CELEBRATING

ttmb
TRINIDAD & TOBAGO MORTGAGE BANK

Formerly Trinidad and Tobago Mortgage Finance Company Limited (TTMF)

ANNUAL REPORT
2023

CORPORATE INFORMATION

OUR VISION

We are the lender of first choice for residential mortgages in Trinidad and Tobago.

We are passionate and proud about what we do, with a reputation for exceptional, friendly and professional service.

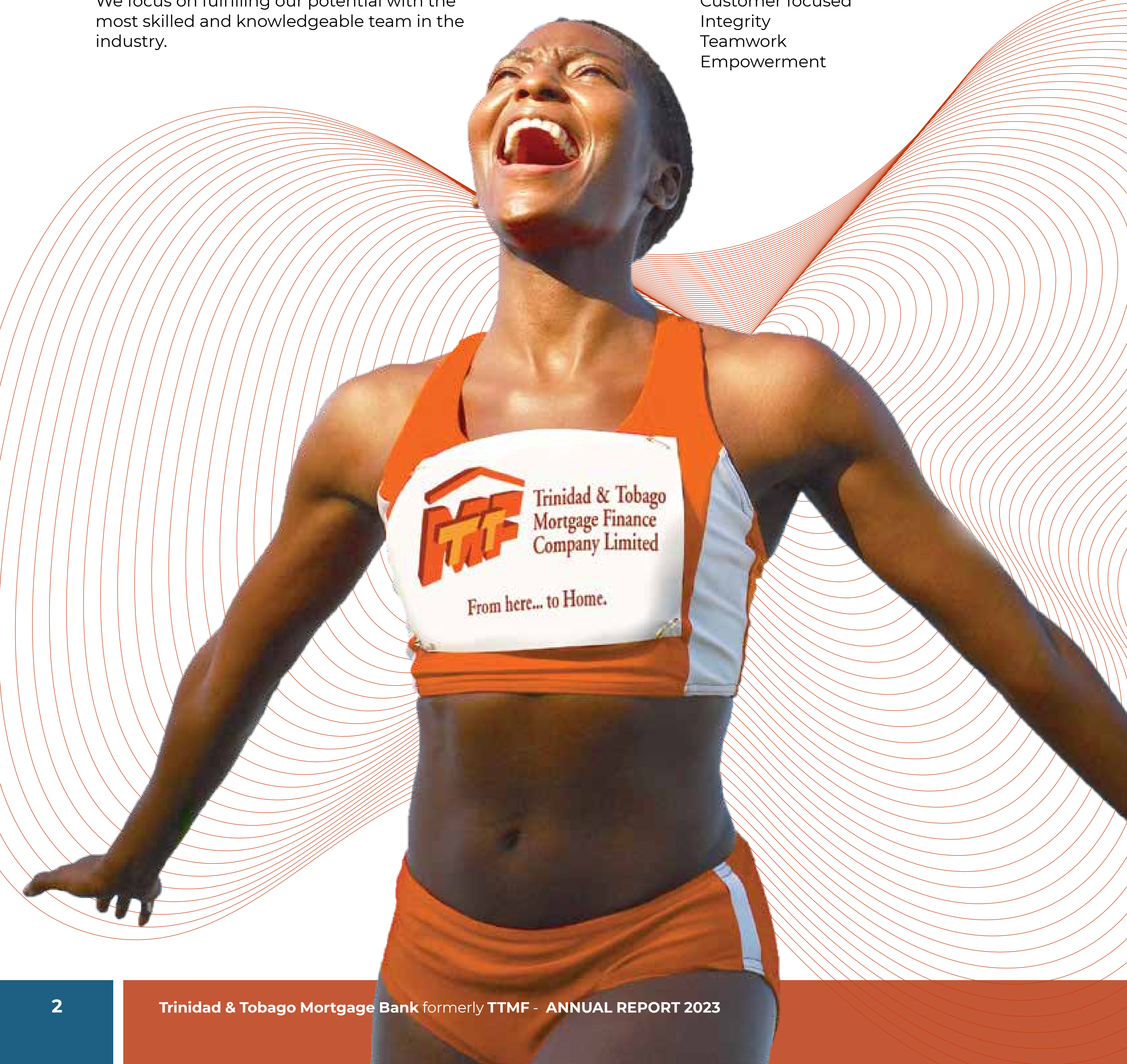
We focus on fulfilling our potential with the most skilled and knowledgeable team in the industry.

OUR MISSION

In partnering, we make home ownership an easy and rewarding experience.

OUR CORE VALUES

REsults oriented
Customer focused
Integrity
Teamwork
Empowerment



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BOARD OF DIRECTORS

CHAIRMAN
Patrick Ferreira

DEPUTY CHAIRMAN
Jennifer Lutchman

MANAGING DIRECTOR
Robert C. Green

DIRECTORS
Muriel Alfred-James
Anthony Campbell
Gregory Marchan
Richard Roper

SECRETARY
Brent Mc Fee

AST. SECRETARY
Laurette Walker

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CELEBRATING US!












CHAIRMAN'S REPORT

On March 21, 2024, TTMF was renamed Trinidad and Tobago Mortgage Bank Limited (TTMB). This signaled a new beginning for TTMB toward the realisation of enhanced value creation for its customers and the generation of returns for its shareholders.

Patrick Ferreira
Chairman

Trinidad and Tobago Mortgage Finance Company Limited (TTMF) delivered another year of strong financial results for the fiscal year ending December 31, 2023, having achieved growth in assets of 4.68% to $5,392M and an increase in profit after tax of 6.14% to $141.4M.

A full discussion of the company's financial performance is presented in the Management Discussion and Analysis segment of this report.

This steady growth enabled us to successfully deliver on our primary mandate to provide affordable financing to the citizens of Trinidad and Tobago and build on the solid foundation for the merger between TTMF and Home Mortgage Bank (HMB) which was completed on January 17, 2024, with TTMF purchasing 100% of the shares of HMB.

On March 21, 2024, TTMF was renamed Trinidad and Tobago Mortgage Bank Limited (TTMB). This signaled a new beginning for TTMB toward the realisation of enhanced value creation for its customers and the generation of returns for its shareholders. TTMB aims to generate benefits beyond that which neither organisation could achieve on a stand-alone basis.

ECONOMIC CONTEXT

TTMF delivered its 2023 successes amid the competitive mortgage market and growth in economic activity. According to the Central Bank of Trinidad and Tobago (CBTT), real GDP expanded by 1.4% year-on-year (y/y) during the first quarter of 2023 driven by 4.2% y/y growth in the non-energy sector.

Monetary policy in 2023 focused on managing inflation while supporting the country's economic recovery. The Central Bank, at its December 28, 2023, Monetary Policy Committee meeting, left the 'repo' rate unchanged at 3.50%, the fifteenth consecutive rate hold since March 2020 and held the same rate in March 2024.

The CBTT's decision to hold the 'repo' rate was accompanied by an increase in excess liquidity which rose to a daily average of $5.5 billion between July and December 2023 from $5.1 billion over the same period in 2022, facilitating in the process, the flow of business and consumer credit. Concomitantly, the commercial bank's average prime lending rate remained at 7.50%, unchanged since March 2020, benefiting businesses and households. Banks' credit to the private sector remained solid with an increase of 7.2% y/y in November, driven mainly by consumer loans which grew by 9.2% y/y in November (2023).

Elsewhere, domestic inflation trended down led by headline inflation which slowed to 0.3% y/y in December (2023) from 4.7% y/y in July 2023 owing to a substantial easing in food prices which fell to -1.1% y/y in December (2023) from 8.6% y/y in July (2023). Core inflation (excluding food items) also declined to 1.2% y/y in December (2023) from 3.7% y/y in July (2023). The CBTT also noted a marked improvement

CHAIRMAN'S REPORT

in the unemployment rate at 3.2% in the third quarter of 2023 compared with 5.4% in the same period one year earlier, with retrenchments down to 101 persons (July to October 2023) from 511 persons in the comparative period of 2022.

THE HOUSING MARKET

Mortgage Lending

Addressing the challenge of quality housing availability and affordability for low- to middle- income citizens is central to the Government's housing agenda. In its 2023/2024 budget, the government allocated $1.5 billion to the development of the housing sector through a combination of public policies, public-private partnerships and financial resources to spur the development of more affordable housing units. TTMF, in support of the Government's housing programme, will be a significant player in the mortgage market to provide resources for the financing of the stock of housing units as well as facilitate better access to mortgages.

Real estate mortgage lending supported by a low interest rate environment expanded by 6.6% y/y in November 2023, from the 6.4% recorded in May 2023. The commercial banks' real estate financing supported this overall growth, while non-bank mortgage lending declined by 4.5%. However, interest rates on new real estate mortgages reached 5.02% at the commercial banks, up from 4.88% at the end of March 2023. On the other hand, commercial bank interest rates on outstanding mortgages declined from 5.22% in March 2023 to 5.18% in September.

SHORT-TERM OUTLOOK

Global growth, estimated at 3.2% in 2023, is projected to continue at the same pace in 2024 according to the International Monetary Fund (IMF) in its World Economic Outlook (April 2024). The contributing factors to this growth rate include high borrowing costs, withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geoeconomic fragmentation. Additionally, the possibility of higher international commodity prices and supply disruptions from attacks on marine vessels in the Red Sea could affect the global disinflation trajectory and prolong tightened monetary policy conditions.

In the domestic economy, continued buoyancy in the non-energy sector is expected to drive overall economic activity in the short term, while the energy sector is likely to remain subdued. In the non-energy sector, activity is anticipated to benefit from the continued strength in business operations and robust consumer demand. Meanwhile in the energy sector, the recent start-up of some projects as well as others expected over the coming months can boost output. At the same time, the energy sector continues to face constrained gas supplies and the natural decline in production rates at mature hydrocarbon-producing wells in the short to medium run.

Headline inflation is expected to remain low in 2024. Barring fresh external shocks, notably in energy markets and because of conflict-related shipping problems, imported inflation is anticipated to be low. Weather conditions, possibly higher utility rates, increased cement prices and the levy of property taxes could also lead to an uptick in domestic inflation.

CONCLUSION

It is a proud moment for us as we celebrate this milestone of the merger with HMB. Thanks to our stakeholders for your steadfast support and cooperation, to get us to this point. To the management and staff of TTMF, my sincere thanks to them individually and collectively, having worked assiduously to attain this corporate milestone. I must also thank the Board of Directors; it is through their ongoing engagement, counsel and perceptive insights that TTMF continued in the tradition of service and excellence.

We have entered the third phase of the implementation of the merger in which HMB will be dissolved and its assets and liabilities transferred to TTMB. The dissolution will necessitate the repeal of the Home Mortgage Bank Act, but TTMB will be well served with the retention of some of the benefits currently enjoyed under the HMB Act.

We are excited about the prospects of the fully integrated TTMB which holds a unique position at the heart of the Trinidad and Tobago mortgage market. TTMB heralds a new reality in building futures for the citizens of Trinidad and Tobago, by creating generational wealth through home acquisition while offering stellar investment products. There will be a laser focus on growing revenue and profitability while creating value for its key stakeholders. TTMB will realign and develop its people and organisation to enhance business capabilities, skills, and competencies.

We remain optimistic about the outlook and are confident in TTMB's ability to achieve success in 2024 and beyond.

