

Selected Explanatory Notes for the Second Quarter (Q2) June 30 2021

- 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 2020
- 3) **Gross & Net Premium Earned:-** During the Period ended 30th June 2021 Company earned Gross Premium 18,16,00,000/- & Net Premium 12,54,00,000/-
- 4) **Net Assets Value:-** Share holders equities/ No of Share 85,54,00,000.00/43095360
- 5) **Earning per Share:-** Net Profit after tax/No of Share 3,41,00,000.00/43095360
- 6) **Net Operating Cash Flows per Share:-** Net Operating Cash flow/ No Of Share 3,00,00,000/43095360
- 7) **Reserve for Exceptional Losses:-** Reserve for Exceptional losses Calculation method 10% of Net Premium e.i. 12,54,00,000/@10%=12,540,000.00
- 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 Provison of IAS-12

**Un-audited Income Statement
 for the half year ended 30 June 2021**

	Half year ended		Quarter ended	
	2021 Jan. to June (Tk.in Crore)	2020 Jan. to June (Tk.in Crore)	2021 April. to June (Tk.in Crore)	2020 April. to June (Tk.in Crore)
Gross Premium	18.16	13.75	5.61	5.74
Reinsurance Premium Ceded	(5.62)	(3.71)	(2.24)	(1.62)
Net Premium	12.54	10.04	3.37	4.12
Reinsurance Commission	1.82	1.45	0.44	0.64
Management Exp. Commission & Claims	(5.68)	(5.60)	(1.82)	(3.23)
Net Claims	(5.80)	(5.85)	(1.75)	(2.25)
Underwriting Profit	2.88	0.04	0.24	(0.72)
Interest & other income	1.84	2.12	0.09	0.94
Net Profit before Tax	4.72	2.16	0.33	0.22
Reserve for Exceptional Losses	1.25	1.00	0.33	0.41
Provision for Income Tax	1.31	0.44	0.01	0.07
Net Profit after Tax	3.41	1.72	0.32	0.29
EPS (Restated)	Tk. 0.79	Tk. 0.40	0.07	Tk. 0.07

Dated: 21/08/2021

Md. Abdus Salam
 Asstt. Managing Director & CFO

Abdur Rahman
 DMD & Company
 Secretary

Firoz Ahmed
 Chief Executive Officer

Md. Nasir Uddin
 Director

Abdul Haque
 Chairman



Mercantile Insurance Co. Ltd.
Head Office, Dhaka.

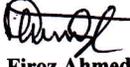
Un-audited Balance Sheet (Statement of financial position)
As at 30 June 2021

	2021 Jan. to June (Tk. Crore)	2020 Jan. to Dec. (Tk. Crore)
A. Non current Assets	5.90	5.40
Property, Plants & Equipment	3.30	2.80
Bangladesh Govt. Treasury Bond	2.50	2.50
Deferred Tax Assets	0.10	0.10
B. Current Assets	222.19	218.65
Investment in Shares	15.17	7.28
Accrued Interest, Dividend & Rent	0.69	0.69
Amount due from other person or bodies carrying on Insurance business	91.57	91.57
Sundry Debtors	0.61	0.61
Cash & Bank Balances with FDR	107.73	112.83
Advance Income Tax	6.42	5.67
TOTAL PROPERTY & ASSETS(A+B)	228.09	224.05
C. Shareholders' Equity & Liabilities	85.54	82.13
Share Capital	43.10	43.10
Share Premium	7.48	7.48
Reserve for Exceptional Losses	26.24	24.99
General Reserve	2.01	2.01
Profit&Loss Appropriation	6.71	4.55
D. Balance of Fund & Accounts	12.65	11.40
Reserve for Unexpired Risk	12.65	11.40
E. Liabilities & Provision	129.90	130.52
Premium Deposit	1.69	3.56
Estimated Liability in respect of outstanding Outstanding Claims wheater due or intimated	14.95	14.00
Amount due to other person or bodies carrying on Insurance business	105.33	105.32
Sundry Creditors	7.93	7.64
TOTAL CAPITAL & LIABILITES (C+D+E)	228.09	224.05

Dated:
21/08/2021


Md. Abdus Salam
Asstt. Managing Director & CFO


Abdur Rahman
DMD & Company
Secretary


Firoz Ahmed
Chief Executive Officer


Md. Nasir Uddin
Director


Abdul Haque
Chairman



**Un-audited Cash Flow Statement
for the half year ended 30 June 2021**

	2021 January to June Tk. In Crore	2020 January to June Tk. In Crore
A. Cash flow from Operating Activities	3.00	1.55
Collection of premium & other receipts	19.98	15.2
Tax payment	(0.75)	-
Payments for management expenses reinsurance, claims etc.	(16.23)	(13.65)
B. Cash flow from Investing Activities	1.24	2.09
Acquisition of Fixed Assets	(0.50)	(0.03)
Investment in share		
Interest & other income	1.74	2.12
C. Cash flow from Financing Activities		
Dividend	0.00	0.00
D. Net inflow/(outflow) for the half year (A+B+C)	4.24	3.64
E. Opening cash & bank balance	112.83	95.35
F. Closing cash & bank balance (D+E)	117.07	98.99

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

Collection of Premium	181,600,000
Add. Re Insurance Commissions	18,200,000
	199,800,000
Less Tax Payment	7,500,000
	192,300,000
Less. Management Expences & Commission	
Reinsurance Premium Ceeded	
Claims	162,300,000
Cash Flow from operating activities	30,000,000

Dated:
21/08/2021


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মার্কেটহিল ইন্স্যুরেন্স কোম্পানী লিঃ
MERCANTILE INSURANCE COMPANY LTD.



Symbol of Trust & Security

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E-mail: mercantileins2017@gmail.com, mercantileins@yahoo.com, Web: www.mercantileins.com

**Un-audited Statement of Changes in Equity
for the half year ended 30 June 2021**

Particulars	Tk. In Crore					
	Share Capital	Share Premium	Reserve for Exception	General Reserve	Retained Earnings	Total Tk.
Equity as at 01 January 2021	43.10	7.48	24.99	2.01	4.55	82.13
Profit after Tax for the half year	--	--	--	--	3.41	3.41
Reserve for Exceptional Losses	--	--	1.25	--	(1.25)	--
Equity as at 30 June 2021	43.10	7.48	26.24	2.01	6.71	85.54
Equity as at 30 June 2020	43.10	7.48	23.71	1.99	4.30	80.58

Dated: 21/08/2021
Md. Abbas Salam
Asstt. Managing Director & CFO

Abdur Rahman
DMD & Company Secretary

Firoz Ahmed
Chief Executive Officer

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Director

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