Trinidad & Tobago Mortgage Finance Company Limited

From here... to Home.

ANNUAL REPORT 2022

In Pursuit of Excellence

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 INFORMATION

CORPORATE OFFICE

HEAD 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
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Edinburgh, Chaguanas, 500626
Trinidad W.I.
Tel: (868) 672-5246
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SAN FERNANDO
52 Royal Road,
San Fernando
Trinidad W.I.
Tel: (868) 652-1151
Fax: (868) 652-6543

TOBAGO
Jerningham Court
Cor. 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

EY TRINIDAD & TOBAGO
5-7 Sweet Briar Road,
Port of Spain
Trinidad W.I.

BOARD OF DIRECTORS

CHAIRMAN
Douglas Camacho

DEPUTY CHAIRMAN
Jennifer Lutchman

MANAGING DIRECTOR
Robert C. Green

DIRECTORS
Anthony Campbell
Calvin Bijou
Gregory Marchan
Patrick Ferreira
Richard Roper

SECRETARY
Brent Mc Fee
(Seconded to Home Mortgage Bank)

AG. SECRETARY
Laurette Walker

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CHAIRMAN'S REPORT

In 2022, we continued in pursuit of excellence, our efforts to deliver exceptional returns for Trinidad and Tobago Mortgage Finance Company Limited (TTMF). This commitment to excellence is reflected in another outstanding year for the company having achieved growth in assets of 8.46 % to $5.15B and profit before tax of $136.1M, up from $127.7M in 2021, a 6.6% year-on-year (y/y) increase.

This strong financial performance continues the momentum of prior years and effectively creates a solid platform from which we can provide sustainable returns to our shareholders, the National Insurance Board of Trinidad and Tobago and the Minister of Finance/Corporation Sole. It also enables us to successfully deliver on our primary mandate, which is to provide affordable financing to the citizens of Trinidad and Tobago.

This position of strength fuels our optimism in the coming year ahead of the merger of TTMF and Home Mortgage Bank (HMB). Once completed, the merged company will leverage the combined strengths of the two companies and enable innovation and dynamism in the next chapter of the company's evolution as we continue to provide affordable mortgage financing and generate purpose-driven outcomes that benefit all our stakeholders. Our Board of Directors remains committed to ensuring the successful transition to the new company, and I thank our teams for everything they have done to support what has been one of our most important strategic initiatives.

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

Economic Context

In 2022, the economy continued its recovery from the impact of the Covid-19 pandemic and lockdown restrictions. Based on estimates from the Central Bank of Trinidad and Tobago's Economic Bulletin (January 2023), real GDP grew by an estimated 4.1% year-on-year (y/y) in the first half of 2022, amply supported by 7.5% y/y growth in the non-energy sector. Energy sector activity however contracted by 3.8% y/y owing to reduced activity in the petrochemicals and condensate extraction sub-sectors.

The Central Bank of Trinidad and Tobago (CBTT) continues to hold its benchmark repurchase agreement (repo) rate at 3.5% which has been at that level since the CBTT cut it by 150 basis points in March 2020. Demand for business credit appears to be boosted by the CBTT's decision and relatively low nominal lending rates; the commercial bank's median prime lending rate remained at 7.50% where it has been since declining from 9.25% in February 2020. Notably, a 6.4% y/y pick-up in the consolidated credit system in November 2022, compared to 6.2% in June, together with a 10.9% y/y increase in credit to business in November, attest to overall credit growth.

According to the Central Bank, a surge in international food commodity prices, supply disruptions and adverse local weather conditions jointly contributed to an increase in headline inflation to 8.0% (y/y) in November (2022) compared to 4.9% in June. Core inflation, which omits the food component, increased to 6.6% in November (2022) from 4.1% in June, while food inflation jumped to 13.8% in November from 7.8% in June.

CHAIRMAN'S REPORT

The Housing Market

Mortgage Lending

The company's business activities were strong in 2022 supported by the low interest rate environment and positive developments in employment; while the unemployment rate measured 5.4% in the third quarter of 2022 (from 4.5% in the second quarter of 2022), according to the central bank, a decline in the number of retrenched persons (38 during the period August to November 2022 compared to 416 during the corresponding period of 2021) suggest some improvement in labour market conditions. Against this backdrop, real estate mortgage lending grew by 3.5% y/y in November 2022 (compared to 2.9% in June) reflecting lending for new and existing homes and for land purchases. There is broad anticipation that a low interest rate environment and positive developments in employment will continue to support growth in residential mortgages.

Policies to support homeownership

Affordable housing is essential to the future of our industry, our communities and ultimately our country. Through a combination of public policies, public-private partnerships and financial resources, the government has implemented a sequenced and complementary program to expand the pool of affordable and quality housing for the citizens of Trinidad and Tobago, particularly the low-income and vulnerable segments. The allocation of $1.5bn to the Housing Development Corporation (HDC) in the government's 2022/2023 national budget, as well as the re-organisation of the HDC into three companies, which collectively will deliver on well-designed and affordable housing solutions for qualifying persons from the low- and middle-income groups, will support the delivery of housing solutions for low-income earners. Furthermore, TTMF and HMB, when merged, will be well-positioned to provide resources for financing the stock of housing units as well as facilitate better access to mortgages.

Short-Term Outlook

Global output growth is projected to fall to 2.8% in 2023, from 3.4% in 2022 according to the International Monetary Fund (IMF) in its World Economic Outlook (April 2023) before settling at 3.0% in 2024. This outlook for 2023 reflects tightening in global financial conditions, high inflation, and ongoing effects of the Russia-Ukraine war.

Domestically, GDP growth for 2023 is projected by the IMF at 3.2% from an estimated 2.5% in 2022 led by activity in the energy sector and elevated international prices for oil and gas. Elevated energy prices will incentivize greater investment in the sector, while boosting government revenue with knock-on effects on capital expenditure and targeted support programs. In addition, key upstream energy sector projects such as Shell Trinidad and Tobago's Colibri, De Novo's Zandolie and bpTT's Cassia Compression will provide a fillip to the sector. Meanwhile, increased business activity and continued recovery of consumer demand are expected to strengthen the performance of non-energy sectors. Inflationary pressures are projected to ease by end-2023 reflecting lower commodity prices. Barring a major resurgence in the COVID-19 pandemic or any adverse shocks, the economy should see a more durable and broad-based recovery in 2023.

The Pursuit of and Acknowledgment of Excellence

As another year ends, I would like to take this opportunity to recognize and thank the community of support on this journey of excellence.

To the Ministers of Finance and Housing and Urban Development and Ministry colleagues, sister agencies, regulators, suppliers, thank you for your steadfast support and cooperation, as we pursue our mandates and the strategically important merger.

To the management and staff of TTMF, the engine of our success, who continue to deliver with purpose, energy, and creativity. We are better at what we do because of your daily efforts.

