respective traditional insurance portfolios to Sagicor were executed on September 30, 2019 by CLICO and BAT. Progress of the sale of the traditional portfolio of CLICO and BAT has been impacted by court proceedings in the context of a challenge by one of the bidders for the portfolios.

As a result of these actions the Bank currently has in its Financial Statements the following assets:

Assets

Amounts recoverable from CLF/GORTT

| Sep-21 | Sep-20 |
|-------------------------|-------------------------|
| \$'000 | \$'000 |
| <u>2,169,187</u> | <u>2,172,058</u> |

The Bank together with CLICO has initiated civil proceedings against former executives of CLICO. In the context of delays with criminal action, this suit was filed 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.

Legal, consultancy and other costs incurred in relation to all CLF matters have been disclosed in Note 23.

**CENTRAL BANK OF TRINIDAD AND TOBAGO
NOTES TO FINANCIAL STATEMENTS**

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29. 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.

CENTRAL BANK OF TRINIDAD AND TOBAGO
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30. STATEMENT OF FINANCIAL POSITION – CURRENT/NON-CURRENT DISTINCTION

| | ----- Current \$'000 | Sep-21 Non-Current \$'000 | ----- Total \$'000 |
|--|----------------------------|---------------------------------|--------------------------|
| ASSETS | | | |
| Foreign currency assets | | | |
| Foreign currency cash and cash equivalents | 17,131,741 | - | 17,131,741 |
| Foreign currency investment securities | 6,315,293 | 16,404,543 | 22,719,836 |
| Foreign receivables | 4,015,863 | - | 4,015,863 |
| Subscriptions to international financial institutions | - | 5,437,124 | 5,437,124 |
| International Monetary Fund - Holdings of Special Drawing Rights | - | 7,467,548 | 7,467,548 |
| | 27,462,897 | 29,309,215 | 56,772,112 |
| Local currency assets | | | |
| Local currency cash and cash equivalents | 778,801 | - | 778,801 |
| Local currency investment securities | 30,996 | 88,369 | 119,365 |
| Retirement benefit asset | - | 67,347 | 67,347 |
| Accounts receivable and prepaid expenses | 2,183,372 | 1,041 | 2,184,412 |
| Other assets | 148,655 | 28,196 | 176,851 |
| Property, plant and equipment | - | 122,740 | 122,740 |
| Intangible assets | - | 10,053 | 10,053 |
| Non current assets held for sale | 20 | - | 20 |
| | 3,141,844 | 317,745 | 3,459,589 |
| TOTAL ASSETS | 30,604,741 | 29,626,960 | 60,231,701 |
| LIABILITIES | | | |
| Foreign currency liabilities | | | |
| Demand liabilities - foreign | 743,530 | - | 743,530 |
| International Monetary Fund - Allocation of Special Drawing Rights | - | 7,467,519 | 7,467,519 |
| Accounts payable | 4,032,773 | - | 4,032,773 |
| | 4,776,302 | 7,467,519 | 12,243,822 |
| Local currency liabilities | | | |
| Demand liabilities - local | 28,330,970 | 6,547 | 28,337,517 |
| Accounts payable | 9,836,799 | 1,402,110 | 11,238,909 |
| Provision for transfer of surplus to government | 756,480 | - | 756,480 |
| Provisions | 783,488 | 5,271,484 | 6,054,972 |
| | 39,707,738 | 6,680,141 | 46,387,879 |
| 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 | 44,484,040 | 15,747,660 | 60,231,701 |

CENTRAL BANK OF TRINIDAD AND TOBAGO
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30. STATEMENT OF FINANCIAL POSITION – CURRENT/NON-CURRENT DISTINCTION CONT'D

