

WE OWN OUR FUTURE



ttmb
TRINIDAD & TOBAGO MORTGAGE BANK

ANNUAL REPORT 2024

CORPORATE INFORMATION

OUR VISION

To be the premier financial services provider of diverse and innovative property finance and investment products that empower our customers to achieve their wealth creation goals.

OUR MISSION

To give our customers the opportunity to build wealth through our line of premier mortgages, investments and commercial product offerings – with a customer centric approach, and dedication to success.

OUR CORE VALUES

Inclusive

We foster an environment where everyone feels valued and respected, ensuring our services are accessible to all communities and our workplace is welcoming for all employees. Diversity and inclusion drive our collective success and innovation.

Care

We prioritize the needs of our clients and employees, offering personalized support and guidance throughout

their financial and professional journeys. Our commitment to empathy and understanding builds lasting relationships and a supportive work culture.

Innovative

We embrace cutting-edge technologies and creative solutions to provide efficient and forward-thinking mortgage products and work processes. Innovation propels us to stay ahead in a dynamic financial landscape and to continuously improve our workplace.

Excellence

We strive for the highest standards in everything we do, delivering exceptional service and results for our clients and fostering professional growth and achievement for our employees. Excellence is the hallmark of our operations and workplace culture.

Trust

We build trust through transparency, integrity, and reliability in all our dealings, both with clients and within our team. Our clients and employees can count on us for honest advice, secure financial solutions, and a trustworthy work environment.

CORPORATE OFFICE

HEAD OFFICE

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Website: www.ttmortgagebank.com

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Port of Spain
Trinidad W.I.

CORPORATE ATTORNEYS

ASHMEAD ALI & COMPANY

36 Edward Street
Port of Spain
Trinidad W.I.

M.G. DALY & PARTNERS

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Trinidad W.I.

AUDITORS

EY TRINIDAD & TOBAGO

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

BOARD OF DIRECTORS

CHAIRMAN

Patrick A. Ferreira

DEPUTY CHAIRMAN

Jennifer Lutchman

DIRECTORS

Muriel Alfred-James
Anthony Campbell
Robin Lewis
Gregory Marchan
Richard Roper

CORPORATE SECRETARY (Ag.)

Danielle Campbell

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CHAIRMAN'S REPORT



“ *TTMB is levelling the playing field, allowing more citizens to invest in their futures. The benefits of this merger extend beyond financial gains, enhancing the social and economic well-being of communities across Trinidad and Tobago.* ”

Patrick A. Ferreira
Chairman

It is with pride that I present the inaugural Chairman's Report for Trinidad and Tobago Mortgage Bank Limited (TTMB), following its successful merger with Home Mortgage Bank (HMB) in March 2024. Over the past year, TTMB has demonstrated unwavering resilience and impressive financial performance, marking a significant milestone in our journey of fostering homeownership, creating generational wealth, and enhancing socio-economic inclusivity across Trinidad and Tobago.

This strategic alliance has allowed us to capitalize on our combined strengths and effectively fulfill our core mission. Our primary mandate is to offer affordable financing solutions to the citizens of Trinidad and Tobago, along with providing mortgage-backed investment products and project financing for both public and private residential developments. This approach not only enhances value creation for our customers but also generates substantial returns for our shareholders.

TTMB and its wholly owned subsidiary have achieved robust financial results for the fiscal year ending December 31, 2024. The Parent Company's assets expanded by an impressive 23.48%, reaching \$6,635 million, while the Group's total assets soared by 57.14%, surpassing \$8,443 million. Profit after tax also witnessed growth, with the Parent Company recording a 19.13% rise, amounting to an increase of \$27 million, and the Group's profit after tax grew by 11.54%, equating to an additional \$16.3 million.

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

ECONOMIC AND INDUSTRY CONTEXT

TTMB achieved remarkable success amid a challenging economic environment in 2024. According to the Central Bank of Trinidad and Tobago (CBTT), the economy faced headwinds as real GDP contracted by 2.1% year-on-year (y/y) during the second quarter of 2024. This decline was driven primarily by the energy sector, which experienced a sharp decrease of 5.6% (y/y). The non-energy sector also showed a slight contraction, declining by 0.7% (y/y).

Despite these challenges, headline inflation remained minimal, recorded at 0.5% in November 2024, up from 0.2% in October. Financial system liquidity improved notably in the second half of the year, owing to the reduction in the reserve requirement from 14% to 10% of applicable deposits in July. Private sector credit grew significantly, with business loans rising by 11.8%, consumer lending increasing by 10.9%, and real estate mortgages climbing by 5.6%.

However, export earnings fell in Q2 2024 by 6.4%, attributed to softer international commodity prices and lower export volumes. Inflation dynamics also reflected mixed outcomes, as food inflation reached 2.4% in October, while core inflation recorded a marginal decline to -0.3%. The local market for foreign currency continued to face pressure, as purchases and sales of foreign exchange by authorized dealers declined over January to October compared to the previous year. Additionally, the unemployment rate rose to 4.1% in the third quarter of 2024, up from 3.2% in the same period in 2023.

CHAIRMAN'S REPORT

In response to the domestic and international economic backdrop, the Monetary Policy Committee (MPC) of CBTT decided to maintain the repo rate at 3.50%, recognizing the steady expansion of global economic activity despite heightened policy uncertainties. Key components of the domestic environment, such as low inflation, ample liquidity, and buoyant credit conditions, contributed to this decision.

HUMAN IMPACT

At its core, TTMB's mission is about more than numbers—it's about supporting families in building generational wealth. A notable achievement is the introduction of tailored solutions for aspiring homeowners, addressing barriers to ownership and empowering citizens with financial autonomy. Stories of families transitioning from rental agreements to owning their first home highlight the profound societal impact of TTMB's initiatives. By making homeownership more accessible, TTMB is levelling the playing field, allowing more citizens to invest in their futures. The benefits of this merger extend beyond financial gains, enhancing the social and economic well-being of communities across Trinidad and Tobago.

SHORT-TERM OUTLOOK

The current international economic setting is marked by significant geopolitical uncertainty, amid the threat of tariff wars significantly impacting global trade and leading to a resurgence of inflation. According to the International Monetary Fund's January 2025 World Economic Outlook Update, world growth for this year is projected to remain relatively steady at 3.3%, but with large

downside risks. The IMF's forecast of global inflation at 4.2% in 2025, compared with 5.7% in 2024, also appears optimistic given present trade tensions.

On the domestic front, the decline in oil and natural gas output, based on maturing fields, will continue to pose a challenge to overall production of energy-based exports over the short run. Meanwhile in the non-energy sector, recent indicators point to relative buoyancy in non-energy activities. Financial system liquidity is expected to remain as the Commercial banks' excess reserves at the Central Bank continue to climb.

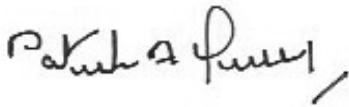
As we move into 2025, TTMB is poised to address both domestic and international economic headwinds. While global trade uncertainties and declining oil and natural gas output present challenges, TTMB remains committed to delivering accessible financing solutions, expanding its investment portfolio, and driving socio-economic progress. The focus will be on enhancing operational capabilities, innovating our product offerings, and continuing to serve as a cornerstone of the housing market.

CONCLUSION

TTMB stands at the heart of a transformative era for the mortgage market in Trinidad and Tobago. Our commitment to creating generational wealth through home acquisition is unwavering, and the merger has unlocked unparalleled opportunities for growth and impact. As we embrace the prospects of a fully integrated TTMB, we remain steadfast in delivering value to our customers, shareholders, and communities.

We remain optimistic about the outlook and are confident in TTMB's ability to achieve success in 2025 and beyond.

On behalf of the Board of Directors, I extend my gratitude to the management and staff for their unwavering dedication and commitment throughout the year. We remain steadfast in our efforts to diligently create generational wealth through real estate, contributing to the well-being of our people. Together, let's own our future!

A handwritten signature in black ink, appearing to read "Patrick A. Ferreira", with a stylized flourish at the end.

Patrick A. Ferreira
Chairman

BOARD OF DIRECTORS

PATRICK A. FERREIRA Chairman

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

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

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

JENNIFER LUTCHMAN Deputy Chairman

Jennifer Lutchman has an accumulated wealth of knowledge and experience, having worked in the public sector for over 40 years in the field of finance, accounting and auditing. She is a retired Permanent Secretary of the Ministry of Finance where she contributed to the oversight of the Ministry and of the monitoring of State Enterprises. She spent most of her career at the Auditor General's Department where she was responsible for planning and conducting financial audits. Ms. Lutchman is a Fellow of the Association of Chartered Certified Accountants (FCCA) and earned her MBA degree from the Anglia Ruskin University in the United Kingdom. She is also the Chairman of the National Investment Fund Holding Company Limited and a director on the Board of the Home Mortgage Bank and Trinidad Generation Unlimited.





MURIEL ALFRED-JAMES

Director

Ms. Muriel Alfred-James is a retired public servant who worked for over thirty-five (35) years at various levels in the Public Service, both in Trinidad and in Tobago. She possesses a wealth of knowledge and experience in public sector budgeting and held the position of Deputy Director of Budgets in the Ministry of Finance. Mrs. Alfred-James was the Deputy Chairperson of the G.A.T.E. Oversight Committee and was a Government representative on the National Insurance Board. She holds a BSc in Public Administration from the University of the West Indies and an MSc in Project Management from the University of Liverpool.

ANTHONY G. CAMPBELL

Director

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

BOARD OF DIRECTORS

GREGORY MARCHAN

Director

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

RICHARD ROPER

Director

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





ROBIN LEWIS

Director

Career Banker with over 40 years' experience in leading Retail Commercial & Electronic Banking verticals in three major multinational banks across the Caribbean. Holder of an MBA from the University of Lincoln London and a diploma in Business Management from the University of the West Indies.

Considered a SME (subject matter expert) having led diverse geographical teams in major revenue verticals such as, Retail, Commercial, Wealth Management & Electronic Banking with responsibility for portfolio growth and quality, service delivery, customer experience, channels delivery and product and portfolios development. Achieved significant milestones over the years, including several Branch of the Year Awards, top revenue generating units and Best Bank in Trinidad and Tobago for both Retail and Commercial operations for several years.

He has held membership on several subsidiary boards within the First Citizens group for several years and was recently appointed to the board of FCSSL. (First Citizens St Lucia Services limited). Served as a Director of the Board of the NIB of Trinidad and Tobago (2018-2021) holding the positions of Chair of Audit Risk & Compliance and the ICT transformation committees during his tenure and was recently re appointed in December 2023 for another term.

Previously sat as a member of the TTMA for eight consecutive years (2012 - 2019) and was instrumental in developing and launching the Manufacturer of the year awards, celebrating outstanding achievements in the manufacturing sector.

An avid golfer and sits as the current Vice President of the Trinidad & Tobago Golf Association.

MANAGEMENT DISCUSSION AND ANALYSIS



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

Brent Mc Fee

Chief Executive Officer (Ag.)

Trinidad and Tobago Mortgage Bank Limited (TTMB) has embarked on a fresh chapter under its new name since March 21, 2024, marking a significant milestone in our ongoing journey of growth and innovation. Operating with renewed vigor and a redefined identity, TTMB has maintained its trajectory of robust performance while reinforcing our commitment to excellence and service.

A pivotal aspect of our recent evolution has been the strategic acquisition of 100% of the shares of the Home Mortgage Bank (HMB), which has been seamlessly integrated as a wholly owned subsidiary. This acquisition is comprehensively reflected in our financial reporting, as we now present consolidated information that captures the performance of both the Parent company and the Group as a whole. By bringing HMB into our fold, we have not only expanded our operational capacity but also enriched our strategic outlook, ensuring that our financial disclosures provide a holistic view of our current standing and future prospects.

Harnessing the synergies between TTMB and HMB has allowed us to optimize our resources and expertise, thereby delivering enhanced value across all facets of our operations. This integrated approach has elevated our ability to serve our customers with innovative financial solutions, empowered our employees with a dynamic and supportive work environment, and provided our shareholders and stakeholders with measurable success—results that are clearly evidenced by our strong 2024 financial performance.

A review and analysis of the financial performance and achievements for TTMB for the fiscal year ended December 31, 2024, is presented below.

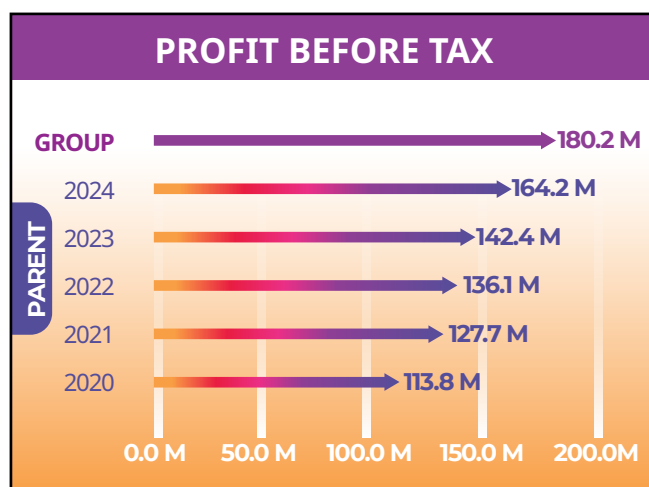
FINANCIAL PERFORMANCE

Profit before Tax

2024 was another year of strong performance for TTMB. I am pleased to report that for fiscal 2024, TTMB (Parent) achieved growth in assets of 23.5% to \$6.6B and profit before tax of \$164.2M, up from \$142.4M in 2023, an increase of 15.3% and TTMB (Group) achieved growth in assets of 57.2% to \$8.4B and profit before tax of \$180.2M, up from \$142.4M (Parent) in 2023, an increase of 26.6%.

