

ADDRESS BY

MR. PATRICK FERREIRA

CHAIRMAN OF THE BOARDS

OF

TRINIDAD & TOBAGO MORTGAGE FINANCE

COMPANY LIMITED

AND

HOME MORTGAGE BANK

ON THE OCCASION OF THE LAUNCH OF

TRINIDAD AND TOBAGO MORTGAGE BANK

THEME: ANTI-GRAVITY

Wednesday, March 20, 2024
The Regency Ballroom,
Hyatt Regency Hotel
Wrightson Road, Port of Spain

Dr. The Honourable Keith Rowley, Prime Minister of the Republic of Trinidad & Tobago and Mrs. Sharon Rowley

The Honourable Colm Imbert, Minister of Finance

Members of Cabinet and Government Ministers

His Excellency Kerwyn Garcia SC, First Gentleman of the Republic of Trinidad and Tobago

Mr Patrick Ferreira, Chairman of the Trinidad and Tobago Mortgage Finance Company

Dr. Alvin Hilaire, Governor and Chairman of the Board Central Bank of Trinidad & Tobago

Permanent Secretaries

Ms. Sharon Sharma, Chief State Solicitor

Ms. Erla Harewood-Christopher, Police Commissioner, Trinidad and Tobago Police Service

Chairmen of the respective Boards

Specially Invited Guests

Members of the Media

Ladies and Gentlemen

Trinidad and Tobago Mortgage Bank (TTMB), heralds a new reality in building futures for the citizens of Trinidad and Tobago, by creating generational wealth through home acquisition and the availability of stellar investment products.

The theme of today's celebration is ANTI-GRAVITY. As a metaphor, anti-gravity speaks to the creation of a space free from the force of gravity; gravity which pulls structures down unless forces keep them propelling upwards.

As a concept, we are beyond the mere stability of the status quo, we have merged; joined forces to become the propulsion that will keep us going to new heights, always upwards.

The future of TTMB is up.

It gives me immense pleasure in welcoming you, our invaluable shareholders, partners and professional suppliers, to the launch of Trinidad and Tobago Mortgage Bank. Effective January 17, 2024, the merger of Trinidad and Tobago Mortgage Finance Company Limited and Home Mortgage Bank was completed with TTMB

purchasing 100% of the shares of HMB from NIBTT. This is a new beginning towards fulfilling its role in support of the Government's housing programme and the realization of enhanced value creation for its customers and the generation of returns for shareholders and investors.

TTMF was established under the Housing Act as an Approved Mortgage Company, mandated by the Government of Trinidad and Tobago to provide affordable mortgage financing to citizens of Trinidad and Tobago. It focused on the provision of mortgages for middle- and lower-income housing under the Government's housing programmes. Twenty years ago, TTMF took the bold step to enter the open market arena providing mortgages for any value of property with no ceiling on the loan amount. Today, as the preferred administrator of the Government's Affordable Financing Programme, better known as the 2 and 5% mortgages, we have successfully juxtaposed our mandate to provide affordable mortgage financing with the provision of mortgages at the higher end of the market with features that are competitively advantageous to our customers. The merger with Home Mortgage Bank affords us the opportunity to obtain funding at lower rates

that will improve our mortgage pricing and enable us to better compete for mortgage business.

Home Mortgage Bank was established at a time when mortgage rates were around 14%. Its primary mandate at establishment was to reduce mortgage rates in the market through its secondary mortgage operations. It did so quite successfully, with rates reducing to around 9% by its fifth year of operations. It was also charged with the introduction of new and innovative mortgage-backed investment products to contribute to the mobilization of long-term savings for investment in housing and to promote the growth of the capital market. Arising from structural changes that took place within the financial services sector, HMB shifted its focus from the secondary mortgage activity to the provision of Commercial and Corporate Credit and Project Financing with particular focus on residential housing.

The products and services that TTMF and HMB provide when combined will complement each other to result in a stronger and more competitive company. The synergies that exist between them, given their involvement in the provision of residential

financing, makes for a permanent and sustainable partnership that will engender financial growth and business expansion.