| | ----- Current \$'000 | Sep-20 Non-Current \$'000 | ----- Total \$'000 |
|--|----------------------------|---------------------------------|--------------------------|
| ASSETS | | | |
| Foreign currency assets | | | |
| Foreign currency cash and cash equivalents | 24,860,896 | - | 24,860,896 |
| Foreign currency investment securities | 6,217,428 | 15,836,808 | 22,054,236 |
| Foreign receivables | 4,330,065 | - | 4,330,065 |
| Subscriptions to international financial institutions | - | 5,202,573 | 5,202,573 |
| International Monetary Fund - Holdings of Special Drawing Rights | - | 2,223,842 | 2,223,842 |
| | 35,408,389 | 23,263,223 | 58,671,612 |
| Local currency assets | | | |
| Local currency cash and cash equivalents | 530,638 | - | 530,638 |
| Local currency investment securities | 30,154 | 114,479 | 144,633 |
| Retirement benefit asset | - | 74,718 | 74,718 |
| Accounts receivable and prepaid expenses | 2,186,356 | 485 | 2,186,841 |
| Other assets | 124,133 | 41,880 | 166,013 |
| Property, plant and equipment | - | 133,249 | 133,249 |
| Intangible assets | - | 11,180 | 11,180 |
| Non current assets held for sale | 20 | - | 20 |
| | 2,871,301 | 375,991 | 3,247,292 |
| TOTAL ASSETS | 38,279,690 | 23,639,214 | 61,918,904 |
| LIABILITIES | | | |
| Foreign currency liabilities | | | |
| Demand liabilities - foreign | 789,187 | - | 789,187 |
| International Monetary Fund - Allocation of Special Drawing Rights | - | 2,950,659 | 2,950,659 |
| Accounts payable | 4,574,605 | - | 4,574,605 |
| | 5,363,792 | 2,950,659 | 8,314,451 |
| Local currency liabilities | | | |
| Demand liabilities - local | 31,552,248 | - | 31,552,248 |
| Accounts payable | 11,415,739 | 1,169,198 | 12,584,937 |
| Provision for transfer of surplus to government | 1,377,582 | - | 1,377,582 |
| Provisions | 916,900 | 5,572,786 | 6,489,686 |
| | 45,262,469 | 6,741,984 | 52,004,453 |
| 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 | 50,626,261 | 11,292,643 | 61,918,904 |



APPENDICES



APPENDICES

2020 - 2021

Table A.1
CURRENCY IN CIRCULATION
2016 – 2021
(TT\$ '000s)

| End of Month | Notes (Old TT) | Notes (Republic) | Total Notes in Circulation | Coins | Total Currency in Circulation |
|--------------|----------------|------------------|----------------------------|---------|-------------------------------|
| Sep-16 | 19,044 | 8,374,404 | 8,393,448 | 229,944 | 8,623,392 |
| Sep-17 | 19,044 | 8,634,825 | 8,653,869 | 234,480 | 8,888,349 |
| 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 |
| 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 |

Table A.2
CENTRAL BANK STATEMENT OF LIABILITIES AND ASSETS, 2020 – 2021
(TT\$ '000s)

