



Trinidad & Tobago
Mortgage Finance
Company Limited

ANNUAL REPORT 2015



Trinidad & Tobago
Mortgage Finance
Company Limited

OUR VISION

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

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

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

OUR MISSION

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

OUR CORE VALUES

Results oriented.

Customer focused.

Integrity.

Teamwork.

Empowerment.

CORPORATE 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
22A King 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 Street
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

Head Office, Port of Spain, Trinidad

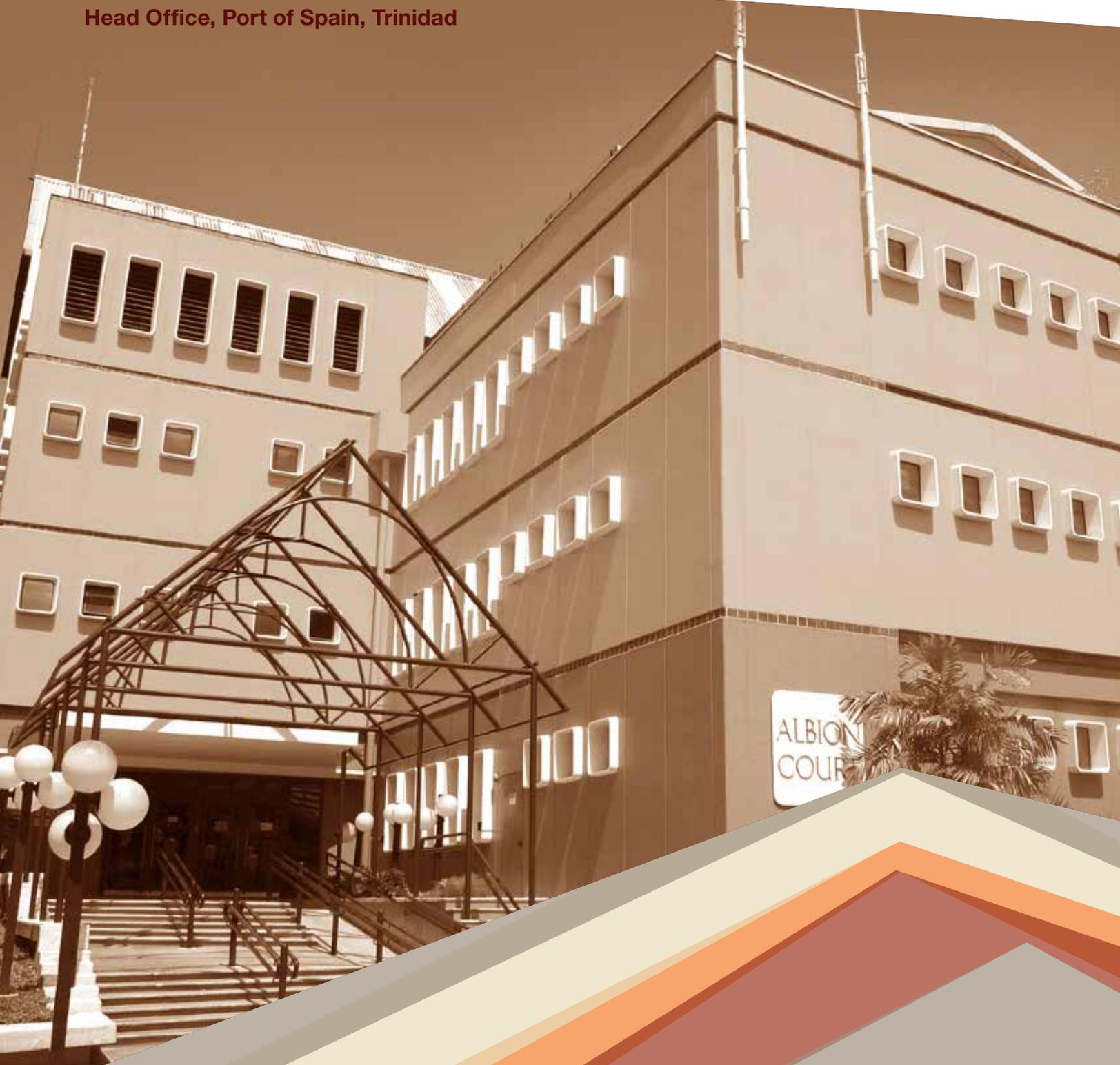




