



Trinidad & Tobago
Mortgage Finance
Company Limited

From here... to Home.

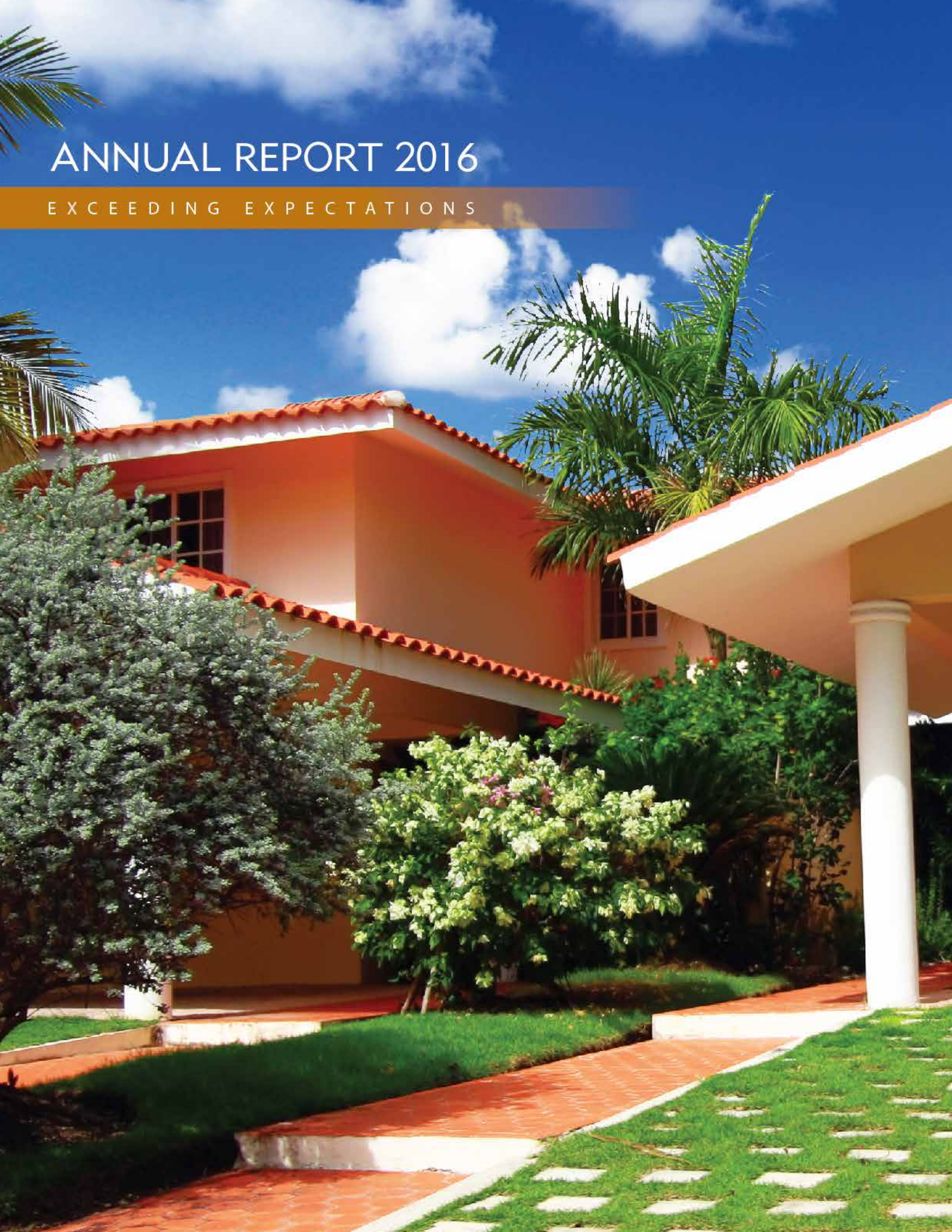
EXPANDED EXPECTATIONS

ANNUAL REPORT 2016



ANNUAL REPORT 2016

EXCEEDING EXPECTATIONS





EXCEEDING EXPECTATIONS

We at Trinidad and Tobago Mortgage Finance Company Limited (TTMF) strive to be continuously ***Exceeding Expectations*** of our customers, employees, shareholders and other stakeholders. Our friendly and knowledgeable staff guide customers and direct their steps to home ownership so that they increase their wealth and accomplish their dreams. Our shareholders have benefitted from consistent increase in shareholder value and we have been identified as the financier of choice for residential mortgages in Trinidad and Tobago, by the Government of Trinidad and Tobago through our partnerships with its agencies.

