



First Citizens

Tax Advantage Plus

Annual Report

for the financial year ending December 31, 2025

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MANAGEMENT DISCUSSIONS AND ANALYSIS

The latest data from the Central Statistical Office reported 2.6% expansion (year-on-year) in real GDP during the second quarter of 2025. Output increases were noted in the energy sector of 8.5% and the non-energy sector of 0.4%. Trinidad and Tobago's economic outlook is expected to remain subdued in the near term, with real GDP growth projected to remain stable at 0.8% in 2026, according to the International Monetary Fund's (IMF) April 2026 update. While overall activity is constrained, the energy sector is expected to receive moderate support from renewed cross-border collaboration between Shell and Venezuela, facilitated by United States licensing arrangements. Looking ahead, economic conditions are expected to strengthen over the medium term, with real GDP growth projected to rise to 3.0% in 2027 and 3.5% in 2028. This improvement is likely to be driven by a combination of heightened oil and gas prices, increased exploration and production activity and continued progress on cross-border energy developments. Core inflation ended December 2025 at 0.4%, down marginally from 0.5% from the prior year. The Heritage and Stabilization Fund stood at USD \$6.38 Bn as at February 2026 and continues to serve as a significant financial buffer for the country, with the capacity to absorb external shocks and support macroeconomic stability. Domestic financial conditions remained favourable despite pockets of tightness with commercial banks' excess reserves averaging TT\$5.2 billion over 2025, which contributed to upward movements in local interest rates. Given the uncertain global economic conditions, ongoing softness in the non-energy sector, stable foreign reserves and well-contained inflation, the Monetary Policy Committee (MPC) elected to hold the repo rate steady at 3.50 per cent at the December 2025 meeting.

Globally, a significant development in early 2025 was the escalation of a global trade war, sparked by the US administration's aggressive tariff policy. Foreign financial market performance in 2025 was largely driven by easing inflationary pressures and multiple interest rate cuts by the U.S Federal Reserve against the backdrop of tariff uncertainty and concerns on the durability of artificial-intelligence related progress. The global economy is entering a more fragile phase, with geopolitical tensions, particularly the Middle East conflict, acting as a key drag on activity through higher commodity prices, rising inflation expectations, and tighter financial conditions. A prolonged or intensified conflict could trigger a sharper energy shock, further weakening growth while sustaining inflationary pressures. Additional vulnerabilities include trade tensions, fiscal constraints, financial market volatility, and supply chain disruptions, although some upside potential remains from artificial intelligence-driven productivity gains and structural reforms.

The First Citizens Tax Advantage Plus Plan ("TAP") is a deferred annuity plan that allows members to contribute periodically for the purpose of providing an annuity for life commencing at the maturity date. The main objective of the plan is to provide investors with retirement income by investing over the long term. This is achieved through investment in high-quality debt instruments denominated in both TT Dollars and US Dollars. The universe of investment assets comprise a range of high-quality debt instruments issued by governments, central banks, statutory bodies, authorities and corporations both public and private, treasury bills, treasury notes and certificates of deposit.

The investment strategy overview involved an analysis of current and projected economic conditions, fiscal and monetary policy whilst taking into consideration the return objectives and risk parameters of the Plan. Given the interest rate environment and economic outlook on both the domestic and global fronts, the Plan's investment pipeline was concentrated within the medium to long term end of the curve to benefit from attractive yields. The asset mix is tilted to fixed income offerings which provide stable and predictable income streams via coupons and principal payments. Financial market conditions are monitored on an ongoing basis in order to assess any potential portfolio impacts.



SUMMARY OF INVESTMENT PORTFOLIO As at December 31, 2025

Net Asset Value of the Fund (Total): **TTD \$94,852,090**

Net Asset Value of the Fund (By Subgroups):

1. Asset Type

Category	% Of Net Asset Value
Bonds	94.81
Cash	2.80
Money Market Funds	2.39
Total	100%

2. Domicile of Investment

Category	% Of Net Asset Value
Trinidad & Tobago	100%

3. Currency

Category	% Of Net Asset Value
TTD	92.00
USD	8.00
Total	100%

**SUMMARY OF INVESTMENT
PORTFOLIO** (continued)
As at December 31, 2025

Top 10 Positions

1. By Credit Exposure

Issuer	% Of Net Asset Value
GOVERNMENT OF TRINIDAD & TOBAGO	67.37
NIPDEC	17.08
UDECOTT	7.06
FIRST CITIZENS GROUP	2.80
ABERCROMBIE FUND	2.35
HOUSING DEVELOPMENT CORPORATION	1.71
THE HOME MORTGAGE BANK	1.06
NAT.MAINTENANCE TRAINING & SECURITY CO.	0.52
PARIA FUND	0.04
T&T UNIT TRUST CORPORATION	0.00
Total	100.00%

2. By Individual Holdings

Investment	% Of Net Asset Value
TRITOB 4.50% DUE 26.06.30	7.47
NIPDEC TT\$200M 4.50% FXRL DUE 23.04.2028	6.38
UDECOTT \$180.3M 5% FXRL MAT 16.11.28	5.72
NIPDEC TT\$500M 6.25% FXRB DUE 2028	5.10
GOTT 6.00% FXRB DUE 2031	4.76
NIPDEC TT\$750M 6.55% FXRB DUE 2030	3.93
GOTT TT\$2,0B 4.50% FXRB DUE 23.09.33	3.56
GOTT \$545.3M @ 4.70% FXRB DUE 26.03.29	3.37
GOTT \$800M @ 4.9% FXRB DUE 29.04.29	3.20
GOTT TT\$1,600M 5.50% FXRB DUE 2034	3.12
Total	46.60%

Disclosure(s):

- 100% of this Fund is represented by Long positions.
- The investment summary reflects the holdings as at the date specified. This is subject to change due to ongoing portfolio transactions. Quarterly updates are available.

FUND'S DIRECTORY

For the year ended December 31, 2025

Trustee

First Citizens Trustee Services Limited
5th Floor East, Albion Plaza
22-24 Victoria Avenue
Port of Spain
Trinidad & Tobago

Investment Manager

First Citizens Portfolio and
Investment Management Services Limited
17 Wainwright Street
St. Clair
Trinidad and Tobago

Legal Advisor

Fitzwilliam, Stone, Furness-Smith & Morgan
48-50 Sackville Street
Port of Spain
Trinidad and Tobago

Auditor

Pricewaterhouse Coopers
11 - 13 Victoria Avenue,
Port of Spain, 100902
Trinidad and Tobago

Register Office

5th Floor East, Albion Plaza
22-24 Victoria Avenue
Port of Spain
Trinidad and Tobago

Fund Administrator & Custodian

First Citizens Depository Services Limited
4th and 5th Floors, Albion Plaza
22-24 Victoria Avenue
Port of Spain
Trinidad and Tobago

Fund Distribution Agent

First Citizens Investment Services Limited
17 Wainwright Street
St. Clair
Trinidad and Tobago

Banker

First Citizens Bank Limited
9 Queen's Park East
Port of Spain
Trinidad & Tobago

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

For the year ended December 31, 2025

The Trustee is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of First Citizens Tax Advantage Plus ("The Plan"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income and changes in equity and cash flows for the year then ended, and a summary of material accounting policies and other explanatory information;
- Ensuring that the Plan 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 Plan's assets, detection/prevention of fraud, and the achievement of the Plan's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.


