



SEPARATE FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2025



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY

### Management is responsible for the following:

- Preparing and fairly presenting the accompanying separate financial statements of Trinidad and Tobago Mortgage Bank Limited (the Company), which comprise the separate statement of financial position as at December 31, 2025, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and a summary of material 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 separate financial statements, management utilised the IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, 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 separate financial statements have been authorised for issue, if later.

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



BRENT MC FEE  
Chief Executive Officer (Ag.)  
Date: March 26, 2026



LAURETTE WALKER  
Chief Financial Officer  
Date: March 26, 2026

### **TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO MORTGAGE BANK LIMITED (formerly Trinidad and Tobago Mortgage Finance Company Limited)**

#### **Report on the Audit of the Separate Financial Statements**

##### **Opinion**

We have audited the separate financial statements of Trinidad and Tobago Mortgage Bank Limited, which comprise the separate statement of financial position as at December 31, 2025, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

##### **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 Separate Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of separate financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the separate financial statements of public interest entities in Trinidad and Tobago. We have also 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 Separate Financial Statements**

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

In preparing the separate 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.

TO THE SHAREHOLDERS OF TRINIDAD AND TOBAGO MORTGAGE BANK LIMITED (formerly Trinidad and Tobago Mortgage Finance Company Limited)

### **Report on the Audit of the Separate Financial Statements**

(Continued)

#### **Auditor's Responsibilities for the Audit of the Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate 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 separate 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 separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Port of Spain,  
TRINIDAD  
31 March 2026

**SEPARATE STATEMENT OF FINANCIAL POSITION**  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (Expressed in Thousands of Trinidad and Tobago dollars)

		<b>2025</b>	<b>2024</b>
<b>Assets</b>	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	4	1,235	30,109
GORTT subsidy receivable	5	683,392	543,249
Debtors and prepayments	6	6,529	5,147
Dividends receivable	7	13,269	–
Investment in subsidiary	8	1,100,000	1,100,000
Investment securities	9	75,690	75,742
Loans and advances	10	4,739,269	4,653,508
Property and equipment	11	46,827	48,903
Right-of-use assets	12	2,630	1,673
Deferred tax assets	13	<u>185,458</u>	<u>176,470</u>
<b>Total assets</b>		<u>6,854,299</u>	<u>6,634,801</u>
 <b>Equity and Liabilities</b>			
<b>Liabilities</b>			
Bank Overdraft	4	22,497	–
Dividends payable	32	56,569	109,867
Prepayments by mortgagors	14	106,436	102,503
Amount due to HDC		859	872
Sundry creditors and accruals	15	81,156	92,562
Short-term debt	16	828,179	956,071
Interest payable on debt		38,754	30,931
Long-term debt	17	2,845,963	2,635,565
Lease liabilities	12	2,695	1,757
Deferred tax liability	13	1,129	1,558
Pension plan liability	18(a)	<u>37,460</u>	<u>29,499</u>
<b>Total liabilities</b>		<u>4,021,697</u>	<u>3,961,185</u>

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

**SEPARATE STATEMENT OF FINANCIAL POSITION**  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (Expressed in Thousands of Trinidad and Tobago dollars)

<b>Equity</b>	<b>Notes</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Stated capital	19	1,112,408	1,112,408
Retained earnings		<u>1,720,194</u>	<u>1,561,208</u>
Total equity		<u>2,832,602</u>	<u>2,673,616</u>
Total equity and liabilities		<u>6,854,299</u>	<u>6,634,801</u>

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

On March 26, 2026 the Board of Directors of Trinidad and Tobago Mortgage Bank Limited authorised these financial statements for issue.

 : Director

 : Director

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	2025 \$'000	2024 \$'000
<b>Income</b>			
Mortgage interest calculated using the effective interest method		210,735	209,548
Net interest expense	20	<u>(17,214)</u>	<u>(8,717)</u>
<b>Net interest income</b>		193,521	200,831
Investment income	21	4,109	4,112
Rental income		241	239
Other income	22	<u>64,742</u>	<u>73,626</u>
		<u>262,613</u>	<u>278,808</u>
<b>Expenses</b>			
Administration expenses	23	(97,411)	(105,960)
Loan impairment expense	10	(1,454)	(2,192)
Building expenses		<u>(4,666)</u>	<u>(6,493)</u>
		<u>(103,531)</u>	<u>(114,645)</u>
Profit before taxation		159,082	164,163
Taxation credit	25	<u>5,293</u>	<u>4,312</u>
<b>Profit for the year</b>		<u>164,375</u>	<u>168,475</u>
<b>Other comprehensive loss, net of taxes</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Re-measurement losses on defined benefit plans	18(c)	(7,699)	(4,080)
Income tax credit	13	<u>2,310</u>	<u>1,224</u>
<b>Other comprehensive loss for the year, net of tax</b>		<u>(5,389)</u>	<u>(2,856)</u>
<b>Total comprehensive income for the year</b>		<u>158,986</u>	<u>165,619</u>

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

**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (Expressed in Thousands of Trinidad and Tobago dollars)

	Note	Stated capital	Retained earnings	Total equity
<b>Balance at December 31, 2023</b>		<b>12,408</b>	<b>1,452,158</b>	<b>1,464,566</b>
Shares issued		1,100,000	–	1,100,000
Profit for the year		–	168,475	168,475
Other comprehensive loss for the year		–	(2,856)	(2,856)
Dividends declared	32	–	(56,569)	(56,569)
<b>Balance at December 31, 2024</b>		<b>1,112,408</b>	<b>1,561,208</b>	<b>2,673,616</b>
Profit for the year		–	164,375	164,375
Other comprehensive loss for the year		–	(5,389)	(5,389)
<b>Balance at December 31, 2025</b>		<b><u>1,112,408</u></b>	<b><u>1,720,194</u></b>	<b><u>2,832,602</u></b>

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

**SEPARATE STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of Trinidad and Tobago dollars)

		<b>2025</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>	<b>Notes</b>		
Profit before taxation		159,082	164,163
Adjustments for:			
Charge to provision for loans and advances		2,635	1,004
Depreciation and amortisation	23	7,554	6,955
Decrease in unearned loan fees		(613)	(220)
Loss on sale of property and equipment		384	160
Pension cost		7,418	7,162
Transaction costs amortized		<u>4,277</u>	<u>7,375</u>
Surplus before working capital changes		180,789	186,649
(Increase)/decrease in debtors and prepayments		(154,794)	24,395
Increase in prepayment by mortgagors		3,933	1,132
(Decrease) / increase in sundry creditors and accruals		(11,469)	4,611
Pension contributions paid		(7,156)	(6,978)
Increase in interest payable on debt		7,823	5,937
Taxes paid		<u>(1,763)</u>	<u>(1,850)</u>
Net cash from operating activities		<u>17,363</u>	<u>213,896</u>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary		–	(1,100,000)
Issuance of new mortgages and loans		(485,793)	(675,219)
Proceeds from repayment on mortgages and loans		297,980	293,294
Sale of mortgages to HMB		100,030	170,415
Purchase of property and equipment and intangible assets	11	(4,446)	(5,054)
Proceeds from sale of property and equipment		<u>74</u>	<u>65</u>
Net cash used in investing activities		<u>(92,155)</u>	<u>(1,316,499)</u>