Patrick Ferreira
Chairman

BOARD OF DIRECTORS

PATRICK FERREIRA
Chairman

Mr. Patrick A. Ferreira is an experienced insurance and business executive who spent most of his career with the Furness Trinidad Group of Companies. He served on many boards including the Deposit Insurance Corporation, NIPDEC and Trinidad & Tobago NGL Limited. He currently serves as Chairman of Furness Chemicals Limited, Furness Shipping & Marketing Limited, Furness Personnel Services Limited and the National Insurance Board of Trinidad & Tobago.

Versed and accomplished in the areas of Insurance, Law, Management and Arbitration, Mr. Ferreira is a Chartered Companion of the United Kingdom's Chartered Management Institute (one of the highest accolades that can be bestowed on a leader in the UK), an Associate of Chartered Institute of Arbitrators, an Associate of the American Bar Association, and a full member of the London Court of International Arbitration.

Mr. Ferreira a past student of St. Anthony's College, holds a Certificate in Law (CertCE) from Essex University in London and is internationally certified as an Arbitrator and Master Negotiator with the ADR Register/ Global Network Group which is ISO 9001:2008 certified by Lloyds Register.

JENNIFER LUTCHMAN
Deputy Chairman

Jennifer Lutchman has accumulated a wealth of knowledge in the accounting and auditing field having previously worked at the Auditor General's Department for over thirty (30) years, auditing State Entities and Ministries and Departments. She now works at the Ministry of Finance, monitoring the governance, controls and operations of State Enterprises and currently holds the position of Acting Permanent Secretary. Ms. Lutchman is a Fellow of the Association of Chartered Certified Accountants (FCCA) and earned her MBA degree from the Anglia Ruskin University in the United Kingdom. She is also a director on the Boards of the National Investment Fund Holding Company Limited, Couva Medical and Multi-Training Facility Limited and the National Marine and Maintenance Services Company Limited.

ROBERT C. GREEN
Managing Director/
Chief Executive Officer

Robert has over 37 years of experience in the mortgage finance industry, having spent that time in a specialised mortgage institution in several senior positions. He is a graduate of the University of Western Ontario, with a Bachelor of Arts degree in Economics. He also holds a Masters of Business Administration degree from the University of the West Indies, Institute of Business.

MURIEL ALFRED-JAMES
Director

Muriel Alfred-James is a career public servant who has worked for over thirty-five (35) years at various levels in the Public Service, both in Trinidad and in Tobago. She has a wealth of knowledge and experience in public sector budgeting and holds the position of Deputy Director of Budgets in the Ministry of Finance.

Mrs. Alfred-James is the Deputy Chairperson of the G.A.T.E. oversight Committee and is a Government representative on the National Insurance Board. She holds a BSc in Public Administration from the University of the West Indies and MSc in Project Management from the University of Liverpool.

BOARD OF DIRECTORS

ANTHONY G. CAMPBELL
Director

Anthony Campbell has over 37 years' experience in the Banking sector. His responsibilities in Credit Management and Arrears Collections included leading both commercial and personal banking units and branch management which allowed for astute management of mortgage facilities. Mr. Campbell also holds a BSc in Management Studies from the University of the West Indies.

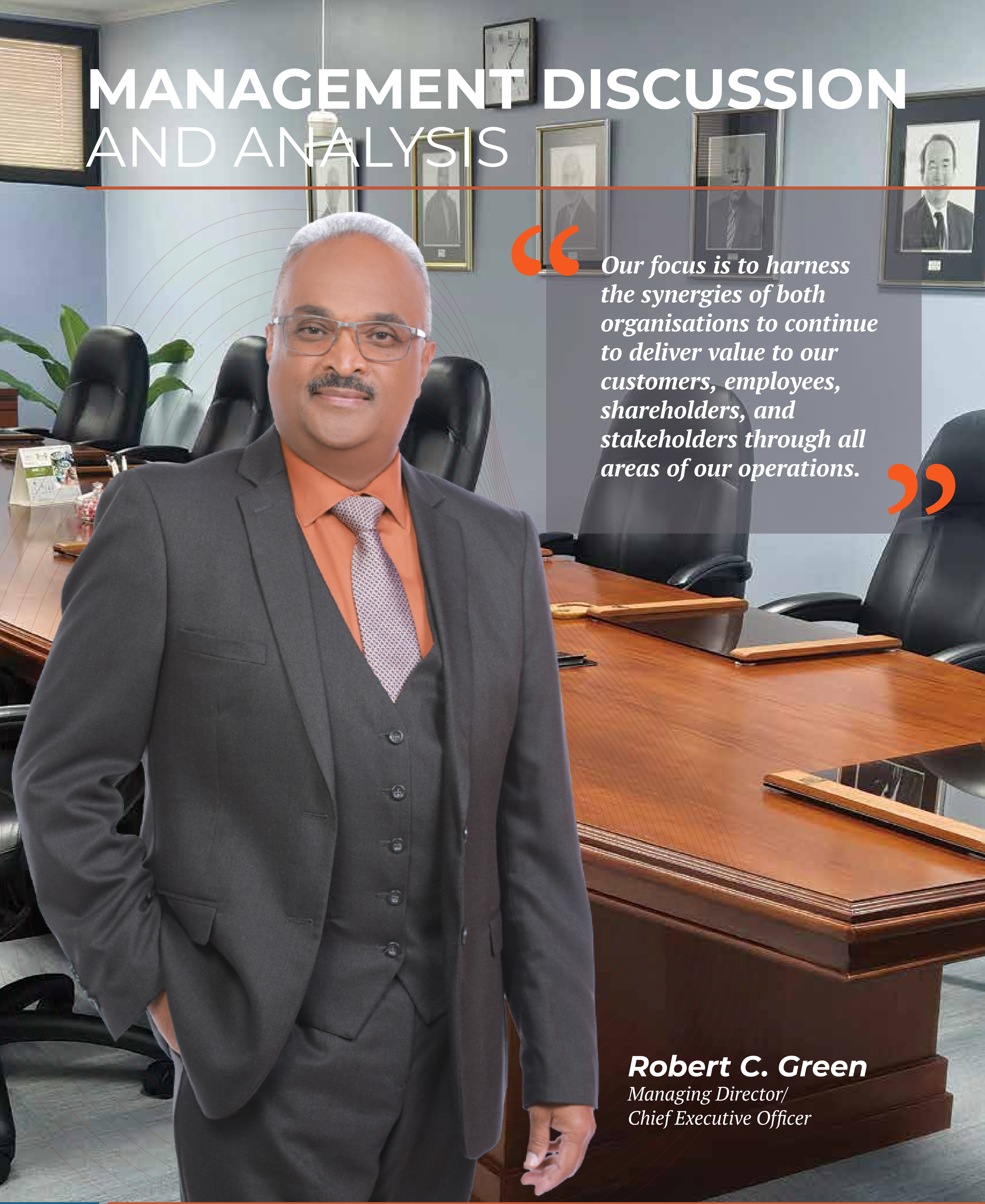
RICHARD ROPER
Director

Mr. Richard Roper served as a highly reliable bank professional, with an exceptional client service record and extraordinary depth in finance, mortgage, and credit experience over almost four decades in the local banking industry. He possesses significant experience with financial management concepts to a wide variety of professional and non-professional audiences. He is also adept at working independently or as part of cross-disciplined teams with a strong desire to transfer experience and knowledge to state enterprises and young professionals through coaching. Mr. Roper holds a Certificate in Leadership Effectiveness, Teamworking and Teambuilding.

GREGORY MARCHAN
Director

Mr. Gregory Marchan is an experienced labour representative, having served in various positions in a major Trade Union over the last thirty-five (35) years, with the last twenty as a member of the board. He is a former Board Member of the Trinidad & Tobago National Petroleum Marketing Co Ltd. Mr. Marchan currently serves as a member of the Board of Directors of the National Insurance Board.

MANAGEMENT DISCUSSION AND ANALYSIS



"Our focus is to harness the synergies of both organisations to continue to deliver value to our customers, employees, shareholders, and stakeholders through all areas of our operations."

Robert C. Green
Managing Director/
Chief Executive Officer

The Trinidad and Tobago Mortgage Finance Company Limited (TTMF) has been positioning itself for success as evidenced by the continued growth path, and the fiscal year 2023 is no exception. We have much to celebrate. We have achieved exceptional financial results. We continue to meet and exceed our customers' expectations for the delivery of exceptional, friendly and professional service. Training of our staff is continuous to ensure we have the most skilled and knowledgeable team in the industry. We met our obligations to our shareholders and other stakeholders with resounding success and, in service to our community, we are proud of the projects that we have accomplished under our corporate social responsibility programme.

During the year 2023, we were laser focused on the completion of the merger with Home Mortgage Bank (HMB), and on January 17, 2024, TTMF purchased 100% of the shares of HMB, making them a wholly owned subsidiary. Then, on March 21, 2024, TTMF was renamed Trinidad and Tobago Mortgage Bank Limited (TTMB). This new organization combines the strength of TTMF and HMB to provide greater real estate financing and investment opportunities under one roof.

Our focus is to harness the synergies of both organisations to continue to deliver value to our customers, employees, shareholders, and stakeholders through all areas of our operations.

A review and analysis of the financial performance and achievements for TTMF for the fiscal year ended December 31, 2023, is presented below.

FINANCIAL PERFORMANCE

Profit before Tax

2023 was another year of robust performance for the TTMF. I am pleased to report that for fiscal 2023, TTMF achieved profit before tax of $142.4M, up from $136.1M in 2022, an increase of 4.6%. The increase in profitability was primarily due to the increase in the mortgage interest earned from the expansion of the mortgage portfolio through the granting of 1,090 mortgage transactions valued at $584 million and a reduction in the loan impairment expense. These results reflect our continued commitment to excellence and our focus on sustainable long-term performance.

Total Assets stood at $5.4 billion at the end of the year, representing an increase of 4.68% over 2022. This was occasioned by the growth in mortgage loan balances of $174 million which resulted from new loans disbursed net of the sale of mortgages to HMB and repayments totalling $410M. Subsidy income and administration costs of $207M were offset by the subsidy of $151M which was received from the GORTT during the year to assist with the financing and the provision of affordable housing at subsidized rates of interest to citizens of Trinidad and Tobago.

Funding for new loans and debt repayment was obtained through the issuance of short-term debt of $693M and an IDB warehousing facility of $550M. Additionally, there was a fully subscribed bond issue of $310M and loans totalling $455M all net of debt repayment of $1.8B.

