



MERCHANT BANK LIMITED

A public Company registered on the
Trinidad & Tobago Stock Exchange

UNAUDITED INTERIM RESULTS

QUARTER ENDED 30th JUNE 2020

EXPRESSED IN THOUSANDS OF TRINIDAD & TOBAGO DOLLARS (TT\$000)

CHAIRMAN'S STATEMENT

The effects of the Covid-19 pandemic continue to impact our Nation and our vigilance continues unabated. In response, we have re-engineered our business processes to achieve better results for all our stakeholders.

Our performance in the second quarter of 2020 was robust, rebounding significantly from the first quarter's results. ANSA Merchant Bank Limited ("the Bank"), Consolidated Finance Company Limited ("CFC"), Trinidad and Tobago Insurance Limited ("TATIL") and Tatil Life Assurance Limited ("TATIL Life"), (collectively "the Bank Group"), earned a consolidated profit before tax (PBT) of \$95 million for the three-month period ended June 30, 2020, as compared to \$73 million in the same quarter of last year, which represented an increase of 30% year over year. However, the consolidated PBT for the six-month period ended June 30, 2020 still trails 2019, at \$46 million versus \$158 million last year, due to the losses sustained in the first quarter as a result of the pandemic.

Our Barbados operation, Consolidated Finance Company Ltd, continues to build its retail book of business, albeit slowly, reflecting the economic climate in that country. Our insurance companies, TATIL and TATIL Life, remain well capitalized. Both showed improved performance, given strong premium income growth and a modest recovery in some investment asset classes. Together, they achieved profits of \$55 million for the three months ended June 30, 2020 versus \$33 million in the comparative period of 2019.

Our half-year 2020 results are reflective of the impact of Covid-19 on both global and regional markets and as a consequence your Board considers it prudent to not declare an interim dividend at this time, as we continue to monitor the effects of the pandemic on all our businesses.

In closing I wish to thank our loyal customers for their continued support and to commend our dedicated staff who demonstrate, every day, their zeal in delivering extraordinary results. This level of performance is fundamental not only to our business, but to reigniting the economies in which we operate

A. Norman Sabga

A. Norman Sabga
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Jun-20	Unaudited 30-Jun-19	Audited 31-Dec-19
Assets	8,096,566	8,012,875	8,081,936
Total Assets	8,096,566	8,012,875	8,081,936
Liabilities	5,534,117	5,608,138	5,545,480
Total Liabilities	5,534,117	5,608,138	5,545,480
Non-Controlling Interest	619	613	646
Shareholders' Equity	2,561,830	2,404,124	2,535,810
Total Shareholders' Equity	2,562,449	2,404,737	2,536,456
Total Liabilities & Shareholders' equity	8,096,566	8,012,875	8,081,936

A. Norman Sabga

A. Norman Sabga
Chairman

Gregory N. Hill

Gregory N. Hill
Managing Director

CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3 months to 30-Jun-20	Unaudited 3 months to 30-Jun-19	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19
Total Income	189,061	246,281	442,966	498,211	1,105,870
Total Expenses	(94,574)	(173,831)	(396,780)	(339,798)	(748,487)
Operating Profit	94,487	72,450	46,186	158,413	357,383
Taxation	(20,296)	(18,090)	(13,643)	(38,099)	(79,724)
Profit after Taxation	74,191	54,360	32,543	120,314	277,659
Profit attributable to:					
Equity holders of Parent	74,175	54,339	32,570	120,292	277,604
Minority Interest	16	21	(27)	22	55
Profit Attributable to Shareholders	74,191	54,360	32,543	120,314	277,659
Earnings Per Share - Basic	0.87	0.64	0.38	1.41	3.24
Avg. no. of shares - Basic ('000)	85,605	85,605	85,605	85,605	85,605

SEGMENTAL INFORMATION

	BANKING			MUTUAL FUNDS		
	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19
Total income	172,036	179,846	450,396	14,778	22,697	45,631
Total expenses	(117,793)	(107,219)	(235,491)	(25,054)	(12,549)	(25,233)
Profit/(loss) before tax	54,243	72,627	214,905	(10,276)	10,148	20,398
Total assets	4,571,026	4,613,441	4,706,018	715,198	729,022	733,844
Total liabilities	2,739,610	2,914,509	2,894,260	714,746	728,908	733,508
Purchase of fixed assets	21,542	23,060	37,900	-	-	-
Depreciation	(19,953)	(15,947)	(36,387)	-	-	-
	INSURANCE SERVICES			ELIMINATIONS		
	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19
Total income	276,695	317,766	687,241	(20,543)	(22,098)	(77,398)
Total expenses	(283,865)	(233,240)	(531,358)	29,932	13,211	43,595
(Loss)/profit before tax	(7,170)	84,526	155,883	9,389	(8,887)	(33,803)
Total assets	3,888,527	3,703,020	3,685,281	(1,078,185)	(1,032,609)	(1,043,207)
Total liabilities	2,238,044	2,095,270	2,045,795	(158,283)	(130,548)	(128,083)
Purchase of fixed assets	15,023	9,266	13,725	-	-	(765)
Depreciation	(2,652)	(674)	(8,673)	-	-	-
	TOTALS					
	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19			
Total income	442,966	498,211	1,105,870			
Total expenses	(396,780)	(339,798)	(748,487)			
Profit before tax	46,186	158,413	357,383			
Total assets	8,096,566	8,012,875	8,081,936			
Total liabilities	5,534,117	5,608,138	5,545,480			
Purchase of fixed assets	36,565	32,326	50,860			
Depreciation	(22,606)	(16,621)	(45,060)			