The increase in profitability for the Parent was primarily due to the dividend income received from HMB of \$25M and the increase in the mortgage interest earned from the expansion of the mortgage portfolio through the granting of 1,314 mortgage transactions valued at \$675 million.

The increase in profitability for the Group was primarily due to the increase in the mortgage interest earned from the expansion of the mortgage portfolio through the issuance of new mortgages and loans valued at \$848 million and investment income earned on the expansion of the investment securities portfolio of \$695M with the acquisition of HMB.



MANAGEMENT DISCUSSION AND ANALYSIS

Asset Growth

Total Assets for the Parent stood at \$6.6 billion at the end of the year, representing an increase of 23.49% over 2023. This resulted primarily from the acquisition of HMB for \$1.1B and growth in loans and advances of \$211M.

Total Assets for the Group stood at \$8.4 billion at the end of the year, representing an increase of 57.15% over 2023 (Parent). This resulted primarily from the growth in loans and advances of \$2.4B and investment securities by \$695M due to the acquisition of HMB.

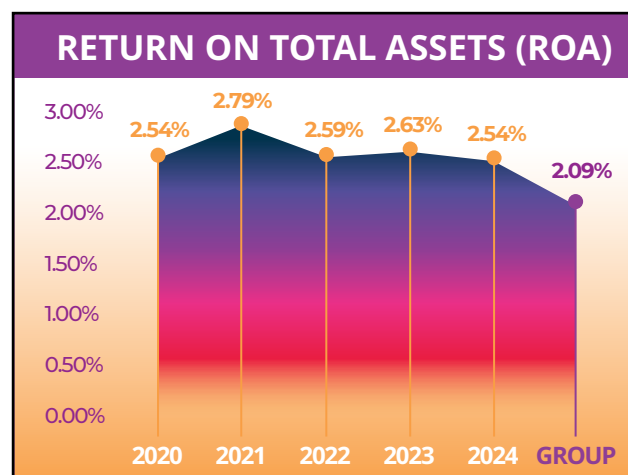
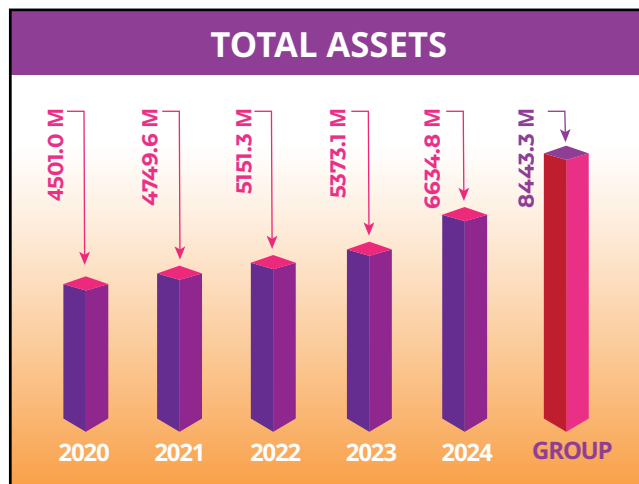
Group funding for new loans of \$848M and debt repayment of \$1.4B was obtained through the issuance of debt of \$1.2B, repayment from loan and advances of \$619M and maturities of investment securities of \$159M.

Return on Assets

The Return on Total Assets for the Parent as at December 31, 2024, was 2.54%, decreasing from 2.62% in 2023 despite the increase in Profit after Tax by 19.1% as a result of the increase in Total Assets by \$1.1M due to the acquisition of HMB.

The Return on Total Assets for the Group as at December 31, 2024, was 2.09%, decreasing from 2.62% (Parent) in 2023 despite the increase in Profit after Tax by 24.9% as a result of the increase in loans and advances by \$2.4B and investment securities by \$695M.

The ROA over the five (5) year period was as follows:



	2020	2021	2022	2023	2024	2024
	Parent	Parent	Parent	Parent	Parent	Group
Return on Assets	2.54%	2.79%	2.59%	2.62%	2.54%	2.09%

Loans and Advances

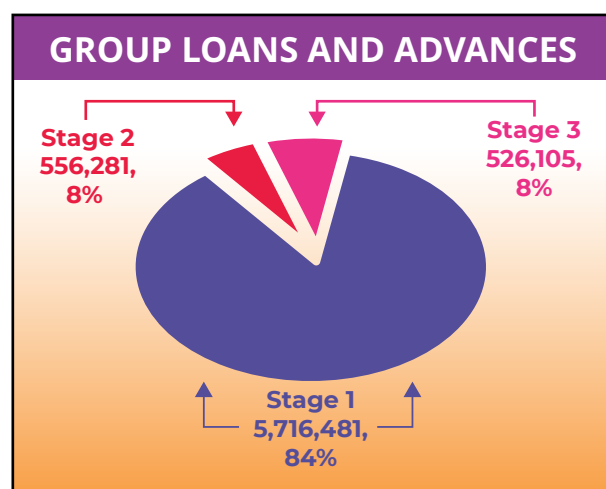
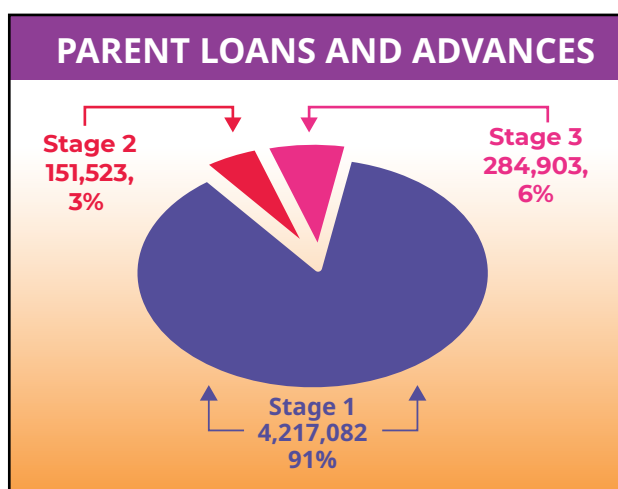
In 2024, we achieved 116% of loans disbursed in 2023. This was a commendable achievement amidst continuing signs of a recovering economy. 59.3% of loans valued at \$400.4 million were disbursed under the Government Assisted Programme, whilst 632 loans valued at \$274.8 million were disbursed under the Open Market programme.

The average interest rate on the loans and advances for the Parent was 4.51% compared with 4.52% in 2023. The average interest rate on the loans and advances for the Group was 5.30% compared with 4.52% (Parent) in 2023.

The delinquency ratio improved to 5.86%, reflecting a positive shift of 0.28% compared to 2023. Our approach to delinquency management remains dynamic and responsive, allowing us to adapt to the evolving needs of our mortgagors while maintaining strict adherence to prudential guidelines. This ensures that we effectively mitigate risk exposure while continuing to provide responsible and supportive financial solutions.

Loans and Advances as a percentage of our total asset base and categorised according to stages for Parent and Group:

	2023 Parent	2024 Parent	2024 Group
% of Total Asset Base	82.69%	70.14%	80.53%
Stage 1 – loans that are performing according to the contractual terms and conditions;	90.83%	90.63%	84.08%
Stage 2 – loans that are overdue 90 days but less than 180 days and;	3.04%	3.26%	8.19%
Stage 3 – loans that are overdue more than 180 days and credit impaired.	6.13%	6.11%	7.73%



Shareholders' Equity

While TTMB has the mandate to provide affordable financing to homeowners, as a company competing for business in the financial services sector, we remain mindful of our obligations to provide positive returns to our shareholders.

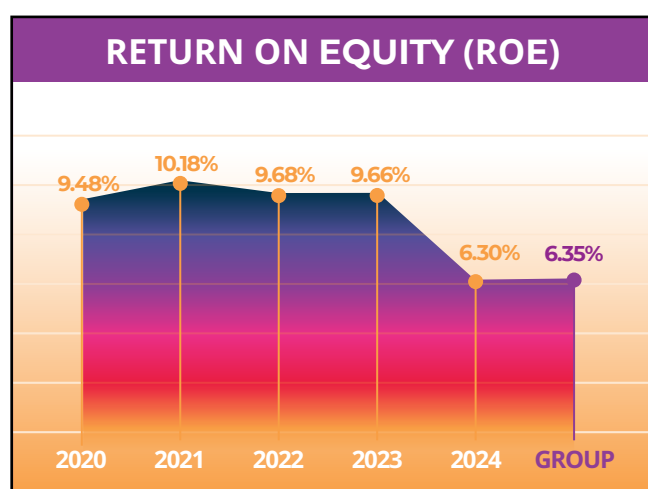
MANAGEMENT DISCUSSION AND ANALYSIS

On January 17, 2024, TTMF issued 2,369,583 Class B ordinary shares to The National Insurance Board of Trinidad and Tobago for a purchase consideration of \$1.1 B.

Shareholders' Equity for the Parent as at December 31, 2024, stood at \$2.67B, up from \$1.46B in 2023, an increase of 82.6%. Shareholders' Equity for the Group as at December 31, 2024, stood at \$2.78B, up from \$1.46B (Parent) in 2023, an increase of 90.0%.

The Return on Equity over the five (5) year period was:

	2020	2021	2022	2023	2024	2024
	Parent	Parent	Parent	Parent	Parent	Group
Return on Equity	9.48%	10.18%	9.68%	9.66%	6.30%	6.35%



The Return on Equity for the Parent as at December 31, 2024 was 6.30%, decreasing from 9.66% in 2023 despite the increase in Profit after Tax by 19.1% as a result of the increase in Share Capital by \$1.1B. The Return on Equity for the Group as at December 31, 2024 was 6.35%, decreasing from 9.66% (Parent) in 2023 despite the increase in Profit after Tax by 24.9% as a result of the increase in Share Capital by \$1.1B.

CariCRIS Rating

Caribbean Information and Credit Rating Services Limited (CariCRIS) has assigned its first Issuer/Corporate Credit ratings of CariAA- (Foreign and Local Currency Ratings) on the regional rating scale, and ttAA- on the Trinidad and Tobago (T&T) national scale to the TTMB. These ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean and within T&T is high. The ratings include a 1-notch uplift for the high likelihood of support from the Government of the Republic of Trinidad and Tobago (GORTT), if needed. This report follows the acquisition of HMB by TTMF and subsequent name change to TTMB on March 21, 2024.

CariCRIS has also assigned a stable outlook on the ratings. The stable outlook is predicated on good financial performance over the next 12 to 15 months, with anticipated improvements in asset quality. This is mainly bolstered by the acquisition of HMB which will form part of TTMB’s 1st full year consolidated financial statements at the end of 2024. Additionally, TTMB’s consolidated financial performance is also expected to be supported by ongoing promotional and operational efficiency initiatives, which should support overall asset growth. Furthermore, the Company is expected to remain well capitalised and comfortably cover its debt obligations as they come due.

TTMB’s ratings reflect its moderate market position in T&T’s real estate mortgage market, underpinned by its crucial role in the implementation of GORTT’s national housing policy. Further supporting the ratings are the Company’s comfortable capitalization levels reflected in its high capital adequacy and good capital coverage to total assets ratios, bolstered by the acquisition of HMB. Additionally, TTMB’s ratings are supported by a healthy financial performance underpinned by improved profitability metrics despite a rise in funding costs together with good loan portfolio quality, though elevated. These rating strengths are tempered by TTMB’s asset/liability mismatches which increase exposure to potential liquidity risks given its high reliance on debt financing. Furthermore, the lack of geographic diversity in TTMB’s revenue and funding base which exposes the Company to significant sovereign risk, further temper these ratings.

The CariCRIS Ratings over the five (5) year period were:

	2020	2021	2022	2023	2024
	Parent	Parent	Parent	Parent	Group
Foreign Currency	CariAA-	CariA+	CariA+	CariA+	CariAA-
Local Currency	CariAA-	CariA+	CariA+	CariA+	CariAA-
National Scale	ttAA-	ttA+	ttA+	ttA+	ttAA-

BUSINESS OPERATIONS

Customer Focus

At TTMB, customer-centricity is the cornerstone of our operations. We remain committed to exceeding customer expectations through tailored financial solutions and personalized guidance throughout their homeownership journey. In alignment with this commitment, we launched an innovative loan promotion in September 2023, offering highly competitive features:

- Fixed interest rate of 4.25% for six years
- Loan-to-value financing up to 95%
- Extended repayment terms up to age 70
- Increased Debt Service Ratio (DSR) allowance up to 45%.

MANAGEMENT DISCUSSION AND ANALYSIS

Of the \$250 million allocated to this initiative, a substantial \$184 million in loans were closed in 2024, reflecting strong market demand and customer confidence.

