



PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

THE TRINIDAD BUILDING AND LOAN ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2025



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THE TRINIDAD BUILDING AND LOAN ASSOCIATION

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Statement of Management Responsibilities

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of The Trinidad Building and Loan Association, which comprise the statement of financial position as at 31 December 2025, the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and a summary of material accounting policies;
- ensuring that the Association keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Association's operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations, including the Building Societies Act; and
- using reasonable and prudent judgement in the determination of estimates.


In preparing these audited financial statements, management utilised the IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Association will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



Signed
Date: 24 April 2026



Signed
Date: 24 April 2026



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INDEPENDENT AUDITOR'S REPORT

The Members

The Trinidad Building and Loan Association

Opinion

We have audited the financial statements of The Trinidad Building and Loan Association, which comprise the statement of financial position as at 31 December 2025 and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and notes to the financial statements including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Trinidad Building and Loan Association as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of The Trinidad Building and Loan Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Association's 2025 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement of this other information, we are required to communicate the matter to the Board of Directors.

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Directors: Renée-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin



INDEPENDENT AUDITOR'S REPORT (Cont'd)

Responsibilities of Management and the Board of Directors for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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INDEPENDENT AUDITOR'S REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with Section 45(2) of the Building Societies Act Chapter 33:04, we

- i verified that the accompanying financial statements are correct, duly vouched, and in accordance with law.
- ii inspected
 - the mortgage deeds and other securities belonging to the society; or
 - copies thereof certified correct by the Attorney-at-Law who prepared the same and the Registrar General's receipts for their registration, where such mortgage deeds or securities have been registered with the Registrar General.
- iii state one hundred and ninety eight (198) as the number of properties with respect to which we have certified in accordance with paragraph (ii), that we inspected the mortgage deeds and other securities or copies thereof.

PKF

Barataria
TRINIDAD
24 April 2026

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	31 December	
		<u>2025</u> (S)	<u>2024</u> (S)
Assets:			
Cash and cash equivalents	5	13,901,015	12,572,732
Accounts receivable and prepayments	6	1,541,157	1,212,783
Investments	7	<u>7,272,210</u>	<u>7,037,432</u>
		22,714,382	20,822,947
Mortgages	8	69,661,255	67,314,070
Land loans	9	4,492,007	5,510,558
Fixed assets	10	10,026,344	10,131,761
Right of use of assets	11a	<u>3,185</u>	<u>13,940</u>
Total Assets		<u>106,897,173</u>	<u>103,793,276</u>
Liabilities:			
Accounts payable and accruals	12	4,037,322	3,869,056
Lease liability	11b	3,504	14,806
Deposits	13	22,377,838	22,092,611
Unpaid matured shares	14	1,755,248	1,149,384
Members/Shareholders	15	17,906,910	16,785,861
Loan payable	16	<u>5,000,000</u>	<u>5,000,000</u>
Total Liabilities		<u>51,080,822</u>	<u>48,911,718</u>
Net Assets		<u>55,816,351</u>	<u>54,881,558</u>
Financed by:			
Dividend reserve		6,051,791	5,611,197
Capital reserve		7,570,752	7,570,752
Investment remeasurement reserve		388,541	218,064
Revenue reserve		41,805,267	27,847,587
Special reserve fund		-	<u>13,633,958</u>
Total Reserves		<u>55,816,351</u>	<u>54,881,558</u>

These financial statements were approved by the Board of Directors and authorised for issue on 24 April 2026 and signed on their behalf by



President



Secretary

(The accompanying notes form part of these financial statements)

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME

	<u>Notes</u>	31 December	
		<u>2025</u> (\$)	<u>2024</u> (\$)
Interest earned	17	5,690,894	5,561,520
Other income	18	<u>561,264</u>	<u>534,423</u>
Total income		<u>6,252,158</u>	<u>6,095,943</u>
Interest expense	19	702,602	642,691
Other expenditure	20	<u>3,762,562</u>	<u>4,506,493</u>
Total expenditure		<u>4,465,164</u>	<u>5,149,184</u>
Net surplus for the year		1,786,994	946,759
Other Comprehensive Income:			
<u>Items that will not be reclassified subsequently to profit and loss</u>			
Net fair value gain on financial assets classified as fair value through other comprehensive income		<u>170,477</u>	<u>163,853</u>
Total Comprehensive Income for the year		<u>1,957,471</u>	<u>1,110,612</u>

(The accompanying notes form part of these financial statements)

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2025

	<u>Dividend Reserve</u> (\$)	<u>Capital Reserve</u> (\$)	<u>Investment Remeasurement Reserve</u> (\$)	<u>Revenue Reserve</u> (\$)	<u>Special Reserve Fund</u> (\$)
Balance, 1 January 2025	5,611,197	7,570,752	218,064	27,847,587	13,633,958
Total Comprehensive Income for the year	-	-	170,477	1,786,994	-
Transfer to from Special Reserve Fund to Revenue Reserve *	-	-	-	13,633,958	(13,633,958)
Adjustments to Revenue Reserve **	-	-	-	(33,677)	-
Dividend Reserve Additions	536,098	-	-	(536,098)	-
Reserve Adjustment	(95,504)	-	-	95,504	-
Interim dividend June: 2.5%	-	-	-	(409,721)	-
Final dividend December: 3.5%	-	-	-	(579,280)	-
Balance, 31 December 2025	<u>6,051,791</u>	<u>7,570,752</u>	<u>388,541</u>	<u>41,805,267</u>	<u>-</u>
Balance, 1 January 2024	5,633,402	7,570,752	54,211	27,658,237	13,633,958
Total Comprehensive Income for the year	-	-	163,853	946,759	-
Dividend Reserve Additions	284,028	-	-	(284,028)	-
Reserve Adjustment	(306,233)	-	-	306,233	-
Interim dividend June: 2.5%	-	-	-	(384,509)	-
Final dividend December: 2.5%	-	-	-	(395,105)	-
Balance, 31 December 2024	<u>5,611,197</u>	<u>7,570,752</u>	<u>218,064</u>	<u>27,847,587</u>	<u>13,633,958</u>

* The Board of Directors approved the consolidation of the Special Reserve Fund to the Revenue Reserve in the 142nd Board of Directors meeting.