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

**SEPARATE STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	2025 \$'000	2024 \$'000
<b>Cash flows from financing activities</b>			
Issuance of shares		–	1,100,000
Proceeds from debt	33	2,351,313	1,033,078
Repayments on debt	33	(2,273,084)	(1,060,871)
Principal payments on lease liabilities		(1,510)	(1,116)
Dividends paid		<u>(53,298)</u>	<u>–</u>
Net cash from financing activities		<u>23,421</u>	<u>1,071,091</u>
Net decrease in cash and cash equivalents		(51,371)	(31,512)
Cash and cash equivalents at the beginning of year		<u>30,109</u>	<u>61,621</u>
Cash and cash equivalents at the end of year	4	<u>(21,262)</u>	<u>30,109</u>
<b>Supplemental information</b>			
Interest received		214,844	213,660
Interest paid		183,022	165,491

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

## 1. Incorporation and principal activity

Trinidad and Tobago Mortgage Bank Limited (“the Company” or “TTMB”) 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. In addition, NIBTT holds 100% of non-voting Class B Ordinary Shares.

The Company has one subsidiary company which is listed below:

Subsidiary owned	Country of Incorporation	Percentage
Home Mortgage Bank (HMB)	Trinidad and Tobago	100%

The principal activities of this subsidiary are the trading of mortgages made by primary mortgage lenders, direct mortgage lending and the issue of bonds for investment in housing.

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

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

## 2. Material accounting policies

The material accounting policies applied in the preparation of these separate 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 separate financial statements of the Company are prepared in accordance with IFRS Accounting Standards and are stated in thousands of Trinidad and Tobago dollars. These separate financial statements have been prepared on a historical cost basis except:

- Net benefit obligation recognised at fair value of plan assets, less the present value of the defined benefit obligation. Actuarial re-measurements are recognised through other comprehensive income (OCI)

The preparation of separate financial statements in conformity with IFRS Accounting Standards 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 separate financial statements are disclosed in Note 3. The Company has prepared the separate financial statements on the basis that they will continue to operate as a going concern.

### b) Functional and presentation currency

Items included in these separate financial statements are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The Company’s separate financial statements are presented in Trinidad and Tobago dollars (expressed in thousands), unless otherwise stated, which is also the functional currency.

## 2. Material accounting policies (continued)

### c) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these separate financial statements are consistent with those followed in the preparation of the separate financial statements for the year ended December 31, 2024, except for the adoption of new standards, amendments and interpretations outlined below.

#### (i) New standards and amendments/revisions to published standards and interpretations effective on January 1, 2025

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

- **Amendments to IAS 21 – Lack of Exchangeability**  
The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

#### (ii) 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 separate 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.

- **Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (Effective 1 January 2026).**  
The amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.
- **IFRS 18 – Presentation and Disclosures in Financial Statements (Effective 1 January 2027).**  
This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

## 2. Material accounting policies (continued)

### c) Changes in accounting policies and disclosures (continued)

#### (ii) Standards in issue not yet effective (continued)

- **IFRS 19 – subsidiaries without Public Accountability: Disclosures (Effective 1 January 2027).**  
The amendment allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.  
Entities applying IFRS 19 are required to disclose that fact as a part of its general IFRS accounting standards compliance statement.
- **IAS 21 – Translation to a Hyperinflationary Presentation Currency (Effective 1 January 2027).**  
The amendments require translation from non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing date.

### d) Financial instruments

Financial instruments comprise cash and cash equivalents, GORTT subsidy receivable, debtors and prepayments, investment securities, loans and advances, dividends receivable and payable, other liabilities, borrowings, prepayments by mortgagors and sundry creditors and accruals.

#### (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 i.e. on the trade date or on the date when they are originated. 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 or FVOCI:

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

## 2. Material accounting policies (continued)

### d) Financial instruments (Continued)

#### (ii) Classification (continued)

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

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

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

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

#### *Business model assessment*

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

**d) Financial instruments** (Continued)

**(ii) Classification** (continued)

Assessment of whether contractual cash flows are SPPI

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

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

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

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

The Company classifies cash and cash equivalents, bank overdraft, loans and advances to customers, investment securities, GORTT subsidy receivable and other assets at amortised cost.

Financial liabilities

The Company classifies its financial liabilities, other than undrawn loan commitments, as measured at amortized cost.

## 2. Material accounting policies (continued)

### d) Financial instruments (Continued)

#### (iii) Derecognition

##### *Financial assets*

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

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

Any cumulative gains or losses recognised in OCI in respect of equity investment securities designated at FVOCI is not recognised in the 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.

The Company securitises various loans and advances to customers and investment securities. This generally results in the sale of these assets to un securitisation vehicles and in the Company transferring substantially all of the risks and rewards of ownership. The securitisation vehicles in turn issue securities to investors. Interests in the securitised financial assets are generally retained in the form of senior or subordinated tranches, or other residual interests (retained interests). Retained interests are recognised as investment securities.

##### *Financial liabilities*

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

##### *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 statement of comprehensive income as part of the gain or loss on derecognition.

## 2. Material accounting policies (continued)

### d) Financial instruments (Continued)

#### (iii) Derecognition (continued)

##### Financial assets (continued)

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 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.

Any costs or fees incurred, and fees received as part of the modification will adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

##### Financial liabilities

The Company derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in the statement of comprehensive income. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as a derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in the statement of comprehensive income. For floating rate financial liabilities, 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. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by recomputing the effective interest rate on the instrument.

## 2. Material accounting policies (continued)

### e) Impairment of financial assets

#### *Overview of the Expected Credit Losses (ECL) principles*

The Company recognises allowance for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

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

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

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

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

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

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

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

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

## 2. Material accounting policies (continued)

### e) Impairment of financial assets (continued)

#### The calculation of ECLs

The Company adopts an ECL methodology based on information already used in the current credit risk management and reporting framework. This involves the application of inherent risk rates currently calculated, with an allowance for possible future worsening of credit loss experience. Annual portfolio credit loss rates have been stable, averaging 0.2% over the past 9 years.

The methodology adopted assumes the following:

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

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

#### Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and the ECL is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

#### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and financial assets carried at FVOCI are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter Bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

## 2. Material accounting policies (continued)

### e) Impairment of financial assets (continued)

#### *Credit-impaired financial assets (continued)*

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Company considers the following factors:

- The market's assessment of creditworthiness as reflected in the bonds' yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

#### *Write-off*

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'ECL on loans and advances to customers' and 'ECL on investment securities' in the statement of comprehensive income.

Financial assets that are written off could still be subject to enforcement activities.

