ansa MERCHANT BANK LIMITED

A public Company registered on the Trinidad & Tobago Stock Exchange

UNAUDITED INTERIM RESULTS

SIX MONTHS ENDED 30th JUNE 2019

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

CHAIRMAN'S STATEMENT

ANSA Merchant Bank Limited ("the Bank"), Consolidated Finance Co Limited ("CFC"), Trinidad and Tobago Insurance Limited ("TATIL") and Tatil Life Assurance Limited, collectively ("the Bank Group") earned a consolidated profit before tax ("PBT") of $158.4 million versus $141.4 million last year. This is 12% above the comparative period for 2018. We note that the growth trajectory established in the first quarter has slowed somewhat due to changing economic conditions in the markets in which we operate, but the outlook remains encouraging.

The performance of the Bank as a standalone entity improved 17% compared with the comparative period in 2018. We expect enhanced Capital Market activity for the latter half of 2019 which will augment our performance. However, our retail Asset Financing business has not rebounded given the current economic climate. We are pleased to note that our core IT banking platform was successfully implemented in June and this system will enable future efficiency and enhanced customer service.

Our suite of Mutual Funds continues to perform admirably in the top quartile of the market and is well poised for growth in Assets under Management. Our Barbados operation, CFC, continues to build its retail book of business albeit slowly, reflective of the economic climate in Barbados. Earlier in the year, we supplemented this business with corporate and commercial lending services which should augur well for future growth.

Changing trends in claims to premium ratios are affecting TATIL's technical results, but the Company was still able to deliver commendable results of $45.6 million in PBT and Total Revenue of $164.9 million. This performance is, however, 11% below what was achieved in the comparative period in 2018. There is very keen competition for market share resulting in lower prices for an increasing volume of risk. During the quarter the new Accident and Health IT system was implemented which will result in improved processing and customer service.

Our Life Insurance business, Tatil Life, benefited substantially from strong Investment returns and generated $38.9 million in PBT, which is 55% better than the comparative period in 2018. Our New Business Income continues to grow reasonably well in a market of changing employment patterns, but we are confident in the future growth of our Life business.

We continue to monitor the local and regional economic environment and we are confident in our expansion strategies which will create enhanced value for all our stakeholders. We believe we will deliver another year of solid performance in our business lines of Banking, Mutual Funds and Insurance in 2019. Your Directors have approved an interim dividend of $0.20 per share ($0.20:2018) which will be paid on October 7th 2019.

A. Norman Sabga

A. Norman Sabga
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Jun-19	Unaudited 30-Jun-18	Audited 31-Dec-18
Assets	8,012,875	7,422,559	7,879,397
Total Assets	**8,012,875**	**7,422,559**	**7,879,397**
Liabilities	5,608,138	5,196,222	5,511,944
Total Liabilities	**5,608,138**	**5,196,222**	**5,511,944**
Non-Controlling Interest	613	576	591
Shareholders' Equity	2,404,124	2,225,761	2,366,862
Total Shareholders' Equity	**2,404,737**	**2,226,337**	**2,367,453**
Total Liabilities & Shareholders' equity	**8,012,875**	**7,422,559**	**7,879,397**

A. Norman Sabga — *Gregory N. Hill*

A. Norman Sabga
Chairman

Gregory N. Hill
Managing Director

CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3 months to 30-Jun-19	Unaudited 3 months to 30-Jun-18	Unaudited 6 months to 30-Jun-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18
Total Income	246,281	241,589	498,211	448,133	925,460
Total Expenses	(173,831)	(154,047)	(339,798)	(306,687)	(664,866)
Operating Profit	72,450	87,542	158,413	141,446	260,594
Taxation	(18,090)	(28,811)	(38,099)	(40,328)	(54,579)
Profit after Taxation	54,360	58,731	120,314	101,118	206,015
Profit attributable to:					
Equity holders of Parent	54,339	58,717	120,292	101,103	205,985
Minority Interest	21	14	22	15	30
Profit Attributable to Shareholders	54,360	58,731	120,314	101,118	206,015
Earnings Per Share - Basic	**0.64**	**0.69**	**1.41**	**1.18**	**2.41**
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-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18	Unaudited 6 months to 30-Jun-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18
Total income	179,846	205,647	403,307	22,697	17,934	36,220
Total expenses	(107,219)	(108,582)	(229,279)	(12,549)	(12,675)	(27,266)
Profit before tax	**72,627**	**97,065**	**174,028**	**10,148**	**5,259**	**8,954**
Total assets	4,613,441	4,289,071	4,693,268	729,022	751,405	734,026
Total liabilities	2,914,509	2,668,439	2,949,000	728,908	752,072	734,136
Purchase of fixed assets	23,060	29,641	42,291	–	–	–
Depreciation	(15,947)	(17,458)	(35,418)	–	–	–

