



Trinidad & Tobago  
Mortgage Finance  
Company Limited

From here... to Home.

ANNUAL REPORT 2018

STRONGER TOGETHER





# STRONGER TOGETHER



Trinidad & Tobago  
Mortgage Finance  
Company Limited

From here... to Home.

## 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



**Trinidad & Tobago  
Mortgage Finance  
Company Limited**

**From here... to Home.**

## 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](mailto:info@ttmf-mortgages.com)  
Website: [www.ttmf-mortgages.com](http://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

55-57 St. James Street, Vistabella,  
San Fernando 601124  
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

### EYTRINIDAD & TOBAGO

5-7 Sweet Briar Road,  
Port of Spain  
Trinidad W.I.

## BOARD OF DIRECTORS

### CHAIRMAN

Ansel D. Howell

### DEPUTY CHAIRMAN

Jennifer Lutchman

### MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER

Robert C. Green

### DIRECTORS

Anthony Campbell  
Ann Chan Chow  
Marilyn Gordon  
Niala Persad-Poliah  
Athena Ryan

### CHIEF OPERATING OFFICER / SECRETARY

Brent Mc Fee  
(Seconded to Home Mortgage Bank)

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**ANSEL D. HOWELL**  
Chairman

# CHAIRMAN'S REPORT

I am pleased to report that Trinidad and Tobago Mortgage Finance Company Limited (TTMF) recorded another year of strong financial results for fiscal 2018. Though growth in the domestic economic environment was slower than anticipated, there was growth in real estate mortgage lending, which contributed to our sterling performance. Profit before tax for the fiscal year ending December 31, 2018 was \$151.8 million compared to \$114.8 million for the same period in 2017, an increase of 32.2%. With prospects for economic growth regionally and internationally, and the Government's continued thrust to expand the local housing stock, I anticipate that TTMF will continue to achieve exceptional results for 2019.

## ECONOMIC CLIMATE 2018

Global growth for 2018 was weaker than expected. In its April 2019 *World Economic Outlook* update, the International Monetary Fund (IMF) lowered its global growth estimate to 3.3% in 2018 from its previous forecast of 3.7%. Economic activity dipped in the second half of the year in response to the US-China trade tensions, deceleration in emerging economies on the back of higher US interest rates and heightened commodity market volatility. Significantly, uncertainties surrounding the Brexit deal to separate the United Kingdom (UK) from the European Union (EU) also impacted trade and investment sentiment globally.

Domestically, the performance of the energy sector has been mixed. In the third quarter of 2018, natural gas output grew by 1.0% year-on-year, while crude oil production declined 11.3% year-on-year. The lower output in natural gas was primarily due to maintenance work which reduced gas feedstock to downstream industries, while the decline in crude oil output was attributed to mature fields which produced lower yields. In the non-energy sector, construction activity contracted by 6.4% year-on-year as gauged by lower local sales of cement and the production of mined aggregates such as gravel and sand. In addition, activity in the manufacturing sector declined by 0.2% year-on-year owing to lower chemicals and assembly-type output. However, preliminary reports by the Central Bank suggest growth in the commercial banking and real estate sectors.

Domestic price pressures were relatively contained in the second half of 2018. Headline inflation slowed from 1.2% in July to 1.1% in December, and averaged 1.1%. Much of this was attributed to the dual effect of higher local agricultural output and stable international food prices. By the close of the year, the 'repo' rate remained at 5.0% where it has been since the last increase of 25 basis points in June 2018.

## THE HOUSING MARKET

Real estate mortgage lending remained buoyant over the six-month period June to December 2018, reflecting lower interest rates on mortgages and competition among banks. According to the Central Bank, on a year on year basis, real estate mortgage lending rose by 8.2% in November (2018) compared to 8.9% in June. The residential real estate mortgage loans increased by 5.2% in November, following an expansion of 6.7% in June, while commercial real estate mortgages grew by 14.7% in November, from 13.7% in June. Interest rates on new residential real estate mortgages showed minimal movement, at 4.8% in the third quarter of 2018, compared to 4.9% in the second quarter, while rates on new commercial mortgages moderated to 6.7% from 6.9%.

