



# FINANCIAL STATEMENTS

ANNUAL FINANCIAL REPORTS AND STATEMENTS

# 2018

2018

# FINANCIAL STATEMENTS AND REPORTS

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## MERCO BANK

- **FANEROMENIS 94, CYPRUS.**
- **Paraguay:** Independencia Nacional Esq., Asuncion,
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## CORRESPONDENTS (AFFILIATES) & ADDRESS:

FINS Insurance LLC  
Pori, Finland.  
[www.finsinsurance.com](http://www.finsinsurance.com)



## MERCO BANK LLC

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**MERCO BANK LLC**

COMPANY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018

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**MANAGING DIRECTOR:**

**Acc. Bahadir Louca G.**

**REGISTERED OFFICE ADDRESS:**

**Faneromenis 94, Cyprus.**

**Paraguay:** Independencia Nacional Esq., Asuncion.

**Hungary:** Lajomizse, Batthyany U. 16, 6050.

**Italy:** Piazza Gae Aulenti, 20124, Milano MI.

**REGISTRATION NUMBER:**

**HE 119597**

**INSURER:**

**FINSURANCE - FINS Insurance LLC**

Pori, Finland.  
[www.finsinsurance.com](http://www.finsinsurance.com)



## MERCO BANK LLC

### REPORT OF THE MANAGING DIRECTOR FOR THE YEAR ENDED DECEMBER 31, 2018

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The Managing Director presents his report with the financial statements of the company for the period through the year ended December 31, 2018.

#### **INCORPORATION**

The company, **Merco Bank LLC** was incorporated on the 5<sup>th</sup> day of April, 2017.

#### **EVENTS SINCE THE END OF THE PERIOD**

Information – all and needful relating to events since the end of the period is clearly outlined in the notes to the financial statements.

#### **DIRECTOR**

**Acc. Bahadir Louca G.** was appointed as the director of management on the 25<sup>th</sup> day of December, 2017 and held office during the whole of the period from then till the period of this publication.

The director, being eligible, offers himself for election at the forthcoming Annual General Meeting.

This report has been fully prepared in accordance with the Companies Law, Cap. 113 Section 15 – 10 of the Republic of Cyprus.

#### **ON BEHALF OF THE BOARD AND MANAGEMENT:**

**Acc. Bahadir Louca G.**

Managing Director,  
Merco Bank LLC

December 25, 2018



**MERCO BANK LLC**

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED DECEMBER **31, 2018**

	<b>Notes</b>	<b>U.S Dollars (USD) x 1,000,000</b>
<b>TURNOVER</b>		-
Operational Expenses		0.5665
<b>GROSS LOSS</b>		0.5665
Administrative Expenses		0.7925
<b>OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	1.359
Tax on Loss on Ordinary Activities	3	-
<b>LOSS FOR THE FINANCIAL PERIOD</b>		1.359



## MERCO BANK LLC

### BALANCE SHEET

FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	U.S Dollars (USD) x 1,000,000	U.S Dollars (USD) x 1,000,000
<b>FIXED ASSETS</b>			
Intangible Assets	4		62.7865
Tangible Assets	5		10.6055
			<u>73.3920</u>
<b>CURRENT ASSETS</b>			
Debtors	6	10.3770	
Cash Reserved		35.8745	
		<u>46.2515</u>	
<b>CREDITORS</b>			
Amounts fall due within one year	7	84.0015	
		<u>84.0015</u>	
<b>NET CURRENT LIABILITIES</b>			<u>74.7500</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1.358</u>



**MERCO BANK LLC**

BALANCE SHEET CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2018

**CAPITAL AND RESERVES**

Called up Share Capital	8	0.001
Profit and Loss Account	9	1.359

**SHAREHOLDER'S FUNDS**


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1.358

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The company is entitled to exemption from audit under Section 376 of the Companies Law for the period through the year ended December 31, 2018.

The members have not required the company to obtain an audit of its financial statements for the period through the year ended December 31, 2018.

The managing director acknowledges his responsibilities for:

- Ensuring that the sole company keeps accounting records which comply with the corresponding sections of the Companies Law and
- Preparing financial statements which give a transparent view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements in the also corresponding sections and which otherwise comply with the requirements of the Companies Law relating to the financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 18 of the Companies Law relating to financial institutions and with the Financial Reporting Standard for big entities.

The financial statements were approved and authorised for issue and publication on December 25, 2018 and was signed and endorsed by:

**Acc. Bahadir Louca G.**

Managing Director,  
Merco Bank LLC





## MERCO BANK LLC

### NOTES TO THE FIN. STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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- **ACCOUNTING POLICIES**

#### **Basis of preparing the financial statements**

The financial statements have been prepared on the ongoing concern basis which assumes that the company will continue business for the foreseeable future

The validity of the assumption is supported by the base fact that during April of the same year as that of this report, the company raised additional capital of 7,609,000 USD through the issue of new share capital.

#### **Accounting convention**

The financial statements have been under the historical cost convention and in full accordance with the Financial Reporting Standard for big entities.