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19
Profit after Taxation	32,543	120,314	277,659
Other Comprehensive (Loss)/Income	(15,265)	16,742	7,577
Total Comprehensive (Loss)/Income (net of tax)	17,278	137,056	285,236
Comprehensive Income attributable to:			
Equity holders of the Parent	17,305	137,034	285,181
Minority Interest	(27)	22	55
Total Comprehensive Income	17,278	137,056	285,236

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19
Balance at the start of the period/year	2,536,456	2,367,453	2,367,453
Total Comprehensive Income	17,278	137,056	285,236
Other Reserve Movements	8,713	(14,167)	(13,507)
Dividend	-	(85,605)	(102,726)
Balance at the end of the Period/Year	2,562,449	2,404,737	2,536,456





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CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 30-Jun-20	Unaudited 6 months to 30-Jun-19	Audited Year Ended 31-Dec-19
Profit before Taxation	46,186	158,413	357,383
Gain on disposal of Property, Plant, Equipment and Investments	(1,940)	(5,323)	(23,918)
Adjustments for Non Cash Items	61,524	(145,258)	(125,358)
Operating Cash Flow before Working Capital Changes	105,770	7,832	208,107
Net Working Capital Changes	(185,123)	257,615	384,296
Net Taxation Paid	(33,833)	(44,099)	(76,247)
Cash Flow (used in)/from Operating Activities	(113,186)	221,348	516,156
Investing Activities	424	(145,715)	(64,280)
Financing Activities	—	(86,591)	(102,726)
(Decrease)/increase in cash and cash equivalents	(112,762)	(10,958)	349,150
Cash & Cash equivalents at the beginning of period	890,084	540,934	540,934
Cash & Cash equivalents at the end of the period	777,322	529,976	890,084

SIGNIFICANT ACCOUNTING POLICIES

This interim financial report has been prepared on a historical cost basis, except for the measurement at fair value of trading investment securities, investment properties and other financial assets not held in a business model whose objective is to hold assets to collect cash flows, or whose contractual term does not give rise solely to payments of principal and interest. The consolidated financial statements of the Bank and its Subsidiaries have been prepared in accordance with IFRS. The accounting policies applied in determining the consolidated IFRS results in this report are the same as those previously applied and disclosed in the Bank's published consolidated financial statements for the year ended 31 December 2019.

Bank and its Subsidiaries: The consolidated financial statements comprise the statements of ANSA Merchant Bank Limited (the Bank/Parent) and its subsidiaries (including special purpose entities that the Bank consolidates in accordance with IFRS 10 'Consolidated Financial Statements'). All intercompany balances and transactions have been eliminated. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent. Control is achieved where the Parent has (i) the power to govern the financial and operational policies of an investee, (ii) exposure or rights to variable returns from its involvement and (iii) the ability to use its power over the investee to affect the amount of the Parent's returns. Subsidiaries are de-consolidated from the date that any one of the three preceding criteria for control no longer exists.



Directors: A. Norman Sabga (Chairman), Gregory N. Hill (Managing Director), Ray A. Sumairsingh (Deputy Chairman), Anton Gopaulsingh, Timothy Hamet-Smith, Larry Howai, M. Musa Ibrahim, Jeremy Matouk, Nicholas W.S. Owen, Ian E. Welch - all c/o the following address: 11A Maraval Road, Port of Spain Phone: (868) 623-8672 Fax: (868) 624-8763 | Branch Offices: 25 Royal Road, San Fernando Phone: (868) 623-8672 Fax: (868) 653-8112 | Grand Bazaar, Valsayn Phone: (868) 623-8672 Fax: (868) 663-4348
Bankers: Republic Bank Limited, Citibank (Trinidad & Tobago) Limited



FUNDAMENTALLY SOUND...

Discover why investing now in our
TT\$ and US\$ INCOME FUNDS
makes financial sense for you.

For more information visit www.ansabank.com
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