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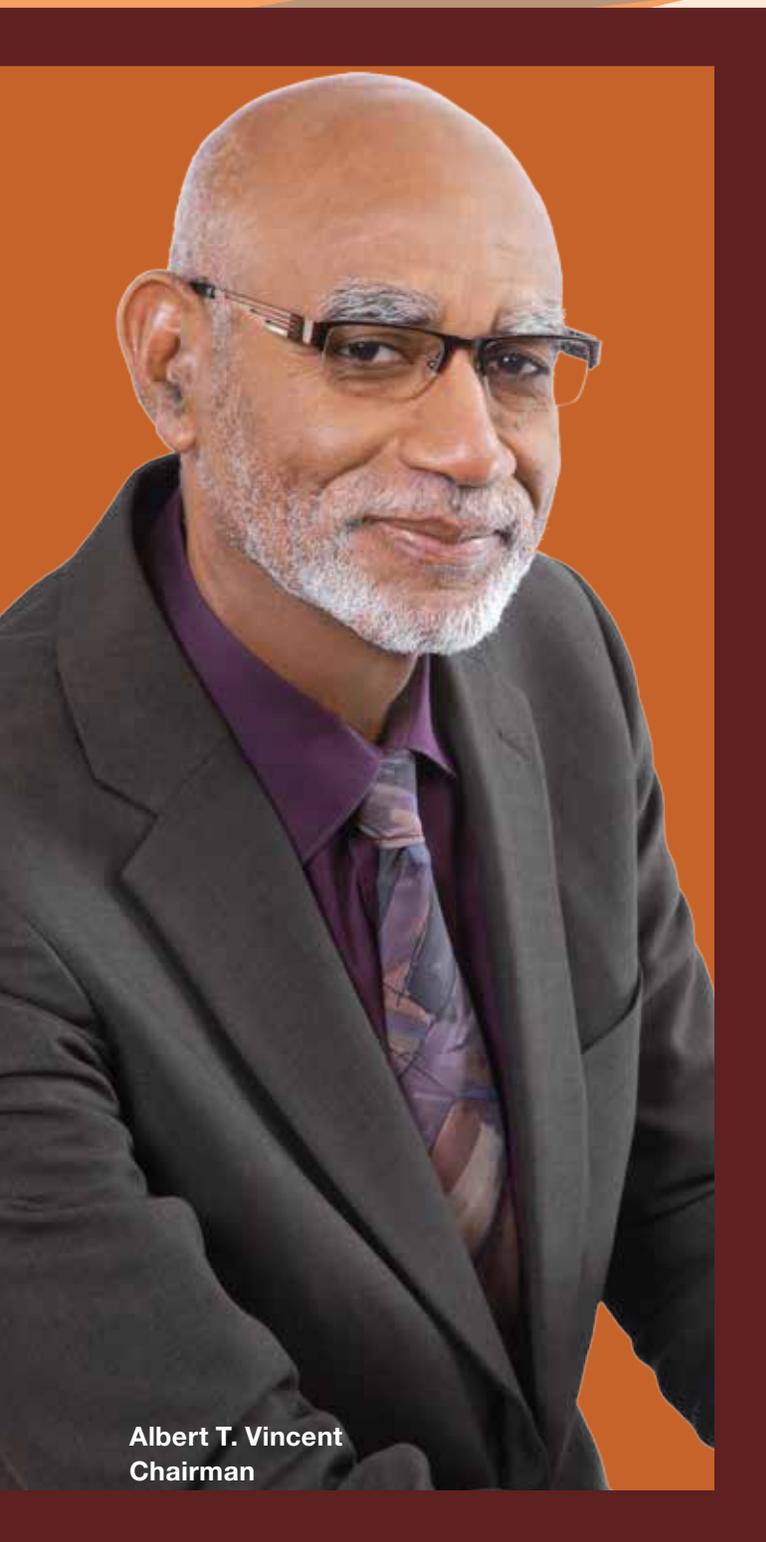
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Scarborough, Tobago



CHAIRMAN'S REPORT



Albert T. Vincent
Chairman

Trinidad and Tobago Mortgage Finance Company Limited (TTMF) has had another year of impressive performance. This outstanding achievement in profitability was largely attributable to the significant reduction in our cost of funds as we reaped the full benefit of our liability management strategy which commenced in 2012.

The company recorded its highest ever after tax profit of \$83.1 million for the fiscal year ended December 31, 2015, an increase of 23.8% or \$16.0 million over the comparative period 2014.