| End of Month | LIABILITIES | | | | | | ASSETS | | | | | | | | | |
|----------------|-------------------------------|------------------|---------------------------------|--|-----------------------------|-------------------|-------------------------|---|---|--------------------------|---|--|-----------|----------------------|------------------------------------|--------------|
| | Currency in Circulation Total | Commercial Banks | Non-Bank Financial Institutions | Government & Governmental Organisations ¹ | International Organisations | Other Liabilities | Capital & Reserve Funds | Total Liabilities, Capital and Reserves | Balances With Banks Abroad ² | Other Foreign Securities | Gold Subscriptions To International Monetary Fund | Subscriptions to International Organisations | SDR's | TT Dollar Securities | Other Assets Including Fixed Asset | Total Assets |
| 2019/20 | | | | | | | | | | | | | | | | |
| OCTOBER | 8,916,240 | 18,623,137 | 306,736 | (8,725,636) | 6,637,941 | 33,623,718 | 1,600,000 | 60,982,136 | 23,515,479 | 22,099,192 | 4,378,501 | 891,422 | 2,253,982 | 168,440 | 7,675,121 | 60,982,136 |
| NOVEMBER | 9,037,178 | 18,738,451 | 344,490 | (9,071,445) | 6,638,700 | 32,497,673 | 1,600,000 | 59,785,046 | 22,308,791 | 22,384,179 | 4,378,501 | 896,590 | 2,253,978 | 168,021 | 7,394,986 | 59,785,046 |
| DECEMBER | 8,821,114 | 20,862,018 | 269,926 | (7,223,006) | 6,638,581 | 29,324,107 | 1,600,000 | 60,292,740 | 22,243,432 | 22,401,716 | 4,378,501 | 895,879 | 2,253,978 | 166,921 | 7,952,312 | 60,292,740 |
| JANUARY | 5,959,457 | 19,204,566 | 247,962 | (8,023,048) | 6,637,842 | 33,748,218 | 1,600,000 | 59,375,006 | 21,513,917 | 22,341,777 | 4,378,501 | 889,222 | 2,253,978 | 165,535 | 7,832,076 | 59,375,006 |
| FEBRUARY | 6,649,321 | 17,694,070 | 227,632 | (7,711,696) | 6,638,477 | 34,370,861 | 1,600,000 | 59,468,664 | 21,662,872 | 21,986,663 | 4,378,501 | 892,306 | 2,253,978 | 164,409 | 8,129,936 | 59,468,664 |
| MARCH | 7,304,734 | 17,908,614 | 216,270 | (6,794,745) | 6,639,330 | 32,656,101 | 1,600,000 | 59,130,304 | 20,568,353 | 21,787,658 | 4,378,501 | 884,175 | 2,255,709 | 219,296 | 9,036,612 | 59,130,304 |
| APRIL | 7,486,104 | 19,170,252 | 216,727 | (7,658,058) | 6,533,238 | 28,662,412 | 1,600,000 | 56,010,674 | 20,822,914 | 21,193,274 | 4,316,626 | 882,880 | 2,251,226 | 153,905 | 6,389,849 | 56,010,674 |
| MAY | 7,396,127 | 22,234,333 | 219,239 | (7,302,988) | 6,397,016 | 27,283,211 | 1,600,000 | 57,826,839 | 22,833,430 | 21,334,667 | 4,316,626 | 880,993 | 2,223,817 | 152,636 | 6,084,670 | 57,826,839 |
| JUNE | 7,551,116 | 22,353,336 | 214,353 | (5,252,443) | 6,397,014 | 29,729,270 | 1,600,000 | 62,593,046 | 25,403,609 | 21,484,225 | 4,316,626 | 881,639 | 2,223,817 | 153,651 | 8,129,479 | 62,593,046 |
| JULY | 7,743,280 | 23,414,573 | 212,264 | (6,515,018) | 6,396,726 | 27,743,205 | 1,600,000 | 60,615,032 | 24,345,560 | 21,748,989 | 4,316,626 | 879,703 | 2,223,817 | 155,058 | 6,945,279 | 60,615,032 |