** This adjustment related to a prior period transaction made in relating to payment from Caribbean Building and Loan Association (CBLA).

(The accompanying notes form part of these financial statements)

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

STATEMENT OF CASH FLOWS

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Cash flows from operating activities:		
Net surplus for the year	1,786,994	946,759
Expected gain on financial assets - Mortgages	(71,587)	(89,330)
Expected loss on financial assets – Investments	1,777	2,204
Depreciation - Lease assets	10,755	15,834
Interest portion on lease payments	444	982
Depreciation - Fixed assets	134,492	129,325
Adjustment relating to CBLA transaction to revenue reserve	(33,677)	-
Loss on disposal of fixed assets	<u>818</u>	<u>-</u>
Operating profit before changes in operating assets	1,830,016	1,005,774
Net change in accounts receivable and prepayments	(328,374)	(61,267)
Net change in accounts payable and accruals	<u>168,266</u>	<u>(758,380)</u>
Net cash provided by operating activities	<u>1,669,908</u>	<u>186,127</u>
Cash flows from investing activities:		
Net change in land loans	1,018,551	1,092,720
Net change in investments	(66,078)	(77,595)
Net change in mortgages	(2,275,598)	719,810
Fixed assets additions	<u>(29,893)</u>	<u>(128,043)</u>
Net cash (used in)/provided by investing activities	<u>(1,353,018)</u>	<u>1,606,892</u>
Cash flows from financing activities:		
Interest portion of lease payments	(444)	(982)
Principal portion of lease payments	(11,302)	(10,640)
Net change in deposits	285,227	1,365,676
Net change in members' balances	605,864	(364,909)
Net change in amounts due to shareholder/members	1,121,049	422,100
Dividends paid	<u>(989,001)</u>	<u>(779,614)</u>
Net cash provided by financing activities	<u>1,011,393</u>	<u>631,631</u>
Net change in cash and cash equivalents	1,328,283	2,424,650
Cash and cash equivalents, beginning of the year	<u>12,572,732</u>	<u>10,148,082</u>
Cash and cash equivalents, end of the year	<u><u>13,901,015</u></u>	<u><u>12,572,732</u></u>

(The accompanying notes form part of these financial statements)

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. Registration and Principal Activity:

The Association is registered in the Republic of Trinidad and Tobago under the Building Societies Act Ch. 33:04. Its principal activities are to make advances to members to acquire or to make improvements to freehold or leasehold estates, out of the funds of the Association by way of mortgage upon the security of such unencumbered estates. Its registered office is 89 Queen Janelle Commissioning Street, Port of Spain.

2. Summary of Material Accounting Policies:

a) Basis of financial statements preparation -

These financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are stated in Trinidad and Tobago dollars rounded to the nearest dollar. These financial statements are prepared on the historical cost basis, except for the measurement at fair value of investments and certain other financial instruments.

b) Use of estimates -

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Association's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

c) New Accounting Standards and Interpretations -

i. The Association has not applied the following standards, revised standards and interpretations that have been issued and are effective as they:

- do not apply to the activities of the Association; or
- have no material impact on its financial statements.

Effective for annual periods beginning on or after 1 January 2025

IAS 21 Effects of Changes in Foreign Exchange rates – Amendments to lack of exchange ability

ii. The Association has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they:

- do not apply to the activities of the Association;
- have no material impact on its financial statements; or
- have not been early adopted by the entity.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):

c) New Accounting Standards and Interpretations (cont'd) -

Effective for annual periods beginning on or after 1 January 2026

IFRS 1	First-time Adoption of IFRS Accounting Standards - Amendments regarding hedge accounting for a first-time adopter
IFRS 7	Financial Instruments: Disclosures - Amendments to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9: Financial Instruments
IFRS 7	Financial Instruments: Disclosures - Amendments regarding contracts referencing nature-dependent electricity
IFRS 9	Financial Instruments - Amendments to address matters identified during the post-implementation review of the classification and measurement requirements of the standard
IFRS 9	Financial Instruments - Amendments to address a potential lack of clarity in the application of the requirements in the standard to account for an extinguishment of a lessee's lease liability
IFRS 9	Financial Instruments - Amendments regarding contracts referencing nature-dependent electricity
IFRS 9	Financial Instruments - Amendments to address the potential confusion between the definitions of the term 'transaction price' in IFRS 15: Revenue from Contracts with Customers, and the standard
IFRS 10	Consolidated Financial Instruments - Amendments relating to an investor determining whether another party is acting on its behalf as a 'de facto agent'
IAS 7	Statement of Cash Flows – Amendments to address the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards

Effective for annual periods beginning on or after 1 January 2027

IFRS 7	Financial Instruments: Disclosures - Amendments to move the disclosure requirements in IAS 1 regarding puttable financial instruments, classified as equity instruments, to IFRS 7
IFRS 18	Presentation and Disclosure of Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):

c) New Accounting Standards and Interpretations (cont'd) –

Effective for annual periods beginning on or after 1 January 2027 (cont'd)

IAS 21 Effects of Changes in Foreign Exchange rates - Translation to a Hyperinflationary Presentation Currency - Amendments to clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one

IFRS S2* Climate-related disclosures - Amendments to IFRS S2 aim at supporting entities applying IFRS S2 by reducing the complexity, risk of potential duplication of reporting and related costs of applying specific requirements in IFRS S2

***The application of these Sustainability Standards is not yet mandatory in our jurisdiction.**

d) Fixed assets -

Fixed assets are stated at historical cost, and except for freehold buildings, are depreciated on the straight-line basis at rates estimated to write off the assets over their respective useful lives.

