

CHAIRMAN'S STATEMENT

Our Bank Group earned a consolidated profit before tax ("PBT") of \$57 million for the three-month period ended September 30, 2020, as compared to \$50 million in the same quarter of last year, an increase of 16% year over year. This improved performance was not adequate to absorb the non-cash mark-to-market losses of the first half of the year at the height of the global COVID-19 pandemic, but shows the resilience of our business model, and we expect a strong 4th quarter of 2020. Year to date, the consolidated PBT of \$104 million for the nine-month period ended September 30, 2020 still trails the consolidated PBT of \$208 million for the comparative period of 2019, as unrealized losses in the investment portfolios have amounted to \$70 million and we prudently increased our IFRS 9 provisioning in view of the forward looking economic indicators. It is also noteworthy that one of our core business lines of retail lending for the automotive industry effectively faced a three-month period of closure during the pandemic, which had a corresponding impact on lending volumes.

Our Insurance businesses, TATIL and TATIL Life, remain well capitalized and have both reflected improved performance given strong premium income growth and a modest recovery in several investment asset classes, together achieving profits of \$33 million for the three-month period ended September 30, 2020, versus \$13 million in the comparative period of 2019. However, they are still materially behind 2019 on a year-to-date basis due to the effects of the investment and securities markets, especially in Trinidad and Tobago. Our Mutual Funds and Wealth Management portfolios continue to perform admirably when compared to benchmarks and are well poised for growth in Assets under Management.

Our Barbados banking operation, CFC, and Brydens Insurance in Barbados continue to build their books of business with promising top lines, albeit slower than expectations given the economic climate in Barbados.

The COVID-19 pandemic continues to impact our businesses and the markets in which we operate. The Bank Group remains in a very strong position from a capital, liquidity and balance sheet perspective. While we cannot predict the severity or longevity of the virus's impact on global and regional economies, we will continue to serve our clients with excellence and without compromising their safety or that of our staff, and also remain agile to capitalize on future opportunities to expand, such as our impending foray into commercial banking. We are grateful to all our staff for their continued dedication in these challenging times and thank them for their inspiring service.


A. Norman Sabga
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Sep-20	Unaudited 30-Sep-19	Audited 31-Dec-19
Assets	8,055,201	8,392,143	8,081,936
Total assets	8,055,201	8,392,143	8,081,936
Liabilities	5,440,024	5,981,630	5,545,480
Total liabilities	5,440,024	5,981,630	5,545,480
Non-controlling interest	626	611	646
Shareholders' equity	2,614,551	2,409,902	2,535,810
Total shareholders' equity	2,615,177	2,410,513	2,536,456
Total liabilities & shareholders' equity	8,055,201	8,392,143	8,081,936


A. Norman Sabga
Chairman


Gregory N. Hill
Managing Director

CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3 months to 30-Sep-20	Unaudited 3 months to 30-Sep-19	Unaudited 9 months to 30-Sep-20	Unaudited 9 months to 30-Sep-19	Audited Year Ended 31-Dec-19
Total income	248,857	243,845	691,823	742,055	1,105,870
Total expenses	(191,502)	(194,224)	(588,283)	(534,022)	(748,487)
Operating profit	57,355	49,621	103,540	208,033	357,383
Taxation	(16,668)	(18,830)	(30,311)	(56,930)	(79,724)
Profit after taxation	40,687	30,791	73,229	151,103	277,659
Profit attributable to:					
Equityholders of parent	40,679	30,794	73,249	151,084	277,604
Minority interest	8	(3)	(20)	19	55
Profit attributable to shareholders	40,687	30,791	73,229	151,103	277,659
Earnings per share					
- Basic	0.48	0.36	0.86	1.77	3.24
Avg. no. of shares					
- Basic ('000)	85,605	85,605	85,605	85,605	85,605

