



Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) or Sustainable Responsible Business is a form of corporate self-regulation integrated into a business model. Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure their adherence to law, ethical standards and national or international norms. Business would embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stockholders and all other members of the public sphere. It is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources. However it is not charity but it is a core business strategy of an organization.

Today Corporate Social Responsibility is becoming an increasingly important activity to businesses nationally and internationally. CSR is the way in which an organization strikes a balance between economic, social and environmental imperatives on the one hand and the expectations and welfare of the shareholders on the other. This implies that Social responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and environment, through transparent and ethical behavior that is consistent with sustainable development and the welfare of the society.



In Mercantile Bank, we believe that financial sustainability goes hand in hand with the development of the communities and environment in which we operate. Our CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. We believe that investing in today is building for tomorrow. MBL Family always tries to be a responsible partner of our customers, shareholders employees, communities, and other stakeholders attaching highest priority to ethical conduct and integrity. This includes monetary donations and aid given to nonprofit organizations and communities. Donations are made in areas such as the arts, education, housing, health, social welfare and the environment, among others, but excluding political contributions and commercial event sponsorship.

Mercantile Bank Foundation

Bank's CSR activities are planned and implemented as business strategies after considering what we should do and how we should do it as a Foundation. Our CSR activities assist to solve societal issues and contribute to both economically and socially. Mercantile Bank Foundation (MBF) believes that our responsibility extends beyond our core business to the society in which we operate. Actually, MBF has been promoting a dialogue between the Bank and its community people. Core focus of the Foundation is to work for the distressed and disabled people around the country throughout its course of compassionate operation. Mercantile Bank Foundation are committed to helping exponentially more people improve their lives by having access to core services like education and healthcare, because we believe that accessible and affordable core services is foundational to breaking the cycle of poverty. In order to achieve this goal, MBL is a strong and dynamic organization which follows an adaptive approach through effective program and service.

Corporate Social Responsibility (CSR)-continued

Objectives of Mercantile Bank Foundation

Mercantile Bank Foundation has been formed with the aim of achieving some underlying objectives including:

- To take possible initiatives in increasing social wellbeing and poverty alleviation.
- To support the education by establishing new educational institutions, providing stipends/scholarship to the poor but brilliant students.
- To provide awards to the Scholars in different significant arenas for their outstanding contribution, as they uphold nation's pride brightly even across the geographical boundaries. These arenas are:
 - » Bengali Language and Literature
 - » Education
 - » Culture
 - » Liberation War based Research
 - » Economics and Economics related Research
 - » Healthcare
 - » Science and Technology
 - » Industry and Commerce
 - » Journalism
 - » Agriculture based Research and Development
 - » Sports
- to assist research activities on Bengali Literature through Bangla Academy
- to assist the unemployed young to make them self sufficient
- to assist the rootless and distressed orphans and mentally retarded children through taking appropriate steps for their mental perfection and self-support
- to support in establishing hospitals, clinics, etc. for improvement of the health sector, to donate one time financial endowment to poor artists, literature-patron, for ailing fatal disease-affected poor patients, to support poor fathers for arranging their daughter's marriage and to support writers and publishers through purchasing their books.

Mercantile Bank Foundation has been working constantly since 2000 just after a year of its inception as a responsible corporate citizen. MBL's social responsibilities are overseen by the Mercantile Bank Foundation. MBL contributes 1% of its Operating Profit or BDT 4.00 million, which one is maximum, to the Mercantile Bank Foundation every year, and from this amount, the Foundation cares the distressed and disabled people of the country. MBF has relentlessly pursued a range of activities with the sole purpose of benefitting its target people.

CSR Activities in MBL

Social responsibility is an ethical framework and suggests that an entity, be it an organization or individual, has an obligation to act for the benefit of society at large. It is a duty for every individual has to perform so as to maintain a balance between the economy and the ecosystems. In Bangladesh, as one of the key stakeholders, Mercantile Bank can play a vital role in development and response to the society through its regular practice. Our sustainability strategy is connected to our vision, would make finest corporate citizen. We leverage on the connections and relationships we have formed in order to win hearts and achieve prosperity for all. Guided by our Core Values of Teamwork, Integrity, Growth, Excellence and Efficiency, and Relationship Building, our place should be at the heart of the communities we serve. MBL's Corporate Responsibility initiatives are firmly based on the three key pillars of our Society, Economy, and Environment.

