ansa MERCHANT BANK LIMITED

*A public Company registered on the Trinidad & Tobago Stock Exchange*

# UNAUDITED INTERIM RESULTS

## QUARTER ENDED 31ST MARCH 2022

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

## CHAIRMAN'S STATEMENT

The operating results of the ANSA Merchant Bank Group for the first quarter ended March 31, 2022 were affected by non-cash mark to market losses seen in our global investment portfolios, given the effects of the war between Russia and Ukraine, widespread fears of inflation and rising interest rates. This resulted in our reporting a consolidated loss before taxes for the first quarter ended March 31, 2022 of $39.8 million versus $61.4 million in profit before tax for the same period last year. Total Assets, however, grew by 2% to $9.60 billion in Quarter 1 2022 versus $9.38 billion in the same period last year. While all major investment asset classes experienced downward price pressure, we are long term investors, and we expect that these investment valuations will recover over time when the markets normalize. Our core businesses remain in a position of strength, as a result of our solid and growing customer base, a robust balance sheet and healthy capital base.

Our Banking Segment comprising ANSA Merchant Bank, ANSA Merchant Bank (Barbados), and our Commercial Bank, ANSA Bank, all produced new business growth and if we exclude the impact of investments, our core profits in this segment grew by 35% over prior year. Overall, our Net Interest Income increased by 11% over prior year and is a signal of the strength of our core banking businesses.

Our Insurance Segment, comprising TATIL and TATIL Life, remains well capitalized and Insurance revenues increased in most of our business lines over the prior year. Renewal income in both our Life and Property & Casualty portfolios continues to be very positive, and expenses, although moderately higher than the prior year, are being well managed. Our core insurance results are very encouraging as our markets continue to return to normal levels of activity. The swing in performance in this quarter is mainly due to the negative non-cash mark-to-market adjustments in our investments, however our portfolios are well-diversified and structured to generate long-term returns.

While investment markets are expected to continue to reflect volatility during the year, the strength of our brands and our continuing investments in information technology augur well for the future, as we maintain our focus on building our businesses and as we continue to seek new expansion and growth opportunities locally and regionally.

*A. Norman Sabga*

A. Norman Sabga
Chairman

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited 31-Mar-22 | Unaudited 31-Mar-21 | Audited 31-Dec-21 |
|---|---|---|---|
| Assets | 9,602,080 | 8,474,028 | 9,384,906 |
| **Total Assets** | **9,602,080** | **8,474,028** | **9,384,906** |
| Liabilities | 6,719,441 | 5,775,151 | 6,481,869 |
| **Total Liabilities** | **6,719,438** | **5,775,151** | **6,481,869** |
| Non-Controlling Interest | 780 | 632 | 744 |
| Shareholders' Equity | 2,881,859 | 2,698,245 | 2,902,293 |
| **Total Shareholders' Equity** | **2,882,639** | **2,698,877** | **2,903,037** |
| **Total Liabilities & Shareholders' equity** | **9,602,080** | **8,474,028** | **9,384,906** |

*A. Norman Sabga* — *Gregory N. Hill*

A. Norman Sabga
Chairman

Gregory N. Hill
Managing Director

## CONSOLIDATED STATEMENT OF INCOME

| | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 |
|---|---|---|---|
| Total Income | 172,225 | 256,960 | 1,155,842 |
| Total Expenses | (212,034) | (195,584) | (795,663) |
| Operating (Loss)/Profit | (39,809) | 61,376 | 360,179 |
| Taxation | 17 | (14,791) | (53,862) |
| (Loss)/Profit after Taxation | (39,792) | 46,585 | 306,317 |
| (Loss)/Profit attributable to: | | | |
| Equity holders of Parent | (39,829) | 46,602 | 306,222 |
| Minority Interest | 37 | (17) | 95 |
| (Loss)/Profit Attributable to Shareholders | (39,792) | 46,585 | 306,317 |
| **Earnings Per Share - Basic** | **(0.46)** | **0.54** | **3.58** |
| **Avg. no. of shares - Basic ('000)** | **85,605** | **85,605** | **85,605** |

