

Mercantile Bank Limited and its Subsidiaries
Un-audited Consolidated Balance Sheet
As at 30 June 2016

	Amount in BDT	
	Jun-16	Dec-15
Property and Assets		
Cash	13,476,228,314	13,226,236,073
Cash in hand (Including foreign currencies)	2,015,816,628	1,398,277,602
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	11,460,411,686	11,827,958,471
Balance with other banks and financial institutions	5,095,604,369	4,099,692,248
In Bangladesh	3,372,608,232	3,816,461,041
Outside Bangladesh	1,722,996,137	283,231,207
Money at call and short notice	.	800,000,000
Investments	30,093,513,120	34,059,461,147
Government	23,995,748,377	28,817,526,390
Others	6,097,764,743	5,241,934,757
Loans and Advances	135,160,064,414	126,624,048,642
Loans, Cash Credit, Overdraft etc.	123,303,161,337	117,965,234,987
Bills Purchased and Discounted	11,856,903,077	8,658,813,655
Fixed assets including premises, furniture and fixtures	3,305,050,828	3,348,176,820
Other assets	1,745,832,679	1,623,585,687
Non-banking assets	.	.
Total property and assets	188,876,293,723	183,781,200,617
Liabilities and Capital		
Liabilities		
Borrowings from other banks, financial institutions and agents	1,836,353,154	552,848,144
Deposits and other accounts	151,635,880,556	147,708,732,715
Current Accounts and Other Accounts	32,989,545,361	30,452,897,558
Bills Payable	2,957,199,338	1,634,654,462
Savings Bank Deposits	14,718,111,143	12,739,771,915
Fixed Deposits	37,659,638,363	42,028,786,930
Deposits Under Schemes	63,311,386,352	60,852,621,850
Subordinated bond	3,000,000,000	3,000,000,000
Other liabilities	16,874,777,048	16,951,728,792
Total Liabilities	173,347,010,759	168,213,309,651
Capital/Shareholders' Equity	15,476,225,005	15,515,249,055
Paid-up Capital	7,391,567,010	7,391,567,010
Statutory Reserve	5,137,073,991	4,751,781,375
Other Reserve	2,339,296,313	2,477,869,048
Surplus in Profit & Loss Account	608,287,692	894,031,622
Non Controlling Interest	53,057,959	52,641,911
Total Shareholders' Equity	15,529,282,964	15,567,890,966
Total Liabilities & Shareholders' Equity	188,876,293,723	183,781,200,617

Consolidated Balance Sheet
As at 30 June 2016

	Amount in BDT	
	Jun-16	Dec-15
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances and endorsements	27,169,229,655	22,710,709,305
Letters of guarantee	8,041,648,327	7,682,114,027
Irrevocable Letters of Credit	23,202,576,125	22,480,501,454
Bills for collection	10,351,064,905	8,771,335,282
Other contingent liabilities(BLW)	2,388,866,241	2,391,993,594
	<u>71,153,385,253</u>	<u>64,036,653,662</u>
Other Commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	<u>-</u>	<u>-</u>
Total Off-Balance Sheet Items including contingent liabilities	<u>71,153,385,253</u>	<u>64,036,653,662</u>


Company Secretary


Additional Managing Director and CFO


Managing Director and CEO


Director


Chairman

Mercantile Bank Limited and its Subsidiaries
Consolidated Profit & Loss Account
For the half year ended 30 June 2016

	Amount in BDT	
	Jun-16	Jun-15
Interest Income	6,748,880,489	6,942,678,122
Less: Interest Paid on Deposits, Borrowings etc.	5,394,956,817	5,861,230,988
Net Interest Income	1,353,923,672	1,081,447,134
Investment Income	1,509,022,826	1,335,830,138
Commission, Exchange and Brokerage	924,516,885	786,179,182
Other Operating Income	1,324,650,397	542,757,518
	3,758,190,108	2,664,766,838
Total Operating Income	5,112,113,780	3,746,213,972
Salaries and Allowances	1,187,722,229	773,219,091
Chief Executive's Salary and Fees	5,980,645	5,390,323
Directors' Fees	3,162,740	2,135,185
Rent, Taxes, Insurances, Electricity etc.	301,225,331	258,790,563
Legal Expenses	4,759,064	1,567,152
Postage, Stamps, Telecommunication etc.	31,762,553	31,561,980
Stationery, Printings, Advertisements etc.	113,587,803	114,274,511
Auditors' Fees	115,000	648,500
Depreciation and Repair to Bank's property	185,249,646	137,207,625
Other Expenses	1,198,640,601	415,147,557
	3,032,205,612	1,739,942,487
Total Operating Expenses	3,032,205,612	1,739,942,487
Profit(loss) before provision	2,079,908,168	2,006,271,485
Provision for loans and advances including off Balance Sheet Items	115,630,089	1,184,499,507
Provision for diminution in value of investments in shares	-	-
Other Provision	33,000,000	-
	148,630,089	1,184,499,507
Total Provision	148,630,089	1,184,499,507
Total Profit before taxes	1,931,278,079	821,771,978
Provision for Current Tax	950,000,000	450,000,000
Provision for Deferred Tax	-	-
	950,000,000	450,000,000
Net Profit after Taxation	981,278,079	371,771,978
Retained Surplus brought forward from previous year	15,360,188	22,490,312
Profit available for appropriation	996,638,267	394,262,290
Appropriation		
Statutory Reserve	385,292,616	158,033,948
Non Controlling Interest in Profit	3,057,959	5,480,893
Retained Surplus	608,287,692	230,747,449
	996,638,267	394,262,290
Consolidated Earnings Per Share (EPS)	1.33	0.50