| AUGUST | 8,040,288 | 24,381,976 | 215,311 | (6,216,040) | 6,397,003 | 26,641,176 | 1,600,000 | 61,059,715 | 25,837,968 | 22,067,544 | 4,316,626 | 882,695 | 2,223,842 | 154,008 | 5,577,032 | 61,059,715 |
| SEPTEMBER | 7,726,624 | 27,397,398 | 220,760 | (8,053,115) | 6,398,213 | 26,429,024 | 1,600,000 | 61,918,904 | 24,860,896 | 22,054,236 | 4,316,626 | 885,947 | 2,223,842 | 144,633 | 7,432,725 | 61,918,904 |
| 2020/21 | | | | | | | | | | | | | | | | |
| OCTOBER | 7,712,745 | 26,844,177 | 308,797 | (8,264,131) | 6,398,756 | 26,261,903 | 1,600,000 | 60,862,247 | 24,349,532 | 21,756,479 | 4,316,626 | 887,359 | 2,223,842 | 144,101 | 7,184,308 | 60,862,247 |
| NOVEMBER | 7,753,910 | 28,302,715 | 298,605 | (8,586,360) | 6,398,851 | 24,082,849 | 1,600,000 | 59,850,570 | 23,965,631 | 22,077,851 | 4,316,626 | 886,103 | 2,223,873 | 144,780 | 6,233,706 | 59,850,570 |
| DECEMBER | 8,419,143 | 23,448,411 | 257,030 | (6,901,484) | 6,567,686 | 26,364,672 | 1,600,000 | 59,755,458 | 21,874,071 | 22,554,830 | 4,592,645 | 886,905 | 2,366,074 | 143,995 | 7,336,938 | 59,755,458 |
| JANUARY | 7,875,065 | 24,157,841 | 730,284 | (8,057,598) | 6,568,197 | 27,214,162 | 1,600,000 | 60,105,980 | 21,686,235 | 22,681,626 | 4,592,645 | 890,641 | 2,366,074 | 144,313 | 7,726,417 | 60,105,980 |
| FEBRUARY | 8,303,017 | 21,912,433 | 685,427 | (7,099,343) | 6,568,004 | 28,445,995 | 1,600,000 | 60,105,980 | 20,857,452 | 22,187,061 | 4,592,645 | 889,367 | 2,366,110 | 142,185 | 9,071,162 | 60,105,980 |
| MARCH | 8,158,314 | 20,828,511 | 681,754 | (6,769,046) | 6,504,177 | 27,949,376 | 1,600,000 | 59,097,789 | 20,018,908 | 22,735,118 | 4,501,121 | 884,403 | 2,318,957 | 132,903 | 8,504,378 | 59,097,789 |
| APRIL | 8,158,314 | 21,251,449 | 681,554 | (5,266,729) | 6,504,177 | 29,834,719 | 1,600,000 | 62,916,980 | 19,258,071 | 23,915,850 | 4,547,787 | 887,769 | 2,342,947 | 134,213 | 11,830,353 | 62,916,980 |
| MAY | 8,224,067 | 20,425,278 | 696,509 | (5,969,732) | 6,657,905 | 31,710,812 | 1,600,000 | 63,344,839 | 18,090,919 | 24,220,789 | 4,547,787 | 888,582 | 2,342,974 | 131,752 | 13,122,036 | 63,344,839 |
| JUNE | 8,289,890 | 20,948,323 | 711,854 | (6,021,330) | 6,657,596 | 28,762,133 | 1,600,000 | 60,948,455 | 17,633,692 | 24,068,486 | 4,547,787 | 886,599 | 2,362,329 | 130,807 | 11,318,756 | 60,948,455 |
| JULY | 8,419,869 | 18,873,846 | 642,116 | (4,455,608) | 6,657,663 | 29,344,116 | 1,600,000 | 61,082,002 | 18,251,160 | 23,843,713 | 4,547,787 | 888,920 | 2,362,329 | 129,327 | 11,058,766 | 61,082,002 |
| AUGUST | 8,507,593 | 20,450,148 | 392,755 | (7,108,755) | 11,016,530 | 26,596,827 | 1,600,000 | 61,455,098 | 16,821,859 | 23,440,617 | 4,547,787 | 890,218 | 7,467,548 | 128,280 | 8,158,788 | 61,455,098 |
| SEPTEMBER | 8,643,801 | 20,666,999 | 380,256 | (6,404,050) | 11,017,142 | 24,327,552 | 1,600,000 | 60,231,701 | 17,131,741 | 22,719,836 | 4,547,787 | 889,337 | 7,467,548 | 119,365 | 7,356,086 | 60,231,701 |