#### *Forward looking information for ECL*

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

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

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

### **f) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument, if available. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price. That is, the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability or based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in the statement of comprehensive income on an appropriate basis over the life of the instrument. But no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets at a bid price and liabilities at an ask price.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

### **g) Investment securities**

The Company classifies its investment securities at amortised. 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.

## 2. Material accounting policies (continued)

### h) Loans and advances

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

### i) Property and equipment

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

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

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

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

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

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

Included within property and equipment on the statement of financial position is a Tobago property with a net book value of \$9.4 million (2024: \$9.6 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.

### j) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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

**j) Impairment of non-financial assets** (continued)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**k) Short-Term and Long-Term Debt securities**

Debt securities are the Company's source of debt funding. Debt securities are initially measured at fair value minus incremental direct transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Any difference between proceeds net of transaction costs and the redemption value is recognised in the statement of comprehensive income.

Capitalised transaction costs are costs incurred in the issue of bonds for investment in housing are amortised over the duration of the respective bond issues.

**l) 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. Material accounting policies (continued)

### 1) 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 the Company's last bond and the rate as per the Central Bank's yield curve for the corresponding period to determine TTMB's interest spread. For each contract length, the interest rate as per Central Bank's yield curve was determined. The Company'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. Material accounting policies (continued)

### m) 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. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

### n) 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.

### o) 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. Material accounting policies (continued)**

### **o) Employee benefits (continued)**

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.

### **p) Other assets and liabilities**

Other assets and liabilities, not classified as financial instruments, are initially recognised and subsequently measured at amortised cost in the statement of financial position with relevant costs recognised in the statement of comprehensive income.

### **q) 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 separate financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

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

### **r) Foreign currency**

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling on the reporting date. 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.

### **s) Income**

#### *Mortgage Interest*

Income from loans and advances, including origination fees, is recognised on an amortised basis.

## 2. Material accounting policies (continued)

### s) Income (continued)

#### *Mortgage Interest* (continued)

Interest income and expenses are recognised in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability and is not revised subsequently. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instrument, but not the future credit losses.

The calculation of the effective interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

#### *Investment income*

Interest income is recognised in the statement of comprehensive income using the effective interest method described above as it accrues, taking into account the effective yield of the asset or an applicable floating rate.

#### *Dividend income*

Dividend income is recognized when the right to receive the payment is established.

#### *Rental income*

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

#### *Fees and commissions*

Unless included in the effective interest calculation, fees are recognised on an accrual basis over time 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 at a point in time on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised over time based on the applicable service contract. Commitment fees and other fee income, including investment management fees, is recognized as the performance obligation is satisfied over time and the related services are performed.

#### *Other income and expenditure*

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

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

### **t) 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 \$1,194 million (2024: \$1,282 million) and is not reflected in these separate financial statements.

### **u) Stated 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.

### **v) Dividend distribution**

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

## **3. Significant accounting judgments and key sources of estimation uncertainty**

### *Key sources of estimation uncertainty*

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

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

### *Critical accounting judgments*

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

### **a) Estimates**

#### *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.

### 3. Significant accounting judgments and key sources of estimation uncertainty

#### a) Estimates (continued)

##### *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

#### b) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in these separate financial statements:

##### *Deferred taxes*

Recognition of the deferred tax asset involves significant judgement, as it depends on forecasts of future taxable profits, the expected utilisation of losses through group loss relief, and management's view that the post-amalgamation entity will generate sufficient profits to utilise the tax losses.

##### *Fair value of investment securities*

The determination of fair value for financial instruments for which no observable market price requires the use of valuation techniques as described in Note 2(f). For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on expected cash flows based on recent history, uncertainty of market factors and other risks affecting the specific instrument.

##### *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.

##### *Business combination under common control*

In accounting for business combination under common control during the year, judgement was applied in determining whether:

- (i) The transaction met the definition of a business combination involving business under common control i.e. that the businesses are ultimately controlled by the same parties both before and after the business combination, and that the control is not transitory.
- (ii) The retrospective or prospective approach should be adopted.
- (iii) The difference between the consideration transferred and the net assets ought to be recorded in retained earnings or a separate merger reserve.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
(Expressed in Thousands of Trinidad and Tobago dollars)

**4. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash in hand	1,235	476
Cash at bank	<u>–</u>	<u>29,633</u>
	1,235	30,109
Bank overdraft	<u>(22,497)</u>	<u>–</u>
	<u>(21,262)</u>	<u>30,109</u>

The average effective interest rate on cash and cash equivalents for the current year is 0.00% (2024:0.00%).

The Company has a secured overdraft facility of \$36 million (secured by the assignment of the equivalent amount of an HDC Fixed Rate Bond) and an unsecured overdraft facility of \$25 million with Republic Bank Limited with an interest rate of 5.5% per annum.

**5. GORTT subsidy receivable**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Subsidy on 2% and 5% graduated mortgage programmes	<u>683,392</u>	<u>543,249</u>

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

The Parent 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.

In 2025, \$75 million (2024: \$227 million) was received from the GORTT during the year to assist with the financing and the provision of affordable housing at subsidized rates of interest to citizens of Trinidad and Tobago. This subsidy also compensates the Company 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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Expressed in Thousands of Trinidad and Tobago dollars)

**5. GORTT subsidy receivable** (continued)

Subsidy on Mortgages – 2% and 5% graduated mortgage programmes (continued)

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Receivable balance at beginning of year	543,249	567,777
Less: Receipts from GORTT	<u>(75,000)</u>	<u>(227,000)</u>
	468,249	340,777
Add: Amounts released		
Interest expense	190,845	171,427
Other	<u>24,298</u>	<u>31,045</u>
	215,143	202,472
Receivable balance at end of year	<u>683,392</u>	<u>543,249</u>

**6. Debtors and prepayments**

Interest receivable on investments	1,074	1,074
IDB service fee	45	151
Staff debtors	159	156
Prepaid expenses	2,699	2,128
Other	<u>2,552</u>	<u>1,638</u>
	<u>6,529</u>	<u>5,147</u>

**7. Dividends receivable**

Due from Home Mortgage Bank	<u>13,269</u>	<u>–</u>
	<u>13,269</u>	<u>–</u>

**8. Investment in subsidiary**

On January 17, 2024 HMB repurchased the 16,000,000 Ordinary shares held by NIBTT and TTMB (formerly TTMF) subscribed for and was allotted 16,000,000 Ordinary shares in HMB for a purchase consideration of \$1.1 billion. TTMB became the 100% shareholder of HMB.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
(Expressed in Thousands of Trinidad and Tobago dollars)

<b>9. Investment securities</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Securities at amortised cost:		
State-owned Company Securities	<u>75,690</u>	<u>75,742</u>

The average effective interest rate on the investment securities for the current year is: 5.47% (2024: 5.47%). As at the year end, the fair value of investment securities classified as amortised cost amounted to \$77.5 million (2024: \$77.8 million).

