



EXPORT - IMPORT BANK OF TRINIDAD AND TOBAGO (EXIMBANK) LIMITED

ADMINISTRATIVE REPORT 2020

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ADMINISTRATIVE REPORT - 2020

COMPANY SUMMARY

The Export-Import Bank of Trinidad and Tobago Ltd - EXIMBANK, remains the country's official Export Credit Agency (ECA). The bank has maintained its leadership position as the preferred option for Export Financing with a primary focus on developing the export potential of Trinidad and Tobago as a mechanism to diversify the economy and increase non-energy Forex earnings.

Created to satisfy the export needs of a rapidly expanding economy; the EXIMBANK's core function is to conduct the business of a "Confirming House, Acceptance House, Finance Company and Financial Services" to satisfy the export needs of the domestic economy and expand trade opportunities for small and medium size enterprises in the non-energy export sector.

Corporate Mission:

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

Business Description:

Eximbank emerged out of the Trinidad and Tobago Export Credit Insurance Company Limited (EXCICO), established in 1973 by the Government of the Republic of Trinidad and Tobago to promote the export of goods and services. The bank collaborates with local, regional, and international financial institutions to deliver on its mandate and remains committed to pursuing a business philosophy of promoting the growth and expansion of exports.

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

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

Notably, 2020 marked the start of a financial turnaround of the Eximbank as the company returned to profitability. This was predicated upon a balance sheet clean-up exercise completed during 2018 and 2019. In addition, during this administrative period the Eximbank was able to accelerate the deployment of key forex prioritisation programmes on behalf of the GORTT, providing much needed

support to the manufacturing sector and contributing to prevention of shortages of essentials items due to the pandemic related supply-chain issues.

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

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

STRATEGIC PLAN

STRATEGIC PRIORITIES 2020

1. SALES

➤ *Differentiation Strategy*

A *differentiated* strategic approach was adopted in and executed in 2020. Data analysed from our competitors reflected a targeted interest in the non-energy export client market and therefore the benefits of this niche-market driven approach was realized, as we focused on the unique characteristics of the services offered by the Eximbank, defined by our core product portfolio and marketing mix.

➤ *New Business*

The Eximbank understood the export sector differed widely from other sectors and functioned as a niche market in terms of structure and characteristics. Those differences had important implications for market segmentation while being increasingly influenced by economic factors such as exchange rate fluctuations and export competitiveness.

Institutional targets include:

- The Ministry of Trade and Industry.
- The Trinidad and Tobago Chamber of Industry and Commerce.
- AmCham Trinidad and Tobago.
- Trinidad and Tobago Manufacturer's Association-TTMA.
- Trinidad and Tobago Coalition of Service Industries- TTCSI.
- Other Business Associations.
- ExporTT.
- Evolving Technologies and Enterprise Development Company Ltd- Eteck.
- Trinidad and Tobago Free Zone Limited.

Another critical component of New Business was focused around Eximbank's Market-Centered business strategy. This approach sought to exploit opportunities which existed in CARICOM and other markets for which greater emphasis was placed given their ability to impede the cashflow of local exporters due to extraordinary credit terms conditions and existing trade and partial scope agreements.

➤ *Upselling existing clients*

Understanding the current cadre of clients was paramount to our upselling strategy, hence a needs analysis of the existing portfolio was conducted to determine our ability to recommend the best suited product to our clients. The bank was continuously positioned to deliver trade finance services and as such reinforced itself as a market-leader in the minds of the export business community.

As part of our new approach, our existing client business cycles were examined to understand periods of heightened activity across the various sectors to facilitate a targeted sales approach during peak levels of the client's operating cycles. ***Demand Loan financing*** was advanced given the client's existing portfolio utilization, to facilitate commercial conversion of their existing facility, thus securing new financing and term obligations.

➤ *Differentiated Product Portfolio*

The Bank's status as the official Export Credit Agency - ECA to support the Exports / Imports of the Trinidad and Tobago manufacturing sector was strengthened with the introduction of a ***U.S. Dollar Equipment Financing Facility "X-LOAN"***. This new facility enabled additional financing to Small and Medium Enterprises (***SME's***) with viable export driven investment projects across multiple sectors, given their long-term growth potential and employment impact.

Existing Exporting Customers of Eximbank were given the option to repay their USD equipment funded debt with TTD, subject to availability of USD from the Forex Facility. This allowed our core products to have a differentiated feature and provide the requisite support for SME clients that are now ramping up export activity. The goal was to graduate clients as their export sales as a percentage of total revenue increased.

INFASTRUCTURE

Delivering high quality Trade Finance Solutions within a competitive environment required a deep understanding of our products and their impact on the target market. The utilization of the BCG Matrix allowed us the understanding of the product portfolio's classification to assist in determining the required resource allocation needed to boost awareness and develop strategies to enhance market attractiveness.

➤ Capital Restructuring

Like all effective business models, the Bank must have some long-term cash flows in tandem with the short-term cash flows to fund its development plan, hence the need for Restructured Capital. It was critical therefore that the corporation sole maintained the capital base through an injection of financial resources, providing the bank with the necessary investment which would have permitted an increase in revenue through a targeted approach, maintaining our financial stability and operational viability within the export value system.

➤ Technology deployment and utilization

A new role was developed with the view of exploring and implementing strategies where the Bank was able to move toward digital workflows and determine how software improved customer relationship management, sales, human resource functions as well as internal and external collaboration.

A priority item engaged this resource, and the core banking system utilized by the bank had the potential to be scaled to support new and existing products. Enterprise Risk Framework

The Recoveries Department would have continued to institute more aggressive strategies for collections utilizing all legal channels to increase financial payments from delinquent clients. The possibility of offering reduced pay out figures to clients as an inducement to closeout some of these long-standing debts was examined as an additional option.

Additionally, we have instituted stronger relationships between Credit Department and the Recoveries Unit to better manage potential delinquent clients, which can mitigate non-payment risk and thereby reduce overall delinquency.

➤ Operational Efficiency

Making potential customers and financial intermediaries aware of the banks products and services was only the first step in filling the credit gap that exist in the market. In order to help Trinidad and Tobago exporting companies win sales in a highly competitive global marketplace, it was important that Eximbank be known as an organization that provides superior service to its customers.

The bank engaged in a multi-year activity to streamline its various business processes, with focus on those activities that are more complicated and labour-intensive, as these processes had the highest potential for improving the ease of doing business for customers through the following strategies:

1. Streamlining workflow processes in business areas with complicated and labour-intensive procedures with the goal of decreasing turnaround times and increasing the Bank's efficiency.

2. Improving transparency and predictability of the banks' procedures and policies by communicating business processes and broad turnaround time to clients.
3. Systematically identifying and assessing opportunities to meet the needs of the exporter more effectively. The result of which enhanced the bank's ability to structure new arrangements with the State regarding the implementation of new credit-lines and foreign exchange facilities, which were both country and market focused.

The temporary suspension of business lines, notably, Export credit Insurance which increased the bank's financial risk exposure and the realignment of resources to adequately enhance market-centered solutions.

➤ Services Export Collaboration

The Eximbank worked with industry stakeholders; Trinidad and Tobago Coalition of Service Industries and ExporTT (state-owned enterprise responsible for the marketing of exports and facilitation services to the export sector) to jointly develop programmes and projects which promoted services exports. Preliminary discussions had identified financial constraints as a hindrance to driving diversification and the bank provided the necessary financial resources in support of its mandate.

The forex shortage over those last few years opened the eyes of the business sector regarding the need to earn US\$. Accordingly, the local market was primed for products and services that enabled them to take advantage of global opportunities. Highlighting the success stories of exporters from multiple business segments (SME to large exporters) helped drive the mindset shift required to motivate businesses and created an understanding of the socio-economic benefits derived from the non-Energy export sector.

3. PEOPLE

➤ Organization redesign

The ability to act entrepreneurial was key to the survival of a modern institution. To support the strategies identified the bank required a comprehensive organisation redesign to place individuals in areas and functions that best match their skills, talent and interest.

As the Bank moves forward into another year, it plans to evaluate its resources and employees with a view of improving its operational efficiency. The Bank therefore will embark on an organisational redesign exercise where some critical areas will be addressed with regards to the goals, objectives and functions of the Bank.

➤ Training & Development

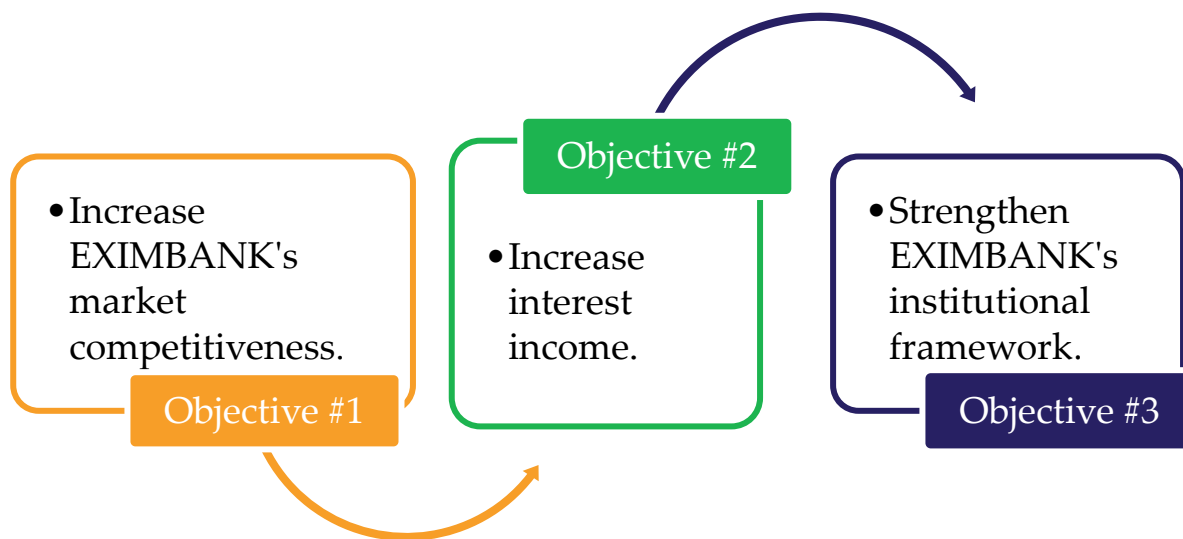
The Bank engaged staff in specific training programmes which increased efficiency and delivery of services as well as increase job satisfaction and employee morale.

Employees had access to high quality training and development opportunities to better performance and capacity building. Focus was in areas which supported the achievement of the overall objectives.

➤ Performance Management

Performance management helped employees perform at their best and aligned their contributions with the goals, values and initiatives of the organization. The Bank improved the performance management process by engaging senior and junior management in refresher training which enhanced and strengthened their skills towards facilitating and improving the performance of the employees to the best of their abilities.

CORPORATE OBJECTIVES



MARKETING

The Eximbank understood the need to constantly grow its knowledge of, and ability to respond to a dynamic export environment, however, to provide strong support to its exporters it also balanced standards of risk management with its commitment to remain a self-sustaining agency through the following strategic initiatives.



STRATEGIC PARTNERSHIPS:

- Strategic Partnership with Ogilvy Caribbean Limited (International Marketing Agency).
- Strategic Partnership with the European Union and Frankfurt Business School to develop the marketing plan and pursue demand testing of the bank's products and services.
- Improved product distribution channels through a strategic collaboration with the TTMA.
- Established key relationships with the Inter-American Development Bank through their Compete Caribbean / Corporate Venturing Program.

SERVICE/PRODUCTS:

- New product development initiatives –
 - The X-loan
 - Manufacturing facility, Forex 3.0
 - Streamlined internal processes to improve ease of doing business.

MARKETING INITIATIVES:

- Increase Brand awareness initiatives through event sponsorships and key stakeholder engagements.
 - TT Chamber's, Champions of Business, Internationally Known T&T Owned Award.
 - TTMA's, Exporter of the Year Award.
 - Youth Business Trinidad and Tobago (YBTT) School export Challenge.
- Brand building initiatives through our participation at
 - TTMA's Trade & Investment Convention 2020.
 - Television and Radio interviews (CNC3 & Power 102).
 - Webinars on various topics (Increasing export competitiveness and manufacturing best practices).
 - Advertorial publications.
- New website development in collaboration with Yello Media.
- Corporate rebranding initiative "Powering Exports".
- Conducted a customer satisfaction survey to gauge consumer sentiment of the effective and efficient delivery of the FAS Essentials Items Program.

SPECIAL PROJECTS:

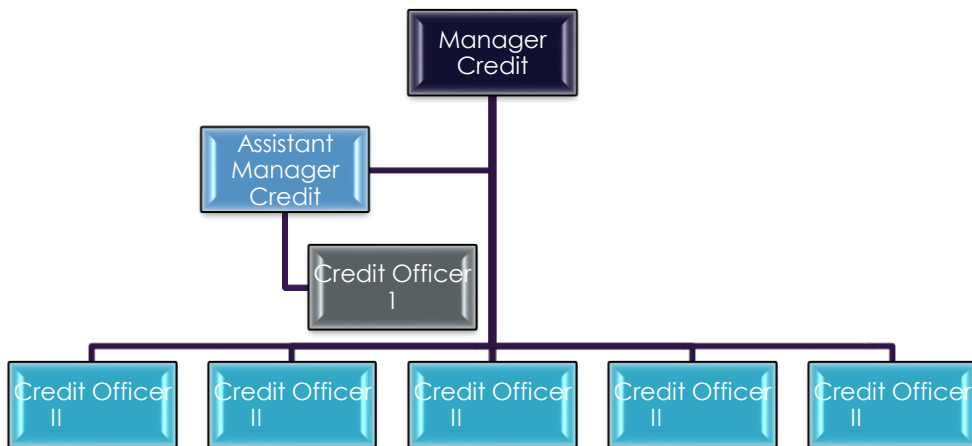
- Re-engineered the Electronic Channel for exports in collaboration with Ryan Consulting.

CREDIT

The Credit Department was tasked with managing the entire credit process for the bank. The credit process included the following, but was not limited to,

- The approval of credit to borrowers,
- Assessment of the creditworthiness of potential customers,
- Credit review of existing borrowers
 - *Note: Credit Review will include an assessment of Risk in the areas of Management, Industry, Financials, Collateral and any other area deemed relevant.*
- Monitoring of repayment of loans,
- Responding to customer queries (both existing and potential),
- Credit Department was also required to be updated with the regulatory laws governing the various industries.
- Management of Credit portfolio was in line with Organisational Strategic Objectives
- Preparation of quarterly Credit Reports to the Board of Directors and any other reports to the stakeholders deemed necessary.
- Ensure all of the above was in line with the Bank's Credit Policy.

The structure of the credit department is as follows:



I. CREDIT POLICY

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

- a. Whilst the thrust of the bank is to gain profitable business, it must be clearly understood that at no time is the lending policy of the bank to be compromised. At all times, the laws

and regulations of the country and Central Bank must be adhered to. The Bank reports to the Ministry of Trade and Finance but in its day-to-day operations must conform to the Insurance Act for insurance matters and the Financial Institutions Act 2008 for banking matters as it relates to exempted activities of a confirming /acceptance house financing import and export Bills. FIA 2008 1st Sch.)

- b. Build a diversified good quality portfolio through risk-based lending.
- c. Optimize risk return portfolio with adequate exit options.
- d. Build and maintain relationships with clients by servicing needs promptly and efficiently.
- e. In its dealing with customers there remained transparency of fees, charges and the calculation of interest.

The policy was reviewed periodically and was modified when necessary to ensure that it keeps abreast of general economic conditions, market demands, the Bank's financial position, changes in customers' needs and the competitive environment.

The policy at a holistic level was an embodiment of the Bank's approach to sanctioning, managing and monitoring credit risks and was aimed at making systems and controls effective. It had defined the objectives as under:

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

II. DELEGATION OF LENDING POWERS

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

Management Credit Committee

The Management Credit Committee comprised of three persons two of which is the Chief Executive Officer and Chief Operating Officer. The Manager, Credit and Business Development did not sit on this committee in order to prevent undue influence on the credit decision making process. They were however involved in presentations for credit approval actions.

Board Credit Committee

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

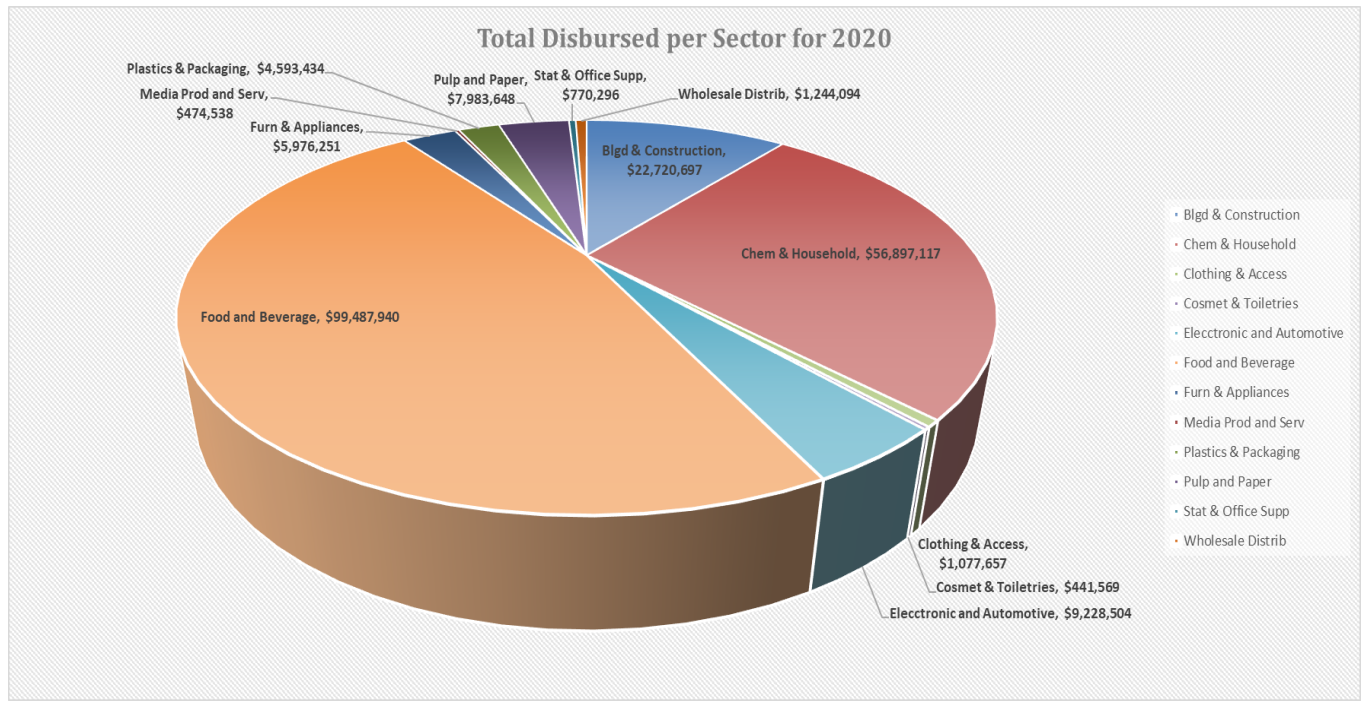
Lending Powers

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

Please note USD conversion is calculated at a rate of 6.75

III. DISBURSEMENTS

Total Disbursements by Sector for 2020 is graphically displayed below in TTD. Total disbursements amount to TTD 211M and was spread across twenty -three (23) clients.



IV. INSURED

Total Insured Invoices by Sector for 2020 is graphically displayed below in TTD. Total insured amount to TTD 987K and was spread across one (1) client.

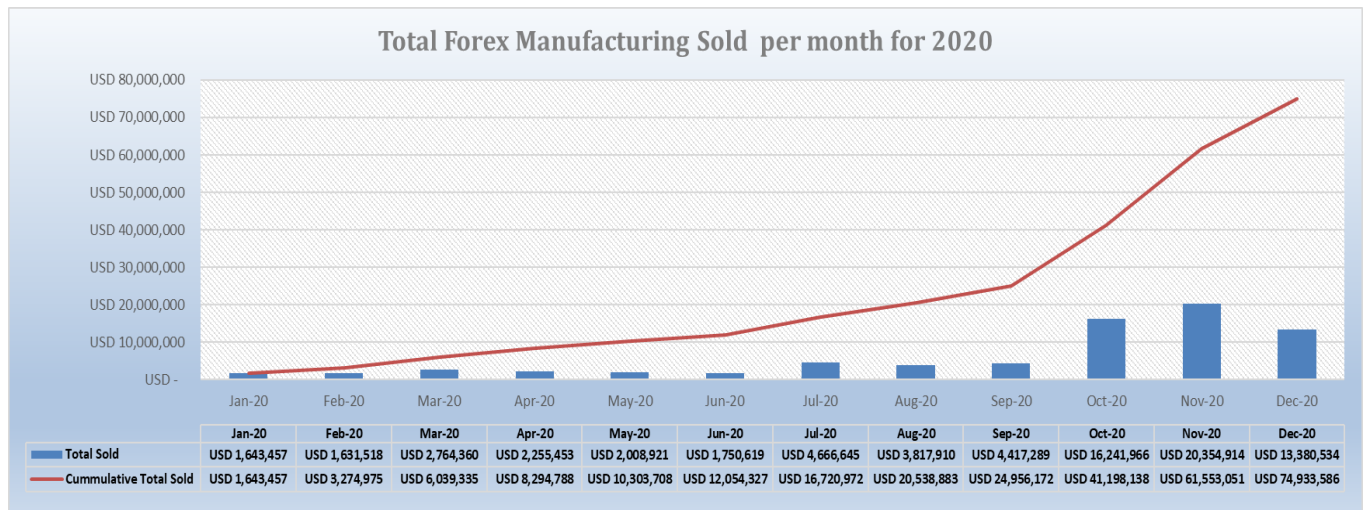


V. FOREX FACILITY

In August 2018, the Ministry of Finance appropriately assessed the need to utilize a percentage of the country’s forex resources to channel it to exporting firms in the non-energy sector that earn foreign exchange. As a result, the GORTT initiated a US\$100M Forex programme with The Export-Import Bank of Trinidad and Tobago.