Further to the driving portfolio expansion, TTMB actively supported the Government's Affordable Housing Programme, facilitating the transition of License to Occupy and Rent-to-Own facilities into full-fledged mortgages. As a result, we successfully enabled over 650 individuals to achieve the security of homeownership.

Our investment portfolio also recorded solid performance, with the Samaan Tree Fund delivering a 3.13% return, while the Mortgage Participation Fund generated an annual return of 1.88%, reinforcing our commitment to prudent investment management and value creation for stakeholders.

Recognizing the invaluable contributions of our customers, we hosted Customer Appreciation Days across our five branch locations in 2024. These events, registered by over 2,400 customers, provided an opportunity for us to express gratitude while fostering deeper engagement through entertainment, giveaways, and interactive experiences.

Internally, our Human Resources (HR) division played a pivotal role in championing diversity, equity, and inclusion within the organization. A landmark achievement in this regard was our commitment to the UN Women & UN Global Compact Women's Empowerment Principles (WEPs), with TTMB becoming a registered signatory on August 14, 2024—one of only four local companies to attain this designation. This underscores our dedication to fostering gender equality, enhancing opportunities, and cultivating a more inclusive work environment and is cemented by our statement:

At TTMB, our diverse workforce focuses on serving our customers and providing them with the peace of mind that homeownership brings.

We remain committed through our employment practices to create equal and enhanced opportunities for all our female stakeholders to succeed and achieve their personal and professional goals.

Internal Business Process

We successfully completed an upgrade of our mortgage application management system, which went live in January 2025 as a testament to our commitment to continual improvement and exceptional service delivery. This new system boasts a more robust, user-friendly interface with enhanced functionality, designed to better support our operations and elevate the overall customer experience.

As the financial sector undergoes rapid technological transformation, TTMB continues to adapt by modernizing traditional frameworks to enhance efficiency. Artificial Intelligence (AI)-driven automation has been instrumental in streamlining administrative workflows, enabling senior executives to pivot toward high-value strategic initiatives. In 2024, we undertook key optimization measures, including:

- Enhancing hiring and onboarding processes through AI-driven applicant tracking systems
- Refining departmental procedures to align with post-merger structural realignments
- Implementing increased approval thresholds, accelerating loan processing timelines and improving customer responsiveness.

In addition, we advanced the phased implementation of HRIS SAP SuccessFactors modules, leveraging AI-driven insights to strengthen talent management strategies. Looking ahead, performance management and recruitment modules are targeted for full deployment in 2025, facilitating data-driven workforce optimization.

Cybersecurity is a crucial aspect of our digital world, protecting our organization, its customers and employees from cyber threats. Cyber threats come in many forms, including malware, phishing attacks, ransomware, and data breaches. We have taken some proactive steps to prevent cyber incidents including:

- Implementing the use of strong, complex and unique passwords for different accounts.
- Regular Software Updates to keep systems and applications updated to patch vulnerabilities.
- Training staff to avoid suspicious links & attachments particularly with emails from unknown sources.

In response to the institutional evolution brought about by the merger, the Risk & Compliance Department initiated a comprehensive risk horizon review for the newly structured entity. This entailed:

- Formation of an Interim Enterprise Risk Management Committee, integrating risk leaders from both organizations
- Consolidation of the Enterprise Risk Registers, ensuring alignment across risk governance frameworks
- Expansion of risk management policies to address evolving regulatory and operational complexities
- Revision of the Audit, Risk & Compliance Committee charters, reinforcing institutional oversight and risk mitigation capabilities.

These enhancements reflect our commitment to maintaining a resilient, agile, and forward-thinking risk posture, ensuring operational continuity and compliance excellence.

Also in 2024, the Compliance Department embarked on organization-wide training which covered awareness and reporting mechanisms under the broad areas of fraud, cyber-security, anti-money laundering and FATCA. Training with respect to the organisations Code of Conduct and Ethics was also conducted to ensure that all staff remain aware of their responsibilities in this regard. The Compliance team attended training and conferences on anti-money laundering, fraud typologies related to digital tools and payment channels. This provided key insights into mitigating these and related risks within the current environment.

MANAGEMENT DISCUSSION AND ANALYSIS

Learning & Growth

At TTMB, we are excited for the remarkable fusion of two vibrant corporate cultures which presents both challenges and opportunities for synergy and creativity. To facilitate a seamless transition, we launched the "Blending the Streams – Shaping the Culture" initiative, inviting employees at every level to collaboratively define an energizing and unified organizational ethos.

Employee engagement remained a priority throughout the transformation, as dynamic team-building activities fostered a spirit of genuine collaboration and creativity. Our proactive commitment to training and upskilling has not only enhanced individual talents but has also laid the groundwork for a people-centric work culture built on innovation, excellence, and shared success.

Corporate Social Responsibility

In keeping with our strong commitment to Gender, Diversity and Inclusion, our Corporate Social Responsibility efforts have taken bold and compassionate strides to uplift those in need. Over the past year, we proudly extended support to shelters that offer a safe haven for women who have experienced domestic violence.

Additionally, we have continued a cherished tradition by providing food vouchers to select children's homes managed by the Children's Authority of Trinidad and Tobago. Funded by the generous contributions from our staff charity account, this initiative ensures that these homes receive consistent support, helping to nourish the children and foster a sense of belonging and care. These collective efforts underscore our belief that every act of kindness—whether empowering women or nurturing our youth—plays a vital role in building a brighter, more inclusive future for our community.

CONCLUSION

In closing, I extend my heartfelt gratitude to our Board of Directors for their wise counsel, our Management and Staff for their patience and steadfast commitment, and our customers for guiding us through another remarkable year. We take great pride in our achievements – from exceptional financial results and consistently surpassing expectations in delivering friendly, professional service, to fulfilling our promises to shareholders and stakeholders while championing meaningful community projects under our corporate social responsibility programme.

I would especially like to extend my heartfelt gratitude to our former Managing Director and CEO, Mr. Robert C. Green. Over an impressive 20-year tenure, his unwavering leadership, visionary guidance, and steadfast support during our period of transition have been truly invaluable. His dedication not only ensured stability but also inspired us to strive for excellence even in challenging times. As Mr. Green embarks on his well-deserved retirement, we wish him every success in this new chapter of his life, confident that the legacy of integrity and commitment he leaves behind will continue to uplift and inspire us all.

TTMB now stands at the forefront of a transformative era in Trinidad and Tobago's real estate financing and investment market. Our unwavering dedication to creating generational wealth through home acquisition, coupled with the remarkable opportunities unlocked by our merger, positions us for unprecedented growth and impact. As we move toward becoming a fully integrated TTMB, our commitment to delivering exceptional value to our customers, shareholders, and communities remains resolute.

Looking to the future, we are optimistic and confident in TTMB's ability to thrive in 2025 and beyond as we seek to own our future!

A handwritten signature in black ink, appearing to read 'Brent Mc Fee', with a stylized flourish at the end.

Brent Mc Fee
Chief Executive Officer (Ag.)

MANAGEMENT TEAM

KRISTIN RAMESAR

Manager, Residential
Mortgage Origination

KATHRINA SMITH

Senior Manager II,
Operations

KAMILAH PETERSON

Senior Manager I, Branch Operations
and Business Development

LISA WILLIAMS

Senior Manager 1,
Operations and Servicing

WENDY HUGGINS

General Manager,
Mortgage Services



BRENT MC FEE
Chief Executive Officer (Ag.)

LAURETTE WALKER
Chief Financial Officer

JESSELL MORALDO-CUMBERBATCH
Chief Human Resources Officer

NICOLE HOSPEDALES
Manager,
Corporate Services

MARSHA RAE LEBEN
Manager, Marketing and
Corporate Communications





The background of the page is a deep blue space scene filled with numerous white and blue stars. In the top-left corner, a portion of a dark planet is visible. In the bottom-left corner, there is a soft, glowing nebula in shades of purple and pink. The overall aesthetic is clean and modern, typical of a corporate annual report.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

Management is responsible for the following:

- Preparing and fairly presenting the accompanying separate and consolidated financial statements of Trinidad and Tobago Mortgage Bank Limited (formerly Trinidad and Tobago Mortgage Finance Company Limited) (the Parent) and its subsidiary (the Group), which comprise the separate and consolidated statement of financial position as at 31 December 2024, the separate and consolidated statement of comprehensive income, the separate and consolidated statements of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory information;
- Ensuring that the Group 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.

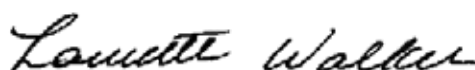
In preparing these separate and consolidated financial statements, management utilised the IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative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

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

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



Chief Executive Officer (Ag.)
Date: March 28, 2025



Chief Financial Officer
Date: March 28, 2025

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 and Consolidated Financial Statements

Opinion

We have audited the separate and consolidated financial statements of Trinidad and Tobago Mortgage Bank Limited (formerly Trinidad and Tobago Mortgage Finance Company Limited) ("the Parent") and its subsidiary ("the Group"), which comprise the separate and consolidated statements of financial position as at December 31, 2024, and the separate and consolidated statements of comprehensive income, separate and consolidated statements of changes in equity and separate and consolidated statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Parent and Group as at December 31, 2024 and their separate and consolidated financial performance and their separate and consolidated 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 and Consolidated Financial Statements section of our report. We are independent of the Parent and Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Group's 2024 Annual Report

Other information consists of the information included in the Group's 2024 Annual Report, other than the separate and consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

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 and Consolidated Financial Statements (Continued)

Other information included in the Group's 2024 Annual Report (continued)

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the Parent and Group'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 Parent or Group or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

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 and Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated 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 Parent and Group'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 Parent and Group'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 and consolidated 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 Parent or Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Separate and Consolidated Financial Statements

(Continued)

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

(Continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

The EY logo consists of the letters "EY" in a stylized, handwritten font. The "E" is formed by three horizontal bars, and the "Y" is formed by two diagonal bars meeting at a point.

Port of Spain,
TRINIDAD
March 28, 2025

**SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

(Expressed in Thousands of Trinidad and Tobago dollars)

Parent				Group	Parent
2023	2024		Notes	2024	2023
\$'000	\$'000	Assets		\$'000	\$'000
61,621	30,109	Cash and cash equivalents	4	58,118	61,621
567,577	543,249	GOTT subsidy receivable	5	543,249	567,577
5,214	5,147	Debtors and prepayments	6	12,285	5,214
-	1,100,000	Investment in subsidiary	7	-	-
75,792	75,742	Investment securities	8	770,387	75,792
-	-	Investment property	9	16,000	-
4,442,782	4,653,508	Loans and advances	10	6,798,867	4,442,782
49,905	48,903	Property and equipment	11	50,103	49,905
-	-	Intangible Assets		580	-
521	1,673	Right-of-use assets	12	1,673	521
-	-	Taxation Recoverable		11,825	-
169,652	176,470	Deferred tax assets	13	180,226	169,652
<u>5,373,064</u>	<u>6,634,801</u>	Total assets		<u>8,443,313</u>	<u>5,373,064</u>

Parent				Group	Parent
2023	2024		Notes	2024	2023
\$'000	\$'000	Liabilities		\$'000	\$'000
53,298	109,867	Dividends payable	35	109,867	53,298
101,371	102,503	Prepayments by mortgagors	14	102,503	101,371
870	872	Amount due to HDC	16	872	870
87,938	92,562	Sundry creditors and accruals	17	86,057	87,938
691,689	956,071	Short-term debt	18	1,076,071	691,689
24,994	30,931	Interest payable on debt & fund liability		38,108	24,994
-	-	Liability to fund holders	19	488,340	-
2,920,365	2,635,565	Long-term debt	20	3,726,143	2,920,365
597	1,757	Lease liabilities	12	1,757	597
2,141	1,558	Deferred tax liability	13	2,173	2,141
25,235	29,499	Pension plan liability	21(a)	29,499	25,235
<u>3,908,498</u>	<u>3,961,185</u>	Total liabilities		<u>5,661,390</u>	<u>3,908,498</u>

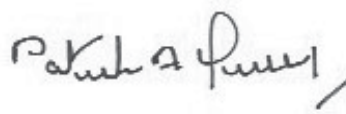
The accompanying notes form an integral part of these financial statements.


SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024
 (Expressed in Thousands of Trinidad and Tobago dollars)


Parent				Group	Parent
2023	2024			2024	2023
\$'000	\$'000	Assets	Notes	\$'000	\$'000
12,408	1,112,408	Share capital	22	1,112,408	12,408
1,452,158	1,561,208	Retained earnings		1,683,051	1,452,158
-	-	Mortgage Risk Reserve		(130)	-
-	-	Revaluation Reserve	23	(13,406)	-
<u>1,464,566</u>	<u>2,673,616</u>	Total equity		<u>2,781,923</u>	<u>1,464,566</u>
<u>5,373,064</u>	<u>6,634,801</u>	Total equity and liabilities		<u>8,443,313</u>	<u>5,373,064</u>

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

On March 21, 2025 the Board of Directors of Trinidad and Tobago Mortgage Finance Company Limited authorised these financial statements for issue.