TTMF - Exceeding Expectations.



Trinidad & Tobago
Mortgage Finance
Company Limited

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

CORPORATE OFFICE

Albion Court
61 Dundonald Street
P.O. Box 1096
Port of Spain
Trinidad W.I.
Tel: (868) 623-TTMF (8863)
(868) 625-TTMF (8863)
Fax: (868) 624-3262
E-mail: info@ttmf-mortgages.com
Website: www.ttmf-mortgages.com

BRANCHES

ARIMA
22A King Street
Arima
Trinidad W.I.
Tel: (868) 667-2TMF (2863)
Fax: (868) 667-0732

CHAGUANAS
16 Southern Main Road
Edinburgh, Chaguanas, 500626
Trinidad W.I.
Tel: (868) 672-5246
Fax: (868) 671-6648

SAN FERNANDO
63 St. James Street
San Fernando
Trinidad W.I.
Tel: (868) 652-1151
Fax: (868) 652-6543

TOBAGO
Corner of Jerningham & Ross Streets
James Park
Upper Scarborough
Tobago W.I.
Tel: (868) 639-1540
Fax: (868) 639-2366

BANKERS

REPUBLIC BANK LIMITED
9-17 Park Street
Port of Spain
Trinidad W.I.

CITIBANK (TRINIDAD & TOBAGO) LIMITED
12 Queen's Park East
Port of Spain
Trinidad W.I.

CORPORATE ATTORNEYS

ASHMEAD ALI & COMPANY
36 Edward Street
Port of Spain
Trinidad W.I.

M.G. DALY & PARTNERS
115a Abercromby Street
Port of Spain
Trinidad W.I.

AUDITORS

ERNST & YOUNG
5-7 Sweet Briar Road
St. Clair
Port of Spain
Trinidad W.I.

BOARD OF DIRECTORS

CHAIRMAN
Ansel D. Howell

DEPUTY CHAIRMAN
Feroze Khan

**MANAGING DIRECTOR/
CHIEF EXECUTIVE OFFICER**
Ingrid L-A. Lashley

DIRECTORS
Sharda Baksh
Ann Chan Chow
Varun Debideen
Marilyn Gordon
Walton Hilton-Clarke

**CHIEF OPERATING OFFICER /
SECRETARY**
Robert C. Green

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CHAIRMAN'S REPORT



Trinidad and Tobago Mortgage Finance Company Limited (TTMF) continued to reap the benefits of its liability management strategy which commenced in 2012, recording another year of stellar performance in 2016. Profits before tax for the fiscal year ending December 31, 2016 was \$100.7 million compared to \$89.7 million for the same period in 2015, an increase of 12.2%.

ECONOMIC CLIMATE 2016

According to the World Bank Report "Global Economic Prospects 2017" the international economic environment for the year 2016 was characterized by inert world trade, limited direct foreign investment and increased uncertainty regarding regulatory and economic policies. The report further stated that economic growth for 2016 is projected at 2.3 per cent, the weakest performance since the global financial crisis and 0.1 percentage point below forecasts stated in the June 2016 Global Economic Prospects publication. Economic performance in 2016 was hampered by limited growth in the advanced economies (USA, Japan, Euro Area), however, the UK economy remained strong despite the referendum decision to leave the European Union. Additionally, growth was buoyed by higher than expected results registered by the emerging markets and developing economies (EMDEs) due mainly to growth in commodity exports.

On the domestic scene, the Central Bank of Trinidad and Tobago's (CBTT's) preliminary results for the economy for 2016 alludes to subdued performances in the energy sector during the second half of 2016. This lower than anticipated performance was due to contraction in crude oil, natural gas, LNG and petrochemical production which outweighed the benefits of increased refining capacity experienced by Petrotrin resulting from the refinery upgrade in 2015. For the second half of 2016, refinery throughput improved 18 per cent year-on-year. Refinery throughput averaged 148,423.7 bpd over the six month period, compared to 125,794 bpd for the same period in 2015. Decline was also experienced in the non-energy sectors, particularly construction while the finance, insurance and real estate industry was the only sector registering year-on-year growth supported in the main by the good performance of the commercial banks. Due to less than favourable economic conditions, the CBTT held its key policy interest rate, (the Repo rate), unchanged at 4.75 per cent for most of 2016.

