

2014 ANNUAL REPORT

“The only lies for which we are truly punished are those we tell ourselves.”
- V.S. Naipaul

“I am fifty years, only fifty years old,
There is so much to be thankful for:
No racial strife or no civil war.
No neighbouring troops try attack
my shore.” – Chucky (Bear with me)

“A unity which is not based on justice, on human rights and on realism is no real unity and will not last.” - A.N.R. Robinson

“I believe that one can aspire to as much as one wants to.”
- Trevor McDonald

“I am persecuted because of my writings, I think, therefore, that I should write some more.”
- Dr. Eric Williams

“We could make it if we try just a little harder. If we just give one more try, life will be much sweeter.” – Black Stalin
(We could make it if we try)

“Illiteracy, illiteracy, is man's greatest enemy.”
- The Mighty Sparrow

“Whether you're Hindu, Muslim or Christian, let's walk this land hand-in-hand we could only prosper if we try As Jahaji Bhai.” – Brother Marvin (Jahaji Bhai)

“Take some time when you start your day, when you're heading on your way, with full respect in order, just say to one another, 'Mornin' neighba'.” - 3Canal
(Good Morning)

“The power of love I say is the greatest power, stop hell and damnation. Love to heal a nation.” – Ella Andel
(Bring Down the Power)

“Technological discoveries are the spermatozoa of social change.”
- C. L. R. James

“You see, who God bless, no man curse. He shall never hunger or thirst. Who God bless, no man shall ever curse. He shall be first, he shall be first.” – Ras Shorty I
(Who God Bless)



OUR VISION

We are the lender of first choice for residential mortgages in Trinidad and Tobago.

We are passionate and proud about what we do, with a reputation for exceptional, friendly and professional service.

We focus on fulfilling our potential with the most skilled and knowledgeable team in the industry.

OUR MISSION

In partnering, we make home ownership an easy and rewarding experience.

OUR CORE VALUES

- REsults oriented.**
- Customer focused.**
- Integrity.**
- Teamwork.**
- Empowerment.**



Celebrating 50 years of mortgage service excellence

Corporate Directory

CORPORATE OFFICE

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

BRANCHES

ARIMA

32 Sanchez Street
Arima
Trinidad W.I.
Tel: (868) 667-2TMF (2863)
Fax: (868) 667-0732

CHAGUANAS

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

SAN FERNANDO

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

TOBAGO

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

BANKERS

REPUBLIC BANK LIMITED

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

CITIBANK (TRINIDAD & TOBAGO) LIMITED

12 Queen's Park East
Port of Spain
Trinidad W.I.

CORPORATE ATTORNEYS

ASHMEAD ALI & COMPANY

36 Edward Street
Port of Spain
Trinidad W.I.

M.G. DALY & PARTNERS

115a Abercromby Street
Port of Spain
Trinidad W.I.

AUDITORS

ERNST & YOUNG

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

BOARD OF DIRECTORS

CHAIRMAN

Albert T. Vincent

DEPUTY CHAIRMAN

Feroze Khan

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Ingrid L-A. Lashley

DIRECTORS

Sharda Baksh
Ann Chan Chow
Varun Debideen
Maureen Munro-Legge

CHIEF OPERATING OFFICER / SECRETARY

Robert C. Green



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A photograph of a family of three walking outdoors. The father is on the left, the mother is on the right, and a young child is in the center, kneeling on the grass and holding both parents' hands. The scene is set in a grassy area with trees and a white plastic chair in the background. A large, semi-transparent graphic overlay, consisting of a diagonal split between a light tan and a greyish-blue color, covers the entire image. The text is centered within the greyish-blue portion of the overlay.

50 years
contributing to
the quality of
people's lives

Chairman's Report



In 2014 Trinidad and Tobago Mortgage Finance Company Limited (TTMF) has delivered a solid financial performance relative to its competing rivals in the residential mortgage market as it continues to successfully surmount formidable challenges in its external environment. Notably we achieved a resumption in growth in profitability since 2011 with total comprehensive income climbing by 12.2% from \$59.2 million in 2013 to \$66.4 million in 2014.

The Economic Climate

In 2014 the recovery of the global economy from the “Great Recession” of 2008 continued to be weak. The IMF in its world economic outlook has presented a growth forecast of 3.3% for the global economy in 2014. The US economy in particular is showing signs of strong recovery relative to the other advanced economies. US growth in 2014 is expected to be 2.4% compared to 0.1% in Japan and 0.8% in the Euro area. In terms of the more prominent emerging markets and developing economies, growth in China and India is expected to be 7.4% and 5.8% respectively in 2014.

The domestic economy experienced modest growth of less than 1% in 2014 resulting from contraction in energy output related to drilling platform shut downs. Among key economic indicators headline inflation increased to just below 10% in October 2014 from 5.6% in December 2013 with unemployment falling to 3.1% during the first quarter of 2014 down from 3.8% in December 2013.

After holding the repo rate at a record low for nearly two (2) years, the Central Bank increased the repo rate from 2.75% to 3.25% by December 2014, thereby signaling the end of the excessively accommodating monetary stance geared towards stimulation of economic activity. In making these increases to the repo rate, the Central Bank is expressing less caution about inflationary pressures and more concern about interest rate differentials between the US and Trinidad and Tobago which may engender investment flows from T&T to US money and capital markets in search of higher returns.