 Company Secretary


 Additional Managing Director and CFO


 Managing Director and CEO


 Director


 Chairman

Mercantile Bank Limited and its Subsidiaries
Consolidated Profit & Loss Account
For the half year ended 30 June 2016

	Amount in BDT			
	Jan - Jun'16	Jan - Jun'15	Apr - Jun'16	Apr - Jun'15
Interest Income	6,748,880,489	6,942,678,122	3,445,170,879	3,500,511,823
Less: Interest Paid on Deposits, Borrowings etc.	5,394,956,817	5,861,230,988	2,619,923,414	2,840,422,978
Net Interest Income	1,353,923,672	1,081,447,134	825,247,465	660,088,845
Investment Income	1,509,022,826	1,335,830,138	769,158,817	615,920,807
Commission, Exchange and Brokerage	924,516,885	786,179,182	477,913,230	447,396,483
Other Operating Income	1,324,650,397	542,757,518	557,004,144	311,166,630
	3,758,190,108	2,664,766,838	1,804,076,191	1,374,483,920
Total Operating Income	5,112,113,780	3,746,213,972	2,629,323,656	2,034,572,765
Salaries and Allowances	1,187,722,229	773,219,091	720,729,950	399,199,206
Chief Executive's Salary and Fees	5,980,645	5,390,323	3,000,000	2,150,000
Directors' Fees	3,162,740	2,135,185	1,626,250	902,910
Rent, Taxes, Insurances, Electricity etc.	301,225,331	258,790,563	160,136,428	146,133,896
Legal Expenses	4,759,064	1,567,152	1,352,712	612,106
Postage, Stamps, Telecommunication etc.	31,762,553	31,561,980	15,796,307	15,440,123
Stationery, Printings, Advertisements etc.	113,587,803	114,274,511	39,243,184	53,576,773
Auditors' Fees	115,000	648,500	115,000	625,500
Depreciation and Repair to Bank's property	185,249,646	137,207,625	95,145,158	100,130,826
Other Expenses	1,198,640,601	415,147,557	759,936,082	214,816,480
Total Operating Expenses	3,032,205,612	1,739,942,487	1,797,081,071	933,587,820
Profit/(loss) before provision	2,079,908,168	2,006,271,485	832,242,585	1,100,984,945
Provision for loans and advances including off Balance Sheet items	115,630,089	1,184,499,507	(385,919,827)	410,899,507
Provision for diminution in value of investments in shares	-	-	-	-
Other Provision	33,000,000	-	25,000,000	-
Total Provision	148,630,089	1,184,499,507	(360,919,827)	410,899,507
Total Profit before taxes	1,931,278,079	821,771,978	1,193,162,412	690,085,438
Provision for Current Tax	950,000,000	450,000,000	650,000,000	350,000,000
Provision for Deferred Tax	-	-	-	-
	950,000,000	450,000,000	650,000,000	350,000,000
Net Profit after Taxation	981,278,079	371,771,978	543,162,412	340,085,438
Retained Surplus brought forward from previous year	15,360,188	22,490,312	(882,326,607)	(741,942,008)
Profit available for appropriation	996,638,267	394,262,290	(339,164,195)	(401,856,570)
Appropriation				
Statutory Reserve	385,292,616	158,033,948	239,380,666	134,761,182
Non Controlling Interest in Profit	3,057,959	5,480,893	(274,494)	1,362,729
Retained Surplus	608,287,692	230,747,449	(578,270,367)	(537,980,481)
	996,638,267	394,262,290	(339,164,195)	(401,856,570)
Consolidated Earnings Per Share (EPS)	1.33	0.50	0.73	0.46


 Company Secretary


 Additional Managing Director and CFO


 Managing Director and CEO


 Director


 Chairman

Mercantile Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the half year ended 30 June 2016