The Economic Climate

The International Monetary Fund (IMF) has projected global economic growth of a mere 1.9% in 2015, and 2.1% in 2016. The US economy managed to sustain growth of 2.4% in real GDP in 2015 which led the Federal Reserve Board to institute the first increase in its policy interest rate since the financial crisis of 2008-2009. Higher than anticipated domestic demand together with increased exports and growth in credit fueled the gains experienced in the European economies, while Japan's economic recovery was thwarted by the perennial problem of depressed private sector consumption.

Preliminary estimates from the Central Bank of Trinidad and Tobago indicate that there was some contraction in the local economy for the calendar year 2015. Recent data revealed that the fourth quarter of 2015 registered a decline in output of 3% over the corresponding period in 2014. This weak performance was due mainly to a 5% reduction in output in the energy sector and a 1.8% decline in the non-energy sector. The decline in the non-energy sector permeated every industry except for the finance, insurance and the real estate sub-sectors. The unemployment rate increased from 3.3% in December 2014 to 3.5% in September 2015 while headline inflation measured 1.9% at the end of 2015.

The repo rate saw a steady increase in 2015 to 4.75% in December 2015, up from 3.25% at the end of the previous year. Although this was the eighth consecutive hike in the Repo rate, the Central Bank's Monetary Policy Committee still views the monetary policy stance to be accommodative enough to facilitate growth in the non-energy sector.

The Housing Market

Supported by record low mortgage rates, real estate mortgage loans have shown robust growth over the past few years. In 2015, real estate mortgage loans expanded by 8.9%, however, this was slower than the growth rates of 10.8% and 13.4% recorded in 2014 and 2013, respectively. The Mortgage Market Reference Rate (MMRR) stood at 2.75% in December 2015, an increase of 0.25% over September 2015; the increase, as a result of higher yields on 15-year Government Treasury and a rise in commercial banks' cost of funds. These factors also contributed to an increase in the domestic interest rates as commercial banks' basic prime lending rate increased from 7.5% in 2014 to 8.75% by the end of 2015.

The Government continued to provide assistance to homeowners with the distribution of houses by the Trinidad and Tobago Housing Development Corporation supported by subsidized mortgage programmes provided by TTMF. The loan programmes include a 2% financing facility designed for properties valued up to \$850,000, for persons with income up to \$10,000 while the 5% regime caters to the middle income group with income up to \$30,000 for properties valued up to \$1.2 million. GORTT's recent announcement that the development of the housing sector is a pillar of its growth strategy, augers well for further economic expansion in that sector.

Outlook for 2016

The IMF has revised its original global growth forecast for 2016 downwards from 3.4% to 3.2% prompted mainly by the continued slowdown in China's output, lacklustre economic performance from the emerging markets, intensification of geopolitical friction in many regions of the world, and weak commodities prices.

Due to the ongoing battle for market share, Saudi Arabia and other OPEC countries have maintained their production levels while the shale oil and gas producers in the USA increased their production which resulted in an oversupply in the market that placed downward pressure on energy prices. Accordingly, the average price for a barrel of oil for the six-month period October 2015 to March 2016 was US\$37 per barrel with the average gas price for the same period being US\$2.00 per mmbtu. In their 2016 mid-year budget review, the Government of Trinidad and Tobago projected revenue for the second half of this fiscal year on an oil price of US\$35 per barrel and a gas price of \$2.00 per mmbtu.

The effects of depressed oil prices and global growth uncertainties will weigh on the Trinidad and Tobago economy in 2016. We expect the real estate sector to experience continued growth albeit at a slower pace. House prices in the middle to low income category will remain stable given the high demand. Prices in the upper middle to upper income category will see some downward movement. The

GORTT has indicated that they will accelerate the implementation of the Trinidad and Tobago Mortgage Bank through the merger of TTMF and the Home Mortgage Bank to provide the financing for the mortgages for those new homeowners. TTMF will work closely with GORTT and relevant agencies to execute its role as the financier of choice for residential mortgages as part of its public policy mandate particularly as it pertains to the 2% and 5% mortgage programmes.

Further, in keeping with the drive to public private partnerships, TTMF will also expand its relationships in the private sector to offer residential mortgages of any amount in any location in Trinidad and Tobago. This combination of service will place TTMF at the forefront of any opportunity for expansion in home financing.

