



MERCHANT BANK LIMITED

A public Company registered on the  
Trinidad & Tobago Stock Exchange

# UNAUDITED INTERIM RESULTS

## QUARTER ENDED 30 SEPTEMBER 2022

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

### CHAIRMAN'S STATEMENT

The financial results of the Ansa Merchant Bank Financial Group (AMBL) for the nine-month period to 30 September 2022, reflect the ongoing negative impact of volatile financial markets, caused by high inflation which is forcing interest rates to rise globally, the lingering war in Ukraine, which is creating geopolitical risks, and the fragile state of energy supplies and commodity prices. This resulted in the recording of a consolidated loss before tax of \$151.3 million for the nine-month period ended 30 September 2022, largely driven by non-cash mark-to-market losses in our investment portfolios, versus a profit before tax of \$218.6 million for the same nine-month period last year.

Total Assets grew by 7% to \$9.8 billion in Quarter 3, 2022 versus \$9.2 billion in the same period last year. Shareholders will be pleased to also learn that our AMBL Financial Group was awarded an Investment Grade Credit Rating of CariAA this year, from the regional rating agency CariCRIS, indicating a high level of creditworthiness, coupled with a Stable Outlook.

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 and profits over the period. Our ANSA Mutual Funds also continue to outperform other local Mutual Funds in their respective classes.

Our Insurance Segments, comprising TATIL and TATIL Life, remain well capitalised, and Insurance revenues increased in most of our business lines over the prior year. Negative non-cash mark-to-market adjustments in our investment portfolios continue to adversely impact the Insurance companies' profit before taxes, primarily in TATIL Life. However, we invest for the long-term, and our portfolios are well diversified and positioned to recover when markets rebound in due course.

Our companies remain in positions of strength from a capital, liquidity and balance sheet perspective and are well positioned for future growth

A. Norman Sabga

A. Norman Sabga

Chairman

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Sep-22	Unaudited 30-Sep-21	Audited 31-Dec-21
Assets	9,823,866	9,191,642	9,384,906
<b>Total assets</b>	<b>9,823,866</b>	<b>9,191,642</b>	<b>9,384,906</b>
Liabilities	7,139,707	6,416,063	6,481,869
<b>Total liabilities</b>	<b>7,139,707</b>	<b>6,416,063</b>	<b>6,481,869</b>
Non-controlling interest	889	519	744
Shareholders' equity	2,683,270	2,775,060	2,902,293
<b>Total shareholders' equity</b>	<b>2,684,159</b>	<b>2,775,579</b>	<b>2,903,037</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>9,823,866</b>	<b>9,191,642</b>	<b>9,384,906</b>

A. Norman Sabga

A. Norman Sabga  
Chairman

Gregory N. Hill

Gregory N. Hill  
Managing Director

### CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3 months to 30-Sep-22	Unaudited 3 months to 30-Sep-21	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-21	Audited Year Ended 31-Dec-21
Total income	188,806	248,299	474,122	788,217	1,155,842
Total expenses	(206,775)	(190,474)	(625,457)	(569,597)	(795,663)
Operating (loss)/profit	(17,969)	57,825	(151,335)	218,620	360,179
Taxation	(11,986)	(12,764)	(7,446)	(45,887)	(53,862)
(Loss)/profit after taxation	(29,955)	45,061	(158,781)	172,733	306,317
Profit attributable to:					
Equity holders of Parent	(29,992)	45,108	(158,926)	172,862	306,222
Minority interest	37	(47)	145	(129)	95
(Loss)/profit attributable to shareholders	(29,955)	45,061	(158,781)	172,733	306,317
<b>Earnings per share - Basic</b>	<b>(0.35)</b>	<b>0.53</b>	<b>(1.85)</b>	<b>2.02</b>	<b>3.58</b>
<b>Avg. no. of shares - Basic ('000)</b>	<b>85,605</b>	<b>85,605</b>	<b>85,605</b>	<b>85,605</b>	<b>85,605</b>