 : Director

 : Director

 : Director

**SEPARATE AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Expressed in Thousands of Trinidad and Tobago dollars)

Parent				Group	Parent
2023	2024	Income	Notes	2024	2023
\$'000	\$'000			\$'000	\$'000
195,373	209,548	Mortgage interest calculated using the effective interest method		316,271	195,373
<u>(4,310)</u>	<u>(8,717)</u>	Net interest expense	24	<u>(54,657)</u>	<u>(4,310)</u>
191,063	200,831	Net interest income		261,614	191,063
4,076	4,112	Investment income	25	42,355	4,076
518	239	Rental income		239	518
<u>50,071</u>	<u>73,626</u>	Other income	26	<u>58,891</u>	<u>50,071</u>
<u>245,728</u>	<u>278,808</u>			<u>363,099</u>	<u>245,728</u>
		Expenses			
(98,631)	(105,960)	Administration expenses	27	(129,801)	(98,631)
460	(2,192)	Loan impairment (expense)/credit	10	(46,145)	460
<u>(5,178)</u>	<u>(6,493)</u>	Building expenses		<u>(6,955)</u>	<u>(5,178)</u>
<u>(103,349)</u>	<u>(114,645)</u>			<u>(182,901)</u>	<u>(103,349)</u>
142,379	164,163	Profit before taxation		180,198	142,379
<u>(957)</u>	<u>4,312</u>	Taxation (expense)/credit	29	<u>(3,621)</u>	<u>(957)</u>
<u>141,422</u>	<u>168,475</u>	Profit for the year		<u>176,577</u>	<u>141,422</u>
		Other comprehensive (loss) / income, net of taxes			
		Items that will not be reclassified subsequently to profit or loss:			
155	(4,080)	Re-measurement (losses)/gains on defined benefit plans	21(c)	(4,080)	155
		Items that will be reclassified subsequently to profit of loss:			
-	-	Investment securities at FVOCI, change in fair value		(15,865)	-
<u>(47)</u>	<u>1,224</u>	Income tax credit/(charge)	13	<u>1,224</u>	<u>(47)</u>
<u>108</u>	<u>(2,856)</u>	Other comprehensive (loss) / income for the year, net of tax		<u>(18,721)</u>	<u>108</u>
<u>141,530</u>	<u>165,619</u>	Total comprehensive income for the year		<u>157,856</u>	<u>141,530</u>

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

**SEPARATE AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Expressed in Thousands of Trinidad and Tobago dollars)

	Note	Share capital	Retained earnings	Revaluation Reserve	Risk Reserve	Total
Group						
Balance at 31 December 2023		12,408	1,452,158	-	-	1,464,566
Share issued		1,100,000	-	-	-	1,100,000
Profit for the year		-	176,577	-	-	176,577
Comprehensive loss for the year		-	(5,315)	(13,406)	-	(18,721)
Gain on bargain purchase	37	-	116,070	-	-	116,070
Dividends declared	36	-	(56,569)	-	-	(56,569)
Transfer from mortgage risk reserve		-	130	-	(130)	-
Balance as at December 31, 2024		1,112,408	1,683,051	(13,406)	(130)	2,781,923

	Note	Share capital	Retained earnings	Total
Parent				
Balance at December 31, 2022		12,408	1,363,926	1,376,334
Profit for the year		-	141,422	141,422
Other comprehensive income for the year		-	108	108
Dividends declared	36	-	(53,298)	(53,298)
Balance at December 31, 2023		12,408	1,452,158	1,464,566
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	36	-	(56,569)	(56,569)
Balance at December 31, 2024		1,112,408	1,561,208	2,673,616

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

**SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Expressed in Thousands of Trinidad and Tobago dollars)

Parent		Cash flows from operating activities	Notes	Group	Parent
2023	2024			2024	2023
\$'000	\$'000			\$'000	\$'000
142,379	164,163	Profit before taxation		180,198	142,379
(1,925)	1,004	Adjustments for:			
		Charge/(write back) to provision for loans and advances		44,957	(1,925)
5,968	6,955	Depreciation and amortisation	27	8,081	5,968
109	160	Loss on sale of property and equipment		152	109
46	50	Net premium recognized on investment securities		(11,534)	46
<u>5,376</u>	<u>7,375</u>	Transaction costs amortised		<u>8,497</u>	<u>5,376</u>
151,953	179,707	Surplus before working capital changes		230,351	151,953
(56,332)	24,395	Decrease/(increase) in debtors and prepayments		60,616	(56,332)
6,589	1,132	Increase in prepayment by mortgagors (Decrease) / increase in sundry creditors and accruals		1,132	6,589
468	4,391	Pension cost		(24,495)	468
7,035	7,162	Pension contributions paid		7,162	7,035
(6,825)	(6,978)	Increase in interest payable on debt		(6,978)	(6,825)
3,188	5,937	Taxes paid		2,908	3,188
<u>(1,635)</u>	<u>(1,850)</u>			<u>(16,225)</u>	<u>(1,635)</u>
<u>104,441</u>	<u>213,896</u>	Net cash from operating activities		<u>254,471</u>	<u>104,441</u>
		Cash flows from investing activities			
-	(1,100,000)	Acquisition of subsidiary		(1,082,840)	-
(583,702)	(675,219)	Issuance of new mortgages and loans		(847,819)	(583,702)
264,329	293,294	Proceeds from repayment on mortgages and loans		618,954	264,329
146,862	170,415	Sale of mortgages to HMB		-	146,862

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

**SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Expressed in Thousands of Trinidad and Tobago dollars)

Parent				Group	Parent
2023	2024			2024	2023
\$'000	\$'000	Cash flows from investing activities	Notes	\$'000	\$'000
		(Continued)			
-	-	Maturity of Investment Securities		158,717	-
-	-	Purchase of Investment securities		(4,500)	-
		Purchase of property and equipment and intangible assets	10	(5,325)	(8,509)
(8,509)	(5,055)	Proceeds from sale of property and equipment		76	69
69	66	Net cash used in investing activities		<u>(1,162,737)</u>	<u>(180,951)</u>
<u>(180,951)</u>	<u>(1,316,499)</u>				
		Cash flows from financing activities			
-	1,100,000	Issuance of shares to parent		1,100,000	-
2,008,087	1,033,078	Proceeds from debt		1,247,423	2,008,087
(1,824,964)	(1,060,871)	Repayments on debt		(1,444,340)	(1,824,964)
-	-	Increase in liability to fund holders		3,228	-
(629)	(1,116)	Principal payments on lease liabilities		(1,548)	(629)
<u>(98,684)</u>	<u>-</u>	Dividends paid		<u>-</u>	<u>(98,684)</u>
83,810	1,071,091	Net cash from financing activities		<u>904,763</u>	<u>83,810</u>
		Net (decrease)/increase in cash and cash equivalents		(3,503)	7,300
7,300	(31,512)	Cash and cash equivalents at the beginning of year		<u>61,621</u>	<u>54,321</u>
54,321	61,621	Cash and cash equivalents at the end of year	4	<u>58,118</u>	<u>61,621</u>
<u>61,621</u>	<u>30,109</u>				
		Supplemental information			
196,881	213,660	Interest received		354,157	196,881
167,902	165,491	Interest paid		204,254	167,902

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

**NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**
(Expressed in Thousands of Trinidad and Tobago dollars)

1. INCORPORATION AND PRINCIPAL ACTIVITY

Trinidad and Tobago Mortgage Bank Limited (formerly Trinidad and Tobago Mortgage Finance Company Limited) (“Parent” or the “Bank”) is incorporated in the Republic of Trinidad and Tobago and provides mortgage financing secured by residential property. The Bank is also an “approved mortgage company” under the provisions of the Housing Act, Ch. 33:01. The Bank 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 Bank has one subsidiary company which is listed below and collectively are referred to as the “Group”:

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 (TTMB).

The registered office of the Parent and its subsidiary is located at 61 Dundonald Street, Port of Spain.

2. MATERIAL ACCOUNTING POLICIES

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

- investment securities which are prepared on a fair value through other comprehensive income (FVOCI) basis.
- 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 and consolidated 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 Parent and Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate and consolidated financial statements are disclosed in Note 3. The Parent and Group has prepared the separate and consolidated financial statements on the basis that they will continue to operate as a going concern.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in Thousands of Trinidad and Tobago dollars)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Functional and presentation currency

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

c) Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of Home Mortgage Bank. The financial statements of all entities consolidated are prepared for the same reporting year as the Parent using consistent accounting policies.

Management concluded that for purposes of IFRS 10, its relationship with the Mortgage Participation Fund and the Samaan Tree Fund was that of principal rather than that of an agent. The Mortgage Participation Fund was established by the original Trustee, the Home Mortgage Bank under a trust deed dated September 24, 2001. The Samaan Tree Fund was established by Home Mortgage Bank under the declaration of trust dated December 4, 2019 and commenced operation on February 20, 2020.

HMB acts as fund manager to the Funds. Determining whether HMB controls the Funds, focuses on the assessment of the aggregate economic interest of the Bank in the Funds (comprising any carried interests and expected management fees) and the participants' rights to remove HMB as fund manager. For the Funds, the participants' ability to remove HMB as fund manager is very limited and, HMB's aggregate economic interest, which includes remuneration, is significant.

A subsidiary of the Bank is an investee controlled by the Group. The Group reassesses at each reporting period whether or not it controls the entities with which it is involved using the control criteria established in IFRS 10. In particular, it concludes that it controls an entity if, and only if, after considering all the circumstances, it forms the view that:

- it has power over the entity;
- it is exposed, or has rights, to variable returns from its involvement with the entity; and
- it has the ability to use its power to affect its returns from the entity.

Subsidiaries are consolidated when the Group obtains control over the entities and ceases when the Group loses control over the entities. Business combinations, except for transactions under common control, are accounted for using the acquisition method of accounting when control is transferred to the Group. Common control transactions are recorded at book value. The Group applies the prospective approach and does not restate periods prior to the business combination under common control. The Group accounts for the combination prospectively from the date on which it occurred.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the Parent's financial statements for the year ended December 31, 2023, 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, 2024

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

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current.**
The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
- **Amendments to IAS 1 – Non-current liabilities with covenants.**
These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The amendments had no impact on the Group's financial statements.
- **Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.**
The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's financial statements.
- **Amendments to IAS 7 and IFRS 7 – Supplier Finance**
Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments had no impact on the Group's financial statements.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Changes in accounting policies and disclosures (Continued)

(i) New standards and amendments/revisions to published standards and interpretations effective on January 1, 2024 (Continued)

IFRS Sustainability Standards that are not yet effective and have not been early adopted by the Group

- IFRS S1 – General requirements for disclosure of sustainability-related financial information (Effective 1 January 2024). This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- IFRS S2 – Climate-related disclosures information (Effective 1 January 2024). This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group is in the process of assessing the impact of the new and revised standards not yet effective on the separate and consolidated financial statements and does not anticipate any material impact.

(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 Parent and Group's separate and consolidated financial statements. These standards and interpretations will be applicable to the Group at a future date and will be adopted when they become effective. The Group is currently assessing the impact of adopting these standards and interpretations.

- **Amendments to IAS 21 – Lack of Exchangeability (Effective 1 January 2025)**
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.
- **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.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Changes in accounting policies and disclosures (Continued)

(ii) Standards in issue not yet effective (Continued)

• **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.

e) Financial instruments

Financial instruments comprise cash and cash equivalents, GOTT subsidy receivable, debtors and prepayments, investment securities, loans and advances, other assets, other liabilities, borrowings, prepayments by mortgagors and liability to fund holders.

(i) Recognition and initial measurement

The Group's financial assets and liabilities are recognised in the statement of financial position when it becomes party to the contractual obligations of the instrument ie 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 Group 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 Group 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).

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) 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 Group 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 Group 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 Group 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 Group'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 Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) 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 Group 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 Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group'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 Group 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 Group has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

(iii) Derecognition

Financial assets

The Group 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 Group does not retain control of the financial asset.

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

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) **Financial instruments** (Continued)

(iii) **Derecognition** (Continued)

Financial assets (Continued)

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

The Group securitises various loans and advances to customers and investment securities. This generally results in the sale of these assets to unconsolidated securitisation vehicles and in the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

(iv) **Modifications of financial assets and financial liabilities**

Financial assets

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

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

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

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group 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.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) Financial instruments (Continued)

(iv) Modifications of financial assets and financial liabilities (Continued)

Financial assets

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

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 Group 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 consolidated 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 consolidated 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.

f) Impairment of financial assets

Overview of the Expected Credit Losses (ECL) principles

The Group 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.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Impairment of financial assets (Continued)

Overview of the Expected Credit Losses (ECL) principles

The Group 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 Group's policy for grouping financial assets measured on a collective basis is explained in Note 34.

The Group 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 Parent 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 Parent 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 Parent 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 Parent records an allowance for the LTECLs. All loans >180 days are in this category.

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

The calculation of ECLs

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

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Impairment of financial assets (Continued)

The calculation of ECLs (Continued)

The methodology adopted assumes the following:

- Historic credit loss rates represent a reasonable predictor for future credit events
- The Parent'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.

HMB's ECL allowance is a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

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.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Impairment of financial assets (Continued)

Credit-impaired financial assets

At each reporting date, the Group 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 Group on terms that the Group 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.

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 Group 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 Group 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 consolidated statement of comprehensive income.