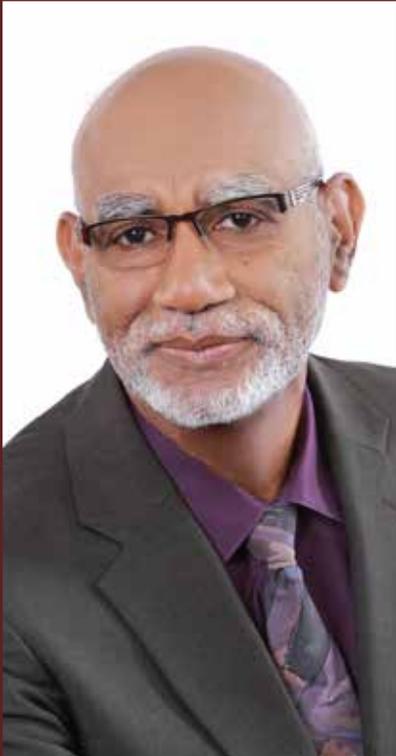
Conclusion

On behalf of the Board of Directors, I wish to thank the TTMF team for their dedication to service and the efficient and effective manner in which they executed our strategies which resulted in another year of impressive performance. I also thank my colleagues on the Board for their unwavering support.



Albert T. Vincent
Chairman

BOARD OF DIRECTORS



Albert T. Vincent
Chairman



Feroze Khan
Deputy Chairman



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

Mr. Albert Vincent is a financial economist and operates a consulting practice. His services focus on investment management, research of financial markets, strategic planning and preparation of feasibility studies and investment proposals. Prior to this Mr. Vincent spent some twenty years as a senior management professional in the financial services sector. He has served as a member of the National Economic Advisory Council of the Government of Trinidad and Tobago and as a Director on the National Insurance Board of Trinidad and Tobago (NIB). Mr. Vincent is a holder of the Chartered Financial Analyst (CFA) designation, a BSc. from UWI, St Augustine and a MSc. from the University of Guelph, Ontario, Canada.

Feroze Khan is a registered professional Engineer and brings with him over 20 years of experience, having held senior positions in the Manufacturing Sector. 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.

Our Managing Director/Chief Executive Officer has performed in the financial services sector for more than twenty-five 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 serves on the boards of private, public and charitable organisations.



Sharda Baksh
Director



Ann Chan Chow
Director



**Varun Avinash
Debideen**
Director



**Maureen
Munro-Legge**
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.

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 is an Attorney-at-Law by profession, practicing in the areas of Civil, Contract, Company, Constitutional and Land Law. He has appeared with many senior advocates in several Court 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 (Honours) from the University of London. He also completed a Legal Practice Course (with commendation) from the College of Law, London, England.

Maureen Munro-Legge holds a Bachelor degree (B.Arch Hons) in Architecture from the Mackintosh School of Architecture, University of Glasgow, and has 26 years' experience in the field, working as a lead design consultant in the private sector both in Trinidad and abroad. She has led her own thriving design practice since 1996, specializing in the Design of Commercial, Institutional & Retail Buildings; Leisure Facilities; Housing Developments; Luxury Residences; Townhouse & Apartment complexes and Resort Architecture throughout the Caribbean.

MANAGEMENT DISCUSSION AND ANALYSIS



Ingrid L-A Lashley
Managing Director / Chief Executive Officer

Overview

The year 2015 marked the 50th anniversary of TTMF's provision of mortgage service excellence to the citizens of Trinidad and Tobago. This was indeed a milestone achievement for an entity having traversed varying economic and social landscapes, expanded its product offering beyond its traditional business to first-time homeowners and establishing itself as a major player in the mortgage market.

Our journey began on December 3, 1965, when the Government of Trinidad & Tobago (GORTT) initiated an agreement with the Commonwealth Development Corporation to provide mortgage financing for the purchase of property as defined by the Housing Act 1962. TTMF's first assignment was the granting of mortgages to persons benefiting from a housing project at the Diamond Vale Estate, Diego Martin. Today, we provide mortgage loans to citizens for any purpose where a residential mortgage forms the security, in any amount, at any location in Trinidad and Tobago. To this end, we have carved alliances with developers in the housing market to pursue our objective "to make homeownership an easy and rewarding experience" for our customers.

Over the years the mortgage market has grown in sophistication and we have had to be innovative in order to address the needs of a changing and more informed population. We continue our drive for service excellence ensuring that performance standards, having been established based on best practice, were monitored and maintained.

The following is a detailed discussion and analysis of the financial performance and key business initiatives undertaken by

TTMF for the fiscal year ended December 31, 2015.

FINANCIAL PERFORMANCE

Net Profit

For the year ended December 31, 2015, we achieved Profit Before Tax of \$89.7million. This continues an upward trend in profitability of 67% over the period 2012 to 2015. (2015/\$89.7Mn: 2012/\$53.6Mn).