The following rates are considered appropriate to write-off the assets over their estimated useful lives:

Office equipment and fittings	- 20%	Motor vehicles	- 25%
Computer equipment	- 20% to 33 1/3%	Machines	- 10%
Office furniture	- 15%		

Increases in the carrying amount arising on revaluation of land and buildings are credited to Capital Revaluation Reserve in Members' Equity. Decreases that offset previous increases of the same asset are charged against reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from the Capital Revaluation Reserve to the Revenue Reserve. When revalued assets are sold, the amounts included in the Capital Revaluation Reserve are transferred to the Revenue Reserve.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the "Gain/Loss on Disposal" account in the Statement of Comprehensive Income.

The last valuation on the property was performed in 2023.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025****2. Summary of Material Accounting Policies (Cont'd):****e) Income and expenditure -**

(i) Income items are recorded as follows:

(a) Mortgage interest, investments, bank deposits and savings revenues are recorded on the accruals basis.

(b) Other income is recorded on the receipts basis.

(ii) Expenditure items are recorded on the accruals basis.

f) Financial Instruments -

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

(i) the entity's business model for managing the financial assets; and

(ii) the contractual cash flow characteristics of the financial assets.

The Association reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

Initial measurement

All financial instruments are initially measured at the fair value of consideration given or received.

The Association measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Association uses a fair value hierarchy that categorises valuation techniques into three levels:

(i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.

(ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):**f) Financial Instruments – (cont'd)**

- (iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Subsequent measurement

Those financial assets such as members' loans and receivables, which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss. When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets such as bonds, which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI). Gains/losses arising on remeasurement of such financial assets are recognised in OCI as *'Items that may be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on financial assets classified as at FVOCP'*.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the Association has opted, irrevocably, to measure at FVTOCI. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as *'Net FV gain/(loss) on financial assets classified at FVTPL'*. When a financial asset measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Gains/losses arising on remeasurement of equity investments, which the Association has opted, irrevocably, to measure at FVTOCI, are recognised in OCI as *'Items that may not be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on equity financial assets classified as at FVOCI'*. When an equity investment measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but instead, transferred within equity.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):

f) Financial Instruments (cont'd) –

Reclassification

If the business model under which the Association holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model. Equity instruments which the Association opted to treat at FVTOCI cannot be reclassified.

Impairment

Financial assets are amortised costs are impaired at one of two levels:

- (i) Twelve-month Expected credit loss (ECL) - These are losses that result from default events that are possible within twelve months after the reporting date. Such financial assets are at 'Stage 1'.
- (ii) Lifetime ECL - These are losses that result from all possible default events over the life of the financial instrument. Such financial assets are at 'Stage 2' or 'Stage 3'.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the twelve-month ECL.

ECL is a probability-weighted estimate of the present value of credit losses, measured as the present value of the difference between (i) the cash flows due to the Association under contract; and (ii) the cash flows that the Association expects to receive, discounted at the asset's effective interest rate.

Performing financial assets – Stage 1

For performing assets and those expected to perform normally, the loss allowance is the 12-month expected credit loss and is done immediately at initial recognition of asset.

Significant increase in credit risk – Stage 2

When an asset becomes 30 days past due, the Association considers that a significant increase in credit risk has occurred and the asset is deemed to be at Stage 2 and the loss allowance is measured as the lifetime ECL.

Credit-impaired financial assets – Stage 3

A financial asset is 'credit-impaired' when events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about one or more of the following events:

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):

f) Financial Instruments (cont'd) -

Impairment (cont'd)

Credit-impaired financial assets – Stage 3

- (i) significant financial difficulty of the borrower or issuer;
- (ii) a breach of contract such as a default or past due event;
- (iii) granted to the borrower of a concession that the lender would not otherwise consider;
- (iv) the disappearance of an active market for a security because of financial difficulties;
or
- (v) the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

The Association assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date. There is a rebuttable presumption that financial assets that are in defaulted for more than ninety (90) days are credit impaired. The Association also considers a financial asset to be credit impaired if the borrower is unlikely to pay its credit obligation. To determine this, the Association takes into account both qualitative indicators such as unemployment, bankruptcy, divorce or death and quantitative indicators, such as overdue status. The Association used its historical experience and forward-looking information that is available without undue cost or effort. If there has been a significant increase in credit risk the Association will measure the loss allowance based on lifetime rather than twelve-month ECL.

Modification and Derecognition of Financial Assets

The Association renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. This occurs particularly where, although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened. The revised terms usually include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan and /or a reduction in the amount of cash flows due. When a financial asset is modified, the Association assesses whether this modification results in derecognition of the original loan, such as when the renegotiation gives rise to substantially different terms.

In the case where the financial asset is derecognised, the new financial asset will have a loss allowance measured based on twelve-month ECL. If, however, there remains a high risk of default under the renegotiated terms, the loss allowance will be measured based on lifetime ECL.

When the modification does not result in derecognition, the Association will measure loss allowance at an amount equal to lifetime ECL.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025****2. Summary of Material Accounting Policies (Cont'd):****f) Financial Instruments (cont'd) -****Write-off**

Loans and receivables are written off when the Association has no reasonable expectations of recovering the financial asset, for example, when the Association determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the Association's enforcement activities will result in gains.

Financial liabilities

Since the Association does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognised at amortised cost are not reclassified.

Measurement of ECL

The key inputs used for measuring ECL are:

- (i) probability of default (PD);
- (ii) loss given default (LGD); and
- (iii) exposure at default (EAD).

The Association measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The Association's financial instruments are grouped on the basis of shared risk characteristics, such as:

- (i) credit risk grade;
- (ii) collateral type;
- (iii) date of initial recognition;
- (iv) remaining term to maturity;
- (v) industry;

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):

f) Financial Instruments (cont'd) -

Measurement of ECL (cont'd)

- (vi) geographic location of the borrower;
- (vii) income bracket of the borrower; and
- (viii) the value of collateral relative to the financial asset.