Return on Assets

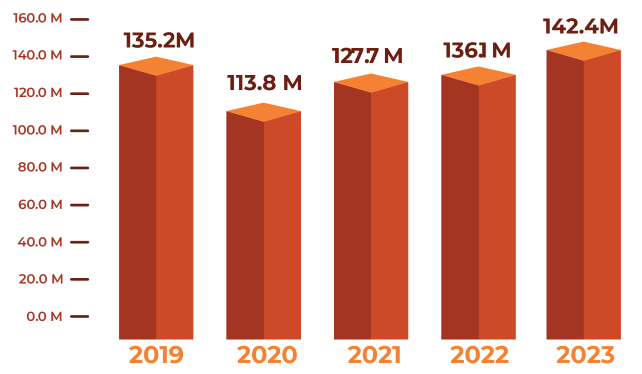
The Return on Total Assets (ROA) for the year was 2.62%, versus 2.59% in 2022. The average interest rate on the mortgage loan portfolio was 4.52% compared with 4.49% in 2022. The ROA over the five (5) year period ended December 31, 2023, is as follows:

	2019	2020	2021	2022	2023
ROA	2.95%	2.54%	2.79%	2.59%	2.62%

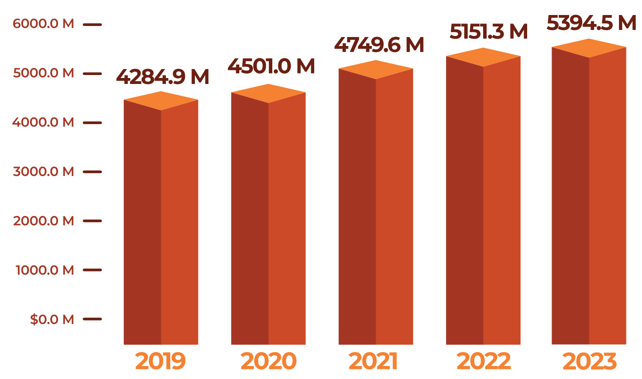
The Mortgage Loan Portfolio

In 2023, we achieved 94% of loans disbursed in 2022. This was a commendable achievement amidst continuing signs of a recovering economy. 51.1% of loans valued at $298.5 million were disbursed under the Government Assisted Programme,

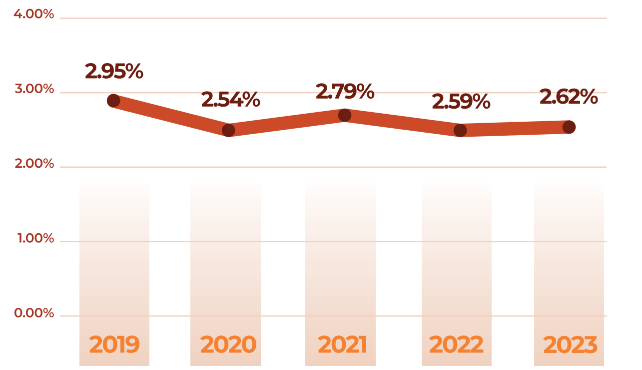
PROFIT BEFORE TAX



TOTAL ASSETS



RETURN ON TOTAL ASSETS



whilst 580 loans valued at $285.2 million were disbursed under the Open Market programme.

The delinquency ratio stood at 6.14% which was an improvement of 0.13% over 2022. Our delinquency management strategies remain flexible as we adapt to the needs of our mortgagors, while ensuring that prudential guidelines are adhered to, to minimize the company's risk exposure.

Mortgage loans comprise 82.75% of our total asset base and are classified as:

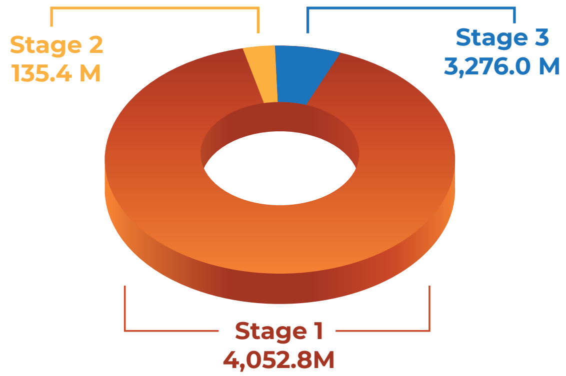
- Stage 1 (90.79%) – loans that are performing according to the contractual terms and conditions;
- Stage 2 (3.03%) – loans that are overdue greater than 90 days but less than 180 days and;
- Stage 3 (6.18%) – loans that are overdue more than 180 days and credit impaired.

Shareholders' Equity

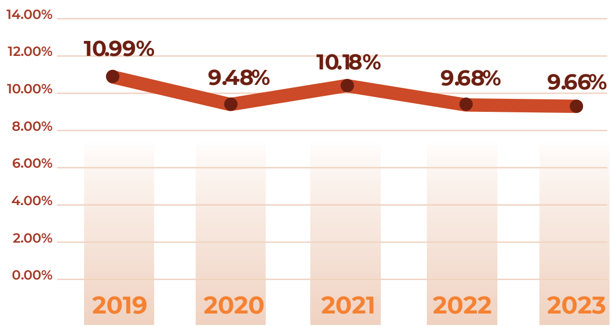
While TTMF has the mandate to provide affordable financing to homeowners, as a company competing for business in the financial services sector, we remain mindful of our obligations to provide positive returns to our shareholders. Shareholders' Equity as of December 31, 2023, stood at $1.46B, up from $1.38B in 2022, an increase of 6.4%. The return on shareholders' equity (ROE) was 9.66%. The ROE over the five (5) year period ended December 31, 2023 was:

	2019	2020	2021	2022	2023
ROE	10.99%	9.48%	10.18%	9.68%	9.66%

MORTGAGE LOANS - 2023



RETURN ON EQUITY



Dividends Payable/Paid

Consistent with our Dividend Policy, dividends of 40% of profit after tax has been consistently paid annually. Dividends payable/paid for 2023 amounted to $53.3 million, compared to $53.0 million in 2022.

Dividends per share was $20.62 in 2023 increasing from $20.48 in 2022. The Dividends payable/paid and the dividend per share over the five (5) year period ended December 31, 2023 was:

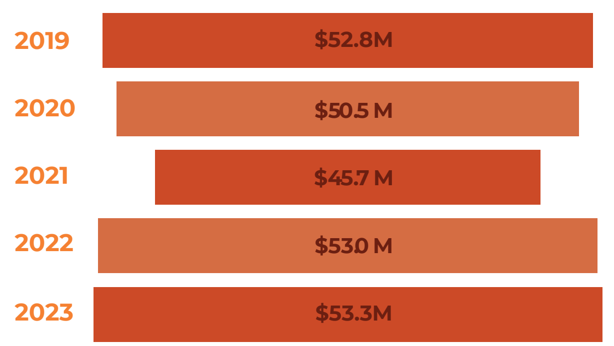
Dividends payable/paid

2019	2020	2021	2022	2023
52.8M	50.5M	45.7M	53.0M	53.3M

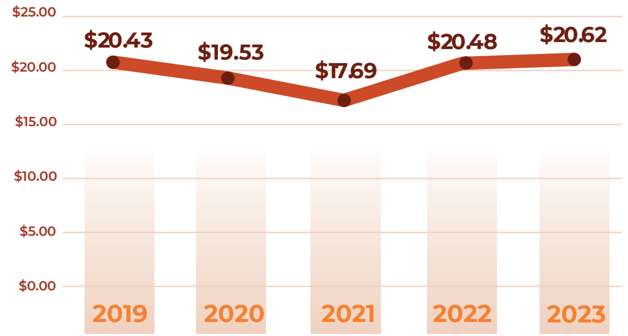
Dividends per share

2019	2020	2021	2022	2023
$20.43	$19.53	$17.69	$20.48	$20.62

DIVIDENDS PAYABLE/PAID



DIVIDENDS PER SHARE



CariCRIS Rating

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed TTMF's assigned issuer/corporate credit ratings of CariA+ (Foreign and Local Currency Ratings) on the regional rating scale and ttA+ on the Trinidad and Tobago (T&T) national scale. These ratings affirm that the level of TTMF's creditworthiness, judged in relation to other obligations in the Caribbean and within T&T, is good. The ratings include a 1-notch upgrade for the high likelihood of support from GORTT, if needed.

CariCRIS has also maintained a stable outlook on the ratings. The stable outlook is based on CariCRIS's expectation that TTMF will continue to display healthy financial performance with further gradual improvements in asset quality over the next 12-15 months. This is supported by ongoing marketing initiatives and continued improvements in economic activity which are expected to boost demand for mortgages, despite current geopolitical uncertainties and inflationary pressures. Furthermore, CariCRIS opined that TTMF is expected to remain well capitalised and continue to comfortably cover its debt obligations as they come due.

CariCris goes on to say that TTMF's ratings continue to reflect its moderate market position in T&T's real estate mortgage market, underpinned by its crucial role in the implementation of the GORTT's national housing policy. Further supporting the ratings are the Company's comfortable capitalization levels reflected in its high capital adequacy and good capital coverage to total assets as well as its healthy financial performance in 2022 underpinned by improved profitability metrics and reduced funding costs. The Company's improving loan portfolio quality, though still elevated, further supports the ratings. These rating strengths are tempered by TTMF's asset/liability mismatches which increase exposure to potential liquidity risks given its high reliance on debt financing. These rating strengths are tempered by the lack of geographic diversity in the Company's revenue and funding base which exposes TTMF to significant sovereign risk.

BUSINESS OPERATIONS

Customer Focus

Our main initiative to successfully grow our open market portfolio in 2023 was through our 'Mission Here to Home' mortgage campaign, which was launched on September 11, 2023, and was aimed at attracting new business in this highly competitive mortgage market. The promotion offered an interest rate of 4.25% fixed for 6 years with other attractive features included such as financing of up to 95% of the property's value, increased DSR to up to 45% and a repayment term that would take the customer to age 70. Given the high level of interest the initial cap in the campaign of $150 million was quickly achieved with the cap being increased to $250 million in December 2023.

In today's evolving digital landscape, TTMF, continued to engage with its customers through digital media. In 2023 we continued to achieve immense success in engaging our customers, utilizing convenient and accessible digital means to interact with them for service requests with over 13,000 pre-qualification assessments and 2,600 application appointments being conducted online. We used digital communication to ensure that our customers were kept engaged and informed and revised our email communication to customers to ensure that they were given targeted and relevant information throughout the loan process.

Our content marketing strategy is robust and aligned with our audience interests. Email plays a big role in how we bring customers onboard. Our aim was not solely to increase the database but to use their engagement with our content as a means of creating customer segments and target these segments with relevant messaging across various channels. Additionally, our social media posts, blogs and videos helped potential customers by providing relevant information about the mortgage process from start to finish. Links in these posts directed customers to the website for further engagement and qualification of the lead. This strategy resulted in a 23% increase in our email open and click through rates in 2023. Our next focus will be on employing a digital transformation strategy aimed at improving the customer experience by employing digital tools such as a Chat Bot and CRM to automate lead & response management, optimize processes and foster an innovative mindset.

Internal Business Process

As we prepared for the merger of TTMF and HMB, we took the opportunity to review some of our internal business processes such as automating aspects of our Application Form. This was geared towards improving the turnaround time for application processing. This coupled with formal Customer Service Training and ongoing coaching ensured that staff were equipped with the modern-day techniques used to provide personalized and attentive service to our customers. The outcome of these initiatives was an overall Customer Satisfaction Survey result of over 90%.

We continued to engage with our network of Real Estate Agents, Brokers and Developers and our Business Development Officers conducted over 60 Road Shows completing pre-qualifications on the spot and promoted our full product offerings giving information and advising on the next steps to securing a mortgage loan.

2023 saw advances in preparing and testing our upgraded Fiserv technology solution in preparation for its adaptation in 2024 from which our operations will be enhanced. These enhancements include greater integration of systems and accessibility of information, which will boost productivity and reduce the possibility of user errors. Additionally, we expanded the use of our Prospective Customer Management System (PCMS) across our Mortgage Operations and Mortgage Administration units and made amendments to our bridging finance conversion process to ensure that the Company was protected at all stages of the process.