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

Nothing has come to the attention of the Trustee to indicate that the Plan 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.

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



23 March 2026 Trustee



23 March 2026 Trustee

INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2025



Independent auditor's report

To the Trustee of First Citizens Tax Advantage Plus

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Citizens Tax Advantage Plus (the Plan) as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Plan's financial statements comprise:

- the statement of financial position as at 31 December 2025;
 - the statement of profit or loss and other 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, comprising material accounting policy information and other explanatory information.
-

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.

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, 100902, Trinidad and Tobago
T: +1 868 299 0700

INDEPENDENT AUDITOR'S REPORT (continued) For the year ended December 31, 2025

Independence

We are independent of the Plan in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

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

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

Those charged with governance are responsible for overseeing the Plan'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 judgement 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

INDEPENDENT AUDITOR'S REPORT (continued) For the year ended December 31, 2025

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 Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan'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 Plan 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.



Port of Spain
Trinidad and Tobago, West Indies
23 March 2026


STATEMENT OF FINANCIAL POSITION

As at December 31, 2025 (Expressed in Trinidad and Tobago Dollars)

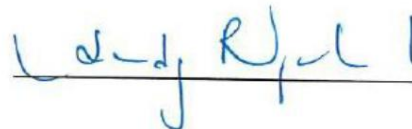
	Notes	As at 31 December	
		2025 \$	2024 \$
Assets			
Investment securities - amortised cost	4	88,967,408	87,703,551
Income receivable		912,011	993,831
Cash and cash equivalents	5	4,923,775	5,013,203
Due from related parties	6	<u>890,470</u>	<u>330,631</u>
Total assets		<u>95,693,664</u>	<u>94,041,216</u>
Liabilities			
Other payables	7	394,794	357,450
Members' balances	8	<u>84,111,080</u>	<u>83,004,699</u>
Total liabilities		<u>84,505,874</u>	<u>83,362,149</u>
Equity			
Retained surplus		<u>11,187,790</u>	<u>10,679,067</u>
Total equity		<u>11,187,790</u>	<u>10,679,067</u>
Total liabilities and equity		<u>95,693,664</u>	<u>94,041,216</u>

The notes on pages 15 to 47 are an integral part of these financial statements.

On 23 March 2026, the Board of Directors of First Citizens Trustee Services Limited, the Trustee of First Citizens Tax Advantage Plus authorised these financial statements for issue.



Director



Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2025 \$	2024 \$
Income			
Net investment income	9	4,408,423	4,376,426
Other income		2,621	150
Foreign exchange gain/(loss)		<u>20,587</u>	<u>(901)</u>
Total income		<u>4,431,631</u>	<u>4,375,675</u>
Expenses			
Fees	6	(1,886,901)	(1,911,032)
Insurance expense		(217,513)	(218,946)
Audit fees		(141,471)	(139,414)
Other expenses		(95,946)	(54,069)
Net impairment expense on financial assets		<u>(9,906)</u>	<u>(5,143)</u>
Total expenses		<u>(2,351,737)</u>	<u>(2,328,604)</u>
Operating profit for the year		<u>2,079,894</u>	<u>2,047,071</u>
Other comprehensive income		<u>--</u>	<u>--</u>
Total comprehensive income for the year		<u>2,079,894</u>	<u>2,047,071</u>

The notes on pages 15 to 47 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

	Retained surplus \$	Total \$
Year ended 31 December 2025		
Balance at beginning of year	10,679,067	10,679,067
Comprehensive income:		
Operating profit for the year	<u>2,079,894</u>	<u>2,079,894</u>
Total comprehensive income	<u>2,079,894</u>	<u>2,079,894</u>
Transactions with members:		
Income credited to members	<u>(1,571,171)</u>	<u>(1,571,171)</u>
Total transactions with members	<u>(1,571,171)</u>	<u>(1,571,171)</u>
Balance at end of the year	<u><u>11,187,790</u></u>	<u><u>11,187,790</u></u>
Year ended 31 December 2024		
Balance at beginning of year	10,092,205	10,092,205
Comprehensive income:		
Operating profit for the year	<u>2,047,071</u>	<u>2,047,071</u>
Total comprehensive income	<u>2,047,071</u>	<u>2,047,071</u>
Transactions with members:		
Income credited to members	<u>(1,460,209)</u>	<u>(1,460,209)</u>
Total transactions with members	<u>(1,460,209)</u>	<u>(1,460,209)</u>
Balance at end of the year	<u><u>10,679,067</u></u>	<u><u>10,679,067</u></u>

The notes on pages 15 to 47 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
 For the year ended December 31, 2025
 (Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2025 \$	2024 \$
Cash flows from operating activities		
Operating profit for the year	2,079,894	2,047,071
Net impairment expenses on financial assets	9,906	5,143
Net change in receivables	81,820	3,986
Net change in due to/from related parties	(559,839)	(4,827)
Net change in other payables	37,344	10,496
Purchase of debt securities	(19,912,120)	(5,304,216)
Proceeds from maturities/principal repayments of debt securities	<u>18,638,357</u>	<u>4,686,298</u>
Net cash generated from operating activities	<u>375,362</u>	<u>1,443,951</u>
Cash flows from financing activities		
Contributions	5,957,644	6,027,252
Withdrawals	<u>(6,422,434)</u>	<u>(8,153,795)</u>
Net cash used in financing activities	<u>(464,790)</u>	<u>(2,126,543)</u>
Net decrease in cash and cash equivalents	(89,428)	(682,592)
Cash and cash equivalents at the beginning of the year	<u>5,013,203</u>	<u>5,695,795</u>
Cash and cash equivalents at the end of the year	<u><u>4,923,775</u></u>	<u><u>5,013,203</u></u>

The notes on pages 15 to 47 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

1 Description of the Plan

The following brief description of First Citizens Tax Advantage Plus, (the “Plan”) is provided for general information purposes only. Reference should be made to the Trust Deed and Rules of the Plan for more complete information.

General information

First Citizens Tax Advantage Plus is a deferred annuity plan, approved by the Board of Inland Revenue (BIR) of Trinidad and Tobago under Section 28 of the Income Tax Act and registered with the Trinidad and Tobago Securities and Exchange Commission as a Collective Investment Scheme in accordance with section 62 (8) of the Securities Act, 2012 (SA 2012). The Plan commenced on 1 March 1999 and is governed by the Trust Deed and Rules executed on 13 November 1997, amended on 18 September 1998, 14 December 1998 and 9 February 2004. The Plan’s main objective is to provide investors with supplemental retirement income by investing over the long term. Investors (“members”) contribute periodically for the purpose of providing an annuity for life commencing at the maturity date, which is a date not prior to the member’s 50th birthday. In 2003, the Plan changed its year end from 30 September to 31 December.

On 27 November 2015, a Supplemental Trust Deed containing an Amended and Restated Trust Deed and Rules was executed with effect from 1 December 2015. The name of the Plan changed from First Citizens Bank Retirement Provider to First Citizens Tax Advantage Plus. There were no changes in the Amended and Restated Trust Deed and Rules which alter the operations of the Plan. Apart from the change in name, the amendments were executed primarily to consolidate changes made over the life of the Plan through numerous supplemental Trust Deeds, to align the document to reflect best practice disclosure and the changes to the Income Tax Act and to clarify areas of ambiguity in the language within the previous governing documents of the Plan.