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

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Impairment of financial assets (Continued)

Forward looking information for ECL

Management uses a scorecard approach to apply the impact of macro-economic factors on the ECL values. The Group'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.

g) 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 Group has access at that date. The fair value of a liability reflects its non-performance risk.

The Group 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 Group 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 Group 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 consolidated 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 Group measures assets at a bid price and liabilities at an ask price.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Fair value measurement (Continued)

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

h) Guaranteed Mortgage Investment Certificates (Gareemics) and Managed Funds

Gareemics and managed funds represent beneficial interests in pools of mortgages held in trust by the Group. The pools of mortgages are included in loans and advances to customers, while the liability to the investors are separately disclosed on the face of the consolidated statement of financial position.

For Gareemics, the Group guarantees the timely payment of principal and interest on the underlying mortgages whether or not received, together with the full principal balance of any foreclosed mortgages.

For the managed funds, the investors earn a stated rate of return (variable) and there are no repayments of capital until investors elect to redeem their investments in part or in full.

i) Investment securities

The Group classifies its investment securities at amortised cost and at FVOCI (Refer to Note 2(e)). The amortised cost financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

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

j) 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.

k) 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 Group and the cost of the item can be measured reliably.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Property and equipment (Continued)

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%
Fixtures and fittings	- 33⅓%

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 \$9.6 million (2023: \$9.9 million), which is fully owned by the Parent. 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.

l) Intangible assets

Acquired software and computer software licenses are the only intangible assets recognized by the Group in these separate and consolidated financial statements. Computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software into operation. The costs are recognized as an intangible asset if, and only if, it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

The cost of intangible assets are amortised on a straight line basis over the estimated useful life of the asset or the life of the license whichever is shorter.

Costs associated with maintaining computer software are expenses when incurred.

m) Investment property

Investment property is property held by the Group to earn rental income or for capital appreciation or both. Property held for undetermined future use is regarded as investment property, as such is held for capital appreciation.

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Investment property (Continued)

Investment property comprises leasehold land and Tobago Villas. Investment property is initially measured at cost. After initial recognition, investment property is carried at fair value which is reviewed periodically. Gains and losses arising from the change in fair value are included in the consolidated statement of comprehensive income.

The periodic review of fair value is based on valuations conducted by independent professional valuers. The valuers have adopted standard valuation methods and assumed good title, vacant possession and no unduly restrictive covenants or onerous or unusual outgoings running with the land.

n) Impairment of non-financial assets

The carrying amounts of the Group'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 consolidated statement of comprehensive income.

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.

o) Short-Term and Long-Term Debt securities

Debt securities are the Group'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 Group 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 consolidated 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.

p) Leases

The Group 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.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

p) Leases (Continued)

Group as a lessee

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

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

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

If ownership of the leased asset transfers to the Group 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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

p) Leases (Continued)

ii) Lease liabilities (Continued)

In calculating the present value of lease payments, the discount rate was calculated by finding the difference between the rate of the Parent'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 Parent'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 Group 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.

q) 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 consolidated statement of financial position.

r) Provisions

Provisions are recognised when the Group 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.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

r) Provisions (Continued)

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.

s) Employee benefits

The Parent 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 Parent, 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 separate and consolidated 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 separate and consolidated statement of comprehensive income.

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

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

HMB operates a defined contribution pension plan, which covers all of its eligible employees. The contribution expense in relation to this plan for the year amounted to \$658K.

t) Other assets and liabilities

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

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

u) 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 Group'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 and consolidated 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.

v) 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 separate and consolidated statement of comprehensive income.

w) Income

Mortgage Interest

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

Interest income is recognised in the separate and consolidated 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 Group estimates the future cash flows considering all contractual terms of the financial instrument, but not the future credit losses.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

w) Income (Continued)

Mortgage Interest (Continued)

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 separate and consolidated 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.

x) Mortgage agency business

The Parent manages the disbursement and collection of mortgage loans on behalf of other mortgage companies. The loan portfolios managed under these agreements totalled \$1,282 million (2023: \$1,284 million) and is not reflected in these separate and consolidated financial statements.

y) Share capital

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

NOTES TO THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

z) Dividend distribution

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

aa) Mortgage risk reserve

This represents amounts set aside as general provisions based on an evaluation of the portfolio in respect of losses which, although not specifically identified, are known from experience to be present in any such portfolio. These loan loss requirements are dealt with as appropriations of equity. This reserve is not available for distribution to shareholders.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty

The preparation of the separate and consolidated 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 and consolidated 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 Group's accounting policies that have the most significant effect on the amounts recognised in separate and consolidated 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.

The Group'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:

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3. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
(continued)

a) *Estimates* (Continued)

Impairment of financial assets (Continued)

- The estimation of the amount and timing of future cash flows and collateral values when determining impairment losses
- The Group'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 Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in these separate and consolidated financial statements:

Deferred taxes

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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.

Investment property

Management makes judgement at each reporting period to determine whether the investment property is impaired. An impairment will exist when the carrying value of the asset exceeds the recoverable amount. The fair value less cost to sell calculation is based on management's estimates in an arm's length transaction of similar assets or observable market prices less incremental costs for completing and disposing of the asset.

Net pension liability

In conducting valuation exercises to measure the effect of employees benefit plans on the Group, 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.

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**3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
(continued)**

b) Judgements (Continued)

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.

4. CASH AND CASH EQUIVALENTS

	GROUP 2024 \$'000	PARENT 2024 \$'000	PARENT 2023 \$'000
Cash in hand	481	476	4,007
Cash at bank	57,590	29,633	57,614
Short Term Investments	<u>47</u>	<u>-</u>	<u>-</u>
	<u>58,118</u>	<u>30,109</u>	<u>61,621</u>

The average effective interest rate on cash and cash equivalents for the current year is Group: 0.01%; Parent: 0.00% (2023: Parent 0.00%).

The Group has a secured overdraft facility of \$36 million and an unsecured overdraft facility of \$36 million with Republic Bank Limited with an interest rate of 5.5% per annum.

5. GORTT SUBSIDY RECEIVABLE

	GROUP 2024 \$'000	PARENT 2024 \$'000	PARENT 2023 \$'000
Subsidy on 2% and 5% graduated mortgage programmes	<u>543,249</u>	<u>543,249</u>	<u>567,577</u>
	<u>543,249</u>	<u>543,249</u>	<u>567,577</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 2024, \$227 million (2023: \$151 million) was received from the GOTT 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 Parent 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.

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5. GORTT SUBSIDY RECEIVABLE	GROUP 2024 \$'000	PARENT 2024 \$'000	PARENT 2023 \$'000
Receivable balance at beginning year	(567,777)	(567,777)	(512,000)
Add: Receipts from GORTT	<u>227,000</u>	<u>227,000</u>	<u>151,062</u>
	<u>(340,777)</u>	<u>(340,777)</u>	<u>(360,938)</u>
Less: Amounts released			
Interest expense (Parent)	(171,427)	(171,427)	(171,091)
Other	<u>(31,045)</u>	<u>(31,045)</u>	<u>(35,748)</u>
	<u>(202,472)</u>	<u>(202,472)</u>	<u>(206,839)</u>
Amount deferred	(543,249)	(543,249)	(567,777)
Amounts reclassified to subsidy receivable	<u>543,249</u>	<u>543,249</u>	<u>567,777</u>
	<u> -</u>	<u> -</u>	<u> -</u>

6. DEBTORS AND PREPAYMENTS

Interest receivable on investments	5,543	1,074	1,074
IDB service fee	151	151	53
Staff debtors	156	156	214
Prepaid expenses	3,060	2,128	-
Other	<u>3,375</u>	<u>1,638</u>	<u>3,873</u>
	<u>12,285</u>	<u>5,147</u>	<u>5,214</u>

7. 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 Home Mortgage Bank for a purchase consideration of \$1.1 billion. TTMB became the 100% shareholder of HMB.

8. INVESTMENT SECURITIES	GROUP 2024 \$'000	PARENT 2024 \$'000	PARENT 2023 \$'000
Securities at amortised cost:			
State-owned Company Securities	<u>75,742</u>	<u>75,742</u>	<u>75,792</u>
	<u>75,742</u>	<u>75,742</u>	<u>75,792</u>

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8. INVESTMENT SECURITIES (CONTINUED)	GROUP 2024 \$'000	PARENT 2024 \$'000	PARENT 2023 \$'000
Securities at Fair Value through Other Comprehensive Income (FVOCI):			
State-owned Company Securities:	151,620	-	-
Government Securities	494,888	-	-
Investment in CMOs	<u>49,598</u>	<u>-</u>	<u>-</u>
	696,106	-	-
Expected Credit loss on debt securities	<u>(1,461)</u>	<u>-</u>	<u>-</u>
	<u>694,645</u>	<u>75,742</u>	<u>75,792</u>
Investment Securities	<u>770,387</u>	<u>75,742</u>	<u>75,792</u>

The average effective interest rate on the Parent and Group's investment securities for the current year is Group: 4.56%: Parent: 5.47% (2023: Parent 5.38%). As at the year end, the fair value of investment securities classified as amortised cost amounted to Group: \$77.8 million: Parent: \$77.8 million (2023: Parent \$80.7 million).

9. INVESTMENT PROPERTY	GROUP 2024 \$'000	PARENT 2024 \$'000	PARENT 2023 \$'000
Tobago Land	2,000	-	-
Other real estate holding	<u>14,000</u>	<u>-</u>	<u>-</u>
Balance at December 31	<u>16,000</u>	<u>-</u>	<u>-</u>

The carrying value of the land held has been adjusted to reflect the market value as per valuation report and actual sale price.

Other real estate holding comprise of one property acquired for \$18.88 million during June 2016. The fair value measurement for investment property has been categorised as Level 2 in the fair value hierarchy based on the valuations completed in January 2022 and November 2023.

The method of valuation was the direct comparison method, conducted by an accredited independent valuator, specializing in the valuation of commercial properties. The valuation performed by the valuator is based on current prices being paid for comparable properties in the open market, adjusted for any difference in the nature, location or condition of the property. The Group revalues this investment property either the earlier of every 5 years or in years where, during the annual review, there are indicators of significant changes in market conditions.

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10. LOANS AND ADVANCES	GROUP	PARENT	PARENT
	2024 \$'000	2024 \$'000	2023 \$'000
Stage 1	5,727,305	4,235,578	4,056,050
Stage 2	565,699	160,400	144,813
Stage 3	<u>640,776</u>	<u>313,198</u>	<u>302,911</u>
	6,933,780	4,709,176	4,503,774
Less: Unearned loan fees	(21,174)	(21,174)	(21,394)
Add: Recoveries cost	16,474	16,474	12,545
Add/Less: Net prepaid interest	<u>8,570</u>	<u>(230)</u>	<u>(2,409)</u>
	6,937,650	4,704,246	4,492,516
Less: Allowances for ECL	<u>(138,783)</u>	<u>(50,738)</u>	<u>(49,734)</u>
Net loans and advances	<u>6,798,867</u>	<u>4,653,508</u>	<u>4,442,782</u>
Reconciliation of expected credit losses on mortgage loans:			
Balance at January 1	49,734	49,734	51,659
Subsidiary ECL – January 1, 2024	44,092	-	-
Charge/(write back) for the year	46,145	2,192	(460)
Write off for the year	<u>(1,188)</u>	<u>(1,188)</u>	<u>(1,465)</u>
Balance at December 31	<u>138,783</u>	<u>50,738</u>	<u>49,734</u>

The average effective interest rate on the loans and advances portfolio for the current year is Group: 5.30%; Parent: 4.51% (2023: 4.52%). As at the year end, the fair value of loans and advances amounted to Group: \$8.2 billion; Parent: \$4.9 billion (2023: \$4.7 billion).