In the 2018/2019 National Budget, the government proposed the offering of an interest-bearing housing bond which would be used to fund the accelerated housing construction especially targeted towards homes for low and middle income families. This proposed bond issue will work in tandem with the established framework for co-operation and financing among the Trinidad and Tobago Housing Development Corporation, Trinidad and Tobago Mortgage Finance Company (TTMF) and Home Mortgage Bank, to accelerate the Government's housing construction programme.

## OUTLOOK FOR 2019

According to the IMF, global growth for 2019 will slow to 3.3%, largely attributable to the US-China trade dispute, which will continue to interrupt global trade flows, waning fiscal stimulus in the US, and the UK's exit from the EU. The anticipated impact on the US economy has prompted the US Federal Reserve to be less aggressive in its efforts to manage its growth, inflation and unemployment forecasts by signaling a hold of its benchmark overnight or federal funds rate for the rest of 2019.

The IMF has sharply lowered its 2019 outlook for Trinidad and Tobago. In its April 2019 *World Economic Outlook* update, the IMF projected that growth will decline to 0% in 2019 from 0.3% in 2018. Natural gas output and public investment projects should nonetheless support economic activity. Notably, higher natural gas production will accompany the start-up of output from the Trinidad Region Onshore Compression Project and the Juniper Platform, while election-related expenditure is expected to provide impetus for construction, distribution and transport activity in the non-energy sector.

## STRATEGIC ALLIANCE

The initiative to restructure the TTMF and Home Mortgage Bank is well advanced and is expected to be concluded by the last quarter of 2019. The restructure will solidify the initiatives which commenced in 2017 to work closely together to maximize returns and fulfil our mandates to support the funding requirements of the Government's Housing Programme. This will also contribute to the NIBTT's Mission "To maximize contributions and pay relevant benefits in a timely manner through good governance and quality customer service from an empowered staff, cutting edge technology, and prudent fund management."

## CONCLUSION

I am confident that with the government's thrust for increasing its housing stock and TTMF's role as preferred lender, the organisation will continue to show positive growth and will cement its position as the lender of first choice for residential mortgages in Trinidad and Tobago.

To my fellow Board members, I extend thanks for your unwavering support and valuable guidance. To our dedicated staff, your drive and determination were instrumental to our success in 2018. I look forward to your continued support as we deliver on our mission to *"make home ownership an easy and rewarding experience"*.



**Ansel D. Howell**  
Chairman

# BOARD OF

## ANSEL D. HOWELL Chairman

Mr. 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. Currently, Mr. Howell is also the Chairman of the Home Mortgage Bank, the Chairman of TAS General Automotive LTD and a Director and Chairman of the Audit Committee of Supreme Ventures Limited.

## ROBERT C. GREEN Managing Director/ Chief Executive Officer

Robert C. Green – Managing Director / Chief Executive Officer, has over 32 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.

## JENNIFER LUTCHMAN Deputy Chairman

Jennifer Lutchman is a Fellow of the Association of Chartered Certified Accountants (ACCA) and has over thirty (30) years of accounting and auditing experience. Ms. Lutchman facilitated the implementation of the International Standards of Supreme Audit Institutions (ISSAIs) within the public sector. She was a member of a Quality Assurance Unit to ensure compliance and assisted in re-engineering processes to bring them in line with international standards and best practice.

## 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.





# DIRECTORS



## 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.

## ATHENA S. RYAN Director

Athena S. Ryan is an Attorney-at-Law by profession, having obtained her Bachelor of Laws Degree (Honours) from the University of London and her Legal Education Certificate from the Hugh Wooding Law School. Ms. Ryan also holds a Bachelor of Arts History and Communication Studies (Honours) from the University of the West Indies, as well as several other certifications including Mediation and Corporate Governance.