Source: Central Bank of Trinidad and Tobago
1. Includes Exchequer, Trust Funds and Other Public Deposits, Government SDR Allocation and Other Deposits
2. Includes Foreign Currencies on hand

TABLE A.3
COMMERCIAL BANKS:
AVERAGE DEPOSIT LIABILITIES AND REQUIRED AND ACTUAL CASH RESERVES
for Period Ending September 2021
(TT\$ '000s)

| Reserve Period Ending | Average Deposit Liabilities | Required Cash Reserves | Average Cash Reserves |
|-----------------------|-----------------------------|------------------------|-----------------------|
| 7-Oct-20 | 92,719,364 | 12,980,711 | 27,191,440 |
| 14-Oct-20 | 93,005,393 | 13,020,755 | 27,543,890 |
| 21-Oct-20 | 93,322,250 | 13,065,115 | 27,329,926 |
| 28-Oct-20 | 93,641,707 | 13,109,839 | 26,742,148 |
| 4-Nov-20 | 93,860,843 | 13,140,518 | 26,959,460 |
| 11-Nov-20 | 94,109,457 | 13,175,324 | 27,230,960 |
| 18-Nov-20 | 94,326,750 | 13,205,745 | 26,728,432 |
| 25-Nov-20 | 94,256,264 | 13,195,877 | 26,075,329 |
| 2-Dec-20 | 94,259,250 | 13,196,295 | 26,888,378 |
| 9-Dec-20 | 94,219,186 | 13,190,686 | 26,286,819 |
| 16-Dec-20 | 94,581,407 | 13,241,397 | 25,702,637 |
| 23-Dec-20 | 94,890,443 | 13,284,662 | 25,815,367 |
| 30-Dec-20 | 95,024,193 | 13,303,387 | 23,651,002 |
| 6-Jan-21 | 95,227,279 | 13,331,819 | 25,999,070 |
| 13-Jan-21 | 94,996,293 | 13,299,481 | 24,574,693 |
| 20-Jan-21 | 95,287,529 | 13,340,254 | 24,652,951 |
| 27-Jan-21 | 95,477,000 | 13,366,780 | 24,887,644 |
| 3-Feb-21 | 95,587,379 | 13,382,233 | 24,319,843 |
| 10-Feb-21 | 95,848,929 | 13,418,850 | 24,614,406 |
| 17-Feb-21 | 95,418,921 | 13,358,649 | 23,735,093 |
| 24-Feb-21 | 95,342,550 | 13,347,957 | 21,881,582 |
| 3-Mar-21 | 95,177,714 | 13,324,880 | 22,371,412 |
| 10-Mar-21 | 95,140,429 | 13,319,660 | 22,250,133 |
| 17-Mar-21 | 95,256,714 | 13,335,940 | 21,692,283 |
| 24-Mar-21 | 95,012,850 | 13,301,799 | 21,417,068 |
| 31-Mar-21 | 94,904,557 | 13,286,638 | 20,828,511 |
| 7-Apr-21 | 94,562,314 | 13,238,724 | 20,553,056 |
| 14-Apr-21 | 94,407,729 | 13,217,082 | 20,338,025 |
| 21-Apr-21 | 94,323,743 | 13,205,324 | 20,931,482 |
| 28-Apr-21 | 94,084,207 | 13,171,789 | 20,631,189 |
| 5-May-21 | 93,783,436 | 13,129,681 | 21,235,804 |
| 12-May-21 | 93,525,643 | 13,093,590 | 21,113,630 |
| 19-May-21 | 93,317,393 | 13,064,435 | 20,982,574 |
| 26-May-21 | 92,871,586 | 13,002,022 | 20,158,871 |
| 2-Jun-21 | 93,180,929 | 13,045,330 | 21,102,002 |
| 9-Jun-21 | 93,111,236 | 13,035,573 | 21,317,224 |
| 16-Jun-21 | 93,039,693 | 13,025,557 | 20,246,827 |
| 23-Jun-21 | 92,871,586 | 13,002,022 | 20,342,459 |
| 30-Jun-21 | 92,602,171 | 12,964,304 | 20,948,323 |
| 7-Jul-21 | 92,399,243 | 12,935,894 | 20,964,302 |
| 14-Jul-21 | 92,476,586 | 12,946,722 | 20,001,789 |
| 21-Jul-21 | 92,577,179 | 12,960,805 | 19,645,891 |
| 28-Jul-21 | 92,565,207 | 12,959,129 | 18,361,320 |
| 4-Aug-21 | 92,431,586 | 12,940,422 | 19,713,797 |
| 11-Aug-21 | 92,057,107 | 12,887,995 | 19,587,932 |
| 18-Aug-21 | 91,857,086 | 12,859,992 | 19,239,955 |
| 25-Aug-21 | 91,751,329 | 12,845,186 | 20,025,030 |
| 1-Sep-21 | 91,784,336 | 12,849,807 | 20,480,779 |
| 8-Sep-21 | 91,872,564 | 12,862,159 | 20,730,350 |
| 15-Sep-21 | 91,886,707 | 12,864,139 | 20,522,358 |
| 22-Sep-21 | 92,088,943 | 12,892,452 | 21,452,218 |
| 29-Sep-21 | 92,267,357 | 12,917,430 | 20,656,020 |

