

মার্কেটহিল ইনস্যুরেন্স কোম্পানী লিঃ  
MERCANTILE INSURANCE COMPANY LTD.

Symbol of Trust & Security

RED CRESCENT BHABAN, 61 MOTIHEEL 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 Second Quarter (Q2) June 30 2020

- 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 Second Quarter (Q2) Financial Statements are Consistent with used in the Annual Financial Statements prepared and published for the year ended December 31 2019
- 3) **Gross & Net Premium Earned:-** During the Period ended 30th June 2020 Company earned Gross Premium 13,75,00,000/- & Net Premium 10,04,00,000/-
- 4) **Net Assets Value:-** Share holders equities/ No of Share 80,58,00,000.00/43095360
- 5) **Earning per Share:-** Net Profit after tax/No of Share 1,72,00,000.00/43095360
- 6) **Net Operating Cash Flows per Share:-** Net Operating Cash flow/ No Of Share 1,55,00,000.00/43095360
- 7) **Reserve for Exceptional Losses:-** Reserve for Exceptional losses Calculation method 10% of Net Premium e.i. 10,04,00,000/@10%=10,040,000.00
- 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

**Un-audited Income Statement  
for the half year ended 30 June 2020**

	Half year ended		Quarter ended	
	2020 Jan. to June (Tk.in Crore)	2019 Jan. to June (Tk.in Crore)	2020 April. to June (Tk.in Crore)	2019 April. to June (Tk.in Crore)
Gross Premium	13.75	15.05	5.74	7.47
Reinsurance Premium Ceded	(3.71)	(4.06)	(1.62)	(2.08)
<b>Net Premium</b>	<b>10.04</b>	<b>10.99</b>	<b>4.12</b>	<b>5.39</b>
Reinsurance Commission	1.45	1.59	0.64	0.82
Management Exp. Commission & Claims	(5.60)	(6.31)	(3.23)	(3.61)
Net Claims	(5.85)	(3.70)	(2.25)	(2.30)
<b>Underwriting Profit</b>	<b>0.04</b>	<b>2.57</b>	<b>(0.72)</b>	<b>0.30</b>
Interest & other income	2.12	2.29	0.94	0.62
<b>Net Profit before Tax</b>	<b>2.16</b>	<b>4.86</b>	<b>0.22</b>	<b>0.92</b>
Reserve for Exceptional Losses	1.00	1.10	0.41	0.54
Provision for Income Tax	0.44	1.41	0.07	0.14
<b>Net Profit after Tax</b>	<b>1.72</b>	<b>3.45</b>	<b>0.29</b>	<b>0.78</b>
<b>EPS (Restated)</b>	<b>Tk. 0.40</b>	<b>Tk. 0.80</b>	<b>0.07</b>	<b>Tk. 0.18</b>

Dated: 04/08/2020  
Md. Abus Salam  
Executive Vice President & CFO

Abdur Rahman  
Company Secretary

Firoz Ahmed  
Chief Executive Officer

Abdul Haque  
Director

M. Kamal Uddin  
Chairman



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Mercantile Insurance Co. Ltd.  
Head Office, Dhaka.

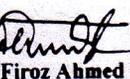
**Un-audited Balance Sheet (Statement of financial position)**  
**As at 30 June 2020**

	2020 Jan. to June (Tk. Crore)	2019 Jan. to Dec. (Tk. Crore)
<b>A. Non current Assets</b>	<b>5.81</b>	<b>5.72</b>
Property, Plants & Equipment	3.20	3.11
Bangladesh Govt. Treasury Bond	2.50	2.50
Deferred Tax Assets	0.11	0.11
<b>B. Current Assets</b>	<b>212.38</b>	<b>210.74</b>
Investment in Shares	9.6	8.72
Accrued Interest, Dividend & Rent	0.62	0.62
Amount due from other person or bodies carrying on Insurance business	91.30	91.30
Sundry Debtors	0.66	0.66
Cash & Bank Balances	96.04	95.36
Advance Income Tax	14.07	13.99
Stock of stationery & stamps	0.09	0.09
<b>TOTAL PROPERTY &amp; ASSETS(A+B)</b>	<b>218.19</b>	<b>216.46</b>
<b>C. Shareholders' Equity &amp; Liabilities</b>	<b>80.58</b>	<b>78.86</b>
Share Capital	43.10	43.10
Share Premium	7.48	7.48
Reserve for Exceptional Losses	23.71	22.71
General Reserve	1.99	1.99
Profit&Loss Appropriation	4.30	3.58
<b>D. Balance of Fund &amp; Accounts</b>	<b>11.15</b>	<b>9.56</b>
Reserve for Unexpired Risk	11.15	9.56
<b>E. Liabilities &amp; Provision</b>	<b>126.46</b>	<b>128.04</b>
Premium Deposit	0.63	1.44
Estimated Liability in respect of outstanding Outstanding Claims wheater due or intimated	15.9	15.70
Amount due to other person or bodies carrying on Insurance business	94.09	93.57
Sundry Creditors	15.84	17.33
<b>TOTAL CAPITAL &amp; LIABILITES (C+D+E)</b>	<b>218.19</b>	<b>216.46</b>

Dated:  
04/08/2020

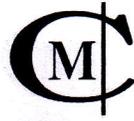
  
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**Un-audited Cash Flow Statement  
for the half year ended 30 June 2020**

	2020 January to June Tk. In Crore	2019 January to June Tk. In Crore
<b>A. Cash flow from Operating Activities</b>	<b>1.55</b>	<b>2.24</b>
Collection of premium & other receipts	15.20	16.64
Tax payment	-	(0.53)
Payments for management expenses reinsurance, claims etc.	(13.65)	(13.87)
<b>B. Cash flow from Investing Activities</b>	<b>2.09</b>	<b>2.42</b>
Acquisition of Fixed Assets	(0.03)	(0.07)
Investment in share		
Interest & other income	2.12	2.49
<b>C. Cash flow from Financing Activities</b>		
Dividend	0.00	0.00
<b>D. Net inflow/(outflow) for the half year (A+B+C)</b>	<b>3.64</b>	<b>4.66</b>
<b>E. Opening cash &amp; bank balance</b>	<b>95.35</b>	<b>93.94</b>
<b>F. Closing cash &amp; bank balance (D+E)</b>	<b>98.99</b>	<b>98.60</b>

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

Collection of Premium	137500000
Add. Re Insurance Commissions	14500000
	<u>152000000</u>
Less Tax Payment	-
	<u>152000000</u>
Less. Management Expenses & Commission	
Reinsurance Premium Ceded	
Claims	136500000
Cash Flow from operating activities	<u>15500000</u>

Dated:  
04/08/2020

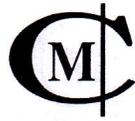
  
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**Un-audited Statement of Changes in Equity  
for the half year ended 30 June 2020**

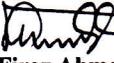
Tk. In Crore

Particulars	Share Capital	Share Premium	Reserve for Exception	General Reserve	Retained Earnings	Total Tk.
Equity as at 01 January 2020	43.10	7.48	22.71	1.99	3.58	78.86
Profit after Tax for the half year	--	--	--	--	1.72	1.72
Reserve for Exceptional Losses	--	--	1.00	--	(1.00)	--
Equity as at 30 June 2020	43.10	7.48	23.71	1.99	4.30	80.58
Equity as at 30 June 2019	43.10	7.48	21.90	1.97	3.40	77.85

Dated:  
04/08/2020

  
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