Led by the fourth quarter decline year over year in the energy sector of 4.2% in crude oil production and 10.8% in natural gas, it is reasonable to assume that the recessionary trend in gross domestic product (GDP) is ongoing. GDP contracted by approximately 3% in 2016 while inflation rose to 3.1% and the unemployment level was estimated to be 4.4%.

THE HOUSING MARKET

The Mortgage Market Reference Rate (MMRR) is the base rate commercial banks can charge on their mortgage facility and is determined with reference to the Central Government 15-year Treasury yield and commercial banks' weighted average deposit rates or cost of funds. It ensures changing economic conditions are reflected in the mortgage rates charged to consumers, as a movement in the MMRR would mean a movement in new and re-priced mortgage rate charges to consumers. As required under the Residential Real Estate Mortgage Market Guideline produced by the CBTT, the MMRR is to be reviewed at least once every three (3) years and the last such review was done in 2013.

In March 2016, the CBTT increased the MMRR from 2.75 per cent to 3.00 percent. This was due to a rise in both the 15-year Central Government Treasury yield and commercial banks' weighted average deposit rates during the year, as a result of reduced system liquidity. The rate remained unchanged at 3.00 per cent for the remainder of 2016.

Notwithstanding there being no change to the MMRR for most of 2016, the CBTT March 2017 Economic Bulletin recorded a slow-down in real estate mortgage lending during the second half of 2016. The report stated that loans for real estate grew by only 4.4 per cent in December 2016 compared to an increase of 7.2 per cent in July 2016. A review of real estate lending over second half year, June to December 2016 indicated a fall-off in loans for the purchase of new and existing houses, renovation and the purchase of land increasing only marginally.

During the 2016/2017 Budget speech, the Minister of Finance and the Economy announced an expansion of the Government's Affordable Housing Financing Regime, the details of which are as follows:

- The 2% financing facility which referred to properties valued up to \$850,000 for persons with income up to \$10,000.00 was modified to properties valued up to \$1 million and persons with a maximum income of \$14,000.00
- The 5% regime caters to the middle income group with income up to \$30,000 for properties valued up to \$1.2 million. The value of the properties in this group has been increased to \$1.5 million, and the income level remained the same.

It is anticipated this initiative will stimulate the construction sector to provide housing solutions for the low to middle income group thus providing some fillip to economic activity in that sector and encourage private sector investment in growing the housing stock.

OUTLOOK FOR 2017

As at January 2017, the World Bank has projected global growth of 2.7 per cent in 2017 supported mainly by economic activity in the EMDEs. The report further stated that forces such as the growing dissatisfaction with free trade and other cross border agreements could lead to protectionist policies and have an immediate negative effect on the world markets.

CBTT predicts that in 2017 the Trinidad and Tobago economy would benefit from the coming on-stream of new gas

production, specifically, from bpTT's offshore activities that will boost natural gas supplies and the energy sector on the whole. Additionally, international oil and gas prices are expected to rise in the wake of the December 2016 agreement by OPEC members to cut production. Notwithstanding this, price increases could be muted by higher shale oil output in the US. Overall, economic conditions are likely to remain challenging in 2017 as the economy continues to face reduced export earnings, constrained fiscal accounts and rising unemployment

CONCLUSION

Against a back drop of lacklustre economic performance both on the international and domestic fronts in 2016, TTMF's accomplishment is even more encouraging. TTMF will continue to play a pivotal role in the execution of the Government of Trinidad and Tobago housing policy as it cements its position as the financier of choice for residential mortgages in Trinidad and Tobago.

On behalf of the Board of Directors, I wish to thank the management and staff for their efforts and successes and look forward to working with them, as the Company is well poised to continue on this growth path for 2017 and beyond.

I also take this opportunity to thank my predecessor and his Board for setting the foundation for the results that we have seen this year.



Ansel D. Howell
Chairman

BOARD OF DIRECTORS

ANSEL D. HOWELL - Chairman

Mr. Ansel D. Howell is an Organisational Effectiveness and Change Management consultant with a wealth of corporate governance experience having held several leadership positions in a leading financial institution over the past 20+ years. He provides consulting services in various areas including, team development, crisis management and prevention, project management, business process and system design and project financing. Mr. Howell holds a B.Sc. and M.Sc. both in Computer Science from the University of the West Indies as well as several Management certifications including Internal Auditing.



FEROZE KHAN - Deputy Chairman

Feroze Khan is a registered professional Engineer and brings with him over 20 years of experience, having held senior positions in the Manufacturing Sector. Mr. Khan holds a Bsc. in Electrical and Computer Engineering from the University of the West Indies and an EMBA from Arthur Lok Jack Graduate School of Business.