The cyber threat landscape in the Caribbean and locally is constantly evolving especially for both medium and large financial institutions. Threats against financial data and customer privacy are of high value to these threat actors. Any responsible institution must protect against these types of data leaks, ransomware attacks, phishing attacks, insider threats, and sophisticated malware to ensure continued growth and customer trust. TTMF over the past year has made the safeguarding of such one of our utmost priorities. We have continued focusing our energies on expanding our cyber security portfolio by investing in robust cybersecurity infrastructure and technologies to mitigate cyber risks. This includes deploying advanced threat detection and prevention systems, implementing encryption protocols, and enhancing network security measures.

In today's ever changing threat landscape, one cannot sit idly by and have today's technology protect tomorrow's threats. As such, we have engaged with qualified experts in undertaking cyber security penetration testing to ensure we are achieving value and that the relevant safeguards in place are properly and thoroughly configured and stress tested. No technology can stand alone without the relevant policies and procedures in place. We have also engaged industry experts to craft such policies, procedures, and response plans to allow for detecting, containing, and mitigating security incidents promptly for any detected attempt at infiltrating our data infrastructure.

We continue to be committed at making our customers financial data and maintaining privacy and confidentiality our utmost priority and as such, we continue to work with industry leaders, government agencies, and cybersecurity organizations to enhance our cybersecurity resiliency.

With adequate manpower planning, the disruption caused by unplanned absence amidst staff shortages due to vacant positions occasioned by the impending merger, was mitigated with internal backfilling of staff in acting appointments and additional duty assignments. With this support, operational business units maintained adequate manpower levels to achieve the company's financial objectives.

A new human resource system (HRIS) was implemented in the last quarter of 2023 with the roll-out to staff completed in the first quarter of 2024. The new HRIS is a more sophisticated cloud-based solution that supports a variety of human resource processes to address TTMF's growing workforce transformation needs. Among the most valuable features of the solution is self-service which allows end-users to simplify their job-related functions, such as updating bio data and accessing time off.

The digitization of key HR services to reduce manual and paper-based operations and maintain virtual records continued in 2023 with the digitization of all active employee files.

The post-pandemic business environment has resulted in the Human Resources management team continuing to play a key role in keeping the workforce engaged, productive and resilient in the new digital age of A.I and ChatGPT. In 2023, the development needs of our workforce remained an area of focus for which cross-training opportunities continued to be afforded to employees with refresher training in customer service completed within the last quarter of 2023.

Another area of focus remained the overall health and well-being of internal customers – our employees, to better serve external customers. In this regard, a variety of health and wellness activities resumed including the successful hosting of the company's biennial Sports and Family Day on May 6, 2023. The event was themed 'Hidden Gems' and was attended by approximately 648 persons comprising employees and their family members.

Learning and Growth

Our leadership and supervisory personnel have a more pivotal role than ever before in workplaces that are becoming increasingly fluid. Training programmes in CHATGPT, Artificial Intelligence, Strategic Performance Management and Managing Cross Generational Teams were attended to equip executive and management officers with the necessary skills to manage the current workplace challenges.

Strengthening department/unit and overall team performance was done by way of continued teambuilding activities. The initial foundational work to commence the required culture change and transformation training was completed ahead of Day-1 TTMB. This training continued into the first quarter of 2024.

Corporate Social Responsibility

A large part of Corporate Social Responsibility is staff involvement. With the energy and momentum generated by the Sports and Family Day Event, the staff were engaged to complete projects at various Children's homes which are managed by the Children's Authority of Trinidad and Tobago. One home was outfitted with white appliances which enabled the occupants to complete their daily tasks more efficiently. At another home, the team installed grow boxes to allow for the planting of herbs and vegetables for use by the home. The children also learn the skill of planting and tending to a garden. In the third home, where water supply has always been a challenge, the staff members assisted in the refurbishment of the tank farm and upgraded the plumbing system to improve the supply of water to the home.

CONCLUSION

We have reached a significant milestone in the merger of TTMF and HMB and the company renamed TTMB. The last phase to be completed is the dissolution of HMB with its assets and liabilities transferred to TTMB. TTMB is now well placed to make its mark in the real estate financing and capital market and to continue to support the goals and objectives of our stakeholders, particularly the support of the Government's housing programme.

In closing, I thank the Board of Directors for their counsel, the Management and Staff for their patience and unwavering commitment to the organization and to our customers for seeing us through another successful year. TTMF could only have experienced the level of success that we had with the unstinting support of our customers, and we are extremely grateful that they have allowed us to be of service to them. We celebrate this success, and we look forward with anticipation to the new year and the new opportunities that it brings under Trinidad and Tobago Mortgage Bank.

Robert C Green

Robert C. Green
Managing Director/Chief Executive Officer


Vinessa Lewis
Employee of the Year
2023

MANAGEMENT TEAM

BRENT MC FEE
Secretary / Chief Operating Officer

LAURETTE WALKER
Ast. Secretary / Chief Financial Officer

WENDY HUGGINS
General Manager, Mortgage Services

KATHRINA SMITH
Senior Manager, Mortgage Operations

NICOLE HOSPEDALES
Manager, Corporate Services

MARSHA RAE LEBEN
Manager, Corporate Communications

LISA WILLIAMS
Ast. General Manager, Mortgage Administration

KAMILAH PETERSON
Ast. General Manager Mortgage Origination

JESSELL MORALDO-CUMBERBATCH
Senior Manager, Human Resources

KRISTIN RAMESAR
Manager, Mortgage Origination

NAHSHON RAMLAL
Manager, Finance

RYAN RAMSARAN
Manager, Information Technology

CELEBRATING US!

Trinidad & Tobago
Mortgage Finance
Company Limited

From here... to Home.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Trinidad and Tobago Mortgage Finance Company Limited, which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- Ensuring that the company keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

Robert C Green

Chief Executive Officer
March 22, 2024

Lauretta Walker

Chief Financial Officer
March 22, 2024

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO MORTGAGE FINANCE COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Trinidad and Tobago Mortgage Finance Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit, Risk and Compliance Committee for the Financial Statements

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

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

The Audit, Risk and Compliance Committee is responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO MORTGAGE FINANCE COMPANY LIMITED

Report on the Audit of the Financial Statements
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO MORTGAGE FINANCE COMPANY LIMITED

Report on the Audit of the Financial Statements
(Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the Audit, Risk and Compliance Committee 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.

EY

Port of Spain,
TRINIDAD
22 March 2024

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Thousands of Trinidad and Tobago dollars)

ASSETS	Notes	2023	2022
Cash and cash equivalents	4	61,621	54,321
GORTT subsidy receivable	5	567,577	512,000
Debtors and prepayments	6	5,214	4,459
Investment securities	7	75,792	75,838
Mortgage loans	8	4,464,176	4,289,740
Property and equipment	9	49,905	46,920
Right-of-use assets	10	521	1,143
Deferred tax assets	11	169,652	168,792
TOTAL ASSETS		5,394,458	5,153,213
LIABILITIES AND EQUITY			
LIABILITIES			
Dividends payable	32	53,298	98,684
Prepayments by mortgagors	12	101,371	94,782
Amount due to HDC	14	870	865
Sundry creditors and accruals	15	109,332	108,864
Short-term debt	16	691,689	1,151,839
Interest payable on debt		24,994	21,806
Long-term debt	17	2,920,365	2,271,716
Lease liabilities	10	597	1,226
Deferred tax liability	11	2,141	1,917
Pension plan liability	18 (a)	25,235	25,180
TOTAL LIABILITIES		3,929,892	3,776,879
EQUITY			
Share capital	19	12,408	12,408
Retained earnings		1,452,158	1,363,926
TOTAL EQUITY		1,464,566	1,376,334
TOTAL EQUITY AND LIABILITIES		5,394,458	5,153,213

The accompanying notes form an integral part of these financial statements.

On March 22, 2024, the Board of Directors of Trinidad and Tobago Mortgage Finance Company Limited authorised these financial statements for issue.

Patrick A Punny : Director

: Director

Robert C Green : Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	2023	2022
Income			
Mortgage interest		192,804	179,428
Net interest (expense)/income	20	(4,310)	7,333
Net interest income		188,494	186,761
Investment income	21	4,076	4,313
Rental income		518	560
Other income	22	52,640	52,366
		245,728	244,000
Expenses			
Administration expenses	23	(98,631)	(92,864)
Loan impairment credit/(expense)	8	460	(10,371)
Building expenses		(5,178)	(4,691)
		(103,349)	(107,926)
Net income before taxation		142,379	136,074
Taxation expense	25	(957)	(2,828)
Net income after taxation		141,422	133,246
Other comprehensive income, net of taxes			
Items that will not be reclassified subsequently to profit or loss:			
- Re-measurement gains/(losses) on defined benefit plans	18 (c)	155	(5,933)
- Income tax (charge)/credit	11	(47)	1,780
Other comprehensive income/(loss) for the year, net of tax		108	(4,153)
Total comprehensive income for the year		141,530	129,093

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	Share Capital	Retained earnings	Total
Balance at 31 December 2021		12,408	1,287,795	1,300,203
Net income for the year		–	133,246	133,246
Other comprehensive loss for the year		–	(4,153)	(4,153)
Dividends declared	32	–	(52,962)	(52,962)
Balance at 31 December 2022		**12,408**	**1,363,926**	**1,376,334**
Net income for the year		–	141,422	141,422
Other comprehensive income for the year		–	108	108
Dividends declared	32	–	(53,298)	(53,298)
Balance at 31 December 2023		12,408	1,452,158	1,464,566

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	2023	2022
Cash flows from operating activities			
Net income before taxation		142,379	136,074
Adjustments for:			
Depreciation	23	5,968	5,764
Loss/(gain) on sale of property and equipment		109	(67)
Net premium recognized on investment securities		46	43
Accretion on debt		5,376	3,236
Surplus before working capital changes		153,878	145,050
Increase in debtors and prepayments		(56,332)	(55,215)
Increase in mortgages		(174,436)	(292,444)
Increase in prepayment by mortgagors		6,589	4,640
Increase/(decrease) in sundry creditors and accruals		468	(5,540)
Increase/(decrease) in pension liability		210	(277)
Increase/(decrease) in interest payable on debt		3,188	(3,927)
Taxes paid		(1,635)	(1,618)
Net cash used in operating activities		(68,070)	(209,331)
Cash flows from investing activities			
Purchase of property and equipment	9	(8,509)	(4,342)
Proceeds from sale of property and equipment		69	259
Net cash generated used in investing activities		(8,440)	(4,083)
Cash flows from financing activities			
Proceeds from debt		2,008,087	1,041,052
Repayments on debt		(1,824,964)	(760,577)
Principal payments on leases		(629)	(871)
Dividends paid		(98,684)	–
Net cash generated from financing activities		83,810	279,604
Net increase in cash and cash equivalents		7,300	66,190
Cash and cash equivalents at the beginning of year		54,321	(11,869)
Cash and cash equivalents at the end of year	4	61,621	54,321
Supplemental information			
Interest received		196,881	183,171
Interest paid		167,902	162,387

The accompanying notes form an integral part of these financial statements.

1. Incorporation and principal activity

Trinidad and Tobago Mortgage Finance Company Limited (TTMF or the "Company") is incorporated in the Republic of Trinidad and Tobago and provides mortgage financing secured by residential property. The Company is also an "approved mortgage company" under the provisions of the Housing Act, Ch. 33.01. The Company is jointly owned by the Government of Trinidad & Tobago (GOTT) and The National Insurance Board of Trinidad and Tobago (NIBTT) in a current shareholding ratio of 49% to 51% respectively.

