

**MERCANTILE BANK LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2013**

	Jan-Sept'13	Jan-Sept'12	July'13-Sept'13	July'12-Sept'12
Interest Income	9,933,328,583	9,215,160,488	3,392,275,108	3,220,290,560
Less: Interest Paid on Deposits, Borrowings etc.	8,939,425,204	8,365,313,793	2,974,556,788	3,118,450,207
Net Interest Income	<b>993,903,379</b>	<b>849,846,695</b>	<b>417,718,320</b>	<b>101,840,353</b>
Investment Income	2,520,909,321	1,473,297,535	861,662,079	330,034,514
Commission, Exchange and Brokerage	1,106,432,978	1,093,912,164	516,132,421	379,922,078
Other Operating Income	625,548,209	1,346,301,222	88,489,396	747,460,357
	<b>4,252,890,508</b>	<b>3,913,510,921</b>	<b>1,466,283,896</b>	<b>1,457,416,949</b>
Total Operating Income	<b>5,246,793,887</b>	<b>4,763,357,616</b>	<b>1,884,002,216</b>	<b>1,559,257,302</b>
Salaries and Allowances	1,007,413,660	906,435,484	390,488,897	334,992,317
Chief Executive's Salary and Fees	8,504,839	4,545,000	2,707,020	259,853
Directors' Fees	2,794,750	2,237,750	1,276,750	472,500
Rent, Taxes, Insurances, Electricity etc.	328,756,826	250,548,377	110,584,035	90,727,696
Legal Expenses	10,861,841	11,700,714	5,167,981	9,185,409
Postage, Stamps, Telecommunication etc.	42,525,446	38,961,296	12,939,767	12,221,653
Stationery, Printings, Advertisements etc.	123,564,422	124,223,881	20,938,418	24,485,654
Auditors' Fees	345,000	-	345,000	-
Depreciation and Repair of Fixed Assets	138,557,461	124,431,375	33,069,244	32,362,735
Other Expenses	599,774,804	587,239,040	183,647,088	298,124,323
Total Operating Expenses	<b>2,263,099,049</b>	<b>2,050,322,917</b>	<b>761,164,200</b>	<b>802,832,140</b>
Profit before Provision	<b>2,983,694,838</b>	<b>2,713,034,699</b>	<b>1,122,838,016</b>	<b>756,425,162</b>
Provision against Classified Loans	1,216,085,000	572,500,000	216,185,000	274,400,000
Provision against Un Classified Loans	11,600,000	122,000,000	11,600,000	19,000,000
Other Provision	55,000,000	138,501,000	23,000,000	-
Total Provision	<b>1,282,685,000</b>	<b>833,001,000</b>	<b>250,785,000</b>	<b>293,400,000</b>
Total Profit before Taxes	<b>1,701,009,838</b>	<b>1,880,033,699</b>	<b>872,053,016</b>	<b>463,025,162</b>
Provision for Taxation	904,155,198	834,255,840	303,078,001	116,713,934
Net Profit after Taxation	<b>796,854,640</b>	<b>1,045,777,859</b>	<b>568,975,015</b>	<b>346,311,228</b>
Retained Surplus brought forward from previous period	28,961,122	52,142,062	92,937,190	16,550,457
	<b>825,815,762</b>	<b>1,097,919,921</b>	<b>661,912,205</b>	<b>362,861,685</b>
Appropriations				
Statutory Reserve	326,662,649	375,007,919	167,226,157	234,096,800
Non Controlling Share of Profit	6,775,621	1,778,472	2,308,556	1,836,042
Retained Surplus	492,377,492	721,133,530	492,377,492	126,928,843
	<b>825,815,762</b>	<b>1,097,919,921</b>	<b>661,912,205</b>	<b>362,861,685</b>
Earning Per Share* (EPS)	1.21	1.58	0.86	0.52

\*Earnings Per Share (EPS) has been calculated using weighted average number of shares outstanding at the reporting date and previous period figures have been restated accordingly as per BAS-33.

Additional Managing Director & CFO

Managing Director & CEO