INGRID L-A. LASHLEY - Managing Director/ Chief Executive Officer

Ingrid L-A. Lashley is an accountant by profession with a Masters Degree in Business Administration from McGill University, Montreal, Canada. Ms. Lashley joined the TTMF team in 2004 and under her leadership, the company has extended its product line, expanded its branch network and transformed its operating systems to allow for consistent growth in assets and profitability. Ms. Lashley serves on the boards of several private, public and charitable organisations.



SHARDA BAKSH - Director

Sharda has over 18 years' experience working for one of the largest conglomerates in the Caribbean in the areas of General Management including Quality, Health, Safety and Environmental Management Systems, Customer Service, Project Management, Sales and Business Continuity. She is the holder of a BSc. from the University of the West Indies and an Executive MBA from Arthur Lok Jack Graduate School of Business. She also has led several successful projects with the local Caterpillar dealer.



ANN CHAN CHOW - Director

With her accounting experience, Ann Chan Chow has served as Treasurer of several unions. She has been a member of the board of Textel Credit Union and a Caribbean Representative of the Women's committee of the UNI Global Union. She currently serves as a member of the Board of Directors of the National Insurance Board.



VARUN AVINASH DEBIDEEN - Director

Varun Avinash Debideen is an Attorney-at-Law by profession, practicing in the areas of Civil, Contract, Company, Constitutional and Land Law. He has appeared with many senior advocates in several Court matters and has served on the Board of Directors of private companies. He holds a BSc. in Management Studies (First Class Honours) from the University of the West Indies and a Bachelor of Laws Degree (Honours) from the University of London. He also completed a Legal Practice Course (with commendation) from the College of Law, London, England.



MARILYN GORDON - Director

Ms. Gordon served as a teacher at both the primary and secondary school level. She then served as Minister in various ministries. She brings with her over forty (40) years' experience. She graduated from the University of Newcastle on Tyne, England with a Bachelor of Arts in Geography. She represented Trinidad and Tobago at hockey and athletics and went on to coach the first national junior hockey team to compete in Jamaica. Ms. Gordon has led the team which conceptualized and implemented several property development projects in Western Trinidad.



WALTON HILTON-CLARKE - Director

Walton Hilton-Clarke served as a senior executive in the oil industry for twenty-five (25) years. He has been a member on various committees in the trade and business industries and for the last twenty (20) years, Mr. Hilton-Clarke has represented Trinidad and Tobago at the International Labour Conferences at Geneva, Switzerland. He currently serves as a member of the Board of Directors of the National Insurance Board, of the Employers' Consultative Association and of the Home Mortgage Bank.



MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW

Trinidad and Tobago Mortgage Finance Company Limited (TTMF) recorded another year of exemplary results with an increase in profit before tax of 12.32% over the same period last year. This performance directly derived from strategic liability management, growth and prudent administration of our lending portfolio, and effective cost control measures.

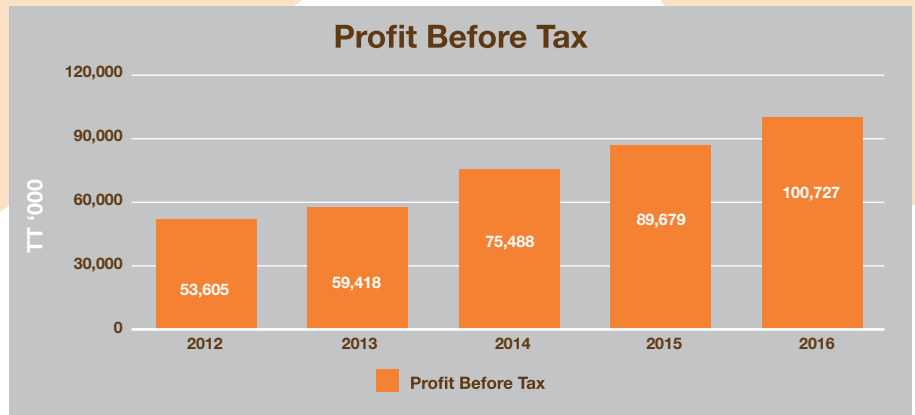
Partnering with Trinidad and Tobago Housing Development Corporation (HDC) in the fulfilment of the Government’s Housing Policy, we experienced an unprecedented increase in the expansion of the mortgage portfolio during the year particularly in the conversion of ‘license to occupy’ arrangements to mortgages. TTMF will continue to focus on this aspect of our business in support of our obligation to “...make home ownership an easy and rewarding experience”.