SEGMENTAL INFORMATION

	Unaudited 9 months to 30-Sep-20	Banking Unaudited 9 months to 30-Sep-19	Audited Year Ended 31-Dec-19	Unaudited 9 months to 30-Sep-20	Mutual Funds Unaudited 9 months to 30-Sep-19	Audited Year Ended 31-Dec-19
Total income	245,727	334,111	450,396	24,309	30,802	45,631
Total expenses	(167,100)	(192,214)	(235,491)	(33,520)	(19,049)	(25,233)
Profit/(loss) before tax	78,627	141,897	214,905	(9,211)	11,753	20,398
Total assets	4,558,675	5,048,009	4,706,018	700,102	732,317	733,844
Total liabilities	2,700,038	3,304,741	2,894,260	699,490	732,206	733,508
Purchase of fixed assets	19,015	30,852	37,900	-	-	-
DePreiciation	(25,375)	(26,406)	(36,387)	-	-	-
	Unaudited 9 months to 30-Sep-20	Insurance Services Unaudited 9 months to 30-Sep-19	Audited Year Ended 31-Dec-19	Unaudited 9 months to 30-Sep-20	Eliminations Unaudited 9 months to 30-Sep-19	Audited Year Ended 31-Dec-19
Total income	455,174	449,691	687,241	(33,387)	(72,549)	(77,398)
Total expenses	(429,480)	(352,118)	(531,358)	41,817	29,359	43,595
Profit/(loss) before tax	25,694	97,573	155,883	8,430	(43,190)	(33,803)
Total assets	3,843,924	3,642,825	3,685,281	(1,047,500)	(1,031,008)	(1,043,207)
Total liabilities	2,167,658	2,059,749	2,045,795	(127,162)	(115,066)	(128,083)
Purchase of fixed assets	16,926	12,077	13,725	-	-	(765)
DePreiciation	(4,422)	(1,009)	(8,673)	-	-	-
	Unaudited 9 months to 30-Sep-20	Totals Unaudited 9 months to 30-Sep-19	Audited Year Ended 31-Dec-19			
Total income	691,823	742,055	1,105,870			
Total expenses	(588,283)	(534,022)	(748,487)			
Profit before tax	103,540	208,033	357,383			
Total assets	8,055,201	8,392,143	8,081,936			
Total liabilities	5,440,024	5,981,630	5,545,480			
Purchase of fixed assets	35,941	42,929	50,860			
DePreiciation	(29,797)	(27,415)	(45,060)			

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 9 months to 30-Sep-20	Unaudited 9 months to 30-Sep-19	Audited Year Ended 31-Dec-19
Profit after taxation	73,229	151,103	277,659
Other comprehensive (loss)/income	(5,321)	15,894	7,577
Total comprehensive income (net of tax)	67,908	166,997	285,236
Comprehensive income attributable to:			
Equityholders of the parent	67,928	166,978	285,181
Minority interest	(20)	19	55
Total comprehensive income	67,908	166,997	285,236

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited 9 months to 30-Sep-20	Unaudited 9 months to 30-Sep-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	67,908	166,997	285,236
Other Reserve Movements	10,813	(21,211)	(13,507)
Dividend	-	(102,726)	(102,726)
Balance at the end of the period/year	2,615,177	2,410,513	2,536,456

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 9 months to 30-Sep-20	Unaudited 9 months to 30-Sep-19	Audited Year Ended 31-Dec-19
Profit before taxation	103,540	208,033	357,383
Gain on disposal of property, plant, equipment and investments	(1,940)	(22,251)	(23,918)
Adjustments for non cash items	43,415	(130,727)	(125,358)
Operating cash flow before working capital changes	145,015	55,055	208,107
Net working capital changes	(316,091)	413,651	384,296
Net taxation paid	(34,356)	(53,620)	(76,247)
Cash flow (used in)/from operating activities	(205,432)	415,086	516,156
Investing activities	287,897	(343,390)	(64,280)
Financing activities	4,092	(103,640)	(102,726)
(Decrease)/increase in cash and cash equivalents	86,557	(31,944)	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	976,641	508,990	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), David Dulal-Whiteway, Timothy Hamel-Smith, Larry Howai, M. Musa Ibrahim, Jeremy Matouk, Nigel Romano, Ian E. Welch, - all c/o the following address: 11, Maraval Road, Port-of-Spain Phone: (868) 623-8672, Fax: (868) 624-8763 | Branch Offices: 25 Royal Road, San Fernando Phone: (868) 657-1452, Fax: (868) 653-8112 | Grand Bazaar Mall, Valsayn (868) 645-1903, Fax: (868) 663-4348
Bankers: Republic Bank Limited, Citibank (Trinidad & Tobago) Limited

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RETURNS	ansa TT\$ INCOME FUND	ansa US\$ INCOME FUND
YTD (Jan. - Sept. 2020)	-0.95%	1.24%
12 Month Trading (Sept. 2019 - Sept. 2020)	0.39%	2.05%
2 Year Cumulative Return (Sept. 2018 - Sept. 2020)	4.23%	6.40%
3 Year Cumulative Return (Sept. 2017 - Sept. 2020)	6.66%	7.38%
5 Year Cumulative Return (Sept. 2015 - Sept. 2020)	11.99%	13.23%
Cumulative Return from inception (Nov. 2010 - Sept. 2020)	28.34%	21.48%

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FIND US AT:



ANSA MERCHANT
BANK LIMITED



ANSA Centre,
11A Maraval Road, Port of Spain
Tel: (868) 623-8672

ANSA McAL Centre,
25 Royal Road, San Fernando
Tel: (868) 657-1452

Building L, First Floor,
Grand Bazaar Mall, Valsayn
Tel: (868) 645-1903

WEBSITE: www.ansabank.com • EMAIL: ansabank@ansamcal.com

Portfolio inception date: November, 2010. Important information concerning the investment goals, risks, charges and expenses is contained in the prospectus. Investors should carefully consider these before investing. "Performance is subject to variation and is likely to change over time. Past performance should not be treated as an indicator of future performance."