The fall in oil prices by almost 50% from June to December 2014 is of great concern and has exerted a significant negative impact on Government revenues necessitating a revision in budget estimates in early 2015 in order to confront a revenue shortfall of \$3.5 billion.

The Housing Market

The real estate market continues to show robust growth with mortgage lending increasing by 11.7% in the calendar year up to November 2014, particularly in the areas of home renovation and debt consolidation. Interest rates continue to be relatively low, which increased the demand for mortgage financing. Although TTMF's mortgage rate is not influenced by The Mortgage Market Reference Rate (MMRR), this latter rate which drives the commercial banks' mortgage financing rate, remained unchanged at 2.25% during the year.

The Government Assisted Programmes which are administered by TTMF in collaboration with the Ministry of Housing and Urban Development, are designed to increase accessibility to the acquisition of affordable housing to the low and middle income citizens of Trinidad and Tobago. The 2% mortgage programme was further expanded to remove the restriction of its application to Government housing and increase the value of properties to which it would apply to \$850,000, for persons with an income up to \$10,000. Further,

a new 5% mortgage programme which caters specifically to the middle income group with income up to \$30,000 for purchase or construction of property valued up to \$1.2 million, was introduced in October 2014. The expansion of these programmes and their appeal to prospective home owners should encourage new developments in the private sector and promote further economic expansion in the construction industry.

Outlook for 2015

The Central Bank in its Financial Stability Report for 2014 and early 2015 has identified the following four key risks to financial stability in Trinidad and Tobago:

- Sharp and Persistent Fall in Energy Prices
- Household Financial Stress and a Correction in House Prices
- A Spike in Long Term US Interest Rates
- Sovereign Debt Restructuring in the Caribbean

The risk related to household financial stress and correction in house prices is rated as "high". This risk is of direct relevance to the residential mortgage market and recognizes the inability of highly indebted households to service their mortgage debt in situations of rising long term interest rates and sharply declining incomes as may arise from a significant contraction in economic activity.

Providing affordable housing units to our citizens is a top priority for the Government of Trinidad and Tobago. The new/enhanced mortgage programmes will augur well for the growth of the customer base of TTMF. These programmes are designed to satisfy the need for housing and encourage the private sector to become more involved in the supply side of the market. TTMF will work closely with all developers, public and private, to fulfill its mandate in respect of housing for the citizens of Trinidad and Tobago.

Conclusion

As a designated Systemically Important Financial Institution (SIFI), TTMF was examined by the Central Bank over the period September 3 to October 10, 2014. TTMF looks forward to continued collaboration with the Central Bank to enhance its corporate governance and other operating systems.

On behalf of the Board of Directors I wish to thank the management and staff for another strong performance in 2014. We are making deliberate steps towards our next level of development as an organization and we look forward to your continued diligence and support for a successful 2015.



Albert T. Vincent
Chairman

Board of Directors

Albert T. Vincent
Chairman

Mr. Albert T. Vincent is a financial economist who holds the Chartered Financial Analyst (CFA) designation and has been involved in the financial services sector for over twenty five years as a senior executive and consultant. He provides consulting services in various areas including, investment management and corporate finance. He has served as a member of the National Economic Advisory Council of the Government of Trinidad and Tobago and currently serves as a member of the Board of Directors of the National Insurance Board. His tertiary education also includes a BSc from the University of the West Indies, St Augustine Campus and an MSc from the University of Guelph, Ontario Canada.



Feroze Khan
Deputy Chairman

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



Ingrid L-A. Lashley
Managing Director/Chief
Executive Officer

Our Managing Director/Chief Executive Officer has performed in the financial services sector for more than twenty years. An accountant by profession with a Masters Degree in Business Administration from McGill University, Montreal, Canada, Ms. Lashley has held senior and executive management positions in an international commercial bank. Ms. Lashley joined the TTMF team in 2004. Under her leadership, the company has extended its product line, expanded its branch network and transformed its operating systems to allow for growth in assets in excess of 100%. Ms. Lashley has served on the boards of private, public and charitable organisations.



Sharda Baksh
Director

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



Ann Chan Chow
Director

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



Varun Avinash Debideen
Director

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



Maureen Munro-Legge
Director

Maureen Munro-Legge holds a Bachelor degree in Architecture from the Mackintosh School of Architecture, University of Glasgow. She has worked with Home Construction Group establishing the Architectural and Interior Design Department. She has also worked in London on several housing projects in inner city London. She is currently involved in the design of high end luxury residences, multifamily dwellings and resort architecture locally.



Managing Director/ Chief Executive Officer's Report



We are indeed proud of the results of our strategy implementation in fiscal 2014. Growth in profitability evolved largely from the implementation of our prudent liability management strategy.

Profit before tax for the fiscal year ended December 31, 2014 was TT\$75.5 million, an increase of 27.1% or TT\$16.1 million over the previous year. On an after tax basis, Trinidad and Tobago Mortgage Finance Company Limited (TTMF) experienced growth of 9.5% relative to 2013. On an after tax basis, Trinidad and Tobago Mortgage Finance Company Limited (TTMF) experienced growth of 9.5% relative to 2013, from TT\$61.3 million to TT\$67.1 million.