The Plan’s registered office is located at the 5th Floor, Albion Plaza, 22-24 Victoria Avenue, Port of Spain.

Contributions

Members shall make contributions to the Plan in amounts no less than \$100.00 per month (whether payable in weekly, monthly, quarterly or other periodic instalments), providing that a Member shall be entitled from time to time to make additional unscheduled contributions in any sum. Contributions to the Plan are tax deductible. No contributions shall be payable by the member under this Plan after the maturity date.

Income credited to members

In accordance with the terms of the Trust Deed and Rules, income is credited to each member’s account on an annual basis. By 31 January in each financial year, the Trustee declares a rate of income to be credited to the member’s account as at 31 December of the preceding financial year. Prior to 9 February 2004, the Plan guaranteed a minimum rate of interest every year and this was declared no later than 20 December in each financial year to be credited to the member’s account in the following year.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

1 Description of the Plan *(continued)*

Withdrawals

Withdrawals of contributions can be made under special circumstances as laid out in the Trust Deed and Rules. Under some circumstances, these withdrawals are subject to tax. The Plan ensures that the applicable taxes are remitted to the BIR.

Benefits upon maturity

Upon maturity, the member terminates his/her relationship with the Plan and uses his/her contributions plus accumulated income credited to purchase an annuity of the member's choice. This annuity provides pension payments for the member. Alternatively, members may elect to take as a tax free lump sum an amount which shall not exceed the maximum amount permitted by the BIR and apply the balance of the accumulation plus income towards the purchase of an annuity.

Benefits upon death of a member

If a member dies before the maturity date of the contract, a return of the accumulation of contributions and income credited plus a life insurance benefit will be paid to the nominated beneficiary. This insurance benefit is an additional feature of the Plan and represents a policy agreement between the member and an independent insurance provider. In each financial year, insurance is effected on the life of each member to the extent of the accumulation of the member's balance for the previous financial year. The insurance premiums are an expense of the Plan and the insurance benefit is paid by the insurance policy and not the Plan. This payment will be subject to tax levied by law.

Management and Trustee Fees

Trustee fees are payable to the Trustee at a rate of 0.25% per annum on the average net assets of the Plan.

Investment management and custodian fees collectively are payable up to a maximum of 2.00% per annum on the average net assets of the Plan.

Administration fees are payable to the administrator of the Plan, at a rate of 0.50% per annum on the average net assets of the Plan.

Distribution fees are payable to the distributor of the Plan, at a rate of 0.25% per annum on the average net assets of the Plan.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies

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

a. Basis of preparation

The financial statements of the First Citizens Tax Advantage Plus have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

These financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets at fair value.

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

(i) Standards, amendments and interpretations which are effective and have been adopted by the Plan in the accounting period

The following amendment to IAS 21 became effective for annual periods beginning on 1 January 2025:

- Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

This amendment did not have a material impact on the Plan's financial statements.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

a. *Basis of preparation*

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

- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (Effective 1 January 2026). The amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.

The amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.

- IFRS1/IFRS 7/IFRS 9/IFRS10/IAS 7 - Annual Improvement to IFRS Accounting Standards volume 11 (Effective 1 January 2026)
- IFRS 18- Presentation and Disclosures in Financial Statements (Effective 1 January 2027) will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Plan is in the process of assessing the impact of the new and revised standards not yet effective on the financial statements and does not anticipate any material impact.

b. *Foreign currency transactions*

(i) *Functional and presentation currency*

The primary activity of the Plan is to invest in securities denominated in Trinidad and Tobago dollars. Contributions, income credited to members and withdrawals are denominated in Trinidad and Tobago dollars. The Trustee considers the Trinidad and Tobago dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Trinidad and Tobago dollars which is the Plan's functional and presentation currency. The exchange rate between the TT dollar and the US dollar as at the 31 December 2025 was TT\$6.7124 = US\$1.00 (2024 TT\$6.6926 = US\$1.00). This rate represents the First Citizens Group midrate.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are recognised in the statement of Profit or Loss and Other comprehensive income.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

c. *Financial assets and financial liabilities*

The Plan's financial assets and liabilities are recognised in the Statement of Financial Position when it becomes party to the contractual obligation of the instrument.

(i) Financial assets

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

- Hold to collect
- Hold to collect and sell
- Fair value through profit or loss

- *Hold to Collect - Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses (ECL) allowance recognised and measured as described in note 11.a. (iv). Interest income from these financial assets is included in "net interest income" using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the Statement of Profit or Loss and Other Comprehensive Income and presented in other gains/ (losses) together with foreign exchange gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the Statement of Profit or Loss and Other Comprehensive Income

- *Hold to Collect & Sell - Fair value through other comprehensive income (FVOCI)*

Assets that are held for collection of contractual cash flows and for selling the assets, where the assets cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net investment income". The interest income from these financial assets is included in "Net investment income" using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the Statement of Profit or Loss and Other Comprehensive Income and presented in "Net gains/ (losses)" together with "foreign exchange gains and losses". Impairment losses are presented as a separate line item in the Statement of Profit or Loss and Other Comprehensive Income.

- *Hold for Trading - Fair value through profit or loss (FVPL)*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

c. Financial assets and financial liabilities (continued)

(i) Financial assets (continued)

Based on the business model, the Plan has not classified any of its financial assets at fair value through other comprehensive income (FVOCI). The Plan has therefore classified its financial assets into the categories of amortised cost and fair value through profit or loss (FVPL).

- *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 plan's business model for managing the assets, and
- (ii) the cash flow characteristics of the asset.

Plan's business model

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

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Plan's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of the assets.
- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel.
- Management's identification of and response to various risks, which includes but not limited to liquidity risk, market risk, credit risk and interest rate risk.
- Management considers, in classifying its assets, the level of historical sales and forecasted liquidity requirements.

Arising out of the assessment, the portfolios were deemed to have the business models identified as follows:

Amortised Cost (Hold to Collect)	Fair value through profit or loss (Hold for Trading)
Debt instruments issued by or guaranteed by Government of Trinidad & Tobago, USD Sovereign, Corporate Bonds	Floating NAV Mutual Funds
Income receivable	Fixed NAV Mutual Funds (cash and cash equivalents)
Due from related parties	Quoted equities, Cash

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

2. Material accounting policies (continued)

c. Financial assets and financial liabilities (continued)

(i) Financial assets (continued)

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Plan assesses whether cash flows represent solely payment of principal and interest (SPPI test). In making this assessment, the Plan considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include ordinary shares.

The Plan subsequently measures all equity investments at fair value through profit or loss, except where the Plan's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Plan's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Plan's right to receive payments is established.

Gains and losses on equity investments classified as FVPL are included in the Statement of Profit or Loss and Other Comprehensive Income.

Impairment

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

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

c. *Financial assets and financial liabilities (continued)*

(i) *Financial assets (continued)*

Impairment (continued)

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
- Note 11a (vi) provides more detail of how the expected credit loss allowance is measured.

For receivables and related party balances, the Plan applies the simplified approach permitted by IFRS 9. Note 11a (iv) gives further details.

