

RATING RELEASE

October 5, 2026

CariCRIS downgrades its Corporate Credit Ratings of Trinidad and Tobago Mortgage Bank Limited

<i>CariA+</i>	(Regional Scale Local Currency)
<i>CariA+</i>	(Regional Scale Foreign Currency)
<i>ttA+</i>	(National Scale Local Currency)

Caribbean Information and Credit Rating Services Limited (CariCRIS) has downgraded the assigned Issuer/ Corporate Credit ratings of Trinidad and Tobago Mortgage Bank Limited (TTMB or the Group) by 1-notch to *CariA+* (Foreign and Local Currency Ratings) on the regional rating scale, and *ttA+* (Local Currency Rating) on the Trinidad and Tobago (T&T) national scale. The regional and national scale ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean and within T&T is **good**. The ratings also include a 1-notch uplift for the high likelihood of support from the Government of the Republic of Trinidad and Tobago (GORTT), if needed.

The 1-notch downgrade is premised on the sustained deterioration in the Group's asset quality, primarily arising from Home Mortgage Bank's (HMB) commercial and project financing portfolio. The Group's non-performing loan (NPL) to gross loans ratio (NPL ratio) worsened as at December 2025, representing its 2nd consecutive breach of one of CariCRIS' downside rating sensitivity threshold¹ and was less favourable compared to CariCRIS' 2025 expectations. This persistent weakness also supported a lower business risk rating.

CariCRIS has also revised the outlook on the ratings to **stable** from **negative**. The stable outlook is based on the high likelihood that TTMB will remain profitable over the next 12 to 15 months, albeit at a lower level, as higher operating expenses from increased staffing to support ongoing initiatives, as well as marketing and advertising expenses associated with new product launches, are expected to weigh on profitability. While CariCRIS

¹ As per CariCRIS' September 2025 report, this downside rating sensitivity threshold was NPL/Gross loans greater than 9.6% over the next 12 to 15 months.

expects the Group's NPL ratio to remain elevated over the near term, improvement is anticipated from 2027 onwards, supported by proactive NPL reduction measures and strengthening recovery initiatives. The stable outlook is further supported by the Group's strong capitalisation, adequate liquidity and continued access to diversified funding, which are expected to enable TTMB to comfortably meet its debt obligations as they come due over the next 12 to 15 months.

TTMB's ratings are underpinned by its moderate market position in T&T's real estate mortgage market, supported by its strategic role in the implementation of the GORTT's national housing policy. The ratings are also supported by the Group's comfortable capitalisation, reflected in its high capital adequacy and good capital coverage of total assets, and its continued profitable financial performance in 2025, despite a lower profit after tax (PAT). Despite these credit strengths, the ratings are constrained by asset/liability mismatches, that elevate potential liquidity risks given TTMB's continued high reliance on debt financing, notwithstanding some improvement over the last year. Additionally, the Group's limited geographic diversity in revenue and funding, which heightens its exposure to significant sovereign risk, and elevated asset quality risk arising primarily from HMB's commercial and project financing portfolio, further constrain the ratings.

Rating Sensitivity Factors

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

- An improvement in the credit rating of the sovereign over the next 12 to 15 months
- A 50% or greater decrease in funding costs over the next 12 months, resulting in a material expansion in the net interest spread by over 300 basis points.
- Improvement in net interest spread to >4.6%, sustained over a 3-year period
- A sustained 2-year improvement in consolidated asset quality, including a reduction in the Group's NPL/gross loans ratio to below 8%, supported by the successful resolution of material NPL exposures within HMB's commercial and project financing portfolio.

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

- A deterioration in the credit rating of the sovereign over the next 12 to 15 months
- A rise in the cost to income ratio to 60% or greater
- A sustained increase in funding costs by 150 basis points or greater over the next 12 months, resulting in a material contraction in net interest spread by over 200 basis points
- A further deterioration in the ratio of NPL/Gross loans to above 11%
- A material reduction (50% or greater) in or complete withdrawal of subsidized funding from the GORTT

About the Group:

The Trinidad and Tobago Mortgage Bank Limited (TTMB or the Group), formerly the Trinidad and Tobago Mortgage Finance Company Limited (TTMF), officially changed its name on March 21, 2024, following the acquisition of Home Mortgage Bank (HMB)². On January 17, 2024, TTMB acquired HMB through the transfer of 100% of HMB's shares from the National Insurance Board of Trinidad and Tobago (NIBTT). The final stages of the consolidation³ of TTMB and HMB are currently pending and will be completed upon the transfer of HMB's assets and liabilities to TTMB⁴. Thereafter, HMB is expected to be dissolved as a separate legal entity, subject to the completion of the requisite regulatory approvals and transfer of assets and liabilities. To date, 13 workstreams have been implemented⁵ to satisfy the operational needs of the new organizational structure. TTMB's shareholders are the Government of the Republic of Trinidad and Tobago (GORTT) and the NIBTT, with shareholdings of 49% and 51% respectively.

² Home Mortgage Bank (HMB) was established in Trinidad and Tobago (T&T) under the HMB Act of 1985 with its main business activities including the trading of residential mortgages originated by primary mortgage lenders and commercial lending. Additionally, HMB's loan product offerings include loans for land acquisition for commercial purposes, bridge financing, commercial mortgage loans, project financing, and Public/Private Sector Partnerships (PPP).

³ In 2014, the Government of the Republic of Trinidad and Tobago (GORTT) approved a merger to create an institution that leverages on synergies between the Trinidad and Tobago Mortgage Finance Company (TTMF) and HMB. In 2016, a Memorandum of Understanding (MOU) was signed between the TTMF and HMB, which allows both companies to date to derive benefits from each other while maintaining the integrity and independence of both companies.

⁴ Trinidad and Tobago Mortgage Bank (TTMB) is currently in the process of obtaining all the relevant licenses and approvals to accommodate the operations at HMB.

⁵ The final stages of the merger remain subject to TTSEC approval for the transfer of HMB's mutual fund trustee arrangements and the transfer of HMB's assets and liabilities to TTMB.

TTMF was incorporated under the Companies Act of Trinidad and Tobago on December 3, 1965. It was formed to fulfil the GORTT's mandate of providing affordable residential mortgage financing to households within the low to middle-income bracket in Trinidad and Tobago (T&T). TTMB remains the lead vehicle for mortgage financing under the GORTT's Affordable Housing Finance Programme (2% and 5% Mortgage Programme). It is also a key part of the State's housing business model in which the Trinidad and Tobago Housing Development Corporation (HDC) constructs and maintains housing facilities while TTMB provides the mortgage financing to qualifying purchasers. Although the HDC refers potential homeowners to the TTMB, they can obtain financing from other institutions. Following the expansion of TTMB's target market several years ago to include all persons interested in residential mortgage financing, the Group's product range includes subsidized and open market residential mortgage loans as well as home equity loans with tenors of up to 40 years at stable interest rates, currently ranging between 2% and 7% per annum⁶⁶.

For more information on the ratings of TTMB, please visit www.caricris.com or contact:

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Note

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⁶⁶ TTMB receives a Government subsidy for its financing of mortgages and the associated administrative expenses in administering the 2% and 5% Mortgage Financing Regime under Government's Expanded Affordable Housing Programme, through which qualifying citizens benefit from subsidized interest rates.