



Selected Explanatory Notes for the 1st Quarter (Q1) March 31 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. 1st Quarter (Q1) 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 31st March 2020 Company earned Gross Premium 8,01,00,000/- & Net Premium 5,92,00,000/-

4) **Net Assets Value:-** Share holders equities/ No of Share 80,21,00,000.00/4,30,95,360

5) **Earning per Share:-** Net Profit after tax/No of Share 1,43,00,000.00/43095360

6) **Net Operating Cash Flows per Share:-** Net Operating Cash flow/ No Of Share 1,92,00,000.00/43095360

7) **Reserve for Exceptional Losses:-** Reserve for Exceptional losses Calculation method 10% of Net Premium e.i. 5,92,00,000/@10%=59,00,000.00

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 1st Quarter ended 31 March 2020**

	1st Quarter ended	
	2020 Jan. to March (Tk. Crore)	2019 Jan. to March (Tk. Crore)
Gross Premium	8.01	7.58
R / I Premium Ceded	(2.09)	(1.98)
Net Premium	5.92	5.60
R / I Commission	0.81	0.77
Management Exp. & Commission	(2.37)	(2.70)
Net Claims	(3.60)	(1.40)
Underwriting result	0.76	2.27
Interest, dividend & other income	1.18	1.67
Net Profit before Tax	1.94	3.94
Reserve for exceptional losses	0.59	0.56
Provision for income Tax	0.51	1.27
Net Profit after Tax	1.43	2.67
Earning per share (EPS) restated	Tk. 0.33	Tk. 0.62



Md. Nasir Uddin
Director

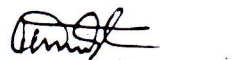


M. Kamal Uddin
Chairman



Dated 27 July 2020
Md. Abdus Salam
Executive Vice President & CFO



Abdur Rahman
Company Secretary


Firoz Ahmed
Chief Executive Officer




Balance Sheet (Un-Audited)
As at 31 March 2020

	2020 Jan. to March (Tk. Crore)	2019 Jan. to Dec.
A. Non current Assets	5.77	5.72
Property, Plants & Equipment	3.16	3.11
Bangladesh Govt. Treasury Bond	2.50	2.50
Deferred Tax Assets	0.11	0.11
B. Current Assets	211.80	210.73
Investment in Shares	7.35	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	97.76	95.35
Advance Income Tax	14.02	13.99
Stock of stationery & stamps	0.09	0.09
TOTAL PROPERTY & ASSETS(A+B)	217.57	216.46
C. Shareholders' Equity & Liabilities	80.29	78.85
Share Capital	43.10	43.10
Share Premium	7.48	7.48
Reserve for Exceptional Losses	23.30	22.71
General Reserve	1.99	1.99
Profit & Loss Appropriation	4.42	3.58
D. Balance of Fund & Accounts	10.15	9.56
Reserve for Unexpired Risk	10.15	9.56
E. Liabilities & Provision	127.13	128.04
Premium Deposit	0.53	1.44
Estimated Liability in respect of outstanding Claims whether due or intimated	15.90	15.70
Amount due to other person or bodies carrying on Insurance business	94.09	94.12
Sundry Creditors	16.61	16.81
TOTAL CAPITAL & LIABILITES (C+D+E)	217.57	216.46

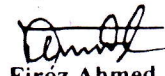

Md. Nasir Uddin
Director


M. Kamal Uddin
Chairman

Dhaka
27 July 2020


Md. Abdus Salam
Executive Vice President & CFO


Abdur Rahman
Company Secretary


Firóz Ahmed
Chief Executive Officer



মার্কাণ্টাইল ইন্স্যুরেন্স কোম্পানী লিঃ
MERCANTILE INSURANCE COMPANY LTD.

Control of Trust & Security


RED CRESCENT BHABAN, 61 MOTIJHEEL C/A (1ST FLOOR), DHAKA-1000, BANGLADESH. TEL: PABX-9557662-5, FAX: 880-24957
E-mail: mercantileins2017@gmail.com, mercantileins@yahoo.com, Web: www.mercantileins.com

**Cash Flow Statement (Un-Audited)
for the 1st Quarter ended 31 March 2020**

	2020 Jan. to March (Tk. Crore)	2019 Jan. to March (Tk. Crore)
A. Cash Flow From Operating Activities		
Collection from premium & others accounts	8.82	8.04
Income Tax paid	(0.03)	(0.50)
Management Expenses, Commission, Re-Insurance & Claims	(6.87)	(5.71)
Net cash flow from operating activities	1.92	1.83
B. Cash Flows From Investing Activities		
Interest Received	1.18	1.67
Acquisition of Fixed Assets	(0.05)	(0.05)
Net cash flow from investing activities	1.13	1.62
D. Net cash flows/(out flows) (A+B+C)	3.05	3.45
E. Opening cash & bank balance including FDR	95.35	93.94
F. Closing cash & bank balance including FDR (D+E)	98.40	97.39

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

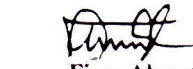
Collection of Premium	80,100,000.00
Add. Re Insurance Commissions	8,100,000.00
	88,200,000.00
Less Tax Payment	300,000.00
	87,900,000.00
Less. Management Expences & Commission	
Reinsurance Premium Ceeded	
Claims	68,700,000.00
Cash Flow from operating activities	19,200,000.00


Md. Nasir Uddin
Director


M. Kamal Uddin
Chairman


Md. Abdus Salam
Executive Vice President & CFO


Abdur Rahman
Company Secretary


Firoz Ahmed
Chief Executive Officer

Dhaka
27 July 2020



মার্কাণ্টাইল ইন্স্যুরেন্স কোম্পানী লিঃ
MERCANTILE INSURANCE COMPANY LTD.

Statement of Profit & Security

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

Statement of changes in equity (Un-Audited)
for the 1st quarter ended 31 March 2020

(TK. CRORE)

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Retained Earnings	Total Tk.
Equity as at 01Jan 2020	43.10	7.48	22.71	1.99	3.58	78.86
Net Profit after Tax	--	--	--	--	1.43	1.43
Transfer to Reserve for Exceptional losses	--	--	0.59	--	(0.59)	--
Equity as at 31 March 2020	43.10	7.48	23.30	1.99	4.42	80.29
Equity as at 01Jan 2019	43.10	7.48	20.80	1.97	4.07	77.42
Net Profit after Tax	--	--	--	--	2.67	2.67
Transfer to Reserve for Exceptional losses	--	--	0.56	--	(0.56)	--
Equity as at 31 March 2019	43.10	7.48	21.36	1.97	6.18	80.09

Dated
27 July 2020

Md. Abdus Salam
Executive Vice President & CFO

Md. Nasir Uddin
Director

Abdur Rahman
Company Secretary

M. Karim Uddin
Chairman

Firoz Ahmed
Chief Executive Officer