The following is a detailed discussion and analysis of the financial performance and key business initiatives undertaken by TTMF for the fiscal year ended December 31, 2016.

FINANCIAL PERFORMANCE

Net Profit

For the year ended December 31, 2016, we achieved Profit Before Tax of \$100.7million. This is an increase in profitability of 12.32% over the prior year which ended at \$89.7 million.



Profit after tax was \$120.5 million or \$37.4 million (45%) over the previous year. These after tax results evidence the change in the growth pattern of the mortgage portfolio. Tax exemption on income earned on the government-assisted programmes resulted in increased deferred taxation in this reporting year compared to the previous year where growth in the open market portfolio resulted in a net taxation liability. It is anticipated that, in future, these accumulated tax losses will be offset as the trend in open market business takes flight. While our commitment to the Government Housing Policy is paramount, our competitive position also provides for expansion

of our portfolio in the residential mortgage market for all citizens of Trinidad and Tobago.

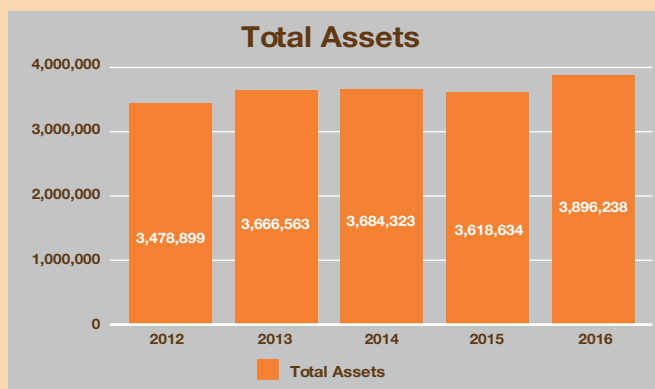
Contributing positively to the increase in profitability year on year was an increase of 7.76% in mortgages. This coupled with a decline in the borrowing cost by \$2.4 million or 3.2% over last year, resulted in an increase in net interest income of \$4.2 million or 4.3%. Overall, net revenues increased by \$3.4 million or 2% over the previous year.

Expenses were also lower year on year by \$7.7 million or 9.7% as cost management principles were employed in routine business transactions and costs associated with the previous year's restructuring of debt did not recur. Savings of one-off expenses associated with our fiftieth anniversary celebrations in fiscal 2015 also contributed to improved results.

Return on Assets

Total Assets stood at \$3.9 billion at the end of the fiscal period, which represents an increase of 7.7% over the same period of 2015. This was due largely to the net growth in mortgage business.

A combination of the growth in business in tax-exempt income arising from the expansion of the Government-assisted mortgage programme, and an increase in the Corporation tax rate from 25% to 30% for profits in excess of TT\$1Mn with effect from January 2017, led to an increase in the deferred tax asset carried forward in the current year by approximately \$31M. The Total Asset trend is shown below.

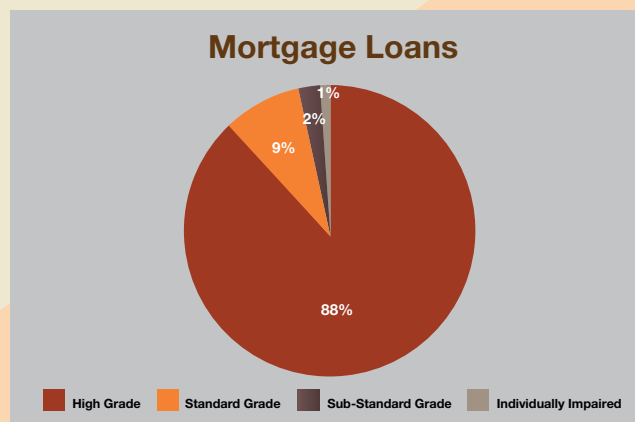


The Return on Total Assets (ROA) generated in 2016 was 3.1%. The ROA trend over the five year period ended December 31, 2016 highlights a positive overall increase by 16.0%.

	2012	2013	2014	2015	2016
Return on Assets (ROA)	1.7%	1.6%	1.8%	2.2%	3.1%

The Mortgage Loan Portfolio

As indicated previously, mortgage loans which comprise 86% of our total asset base, increased by 7.76% for fiscal 2016 over 2015. The quality of the mortgage portfolio based on the arrears position is shown in the chart below.