In the context of the economic challenges that persisted both globally and locally, improved performance required diligence and particular attention to an improved customer experience. Residential mortgage interest rates continued its downward slide albeit at a more gradual pace that had applied in the previous year. In such an environment aggressive competition amongst the players in the residential mortgage industry was the order of the day, to acquire a larger portion of a finite market. Our focus on improving the service we provide to our customers was instrumental in the achievement of our success.

Our years of experience and understanding of our market allowed for identification of a shift in customer behavior and analysis of its implication for our business going forward. Today's customers are more informed. They are aware of what is available in the market and as a result, are equipped to make decisions based on a wide range of information. That being the case, we are compelled to meet their financial needs in a timely, efficient manner while at the same time ensuring that they are always kept informed at every step through the process.

It is against this backdrop that our focus in fiscal 2014 was on streamlining our operations in order to improve the service delivery. The initiatives therefore revolved around the key performance indicators in each area of the business operation: **customer focus, financial, internal business processes and learning and growth.**

CUSTOMER FOCUS

The strategy employed by the Mortgage Services Department in the execution of its mandate was to seek opportunities for portfolio growth and product expansion through partnering initiatives; and to focus on the customer experience supported by improved internal processes and procedures.

To meet the customer and identify the customer need at the earliest possible time, a more focused sales approach was adopted. This change in culture meant greater outreach to customers. Thus the Business Development team adopted a strategy for increase in external presentations, public and private, throughout the geographical spread of Trinidad and Tobago. These efforts contributed in large part to increased brand awareness, improved image and an increase in the pool of customers from whom applications were accepted. This approach will continue in the coming years making full use of technology and relationships.

Partnerships with state agencies were strengthened: the Trinidad and Tobago Housing Development Corporation (HDC), the Land Settlements Agency (LSA), the Sugar Industry Labour Welfare Committee (SILWC) and the Division of Settlements and Labour of the Tobago House of Assembly (THA). This coupled with educating the population on the benefits of the expanded Affordable Housing Financing programme (2% and 5% facilities) was given priority throughout the year, leading to increased customer activity in the branch network.

The accelerated distribution of houses by the Government of the Republic Trinidad and Tobago (GORTT) and the THA, through its housing agencies, necessitated the establishment of a unit specific to this area of our business. The Government Assisted Programme (GAP) Unit was established to cater for the increased applications expected from the implementation of the revised 2% and new 5% mortgage financing programmes and the administration

of the Rent to Own (RTO) and License to Occupy (LTO) arrangements.

In the area of product expansion focus was on initiating discussions with the THA to develop a staged financing approach to meet the particular needs of the Tobago market. We have already agreed on the features of this variation of the mortgage product and have had discussions with other developers who have expressed an interest in an offering of this nature. We anticipate that the result of these will be realized in 2015.

“Life Stages” was the theme of our 2014 Corporate Campaign. The campaign demonstrated clearly that we are there to support our customers during every life stage as it pertains to home ownership.

We started with the young adult in their first job, planning for homeownership. Then moved to the young couple starting a family with their options to purchase land and construct their home or to purchase a property. As the family grew, the campaign was directed to include the purchase of a larger home. Equity financing was then presented as a solution to meeting education expenses or upgrading the property. The elderly couple was then addressed, enjoying the benefits of their determined plans for acquisition of a home and the investment in their future.

The annual promotion focused on providing support to the mandate of GORTT to provide adequate and affordable financing to our citizens. This was done through the use of the expanded 2% housing programme, which extended the financing subsidy to any property in Trinidad and Tobago with an increased limit that is now \$850,000 to persons earning up to \$10,000. The promotion was called less = MORE which spoke to persons qualifying for a lower interest rate (less) for a higher valued property (MORE). This promotion was supported with road shows throughout the country where we conducted over 500 assessments for potential customers. We will continue these promotions into 2015 to expand the customer base now eligible for the new 5% mortgage

Managing Director/ Chief Executive Officer's Report

programme for persons earning up to \$30,000 and property values or construction cost up to \$1.2M.

A Customer Update Campaign also played a major role in our outreach. This campaign was designed to allow customers to update their contact information online or at the branch and earn the chance to win one of eight weekly prizes and a Grand Prize of a Room Makeover. We successfully updated over 1,000 customers' information with almost 70% of the entries using the website form to submit their data.

This use of digital media also provided for success in our outreach thrust. During the year there were almost 80,000 unique visitors making 137,270 visits to the website. They spent over 4 minutes on the site, on average, and clicked through and viewed more than 3 pages on each visit.

Our site was upgraded to include mobile devices and 24% of website traffic came from that source including 11% from tablets and 65% from desktop visits. Facebook fan growth is positive, and the page is active. The Facebook Page is attracting fans and friends who continue to engage with the brand. Instagram launch in September was a success and we acquired 225 followers in the last 5 months. LinkedIn and Twitter have also shown growth, albeit at a slower pace.

FINANCIAL

2014 marked the year for reaping the full benefits of a liability management strategy that commenced in 2011.

In treasury management, we were able take advantage of record high levels of liquidity in the system and the resulting low interest rates to refinance high cost debt. In fiscal 2014, the weighted average cost of debt decreased to 3.83% compared to 4.35% in the comparative period of 2013.

In support of improved interest margins and to ensure

that the flexibility in repayment terms on mortgages could be sustained, implementation of Management Planning and Control (MPC) software was initiated. MPC is a powerful reporting tool and also provides the basis for the management of our profit centres to give greater effect to the viability of our branch operations.