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 2021
(TT\$ '000s)

| Reserve Period Ending | Average Deposit Liabilities | Required Cash Reserves | Average Cash Reserves |
|-----------------------|-----------------------------|------------------------|-----------------------|
| 7-Oct-20 | 2,437,111 | 219,340 | 227,802 |
| 14-Oct-20 | 2,434,878 | 219,139 | 230,891 |
| 21-Oct-20 | 2,423,433 | 218,109 | 226,504 |
| 28-Oct-20 | 2,409,011 | 216,811 | 305,456 |
| 4-Nov-20 | 2,325,333 | 209,280 | 298,267 |
| 11-Nov-20 | 2,318,922 | 208,703 | 297,933 |
| 18-Nov-20 | 2,318,122 | 208,631 | 298,274 |
| 25-Nov-20 | 2,320,389 | 208,835 | 298,605 |
| 2-Dec-20 | 2,316,511 | 208,486 | 298,261 |
| 9-Dec-20 | 2,314,822 | 208,334 | 298,132 |
| 16-Dec-20 | 2,316,422 | 208,478 | 298,134 |
| 23-Dec-20 | 2,312,833 | 208,155 | 217,906 |
| 30-Dec-20 | 2,304,811 | 207,433 | 257,030 |
| 6-Jan-21 | 2,278,111 | 205,030 | 255,367 |
| 13-Jan-21 | 2,253,700 | 202,833 | 253,232 |
| 20-Jan-21 | 2,239,944 | 201,595 | 251,906 |
| 27-Jan-21 | 2,223,067 | 200,076 | 250,946 |
| 3-Feb-21 | 2,251,856 | 202,667 | 728,165 |
| 10-Feb-21 | 2,288,889 | 206,000 | 731,287 |
| 17-Feb-21 | 2,437,389 | 219,365 | 744,609 |
| 24-Feb-21 | 2,614,667 | 235,320 | 685,427 |
| 3-Mar-21 | 2,777,556 | 249,980 | 699,689 |
| 10-Mar-21 | 2,900,222 | 261,020 | 680,362 |
| 17-Mar-21 | 2,921,144 | 262,903 | 682,730 |
| 24-Mar-21 | 2,923,167 | 263,085 | 682,575 |
| 31-Mar-21 | 2,913,844 | 262,246 | 681,754 |
| 7-Apr-21 | 2,931,733 | 263,856 | 683,614 |
| 14-Apr-21 | 2,930,844 | 263,776 | 686,803 |
| 21-Apr-21 | 2,901,356 | 261,122 | 681,874 |
| 28-Apr-21 | 2,898,122 | 260,831 | 681,554 |
| 5-May-21 | 2,844,067 | 255,966 | 676,832 |
| 12-May-21 | 2,849,156 | 256,424 | 677,172 |
| 19-May-21 | 2,955,222 | 265,970 | 686,676 |
| 26-May-21 | 3,269,778 | 294,280 | 714,849 |
| 2-Jun-21 | 3,221,167 | 289,905 | 710,513 |
| 9-Jun-21 | 3,315,933 | 298,434 | 718,848 |
| 16-Jun-21 | 3,311,533 | 298,038 | 718,531 |
| 23-Jun-21 | 3,269,778 | 294,280 | 714,849 |
| 30-Jun-21 | 3,231,511 | 290,836 | 711,854 |
| 7-Jul-21 | 3,202,378 | 288,214 | 709,654 |
| 14-Jul-21 | 3,198,378 | 287,854 | 709,568 |
| 21-Jul-21 | 3,195,544 | 287,599 | 709,526 |
| 28-Jul-21 | 3,194,222 | 287,480 | 642,116 |
| 4-Aug-21 | 3,192,089 | 287,288 | 642,440 |
| 11-Aug-21 | 3,189,989 | 287,099 | 642,647 |
| 18-Aug-21 | 3,193,322 | 287,399 | 392,899 |
| 25-Aug-21 | 3,193,067 | 287,376 | 392,755 |
| 1-Sep-21 | 3,129,511 | 281,656 | 387,173 |
| 8-Sep-21 | 3,080,033 | 277,203 | 382,794 |
| 15-Sep-21 | 3,040,167 | 273,615 | 378,910 |
| 22-Sep-21 | 3,018,644 | 271,678 | 376,798 |
| 29-Sep-21 | 3,058,167 | 275,235 | 380,256 |

Source: Central Bank of Trinidad and Tobago



NOTES

NOTES



Central Bank of Trinidad and Tobago
P.O. Box 1250, Eric Williams Plaza
Independence Square, Port of Spain

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ISSUED IN ACCORDANCE WITH THE
CENTRAL BANK ACT CHAP. 79:02
SERIES 2008
LV315858

CENTRAL BANK OF TRINIDAD AND TOBAGO