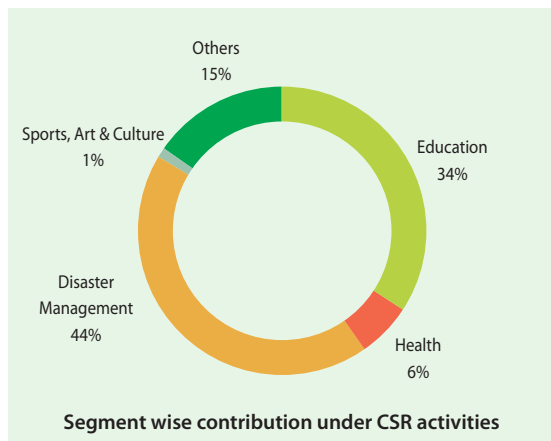


Corporate social responsibility (CSR) is a broad term used to describe a company's efforts to improve society in some way. For Mercantile Bank, CSR is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources. However it is not charity but it is a core business strategy of an organization. Always we presume to contribute to the community through different projects, but our main focus is to help millions of underprivileged children and poor people in Bangladesh. Bank promotes CSR activities, apart from its own fund, through Mercantile Bank Foundation, which acts as a helping hand to the distressed people of the country. Investment in CSR programs is always supported and encouraged by the Board of Directors. The funding policy has focused on five major areas: Community outreach, Health & Medical research, Education Arts & Culture and development of Sports.

Segment wise contribution under CSR activities of Mercantile Bank in 2017 is furnished below: (BDT in Million)

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Segments	Jan-Jun	Jul-Dec	Total	In %
	2017	2017		
Education	30.54	33.16	63.70	34
Health	9.12	2.32	11.44	6
Disaster Management	14.10	66.81	80.91	44
Sports, Art & Culture	0.00	2.60	2.60	1
Others	10.64	16.96	27.60	15
Total	64.40	121.85	186.25	100



Mercantile Bank Award-2017

Mercantile Bank Foundation always tries to continue broadening the scope of its impact through its pioneering social programmes. It is continuously exploring methods of extending the reach and effectiveness of its activities in order to fulfill its long term vision. From foundation, MBL each year on its founding anniversary award some noted intellectual personalities of the society for their outstanding performance in their respective fields.

In continuation, during 2017, the Foundation of the Bank provides awards to 11 (eleven) Scholars for their outstanding contribution in different areas under the heading "Mercantile Bank Award-2017". The Award includes a Gold Medal (2 Vori), a Crest and one time financial endowment worth BDT 1.00 lac. Hon'ble

Commerce Minister of People's Republic of Bangladesh, Mr. Tofail Ahmed, M.P was the Chief Guest of the program. Mr. Fazle Kabir, Governor Bangladesh Bank was present as special guest and Shahidul Ahsan, Ex-Chairman of the Bank presided over the program. The Scholars who have been honored with Mercantile Bank Award-2017 are as under:

Arenas	Scholars Rewarded
Freedom Fighter and Liberation war based research	Mofidul Hoque
Bengali Language and Literature	Kobi Asad Chowdhury
Culture	Chhayanaut
Education	Dr. Syed Anwar Husain
Healthcare	Dr. Samanta Lal Sen
Journalism	Iqbal Sobhan Chowdhury
Economics and Economics based Research	Dr. Debapriya Bhattacharya
Commerce and Industry	Salahuddin Alamgir (CIP)
Science and Technology	Bangladesh Atomic Energy Commission
Social Development	Shuchona Foundation
Sports	Kolshindur Village (Football)

Education Scholarship Program

As a part of Mercantile Bank's CSR activities Education Scholarship Program began its journey from 2011. Education Scholarship program is an explicit expression of MBL's motive towards building the nation through extending hands of assistance to the future generation of the country. In this circumstance, Mercantile Bank Foundation launched a Scholarship program in the name and style, "**Mercantile Bank Abdul Jalil Education Scholarship**" for the meritorious and poor students across the country under the category of J.S.C, S.S.C and H.S.C.



Awardees of Mercantile Bank Award-2017

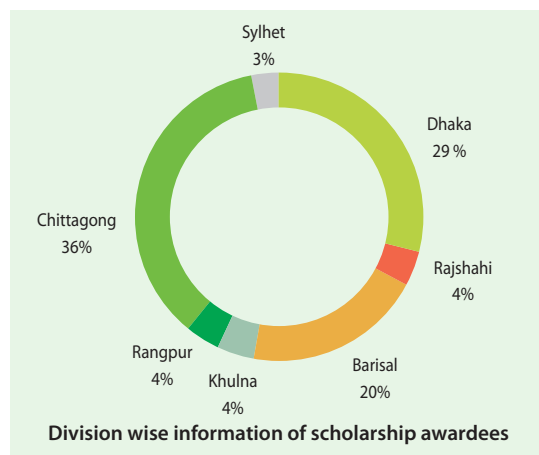
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In this year, Mercantile Bank Foundation is proud to have another year of success of its Education Scholarship Program. In 2017, MBL provided scholarships among the students who have successfully passed (with minimum CGPA of 4.50) J.S.C, S.S.C and H.S.C to continue their further studies. Through this program, we engage to build self-respect and capabilities to make career, educational and life-changing journey. The details information of the education scholarship program is as under:

