MERCHANT BANK LIMITED

A public Company registered on the Trinidad & Tobago Stock Exchange

UNAUDITED INTERIM RESULTS

QUARTER ENDED 31st MARCH 2020

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

CHAIRMAN'S STATEMENT

The operations of Ansa Merchant Bank Ltd and its Subsidiaries for the quarter-ended March 31, 2020 were significantly affected by the Covid-19 pandemic and the resulting stay at home restrictions which caused disruptions to the global credit and investment markets. Fortunately, our company entered this crisis in a position of strength. All of the work we have done in recent years, has put us in a very solid position to face the future from a capital, liquidity and balance sheet perspective and I am assured by this resilience.

With the advent of the pandemic, we executed our business continuity plans and established heightened protocols to protect our staff and customers and we note that these measures have led to no cases being reported. This result clearly demonstrates that our businesses can be operated without compromising safety.

We have also supported our customers and staff at this challenging time by exercising forbearance for borrowing customers in difficulty and maintaining consistent employee levels and benefits.

The significant reduction in valuations of investments across the globe and in our local market resulted in our reporting a consolidated loss before taxes for the first quarter ended March 31, 2020 of $48.3 million versus $86.0 million in profit before tax for the same period last year. This result arose from unrealised (non-cash) losses in our investment portfolios, as a result of the downturn in valuations in both the local and global equity and fixed income markets. As the global and local restrictions on business operations continue, we expect future operating results to be also negatively affected, however, we expect to recover these losses over time as markets recover from the impact of the pandemic.

I wish to thank our employees for remaining steadfast in continuing to serve our customers and our communities, despite the challenges of working remotely and under stringent health and safety standards to ensure their safety and that of our customers. Our significant investments in the latest banking and insurance technologies have served us well at this time.

A. Norman Sabga
A. Norman Sabga
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31-Mar-20	Unaudited 31-Mar-19	Audited 31-Dec-19
Assets	7,907,764	7,864,259	8,081,936
Total Assets	**7,907,764**	**7,864,259**	**8,081,936**
Liabilities	5,407,988	5,515,175	5,545,480
Total Liabilities	**5,407,988**	**5,515,175**	**5,545,480**
Non-Controlling Interest	668	607	646
Shareholders' Equity	2,499,108	2,348,477	2,535,810
Total Shareholders' Equity	**2,499,776**	**2,349,084**	**2,536,456**
Total Liabilities & Shareholders' equity	**7,907,764**	**7,864,259**	**8,081,936**

A. Norman Sabga
A. Norman Sabga
Chairman

Gregory N. Hill
Gregory N. Hill
Managing Director

CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19
Total Income	253,905	251,930	1,105,870
Total Expenses	(302,206)	(165,967)	(748,487)
Operating (Loss)/Profit	(48,301)	85,963	357,383
Taxation	6,653	(20,009)	(79,724)
(Loss)/Profit after Taxation	(41,648)	65,954	277,659
(Loss)/Profit attributable to:			
Equity holders of Parent	(41,605)	65,938	277,604
Minority Interest	(43)	15	55
(Loss)/Profit Attributable to Shareholders	(41,648)	65,954	277,659
Earnings Per Share - Basic	**(0.49)**	**0.77**	**3.24**
Avg. no. of shares - Basic ('000)	**85,605**	**85,605**	**85,605**

SEGMENTAL INFORMATION

	BANKING			MUTUAL FUNDS		
	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19
Total income	64,799	90,119	450,396	6,206	13,555	45,631
Total expenses	(47,860)	(56,736)	(235,491)	(22,631)	(6,468)	(25,233)
Profit/(loss) before tax	16,939	33,382	214,905	(16,426)	7,088	20,398
Total assets	4,461,539	4,532,868	4,706,018	711,747	727,407	733,844
Total liabilities	2,654,747	2,850,044	2,894,260	712,187	727,389	733,508
Purchase of fixed assets	(18,880)	9,235	37,900	–	–	–
Depreciation	(9,258)	(8,694)	(36,387)	–	–	–

	INSURANCE SERVICES			ELIMINATIONS		
	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19
Total income	174,329	161,942	687,241	8,571	(13,687)	(77,398)
Total expenses	(236,923)	(110,009)	(531,358)	5,210	7,247	43,595
(Loss)/profit before tax	(62,595)	51,933	155,883	13,781	(6,439)	(33,803)
Total assets	3,799,392	3,656,118	3,685,281	(1,064,914)	(1,052,134)	(1,043,207)
Total liabilities	2,190,762	2,073,522	2,045,795	(149,708)	(135,779)	(128,083)
Purchase of fixed assets	37,521	2,374	13,725	–	–	(765)
Depreciation	(1,355)	(294)	(8,673)	–	–	–

	TOTALS		
	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19
Total income	253,905	251,930	1,105,870
Total expenses	(302,206)	(165,967)	(748,487)
(Loss)/profit before tax	(48,301)	85,963	357,383
Total assets	7,907,764	7,864,259	8,081,936
Total liabilities	5,407,988	5,515,175	5,545,480
Purchase of fixed assets	18,641	11,609	50,860
Depreciation	(10,613)	(8,987)	(45,060)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19
(Loss)/Profit after Taxation	(41,648)	65,954	277,659
Other Comprehensive (Loss)/Income	9,491	14,159	7,577
Total Comprehensive (Loss)/Income (net of tax)	**(32,157)**	**80,113**	**285,236**
Comprehensive Income attributable to:			
Equity holders of the Parent	(32,114)	80,098	285,181
Minority Interest	(43)	15	55
Total Comprehensive Income	**(32,157)**	**80,113**	**285,236**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19
Balance at the start of the period/year	2,536,456	2,367,453	2,367,453
Total Comprehensive (Loss)/Income	(32,157)	80,113	285,236
Other Reserve Movements	2,531,934	(12,877)	(13,507)
Dividend	–	(85,605)	(102,726)
Balance at the end of the Period/year	**2,499,776**	**2,349,084**	**2,536,456**

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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: 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, Valsayn Phone: (868) 645-1903 Fax: (868) 663-4348
Bankers: Republic Bank Limited, Citibank (Trinidad & Tobago) Limited

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 3 months to 31-Mar-20	Unaudited 3 months to 31-Mar-19	Audited Year Ended 31-Dec-19
(Loss)/Profit before Taxation	(48,301)	85,963	357,383
Gain on disposal of Property, Plant, Equipment and Investments	13,165	33,906	(23,918)
Adjustments for Non Cash Items	134,267	(33,421)	(125,358)
Operating Cash Flow before Working Capital Changes	99,131	86,448	208,107
Net Working Capital Changes	(248,730)	31,219	384,296
Net Taxation Paid	(15,581)	(26,894)	(76,247)
Cash Flow from Operating Activities	(165,180)	90,773	516,156
Investing Activities	(10,755)	(98,214)	(64,280)
Financing Activities	(969)	(86,309)	(102,726)
(Decrease)/increase in cash and cash equivalents	(176,904)	(93,750)	349,150
Cash & Cash equivalents at the beginning of period	890,084	540,934	540,934
Cash & Cash equivalents at the end of the period	**713,180**	**447,184**	**890,084**

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 2019.

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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