The registered office is located at 61 Dundonald Street, Port of Spain.

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 the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in thousands of Trinidad and Tobago dollars. These financial statements have been prepared on a historical cost basis.

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

b) Changes in accounting policy

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2022, except for the adoption of new standards, amendments and interpretations outlined below.

New standards and amendments/revisions to published standards and interpretations effective in 2023

The standards which became effective for the current year but had no impact on the Company financial statements are listed below:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12
- IFRS 17 – Insurance Contracts

2. Material accounting policies (continued)

b) Changes in accounting policy

Standards in issue not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. These standards and interpretations will be applicable to the Company at a future date and will be adopted when they become effective. The Company is currently assessing the impact of adopting these standards and interpretations.

Effective 1 January 2024:

- Amendments to IFRS 16 – Sale and Leaseback Transactions
- Amendments to IAS 1 – Disclosure of Accounting Policies: Classification of Liabilities as Current or Non-current
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

Effective 1 January 2025:

- Amendments to IAS 21: The effects of Changes in Foreign Exchanges Rates

c) Financial instruments

(i) Recognition and initial measurement

The Company's financial assets and liabilities are recognised in the statement of financial position when it becomes party to the contractual obligations of the instrument. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

(ii) Classification

The Company classifies its financial instruments in the following measurement categories:

- Amortised cost (AC)
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

The Company measures all financial instruments at amortised cost, if both of the following conditions are met and is not designated as at FVTPL:

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

2. Material accounting policies (continued)

c) Financial instruments (continued)

(ii) Classification (continued)

A debt instrument is measured at FVOCI, only if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value through other comprehensive income. This election is made on an investment-by-investment basis.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI or FVTPL, if in doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

2. Material accounting policies (continued)

c) Financial instruments (continued)

(ii) Classification (continued)

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Company holds a portfolio of long-term variable-rate mortgage loans for which it has the option to revise the interest rate. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or repay the loan mortgage at par without penalty. The Company has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company does not retain control of the financial asset.

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

2. Material accounting policies (continued)

c) Financial instruments (continued)

(iii) Derecognition

Financial assets

Any cumulative gains or losses recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in the consolidated statement of comprehensive income on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

Financial Liabilities

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

(iv) Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in the consolidated statement of comprehensive income as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in the consolidated statement of comprehensive income. For floating rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification.

2. Material accounting policies (continued)

d) Impairment of financial assets

Overview of the Expected Credit Losses (ECL) principles

The Company records an allowance for ECL for all mortgage loans and other debt financial assets not held at FVPL, together with loan commitments. Equity instruments are not subject to impairment under IFRS 9.

The Company uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the size and nature of the underlying portfolio of financial instruments. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 30.

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

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

Stage 1 - When financial assets are first recognised and continue to perform in accordance with the contractual terms and conditions after initial recognition, the Company recognises an allowance based on 12mECLs. Stage 1 financial assets also include facilities where the credit risk has improved, and the financial asset has been reclassified from Stage 2.

Stage 2 - When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 financial assets also include facilities where the credit risk has improved and the financial asset has been reclassified from Stage 3. Stage 2 assets are overdue >90 days, but <180 days.

Stage 3 - Financial assets considered credit-impaired. The Company records an allowance for the LTECLs. All loans >180 days are in this category.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a partial derecognition of the financial asset.

2. **Material accounting policies** (continued)

d) **Impairment of financial assests** (continued)

The calculation of ECLs

The Company adopts a more proportional and simplified ECL methodology based on information already used in the current credit risk management and reporting framework. This involves the application of inherent risk rates currently calculated, with an allowance for possible future worsening of credit loss experience. Annual portfolio credit loss rates have been stable, averaging 0.2% over the past 8 years.

The methodology adopted assumes the following:

- Historic credit loss rates represent a reasonable predictor for future credit events
- The Company's approach to credit risk management is consistent going forward
- The credit risks of the portfolio will remain relatively stable in the future

The parameters outlined above are reviewed annually for consistency. The proposed assumptions and methodology would be reviewed and adjusted as required if actual default experience differs from expectation.

Forward Looking Information for ECL

Management uses a scorecard approach to apply the impact of macro-economic factors on the ECL values. The Bank's forward-looking adjustment calculation analyses the environment as at the measurement date, analyzing factors and data specific to the Bank to determine a range of probable losses inherent in the loans and advances to customers and investment securities as at the evaluation date. The probability weighted scenarios are incorporated in the scorecard approach for the forward-looking adjustment. The three main macro factors applied within the scorecard approach were unemployment rate, GDP growth and inflation rate.

Three scenarios were weighted based on the range of macroeconomic scenarios. The score and probability of impact of each scenario were multiplied, and the results were summed for all three scenarios.

e) **Investment securities**

The Company classifies its investment securities at amortised cost. The amortised cost financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

After initial measurement, these financial investments are subsequently measured at amortised cost, less allowance for impairment. Premiums and discounts are amortised over the life of the instrument using the effective interest rate method. The amortization of premiums and discounts is taken to the statement of comprehensive income.

2. Material accounting policies (continued)

f) Mortgage loans

Mortgage loans are financial assets provided directly to a customer. These carry fixed or determinable payments and are not quoted in an active market. Mortgage loans are carried at amortised cost using the effective interest method, less expected credit losses.

g) Property and equipment

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

Land is not depreciated as it is deemed to have an infinite life. Artwork is not depreciated as it is deemed to appreciate in value. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Office buildings	-	2 to 33⅓%
Motor vehicles	-	25%
Furniture and equipment	-	12½%
Computer equipment	-	20 to 25%

Property and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by comparing their proceeds to their carrying amounts and are recognised in the statement of comprehensive income.

Included within property and equipment on the statement of financial position is a Tobago property with a net book value of $9.9 million, which is fully owned by the Company. However, 62% of the area square footage of this property is owner-occupied with the remaining 38% being leased to the University of Pittsburgh of the Commonwealth System of Higher Education under an operating lease.

h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

2. **Material accounting policies** (continued)

h) Leases (continued)

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and building	3 to 5 years
Office equipment	1 to 3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the discount rate was calculated by finding the difference between the rate of TTMF's last bond and the rate as per the Central Bank's yield curve for the corresponding period to determine TTMF's interest spread. For each contract length, the interest rate as per Central Bank's yield curve was determined. TTMF's spread was then added to this rate to arrive at the annual discount rate to be used for each contract. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Material accounting policies (continued)

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

i) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, bank overdraft, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less and subject to insignificant risks of change in value.

j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events from which, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the statement of financial position date.

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.

k) Employee benefits

The Company operates a defined benefit plan, the assets of which are held in a separate trustee-administered fund. The pension plan is funded by payments from employees and by the Company, taking into account the recommendations of an independent qualified actuary. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The asset/liability recognised in the statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of the employees.

2. **Material accounting policies** (continued)

k) **Employee benefits** (continued)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Re-measurement of the net defined benefit liability, which comprise of actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately through the statement of comprehensive income.

The defined benefit plan mainly exposes the Company to actuarial risks such as investment risk, inherent rate risk and longevity risks.

Past service cost is recognised as an expense at the earlier of the date when a plan amendment or curtailment occurs and the date when an entity recognises any termination benefits or related restructuring costs.

l) **Taxation**

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

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

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilized. The tax effects of income tax losses available to be carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

m) **Foreign currency**

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling on 31 December 2023. All revenue and expenditure transactions denominated in foreign currencies are translated at the buying (cash) rate of our bankers and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of comprehensive income.

2. Material accounting policies (continued)

n) Revenue from contracts with customers

Mortgage loans
Income from mortgage loans, including origination fees, is recognised on an amortised basis. Interest is accounted for on the accrual basis except where a loan becomes contractually three months in arrears and the interest is suspended and then accounted for on a cash basis of at least 6 months subsequent to the loan being brought up to date.

Investment income
Interest income is recognised in the statement of comprehensive income as it accrues, taking into account the effective yield of the asset or an applicable floating rate. Interest income includes the amortization of any discount or premium.

Rental income
Rental income under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

Fees and commissions
Unless included in the effective interest calculation, fees are recognised on an accrual basis as the service is provided. Fees and commissions not integral to the effective interest arising from negotiating or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contract.

Other income and expenditure
Other income and expenditure, inclusive of borrowing costs and related government subsidies, are accounted for on the accrual basis.

o) Mortgage agency business

The Company manages the disbursement and collection of mortgage loans on behalf of other mortgage companies. The loan portfolios managed under these agreements totalled $1,284 million (2022: $1,338 million) and is not reflected in these financial statements.

p) Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares, other than in connection with business combinations, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business are included in the cost of acquisition.

q) Capitalized transaction costs

The costs incurred in the issue of bonds for investment in housing is amortised over the duration of the respective bond issue.

2. Material accounting policies (continued)

r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved.

3. Significant accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgments

The following are the critical judgments, apart from those involving estimations that management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in financial statements.

a) Deferred tax asset

In calculating the provision for deferred taxation, management uses judgment to determine the possibility that future taxable profits will be available to facilitate utilization of taxable losses which have arisen at the statement of financial position date.

b) Impairment of financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculation is an output of a model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The estimation of the amount and timing of future cash flows and collateral values when determining impairment losses
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- The inclusion of overlay adjustments based on judgement and future expectations

(Expressed in Thousands of Trinidad and Tobago dollars)

3. Significant accounting judgments and key sources of estimation uncertainty (continued)

c) *Net pension liability*

In conducting valuation exercises to measure the effect of employees benefit plans on the Company, judgment is used, and assumptions are made, in determining discount rates, salary increases, national insurance ceiling increases, pension increases and the rate of return on the assets of the plan.

4. Cash and cash equivalents

	2023	2022
Cash in hand	4,007	1,993
Cash at bank	57,614	52,328
	61,621	54,321

The average effective interest rate on cash and cash equivalents for the current year is 5.5% (2022: 5.5%).

The Company has an unsecured overdraft facility for $75 million with Republic Bank Limited with an interest rate of 5.5% per annum.

5. GORTT subsidy receivable

	2023	2022
Subsidy on 2% and 5% graduated mortgage programmes	567,577	512,000
	567,577	512,000

Subsidy on Mortgages - 2% and 5% graduated mortgage programmes

The Company is the Government's partner in the provision of mortgage financing for affordable housing. The facility is provided to qualifying citizens at subsidized rates of interest through a Government subsidy.

$151 million (2022 – $151 million) was received from the GORTT during the year to assist with the financing and the provision of affordable housing at subsidized rates of interest to citizens of Trinidad and Tobago. This subsidy also compensates TTMF for the overall administration of this portfolio. The interest element of the subsidy is netted off against interest expense and the administration fees being recognised in other income.

