

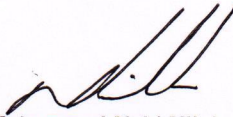


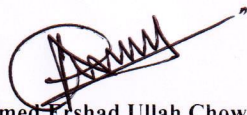
Statement of Financial Position


As at June 30, 2023

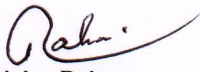
Particulars	Notes	June 30,2023 Taka	December 31,2022 Taka
Shareholders Equity & Liabilities :			
Share Capital		430,953,600	430,953,600
Share Premium		74,814,125	74,814,125
Reserve for exceptional losses		328,358,276	311,082,874
General Reserve		23,600,000	23,100,000
Fair Value of Share		(6,481,798)	(13,125,464)
Profit or Loss Appropriation Account		92,434,767	68,603,192
A. Total Shareholders Equity:		943,678,970	895,428,327
B. Balance of Fund & Accounts		148,718,061	158,306,398
Reserve for unexpired risk		148,718,061	158,306,398
C. Liabilities & Provision		1,398,644,797	1,425,998,838
Premium Deposit		33,542,157	56,473,896
Lease Liability		8,717,448	11,593,454
Estimated liability in respect of outstanding claims whether due or intimated		184,330,913	174,830,913
Amount due to other person or bodies carrying on insurance business		1,022,586,284	1,045,542,432
Sundry Creditors		148,252,345	136,288,142
Unclaimed Dividend Accounts		1,215,650	1,270,001
Total Shareholders Equity & Liabilities :		2,491,041,828	2,479,733,562
Assets:			
D. Non-Current Assets:		87,639,785	89,451,315
Property, Plant & Equipment		40,347,139	42,035,284
Bangladesh Govt. Treasury Bond		35,000,000	35,000,000
Lease Assets (ROU)		8,315,043	11,082,999
Deferred Tax Assets	8.00	3,977,603	1,333,032
E. Current Assets:		2,403,402,043	2,390,282,248
Investment in Shares	13.00	360,529,326	369,604,025
Accrued Interest		4,322,641	8,645,282
Amount due from other persons or bodies carrying on insurance business		705,515,966	725,904,388
Sundry Debtors		33,074,534	30,433,634
Cash and Bank balance		1,185,391,230	1,153,071,912
Advance Income Tax		112,379,988	102,560,067
Stamps in hand		2,188,358	62,940
Total Assets:		2,491,041,828	2,479,733,562
Net Assets Value Per Share (NAVPS)	11.00	21.90	20.78

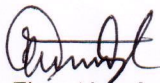
The annexed notes 1 to 15 form an integral part of these financial statements.


Mohammad Nabi Ullah
Director


Aziz Mohammed Ershad Ullah Chowdhury
Vice Chairman


Md. Abdus Salam
Asstt. Managing Director & CFO


Abdur Rahman
DMD & Company Secretary



Firoz Ahmed
Chief Executive Officer

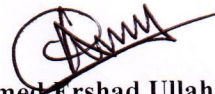



Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
for the half year ended June 30,2023


	Notes	January to June 30 2023 Taka	January to June 30 2022 Taka	April to June 30, 2023 Taka	April to June 30, 2022 Taka
INCOME:					
Gross Premium	4.00	281,323,286	231,500,000	135,354,634	107,500,000
R/I Premium		(108,569,269)	(74,800,000)	(59,851,604)	(41,400,000)
Net Premium	4.00	172,754,017	156,700,000	75,503,030	66,100,000
Re-Insurance commission earned		24,909,045	22,100,000	15,795,370	8,500,000
Income from Investment and other sources.		38,750,749	19,400,000	19,375,375	2,600,000
Total Income		236,413,811	198,200,000	110,673,775	77,200,000
EXPENDITURE:					
Net Claims		73,722,478	61,000,000	31,894,638	26,800,000
Management Expenses and Commission		112,463,523	71,700,000	60,279,572	31,200,000
Total Expenditure		186,186,001	132,700,000	92,174,210	58,000,000
Profit before tax		50,227,809	65,500,000	18,499,564	19,200,000
Reserve for Exceptional Losses		17,275,402	15,670,000	7,550,303	6,600,000
Provision for Income Tax	9.00	11,765,403	18,700,000	3,810,098	4,700,000
Deffered Tax (Income)/Expenses		(2,644,571)	-	(2,094,193)	-
		26,396,234	34,370,000	9,266,208	11,300,000
Retained Earnings		23,831,575	31,130,000	9,233,356	7,900,000
Earning Per Share (EPS)	5.00	0.95	1.09	0.39	0.34