The Forex Facility represented a targeted approach to forex distribution, which complemented the commercial banking distribution system, and was targeted to export generation, enabling exporters to become Net Foreign Exchange Earners. A performance summary is as follows.

Total Forex Sales for 2020 is graphically displayed below in USD. Eighty (80) clients accessed this facility in 2020.



VI. NEW PRODUCTS

A. FAS ESSENTIALS-COVID 19 RELIEF PROGRAM

On March 18th, 2020, the Government of Trinidad and Tobago (GORTT) announced numerous measures to be implemented to provide economic relief to citizens and businesses over the following months as all sectors continue to be impacted by the COVID-19 pandemic. One of the government’s primary strategies was the increased availability of foreign exchange through the Export-Import Bank of Trinidad and Tobago (Eximbank), to purchase food, pharmaceuticals, and other related essential need items.

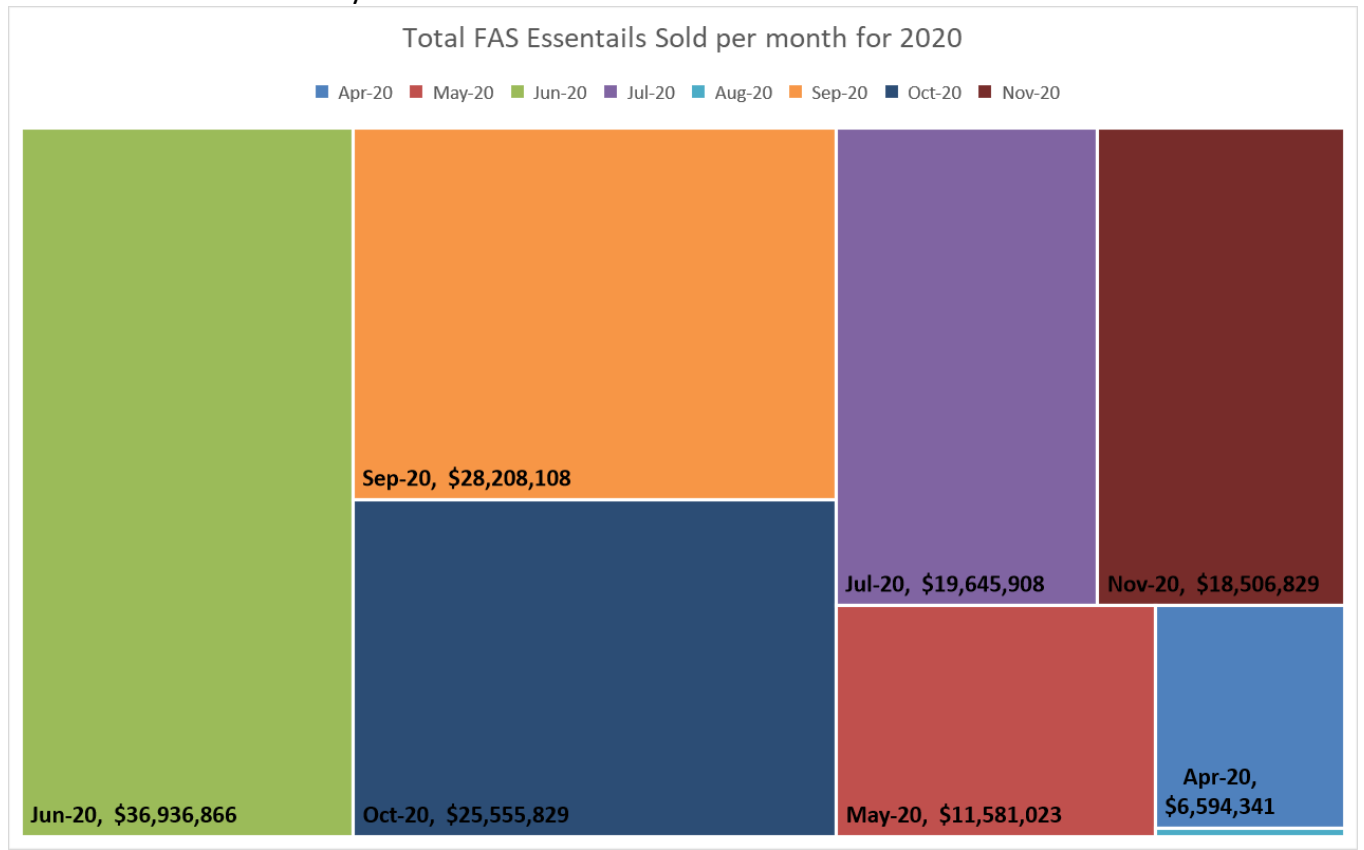
The spread of the new coronavirus remained a public health crisis which posed a serious risk to the macro economy through the halt in production activities and decreased the access of importers’ supply chains.

PURPOSE

To aid in the importation of essential items by making foreign exchange available to importers in the following sectors:



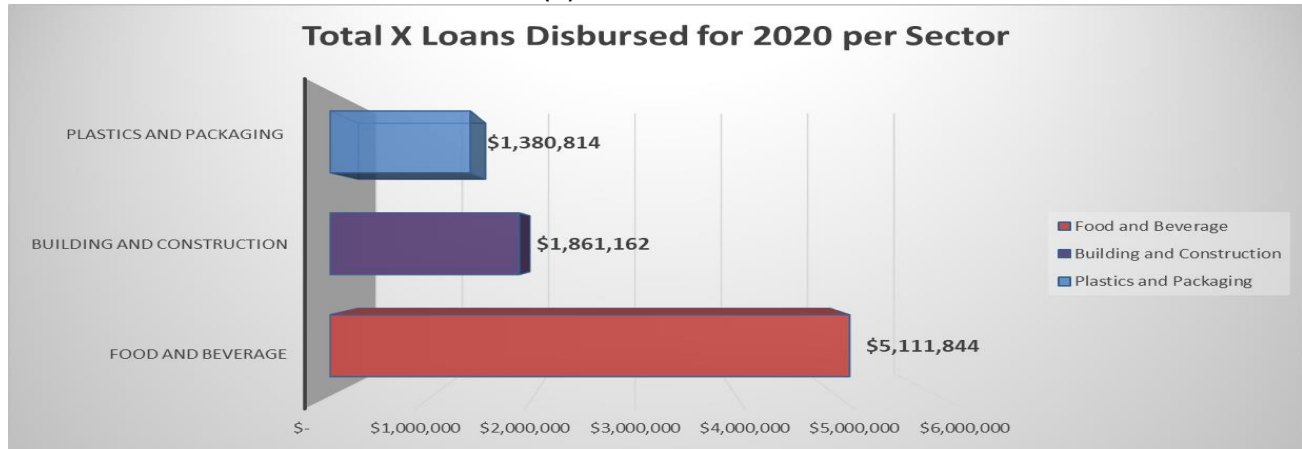
Total FAS Essentials Sales for 2020 per month is graphically displayed below in USD. Sixty-Six (66) clients accessed this facility in 2020.



B. X-LOAN

In 2020, the Board of Eximbank approved the “X-loan”, a Diversification Product of the Forex Facility, where exporters can purchase USD equipment and repay in TTD. The objective was to maintain and improve factory operational efficiency.

X -Loans disbursed in 2020 in TTD to five (5) clients are as follows:



C. MORATORIUM COVID-19 RELIEF

In 2020, the citizens of Trinidad and Tobago were faced with increased ramifications of the COVID-19 outbreak and the respective preventative measures implemented, thereby shaking the definition of “the normal course of business” for companies nationwide.

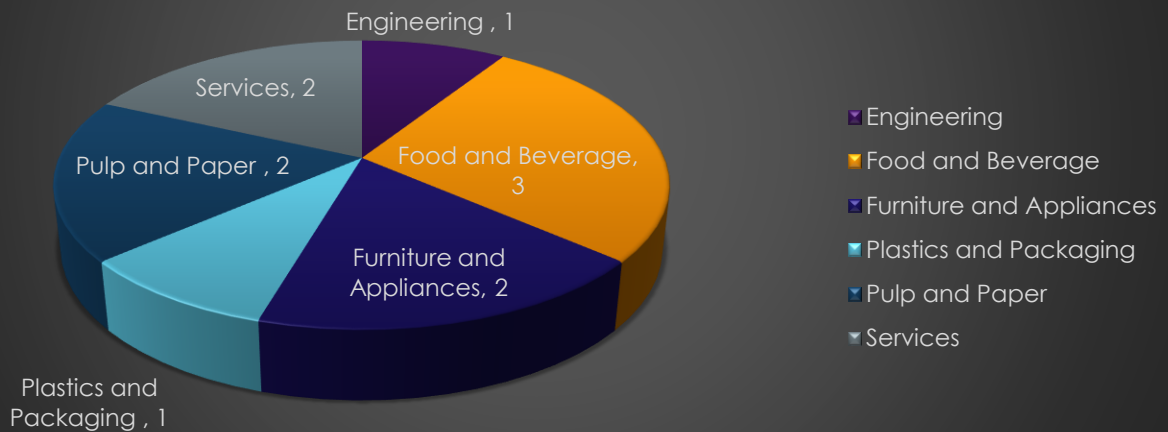
Companies were adversely affected by disruptions in global supply chains brought about by COVID-19 restrictions, irregular demand behaviour from panic buying and supply constraints due to the closure of non-essential businesses and the implementation and extension of the stay-at-home order.

As such, Eximbank in accordance with the Central Bank guidelines issued a Moratorium Relief Program to assist the business community in these trying times to ease the socio-economic distress.

EXIMBANK’S MORATORIUM PROGRAM

- Moratorium on Principal payments were implemented only for an initial three-month period for good standing clients. This means clients with their loans up to date. The option to extend the moratorium for a further three (3) months was made available to these clients based on the country’s economic position.

Number of Loans per Sector that was approved under Moratorium Program in 2020



VII. ACCOMPLISHMENTS

- In an attempt to mitigate the delinquency rate, manage risk and provide some level of fiscal relief to our clients, during the COVID-19 pandemic, the Credit Team, as instructed by the Board of Directors, implemented the following.
- Principal Moratorium on Demand Loans for three (3) months, for clients in good standing.
- Rolling of Trade Discounting Contracts.
- Increase Interest Rates on existing lending products at the renewal stage.
- It should also be noted the existing collateral was revaluated and additional tangible security pledged where needed.
- The diversification of the Forex Facility, which birthed the “X Loan”, a USD asset financing facility, repayable in TTD.
- Successful Implementation and Completion of the FAS Essentials Program.
- Forex 3.0 Calculations were improved to achieve the desired target of USD 100M to 100 clients.
- Work from Home Systems implemented and displayed increased productivity despite Covid -19 disruptions.

VIII. CONCLUSION

2019- 2020 presented many unforeseen encounters to the Bank and by extension the country of Trinidad & Tobago. 2020 was the most challenging as team members had to adapt to living with the uncertainties of COVID-19 in their workplace and home; they had to adjust to a “new way” of doing business while practicing social distancing. Businesses were forced to reassess their financial obligations and Capex requirements for growth and expansion. Contingent strategies had to be implemented when dealing with delays and cuts in global supply.

Yet, in spite of all of these challenges the Eximbank Team Delivered! The Eximbank Team was able to reach a new level of success when most businesses were facing the exact opposite. The FAS Essential Items Program was Delivered On Time, On Budget and On Target. This success then grabbed the attention of stakeholders and the business community so much that we were engaged to do a second FAS Essential Items Program and from the above we can conclude, that once again, we Delivered On Time, On Target and On Budget.

The success does not end here. The Credit Team also achieved a breakthrough of allocating USD 100M to 100 Clients in the Manufacturer’s Forex Facility. What was once thought unattainable at year’s beginning was now attained at year’s end. Our new X-Loan Facility, a by-product of forward thinking (pre-COVID-19), which also saw its own success as we are rebuilding our Lending Portfolio with Top 40 Exporters. The Eximbank was able to do what other financial intuitions could not. We were able to be that pillar of support that allowed manufacturers to retain their Capex Plans for growth and expansion with minimal foreign currency risk, and most importantly, save jobs!

PROVISIONS BY SECTOR

Building & Construction	\$6,826,362.80
Chemicals & Household Products	\$4,105,977.71
Clothing & Accessories	\$297,313.51
Cosmetics & Toiletries	\$9,662,792.03
Food & Beverages	\$12,669,533.62
Fuel & Oils	NIL
Furniture & Home Appliances	\$5,333,820.87
Hardware & Lumber	\$3,145,941.10
Pharmaceuticals	NIL
Engineering	\$8,292,703.99
Wholesale Distributions	\$11,357.74
Electronics	\$2,394,643.63
Plastics & Packaging	\$2,839,170.21
Paper & Pulp	\$127,633.75
Stationery & Office Materials	\$3,966,123.60
Automotive & Electrical Supplies	NIL
Agriculture Supplies	NIL
Precious Stones & Gems	NIL
Services	\$29,375,506.72
TOTAL	\$89,048,881.28

LOAN LOSS PROVISIONING

CLASSIFICATION OF LOANS

Past Due were classified in the following categories and the course of action to be pursued at each stage is stated. A monthly report on aged analysis of Past Due Accounts was presented to Management for information and discussion. Reports were presented to the Credit Committee and the Board of Directors at board meetings.

Stage	Description	Course of Action
Past due<90 days	Loans in arrears 30-89 days. Prospects of recovery from business operations are good	Credit Officer were in constant contact with the client following for payment. Reminder notices were sent every Monday and regular modes of communication executed and recorded. All accumulated interest and principal were collectable. No provisioning necessary.
90<Delinquent<180	Ad hoc payments to accrued interest and/or principal sum. Client was in communication with the bank and the prospect for recovery was considered fair.	<ol style="list-style-type: none"> 1. Client was placed on Eximbank Watch list and Exception Report, of which, updates were reported weekly to Management. 2. Credit Officer was in communication with the client to restructure and consolidate loan in accordance with a repayment plan. As a condition for the restructuring/rescheduling, three consecutive payments must have been made prior to restructuring the account. 3. Security was assessed to determine its value. Loan were sent to Recoveries department for follow up if needed.
180<Delinquent<360	Recoveries department would follow up.	<ol style="list-style-type: none"> 1. Client was contacted by Recoveries Officer and situation evaluated. 2. Account were classified as non-performing and the accrual of interest ceased.

Stage	Description	Course of Action
		<ol style="list-style-type: none"> 3. Loan restructuring may be in place but payment not being received in accordance with the repayment schedule. Recovery Officer and or Recovery Manager met with the client regarding reason for the non-adherence to the repayment plan. 4. Formal Demand Letters were sent if deemed necessary. 5. Security was assessed and up stamped if necessary. 6. An initial provision of 5% -20% at the discretion of the Management/Credit Committee was considered.
Protracted Delinquency	The principal sum and accrued interest remains unpaid for a period in excess of 360 days and the prospects for full or any recovery is considered to be remote. Bad Debt provision is considered if loan is unsecured or security is inadequate to cover the loan amount.	<ol style="list-style-type: none"> 1. Instituted all measures to recover the Bank's funds including liquidation of securities and pursuit of legal action to recover any residual amounts. 2. Make specific provision for loan loss 3. Full report to board with recommendation for provision if required. 4. Write-off of residual amounts if all efforts to collect have been exhausted. 5. A provision of 50% was considered and increased to 100% as necessary.

RESTORATION OF ACCOUNTS FROM NON-PERFORMING TO PERFORMING

Restoration of Non-Performing Accounts to Performing accounts were considered after the client had cleared all accrued interest and/ or demonstrated the ability to make consistent payments of principal and interest for a minimum of three months to realign the loan with the covenant Terms and Conditions of Eximbank.

The client also provided evidence that the business was on a path to recovery and payments will be forthcoming on a regular basis, supported by projected cash flows projections and a new business plan, based on a restructuring of the facility which will include principal and interest in accordance with the new arrangements.

The security position was re-evaluated to ensure its adequacy for the debt or in cases where it can be improved this was pursued.

It was then classified as performing and all interest from date of non-accrual to date restored as performing should be recorded.

CESSATION OF THE ACCRUAL OF INTEREST

The cessation of the accrual of interest past 180 days was considered, once a loan was in arrears. The category “Protracted Delinquency described when no payment was made either to principal or interest for over 180 consecutive days.

MAKING AND REPORTING A LOAN LOSS PROVISION

Once a loan was classified as “Protracted Delinquency/Default” a loan loss provision was raised for this loan after consultation with the Manager of Recoveries & Securities and the Chief Executive Officer, when the liquidation of security is deemed to be inadequate to cover the full principal and interest accrued to date. All loan loss provisions raised were reported to the Credit Committee meeting.

Specific Provisions:

The Bank scanned the entire credit portfolio and with respect of impaired credit, making full provisions for the unsecured portions after considering the realizable value of the security available if any. This was a prudent approach and compared favourably with norms required under prudential norms under ***FIA Prudential Norms:***

Provisions were considered for potential losses arising out of the unsecured portion of delinquent accounts:

- Loans over 180 days in arrears were considered for an initial provision of 5% to 20% at the discretion of the Credit Committee.
- Loans over 365 days in arrears were considered for a 50% provision at the discretion of the Credit Committee.
- Consideration was given to increasing provisions to 100% by year three (3). But providing there remained a reasonable expectation of collectability which could be protracted over a longer period.

A general provision of a minimum of 0.5% of the credit portfolio, not examined account by account would be made. If the percentage of credits not examined account by account exceeds 25% of the total credits, the general provision was increased to 0.75% of the total portfolio, not examined account by account. Records were maintained to show the portfolio examined account by account.

CREDIT RISK MANAGEMENT

- Credit Risk was managed by ensuring a well-diversified portfolio and active supervision/monitoring. The Risk Management Framework approved by the Board was the basis for evaluating asset quality. Portfolio concentration was monitored regularly to avoid undue concentrations in any particular industry/promoter group.
- Specification of credit exposure norms within the regulatory and internally laid down broad exposure norms and monitoring the same was also used as a risk management tool. All credit proposals were independently reviewed by the Assistant Manager and Manager of Credit and Treasury.
- Regular reviews of sectors in which the Bank has high exposure were conducted. Credit quality of existing exposures on an individual as well as portfolio basis, were monitored at regular intervals as a measure to control portfolio quality. This enabled the detection of early warning signals in cases of deterioration in asset quality, to facilitate pre-emptive actions.
- In the process of credit risk management, credit rating of the borrower remained a useful parameter and was reviewed periodically.
- Appropriate authorization/delegation of powers was laid down in order to ensure that sanction/post-sanction decisions were well informed and taken at appropriate levels in the organization.
- Segregation of duties through effective functioning of front, middle and back offices were ensured. This segregated business development, credit administration, compliance and transaction processing.
- In order to aid effective portfolio management, credit risk models and appropriate performance measurement systems would be developed in due course.
- Quarterly Risk and Sector Reports were produced by the Assistant Manager Credit and Treasury and presented to the Board.

CREDIT ADMINISTRATION

The post sanction monitoring and follow-up of accounts assumed significance in order to ensure that:

- The credit exposure continued to remain within the acceptable level of risk during the tenor of the exposure.
- There was timely recovery of interest and principal from the borrower.
- The security provided for the Bank's exposure was constantly monitored and safeguarded.

The monitoring essentially focused on the performance of the borrower to evaluate whether they agreed with the plans submitted at the time of appraisal. The credit monitoring was done both on-site and off-site.

On-Site Monitoring

The on-site monitoring focused on:

- Operational review of the account like routing of sales revenue, utilization of working capital funds made available, routing of purchase/sales bills, timely retirement of bills/payment of cheques.
- Performance evaluation of the borrower in terms of turnover, capacity utilization, profitability, leverage and liquidity via projections at the time of assessment.

Whilst the lower-level functionaries completed the operational review from the records maintained at the department, the performance evaluation was carried out through scrutiny of stock statement, cash budget, cash flow statement, unaudited quarterly financial results and other information formats received/stipulated from/for the borrower.

Off-site monitoring:

- Periodical/surprise inspection of the borrowers' premises.
- Market reports.
- Call reports

Follow up, Review and Renewal

The Policy recognized the importance of timely review/renewal exercise as part of credit monitoring. A compulsory review of all borrower accounts was completed annually or earlier, for accounts that required close monitoring.

Internal audit and irregularity reporting were additional checks for credit administration.

HUMAN RESOURCES

I. Response on EXIMBANK's Covid-19 Implementation:

The measures that were implemented to address the impending challenges faced by the EXIMBANK during the Covid-19 pandemic.

RESPONSE:

On March 18th, 2020, the Government of Trinidad and Tobago (GORTT) announced numerous measures to be implemented to provide economic relief to citizens and businesses over the following months as all sectors continue to be impacted by the Covid-19 pandemic.

