ANSA MERCHANT BANK LIMITED

A public Company registered on the Trinidad & Tobago Stock Exchange

UNAUDITED INTERIM RESULTS
QUARTER ENDED 30 JUNE 2022

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

CHAIRMAN'S STATEMENT

The operating results of the Ansa Merchant Bank Financial Group for the six months to 30 June 2022, were affected by the volatility of global financial markets, arising from spiralling inflation, rising interest rates, and the war in Ukraine. This resulted in the recording of a consolidated loss before tax of $133.3 million for the six-month period ended 30 June 2022, versus a profit before tax of $160.8 million for the same period last year, largely driven by non-cash mark-to-market losses in our investment portfolios.

Though our results reflect the effects of these mark-to-market price declines on our portfolios, we remain encouraged by our investment performance when compared to benchmark returns both locally and internationally. The Trinidad and Tobago Composite Index declined by -7.71%, the S&P 500 declined by -20.58% and the Bloomberg Aggregate Bond Index declined by -10.35%, while our portfolios reported an average decline of -2.1%, outperforming these benchmarks. Our ANSA Mutual Funds also continue to outperform other local Mutual Funds in their respective classes.

Notwithstanding these current market events, our Financial Services companies remain in positions of strength from a capital, liquidity and balance sheet perspective. Total Assets grew by 5% to $9.2 billion in Quarter 2 2022 versus $8.78 billion in the same period last year and I am pleased with the performance of our core businesses, as they continue to perform admirably in their markets.

Our Banking Segment comprising ANSA Merchant Bank Ltd., ANSA Merchant Bank (Barbados) Ltd., and our commercial bank, ANSA Bank Ltd., all produced notable new business growth, with core profits (after removing the market effects on investments) growing by 9%, when compared to the same period last year. We are also well underway with our technology transformation to make ANSA Bank the first digitally enabled commercial bank, which will further augment its rapid loan and customer growth trajectory.

Our Insurance Segment, comprising TATIL and TATIL Life, remains well capitalised 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 positive, and expenses, although moderately higher than the prior year, are being well managed. Negative non-cash mark-to-market adjustments in our investment portfolios continue to adversely impact our profit before taxes, primarily in TATIL Life. However, we invest for the long-term and our portfolios are well diversified and positioned to recover these non-cash losses when the markets rebound in due course.

Our focus remains on our clients and helping them to navigate challenging economic conditions, while also making major investments in acquisitions, information technology, our talented people and infrastructure, to position us well for the future. Strategic projects across our financial services businesses, which are aligned to these core strategies, will enable us to capitalise on opportunities for organic and inorganic growth and expansion across our businesses.

The Directors have agreed an Interim Dividend of $0.20 per share. This Interim Dividend will be paid on 7 October 2022 to shareholders on the Shareholders Register as at 23 September 2022.

A. Norman Sabga
A. Norman Sabga
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Jun-22	Unaudited 30-Jun-21	Audited 31-Dec-21
Assets	9,203,351	8,779,313	9,384,906
Total Assets	**9,203,351**	**8,779,313**	**9,384,906**
Liabilities	6,481,050	6,031,791	6,481,869
Total Liabilities	**6,481,050**	**6,031,791**	**6,481,869**
Non-Controlling Interest	852	565	744
Shareholders' Equity	2,721,449	2,746,957	2,902,293
Total Shareholders' Equity	**2,722,301**	**2,747,522**	**2,903,037**
Total Liabilities & Shareholders' equity	**9,203,351**	**8,779,313**	**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 30-Jun-22	Unaudited 3 months to 30-Jun-21	Unaudited 6 months to 30-Jun-22	Unaudited 6 months to 30-Jun-21	Audited Year Ended 31-Dec-21
Total Income	113,091	282,958	285,316	539,918	1,155,842
Total Expenses	(206,646)	(183,538)	(418,681)	(379,122)	(795,663)
Operating (Loss)/Profit	(93,555)	99,420	(133,365)	160,796	360,179
Taxation	4,523	(18,332)	4,540	(33,123)	(53,862)
(Loss)/Profit after Taxation	(89,032)	81,088	(128,825)	127,673	306,317
Profit attributable to:					
Equity holders of Parent	(89,104)	81,156	(128,933)	127,757	306,222
Minority Interest	72	(68)	108	(84)	95
(Loss)/Profit Attributable to Shareholders	(89,032)	81,088	(128,825)	127,673	306,317
Earnings Per Share - Basic	**(1.04)**	**0.95**	**(1.50)**	**1.49**	**3.58**
Avg. no. of shares - Basic ('000)	**85,605**	**85,605**	**85,605**	**85,605**	**85,605**