<b>10. Loans and advances</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Stage 1	4,306,163	4,235,578
Stage 2	157,880	160,400
Stage 3	<u>334,589</u>	<u>313,198</u>
	4,798,632	4,709,176
Less: Unearned loan fees	(20,561)	(21,174)
Add: Recoveries cost	18,735	16,474
Less: Net prepaid interest	<u>(4,164)</u>	<u>(230)</u>
	4,792,642	4,704,246
Less: Allowances for ECL	<u>(53,373)</u>	<u>(50,738)</u>
Net loans and advance	<u>4,739,269</u>	<u>4,653,508</u>
Reconciliation of expected credit losses on mortgage loans:		
Balance at January 1	50,738	49,734
Charge for the year	1,454	2,192
Write back/(write off) for the year	<u>1,181</u>	<u>(1,188)</u>
Balance at December 31	<u>53,373</u>	<u>50,738</u>

The average effective interest rate on the loans and advances portfolio for the current year is 4.56% (2024: 4.51%). As at the year end, the fair value of loans and advances amounted to \$5.1 billion (2024: \$4.9 billion).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Expressed in Thousands of Trinidad and Tobago dollars)

**11. Property and equipment**

**2025**

	Land & buildings	Motor & vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	2025	2024
<b>Cost</b>								
At beginning of the year	56,817	1,448	2,809	17,971	366	841	80,252	78,773
Additions/reclassification	–	319	1,225	3,639	–	(737)	4,446	5,054
Disposals	(60)	(507)	(725)	(1,128)	–	–	(2,420)	(3,575)
At end of year	<u>56,757</u>	<u>1,260</u>	<u>3,309</u>	<u>20,482</u>	<u>366</u>	<u>104</u>	<u>82,278</u>	<u>80,252</u>
<b>Accumulated depreciation</b>								
At beginning of the year	21,132	570	1,292	8,355	–	–	31,349	28,868
Depreciation charge	965	319	399	4,381	–	–	6,064	5,831
Depreciation on disposals	(61)	(179)	(597)	(1,125)	–	–	(1,962)	(3,350)
At end of year	<u>22,036</u>	<u>710</u>	<u>1,094</u>	<u>11,611</u>	<u>–</u>	<u>–</u>	<u>35,451</u>	<u>31,349</u>
Net book value	<u>34,721</u>	<u>550</u>	<u>2,215</u>	<u>8,871</u>	<u>366</u>	<u>104</u>	<u>46,827</u>	<u>48,903</u>

**2024**

	Land & buildings	Motor & vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	2024	2023
<b>Cost</b>								
At beginning of the year	55,026	1,127	3,028	16,614	366	2,612	78,773	75,170
Additions/reclassification	2,123	321	820	3,561	–	(1,771)	5,054	8,509
Disposals	(332)	–	(1,039)	(2,204)	–	–	(3,575)	(4,906)
At end of year	<u>56,817</u>	<u>1,448</u>	<u>2,809</u>	<u>17,971</u>	<u>366</u>	<u>841</u>	<u>80,252</u>	<u>78,773</u>
<b>Accumulated depreciation</b>								
At beginning of the year	20,359	209	1,907	6,393	–	–	28,868	28,250
Depreciation charge	965	361	400	4,105	–	–	5,831	5,346
Depreciation on disposals	(192)	–	(1,015)	(2,143)	–	–	(3,350)	(4,728)
At end of year	<u>21,132</u>	<u>570</u>	<u>1,292</u>	<u>8,355</u>	<u>–</u>	<u>–</u>	<u>31,349</u>	<u>28,868</u>
Net book value	<u>35,685</u>	<u>878</u>	<u>1,517</u>	<u>9,616</u>	<u>366</u>	<u>841</u>	<u>48,903</u>	<u>49,905</u>

## 12. 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 December 31, 2025 (2024: 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 \$'000	Office equipment \$'000	Total \$'000
<b>Right-of-use assets</b>			
Balance at January 1, 2025	757	916	1,673
Additions	2,447	–	2,447
Depreciation	<u>(1,143)</u>	<u>(347)</u>	<u>(1,490)</u>
Balance at December 31, 2025	<u>2,061</u>	<u>569</u>	<u>2,630</u>
<b>Leased liabilities</b>			
Balance at January 1, 2025	1,045	712	1,757
Additions	2,447	–	2,447
Interest expense	109	28	137
Principal payments	<u>(1,271)</u>	<u>(375)</u>	<u>(1,646)</u>
Balance at December 31, 2025	<u>2,330</u>	<u>365</u>	<u>2,695</u>
<b>Right-of-use assets</b>			
Balance at January 1, 2024	194	327	521
Additions	1,234	1,042	2,276
Depreciation	<u>(671)</u>	<u>(453)</u>	<u>(1,124)</u>
Balance at December 31, 2024	<u>757</u>	<u>916</u>	<u>1,673</u>
<b>Leased liabilities</b>			
Balance at January 1, 2024	250	347	597
Additions	1,234	1,042	2,276
Interest expense	44	46	90
Principal payments	<u>(483)</u>	<u>(723)</u>	<u>(1,206)</u>
Balance at December 31, 2024	<u>1,045</u>	<u>712</u>	<u>1,757</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Expressed in Thousands of Trinidad and Tobago dollars)

**12. Leases** (continued)

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
The following are the amounts recognised in the statement of comprehensive income:		
Depreciation expense for right-of-use assets	1,490	1,124
Interest expense on lease liabilities	137	90
Expense relating to short-term leases	<u>257</u>	<u>733</u>
Total amount recognised in statement of comprehensive income	<u>1,884</u>	<u>1,947</u>

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

**13. Deferred tax asset and liability**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Taxation losses	168,032	161,243
Loan fees	6,168	6,352
Pension liability	11,238	8,850
Leases	<u>20</u>	<u>25</u>
<b>Total deferred tax asset</b>	<u>185,458</u>	<u>176,470</u>
Property and equipment	<u>(1,129)</u>	<u>(1,558)</u>
<b>Total deferred tax liability</b>	<u>(1,129)</u>	<u>(1,558)</u>
<b>Net deferred tax asset</b>	<u>184,329</u>	<u>174,912</u>

	<b>(Charge)/credit</b>			
	<b>Income</b>			
	<b>2024</b>	<b>Income</b>	<b>OCI</b>	<b>2025</b>
	<b>\$'000</b>	<b>Statement</b>	<b>\$'000</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>	
Taxation losses	161,243	6,789	–	168,032
Loan fees	6,352	(184)	–	6,168
Pension liability	8,850	78	2,310	11,238
Leases	25	(5)	–	20
Property and equipment	<u>(1,558)</u>	<u>429</u>	<u>–</u>	<u>(1,129)</u>
	<u>174,912</u>	<u>7,107</u>	<u>2,310</u>	<u>184,329</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
(Expressed in Thousands of Trinidad and Tobago dollars)

**13. Deferred tax asset and liability** (continued)

	<b>2023</b>	<b>(Charge)/credit</b>		<b>2024</b>
		<b>Income Statement</b>	<b>OCI</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Taxation losses	155,640	5,603	–	161,243
Loan fees	6,418	(66)	–	6,352
Pension liability	7,571	55	1,224	8,850
Leases	23	2	–	25
Property and equipment	<u>(2,141)</u>	<u>583</u>	<u>–</u>	<u>(1,558)</u>
	<u>167,511</u>	<u>6,177</u>	<u>1,224</u>	<u>174,912</u>

In Trinidad and Tobago, the Company has tax losses of \$539 million (2024: \$517 million) available for set off against future taxable profits. These losses do not expire. Tax returns are subject to audit by the Board of Inland Revenue (“BIR”) within six years of being filed with the BIR. These losses are subject to agreement with the respective tax authorities.