And to my fellow Board members for your perceptive insights, wise counsel, and tireless commitment to excellence, I thank you.

TTMF is moving into a bold and exciting future guided by our goals and vision. We remain ambitious for the future, optimistic about the outlook and confident in the new company's ability to achieve in 2023, another year of enduring success.

Douglas Camacho
Chairman

BOARD OF DIRECTORS

DOUGLAS CAMACHO
Chairman

Mr. Douglas Camacho is an accountant by profession and has a wealth of experience having held several leadership positions in a leading financial institution for over 35 years. He is a past president of The Association of Trinidad and Tobago Insurance Companies (ATTIC) and the Insurance Association of the Caribbean (IAC). Mr. Camacho currently serves as Chairman/ Director on several boards, including the Home Mortgage Bank (HMB), The Sport Company of Trinidad and Tobago (SPORTT), National Insurance Board and NIPDEC. A former national hockey player and still a hockey administrator as its President, Mr. Camacho is a past president of the Trinidad and Tobago Olympic Committee (TTOC). Mr. Camacho contributed towards many NGOs and corporations whose mandate falls within the field of human development. He continues to serve on the Boards of SERVOL, MIPED and the Family Planning Association of T&T (FPATT).

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.

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.

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.

BOARD OF DIRECTORS

PATRICK FERRIERA
Director

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.

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.

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.

CALVIN BIJOU
Director

Mr. Calvin Bijou is a Business Consultant. He has held key executive positions within the financial services sector over the last 30 years and has served as a Director on Boards regionally and internationally. Mr. Bijou is the Managing Director/Owner of a company which specializes in The Human Side of Change Management and Organisational Effectiveness. Mr. Bijou is a graduate from the University of the West Indies (Business Management) and is certified in Financial Planning. Mr. Bijou is an internationally licensed facilitator with Linkage Inc. USA in the field of Change Management and has been trained in Executive Coaching. He is the Chairman of Creative TT and a Director at Home Mortgage Bank, The National Insurance Board of Trinidad and Tobago as well as the National Insurance Property Development Company.

MANAGEMENT DISCUSSION AND ANALYSIS

If the last fifty-seven (57) years of the Trinidad and Tobago Mortgage Finance Company Limited's (TTMF) existence could be summarized in one word, it would be **excellence**. For TTMF, excellence is both a yardstick of quality and an unending pursuit. Our goal is to exceed our customers' expectations, and our own, then set the bar higher and do it all over again. To me, this is an essential platform for service. From delivering value to customers, shareholders, partners and employees; giving our customers outstanding mortgage banking experiences; to volunteerism in service to community, excellence is woven into the fabric of this organization.

We are fueled by the desire to excel and we do not take lightly the first of our five core values to serve as a ***results-oriented*** organization. Over the past year, while we focused on the implementation of the merger with the Home Mortgage Bank, we ensured that we met our obligations to our stakeholders and did so with resounding success. The new company will be more fortified to support the government's national housing programme - to deliver affordable housing solutions to low and middle-income families.

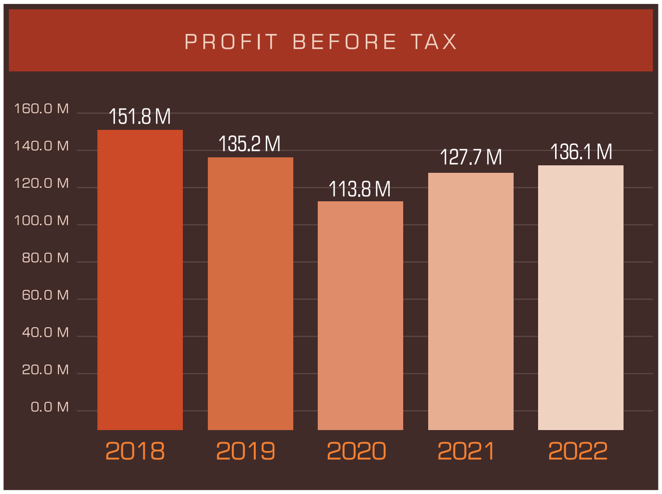
While we are proud of the work that has been done in the past year at the institutional, community and corporate levels, we are striving, in excellence, to ensure that there is continuous improvement in all areas of our operation.

Thank you for taking time to review the management discussion and analysis of the financial performance achieved and key business initiatives undertaken by TTMF for the fiscal year ended December 31, 2022.

FINANCIAL PERFORMANCE

Profit before Tax

2022 was another year of robust performance for the Trinidad and Tobago Mortgage Finance Company Limited (TTMF). I am pleased to report that for fiscal 2022, TTMF achieved growth in assets of 8.46% to $5,151M and profit before tax of $136.1M, up from $127.7M in 2021, an increase of 6.6%. 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 1,210 mortgage transactions valued at $620 million. These results reflect our continued commitment to excellence and our focus on long-term performance.

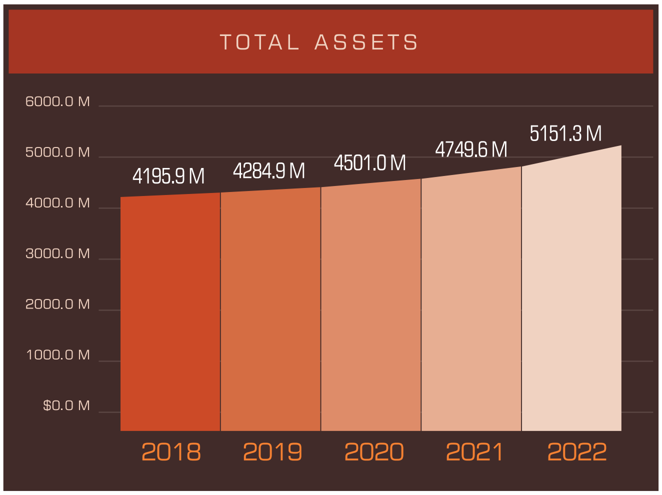


MANAGEMENT DISCUSSION AND ANALYSIS

Asset Growth

Total Assets stood at $5.2 billion at the end of the year, representing an increase of 8.46% over 2021. This was occasioned by the growth in mortgage loan balances of $292 million which resulted from new loans disbursed net of the sale of mortgages to HMB and repayments totalling $328M. Subsidy income and administration costs of $205M 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.

