MERCHANT BANK LIMITED

A public Company registered on the Trinidad & Tobago Stock Exchange

UNAUDITED INTERIM RESULTS

QUARTER ENDED 30th JUNE 2021

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

CHAIRMAN'S STATEMENT

The operating results of ANSA Merchant Bank Limited ("AMBL"), Trinidad and Tobago Insurance Limited ("TATIL"), TATIL Life Assurance Limited ("TATIL Life"), Consolidated Finance Company Limited ("CFC"), and ANSA Bank Limited ("ABL"), (collectively "the Bank Group"), for the second quarter ended June 30th, 2021 reflected a solid performance across all of our businesses.

Consolidated revenue increased to over $540 million and consolidated profit before tax increased to $160.8 million versus $46.2 million reported in the same quarter of last year. This was primarily due to the recovery in our investment portfolios from non-cash mark to market gains. Total assets grew by 10% from $7.96 billion at December 31st 2020 to $8.78 billion at the end of Quarter 2 2021.

ANSA Merchant Bank produced solid earnings and grew market share, which allowed our Banking segment to produce a profit of $73 million (before eliminations) for the six months ended June 30th 2021 up from $54 million in the corresponding period last year.

Our Barbados operation, CFC, continues to grow its corporate book of business and is delivering much stronger profitability in 2021. Ansa Bank continues to pick up momentum in the market since its launch as it seeks to become a major player in the commercial banking landscape. Our Mutual Funds continue to perform in the top quartile of the market, and our Wealth Management business is well poised for further growth in Assets under Management with an expanded team of wealth professionals driving this initiative.

TATIL and TATIL Life remain well capitalized, and both showed improved performance mainly driven by the recovery in market valuations of key investment asset classes, which produced investment income of $146.9 million versus the loss in the corresponding period in 2020 of $5.2 million. Notwithstanding this, our core insurance operations in both entities are performing well and we continue to see growth in our businesses. TATIL and TATIL Life combined achieved profits of $111 million (before eliminations) for the six months ended June 30th 2021 versus a $7 million loss in the comparative period of 2020.

While the COVID-19 pandemic is expected to continue 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. Our longstanding strategy continues to be to invest in and grow our market-leading businesses prudently to better serve and support our customers, employees and communities.

The Directors have recommended an interim dividend of $0.20 per share. This interim dividend will be paid on October 7th, 2021 to shareholders on the register as at September 22nd, 2021.

A. Norman Sabga
A. Norman Sabga
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Jun-21	Unaudited 30-Jun-20	Audited 31-Dec-20
Assets	8,779,313	8,096,566	7,960,735
Total Assets	**8,779,313**	**8,096,566**	**7,960,735**
Liabilities	6,031,791	5,534,117	5,283,165
Total Liabilities	**6,031,791**	**5,534,117**	**5,283,165**
Non-Controlling Interest	565	619	649
Shareholders' Equity	2,746,957	2,561,830	2,676,921
Total Shareholders' Equity	**2,747,522**	**2,562,449**	**2,677,570**
Total Liabilities & Shareholders' Equity	**8,779,313**	**8,096,566**	**7,960,735**

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-21	Unaudited 3 months to 30-Jun-20	Unaudited 6 months to 30-Jun-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20
Total Income	282,958	189,061	539,918	442,966	903,695
Total Expenses	(183,538)	(94,574)	(379,122)	(396,780)	(698,943)
Operating Profit	99,420	94,487	160,796	46,186	204,752
Taxation	(18,332)	(20,296)	(33,123)	(13,643)	(42,738)
Profit after Taxation	81,088	74,191	127,673	32,543	162,014
Profit attributable to:					
Equity holders of Parent	81,155	74,175	127,757	32,570	162,011
Minority Interest	(67)	16	(84)	(27)	3
Profit Attributable to Shareholders	81,088	74,191	127,673	32,543	162,014
Earnings Per Share - Basic	**0.95**	**0.87**	**1.49**	**0.38**	**1.89**
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-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20	Unaudited 6 months to 30-Jun-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20
Total income	183,111	172,036	335,367	22,026	14,778	27,693
Total expenses	(110,598)	(117,793)	(204,578)	(10,870)	(25,054)	(27,794)
Profit/(loss) before tax	**72,513**	**54,243**	**130,789**	**11,156**	**(10,276)**	**(101)**
Total assets	5,172,798	4,571,026	4,511,228	717,186	715,198	702,017
Total liabilities	3,212,085	2,739,610	2,621,412	717,325	714,746	702,019
Purchase of fixed assets	13,239	21,542	25,406	–	–	–
Depreciation	(17,521)	(19,953)	(34,397)	–	–	–