One of the Government's primary strategies was increasing the availability of foreign exchange in the system through the Export Import Bank of Trinidad and Tobago (Eximbank), to prioritize the purchase of food, pharmaceuticals and other related essential need items. The spread of the new coronavirus is a public health crisis that could pose a serious risk to the macro economy through the halt in production activities and decrease in the access of importers' supply chains, hence the government's implementation of countercyclical policy strategies to aid in these unfortunate times.

Subsequent to this, the Prime Minister announced that the county will undergo a temporary lockdown from March 29, 2020, until April 15, 2020, as an urgent measure to limit the spread of Covid-19.

The management team at Eximbank came together and mobilized its staff and resources to begin working from home to carry out the mandate of the Government of Trinidad and Tobago as well as its core functions.

The Bank was faced with many challenges as it worked to ensure consistency in the high level of service to its current and new customers as well as implementing measures to safeguard the health and well-being of its employees during the Covid-19 pandemic.

Some of the areas that were impacted included the following:

- 1) Setting up and digitizing the Bank's operations for the work from home transition. The management and staff had to engage in the following activities in a very short space of time:
 - The setting up of the digital process flow and documenting the business process
 - Creating and implementing new documentation to facilitate online work from home
 - The setting up of a Moratorium System for the Bank's Clients
 - The setting up and implementation of the system
 - Adjustments to disbursement procedure to facilitate new set up
 - Other finance and credit adjustments to facilitate new set
 - Processing application forms; ensuring adherence to procedures
 - IT set up / training / Security Audits / Technical support
 - Enhanced AML/ CFT Checks
 - Internal Auditing of processes
 - Managing and leading staff remotely – supervising / motivating / communicate / training
- 2) Activation of the Business Continuity Plan and the Crisis Management Plan for Infectious Diseases Outbreak Management.

This required the management team to meet and review the two (2) plans and ensured that all the relevant procedures were in place to facilitate recovery of critical business processes during the disruption, while minimizing impacts on operations, revenue and reputation. Some of the items that needed to be considered included equipping employees with computer devices,

assessing employees' home network security requirements, sufficient VPN licenses and infrastructure. The Bank had to also test its Call Tree which was successfully done on April 23, 2020. Each person had to take up their responsibility as outlined in the Plans.

3) Implementation of Health and Safety Measures

Management had to implement measures to prevent the spreading of COVID-19 in the workplace. These measures included the following:

- Conducting a Risk Assessment
- Installation of Covid-19 signage throughout the company
- Implementation of Temperature checks
- Practicing of Physical distancing
- Replacement of face-to-face meetings with Virtual meetings
- Replacing the face-to-face team huddles with e-huddles
- Ensuring persons wear Face Coverings
- Increasing the Facilities and Surface Sanitisation in high touch areas
- Enforcement of hygiene protocols including regular washing of hands, use of Lysol and gloves as required
- Installation of external Sink for handwashing
- Installation of Hand Sanitizers throughout the company
- Implementation of Staff Rotation Schedule / Work from home
- Installation of Acrylic Barriers for protection at Reception area and staff Cubicles
- Training / discussion with staff on Covid-19 Protocols, Coping with Stress, etc.
- Encouraging Staff to utilise EAP sessions as required
- Establishment of Return-to-Work Guidelines Post Covid-19

Eximbank continued its efforts to review its operations to ensure that it remained vigilant in ensuring strict compliance to the health and safety protocols to prevent the spread of Covid-19 virus. Management also continuously implemented measures as required to mitigate any challenges that may affect the Bank's operations or the effectiveness of its service delivery.

(See Appendix II – Eximbank Pandemic Response Procedures)

II. Human Resources:

CAREER PATH

Career paths are important for attracting, retaining, and developing employees. They were important in assisting the organisations in offering career options to employees that would allow them to determine their job selection that best matches their skills, experience, and interest. It was

an important process which enabled employees to recognize and utilize available resources to make career-related decisions.

This process offered both Management and Staff the opportunity to engage in discussions on the employees' future goals and training opportunities for developing internal skills to achieve the Bank's business goals and to facilitate the advancement and achievement of personal goals.

Management was cognizant to the fact that career pathing had a direct impact on the entire organization by improving morale, job satisfaction, motivation, productivity, and also increase enthusiasm in achieving the Bank's goals and objectives. Accordingly, attention was given to this area during the Bank's annual performance management reviews which provided Management with the relevant information to prepare the employees' Development Plan as they progressed in their career within the Bank.

PERFORMANCE ASSESSMENT / MANAGEMENT STRATEGIES

Performance management was an integrated approach to helping the organization achieve its aims and objectives by monitoring and improving the performance of people, teams, and the Bank as a whole. Therefore, Management aimed to ensure that its annual performance assessment exercise provided an equitable measurement of the employees' contribution to the achievement of the Bank's strategic priorities.

This process assisted Management in setting clear objectives, evaluating performance, and offered feedback in an effective manner. It also provided for defining boundaries by ensuring employees were aware of what was acceptable and establishing a plan for monitoring performance and re-evaluating the employee.

Management's strategies include using the performance assessment to motivate staff to do their best and also to promote staff recognition and improving communication within the Bank. Management encouraged fairness and accountability and promoted the growth and development of its workforce.

This exercise assists management in its long-term succession planning and guided the development of its training plan to enhance employees' strengths and address any skill or knowledge gaps that were identified. Department managers were also encouraged to coach and mentor employees to attain their career goals.

PROMOTION / SELECTION PROCEDURES

The promotion of employees within the Bank was based on existing vacancies. The main criterion for promotion was the suitability of the applicant for the position and Management was guided by the internal policy and the Collective Agreement with the recognized majority Union.

The procedure included internal advertising of the position and selecting the best suited applicant based on qualifications, experience, competence, ability and seniority. Where the first four (4)

factors are equal, seniority took priority. In an instance where there were no suitable candidates within the Bank, Management sought to attract the required skills externally.

EMPLOYEE SUPPORT SERVICES

The well-being of employees remained a major concern and Management provided them with the reassurance that there was a system in place to assist them in navigating life issues that may impact their ability to perform at work.

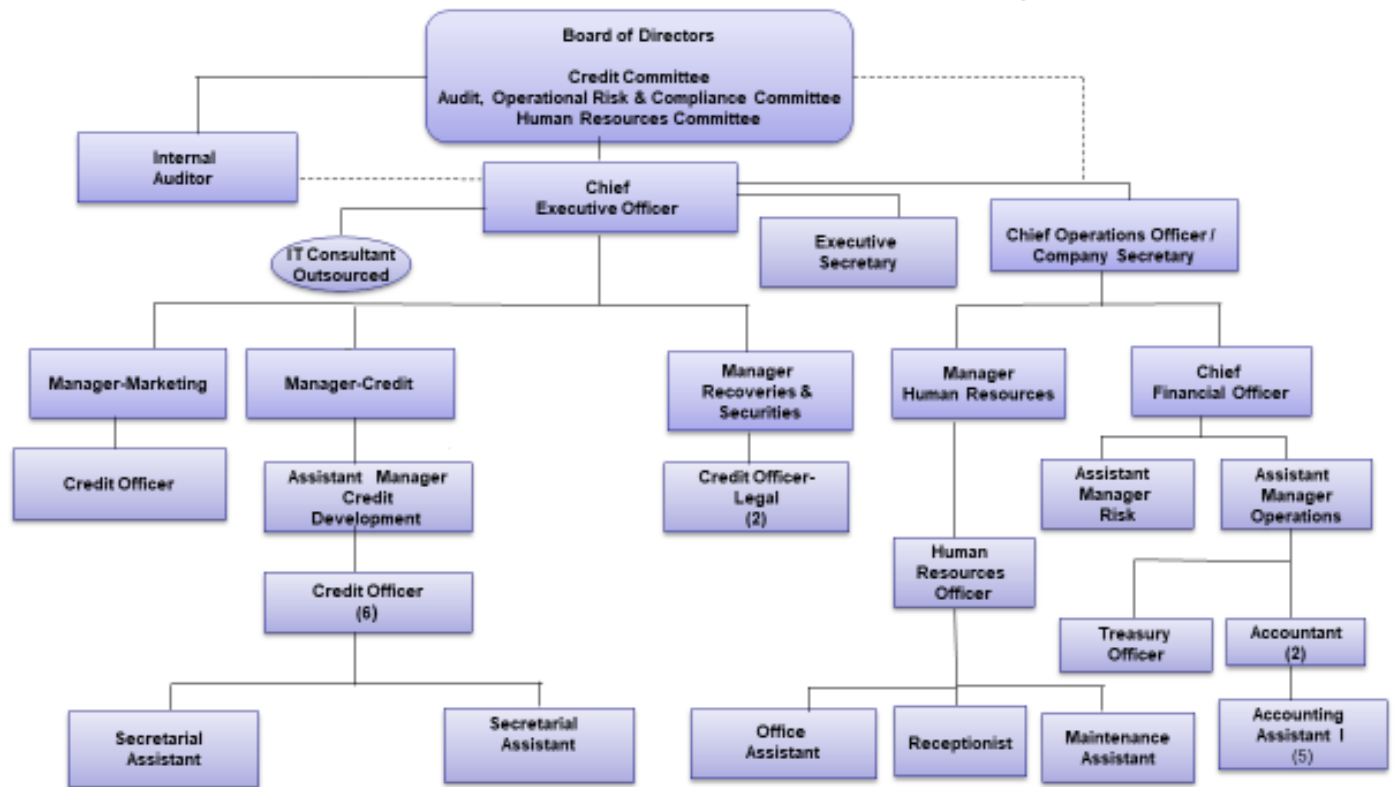
The Bank's Employee Assistance Programme (EAP) provided confidential access to professional assistance to employees at no cost during times of crisis or difficulty in coping with problems of any nature. The programme offered counselling session in confronting personal problems such as alcohol and other substance abuse or depression, marital and family difficulties, and financial or legal troubles.

Eximbank will continue to fund this programme as it is a valuable resource that can help employees cope with issues affecting their ability to reach that potential. The programme was extended to all employees as well as their spouse and dependents. The programme was also accessible to Management in addressing work-related problems. Managers were encouraged to refer employees for counselling to deal with performance and behavioural issues.

CATEGORY OF EMPLOYEES

CATEGORY	NUMBER
Executive Management	3
Managers	5
Senior Staff	5
General Staff	19
Contract Staff	1
Temporary Staff	2
Total	35

EXPORT-IMPORT BANK OF TRINIDAD & TOBAGO LIMITED ORGANISATIONAL STRUCTURE AS AT DECEMBER 31, 2020



No. of Approved Positions: 35

INTERNAL AUDIT ROLE AND FUNCTION

- Develop a flexible audit plan using appropriate risk-based methodology, including any risks and control concern identified by Management and submit that plan to the Audit Committee for review and approval.
- Implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by Management and the Audit Committee.
- Ensure that the function has sufficient knowledge, skills, experience and professional certifications to meet requirements.
- Perform consulting services beyond internal audit assurance services to assist Management in meeting its objectives. Examples include: - process design, training and advisory services.
- Issue periodic reports to the Audit Committee and Management summarizing results of audit activities.

- Assist in the investigation of significant suspected fraudulent activities within the organization and notify Management and the Audit Committee of the results.
- Keep the Audit Committee informed of emerging trends and successful practices in internal audit.

PROCUREMENT PROCEDURES

EXIMBANK’s procurement policy was structured to suit its size, needs, organizational structure and resource capability. The procedures below cover the type of goods and services procured by the bank and provide an efficient process while ensuring an internal control framework of accountability, integrity and transparency in the process.

Professional Services

1. Within approved budget guidelines, specific managers were authorized to employ external professional services on behalf of the Bank. The delegated responsibility were as follows:

Professional Service	Authorized Manager
Accounting / Information Technology	Chief Financial Officer
Legal	Manager Recoveries and Securities Manager Credit and Business Development
Advertising and Promotion	Manager Credit and Business Development Chief Financial Officer
Human Resource	Manager Human Resource
Other	Chief Financial Officer Manager Human Resources

2. Before submitting to the Finance Department for processing, invoices contained the following:
 - Signature of the authorized Manager which forms a confirmation that the services being charged to the Bank were received.
 - A short notation on the invoice which states the business purpose of the service.
 - The authorization by the Chief Operations Officer which represents a review of the invoice and the instruction to the Finance Department to proceed with payment.

Given the small size of the Bank, the Chief Operations Officer (COO) would have had an indirect involvement in the procurement process. However, the COO was mainly independent of the

process. The COO was never directly involved in the process by actively seeking, selecting, communicating, and negotiating with a supplier for a service that was requested.

3. Payments were made on an original invoice in order to prevent duplicate payments. If for some reason, a copy was submitted, the Officer would have verified with the Finance Department that an original was not already submitted. The top of the copy invoice was then marked 'paid on copy.'
4. In all instances, the Bank invited three (3) competitive bids for a purchase of TTD 25,000 or more and this process required approval by the Chief Executive Officer. The competitive bid was waived only where the service was available from one (1) supplier only or where an appropriate circumstance existed which justified the solicitation of the service from one (1) supplier. This waiver was approved by the Chief Executive Officer and the Chief Operations Officer.

Contracts

A one-off or constant supply of goods and services can be engaged on a contract basis by the Bank. Goods and services such as building maintenance and construction, IT services, water refills and rentals were engaged on a contract basis. Such an arrangement followed these procedures: -

1. The initial selection and renewal of a supplier followed a competitive bidding process that was determined by Management depending on the service being sourced.
2. The competitive bid was waived where the service was available from only one supplier or where an appropriate circumstance exist which justifies the solicitation of the service from one (1) supplier. This waiver was documented and approved by the Chief Executive Officer and the Chief Operations Officer. Board approval was required depending on the size of the contract.
3. Contracts were signed with proper authority. The Chief Executive Officer and the Chief Operations Officer approved contracts up to TTD 100,000. Board approval was required if the costs of the services acquired for the contract duration was greater than this amount.
4. Contracts covered the entire life and duration of a project or service to be provided to the Bank.
5. The Chief Operations Officer administered contracts by ensuring and performing the following: -
 - The original and signed contracts were properly filed and retained
 - A supplementary copy was sent to and retained by the Internal Auditor
 - The contract was monitored in terms of responsibility, cost and performance
 - Resolution of issues with the supplier
 - Authorization of invoice payments upon satisfactory receipt of goods and services

The Chief Financial Officer will administer IT related contracts for goods and services.

6. Payments were made on an original invoice only in order to prevent duplicate payments. If a copy was submitted, the Officer verified with the Finance Department that an original has not already been submitted. The top of the copy invoice was then marked 'paid on copy.'

Other Purchases

Other purchases made by the Bank were in the form of:

- Staff welfare which comprised of the various goods, services and amenities procured by the Bank for the employees e.g. training, uniform, food, events, consumables etc.
 - Repairs and maintenance on buildings, equipment and motor vehicles
 - Sundry goods and services
1. Within approved budget guidelines the Chief Financial Officer and the Manager of Human Resources had the authority to procure directly or provide directive in the purchase of these goods and services. The Chief Operations Officer provided directive but could not directly procure goods and services.
 2. Three (3) staff members had the delegated authority to procure goods and services based on a directive from the named managers. These are the:-
 - Executive Secretary
 - Secretarial Assistant
 - Office Assistant
 3. The Bank physically receive goods ordered or a service provided. In contrast to this process, the Office Assistant physically purchased the goods from a vendor and was reimbursed via the petty cash process or cheque.

The staff receiving the goods or services did the following: -

- When goods were received, verified that the item received represents what was ordered and compared the merchandise to the vendor generated document e.g. Invoice. The merchandise and documentation would match in terms of the item that was ordered and the shipment is in the correct quantity and price. The invoice was then signed as evidence that this verification was performed.
 - When a service is provided, a confirmation was completed indicating the services performed were received. The invoice was then signed as evidence that this verification was performed.
4. The Chief Operations Officer signed the invoice to confirm that the purchase was reviewed, and the Finance Department was authorized to proceed with payment.

5. Payments were made on an original invoice only in order to prevent duplicate payments. If for some reason, a copy was submitted, the Officer verified with the Finance Department that an original has not already been submitted. The top of the copy invoice was then marked 'paid on copy.'
6. In all instances, the Bank invited three (3) competitive bids for a purchase of TTD 25,000 or more and this process required the approval by the Chief Executive Officer. The competitive bid was then waived only where the service is available from one (1) supplier only or where an appropriate circumstance exist which justifies the solicitation of the service from one (1) supplier.

FINANCIAL OPERATIONS

A. BUDGET FORMULATION

I. ECONOMIC LANDSCAPE

Global Economy

Economic growth in Advanced Economies (AEs) was weighed down by waning fiscal stimulus in the US and the effects of trade protectionist actions. Emerging Markets and Developing Economies (EMDEs) faced a more challenging external environment in 2019 due to softening external demand. The global economy slowed further in the Year 2019 over 2018. Important downside risks affected the Trinidad and Tobago economy. These are related to uncertainty on the international front—including developments in nearby Venezuela, tensions among major trading nations, volatility in energy prices, Brexit, and swings in financial market earnings.

Local Economy

The expansion in the energy sector has had a knock-on effect on the non-oil sector which had been sluggish for some time. The Trinidad and Tobago Manufacturers Association (TTMA) recently committed to convert Trinidad and Tobago into a model of production for the region by doubling manufacturing output through local and foreign investment.

Focus Economics panelists projected growth of 1.4% in 2019 and 1.5% in 2020.

Eximbank's Budget 2020

It is against this backdrop that the Year 2020 budget has been set. The budgetary approach has been one of caution entitled "**Business as Usual**".

II. LOAN PORTFOLIO MOVEMENT YEARS 2019 OVER 2018 & Year 2020 OVER 2019

1. At the close of Year 2019, there is a planned decrease in the loan portfolio over the Year 2018 of TT\$ 41.46M. This is the net effect of:
2. An increase in disbursements of \$ 8.47M and a write off in loans of \$ 49.93M

3. For the 4th quarter 2019 Interest income was below the monthly average based on clients who did not drawdown after their scheduled repayments as well as a restructure in December 2019.
4. Income for the 4th quarter can be corroborated as follows:

EXPORT IMPORT BANK OF TRINIDAD & TOBAGO LIMITED					
INTEREST INCOME ON PERFORMING LOANS - 4TH QUARTER 2019					
	Demand Loans	Raw Mat & Asset	Discounting	2019 4th Qtr	Below Market & Non Perf
	\$	\$	\$	\$	%
As at 01/10/2019	248,052,933	165,309,073	6,850,830	420,212,835	
Less: Non Performing Loans	(87,199,640)	(24,425,507)	(848,466)	(112,473,613)	27
Less: Grand-Bay Preferential Rates	(67,485,495)	-	-	(67,485,495)	
Trinidad Tissues Re Preferential Int Rates	(30,939,062)	-	-	(30,939,062)	23
Less: Repayments Not Renewed (Appendix A)		(66,329,249)			
Performing Portfolio As at 31/12/2019	62,428,735	74,554,317	6,002,365	209,314,665	
Average Interest Rate	8.00%	8.00%	8.00%		
Estimated Annual Interest - October to December 2019 <i>(Before New Loans & Repayments)</i>	1,248,574.69	1,491,086.33	120,047.29	2,859,708.32	

5. The Effective Interest Rate is 8% (except one Borrower-Group which is at the contractually reduced rates).
6. **Projected Interest Income for the Year 2020 on the Existing Portfolio** is budgeted at **TT\$ 15M** as follows:

EXPORT IMPORT BANK OF TRINIDAD & TOBAGO LIMITED						
PROJECTED INTEREST INCOME ON PERFORMING LOANS						
(BEFORE PROSPECTS & UPSELLING)						
FOR THE YEAR 2020						
	Demand Loans	Raw Mat & Asset	Discounting	Year 2020	Below Market & Non Perf	
	\$	\$	\$	\$	%	
As at 01/01/2020	202,806,832	149,051,411	6,535,835	358,394,079	100	
Less: Non Performing Loans	(53,579,130)	(16,061,210)	(32,900)	(69,673,240)	(19)	
Less: Grand-Bay Preferential Rates	(67,485,495)	-	-	(67,485,495)		
Trinidad Tissues Re Preferential Int Rates	(30,939,062)		-	(30,939,062)	(27)	
Performing Portfolio As at 31/12/2020	50,803,144	132,990,201	6,502,935	190,296,281	53	
Average Interest Rate	7.73%	7.60%	8.00%			
Estimated Annual Interest - Year 2020	3,927,083.06	10,107,255.31	520,234.79	14,554,573.16		
<i>(Before New Loans & Repayments)</i>						

7. Upselling and Prospects account for Interest Income of TT\$ 8.585M

7.1 Upselling on Trade Discounting and Raw Material Financing by Sector TT\$ 44.813M for the Year 2020:

7.2 Asset Financing By Prospects & Upselling for Year 2020 (TT\$ 79.61M) is projected as follows.

7.3 Disbursements on Asset Financing (TT\$ 76.248M)

7.0 Loans and receivables movements *(incl interest receivable)*

This item is budgeted to increase by TT\$ 110.10M (29.01%) or US\$ 16.31M for the Year 2020

LOANS & RECEIVABLES			
FOR THE THREE (3) YEARS 2018 TO 2020			
	2018	2019	2020
	\$'000	\$'000	\$'000
Customer Portfolio <i>(Incl Interest)</i>	421,073	379,612	489,723

Movement on the loan portfolio for year 2020

EXPORT IMPORT BANK OF TRINIDAD & TOBAGO LIMITED				
LOAN BALANCE AS AT 31ST DECEMBER 2020				
	Demand Loans	Raw Mat & Asset	Discounting	Year 2020
	\$	\$	\$	\$
As at 01/01/2020	202,806,832	149,051,411	6,535,835	358,394,079
Add: New Loans & Upselling				
USD		107,623,000	10,800,000	118,423,000
TTD		6,000,000		6,000,000
Add: Disbursements Existing Clients	69,964,810	50,360,777	32,401,875	152,727,462
Less: Collections from Non Performing Loans	-	(6,405,300)	-	(6,405,300)
Less: Loans Repaid - Performing Portfolio		(120,008,763)	(39,877,208)	(159,885,971)
As at 31/12/2020	272,771,642	186,621,125	9,860,503	469,253,270

II. LOAN PORTFOLIO MOVEMENT YEARS 2019 OVER 2018 & Year 2020 OVER 2019 (cont'd)

Movement on the loan portfolio for year 2020

a. The figures above show growth in the loan portfolio by 30.93% (TT\$469.26-tt\$358.40).