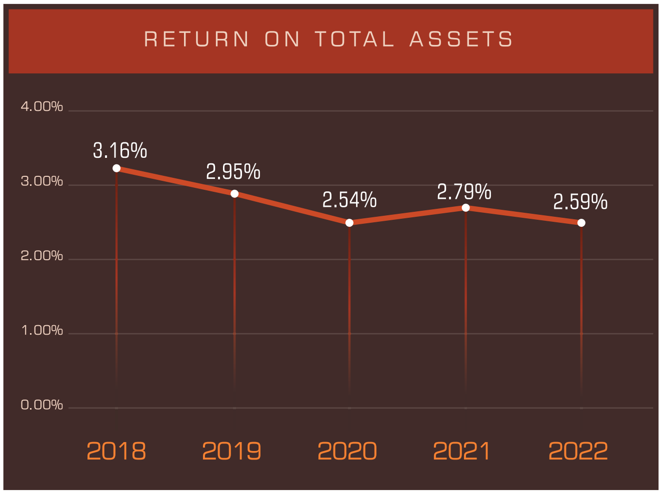
Funding for new loans was obtained through short term debt of $520M, net of the conversion of a bridge loan of $272M to a Bond. Additionally, there was a fully subscribed bond issue of $429M, net of debt repayment of $395M.



Return on Assets

The Return on Total Assets (ROA) for the year was 2.59%, versus 2.79% in 2021. The average interest rate on the mortgage loan portfolio was 4.49% compared with 4.41% in 2021. The ROA over the five (5) year period ended December 31, 2022, is as follows:

	2018	2019	2020	2021	2022
ROA	3.16%	2.95%	2.54%	2.79%	2.59%



The Mortgage Loan Portfolio

In 2022, we achieved 83% of loans disbursed in 2021. This was a commendable achievement amidst continuing signs of a recovering economy. 31.4% of the loans disbursed were HDC transactions valued at $194.7 million. 37.3% or $231.5 million comprised loans that fell under the Government Assisted Programme for non-HDC transactions while there were 513 Open Market loans valued at $193.8 million.

The delinquency ratio stood at 6.27% which was an improvement of 0.26% over 2021. Our delinquency management strategies remain flexible as we adapt to the needs of our mortgagors, while ensuring that prudential guidelines are adhered to minimize the company's risk exposure.

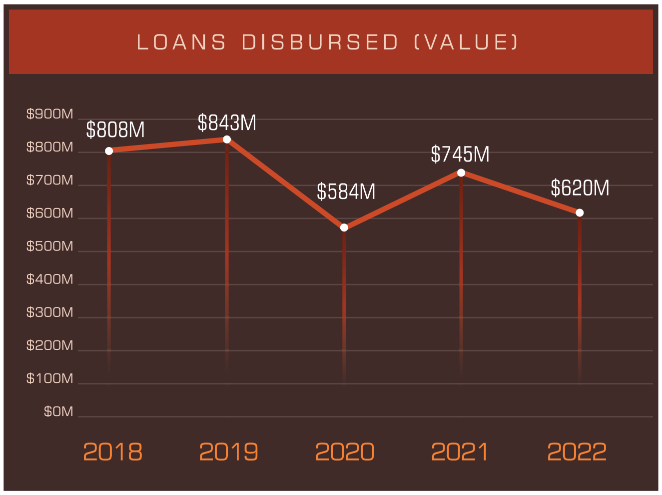
Mortgage loans comprise 83.27% of our total asset base and are classified as:

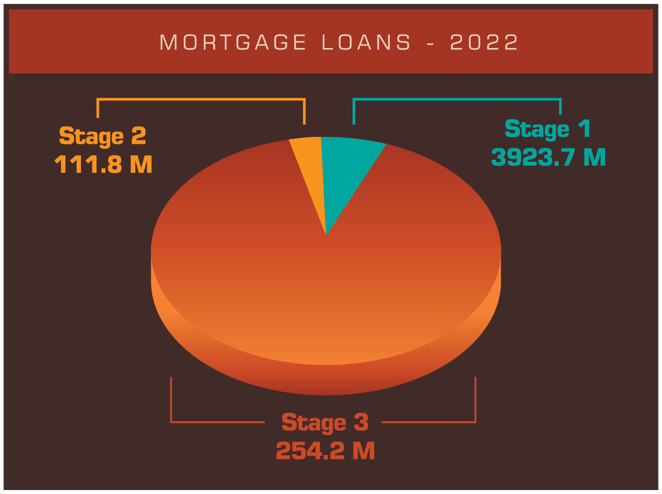
- Stage 1 (91.47%) – loans that are performing according to the contractual terms and conditions;
- Stage 2 (2.60%) – loans that are overdue 90 days but less than 180 days and;
- Stage 3 (5.93%) – loans that are overdue more than 180 days and credit impaired.

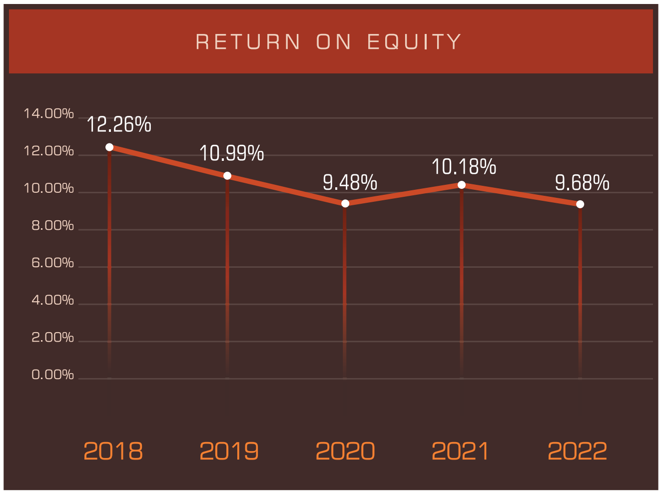
Shareholders' Equity

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 at December 31, 2022, stood at $1.38B, up from $1.30B in 2021, an increase of 6.1%. The return on shareholders' equity (ROE) was 9.68%. The ROE over the five (5) year period was:

	2018	2019	2020	2021	2022
ROE	12.26%	10.99%	9.48%	10.18%	9.68%







MANAGEMENT DISCUSSION AND ANALYSIS

Dividends Payable/Paid

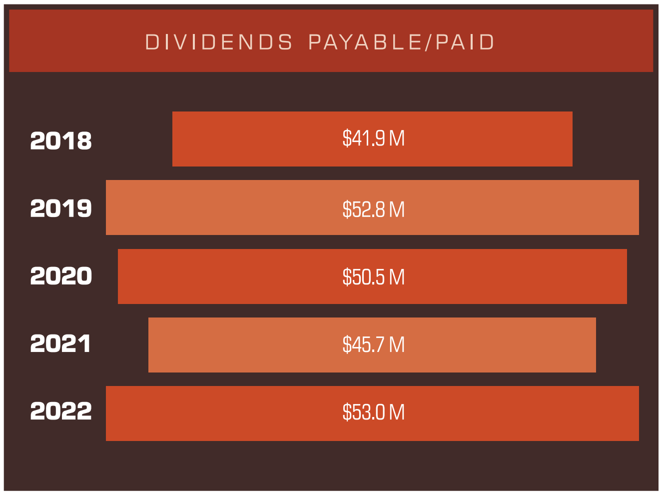
Consistent with our Dividend Policy, dividends of 40% of profit after tax has been consistently paid annually. Dividends payable/paid for 2022 amounted to $53 million, compared to $45.7 million in 2021. Dividends per share was $20.48 in 2022 increasing from $17.69 in 2021. The Dividends payable/paid and the dividend per share over the five (5) year period was:

