

CariCRIS reaffirms Govt's high rating, but downgrades HMB, TTMB



File: Minister of Finance Davendranath Tancoo PHOTO COURTESY OFFICE OF THE PARLIAMENT

Rating agency Caribbean Information and Credit Rating Services (CariCRIS) has reaffirmed the sovereign issuer credit ratings assigned to the Government of The Republic of Trinidad and Tobago (GORTT) a CariAA (foreign and local currency ratings) on its regional rating scale.

CariCRIS said these ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other rated obligors in the Caribbean, is high. The ratings agency also maintained a stable outlook on the ratings.

CariCRIS said, “The stable outlook is based on projections for broadly maintained macroeconomic stability over the next 12 to 18 months, led by:

- A low but positive real GDP growth rate over the period;

- Continued financial sector soundness;
- Robustness in T&T's sovereign wealth fund over the medium term; and
- Continued adequacy in international reserves and import cover.

The agency added, "The ratings are supported by the following key strengths:

- (1) large regional economy supported by energy and non-energy activities;
- (2) satisfactory financial sector, monetary and exchange rate conditions, and
- (3) strong underlying balance of payments characteristics and adequate international reserves."

It stated further that the sovereign's rating strengths are tempered by the following key risks:

- (1) fiscal performance is linked to energy supply and prices, which can be volatile; performance is also hampered by high expenditure,
- (2) social vulnerabilities persist, worsened by labour market shocks and crime levels, and
- (3) continued inadequacies in statistical compilations.

In a separate news release Minister of Finance Davendranath Tancoo described the rating action as "yet another independent indication that the policies and decisions taken by this Government have had a stabilising effect on the economy, notwithstanding the significant challenges we inherited and which CariCRIS has also identified...the upcoming national budget will build on this work and take the country further along the path of stability, growth and prosperity."

While the sovereign rating was reaffirmed, the rating agency downgraded the corporate credit ratings assigned to Home Mortgage Bank (HMB) by 1-notch to CariBBB+ (foreign and local currency ratings) on the regional rating scale, and ttBBB+ (foreign and local currency ratings) on the Trinidad and Tobago (T&T) national scale.

CariCRIS said these ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in the Caribbean and within T&T is adequate.

The agency explained, “The one-notch downgrade reflects the continued weakening of HMB’s credit profile, primarily due to a material deterioration in asset quality, as well as rising funding costs, which adversely affected earnings capacity. As at December 2025, the ratio of non-performing loans (NPLs) to gross loans worsened to 17.3 per cent, representing a second consecutive breach of one of CariCRIS’ downside rating sensitivity factors (RSF) and was higher than CariCRIS’ 2025 projections.”

CariCRIS also downgraded the assigned issuer/corporate credit ratings of Trinidad and Tobago Mortgage Bank (TTMB) by onenotch 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 agency said while the ratings also include a one-notch uplift for the high likelihood of support from the Government of the Republic of Trinidad and Tobago (GORTT), the one-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.