Growth due to:

- a. Full drawdown on Bladex US\$20M facility.
- b. Us\$ 10M additional amount from FCIB
- b. Collections on Non-Performing Loans are projected at \$ 6.40M with Media 21 at \$ 1.4M, Waterworks - \$1M, Canamax - \$.5M, Arima Door - \$.42M, Diamond Interiors - \$.4M
- c. Repayments are planned at \$ 159.9M.
- d. Average Interest Rates to be increased as follows as facilities mature:
 - Demand Loans - **8%**.
 - Asset & Raw Material Financing – **8%**
 - Trade Discounting – **8.00%**
- d. Average tenor – 120 days

8.0 Methodology Used By the Credit Department for Projections Qtr. 4 2019 & Year 2020:

8.1 "Upselling & New Loans/Prospects 2020:

- Discussions with current clients about their current operations and 2020 projected exporting activity.

- The number of new loans that were added to the portfolio during the 2019 financial year.
- The current economic status of the country. More specifically, the results from the Minister of Finance's 2020 Budget.
- The mindset of the exporter to increase exports taking into consideration the current restrictions of USD currency in the commercial banks and the current state of the economy.
- The majority of the exporters' security already being held by the commercial banks.

8.2 Existing Clients - The following was performed for "each" customer:

- The 2020 projection was estimated by looking at the historical trend of drawdowns under the USD & TTD facilities for the financial years 2019 (Jan – Oct), 2018 & 2017
- The repayment history of the customer
- The history of the customer with Eximbank
- The financial performance of the company for the years, 2019, 2018, 2017 “

III. PROVISION FOR LOAN LOSSES

1.0 Year 2019 Computation – Basic Methodology as per the Model was used here (still to fine tune with Macro Indicators and Collateral Valuation as at 31st December 2019)

The Projected Financial Statements as at 31st December 2019 includes a provision for loan loss for the Year 2019 of \$ 23.26M

2.0 Year 2020 ECL Computation – This was estimated using the following assumptions (as guided by the CEO):

- PD
 - The PD for the full portfolio as at December 31st 2019 was assumed to remain as at December 31st 2020
- Recovery Rate
 - The amounts expected to be received for Diamond Interiors (already received in 2020) and CASAT have been added to the figures for 2019 to derive a recovery rate for 2020
- New Customers
 - All customers were treated as stage 1 with no delinquency
 - All loans were treated as having a collateral value of 50% of the loan value
- Current Portfolio
 - The current portfolio ECL which was projected for December 2019 was taken as remaining steady going forward to 2020.

Basis provided by CEO Navin Dookeran

This resulted in a write back of TT\$ 8.415M

ECL Movement Years 2018 to 2020

The movement on the Loan Loss Provision for the Years 2019 and 2020 is as follows:

PROVISION FOR LOAN LOSSES			
AS AT 31ST DECEMBER 2020			
	As at		As at
	31/12/2019		31/12/2020
	TT\$ '000		TT\$ '000
Opening Loan Loss Provision	119,085		92,424
Add: Projected Provision for Year	23,262		(8,415)
Les: Bad Debt Recovered/(Written Off)	(49,923)		-
	92,424		84,009

IV. DEFERRED INCOME – GORTT SEIP SUBVENTION

Made in TNT – Receipt of TT\$6M from GORTT:

- a. The **\$6M GORTT Advance is to be treated as Deferred Income**
- b. \$ 3.7M is a repayment for Eximbank’s Initial Outlay as at 31st December 2019. This amount has been booked in Income for the Year 2019.
- c. Eximbank will spend TT\$1M out of the GORTT \$6M SEIP Advance in the Year 2020

V. FOREX FACILITY

1. Effective 12th July 2018 - TT\$35M was received from Ministry of Finance to commence the Forex initiative.
2. Eximbank assumed the facility to operate as a Revolving Loan of TT\$35M
3. Interval for Purchase of US Dollars from the Central Bank of Trinidad and Tobago (CBTT) - Per direction received from MOF Nov 2018 - When US Balance reaches US\$ 300K to \$500K
4. Actual USD Purchase from CBTT from inception to 31st December 2019 is \$20M at an average exchange rate of TT6.77551 for US\$1:

USD FOREIGN EXCHANGE PURCHASE			
AS AT 31ST DECEMBER 2019			
Drawdown	Rate	Amount	
Date	(%)	TT\$	US\$
2018			
12-Jul	6.77830	35,000,000	5,163,537
2019			
06-Feb	6.76440	32,715,773	4,836,463
		67,715,773	10,000,000
30th July	6.79930	31,500,000	4,632,800
		99,215,773	14,632,800
05-Dec		36,294,415	5,367,200
Avg Rate	6.77551	135,510,188	20,000,000

5. **Assumptions for Year 2019 And 2020 are as follows:**

- Projected USD Purchase and Sales for Year 2020 is US\$30M based on the GORTT's further approval of US\$30M bringing the facility to US\$50M
- The US\$30M to be drawn down in US\$5M allotments
- Budget 2020 does not include a foreign exchange gain
- Handling Fees - 1% on every US\$1
- Existing customers to display repatriation of funds for their respective trade cycles and continue to utilize the facility
- Collaboration with TTMA and other agencies to be employed to boost utilization of the Facility

VI. ASSUMPTIONS – BORROWINGS

- a. A Letter of Guarantee has been received from the Ministry of Finance in the amount of US\$20M for the Bladex Loan Facility.
- b. A Letter of Guarantee has been received from the Ministry of Finance to cover US\$10M in borrowings from First Caribbean International Bank.
- c. The Projections received from the credit department includes full use of facilities at (1) and (2) above.

1. Borrowings and Impact on Debt to Equity

Total borrowings as at 31st December 2020 is \$370.1M with utilization from approved Lines as follows:

LOC's - Approved & Utilized as at 31st December 2020								
	Approved	Amount		Secured/	Approved	Amount		Secured/
	Facility	Utilised	Balance	Unsecured	Facility	Utilised	Balance	Unsecured
	US\$M	US\$M	US\$M		TT\$M*	TT\$M	TT\$M	
Bladex	20.00	20.00	-	GORTT			-	
Scotiabank	7.300	7.300	-	GORTT*	44.680	39.49	5.19	GORTT
RBC	3.00	2.26	0.74	Unsecured	-	-	-	
FCIB	10.00	9.40	0.60	GORTT**	-	-	-	
	10.00	10.00	-					
	50.30	48.96	1.34		44.68	39.49	5.19	
TT\$M*	This facility can be drawdown in TT Dollars or US dollars							
GORTT*	Facility Matures April 2018 Letter of Guarantee received from GORTT on 15th November 2019							
GORTT**	Facility Matures July 2018 Letter of Guarantee received from GORTT on 15th November 2019							

2. Debt/Equity Ratio – Years 2016 to 2020

Debt/Equity Ratio						
	Actual	Actual	Actual	Actual	Budgeted	Actual
	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Debt	282,674.40	272,375.00	232,031.25	241,278.75	228,825.00	235,574.53
Equity	206,515.73	199,993.60	113,397.67	68,704.90	185,038.23	182,904.81
	1.37	1.36	2.05	3.51	1.24	1.29

3. Cost of Borrowings

Borrowing Interest Rates range between **3.94%** (*Secured Commercial Banks*) to **5.1515%** (*Secured Bladex*)

Interest Rates – Projected for Year 2019 and Budgeted for Year 2020:

SCHEDULE OF BORROWINGS AND RATES			
Actual Rates YTD			
FACILITY	Year 2019 Actual	Year 2020 Projected	Year 2020 Actual
SCOTIA BANK LOC			
	4.17% - 4.18%	-	-
	4.14% - 4.18%	-	-
	4.15% - 4.21%	-	-
	4.10% - 4.95%	4.12%	4.10% - 4.12%
	3.97% - 4.70%	4.12%	3.32% - 4.12%
	3.71% - 4.21%	3.43%-3.71%	3.33%-3.71%
	3.94% - 4.21%	3.38% - 3.94%	3.38% - 3.94%
	3.94%	3.43% - 3.94%	3.43% - 3.94%
	3.90%	3.43% - 3.90%	3.43% - 3.90%
	3.68%	3.33% - 3.44%	3.33% - 3.68%
	-	3.44%	3.44%
	-	3.44%	3.44%
RBC			
	3.72%-4.42%	3.72% - 3.69%	3.67% - 3.69%
	4.23% - 4.37%	-	-
	4.18% - 4.37%	3.66% - 3.80%	2.72% - 3.67%
	3.72% - 4.18%	3.70% - 3.72%	3.67% - 3.70%
	3.81% - 4.27%	2.97% - 3.62%	2.72% - 3.67%
	3.80% - 4.24%	3.65% - 3.80%	3.65% - 3.67%
	3.74%	3.68% - 3.74%	3.67% - 3.68%
	3.68%	3.68% - 3.74%	3.67% - 3.68%
	-	-	2.72% - 3.72%
	-	3.72% - 3.22%	3.22%
BLADEX LOC			
	4.89%-5.65%	2.90% - 5.15%	2.90% - 4.89%
FCIB LOC			
	4.26%	3.82%	3.82% - 4.26%
	4.02%	3.82%	3.82% - 4.02%
	4.04%	3.82%	3.82% - 4.04%
	4.02% - 4.04%	3.82%	3.82% - 4.02%
	4.26%	3.82%	3.82% - 4.26%
	4.26% - 4.28%	-	-
	4.28%	2.33% - 3.82%	3.49% - 3.82%
	-	3.49%	3.49%
	-	-	2.33% - 3.82%
	-	-	2.28%
	-	-	2.06% - 3.49%
	-	-	2.02% - 2.05%
SCOTIA BA			
	3.45%	3.45%	-

VII. CASH BALANCE - FOREX

1. Available TTD funds from sale of the US Dollars as well as US Dollar Balances available to lend will be treated as follows:
 - a. Segregation of Funds - Forex Funds will be segregated from Eximbank's Banking Operations Funds for banking operation.
 - b. Forex Cash On Hand – Will be Invested in safe instruments to yield the highest return on the local market.
 - c. The Cash Balance on this facility (USD and TTD) would equate to the Original Revolving Loan Amount of TT\$35M

VIII. CAPITAL EXPENDITURE

Fixed Assets

- Leasehold Improvements - \$ 150K Capital Works on the building.
Furniture & Equipment - \$ 620K. (Generator for TT\$ 420K included)
- Software Development – \$ 345K.
- Computer Equipment - \$ 50K.
- Motor Vehicles – Year 2019 – CEO: \$562.5K and Year 2020 Vehicles for MGR Recoveries/COO/CFO: \$281.25K/\$393.75K/\$339.5K.

IX. FOUR YEAR NET PROFIT/(LOSS) ANALYSIS – YEARS 2017 TO 2020

STATEMENT OF COMPREHENSIVE INCOME					
YEARS 2017 TO 2020 COMPARATIVES					
	YEAR				
	2020 Actual \$'000	2020 Budgeted \$'000	2019 Actual \$'000	2018 Actual \$'000	2017 Actual \$'000
Interest Income	16,987	12,890	18,763	16,725	19,192
Interest Expense	(8,890)	(9,694)	(11,659)	(12,399)	(9,254)
Net Result on Financing Activities	8,096	3,196	7,104	4,326	9,938
Income - Foreign Currency Dealership	29,627	22,449	893	222	-
Fees and Commissions	2,091	2,335	1,977	1,088	936
Profit/Loss on Insurance Operation	18	350	99	984	2,010
Investment Income	1,230	1,462	1,007	1,427	988
Unexpired Risk	3	-	3	69	
Other Income	1,555	326	3,763	2,708	2,606
Total Income	42,620	30,116	14,847	10,824	16,479
Administrative Expenses	(21,267)	(15,011)	(14,005)	(12,883)	(11,829)
Profit/(Loss) Before Tax & Loan Provision	21,353	15,105	841	(2,059)	4,650
Loan Loss Release/(Provision)	(9,537)	2,654	(45,470)	(15,519)	(10,949)
Impairment on Intangible Assets				(687)	
Profit/(Loss) Before Tax	11,816	17,759	(44,629)	(18,265)	(6,300)
Taxation	(616)	(3,926)	(64)	306	(223)
Profit/(Loss) After Tax	11,200	13,833	(44,693)	(17,960)	(6,522)

Profitability – Year 2017 to 2020

- The **Year 2020** budgeted results reflect a **Profit of \$13.83M**
- The **Year 2019** shows a **Loss of \$44.69M** due to Expected Credit loss (ECL) of \$ 45.47M compared with
- The **Year 2018** results of a **Loss of \$ 17.96M**

X. INTEREST EXPENSE

- Budget for Year 2020 - TT\$ 9.69M. The reduction is due to repayments of loans.
- Actual for Year 2019 - TT\$ 11.659M.

XI. OPERATING EXPENSES (CONT'D)

XII. FINANCIAL ANALYSIS

- a. **Interest Income** – A **\$ 5.87M** decrease (**31.3%**) over 2019. This is planned for the existing products.

	Actual Year 2016	Actual Year 2017	Actual Year 2018	Actual Year 2019	Budgeted Year 2020	Actual Year 2020
	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$
Interest Income						
Income on Trade Discounting	1,112,117	591,478	498,124	539,042	433,361	625,599
Income on Raw Material & Asset Financing	11,190,024	9,370,329	7,016,476	12,068,299	6,039,511	11,076,415
Income on Demand Loans	8,279,370	8,272,056	8,203,805	6,142,574	6,416,967	5,184,665
Interest Income on Overdue Facilities	2,550,515	957,874	1,006,897	12,839	-	100,000
Interest Income	23,132,026	19,191,737	16,725,303	18,762,754	12,889,840	16,986,679

b. Loan Portfolio Growth & Growth in Interest Income

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Actual 2020
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Interest Income	23,132	19,192	16,725	18,763	12,890	16,987
% Increase	(4.39)	(17.03)	(12.85)	12.18	(31.30)	(9.47)
Loan Portfolio	418,191	376,538	400,556	376,308	379,337	341,093
% Increase	14.72	(9.96)	6.38	(6.05)	0.80	(9.36)

The expected growth in the loan portfolio for the Year 2020 is 0.80%.

The decrease in the loan portfolio for Year 2019 was partly due to a TT\$ 50M loan write off.

c. Financial Ratios - Summary

EXPORT IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED							
RATIO ANALYSIS							
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGETED	ACTUAL	
	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2020	
	%	%	%	%	%	%	
Working Capital Ratio							
1 Current Ratio	1.62	1.70	1.33	1.18	1.70	1.64	
Productivity & Debt Ratios							
2 Interest Expense as a % of Interest Income	30.82	48.22	62.14	62.14	75.21	52.34	
3 Administrative Expense as a % of Total Revenue	46.47	45.97	55.48	(52.84)	42.48	45.62	
4 Debt/Equity Ratio	1.37	1.36	2.05	3.51	1.24	1.29	
Profitability Ratios							
5 Interest Cover = EBIT/Interest Expense	1.14	0.32	(0.47)	(2.83)	2.83	2.33	
6 Net Interest Margin as a % of Interest Income	69.18	51.78	25.87	37.86	24.79	47.66	
7 Net Profit after Tax as a % of Total Income	19.62	(39.58)	(165.92)	(301.03)	45.93	26.28	
8 Return on Shareholders' Investment (ROSI)	0.20	(3.26)	(15.84)	(65.05)	7.48	6.12	
9 Return on Average Total Assets	0.07	(1.00)	(4.12)	(12.06)	3.55	2.80	

B. FINANCIAL REPORT – ACTUAL RESULTS YEAR 2020

Global Outlook

In 2020, the COVID-19 pandemic placed immense pressure on the social and economic structures of many economies. In addition, other geo-political issues fueled further instabilities in the global economy. As a result, global growth is projected to contract by 4.9 percent in 2020,

Caribbean Economy

With unprecedented supply and demand shocks, a health crisis, and high financing costs across Latin America and the Caribbean, the intensifying pandemic has led to a severe deterioration in economic activity with the region projected to contract by 9.4 percent in 2020.

All Caribbean economies have been negatively impacted, especially those who rely heavily on tourism.

Local Economy

During the first half of 2020, real GDP contracted by 5.9 percent.

According to the CSO's latest available estimates of quarterly GDP, this overall contraction was premised on:

- 1.9% decrease in real GDP in the first quarter of 2020 and
- 10.0% decrease in real GDP in the second quarter since the most restrictive COVID-19 measures were implemented in the second quarter of 2020.

Manufacturing Sector

Notwithstanding the effects of the pandemic, **Manufacturing** and Mining and Quarrying continued to have the greatest impact on the outturn for real GDP in the first two quarters of calendar 2020. The **Manufacturing sector** contracted by 1.5 percent and 5.8 percent in the first and second quarters of 2020 respectively.

A further disaggregation of the sector revealed that lower economic activity was recorded in all Manufacturing sub-sectors primarily, Textiles, Clothing, Leather, Wood, Paper and Printing; Petroleum and Chemical Products; and Food, Beverages and Tobacco, which contracted in both quarters.

GORTT's Stimulus Package

The Government rolled out a stimulus package from March 2020 which included the following for Eximbank-:

Special forex window through exim bank

Established importers of pharmaceuticals, hygienic products, food, Personal Protective Gear (PPE), etc., are entitled to access US\$25m per month for a maximum of three months.

US\$ 75M was received to allow for basic food and pharmaceuticals and a 2nd tranche of US\$75M has been approved for another three (3) months October to December 2020. This initiative has had a positive effect on the financial results of Eximbank from April 2020 to date.

C. REVIEW OF FINANCIAL RESULTS – JANUARY TO DECEMBER 2020

I. Profitability – Core Products

EXPORT IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED								
MONTH ACTUAL & YEAR TO DATE BUDGET COMPARISONS								
	Month			Year To Date				
	Actual	Budgeted	Var	Actual	Budgeted	Var	Var	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	
Interest Income	2,225	801	1,424	16,987	12,890	4,097	32	
Interest Expense	(244)	(671)	427	(8,890)	(9,694)	804	8	
Net Result on Financing Activities	1,981	130	1,851	8,096	3,196	4,901	153	
Income - Foreign Currency Dealership	3,675	4,050	(375)	29,627	24,171	5,456	23	
Fees and Commissions	559	208	351	2,091	2,335	(244)	(10)	
Profit/Loss on Insurance Operation	76	29	(106)	18	350	(332)	(95)	
Investment Income	508	109	399	1,230	1,462	(232)	(16)	
Other Income	905	54	851	1,558	526	1,033	196	
Total Income	7,551	4,579	2,971	42,620	32,039	10,581	33	
Administrative Expenses	(7,881)	(1,460)	(6,421)	(21,267)	(17,058)	(4,209)	(25)	
Profit/(Loss) Before Tax & Loan Provision	(330)	3,119	-3,449	21,353	14,981	6,372	43	
Loan Loss Release/(Provision)	(11,390)	221	(11,612)	(9,537)	2,654	(12,190)	-	
Profit/(Loss) Before Tax	(11,720)	3,341	(15,061)	11,816	17,634	(5,818)	(33)	
Taxation	(449)	(1,246)	797	(616)	(3,801)	3,185	84	
Profit/(Loss) After Tax	(12,169)	2,094	(14,264)	11,200	13,833	(2,633)	(19)	

The financial results for Eximbank for the year ended 31st December 2020 shows a Net Profit after tax of of \$ 11.2M compared with a planned profit \$ 13.8M. This was primarily due to:

- ✚ **Higher than budgeted loan loss provisions due to the economic decline as a consequence of the Covid 19 Pandemic.**

II. Foreign Exchange Initiatives

Forex Drawdowns

a. Manufacturing Initiative

1st Tranche

Effective 12th July 2018 the GORTT disbursed **TT35M** being the 1st tranche of the promised US\$ 100M to kick off the **Forex Facility**. On 2nd August 2018 an amount of **US\$ 5,163,536.58** was credited into our Forex Manufacturing US Dollar Account held at FCIB to commence the program. This initial sum was used to purchase USD on a revolving basis until a total of US\$ 100M was drawn down. This was realized over the period August 2018 to December 2020 as per *the Manufacturing Column in the table below.*

b. Food and Pharmaceuticals Initiative – USD\$75M (Covid 19 Stimulus Program)

1st Tranche

The economic outlook above referred to the government’s plan to make available US\$75M for a maximum of three months to facilitate the allocation of USD to Importers and Manufacturers of Food, Pharmaceuticals and Essential Items as a result of the Covid19 Pandemic.

