



2020 FINANCIAL STATEMENTS

ANNUAL FINANCIAL REPORTS AND STATEMENTS

MERCO BANK[®]

2020

FINANCIAL REPORTS AND STATEMENTS

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MERCO BANK

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CORRESPONDENTS (AFFILIATES) & ADDRESS:

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MERCO BANK LLC

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FOR THE YEAR ENDED DECEMBER 31, 2020

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MERCO BANK LLC

COMPANY DETAILS
FOR THE YEAR ENDED DECEMBER 31, 2020

MANAGING DIRECTOR:**Acc. Kostas Stylianos R.****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



MERCO BANK LLC

FROM THE DIRECTOR'S DESK
FOR THE YEAR ENDED DECEMBER 31, 2020

The Managing Director as it is due, presents his report with the financial statements of the company for the period through the year ended December 31, 2020.

INCORPORATION

The company, **Merco Bank LLC** was incorporated on the 5th 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 detailed in the notes to the financial statements.

DIRECTOR

Acc. Kostas Stylianos R. was appointed as the director of management in place of the previous, on the 20th day of December, 2019 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. Kostas Stylianos R.

Managing Director,
Merco Bank LLC

December 25, 2020



MERCO BANK LLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	U.S Dollars (USD) x 1,000,000.00
TURNOVER		-
Operational Expenses		5.9402
GROSS LOSS		5.9402
Administrative Expenses		2.0496
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	3.8906
Tax on Loss on Ordinary Activities	3	-
LOSS FOR THE FINANCIAL PERIOD		3.8906



MERCO BANK LLC

BALANCE SHEET

FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	U.S Dollars (USD) x 1,000,000.00	U.S Dollars (USD) x 1,000,000.00
FIXED ASSETS			
Intangible Assets	4		110.0195
Tangible Assets	5		28.1410
			<u>138.1605</u>
CURRENT ASSETS			
Debtors	6	70.0505	
Cash Reserved		100.1520	
		<u>107.2025</u>	
CREDITORS			
Amounts fall due within one year	7	72.0005	
		<u>72.0005</u>	
NET CURRENT LIABILITIES			<u>142.0510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3.8905</u>



MERCO BANK LLC

BALANCE SHEET CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2020

CAPITAL AND RESERVES

Called up Share Capital	8	0.0001
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Profit and Loss Account	9	3.8906
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SHAREHOLDER'S FUNDS

		3.8905
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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, 2020.

The members have not required the company to obtain an audit of its financial statements for the period through the year ended December 31, 2020.

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 20, 2020 and was signed and endorsed by:

Acc. Kostas Stylianos R.

Managing Director,
Merco Bank LLC



MERCO BANK LLC

DRAFTS TO THE FIN. STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

- **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 the month of April of the same year as that of this report, the company raised additional capital of **26,077,000 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 large corporations or 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 31st December 2020.

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	-	25.55% on cost
Computer equipment	-	33.55% 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

DRAFTS TO THE FIN. STATEMENTS CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020

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	-	1.0065 x 10⁶ 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 1,000,000.00
Extras	110.0195
At December 31, 2020	110.0195
	<hr/>
NET BOOK VALUE	
At December 31, 2020	110.0195
	<hr/>



MERCO BANK LLC

DRAFTS TO THE FIN. STATEMENTS CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020

- TANGIBLE FIXED ASSETS**

COST	Fixtures and fittings – USD	Computer equip. – USD	Development Costs – USD x 1,000,000.00
Extras	5.7242	23.0273	29.7515
At December 31, 2020	5.7242	23.0273	29.7515
DEPRECIATION			
Extras	0.6055	1.005	1.6105
At December 31, 2020	0.6055	1.005	1.6105
NET BOOK VALUE			
At December 31, 2020	6.3297	21.8113	28.1410

- DEBTORS: AMOUNTS FALL DUE WITHIN ONE YEAR**

	U.S Dollars (USD) x 1,000,000.00
VALUE ADDED TAX (VAT)	70.0505



MERCO BANK LLC

DRAFTS TO THE FIN. STATEMENTS CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020

- CREDITORS: AMOUNTS FALL DUE WITHIN ONE YEAR**

	U.S Dollars (USD) x 1,000,000.00
Social Security and Others	12.584
Director's Loan Acc.	10.9055
Accrued Expenses	48.5110
	<hr/> 72.0005 <hr/>

- CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number	Class	Nominal Value (USD) 10⁶	U.S Dollars (USD) x 1,000,000.00
1,000,000	Ordinary	1	<hr/> 1 <hr/>

- RESERVES**

	Profit and Loss Acc. – USD x 1,000,000.00
Deficit for the period	3.8906
At December 31, 2020	<hr/> 3.8906 <hr/>



MERCO BANK LLC

TRADING – PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2020

	U.S Dollars (USD) x 1,000,000.00	U.S Dollars (USD) x 1,000,000.00
Income		-
Cost of sales		
Direct Costs		1.1176
		<hr/>
GROSS LOSS		1.1176
		<hr/>
Expenditure	1.7550	1.7550
	<hr/>	
Finance costs		
Other incurred charges		1.0180
		<hr/>
NET LOSS		3.8906
		<hr/>

- **POST BALANCE SHEET EVENTS** – DURING APRIL 2020, THE COMPANY RAISED ADDITIONAL CAPITAL OF **26,077,000 USD** THROUGH THE ISSUE OF NEW SHARE CAPITAL



MERCO BANK LLC

TARGET REVENUE FOR THE NEXT YEAR
FOR THE YEAR ENDED DECEMBER 31, 2020

TARGET REVENUE FOR YEAR - 2021

	Banking	Investments	MERCO	Real Estate	Affiliate Programs	Total
Value (Million USD)	7.55	9.33	15.87	5.07	5.18	43.00
Value (Percent - %)	17.55	21.70	36.91	11.80	12.04	100

In the board meeting held on the 31st day of December 2020, emphasis was laid on the need for more advancement and improvement in our trading sector as it stimulates other sectors simultaneously.

For the year 2021, we have targeted a total of **43.00 Million USD** profit (after tax) with a whopping **21.70%** of this gross total coming from the investment 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

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BOUNTIFUL
2021