## 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.

## NIALA PERSAD-POLIAH Director

Niala Persad-Poliah is the Executive Director of the National Insurance Board of Trinidad and Tobago and is the principal lead of operations and strategic direction of the organisation. She is charged with the responsibility for the execution of the decisions of the Board and implementation of policies, responsible for the overall accountability and management of the country's National Insurance Fund. Mrs. Persad-Poliah is an Attorney at Law by profession and also holds a Masters of Law (LL.M.) in Corporate and Commercial Law from the University of the West Indies. She possesses over 15 years' experience at senior executive leadership and also currently serves as a member of the Board of Directors of NIPDEC and Home Mortgage Bank.



**ROBERT C. GREEN**  
Managing Director/  
Chief Executive Officer

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

Trinidad and Tobago Mortgage Finance Company Limited (TTMF) continues to live up to its Mission, “In partnering we make home ownership an easy and rewarding experience”. In 2018 we strengthened our partnership with the Trinidad and Tobago Housing Development Corporation (HDC) with the increase in the conversion of ‘Licenses to Occupy’ arrangements to mortgages. We engaged in close collaboration with the other agencies of the Ministry of Housing and Urban Development (MOHUD) in the fulfilment of the Government’s Housing Policy. In our continued efforts to maximize on the synergies that exists with Home Mortgage Bank, mortgages were sold in fulfilment of our funding strategy. We partnered with the First Citizens Bank, IDB Invest (IDB) and the Trinidad and Tobago Unit Trust Corporation for financing utilizing IDB’s Partial Credit Guarantee and a Syndicated Loan facility respectively.

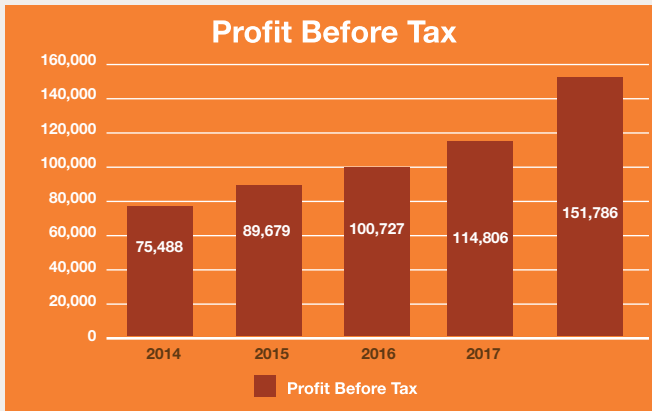
These partnerships along with the reduction in the interest rate on our open market product, redounded to the benefit of our customers having granted 1,877 new loans for the year, while our focus on operational efficiency and sustainable improvements in our core business activities resulted in a 14.0% growth in net interest income and a 32.2% year-on-year increase in Profit Before Tax.

The following is a detailed discussion and analysis of the financial performance and key business initiatives undertaken for the fiscal year ended December 31, 2018.

## FINANCIAL PERFORMANCE

### Net Profit

For fiscal 2018, we achieved Profit Before Tax of \$151.8M, an increase of \$36.9M over 2017 while the after tax Profit stood at \$132.6M, compared to 2017’s result of \$104.7M.

