



Trinidad & Tobago
Mortgage Finance
Company Limited

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CHAIRMAN'S REPORT

Trinidad and Tobago Mortgage Finance Company Limited (TTMF) continues to pursue the expansion of its portfolio as the lender of choice as detailed in the Government's national housing policy entitled "Showing Trinidad and Tobago a New Way Home".

For the six months ended June 30, 2009, consolidated gross income was \$83.3M compared to \$71.8M for the corresponding period of 2008, an increase of \$11.5M or 13.8%. This has been achieved in a very competitive environment in which profitability is based on market outreach, cost constraint and responsible credit adjudication. The company increased its mortgage portfolio by 666 loans to over 14,000 mortgagors with a value of \$2.4 billion as at June 30, 2009.

Notwithstanding this, consolidated profit before taxation for the half-year to June 30, 2009 was \$19.8M compared to \$24.2M for the same period last year, a decrease of \$4.4M or 18%. This decrease was due largely to increased cost of funding and increased loan loss provisions, cognizant of economic factors that may affect the quality of the portfolio over time. Performance is expected to improve in the second half-year as long-term funding arrangements are initiated to put the financial operating platform on a better footing.

Opportunities avail for expansion of the market in all areas of financial services. Mortgage affordability is key to market penetration and economic and social comfort. TTMF will continue its focus on best practice in mortgage management and pursue a path of cost effectiveness and operational efficiency.

Calder Hart - Chairman

Abridged Consolidated Financial Statements as at June 30, 2009

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED JUNE 30, 2009

(Expressed in Thousands of Trinidad and Tobago dollars)

	Unaudited June 30 2009 \$'000	Unaudited June 30 2008 \$'000	Audited December 31 2008 \$'000
ASSETS			
Cash and cash equivalents	7	10,197	4,202
Debtors and prepayments	22,417	19,834	15,556
Investment securities	250,130	245,773	248,692
Mortgage loans	2,423,565	1,999,063	2,242,919
Property and equipment	33,340	34,533	33,918
Pension asset	1,057	99	1,057
Deferred Tax Asset	126,582	111,500	126,582
Total Assets	2,857,098	2,420,999	2,672,926
LIABILITIES			
Bank Overdraft	50,604	20,469	684
Prepayments by mortgagors	19,114	12,750	17,612
Subsidy 2% Mortgage Programme	189,700	196,905	194,725
Amount due under IDB loan programme	8,082	1,573	3,998
Sundry creditors and accruals	105,991	70,618	91,422
Short Term Loans	819,854	474,683	732,167
Interest payable on Debt	77,459	22,993	41,176
Long Term Debt	1,019,560	1,075,701	1,042,723
Pension liability	-	-	-
Deferred Tax Asset	264	25	264
Total Liabilities	2,290,628	1,875,717	2,124,771
SHAREHOLDER'S EQUITY			
Share capital	12,408	12,408	12,408
Retained earnings	554,062	532,874	535,747
Pension reserve	-	-	-
	566,470	545,282	548,155
Total Equity and Liabilities	2,857,098	2,420,999	2,672,926

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009

(Expressed in Thousands of Trinidad and Tobago dollars)

	Unaudited June 30 2009 \$'000	Unaudited June 30 2008 \$'000	Audited December 31 2008 \$'000
INCOME			
Mortgage interest	83,302	71,825	149,302
Interest expense	(58,066)	(47,685)	(100,797)
Net interest income	25,236	24,140	48,505
Investment income	10,839	11,404	23,986
Rental income	116	557	812
Other income	3,924	5,192	7,164
	40,115	41,293	80,467
EXPENSES			
Administration	(18,304)	(15,391)	(39,587)
Building	(1,983)	(1,641)	(3,675)
	(20,287)	(17,032)	(43,262)
NET PROFIT BEFORE TAX	19,828	24,261	37,205
Tax charge	(1,513)	(222)	10,912
PROFIT AFTER TAX	18,315	24,039	48,117