This program commenced at Eximbank on 9th April 2020 for a three (3) months period April to July 2020. The program was later extended for the period October to December 2020 by a further sum of US\$75M.

An initial sum of TT\$ 68M (US\$10M) was received from the Ministry of Finance on 1st June 2020. The Initial TTD received has been used to purchase US Dollars at the CBTT on a Revolving Basis. For the Year 2020 a total of US\$150M was drawn down for this Program as per *Essentials Column in the table below.*

Drawdowns on Both Programs

The Initial TTD received on both Initiatives have been used to purchase US Dollars at the CBTT on a Revolving Basis and have been rolled as follows:

Date Received	Manufacturing USD \$'M	Essentials USD \$'M	Amount USD \$'M
02-Aug-18	5.20		5.20
28-Feb-19	4.80		4.80
22-Jul-19	4.60		4.60
05-Dec-19	5.40		5.40
22-Jan-20	5.00		5.00
09-Apr-20	5.00		5.00
27-Apr-20	5.00		5.00
07-May-20	5.00		5.00
18-May-20	5.00		5.00
01-Jun-20	5.00		5.00
01-Jun-20		10.00	10.00
15-Jun-20		10.00	10.00
23-Jun-20		10.00	10.00
02-Jul-20		10.00	10.00
10-Jul-20		20.00	20.00
04-Aug-20		15.00	15.00
02-Oct-20		5.00	5.00
14-Oct-20		10.00	10.00
20-Oct-20		10.00	10.00
23-Oct-20	5.00		5.00
29-Oct-20	5.00		5.00
02-Nov-20		10.00	10.00
09-Nov-20	5.00	10.00	15.00
13-Nov-20	5.00		5.00
17-Nov-20	5.00		5.00
24-Nov-20	5.00	10.00	15.00
30-Nov-20	5.00		5.00
07-Dec-20		10.00	10.00
10-Dec-20	5.00		5.00
11-Dec-20		10.00	10.00
21-Dec-20	5.00		5.00
23-Dec-20	5.00		5.00
Total drawdowns to 31/12/2020	100.00	150.00	250.00

Fee Structure

Forex Handling Fee – USD \$ 100M (Manufacturing) Initiative:

MFG FACILITY	US\$100M
Handling Fees Rate (August 5th to Date)	2.00%
Handling Fees Rate (April 16 - July)	1.5%
Handling Fees Rate (April 1 - 15th)	1.0%
Handling Fees Rate (Inception - April 15)	0.50%

- i. **Foreign Exchange Gain:**
 - Foreign Exchange Gain – Varying spread based on the rates purchased and rates sold.
- ii. **Handling Fees**
- iii. **Wire Transfer Fee**

Loan or Equity

Eximbank has not been advised formally whether these allocations are Loans or Equity. Effective 12th March 2021 and in keeping with the recapitalization thrust for Eximbank, the TT\$35M received as well as the TT\$ 68M were approved by the cabinet to be **converted to Ordinary Share Capital**.

c. Forex Sales – Manufacturing

Overview of Results from inception to 31st December 2020

Eximbank rate of utilization as well as the processing time for drawdown requests were slower than anticipated. As such, a re-organization of the Forex Product was done and this document was submitted to the Ministry of Finance in June 2019 to allow for a faster rate of utilization in alignment with the needs of the Exporters.

Overview of Results from inception to 31st December 2020:

The utilization rate from the onset to the end of August 2021 is presented as a monthly average as follows:

- Year 2018 - A monthly average of US\$700.0K per month for last Year (**\$3.5M for 5 months**) as compared to
- Year 2019 - A monthly average of US\$ 1,172.4K (**US\$14.1M for the Year**)
- Year 2020 - A monthly average of US \$ 6,244.5K (**US\$74.9M for the Year**)

Sales By Month

Export Import Bank of Trinidad and Tobago Ltd										
Summary - Forex Monthly Income 2020										
Month	Amount Sold US\$	Rates		Converted Amount		Forex	Handling Fees			Total
		Purchase	Selling	Purchase	Sale	Gain	Rate	Income	Converted	Gain on Forex
				TT\$	TT\$	TT\$	%	US\$		TT\$
January	1,643,457.46	6.7623	6.7993	11,120,986.28	11,174,360.31	53,374.03	1.0%	16,635.69	113,111.05	166,485.08
February	1,631,517.82	6.7783	6.7993	11,093,179.11	11,093,179.11	-	1.0%	16,696.27	113,522.94	113,522.94
March	2,764,359.50	6.7993	6.7993	18,795,709.55	18,795,709.55	-	1.0%	27,892.23	189,647.65	189,647.65
April	853,118.14	6.7993	6.7993	5,800,606.17	5,800,606.17	-	1.0%	8,531.18	58,006.06	58,006.06
	1,402,334.68	6.7946	6.7993	9,528,303.22	9,534,894.19	6,590.97	1.0%	14,133.13	96,095.41	102,686.39
May	656,189.45	6.7640	6.7993	4,438,465.44	4,461,628.93	23,163.49	1.5%	6,764.30	45,992.47	69,155.96
	1,207,245.93	6.7611	6.7993	8,162,310.46	8,208,427.25	46,116.79	1.5%	12,275.15	83,462.40	129,579.19
	145,485.15	6.7539	6.7993	982,592.15	989,197.18	6,605.03	1.5%	2,182.28	14,837.96	21,442.98
June	1,750,618.74	6.7539	6.7993	11,823,503.91	11,902,982.00	79,478.09	1.5%	26,163.16	177,891.18	257,369.27
July	312,859.58	6.7539	6.7993	2,113,022.32	2,127,226.14	14,203.82	1.5%	4,692.89	31,908.39	46,112.22
	1,100,000.00	6.7553	6.7993	7,430,830.00	7,479,230.00	48,400.00	1.5%	16,643.43	113,163.64	161,563.64
	3,253,785.79	6.7962	6.7993	22,113,378.99	22,123,465.72	10,086.74	1.5%	48,858.39	332,202.87	342,289.61
August	3,817,910.34			25,863,658.16	25,952,224.58	88,566.41	1.5%/2%	70,731.94	480,789.82	569,356.23
September	4,417,289.14			29,882,519.30	29,937,396.48	54,877.18	2.0%	88,418.76	599,242.43	654,119.61
October	16,241,966.00			109,964,432.67	110,180,651.90	216,219.23	2.0%	325,160.13	2,205,786.18	2,422,005.41
November	20,354,913.58			138,144,854.42	138,114,220.70	(30,633.71)	2.0%	407,607.24	2,765,738.57	2,735,104.86
December	13,420,926.53			91,101,571.92	91,098,017.65	(3,554.28)	2.0%	268,820.70	1,824,686.97	1,821,132.69
Total	74,973,977.83			508,359,924.06	508,973,417.86	613,493.79		1,362,206.86	9,246,085.99	9,859,579.79

II. Foreign Exchange Initiatives (cont'd)

d. FAS Initiative initially planned for three (3) months at US\$75M was extended for another three (3) months Oct to Dec 2020 at US\$ 25M/month.

FAS (Covid 19) - Forex Handling Fee rates for Year 2020:

COVID 19 - FAS INITIATIVE	
Planned Period	3 Months
Projected Disbursement/Month	US\$25M
Handling Fees Rate (August 5th to Date)	2.00%
Handling Fees Rate (April 16 - July)	1.5%
Handling Fees Rate (April 1 - 15th)	1.0%

Sales By Month

Month	Amount Sold	Rates		Converted Amount		Forex		Handling Fees		Total
		Purchase	Selling	Purchase	Sale	Gain	Rate	Income	Converted	Gain on Forex
	US\$			TT\$	TT\$	TT\$	%	US\$	6.7993	TT\$
April	3,597,665.32	6.7946	6.7993	24,444,696.78	24,461,605.81	16,909.03	1.5%	45,754.24	311,096.84	328,005.86
	2,996,676.17	6.7993	6.7993	20,375,300.28	20,375,300.28	-	1.5%	44,950.14	305,629.50	305,629.50
May	1,533,416.29	6.7993	6.7993	10,426,157.38	10,426,157.38	-	1.5%	23,001.24	156,392.36	156,392.36
	4,343,780.55	6.7640	6.7993	29,381,331.64	29,534,667.09	153,335.45	1.5%	64,609.58	439,299.94	592,635.40
	3,792,754.07	6.7611	6.7993	25,643,189.54	25,788,072.75	144,883.21	1.5%	56,891.31	386,821.09	531,704.30
	1,911,072.34	6.7539	6.7993	12,907,191.48	12,993,954.16	86,762.68	1.5%	28,718.09	195,262.88	282,025.56
June	10,879,964.19	6.7539	6.7993	73,482,190.14	73,976,140.52	493,950.37	1.5%	163,375.35	1,110,838.04	1,604,788.41
	10,000,000.00	6.7627	6.7993	67,627,000.00	67,993,000.00	366,000.00	1.5%	150,147.53	1,020,898.10	1,386,898.10
	10,000,000.00	6.7929	6.7993	67,929,000.00	67,993,000.00	64,000.00	1.5%	150,025.12	1,020,065.80	1,084,065.80
	6,056,901.84	6.7553	6.7993	40,916,189.00	41,182,692.68	266,503.68	1.5%	90,853.53	617,740.39	884,244.07
July	3,943,098.16	6.7553	6.7993	26,636,811.00	26,810,307.32	173,496.32	1.5%	59,146.47	402,154.61	575,650.93
	15,702,810.01	6.7962	6.7993	106,719,437.39	106,768,116.10	48,678.71	1.5%	235,859.20	1,603,677.46	1,652,356.17
August	241,860.84			1,643,734.64	1,643,710.46	(24.18)	2.0%	4,837.22	32,874.21	32,850.03
September	-			-	-	-		-	-	-
October	28,208,108.08			191,133,756.30	191,290,210.96	156,454.66	2.0%	564,303.36	3,826,759.01	3,983,213.67
November	25,555,828.86			173,259,041.04	173,373,022.12	113,981.08	2.0%	511,202.16	3,468,041.28	3,582,022.36
December	18,609,622.90			126,282,525.76	126,338,335.75	55,809.98	2.0%	372,346.62	2,527,811.77	2,583,621.75
Total	147,373,559.62			998,807,552.38	1,000,948,293.38	2,140,741.00		2,566,021.17	17,425,363.28	19,566,104.28

II. Foreign Exchange Initiatives (cont'd)

e. Sales & Income for Year 2020

FOREX INCOME - FAS		
For the Year 2020		
	Sales	Income
	Year	Total
	2020	Income
	TTD\$'000	\$ '000
TTD INCOME	1,000,948	19,566

f. Projected Profit Statement for the period January to December 2020

FOREX Projected Profit & Loss Statement			
For the Year Ended 31st Dec 2020			
	2020		
	Budget	Actual	Variance
	Jan - Dec	Jan - Dec	Jan - Dec
	TT\$ '000	TT\$ '000	TT\$ '000
TOTAL SALE	784,688	679,539	(105,148)
Income			
Handling Fees:Mfg	12,271	9,246	(3,025)
Handling Fees:FAS		17,425	17,425
Wire Transfer Element		993	993
Forex Gain:Mfg	-	613	613
Forex Gain:FAS	-	2,141	2,141
Total Gain on Forex Sales	12,271	30,419	18,148
Administration Expenses <i>(Year 2020 - Staff \$ 788.1K/Int \$ 77K)</i>	(1,007)	(865)	142
Profit/(Loss) on Forex Facility	11,265	29,554	18,289

III. RATIO ANALYSIS

EXPORT IMPORT BANK OF TRINIDAD AND TOBAGO LIMITED				
RATIO ANALYSIS				
	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	Dec 2017	Dec 2018	Dec 2019	Dec 2020
	%	%	%	%
Working Capital Ratio				
1 Current Ratio	1.70	1.33	1.18	1.64
Productivity & Debt Ratios				
2 Interest Expense as a % of Interest Income	48.22	62.14	62.14	52.34
3 Administrative Expense as a % of Total Revenue	45.97	55.48	52.84	40.37
4 Debt/Equity Ratio	1.36	2.05	4.02	1.29
Profitability Ratios				
5 Interest Cover = EBIT/Interest Expense	0.32	(0.47)	(2.83)	1.33
6 Net Interest Margin as a % of Interest Income	51.78	25.87	37.86	47.66
7 Net Profit after Tax as a % of Total Income	(39.58)	(165.92)	(301.03)	26.78
8 Return on Shareholders' Investment (ROSI)	(3.26)	(15.84)	(65.05)	6.12
9 Return on Average Total Assets	(1.00)	(4.12)	(10.94)	2.80

Total Assets

Total Assets grew from \$ 355.8M to \$ 443.5M with the following accounting for that movement:

Movement on Total Assets	TT\$ '000
GORTT Equity Re MFG & FAS	68,000
Lines of Credit	(5,704)
Profit Earned	11,199
Over/Under Payments re Forex	11,000
Int Payable on Lines net of Prepymts	2,356
Other	848
	87,699

Of note is the movement of \$ 11M on TTD Payments for USD Purchases which is not a real growth but merely represents a timing difference based on Customer Payments of TT Dollars to purchase US Dollars.

Cash Balances – 30th December 2020

- The Year started with **\$55.5M** and on 31st December 2020 ended with **\$ 157.0M**.
- The major cash flow movements are as follows:
 - Loan Portfolio Repayment of \$ 35.2M
 - Net repayment on Lines of Credit of \$ 5.7M
 - GORTT Equity of TT\$68M for the USD FAS Initiative.
 - Net Income Earned on Forex Sales - \$ 11.2M
 - Non-cash Items
 - ECL - \$ 11.388M
 - Depreciation - \$ 1.375M

Advance TTD re USD Purchase - \$ 11M

APPENDIX I

Export-Import Bank of Trinidad and Tobago Limited

Statement of Management's Responsibilities

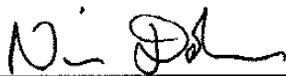
Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Export-Import Bank of Trinidad and Tobago Limited (the Bank), which comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising of significant accounting policies and other explanatory information;
- Ensuring that the Bank keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Bank's assets, detection/prevention of fraud, and the achievement of the Bank's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

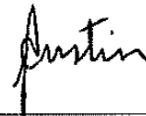
In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards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

Nothing has come to the attention of management to indicate that the Bank will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



Navin Dookeran
Chief Executive Officer
17 May 2021



Carol Austin
Chief Financial Officer
17 May 2021

Independent Auditor's Report

To the shareholder of Export-Import Bank of Trinidad and Tobago Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Export-Import Bank of Trinidad and Tobago Limited (the Bank) as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Independent Auditor's Report (Continued)

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the financial statements

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Banks's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Price waterhouse Coopers

Port of Spain,
Trinidad, West Indies
18 May 2021

Export-Import Bank of Trinidad and Tobago Limited

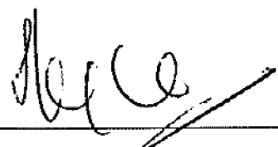
Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)


	Notes	As at 31 December	
		2020 \$	2019 \$
Assets			
Cash and cash equivalents	4	157,018,876	55,499,930
Loans and receivables	5	262,350,969	276,614,645
Corporation tax receivable		597,923	597,923
Other assets	6	1,781,525	827,610
Investments	7	14,526,099	15,447,888
Property and equipment (8a)	8	7,064,972	6,477,642
Right-of-use assets (8b)	8	161,080	168,940
Intangible asset	9	--	18,225
Deferred tax asset	15	--	149,560
		<u>443,501,444</u>	<u>355,802,363</u>
Total assets			
Liabilities and shareholder's equity			
Accounts payable and accruals	11	22,482,399	8,248,217
Lines of credit	12	236,574,528	241,278,750
Forex facility	13	--	35,000,000
Provision for unexpired risk		--	3,389
Lease liabilities	14	166,736	171,872
Deferred tax liabilities	15	156,482	--
Deferred income - GORTT subvention	16	<u>2,216,490</u>	<u>2,395,240</u>
		<u>260,596,635</u>	<u>287,097,468</u>
Total liabilities			
Shareholder's equity			
Stated capital	17	194,934,000	194,934,000
Capital contributions	13	103,000,000	--
Special reserve		441,375	441,375
Statutory surplus reserve		615,612	615,612
Accumulated deficit		<u>(116,086,178)</u>	<u>(127,286,092)</u>
		<u>182,904,809</u>	<u>68,704,895</u>
Total shareholder's equity			
		<u>443,501,444</u>	<u>355,802,363</u>
Total liabilities and shareholder's equity			

The notes on pages 9 to 50 are an integral part of these financial statements.

On 17 May 2021, the Board of Directors of Export-Import Bank of Trinidad And Tobago Limited authorised these financial statements for issue.



Director



Director

Export-Import Bank of Trinidad and Tobago Limited

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2020 \$	2019 \$
Interest income	19	16,986,679	18,762,754
Interest expense		<u>(8,890,407)</u>	<u>(11,658,583)</u>
Net interest income		8,096,272	7,104,171
Forex income	20	29,627,135	893,353
Other income	20	<u>4,896,266</u>	<u>6,849,005</u>
		<u>34,523,401</u>	<u>7,742,358</u>
Total net income		<u>42,619,673</u>	<u>14,846,529</u>
Impairment expense	10	(9,536,659)	(45,470,368)
General and administrative expenses	21	<u>(21,267,019)</u>	<u>(14,005,071)</u>
Total expenses		<u>(30,803,678)</u>	<u>(59,475,439)</u>
Profit/(loss) before taxation		11,815,995	(44,628,910)
Taxation	22	<u>(616,081)</u>	<u>(63,861)</u>
Profit/(loss) for the year		<u>11,199,914</u>	<u>(44,692,771)</u>
Other comprehensive income for the year, net of tax		--	--
Total comprehensive income for the year		<u>11,199,914</u>	<u>(44,692,771)</u>

The notes on pages 9 to 50 are an integral part of these financial statements.

Export-Import Bank of Trinidad and Tobago Limited

Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Stated capital \$	Capital contributions \$	Special reserve \$	Statutory surplus reserve \$	Accumulated deficit \$	Total \$
Balance as at 1 January 2020	194,934,000	--	441,375	615,612	(127,286,092)	68,704,895
Capital contributions	--	103,000,000	--	--	--	103,000,000
Total comprehensive income for the year	--	--	--	--	11,199,914	11,199,914
Balance as at 31 December 2020	<u>194,934,000</u>	<u>103,000,000</u>	<u>441,375</u>	<u>615,612</u>	<u>(116,086,178)</u>	<u>182,904,809</u>
Balance as at 1 January 2019	194,934,000	--	441,375	615,612	(82,593,321)	113,397,666
Total comprehensive loss for the year	--	--	--	--	(44,692,771)	(44,692,771)
Balance as at 31 December 2019	<u>194,934,000</u>	<u>--</u>	<u>441,375</u>	<u>615,612</u>	<u>(127,286,092)</u>	<u>68,704,895</u>

The notes on pages 9 to 50 are an integral part of these financial statements.

Export-Import Bank of Trinidad and Tobago Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2020 \$	2019 \$
Cash flows from operating activities			
Profit/(loss) before taxation		11,815,995	(44,628,910)
<i>Non-cash items</i>			
Depreciation	8	1,375,410	1,436,941
Depreciation – ROU Assets (8b)	8	7,860	7,863
Deferred tax	22	--	161,454
Amortisation of intangible asset	9	18,225	176,395
Impairment charge/(writeback) - investments		1,737	(2,443)
Impairment charge - loans	5	11,388,672	45,472,811
(Gain)/loss on disposal of property and equipment		(1,500)	17,860
Interest expense on lease liability		6,864	7,069
Government subvention		<u>(178,750)</u>	<u>(3,604,760)</u>
		24,434,513	(955,720)
Changes in non-cash working capital amounts:			
Net change in accounts receivable and prepayments		1,921,089	(20,329,951)
Net change in accounts payable and accruals		14,230,794	3,209,605
Taxation paid		<u>(310,039)</u>	<u>(225,315)</u>
Net cash inflow/(outflow) from operating activities		<u>40,276,356</u>	<u>(18,301,381)</u>
Cash flows from investing activities			
Payments for property and equipment	8	(1,962,740)	(221,233)
Proceeds from disposal of property and equipment		1,500	50
Proceeds from disposal of investments	7	<u>920,053</u>	<u>901,009</u>
Net cash (outflow)/inflow from investing activities		<u>(1,041,187)</u>	<u>679,826</u>
Cash flows from financing activities			
Net change in capital contributions	13	68,000,000	--
Net change in lines of credit	12	(5,704,222)	9,247,500
Net change GORTT subvention		--	6,000,000
Repayment of lease liability		(5,136)	(4,931)
Interest payment on lease liability		<u>(6,864)</u>	<u>(7,069)</u>
Net cash inflow from financing activities		<u>62,283,778</u>	<u>15,235,500</u>
Net increase/(decrease) in cash and cash equivalents		101,518,946	(2,386,055)
Cash and cash equivalents, beginning of year		<u>55,499,930</u>	<u>57,885,985</u>
Cash and cash equivalents at end of year		<u>157,018,876</u>	<u>55,499,930</u>
Non-cash investing activities:			
Acquisition of right-of-use asset		<u>--</u>	<u>176,803</u>

The notes on pages 9 to 50 are an integral part of these financial statements.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

1 Incorporation and principal activities

Export Import Bank of Trinidad and Tobago (EXIMBANK or the Bank) was incorporated on 31 December 1973 in the Republic of Trinidad and Tobago as Trinidad and Tobago Export Credit Insurance Company Limited (EXCICO). The Bank's registered office and principal place of business are located at EXIM House, 30 Queen Park West, Port-of-Spain.