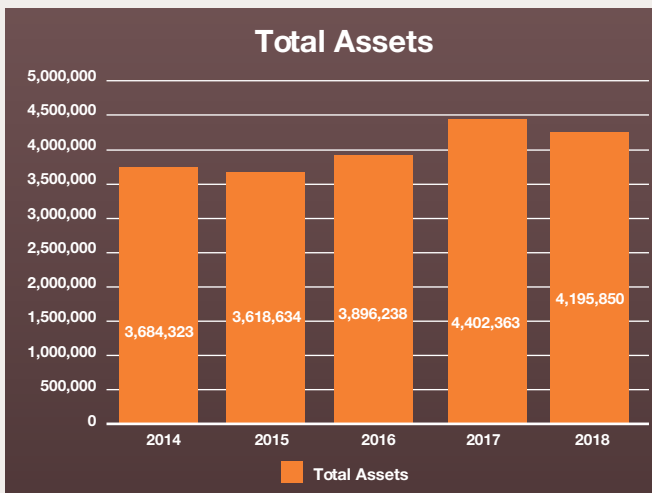


Portfolio growth was largely driven by loans granted to families who were beneficiaries of housing units through the government's Affordable Housing Programme. These families were afforded the 2% and 5% mortgage facilities offered in collaboration with the Ministry of Housing and Urban Development. For the year, 1,877 loans valued \$845.3M were originated, of which 1,307 loans valued \$664M were for units under this government programme. Net interest income increased by \$20.3M or 14.0% over 2017.

#### Return on Assets

Total Assets stood at \$4.2 billion at the end of the fiscal period, representing a decrease of 4.69% over 2017. This is as a result of the sale of mortgage loans to Home Mortgage Bank in furtherance of the strategic alliance under the Memorandum of Understanding, as an avenue to satisfy TMF's funding requirements.

The Total Assets for the last five years is shown below.



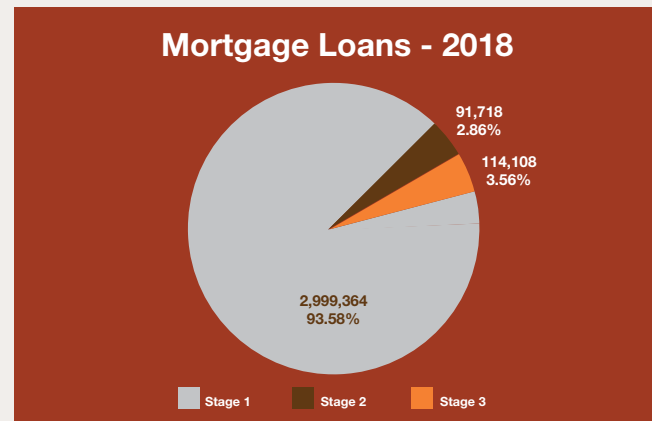
The Return on Total Assets (ROA) for fiscal 2018 was 3.16% an increase of 0.78% year on year. The ROA over the five (5) year period ended December 31, 2018 is as follows:

	2014	2015	2016	2017	2018
Return on Assets (ROA)	1.82%	2.30%	3.09%	2.38%	3.16%

#### The Mortgage Loan Portfolio

Mortgage loans comprise 76.99% of our total asset base, and are classified as: Stage 1 – loans that are performing according to the contractual terms and conditions; Stage 2 – loans that are overdue 90 days but less than 180 days and Stage 3 – loans that are overdue more than 180 days and credit impaired.

The following chart shows the distribution of these categories of loans in the portfolio.



93.58% of our loans are in good standing and paid to date and are thus considered Stage 1 loans. 2.86% are Stage 2, while 3.56% are Stage 3. In light of the economic climate, greater attention was placed on early detection of defaulting accounts and stricter monitoring of the performance of our portfolio was employed. As a result, we were able to exceed the target delinquency ratio of 3.85%, ending the fiscal year with a delinquency ratio of 3.76%.

#### Shareholders' Equity

Shareholders' Equity to December 31, 2018 stood at \$1,082million with the return on shareholders' equity (ROE) at 12.26%. The ROE over the five (5) year period was:

	2014	2015	2016	2017	2018
Return on Equity (ROE)	8.46%	9.78%	12.96%	10.55%	12.26%

### **CariCRIS Rating**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed our credit ratings of CariAA- (Local and Foreign Currency Ratings) on its regional rating scale and ttAA- on the Trinidad and Tobago national scale and upgraded our outlook from Negative to Stable. The stable outlook is based on the expectation that the gradual improvement in economic activity in the domestic market will support TTMF's asset growth.