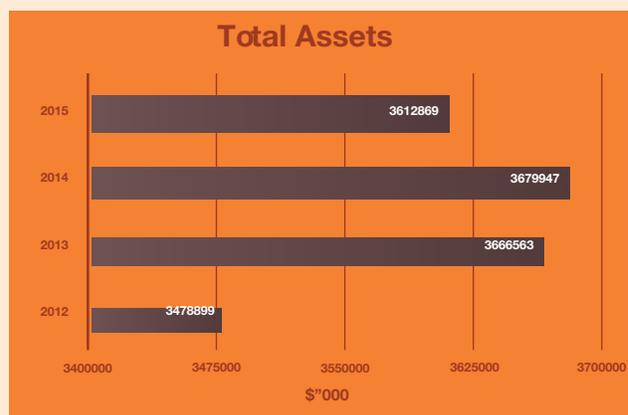
The year on year increase in profitability was 18.6% which is attributed to positive growth in Net Interest Income of \$19.3Mn arising from the lower interest costs associated with the continued implementation of our liability management strategy which commenced in 2012. The increased revenue stream of fee income from the administration of the License to Occupy and Rent to Own programmes on behalf of the Trinidad and Tobago Housing Development Corporation (HDC) also contributed to this growth.

Return on Assets

Total Assets stood at \$3.61B at the end of the fiscal period, following growth from \$3.48B in 2012 to \$3.68B in 2014. This slight decline in 2015 to \$3.61B was due largely to the use of cash and cash equivalents for the repayment of debt – a continuation of the liability management strategy. Also accounting for the decline in assets was the sale of a portfolio of mortgages valued at \$250M in 2014. In that fiscal year, TTMF sold

mortgages to the Home Mortgage Bank (HMB) to raise cash. We continue to administer this portfolio on behalf of the HMB for a fee. This is a viable and profitable approach to funding new business and is intended to be the modus operandi with the establishment of Trinidad and Tobago Mortgage Bank – the planned ‘merger’ of TTMF and HMB.

The Total Asset trend is shown below:



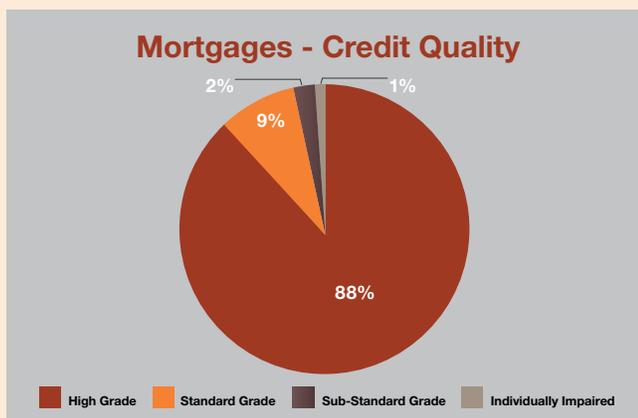
The Return on Total Assets (ROA) generated in 2015 was 2.28% as the rate of increase in profits exceeded the rate of growth in Total Assets. The ROA trend over the four year period ended December 31, 2015 highlights a positive overall increase of 0.54%.

	2015	2014	2013	2012
ROA	2.28%	1.80%	1.62%	1.74%

The Mortgage Loan Portfolio

Mortgage loans which comprise 86% of our total asset base, increased by 1.42% over the period 2014 to 2015. The quality of the mortgage portfolio based on the arrears position is shown in the next chart.

MANAGEMENT DISCUSSION AND ANALYSIS



88% of our loans are in good standing and paid to date and are thus considered high grade. Non-performing mortgage loans (NPLs) are considered loans in excess of 180 days in arrears; as at December 31, 2015 the NPLs amounted to 3.30% of the portfolio. This is a decrease from 3.42% in the comparative period of 2014. Given the current economic climate an early warning system has been implemented to assist with monitoring 'at risk' accounts as part of a comprehensive strategy for delinquency management.

Interest Cost

The liability management strategy formed an integral part of our strategic plan for the period 2012 to 2015. Its execution continued to yield positive returns as our interest cost declined by 23.5% in 2015 to \$96Mn in comparison with \$125.4Mn in 2014. As a result, our weighted average cost of debt decreased from 6.30% in 2012 to 4.30% in 2015 which equates to a 31.7% reduction. There was a 2.1% year on year reduction from 6.39% in 2014 to 6.30% in 2015.