Complementing the planning and control of our operations is other software systems geared to the improvement of operational efficiency that will allow for timely analysis, monitoring and reporting.

Essential to our risk-based approach to operational efficiency, is the function of internal audit and the ongoing improvement in our risk based framework. Analyses which assess the effectiveness of internal controls and operational processes within the organization place emphasis on any areas of risk and the controls required to mitigate such risks where they exist.

The Internal Audit Plan identified key strategic risks and, on the basis of these, successfully completed twenty-seven (27) Audit Reports.

The quality, competence, independence and effectiveness of the unit have been supported by the improvements noted in internal controls and reduction in consulting fees of the External Auditors. Recommendations highlighted in the Audit Reports have been duly noted and implemented.

INTERNAL BUSINESS PROCESSES

To embrace the successes of digital media, we introduced wireless internet access at all of our branches for use by our visitors and customers. Utilizing an Access Code that changes daily and that is distributed to visitors/customers upon entry to our premises, our guests now enjoy the benefits of secure internet connectivity using their mobile devices in the event that there is brief waiting time for service from

our dedicated customer service representatives. Further, the Internet banking and Mobility strategy was articulated in our Information Technology Strategic Plan. The agreed approach is to allow customers the ability to engage TTMF in a fully interactive two-way communicative online portal for the management of the loan application process from initial submission to approval, and to allow this activity to occur using a range of mobile devices.

In support of this an organization-wide initiative to replace all obsolete computers with modern state-of-the art and fit-for-purpose equipment was realized. The initiative resulted in an improvement in the productivity of staff with respect to the efficient usage of our core banking applications which benefited from the increased processing power of the new computers.

The Mortgage Administration Function comprises the Account Servicing Unit, responsible for after sales service, and the Collections Unit, responsible for the management of delinquency and any action associated with it.

The Account Servicing Unit undertook a number of clean-up projects to ensure that our records are up-to-date and accurate, and that our own obligations on behalf of our customers are met. These projects will continue as the need arises.

The Collections Unit's primary goal was to achieve a decrease in the delinquency rate by 0.2% over the previous year. This was surpassed with a decrease of 0.67%. The target was achieved as a result of the implementation of new monitoring techniques to ensure that accounts in arrears or tardy in payment, are actioned in the shortest possible time. We recognize that all customers are good paying customers and circumstances may arise that retard access to funds or the ability to meet their commitment. It is our position that we must start working with them at the earliest possible time to resolve such issues.

Further, to ensure that our customer perspective is acknowledged, a Customer Feedback Policy was expanded to ensure that customer complaints (as well as customer commendations) were addressed in an expeditious manner and to the mutual satisfaction of and in the best interests of both the customer and the Company. In tandem is a new system of escalation of such comments to ensure that the message is received and acted upon at every level. In support of this approach, appropriate resources are now dedicated to the back-room function of the mortgage engagement and areas of non-compliance, where identified, are rectified with on-going monitoring.

The role and function of Corporate Services in ensuring that building maintenance meets established standards of professionalism and best practice, that service to internal customers is optimized and that improvement in Health and Safety Practices is an ongoing requirement, was highlighted in this fiscal year.

Security Systems were updated and upgraded throughout the network with state of the art technology and supporting processes. In addition, Safety Access Systems were added to ensure the safety of visitors, customers and staff at all TTMF offices. Other major maintenance projects were undertaken effectively and efficiently, all projects having been completed within budget and on time.

The Health and Safety function focused on the need to bring our new home in Tobago at Jerningham Court up to the standard of other TTMF dwellings. Repairs and renovations were undertaken with a view to ensuring that we conform to Occupational Safety and Health requirements and National Fire Protection Association Standards.

All employees' safety and health concerns where they existed, were addressed. The Safety Officer conducts monthly visits to all branch offices to ensure that we maintain high safety practices and daily routine inspections are completed at Albion Court.

Managing Director/ Chief Executive Officer's Report

LEARNING AND GROWTH

Performance benchmarks were reinforced in order to ensure that the mortgage application to disbursement processes is in line with customer expectation and best practice. At the same time, coaching and mentoring of staff in an effort to improve the quality of skill and knowledge continued. Talent recognition and training provided for an effective start to the succession plan.

A 360o appraisal system was introduced to enhance our Performance Management System. Persons with high leadership potential were selected for the pilot exercise and having received the reports of the consultants, we continue to work with those employees to ensure that adequate training and development occurs in the interest of our succession planning. This initiative is supplemented by training and development plans for all employees arising from and documented in all performance appraisals.

The Whistleblower Policy was introduced in June 2014. The policy provides the framework for the disclosure of activity that is against the standards and policies of TTMF without fear of victimization or retaliation. The Anti-Money Laundering Compliance Programme was also strengthened based on recommendations made by the Central Bank of Trinidad & Tobago. The revised Anti-Money Laundering Policy now adopts a risk-based approach, as well as inclusion of amendments to the relevant legislation.

Appropriate Anti-Money Laundering surveillance software has been identified for implementation by June 2015. This initiative seeks to streamline the functions of the Compliance department and support more comprehensive monitoring and reporting activities as required under legislation. Overall, the Compliance department has made significant strides towards the more efficient execution of its regulatory and organizational obligations.

