



মার্কাণ্টাইল ইনস্যুরেন্স 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 2020

1) **Legal status & nature of the Company:** Mercantile Insurance Company Ltd. was incorporated as a Public Limited Company on March 19, 1996 under Companies Act, 1994. The Company provides Non Life Insurance services as per the direction given by IDRA time to time with in the stipulation laid down by insurance Act, 2010.

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

3) **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 2019

4) **Gross & Net Premium Earned:-** During the Period ended 30th September 2020 Company earned Gross Premium 29,38,00,000/- & Net Premium 19,51,00,000/-

5) **Net Assets Value:-**

Total Assets	2,183,900,000.00
Less Liabilities	1,345,800,000.00
	<u>838,100,000.00</u>
Number of Share	43095360
Net Assets Value	19.45

6) **Earning per Share:-** Earning per Share (EPS) calculated in accordance with IAS 33

Net Profit	67,500,000.00
Less Tax	18,000,000.00
Net Profit After Tax	<u>49,500,000.00</u>
Number Of Share	43095360
EPS	1.15

7) **Reserve for Exceptional Losses:-** Reserve for Exceptional losses Calculation method 10% of Net Premium e.i. 19,51,00,000.00 @ 10% = 19,510,000.00

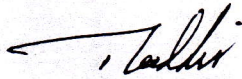
8) **Deffered Tax:-** Deffered tax is provided for all Temporary Differences Comprising between the tax base of assets and liabilities and their Carrying amounts in Financial Statements in accordance with the Provision of IAS-12


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


Collection of Premium	29.38
Add. Re Insurance Commission	2.87
	<u>32.25</u>
Less Tax Payment	0.04
	<u>32.21</u>
Less. Management Expences, Commission, Reinsurance Ceded Premium & Claims	29.84
Cash Flow from operating activities	<u>2.37</u>
Number Of Share	43095360
Net operating cash flow per share (NOCPs)	0.55

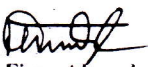
Dhaka  
29th October 2020

  
Md. Abdus Salam  
Executive Vice President & CFO

  
Md. Nasir Uddin  
Director

  
Abdur Rahman  
Company Secretary

  
M. Kamal Uddin  
Chairman

  
Firoz Ahmed  
Chief Executive Officer



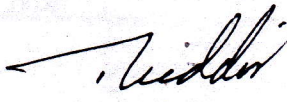
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**Statement of financial position (Un-Audited)**  
**As at 30 September 2020**

	As at 30 Sep, 2020 (Tk. Crore)	As at 31 Dec, 2019 (Tk. Crore)
<b>A. Non current Assets</b>	<b>5.89</b>	<b>5.72</b>
Property, Plants & Equipment	3.28	3.11
Bangladesh Govt. Treasury Bond	2.50	2.50
Deferred Tax Assets	0.11	0.11
<b>B. Current Assets</b>	<b>212.50</b>	<b>210.73</b>
Investment in Shares	6.75	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	97.35	95.35
Advance Income Tax	15.73	13.99
Stock of stationery & stamps	0.09	0.09
<b>TOTAL PROPERTY &amp; ASSETS(A+B)</b>	<b>218.39</b>	<b>216.46</b>
<b>C. Shareholders' Equity &amp; Liabilities</b>	<b>83.81</b>	<b>78.86</b>
Share Capital	43.10	43.10
Share Premium	7.48	7.48
Reserve for Exceptional Losses	24.66	22.71
General Reserve	1.99	1.99
Profit & Loss Appropriation	6.58	3.58
<b>D. Balance of Fund &amp; Accounts</b>	<b>11.31</b>	<b>9.56</b>
Reserve for Unexpired Risk	11.31	9.56
<b>E. Liabilities &amp; Provision</b>	<b>123.27</b>	<b>128.04</b>
Premium Deposit	0.42	1.44
Estimated Liability in respect of outstanding Claims whether due or intimated	16.20	15.70
Amount due to other person or bodies carrying on Insurance business	91.09	94.09
Sundry Creditors	15.56	16.81
<b>TOTAL CAPITAL &amp; LIABILITIES (C+D+E)</b>	<b>218.39</b>	<b>216.46</b>


  
Md. Nasir Uddin  
Director


  
M. Kamal Uddin  
Chairman

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29th October 2020

  
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**Statement of Comprehensive Income (Un-Audited)**  
**for the 3rd Quarter ended 30 September 2020**

	3rd Quarter ended		Quarter ended	
	2020 Jan. to Sep. (Tk. in Crore)	2019 Jan. to Sep. (Tk. in Crore)	2020 July to Sep. (Tk. in Crore)	2019 July to Sep. (Tk. in Crore)
Gross Premium	29.38	22.30	15.63	7.25
R / I Premium Ceded	(9.87)	(8.60)	(6.16)	(4.54)
<b>Net Premium</b>	<b>19.51</b>	<b>13.70</b>	<b>9.47</b>	<b>2.71</b>
R / I Commission	2.87	1.85	1.42	0.26
Management Exp, Agency Commission etc.	(11.76)	(8.20)	(6.16)	(1.89)
Net Claims	(8.21)	(4.75)	(2.36)	(1.05)
<b>Underwriting profit</b>	<b>2.41</b>	<b>2.60</b>	<b>2.37</b>	<b>0.03</b>
Interest & Other Income	4.34	3.00	2.22	0.71
<b>Net Profit before Tax</b>	<b>6.75</b>	<b>5.60</b>	<b>4.59</b>	<b>0.74</b>
Reserve for Exceptional Losses	1.95	1.37	0.95	0.29
Provision for Income Tax	1.80	1.59	1.37	0.18
<b>Net Profit after Tax</b>	<b>4.95</b>	<b>4.01</b>	<b>3.22</b>	<b>0.56</b>
<b>EPS (Restated)</b>	<b>Tk. 1.15</b>	<b>Tk. 0.93</b>	<b>Tk. 0.75</b>	<b>0.13</b>

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**Statement of changes in equity (Un-Audited)**  
**for the 3rd quarter ended 30 September 2020**

(TK. IN CRORE)

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	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 3rd Qrt. Ended	--	--	--	--	4.95	4.95
Reserve for Exceptional Losses	--	--	1.95	--	(1.95)	-
Equity as at 30 September 2020	43.10	7.48	24.66	1.99	6.58	83.81

(TK. IN CRORE)

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

**Cash Flow Statement (Un- Audited)**  
**for the 3rd quarter ended 30 September 2020**

	2020 January to Sep. Tk. In Crore	2019 January to Sep. Tk. In Crore
<b>A. Cash Flow From Operating Activities</b>	<b>2.37</b>	<b>1.72</b>
Collection of premium & other receipts	32.25	24.15
Tax payment	(0.04)	(0.88)
Payments for management expenses reinsurance, claims etc.	(29.84)	(21.55)
<b>B. Cash flow from Investing Activities</b>	<b>4.29</b>	<b>3.38</b>
Acquisition of Fixed Assets	(0.05)	(0.16)
Investment in share	-	-
Interest & Other Income	4.34	3.54
<b>C. Cash flow from Financing Activities</b>	<b>0.00</b>	<b>(3.02)</b>
Dividend	0.00	(3.02)
<b>D. Net inflow/(outflow) for the 3rd Quarter (A+B+C)</b>	<b>6.66</b>	<b>2.08</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>102.01</b>	<b>96.02</b>

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