Recognition/de-recognition of financial assets

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

(ii) *Financial liabilities*

Financial liabilities are classified and subsequently measured at amortised cost. Financial liabilities include member's balances, due to related parties and other payables. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished (that is, when the obligation specified in the contract is discharged, cancelled or expired).

d. *Cash and cash equivalents*

Cash and cash equivalents comprise of cash in hand and deposits held at call with financial institutions and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e. *Provisions*

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

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

e. *Provisions (continued)*

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

f. *Members' balances*

The members' balance consists of the aggregate contributions by the Member and the net income earned by the Plan and credited to the members' account. Withdrawals of contributions can be made under restricted conditions. The members' balance is classified as a financial liability in accordance with IAS 32 - 'Financial Instruments: Presentation' and IAS 1 (Amendment), 'Presentation of financial statements - Puttable financial instruments and obligation arising on liquidation'.

g. *Interest income*

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income for all interest bearing- instruments on an accrual basis using the effective interest method based on the initial carrying amount. Interest income includes coupons earned on fixed income investments, loans and accrued discount and premium on treasury bills and other discounted instruments.

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

For financial assets that are credit impaired (stage 3), interest income is calculated by applying the effective interest rate (EIR) to the carrying value net of the expected credit loss provision. For financial assets classified as Purchased or Originated Credit Impaired (POCI), the Group calculates credit-adjusted effective interest rate, which is calculated based on the amortised cost of these financial assets instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

h. *Dividend income*

Dividend income is recognised in the Statement of profit or loss and other comprehensive income on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date.

For unquoted equity securities, this is usually the date on which the shareholder approves the payment of a dividend.

i. *Expenses*

Expenses are accounted for on the accrual basis.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

j. *Contributions and withdrawals*

Contributions and withdrawals are accounted for on the accrual basis.

k. *Offsetting financial instruments*

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

l. *Income credited to members*

Income is due when declared and this takes place during the first quarter of the financial year.

m. *Going concern*

The financial statements are prepared on the assumption that the Plan is a going concern and will continue in operation for the foreseeable future unless the sponsor intends to either liquidate the Plan or to cease operations or has no realistic alternative but to do so. If such an intention or need exists, the financial statements will be prepared on a non-going concern basis.

3 Critical accounting estimates and judgements

The Plan makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below.

(i) *Fair value of financial instruments*

The Plan uses the discounted cash flow method to determine the fair value of financial assets not traded in active markets. The discounted cash flow method discounts the cashflows of the financial assets at an appropriate yield plus a credit spread where applicable.

The Group's credit spread methodology utilises gradient tenors and currency specific spreads. The appropriate credit spread for the agency or corporate fixed income security is determined using a cubic spline interpolation of the appropriate currency and credit rating category in the credit spread matrix based on the remaining tenor of the facility. This singular credit spread is then added to the discount spot rates to value the facility using the discounted cash flow method.

The models used to determine fair values are validated and periodically reviewed by experienced personnel at Group Market Risk.

(ii) *Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 11.a. (vi), which also sets out key sensitivities of the ECL to changes in these elements. In the current environment additional factors were taken into consideration (note 11.a.(iv), 11.a.(v)).

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

3 Critical accounting estimates and judgements (continued)

(ii) *Measurement of the expected credit loss allowance (continued)*

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 purpose of measuring ECL
- Determination of macroeconomics drivers and forecasting macroeconomic scenarios
- Recovery rates on unsecured exposures
- Drawdown of approved facilities

(iii) *Loss given default*

The Loss Given Default rate on corporate senior unsecured bonds is estimated to be 60% based on the International Swaps and Derivatives Association Standard Credit Default Swap contract specification for North American corporate issuers. The Loss Given Default rate on sovereign senior unsecured bonds is estimated to be 50% based on the average Loss Given Default rate on Sovereign bonds during the period 1983 to 2022 as reported by Moody's Investors Service Note 11a.(vi).

4 Investment securities

	31 December	
	2025	2024
	\$	\$
<i>Amortised cost</i>		
Government debt securities	87,968,903	80,690,916
Corporate debt securities	<u>998,505</u>	<u>7,012,635</u>
	<u><u>88,967,408</u></u>	<u><u>87,703,551</u></u>
<i>Movement</i>		
Balance at the beginning of year	87,703,551	87,090,776
Additions	19,912,120	5,304,216
Maturities/principal repayments	(18,638,357)	(4,686,298)
Net impairment expenses	<u>(9,906)</u>	<u>(5,143)</u>
Balance at the end of year	<u><u>88,967,408</u></u>	<u><u>87,703,551</u></u>

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

5 Cash and cash equivalents

	31 December	
	2025	2024
	\$	\$
Cash in bank	2,655,044	2,773,912
Cash equivalents	<u>2,268,731</u>	<u>2,239,291</u>
	<u><u>4,923,775</u></u>	<u><u>5,013,203</u></u>

6 Related party transactions

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

The Trustee of the Plan is First Citizens Trustee Services Limited which receives a fee based on the average net assets of the Plan.

First Citizens Portfolio and Investment Management Services Limited is the Investment Manager, of the Plan, and receives in return a fee based on the average net assets of the Plan.

First Citizens Depository Services Limited is the Custodian of the Plan, and receives in return a fee based on the average net assets of the Plan.

First Citizens Depository Services Limited is the Administrator of the Plan, and receives in return a fee based on the average net assets of the Plan.

First Citizens Investment Services Limited is the Distributor of the Plan, and receives in return a fee based on the average net assets of the Plan.

	31 December	
	2025	2024
	\$	\$
Related party transactions		
Fees		
Trustee fees	235,863	238,879
Investment management fees	707,587	716,637
Custodian fees	235,863	238,879
Administration fees	471,725	477,758
Distribution fees	<u>235,863</u>	<u>238,879</u>
	<u><u>1,886,901</u></u>	<u><u>1,911,032</u></u>
Other payables – fees (Note 7)		
Trustee fees	20,007	20,218
Investment management fees	60,023	60,653
Custodian fees	20,007	20,218
Administration fees	40,016	40,435
Distribution fees	<u>20,007</u>	<u>20,218</u>
	<u><u>160,060</u></u>	<u><u>161,742</u></u>

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

6 Related party transactions (continued)

First Citizens Bank Limited acts as the Bank of the Plan with a banking relationship similar to that of non-related bank.

Other balances:

	31 December	
	2025	2024
	\$	\$
Investment securities	--	6,021,172
Income receivable	--	71,820
Due from related parties	890,470	330,631
Cash and cash equivalents	4,923,775	5,013,203
Other payables	(178,365)	(179,968)
Net investment income	56,555	256,749

7 Other payables

	31 December	
	2025	2024
	\$	\$
Fees	160,060	161,742
Audit fees	139,539	136,925
Publication expenses	76,100	39,760
Insurance expenses	18,305	18,226
TTSEC market access fees	596	603
Other payables	194	194
	<u>394,794</u>	<u>357,450</u>

8 Members' balances

	31 December	
	2025	2024
	\$	\$
Balance at beginning of year	83,004,699	83,671,033
Contributions	5,957,644	6,027,252
Withdrawals	(6,422,434)	(8,153,795)
Income credited to members	1,571,171	1,460,209
Balance at end of year	<u>84,111,080</u>	<u>83,004,699</u>

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

9 Net investment income

	31 December	
	2025	2024
	\$	\$
Interest	4,537,812	4,571,349
Discount accretion	42,285	12,616
Amortisation of premium	<u>(171,674)</u>	<u>(207,539)</u>
	<u><u>4,408,423</u></u>	<u><u>4,376,426</u></u>

10 Income credited to members

	31 December	
	2025	2024
	%	%
Rate of interest	2.10	2.00

The rate of income to be credited to members for 2025 was declared and credited in 2026.