TTMF's ratings continue to reflect a strong market position in the local real estate mortgage market, which is supported by our crucial role in the implementation of government's national housing policy. The adequate capital adequacy ratios, healthy financial performance and proactive risk management stance which underpin the good asset quality level also support the ratings.

## **BUSINESS OPERATIONS**

### **Customer Focus**

With the understanding that operational efficiency is key to meeting the demands of our customers, we conducted a full review of the business processes and made changes in our internal structure to ensure improvement in the service delivery through a reduction in turnaround times for an overall enhanced customer service experience. Additionally, following the launch of the Contact Centre pilot project on December 1, 2017, the Contact Centre Unit was fully established in the company's structure on December 1, 2018. The operations of the Centre enhanced the level of communication between the Company, our customers and the general public, as we became easily accessible. Additionally, the operations of the Centre freed up resources within the Mortgage Services Department which allowed the staff to focus on the performance of more value-added tasks. The Unit also performed outbound calling campaigns in support of our business development efforts.

Digital Media has continued to produce positive results as there continues to be a constant increase in fan growth and engagement. We have had good success in creating content that communicates the brand proposition and provided helpful, relevant information

to our target audience over years and we will want to continue this trend. Email will play a bigger role in how we bring potential customers on board. Our aim is 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. We will improve customer service by leveraging the Contact Center for the introduction of a Web Chat to create a direct line with customers via the website. This one-to-one communication will allow us to gather more data and increase the probability of conversion, while still being integrated with our marketing automation ecosystem.

### **Internal Business Processes**

The Internal Audit function was enhanced by the introduction of an Internal Audit Charter and the adoption of the International Internal Audit Standards (IIA Standards). These enhancements ensure that all audits complied with all applicable standards and global best practices. In so doing, Internal Audit Procedures were developed, including an Engagement Quality Checklist used to self-assess compliance with all applicable IIA Standards. Further, the use of a global audit knowledge and resource portal was introduced which assisted in obtaining global best practices for internal controls.

Our Compliance function was reinforced through a comprehensive review of our relevant policies and procedures, which captured applicable legislative changes and ensured that new and emerging operational and financial risks were mitigated. More specifically, the Anti-Money Laundering Compliance Policy was updated in keeping with the revised AML/CFT Guidelines issued by the Central Bank of Trinidad and Tobago.

Our software systems were upgraded to take advantage of enhanced efficiencies and international best practice. These included our accounting, reconciliation and management reporting platforms. These upgrades were conducted with minimal downtime. The Microsoft Office suite of productivity software was also upgraded across the organization. With an increasing reliance on software systems, data integrity and resilience were also areas of focus resulting in the implementation of a more robust and all-encompassing Backup Solution. High bandwidth switching infrastructure was added to the Disaster Recovery site to facilitate fail-over operations.

# MANAGEMENT DISCUSSION AND ANALYSIS

\$1.455 Billion in funding was raised to support the 2018 loans program and to meet debt obligations and operational expenses. \$905M was raised through the sale of mortgages to Home Mortgage Bank. \$550 million was raised in the capital market of which \$400m was arranged by First Citizens Bank Corporate & Investment Banking Unit (FC), via a 5-year Bond Issue with a 30% Inter-American Development Bank Partial Credit Guarantee (PCG). This particular type of structure was the first of its kind successfully completed in the local capital market. The transaction was completed on December 28, 2018 and was over-subscribed. The PCG reinforced TTMF's attractiveness to local investors. The additional \$150M was also arranged by FC through a 3 year Syndicated Loan from Trinidad & Tobago Unit Trust Corporation.

## Learning and Growth

We continue to create programs and initiatives that foster employee growth, empowerment and development. A 360-degree assessment exercise was completed and development plans were drafted for skills enhancement. This initiative was also supported by the introduction of a new Performance Appraisal Report (PAR) which yielded a simpler and more modern rating scale. Development of our leadership and supervisory competencies were focussed on the areas of transformational leadership, productivity through motivating people, managing personality styles and the listening advantage. Succession planning initiatives were sustained with the roll-out of the High Potential/High Performer Programme which sought to develop selected employees. The programme aimed at boosting productivity and inspiring employees in support of continued growth and talent development.