11. PROPERTY AND EQUIPMENT

Group - 2024

Cost	Land & buildings	Motor vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	Total
At beginning of the year	55,026	1,127	3,028	16,614	366	2,612	78,773
HMB balance at January 1 2024	-	877	5,285	4,219	655	-	11,036
Additions/reclassification	2,123	321	829	3,792	-	(1,771)	5,294
Disposals	<u>(332)</u>	<u>-</u>	<u>(1,039)</u>	<u>(2,457)</u>	<u>-</u>	<u>-</u>	<u>(3,828)</u>
At end of year	<u>56,817</u>	<u>2,325</u>	<u>8,103</u>	<u>22,168</u>	<u>1,021</u>	<u>841</u>	<u>91,275</u>

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11. PROPERTY AND EQUIPMENT (CONTINUED)

	Land & buildings	Motor vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	Total
Accumulated depreciation							
At beginning of the year	20,359	209	1,907	6,393	-	-	28,868
HMB balance at January 1, 2024	-	622	5,250	3,802	-	-	9,674
Depreciation charge	965	496	416	4,356	-	-	6,233
Depreciation on disposals	(192)	-	(1,015)	(2,396)	-	-	(3,603)
At end of year	<u>21,132</u>	<u>1,327</u>	<u>6,558</u>	<u>12,155</u>	<u>-</u>	<u>-</u>	<u>41,172</u>
Net book value	<u>35,685</u>	<u>998</u>	<u>1,545</u>	<u>10,013</u>	<u>1,021</u>	<u>841</u>	<u>50,103</u>

Parent - 2024

	Land & buildings	Motor vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	Parent 2024	Parent 2023
Cost								
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>

	Land & buildings	Motor vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	Parent 2024	Parent 2023
Accumulated depreciation								
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>

Parent - 2023

	Land & buildings	Motor vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	Parent 2023	Parent 2022
Cost								
At beginning of the year	53,838	806	4,246	13,379	366	2,535	75,170	74,170
Additions/reclassification	1,683	827	409	5,513	-	77	8,509	4,342
Disposals	(495)	(506)	(1,627)	(2,278)	-	-	(4,906)	(3,342)
At end of year	<u>55,026</u>	<u>1,127</u>	<u>3,028</u>	<u>16,614</u>	<u>366</u>	<u>2,612</u>	<u>78,773</u>	<u>75,170</u>

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11. PROPERTY AND EQUIPMENT (CONTINUED)

Parent - 2023

	Land & buildings	Motor vehicle	Furniture & equipment	Computer equipment	Artwork	Work in Progress	Parent 2023	Parent 2022
Accumulated depreciation								
At beginning of the year	19,812	449	3,068	4,921	-	-	28,250	26,547
Depreciation charge	1,043	266	435	3,602	-	-	5,346	4,851
Depreciation on disposals	(496)	(506)	(1,596)	(2,130)	-	-	(4,728)	(3,148)
At end of year	<u>20,359</u>	<u>209</u>	<u>1,907</u>	<u>6,393</u>	<u>-</u>	<u>-</u>	<u>28,868</u>	<u>28,250</u>
Net book value	<u>34,667</u>	<u>918</u>	<u>1,121</u>	<u>10,221</u>	<u>366</u>	<u>2,612</u>	<u>49,905</u>	<u>46,920</u>

12. LEASES

The Parent 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 Parent and Group also has leases for office equipment of low value. The Parent and Group applied the "low-value lease" recognition exemption for these leases. The Parent and Group recognised rent expense from low-value leases of NIL for the year ended 31 December 2024 (2023: Nil).

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

	Group			Parent		
	Land and Building \$'000	Office equipment \$'000	Total \$'000	Land and Building \$,000	Office equipment \$'000	Total \$'000
Right-of-use assets						
Balance at January 1, 2024	194	327	521	194	327	521
Subsidiary balance at January 1, 2024	429	-	429	-	-	-
Additions	1,234	1,042	2,276	1,234	1,042	2,276
Depreciation	(1,100)	(453)	(1,553)	(671)	(453)	(1,124)
Balance at December 31, 2024	<u>757</u>	<u>916</u>	<u>1,673</u>	<u>757</u>	<u>916</u>	<u>1,673</u>
Leased liabilities						
Balance at January 1, 2024	250	347	597	250	347	597
Subsidiary balance at January 1, 2024	432	-	432	-	-	-
Additions	1,234	1,042	2,276	1,234	1,042	2,276
Interest expense	45	46	91	44	46	90
Principal payments	(916)	(723)	(1,639)	(483)	(723)	(1,206)
Balance at December 31, 2024	<u>1,045</u>	<u>712</u>	<u>1,757</u>	<u>1,045</u>	<u>712</u>	<u>1,757</u>

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12. LEASES (CONTINUED)

	Land and Building \$'000	Parent Office equipment \$'000	Total \$'000
Right-of-use assets			
Balance at January 1, 2023	631	512	1,143
Additions	-	-	-
Depreciation	<u>(437)</u>	<u>(185)</u>	<u>(622)</u>
Balance at December 31, 2023	<u>194</u>	<u>327</u>	<u>521</u>
Leased liabilities			
Balance at January 1, 2023	691	535	1,226
Additions	-	-	-
Interest expense	30	9	39
Principal payments	<u>(471)</u>	<u>(197)</u>	<u>(668)</u>
Balance at December 31, 2023	<u>250</u>	<u>347</u>	<u>597</u>
	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
The following are the amounts recognised in the statement of comprehensive income:			
Depreciation expense for right-of-use assets	1,553	1,124	622
Interest expense on lease liabilities	91	90	39
Expense relating to short-term leases	<u>741</u>	<u>733</u>	<u>1,017</u>
Total amount recognised in statement of comprehensive income	<u>2,385</u>	<u>1,947</u>	<u>1,678</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.

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13. DEFERRED TAX ASSET AND LIABILITY

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Taxation losses	161,243	161,243	155,640
Loan fees	6,352	6,352	6,418
Pension liability	8,850	8,850	7,571
Leases	25	25	23
Impairment provision on investment property	3,276	-	-
Property and Equipment	480	-	-
Total deferred tax asset	<u>180,226</u>	<u>176,470</u>	<u>169,652</u>
Property and equipment	(1,558)	(1,558)	(2,141)
Bond issues costs	(615)	-	-
Total deferred tax liability	<u>(2,173)</u>	<u>(1,558)</u>	<u>(2,141)</u>
Net deferred tax asset	<u>178,053</u>	<u>174,912</u>	<u>167,511</u>

Group	(Charge)/credit				
	2023 \$'000	Subsidiary as at Jan 1, 24 \$'000	Income Statement \$'000	OCI \$'000	2024 \$'000
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	(2,141)	541	522	-	(1,078)
Impairment provision on investment property	-	3,276	-	-	3,276
Bond issue costs	-	(952)	337	-	(615)
	<u>167,511</u>	<u>2,865</u>	<u>6,453</u>	<u>1,224</u>	<u>178,053</u>

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13. DEFERRED TAX ASSET AND LIABILITY (CONTINUED)

Parent	2023 \$'000	(Charge)/credit		2024 \$'000
		Income Statement \$'000	OCI \$'000	
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	(2,141)	583	-	(1,558)
	<u>167,511</u>	<u>6,177</u>	<u>1,224</u>	<u>174,912</u>

Parent	2022 \$'000	(Charge)/credit		2023 \$'000
		Income Statement \$'000	OCI \$'000	
Taxation losses	154,727	913	-	155,640
Loan fees	6,487	(69)	-	6,418
Pension liability	7,553	65	(47)	7,571
Leases	25	(2)	-	23
Property and equipment	(1,917)	(224)	-	(2,141)
	<u>166,875</u>	<u>683</u>	<u>(47)</u>	<u>167,511</u>

In Trinidad and Tobago, the Parent has tax losses of \$517 million (2023: \$513 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 Parent 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.

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14. PREPAYMENTS BY MORTGAGORS

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

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Escrows	74,301	74,301	76,372
Insurance	26,702	26,702	23,214
Other	<u>1,500</u>	<u>1,500</u>	<u>1,785</u>
	<u>102,503</u>	<u>102,503</u>	<u>101,371</u>

15. AMOUNT DUE UNDER IDB LOAN PROGRAMME

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

16. AMOUNT DUE TO HDC

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

17. SUNDRY CREDITORS AND ACCRUALS

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Amounts payable to HMB	–	13,399	17,128
Provision for staff costs	38,353	35,365	31,685
Advance – beneficiary owned land subsidy	2,826	2,826	2,826
Amounts Payable to CMO and MPF Holders	8,548	–	–
Mortgage clearing accounts	12,861	24,465	19,523
Other	<u>23,469</u>	<u>16,507</u>	<u>16,776</u>
	<u>86,057</u>	<u>92,562</u>	<u>87,938</u>

18. SHORT-TERM DEBT

As at December 31, 2024, 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.
- *** 1 year Revolving Credit Facilities through RBC. Borrowings on these facilities shall be payable by single bullet payments at maturity. Early payment is permissible.

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18. SHORT-TERM DEBT (CONTINUED)

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Commercial paper *	265,000	265,000	316,500
Syndicated loans **	253,313	253,313	253,313
Revolving credit facilities ***	558,000	123,000	123,000
Promissory notes	<u>-</u>	<u>315,000</u>	<u>-</u>
	1,076,313	956,313	692,813
Unamortised transaction costs	<u>(242)</u>	<u>(242)</u>	<u>(1,124)</u>
	<u>1,076,071</u>	<u>956,071</u>	<u>691,689</u>

Debt amounting to Group: \$376 million; Parent \$376 million is fully secured by the Group's mortgage assets, debt amounting to Group: \$435 million; Parent: Nil is fully secured by Group's investments securities, whilst debt amounting to Group \$265 million; Parent \$580 million is unsecured.

The average effective interest rate on short-term debt for the current year is Group: 3.97%; Parent: 4.88% (2023: Parent 4.53%).

19. LIABILITY TO FUND HOLDERS

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Managed funds comprises:			
Mortgage Participation Fund	388,493	-	-
Samaan Tree Fund	<u>99,847</u>	<u>-</u>	<u>-</u>
	488,340	-	-
Carrying value of loans backing the managed fund	<u>515,275</u>	<u>-</u>	<u>-</u>

The maturity value of these financial liabilities is determined by the fair value of the subsidiary's assets at maturity value. There will be no difference between the carrying amount and the maturity amount at the valuation date.

Mortgage Participation Fund (MPF)

HMB guarantees the investments under its Mortgage Participation Fund (MPF) investment programme. This fund is backed by mortgages. At the reporting date, the outstanding balance under the MPF investment product was \$388.5 million.

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19. LIABILITY TO FUND HOLDERS (CONTINUED)

Samaan Tree Fund (STF)

The STF was launched in February 2020 and is backed by mortgages. No guarantee on investment in STF is given. At the reporting date, the outstanding balance under the STF investment product was \$99.8 million.

20. LONG-TERM DEBT

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Bonds:			
Taxable	1,781,261	1,421,760	1,766,418
Tax Free	300,310	-	-
Syndicated Loans	1,106,460	673,639	620,274
Revolving Warehousing Facility	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>
	3,738,031	2,645,399	2,936,692
Less: unamortised transaction cost	<u>(11,888)</u>	<u>(9,834)</u>	<u>(16,327)</u>
Total long-term debt	<u>3,726,143</u>	<u>2,635,565</u>	<u>2,920,365</u>

Debt amounting to Group: \$3.6 million; Parent \$2.5 million (2023: Parent \$3.2 million) is fully secured by the Parent and Group's mortgage assets, whilst debt amounting to Group: \$100 million; Parent \$100 million is unsecured.

Under the Home Mortgage Bank Act 1985, the subsidiary is authorised to issue tax-free bonds up to \$600 million of which \$353 million has been issued for 2024.

The average effective interest rate on long-term debt for the current year is Group: 4.62%; Parent: 4.62% (2023: Parent 4.54%). As at the year end, the fair value of long-term debt amounted to Group: \$5.2 billion; Parent \$2.6 billion (2023: Parent \$2.9 billion).

The repayment terms vary and the maturity profile has been disclosed in Note 34: Liquidity Risk and fixed and floating rate bonds and debentures in Note 34: Interest Rate Risk.

21. PENSION AND OTHER POST-EMPLOYMENT BENEFITS

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
a) Amounts recognised in the statement of financial position:			
Defined benefit obligation	122,129	122,129	115,239
Fair value of plan assets	<u>(92,630)</u>	<u>(92,630)</u>	<u>(90,004)</u>
Net defined benefit liability	<u>29,499</u>	<u>29,499</u>	<u>25,235</u>

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21. PENSION AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
b) Amounts recognised in statement of comprehensive income:			
Current service cost	5,407	5,407	5,405
Interest costs	1,595	1,595	1,473
Administrative expenses	<u>160</u>	<u>160</u>	<u>157</u>
Net benefit cost	<u>7,162</u>	<u>7,162</u>	<u>7,035</u>
c) Amounts recognised in other comprehensive income:			
Experience loss – demographic	1,427	1,427	3,124
Experience loss – financial	2,653	2,653	1,724
Remeasurement loss – financial	<u>-</u>	<u>-</u>	<u>(5,003)</u>
	<u>4,080</u>	<u>4,080</u>	<u>(155)</u>
d) Actual return on plan assets	<u>3,179</u>	<u>3,179</u>	<u>3,369</u>
e) Changes in the present value of the defined benefit obligation are as follows:			
Opening defined benefit obligation	115,239	115,239	108,311
Current service cost	5,407	5,407	5,405
Interest costs	7,427	7,427	6,566
Members' contributions	1,739	1,739	1,694
Actuarial losses/(gains)	1,426	1,426	(1,878)
Benefits paid	<u>(9,109)</u>	<u>(9,109)</u>	<u>(4,859)</u>
Closing defined benefit obligation	<u>122,129</u>	<u>122,129</u>	<u>115,239</u>

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21. PENSION AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
f) Changes in the fair value of plan assets are as follows:			
Opening fair value of plan assets	90,004	90,004	83,131
Expected return	5,832	5,832	5,093
Employer contributions	6,977	6,977	6,825
Members' contributions	1,739	1,739	1,694
Actuarial loss on plan assets	(2,653)	(2,653)	(1,723)
Administrative expenses	(160)	(160)	(157)
Benefits paid	<u>(9,109)</u>	<u>(9,109)</u>	<u>(4,859)</u>
Closing fair value of plan assets	<u>92,630</u>	<u>92,630</u>	<u>90,004</u>

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

	Group 2024	Parent 2024	Parent 2023
Deposit administration contracts	100%	100%	100%
Summary of principal actuarial assumptions:			
Discount rate	6.50%	6.50%	6.50%
Salary increases	4.50%	4.50%	4.50%

h) The Parent is expected to contribute \$19.95 million (2023: \$8.38 million) to its defined benefit plan in 2024.

i) Sensitivity of present value of defined benefit obligation:

	1% increase	1% decrease
Discount rate	(23,541)	22,746
Salary growth	7,845	(13,248)

The weighted average duration of the defined benefit obligations is nineteen (19) years (2023: twenty-two (22) years).