The groupings are reviewed on a regular basis to ensure that each grouping is comprised of homogenous exposures.

Measurement of ECL (cont'd)

An analysis of the Association's credit risk exposure without taking into account the effects of collateral is provided in the following tables. The amounts in the table represent gross carrying amounts.

Loans	Stage 1 12 mth ECL (\$)	Stage 2 Lifetime ECL (\$)	Stage 3 Lifetime ECL (\$)	Total (\$)
Low risk	62,403,946	-	-	62,403,946
Medium Risk	-	-	-	-
Substandard	1,094,854	-	1,448,698	2,543,552
Doubtful	92,723	-	130,808	223,531
Impaired	-	-	<u>9,895,638</u>	<u>9,895,638</u>
Total gross carrying amount	<u>63,591,523</u>	<u>-</u>	<u>11,475,144</u>	<u>75,066,667</u>

The table below analyses the movement of the loss allowance on loans to members at amortised cost during the year.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):

f) Financial Instruments (cont'd) -

Measurement of ECL (cont'd)

	Stage 1 (\$)	Stage 2 (\$)	Stage 3 (\$)	Total (\$)
Loss allowance, beginning of year	10,033	20,292	954,667	984,992
Increase due to changes in credit risk	251,220	6,558	(329,365)	(71,587)
Write-offs	-	-	-	-
Loss allowance on derecognised loans	-	-	-	-
Loss allowance, end of year	<u>261,253</u>	<u>26,850</u>	<u>625,302</u>	<u>913,405</u>

Collateral held as security

The Association holds the following types of collateral to mitigate credit risk associated with financial assets:

General loans	Shares in the Association
Mortgage lending *	Deed of Mortgage on property

*The Association holds properties as collateral for the mortgage loans it grants to its +members. The value of the collateral for mortgage loans is typically based on the collateral value at origination, updated based on changes in property prices. For credit-impaired loans, the value of collateral is based on the most recent appraisals.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):

f) Financial Instruments (cont'd) -

Collateral held as security

Assets obtained by taking possession of collateral

The Association obtained the following assets during the year by taking possession of collateral held as security against loans held at the year end. The Association's policy is to realise collateral on a timely basis.

Shares	-
Property	-
Motor Vehicles	_____ -
 Total assets obtained by taking possession of collateral	 ===== -

g) Dividends payable to members -

Dividends are computed on the basis of the average value of shares held throughout the year, the average being determined on the basis of the value of shares held at the end of each month. Dividends that are proposed and declared after the reporting date are not shown as a liability in accordance with IAS 10 but are disclosed as a note to the financial statements.

h) Provisions -

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

i) Retirement benefit plan -

The Association operates a defined benefit plan covering substantially all eligible employees of the Association. The fund of this plan is administered by three trustees and is separate from the Association's assets. Contributions to the plan are based upon the triennial actuarial valuation and are charged against profits on the accruals basis. The last actuarial valuation of the Plan dated 20 September 2025, which was carried out as at 31 December 2024, revealed that the value of the assets exceeded the liabilities by \$22,552,000. The next valuation is due for the year end 31 December 2027.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Summary of Material Accounting Policies (Cont'd):

j) Taxation -

The Association's net income and gross receipts are exempted from Corporation Tax and Business Levy under Sections 6(1)(J) and 3A(2)(c) of the Corporation Tax Act (Ch. 75:02 of the laws of Trinidad and Tobago).

k) Comparative information -

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

3. Financial Risk Management:

Financial risk factors

The Association's activities are primarily related to the use of financial instruments. The Association accepts funds from members and earns income by investing in equity investments, government securities and on-lending to members at higher interest rates.

Financial Instruments

The following table summarizes the carrying amounts and fair values of the Association's financial assets and liabilities:

	2025	
	<u>Carrying Value</u> (\$)	<u>Fair Value</u> (\$)
Financial Assets		
Cash and cash equivalents	13,901,105	13,901,105
Accounts receivable and prepayments	1,541,157	1,541,157
Investments	7,272,210	7,272,210
Mortgages and land loans	74,153,262	74,153,262
Financial Liabilities		
Accounts payable and accruals	4,037,322	4,037,322
Depositors	22,377,838	22,377,838
Members/Shareholders	17,906,910	17,906,910
Lease liability	3,504	3,504

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial Risk Management (Cont'd):

Financial risk factors (Cont'd)

	2024	
	<u>Carrying Value</u>	<u>Fair Value</u>
	(\$)	(\$)
Financial Assets		
Cash and cash equivalents	12,572,732	12,572,732
Accounts receivable and prepayments	1,212,783	1,212,783
Investments	7,037,432	7,037,432
Mortgages and land loans	72,824,628	72,824,628
Financial Liabilities		
Accounts payable and accruals	3,869,056	3,869,056
Depositors	22,092,611	22,092,611
Members/Shareholders	16,785,861	16,785,861
Lease liability	14,806	14,806

a) Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Association is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, customer deposits and other funding instruments.

The exposure is managed through monitoring market conditions and yields.

i) Bonds

The Association invests mainly in medium to long term bonds consisting of ,both floating rate and fixed rate instruments.

The market values of the fixed rate bonds are not very sensitive to changes in interest rates. The market values of the floating rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are being held to maturity and are not traded, any changes in market value will not impact the Statement of Comprehensive Income.

The Association actively monitors bonds with maturities greater than ten years, as well as the interest rate policies of the Central Bank of Trinidad and Tobago.

ii) Mortgage Loans

The Association grants mortgage loans on an adjustable rate basis of a long term nature. These are funded mainly from deposits and members' shares.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025****3. Financial Risk Management (Cont'd):****b) Credit risk -**

Credit risk is the risk that a member will default on his contractual obligations resulting in financial loss to the Association. Credit risk mainly arises from loans, and because it represents the Association's main income generating activity, credit risk is the principal risk for the Association.