### SEGMENTAL INFORMATION

	Banking			Mutual Funds		
	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-21	Audited Year Ended 31-Dec-21	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-21	Audited Year Ended 31-Dec-21
Total income	195,624	262,142	382,816	19,923	30,167	43,614
Total expenses	(161,490)	(170,387)	(202,674)	(44,511)	(17,327)	(29,649)
<b>Profit/(loss) before tax</b>	<b>34,134</b>	<b>91,755</b>	<b>180,142</b>	<b>(24,588)</b>	<b>12,840</b>	<b>13,964</b>
Total assets	5,925,453	5,351,627	5,640,007	686,281	710,880	719,834
Total liabilities	4,142,800	3,572,532	3,636,768	686,448	710,393	719,785
Purchase of fixed assets	23,377	21,433	36,610	-	-	-
Depreciation	(21,343)	(26,029)	(33,262)	-	-	-
	Insurance Services			Eliminations		
	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-21	Audited Year Ended 31-Dec-21	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-21	Audited Year Ended 31-Dec-21
Total income	302,439	579,931	841,815	(43,863)	(84,023)	(112,403)
Total expenses	(480,108)	(430,481)	(8,188)	60,652	48,598	(555,153)
<b>(Loss)/profit before tax</b>	<b>(177,669)</b>	<b>149,450</b>	<b>833,627</b>	<b>16,789</b>	<b>(35,425)</b>	<b>(667,556)</b>
Total assets	4,223,213	4,101,312	4,164,156	(1,011,081)	(972,177)	(1,139,092)
Total liabilities	2,464,463	2,300,246	2,279,487	(154,004)	(167,108)	(154,171)
Purchase of fixed assets	6,867	21,910	29,865	-	-	-
Depreciation	(6,147)	(6,141)	(7,215)	-	-	-
	Totals					
	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-21	Audited Year Ended 31-Dec-21			
Total income	474,122	788,217	1,155,842			
Total expenses	(625,457)	(569,597)	(795,663)			
<b>(Loss)/profit before tax</b>	<b>(151,335)</b>	<b>218,620</b>	<b>360,179</b>			
Total assets	9,823,866	9,191,642	9,384,906			
Total liabilities	7,139,707	6,416,063	6,481,869			
Purchase of fixed assets	30,244	43,343	66,474			
Depreciation	(27,489)	(32,170)	(40,477)			

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-21	Audited Year Ended 31-Dec-21
(Loss)/profit after taxation	(158,781)	172,733	306,317
Other comprehensive (loss)/income	(1)	7,284	12,527
<b>Total comprehensive (loss)/income (net of tax)</b>	<b>(158,782)</b>	<b>180,017</b>	<b>318,844</b>
Comprehensive income attributable to:			
Equity holders of the Parent	(158,927)	180,146	318,749
Minority interest	145	(129)	95
<b>Total comprehensive (loss)/income</b>	<b>(158,782)</b>	<b>180,017</b>	<b>318,844</b>

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-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	(158,782)	180,017	318,844
Other reserve movements	25,509	(17,804)	(12,052)
Dividend	(85,605)	(64,204)	(81,325)
<b>Balance at the end of the period/year</b>	<b>2,684,159</b>	<b>2,775,579</b>	<b>2,903,037</b>



MERCHANT BANK LIMITED



MERCHANT BANK (BARBADOS) LIMITED



... where people are people



Guaranteed Protection



Together, we are Family

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

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 9 months to 30-Sep-22	Unaudited 9 months to 30-Sep-21	Audited Year Ended 31-Dec-21
(Loss)/profit before taxation	(151,335)	218,620	360,179
Gain on disposal of property, plant, equipment and investments	(3,676)	(4,494)	(26,105)
Adjustments for non cash items	152,565	(255,646)	(246,104)
Operating cash flow before working capital changes	(2,446)	(41,520)	87,970
Net working capital changes	67,236	150,950	823,101
Net taxation paid	(24,521)	(21,306)	(45,742)
Cash flow from operating activities	40,269	88,124	865,329
Investing activities	(175,737)	(228,291)	(712,146)
Financing activities	(60,605)	(64,204)	(284,261)
Decrease in cash and cash equivalents	(196,073)	(204,371)	(131,078)
Cash & cash equivalents at the beginning of period	1,266,290	1,397,368	1,397,368
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>1,070,217</b>	<b>1,192,997</b>	<b>1,266,290</b>

### 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.



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

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Together, we are  
*Family* 