The Company's first Board Charter was approved. Prior to this the Directors were guided by the Bye Laws of the company, the terms of reference drawn therefrom, and a Code of Business Conduct. While these policies remain of great importance, the addition of the Charter reinforces our corporate governance structure and discloses unequivocally the Directors' functions in harmony with globally accepted best practice.

The Charter complies with Trinidad and Tobago Corporate Governance Code, 2013 as developed by the Trinidad and Tobago Chamber of Industry and Commerce, the Trinidad and Tobago Stock Exchange Limited and the Caribbean Corporate Governance Institute. TTMF supports the objectives of the Code which include enhanced business governance and strengthen transparency and efficiency in the market.

CONCLUSION

The combination of the efforts of the various functional areas resulted in an overall buzz in 2014 which translated into increased interest in the TTMF product. These initiatives would contribute to the enhancement of TTMF's image and contribute to its status as the preferred lender in the residential mortgage industry. In 2015 we will continue to work towards positively distinguishing ourselves from our competitors as the mortgage provider with the most skilled and knowledgeable team in the industry.

With the government's focus on meeting the housing needs for the citizens of Trinidad and Tobago, whether through allocation of government housing units or with the assistance of private developers to increase the supply of housing stock, we are confident that our portfolio will experience rapid growth. We will support the GORTT effort while ensuring that we add to shareholder value to provide for an above-average return on their investment.



On December 3, 2015, we mark 50 years of providing mortgage service excellence to the people of Trinidad and Tobago. We are proud of our achievements having financed thousands of homes over those many years. In recognition of this milestone, we acknowledge all the parties who have contributed to our success: Our customers, our shareholders (particularly the Ministry of Finance and the Economy (Corporation Sole) and more recently our new line Ministry, the Ministry Housing and Urban Development), our suppliers, and other stakeholders.

Special mention must be made of Team TTMF. Together we have planned our celebration of our 50th year of business to give recognition to all stakeholders. We consider that we are the TTMF family and have extended such relationships in fulfilling our mandates and achieving our objective of a superior customer experience, internal and external.

On behalf of Team TTMF, I wish to thank our Directors for their on-going support and commitment, as we look forward to another fifty (50) years of service to the citizens of Trinidad and Tobago.

A handwritten signature in dark red ink, appearing to read 'Ingrid Lashley'.

Ingrid L-A. Lashley
Managing Director/Chief Executive Officer

Management Team



ROBERT C. GREEN

Chief Operating Officer/
Secretary



BRENT MC FEE

Chief Financial Officer/
Assistant Secretary



VERNIE SHIELD

General Manager,
Mortgage Services



CHERRIE CARACCILO

Manager,
Human Resources



DALE DE SERVE

Manager,
Information Technology



ALLISON EDWARDS

Manager,
Internal Audit



MIGUEL AWAI

Assistant General Manager,
Mortgage Administration



WENDY HUGGINS

Assistant General Manager,
Mortgage Origination



MYRTLE HARRIS

Senior Manager,
Mortgage Operations



MEERA ROOPAN

Manager,
Mortgage Origination



NICOLE HOSPEDALES

Manager,
Corporate Services



MARSHA RAE LEBEN

Manager,
Marketing and Public
Relations



LISA WILLIAMS

Manager,
Finance

BOARD CHARTER

1. PURPOSE

This Board Charter (“Charter”) sets out the role, responsibilities, structure and composition of the Board of Directors of Trinidad and Tobago Mortgage Finance Company Limited (“TTMF”).

2. COMPLEMENTARY TO LAWS, ARTICLES AND BY-LAWS

These provisions are complementary to the requirements regarding the Board and Board members contained in the Companies Act Chapter 81:01 and other legislation of the Republic of Trinidad and Tobago, regulations, the Articles of Association of **TTMF** (‘Articles’), its By-Laws and the provisions governing the relationship between the committees and the Board as contained in the terms of reference of the committees (which have been adopted by the Board).

3. ROLE AND RESPONSIBILITIES

The key responsibilities of the Board are as follows:

- a. To develop, review and monitor the strategic aims of **TTMF** and provide strategic direction to management.
- b. To approve and monitor annual budgets, major capital commitment, capital management, acquisitions and divestitures.
- c. Ensuring that **TTMF** has the appropriate organizational structure in place to achieve the mission and vision of the company.
- d. To identify and review principal risks that may face the company and ensure the implementation of appropriate internal controls for risk mitigation.
- e. To review the adequacy and integrity of the management information and internal control systems of **TTMF**.
- f. To provide input and final approval of management’s development of corporate strategy and performance objectives.
- g. To ensure the adoption of appropriate corporate governance practices, monitoring its effectiveness and making changes as needed.
- h. To monitor and manage potential conflicts of interest of management and board members.
- i. To monitor and manage potential misuse of corporate assets and abuse in related party

BOARD CHARTER

transactions.

- j. To select, appoint and determine the terms of appointment of the Managing Director/ Chief Executive Officer (MD/CEO), Chief Operating Officer/Secretary, General Manager, Mortgage Services and the Chief Financial Officer.
- k. To review the performance of the MD/CEO.
- l. To review succession plans for the MD/CEO and the Executive Management Team.
- m. To review and approve the company's financial statements and other reporting.
- n. To monitor compliance with legal, regulatory requirements and ethical standards.
- o. To use its best effort to provide shareholders with information necessary or requested by/ for shareholders at the Annual Meeting.
- p. Other functions as stated in Section **2.2.6.2**

of the State Enterprises Performance Monitoring Manual.

