

RATING RELEASE

October 5, 2026

CariCRIS reaffirms overall 'high creditworthiness' rating of the TT \$300 million Collateralised Mortgage Obligation of Home Mortgage Bank (HMB CMO 2020-01)

ttAA- (SO) (National Scale Local Currency)

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed the overall issue rating assigned to the TT \$300 million Collateralised Mortgage Obligation (CMO) of Home Mortgage Bank (HMB) (CMO 2020-01) at **ttAA- (SO)**¹ on the Trinidad and Tobago (T&T) national scale. This rating indicates that the overall level of creditworthiness of this structured debt obligation, adjudged in relation to other rated debt obligations within T&T, is **high**.

As such, CariCRIS has reaffirmed the individual tranche ratings as follows:

Tranches (Series)	Currency	Individual Tranche Ratings (National Scale)
D	Local	ttAA (SO)
E, F		ttAA- (SO)

CariCRIS has also maintained a **stable** outlook on the rating. The stable outlook is based on the high likelihood that over the next 12 to 15 months, CMO 2020-01 will continue to produce sufficient cash flows to meet interest and principal payments as they become due. This is expected to be underpinned by relatively stable economic conditions in T&T, which should have a positive impact on businesses and households. Additionally, the strengthened credit enhancements, which form part of CMO 2020-01, should continue to support the overall credit risk profile of the instrument. However, CariCRIS will continue to monitor the rising delinquency and non-performing loans (NPL) levels, noting that further deterioration may potentially lead to a revision of the outlook to negative from stable.

¹ Structured Obligation

The rating of CMO 2020-01 reflects the good credit quality of the securitised mortgage pool, notwithstanding some weakening, as well as the simple transaction structure with an effective built-in credit enhancement. As at June 2026, CMO 2020-01's reserve account² stood at TT \$2.5 million, and the collateral coverage was strong at 125%. Additionally, the good underwriting practices of Trinidad and Tobago Mortgage Bank Limited (TTMB), the originator of the mortgages within the pool, continue to support the rating. Furthermore, the rating reflects the CMO's strong legal and regulatory framework, which supports this transaction and provides adequate protection to investors. The rating is tempered by the seasoning of the mortgage pool, which could increase default risk.

Rating Sensitivity Factors

Factors that could, individually or collectively, lead to an improvement in the Rating and/ or Outlook include:

- A Non-Performing Loan (NPL) ratio below 7.5% and/ or a return to delinquency levels of 6% - 8% within the underlying mortgage pool sustained for 2 years
- Satisfactory repayment of Tranche D with payment flows in line with or above CariCRIS' expectations

Factors that could, individually or collectively, lead to a lowering of the Rating and/ or Outlook include:

- Persistent deterioration in the mortgage pool quality with delinquency levels of above 30.5% and/ or NPL ratio of above 12.5% within the underlying mortgage pool, leading to heightened extension and/ or default risk over the next 12-15 months
- Deterioration in TTMB's NPL ratio to above 10.5% sustained for 2 financial periods
- A deterioration in the credit risk profile of T&T leading to increased market risk
- Cashflow shortfalls from the mortgage pool that may impair payments of principals and interests

² 0.25% of the outstanding certificate balance is accumulated for each due period; these funds would be utilised to meet any cash shortfalls that may arise from the Mortgage Pool.

About the Transaction:

CMO 2020-01 is a structured finance debt instrument created by the Home Mortgage Bank (HMB or the Bank). The product was created to securitise residential mortgage assets purchased from the (former) Trinidad Tobago Mortgage Finance Company Limited (TTMF)³ on the secondary mortgage market. CMO 2020-01 offered participation certificates in 7 tranches in the amount of TT \$300 million as follows:

1. **Series A** - TT \$25.0 million with an average life of 0.50 years at an initial coupon rate of 2.15%
2. **Series B** - TT \$25.0 million with an average life of 1.54 years at an initial coupon rate of 3.60%
3. **Series C** - TT \$25.0 million with an average life of 2.56 years at an initial coupon rate of 3.80%
4. **Series D** - TT \$50.0 million with an average life of 4.11 years at an initial coupon rate of 4.25%
5. **Series E** - TT \$50.0 million with an average life of 6.32 years at an initial coupon rate of 5.00%
6. **Series F** - TT \$25.0 million with an average life of 8.30 years at an initial coupon rate of 5.50%
7. **Series G** - TT \$100.0 million with an average life of 7.12 years at an initial coupon rate of 5.25%

The collateralised mortgages are held in Trust by First Citizens Trustee Services Limited (FCTS)⁴ and governed by the laws of the Republic of Trinidad and Tobago and established by a Declaration of Trust. HMB also performs the roles of Registrar and Paying Agent.

CMO 2020-01 features monthly coupon payments, payable to all certificate holders. The principal amounts of each tranche available for distribution (Series A to G) are being repaid sequentially from all scheduled mortgage payments during an established repayment window. The final principal payment is expected to coincide with the maturity of each respective tranche. Thus, Series A will be fully repaid before principal repayment starts on Series B and so on. However, when unscheduled payments (prepayments, lumpsum payments and payoffs) are received, these payments will be applied in reverse

³ Effective March 21, 2024, TTMF was renamed Trinidad and Tobago Mortgage Bank Limited (TTMB) following the first phase of the merger between TTMF and HMB.

⁴ Prior to the Merger of TTMF and HMB, the mortgages were held in Trust by TTMF.

order from Tranche G to Tranche A. For example, should Series G be repaid from unscheduled payments, further prepayments will be applied to Series F. The Bank also issued three additional Series; T1, T2 and R, that are not available for distribution⁵.

The distribution of CMO Certificates represents a diversification of the Bank's funding tools by generating liquidity while managing the Bank's gearing position. The purpose of the CMO, therefore, is to provide funding to HMB to acquire mortgage loans on the secondary market from Approved Mortgage Lenders and to meet the Bank's corporate financing needs.

For more information on HMB CMO 2020-01's rating, please visit www.caricris.com or contact:

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⁵ These represent Certificates issued to HMB by the Trustee upon the transfer of the Mortgage Pool. Tranches T1 (Trustee fees payable to First Citizens Trustee Services) and T2 (CMO Reserve Account) represent interest only Tranches payable at 0.10% and 0.25% respectively with a notional principal amount equivalent to the aggregate unpaid principal balance at each payment date. Tranche R represents surplus cash flows generated from the mortgage pool after all obligations are met and are due to HMB. Surplus receipts are derived from the interest rate differential between the Mortgage Pool Rate and the interest rate payable on the Certificates and the principal and interest payments from the over-collateralization of the Mortgage Pool.