Category	Monthly Scholarship (BDT)	No. of Beneficiary	Tenure
J.S.C	1,000.00	597	1 Year
S.S.C	1,250.00	295	1 Year
H.S.C	1,750.00	210	1 Year

Division wise information of scholarship awardees

Division	Numbers of Students			
	J.S.C	S.S.C	H.S.C	Total
Dhaka	186	74	57	317
Chittagong	251	96	45	392
Rajshahi	9	17	20	46
Khulna	17	9	19	45
Sylhet	10	7	16	33
Barisal	100	75	46	221
Rangpur	24	17	7	48
Total	597	295	210	1102



In 2017, MBL awarded scholarship worth BDT 16.00 million among 1102 students. We aspire to increase the number of beneficiary students in the coming days. For awarding scholarship, we sought application eligible candidates all over the country through advertisement in leading national dailies and selected 1102 awardees by a selection committee. The scholarship was given to the selected students through a formal award giving ceremony organized by MBL.



Mercantile Bank Abdul Jalil Education Scholarship Distribution program

Responsibility to the Society

Community outreach: a helping hand for populations at-risk

Responsibility to the society is included in everyday activities through various projects and events, thus realizing the mission of the Mercantile Bank. Along with the ongoing programs, Mercantile Bank Foundation is actively involved in numerous activities which are undertaken to support the society people. In addition Bank has to directly participate in social activities to help the development of specific areas/segments. MBL as a legal corporate entity is fully aware of its responsibility about how its operational activities impact on its stakeholders, the economy, the society, its staff and last but not least, the environment.

Donation to Flood Affected People

MBL has donated BDT 30.00 million to Prime Minister's Relief Fund for flood affected people as part of

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Corporate Social Responsibility. MBL has also donated BDT 3.06 million to individual flood affected people in different areas.

Donation to Relief Fund

MBL has donated BDT 50.00 million to Prime Minister's Relief Fund for Rohingya refugee.

MBL continues Financial Support to BDR Mutiny affected Families

BDR mutiny in February, 2009 caused an irretrievable loss to the nation. MBL has widened its arms to share the sufferings of the revolt-affected families. In continuation, this year also MBL donated BDT 0.96 million to two BDR mutiny-affected families.

Donation to Child Day Care Centre

MBL has donated BDT 0.40 million to Child Day Care Centre of Private Banks, Motijheel.

Distribution of Winter Clothes

MBL has donated 50,000 Pieces Winter Clothes to Prime Minister's Relief Fund for flood affected people as part of Corporate Social Responsibility. MBL has also distributed winter clothes among the individual distressed peoples of the cold affected areas of the country.

Blood Donation Program

In continuation of previous year, this year Mercantile Bank arranged 'Blood Donation Program' in its anniversary with the help of 'Bangladesh Thalassaemia Hospital'.

Beside above Mercantile Bank contributed to following arena-

- Donation of BDT 25.00 million to 'Jatir Janak Bangabandhu Memorial Trust'.
- Donation of BDT 1.00 million to 'Society for the Welfare of Autistics (SWAC)'.
- Donation of BDT 1.00 million to 'DIPTO'.
- Donation of BDT 1.00 million to 'Feni Chamber of Commerce and Industry'.
- Donation of BDT 0.60 million to 'Economic Reporter's Forum (ERF)'.
- Donation of BDT 0.10 million to 'National Press Club'.

Education: teaching the young and spreading knowledge

MBL is continuing its supports to the education sector. This year, Bank contributed BDT 63.70 million to individual students and institutions. The Bank encourages the employees to have professional degrees and also gives opportunities to the employees who wish to get higher studies in abroad. The Bank provides cash money incentives to the employees who passed the Banking Diploma. Following are the major contribution of MBL in same arena-

- Donation of BDT 25.00 million to 'Prime Minister Education Relief Fund'.
- Financial support to 'Assistance for Blind Children (ABC)', Dhaka.
- Donation of BDT 1.88 million to Feni University, Feni.
- Donation of BDT 2.00 million to Shamsul Hoque Adrasha High School.
- Donation of BDT 0.50 million to Janakallyan Adrasha High School, Noakhali.
- Donation of BDT 1.50 million to Pragati Balika Bidda Niketon, Feni.
- Donation of BDT 0.70 million to Nurnesa Hafiza Madrasha, Noakhali.
- Donation of BDT 0.20 million to Goni Mondol High School, Chandpur.
- Donation of BDT 0.10 million to Alhaj Hazrat Ali Degree College, Barisal.
- Donation of BDT 0.80 million to Morshed Alam High School.