11 Financial risk management

The Plan's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Plan's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Plan's financial performance.

The Plan is governed by the Group's risk management policies. These policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Plan regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. As part of its mandate, the Board establishes written principles for overall risk management, as well as ensuring that policies are in place covering specific areas of risk. The most significant types of risk are credit risk, liquidity risk, market risk and non-financial risks. Market risk includes currency risk, interest rate risk and other price risks including commodity and equity risk.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

The Group utilizes the three lines of defense concept to manage risk. The first line encompasses the units which design and implement controls to mitigate the risks which they face, the second line are control functions such as risk management and finance functions which monitor the first line against these standards/controls. The third line is the Group's internal audit function, which provides additional assurance and independent review of risk management and the control environment.

To assist the Board of Directors in fulfilling its duties, two Board Sub-Committees were established to monitor and report to the Board of Directors on the overall risks within the Group - the Board Enterprise Risk Management (BERM) Committee and the Board Credit Committee (BCC); and two Senior Management Committees – the Senior Management Enterprise Risk Management Committee (SMERMC) and the Asset Liability Committee (ALCO).

The Group Enterprise Risk Management unit, headed by the Group Chief Risk Officer (GCRO), reports to both Sub-Committees of the Board of Directors. This unit is responsible for the identification, analysis, measurement, monitoring and control of credit, market and operational risks for the Group through the Group Credit Risk Management Unit (GCRM), Group Market Risk Unit (GMR) and Group Operational Risk and Controls Unit (GORC). Group Enterprise Risk Management also facilitates the monitoring of the Group's risk profile in relation to its risk appetite and the impact of developments in the aforementioned risk areas on strategy and how strategy should be adjusted in light of these developments.

The Asset Liability Committee's role is to manage and monitor the policies and procedures that address the financial risks associated with changing interest rates, foreign exchange rates and any factors that can affect the Group's liquidity. The ALCO seeks to limit risk to acceptable levels by monitoring and anticipating possible pricing differences between assets and liabilities across the Group via the Group Treasury and International Trade Centre. The Group Treasury and International Trade Centre's primary role and responsibility is to actively manage the Group's liquidity. The ALCO is also supported in some specific areas of activity by the Market Risk Committee.

The Group Internal Audit department is responsible for the independent review of risk management and the control environment and reports its findings and recommendations to the Board's Audit Committee.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

The most significant types of financial risk are credit risk, market risk, concentration risk and liquidity risk. Market risk includes currency risk, interest rate and other price risk.

a. *Credit risk*

(i) *Definition*

The Plan is exposed to credit risk which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Plan is exposed arises from the Plan's investment in debt securities. The Plan is also exposed to counterparty credit risk on cash and cash equivalents and receivable balances.

(ii) *Management of risk*

Credit risk is mitigated to some extent by limiting the Plan's exposure to issuers with high credit ratings. The Plan also reduces this risk by prudent credit analysis of issuers to restrict questionable exposures in the Plan.

(iii) *Credit risk grading*

The Plan uses the Group's internal credit risk grading or ratings which reflect its assessment of the risk profile or probability of default (PD) of counterparties. The Plan utilises one (1) rating model for all investment securities.

Investment securities

For sovereign and corporate investments securities, the ratings published by Standards and Poor's Rating Agency (S&P), Moody's or Fitch, where available, are used. For sovereigns with no S&P rating, and Moody's or Fitch rating the Group's Economic Research and Analytics Unit uses a model based on the S&P methodology to generate a rating. For corporate investment securities with no S&P rating, a rating is assigned using the Group's Borrower Risk Rating (BRR) model.

S&P/Moody's/Fitch published ratings are continuously monitored and updated. The PD's associated with each rating are determined based on realised default over the prior 12 months, as published by the rating agency. The ratings generated by the BRR model are also updated annually.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

a. *Credit risk (continued)*

(iii) *Credit risk grading (continued)*

The Table below provides a comparative view of the rating models used by the First Citizens Group:

	S&P Rating	Research & Analytics Risk Rating (Investment Securities)	FC Borrower Risk Rating (Corporate)	FC IG Code	Interpretation
Investment Grade	AAA, AA+	A+	1	98	Extremely Low Risk
	AA, AA-	A			
	A+, A	A-	2	95	Very Low Risk
	BBB+, BBB, BBB-	B+	3	90	Low Risk
Speculative Grade	BB+, BB, BB-	B	4	85	Moderate Risk
	B+, B, B-	B-	5	80	High Risk
	CCC+, CCC, CCC-, CC+, CC, CC-, C+, C, C-	C	6		
	D	D	7	65	In Default

As at 31 December 2025, 98.88% (2024: 98.9%) of the investments in debt securities and other bills have at least a BBB- based on Standards & Poor's Ratings.

(iv) *Expected credit loss measurement*

The Plan applies the simplified approach to all receivables and amounts due from related parties. At initial recognition, the Plan recognizes a loss allowance based on Lifetime ECLs. This approach does not require the significant estimation and judgement necessary to determine whether there have been changes in credit risk and whether such changes are significant. A provision matrix is used to measure the lifetime ECL.

For all investments, IFRS 9 outlines a three-stage model (general approach) 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 Plan.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3. Please refer to note 11.a (v) for a description of how the Plan defines credit-impaired and default.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

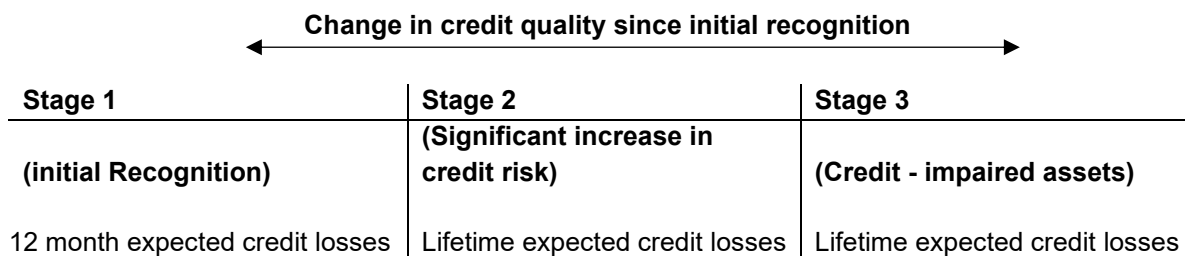
a. *Credit risk (continued)*

(iv) *Expected credit loss measurement (continued)*

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses within the next twelve (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 11.a (vi) 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. Note 11.a (vii) includes an explanation of how the Plan has incorporated this in its ECL model.
- Purchased or originated credit-impaired (POCI) financial assets are those assets that are credit-impaired on initial recognition. The ECL is always measured on a lifetime basis and is deemed “built-in” to the fair value on origination. A credit impaired effective interest rate is used to amortise these instruments to their maturity. Changes to the life-time expected credit losses are adjusted in the amortised prices.

Further explanation is also provided of how the Plan determines appropriate groupings when ECL is measured on a collective basis refer to note 11.a (vii).