4. ROLE AND DELEGATION TO MANAGEMENT

The Management of TTMF's day to day operations is undertaken by the management team subject to specified delegations of authority approved by the Board. The Management team is headed by the MD/CEO.

5. APPOINTMENT: COMPOSITION OF THE BOARD

The Articles provide for a minimum of 4 and a maximum of 8 Directors
The shareholders of TTMF appoint members of the Board.

6. TERM OF OFFICE AND RETIREMENT

A director (other than the MD/CEO) may not retain office for more than three years without submitting for re-election.

At the Annual Meeting each year, one-third of the Directors for the time being or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third shall retire from office to avoid many board members retiring at the same time.

The director to retire in every year shall be those who have been longest in office since their last

election but as between persons who became directors on the same day those to retire shall (unless otherwise agreed among themselves) be determined by lot.

The Board may amend the rotation plan.

7. DIRECTOR INDEPENDENCE

The majority of the Board shall comprise of non-executive directors determined to be independent.

An independent director is a director who:

- a. Is not, and has not been, employed by **TTMF** at any time during the past five years;
- b. Is not and has not been affiliated with a company that acts as an advisor or consultant to the company or its related parties, nor is not or has not him/herself acted in such capacity at any time during the past five years;
- c. Is not or has not been affiliated with any significant customer or supplier of the company or its related parties (i.e. a company that makes payments to, or receives payments from the company for property or services in an amount which in any single fiscal year, exceeds the greater of TT\$500,000 or 2% of such other company's consolidated gross revenues) at any time during the past five years;
- d. Does not currently have or has had any personal service contracts with the company; its related parties or its senior management at any time during the past five years;
- e. Is not affiliated with any non-profit organization that receives significant funding from the company or its related parties;
- f. Does not receive, and has not received additional remuneration from TTMF apart from a director's remuneration, nor participates in the company's share option or performance related payment plans, nor is a participant in the company's pension plan;
- g. is/her director's remuneration does not constitute a significant portion of his or her annual income.

BOARD CHARTER

- h. Is not employed as an executive officer of another company where any of the company's executives serve on that company's board;
- i. Is not a member of the immediate family of any individual who is or has been at any time during the past five years, employed by the company or its related parties;
- j. Is not, nor has been at any time during the past five years affiliated with or employed by a present or former auditor of the company or auditor of any related party;
- k. Has not served on the board for more than ten years.

8. CHAIRMAN AND DEPUTY CHAIRMAN

The Board of Directors may elect a Chairman and Deputy Chairman from among its members and determine the period for which they are to hold office. The Deputy Chairman replaces and assumes the powers and duties of the chairman when the chairman is absent.

The Chairman must be an independent non-executive Director.

The Chairman is primarily responsible for the activities of the Board and its committees. He/she is the principal contact for the MD/CEO.

As per section **2.2.6.1 of the State Enterprises Performance Monitoring Manual**, the Chairman shall not be a member of the Audit Committee or Tenders Committee of the Company.

In addition to the responsibilities as stated in section **2.2.6.1 of the State Enterprises Performance Monitoring Manual**, the chairman is primarily responsible for:

- a. Ensuring the Board members receive all information necessary for them to perform their duties;
- b. Ensuring the Board satisfies its duties;
- c. The efficient organization and conduct of the Board's functioning, including determining the agenda of board meetings in consultation with the Managing Director, chairing such meetings

and ensuring that minutes are kept of such meetings;

- d. Consulting with external advisors appointed by the Board;
- e. Addressing problems related to the performance of individual Board members;
- f. Addressing internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result;

9. MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

In addition to the responsibilities of the MD/CEO listed in section **2.2.6.5 of the State Enterprises Performance Monitoring Manual**, The MD/CEO is responsible for:

- a. Leading the development and execution of board approved strategy for desired results;
- b. Managing the management team;
- c. The assessment of business opportunities which are of potential benefit to **TTMF**;
- d. Bringing material and other relevant matters to the attention of the board in an accurate and timely manner
- e. Voting on any issues referred to the Board of Directors for adjudication as a full member of the Board.

10. SEPARATION OF FUNCTIONS BETWEEN THE CHAIRMAN AND THE MANAGING DIRECTOR

The roles of the Chairman and the Managing Director are strictly separated.

11. THE COMPANY SECRETARY/ASSISTANT COMPANY SECRETARY

The Company Secretary or the Assistant Secretary in his/her absence, is the Secretary of the board.

The BoaWrđ is responsible for the appointment and supervision of the Company Secretary and the Assistant Company Secretary and any question of the removal of the Company Secretary or the Assistant Company Secretary should be a matter for the Board.

The Company Secretary, or the Assistant Company

BOARD CHARTER

Secretary in his/her absence, sees to it that the Board follows correct procedures and that it complies with its obligations under law, the company's Articles and By-Laws. The Company Secretary shall assist the Chairman in organizing the Board's activities (including providing information, preparing an agenda, reporting on meetings).

The responsibilities of the Company Secretary are specified in section **2.2.6.7 of the State Enterprises Performance Monitoring Manual**.