88% of our loans are in good standing and paid to date and are thus considered high grade. High grade mortgages are defined as those where loan payments are up to date. Standard grade mortgages are those where loan payments are no more than six months in arrears. Non-performing mortgage loans (NPLs) are considered loans in excess of 180 days in arrears. As at December 31, 2016 the NPLs amounted to 2.9% of the portfolio. This is a marginal decrease from 3.0% in the comparative period of 2015 but considered impressive given the change in the economic fortunes and external indicators overall. Efforts were placed on assisting customers to develop, implement and execute a plan that allowed them to service their loan obligation despite their circumstances.

Shareholders' Equity

Shareholders' Equity to December 31, 2016 stood at \$930 million. The return on shareholders' equity (ROE) increased from 9.5% in 2015 to 13.0% in 2016. The ROE over the five (5) year period was:

	2012	2013	2014	2015	2016
Return on Equity (ROE)	8.5%	7.9%	8.4%	9.5%	13.0%

CariCRIS Rating

CariCRIS has reaffirmed TTMF's rating of AA- (investment grade). The rating was maintained due to strengths observed in the following areas:

MANAGEMENT DISCUSSION AND ANALYSIS

- Highest revenue and profit after tax in the company's history;
- Good asset quality and capitalization
- Proactive risk management stance to hedge against downturn in the local economy
- Crucial role in the implementation of the Government's Housing policy and substantial market share in Trinidad and Tobago's real estate mortgage market

The reaffirmation of TTMF's rating resulted in a narrowing of the gap between the Government's credit rating and that of the company. Once maintained, this is expected to impact positively on the pricing of future debt by a reduction in the premium added to the cost of sovereign debt.

BUSINESS OPERATIONS

Customer Focus

In executing our core business, we pride ourselves as a customer service provider where mortgages are the means by which we deliver. Thus, we emphasize relationship-building, follow-up and follow-through. We seek to partner with other service providers in the housing sector to deliver on our mission to "make home ownership an easy and rewarding experience". To this end, we have expanded such partnerships to include developers and contractors.

A specific product offering has been developed to capture this tranche of the market. Referred to as 'stage financing', this approach to funding is a tripartite arrangement involving the Lender (TTMF), the Developer and the Customer (mortgagor). The Lender provides financing to individual purchasers of properties within a development and is then required to make staged payments to the Developer. The arrangement requires:

- a) Transfer of title of individual lots of land to the prospective purchasers in advance of completion of construction (upon payment of the required down-payment and/or on signing of the Deed of Mortgage)
- b) Approval of a bridging construction facility in the name of the individual purchaser who will be responsible for the payment of bridging interest during construction, up to and including the date on which the construction works have been completed
- c) Agreement from the individual purchasers for the Lender to make the staged payments directly to the Developer

from the financing obtained.

This facility results in a win-win-win situation – reduced funding cost to the Developer which redounds to the benefit of the Customer in reduction of the overall cost of the property and capture of new business by the Lender at the earliest stage of the arrangement. It is anticipated that this approach to financing will blossom going forward given the promotion of public private partnerships in the housing sector.

Full service also required that we visit our customers where they work and live. Thus evolved on-site visits to HDC developments, military establishments, offices and other work places. Seventeen HDC developments hosted weekend mortgage sessions over the fiscal year 2016.

Digital Media has continued to produce successful results as the number of persons that are interested in our social media pages continue to increase. The Facebook Page is attracting fans who continue to engage with the brand. Facebook fans grew by 19.86% to 41,087. Other social media also showed positive growth: Instagram – 214.78%; Twitter – 17.38% and LinkedIn – 32.18%.

In expanding our educational outreach, a YouTube channel was launched. A three-part video on the steps to home ownership was specifically developed for this channel to provide an additional method of disseminating information and educating the public on the advantages of home ownership. Television and radio media were also used to help educate the public on mortgage matters and thereby increase brand awareness.

Internal Business Processes

Risk management systems allowed for improvement within the company's operations. A systematic, disciplined approach to the evaluation and effectiveness of compliance, control and governance, validated that existing processes were operating effectively. Recommendations highlighted in internal audit reports specifically prompted the revisions to a number of policies and procedures over the period. Complimentary to this, our Compliance function was bolstered in 2016 through a comprehensive review of our policies and procedures to ensure that guidance and processes are kept accurate and current in keeping with new and emerging risks, revised legislation and regulatory requirements.