(Expressed in Thousands of Trinidad and Tobago dollars)

5. GORTT subsidy receivable (continued)

	2023	2022
Receivable balance at beginning year	(512,000)	(458,150)
Add: Receipts from GORTT	151,062	151,000
	(360,938)	(307,150)
Less amounts released:		
Interest expense	(171,091)	(158,459)
Other	(35,748)	(46,391)
	(206,839)	(204,850)
Amount deferred	(567,777)	(512,000)
Amounts reclassified to subsidy receivable	567,777	512,000
	-	-

6. Debtors and prepayments

	2023	2022
Interest receivable on investments	1,074	1,307
IDB service fee	53	62
Staff debtors	214	158
Other	3,873	2,932
	5,214	4,459

7. Investment securities

	2022	2021
Securities at amortised cost:		
NIPDEC 6.55% bond	25,792	25,838
HDC 4.92% fixed rate bond	50,000	50,000
	75,792	75,838

There were no expected credited losses recognized on investment securities for 2023 and 2022. The average effective interest rate on the Company's investment securities for the current year is 5.38% (2022: 5.47%). As at the year end, the fair value of investment securities classified as amortised cost amounted to $80.7 million (2022: $81.2 million).

8. Mortgage loans

	2023	2022
Stage 1	4,056,050	3,927,755
Stage 2	144,813	119,517
Stage 3	302,911	289,931
	4,503,774	4,337,203
Add: Recoveries cost	12,545	11,167
Less: Net prepaid interest	(2,409)	(6,971)

(Expressed in Thousands of Trinidad and Tobago dollars)

8. Mortgage loans (continued)

	2023	2022
	4,513,910	4,341,399
Less: Allowances for ECL	(49,734)	(51,659)
Net advances	4,464,176	4,289,740
Reconciliation of expected credit losses on mortgage loans:		
Balance at 1 January	51,659	46,164
Charge for the year	(460)	10,371
Write off for the year	(1,465)	(4,876)
Balance at 31 December	49,734	51,659

The average effective interest rate on the mortgage loan portfolio for the current year is 4.52% (2022: 4.49%). As at the year end, the fair value of mortgage loans amounted to $4.7 billion (2022: $4.5billion).

9. Property and equipment

	Land & buildings	Motor vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	2023	2022
Cost								
At beginning of the year	53,838	806	4,246	13,379	366	2,535	75,170	74,170
Additions/reclassification	1,683	827	409	5,513	–	77	8,509	4,342
Disposals	(495)	(506)	(1,627)	(2,278)	–	–	(4,906)	(3,342)
At end of year	55,026	1,127	3,028	16,614	366	2,612	78,773	75,170
At beginning of the year	19,812	449	3,068	4,921	–	–	28,250	26,547
Depreciation charge	1,043	266	435	3,602	–	–	5,346	4,851
Depreciation on disposals	(496)	(506)	(1,596)	(2,130)	–	–	(4,728)	(3,148)
At end of year	20,359	209	1,907	6,393	–	–	28,868	28,250
Net book value	34,667	918	1,121	10,221	366	2,612	49,905	46,920

10. Leases

The Company has lease contracts for land and building and office equipment used in its operations. The leases for land and building generally have lease terms between three and five years and office equipment between one and three years.

The Company also has leases for office equipment of low value. The Company applied the “low-value lease” recognition exemption for these leases. The Company recognised rent expense from low-value leases of $Nil for the year ended 31 December 2023 (2022: $Nil).

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised and the movements during the year:

(Expressed in Thousands of Trinidad and Tobago dollars)

10. Leases (continued)

	Land and building	Office equipment	Total
Right-of-use assets			
Balance at 1 January 2023	631	512	1,143
Additions	–	–	–
Depreciation	(437)	(185)	(622)
Balance at 31 December 2023	194	327	521
Leased liabilities			
Balance at 1 January 2023	691	535	1,226
Additions	–	–	–
Interest expense	30	9	39
Principal payments	(471)	(197)	(668)
Balance at 31 December 2023	250	347	597
Right-of-use assets			
Balance at 1 January 2022	357	851	1,208
Additions	844	–	844
Depreciation	(570)	(339)	(909)
Balance at 31 December 2022	631	512	1,143
Leased liabilities			
Balance at 1 January 2022	378	872	1,250
Additions	844	-	844
Interest expense	20	31	51
Principal payments	(551)	(368)	(919)
Balance at 31 December 2022	691	535	1,226

	2023	2022
The following are the amounts recognised in the statement of comprehensive income:		
Depreciation expense for right-of-use assets	622	909
Interest expense on lease liabilities	39	51
Expense relating to short-term leases	1,017	763
Total amount recognised in statement of comprehensive income	1,678	1,723

Short-term leases relate to two lease agreements with terms of 12 months. These leases were accounted for as operating leases within the period of use.

(Expressed in Thousands of Trinidad and Tobago dollars)

11. Deferred tax assets and liability

	2023	2022
Taxation losses	155,640	154,727
Loan fees	6,418	6,487
Pension liability	7,571	7,553
Leases	23	25
Total deferred tax asset	169,652	168,792
Property and equipment	(2,141)	(1,917)
Total deferred tax liability	(2,141)	(1,917)

		(Charge)/credit		
	2022	Income statement	OCI	2023
Taxation losses	154,727	913	–	155,640
Loan fees	6,487	(69)	–	6,418
Pension liability	7,553	65	(47)	7,571
Leases	25	(2)	–	23
Property and equipment	(1,917)	(224)	–	(2,141)
	166,875	683	(47)	167,511

		(Charge)/credit		
	2021	Income statement	OCI	2022
Taxation losses	154,308	419	–	154,727
Loan fees	6,206	281	–	6,487
Pension liability	5,857	(84)	1,780	7,553
Right-of-use assets	13	12	–	25
Property and equipment	(80)	(1,837)	–	(1,917)
	166,304	(1,209)	1,780	166,875

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Company has utilized these losses through the generation of taxable profits in the last few years and is expected to continue to do so, and be able to further utilize these losses with the planned merger of TTMF and Home Mortgage Bank. Such restructuring will allow for the further use of accumulated income tax losses against future taxable profits in the short to medium term.

(Expressed in Thousands of Trinidad and Tobago dollars)

12. Prepayments by mortgagors

Prepayments by mortgagors reflect payments received by customers primarily for remittance to third parties.

	2023	2022
Escrows	76,372	70,759
Insurance	23,214	22,725
Other	1,785	1,298
	101,371	94,782

13. Amount due under IDB loan programme

The Company has been appointed agents by the GORTT to disburse funds to beneficiaries under the IDB Settlements Programme.

14. Amount due to HDC

This balance relates to the amount due to HDC as a result of the GORTT's decision to rescind the administered portfolio arrangement with TTMF.

15. Sundry creditors and accruals

	2023	2022
Unearned loan fees	21,394	21,622
Home Mortgage Bank	17,128	11,778
Provision for staff costs	31,685	23,034
Advance - beneficiary owned land subsidy	2,826	2,826
Mortgage clearing accounts	19,523	26,177
Other	16,776	23,427
	109,332	108,864

16. Short-term debt

As at 31 December 2023, the outstanding balance represented:

* A 1 year Commercial Paper through Ansa Merchant Bank Limited (AMBL). Borrowings on this facility shall be repayable by a single bullet payment on maturity. Early repayment is permissible with relevant notice.

** A 1 year Loan through AMBL. Borrowings on this facility shall be payable by a single bullet payment at maturity. Early payment is permissible with relevant notice.

*** A 1 year Syndicated Loan through HMB. Borrowings on this facility shall be payable by single bullet payments at maturity. Early payment is permissible with relevant notice.

**** A 1 year Revolving Credit Facility through RBC. Borrowings on this facility shall be payable by a single bullet payment at maturity. Early payment is permissible.

***** A 1 year Commercial Paper through CMBL. Borrowings on this facility shall be payable by a single bullet at maturity. Early repayment is permissible with relevant notice.

(Expressed in Thousands of Trinidad and Tobago dollars)

16. **Short-term debt** (continued)

	2023	2022
AMBL Commercial Paper *	265,000	265,000
AMBL Loan **	153,313	370,637
HMB Syndicated Loan ***	100,000	200,000
RBC Revolving Credit Facility ****	123,000	75,000
HMB Pro Note	–	45,000
CMBL Commercial Paper *****	51,500	200,000
Unamortised transaction costs	(1,124)	(3,798)
	691,689	1,151,839

17. **Long-term debt**

	2023	2022
Bonds:		
16 - 20 Series Bond Issue 2021 - 2023	–	36,000
15 - 20 Series Bond Issue 2021 - 2023	–	62,000
14 - 20 Series Bond Issue 2021 - 2024	12,500	37,500
1 - 3 Series Bond Issue 2021 - 2025	324,555	349,832
5 Series Bond Issue 2023 - 2026	190,000	311,050
FCB $400M PCE Bond Issue 2023	–	400,000
Citi $500M Bond 2024 - 2026	500,000	500,000
UTC $40M Syndicated Loan due 2024	40,000	40,000
FCB $125M Loan due 2026	125,000	125,000
AMBL $429M Bond	429,363	429,363
CMBL $310M Bond	310,000	–
AMBL $371M Loan	217,324	–
IDB $300M WHF	550,000	–
TTMF $275M Syndicated Loan	237,950	–
	2,936,692	2,290,745
Less: unamortised transaction cost	(16,327)	(19,029)
Total long-term debt	2,920,365	2,271,716

Loans amounting to Nil (2022: Nil) are fully secured by Government guarantees, whilst debt amounting to $3,175 million (2022: $2,825 million) is fully secured by the Company's mortgage assets.

The average effective interest rate on long-term debt for the current year is 4.54% (2022: 4.90%). As at the year end, the fair value of long term debt amounted to $2.9 billion (2022: $2.3 billion).

(Expressed in Thousands of Trinidad and Tobago dollars)

18. Pension and other post-employment benefits

		2023	2022
a)	Amounts recognised in the statement of financial position:		
	Defined benefit obligation	115,239	108,311
	Fair value of plan assets	(90,004)	(83,131)
	Net defined benefit liability	25,235	25,180
b)	Amounts recognised in statement of comprehensive income:		
	Current service cost	5,405	5,043
	Interest costs	1,473	1,129
	Administrative expenses	157	223
	Net benefit cost	7,035	6,395
c)	Amounts recognised in other comprehensive income:		
	Experience loss – demographic	3,124	4,707
	Experience loss – financial	1,724	1,226
	Remeasurement loss – financial	(5,003)	–
		(155)	5,933
d)	Actual return on plan assets	3,369	3,605
e)	Changes in the present value of the defined benefit obligation are as follows:		
	Opening defined benefit obligation	108,311	101,033
	Current service cost	5,405	5,043
	Interest costs	6,566	5,960
	Members' contributions	1,694	1,648
	Actuarial (gains)/losses	(1,878)	4,707
	Benefits paid	(4,859)	(10,080)
	Closing defined benefit obligation	115,239	108,311
f)	Changes in the fair value of plan assets are as follows:		
	Opening fair value of plan assets	83,131	81,509
	Expected return	5,093	4,831
	Employer contributions	6,825	6,672
	Members' contributions	1,694	1,648
	Actuarial loss on plan assets	(1,723)	(1,226)
	Administrative expenses	(157)	(223)
	Benefits paid	(4,859)	(10,080)
	Closing fair value of plan assets	90,004	83,131

(Expressed in Thousands of Trinidad and Tobago dollars)

18. Pension and other post-employment benefits (continued)

g) The major categories of plan assets as a percentage of total plan assets are as follows:

	2023	2022
Deposit administration contracts	100%	100%
Summary of principal actuarial assumptions:		
Discount rate	6.50%	6.0%
Salary increases	4.50%	4.0%

h) The Company is expected to contribute $8.38 million (2022: $8.05 million) to its defined benefit plan in 2023.

i) Sensitivity of present value of defined benefit obligation

	1% increase	1% decrease
Discount rate	(19,191)	24,965
Salary growth	10,791	(9,426)

The weighted average duration of the defined benefit obligations is 22 years (2022: 22 years).