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 merger of TTMB and HMB. Such restructuring will allow for the further use of accumulated income tax losses against future taxable profits in the short to medium term.

**14. Prepayments by mortgagors**

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Escrows	79,447	74,301
Insurance	24,725	26,702
Other	<u>2,264</u>	<u>1,500</u>
	<u>106,436</u>	<u>102,503</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Expressed in Thousands of Trinidad and Tobago dollars)

**15. Sundry creditors and accruals**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts payable to HMB	8,803	13,399
Provision for staff costs	39,907	35,365
Advance – beneficiary owned land subsidy	2,826	2,826
Mortgage clearing accounts	13,699	24,465
Other	<u>15,921</u>	<u>16,507</u>
	<u>81,156</u>	<u>92,562</u>

**16. Short-term debt**

As at December 31, 2025, the outstanding balance represented:

- \* Commercial Paper. Borrowings on this facility shall be repayable by a single bullet payment on maturity. Early repayment is permissible with relevant notice.
- \*\* Syndicated Loans. Borrowings on these facilities shall be payable by a single bullet payment at maturity. Early payment is permissible with relevant notice.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Commercial paper *	265,000	265,000
Syndicated loans **	153,313	253,313
Revolving credit facilities	–	123,000
Promissory notes	<u>410,000</u>	<u>315,000</u>
	828,313	956,313
Unamortised transaction costs	<u>(134)</u>	<u>(242)</u>
	<u>828,179</u>	<u>956,071</u>

Debt amounting to \$153 million (2024: \$376 million) is fully secured by the Company's mortgage assets, whilst debt amounting to \$675 million (2024: \$580 million) is unsecured.

The average effective interest rate on short-term debt for the current year is 5.70% (2024: 4.88%).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
(Expressed in Thousands of Trinidad and Tobago dollars)

**17. Long-term debt**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Bonds:		
Taxable	1,397,989	1,421,760
Syndicated Loans	903,639	673,639
Revolving Warehousing Facility	<u>550,000</u>	<u>550,000</u>
	2,851,628	2,645,399
Less: unamortised transaction cost	<u>(5,665)</u>	<u>(9,834)</u>
Total long-term debt	<u><u>2,845,963</u></u>	<u><u>2,635,565</u></u>

Debt amounting to \$2.6 billion (2024: \$2.5 billion) is fully secured by the Company's mortgage assets, whilst debt amounting to \$ 280 million (2024: \$100 million) is unsecured.

The average effective interest rate on long-term debt for the current year is 5.39% (2024: 4.62%). As at the year end, the fair value of long-term debt amounted to \$2.9 billion (2024: \$2.6 billion).

The repayment terms vary and the maturity profile has been disclosed in Note 30: Liquidity Risk and fixed and floating rate bonds and debentures in Note 30: Interest Rate Risk.

**18. Pension and other post-employment benefits**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
a) Amounts recognised in the statement of financial position:		
Defined benefit obligation	130,565	122,129
Fair value of plan assets	<u>(93,105)</u>	<u>(92,630)</u>
Net defined benefit liability	<u><u>37,460</u></u>	<u><u>29,499</u></u>
b) Amounts recognised in statement of comprehensive income:		
Current service cost	5,513	5,407
Interest costs	1,865	1,595
Administrative expenses	<u>40</u>	<u>160</u>
Net benefit cost	<u><u>7,418</u></u>	<u><u>7,162</u></u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Expressed in Thousands of Trinidad and Tobago dollars)

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
c) Amounts recognised in other comprehensive income:		
Experience loss – demographic	4,917	1,427
Experience loss – financial	<u>2,782</u>	<u>2,653</u>
	<u>7,699</u>	<u>4,080</u>
d) Actual return on plan assets	<u>3,153</u>	<u>3,179</u>
e) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	122,129	115,239
Current service cost	5,513	5,407
Interest costs	7,799	7,427
Members' contributions	1,793	1,739
Actuarial losses	4,917	1,426
Benefits paid	<u>(11,586)</u>	<u>(9,109)</u>
Closing defined benefit obligation	<u>130,565</u>	<u>122,129</u>
f) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	92,630	90,004
Expected return	5,934	5,832
Employer contributions	7,156	6,977
Members' contributions	1,792	1,739
Actuarial loss on plan assets	(2,781)	(2,653)
Administrative expenses	(40)	(160)
Benefits paid	<u>(11,586)</u>	<u>(9,109)</u>
Closing fair value of plan assets	<u>93,105</u>	<u>92,630</u>
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	6.50%	6.50%
Salary increases	4.50%	4.50%

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
(Expressed in Thousands of Trinidad and Tobago dollars)

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

- h) The Company is expected to contribute \$20.83 million (2024: \$19.95 million) to its defined benefit plan in 2026.
- i) Sensitivity of present value of defined benefit obligation

	<b>1% increase</b>	<b>1% decrease</b>
Discount rate	(21,456)	27,930
Salary growth	12,314	(10,769)

The weighted average duration of the defined benefit obligations is 21 years (2024: 19 years).