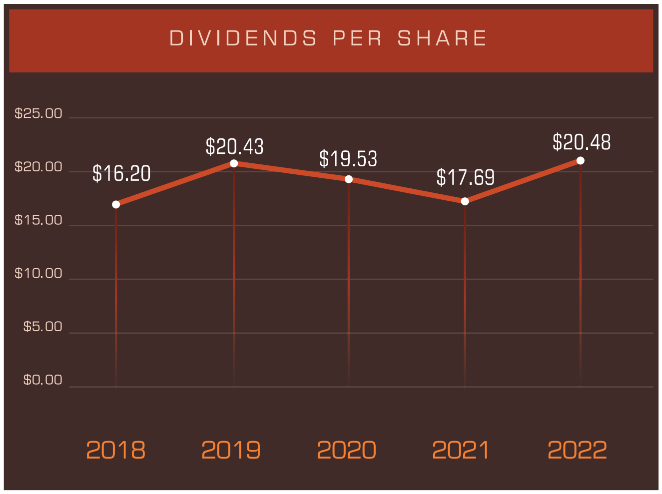
Dividends payable/paid

2018	2019	2020	2021	2022
$41.9M	$52.8M	$50.5M	$45.7M	$53.0M

Dividends per share

2018	2019	2020	2021	2022
$16.20M	$20.43M	$19.53M	$17.69M	$20.48M





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 ***tt*A+** on the Trinidad and Tobago (T&T) national scale. These ratings affirm that the level of TTMF's creditworthiness, adjudged 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 the expectation of improvements in economic activity over the next 12-15 months. TTMF is expected to continue to display a healthy financial performance with gradual improvements in asset quality. Furthermore, the Company is expected to remain well capitalised and continue to comfortably cover its debt obligations as they come due.

TTMF's ratings continue to reflect its moderate market position in the 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 level and continued financial performance reflected in high capital adequacy and good capital coverage of total assets, as well as improved profitability metrics. These rating strengths are tempered by TTMF's asset quality which were adversely impacted by the lingering effects of the COVID-19 pandemic and exposure to liquidity risks as a result of its asset/liability mismatch given its high reliance on debt financing. Furthermore, the lack of geographic diversity in the Company's revenue and funding base exposes TTMF to significant sovereign risk which also constrains the ratings.

BUSINESS OPERATIONS

Customer Focus

Recognising the challenges that our customers faced, in 2022, we launched a loan promotion of a fixed interest rate of 4.5% for 6 years for new mortgages. At the end of the period, the rate will graduate to the current open market rate, not to exceed the current open market rate of 6%.

In 2022, both internal and external customers demanded more regarding options for remote work and online services. Recognising the role human resources play in customer experience, we worked together to maintain customer service standards despite the pandemic challenges. At the same time, we continued to offer a suite of workplace wellness tools to support employee health and well-being. These include access to health and wellness programmes, team building exercises and access to professional counselling.

Like many institutions, TTMF has embarked on a journey to utilize social media platforms to communicate with our customers and stakeholders as well as to obtain feedback from the public on issues related to the housing sector. In the last year, we enhanced the Online Customer Service Centre (OCSC), which facilitates faster and more efficient interaction with our customers. With the recent upgrade in our core systems, the OCSC will be further enhanced to allow online mortgage applications and after sales services to customers which will prevent the need for visits to TTMF's offices. In addition, online platforms have helped us make many new connections and partnerships over the last year. TTMF now has a greater public presence as we make more optimal use of social media – Facebook, LinkedIn, Instagram, while our monthly blogs offer articles on industry issues and practical advice for our readers.

Internal Business Process

The company continued to adjust its operations in response to the changing needs of the customer occasioned by the COVID-19 pandemic, ensuring that adequate manpower levels are maintained to service the customer and achieve the company's objectives. The upskilling of staff in 2021 proved to be successful in filling staff shortages in 2022 and minimised the disruption caused by unplanned employee absences due to mandatory quarantine.

We continued to realise the benefits of the major software upgrade to our core suite of applications that was conducted in 2021. This upgrade was necessary to ensure that we stay at the forefront of technology to better serve our customers, system security improvements and compliance with new server, network and infrastructural requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

Learning and Growth

During 2022, our leadership and supervisory competencies were enhanced in the areas of performance management and communication amidst remote work operations. Enriching overall team performance was done by way of continued teambuilding activities at the department level. Cross-training and upskilling of employees at all levels of the organisation continued in preparation for new and existing job opportunities in the merged entity.

Corporate Social Responsibility

TTMF continues to be a socially responsible corporate entity making investments in communities in the spheres of education, health, disaster relief and other initiatives for community development.

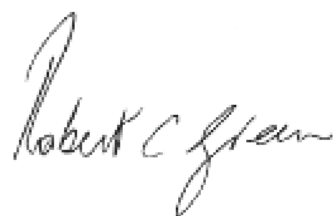
As part of our corporate social responsibility, TTMF contributed to the refurbishing of the YMCA Pool and saw it successfully re-open on July 14, 2022. Our participation in this venture dovetailed with our goals as an organisation through our wellness programme which has the objective of improving our overall health and fitness.

In an ongoing effort to ensure that more students gain access to IT and digital resources, TTMF gifted fifty-nine computers to three schools. As an organization that believes in the power of education and information to enable progress and transformation, we will continue to serve the cause of digital infrastructure in schools and digital inclusion in education.

CONCLUSION

We remain focused on the completion of the merger with Home Mortgage Bank. The new company will leverage the strengths of the two companies and create substantial long-term value for all our stakeholders.

In closing, I take this opportunity to thank the Board of Directors, Management and staff who continue to provide a rich source of ideas, direction and perspectives. Thank you for your contributions over the past year and for the collective energy you will undoubtedly provide in 2023 as we continue to heed the call of our mission of ***making homeownership an easy and rewarding experience***. Of course, the most fundamental truth is that TTMF exists only with and because of our customers. We are grateful for the trust placed in us to satisfy their homeownership and financing requirements. Together, ***From Here to Home***, we shall continue **In Pursuit of Excellence**.