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



Significant increases in credit risk (SICR)

The Plan considers a financial instrument to have experienced a significant increase in credit risk when the following criteria have been met.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management *(continued)*

a. Credit risk *(continued)*

(iv) Expected credit loss measurement *(continued)*

Investment securities:

<i>Criteria</i>	<i>Hold to Collect/Hold to collect and Sell</i>	<i>Single "B" or High Yield Portfolio</i>
Absolute Measure	PD - 15% or higher	PD - 25% or higher
AND	AND	AND
Relative measure	One notch downgrade (Research & Analytics Risk Rating investment securities rating scale)	One notch downgrade (Research & Analytics Risk Rating investment securities rating scale)
OR	OR	OR
Absolute measure	Eurobonds in Trigger 3 CDS Breach	Eurobonds in Trigger 3 CDS Breach
Special Consideration	Evidence of cash flow strain and implied increased default risk	Evidence of cash flow strain and implied increased default risk

The Plan has not used the low credit risk exemption for any financial instruments in both years ended 31 December 2025 and 2024.

Significant decreases in credit risk (SDCR)

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

Investment securities:

<i>Criteria</i>	<i>Hold to Collect/Hold to collect and Sell</i>	<i>Single "B" or High Yield Portfolio</i>
Absolute Measure	PD - below 12.5%	PD - below 20%
AND	AND	AND
Relative measure	One notch upgrade (investment securities rating scale)	One notch upgrade (investment securities rating scale)
OR	OR	OR
Absolute Measure	No Trigger 3 CDS breach for at least 10 consecutive trading days	No Trigger 3 CDS breach for at least 10 consecutive trading days
Special Consideration	Issuer has met contractual payments consistently for a period of one-year from initial classification of Stage 2	Issuer has met contractual payments consistently for a period of one-year from initial classification of Stage 2

(v) Definition of default and credit-impaired assets

The Plan defines a financial instrument as in default or credit-impaired, when it meets one or more of the following criteria:

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management *(continued)*

a. Credit risk *(continued)*

(v) Definition of default and credit-impaired assets *(continued)*

Quantitative criteria

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

Qualitative criteria

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

- The borrower formally files for bankruptcy or there is a commencement of foreclosure proceedings.
- The obligation is classified doubtful or worse as per the Group's classification process.
- Restructure proceedings or an indication of the intention to restructure is initiated by the issuer.

The criteria above have been applied to all financial instruments held by the Plan 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 Plan's expected loss calculations.

An investment instrument is considered to no longer be in default (i.e. to have cured) when it has been restructured. An exception exists for credit-impaired facilities at origination.

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

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

- PD represents the likelihood of a borrower defaulting on its financial obligation (as defined in note 11 a (v)), either over the next twelve (12) months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Plan expects to be owed at the time of default, over the next twelve (12) months (12M EAD) or over the remaining lifetime (Lifetime EAD). The EAD is calculated as the outstanding balance less the discounted collateral value.
- LGD is expressed as the percentage of loss expected to be incurred if the default occurs over the remaining expected lifetime of the loan and represents management's expectation of the extent of loss on a defaulted exposure. LGD varies by seniority of claim and product type, while the availability of collateral is factored before LGD is considered.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management *(continued)*

a. *Credit risk (continued)*

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

PDs

The investment securities' PDs for sovereign and corporate instruments are taken from the Standard & Poor's (S&P) Annual Sovereign Default and Rating Transition Study and the Annual Global Corporate Default and Transition Study, respectively.

EAD

For amortising products and bullet repayment loans, EAD is based on the contractual repayments owed by the borrower over a twelve (12) month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment assumptions are also incorporated into the calculation.

LGD

For sovereign investment securities, LGDs are obtained from Moody's Investor Services' Data Report on Sovereign Global Default and Recovery Rates (1983-2022). Corporate investment securities LGDs are based on the standard terms for North American corporate entities CDS contracts, taken from Moody's Analytics' CDS-implied EDF™ Credit Measures and Fair-value Spreads.

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

Determination of macro-economic scenarios and probabilities

For each country in which the Plan has investment securities, management performs a scenario analysis to determine the impact of future economic conditions on the PD in these countries. Two key Macroeconomic Variables (MEVs) which drive the economy are determined for each sovereign. These MEVs are largely determined by Management's judgement, based on knowledge of the sovereign and will only be used in the model if they correlate with the credit rating drivers and meet a priori expectations. The MEVs' impact on each of the sovereign's credit rating drivers is quantified through ordinary least squares regression. To establish scenarios, the MEVs are shocked such that the official forecast for each year moves up and down by a multiple of the historical standard deviation to establish a best and worst case. These new data points are inputted into the sovereign credit rating model and a new credit rating is derived in the worst and best cases for each sovereign. Data used in the update of the model as at 31 August 2025 incorporate the global economic conditions as at that particular point in time.

Credit ratings were forecasted for the next three years using these macro-economic scenarios. The weightings applied to the forecasted ratings were 60% for year 1, 20% each for years 2 and 3. These weightings were determined based on management's judgment and experience.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Management judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Economics Research Unit on a periodic basis and provide the best estimate view of the economy over the next three years. After three years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management *(continued)*

a. *Credit risk (continued)*

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

Determination of macro-economic scenarios and probabilities (continued)

The impact of these economic variables on the PD, EAD and LGD has been determined by performing regression analysis to understand the impact changes in these variables have had historically on default rates and LGD.

The most significant period-end assumptions used for the ECL estimate as at 31 December 2025 is GDP, given its significant impact on the financial performance of the Plan.

(viii) *Risk limit control and mitigation policies*

The Plan structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower, groups of borrowers, industry and country segments. The Plan monitors its concentration of credit exposure so that no single borrower default will have a material impact on the Plan. These limits are implemented and monitored by the Group Credit Risk Management Unit through the Group Credit Policy Manual. In instances where it is strategically beneficial and adequately documented, the Plan would seek approval on an exception basis for variation to the approved limits from the Board of Directors.

(a) *Single borrower and borrower group exposure limits*

Limits established by regulatory authorities have been incorporated into the credit policies where concentration is restricted by limiting credit amounts to a percentage of the capital base. This is supported by a stringent reporting requirement and is further enhanced by policies requiring periodic review of all commercial credit relationships.

(b) *Industry exposure limits*

These limits have been established based on a ranking of the riskiness of various industries. The ranking is guided by a model developed for the Group for this purpose. The model utilises a scale incorporating scores of 1 to 6 with 1 being the least risky. Exposure limits as a percentage of the total credit portfolio have been established to the various Industry exposure categories based on the risk ranking.

(c) *Country exposure limits*

Exposure limits have been established for selected countries which are considered to be within the Plan's target market. Three (3) risk categories have been developed and the selected countries have been assigned to these categories based either on ratings issued by acceptable rating agencies or the Plan's own internal assessment of the strategic direction of the Plan. Maximum cross border exposure has been limited to a pre-determined portion of total assets and this amount is allocated to the various risk categories with a larger share being allocated to the more highly rated categories.

(d) *Impairment and provisioning policies*

The Plan's impairment provision policy is covered in detail in Note 2(c) (i).

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

a. *Credit risk (continued)*

(ix) *Maximum exposure to credit risk*

Gross maximum exposure

	31 December	
	2025	2024
	\$	\$
Cash and cash equivalents	4,923,775	5,013,203
Investment securities	88,967,408	87,703,551
Income receivable	912,011	993,831
Due from related parties	890,470	330,631
Total credit risk exposure	<u>95,693,664</u>	<u>94,041,216</u>

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

As shown above 7.03% of the total maximum exposure is derived from cash and cash equivalents, receivables and due from related parties (2024: 6.74%); while 92.97% represents investments in debt securities (2024: 93.26%).