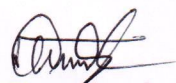
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Mohammad Nabi Ullah
Director


Aziz Mohammed Ershad Ullah Chowdhury
Vice Chairman


Md. Abdus Salam
Asstt. Managing Director & CFO


Abdur Rahman
DMD & Company Secretary

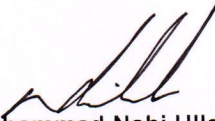

Firoz Ahmed
Chief Ececutive Officer

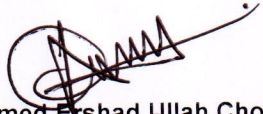



Statement of Changes In Equity (Un-audited)
for the half year ended June 30,2023

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Fair Value of Share	Retained Earnings	Total Taka
Equity as at January 01,2023	430,953,600	74,814,125	311,082,874	23,100,000	(13,125,464)	68,603,192	895,428,327
Cash Dividend	-	-	-	-	-	-	-
Surplus/Addition during the period	-	-	17,275,402	500,000	6,643,666	23,831,575	48,250,643
Equity as at June 30,2023	430,953,600	74,814,125	328,358,276	23,600,000	(6,481,798)	92,434,767	943,678,970
Equity as at June 30,2022	430,953,600	74,814,125	295,200,000	22,100,000	10,826,427	91,300,000	925,194,152

The annexed notes 1 to 15 form an integral part of these financial statements.


Mohammad Nabi Ullah
Director


Aziz Mohammed Ershad Ullah Chowdhury
Vice Chairman


Md. Abdus Salam
Asstt. Managing Director & CFO


Abdur Rahman
DMD & Company Secretary



Firoz Ahmed
Chief Executive Officer





Statement of Cash Flows (Un-audited)
for the half year ended June 30, 2023


Notes	June 30, 2023 Taka	June 30, 2022 Taka
Cash flows from Operating Activities :		
	306,232,331	253,600,000
	(266,255,270)	(206,500,000)
	(9,819,921)	(15,900,000)
A. Cash Generated from Operating Activities	10.00 30,157,140	31,200,000
Cash flows from Investing Activities :		
	(21,281,022)	-
	28,750,749	21,800,000
	(1,519,079)	(13,600,000)
B. Cash Used for Investing Activities	5,950,648	8,200,000
Cash flows from Financing Activities :		
	-	-
	(297,832)	-
	(3,490,638)	-
C. Cash Used for Financing Activities	(3,788,470)	-
D. Increase/(Decrease) in Cash Flows: (A+B+C)	32,319,318	39,400,000
Cash & cash equivalents at the beginning of the period (01-01-2023)	1,153,071,912	1,193,176,855
Cash & cash equivalents at the end of the period (30-06-2023)	1,185,391,230	1,232,576,855
Net Operating Cash Flows Per Share (NOCFPS)	12.00 0.70	0.73

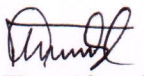
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Mohammad Nabi Ullah
Director


Aziz Mohammed Ershad Ullah Chowdhury
Vice Chairman


Md. Abdus Salam
Asstt. Managing Director & CFO


Abdur Rahman
DMD & Company Secretary


Firoz Ahmed
Chief Executive Officer



Selected Explanatory Notes to the Financial Statements for the Half Year Ended June 30, 2023:

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 Half Yearly Financial Statements have been prepared in accordance with International Accounting Standard (IAS), International Financial Reporting Standards (IFRS), the Companies Act 1994, the Insurance Act 2010, Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

3. Accounting Policies and Method of Computations : Accounting policies and method of computations followed in preparing this yearly Financial Statements are consistent with those used in the Annual Financial Statements, prepared and published for the year ending December 31, 2022.