Robert C. Green
Managing Director/Chief Executive Officer

MANAGEMENT TEAM

WENDY HUGGINS
General Manager,
Mortgage Services

LISA WILLIAMS
Assistant General Manager,
Mortgage Administration

KATHRINA SMITH
Senior Manager,
Mortgage Operations

MEERA ROOPAN
Business Operations Consultant

LISA GRANNUM
Assistant General Manager,
Mortgage Origination

KAMILAH PETERSON
Manager, Customer Care

NAHSHON RAMLAL
Manager, Finance

LAURETTE WALKER
Ag. Secretary /
Chief Financial Officer

NICOLE HOSPEDALES
Manager, Corporate Services

MANAGEMENT TEAM

JESSELL MORALDO-CUMBERBATCH
Senior Manager,
Human Resources

RYAN RAMSARAN
Manager,
Information Technology

MARSHA RAE LEBEN
Manager,
Corporate Communications

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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 2022, 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

Lanette Walker

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

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 2022, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 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.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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
24 March 2023

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Thousands of Trinidad and Tobago dollars)

ASSETS	Notes	2022	2021
Cash and cash equivalents	4	54,321	–
GORTT subsidy receivable	5	512,000	458,150
Debtors and prepayments	6	4,459	3,094
Investment securities	7	75,838	75,881
Mortgage loans	8	4,289,740	3,997,296
Property and equipment	9	46,920	47,623
Right-of-use assets	10	1,143	1,208
Deferred tax assets	11	166,875	166,304
TOTAL ASSETS		5,151,296	4,749,556
LIABILITIES AND EQUITY			
LIABILITIES			
Bank overdraft	4	–	11,869
Dividend payable	32	98,684	45,722
Prepayments by mortgagors	12	94,782	90,142
Amount due to HDC	14	865	867
Sundry creditors and accruals	15	108,864	114,402
Short-term debt	16	1,151,839	907,731
Interest payable on debt		21,806	25,733
Long-term debt	17	2,271,716	2,232,113
Lease liabilities	10	1,226	1,250
Pension plan liability	18 (a)	25,180	19,524
TOTAL LIABILITIES		3,774,962	3,449,353
EQUITY			
Share capital	19	12,408	12,408
Retained earnings		1,363,926	1,287,795
TOTAL EQUITY		1,376,334	1,300,203
TOTAL EQUITY AND LIABILITIES		5,151,296	4,749,556

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

On 24 March 2023, the Board of Directors of Trinidad and Tobago Mortgage Finance Company Limited authorised these financial statements for issue.

Douglas Camacho : Director

[illegible] : Director

Robert C Green : Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Thousands of Trinidad and Tobago dollars)

Trinidad & Tobago Mortgage Finance Company Limited
From here... to Home.

	Notes	2022	2021
Income			
Mortgage interest		179,428	162,919
Net interest income	20	7,333	331
Net interest income		186,761	163,250
Investment income	21	4,313	17,620
Rental income		560	551
Other income	22	52,366	52,318
		244,000	233,739
Expenses			
Administration expenses	23	(92,864)	(83,768)
Loan impairment expense	8	(10,371)	(18,359)
Building expenses		(4,691)	(3,946)
		(107,926)	(106,073)
Net income before taxation		136,074	127,666
Taxation credit	25	(2,828)	4,738
Net income after taxation		133,246	132,404
Other comprehensive income, net of taxes			
Items that will not be reclassified subsequently to profit or loss:			
- Re-measurement (losses)/gains on defined benefit plans	18 (c)	(5,933)	10,562
- Income tax credit/(charge)	11	1,780	(3,169)
Other comprehensive (loss)/income for the year, net of tax		(4,153)	7,393
Total comprehensive income for the year		129,093	139,797

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	Share Capital	Retained earnings	Total
Balance at 31 December 2020		12,408	1,193,720	1,206,128
Net income for the year		–	132,404	132,404
Other comprehensive income for the year		–	7,393	7,393
Dividends paid/payable	32	–	(45,722)	(45,722)
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 paid/payable	32	–	(52,962)	(52,962)
Balance at 31 December 2022		12,408	1,363,926	1,376,334

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

STATEMENT IF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in Thousands of Trinidad and Tobago dollars)

Trinidad & Tobago Mortgage Finance Company Limited
From here... to Home.

	Notes	2022	2021
Cash flows from operating activities			
Net income before taxation		136,074	127,666
Adjustments for:			
Depreciation	23	5,764	6,478
(Gain) / Loss on sale of property and equipment		(67)	204
Net premium/(discount) recognized on investment securities		43	(371)
Accretion on debt		3,236	7,585
Surplus before working capital changes		145,050	141,562
Increase in debtors and prepayments		(55,215)	(187,740)
Increase in mortgages		(292,444)	(272,952)
Increase in prepayment by mortgagors		4,640	950
Decrease in sundry creditors and accruals		(5,540)	(825)
(Increase)/ decrease in pension liability		(277)	133
Decrease in interest payable on debt		(3,927)	(2,254)
Taxes paid		(1,618)	(1,641)
Net cash used in operating activities		(209,331)	(322,767)
Cash flows from investing activities			
Maturity of Investment Securities		–	228,415
Purchase of Investment Securities		–	(50,000)
Purchase of property and equipment	9	(4,342)	(12,120)
Proceeds from sale of property and equipment		259	1
Net cash generated used in /(from) investing activities		(4,083)	166,296
Cash flows from financing activities			
Proceeds from debt		1,041,052	1,168,898
Repayments on debt		(760,577)	(1,066,016)
Principal payments on leases		(871)	(1,567)
Net cash generated from financing activities		279,604	101,315
Net increase/(decrease) in cash and cash equivalents		66,190	(55,156)
Cash and cash equivalents at the beginning of year		(11,869)	43,287
Cash and cash equivalents at the end of year	4	54,321	(11,869)
Supplemental information			
Interest received		183,171	180,539
Interest paid		162,387	157,551

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. Significant 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 2021, except for the adoption of new standards, amendments and interpretations outlined below.

New standards and amendments/revisions to published standards and interpretations effective in 2022

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

- Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework
- Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

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.

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

b) Changes in accounting policy

Effective 1 January 2023:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (including Amendment to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date issued in July 2020)
- Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendment to IAS 8 – Definition of Accounting Estimates
- Amendment to IAS 12 – Deferred tax related to Assets and Liabilities arising from a Single Transaction

Effective 1 January 2024:

- Amendments to IFRS 16 – Sale and Leaseback Transactions

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. Significant 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.

(iii) Classification

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.

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

c) **Financial instruments** (continued)

(iii) Classification (continued)

Assessment of whether contractual cash flows are SPPI (continued)

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.

(iv) 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.

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.

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

c) **Financial instruments** (continued)

(iv) Derecognition

Financial liabilities

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

(v) Modifications of financial assets and financial liabilities

Financial assets

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.

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.

2. Significant accounting policies (continued)

d) Impairment of financial assets (continued)

Overview of the Expected Credit Losses (ECL) principles (continued)

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.

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 over the past 6 years at 0.2% or below.

2. Significant accounting policies (continued)

d) Impairment of financial assests (continued)

The calculation of ECLs (continued)

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.