EXCICO was converted to EXIMBANK following an Order by the Ministry of Finance on 4 November 1997 cited as the "Financial Institution (Amendment to the Third Schedule) Order 1997".

This Amendment to the Financial Institution Act 1993 granted EXIMBANK the ability to conduct the following types of business:

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

EXIMBANK is primarily involved in providing banking facilities, which include raw material and asset financing and other trade related services to exporters. EXIMBANK is also an authorised foreign exchange distributor and sells foreign exchange to qualified local customers. Other services also include export credit insurance to exporters against losses resulting from commercial and/or political risks, and the discounting of bills in respect of goods exported from Trinidad and Tobago on credit terms.

These financial statements have been approved for issue by the Board of Directors on 17 May 2021.

2 Summary of significant accounting policies

a. *Basis of preparation*

These financial statements comply with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Standards Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS and are stated in Trinidad and Tobago dollars, rounded to the nearest dollar.

These financial statements are prepared under the historical cost convention.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

i. Going concern

In making its going concern assessment, management has considered the Bank's current financial position, its cash flow forecast and subsequent information. It has also considered the potential impact of the COVID-19 pandemic on the Bank's operational capabilities, liquidity and financial position over the next twelve months. Based on this assessment, the Bank has been able to meet its repayment terms to date and there is sufficient cash to meet its short-term obligations.

Since 2018, the GORTT has utilised the Eximbank to prioritise foreign exchange with the goal of providing the inputs to drive export earnings and meet local essential needs and has made US dollars available through the Eximbank as follows:

1. The first USD100M Manufacturing forex facility commenced August 2018. The programme has successfully addressed the sectoral shortages, was fully disbursed and has now been replenished with a further USD100M for 2021;
2. At the start of the pandemic, the GORTT approved an Essential Forex facility with an initial USD75M over 3 months. The programme was repeated at the end of 2020 with another USD75M over 3 months, taking the total disbursed in 2020 to USD150M. An additional USD50M being approved for the first half of 2021.

From 2018 to 2020, the GORTT has allocated USD400M via the Eximbank with USD150m set to be sold during 2021. It is estimated that based on current margins, forex income from this will exceed TTD15M during the 2021 fiscal year.

Eximbank from the Year 2020 has included key strategies, one being that of securing collateral on new and existing loans. This has served to strengthen our going concern position.

b. New standards, amendments and interpretations adopted by the Bank during the year

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Bank has assessed them and has adopted those which are relevant to its financial statements:

The Bank has applied the following standard and amendments for the first time for the annual reporting period commencing 1 January 2020:

- Annual improvements to IFRS standards 2018-2020 cycle
- Where applicable: Covid-19 Related Rent Concessions – amendments to IFRS 16 and Interest rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

c. New standards, amendments and interpretations not yet adopted by the Bank

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Bank. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

d. IFRS 16 Leases

The Bank leases a building for office accommodation from the Government of the Republic of Trinidad and Tobago (GORTT). The remaining term of the existing lease is two years and five months with a further option to extend for twenty years.

The leased asset is not used as security for borrowing purposes.

(i) Measurement of lease liability

- The lease payments are discounted using the Bank's incremental borrowing rate at 31 December 2020.
- Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- Rights-of-use assets are measured at cost which is the amount of the initial measurement of the lease liability.
- Rights-of-use assets are depreciated over the lease term on a straight-line basis.

e. Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided using the straight-line method.

The following rates are considered appropriate to depreciate the assets over their estimated useful lives:

Leasehold improvements	-	5%
Computer software	-	12.50%
Office furniture	-	12.50%
Office equipment	-	20%
Computer hardware	-	25%
Motor vehicles	-	25%

No depreciation is provided on capital work-in-progress.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

f. *Intangible assets*

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate future economic benefits
- Adequate technical, financial and other resources to complete the development and use or sell the software are available
- The expenditure attributable to the software during its development can be reliably measured

The asset is amortised over its useful economic life and are reassessed at the end of each financial period.

g. *Financial instruments*

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised when the Bank becomes a party to the contractual provisions of the instrument.

(a) *Financial assets*

(i) *Classification and subsequent measurement*

The Bank classifies its financial assets based on the 'Hold to collect' model using the Amortised Cost Category.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- (i) the cash flow characteristics of the asset; and
- (ii) the Bank's business model for managing the asset

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. Financial instruments (continued)

(a) Financial assets (continued)

(i) Classification and subsequent measurement (continued)

Debt instruments (continued)

Based on these factors, the Bank classifies its assets into the amortised cost measurement category. Assets that are held for collection of contractual cash flows where those cash flows represent solely principal and interest (SPPI) and that are not designated at fair value to profit and loss (FVTPL) are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 5. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

(i) Investments

The Bank's investments comprise of bonds with fixed determinable payments of principal and interest and a fixed maturity date. The Bank has both the intent and ability to hold these bonds to maturity i.e. "hold-to-collect" and states the portfolio at amortised cost.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise of Raw Material and Asset Financing and Trade Discounting.

Business model

The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. The Bank's objective is solely to collect the contractual cash flows from the financial assets.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

g. Financial instruments (continued)

a. Financial assets (continued)

(ii) Classification and subsequent measurement (continued)

Business model (continued)

SPPI

In this test, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

(iii) Impairment

The Bank assesses on a forward-looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost. The Bank recognises a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

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

Note 24.a. (i) provides more detail of how the expected credit loss is measured.

(vi) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual right to receive cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred.

b. Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

h. *Loan commitments*

Loan commitments provided by the Bank are measured at the amount of the loss allowance (calculated as described in note 24 a.(i)). The Bank has not provided any commitment that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments, the loss allowance is recognised as a provision.

i. *Policy holders' reserves*

Unexpired risks

Unexpired risks represent an amount set aside by the Bank at the end of the financial year in respect of risks to be borne by the Bank after the end of its financial year under contracts of insurance entered into before the year-end. The Bank provides for unexpired risks on the invoiced values of insurance contracts entered into during the year whose insurable risk extends into the following financial year.

j. *Foreign currency*

Monetary assets and liabilities recorded in foreign currencies have been translated at the exchange rates prevailing at the Statement of Financial Position date. Transactions recorded during the year in foreign currencies have been converted at the rates prevailing on the dates of the transaction. Exchange gains or losses arising are reflected in the Statement of Comprehensive Income.

k. *Interest Income and expense*

Interest income and interest expense are recognised on an accrual basis using the effective interest method based on the initial carrying amount. When a loan is impaired, the Bank reduces the carrying amount to its recoverable amount (i.e. net of the expected credit loss provision), being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premium, discounts and fees paid or received that are integral to the effective interest rate, such as commitment fees.

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

For financial assets that are credit impaired (stage 3), interest income is calculated by applying the effective interest rate to the carrying value net of the expected credit loss provision.

l. *Forex income*

As an authorized foreign currency distributor, Eximbank recognizes income (Handling fee) for the Forex Allocation System (FAS) and Forex Manufacturing facilities. These facilities predominantly assist qualified customers with the purchase of essential items in US dollars as well as payment of shipping costs, equipment financing (X-Loan) and trade financing, all in US dollars. Income (Handling fee) is recognised on an accruals basis when the customer agreement has been approved.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

m. *Fee and commission income*

Fees and commission are recognised on an accrual basis when the service has been provided.

n. *Statutory reserve*

Under the provisions of the Insurance Act 1980, the Bank is required to appropriate at least 25% of its profits for the year until the surplus equates or exceeds the liabilities of the Bank with respect to its unexpired policies.

o. *Current taxation*

Taxation comprises Corporation Tax or Business Levy and the net movement in Deferred Taxation. These amounts are calculated as follows:

- (i) Corporation tax - 30% of the Bank's chargeable profits.
- (ii) Business Levy - 0.6% of the Bank's gross receipts.

p. *Deferred taxation*

Deferred taxation is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Currently enacted tax rates are used to determine Deferred Taxation. The principal temporary differences arise from depreciation of Property and equipment. Deferred income tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised. No deferred tax asset recognised on the unused taxable losses.

q. *Government grant*

The GORTT provided subvention income to the Bank to facilitate expansion of the country's export sector to assist in enhancing the country's foreign exchange position and its international trade landscape. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

3 Critical judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions about the future in the process of applying the Bank's accounting policies. The resulting accounting estimates will, by definition, rarely equal the related actual results.

These are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Actual results could differ from those estimates.

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

a. *Critical judgements*

The critical judgements apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements are as follows:

- (i) Application of going concern principles
- (ii) Discount rate used in IFRS 16 leases
- (iii) Discounting of loan collateral

b. *Key assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) *Measurement of the expected credit loss*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 24.a.(i) which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL;
- Determination of macroeconomic drivers and forecasting macroeconomic scenarios;
- Recovery rates on unsecured exposures.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

4 Cash and cash equivalents	2020 \$	2019 \$
Cash	3,000	3,000
Republic Bank Limited	4,473,572	5,640,881
RBC Royal Bank (Trinidad & Tobago) Limited	1,143,758	386,246
Scotiabank Trinidad and Tobago Limited	2,387,432	1,156,505
First Citizens Bank Limited	7,364	7,720
Citibank (Trinidad and Tobago) Limited	109	109
First Caribbean International Bank (Trinidad & Tobago) Limited	97,141,657	38,548,338
Cash in hand and at bank	<u>105,156,892</u>	<u>45,742,799</u>
Guardian Asset Management Limited	127,251	182
Trinidad and Tobago Unit Trust Corporation	<u>51,734,733</u>	<u>9,756,949</u>
Money market funds	<u>51,861,984</u>	<u>9,757,131</u>
	<u>157,018,876</u>	<u>55,499,930</u>

5 Loans and receivables

The loan notes due to the Bank comprise the following:

Raw materials and asset financing (See (i) below)	334,704,908	370,447,086
Trade discounting (See (ii) below)	6,387,594	5,861,076
Interest receivable	<u>10,807,828</u>	<u>14,895,329</u>
	351,900,330	391,203,491
Less loss allowance:	<u>(89,549,361)</u>	<u>(114,588,846)</u>
	<u>262,350,969</u>	<u>276,614,645</u>

Allowance for loan losses

Allowance at beginning of the year	114,588,846	119,084,742
Loan loss release	(1,853,749)	--
Charge for the year	11,388,672	45,472,811
Write off	<u>(34,574,408)</u>	<u>(49,968,707)</u>
Allowance at the end of year	<u>89,549,361</u>	<u>114,588,846</u>

- (i) This amount represents raw material (working capital) and asset financing (demand loans) advances made to exporters from US\$ and TT\$ lines of credit at varying rates of interest.
- (ii) This amount represents trade discounting advances to exporters both in US\$ and TT\$ at varying rates of interest.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

5 Loans and receivables (continued)

Loans to customers

	2020 \$	2019 \$
Loans – Stages 1 and 2	260,419,015	260,080,360
Loans – Stage 3	91,481,315	131,123,131
	<u>351,900,330</u>	<u>391,203,491</u>
Allowance for loan losses	(89,549,361)	(114,588,846)
Total credit risk exposure	<u>262,350,969</u>	<u>276,614,645</u>

Loans analysed by sector

Food and beverage	70,503,909	84,158,804
Consumer goods	70,012,100	59,774,692
Pulp, paper, plastics and packaging	110,004,077	116,116,792
Fuel and oils	436,255	161,670
Services	11,394,628	16,402,687
	<u>262,350,969</u>	<u>276,614,645</u>
Current portion	210,318,725	180,063,297
Non-current portion	52,032,244	96,551,348
Total credit risk exposure	<u>262,350,969</u>	<u>276,614,645</u>

6 Other assets

Insurance premium receivable	113,338	121,214
Interest receivable – investments	6,836	8,504
Other receivables	608,728	339,384
Other receivables – Forex	33,664	--
Prepaid expenses	1,018,959	358,508
	<u>1,781,525</u>	<u>827,610</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

7 Investments	2020 \$	2019 \$
Securities of/for guaranteed by the Government of the Republic of Trinidad and Tobago	14,561,203	15,481,256
Less: loss allowance	<u>(35,104)</u>	<u>(33,368)</u>
	<u>14,526,099</u>	<u>15,447,888</u>
Current portion	1,568,165	1,572,969
Non-current portion	<u>12,957,934</u>	<u>13,874,919</u>
	<u>14,526,099</u>	<u>15,447,888</u>
Balance at beginning of the year	15,447,888	16,346,454
Disposals	(920,053)	(901,009)
(Charge)/write back	<u>(1,736)</u>	<u>2,443</u>
Balance at end of year	<u>14,526,099</u>	<u>15,447,888</u>
Colonial Life Insurance Company Limited (current)	<u>1,568,165</u>	<u>1,572,969</u>
Colonial Life Insurance Company Limited (non - current)	11,407,334	12,324,319
Government of the Republic of Trinidad and Tobago 7.75% bonds (2024)	<u>1,550,600</u>	<u>1,550,600</u>
	<u>12,957,934</u>	<u>13,874,919</u>
Total	<u>14,526,099</u>	<u>15,447,888</u>

On 30 January 2009, the Minister of Finance (MOF) and the Central Bank of Trinidad and Tobago announced that the Government of the Republic of Trinidad and Tobago (GORTT) had reached an agreement with the CL Financial Group for the provision of a package of financial support for the Group's financial services companies. These companies included Colonial Life Insurance Company limited (CLICO), Caribbean Money Market Brokers Limited (CMMB) and British American Insurance Company (Trinidad) Limited (BAT).

Subsequent to this, the Minister of Finance stated that GORTT would repay local investors of Short term Investment Products (STIPS) in CLICO and BAT their principal balances that is, the capital sum as at the issue date or last renewal date, minus any capital withdrawals or loans made prior to 8 September 2010.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

7 Investments (continued)

On 9 February 2012, the GORTT made an offer to the Bank to repay the principal balances, plus interest up to the maturity date, on all policies held up to 8 September 2010. The total amount due from CLICO amounted to \$32,869,200 inclusive of \$128,000 in interest. The Bank has accepted the offer made by the GORTT for initial payments of approximately \$75,000 on each policy and with the remaining balance to be settled by the issuance of 20 Year Zero Coupon Bonds.

Four (4) contracts were issued by the GORTT and during the year ended 31 December 2012 the initial payments of \$300,200 together with the first annual bond repayment of \$1,631,000 were received. Annual bond repayments of \$ 1.6M have been received in accordance with the agreed terms.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

8 (a) Property and equipment

Cost	Leasehold property \$	Office furniture and equipment \$	Computer equipment and software \$	Motor vehicles \$	Work-in progress \$	Total \$
At 1 January 2020	6,713,115	2,260,927	11,000,866	1,666,889	26,035	21,667,832
Additions	44,193	107,071	132,632	1,549,000	129,844	1,962,740
Transfers	103,004	--	--	--	(103,004)	--
Disposals	--	--	--	(993,890)	--	(993,890)
At 31 December 2020	6,860,312	2,367,998	11,133,498	2,221,999	52,875	22,636,682
Accumulated depreciation						
At 1 January 2020	3,005,672	1,504,849	9,111,850	1,567,819	--	15,190,190
Charge for the year	329,927	213,697	594,096	237,690	--	1,375,410
Disposals	--	--	--	(993,890)	--	(993,890)
At 31 December 2020	3,335,599	1,718,546	9,705,946	811,619	--	15,571,710
Net book value						
At 31 December 2020	3,524,712	649,454	1,427,552	1,410,380	52,875	7,064,972
At 31 December 2019	3,707,443	756,078	1,889,016	99,070	26,035	6,477,642

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

8 (a) Property and equipment (continued)		Leasehold property \$	Office furniture and equipment \$	Computer and equipment and software \$	Motor vehicles \$	Work-in progress \$	Total \$
Cost							
At 1 January 2019		6,690,059	2,184,725	10,963,967	1,666,889	--	21,505,640
Additions		23,056	117,052	55,090	--	26,035	221,233
Disposals		--	(40,850)	(18,191)	--	--	(59,041)
At 31 December 2019		6,713,115	2,260,927	11,000,866	1,666,889	26,035	21,667,832
Accumulated depreciation							
At 1 January 2019		2,681,592	1,337,240	8,542,827	1,232,721	--	13,794,380
Charge for the year		324,080	201,101	576,662	335,098	--	1,436,941
Disposals		--	(33,492)	(7,639)	--	--	(41,131)
At 31 December 2019		3,005,672	1,504,849	9,111,850	1,567,819	--	15,190,190
Net book value							
At 31 December 2019		3,707,443	756,078	1,889,016	99,070	26,035	6,477,642
At 31 December 2018		4,008,466	847,485	2,421,140	434,168	--	7,711,259
8 (b) Rights-of-use assets (Refer to Note 2 (d))			2020 \$	2019 \$			
Cost			176,803	176,803			
Accumulated depreciation							
At 1 January			(7,863)	--			
Charge for the year			(7,860)	(7,863)			
At 31 December			(15,723)	(7,863)			
Net book value at 31 December			161,080	168,940			

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

9 Intangible asset

Development of the Made in TNT website commenced in October 2014.

The portal was determined to have a finite useful life of 5 years and was amortised effective October 2014 using the straight-line method at a rate of 20%.

	2020 \$	2019 \$
Opening net book value	18,225	194,620
Current year amortisation (Note 21)	<u>(18,225)</u>	<u>(176,395)</u>
Closing net book value	<u>--</u>	<u>18,225</u>
Cost or valuation	881,975	881,975
Accumulated amortisation	<u>(881,975)</u>	<u>(863,750)</u>
Closing net book value	<u>--</u>	<u>18,225</u>

10 Impairment expense

Loan loss expense (Note 5)	9,534,923	45,472,811
Expected credit loss - investments (Note 7)	<u>1,737</u>	<u>(2,443)</u>
	<u>9,536,660</u>	<u>45,470,368</u>

11 Accounts payable and accruals

Amounts due to exporters	9,404	139,385
Audit fee	360,344	349,094
Deferred income on financing activities	73,149	53,380
Interest payable	2,356,528	2,095,725
Marine insurance	16,286	16,286
Advances from customers - forex	10,731,283	(119,163)
Salaries payable	7,500,379	2,608,400
Accrued expenses	755,050	2,694,232
Other payables	679,976	410,878
	<u>22,482,399</u>	<u>8,248,217</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

12 Lines of credit	2020 \$	2019 \$
Scotiabank Trinidad and Tobago Limited	69,525,000	93,622,500
Banco Latinoamericano de Exportaciones (Bladex)	33,749,528	59,906,250
RBC Royal Bank (Trinidad & Tobago) Limited	20,250,000	20,250,000
First Caribbean International Bank (Trinidad & Tobago) Limited	112,050,000	67,500,000
	<u>235,574,528</u>	<u>241,278,750</u>

Banco Latinoamericano de Exportaciones (Bladex)

- This is a US \$20M facility
Collateral: Government guarantee
Repayment: 30 to 180 days

Scotiabank Trinidad and Tobago Limited

The balance represents drawdowns from two (2) facilities as follows:

- TT\$ 50M or the equivalent amount in US dollars
Collateral: Unsecured
Repayment: 30 to 180 days
- TT\$ 44.68M or the equivalent amount in US dollars.
Collateral: Government guarantee.
Repayment: 30 to 180 days.

First Caribbean International Bank (Trinidad & Tobago) Limited

- This is a US \$10M facility which matured and was renewed on 26 January 2021
Collateral: Government guarantee
Repayment: Semi-annually in arrears
- This is a US \$10M facility
Collateral: Government guarantee
Repayment: Semi-annually in arrears

RBC Royal Bank Limited

- This is a US \$3M facility
Collateral: Unsecured
Repayment: 30 to 180 days

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

13 Forex facility

Forex facility - Manufacturing Sector

The Government of the Republic of Trinidad and Tobago (GORTT) has agreed to the introduction of a US Dollar Foreign Exchange Facility to the Export Import Bank of Trinidad and Tobago Limited (EXIMBANK) to facilitate allocation to local manufacturing and exporting companies in Trinidad and Tobago.

The TT equivalent of US\$5M was initially provided by the GORTT at 31 December 2018 namely TT\$35M. This was used to Purchase US\$ 5M from the Central Bank of Trinidad and Tobago (CBTT).

This initial facility to revolve until US\$ 100M has been made available to the manufacturing sector.

US\$100M was provided by the GORTT towards this facility from December 2018 to December 2020.

Forex facility - Essential Food and Pharmaceuticals

The Government rolled out a stimulus package of US\$25M per month from March 2020 for a maximum of three (3) months to allow for the importation of essential food and pharmaceutical products.

The TT equivalent of US\$10M was initially provided by the GORTT at 1 June 2020 namely TT\$68M. This initial facility to revolve until US\$ 75M was utilised on this stimulus program.

This Facility was fully utilised at US\$75M from April to August 2020 and a 2nd tranche of US\$25M per month was again rolled out for three (3) months from October to December 2020.

US\$150M was provided by the GORTT towards this facility for the Year 2020.