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22. SHARE CAPITAL

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
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	12,408
2,369,583 (2023: Nil) Class B Shares of no par value	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>
Dividend per share is \$11.42 (2023: \$20.62)	<u>1,112,408</u>	<u>1,112,408</u>	<u>12,408</u>

2,369,583 Class B ordinary shares were issued during the year.

23. REVALUATION RESERVE

The revaluation reserve is used to record increases or decreases in the carrying value of the Group's FVOCI portfolio. If the value of this portfolio increases or decreases based on market prices, this movement is recognised in equity under the heading revaluation reserve and other comprehensive income.

24. NET INTEREST EXPENSE CALCULATED USING THE EFFECTIVE INTEREST METHOD

Gross interest expense	217,367	171,427	171,091
Less: Government subsidy 2% and 5% mortgage programmes	<u>(162,710)</u>	<u>(162,710)</u>	<u>(166,781)</u>
Net interest expense	<u>54,657</u>	<u>8,717</u>	<u>4,310</u>

25. INVESTMENT INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

Amortization of discount and premium on amortised cost and fair value investment securities	11,531	(49)	(46)
Interest on investment securities	<u>30,824</u>	<u>4,161</u>	<u>4,122</u>
	<u>42,355</u>	<u>4,112</u>	<u>4,076</u>

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26. OTHER INCOME

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
IADB income	98	98	100
Home Mortgage Bank service fees	-	7,176	8,582
Government assisted programme – administration fees	40,549	40,549	40,118
Dividend Income	-	25,070	-
Fund Management income	17,422	-	-
Other	<u>822</u>	<u>733</u>	<u>1,271</u>
	<u>58,891</u>	<u>73,626</u>	<u>50,071</u>

27. ADMINISTRATION EXPENSES

Staff costs (Note 28)	75,147	61,502	63,966
Depreciation	8,081	6,955	5,968
Legal and professional fees	9,061	6,319	2,999
Audit fees	1,240	716	683
Advertising and public relations	12,044	9,282	3,064
Bank interest and charges	1,370	1,309	396
Bond issue costs	7,332	7,332	12,187
Other	<u>15,526</u>	<u>12,545</u>	<u>9,368</u>
	<u>129,801</u>	<u>105,960</u>	<u>98,631</u>

28. STAFF COSTS

Wages, salaries and other benefits	63,103	50,694	53,094
National insurance	3,029	2,451	2,380
Pension costs and other benefits	<u>9,015</u>	<u>8,357</u>	<u>8,492</u>
	<u>75,147</u>	<u>61,502</u>	<u>63,966</u>

29. TAXATION

a) Components of tax charge/(credit)	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Deferred tax (Note 13)	6,453	6,177	683
Current tax – current year	(8,253)	(587)	(529)
Green fund levy	(1,777)	(1,234)	(1,111)
Prior year under accrual	<u>(44)</u>	<u>(44)</u>	<u>-</u>
	<u>(3,621)</u>	<u>4,312</u>	<u>(957)</u>

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29. TAXATION (CONTINUED)

b) Reconciliation of accounting to tax profit:

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Net income before taxation	<u>180,198</u>	<u>164,163</u>	<u>142,379</u>
Income taxes calculated at statutory rate – 30%	(54,059)	(49,249)	(42,714)
Green fund levy	(1,777)	(1,233)	(1,111)
Prior year payment	(44)	(44)	–
Net expenses not allowable for tax	(9,535)	(2,113)	(4,762)
Tax exempt income	<u>61,794</u>	<u>56,951</u>	<u>47,630</u>
	<u>(3,621)</u>	<u>4,312</u>	<u>(957)</u>

30. MORTGAGE COMMITMENTS

At December 31 2024, the Group had outstanding commitments totalling Group \$188.6 million; Parent: \$137.7 million (2023: Parent \$163.7 million), to intending mortgagors.

31. 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 Group.

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Loans, Investments and Other Assets			
National Insurance Property Development Company Limited (NIPDEC)	50,000	–	–
Key management personnel (including directors)	7,160	5,746	3,947
Borrowings and other liabilities			
The National Insurance Board of Trinidad & Tobago			
Interest payable on debt	3,669	2,367	2,618
Long term debt	195,860	130,000	300,000
Short term debt	208,249	100,000	–

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31. RELATED PARTY TRANSACTIONS (CONTINUED)

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Home Mortgage Bank			
Long-term debt	-	70,000	75,500
Short-term debt	-	315,000	-
Interest payable on debt	-	4,279	753
Other liabilities	-	13,399	17,128
Key management personnel	1,964	-	-
Interest and other income			
NIPDEC	2,005	-	-
Key management personnel	310	227	107
Borrowings interest and other expense			
The National Insurance Board of Trinidad and Tobago	17,271	13,093	16,566
Home Mortgage Bank	-	7,770	4,716
Key management personnel	58	-	-
Key management compensation			
Short-term salaries and benefits	9,842	3,631	2,489
Post-employment benefits	579	262	178
Directors' remuneration	1,809	416	431

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

32. CONTINGENT LIABILITIES - LITIGATION

As at December 31, 2024, there were certain legal proceedings outstanding for the Group. 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.

33. CAPITAL MANAGEMENT

The Group'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 Group'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.

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33. CAPITAL MANAGEMENT (CONTINUED)

The Group defines capital as an appropriate mix of debt and equity. Capital increased by Group: \$2.1 billion; Parent \$924 million (2023: increase of \$737 million) to Group \$6.5 billion; Parent \$ 5.3 billion (2023: \$4.4 billion) during the year under review.

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

34. RISK MANAGEMENT

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

The Group'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 Group 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 Group 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 Group are audited periodically by the Internal Audit department, which examines both the adequacy of the procedures and the Group'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.

Credit Risk

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

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34. RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Credit risk is the most significant risk that the Group 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 Group's asset portfolio. There is also credit risk in financial instruments, such as loan commitments which is not included in the separate and consolidated 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 Group's maximum exposure to credit risk:

Details	Maximum exposure		
	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Financial assets			
Loans and advances	6,933,780	4,709,176	4,503,774
Investment securities	771,848	75,742	75,792
Other receivables	548,792	544,323	568,651
Cash at bank and cash equivalents	<u>58,118</u>	<u>30,109</u>	<u>61,621</u>
Total gross financial assets	8,312,538	5,359,350	5,209,838
Mortgage commitments (Note 30)	<u>188,588</u>	<u>137,726</u>	<u>163,665</u>
Total credit risk exposure	<u>8,501,126</u>	<u>5,497,076</u>	<u>5,373,503</u>

Risk limit control and mitigation policies

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

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

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

The Group 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.

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34. RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Risk limit control and mitigation policies (continued)

The Group'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 Group's performance to developments affecting a particular geographic location.

In order to avoid excessive concentrations of risk, the Group'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 Group 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 Group 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 Group'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 Group does not occupy repossessed properties for business use.

(2) Lending

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

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

The Group 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.

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34. RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Risk limit control and mitigation policies (continued)

(3) Geographical concentrations

The Group monitors the financial assets credit risk by geographical concentration to prevent over exposure in any area or any residential housing development. The Group 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 Group's principal financial asset, by region, based upon where the land and building taxes were paid.

Concentration of risks of financial assets with credit risk exposure

Details	Group 2024	%	Parent 2024	%	Parent 2023	%
Loans and advances						
Arima Borough Council	992,206	11.94	714,592	13.33	700,000	13.44
Chaguanas Borough Council	1,220,445	14.69	920,244	17.17	856,609	16.44
Couva/Tabaquite/Talparo Reg.	513,780	6.18	386,313	7.21	346,255	6.65
D/Martin Regional Corporation	334,847	4.03	169,610	3.17	160,637	3.08
Laventille/San Juan Regional Corporation	524,896	6.32	268,169	5.00	253,658	4.87
Mayaro/Rio Claro Regional Corporation	21,421	0.26	21,421	0.40	22,123	0.42
POS City Council	484,630	5.83	152,728	2.85	147,629	2.83
Penal/Debe Regional Corporation	65,841	0.79	65,841	1.23	67,563	1.30
Point Fortin Borough Council	46,136	0.56	46,136	0.86	45,035	0.86
Princess Town Regional Corporation	239,125	2.88	239,125	4.46	251,841	4.83
San Fernando City Council	938,731	11.30	655,838	12.24	614,627	11.80
Sangre Grande Regional Corporation	145,732	1.75	145,732	2.72	145,133	2.79
Scarborough	6,547	0.08	6,547	0.12	9,251	0.18
Siparia Regional Corporation	59,630	0.72	59,630	1.11	63,814	1.23
Tobago East	50,252	0.61	50,252	0.94	53,566	1.03
Tobago West	92,035	1.11	92,035	1.72	86,491	1.66
Tunapuna/Piarco Regional Corporation	1,197,526	14.41	714,963	13.34	679,542	13.04
Total Loans and advances	6,933,780	83.41	4,709,176	87.87	4,503,774	86.45
Other financial assets	1,378,758	16.54	650,174	12.13	706,064	13.55
Total	8,312,538	100.00	5,359,350	100.00	5,209,838	100.00

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34. RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Credit quality per class of financial assets

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

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

Group 2024	STAGE 1	STAGE 2	STAGE 3	TOTAL
Loans and advances				
Residential Loans	5,292,303	373,228	386,987	6,052,518
Commercial Loans	366,741	193,118	256,125	815,984
Other Loans	69,148	-	-	69,148
Gross balance	<u>5,728,192</u>	<u>566,346</u>	<u>643,112</u>	<u>6,937,650</u>
ECL – Residential Loans	(11,459)	(9,859)	(33,570)	(54,888)
ECL – Commercial Loans	<u>(252)</u>	<u>(206)</u>	<u>(83,437)</u>	<u>(83,895)</u>
Allowances for ECL	<u>(11,711)</u>	<u>(10,065)</u>	<u>(117,007)</u>	<u>(138,783)</u>
Net loans and advances	<u>5,716,481</u>	<u>556,281</u>	<u>526,105</u>	<u>6,798,867</u>
ECL to gross loan and advances (%)	0.2%	1.8%	18.2%	2.0%
Parent 2024	STAGE 1	STAGE 2	STAGE 3	TOTAL
Loans and advances				
Residential Loans				
Gross balance	4,227,665	161,047	315,534	4,704,246
Allowances for ECL	<u>(10,583)</u>	<u>(9,524)</u>	<u>(30,631)</u>	<u>(50,738)</u>
Net loans and advances	<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%

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34. RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Credit quality per class of financial assets (Continued)

Parent 2023	STAGE 1	STAGE 2	STAGE 3	TOTAL
Loans and advances				
Residential Loans				
Residential Loans				
Gross balance	4,045,259	145,426	301,831	4,492,516
Allowances for ECL	<u>(10,212)</u>	<u>(10,368)</u>	<u>(29,154)</u>	<u>(49,734)</u>
Net loans and advances	<u>4,035,047</u>	<u>135,058</u>	<u>272,677</u>	<u>4,442,782</u>
ECL to gross loans and advances (%)	0.3%	7.1%	9.7%	1.1%

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

	Group 2024 \$'000	Parent 2024 \$'000	Parent 2023 \$'000
Gross balance	75,742	75,742	75,792
ECL	<u>-</u>	<u>-</u>	<u>-</u>
Net balance	<u>75,742</u>	<u>75,742</u>	<u>75,792</u>

Investment Securities at FVOCI

GROUP	GROUP INVESTMENT SECURITIES			
2024	STAGE 1 \$'000	STAGE 2 \$'000	STAGE 3 \$'000	TOTAL \$'000
Gross balance	270,945	425,161	-	696,106
ECL	<u>(886)</u>	<u>(575)</u>	<u>-</u>	<u>(1,461)</u>
Net Balance	<u>270,059</u>	<u>424,586</u>	<u>-</u>	<u>694,645</u>
ECL as at % of Gross Balance	0.33%	0.14%	-	0.21%

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34. RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Credit quality per class of financial assets (Continued)

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

- As at December 31, 2024, loans and advances which represent the largest portion of the Parent and Group's financial assets Group: 83%; Parent: 88% are backed by collateral. The comparative figure for 2023 is 86%.
- Group: 10%; Parent: 4% of the loans and advances portfolio is impaired (2023: Parent 4%). 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.

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 Group 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 Group's impairment assessment and measurement approach is set out below.

Grouping financial assets measured on a collective basis

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

Individually assessed allowances

The Group 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 Group 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.

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34. RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Credit quality per class of financial assets (continued)

Individually assessed allowances (continued)

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.