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Plan resulting from both its cash and cash equivalents and receivables portfolio and its other debt securities based on the following:

- The Plan limits its exposure to issuers with high credit ratings.
- The Plan performs prudent credit analysis of issuers to restrict questionable exposures to the Plan.

Concentration of risks of financial assets with credit exposure

	Financial Institutions	Public Sector	Private Sector	Total
	\$	\$	\$	\$
As at 31 December 2025				
Investment securities				
- debt instruments	998,505	87,968,903	--	88,967,408
Income receivable	8,611	903,400	--	912,011
Due from related parties	890,470	--	--	890,470
Cash and cash equivalents	4,923,775	--	--	4,923,775
	<u>6,821,361</u>	<u>88,872,303</u>	<u>--</u>	<u>95,693,664</u>
As at 31 December 2024				
Investment securities				
- debt instruments	6,021,172	80,690,915	991,464	87,703,551
Income receivable	71,820	913,400	8,611	993,831
Due from related parties	330,631	--	--	330,631
Cash and cash equivalents	5,013,203	--	--	5,013,203
	<u>11,436,826</u>	<u>81,604,315</u>	<u>1,000,075</u>	<u>94,041,216</u>

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

a. *Credit risk (continued)*

(x) *Expected credit loss*

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 Plan's maximum exposure to credit risk on these assets.

31 December 2025				
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	\$	\$	\$	\$
Credit rating:				
Investment grade	88,040,283	--	--	88,040,283
Standard monitoring	1,000,000	--	--	1,000,000
Special monitoring	--	--	--	--
Default	--	--	--	--
Gross balance	89,040,283	--	--	89,040,283
Loss allowance	<u>(72,875)</u>	--	--	<u>(72,875)</u>
Carrying balance	<u>88,967,408</u>	--	--	<u>88,967,408</u>
31 December 2024				
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	\$	\$	\$	\$
Credit rating:				
Investment grade	86,766,520	--	--	86,766,520
Standard monitoring	1,000,000	--	--	1,000,000
Special monitoring	--	--	--	--
Default	--	--	--	--
Gross balance	87,766,520	--	--	87,766,520
Loss allowance	<u>(62,969)</u>	--	--	<u>(62,969)</u>
Carrying balance	<u>87,703,551</u>	--	--	<u>87,703,551</u>

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

a. Credit risk *(continued)*

(xi) *Expected credit 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 the 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 ten years of data for PDs are being used (2022: ten years was used), and management's intention is to maintain this 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.

For the financial year ended 31 December 2025, there was no significant increase in credit risk (SICR) on financial instruments.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

a. *Credit risk (continued)*

(xi) *Expected credit loss allowance (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.

Investment securities	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2025	62,969	--	--	62,969
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	--	--	--	--
New financial assets originated	17,945	--	--	17,945
Change in PDs/LGDs/EADs	(4,448)	--	--	(4,448)
Repayment	(3,591)	--	--	(3,591)
Total net P&L charge during the period	<u>9,906</u>	<u>--</u>	<u>--</u>	<u>9,906</u>
Other movement with no P&L impact				
Financial assets derecognised during the period	--	--	--	--
Write-offs	--	--	--	--
Loss allowance as at 31 December 2025	<u>72,875</u>	<u>--</u>	<u>--</u>	<u>72,875</u>
Investment securities	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at 1 January 2024	57,826	--	--	57,826
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	--	--	--	--
New financial assets originated	3,851	--	--	3,851
Change in PDs/LGDs/EADs	3,368	--	--	3,368
Repayment	(2,076)	--	--	(2,076)
Total net P&L charge during the period	<u>5,143</u>	<u>--</u>	<u>--</u>	<u>5,143</u>
Other movement with no P&L impact				
Financial assets derecognised during the period	--	--	--	--
Write-offs	--	--	--	--
Loss allowance as at 31 December 2024	<u>62,969</u>	<u>--</u>	<u>--</u>	<u>62,969</u>

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

b. Market risk

The Plan takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

(i) Currency risk

(a) Definition

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

(b) Management of risk

The majority of the Plan's assets are denominated in Trinidad and Tobago dollars with 7.91% (2024:7.92%) denominated in United States dollars. All of the Plan's liabilities are denominated in Trinidad and Tobago dollars. The strategy is to minimise the amount of assets held in currencies other than Trinidad and Tobago dollars.

(c) Concentration of currency risk

The following table analyses the Plan's assets and liabilities by currency with all amounts denominated in Trinidad and Tobago dollars:

As at 31 December 2025	TTD \$	USD \$	Total \$
<i>Financial assets</i>			
Investment securities	81,881,188	7,086,220	88,967,408
Income receivable	907,396	4,615	912,011
Due from related parties	890,470	--	890,470
Cash and cash equivalents	4,420,210	503,565	4,923,775
Total financial assets	88,099,264	7,594,400	95,693,664
<i>Financial liabilities</i>			
Other payables	394,794	--	394,794
Members' balances	84,111,080	--	84,111,080
Total financial liabilities	84,505,874	--	84,505,874
Net statement of financial position	3,593,390	7,594,400	
As at 31 December 2024	TTD \$	USD \$	Total \$
<i>Financial assets</i>			
Investment securities	80,712,207	6,991,344	87,703,551
Income receivable	908,668	85,163	993,831
Due from related parties	330,631	--	330,631
Cash and cash equivalents	4,639,814	373,389	5,013,203
Total financial assets	86,591,320	7,449,896	94,041,216
<i>Financial liabilities</i>			
Other payables	357,450	--	357,450
Members' balances	83,004,699	--	83,004,699
Total financial liabilities	83,362,149	--	83,362,149
Net statement of financial position	3,229,171	7,449,896	

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management *(continued)*

b. *Market risk (continued)*

(i) *Currency risk (continued)*

(d) *Sensitivity analysis for currency risk*

The table below summarises the Plan's sensitivity to a reasonable change in the foreign exchange rate between the US Dollar and the TT Dollar with all other variables held constant on equity.

	Effect on Equity 2025 \$	Effect on Equity 2024 \$
Change in Foreign Exchange Rate		
100 bps	75,944	74,499
-100 bps	(75,944)	(74,499)

(ii) *Interest rate risk*

(a) *Definition*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value and future cash flows of financial assets and liabilities. Fixed interest securities expose the Plan to fair value interest rate risk. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes to market interest rate. Debt instruments and cash and cash equivalents expose the Plan to cash flow interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(b) *Management of risk*

The Plan's fixed income assets are classified under the amortised cost category, therefore there is limited exposure to fair value interest rate risk. There may be some exposure to cashflow interest rate risk.

This risk is managed by maintaining financial assets with an appropriate mix of maturity profiles which seek to match the Plan's liability profile where possible subject to market conditions. However, if the interest environment is expected to rapidly increase over a relatively short period, assets under this category may be sold to mitigate against duration or cash flow sensitivity. Historically there has been no sale of bonds from the Plan.