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Association relies heavily on its Rules, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Association's lending philosophy; provide policy guidelines to team members involve in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

The Association's loan portfolio is managed and consistently monitored by the Credit Committee and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

Cash balances are held with high credit quality financial institutions and the Association has policies to limit the amount of exposure to any single financial institution.

The Association also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

Credit risk management

The Association's credit committee is responsible for managing the Association's credit risk by:

- (i) ensuring that the Association has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Association's policies and procedures, IFRS Accounting Standards and relevant supervisory guidance.
- (ii) identifying, assessing and measuring credit risk across the Association, from an individual financial instrument to the portfolio level.
- (iii) creating credit policies to protect the Association against the identified risks, including the obtaining collateral from borrowers, performing robust ongoing credit assessment of borrowers, and continually monitor exposures.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial Risk Management (Cont'd):

b) Credit risk (cont'd) -

Credit risk management (cont'd)

- (iv) ensuring that the Association has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Association's policies and procedures, IFRS Accounting Standards and relevant supervisory guidance.
- (v) identifying, assessing and measuring credit risk across the Association, from an individual financial instrument to the portfolio level.
- (vi) creating credit policies to protect the Association against the identified risks, including the obtaining collateral from borrowers, performing robust ongoing credit assessment of borrowers, and continually monitor exposures.
- (vii) as far as possible, limiting concentrations of exposure by type of loan, industry, credit rating, geographic location, etc.
- (viii) establishing a robust control mechanism for loan approval.
- (ix) categorising exposures according to the degree of risk of default.
- (x) developing and maintaining processes for measuring ECL.
- (xi) providing guidance to promote best practice in the management of risk.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

Significant increase in credit risk

The Association presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than thirty (30) days past due, unless the Association has reasonable and supportable information that demonstrates otherwise. The Association has monitoring procedures to ensure that significant increase in credit risk is identified before default occurs.

c) Liquidity risk -

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Association has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial Risk Management (Cont'd):

c) Liquidity risk (cont'd) -

The Association is able to make daily calls on its available cash resources to settle financial and other liabilities.

i) Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Association. The Association employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Association's assets as well as generating sufficient cash from new and renewed deposits and shares.

To manage and reduce liquidity risk the Association's management actively seeks to match cash inflows with liability requirements.

ii) Liquidity gap

The Association's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

	2025			
	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	(\$)	(\$)	(\$)	(\$)
Financial Assets				
Cash and cash equivalents	13,901,105	-	-	13,901,105
Accounts receivable and prepayments	1,541,157	-	-	1,541,157
Investments	3,315,873	3,956,337	-	7,272,210
Mortgages and land loans	<u>1,064,100</u>	<u>5,179,095</u>	<u>67,910,067</u>	<u>74,153,262</u>
	<u>19,822,235</u>	<u>9,135,432</u>	<u>67,910,067</u>	<u>96,867,734</u>
Financial Liabilities				
Accounts payable and accruals	4,037,322	-	-	4,037,322
Depositors	22,377,838	-	-	22,377,838
Members/Shareholders	<u>64,696</u>	<u>1,720,894</u>	<u>16,121,320</u>	<u>17,906,910</u>
	<u>26,479,856</u>	<u>1,720,894</u>	<u>16,121,320</u>	<u>44,322,070</u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial Risk Management (Cont'd):

c) Liquidity risk (cont'd) -

ii) Liquidity gap (cont'd)

2024

	<u>Up to 1 year</u> (\$)	<u>1 to 5 years</u> (\$)	<u>Over 5 years</u> (\$)	<u>Total</u> (\$)
Financial Assets				
Cash and cash equivalents	12,572,732	-	-	12,572,732
Accounts receivable and prepayments	1,212,783	-	-	1,212,783
Investments	3,079,308	3,958,124	-	7,037,432
Mortgages and land loans	<u>706,908</u>	<u>5,967,178</u>	<u>66,150,542</u>	<u>72,824,628</u>
	<u><u>17,571,731</u></u>	<u><u>9,925,302</u></u>	<u><u>66,150,542</u></u>	<u><u>93,647,575</u></u>
Financial Liabilities				
Accounts payable and accruals	3,869,056	-	-	3,869,056
Depositors	22,092,611	-	-	22,092,611
Members/Shareholders	<u>62,459</u>	<u>2,498,819</u>	<u>14,224,583</u>	<u>16,785,861</u>
	<u><u>26,024,126</u></u>	<u><u>2,498,819</u></u>	<u><u>14,224,583</u></u>	<u><u>42,747,528</u></u>

d) Reputation risk -

The risk of loss of reputation arising from the negative publicity relating to the Association's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Association. The Association engages in public social endeavours to engender trust and minimize this risk.

e) Operational risk -

Operational risk is the risk derived from deficiencies relating to the Association's information technology and control systems, as well as the risk of human error and natural disasters. The Association's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error. Additionally, staff is often rotated and trained on an on-going basis.

f) Compliance risk -

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago, as well as by the monitoring controls applied by the Association. The Association has an Internal Audit Department which does routine reviews on compliance.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025****4. Critical Accounting Estimates and Judgments:**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Association makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) Whether investments are classified as Fair Value through Profit and Loss, Fair Value through Other Comprehensive Income or Amortised Cost.
- ii) Which depreciation method for fixed assets is used.
- iii) Business model assessment:
The Association reassess its business models each reporting period to determine whether they continue to be appropriate and if there need to be a prospective change to the classification of financial assets. This assessment includes judgement regarding:
 - how the performance of the assets is evaluated and measured; and
 - the risks that affect the performance of the assets and how these risks are managed.
- iv) Significant increase of credit risk:
The Association computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.
- v) Establishing groups of assets with similar credit risk characteristics:
When ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Association monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. Judgement is required in determining whether and when to move assets between portfolios.
- vi) Valuation models and assumptions used:
The Association uses various valuation models and assumptions in measuring the fair value of financial assets, as well as in estimating ECL. Judgement is applied in identifying the most appropriate valuation model for each type of asset, as well as in determining the assumptions to be used for each model.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025****4. Critical Accounting Estimates and Judgments (Cont'd):**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

ii) Probability of default (PD)