Loans and advances – individually impaired

The individually impaired loans and advances to customers before taking into consideration the cash flows from collateral held is Group: \$676.8 million; Parent: \$179.0 million (2023: Parent \$160.8 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 Parent and Group as security, are as follows:

Loans and advances – individually impaired	Group 2024	Parent 2024	Parent 2023
Total	<u>676,792</u>	<u>178,991</u>	<u>160,697</u>
Fair value of collateral (before factoring in time to sell)	<u>612,713</u>	<u>199,389</u>	<u>135,047</u>

Reposessed collateral

Reposessed 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 reposessed properties as at December 31, 2024 is Group: \$125.4 million; Parent: \$51.1 million (2023 Parent: \$45.7 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.

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34. RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Credit quality per class of financial assets (continued)

Investment securities

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

Investment securities	STAGE 1	STAGE 2	STAGE 3	TOTAL
Group				
2024				
Amortised cost	75,742	-	-	75,742
%	100%	-	-	100%
FVOCI	270,059	424,586	-	694,645
%	39%	61%	-	100%
Parent				
2024				
Amortised cost	75,742	-	-	75,742
%	100%	-	-	100%
Parent				
2023				
Amortised cost	75,792	-	-	75,792
%	100%	-	-	100%

Cash and cash equivalents

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

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 Group has no significant exposure to currency risk and other price risk.

Interest rate risk

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

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34. RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

i. Financial assets

a) Mortgage loans

Mortgage loans account for Group: 81%; Parent: 70% (2023 Parent: 83%) of the Parent and Group's total assets. Board approval is required by the Group for any changes in mortgage interest rates.

b) Investment securities

Investments securities account for Group: 9%; Parent: 1% (2023: Parent: 1%) of the Parent and Group's total assets. These are amortised cost financial assets comprising of fixed rate bonds.

ii. Financial liabilities

Long-term debt, short-term debt and liability to fund holders accounts for Group 92%; Parent: 91% (2023 Parent: 89%) of the Parent and Group's financial liabilities. This is made up of fixed and floating bonds and debentures as follows:

	Group		Parent		Parent	
	2024	%	2024	%	2023	%
Short-term debt						
Fixed	518,313	10	833,313	23	691,689	19
Floating	558,000	11	123,000	3	-	-
Long-term debt						
Fixed	3,311,207	62	2,645,399	74	2,920,365	81
Floating	426,824	8	-	-	-	-
Liability to fund holders						
Fixed	<u>488,340</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt	<u>5,302,684</u>	<u>100</u>	<u>3,601,712</u>	<u>100</u>	<u>3,612,054</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.

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 Parent and Group's separated and consolidated income. This change in interest rates does not give rise to changes in equity.

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34. RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

iii. Sensitivity analysis (continued)

Effect on profit after tax of a 100 basis points change in interest rates

	100 Basis points	
	Increase	Decrease
Group		
December 31 2024		
Profit before tax	1,802	(1,802)
Tax impact - 30%	<u>(541)</u>	<u>541</u>
Profit after tax	<u>1,261</u>	<u>(1,261)</u>
Parent		
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>
Parent		
December 31 2023		
Profit before tax	1,424	(1,424)
Tax impact - 30%	<u>(427)</u>	<u>427</u>
Profit after tax	<u>997</u>	<u>(997)</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 Group 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 Group might lose liquidity if it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with the Group. The consequence may be the failure to meet obligations to repay debts and fulfil commitments to lend.

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34. RISK MANAGEMENT (CONTINUED)

Liquidity risk management process

The Group's liquidity management process includes:

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

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

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

Group 2024	Up to 1 year \$'000	One to five years \$'000	Over 5 years \$'000	Total \$'000
Liabilities				
Interest payable on debt	222,143	130,363	-	352,506
Sundry creditors and accruals	86,057	-	-	86,057
Short-term debt	1,076,071	-	-	1,076,071
Liability to fund holders	488,340	-	-	488,340
Long-term debt	<u>1,695,530</u>	<u>2,030,613</u>	<u>-</u>	<u>3,726,143</u>
Total undiscounted financial liabilities	<u>3,589,141</u>	<u>2,160,976</u>	<u>-</u>	<u>5,729,117</u>
Parent 2024	Up to 1 year \$'000	One to five years \$'000	Over 5 years \$'000	Total \$'000
Liabilities				
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>
Total undiscounted financial liabilities	<u>2,417,109</u>	<u>1,512,767</u>	<u>-</u>	<u>3,929,876</u>

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34. RISK MANAGEMENT (CONTINUED)

Liquidity risk management process (continued)

Parent 2023	Up to 1 year \$'000	years \$'000	years \$'000	Total \$'000
Liabilities				
Interest payable on debt	152,587	185,858	-	338,445
Sundry creditors and accruals	87,938	-	-	87,938
Short-term debt	691,689	-	-	691,689
Long-term debt	<u>934,657</u>	<u>1,985,708</u>	-	<u>2,920,365</u>
Total undiscounted financial liabilities	<u>1,866,871</u>	<u>2,171,566</u>	-	<u>4,038,437</u>
Funding approach				

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 Group computes the estimated fair value of all financial instruments held at the separate and consolidated statements of financial position date and separately discloses information where the fair values are different from the carrying values. As at December 31, 2024, carrying values approximated their fair values for all classes of financial instruments as follows:

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

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

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

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

For the year ended December 31, 2024 there were no transfers of assets among any level (2023: 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 Group cannot expect to eliminate all operational risks, but through a controlled framework and by monitoring and responding to potential risks, the Group 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.

35. 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 34 - 'Risk management: Liquidity risk management process' for an analysis of the financial liabilities based on contractual undiscounted repayment obligations.

Group 2024	Up to 1 year \$'000	Over 1 year \$'000	Total \$'000
Assets			
Cash and cash equivalents	58,118	-	58,118
GORTT subsidy receivable	151,000	392,249	543,249
Debtors and prepayments	12,285	-	12,285
Investment securities	-	770,387	770,387
Investment property	-	16,000	16,000
Loans and advances	534,494	6,264,373	6,798,867
Property and equipment	-	50,103	50,103
Intangible assets	580	-	580
Right-of-use assets	1,137	536	1,673
Taxation recoverable	11,825	-	11,825
Deferred tax asset	-	180,226	180,226
Total assets	<u>769,439</u>	<u>7,673,874</u>	<u>8,443,313</u>

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35. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

Liabilities

Dividends payable	109,867	-	109,867
Prepayments by mortgagors	102,503	-	102,503
Amount due to HDC	872	-	872
Sundry creditors and accruals	86,057	-	86,057
Short-term debt	1,076,071	-	1,076,071
Interest payable on debt	222,143	130,363	352,506
Liability to fund holders	488,340	-	488,340
Long-term debt	1,695,530	2,030,613	3,726,143
Lease liabilities	1,124	633	1,757
Deferred tax liability	-	2,173	2,173
Pension plan liability	-	29,499	29,499
Total liabilities	3,782,507	2,193,281	5,975,788

**Parent
2024**

**Up to 1 year
\$'000**

**Over 1 year
\$'000**

**Total
\$'000**

Assets

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
Total assets	515,283	6,119,518	6,634,801

Liabilities

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	152,675	93,003	245,678
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
Total liabilities	2,631,475	1,544,457	4,175,932

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35. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

Parent 2023	Up to 1 year \$'000	Over 1 year \$'000	Total \$'000
Assets			
Cash and cash equivalent	61,621	-	61,621
GORTT subsidy receivable	151,000	416,577	567,577
Debtors and prepayments	5,214	-	5,214
Investment securities	-	75,792	75,792
Loans and advances	207,581	4,235,201	4,442,782
Property and equipment	-	49,905	49,905
Right-of-use assets	467	54	521
Deferred tax asset	-	169,652	169,652
Total assets	<u>425,883</u>	<u>4,947,181</u>	<u>5,373,064</u>
Liabilities			
Dividends payable	53,298	-	53,298
Prepayments by mortgagors	101,371	-	101,371
Amount due to HDC	870	-	870
Sundry creditors and accruals	87,938	-	87,938
Short-term debt	691,689	-	691,689
Interest payable on debt	152,587	185,858	338,445
Long-term debt	934,657	1,985,708	2,920,365
Lease liabilities	487	110	597
Deferred tax liability	-	2,141	2,141
Pension plan liability	-	25,235	25,235
Total liabilities	<u>2,022,897</u>	<u>2,199,052</u>	<u>4,221,949</u>

36. DIVIDENDS PAYABLE

	Group 2024	Parent 2024	Parent 2023
Dividends payable are analysed as follows:			
Final dividend 2024 - \$11.42 per share	56,569	56,569	-
Final dividend 2023 - \$20.62 per share	<u>53,298</u>	<u>53,298</u>	<u>53,298</u>
	<u>109,867</u>	<u>109,867</u>	<u>53,298</u>

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37. BUSINESS COMBINATION UNDER COMMON CONTROL

On January 17, 2024, TTMB acquired 100% of the shareholding of HMB. This acquisition was determined to be a business combination under common control. Under this determination the following occurred:

- i. The book value method was used
- ii. The recognition if the difference between the consideration paid and the book value of assets and liabilities received were recorded in consolidated retained earnings
- iii. Non-disclosure of pre-combination information

	\$ 000's
Net assets acquired at December 31, 2023	1,216,070
Purchase price	<u>1,100,000</u>
Gain on bargain purchase recognised directly within retained earnings	<u>116,070</u>

No restatement of periods prior to the business combination under common control was performed in accordance with the Group's accounting policy.

38. ADDITIONAL CASH FLOW INFORMATION

Changes in liabilities arising from financing activities - Group

	Short term debt	Long term debt	Lease liability	Total
Opening balances	691,689	2,920,365	597	3,612,651
HMB opening balance	375,000	1,073,580	432	1,449,012
Interco debt eliminated	(315,000)	(70,000)	-	(385,000)
New lease obligations (corresponding entry in right-of use assets)	-	-	2,276	2,276
Cash flow items:				
Proceeds from debt	999,713	562,710	-	1,562,423
Repayment on debt	(676,213)	(768,127)	-	(1,444,340)
Lease principal repayments	-	-	(1,548)	(1,548)
Unamortised transaction costs - decrease	882	7,615	-	8,497
Closing balance	1,076,071	3,726,143	1,757	4,803,971

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38. ADDITIONAL CASH FLOW INFORMATION (CONTINUED)

Changes in liabilities arising from financing activities - Parent

	Short term debt	Long term debt	Lease liability	Total
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

39. 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 Group determines fair values using other valuation techniques.

(a) Valuation models

The Group 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 group, 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.

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.

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39. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Valuation models (Continued)

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

	2024			Group Total \$,000
	Level 1 \$,000	Level 2 \$,000	Level 3 \$,000	
Financial assets				
State-owned and government securities	-	646,508	-	646,508
Investment in CMOs	-	-	49,598	49,598
Total	-	646,508	49,598	696,106

Transfers between and movements in Levels

For the year ended December 31, 2024, there were no transfers of assets between and movements in levels.

(c) Financial instruments not measured at fair value

The table below shows the financial assets and liabilities not measured at fair value and seeks to analyze them by the level in the fair value hierarchy into which they would be allocated had they been measured at fair value. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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39. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial instruments not measured at fair value (Continued)

	Level 1	Level 2	Level 3	Fair value	Group carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000
As at December 31, 2024					
Financial Assets					
State-owned and government securities	-	75,742	-	75,742	75,742
Loans and advances to customers	-	-	6,798,867	6,798,867	6,798,867
Total	-	75,742	6,798,867	6,874,609	6,874,609
Financial Liabilities					
Short-term debt	-	1,076,071	-	1,076,071	1,076,071
Long-term debt	-	3,726,143	-	3,726,143	3,726,143
Liability to fund holders	-	-	488,340	488,340	488,340
	-	4,802,214	488,340	5,290,554	5,290,554
	Level 1	Level 2	Level 3	Fair value	Parent carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000
As at December 31, 2024					
Financial Assets					
State-owned and government securities	-	75,742	-	75,742	75,742
Loans and advances to customers	-	-	4,653,508	4,653,508	4,653,508
Total	-	75,742	4,653,508	4,729,250	4,729,250
Short-term debt	-	956,071	-	956,071	956,071
Long-term debt	-	2,635,565	-	2,635,565	2,635,565
	-	3,591,636	-	3,591,636	3,591,636

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39. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial instruments not measured at fair value (Continued)

Financial Liabilities

Short-term debt	-	1,076,071	-	1,076,071	1,076,071
Long-term debt	-	3,726,143	-	3,726,143	3,726,143
Liability to fund holders	-	-	488,340	488,340	488,340
	-	<u>4,802,214</u>	<u>488,340</u>	<u>5,290,554</u>	<u>5,290,554</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Level 3</u>	<u>carrying value</u>	<u>Parent amount</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at December 31, 2023					
Financial Assets					
State-owned and government securities	-	75,792	-	75,792	75,792
Loans and advances to customers	-	-	4,442,782	4,442,782	4,442,782
Total	-	<u>75,792</u>	<u>4,442,782</u>	<u>4,518,574</u>	<u>4,518,574</u>
Financial Liabilities					
Short-term debt	-	691,689	-	691,689	691,689
Long-term debt	-	<u>2,920,365</u>	-	<u>2,920,365</u>	<u>2,920,365</u>
	-	<u>3,612,054</u>	-	<u>3,612,054</u>	<u>3,612,054</u>

Where available, the fair value of loans and advances to customers 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.

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40. EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date that require disclosure in these separate and consolidated financial statements.

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