TT\$103M was treated as capital contributions. Subsequent to year end the Bank received approval from the GORTT to be treated as stated capital. (refer to note 2. (bi))

Conversion of amounts advanced to Capital

In 2018, GORTT provided US\$ 5M, TT\$35M equivalent, for the Bank to establish a foreign exchange facility for local manufacturing and exporting companies in Trinidad and Tobago. This amount was initially recognised as a current liability. In 2020, GORTT provided EXIMBANK with a further US\$9.7M, TT\$68M equivalent, to introduce another foreign exchange facility for the allocation of foreign currency to importers and manufacturers of food, pharmaceuticals and other essential items. Prior to the year-end, Management requested that GORTT convert the total of \$103M to stated capital. Formal approval was only communicated subsequent to the year-end. The amount was treated as capital contributions since at year end the shares had not yet been issued.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

14 Lease liability

The Bank has a lease contract on the building at 30 Queen's Park West with a remaining term of over 21 years. Future rent payable as at 31 December 2020 is as follows:

	2020 \$	2019 \$
Current	10,859	5,554
Non-current	<u>155,877</u>	<u>166,318</u>
	<u>166,736</u>	<u>171,872</u>
• Interest expense (included in profit or loss)	6,864	7,069
• The total cash outflow for leases in 2020 was TT\$12,000 (2019 – TT\$12,000)		

15 Deferred taxation

The movement in the deferred taxation account is as follows:

	2020 \$	2019 \$
Balance at beginning of year – (asset)/liability	(149,560)	11,894
Expense/(credit) for the year	<u>306,042</u>	<u>(161,454)</u>
Balance at end of year – liability/(asset)	<u>156,482</u>	<u>(149,560)</u>
Deferred taxation is attributable to:		
Excess of net book value over written down tax value	<u>156,482</u>	<u>(149,560)</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

16 Deferred Income – GORTT subvention

The GORTT provided subvention income of six million dollars (TT\$6M) to facilitate expansion of the country's export sector to assist in enhancing the country's foreign exchange position and its international trade landscape and this project was in progress at year end.

	2020 \$	2019 \$
Deferred Income – GORTT subvention	<u>2,216,490</u>	<u>2,395,240</u>

17 Stated capital

Issued and fully paid

1,949,340 Cumulative convertible preference shares
of no par value

	2020 \$	2019 \$
	<u>194,934,000</u>	<u>194,934,000</u>

18 Special reserve

An amount of \$450,000 was allocated to the Bank by the Ministry of Finance to assist with the cost of broker fees and other pre-incorporation expenses associated with the partial divestment of the Bank. This initiative was discontinued after an initial expense of \$8,625.

No related expenses were incurred during the year ended 31 December 2020.

19 Interest income

	2020 \$	2019 \$
Income from raw material and asset financing	16,361,080	18,223,712
Income from trade discounting	<u>625,599</u>	<u>539,042</u>
	<u>16,986,679</u>	<u>18,762,754</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

20 Forex and other income

Forex income

	2020 \$	2019 \$
Forex Allocation System (FAS)	19,753,892	--
Forex Manufacturing	<u>9,873,243</u>	<u>893,353</u>
	<u>29,627,135</u>	<u>893,353</u>

Other income

Fees and commissions	2,090,541	1,977,011
Results on insurance operations	17,964	99,125
Unexpired risk adjustments	3,389	2,705
Investment income	1,229,719	1,007,483
Miscellaneous income (see below)	<u>1,554,653</u>	<u>3,762,681</u>
	<u>4,896,266</u>	<u>6,849,005</u>

Miscellaneous income

Bad debts recovery	893,763	11,148
Gain on foreign exchange	220,889	42,040
Staff loan interest	4,676	1,958
Gain/(loss) on disposal of property and equipment	1,500	(17,860)
Agency fees - TTTBDL (net)	255,000	120,615
Government subvention	178,750	3,604,760
Other income	<u>75</u>	<u>20</u>
	<u>1,554,653</u>	<u>3,762,681</u>

21 General and administrative expenses

Building occupancy and equipment	2,443,196	2,494,454
Communications	218,756	196,490
Employee benefits expense (see below)	14,806,792	7,610,352
General administrative expenses	2,457,121	2,606,801
Other business expenses	1,316,064	913,510
Amortisation of intangible assets (Note 9)	18,225	176,395
Lease liability interest expenses	<u>6,865</u>	<u>7,069</u>
	<u>21,267,019</u>	<u>14,005,071</u>

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

21 General and administrative expenses (continued)

Employee benefits expense

	2020 \$	2019 \$
Salaries	5,820,521	5,488,979
Backpay	5,967,569	363,704
National insurance	336,751	299,826
Pension contributions	883,686	348,477
Health insurance	92,764	89,871
Other benefits and allowances	<u>1,705,501</u>	<u>1,019,495</u>
	<u>14,806,792</u>	<u>7,610,352</u>

22 Taxation

Business levy	(310,039)	(149,180)
Green fund levy	--	(76,135)
Deferred taxation	<u>(306,042)</u>	<u>161,454</u>
	<u>(616,081)</u>	<u>(63,861)</u>

The tax on the Bank's net income before taxation differs from the theoretical amount that would arise using the basic rate of tax as follows:

Profit/(loss) before taxation	11,815,995	(44,628,910)
Tax calculated at 30%	(3,544,799)	13,388,673
Exempt income	134,452	225,340
Expenses not deductible for tax purposes	(2,822,053)	(12,445,131)
Business levy	(310,039)	(149,180)
Utilisation of tax losses not previously recognised	5,926,358	--
Tax losses not recognised	--	(1,007,428)
Green fund levy	<u>--</u>	<u>(76,135)</u>
	<u>(616,081)</u>	<u>(63,861)</u>

As at 31 December 2020, the Bank had tax losses that are available to be carried forward and utilised against future taxable profits of \$92,504,382. In accordance with its accounting policy, the Bank has not recognised a potential deferred tax asset of \$27,751,315 relating to the losses, as it is not yet probable that future taxable profits will be available against which the tax losses can be utilised in the foreseeable future.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

23 Related party transactions

Parties are considered to be related if one has the ability to control or exercise significant influence over the other in making financial and operational decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Bank.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and conditions at market rates.

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

a. *Income*

	2020 \$	2019 \$
Agency fees – TTTBDL (net)	<u>255,000</u>	<u>120,615</u>

b. *Expenses*

Directors fees and travelling	<u>378,000</u>	<u>378,000</u>
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c. *Key management compensation*

Short term benefits	3,949,909	4,005,622
Post-employment benefits	<u>299,430</u>	<u>180,450</u>
	<u>4,249,339</u>	<u>4,186,072</u>

d. There were several transactions and balances entered into with the Government of Trinidad and Tobago as at 31 December 2020 (refer to note 13 and 16).

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management

The Bank has established a framework for managing financial risks and aims to achieve a balance between risk and return so as to minimize negative effects on the Bank's financial performance.

Financial risk management is carried out by an organizational structure which comprises the Board of Directors, the Board Credit Committee, the Management Credit Committee, and the Board Audit and Compliance Committee. The risk management system is so designed to analyse risks through an up to date information system and in close co-operation with the Bank's Credit and Internal Audit Departments.

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in China and other countries. The extent of the impact of the COVID-19 outbreak on the financial performance of the Bank will depend on future developments and the impact on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Bank's results may be adversely affected since this event spans all the risk levels outlined below.

The Bank invests in financial instruments and maintains a balance between investments whilst maintaining sufficient liquidity to service the loan portfolio. The main risks arising from the Bank's financial instruments are credit risk, market risk, liquidity risk and operational risk. The Bank's policies for managing risks are as follows:

a. Credit risk

Credit risk arises in lending and investing activities and it relates to the possibility that a counter party may fail to fulfil its contractual obligations and thereby cause a financial loss to the Bank. The principal business of the bank is loans and advances and as such these significant assets are responsible for a large percent of the revenue generated.

Exposure to credit risk is managed through credit policies, procedures and audit functions together with approved limits and also by obtaining collateral and corporate and personal guarantees.

(i) Credit risk management

The Board of directors maintains general oversight ensuring the strategic direction and credit philosophy is maintained and vests responsibility in the sub committees for the day to day decisions. The Credit Department is responsible for the management and administration of the credit portfolio whilst the Treasury Department oversees the Investment and Borrowing Portfolios. These two (2) departments ensure that current legislation, best practice and the credit and borrowing policies of the Bank are maintained.

Loans and receivables

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) which is used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

Investments

A probability of default is established for each investment grade based on realised default rates for the Caribbean as observed over the prior 12 months.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

Expected credit loss measurement

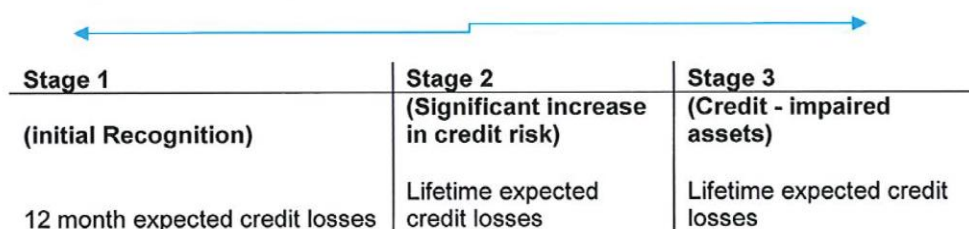
IFRS 9 outlines a 'three stage' model; for impairment based on changes in credit quality since initial recognition as summarised below:

A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Bank.

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. Please refer to note below for a description of how the Bank determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note for a description of how the Bank defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. See below for an explanation of how the Bank has incorporated this in its ECL model.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit- impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition



Significant increase in credit risk (SICR)

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

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. *Credit risk (continued)*

(i) *Credit risk management (continued)*

Loans

- Increase in risk rating by two (2) points as per internal risk rating system
- Increase in two classes as per internal risk rating system
- Movement into class four (4) or five (5) as per internal risk rating system

Investments

A downgrade in the overall credit rating for the Caribbean from rating agencies such as Moody's or Standard and Poor's.

Significant decrease in credit risk (SDCR)

With respect to the cure for SDCR, the Bank considers a significant decrease in credit risk has occurred when the following happens:

Loans

- Decrease in risk rating by two (2) points as per internal risk rating system
- Decrease in two classes as per internal risk rating system. Movements from class (4) or (5) to class (1) or (3).

Investments

An upgrade in the overall credit rating for the Caribbean from the rating agencies such as Moody's or Standard and Poor's.

➤ *Definition of default and credit-impaired assets*

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when a borrower has failed to repay a loan according to the terms of the agreement with the bank via payments on either the principal loan amount or the interest that the loan has accrued after 90 days from the loan's maturity date/installment. There are also qualitative default criteria which may cause the financial instrument to be in default which includes the disappearance of an active market, when it becomes probable that a borrower will enter bankruptcy and the borrower's financial difficulties have granted the borrower a concession that the Bank would not have otherwise considered.

Investments

➤ *Definition of default and credit-impaired assets*

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

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

➤ *Measuring ECL - Explanation of inputs, assumptions and estimation techniques*

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). Each term is defined as follow:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by product type, while the availability of collateral is factored before LGD is considered. A robust system for recovering on all delinquent facilities managed by the recoveries department ensures that measures are taken to contain loss. The recovery on the various products managed by the Bank are recorded and this historical information is used to determine LGD. LGD is expressed as the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by multiplying the PD, LGD and EAD after taking into consideration the discounted present value of the EAD and collateral enhancements. The EAD is determined by reducing the outstanding balance from the discounted collateral value. The cost of disposal of the collateral item is factored together with the time frame for disposal before discounting to present values. The discount rate used in the ECL calculation is the estimated average effective interest rate of 8%.

➤ *Forward-looking information incorporated in the ECL models*

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

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

Loan portfolio

The weighting assigned to each economic scenario as at December 31, 2019 were as follows: -

	Base	Upside	Downside
Loans	20%	10%	70%

The weighting assigned to each economic scenario as at December 31, 2020 were as follows:

	Base	Upside	Downside
Loans	20%	20%	60%

The Bank also made the following key assumptions in its assessment:

Recovery rates

Recovery rates used on loans represent the actual historical experience of repayments on each loan type.

➤ Determination of macroeconomic scenarios and probabilities

The macroeconomic factors and the weights were chosen based on a review of the 5-year trend (Year 2016 to 2020) of the Bank's Loan Portfolio to determine which factors would have a higher impact on the portfolio as compared to others. Different weights were assigned to component indicators of the scorecard in order to reflect their economic significance on the particular portfolio assessed, based on management's judgement and experience.

➤ Maximum exposure to credit risk before collateral held or other credit enhancement

	Gross maximum exposure 2020 \$	Gross maximum exposure 2019 \$
Cash and bank balances	157,018,876	55,499,930
Loans and receivables	262,350,969	276,614,645
Other assets and taxes recoverable	2,379,448	1,425,533
Investments	14,526,099	15,447,888
Total credit risk exposure	<u>436,275,392</u>	<u>348,987,996</u>

The above table represents a worst-case scenario of credit risk exposure to the Bank without taking account of any collateral held or other credit enhancements attached.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

➤ Loans to customers and other financial assets

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

	Loans and receivables			Total
	31 December 2020			
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	\$
Raw material and asset financing	107,431,081	147,237,679	90,829,940	345,498,700
Trade discounting	--	5,750,256	651,375	6,401,630
Sub-total	107,431,081	152,987,934	91,481,315	351,900,330
Loss allowance	(2,218,826)	(1,875,427)	(85,455,109)	(89,549,362)
Carrying balance	105,212,255	151,112,508	6,026,206	262,350,969

	Investments			Total
	31 December 2020			
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	\$
Investment grade	14,561,204	--	--	14,561,204
Loss allowance	(35,104)	--	--	(35,104)
Carrying balance	14,526,100	--	--	14,526,100

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

	Loans and receivables 31 December 2019			
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Raw material and asset financing	193,567,349	61,428,832	130,323,533	385,319,714
Trade discounting	4,898,556	185,624	799,597	5,883,777
Sub-total	198,465,905	61,614,456	131,123,130	391,203,491
Loss allowance	(2,683,573)	(751,047)	(111,154,226)	(114,588,846)
Carrying balance	195,782,332	60,863,409	19,968,904	276,614,645
	Investments 31 December 2019			
	Stage 1 Lifetime ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Investment grade	15,481,256	--	--	15,481,256
Loss allowance	(33,368)	--	--	(33,368)
Carrying balance	15,447,888	--	--	15,447,888

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

- a. Credit risk (continued)
- (i) Credit risk management (continued)

Maximum exposure to credit risk

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Loans

Credit impaired assets

	31 December 2020	Gross exposure \$	Impairment allowance \$	Carrying amount \$	Fair value collateral held \$
Raw material & asset financing		27,367,337	(27,277,546)	89,791	--
Trade discounting		651,375	(651,375)	--	--
Demand loans		63,462,603	(57,526,188)	5,936,415	1,109,086
Sub-total		91,481,315	(85,455,109)	6,026,206	1,109,086
31 December 2019					
Raw material & asset financing		130,323,533	(113,454,581)	19,868,952	14,139,444
Trade discounting		799,597	(699,645)	99,952	--
Sub-total		131,123,130	(114,154,226)	19,968,904	14,139,444

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

➤ Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent step up (or step down) between 12 month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models; currently nine years of data for PDs are being used, however it is management's intention to have a ten year rolling average for the PDs.
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets that were written off during the period.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued) 31 December 2020 (Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

Loans

	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2020	2,683,573	751,047	111,154,227	114,588,847
Movement with P&L Impact				
Transfer from Stage 1 to Stage 2	--	--	--	--
Transfer from Stage 1 to Stage 3	--	--	--	--
Transfer from Stage 2 to Stage 1	--	--	--	--
Transfer from Stage 2 to Stage 3	--	--	--	--
Transfer from Stage 3 to Stage 1	--	--	--	--
New financial assets originated	2,192,313	1,625,559	9,662,792	13,480,664
Change in PDs/LGDs/EADs	(1,268,725)	198,468	11,939,079	10,868,822
Repayments	(1,388,336)	(603,768)	(12,822,458)	(14,814,562)
Write-offs	--	(95,878)	(34,478,529)	(34,574,408)

Total net P&L charge during the period

(464,747) 1,220,258 8,779,412 9,534,923

Loss allowance as at 31 December 2020

2,218,825 1,875,426 85,455,109 89,549,361

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

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

➤ Maximum exposure to credit risk

Investments	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2019	--	33,368	--	33,368
Movement with P&L Impact				
Transfer from stage 1 to stage 2	--	--	--	--
Transfer from stage 2 to stage 1	--	--	--	--
Transfer from stage 2 to stage 3	--	--	--	--
Change in PDS/LGDs/EADs	--	4,319	--	4,319
Repayment	--	(2,583)	--	(2,583)
Total net P&L charge during the period	--	1,736	--	1,736
Loss allowance as at 31 December 2020	--	35,104	--	35,104

(a) Single and group borrower limits

The Bank on a regular basis rates the credit facilities and concentrates attention on the loan portfolio as the need arises. A risk limit control policy is in effect in relation to one borrower or groups of borrowers so that no single borrower default will have a material impact on the Bank.

For any exceptions, board or shareholder approval is secured.

This is implemented and monitored by the Credit Department.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

a. Credit risk (continued)

(i) Credit risk management (continued)

(b) Collateral

The principal collateral types for loans and advances are letters of assignments of receivables, mortgage bills of sale and where possible mortgages and debentures and promissory notes.

(ii) Provisioning policies

Loan loss provisions are set aside to cover potential losses in respect of non-performing loans. These provisions are reviewed annually by the board credit committee or as the circumstance require and recommendations are made and submitted to the Board of Directors for approval. Non-performing loans recommended for write offs are also reviewed annually and action taken in accordance with set guidelines.

The Ministry of Finance has given its commitment to support the Bank in the event of default on certain loans.

b. Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market values. Market risk comprises currency risk, interest rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank is exposed to the effects of changes in exchange rates on its financial position and cash flows.

The Bank's policy is to match the loans granted in foreign currencies with funding in the same currency. The principal currencies of the Bank are Trinidad and Tobago (TTD) and United States of America (USD) dollars.

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank is exposed to the effects of changes in exchange rates on its financial position and cash flows.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

b. Market risk (continued)

(i) Currency risk (continued)

Balances as at 31 December 2020 and 31 December 2019, in their reporting currencies, were as follows:

31 December 2020	TTD	USD	Total
	\$	\$	\$
Assets			
Cash and cash equivalents	83,275,259	73,743,617	157,018,876
Loans and receivables	44,504,837	217,846,132	262,350,969
Held-to-maturity investments	14,526,099	--	14,526,099
	<u>142,306,195</u>	<u>291,589,749</u>	<u>433,895,944</u>
Liabilities			
Accounts payable and accruals	22,482,399	--	22,482,399
Lines of credit	--	235,574,528	235,574,528
	<u>22,482,399</u>	<u>235,574,528</u>	<u>258,056,927</u>
31 December 2019	TTD	USD	Total
	\$	\$	\$
Assets			
Cash and cash equivalents	41,735,626	13,764,304	55,499,930
Loans and receivables	49,533,905	227,080,740	276,614,645
Investments	15,447,888	--	15,447,888
	<u>106,717,419</u>	<u>240,845,044</u>	<u>347,562,463</u>
Liabilities			
Accounts payable and accruals	8,248,217	--	8,248,217
Lines of credit	--	241,278,750	241,278,750
Forex facility	35,000,000	--	35,000,000
	<u>43,248,217</u>	<u>241,278,750</u>	<u>284,526,967</u>

The functional currency of the Bank is TT dollars since the currency of Trinidad is TT dollars; almost all contractual arrangements are with local companies and the day to day expenses are also in TT dollars.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

- b. Market risk (continued)
- (ii) Interest rate risk

Interest rate risk arises due to fluctuations in market interest rates and this in turn will affect the value of financial instruments as well as future cash flows. The Bank aims to manage this risk by reducing the sensitivity of its earnings and overall portfolio value to fluctuations in the interest rate. This objective is achieved by periodically reviewing the price of loan products, diversifying portfolios and by making timely adjustments to the overall term to maturity based on the relevant economic and financial market conditions.

The table below shows the Bank's exposure to interest rate risk:

31 December 2020	Up to 30 days \$	1-3 Months \$	3-12 Months \$	1-5 Years \$	Over 5 Years \$	Total \$
Assets						
Cash and cash equivalents	157,018,876	--	--	--	--	157,018,876
Loans to customers	58,919,051	22,041,694	134,817,769	44,584,819	1,987,636	262,350,969
Investments	--	--	1,572,095	5,550,635	7,403,369	14,526,099
Total assets	215,937,927	22,041,694	136,389,864	50,135,454	9,391,005	433,895,944
Liabilities						
Line of credit	20,250,000	69,525,000	145,799,528	--	--	235,574,528
Total liabilities	20,250,000	69,525,000	145,799,528	--	--	235,574,528
Net gap	195,687,927	(47,483,306)	(9,409,664)	50,135,454	9,391,005	198,321,416
Cumulative gap	195,687,927	148,204,621	138,794,957	188,930,412	198,321,416	--

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

b. Market risk (continued)

(ii) Interest rate risk (continued)

	31 December 2019	Up to 30 days \$	1-3 Months \$	3-12 Months \$	1-5 Years \$	Over 5 Years \$	Total \$
Assets							
Cash and cash equivalents		55,499,930	--	--	--	--	55,499,930
Loans to customers		24,036,908	71,180,531	79,328,615	94,136,313	7,932,278	276,614,645
Investments		--	--	1,572,969	5,605,424	8,269,495	15,447,888
Total assets		79,536,838	71,180,531	80,901,584	99,741,737	16,201,773	347,562,463
Liabilities							
Line of credit		20,250,000	93,622,500	67,500,000	59,906,250	--	241,278,750
Total liabilities		20,250,000	93,622,500	67,500,000	59,906,250	--	241,278,750
Net gap		59,286,838	(22,441,969)	13,401,584	39,835,487	16,201,773	106,283,713
Cumulative gap		59,286,838	36,844,869	50,246,453	90,081,940	106,283,713	--

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

24 Financial risk management (continued)

c. Liquidity risk

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet its obligations and commitments as they fall due. The Bank's liquidity management system is so designed to ensure that the demands of customers for additional borrowings can be met, that the short term investments can be easily liquidated to meet day to day needs, and that there is a right mix of short term and long term debt portfolio. The Bank's Treasury Department manages the liquidity management process.