PD is an estimate of the likelihood of default over a given period of time, the calculation of which includes historical data, assumptions and expectations of future conditions. PD constitutes a key input in measuring ECL.

iii) Loss Given Default (LGD)

LGD is an estimate of the percentage loss arising on default, and is based on the difference between the contractual cash flows due and those that the Association would reasonably expect to receive, taking into account cash flows from collateral. It requires forecasting the future valuation of collateral taking into account sale discounts, the time and cost associated with realising collateral and seniority of claim. LGD is a key input in measuring ECL.

iv) Fair value measurement and valuation process

In estimating the fair value of a financial asset or a liability, the Association uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the Association uses valuation models to determine the fair value of its financial instruments.

v) Exposure at Default (EAD)

EAD is an estimate of the total loss incurred when a member defaults, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. EAD is a key input in measuring ECL.

vi) Plant and equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5. Cash and Cash Equivalents:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Cash on hand	35,186	40,000
First Citizens Bank Limited	2,368,825	2,599,975
RBC Royal Bank (Trinidad and Tobago) Limited	1,124,956	1,560,808
Trinidad and Tobago Unit Trust Corporation	6,457,107	6,253,151
First Citizens Bank Limited - Abercrombie Fund	1,272,535	507,015
Guardian Asset Management	1,642,406	1,611,783
Murphy Clarke Financial Limited	<u>1,000,000</u>	<u>-</u>
	<u>13,901,015</u>	<u>12,572,732</u>

As at 31 December 2025, cash and cash equivalents comprise 13% (2024 – 12%) of total assets.

6. Accounts Receivable and Prepayments:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Accrued commissions and interest on loans	209,541	184,767
Interest receivable	706,246	734,842
Staff loans	28,526	18,191
Prepayments	50,399	51,764
Judgement debtors	252,891	282,988
Other	<u>293,554</u>	<u>(59,769)</u>
	<u>1,541,157</u>	<u>1,212,783</u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

7. **Investments:**

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Financial assets at fair value through other comprehensive income –		
ROYTRIN Income and Growth Fund	3,154,949	2,918,384
Amortised Cost –		
Caribbean Finance Company Ltd 4.25% - Maturity May 2025	160,925	160,925
Government of Trinidad and Tobago Fixed Bond - Maturity April 2028	1,988,937	1,980,493
NIPDEC TT\$750M Fixed Rate Bond 6.55% - Maturity April 2030	2,022,458	2,030,912
Expected credit loss	<u>(55,059)</u>	<u>(53,282)</u>
	<u>7,272,210</u>	<u>7,037,432</u>
Allowance for expected credit loss -		
Balance brought forward	53,282	51,078
Change in expected credit loss	<u>1,777</u>	<u>2,204</u>
Balance carried forward	<u>55,059</u>	<u>53,282</u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8. Mortgages:

Statement pursuant to section 45(1) of the Building Societies Act Ch. 33:04.

Mortgages on properties where the present debt does not exceed \$100,000 and the repayments are not upwards of 12 months in arrears and the property has not been upwards of 12 months in possession of the Association Section 45(1) (a).

	31 December	
	<u>2025</u> (\$)	<u>2024</u> (\$)
On 171 Mortgages where the debt does not exceed \$10,000 (2024: 150)	169,343	131,708
On 18 Mortgages where the debt exceeds \$10,000 and does not exceed \$25,000 (2024: 26)	282,838	449,064
On 15 Mortgages where the debt exceeds \$25,000 and does not exceed \$50,000 (2024: 8)	478,028	284,177
On 24 Mortgages where the debt exceeds \$50,000 and does not exceed \$100,000 (2024: 22)	1,868,463	1,714,355
On 144 Mortgages where the debt exceeds \$100,000 Section 45(1) (b) (2024: 151)	<u>68,018,045</u>	<u>65,961,814</u>
 Mortgages on properties of which the repayments are upwards of 12 months in arrears and the property has been upwards of 12 months in possession of the Association Section 45(1) (b).		
Total Mortgages 372 (2024: 357)	70,816,717	68,541,118
Less: Accrued interest on demand loans	(242,057)	(242,056)
Allowance for Expected Credit Loss	<u>(913,405)</u>	<u>(984,992)</u>
	<u>69,661,255</u>	<u>67,314,070</u>
 Allowance for expected credit loss -		
Balance brought forward	984,992	1,074,322
Change in expected credit loss	<u>(71,587)</u>	<u>(89,330)</u>
Balance carried forward	<u>913,405</u>	<u>984,992</u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8. Mortgages (Cont'd):

The probabilities of various outcomes were taken into consideration in the estimations used to calculate the Expected Credit Loss (ECL) for 2024 and 2025.