19. Share capital

	2023	2022
Authorised:		
Unlimited number of ordinary shares of no par value		
Issued and fully paid:		
2,585,000 shares of no par value	12,408	12,408

Dividend per share is $20.62 (2022: $20.48)

20. Net Interest expense/(income)

	2023	2022
Gross interest expense	171,091	158,459
Less: Government subsidy		
2% and 5% Mortgage Programmes	(166,781)	(165,792)
Net interest expense/(income)	4,310	(7,333)

21. Investment income

	2023	2022
Amortization of discount and premium on amortised cost investment securities	(46)	(43)
Interest on investment securities	4,122	4,356
	4,076	4,313

(Expressed in Thousands of Trinidad and Tobago dollars)

22. Other income

	2023	2022
Loan fees	2,569	1,424
IADB income	100	130
Home Mortgage Bank service fees	8,582	9,976
Government assisted programme - administration fees	40,118	39,432
Other	1,271	1,404
	52,640	52,366

23. Administration expenses

	2023	2022
Staff costs (Note 24)	63,966	60,352
Depreciation	5,968	5,764
Legal and professional fees	3,682	2,829
Advertising and public relations	3,064	2,345
Bank interest and charges	396	1,088
Bond issue costs	12,187	12,060
Other	9,368	8,426
	98,631	92,864

24. Staff costs

	2023	2022
Wages, salaries and other benefits	53,094	49,576
National insurance	2,380	2,324
Pension costs and other benefits	8,492	8,452
	63,966	60,352

25. Taxation

	2023	2022
a) Components of tax charge		
Deferred tax (Note 11)	683	(1,209)
Current tax - current year	(529)	(517)
Green fund levy	(1,111)	(1,094)
Prior year payment/Tax refund	–	(8)
	(957)	(2,828)

b) Reconciliation of accounting to tax profit:

	2023	2022
Net income before taxation	142,379	136,074
Income taxes calculated at statutory rate - 30%	(42,714)	(40,822)
Green fund levy	(1,111)	(1,094)
Prior year payment/Tax refund	–	(8)
Net expenses not allowable for tax	(4,762)	(6,298)
Tax exempt income	47,630	45,394
	(957)	(2,828)

(Expressed in Thousands of Trinidad and Tobago dollars)

26. Mortgage commitments

At 31 December 2023, the Company had outstanding commitments totalling $163.7 million (2022: $167.6 million), to intending mortgagors.

27. Related party transactions

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. A number of transactions are entered into with related parties in the normal course of business.

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

	2023	2022
Mortgage loans		
Key management personnel (including directors)	3,947	3,489
Borrowings and other liabilities		
The National Insurance Board of Trinidad and Tobago		
Interest payable on debt	2,618	1,420
Long term debt	300,000	306,000
Home Mortgage Bank		
Long-term debt	75,500	145,500
Interest payable on debt	753	1,181
Other liabilities	17,128	11,778
Interest and other income		
Key management personnel	107	144
Borrowings interest and other expense		
The National Insurance Board of Trinidad and Tobago	16,566	7,204
Home Mortgage Bank	4,716	5,691
Key management compensation		
Short-term salaries and benefits	2,489	2,483
Post-employment benefits	178	170
Directors' remuneration	431	423

In the normal course of the Company's business, Government and Government-related entities invest in the Company's funding instruments offered to the public. The Government also provides financing for specifically designated arrangements. The Company also administers portfolios for Government and Government-related entities and earns fees for these services. These specific arrangements have been disclosed in the financial statements.

28. Contingent liabilities - litigation

As at 31 December 2023, there were certain legal proceedings outstanding for the Company. This is expected in the normal course of business, with the re-possession of the underlying collateral supporting mortgage loans in arrears. These are taken into consideration in the establishment of individual and collective provisions in the assessment of the impairment of mortgages.

29. Capital management

The Company's objectives when managing capital, which is a broader concept than equity on the face of the statement of financial position, are:

- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Company defines capital as an appropriate mix of debt and equity. Capital increased by $737 million (2022: increase of $116 million) to $4.4 billion (2022: $3.6 billion) during the year under review.

The Company reviews its capital adequacy quarterly at the Asset/Liability Risk Management committee and Board meetings. The Company maintains healthy capital ratios in order to support its business and to maximize shareholder value.

30. Risk management

The Company's activities are primarily related to the provision of mortgage loans for the purchase of residential properties. The Company's activities expose it to a variety of financial risks and those activities involve 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 Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, 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 Company regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practice. The most important types of risk that the Company is exposed to are credit risk, liquidity risk, market risk and other operational risk.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks however, there are separate independent bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles.

Internal Audit

Risk management processes throughout the Company are audited periodically by the Internal Audit department, which examines both the adequacy of the procedures and the Company's compliance with the procedures. In addition, Internal Audit is responsible for the independent review of risk management and the control environment. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit, Risk and Compliance Committee.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counter party will cause a financial loss for the Company either by its unwillingness to perform on an obligation or its ability to perform such an obligation is impaired. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counter-parties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is the most significant risk that the Company faces; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending activities that lead to mortgage loans, and investment activities that bring debt securities and other bills into the Company's asset portfolio. There is also credit risk in financial instruments, such as loan commitments which is not included in the statement of financial position. These commitments are due within one year of the financial year end.

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

The table below shows the Company's maximum exposure to credit risk:

Details	Maximum exposure 2023	2022
Financial assets		
Mortgage loans	4,503,774	4,337,203
Investment securities	75,792	75,838
Other receivables	568,651	513,307
Cash at bank and cash equivalents	61,621	54,321
Total gross financial assets	5,209,838	4,980,669
Mortgage commitments (Note 26)	163,665	167,658
Total credit risk exposure	5,373,503	5,148,327

Risk limit control and mitigation policies

The Company manages limits and controls concentrations of credit risk wherever they are identified in particular, to individual counterparties.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or Company of borrowers and to geographical segments.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations.

The Company has developed a credit risk strategy that establishes the objectives guiding the organization's credit-granting activities and has adopted the necessary policies and procedures for conducting such activities having determined the acceptable risk/reward trade-off for its activities, factoring in the cost of capital. The credit risk strategy, as well as significant credit risk policies are approved and periodically reviewed by the Board of Directors.

30. Risk management (continued)

Credit Risk (continued)

Risk limit control and mitigation policies (continued)

The Company's credit strategy reflects its willingness to grant credit based on geographic location, maturity and anticipated profitability. The strategy also encompasses the identification of specific target markets.

Concentrations arise when a number of counterparties are engaged in similar activities in the same geographic region that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular geographic location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on a diversified portfolio.

Some specific risk control and mitigation measures are outlined below:

(1) Collateral

The Company employs various policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral type for mortgage loans is charges over residential properties.

Management monitors the market value of collateral at the point of granting the mortgage commitment and during its review of the adequacy of the allowance for impairment losses.

The Company's policy is to dispose of repossessed properties in a structured manner. The proceeds from the sale are used to repay the outstanding amounts. In general, the Company does not occupy repossessed properties for business use.

(2) Lending

The Company lends up to a maximum of 90% of the property value and 100% under a special programme for projects of the Trinidad and Tobago Housing Development Corporation.

In measuring credit risk of mortgage loans, the Company assesses the probability of default by a counter party on its contractual obligation and the possibility of recovery on defaulted obligations.

The Company assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. These rating tools combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available data.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Credit Risk (continued)

Risk limit control and mitigation policies (continued)

(3) Geographical concentrations

The Company monitors the financial assets credit risk by geographical concentration to prevent over exposure in any area or any residential housing development. The Company manages its investment portfolio by focusing on maintaining a diversified portfolio and concentration percentages. Identified concentrations of credit risks are controlled and managed accordingly.

The table below breaks down mortgage loans, which are the Company's principal financial asset, by region, based upon where the land and building taxes were paid.

Concentration of risks of financial assets with credit risk exposure

Details	2023	%	2022	%
Mortgage loans				
Arima Borough Council	700,000	13.44	656,554	13.17
Chaguanas Borough Council	856,609	16.44	871,943	17.51
Couva/Tabaquite/Talparo Reg.	346,255	6.65	332,821	6.68
D/Martin Regional Corporation	160,637	3.08	154,365	3.10
Laventille/San Juan Regional Corporation	253,658	4.87	236,923	4.76
Mayaro/Rio Claro Regional Corporation	22,123	0.42	22,265	0.45
POS City Council	147,629	2.83	140,498	2.82
Penal/Debe Regional Corporation	67,563	1.30	67,374	1.35
Point Fortin Borough Council	45,035	0.86	43,091	0.87
Princess Town Regional Corporation	251,841	4.83	241,975	4.86
San Fernando City Council	614,627	11.80	567,847	11.40
Sangre Grande Regional Corporation	145,133	2.79	150,719	3.03
Scarborough	9,251	0.18	11,799	0.24
Siparia Regional Corporation	63,814	1.23	57,189	1.15
Tobago East	53,566	1.03	57,431	1.15
Tobago West	86,491	1.66	75,287	1.51
Tunapuna/Piarco Regional Corporation	679,542	13.04	649,122	13.03
Total mortgage loans	4,503,774	86.45	4,337,203	87.08
Other financial assets	706,064	13.55	643,466	12.92
Total	5,209,838	100.00	4,980,669	100.00

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets

The Company has determined that credit risk exposure arises from the following statement of financial position lines:

- Mortgage loans
- Investment securities
- Cash and cash equivalents

2023	Stage 1	Stage 2	Stage 3	Total
Mortgage Loans				
Gross balance	4,063,009	145,735	305,166	4,513,910
Allowances for ECL	(10,212)	(10,368)	(29,154)	(49,734)
Net advances	4,052,797	135,367	276,012	4,464,176
ECL to gross mortgage loan (%)	0.3%	7.1%	9.6%	1.1%

2022	Stage 1	Stage 2	Stage 3	Total
Mortgage loans				
Gross balance	3,933,618	120,001	287,780	4,341,399
Allowances for ECL	(9,911)	(8,181)	(33,567)	(51,659)
Net advances	3,923,707	111,820	254,213	4,289,740
ECL to gross mortgage loan (%)	0.3%	6.8%	11.7%	1.2%

Investment securities at amortised cost (Stage 1)	2023	2022
Gross exposure	75,792	75,838
ECL	–	–
Net exposure	75,792	75,838

Management is confident in its ability to continue to ensure minimal exposure of credit risk to the Company resulting from its mortgage loans portfolio and investment securities based on the following:

- As at 31 December 2023, mortgage loans which represent the largest portion of the Company's financial assets (86%) are backed by collateral. The comparative figure for 2022 is 88%.
- 4% of the mortgage loans portfolio is impaired (2022: 3%). The fair value of collateral supporting these impaired mortgage loans generally exceeds the outstanding balances. Where shortfalls in security values are noted, adequate provisions have been established.

30. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets (continued)

Impairment assessment

The main considerations for the mortgage loans impairment assessment include whether any payments of principal or interest are overdue by more than 180 days or whether there are any known difficulties in the cash flows of mortgagors or infringement of the original term of the contract. The Company addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

Financial asset provisions are reviewed quarterly in accordance with established guidelines and recommended provisions arising out of this review are submitted to the Board for approval. Non-performing debts recommended for write-off are also reviewed annually and action taken in accordance with prescribed guidelines. The Company's impairment assessment and measurement approach is set out below.

Grouping financial assets measured on a collective basis

Dependant on the factors below, the Company calculates ECLs either on a collective or an individual basis. The Company calculates ECL on an individual basis for all Stage 3 assets. The Company calculates ECL on a collective basis for all Stage 1 and Stage 2 assets.

Individually assessed allowances

The Company determines the allowances appropriate for each significant mortgage loan on an individual basis for Stage 3 loans. Items considered when determining allowance amounts include the availability of other financial support and the realizable value of collateral, and the timing of the expected cash flows. The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Breach of loan covenants or conditions; and
- Initiation of bankruptcy proceedings.

The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

The fair value of individually impaired loans is determined by reference to external valuations or valuations updated by Management based on their knowledge of recent comparable transactions. No interest is accrued on individually impaired mortgage loans.

Where it is determined that the realizable value of collateral is insufficient to offset the balance of an impaired loan, the allowance account is offset against the receivable and the remaining balance is written off.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets (continued)

Individually assessed allowances (continued)

Legal action may be initiated against the mortgagor for the outstanding balance. If monies are recovered, these are offset against bad debt expense.

The carrying amounts of impaired financial assets are not otherwise directly reduced.

Mortgage loans - individually impaired

The individually impaired loans and advances to customers before taking into consideration the cash flows from collateral held is $160.8 million (2022: $151.4 million). The breakdown of the gross amount of individually impaired loans and advances, along with the fair value of the related collateral held by the Company as security, are as follows:

Mortgage loans - individually impaired	2023	2022
Total	160,697	153,284
Fair value of collateral (before factoring in time to sell)	135,047	168,198

Repossessed collateral

Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. The fair value (after factoring in time to sell) of repossessed properties as at 31 December 2023 is $45.7 million (2022: $54.1 million).

Investment securities and cash and cash equivalents are classified as 'high grade' where the instruments were issued by the Government or government related organizations. Standard grade assets consist of instruments issued by other reputable financial institutions.

Investment securities

The table below shows the credit quality of investments securities as at 31 December:

Investment securities	Stage 1	Stage 2	Stage 3	Total
2023				
Amortised cost	75,792	–	–	75,792
%	100%	–	–	100%
2022				
Amortised cost	75,838	–	–	75,838
%	100%	–	–	100%

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets (continued)

Cash and cash equivalents
The credit quality of cash and cash equivalents as at 31 December 2023 and 31 December 2022 has been assessed as standard grade.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk. The Company has no significant exposure to currency risk and other price risk.

Interest rate risk

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. This exposure is concentrated in the Company's financial liabilities, because the majority of the Company's financial assets carry stable interest rates where movements in market rates will not affect the statement of income.

i. Financial assets

a) Mortgage loans

Mortgage loans account for 83% (2022: 83%) of the Company's total assets. Board approval is required by the Company for any changes in mortgage interest rates.

b) Investment securities

Investments securities account for 1% (2022: 1%) of the Company's total assets. These are amortised cost financial assets comprising of fixed rate bonds.

ii. Financial liabilities

Long-term and short-term debt accounts for 89% (2022: 96%) of the Company's financial liabilities. This is made up of fixed and floating bonds and debentures as follows:

	2022	%	2021	%
Short-term debt				
Fixed	691,689	19	1,151,839	34
Long-term debt				
Fixed	2,920,365	81	2,271,716	66
Total debt	3,612,054	100	3,423,555	100

Long-term and short-term debt is mainly fixed. However, we have assessed the impact of a 100 basis points change in interest rates on the long-term floating debt. Such movement is believed by management to represent those variable changes which are reasonably possible as at the balance sheet date.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Interest rate risk (continued)

iii. Sensitivity analysis

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Company's income. This change in interest rates does not give rise to changes in equity.

Effect on profit after tax of a 100 basis points change in interest rates	100 Basis points Increase	100 Basis points Decrease
31 December 2023		
Profit before tax	1,424	(1,424)
Tax impact - 30%	(427)	427
Profit after tax	997	(997)
31 December 2022		
Profit before tax	1,361	(1,361)
Tax impact - 30%	(408)	408
Profit after tax	953	(953)

Interest rate risk is further mitigated by the subsidies received from the Government in support of granting subsidized mortgages. These subsidies serve to reduce borrowing cost.

Liquidity risk

Liquidity risk is financial risk due to uncertain liquidity. It is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The Company might lose liquidity if it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with the Company. The consequence may be the failure to meet obligations to repay debts and fulfil commitments to lend.

Liquidity risk management process

The Company's liquidity management process includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Diversification of its funding base through access to an expanded range in terms of the number of financial institutions and longer term financing tenure;
- Monitoring balance sheet liquidity ratios against internal requirements; and
- Managing the concentration and profile of debt maturities.

The Company also monitors unmatched medium-term assets, the level and type of undrawn lending commitments and the usage of overdraft facilities.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Liquidity risk management process (continued)

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted cash flow repayment obligations.

2023	Up to 1 year $'000	One to five years $'000	Over 5 years $'000	Total $'000
Liabilities				
Interest payable on debt	152,587	185,858	–	338,445
Sundry creditors and accruals	109,332	–	–	109,332
Short-term debt	691,689	–	–	691,689
Long-term debt	934,657	1,985,708	–	2,920,365
Total undiscounted financial liabilities	1,888,265	2,171,566	–	4,059,831

2022	Up to 1 year $'000	One to five years $'000	Over 5 years $'000	Total $'000
Liabilities				
Interest payable on debt	137,994	167,440	–	305,434
Sundry creditors and accruals	108,864	–	–	108,864
Short-term debt	1,151,839	–	–	1,151,839
Long-term debt	669,327	1,602,389	–	2,271,716
Total undiscounted financial liabilities	2,068,024	1,769,829	–	3,837,853

Funding approach

Sources of liquidity are regularly reviewed to maintain a wide diversification by provider and term.

Fair value of financial assets and liabilities

The Company computes the estimated fair value of all financial instruments held at the statement of financial position date and separately discloses information where the fair values are different from the carrying values. As at 31 December 2023, carrying values approximated their fair values for all classes of financial instruments as follows:

Financial instruments where the carrying values are assumed to approximate to their fair values, due to their short-term to maturity include cash and cash equivalents, debtors and prepayments, short-term debt and sundry creditors and accruals.

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The carrying value of Investment securities and floating long term debt approximate their fair values as market rates are comparable with the instruments' actual interest rates.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Fair value of financial assets and liabilities (continued)

The Company's loan portfolio is net of specific provisions for impairment and a general provision. The fair value of performing mortgages approximates the present value of the estimated future cash flows discounted at the current market rate of return having factored in the subsidies received from the Government.

The Company's assets are all classified as Level 2. Included in the Level 2 category are financial assets that are measured using valuation techniques based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets valued using the Company's own models whereby the majority of assumptions is market observable.

For the year ended 31 December 2023 there were no transfers of assets among any level (2022: no transfers).

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a controlled framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include a periodically reviewed disaster recovery plan and business continuity plan, effective segregation of duties, access, authorization and reconciliation procedures, staff training and development and assessment processes.

31. Maturity analysis of assets and liabilities

The table below analyses the assets and liabilities on the remaining period at 31 December to the contractual maturity date. See Note 30 – 'Risk management: Liquidity risk management process' for an analysis of the financial liabilities based on contractual undiscounted repayment obligations.

2023	Up to 1 year $'000	Over 1 year $'000	Total $'000
Assets			
Cash and cash equivalent	61,621	–	61,621
GORTT subsidy receivable	151,000	416,577	567,577
Debtors and prepayments	5,214	–	5,214
Investment securities	–	75,792	75,792
Mortgage loans	207,581	4,256,595	4,464,176
Property and equipment	–	49,905	49,905
Right-of-use assets	467	54	521
Deferred tax asset	–	169,652	169,652
Total assets	425,883	4,968,575	5,394,458

(Expressed in Thousands of Trinidad and Tobago dollars)

31. Maturity analysis of assets and liabilities (continues)

2023	Up to 1 year $'000	Over 1 year $'000	Total $'000
Liabilities			
Dividends payable	53,298	–	53,298
Prepayments by mortgagors	101,371	–	101,371
Amount due to HDC	870	–	870
Sundry creditors and accruals	109,332	–	109,332
Short-term debt	691,689	–	691,689
Interest payable on debt	152,587	185,858	338,445
Long-term debt	934,657	1,985,708	2,920,365
Lease liabilities	487	110	597
Deferred tax liability	–	2,141	2,141
Pension plan liability	–	25,235	25,235
Total liabilities	2,044,291	2,199,052	4,243,343

2022	Up to 1 year $'000	Over 1 year $'000	Total $'000
Assets			
Cash and cash equivalent	54,321	–	54,321
GORTT subsidy receivable	151,000	361,000	512,000
Debtors and prepayments	4,459	–	4,459
Investment securities	–	75,838	75,838
Mortgage loans	205,921	4,083,819	4,289,740
Property and equipment	–	46,920	46,920
Right-of-use assets	622	521	1,143
Deferred tax asset	–	166,875	166,875
Total assets	416,323	4,734,973	5,151,296

Liabilities			
Dividends payable	98,684	–	98,684
Prepayments by mortgagors	94,782	–	94,782
Amount due to HDC	865	–	865
Sundry creditors and accruals	108,864	–	108,864
Short-term debt	1,151,839	–	1,151,839
Interest payable on debt	137,994	167,440	305,434
Long-term debt	669,327	1,602,389	2,271,716
Lease liabilities	629	597	1,226
Pension plan liability	–	25,180	25,180
Total liabilities	2,262,984	1,795,606	4,058,590

(Expressed in Thousands of Trinidad and Tobago dollars)

32. Dividends payable/paid

	2023	2022
Dividends payable/paid are analysed as follows:		
Final dividend 2023 - $20.62 per share	53,298	–
Final dividend 2022 – $20.48 per share	–	52,962
Final dividend 2021 – $17.69 per share	–	45,722
	53,298	98,684

33. Events after the reporting period

On 6 August 2021, the Board of Directors of the National Insurance Board of Trinidad and Tobago (NIBTT), the sole shareholder of Home Mortgage Bank, as well as the Boards of Home Mortgage Bank (HMB) and the Trinidad and Tobago Mortgage Finance Company Limited (TTMF) approved the merger of the operations of TTMF and HMB via a distribution in species whereby the assets and liabilities of HMB will be transferred to TTMF.

The merger is intended to achieve business synergies between HMB and TTMF resulting in increased returns to the shareholders of each entity, an improved service to customers and an enhanced entity for the benefit of employees and customers.

On 17 January, 2024 HMB repurchased the 16,000,000 Ordinary shares held by NIBTT and TTMF subscribed for and was allotted 16,000,000 Ordinary shares in Home Mortgage Bank. Through the restructuring of the shareholding of HMB, TTMF became the sole shareholder and parent entity for HMB.

On 21 March, 2024 Trinidad and Tobago Mortgage Finance Company Limited (TTMF) was renamed Trinidad and Tobago Mortgage Bank Limited (TTMB).

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