## SEGMENTAL INFORMATION

| | BANKING | | | MUTUAL FUNDS | | |
|---|---|---|---|---|---|---|
| | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 |
| Total income | 65,490 | 77,054 | 382,816 | 10,708 | 8,452 | 43,614 |
| Total expenses | (54,586) | (60,870) | (202,674) | (20,583) | (6,268) | (29,649) |
| Profit/(Loss) before tax | 10,904 | 16,184 | 180,142 | (9,875) | 2,184 | 13,965 |
| Total assets | 5,806,025 | 4,993,597 | 5,640,007 | 727,731 | 697,203 | 719,834 |
| Total liabilities | 3,782,334 | 3,057,058 | 3,636,768 | 727,677 | 697,047 | 719,785 |
| Purchase of fixed assets | 4,272 | 11,816 | 36,610 | – | – | – |
| Depreciation | (8,509) | (8,095) | (33,262) | – | – | – |

| | INSURANCE SERVICES | | | ELIMINATIONS | | |
|---|---|---|---|---|---|---|
| | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 |
| Total income | 103,101 | 188,696 | 841,815 | (7,074) | (17,242) | (112,403) |
| Total expenses | (152,503) | (143,772) | (8,188) | 15,638 | 15,326 | (555,153) |
| (Loss)/Profit before tax | (49,402) | 44,924 | 833,627 | 8,564 | (1,916) | (667,556) |
| Total assets | 4,248,196 | 3,950,374 | 4,164,156 | (1,179,872) | (1,167,146) | (1,139,092) |
| Total liabilities | 2,407,128 | 2,206,493 | 2,279,487 | (197,698) | (185,447) | (154,171) |
| Purchase of fixed assets | 4,012 | 15,489 | 29,865 | – | – | – |
| Depreciation | (1,511) | (1,507) | (7,215) | – | – | – |

| | TOTALS | | |
|---|---|---|---|
| | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 |
| Total income | 172,225 | 256,960 | 1,155,842 |
| Total expenses | (212,034) | (195,584) | (795,663) |
| (Loss)/Profit before tax | (39,809) | 61,376 | 360,179 |
| Total assets | 9,602,080 | 8,474,028 | 9,384,906 |
| Total liabilities | 6,719,441 | 5,775,151 | 6,481,869 |
| Purchase of fixed assets | 8,284 | 27,305 | 66,474 |
| Depreciation | (10,020) | (9,602) | (40,477) |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 |
|---|---|---|---|
| (Loss)/Profit after Taxation | (39,792) | 46,585 | 306,317 |
| Other Comprehensive Income/(Loss) | 3,510 | (17,064) | 12,527 |
| **Total Comprehensive (Loss)/Income (net of tax)** | **(36,282)** | **29,521** | **318,844** |
| Comprehensive Income attributable to: | | | |
| Equity holders of the Parent | (36,319) | 29,538 | 318,749 |
| Minority Interest | 37 | (17) | 95 |
| **Total Comprehensive (Loss)/Income** | **(36,282)** | **29,521** | **318,844** |

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 |
|---|---|---|---|
| Balance at the start of the period/year | 2,903,037 | 2,677,570 | 2,677,570 |
| Total Comprehensive (Loss)/Income | (36,282) | 29,521 | 318,844 |
| Other Reserve Movements | 15,884 | (8,214) | (12,052) |
| Dividend | – | – | (81,325) |
| **Balance at the end of the period/year** | **2,882,639** | **2,698,877** | **2,903,037** |

MERCHANT BANK LIMITED — MERCHANT BANK (BARBADOS) LIMITED — Tatil ... where people are people — TATIL LIFE Guaranteed Protection — ansa BANK — 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**

ANSA MERCHANT BANK LIMITED

# UNAUDITED INTERIM RESULTS

## QUARTER ENDED 31ST MARCH 2022

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

| | Unaudited 3 months to 31-Mar-22 | Unaudited 3 months to 31-Mar-21 | Audited Year Ended 31-Dec-21 |
|---|---|---|---|
| (Loss)/Profit before Taxation | (39,809) | 61,376 | 360,179 |
| "Gain on disposal of Property, Plant, Equipment and Investments" | (8,964) | (14,960) | (26,105) |
| Adjustments for Non Cash Items | 52,356 | (26,174) | (246,104) |
| Operating Cash Flow before Working Capital Changes | 3,583 | 20,242 | 87,970 |
| Net Working Capital Changes | 271,569 | (212,766) | 823,101 |
| Net Taxation Paid | (8,863) | (13,869) | (45,742) |
| Cash Flow from/(used in) Operating Activities | 266,289 | (206,393) | 865,329 |
| Investing Activities | (34,048) | 102,603 | (712,146) |
| Financing Activities | – | – | (284,261) |
| Increase/(decrease) in cash and cash equivalents | 232,241 | (103,790) | (131,078) |
| Cash & Cash equivalents at the beginning of period | 1,266,290 | 1,397,368 | 1,397,368 |
| **Cash & Cash equivalents at the end of the period** | **1,498,531** | **1,293,578** | **1,266,290** |

## 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 2021.

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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