9. Land Loans:

	31 December	
	<u>2025</u> (\$)	<u>2024</u> (\$)
Balance brought forward	5,510,588	6,603,278
Repayments during the year	<u>(1,018,581)</u>	<u>(1,092,720)</u>
Balance carried forward	<u><u>4,492,007</u></u>	<u><u>5,510,558</u></u>

10. Fixed Assets:

	<u>Freehold Properties</u> (\$)	<u>Motor Vehicles</u> (\$)	<u>Office Equipment and Fittings</u> (\$)	<u>Total</u> (\$)
Cost				
Balance, 1 January 2025	9,400,000	166,278	3,038,562	12,604,840
Additions			29,893	29,893
Disposals	<u>-</u>	<u>-</u>	<u>(4,868)</u>	<u>(4,868)</u>
Balance, 31 December 2025	<u>9,400,000</u>	<u>166,278</u>	<u>3,063,587</u>	<u>12,629,865</u>
Accumulated Depreciation				
Balance, 1 January 2025	-	166,275	2,306,804	2,473,079
Charge for the year	-	-	134,492	134,492
Disposals	<u>-</u>	<u>-</u>	<u>(4,050)</u>	<u>(4,050)</u>
Balance, 31 December 2025	<u>-</u>	<u>166,275</u>	<u>2,437,246</u>	<u>2,603,521</u>
Net Book Value				
Balance, 31 December 2025	<u><u>9,400,000</u></u>	<u><u>3</u></u>	<u><u>626,341</u></u>	<u><u>10,026,344</u></u>
Balance, 31 December 2024	<u><u>9,400,000</u></u>	<u><u>3</u></u>	<u><u>731,758</u></u>	<u><u>10,131,761</u></u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

10. Fixed Assets (Cont'd):

Cost	<u>Freehold Properties</u> (\$)	<u>Motor Vehicles</u> (\$)	<u>Office Equipment and Fittings</u> (\$)	<u>Total</u> (\$)
Balance, 1 January 2024	9,400,000	166,278	2,914,819	12,481,097
Additions			128,043	128,043
Disposals	<u>-</u>	<u>-</u>	<u>(4,300)</u>	<u>(4,300)</u>
Balance, 31 December 2024	<u>9,400,000</u>	<u>166,278</u>	<u>3,038,562</u>	<u>12,604,840</u>
 Accumulated Depreciation				
Balance, 1 January 2024	-	166,275	2,181,779	2,348,054
Charge for the year	-	-	129,325	129,325
Disposals	<u>-</u>	<u>-</u>	<u>(4,300)</u>	<u>(4,300)</u>
Balance, 31 December 2024	<u>-</u>	<u>166,275</u>	<u>2,306,804</u>	<u>2,473,079</u>
 Net Book Value				
Balance, 31 December 2024	<u>9,400,000</u>	<u>3</u>	<u>731,758</u>	<u>10,131,761</u>
Balance, 31 December 2023	<u>9,400,000</u>	<u>3</u>	<u>733,040</u>	<u>10,133,043</u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11. Leases:

The association has as a lessee lease contracts for office equipment. Other equipment generally have lease terms between 3 and 5 years. The association's obligations under its leases are secured by the lessor's title to the leased assets. The lease contract is for 3 years.

11. (a) Right of Use Asset:

	Office Equipment and Fittings (\$)
Cost	
Balance, 1 January 2025	31,865
Additions for the year	<u> -</u>
Balance, 31 December 2025	<u> 31,865</u>
Accumulated Depreciation	
Balance, 1 January 2025	17,925
Charge for the year	<u> 10,755</u>
Balance, 31 December 2025	<u> 28,680</u>
Net Book Value	
Balance, 31 December 2025	<u> 3,185</u>
Balance, 31 December 2024	<u> 13,940</u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11. Leases (Cont'd):

11 (a) Right of Use Asset (cont'd):

	Office Equipment and Fittings (\$)
Cost	
Balance, 1 January 2024	31,865
Additions for the year	<u> -</u>
Balance, 31 December 2024	<u><u> 31,865</u></u>
Accumulated Depreciation	
Balance, 1 January 2024	2,091
Charge for the year	<u> 15,834</u>
Balance, 31 December 2024	<u><u> 17,925</u></u>
Net Book Value	
Balance, 31 December 2024	<u><u> 13,940</u></u>
Balance, 31 December 2023	<u><u> 29,774</u></u>

11 (b) Lease Liability:

Balance, 1 January 2025	14,806
Payments	(11,746)
Interest	<u> 444</u>
Balance, 31 December 2025	<u><u> 3,504</u></u>
Balance, 1 January 2024	25,446
Payments	(11,745)
Interest	<u> 1,105</u>
Balance, 31 December 2024	<u><u> 14,806</u></u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

12. Accounts Payable and Accruals:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Trinidad and Tobago Housing Development Corporation	279,447	301,766
Accrued expenses	1,148,354	1,082,059
Holding accounts	1,825,637	1,962,900
Deposit clearing	423,430	156,257
Other	<u>360,454</u>	<u>366,074</u>
	<u>4,037,322</u>	<u>3,869,056</u>

The Association acts as agent for the Trinidad and Tobago Housing Development Corporation (HDC) administering its mortgage loan portfolio, which amounts to approximately \$1,508,902 (2024: \$1,591,488). The amount due to HDC represents receipts collected before deductions and charges.

13. Deposits:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Certificate of deposits	14,976,007	14,788,821
Savings deposits	<u>7,401,831</u>	<u>7,303,790</u>
	<u>22,377,838</u>	<u>22,092,611</u>

(i) As at 31 December 2025, total deposits to mortgage loans amount to 32.1% (2024: 32.5%).

(ii) As at 31 December 2025, deposits maturing in 2026 will amount to \$10,977,192 and deposits maturing after 31 December 2026 will amount to \$3,998,815 (2024: \$4,706,984).

14. Unpaid Matured Shares:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Amounts due for unpaid matured shares	<u>1,755,248</u>	<u>1,149,384</u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15. Members/Shareholders:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Balance, beginning of year	16,785,861	16,363,761
Share purchases less withdrawals and transfers	<u>132,048</u>	<u>(357,514)</u>
	<u>16,917,909</u>	<u>16,006,247</u>
Dividends paid		
- 30 June – 2.5% (2024: 2.5%)	409,721	384,509
- 31 December – 3.5% (2024: 2.5%)	<u>579,280</u>	<u>395,105</u>
	<u>989,001</u>	<u>779,614</u>
Balance, end of year	<u><u>17,906,910</u></u>	<u><u>16,785,861</u></u>

Members'/shareholders' share balances are represented by members' share purchases less withdrawals and transfers, and accumulated dividends. In accordance with International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2, these redeemable shares have been treated as liabilities.