Other Income

In partnership with HDC, we administered the collection of fees under their 'License To Occupy' and 'Rent To Own' programmes. This provided for additional fee income. As a result non-interest revenues increased by 392% year on year; fees collected in 2015 amounting to \$14.2M compared to \$2.9M in 2014, as HDC's distribution of homes increased.

Non-Interest Expenses

TTFM expense projections are based on zero-based budgeting. Such expenses as may be incurred are also evaluated and analysed for value added prior to commitment. Thus, expense control is an integral part of performance measurement.

Expenses increased year on year by \$20.2Mn (34.3%). This was largely due to retroactive payments associated with the settlement of wages negotiations under the Collective Agreement for our unionised staff for the period June 1, 2009 to July 31, 2012 and July 1, 2012 to July 31, 2015. Having settled these matters, the opportunity arose to streamline the negotiating period with the fiscal year in order to make for planning and accrual of wage costs. Thus the latter agreement was extended to December 31, 2015 and a Collective Agreement for the period January 1, 2016 to December 31, 2019 was also settled. This proactive approach to wage negotiations and settlement is indicative of the high standard of mediation between the negotiators – the company and the representative union, Bank Insurance and General Workers' Union.

Increased costs year over year were attributable to a combination of the following:

- Increased staff costs associated with staffing new units (Government Assisted Programme Unit for mortgages under the 2% and 5% mortgage programmes and an Imaging Unit to improve the records management process); retroactive payments for unionised staff and associated pension and other benefits
- Increased legal and professional fees associated with bond issues under the liability management strategy; and
- Costs associated with the events and media promotion of our 50th anniversary year.

The loan impairment expense increased by 78.5% to \$6.3M as we took a more prudent approach to the provision for impairment to take account of challenges in the local economy as a result of the decline in global energy prices.

Shareholders' Equity

Shareholders' Equity to December 31, 2015 stood at \$ 849M. Return on Equity has fluctuated over the four year period as we were forced to add flexibility to our strategic plans for changes in interest rates and the competitive landscape.

With the introduction of the Mortgage Market Reference Rate (MMRR) in September 2011, the average mortgage rate began its slide. Notwithstanding our relatively stable rates and flexible terms, pricing as indicated by the interest rate on the facility was still the major seller. In order to compete against this background, an interest rate adjustment of 1% per annum on the mortgage portfolio (all accounts that were up to date) was undertaken in October 2012. The impact in that fiscal year was not significant but because the action was taken on the lending side while the borrowing side was phased over the period of the liability management strategy (2012-2015), the impact on revenue was greater in fiscal 2013 than was the savings in cost over the same period. We regained our standing in 2014 as the cost savings increased and reached the peak of our performance in fiscal 2015. The return on shareholders' equity over the four (4) year period was:

	2015	2014	2013	2012
ROE	9.71%	8.37%	7.88%	8.51%

Risk Management

The Enterprise Risk Management Committee was particularly active in the fiscal year ended December 31, 2015. The culmination of the liability management strategy and the monitoring of capital market activity required greater attention to liquidity and debt management during the year. The Enterprise Risk Management framework ensures that current and emerging risks are identified and holistic strategies are employed to address them accordingly. The major risks identified were:

- Sustainable funding and the deployment of an effective liability management strategy
- Market risk due to the negative impact of a decline in oil and gas prices on economic growth and the resulting fallout
- Decline in real estate value and the impact on our mortgage loan portfolio
- Market competitiveness as other lenders become more aggressive in their drive to provide financing for residential properties
- Business interruption and the effectiveness of our information technology and communications infrastructure to ensure business continuity
- Loan delinquency due to the loss of employment or underemployment of a growing segment of the economy

Enterprise risk management is an integral part of the company's business. Proactive strategy to mitigate the risk and minimize its severity requires daily monitoring and management of the risks identified.

BUSINESS OPERATIONS

Stakeholder Interaction

We celebrated our 50th year of operations with an event on the 5th of each month to honour our various stakeholders. While all of the events were significant, the Customer Appreciation Days, Homeowners' Expo and activities involving our Corporate Social Responsibility (CSR) programme, provided the most significant opportunities for the TTMF team to meet and interact with the communities we serve.