(c) *Concentration of interest rate risk*

The table below summarises the Plan's exposure to interest rate risk. The assets and liabilities are categorized by the contractual date.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

b. *Market risk (continued)*

(ii) *Interest rate risk (continued)*

(c) *Concentration of interest rate risk (continued)*

As at 31 December 2025

	Up to 1 year \$	1 to 5 years \$	Over 5 years \$	Non-interest Bearing \$	Total \$
Financial assets					
Investment securities	--	48,828,337	40,139,071	--	88,967,408
Income receivable	--	--	--	912,011	912,011
Due from related parties	--	--	--	890,470	890,470
Cash and cash equivalents	4,923,775	--	--	--	4,923,775
Total financial assets	4,923,775	48,828,337	40,139,071	1,802,481	95,693,664
Financial liabilities					
Other payables	--	--	--	394,794	394,794
Members' balances	5,602,658	23,281,158	55,227,264	--	84,111,080
Total financial liabilities	5,602,658	23,281,158	55,227,264	394,794	84,505,874
Interest sensitivity gap	(678,883)	25,547,179	(15,088,193)	1,407,687	

As at 31 December 2024

	Up to 1 year \$	1 to 5 years \$	Over 5 years \$	Non-interest Bearing \$	Total \$
Financial assets					
Investment securities	16,003,581	36,630,768	35,069,202	--	87,703,551
Income receivable	--	--	--	993,831	993,831
Due from related parties	--	--	--	330,631	330,631
Cash and cash equivalents	5,013,203	--	--	--	5,013,203
Total financial assets	21,016,784	36,630,768	35,069,202	1,324,462	94,041,216
Financial liabilities					
Other payables	--	--	--	357,450	357,450
Members' balances	4,973,637	22,445,192	55,585,870	--	83,004,699
Total financial liabilities	4,973,637	22,445,192	55,585,870	357,450	83,362,149
Interest sensitivity gap	16,043,147	14,185,576	(20,516,668)	967,012	

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management *(continued)*

b. *Market risk (continued)*

(ii) *Interest rate risk (continued)*

(d) *Sensitivity analysis for interest rate risk*

The table below summarises the Plan's sensitivity to a reasonable change in the market interest rate (2025:300 bps; 2024: 300 bps) with all other variables held constant on operating profit, other comprehensive income and equity before income to be credited to members is considered.

	Effect on equity 2025 \$	Effect on equity 2024 \$
Change in interest rate		
-300 bps	12,013,441	10,174,176
300 bps	(12,013,441)	(10,174,176)

(iii) *Other price risk*

(a) *Definition*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from changes in interest rates or foreign exchange rates), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market. The Plan is affected by changing prices of equity instruments classified as fair value through profit and loss with fair value movements recognised in the Statement of Profit or Loss and Other Comprehensive Income, however, effective 2024, the plan no longer holds equity instruments.

(b) *Management of risk*

The Plan holds financial assets that are either traded on registered exchanges or are private placements.

Market price risk is managed through a diversification of the financial assets portfolio. The managers of the Plan set prudent exposure limits among its asset classes.

The Plan's overall investment exposures are monitored on a daily basis and are reviewed quarterly by the Investment Managers.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

c. Liquidity risk

(i) Definition

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and redeemable units.

(ii) Management of risk

The Plan is exposed to withdrawals from members on or after the member's 50th birthday. The Plan also provides for certain other restrictions on withdrawals.

This means that the Plan invests the majority of its assets in marketable securities which can be disposed of if the need arises, while trying to match the maturity profiles of the investments with the maturity of the members' contracts.

The table below analyses the financial assets and liabilities of the Plan into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at 31 December 2025

	Up to 1 year \$	1 to 5 years \$	Over 5 Years \$	Total \$
Financial liabilities:				
Other payables	394,794	--	--	394,794
Members' balance	5,602,658	23,281,158	55,227,264	84,111,080
Total financial liabilities	<u>5,997,452</u>	<u>23,281,158</u>	<u>55,227,264</u>	<u>84,505,874</u>
Total financial assets	5,814,245	49,296,979	40,582,440	95,693,664
Liquidity gap	<u>(183,207)</u>	<u>26,015,821</u>	<u>(14,644,824)</u>	<u>11,187,790</u>

As at 31 December 2024

	Up to 1 year \$	1 to 5 years \$	Over 5 Years \$	Total \$
Financial liabilities:				
Other payables	357,450	--	--	357,450
Members' balance	4,973,637	22,445,192	55,585,870	83,004,699
Total financial liabilities	<u>5,331,087</u>	<u>22,445,192</u>	<u>55,585,870</u>	<u>83,362,149</u>
Total financial assets	21,614,268	37,036,539	35,390,409	94,041,216
Liquidity gap	<u>16,283,181</u>	<u>14,591,347</u>	<u>(20,195,461)</u>	<u>10,679,067</u>

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

d. *Climate related risks*

Climate change presents immediate and long-term risks to the Plan and its clients with the risks expected to increase over time. Climate change risk refers to the risk of loss arising from climate change and is comprised of both physical risk and transition risk. Physical risk considers how chronic and acute climate change (e.g., increased storms, drought, fires, floods) can directly damage physical assets or otherwise impact their value or productivity.

Transition risk considers how changes in policy, technology, business practices and market preferences to address climate change can lead to changes in the value of assets. Climate change risk is an overarching risk that can act as a driver of other categories of risk, such as credit risk from obligors exposed to high climate risk, reputational risk from increased stakeholder concerns about financing high carbon industries and operational risk from physical climate risks to the Plan's Management's and Trustee's facilities.

The Plan currently identifies climate change risk as an emerging risk within its enterprise risk management framework. Emerging risks are risks or thematic issues that are either new to the landscape, or in the case of climate risk, existing risks that are rapidly changing or evolving in an escalating fashion, which are difficult to assess due to limited data or other uncertainties.

e. *Fair value of financial assets and liabilities*

(i) *Financial instruments not measured at fair value*

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Plan's Statement of Financial Position at their fair value.

	Carrying value		Fair value	
	December		December	
	2025	2024	2025	2024
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	4,923,775	5,013,203	4,923,775	5,013,203
Income receivables	912,011	993,831	912,011	993,831
Due from related parties	890,470	330,631	890,470	330,631
Investment securities:				
- amortised cost	88,967,408	87,703,551	89,016,092	88,096,548
Financial liabilities				
Other payables	394,794	357,450	394,794	357,450
Members' balances	84,111,080	83,004,699	84,111,080	83,004,699

Financial instruments where carrying value is equal to fair value

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is approximately equal to fair value include cash and cash equivalents, income receivable, due to related parties and other payables.

Notes to the Financial Statements *(continued)*

For the year ended December 31, 2025

(Expressed in Trinidad and Tobago Dollars)

11 Financial risk management (continued)

e. *Fair value of financial assets and liabilities (continued)*

(ii) *Fair value estimation*

Investment securities - Amortised cost

Fair value of investments securities carried at amortised cost assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using a discounted cash flow valuation methodology where all cash-flows of the instruments are discounted at an appropriate yield plus a credit spread where applicable. The fair value of the amortised cost portfolio is computed for disclosure purposes only.

(iii) *Fair value hierarchy*

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Plan's market assumptions. These two types of inputs have created the following fair value hierarchy: -

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt instruments.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Plan considers relevant and observable market prices in its valuations where possible.

During the year, the Plan did not hold any fair value Investments.

12 Contingencies and commitment

The Plan has no undisclosed contingent liabilities or commitments which have not been provided for in these financial statements.

13 Events after the statement of financial position date

There were no events after the reporting period which were material to the financial statements and should have resulted in adjustments to the financial statements or disclosures when the financial statements were authorised for issue.



First Citizens