



MERCHANT BANK LIMITED

**UNAUDITED RESULTS
FOR THE
SIX MONTHS ENDED JUNE 30, 2011**

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

CHAIRMAN'S STATEMENT

I am pleased to report that for the six months ended June 30, 2011, the Bank and its Subsidiaries produced a consolidated profit after tax of \$74 million, EPS of 88 cents (2010: 57 cents).

For the first half of 2010 our Bank earnings were negatively impacted by unrealized currency losses in our Euro investment portfolio. We have since stabilized the impact of Euro currency fluctuations via a hedging program.

TATIL's results continue to benefit from a better claims experience leading to a slight improvement over our performance in 2010. Tatil Life's performance continues to be affected by the volatility in our foreign portfolios.

We continue to position and build our businesses to efficiently execute opportunities in the context of ongoing developments in the local and foreign environments.

At the half year, Directors have approved an interim dividend of 15 cents (2010: 10 cents).

Anthony N Sabga, CMT., Hon.LL.D.(UWI)
Chairman

August 4, 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 6/30/2011	Unaudited 6/30/2010	Audited 12/31/2010
Assets	5,307,557	4,976,248	5,121,300
Total Assets	5,307,557	4,976,248	5,121,300
Total Liabilities	3,936,733	3,736,520	3,775,446
Minority Interest	8,410	421	8,430
Shareholders' Equity	1,362,413	1,239,307	1,337,424
Total Liabilities & Shareholders' equity	5,307,557	4,976,248	5,121,300

CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3 months to 6/30/2011	Unaudited 3 months to 6/30/2010	Unaudited 6 months to 6/30/2011	Unaudited 6 months to 6/30/2010	Audited Year Ended 12/31/2010
Total Income	146,261	114,959	311,608	285,544	678,317
Total Expenses	104,945	104,470	212,560	221,670	452,322
Operating Profit	41,316	10,489	99,048	63,874	225,995
Taxation	13,310	2,637	25,037	15,969	51,388
Profit after Taxation	28,006	7,852	74,011	47,905	174,607
Minority Interest	277	(14)	(20)	(6)	241
Profit Attributable to Shareholders	28,283	7,866	74,031	47,911	174,366

	0.34	0.09	0.88	0.57	2.07
Earnings Per Share-Basic					
Average no. of shares - Basic ('000)	84,185	84,185	84,185	84,185	84,185

SEGMENTAL INFORMATION

	Banking Services			Mutual Funds		
	Unaudited 6 months to 6/30/2011	Audited 6 months to 6/30/2010	Audited Year Ended 12/31/2010	Unaudited 6 months to 6/30/2011	Audited 6 months to 6/30/2010	Audited Year Ended 12/31/2010
Total operating income	145,318	105,762	264,205	24,238	27,043	63,873
Total expenses	56,933	61,377	118,162	24,217	26,192	63,571
Profit before tax	88,385	44,385	146,043	21	851	302
Total assets	3,162,032	3,103,963	3,133,313	977,476	881,808	881,007
Total liabilities	2,175,800	2,202,594	2,156,565	969,288	872,501	862,716
Purchase of fixed assets	42	780	1,002	-	-	-
Depreciation	397	457	875	-	-	-

	Life Insurance Operations			General Insurance Services		
	Unaudited 6 months to 6/30/2011	Audited 6 months to 6/30/2010	Audited Year Ended 12/31/2010	Unaudited 6 months to 6/30/2011	Audited 6 months to 6/30/2010	Audited Year Ended 12/31/2010
Total operating income	77,115	72,555	183,444	108,120	114,250	234,542
Total expenses	83,354	78,761	147,600	64,689	73,146	173,921
Profit before tax	(6,239)	(6,206)	35,844	43,430	41,104	60,621
Total assets	1,512,620	1,408,742	1,478,189	799,283	826,099	776,577
Total liabilities	990,713	909,128	962,893	410,951	390,854	361,225
Purchase of fixed assets	8,479	75	6,842	1,595	101	252
Depreciation	327	281	582	285	229	683