Health and Medical

From the beginning, Bank provides financial support to different medical and health institutions. Apart from institutional support, the Bank also provides financial assistance to individuals for their treatments. In 2017, Bank contributed BDT 11.44 million to different individuals and hospitals. Following are the major contribution of MBL in same arena:

- Financial aid of BDT 7.70 million to 123 individual's patients for their treatment.
- Donation of BDT 1.00 million to Sonaimuri Andha Kallan Samity Eye Hospital, Noakhali.
- Donation of BDT 1.32 million to Shaheda Gafur Ibrahim General Hospital, Patuakhali.
- Donation of BDT 1.30 million to Samsul Alam Laila Begum Community Clinic Hospital, Chittagongj.
- Donation of BDT 0.10 million to Fazila Foundation for free Clinic Project, Chittagongj.

Corporate Social Responsibility (CSR)-continued

The Arts: preserving cultural heritage and sponsoring the performing arts

Arts & Culture

Mercantile Bank always supports promotion of art and culture. As a recognized benefactor of culture, MBL takes some non-profit initiatives every year. Cultural institutions have been donated to organize cultural events in different times. Moreover, the Bank supports the writers, musicians and other performers in their inventive and creative activities. As earlier, in 2017 MBL contributes to organize and celebrate different cultural and traditional festivals.

Celebration of Bangla New Year-1424

MBL has celebrated the Bangla New year-1424 as it has been doing since inception. All its offices were decorated to a colorful festive look. Customers in the Branches were invited to share the joy of festival and they were entertained with sweets as a traditional ritual. Apart from that, MBL also donated to various cultural and educational institutes to celebrate the Bangla New Year.

Traditional Games and Sports

MBL always encourages the development of games and sports of the country. In different times, the Bank has contributed to organize a variety of traditional games and sports. In 2017, Bank contributes to different institutions/clubs to arrange games and sports.

Care to Environment: Encouraging new thinking about Environmental Challenges

Environmental sustainability is a key part of MBL's social responsibility efforts. Banks have established environmental policies, goals and practices that help guide their activities inside and out. Environmentally-oriented thinking is incorporated into a range of banking operations, lending, products and services and community activities. Banks' activities range from participation in conservation initiatives in communities across the country, to commitments to well-recognized domestic and international standards and reporting agreements. MBL believe that every small 'GREEN' step taken today would go a long way in building a greener future. We have established a separate unit to turn our Bank as a 'Green Bank'. With a view to developing green banking practices in the country, an indicative Green Banking Policy and Strategy framework has been developed for the bank. As an environment-responsive bank a lot of measures have been adopted including green financing, creating awareness among the employees for efficient use of water, electricity and paper, giving preference to eco friendly while financing and reuse of

equipments. Green Banking is to provide innovative green products to support the activities that are not hazardous to environment and help to conserve the environment. MBL always try to manage the impact of operations and develop initiatives to improve its environment conducive footprint. After reducing the use of electricity and paper at the office, some of our branches and ATM's are now run on solar power.

Contribution to the Economy

The Bank has contributed to the economy by generating employment of over 2,192 full time employees. It also plays an imperative role in creating job opportunities by financing to the productive sectors. In 2017, the Bank mobilized resources of BDT 220,516.63 million from the surplus economic unit and deployed BDT 199,660.72 million to deficit group.

The Bank plays its responsibility to the Government of Bangladesh paying corporate tax regularly. As per tax law, the bank deducts at source income tax, VAT, excise duty from various payments and services for ultimate credit to government exchequer. This year, 42.50% Tax is to be paid to the National Exchequer from its operation profit. The Bank has made provision of BDT 1,300.00 million for corporate tax in 2017 against BDT 1,260.00 million in 2016.

Involving Employees in the CSR Approach

As a Corporate Citizen, Mercantile Bank Limited is striving to play its responsibility in this regard. The involvement of employees in the CSR approach is one of the most effective ways to CSR awareness. In the new CSR strategy, we have developed activities to keep employees up-to-date with our CSR goals and principles. We believe that they will put their knowledge to both at work place and in their private lives.

Raising CSR awareness among the Group's employees

MBL arranged workshop programs to raise the awareness of its employees regarding key CSR issues and its policies in this area. To build on this training, environmental awareness-raising actions have been set up locally.

Informing and encouraging dialogue

MBL's employees are also kept update about day-to-day CSR events and are invited to exchange on new issues and the Groups actions in this area