



# মার্কেটহিল ইন্স্যুরেন্স কোম্পানী লিঃ MERCANTILE INSURANCE COMPANY LTD.

Symbol of Trust & Security

RED CRESCENT BHABAN, 61 MOTIJHEEL C/A (1ST FLOOR), DHAKA-1000, BANGLADESH, TEL: PABX-9557662-5, FAX: 880-2-9562301  
E-mail: mercantileins2017@gmail.com, mercantileins@yahoo.com, Web: www.mercantileins.com

## Selected Explanatory Notes for the Third Quarter (Q3) September 30 2019

**1) Basis of Preparation:** The Financial statement (un Audited) has been prepared based on Bangladesh Accounting Standard (BAS)-34, Interim Financial Reporting and in accordance with other Bangladesh Accounting Standard (BAS) the Company act 1994, the Insurance Act 2010, The Securities & Exchange Rules 1987 and other applicable laws and regulation.

**2) Accounting policies and method of Computation:** Accounting policies methods of Computation followed in preparing this Third Quarter (Q3) Financial Statements are Consistent with used in the Annual Financial Statements prepared and published for the year ended December 31 2018

**3) Gross & Net Premium Earned:-** During the Period ended 30th September 2019 Company earned Gross Premium 22,30,00,000/- & Net Premium 13,70,00,000/-

**4) Net Assets Value:-** Share holders equities/ No of Share 78,41,00,000.00/4,30,95,360

**5) Earning per Share:-** Net Profit after tax/No of Share 4,01,00,000.00/43095360

**6) Net Operating Cash Flows per Share:-** Net Operating Cash flow/ No Of Share 1,72,00,000.00/43095360

**7) Reserve for Exceptional Losses:-** Reserve for Exceptional losses Calculation method 10% of Net Premium e.i. 13,70,00,000/@10%=13,700,000.00


**8) Deffered Tax:-** Deffered tax is provided for all Temporary Differences Comprising between the tax base of assets and liabilities and their Carrying amounts in Financial Statements in accordance with the Provision of IAS-12

### Income Statement(Un-Audited) for the 3rd Quarter ended 30 September 2019

|  | 3rd Quarter ended                      |  | Quarter ended                          |  |
|--|--|--|--|--|
|  | 2019<br>Jan. to Sep.<br>(Tk. in Crore) | 2018<br>Jan. to Sep.<br>(Tk. in Crore) | 2019<br>July to Sep.<br>(Tk. in Crore) | 2018<br>July to Sep.<br>(Tk. in Crore) |
| Gross Premium                          | 22.30                                  | 23.60                                  | 7.25                                   | 7.50                                   |
| R / I Premium Ceded                    | (8.60)                                 | (8.96)                                 | (4.54)                                 | (4.60)                                 |
| <b>Net Premium</b>                     | <b>13.70</b>                           | <b>14.64</b>                           | <b>2.71</b>                            | <b>2.90</b>                            |
| R / I Commission                       | 1.85                                   | 1.98                                   | 0.26                                   | 0.26                                   |
| Management Exp. Agency Commission etc. | (8.20)                                 | (8.42)                                 | (1.89)                                 | (2.04)                                 |
| Net Claims                             | (4.75)                                 | (3.59)                                 | (1.05)                                 | (0.85)                                 |
| <b>Underwriting profit</b>             | <b>2.60</b>                            | <b>4.61</b>                            | <b>0.03</b>                            | <b>0.27</b>                            |
| Interest & Other Income                | 3.00                                   | 3.28                                   | 0.71                                   | 1.12                                   |
| <b>Net Profit before Tax</b>           | <b>5.60</b>                            | <b>7.89</b>                            | <b>0.74</b>                            | <b>1.39</b>                            |
| Reserve for Exceptional Losses         | 1.37                                   | 1.46                                   | 0.27                                   | 0.29                                   |
| Provision for Income Tax               | 1.59                                   | 2.41                                   | 0.18                                   | 0.41                                   |
| <b>Net Profit after Tax</b>            | <b>4.01</b>                            | <b>5.48</b>                            | <b>0.56</b>                            | <b>0.98</b>                            |
| EPS (Restated)                         | Tk. 0.93                               | Tk. 1.27                               | Tk. 0.13                               | Tk. 0.23                               |

Dhaka  
30th October 2019

  
Md. Abdus Salam  
Executive Vice President & CFO

  
Md. Nasir Uddin  
Director

  
Abdur Rahman  
Company Secretary

  
M. Kamal Uddin  
Chairman

  
Firoz Ahmed  
Managing Director & CEO



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**Un-audited Balance Sheet (Statement of financial position)**  
**As at 30 September 2019**