All directors have access to the advice and services of the Company Secretary or Assistant Secretary.

12. BOARD COMMITTEES

The board has established committees to assist in exercising its authority including the responsibilities set out in section 3 above.

The standing committees are:

- a. Audit Committee;
- b. Asset Liability and Risk Management Committee;
- c. Human Resources Committee and
- d. Tenders Committee.

The Board may appoint from time to time committees from among its members to perform specific tasks.

The Board will determine the membership and composition of its committees, having regard to workload, skills and experience and other regulatory requirements.

The Board remains collectively responsible for the decisions and actions recommended by any committee.

A committee may only perform the tasks delegated to it by the board and may not exceed the authority or powers bestowed on it by the Board.

As per section 84(2) of Companies Act Chapter 81:01, decisions that must be taken by the Board may not be delegated to a committee.

The Board shall establish (and may amend) terms of reference for each committee.

The terms of reference shall indicate the role, responsibilities of the committees, its composition and how it should perform its duties.

The terms of reference and the composition of the committees shall be posted on the company's official website (www.ttmf-mortgages.com).

13. INDEPENDENT ADVICE

Directors have the right to seek independent professional advice on the furtherance of their service as directors, at the company's expense.

Written approval must be obtained from the MD/CEO prior to incurring the expense on behalf of the company.

14. CODE OF CONDUCT

A Director must act honestly, in good faith and in the best interest of the company as a whole.

A Director must adhere to the company's 'Code of Conduct- Directors' Policy Version 1.3 as may be revised from time to time.

15. PUBLICATION OF CHARTER

Key features of this Charter are to be outlined in the Annual Report.

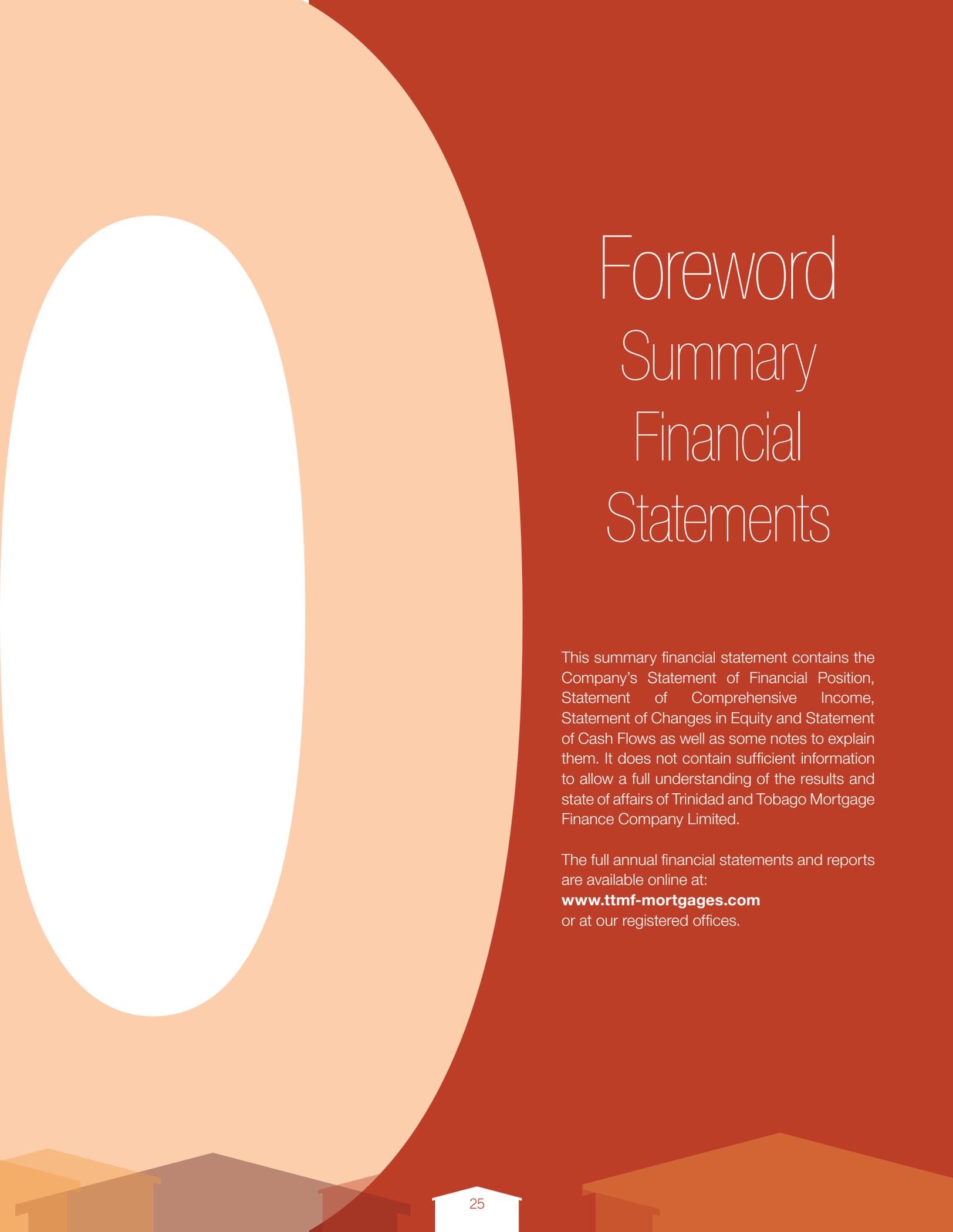
A copy of this charter is available on the company's website at www.ttmf-mortgages.com.