Applying the Impact of COVID-19 to Forward Looking Information for ECL

Due to the level of uncertainty at the end of December 2020, management evaluated the ECL model and determined the need for a management overlay to factor in the impact of COVID-19. Management has used a scorecard approach to apply a management overlay. The Company's forward-looking adjustment calculation analyses the environment as at the measurement date, analysing factors and data specific to the Company to determine a range of probable losses inherent to mortgage loans 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. Management has assumed that these factors will still impact the portfolio through COVID-19.

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. These weightings and multipliers resulted in a weighted adjustment factor of 1.21 (2021: 1.21)

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.

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.

2. Significant accounting policies (continued)

g) Property and equipment (continued)

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 $10.1 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.

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.

2. Significant accounting policies (continued)

h) Leases (continued)

i) Right-of-use assets (continued)

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.

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.

2. Significant accounting policies (continued)

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.

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.

2. Significant accounting policies (continued)

k) Employee benefits

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.

l) Taxation (continued)

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 2022. 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.

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.

2. Significant accounting policies (continued)

n) Revenue from contracts with customers (continued)

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 $1,338 million (2021:$1,469 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.

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. Critical accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty
The preparation of the financial statements in conformity with generally accepted accounting principles requires he preparation of the financial statements in conformity with generally accepted accounting principles 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.

(Expressed in Thousands of Trinidad and Tobago dollars)

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

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.

b) Impairment of financial assets (continued)

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

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

	2022	2021
Cash in hand	1,993	393
Cash at bank	52,328	(12,262)
	54,321	(11,869)

The average effective interest rate on cash and cash equivalents for the current year is 5.5% (2021: 5.5%).

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

(Expressed in Thousands of Trinidad and Tobago dollars)

5. GORTT subsidy receivable

	2022	2021
Subsidy on 2% and 5% graduated mortgage programmes	512,000	458,150
	512,000	458,150

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 (2021 – Nil) 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.

Subsidy on Bonds (continued)

	2022	2021
Receivable balance at beginning year	(458,150)	(266,374)
Add: Receipts from GORTT	151,000	–
	(307,150)	(266,374)
Less amounts released:		
Interest expense	(158,459)	(155,297)
Other	(46,391)	(36,479)
	(204,850)	(191,776)
Amount deferred	(512,000)	(458,150)
Amounts reclassified to subsidy receivable	512,000	458,150
	–	–

6. Debtors and prepayments

Interest receivable on investments	1,307	737
IDB service fee	62	36
Staff debtors	158	290
Other	2,932	2,031
	4,459	3,094

7. Investment securities

	2022	2021
Securities at amortised cost:		
NIPDEC 6.55% bond	25,838	25,881
HDC fixed rate bond (4.92)	50,000	50,000
	75,838	75,881

(Expressed in Thousands of Trinidad and Tobago dollars)

7. Investment securities (continued)

There were no expected credited losses recognized on investment securities for 2022 and 2021. The average effective interest rate on the Company's investment securities for the current year is 5.47% (2021: 5.47%). As at the year end, the fair value of investment securities classified as amortised cost amounted to $81.2 million (2021: $81.6 million).

8. Mortgage loans

	2022	2021
Stage 1	3,927,755	3,645,563
Stage 2	119,517	121,511
Stage 3	289,931	276,601
	4,337,203	4,043,675
Add: Recoveries cost	11,167	10,101
Less: Net prepaid interest	(6,971)	(10,316)
	4,341,399	4,043,460
Less: Allowances for ECL	(51,659)	(46,164)
Net advances	4,289,740	3,997,296
Reconciliation of expected credit losses on mortgage loans:		
Balance at 1 January	46,164	29,684
Charge for the year	10,371	18,359
Write off for the year	(4,876)	(1,879)
Balance at 31 December	51,659	46,164

The average effective interest rate on the mortgage loan portfolio for the current year is 4.49% (2021: 4.41%).

9. Property and equipment

	Land & buildings	Motor vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	2022	2021
Cost								
At beginning of the year	55,043	1,166	4,454	11,020	366	2,121	74,170	67,590
Additions/reclassification	–	300	116	3,512	–	414	4,342	12,120
Disposals	(1,205)	(660)	(324)	(1,153)	–	–	(3,342)	(5,540)
At end of year	53,838	806	4,246	13,379	366	2,535	75,170	74,170
Accumulated depreciation								
At beginning of the year	19,616	863	2,856	3,212	–	–	26,547	26,942
Depreciation charge	1,400	245	536	2,670	–	–	4,851	4,940
Depreciation on disposals	(1,204)	(659)	(324)	(961)	–	–	(3,148)	(5,335)
At end of year	19,812	449	3,068	4,921	–	–	28,250	26,547
Net book value	34,026	357	1,178	8,458	366	2,535	46,920	47,623

(Expressed in Thousands of Trinidad and Tobago dollars)

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 2022 (2021: $Nil).

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

	Land and building	Office equipment	Total
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

	2022	2021
The following are the amounts recognised in the statement of comprehensive income:		
Depreciation expense for right-of-use assets	909	1,538
Interest expense on lease liabilities	51	70
Expense relating to short-term leases	763	–
Total amount recognised in statement of comprehensive income	1,723	1,608

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.

11. Deferred tax assets (net)

	2021	2020
Taxation losses	154,727	154,308
Loan fees	6,487	6,206
Pension liability	7,553	5,857
Right-of-use assets	25	13
Property and equipment	(1,917)	(80)
	166,875	166,304

(Expressed in Thousands of Trinidad and Tobago dollars)

11. Deferred tax assets (net) (continued)

		(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

		(Charge)/credit		
	2020	**Income statement**	**OCI**	**2021**
Taxation losses	148,292	6,016	–	154,308
Loan fees	6,075	131	–	6,206
Pension liability	8,986	40	(3,169)	5,857
Right-of-use assets	21	(8)	–	13
Property and equipment	(280)	200	–	(80)
	163,094	6,379	(3,169)	166,304

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.

12. Prepayments by mortgagors

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

	2022	**20201**
Escrows	70,759	64,131
Insurance	22,725	24,772
Other	1,298	1,239
	94,782	90,142

(Expressed in Thousands of Trinidad and Tobago dollars)

13. Amount due under IDB loan programme

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.

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

	2022	2021
Unearned loan fees	21,622	20,685
Home Mortgage Bank	11,778	36,586
Provision for staff costs	23,034	16,224
Advance - beneficiary owned land subsidy	2,826	2,826
Mortgage clearing accounts	26,177	18,419
Other	23,427	19,662
	108,864	114,402

16. Short-term debt

As at 31 December 2022, 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.

*** Two 1 year Syndicated Loans through HMB. Borrowings on these facilities 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 month Pro Note through Home Mortgage Bank (HMB). Borrowings on this facility shall be payable by a single bullet at maturity.