	Amount in BDT	
	Jun-16	Jun-15
A) Cash flows from operating activities	2,266,197,542	562,289,305
Interest received	7,415,339,234	5,949,951,917
Interest paid	(3,647,996,611)	(3,925,335,197)
Fees and commission received	473,135,391	430,099,149
Payment to the employees	(1,187,722,229)	(773,219,091)
Payment to suppliers	(113,587,803)	(58,728,672)
Income tax paid	(672,970,439)	(1,060,478,801)
Received from other operating activities	1,778,000,492	1,312,190,329
Exchange gain	451,381,495	356,080,033
Other operating income	1,326,618,997	956,110,296
Payment for other operating activities	(1,586,365,336)	(737,021,710)
Rent, taxes, insurances and electricity	(301,225,331)	(258,790,563)
Legal expenses	(4,759,064)	(1,567,152)
Postage, stamps and telecommunication	(31,762,553)	(31,561,980)
Auditors' fees	(115,000)	(648,500)
Repair and maintenance	(40,719,402)	(21,830,349)
Chief Executive's salary and fees	(5,980,645)	(5,390,323)
Directors' fees	(3,162,740)	(2,135,185)
Other expenses	(1,198,640,601)	(415,097,658)
Operating cash flows before changes in operating assets & liabilities	2,457,832,698	1,137,457,924
(Increase)/ decrease in operating assets and liabilities	(3,714,237,759)	(4,392,941,823)
Trading securities (Treasury Bills & Bonds)	4,821,778,013	1,851,442,537
Loans and advances to other banks	-	-
Loans and advances to customer	(8,536,015,772)	(6,244,384,360)
Other assets (Item-wise)	(122,246,992)	(498,929,120)
Advance deposits	(277,370)	1,074,309
Stock of stationery	7,102,060	(13,361,162)
Suspense account (Note 9.1)	(121,959,755)	(102,299,782)
Demand Draft paid without advice	(194,500)	1,036,076
Stamps in hand	61,487	(299,174)
Advance rent	47,423,031	(116,819,004)
Adjusting account debit (Note 9.2)	76,226,894	(268,584,953)
Premium on bonds	4,703,843	-
Clearing adjustment account	(500,168)	767,861
Mercantile Exchange House (UK) Limited.	(1,321,055)	(443,291)
Mercantile Bank OBU Unit	162,264,492	-
Mercantile Bank general account	(295,775,952)	-
	3,796,898,543	8,627,096,457
Deposit from other banks	1,283,505,010	(2,948,484,748)
Deposit from customers	3,927,147,841	10,524,583,182
Other liabilities on account of customers	-	-
Other liabilities	(1,413,754,309)	1,050,998,023
Net cash flows from operating activities	2,418,246,489	4,872,683,438

Consolidated Cash Flow Statement
For the half year ended 30 June 2016

	Amount in BDT	
	Jun-16	Jun-15
B) Cash flows from investing activities		
Brokerage House customer account	-	-
Dividend received	51,880,151	16,746,371
(Purchase)/ sale of property, plant and equipment	(101,404,252)	(86,800,389)
(Purchase)/sale of shares	8,170,014	6,823,090
(Purchase)/sale of bond/CP	(864,000,000)	(1,214,000,000)
Other investment (Treasury bills & Bonds)	800,000,000	-
Net cash flows from investing activities	(105,354,087)	(1,277,230,928)
C) Cash flows from financing activities		
Receipts from issue of loan capital and debt Securities	-	-
Paid for repayment of loan and debt securities	-	-
Paid for Interest on Subordinated bond	(180,000,000)	(180,000,000)
Received by issue of right share	-	-
Dividend paid	(886,988,041)	(739,491,268)
Net cash flows from financing activities	(1,066,988,041)	(919,491,268)
Net increase/(decrease) in cash & cash equivalent (A+B+C)	1,245,904,362	2,675,961,242
Cash and cash equivalent at beginning of the year	17,325,928,321	13,648,834,658
Cash and cash equivalent at the end of the year	<u>18,571,832,683</u>	<u>16,324,795,900</u>


Company Secretary


Managing Director and CEO



Additional Managing Director and CFO


Director


Chairman

Mercantile Bank Limited and its Subsidiaries
 Consolidated Statement of Changes in Equity
 For the half year ended 30 June 2016