HMB's now very extensive experience in the capital market, through its mortgage-backed investment products will secure low-cost sources of funding that can be leveraged upon to become a more sustainable funding source for TTMB. Beyond the existing strengths, the 2024 - 2026 Strategic Plan includes considerations for growth opportunities through new products and services, regional expansion, a more cost effective operating model, an expansion of the revenue base, improvement in the customer experience through expanded distribution channels, customer acquisition and retention, workforce development, and utilizing enabling technology and digitisation, amongst others.

There will be a laser focus on growing revenue and profitability while creating value for its key stakeholders. TTMB will realign and develop its people and organisation to enhance business capabilities, skills and competencies.

Collaboration between TTMF and HMB commenced in 2017 and its mission was to achieve maximum benefits and synergies from the common ownership of both HMB and TTMF by the National Insurance Board of Trinidad and Tobago and to derive from such collaboration the maximum possible advantages from a close corporate alliance whilst maintaining the independence and integrity of both companies prior to the execution of the merger.

This collaboration has produced excellent results in the fulfillment of its mandates while generating outstanding results for its shareholders.

In pursuit of our mandate to provide affordable mortgage financing for citizens of Trinidad and Tobago, in the last five years alone, TTMF and HMB provided home acquisition and improvement loans in the amount of \$3.4B. Of that amount, \$2.2B was issued under the affordable housing programme.

Our secondary mortgage market operations continued with the sale of mortgages, TTMF to HMB, in the amount of \$888M.

In executing on our mandate to support the development of a system of real property and housing finance and provide leadership in the housing and home finance industry, during the same period, we funded Commercial and Residential Projects in the amount of \$0.86B.

Together we contributed to capital market activities by way of the issuance of \$1.76B in Bonds, \$1.05B in Commercial Paper, \$2.0B in Syndicated Loans and \$1.7B in revolving credit and other short-term loans.

Under our innovative mortgage-backed securities we issued \$499.6M through our Mortgage Participation Fund, \$133.6M in our Samaan Tree Frund and \$538.7M in Collateralized Mortgage Obligations.

We were pleased to partner with the IDB to raise \$800M in funding and special mention must be made of the fact that HMB partnered with IDB Invest to issue the first Social Bond in

Trinidad and Tobago and the Caribbean region in the amount of \$300M. TTMB intends to pursue further opportunities to partner with regional and international agencies in pursuit of our funding requirements.

There have been overwhelming successes with respect to our mandates and equally commendable was the joint profitability over the last five years. We have generated for our shareholders \$1.06B in profit before tax and \$387M was paid by way of Dividends. Total Assets of the merged entity amounts to \$8.5B. Loans and advances total \$6.6B while investment securities total \$918M.

TTHDC's funding requirements were supported by the mortgages granted on the sale of its properties. Over the last five years, 2546 homes were funded in the amount of \$1.3B. Receivables funding was advanced totalling \$469.9M.

We continue to work closely with NIBTT, the Ministry of Finance and the Ministry of Housing and Urban Development and its agencies, most notably, the Trinidad and Tobago housing

Development Corporation, in the fulfillment of our goals and objectives.

We have entered the third phase of the implementation of the merger in which HMB will be dissolved and its assets and liabilities transferred to TTMB. The dissolution will necessitate the repeal of the Home Mortgage Bank Act, but TTMB will be well served with the retention of some of the benefits currently being enjoyed under the HMB Act. We will be making representation through the Ministry of Finance to retain these benefits, in particular, the Tax-Free Bonds which HMB issued. Proposals have been advanced to enhance the affordable financing programme that will expand the 'net' of families that can obtain financing under this programme.

Having been designated Systematically Important Financial Institutions, TTMB is now poised to be a more significant player in the financial services sector, and I look forward to the continued support from you our stakeholders.

As I close, let me once again welcome you to the celebration of the launch of Trinidad and Tobago Mortgage Bank.

Thank you for attending and do enjoy the rest of the evening.