****** 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

	2022	2021
AMBL Commercial Paper *	265,000	265,000
AMBL Bridge Loan	–	643,948
AMBL Loan **	370,637	–
HMB Syndicated Loan ***	200,000	–
RBC Revolving Credit Facility ****	75,000	–
HMB Pro Note *****	45,000	–
CMBL Commercial Paper ******	200,000	–
Unamortised transaction costs	(3,798)	(1,217)
	1,151,839	907,731

(Expressed in Thousands of Trinidad and Tobago dollars)

17. Long-term debt

	2022	2021
Mortgage backed debentures		
- 4.95% debentures 2022	-	90,250
	-	90,250
Bonds:		
16 - 20 Series Bond Issue 2021 - 2023	36,000	108,000
15 - 20 Series Bond Issue 2021 - 2023	62,000	124,000
14 - 20 Series Bond Issue 2021 - 2024	37,500	62,500
1 - 3 Series Bond Issue 2021 - 2025	349,832	375,109
5 Series Bond Issue 2023 - 2026	311,050	432,100
FCB $400M PCE Bond Issue 2023	400,000	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	–
	2,290,745	2,166,709
	2,290,745	2,256,959
Less: unamortised transaction cost	(19,029)	(24,846)
Total long-term debt	2,271,716	2,232,113

Loans amounting to Nil (2021: Nil) are fully secured by Government guarantees, whilst debt amounting to $2,825 million (2021: $2,469 million) is fully secured by the Company's mortgage assets.

The average effective interest rate on long-term debt for the current year is 4.90% (2021: 4.94%).

18. Pension and other post-employment benefits

a) Amounts recognised in the statement of financial position:

	2022	2021
Defined benefit obligations	108,311	101,033
Fair value of plan assets	(83,131)	(81,509)
Net defined benefit liability	25,180	19,524

b) Amounts recognised in statement of comprehensive income:

	2022	2021
Current service cost	5,043	5,175
Interest costs	1,129	1,464
Administrative expenses	223	154
Net benefit cost	6,395	6,793

(Expressed in Thousands of Trinidad and Tobago dollars)

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

		2022	2021
c)	Amounts recognised in other comprehensive income:		
	Experienced loss – demographic	4,707	4,278
	Experience loss – financial	1,226	345
	Remeasurement (gain)/loss – demographic	–	(15,185)
		5,933	(10,562)
d)	Actual return on plan assets	3,605	3,454
e)	Changes in the present value of the defined benefit obligation are as follows:		
	Opening defined benefit obligation	101,033	103,850
	Current service cost	5,043	5,175
	Interest costs	5,960	5,263
	Members' contributions	1,648	1,644
	Actuarial (gains)/losses	4,707	(10,906)
	Benefits paid	(10,080)	(3,993)
	Closing defined benefit obligation	108,311	101,033
f)	Changes in the fair value of plan assets are as follows:		
	Opening fair value of plan assets	81,509	73,897
	Expected return	4,831	3,799
	Employer contributions	6,672	6,661
	Members' contributions	1,648	1,644
	Actuarial loss on plan assets	(1,226)	(345)
	Administrative expenses	(223)	(154)
	Benefits paid	(10,080)	(3,993)
	Closing fair value of plan assets	83,131	81,509
g)	The major categories of plan assets as a percentage of total plan assets are as follows:		
	Deposit administration contracts	100%	100%
	Summary of principal actuarial assumptions:		
	Discount rate	6.0%	6.0%
	Salary increases	4.0%	4.0%

h) The Company is expected to contribute $8.05 million (2021: $7.48 million) to its defined benefit plan in 2022.

(Expressed in Thousands of Trinidad and Tobago dollars)

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

i) Sensitivity of present value of defined benefit obligation

	1% increase	1% decrease
Discount rate	(18,843)	24,692
Salary growth	10,428	(9,040)

The weighted average duration of the defined benefit obligations is 23 years (2021: 22 years).

19. Share capital

	2022	2021
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 $20.48 (2021: $17.69)

20. Interest expense

	2022	2021
Gross interest expense	158,459	155,297
Less: Government subsidy		
2% and 5% Mortgage Programmes	(165,792)	(155,628)
Net interest income	(7,333)	(331)

21. Investment income

	2022	2021
Amortization of discount and premium on amortised cost investment securities	(43)	371
Interest on investment securities	4,356	17,249
	4,313	17,620

22. Other income

	2022	2021
Loan fees	1,424	2,540
IADB income	130	156
Home Mortgage Bank service fees	9,976	11,712
Government assisted programme - administration fees	39,432	36,824
Other	1,404	1,086
	52,366	52,318

(Expressed in Thousands of Trinidad and Tobago dollars)

23. Administration expenses

	2022	2021
Staff costs (Note 24)	60,352	55,492
Depreciation	5,764	6,478
Legal and professional fees	2,829	3,334
Advertising and public relations	2,345	2,648
Bank interest and charges	1,088	371
Bond issue costs	12,060	7,414
Other	8,426	8,031
	92,864	83,768

24. Staff costs

	2022	2021
Wages, salaries and other benefits	49,576	44,768
National insurance	2,324	2,381
Pension costs and other benefits	8,452	8,343
	60,352	55,492

25. Taxation

a) Components of tax charge

	2022	2021
Deferred tax (Note 11)	(1,209)	6,379
Current tax - current year	(517)	(583)
Green fund levy	(1,094)	(1,058)
Prior year payment/Tax refund	(8)	–
	(2,829)	4,738

b) Reconciliation of accounting to tax profit:

	2022	2021
Net income before taxation	136,074	127,666
Income taxes calculated at statutory rate - 30%	(40,822)	(38,300)
Green fund levy	(1,094)	(1,058)
Prior year payment/Tax refund	(8)	–
Net expenses not allowable for tax	(6,298)	2,512
Tax exempt income	45,394	41,584
	(2,828)	4,738

26. Mortgage commitments

At 31 December 2022, the Company had outstanding commitments totalling $167.6 million (2021: $174.5 million), to intending mortgagors.

(Expressed in Thousands of Trinidad and Tobago dollars)

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.

	2022	2021
Mortgage loans		
Key management personnel (including directors)	3,489	3,776
Borrowings and other liabilities		
The National Insurance Board of Trinidad and Tobago		
Interest payable on debt	1,420	1,015
Long term debt	306,000	130,000
Home Mortgage Bank		
Long-term debt	145,500	125,500
Interest payable on debt	1,181	1,564
Other liabilities	11,778	36,586
Interest and other income		
Key management personnel	144	156
Borrowings interest and other expense		
The National Insurance Board of Trinidad and Tobago	7,204	6,400
Home Mortgage Bank	5,691	7,764
Key management compensation		
Short-term salaries and benefits	2,483	2,497
Post-employment benefits	170	161
Directors' remuneration	423	459

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 2022, 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 $116 million (2021: increase of $574 million) to $3.6 billion (2021: $3.5 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:

	Maximum	
exposure		
Details	**2022**	**2021**
Financial assets		
Mortgage loans	4,337,203	4,043,675
Investment securities	75,838	75,881
Other receivables	513,307	458,887
Cash at bank and cash equivalents	54,321	–
Total gross financial assets	4,980,669	4,578,443
Mortgage commitments (Note 26)	167,658	174,505
Total credit risk exposure	5,148,327	4,752,948

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.