16. Loan Payable:

This represents a \$5 million loan facility granted to the Association by the National Insurance Board of Trinidad and Tobago on 22 September 2017 for the financing of the existing loan portfolio and is administered by the First Citizens Trustee Services Limited. The loan carried an interest rate of 3.5% accruing semi-annually on 4 April and 4 October. The loan matured on 4 October 2022.

The loan facility was renewed on 4 October 2023 at an interest rate of 4.25% accruing semi-annually on 4 April and 4 October and matures on 4 October 2027.

The facility is secured by a charge over the National Investment and Property Development Company 2030 bond, the Government of Trinidad and Tobago 2028 bond and TT\$1.5M security on Trinidad and Tobago Unit Trust Corporation Second Unit Scheme.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

17. **Interest Earned:**

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Mortgages (net)	5,077,031	5,021,901
Investments - Long-term	292,310	300,885
- Short-term	255,261	173,855
Share loans	<u>66,292</u>	<u>64,879</u>
	<u><u>5,690,894</u></u>	<u><u>5,561,520</u></u>

18. **Other Income:**

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Commission		
- NHA's assisted loans	21,000	21,000
Rent	408,768	400,624
Processing fees	90,480	79,747
Other fees	41,834	33,052
Loss on disposal of fixed assets	<u>(818)</u>	<u>-</u>
	<u><u>561,264</u></u>	<u><u>534,423</u></u>

19. **Interest Expense:**

	Simple average		31 December	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	%	%	(\$)	(\$)
Savings	0.5	0.5	32,968	16,336
Fixed deposits	1.0	1.0	390,454	372,255
Paid up shares	3.0	3.0	9,600	5,847
Downpayment savings	6.0	5.0	37,080	15,753
NIB loan	3.5	4.25	<u>232,500</u>	<u>232,500</u>
			<u><u>702,602</u></u>	<u><u>642,691</u></u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

20. Other Expenditure:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Staff remuneration	1,459,298	1,583,116
National Insurance contributions	101,630	121,396
Health Scheme contribution	20,940	33,003
Pension Fund contribution	<u>19,848</u>	<u>27,402</u>
Direct staff costs: 42.6% (2024: 39.2%)	<u>1,601,716</u>	<u>1,764,917</u>
Staff vacation leave	(29,305)	41,789
Staff expense and training	33,737	479,519
Staff uniforms	<u>(1,256)</u>	<u>5,000</u>
Other staff costs: 0.1% (2024: 11.7%)	<u>3,176</u>	<u>526,308</u>
Total staff costs: 42.7% (2024: 50.8%)	<u>1,604,892</u>	<u>2,291,225</u>
Management expenses (Note 21)	1,339,438	1,424,523
Depreciation to furniture, equipment and motor vehicles	145,248	145,160
Other operating expenses	134,171	192,837
Directors' fees	433,018	374,294
Legal and professional fees	167,036	157,036
Bank interest and charges	8,569	8,544
Expected credit loss	<u>(69,810)</u>	<u>(87,126)</u>
	<u>2,157,670</u>	<u>2,215,268</u>
	<u><u>3,762,562</u></u>	<u><u>4,506,493</u></u>

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

21. Management Expenses:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Telephone	70,572	70,572
Electricity	70,020	73,236
Professional services	232,900	284,307
Stamps, stationery and printing	14,155	24,951
Insurance - property	82,874	69,173
Property maintenance	92,000	62,595
Rates and taxes	24,756	24,867
Miscellaneous expenses	2,206	11,284
Insurance - equipment, burglaries, cash in transit, etc.	23,978	46,068
Advertising/Marketing/Promotion	244,878	279,359
Tea room expenses	16,118	19,460
Subscriptions and donations	62,348	54,598
Security guard cost	156,056	149,923
Transunion	12,095	12,095
Upkeep allowance	-	15,000
Travelling	186,000	187,235
Computer software maintenance	<u>48,482</u>	<u>39,800</u>
	<u><u>1,339,438</u></u>	<u><u>1,424,523</u></u>

22. Employees:

At 31 December 2025, the Association had in its employ a staff complement of 10 persons (2024: 8).

23. Contingent Liabilities:

Under the provisions of the Retrenchment and Severance Benefits Act 1985, an amount of approximately \$175,969 as at 31 December 2025 (2024: \$25,210) would have been payable if the services of the employees of the Association were terminated. No provision is made for this contingent liability in these financial statements.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

24. Related Party Transactions:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Association.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

Balances and transaction with related parties and key management personnel during the year were as follows:

	31 December	
	<u>2025</u>	<u>2024</u>
	(\$)	(\$)
Assets		
Loans to key management personnel	15,998	14,356
Deposits and other liabilities		
Deposits held by directors and key management personnel	2,237,371	2,253,794
Shares held by directors and key management personnel	595,478	478,297
	2,832,849	2,732,091
Interest and other income		
Directors and key management personnel	100,030	90,133
Interest and other expenses		
Directors and key management personnel	31,647	21,656
Key management compensation		
Short-term benefits	974,842	913,380
Post employment benefits	-	-
	974,842	913,380

THE TRINIDAD BUILDING AND LOAN ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025****25. Fair Values:**

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

a) Current assets and liabilities -

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

b) Members' loans -

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

c) Investments -

The fair values of investments are determined on the basis of market prices available at 31 December 2025.

d) Deposits -

Deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values which approximate carrying values.

26. Capital Risk Management:

The Association manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, whilst providing value to its members by offering loan and savings facilities. The Association's overall strategy remains unchanged from previous years.

The capital structure of the Association consists of equity attributable to members, which comprises issued members shares and reserves.

THE TRINIDAD BUILDING AND LOAN ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025****27. Events After the Reporting Date:**

There were no events after the reporting period which were material to the financial statements and should have resulted in adjustments to the financial statements or disclosures when the financial statements were authorised for issue.