All staff were engaged in the revitalization of our commitment to serving customers and upholding our departmental watch words. This process included training in customer service, the roll out of the customer service standards and signing of a customer service pledge.

## Corporate Social Responsibility

As a responsible corporate entity, TTMF is committed to its true mandate which is the provision of shelter, safety, financial security and personal wealth. Through volunteerism we have contributed positively to the lives of those less fortunate. In 2018, we continued the Corporate Social Responsibility project

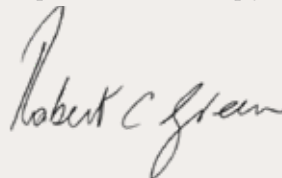
*TTMF CAN* (Corporate Assistance for the Needy) with the identification of five new homes for displaced and orphaned children and the elderly. The homes were supplied with furniture and appliances and minor repairs were carried out where necessary. *TTMF CAN* also included a food drive and canned goods were collected by our staff and distributed to the homes.

## OUTLOOK FOR 2019

The domestic economy is expected to receive a boost in 2019 from projects in the gas and non-gas sectors. This is very encouraging, as conditions in the labor market could remain challenging given ongoing adjustments in the state and private sectors. The government though, remains committed to the provision of housing for the low and middle-income citizens of Trinidad and Tobago through public-private-partnerships and having signaled the issuance of interest-bearing housing bonds to support its housing programme. We remain committed to supporting the Government in its efforts to house the citizens of Trinidad and Tobago by the provision of affordable mortgage financing and excellent service.

## CONCLUSION

On behalf of Team TTMF, I thank the Board of Directors for their guidance and commitment in steering this company to a strong and sustainable future to make "homeownership an easy and rewarding experience" for all stakeholders. More particularly, I also acknowledge the dedication and professionalism of our people who, with their passion and pride, have made us "the lender of choice for residential mortgages in Trinidad and Tobago". To our customers, we thank you for your continued loyal support, co-operation and contribution to the growth of the Company and we look forward to meeting and exceeding your expectations as we help you to make home ownership a reality.



**ROBERT C. GREEN**  
Managing Director /  
Chief Executive Officer





FROM LEFT TO RIGHT

1 DALE DE SERVE  
Manager, Information Technology

2 FELICIA BABB  
Manager, Internal Audit

3 LAURETTE WALKER  
Chief Financial Officer/Ag. Secretary

4 WENDY HUGGINS  
General Manager, Mortgage Services

5 MYRTLE HARRIS  
Senior Manager, Mortgage Operations

6 KAMILAH PETERSON  
Manager, Contact Centre

7 JESSEL MORALDO-CUMBERBATCH  
Senior Manager, Human Resources

8 BRENT MC FEE  
Chief Operating Officer  
(Seconded to Home Mortgage Bank)

# MANAGEMENT TEAM



**8** LISA GRANNUM  
Assistant General Manager,  
Mortgage Origination

**10** MARSHA RAE LEBEN  
Manager,  
Corporate Communications

**11** MEERA ROOPAN  
Manager, Mortgage Origination

**12** NICOLE HOSPEDALES  
Manager, Corporate Services

**13** LISA WILLIAMS  
Assistant General Manager,  
Mortgage Administration

**14** NAHSHON RAMLAL  
Manager, Finance



Trinidad & Tobago  
Mortgage Finance  
Company Limited

From here... to Home.

# SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2018

# 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.tmf-mortgages.com](http://www.tmf-mortgages.com) or at our registered offices.

## **INDEPENDENT AUDITOR 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, 2018, 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, 2018.

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 26, 2019.

#### **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."

The logo for EY, consisting of the letters 'E' and 'Y' in a stylized, handwritten font.