**19. Stated capital**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Authorised:		
Unlimited number of Class A and B ordinary shares of no-par value		
Issued and fully paid:		
2,585,000 Class A shares of no-par value	12,408	12,408
2,369,583 Class B Shares of no-par value	<u>1,100,000</u>	<u>1,100,000</u>
	<u>1,112,408</u>	<u>1,112,408</u>

**20. Net interest expense calculated using the effective interest method**

Gross interest expense	190,845	171,427
Less: Government subsidy 2% and 5% mortgage programmes	<u>(173,631)</u>	<u>(162,710)</u>
Net interest expense	<u>17,214</u>	<u>8,717</u>

**21. Investment income calculated using the effective interest method**

Amortization of discount and premium on amortised cost and fair value investment securities	(52)	(49)
Interest on investment securities	<u>4,161</u>	<u>4,161</u>
	<u>4,109</u>	<u>4,112</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Expressed in Thousands of Trinidad and Tobago dollars)

**22. Other income**

IADB income	92	98
Home Mortgage Bank service fees	6,053	7,176
Government assisted programme – administration fees	45,197	40,549
Dividend Income	13,269	25,070
Other	131	733
	<u>64,742</u>	<u>73,626</u>

**23. Administration expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Staff costs (Note 24)	62,807	61,502
Depreciation and amortisation	7,554	6,955
Legal and professional fees	3,003	6,319
Audit fees	800	716
Advertising and public relations	3,262	9,282
Bank interest and charges	929	1,309
Bond issue costs	6,175	7,332
Other	<u>12,881</u>	<u>12,545</u>
	<u>97,411</u>	<u>105,960</u>

**24. Staff costs**

Wages, salaries and other benefits	51,792	50,694
National insurance	2,529	2,451
Pension costs and other benefits	<u>8,486</u>	<u>8,357</u>
	<u>62,807</u>	<u>61,502</u>

**25. Taxation**

**a) Components of tax (charge)/credit**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred tax (Note 13)	7,107	6,177
Current tax – current year	(577)	(587)
Green fund levy	(1,237)	(1,234)
Prior year under accrual	<u>–</u>	<u>(44)</u>
	<u>5,293</u>	<u>4,312</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
(Expressed in Thousands of Trinidad and Tobago dollars)

**25. Taxation** (continued)

**b) Reconciliation of accounting to tax profit:**

Net income before taxation	159,082	164,163
Income taxes calculated at statutory rate – 30%	(47,725)	(49,249)
Green fund levy	(1,237)	(1,233)
Prior year payment	–	(44)
Net expenses not allowable for tax	(968)	(2,113)
Tax exempt income	55,223	56,951
	<u>5,293</u>	<u>4,312</u>

**26. Mortgage commitments**

At December 31, 2025, the Company had outstanding commitments totalling: \$148.2 million (2024: \$137.7 million), to intending mortgagors.

**27. Related party transactions**

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

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

**27. Related party transactions**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Loans, Investments and Other Assets</b>		
Key management personnel (including directors)	7,227	5,746
<b>Borrowings and other liabilities</b>		
<b>The National Insurance Board of Trinidad &amp; Tobago</b>		
Interest payable on debt	2,128	2,367
Long term debt	125,649	130,000
Short term debt	–	100,000
	<u>127, 777</u>	<u>232,367</u>

**27. Related party transactions** (continued)

**Home Mortgage Bank**

Long-term debt	–	70,000
Short-term debt	410,000	315,000
Interest payable on debt	5,380	4,279
Other liabilities	<u>8,803</u>	<u>13,399</u>
	<u>424,183</u>	<u>402,678</u>

**Interest and other income**

Key management personnel	298	227
--------------------------	-----	-----

**Borrowings interest and other expense**

The National Insurance Board of Trinidad and Tobago	8,097	13,093
Home Mortgage Bank	<u>17,224</u>	<u>7,770</u>
	<u>25,321</u>	<u>20,863</u>

**Key management compensation**

Short-term salaries and benefits	2,066	3,631
Post-employment benefits	287	262
Directors' remuneration	<u>382</u>	<u>416</u>
	<u>2,735</u>	<u>4,309</u>

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 separate financial statements.

**28. Contingent liabilities – litigation**

As at December 31, 2025, 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 \$369 million (2024: increase of \$924 million) to \$5.7 billion (2024: \$5.3 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.

The Company does not have any externally imposed capital requirements to which it is subject.

## **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 the overall risk management approach, approving the risk strategies and principles and identifying and controlling risks. However, there are separate independent bodies responsible for managing and monitoring risks.

### **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.

**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 counterparties 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 statements 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:

<b>Details</b>	<b>Maximum exposure</b>	
	<b>2025</b> <b>\$'000</b>	<b>2024</b> <b>\$'000</b>
<b>Financial assets</b>		
Loans and advances	4,798,632	4,709,176
Investment securities	75,690	75,742
Other receivables	684,466	544,323
Cash at bank and cash equivalents	–	30,109
<b>Total gross financial assets</b>	<b>5,558,788</b>	<b>5,359,350</b>
Mortgage commitments (Note 26)	<u>148,149</u>	<u>137,726</u>
<b>Total credit risk exposure</b>	<b><u>5,706,937</u></b>	<b><u>5,497,076</u></b>

**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.

### **30. Risk management** (continued)

#### **Credit risk** (continued)

##### **Risk limit control and mitigation policies** (continued)

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.

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. Concentration indicates 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.

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

**30. Risk management** (continued)

**Credit risk** (continued)

**Risk limit control and mitigation policies** (continued)

**(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 (“HDC”).

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.

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

**30. Risk management** (continued)

**Credit risk** (continued)

**Concentration of risks of financial assets with credit risk exposure by location**

**Details**

	2024 \$'000	%	2024 \$'000	%
<b>Loans and advances</b>				
Arima Borough Council	746,193	13.42	714,592	13.33
Chaguanas Borough Council	977,598	17.59	920,244	17.17
Couva/Tabaquite/Talparo Reg.	384,457	6.92	386,313	7.21
D/Martin Regional Corporation	157,488	2.83	169,610	3.17
Laventille/San Juan Regional Corporation	282,481	5.08	268,169	5.00
Mayaro/Rio Claro Regional Corporation	24,065	0.43	21,421	0.40
POS City Council	151,263	2.72	152,728	2.85
Penal/Debe Regional Corporation	65,428	1.18	65,841	1.23
Point Fortin Borough Council	44,993	0.81	46,136	0.86
Princess Town Regional Corporation	235,126	4.23	239,125	4.46
San Fernando City Council	681,407	12.26	655,838	12.24
Sangre Grande Regional Corporation	140,539	2.53	145,732	2.72
Scarborough	5,325	0.10	6,547	0.12
Siparia Regional Corporation	58,387	1.05	59,630	1.11
Tobago East	47,703	0.86	50,252	0.94
Tobago West	98,835	1.78	92,035	1.72
Tunapuna/Piarco Regional Corporation	697,344	12.54	714,963	13.34
<b>Total Loans and advances</b>	4,798,632	86.33	4,709,176	87.87
<b>Other financial assets</b>	760,156	13.67	650,174	12.13
<b>Total</b>	5,558,788	100.00	5,359,350	100.00

**Credit quality per class of financial assets**

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

- Loans and advances
- Investment securities
- Cash and cash equivalents

**30. Risk management** (continued)

**Credit risk** (continued)

**Credit quality per class of financial assets**

2025	STAGE 1	STAGE 2	STAGE 3	TOTAL
<b>Loans and advances</b>				
Residential Loans				
Gross balance (\$'000)	4,297,536	158,236	336,870	4,792,642
Allowances for ECL (\$'000)	<u>(10,779)</u>	<u>(8,396)</u>	<u>(34,198)</u>	<u>(53,373)</u>
<b>Net loans and advances (\$'000)</b>	<u>4,286,757</u>	<u>149,840</u>	<u>302,672</u>	<u>4,739,269</u>
ECL to gross loans and advances (%)	0.3%	5.3%	10.2%	1.1%