#### **Development Costs**

Costs incurred for the for the development of software platforms and systems are capitalized on the balance sheet space in the intangible fixed assets.

No amortization charge has been made for the period because the asset has not been brought into use as at the 31<sup>st</sup> December 2018.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	25% on cost
Computer equipment	-	33% on cost

#### **Deferred tax**

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date.



## MERCO BANK LLC

### NOTES TO THE FIN. STATEMENTS CONTINUED FOR THE YEAR ENDED DECEMBER 31, 2018

#### Hire purchases and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease period

#### • OPERATING LOSS

The operating loss is stated after charging – crediting:

Depreciation – owned assets	-	1.0005 x 10 <sup>6</sup> USD
Foreign exchange differences	-	165

Director's remuneration and other benefits etcetera.

#### • TAXATION

##### Analysis of the tax charge

No liability to Cyprus corporation tax arose on ordinary activities for the period.

#### • INTANGIBLE FIXED ASSETS

COST	Development Costs – USD x 1,000,000
Additions	62.7865
At December 31, 2018	62.7865
<b>NET BOOK VALUE</b>	
At December 31, 2018	62.7865



## MERCO BANK - TRUSTEES LLC

NOTES TO THE FIN. STATEMENTS CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2018

- TANGIBLE FIXED ASSETS**

<b>COST</b>	<b>Fixtures and fittings – USD</b>	<b>Computer equip. – USD</b>	<b>Development Costs – USD x 1,000,000</b>
Additions	0.997	10.063	11.6060
At December 31, 2018	0.997	10.063	11.6060
<b>DEPRECIATION</b>			
Additions	0.125	0.8755	1.0005
At December 31, 2018	0.125	0.8755	1.0005
<b>NET BOOK VALUE</b>			
At December 31, 2018	0.872	9.7335	10.6055

- DEBTORS: AMOUNTS FALL DUE WITHIN ONE YEAR**

	<b>U.S Dollars (USD) x 1,000,000</b>
VALUE ADDED TAX (VAT)	10.3770



## MERCO BANK LLC

NOTES TO THE FIN. STATEMENTS CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2018

- CREDITORS: AMOUNTS FALL DUE WITHIN ONE YEAR**

	<b>U.S Dollars (USD) x 1,000,000</b>
Social Security and Others	12.8150
Director's Loan Acc.	40.705
Accrued Expenses	30.4815
	84.0015

- CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

<b>Number</b>	<b>Class</b>	<b>Nominal Value (USD) 10<sup>6</sup></b>	<b>U.S Dollars (USD) x 1,000,000</b>
1,000,000	Ordinary	1	1
			1

- RESERVES**

	<b>Profit and Loss Acc. – USD x 1,000,000</b>
Deficit for the period	1.359
At December 31, 2018	1.359



**MERCO BANK LLC**

TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2019

	U.S Dollars (USD) x 1,000,000	U.S Dollars (USD) x 1,000,000
<b>Income</b>		-
<b>Cost of sales</b>		
Direct Costs		0.5400
		<hr/>
<b>GROSS LOSS</b>		0.5400
		<hr/>
<b>Expenditure</b>	0.7805	0.7805
	<hr/>	
<b>Finance costs</b>		
Other charges		0.0385
		<hr/>
<b>NET LOSS</b>		1.359
		<hr/>

- **POST BALANCE SHEET EVENTS** – DURING APRIL 2018, THE COMPANY RAISED ADDITIONAL CAPITAL OF 7,609,000 USD THROUGH THE ISSUE OF NEW SHARE CAPITAL



## MERCO BANK LLC

TARGET REVENUE FOR NEXT YEAR  
FOR THE YEAR ENDED DECEMBER 31, 2018

### TARGET REVENUE FOR YEAR - 2019

	Banking	Investments	MERCO	Real Estate	Affiliate Programs	Total
Value (Million USD)	2.78	1.75	6.55	2.07	2.35	15.50
Value (Percent - %)	17.93	12.29	42.25	13.35	14.18	100

In the board meeting held on the 31<sup>st</sup> day of December 2018, emphasis was laid on the need for more advancement and improvement in our trading sector as it stimulates other sectors simultaneously.

For the year 2019, we have targeted a total of **15.50 Million USD** profit (after tax) with a whopping **17.93%** of this gross total coming from the banking sector alone. For this, things have been put together in the needed places to facilitate this.

**This is our shared value and we hope to deliver the best of our services to our shareholders, unbridled and without compromises.**

### DISCLAIMER

Trading foreign currencies as well as involvement with financial commodities and securities can be a challenging and potentially profitable opportunity for investors. However, before deciding to participate in the Forex market, you should carefully consider your investment objectives, level of experience, and risk appetite. Most importantly, do not invest money you cannot afford to lose.

There is considerable exposure to risk in any foreign exchange transaction. Any transaction involving currencies involves risks including, but not limited to, the potential for changing political and/or economic conditions that may substantially affect the price or liquidity of a currency. Investments in foreign exchange speculation may also be susceptible to sharp rises and falls as the relevant market values fluctuate.



**MERCO TRUSTEES LIMITED**  
Faneromenis 94, Cyprus