Port of Spain,  
TRINIDAD:  
March 26, 2019






## SUMMARY STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

(Expressed in Thousands of Trinidad and Tobago dollars)

	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	427,191	345,020
Debtors & prepayments	79,354	35,284
Investment securities	253,043	252,656
Mortgage loans	3,230,457	3,546,726
Property and equipment	42,357	42,644
Other assets	163,448	180,033
<b>TOTAL ASSETS</b>	4,195,850	4,402,363
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Interest payable on debt	31,587	35,364
Debt securities	2,898,159	3,099,349
Other liabilities	184,331	274,865
<b>TOTAL LIABILITIES</b>	3,114,077	3,409,578
<b>EQUITY</b>		
Share capital	12,408	12,408
Retained earnings	1,069,365	980,377
<b>TOTAL EQUITY</b>	1,081,773	992,785
<b>TOTAL EQUITY AND LIABILITIES</b>	4,195,850	4,402,363

On March 26, 2019, 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, 2018

*(Expressed in Thousands of Trinidad and Tobago dollars)*

	2018	2017
<b>Net interest income</b>	<b>165,751</b>	<b>145,440</b>
Other income	63,494	50,580
<b>Total income</b>	<b>229,245</b>	<b>196,020</b>
Total expenses	(77,459)	(81,214)
<b>Income before tax</b>	<b>151,786</b>	<b>114,806</b>
Taxation	(19,207)	(10,106)
<b>Income after taxation</b>	<b>132,579</b>	<b>104,700</b>
Other comprehensive loss for the year, net of tax	(1,188)	(1,491)
<b>Total comprehensive income for the year</b>	<b>131,391</b>	<b>103,209</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2018

*(Expressed in Thousands of Trinidad and Tobago dollars)*

	Share Capital	Retained Earnings	Total
<b>Balance at December 31, 2016</b>	<b>12,408</b>	<b>917,459</b>	<b>929,867</b>
Comprehensive income for the year	–	103,209	103,209
Dividend paid in 2016	–	(40,291)	(40,291)
<b>Balance at December 31, 2017</b>	<b>12,408</b>	<b>980,377</b>	<b>992,785</b>
Net impact of adopting IFRS 9	–	(523)	(523)
<b>Restated opening balance under IFRS 9</b>	<b>12,408</b>	<b>979,854</b>	<b>992,262</b>
Comprehensive income for the year	–	131,391	131,391
Dividend paid in 2018	–	(41,880)	(41,880)
<b>Balance at December 31, 2018</b>	<b>12,408</b>	<b>1,069,365</b>	<b>1,081,773</b>

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

## SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

*(Expressed in Thousands of Trinidad and Tobago dollars)*

	2018	2017
Net cash inflow/(outflow) from operating activities	327,804	(76,231)
Net cash (outflow) from investing activities	(4,394)	(927)
Net cash (outflow)/inflow from financing activities	(241,239)	375,617
<b>Net cash inflow for the year</b>	<b>82,171</b>	<b>298,459</b>
Cash and cash equivalents at the beginning of the year	345,020	46,561
<b>Cash and cash equivalents at the end of the year</b>	<b>427,191</b>	<b>345,020</b>
<b>Represented by:</b>		
Cash at bank	427,191	345,020
Bank overdraft	–	–
	<b>427,191</b>	<b>345,020</b>
<b>Supplemental information</b>		
Interest received	205,350	196,672
Interest paid	138,104	127,140

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

## **NOTE TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

*(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, 2018.

These summary financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the December 31, 2018 audited financial statements consistently applied from period to period. The Company has adopted all new and revised accounting standards and interpretations that are mandatory for annual accounting periods on or after 1 January 2018 and which are relevant to the Company's operations. The areas of critical accounting estimate and judgement as disclosed in "Note 3" of the December 31, 2018 audited financial statements, have also remained unchanged.







Trinidad & Tobago  
Mortgage Finance  
Company Limited

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Port of Spain, Arima, Chaguanas, San Fernando, Tobago  
info@ttmf-mortgages.com. [www.ttmf-mortgages.com](http://www.ttmf-mortgages.com)