4. Gross and Net Premium Earned : During the half year ended June 30, 2023 Company earned gross and net premium income tk. 281,323,286 and tk. 172,754,017 as against tk. 231,500,000 and tk. 156,700,000 respectively for the corresponding same period of the previous year.

5. Earning Per Share:

Earning Per Share (EPS) calculated in accordance with "IAS33",

Particulars

Profit Before Tax
Less: Provision for Income Tax
Less: Deffered Tax (Income)/Expenses
Profit After Tax

Number of Shares

Earning Per Share (EPS)

	Amount in Taka	
	30-Jun-23	30-Jun-22
Profit Before Tax	50,227,809	65,500,000
Less: Provision for Income Tax	11,765,403	18,700,000
Less: Deffered Tax (Income)/Expenses	(2,644,571)	-
Profit After Tax	41,106,977	46,800,000
Number of Shares	43,095,360	43,095,360
Earning Per Share (EPS)	0.95	1.09

6. Related Party Transactions:

The Company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per International Accounting Standard (IAS)-24 "Related Party Disclosure". The terms of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transaction are as follows:

			30-Jun-23
Name of the Related Party	Relationship Nature	Nature of Transaction	Amount
Mr. Abdul Haque	Common Director	Insurance	4,022,558
Nurul Azim Sunny	Common Director	Insurance	9,930,254
Mr. Md. Nabiullah	Common Director	Insurance	2,718,301
Total:			16,671,113

7. Disclosure of Key Management Personnel Compensation:

Particulars

Salary
Other Allowance
Total:

30-Jun-23
660,000
840,000
1,500,000

As per the paragraph 17 of IAS 24: "Related party Disclosures" regarding Key management Personnel Managing Director is the Key Management Personnel, his benefit is given below:

a) Short term employee benefits
b) Long term employee benefits
Total:

1,500,000
-
1,500,000



8. Deffered Tax Assets/Income:

Particulars

Carrying Value (As per Accounts)	
Carrying Value (As per Tax Base)	
Temporary Difference	
Effective Tax Rate	
Deffered Tax Assets/Income	
Less: Opening balance of deferred tax (Assets)/Liability	
Deferred Tax Income	

Amount in Taka

30-Jun-23

40,347,140
50,954,080
(10,606,940)
37.5%
(3,977,603)
(1,333,032)
(2,644,571)

9. Computation of Tax Liability:

30-Jun-23

Net Income as per Profit & Loss Account	50,227,809
Less: Reserve for Exceptional Loss (Exempted from Tax as per 4th Schedule Clause # 6(2) of ITO 1984)	17,275,402
Total Income	32,952,408
Less: Other Income	
Interest Income	27,109,749
Interest on Govt. Treasury Bond	1,551,000
Rental Income	90,000
Total Other Income	28,750,749
Income/(Loss) from Insurance Business	4,201,659
Computation of Income Tax:	
i) Tax on Insurance Business Income @ 37.5%	1,575,622
ii) Tax on Other Income @ 37.5%	10,166,156
iii) Tax on Rental Income @ 37.5%	23,625.00
Total Tax Liability for the half year ended June 30, 2023	11,765,403

10. Reconciliation of Net Profit Before Tax to Net Operating Cash Flow:

30-Jun-23

Net Profit Before Tax

50,227,809

Adjustment for Non-Cash Items:

Unexpired Risk Reserve (Net)

9,588,337

Depreciation Expenses

3,207,224

Adjusted Profit

63,023,370

Changes in Working Capital:

(Increase)/decrease of Sundry Debtors & Other Receivables

1,805,126

Increase/(decrease) of Sundry Creditors & Accruals

(11,419,697)

Increase/(decrease) of Outstanding Claim

9,500,000

Increase/(decrease) of Deposit Premium

(22,931,739)

Income Tax Paid

(9,819,921)

Net Cash Generated from Operating Activities

30,157,140