	Eliminations			Totals		
	Unaudited 6 months to 6/30/2011	Audited 6 months to 6/30/2010	Audited Year Ended 12/31/2010	Unaudited 6 months to 6/30/2011	Audited 6 months to 6/30/2010	Audited Year Ended 12/31/2010
Total operating income	(43,858)	(34,066)	(67,747)	310,933	285,544	678,317
Total expenses	(17,309)	(17,806)	(50,932)	211,885	221,670	452,322
Profit before tax	(26,549)	(16,260)	(118,679)	99,048	63,874	225,995
Total assets	(1,143,854)	(1,244,364)	(1,147,786)	5,307,557	4,976,248	5,121,300
Total liabilities	(610,019)	(638,557)	(567,953)	3,936,733	3,736,520	3,775,446
Purchase of fixed assets	-	-	-	10,115	956	8,096
Depreciation	-	-	-	1,009	967	2,140

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 Months to 6/30/2011	Unaudited 6 Months to 6/30/2010	Audited Year Ended 12/31/2010
Profit after Taxation	74,011	47,905	174,607
Net gain/(loss) on revaluation of available-for-sale financial assets	14,572	(5,511)	56,078
Net (gain)/loss on available-for-sale financial assets transferred to Statement of Income	-	10,124	(21,435)
Impairment losses transferred to Statement of Income	-	-	3,792
Total Comprehensive Income	88,583	52,518	213,042
Comprehensive Income attributable to:			
Equity holders of the Parent	88,603	52,524	205,039
Minority Interest	(20)	(6)	8,003

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Unaudited 6 Months to 6/30/2011	Unaudited 6 Months to 6/30/2010	Audited Year Ended 12/31/2010
Balance at the start of the period/year	1,345,854	1,223,003	1,223,430
Total Comprehensive Income	88,603	52,524	213,042
Other Reserve Movements	(7,839)	22,714	(23,270)
Dividend	(64,204)	(58,934)	(67,348)
Balance at the end of the Period/year	1,362,413	1,239,307	1,345,854

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 Months to 6/30/2011	Unaudited 6 Months to 6/30/2010	Audited Year Ended 12/31/2010
Profit before Taxation	99,048	63,874	225,995
Gain on disposal of Property, Plant, Equipment and Investments	(6,683)	(23,357)	(49,899)
Adjustments for Non Cash Items	17,007	21,661	(31,734)
Operating Cash Flow before Working Capital Changes	109,371	62,178	144,362
Net Working Capital Changes	197,580	70,645	(74,265)
Net Taxation Paid	(13,636)	(27,539)	(47,529)
Cash Flow from Operating Activities	293,315	105,284	22,568
Investing Activities	(18,050)	132,082	(48,183)
Financing Activities	(122,615)	(179,954)	(67,348)
(Decrease)/ Increase in cash and cash equivalents	152,651	57,412	(92,963)
Cash & Cash equivalents at the beginning of period/year	594,022	677,860	686,985
Cash & Cash equivalents at the end of the period/year	746,673	735,272	594,022

Significant Accounting Policies

This interim financial report has been prepared on a historical cost basis, except for the measurement at fair value of available-for-sale and trading investment securities, and investment properties. The consolidated financial statements of the Group have been prepared in accordance with IFRS.

Group

The consolidated financial statements comprise the financial statements of ANSA Merchant Bank Limited (the Company) and its subsidiaries (including special purpose entities that the Bank consolidates). All intercompany balances and transactions have been eliminated. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Parent has the power to govern the financial and operational policies of an investee so as to obtain benefits from its activities. Subsidiaries are de-consolidated from the date that control ceases.

A Public Company registered on the T&T Stock Exchange with the following locations:

Address: 11, Maraval Road, Port of Spain
Phone (868) 623-8672 Fax: (868) 624-8763

Branch Office: 25, Royal Road, San Fernando
Phone: (868) 657-1452 Fax: (868) 653-8112

Directors: Anthony N. Sabga, CMT (Chairman), Ray A. Sumairsingh (Deputy Chairman), Chip Sa Gomes (Managing Director), Timothy Hamel-Smith, Gregory N. Hill, Peter Inglefield, Varun Maharaj, Jeremy Matouk, Nicholas Owen, Ian Welch
All c/o 11 Maraval Road, Port of Spain.

Bankers: Republic Bank Ltd, Citibank (Trinidad & Tobago) Limited