	INSURANCE SERVICES			ELIMINATIONS		
	Unaudited 6 months to 30-Jun-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20	Unaudited 6 months to 30-Jun-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20
Total income	400,582	276,695	602,922	(65,801)	(20,543)	(62,287)
Total expenses	(289,086)	(283,865)	(529,398)	31,432	29,932	62,827
Profit/(loss) before tax	**111,496**	**(7,170)**	**73,524**	**(34,369)**	**9,389**	**540**
Total assets	4,067,536	3,888,527	3,783,715	(1,178,207)	(1,078,185)	(1,036,225)
Total liabilities	2,299,392	2,238,044	2,081,884	(197,011)	(158,283)	(122,150)
Purchase of fixed assets	9,401	15,023	16,337	–	–	–
Depreciation	(3,922)	(2,652)	(7,215)	–	–	–

	TOTALS		
	Unaudited 6 months to 30-Jun-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20
Total income	539,918	442,966	903,695
Total expenses	(379,122)	(396,780)	(698,943)
Profit before tax	**160,796**	**46,186**	**204,752**
Total assets	8,779,313	8,096,566	7,960,735
Total liabilities	6,031,791	5,534,117	5,283,165
Purchase of fixed assets	22,640	36,565	41,743
Depreciation	(21,443)	(22,606)	(41,612))

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 30-Jun-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20
Profit after Taxation	127,673	32,543	162,014
Other Comprehensive Income/(Loss)	12,922	(15,265)	(20,901)
Total Comprehensive Income (net of tax)	**140,595**	**17,278**	**141,113**
Comprehensive Income attributable to:			
Equity holders of the Parent	140,679	17,305	141,110
Minority Interest	(84)	(27)	3
Total Comprehensive Income	**140,595**	**17,278**	**141,113**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited 6 months to 30-Jun-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20
Balance at the start of the period/year	2,677,570	2,536,456	2,536,456
Total Comprehensive Income	140,595	17,278	141,113
Other Reserve Movements	(6,439)	8,715	1
Dividend	(64,204)	–	–
Balance at the end of the Period/year	**2,747,522**	**2,562,449**	**2,677,570**

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 30-Jun-21	Unaudited 6 months to 30-Jun-20	Audited Year Ended 31-Dec-20
Profit before Taxation	160,796	46,186	204,752
"Gain on disposal of Property, Plant, Equipment and Investments"	(4,855)	(1,940)	(16,701)
Adjustments for Non Cash Items	(87,796)	61,524	(3,469)
"Operating Cash Flow before Working Capital Changes"	68,145	105,770	184,582
Net Working Capital Changes	(179,691)	(185,123)	(89,638)
Net Taxation Paid	(24,157)	(33,833)	(51,436)
Cash Flow (used in)/from Operating Activities	(135,703)	(113,186)	43,508
Investing Activities	(183,179)	424	463,776
Financing Activities	(64,204)	–	–
(Decrease)/increase in cash and cash equivalents	(383,086)	(112,762)	507,284
Cash & Cash equivalents at the beginning of period	1,397,368	890,084	890,084
Cash & Cash equivalents at the end of the period	**1,014,282**	**777,322**	**1,397,368**

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 2020.

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.

ANSA MERCHANT BANK LIMITED | Tatil ... where people are people | TATIL LIFE Guaranteed Protection | ANSA BANK | Consolidated FINANCE | ANSA McAL GROUP OF COMPANIES Together, we are Family

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: 11A 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 Phone: (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
Cumulative Return From Inception (NOV 2010 – JULY 2021)	34.31%	26.28 %
5 Year Cumulative Return (JULY 2016 – JULY 2021)	16.39 %	15.81 %
3 Year Cumulative Return (JULY 2018 – JULY 2021)	10.23 %	10.98 %
2 Year Cumulative Return (JULY 2019 – JULY 2021)	6.39 %	7.81%
12 Month Trailing (JULY 2020 – JULY 2021)	5.67 %	5.50 %
YTD (DEC 2020 – JULY 2021)	2.80 %	2. 51 %



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These Funds are neither insured with the Deposit Insurance Corporation in Trinidad and Tobago nor are they guaranteed by the Central Bank of Trinidad and Tobago or by any of the parties related thereto. Performance is subject to variation and is likely to change over time; past performance should not be considered indicative of future performance. 1 Year, 2 Year , 3 Year, 5 Year and Inception cumulative returns are calculated on a trailing basis. Important information concerning the investment goals, risks, charges and expenses is contained in the prospectus, copies of which are available at ANSA Merchant Bank Ltd or from our website and investors should carefully consider these before investing.