Several critical hardware and software upgrades were accomplished by the Information Technology Department to support our operational efficiencies. These have led to a visible increase in the speed of processing transactions thereby improving service delivery to customers.

Learning and Growth

The importance of our most significant asset was not ignored. Internal customer service and the recognition that nurture a team that is "...passionate and proud about what we do, with a reputation for exceptional friendly and professional service..." as stated in our vision, resulted in the expansion of our Human Resource team to focus on strategic issues including but not limited to, succession planning. The alignment of human resource strategy with the company objectives, tactical planning and practice will provide for the fulfilment of strategic/long-term goals, placing particular emphasis on human capital. This shift will allow the executive succession plan initiated in 2015 to evolve for smooth transition and the upliftment of the company to its next level.

Corporate Social Responsibility

While we support many small endeavours over the course of any fiscal year, our primary Corporate Social Responsibility project for the year 2016 operated under the umbrella TTMF CAN (**C**orporate **A**ssistance for the **N**eedy). Five NGOs were identified and based on a detailed needs assessment, our contribution sort to 'make good' in the physical, psychological and emotional environment of each establishment. Members of Team TTMF participated actively in their contributions of time, energy and assets.

Outlook for 2017

Fiscal year 2017 is the second year of our three-year strategic plan that will roll over in 2018. The volatility of our operating environment requires ongoing review of internal and external factors that affect our operations particularly as it pertains to liquidity risk, interest rate risk and funding risks. We are mindful of economic contraction and how it may affect our customers and other partners in the housing sector. But we are also optimistic that the advent of private public partnerships, conversion of 'license to occupy' arrangements to mortgages and expanded relationships with market players, will give rise to the fillip that is necessary in the construction sector and its likely impact on the financial services sector.

TTMF is poised to play its part. Our role in the establishment of Trinidad and Tobago Mortgage Bank (TTMB), the proposed 'merger' between TTMF and the Home Mortgage Bank, is likely to be defined during this fiscal year. The two companies already share a common Chairman of the Board of Directors. This augurs well for consistency in our approach to market parameters and represents a first step to the synergies that may be derived from consolidation of effort.

CONCLUSION

Trinidad and Tobago's economic prospects remain subdued amid weak business and consumer confidence and low oil and gas prices. However, the Government has signalled its intention to focus on the housing market through public private sector partnership arrangements to stimulate economy growth in 2017 and beyond. The demand for housing particularly at the level of lower-middle and middle income families continues to be robust and varied. Notwithstanding the economic circumstances, citizens will not change their focus from home acquisition, or utilizing the equity in their existing property to meet their major expenses and restructure their debts as they seek to release much needed cash flows. This is the beginning of a move to renewed economic activity that will benefit us all.

On behalf of Team TTMF, I thank our Directors, the existing and those who would have left us during the fiscal year, for the support, commitment and guidance that they have provided. As a team, we are proud of our accomplishments for 2016 and we look forward to working with our stakeholders and with each other, to make 2017 an even more productive year for us all.



Ingrid L-A Lashley
Managing Director /
Chief Executive Officer

MANAGEMENT TEAM





From top right to bottom

- 1 **ROBERT C. GREEN**
Chief Operating Officer/
Secretary
- 2 **VERNIE P. SHIELD**
General Manager,
Mortgage Services
- 3 **MEERA ROOPAN**
Manager, Mortgage Origination
- 4 **KAMILAH PETERSON**
Manager, Contact Centre
- 5 **MYRTLE HARRIS**
Senior Manager,
Mortgage Operations
- 6 **LISA WILLIAMS**
Manager, Finance
- 7 **WENDY HUGGINS**
Assistant General Manager,
Mortgage Origination
- 8 **MIGUEL AWAI**
Assistant General Manager,
Mortgage Administration
- 9 **NICOLE HOSPEDALES**
Manager,
Corporate Services
- 10 **MARSHA RAE LEBEN**
Manager, Marketing and
Public Relations
- 11 **DALE DE SERVE**
Manager, Information Technology
- 12 **SHARON DIAZ**
Manager, Human Resources
(Strategic)
- 13 **BRENT MC FEE**
Chief Financial Officer/
Assistant Secretary

FOREWORD – SUMMARY FINANCIAL STATEMENTS

This summary financial statement contains the Company's statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows as well as some notes to explain them. It does not contain sufficient information to allow a full understanding of the results and state of affairs of Trinidad and Tobago Mortgage Finance Company Limited.