The Homeowners Expo was an impactful event. It was held on September 19, 2015 at the Centre of Excellence, the 5th being the weekend before national elections and therefore necessitating deferral. Over 3,000 persons were in attendance. The Expo catered to the needs of potential and existing homeowners by providing the audience with a step by step guide through the stages of home ownership, from the pre-qualification for financing to the purchase/construction

MANAGEMENT DISCUSSION AND ANALYSIS

of homes, moving on to renovation and home equity financing opportunities. Representatives from all service providers involved in the home acquisition and maintenance process participated in this event (attorneys, valuers, quantity surveyors, contractors, insurance brokers, home furnishing and finishing providers, to name a few). The event provided for a comprehensive and rewarding experience for those in attendance.

As part of our Corporate Social Responsibility programme, we partnered with a home for displaced children over the past three (3) years. The children events in celebration of this significant anniversary involved the co-mingling of the TTMF family with our adopted children, and allowed for interaction that was 'priceless'. Together the children, their parents and friends engaged in an Easter Bonnet parade, visited the zoo and enjoyed the movies. Each of these events was significant to our 5th monthly endeavours.

Customer Focus

Our Business Development Team continued the drive towards extending our reach to a wider cross-section of the society. The Team was integral to the success of the eighteen (18) external 'roadshows' held throughout the country in 2015. By these interactions, 1,484 persons were pre-qualified for mortgages and several more received information to follow their dream of home ownership.

In addition, focus was placed on our partnerships with HDC, the Division of Settlements and Labour of the Tobago House of Assembly, the Land Settlement Agency (LSA) and the Sugar Industry Labour Welfare Committee (SILWC). In fulfilling our mandate as the lender of choice for the GORTT, we have expanded our relationship with our affiliates to offer on-site training and development of their staff so that the mortgage process

is more easily facilitated and continue to partner with them in service and execution of their own mandate.

Other strategic partnerships were developed with Caribbean Packing Industries (Damus Roofing System), American Stores and the Central Finance Facility Co-operative Society Limited (CFF). The arrangement with Damus and American Stores will allow our customers to benefit from discounted products and services from these companies while credit unions affiliated with the CFF will originate mortgage loan applications on our behalf.

Our outreach efforts through the use of digital media have grown significantly over the 2015 period. Overall, digital media usage increased by 99.2% over 2014 to 159,000 users. These persons made 242,405 visits to the website and spent more than 3 minutes on our site. Facebook fans grew by 57.39% to 34,280 while Instagram was 82.38%, Twitter 74.63% and LinkedIn 128.95%.

Internal Business Processes

Our Internal Audit Unit was steadfast in their approach to provide independent and objective assurance that the major business risks within the organization were appropriately managed. The audit activities resulted in operational improvements in the areas of records management, loan disbursement and prompted the revisions to a number of policies and procedures including the Fixed Asset Policy, the Anti-Money Laundering (AML) Policy, Whistle-blower Policy and Account Servicing Policy.

Our Anti-money Laundering Compliance Programme was enhanced in 2015 with the implementation of the Financial Crime Risk Management software. The software has rendered the manual review of transaction reports obsolete, as it automates the process of account surveillance and flags accounts/transactions that may need closer investigations.

To support our operational efficiencies, the Information Technology Department introduced an Electronic Help Desk System to effectively manage user issues related to the computer hardware, software and telecommunication systems. Further, a company Intranet was launched which provides a secure and reliable mechanism to promote staff collaboration, communication and the delivery of new and existing policies and procedures.

Learning and Growth

In order to enhance the talent available to fill key business leadership positions in the future, a Succession Plan was initiated in 2015 for the executive management team. The plan will immerse senior managers in strategic positions to afford them the opportunity to develop the technical and relationship skills required to fill these roles due to planned and/or unplanned exits.

Complementing this approach is ongoing feedback and improvement in the internal customer relationship facilitated by a semi-annual staff survey. The results of this survey allow for implementation of specific programmes/initiatives to address areas of improvement.

We have created industrial relations history in entering into a four (4) year pro-active Collective Agreement with our Representative Union, which took effect from January 1, 2016 and we look forward to ongoing opportunities to better our internal and external relationships in this regard.

Conclusion

Trinidad and Tobago's economic prospects remain subdued amid weak business and consumer confidence and low oil and gas prices. However, the Government has signalled its intention to focus on the housing market through public/private sector partnership arrangements to stimulate economy growth in 2016 and beyond. We expect that citizens will not change their focus from home acquisition,

or utilizing the equity in their existing property to meet their major expenses and restructure their debts as they seek to release much needed cash flows that are tied up in servicing other loan obligations. TTMF is well poised to play its role in assisting our stakeholders in managing their way through this volatile time.