|  | As at<br>30 Sep, 2019<br>(Tk. Crore) | As at<br>31 Dec, 2018<br>(Tk. Crore) |
|--|--------------------------------------|--------------------------------------|
| <b>A. Non current Assets</b>   | <b>6.28</b>                          | <b>6.12</b>                          |
| Property, Plants & Equipment   | 3.65                                 | 3.49                                 |
| Bangladesh Govt. Treasury Bond   | 2.50                                 | 2.50                                 |
| Deferred Tax Assets  | 0.13                                 | 0.13                                 |
| <b>B. Current Assets</b>   | <b>171.46</b>                        | <b>171.81</b>                        |
| Investment in Shares   | 6.31                                 | 6.58                                 |
| Accrued Interest, Dividend & Rent  | 0.56                                 | 0.56                                 |
| Amount due from other person or bodies carrying on<br>Insurance business         | 57.59                                | 57.59                                |
| Sundry Debtors   | 0.42                                 | 0.42                                 |
| Cash & Bank Balances   | 92.98                                | 93.94                                |
| Advance Income Tax   | 13.58                                | 12.70                                |
| Stock of stationery & stamps   | 0.02                                 | 0.02                                 |
| <b>TOTAL PROPERTY &amp; ASSETS(A+B)</b>  | <b>177.74</b>                        | <b>177.93</b>                        |
| <b>C. Shareholders' Equity &amp; Liabilities</b>                                 | <b>78.41</b>                         | <b>77.42</b>                         |
| Share Capital  | 43.10                                | 43.10                                |
| Share Premium  | 7.48                                 | 7.48                                 |
| Reserve for Exceptional Losses   | 22.17                                | 20.80                                |
| General Reserve  | 1.97                                 | 1.97                                 |
| Profit&Loss Appropriation  | 3.69                                 | 4.07                                 |
| <b>D. Balance of Fund &amp; Accounts</b>   | <b>11.07</b>                         | <b>9.58</b>                          |
| Reserve for Unexpired Risk   | 11.07                                | 9.58                                 |
| <b>E. Liabilities &amp; Provision</b>  | <b>88.26</b>                         | <b>90.93</b>                         |
| Premium Deposit  | 1.86                                 | 2.52                                 |
| Estimated Liability in respect of outstanding<br>Claims whether due or intimated | 17.45                                | 17.45                                |
| Amount due to other person or bodies carrying on<br>Insurance business           | 54.45                                | 55.84                                |
| Sundry Creditors   | 14.50                                | 15.12                                |
| <b>TOTAL CAPITAL &amp; LIABILITES (C+D+E)</b>                                    | <b>177.74</b>                        | <b>177.93</b>                        |

Md. Nasir Uddin  
Director

M. Kamal Uddin  
Chairman

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**Un-audited Statement of changes in equity  
for the 3rd quarter ended 30 September 2019**

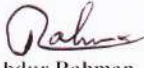
(TK. IN CRORE)


| Particulars                             | Share Capital | Share Premium | Reserve for Exceptional Losses | General Reserve | Retained Earnings | Total Tk. |
|---|---------------|---------------|--------------------------------|-----------------|-------------------|-----------|
| Equity as at 01 January 2019            | 43.10         | 7.48          | 20.80                          | 1.97            | 4.07              | 77.42     |
| Profit after Tax for the 3rd Qrt. Ended | --            |               | --                             | --              | 4.01              | 4.01      |
| Dividend Cash                           |               |               | --                             | --              | (3.02)            | (3.02)    |
| Reserve for Exceptional Losses          | --            |               | 1.37                           | --              | (1.37)            | -         |
| Equity as at 30 September 2019          | 43.10         | 7.48          | 22.17                          | 1.97            | 3.69              | 78.41     |
| Equity as at 30 September 2018          | 43.10         | 7.48          | 20.34                          | 1.87            | 6.22              | 79.01     |

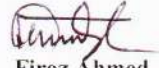
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**Cash Flow Statement (Un- Audited)**


**for the 3rd quarter ended 30 September 2019**

|  | 2019<br>January to Sep.<br>Tk. In Crore | 2018<br>January to Sep.<br>Tk. In Crore |
|--|---|---|
| <b>A. Cash Flow From Operating Activities</b>                | <b>1.72</b>                             | <b>6.22</b>                             |
| Collection of premium & other receipts                       | 24.15                                   | 24.58                                   |
| Tax payment  | (0.88)                                  | (0.98)                                  |
| Payments for management expenses<br>reinsurance, claims etc. | (21.55)                                 | (17.38)                                 |
| <b>B. Cash flow from Investing Activities</b>                | <b>3.38</b>                             | <b>2.78</b>                             |
| Acquisition of Fixed Assets                                  | (0.16)                                  | (0.50)                                  |
| Investment in share  | -                                       | -                                       |
| Interest & Other Income                                      | 3.54                                    | 3.28                                    |
| <b>C. Cash flow from Financing Activities</b>                | <b>(3.02)</b>                           | <b>(4.31)</b>                           |
| Dividend   | (3.02)                                  | (4.31)                                  |
| <b>D. Net inflow/(outflow) for the 3rd Quarter (A+B+C)</b>   | <b>2.08</b>                             | <b>4.69</b>                             |
| <b>E. Opening cash &amp; bank balance</b>                    | <b>93.94</b>                            | <b>93.88</b>                            |
| <b>F. Closing cash &amp; bank balance (D+E)</b>              | <b>96.02</b>                            | <b>98.57</b>                            |

**Reconciliation statement of Net Profit with Cash flows from operating activities.**

|  |  |       |
|--|--|-------|
|  | Collection of Premium                  | 22.30 |
|  | Add. Re Insurance Commissions          | 1.85  |
|  |  | 24.15 |
|  | Less Tax Payment                       | 0.88  |
|  |  | 23.27 |
|  | Less. Management Expences & Commission | 8.20  |
|  | Reinsurance Premium Ceeded             | 8.60  |
|  | Claims                                 | 4.75  |
|  |  | 21.55 |
|  | Cash Flow from operating activities    | 1.72  |

Dhaka  
30 th October 2019

  
Md. Abbas Salam  
Executive Vice President & CFO

  
Md. Nasir Uddin  
Director  
  
Abdur Rahman  
Company Secretary

  
M. Karim Uddin  
Chairman  
  
Firoz Ahmed  
Managing Director & CEO