2024	STAGE 1	STAGE 2	STAGE 3	TOTAL
<b>Residential Loans</b>				
Gross balance (\$'000)	4,227,665	161,047	315,534	4,704,246
Allowances for ECL (\$'000)	<u>(10,583)</u>	<u>(9,524)</u>	<u>(30,631)</u>	<u>(50,738)</u>
<b>Net loans and advances (\$'000)</b>	<u>4,217,082</u>	<u>151,523</u>	<u>284,903</u>	<u>4,653,508</u>
ECL to gross loans and advances (%)	0.2%	5.9%	9.7%	1.1%

**Investment securities at amortised cost  
 (Stage 1)**

	2025 \$'000	2024 \$'000
Gross balance	75,690	75,742
ECL	<u>—</u>	<u>—</u>
Net balance	<u>75,690</u>	<u>75,742</u>

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

- As at December 31, 2025, loans and advances which represent the largest portion of the Company's financial assets: 86% (2024: 88%) are backed by collateral.
- 4% (2024: 4%) of the loans and advances portfolio is impaired. The fair value of collateral supporting these impaired loans and advances 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.

**30. Risk management** (continued)

**Credit risk** (continued)

**Credit quality per class of financial assets** (continued)

**Loans and advances – individually impaired**

The individually impaired loans and advances to customers before taking into consideration the cash flows from collateral held is \$193 million (2024: \$179.0 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:

<b>Loans and advances – individually impaired</b>	<b>2025</b> <b>\$'000</b>	<b>2024</b> <b>\$'000</b>
Total	<u>192,801</u>	<u>178,991</u>
Fair value of collateral (before factoring in time to sell)	<u>213,099</u>	<u>199,389</u>

**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 December 31, 2025 is \$53.8 million (2024: \$51.1 million).

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

**Investment securities**

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

<b>Investment securities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>2025</b>				
Amortised cost (\$'000)	75,690	–	–	75,690
%	100%	–	100%	
<b>2024</b>				
Amortised cost (\$'000)	75,742	–	–	75,742
%	100%	–	–	100%

**Cash and cash equivalents**

The Company's cash and cash equivalents are held with reputable financial instruments with no history of default.

### 30. Risk management (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. There were no changes to the policies and procedures for managing market risk when compared to last year.

#### 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 69% (2024: 70%) 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% (2024: 1%) of the Company's total assets. These are amortised cost financial assets comprising of fixed rate bonds.

#### ii. Financial liabilities

Long-term debt and short-term debt accounts for 91% (2024: 91%) of the Company's financial liabilities. This is made up of fixed and floating bonds and debentures as follows:

	2024 \$'000	%	2024 \$'000	%
Short-term debt				
Fixed	828,313	23	833,313	23
Floating	–		123,000	3
Long-term debt				
Fixed	1,776,628	48	2,645,399	74
Floating	1,075,000	29	–	–
Total debt	<u>3,679,941</u>	<u>100</u>	<u>3,601,712</u>	<u>100</u>

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 reporting date.

**30. Risk management** (continued)

**Interest rate risk** (continued)

**iii. Sensitivity analysis**

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Company's separated and 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
	\$'000	\$'000
December 31, 2025		
Profit before tax	1,591	(1,591)
Tax impact – 30%	<u>(477)</u>	<u>477</u>
Profit after tax	<u>1,114</u>	<u>(1,114)</u>
December 31, 2024		
Profit before tax	1,642	(1,642)
Tax impact – 30%	<u>(493)</u>	<u>493</u>
Profit after tax	<u>1,149</u>	<u>(1,149)</u>

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.

### 30. Risk management (continued)

#### Liquidity risk management process (continued)

There were no changes to the policies and procedures for managing liquidity risk when compared to last year.

The table below summarises the maturity profile of the Company's financial liabilities at December 31 based on contractual undiscounted cash flow repayment obligations. These balances include principal and interest cash flows over the remaining term to maturity and therefore would differ from the carrying amounts in the separate statement of financial position.

	Up to 1 year \$'000	One to five years \$'000	Over 5 years \$'000	Total \$'000
<b>2025</b>				
<b>Liabilities</b>				
Interest payable on debt	172,604	163,362	–	335,966
Sundry creditors and accruals	81,156	–	–	81,156
Short-term debt	828,179	–	–	828,179
Long-term debt	<u>766,504</u>	<u>2,079,459</u>	<u>–</u>	<u>2,845,963</u>
<b>Total undiscounted financial liabilities</b>	<u>1,848,443</u>	<u>2,242,821</u>	<u>–</u>	<u>4,091,264</u>
<b>2024</b>				
<b>Liabilities</b>				
Interest payable on debt	152,675	93,003	–	245,678
Sundry creditors and accruals	92,562	–	–	92,562
Short-term debt	956,071	–	–	956,071
Long-term debt	<u>1,215,801</u>	<u>1,419,764</u>	<u>–</u>	<u>2,635,565</u>
<b>Total undiscounted financial liabilities</b>	<u>2,417,109</u>	<u>1,512,767</u>	<u>–</u>	<u>3,929,876</u>

#### 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 statements of financial position date and separately discloses information where the fair values are different from the carrying values. As at December 31, 2025, carrying values approximated their fair values for all classes of financial instruments as follows:

### **30. Risk management** (continued)

#### **Fair value of financial assets and liabilities** (continued)

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, dividends receivable and payable, GORTT subsidy receivable 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 rate long-term debt approximate their fair values as market rates are comparable with the instruments' actual interest rates.

The Company's assets are all classified as Level 2 and 3. 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. Level 3 assets are measured using the basis described in Note 34 (b).

For the year ended December 31, 2025 there were no transfers of assets among any level (2024: 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 shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled, See Note 30 – ‘Risk management: Liquidity risk management process’ for an analysis of the financial liabilities based on contractual undiscounted repayment obligations.