The full annual financial statements and reports are available online at www.ttmf-mortgages.com or at our registered offices.

INDEPENDENT AUDITOR’S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO MORTGAGE FINANCE COMPANY LIMITED

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2016, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the complete audited financial statements of Trinidad & Tobago Mortgage Finance Company Limited for the year ended December 31, 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material aspects, with the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor’s report thereon of the Company.

Audited Financial Statements and Our Report Thereon

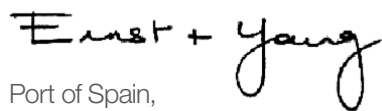
We expressed an unmodified audit opinion on those financial statements in our report dated March 21, 2017.

Management’s Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis of their established criteria as described in Note 1.

Auditor’s Responsibility for the Audit of the Summary Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (revised), “Engagements to Report on Summary Financial Statements.”



Port of Spain,
TRINIDAD:
March 21, 2017

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016

(Expressed in Thousands of Trinidad and Tobago dollars)

	2016	2015
ASSETS		
Cash and cash equivalents	46,561	34,524
Investment securities - held to maturity	252,301	252,138
Mortgage loans	3,356,053	3,114,503
Property and equipment	47,018	46,199
Other assets	<u>194,305</u>	<u>171,270</u>
TOTAL ASSETS	<u>3,896,238</u>	<u>3,618,634</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Interest payable on debt	30,382	28,471
Debt Securities	2,676,907	2,471,207
Subsidy 2% mortgage programme	16,716	68,927
Other Liabilities	<u>242,366</u>	<u>200,926</u>
TOTAL LIABILITIES	<u>2,966,371</u>	<u>2,769,531</u>
EQUITY		
Share Capital	12,408	12,408
Retained earnings	<u>917,459</u>	<u>836,695</u>
TOTAL EQUITY	<u>929,867</u>	<u>849,103</u>
TOTAL EQUITY AND LIABILITIES	<u>3,896,238</u>	<u>3,618,634</u>

On March 21, 2017, the Board of Directors of Trinidad and Tobago Mortgage Finance Company Limited authorised these financial statements for issue.

: Director

: Director

: Director

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

(Expressed in Thousands of Trinidad and Tobago dollars)

	2016	2015
Net interest income	127,461	123,279
Other income	44,683	45,505
Total Income	172,144	168,784
Total Expenses	(71,417)	(79,105)
Income before tax	100,727	89,679
Taxation	19,798	(6,611)
Income after taxation	120,525	83,068
Other comprehensive loss for the year, net of tax	(6,534)	(632)
Total comprehensive income for the year	113,991	82,436

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

(Expressed in Thousands of Trinidad and Tobago dollars)

	Share Capital	Retained Earnings	Total
Balance at December 31, 2014	12,408	781,103	793,511
Comprehensive income for the year	–	82,436	82,436
Dividend paid in 2015	–	(26,844)	(26,844)
Balance as at December 31, 2015	12,408	836,695	849,103
Comprehensive income for the year	–	113,991	113,991
Dividend paid in 2016	–	(33,227)	(33,227)
Balance at December 31, 2016	12,408	917,459	929,867

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

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2016

(Expressed in Thousands of Trinidad and Tobago dollars)

	2016	2015
Net cash (outflow)/inflow from operating activities	(149,338)	63,240
Net cash outflow from investing activities	(5,679)	(4,061)
Net cash inflow/(outflow) from financing activities	167,054	(162,124)
Net cash inflow/(outflow) for the year	12,037	(102,945)
Cash and Cash equivalents at the beginning of the year	34,524	137,469
Cash and Cash equivalents at the end of the year	46,561	34,524
Represented by:		
Cash at bank	46,561	34,524
Bank overdraft	-	-
	<u>46,561</u>	<u>34,524</u>
Supplemental information		
Interest received	221,970	194,750
Interest paid	114,432	97,728

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

NOTE TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

(Expressed in Thousands of Trinidad and Tobago dollars)

Note 1 Basis of Preparation

The summary financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary statement of financial position, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of Trinidad and Tobago Mortgage Finance Company Limited for the year ended December 31, 2016.

These summary financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the December 31, 2016 audited financial statements consistently applied from period to period. Any new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Company. The areas of critical accounting estimate and judgement as disclosed in "Note 3" of the December 31, 2016 audited financial statements, have also remained unchanged.



Trinidad & Tobago
Mortgage Finance
Company Limited

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