SEGMENTAL INFORMATION

	BANKING Unaudited 6 months to 30-Jun-22	BANKING Unaudited 6 months to 30-Jun-21	BANKING Audited Year Ended 31-Dec-21	MUTUAL FUNDS Unaudited 6 months to 30-Jun-22	MUTUAL FUNDS Unaudited 6 months to 30-Jun-21	MUTUAL FUNDS Audited Year Ended 31-Dec-21
Total income	128,701	183,111	382,816	15,238	22,026	43,614
Total expenses	(106,398)	(110,598)	(202,674)	(33,936)	(10,870)	(29,649)
Profit/(loss) before tax	22,303	72,514	180,142	(18,698)	11,156	13,965
Total assets	5,531,586	5,172,798	5,640,007	711,445	717,186	719,834
Total liabilities	3,566,272	3,212,085	3,636,768	711,255	717,325	719,785
Purchase of fixed assets	12,972	21,542	36,610	-	-	-
Depreciation	(17,528)	(19,953)	(33,262)	-	-	-

	INSURANCE SERVICES Unaudited 6 months to 30-Jun-22	INSURANCE SERVICES Unaudited 6 months to 30-Jun-21	INSURANCE SERVICES Audited Year Ended 31-Dec-21	ELIMINATIONS Unaudited 6 months to 30-Jun-22	ELIMINATIONS Unaudited 6 months to 30-Jun-21	ELIMINATIONS Audited Year Ended 31-Dec-21
Total income	169,670	400,582	841,815	(28,292)	(65,801)	(112,403)
Total expenses	(320,701)	(289,086)	(8,188)	42,355	31,432	(555,153)
(Loss)/Profit before tax	(151,031)	111,496	833,627	14,063	(34,369)	(667,556)
Total assets	4,183,616	4,067,536	4,164,156	(1,223,296)	(1,178,207)	(1,139,092)
Total liabilities	2,393,026	2,299,392	2,279,487	(189,503)	(197,011)	(154,171)
Purchase of fixed assets	5,221	9,401	29,865	-	-	-
Depreciation	(3,862)	(3,922)	(7,215)	-	-	-

	TOTALS Unaudited 6 months to 30-Jun-22	TOTALS Unaudited 6 months to 30-Jun-21	TOTALS Audited Year Ended 31-Dec-21
Total income	285,316	539,918	1,155,842
Total expenses	(418,681)	(379,122)	(795,663)
(Loss)/Profit before tax	(133,365)	160,796	360,179
Total assets	9,203,351	8,779,313	9,384,906
Total liabilities	6,481,050	6,031,791	6,481,869
Purchase of fixed assets	18,193	22,640	66,474
Depreciation	(21,389)	(21,443)	(40,477)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 30-Jun-22	Unaudited 6 months to 30-Jun-21	Audited Year Ended 31-Dec-21
(Loss)/Profit after Taxation	(128,825)	127,673	306,317
Other Comprehensive Income	1,476	12,922	12,527
Total Comprehensive (Loss)/Income (net of tax)	**(127,349)**	**140,595**	**318,844**
Comprehensive Income attributable to:			
Equity holders of the Parent	(127,457)	140,679	318,749
Minority Interest	108	(84)	95
Total Comprehensive (Loss)/Income	**(127,349)**	**140,595**	**318,844**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited 6 months to 30-Jun-22	Unaudited 6 months to 30-Jun-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)/Profit	(127,349)	140,595	318,844
Other Reserve Movements	32,218	(6,439)	(12,052)
Dividend	(85,605)	(64,204)	(81,325)
Balance at the end of the Period/year	**2,722,301**	**2,747,522**	**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 30 JUNE 2022

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 30-Jun-22	Unaudited 6 months to 30-Jun-21	Audited Year Ended 31-Dec-21
(Loss)/Profit before Taxation	(133,365)	160,796	360,179
Gain on disposal of Property, Plant, Equipment and Investments	(11,583)	(4,855)	(26,105)
Adjustments for Non Cash Items	143,350	(87,796)	(246,104)
Operating Cash Flow before Working Capital Changes	(1,598)	68,145	87,970
Net Working Capital Changes	(33,431)	(179,691)	823,101
Net Taxation Paid	(19,203)	(24,157)	(45,742)
Cash Flow (used in)/provided by Operating Activities	(54,232)	(135,703)	865,329
Investing Activities	(168,721)	(183,179)	(712,146)
Financing Activities	(85,605)	(64,204)	(284,261)
Decrease in cash and cash equivalents	(308,558)	(383,086)	(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	**957,732**	**1,014,282**	**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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