2025	Up to 1 year \$'000	Over 1 year \$'000	Total \$'000
<b>Assets</b>			
Cash and cash equivalent	1,235	–	1,235
GORTT subsidy receivable	175,000	508,392	683,392
Debtors and prepayments	6,529	–	6,529
Investment securities	50,000	25,690	75,690
Dividends receivables	13,269	–	13,269
Investment in subsidiary	–	1,100,000	1,100,000
Loans and advances	338,985	4,400,284	4,739,269
Property and equipment	5,806	41,021	46,827
Right-of-use assets	1,091	1,539	2,630
Deferred tax asset	–	185,458	185,458
<b>Total assets</b>	<u>591,915</u>	<u>6,262,384</u>	<u>6,854,299</u>
<b>Liabilities</b>			
Overdraft	22,497	–	22,497
Dividends payable	56,569	–	56,569
Prepayments by mortgagors	106,436	–	106,436
Amount due to HDC	859	–	859
Sundry creditors and accruals	81,156	–	81,156
Short-term debt	828,179	–	828,179
Interest payable on debt	38,754	–	38,754
Long-term debt	766,638	2,079,325	2,845,963
Lease liabilities	1,098	1,597	2,695
Deferred tax liability	–	1,129	1,129
Pension plan liability	–	37,460	37,460
<b>Total liabilities</b>	<u>1,902,186</u>	<u>2,119,511</u>	<u>4,021,697</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Expressed in Thousands of Trinidad and Tobago dollars)

**31. Maturity analysis of assets and liabilities** (continued)

2024	Up to 1 year \$'000	Over 1 year \$'000	Total \$'000
<b>Assets</b>			
Cash and cash equivalent	30,109	–	30,109
GORTT subsidy receivable	151,000	392,249	543,249
Debtors and prepayments	5,147	–	5,147
Investment securities	–	75,742	75,742
Investment in subsidiary	–	1,100,000	1,100,000
Loans and advances	327,890	4,325,618	4,653,508
Property and equipment	–	48,903	48,903
Right-of-use assets	1,137	536	1,673
Deferred tax asset	–	176,470	176,470
<b>Total assets</b>	<u>515,283</u>	<u>6,119,518</u>	<u>6,634,801</u>
<b>Liabilities</b>			
Dividends payable	109,867	–	109,867
Prepayments by mortgagors	102,503	–	102,503
Amount due to HDC	872	–	872
Sundry creditors and accruals	92,562	–	92,562
Short-term debt	956,071	–	956,071
Interest payable on debt	30,931	–	30,931
Long-term debt	1,215,801	1,419,764	2,635,565
Lease liabilities	1,124	633	1,757
Deferred tax liability	–	1,558	1,558
Pension plan liability	–	29,499	29,499
<b>Total liabilities</b>	<u>2,509,731</u>	<u>1,451,454</u>	<u>3,961,185</u>

**32. Dividends payable**

	2025 \$'000	2024 \$'000
Dividends payable are analysed as follows:		
Final dividend 2024 – \$11.42 per share	56,569	56,569
Final dividend 2023 – \$20.62 per share	–	53,298
	56,569	109,867

### 33. Additional cash flow information

#### Changes in liabilities arising from financing activities –

2025	Short term debt	Long term debt	Lease liability	Total
Opening balances	956,071	2,635,565	1,757	3,593,393
Cash flow items:				
New lease obligations (corresponding entry in right-of use assets)	–	–	2,448	2,448
Proceeds from debt	923,313	1,428,000	–	2,351,313
Repayment on debt	(1,051,313)	(1,221,771)	–	(2,273,084)
Lease principal repayments	–	–	(1,510)	(1,510)
Unamortised transaction costs – decrease	108	4,169	–	4,277
Closing balance	828,179	2,845,963	2,695	3,676,837
<b>2024</b>	<b>Short term debt</b>	<b>Long term debt</b>	<b>Lease liability</b>	<b>Total</b>
Opening balances	691,689	2,920,365	597	3,612,651
Cash flow items:				
New lease obligations (corresponding entry in right-of use assets)	–	–	2,276	2,276
Proceeds from debt	939,713	93,365	–	1,033,078
Repayment on debt	(676,213)	(384,658)	–	(1,060,871)
Lease principal repayments	–	–	(1,116)	(1,116)
Unamortised transaction costs – decrease	882	6,493	–	7,375
Closing balance	956,071	2,635,565	1,757	3,593,393

### 34. Fair value of financial instruments

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

#### (a) Valuation models

The Company measures fair values using the following fair value hierarchy:

**Level 1:** financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, Company, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**Level 2:** financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where fair values based on broker quotes and assets that are valued based using its own models whereby the majority of assumptions are market observable.

**34. Fair value of financial instruments** (continued)

**(a) Valuation models** (continued)

**Level 3:** This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other inputs used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

**(b) Financial instruments measured at fair value**

	<u>Level</u> <u>\$,000</u>	<u>Level</u> <u>\$,000</u>	<u>Level</u> <u>\$,000</u>	<u>Fair</u> <u>value</u> <u>\$,000</u>	<u>Carrying</u> <u>amount</u> <u>\$,000</u>
<b>As at December 31, 2025</b>					
<b>Financial Assets</b>					
State-owned and government securities	–	75,690	–	75,690	75,690
Loans and advances to customers	<u>–</u>	<u>–</u>	<u>5,050,697</u>	<u>5,050,697</u>	<u>4,739,269</u>
Total	<u>–</u>	<u>75,690</u>	<u>5,050,697</u>	<u>5,126,387</u>	<u>4,814,959</u>
<b>Financial Liabilities</b>					
Short-term debt	–	828,179	–	828,179	828,179
Long-term debt	<u>–</u>	<u>2,845,963</u>	<u>–</u>	<u>2,845,963</u>	<u>2,845,963</u>
	<u>–</u>	<u>3,674,142</u>	<u>–</u>	<u>3,674,142</u>	<u>3,674,142</u>

34. Fair value of financial instruments (continued)

(b) Financial instruments measured at fair value (continued)

Where available, the fair value of loans and advances to customers and investments are based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes interest rates and prepayment rates. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral. Input into the models may include information obtained from other market participants, which includes observed primary and secondary transactions.

The fair value of debt securities is estimated using discounted cash flow techniques, applying the rates and maturities that are offered for the debt securities.

	Level \$,000	Level \$,000	Level \$,000	Fair value \$,000	Carrying amount \$,000
<b>As at December 31, 2024</b>					
<b>Financial Assets</b>					
State-owned and government securities	–	75,742	–	75,742	75,742
Loans and advances to customers	<u>–</u>	<u>–</u>	<u>4,949,097</u>	<u>4,949,097</u>	<u>4,653,508</u>
Total	<u>–</u>	<u>75,742</u>	<u>4,949,097</u>	<u>5,024,839</u>	<u>4,729,250</u>
<b>Financial Liabilities</b>					
Short-term debt	–	956,071	–	956,071	956,071
Long-term debt	<u>–</u>	<u>2,635,565</u>	<u>–</u>	<u>2,635,565</u>	<u>2,635,565</u>
	<u>–</u>	<u>3,591,636</u>	<u>–</u>	<u>3,591,636</u>	<u>3,591,636</u>

35. Events after the reporting date

There are no events after the reporting date that require adjustment to or disclosure in these separate financial statements.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(Expressed in Thousands of Trinidad and Tobago dollars)

---



**ttmb**  
TRINIDAD & TOBAGO MORTGAGE BANK

**HEAD OFFICE**

Albion Court, #61 Dundonald Street  
P.O. Box 1096, Port of Spain  
Tel No: (868) 624-HOME (4663)  
Fax: (868) 624-3262  
Website: [www.ttmortgagebank.com](http://www.ttmortgagebank.com)  
Email: [info@ttmortgagebank.com](mailto:info@ttmortgagebank.com)