On behalf of Team TTMF, I thank our Directors for the support, commitment and guidance they have provided to us. As a team, we are proud of our accomplishments for 2015 and we look forward to working together with our stakeholders and with each other, to make 2016 an even more productive year for us all.



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



MIGUEL AWAI
Assistant General Manager,
Mortgage Administration



CHERRIE CARACCILO
Manager, Human Resources



DALE DE SERVE
Manager, Information Technology



MARSHA RAE LEBEN
Manager, Marketing and Public Relations



MEERA ROOPAN
Manager, Mortgage Origination



VERNIE SHIELD

General Manager, Mortgage Services



WENDY HUGGINS

Assistant General Manager,
Mortgage Origination



ALLISON EDWARDS

Manager, Internal Audit



MYRTLE HARRIS

Senior Manager, Mortgage Operations



NICOLE HOSPEDALES

Manager, Corporate Services



LISA WILLIAMS

Manager, Finance



Trinidad & Tobago
Mortgage Finance
Company Limited

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 2015, 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 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 22 March 2016.

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

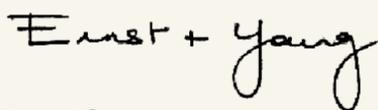
Management is responsible for the preparation of a summary of the audited financial statements on the basis of their established criteria as described in Note 1.

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 2015 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:
22 March 2016

SUMMARY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER, 2015

(Expressed in Thousands of Trinidad and Tobago dollars)

	2015	2014
ASSETS		
Cash and cash equivalents	34,524	137,469
Investment securities - held to maturity	252,138	251,838
Mortgage loans	3,108,738	3,065,200
Property and equipment	46,199	46,544
Other assets	<u>171,270</u>	<u>178,896</u>
TOTAL ASSETS	<u><u>3,612,869</u></u>	<u><u>3,679,947</u></u>
LIABILITIES AND EQUITY		
LIABILITIES		
Interest payable on debt	28,471	30,196
Debt securities	2,471,207	2,606,487
Subsidy 2% and 5% mortgage programme	68,927	94,834
Other liabilities	<u>195,161</u>	<u>154,919</u>
TOTAL LIABILITIES	<u><u>2,763,766</u></u>	<u><u>2,886,436</u></u>
EQUITY		
Share capital	12,408	12,408
Retained earnings	<u>836,695</u>	<u>781,103</u>
TOTAL EQUITY	<u><u>849,103</u></u>	<u><u>793,511</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,612,869</u></u>	<u><u>3,679,947</u></u>

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

On 22 March 2016, 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, 2015

(Expressed in Thousands of Trinidad and Tobago dollars)

	2015	2014
Net interest income	123,279	103,945
Other income	45,505	30,445
Total Income	168,784	134,390
Total Expenses	(79,105)	(58,902)
Income before tax	89,679	75,488
Taxation	(6,611)	(8,380)
Income after taxation	83,068	67,108
Other comprehensive loss for the year, net of tax	(632)	(703)
Total comprehensive income for the year	82,436	66,405

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2015

(Expressed in Thousands of Trinidad and Tobago dollars)

	Share Capital	Retained Earnings	Total
Balance at 31 December 2013	12,408	738,465	750,873
Dividend paid in 2014	–	(23,767)	(23,767)
Comprehensive income for the year	–	66,405	66,405
Balance as at 31 December 2014	12,408	781,103	793,511
Dividend paid in 2015	–	(26,844)	(26,844)
Comprehensive income for the year	–	82,436	82,436
Balance at 31 December 2015	12,408	836,695	849,103

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

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2015

(Expressed in Thousands of Trinidad and Tobago dollars)

	2015	2014
Net cash inflow / (outflow) from operating activities	63,240	210,158
Net cash outflow from investing activities	(4,061)	(5,245)
Net cash (outflow) / inflow from financing activities	(162,124)	(51,753)
Net cash inflow / (outflow) for the year	(102,945)	153,160
Cash and Cash equivalents at the beginning of the year	137,469	(15,691)
Cash and Cash equivalents at the end of the year	34,524	137,469
 Represented by:		
Cash at bank	34,524	137,469
Bank overdraft	-	-
	34,524	137,469
 Supplemental information		
Interest received	194,750	231,133
Interest paid	76,343	107,510

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

NOTE TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2015

(Expressed in Thousands of Trinidad and Tobago dollars)

Note 1 Basis of Preparation

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 2015.

These summary financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2015 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 2015 audited financial statements, have also remained unchanged.



Trinidad & Tobago
Mortgage Finance
Company Limited

Head Office and Main Customer Service Centre
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