	INSURANCE SERVICES			ELIMINATIONS		
	Unaudited 6 months to 30-Jun-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18	Unaudited 6 months to 30-Jun-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18
Total income	317,766	270,609	594,063	(22,098)	(46,057)	(108,130)
Total expenses	(233,240)	(194,192)	(475,860)	13,211	8,762	67,539
Profit before tax	**84,526**	**76,417**	**118,203**	**(8,887)**	**(37,295)**	**(40,591)**
Total assets	3,703,020	3,354,892	3,505,377	(1,032,609)	(972,809)	(1,053,274)
Total liabilities	2,095,270	1,879,828	1,962,648	(130,548)	(104,117)	(133,840)
Purchase of fixed assets	9,266	8,765	11,007	–	–	–
Depreciation	(674)	(421)	(3,365)	–	–	–

	TOTALS		
	Unaudited 6 months to 30-Jun-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18
Total income	498,211	448,133	925,460
Total expenses	(339,798)	(306,687)	(664,866)
Profit before tax	**158,413**	**141,446**	**260,594**
Total assets	8,012,875	7,422,559	7,879,397
Total liabilities	5,608,138	5,196,222	5,511,944
Purchase of fixed assets	32,326	38,406	53,298
Depreciation	(16,621)	(17,879)	(38,783)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 30-Jun-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18
Profit after Taxation	120,314	101,118	206,015
Other Comprehensive (Loss)/Income	16,742	(6,723)	(4,717)
Total Comprehensive Income (net of tax)	**137,056**	**94,395**	**201,298**
Comprehensive Income attributable to:			
Equity holders of the Parent	137,034	94,380	201,268
Minority Interest	22	15	30
Total Comprehensive Income	**137,056**	**94,395**	**201,298**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited 6 months to 30-Jun-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18
Balance at the start of the period/year	2,367,453	2,322,170	2,322,170
Adjustment for the impact of IFRS 9 & IFRS 15	–	(103,686)	(52,980)
Balance at the start of the period/year, as adjusted	2,367,453	2,218,484	2,269,190
Total Comprehensive Income	137,056	94,395	201,298
Other Reserve Movements	(14,167)	(937)	(309)
Dividend	(85,605)	(85,605)	(102,726)
Balance at the end of the period/year	**2,404,737**	**2,226,337**	**2,367,453**

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 30-Jun-19	Unaudited 6 months to 30-Jun-18	Audited Year Ended 31-Dec-18
Profit before Taxation	158,413	141,446	260,594
Gain on disposal of Property, Plant, Equipment and Investments	(5,323)	(5,296)	(16,192)
Adjustments for Non Cash Items	(145,258)	(117,149)	(45,177)
Operating Cash Flow before Working Capital Changes	7,832	19,001	199,225
Net Working Capital Changes	257,615	188,784	363,292
Net Taxation Paid	(44,099)	(41,909)	(70,278)
Cash Flow from Operating Activities	221,348	165,876	492,239
Investing Activities	(145,715)	(356,046)	(314,906)
Financing Activities	(86,591)	(31,094)	(204,015)
Increase/(decrease) in cash and cash equivalents	(10,958)	(221,264)	(26,682)
Cash & Cash equivalents at the beginning of period	540,934	567,616	567,616
Cash & Cash equivalents at the end of the period	**529,976**	**346,352**	**540,934**

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 2018.

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.

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Directors: A. Norman Sabga (Chairman), Gregory N. Hill (Managing Director), Ray A. Sumairsingh (Deputy Chairman), Anton Gopaulsingh, Timothy Hamel-Smith, Larry Howai, M. Musa Ibrahim, Jeremy Matouk, Nicholas W.S. Owen, 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, Valsayn Phone: (868) 645-1903 Fax: (868) 663-4348
Bankers: Republic Bank Limited, Citibank (Trinidad & Tobago) Limited