The table below shows the maturity profile of the liabilities of the Bank as at 31 December 2020 to the contractual maturity date. These balances include interest to be paid over the remaining term of the liabilities and are therefore greater than the Statement of Financial Position figures. The figures are also undiscounted cash flows.

31 December 2020	Up to 30 days \$	1-3		3-12		1-5		Over	
		Months	Months	Months	Months	Years	Years	5 Years	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total assets	215,937,927	22,041,694	136,389,864	50,135,454	9,391,005	433,895,944			
Total liabilities	20,250,000	69,525,000	145,799,528	--	--	235,574,528			
Net gap	195,687,927	(47,483,306)	(9,409,664)	50,135,454	9,391,004	198,321,417			
Cumulative gap	195,687,927	148,204,621	138,794,957	188,930,412	198,321,417	--			
31 December 2019	Up to 30 days \$	1-3		3-12		1-5		Over	
	\$	Months	Months	Months	Months	Years	Years	5 Years	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total assets	79,536,837	71,180,531	80,901,584	99,741,737	16,201,773	347,562,462			
Total liabilities	20,250,000	93,622,500	67,500,000	59,906,250	--	241,278,750			
Net gap	59,286,837	(22,441,969)	13,401,584	39,835,487	16,201,773	106,283,712			
Cumulative gap	59,286,837	36,844,869	50,246,453	90,081,940	106,283,712	--			

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

25 Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

No financial instruments are measured at fair value as at 31 December 2020.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

i. *Current assets and liabilities*

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

ii. *Loans and receivables*

Loans are net of specific provisions for losses. The Portfolio consists of:

- a. Assets from transactions conducted under typical market conditions whose values are not adversely affected by unusual terms – 100% of Loan Portfolio

The inherent rates of interest at (a) approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

iii. *Investments*

The fair values of investments are determined on the basis of quoted market prices available at 31 December 2020.

(a) *Classification of financial instruments at fair value*

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

25 Fair values (continued)

iii. Investments (continued)

(a) Classification of financial instruments at fair value (continued)

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(b) Fair values of financial assets measured at amortised cost

The table below shows the financial assets and liabilities measured at fair value and which are not materially different from their carrying values. Fair values are calculated based on the cash flows discounted using a current lending rate.

	Level 1	Level 2	Level 3	Fair value	Carrying amount
	\$	\$	\$	\$	\$
As at 31 December 2020					
<i>Financial instruments</i>					
Loans and receivables	--	262,350,969	--	262,350,969	262,350,969
Investments	--	14,526,099	--	14,526,099	14,526,099

	Level 1	Level 2	Level 3	Fair value	Carrying amount
	\$	\$	\$	\$	\$
As at 31 December 2019					
<i>Financial instruments</i>					
Loans and receivables	--	276,614,645	--	276,614,645	276,614,645
Investments	--	15,447,888	--	15,447,888	15,447,888

	Debt Securities \$'000	Equity \$'000	Total \$'000
	\$	\$	\$
As at 31 December 2020			
Opening balance	15,447,889	--	15,447,889
Repayment	(920,053)	--	(920,053)
Loss on investment	(1,737)	--	(1,737)
	14,526,099	--	14,526,099

Export-Import Bank of Trinidad and Tobago Limited

Notes to the Financial Statements (continued)

31 December 2020

(Expressed in Trinidad and Tobago Dollars)

26 Capital risk management

The Bank manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its shareholder. The Bank's overall strategy remains unchanged from previous years.

The capital structure of the Bank consists of equity attributable to the shareholder and comprises stated capital and retained earnings.

27 Capital commitments

The Bank has no capital commitments at the year end.

28 Contingent liability

There were no contingent liabilities as at 31 December 2020.

29 Subsequent events

Subsequent to the year end, the Ministry of Finance advised of increased ceilings of and extension to the following USD Foreign Exchange Facilities:

- The USD Forex facility to local manufacturing and exporting companies was increased from USD 100M to USD 200M.
- The USD Forex facility to facilitate the allocation of USD to Importers and Manufacturers of Food, Pharmaceuticals and Essential Items as a result of the Covid-19 Pandemic was extended to July 2021 with an increase in the ceiling by USD \$50M.

APPENDIX II

Export-Import Bank of Trinidad and Tobago

Crisis Management Plan Procedures for Infectious Diseases
Outbreak Management

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1.0 Introduction

1.1 Purpose and Scope

This document is to communicate guidelines and procedures in the workplace for detecting and responding to infectious diseases that can affect the well-being of staff and disrupt normal business operations in Eximbank.

Our top priority is the safety and well-being of our personnel. As such, the guidelines provided in this document are to assure staff that a safe work environment has been established.

1.2 Important Contacts

The contact information for resources that are critical to Eximbank's business continuity can be found in *Section 1.0* of the Business Continuity Plan.

2.0 Background

2.1 Types of Disease Infection

Types of contagious diseases widely known on island include:

- Influenza – Influenza A or H1N1 (typically known as Swine Flu)
- Coronavirus – COVID-19 (similar to influenza)

2.2 Influenza – Swine Flu

Influenza is also called the flu. It's an infection that causes fever, chills, cough, body aches, headaches, and sometimes earaches or sinus problems. Typically, influenza is transmitted through the air by coughs or sneezes, creating aerosols containing the virus. Infections also occur through contact with these body fluids or with contaminated surfaces.

Risk of Infection

Typically, influenza is transmitted through the air by coughs or sneezes, creating aerosols containing the virus. Influenza can also be transmitted by bird droppings, saliva, nasal secretions, feces and blood.

Risk of Pandemic

Infections also occur through contact with these body fluids or with contaminated surfaces.

Symptoms include:

- High fever
- Dry cough, sore throat, body aches and difficulty in breathing
- Running nose
- Diarrhoea, vomiting, abdominal pain, chest pain, bleeding from nose and gums.

2.3 COVID-19 (Novel Corona Virus)

COVID-19, previously called the Novel Coronavirus, is part of a family of viruses that includes the common cold, SARS and MERS. According to the World Health Organisation (WHO), the Novel Corona virus is a new strain that has not been previously identified in humans.

Risk of Infection

The virus is spread mainly from person-to-person. Between people who are in close contact with one another (within about 6 feet). Through respiratory droplets produced when an infected person coughs or sneezes. These droplets can land in the mouths or noses of people who are nearby or possibly be inhaled into the lungs.

Risk of Pandemic

The virus, if given enough opportunity, may have the potential to mutate and develop the capability to spread more easily from person to person. Such a change could mark the start of a global outbreak (a pandemic).

Symptoms include:

The symptoms of COVID- 19 in humans are:

- Shortness of breath
- Coughing

- Fever
- Acute diarrhoea

In severe cases symptoms may also include:

- Pneumonia
- Severe acute respiratory syndrome
- Kidney failure

3.0 Modes of Transmission

Mode	Influenza	COVID-19
Incubation Period	Typically, 2 days, with a range of 1-4 days	Typically, 2 – 14 days after exposure
Infectious Period	Person is contagious 1 day before onset of symptoms	Person is contagious after the onset of symptoms.
Droplets Spread	Droplets spread to nearby contact (1-2m) when an infected person coughs or sneezes	Droplets spread to nearby contact (1-2m) when an infected person coughs or sneezes
Contact	Direct or indirect contact with respiratory (nasal) secretions.	Direct or indirect contact with respiratory (nasal) secretions. <i>(Virus' survival in high humidity environments is very much shorter.)</i>
Airborne Spread <i>(Transmission through droplet nuclei)</i>	Possible, but less likely. <i>(droplet nuclei are very small particles that stay suspended in the air for longer period, and therefore could spread diseases without close physical contacts)</i>	Possible, but less likely.

4.0 Business Continuity Plan

4.1 Crisis Management

These procedures are a component of the Crisis Management Plan and thus must following the activities outlined in both Crisis Management and Business Continuity Plans.

4.2 Roles and Responsibilities

The key responsibilities of individual functions/teams are summarized in the table below:

Function	Main Responsibilities
Business Continuity Management Team: <ul style="list-style-type: none">• Navin Dookeran (BC Owner/Team Lead)• Josephine Ible (BC Coordinator)• Marlene Mendez (BC Administrator)• Scofield Thomas (IT Lead)	<ul style="list-style-type: none">• Management and coordination of Business Continuity and Disaster Recovery efforts of the company.• Responsible for decision making and activation of Business Continuity Plan
Crisis Management Team <ul style="list-style-type: none">• Marlene Mendez (Team Lead)• Sheldon Thomas (Communications Lead)• Kevin Tang Nian (Team Member)• Lindsay Chevalier (Team Member)• Yoganan Dipchan (Team Member)	<ul style="list-style-type: none">• Responsible for assessing severity of impacts and damage/disruption to facilities, centre operations, and personnel.• Main Liaison to Ministry of Health and/or local health facility.
IT Team <ul style="list-style-type: none">• Scofield Thomas (IT Manager)• Drew Bejai (Administrator / Support)• Jason Abraham (Administrator / Support)	<ul style="list-style-type: none">• IT Team to support and facilitate staff access to the company's systems, including working from remote areas.
Employees	<ul style="list-style-type: none">• Support all crisis and business continuity efforts within Eximbank.

4.3 Activation

As a guide, the Business Continuity Plan should be activated at Incident Level 2 onwards. However, if the progression of the disease is very fast, it may not be operationally feasible to have a clear, sequentially graduated response.

5.0 Guidelines

5.1 Advisory and Updates

Information concerning the disease, situation updates, and Ministry of Health-issued updates and travel advisories shall be disseminated by the Crisis Management Team to all staff during an outbreak.

5.2 Health Declaration

Declaration of health from a qualified medical physician is mandatory for all staff members under the following circumstances:

- 1) Return from disease affected countries.
- 2) In contact with any suspected or probable disease infected person(s).
- 3) Visited a hospital
- 4) Visited any person(s) under quarantine.
- 5) Issued with quarantine orders by Ministry of Health.

5.3 Staff Education

Human Resources Department shall:

- educate all staff on the disease and the mode of transmission.
- brief staff on the need for infection control measures and the preventive procedures that have been set in place within the organization.
- encourage staff to assist in sharing the procedures with clients and visitors.
- promote good hygiene practices in the workplace.

Good hygiene in the workplace:

- Do not spit on the floor or ground.
- Wash hands:
 - Regularly and thoroughly with soap and water; hand sanitizer if available
 - Before and after preparing and eating food
 - After going to the toilet
 - After blowing nose, coughing and/or sneezing
 - After removing personal protective gear
- Sneezing and coughing should be done into tissues, or in your arm or the crook of your elbow. All used tissues should be properly disposed.
- Avoid sharing of cups, cutlery and other kitchen utensils.

5.4 Alternative Work Arrangements

We will also be utilizing available technologies as appropriate (e.g. email, VPN, etc.) and collaboration sites to conduct virtual meetings and share documentation as required so that any client disruption can be minimized while ensuring our safety. Additionally, the following guidelines should be followed:

- All staff members who have issued laptops must take their laptops home with them each evening.
- In case there is any major incidents overnight, staff members should all be ready to work from home or at an alternate site at short-notice if required.
- If you are displaying flu-like symptoms, please discuss with your reporting manager and stay at home.

5.5 Flexible Work from Home Arrangements

Eximbank will implement flexible working arrangements for employees guided by pronouncements made by the MOH in relation to the National Pandemic Response.

5.6 Dealings with Customers / Visitors

- All business functions should proactively inform customers and visitors in advance on the preventive measures of Eximbank to avoid misunderstandings. The Marketing Department shall take charge of drafting the relevant messages for such dissemination purpose.
- Health advisory by MOH should be prominently displayed in lobby / reception area for all visitors to see.
- All meetings with external parties are to be held only in a dedicated meeting room. Staff must ascertain that their visitors have not visited a high-risk area, or any disease affected countries. If so, these visitors will not be allowed into Eximbank premises and the meetings should either be postponed or held outside of Eximbank premises.
- Visitors must sign at the reception desk and records should be maintained for contact purposes, should the need arise.

5.7 Dealings with Suppliers and Couriers

- For bulky items all suppliers and couriers should be directed to the delivery bay on the ground floor of the building.
- When delivery involves big and bulky items, suppliers will be required to put on a face mask before being allowed to transport the items into the office premises.
- Urgent courier and hand delivery items will be allowed into the reception area but must be collected by the person that the item is addressed.

5.8 Business Travel / Personal Travel

- All business travel, in particular, to disease affected areas should be postponed unless absolutely necessary.
- A planned travel route is strongly encouraged, to avoid stopovers at disease affected areas.

- All staff travels (date and travel routes) need to be declared by staff to the Chief Operating Officer and the Manager of the Human Resources Department.

5.9 Post Travel Quarantine

As a precautionary measure, staff who has travelled during the disease outbreak time period should observe the following upon return from trip:

- a) Self-quarantine for a number of days (depending on MOH guideline).
- b) Quarantine period maybe granted as per leave policy stipulated by Human Resources Department.
- c) Arrangements can be made for staff to work from home, if necessary.
- d) Staff will have to take temperature twice daily and this should be recorded.
- e) If staff is physically fit, he/she can report to work after the quarantine period. However, he/she needs to continue to monitor their temperature for the next 1 week.
- f) Should staff develop disease symptoms at any time, he/she has to seek medical consultation immediately and report to his Manager and Human Resources Department.
- g) Medical leave will be granted in accordance to leave policy as stipulated by Human Resources Department.

6.0 Control Procedures

When an imminent disease outbreak is announced and confirmed by MOH, the administration procedures outlined hereafter will be activated immediately.

6.1 Essential Items

Upon approval from the Chief Operating Officer, the Human Resources department will act to purchase essential items:

No.	Item	Purpose
1	Face Masks	<ul style="list-style-type: none">To be issued as part of Personal Protective Equipment (PPE) if necessary
2	Thermometers & accessories such as covers, batteries	<ul style="list-style-type: none">Digital thermometers suitable for axillary's (armpit) useHandheld infrared thermometers shall be used for visitor temperature checks.
3	Alcohol Swipes Alcohol-based hand sanitizers	<ul style="list-style-type: none">For each departmentReception areasMeeting RoomsKitchen
4	Disposable gloves	<ul style="list-style-type: none">For kitchen assistant and personnel doing office cleaning, as and when needed.
5	Disposable bags	<ul style="list-style-type: none">For disposal of items such as masks, gloves, etc
6	Disinfectants/ Alcohol	<ul style="list-style-type: none">SprayLiquid detergentFor cleaning, disinfection use
7	Wiping cloths	<ul style="list-style-type: none">For cleaning, disinfection use

In times of disease outbreak, the demand for the above items is usually very high and may result in supply shortage. Hence, early purchase may be necessary.

6.2 Institute Temperature Checks

- Staff will be asked to conduct self-temperature checks daily. Staff who has travelled recently will have to record their temperature.
- Temperature-screening stations will be set up by Human Resources Department near the reception area.
- All suppliers/contractors to the office will first be subjected to temperature screening. Anyone with fever or with symptoms of disease will not be allowed into the office.
- Staff carrying out temperature screening of visitors should wear masks and put on gloves. This should be combined with frequent hand washing.
- Infrared ear thermometers will be used for temperature screening, to minimize body contact.

6.3 Isolation Room

- Administration department will have to plan and designate a room as isolation room.
- Staff who is unwell while at work with symptoms suggestive of the disease will be isolated in the isolation room.

- Items to be kept in the isolation room include face masks, thermometers, disposable gloves, alcohol swipes, alcohol hand sanitizers, disposable bags.

6.4 Incident Response Procedure

Management and staff needs to know the response procedures when different situations arise in the workplace. The following states the procedures drawn up to address the possible scenarios:

Scenario 1: Staff is unwell in the workspace

- If staff is unwell while at work and is developing fever or other symptoms, he/she should:
 - a) Put on a mask;
 - b) Take his/her temperature;
 - c) Inform his immediate manager/supervisor; and
 - d) See medical attention immediately
- Staff will have to call to update their manager/supervisor of his medical consultation results thereafter.
- If doctor has classified staff as a suspected case, Human Resources Department needs to be informed immediately.
- Human Resources Department will have to arrange for disinfection cleaning of affected work areas.

Scenario 2: Staff is unwell in the workplace with symptoms suggestive of disease

- In the event that a staff is unwell in the workplace with symptoms suggestive of the disease, the staff should be:
 - a) Isolated in the designated isolation room; and
 - b) Asked to wear a surgical mask, to reduce transmission of the illness.
- Number of staff attending to the unwell staff has to be kept to the minimum. These staff members have to put on surgical mask and disposable gloves.
- Human Resources Department shall call the MOH designated hotline to request for ambulance service to transport the unwell staff to the nearest health facility for assessment.
- Human Resources Department will immediately arrange for cleaning and disinfecting affected work areas, including the isolation room.
- Human Resources Department will work to establish lists of persons who may have come into contact with the affected staff. This list will be required by MOH for contact tracing upon staff is being confirmed to have the disease.
- Home quarantine of persons in contact shall be assessed and administered by MOH.
- Health conditions of staff under quarantine will be monitored by Human Resources Department.
- The affected staff members can only return to work upon clearance from the MOH or being certified as medically fit.

Scenario 3: Staff is unwell while outside work

- Staff members who are unwell should not report to work but seek immediate medical attention.
- Staff members have to call to update their manager/supervisor of their medical consultation results thereafter.

Scenario 4: Staff is unwell while at customer's premises

- Staff failing any health declaration procedures at any given client's premises must not return to Eximbank premises for any reason whatsoever.
- The staff member has to seek medical consultation immediately and inform his/her manager/supervisor and Human Resources department accordingly.
- The staff member may only return to work after being certified medically fit.

Scenario 5: Staff is unwell while on overseas assignments

- Should staff fall ill while overseas, he/she will seek local medical consultation immediately and inform his/her manager/supervisor and Human Resources department accordingly.
- The staff member must not travel home till fully recovered and certified fit to travel, to avoid spread to other persons while traveling.
- As an added precaution, staff may be requested to go on voluntary home quarantine before reporting for work back in office.

Scenario 6: Staff with family member suspected of being infected with the disease

- The affected staff will most probably be issued with a Home Quarantine Order by MOH.
- The staff member has to call to inform his/her manager/supervisor and Human Resources Department of the case immediately and must not report to office for work.
- The staff member may only return to work upon clearance by MOH or after being certified as medically fit.

Scenario 7: Suppliers / Couriers failing health checks

- All delivery persons must have their temperature checked at reception on ground floor.
- Anyone who fails the temperature check shall be requested to don a face mask and advised to seek medical consultation immediately.
- Receiving Eximbank dispatch staff should don a face mask at all times and spray all items received with disinfectant, before transferring them into the office premises.

6.5 Recovery of Workspace Areas Exposed to Incident

- Cleaning and Disinfection methods will be updated in accordance with new guidelines issued by MOH.
- When a suspected case is in the office, Human Resources department should seal (where possible) the areas where the person has been and arrange for immediate cleaning and disinfection (may be

through cleaning contractors). There is no need for special cleaning or disinfection of other areas. Routine cleaning of these other areas can be carried out.

- When cleaning areas where a suspected case has been, cleaning crews should:
 - a) Wear disposable gloves, disposable gowns and mask. Avoid touching the nose and mouth (goggles may help as it will prevent hands from touching eyes).
 - b) Wash their hands with soap and water immediately after the PPE are removed and when cleaning is completed.
 - c) Keep cleaning equipment to the minimum.
 - d) Open window for ventilation if possible.
 - e) Wipe all frequently touched areas (e.g. doorknobs, armrests, seatbacks, tables, air/light controls, keyboards, switches etc) and lavatory surfaces with chemical disinfectants (use according to manufacturer's instructions) and allowed to air dry.
 - f) Wipe down walls up to 3m in height as well as blinds with disinfectant.
 - g) Remove curtains for washing.
 - h) Disinfect cleaning equipment used in one room before using for other rooms.
 - i) Disinfect buckets with fresh disinfectant solution or rinse in hot water before filling.
 - j) Rinse wiping cloths/mops in disinfectant several times or rinse thoroughly in hot water.
- Disinfectants should be applied to surfaces using a damp cloth. They should not be applied to surfaces using a spray pack, as coverage is uncertain, and spraying may promote the production of aerosols.
- While there is no complete evidence that the said diseases are air borne, cleaning of air con filters can be arranged, if required.
- Avoid using the room for the following morning or afternoon sessions.