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve				Net Balance of Other Reserve	Surplus	Total	Non Controlling Interest	Total
			Dividend Equalization Fund	Adjustment for Approved Securities	Revaluation Surplus for Fixed Assets	Profit/(loss)					
						F=(C+D+E)		H=(A+B+F+G)			
A	B	C	D	E	F=(C+D+E)	G	H=(A+B+F+G)	I	J=(H+I)		
Balance as at 01 January 2016	7,391,567,010	4,751,781,375	45,680,250	1,788,576,843	643,611,955	2,477,869,048	894,031,622	15,515,249,055	52,641,911	15,567,890,966	
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	
Transfer from Intt. Suspense A/C	-	-	-	-	-	-	2,769,000	2,769,000	-	2,769,000	
Statutory reserve	-	385,292,616	-	-	-	-	(385,292,616)	-	-	-	
Market adjustment of approved securities (HTM)	-	-	-	(138,572,735)	-	(138,572,735)	-	(138,572,735)	-	(138,572,735)	
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-	
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-	-	
Currency transaction difference	-	-	-	-	-	-	2,489,648	2,489,648	-	2,489,648	
Net gains and losses not recognised in Income Statement	-	-	-	-	-	-	-	-	-	-	
Net profit for the year after taxation	-	-	-	-	-	-	981,278,079	981,278,079	416,048	981,694,127	
Transfer	-	-	-	-	-	-	-	-	-	-	
Issuance of bonus shares	-	-	-	-	-	-	-	-	-	-	
Bonus share premium	-	-	-	-	-	-	-	-	-	-	
Cash dividend	-	-	-	-	-	-	(886,988,041)	(886,988,041)	-	(886,988,041)	
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	
Non controlling share capital/profit	-	-	-	-	-	-	-	-	-	-	
Issue of right share	-	-	-	-	-	-	-	-	-	-	
Balance as at 30 June 2016	7,391,567,010	5,137,073,991	45,680,250	1,650,004,108	643,611,955	2,339,296,313	608,287,692	15,476,225,005	53,057,959	15,529,282,964	
Balance as at 31 December 2015	7,391,567,010	4,751,781,375	45,680,250	1,788,576,843	643,611,955	2,477,869,048	894,031,622	15,515,249,055	52,641,911	15,567,890,966	


 Company Secretary


 Director


 Managing Director and CEO


 Additional Managing Director and CFO


 Chairman

Mercantile Bank Limited
Un-audited Balance Sheet
As at 30 June 2016

	Amount in BDT	
	Jun-16	Dec-15
Property and Assets		
Cash	13,475,505,146	13,225,470,762
Cash in hand (Including foreign currencies)	2,015,093,460	1,397,512,291
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	11,460,411,686	11,827,958,471
Balance with other banks and financial institutions	4,937,939,875	3,822,760,252
In Bangladesh	3,216,549,999	3,551,643,870
Outside Bangladesh	1,721,389,876	271,116,382
Money at call and short notice	-	800,000,000
Investments	29,863,513,227	33,829,461,266
Government	23,995,748,377	28,817,526,390
Others	5,867,764,849	5,011,934,876
Loans and Advances	134,909,209,506	126,338,834,275
Loans, Cash Credit, Overdraft etc.	123,052,306,429	117,680,020,620
Bills Purchased and Discounted	11,856,903,077	8,658,813,655
Fixed assets including premises, furniture and fixtures	3,283,083,425	3,325,794,196
Other assets	1,564,814,588	1,457,844,919
Non-banking assets	-	-
Total Property and Assets	188,034,065,767	182,800,165,670
Liabilities and Capital		
Liabilities		
Borrowings from other banks, financial institutions and agents	1,836,353,154	552,848,144
Deposits and other accounts	151,927,392,618	147,816,283,651
Current accounts and other accounts	33,281,057,422	30,560,448,494
Bills payable	2,957,199,338	1,634,654,462
Savings bank deposits	14,718,111,143	12,739,771,915
Fixed deposits	37,659,638,363	42,028,786,930
Deposit under schemes	63,311,386,352	60,852,621,850
Subordinated bond	3,000,000,000	3,000,000,000
Other Liabilities	15,802,922,097	15,917,307,280
Total Liabilities	172,566,667,869	167,286,439,075
Capital/shareholders' equity		
Paid-up capital	7,391,567,010	7,391,567,010
Statutory reserve	5,137,073,991	4,751,781,375
Other reserve	2,339,296,313	2,477,869,048
Surplus in profit & loss account	599,460,584	892,509,162
Total shareholders' equity	15,467,397,898	15,513,726,595
Total Liabilities & Shareholders' Equity	188,034,065,767	182,800,165,670

As at 30 June 2016

	Amount in BDT	
	Jun-16	Dec-15
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances and endorsements	27,169,229,655	22,710,709,305
Letters of guarantee	8,041,648,327	7,682,114,027
Irrevocable letters of credit	23,202,576,125	22,480,501,454
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Other contingent liabilities(BLW)	2,388,866,241	2,391,993,594
	<u>71,153,385,253</u>	<u>64,036,653,662</u>
Other Commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	<u>-</u>	<u>-</u>
Total Off-Balance Sheet items including contingent liabilities	<u><u>71,153,385,253</u></u>	<u><u>64,036,653,662</u></u>


Company Secretary


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