16. AMENDMENT OF THIS CHARTER

This Charter has been adopted by the Board. Any amendment to this charter must be approved by the Board.

This Charter will be reviewed every three (3) years to ensure its continued compliance with legal and corporate governance requirements.





Foreword Summary Financial Statements

This summary financial statement contains the Company's Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows as well as some notes to explain them. It does not contain sufficient information to allow a full understanding of the results and state of affairs of Trinidad and Tobago Mortgage Finance Company Limited.

The full annual financial statements and reports are available online at:

www.ttmf-mortgages.com

or at our registered offices.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the shareholders of Trinidad and Tobago Mortgage Finance Company Limited

The accompanying summary financial statements, which comprise the summary statement of financial position as at 31 December 2014, and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended, are derived from the audited financial statements of Trinidad and Tobago Mortgage Finance Company Limited (the "Company") for the year ended 31 December 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 24 March 2015.

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

Management's Responsibility for the Summary Financial Statements

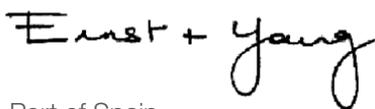
Management is responsible for the preparation of a summary of the audited financial statements on the basis of their established criteria as described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Company for the year ended 31 December 2014 are consistent, in all material respects, with those financial statements, on the basis of management's established criteria as described in Note 1.



Port of Spain,
TRINIDAD:
24 March 2015

SUMMARY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER, 2014

(Expressed in Thousands of Trinidad and Tobago dollars)

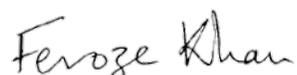


	2014	2013
ASSETS		
Cash and cash equivalents	137,469	5,508
Investment securities	251,838	251,564
Mortgage loans	3,066,640	3,174,874
Property and equipment	46,544	45,530
Other assets	<u>181,832</u>	<u>189,087</u>
TOTAL ASSETS	<u>3,684,323</u>	<u>3,666,563</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Interest payable on debt	30,196	30,783
Debt Securities	2,009,487	2,332,774
Subsidy 2% mortgage programme	94,834	112,602
Other liabilities	<u>756,295</u>	<u>439,531</u>
TOTAL LIABILITIES	<u>2,890,812</u>	<u>2,915,690</u>
EQUITY		
Share capital	12,408	12,408
Retained earnings	781,103	738,465
TOTAL EQUITY	<u>793,511</u>	<u>750,873</u>
TOTAL EQUITY AND LIABILITIES	<u>3,684,323</u>	<u>3,666,563</u>

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

On 24 March 2015, the Board of Directors of Trinidad and Tobago Mortgage Finance Company Limited authorised these financial statements for issue.

 : Director

 : Director

 : Director

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2014

(Expressed in Thousands of Trinidad and Tobago dollars)

	2014	2013
Net interest income	103,945	77,185
Other income	30,445	30,764
Total Income	134,390	107,949
Total Expenses	(58,902)	(48,531)
Income before tax	75,488	59,418
Taxation	(8,380)	1,862
Income after taxation	67,108	61,280
Other comprehensive loss for the year, net of tax	(703)	(2,053)
Total comprehensive income for the year	66,405	59,227

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2014

(Expressed in Thousands of Trinidad and Tobago dollars)

	Share capital	Retained earnings	Total
Balance at 31 December 2012	12,408	700,505	712,913
Dividend 2012	–	(21,267)	(21,267)
Comprehensive income for the year	–	59,227	59,227
Balance as at 31 December 2013	12,408	738,465	750,873
Dividend 2013	–	(23,767)	(23,767)
Comprehensive income for the year	–	66,405	66,405
Balance at 31 December 2014	12,408	781,103	793,511

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

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2014

(Expressed in Thousands of Trinidad and Tobago dollars)



	2014	2013
Net cash inflow / (outflow) from operating activities	210,158	(108,835)
Net cash outflow from investing activities	(5,245)	(18,051)
Net cash (outflow) / inflow from financing activities	(51,753)	99,225
Net cash inflow / (outflow) for the year	153,160	(27,661)
Cash and Cash equivalents at the beginning of the year	(15,691)	11,970
Cash and Cash equivalents at the end of the year	137,469	(15,691)
 Represented by:		
Cash at bank	137,469	5,508
Bank overdraft	-	(21,199)
	137,469	(15,691)
 Supplemental information		
Interest received	231,133	224,883
Interest paid	107,510	106,003

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

NOTE TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2014

(Expressed in Thousands of Trinidad and Tobago dollars)

1. The summary financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary statement of financial position, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of Trinidad and Tobago Mortgage Finance Company Limited for the year ended 31 December 2014.

These summary financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2014 audited financial statements consistently applied from period to period. Any new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Company. The areas of critical accounting estimate and judgement as disclosed in "Note 3" of the 31 December 2014 audited financial statements, have also remain unchanged.





Trinidad & Tobago
Mortgage Finance
Company Limited

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E-mail: info@ttmf-mortgages.com
Website: www.ttmf-mortgages.com