(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.

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

Concentration of risks of financial assets with credit risk exposure

Details	**2022**	**%**	**2021**	**%**
Mortgage loans				
Arima Borough Council	656,554	13.17	607,336	13.26
Chaguanas Borough Council	871,943	17.51	798,476	17.43
Couva/Tabaquite/Talparo Reg.	332,821	6.68	320,590	7.00
D/Martin Regional Corporation	154,365	3.10	151,816	3.31
Laventille/San Juan Regional Corporation	236,923	4.76	207,693	4.53
Mayaro/Rio Claro Regional Corporation	22,265	0.45	21,255	0.46
POS City Council	140,498	2.82	143,553	3.13
Penal/Debe Regional Corporation	67,374	1.35	66,734	1.46
Point Fortin Borough Council	43,091	0.87	40,471	0.88
Princess Town Regional Corporation	241,975	4.86	233,692	5.10
San Fernando City Council	567,847	11.40	515,417	11.25
Sangre Grande Regional Corporation	150,719	3.03	143,655	3.14
Scarborough	11,799	0.24	13,986	0.31
Siparia Regional Corporation	57,189	1.15	49,727	1.09
Tobago East	57,431	1.15	59,775	1.30
Tobago West	75,287	1.51	80,263	1.75
Tunapuna/Piarco Regional Corporation	649,122	13.03	589,235	12.86
Total mortgage loans	4,337,203	87.08	4,043,675	88.32
Other financial assets	643,466	12.92	534,768	11.68
Total	4,980,669	100.00	4,578,443	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

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%

2021	Stage 1	Stage 2	Stage 3	Total
Mortgage loans				
Gross balance	3,646,352	121,327	275,781	4,043,460
Allowances for ECL	(9,245)	(7,536)	(29,383)	(46,164)
Net advances	3,637,107	113,791	246,398	3,997,296
ECL to gross mortgage loan (%)	0.3%	6.2%	10.7%	1.1%

Investment securities at amortised cost (Stage 1)	2022	2021
Gross exposure	75,838	75,881
ECL	–	–
Net exposure	75,838	75,881

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 2022, mortgage loans which represent the largest portion of the Company's financial assets (88%) are backed by collateral. The comparative figure is 88%.
- 3% of the mortgage loans portfolio is impaired (2021: 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.

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.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets (continued)

Mortgage loans - individually impaired

The individually impaired loans and advances to customers before taking into consideration the cash flows from collateral held is $151.4 million (2021: $130.5 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	2022	2021
Total	153,284	140,993
Fair value of collateral (before factoring in time to sell)	168,198	138,087

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 2022 is $54.1 million (2021: $52.8 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
2022				
Amortised cost	75,838	–	–	75,838
%	100%	–	–	100%
2021				
Amortised cost	75,881	–	–	75,881%
	100%	–	–	100%

Cash and cash equivalents
The credit quality of cash and cash equivalents as at 31 December 2022 and 31 December 2021 has been assessed as standard grade.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Credit risk (continued)

Credit quality per class of financial assets (continued)

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% (2021: 84%) 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% (2021: 2%) 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 96% (2021: 85%) 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	1,151,839	34	907,731	29
Long-term debt				
Fixed	2,271,716	66	2,232,113	71
Total debt	3,423,555	100	3,139,844	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)

ii. Financial liabilities (continued)

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**	**Decrease**
31 December 2022		
Profit before tax	1,361	(1,361)
Tax impact - 30%	(408)	408
Profit after tax	953	(953)
31 December 2021		
Profit before tax	1,277	(1,277)
Tax impact - 30%	(383)	383
Profit after tax	894	(894)

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.

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

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Liquidity risk management process (continued)

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	108,865	–	–	108,865
Short-term debt	1,151,839	–	–	1,151,839
Long-term debt	669,327	1,602,389	–	2,271,716
Total undiscounted financial liabilities	2,068,025	1,769,829	–	3,837,854

2021	**Up to 1 year $'000**	**One to five years $'000**	**Over 5 years $'000**	**Total $'000**
Interest payable on debt	148,628	291,815	3,198	443,641
Sundry creditors and accruals	114,402	–	–	114,402
Short-term debt	907,731	–	–	907,731
Long-term debt	387,250	1,844,863	–	2,232,113
Total undiscounted financial liabilities	1,558,011	2,136,678	3,198	3,697,887

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 2022, 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.

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.

(Expressed in Thousands of Trinidad and Tobago dollars)

30. Risk management (continued)

Fair value of financial assets and liabilities (continued)

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 2022 there were no transfers of assets among any level (2021: 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 2022 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.

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

(Expressed in Thousands of Trinidad and Tobago dollars)

31. Maturity analysis of assets and liabilities (continues)

2022	Up to 1 year $'000	Over 1 year $'000	Total $'000
Liabilities			
Dividend 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

2021	Up to 1 year $'000	Over 1 year $'000	Total $'000
Assets			
GORTT subsidy receivable	100,000	358,150	458,150
Debtors and prepayments	3,094	–	3,094
Investment securities	–	75,881	75,881
Mortgage loans	261,098	3,736,198	3,997,296
Property and equipment	–	47,623	47,623
Right-of-use assets	697	511	1,208
Deferred tax asset	–	166,304	166,304
Total assets	364,889	4,384,667	4,749,556
Liabilities			
Bank overdraft	11,869	–	11,869
Dividend payable	45,722	–	45,722
Prepayments by mortgagors	90,142	–	90,142
Amount due to HDC	867	–	867
Sundry creditors and accruals	114,402	–	114,402
Short-term debt	907,731	–	907,731
Interest payable on debt	148,628	295,013	443,641
Long-term debt	387,250	1,844,863	2,232,113
Lease liabilities	714	536	1,250
Pension plan liability	–	19,524	19,524
Total liabilities	1,707,325	2,159,936	3,867,261

(Expressed in Thousands of Trinidad and Tobago dollars)

32. Dividends payable/paid

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

33. Events after the reporting period

There were no material events after the statement of financial position date which requires adjustment or There were no material events after the statement of financial position date which requires adjustment or disclosure in the financial statements as at 24 March 2023.

34. Proposed Merger of the Trinidad and Tobago Mortgage Finance Company Limited and the Home Mortgage Bank Group

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.

The merger is subject to regulatory approvals and the fulfilment of specific conditions with the timeframe of these approvals not known at this time.

Trinidad & Tobago
Mortgage Finance
Company Limited

From here... to Home.

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