

**MERCANTILE BANK LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE 3rd QUATER ENDED SEPTEMBER 30, 2011**

	Notes	Jan-Sept 11	July-Sept 11	Jan-Sept 10	July-Sept 10
Interest Income	18.1(a)	7,010,886,574	2,364,602,890	4,896,259,583	1,741,666,843
Less: Interest Paid on Deposits, Borrowings etc.	19(a)	6,343,522,027	2,362,760,599	3,734,578,686	1,387,260,672
<b>Net Interest Income</b>		<b>667,364,547</b>	<b>1,842,291</b>	<b>1,161,680,897</b>	<b>354,406,171</b>
Investment Income	18.2(a)	2,077,274,542	1,155,238,592	713,404,594	340,933,088
Commission, Exchange and Brokerage	20(a)	1,102,725,925	395,270,132	932,549,453	391,198,226
Other Operating Income	21(a)	741,526,323	289,390,166	497,407,277	106,031,352
		<b>3,921,526,790</b>	<b>1,839,898,890</b>	<b>2,143,361,324</b>	<b>838,162,666</b>
<b>Total Operating Income</b>		<b>4,588,891,337</b>	<b>1,841,741,181</b>	<b>3,305,042,221</b>	<b>1,192,568,837</b>
Salaries and Allowances	22	798,623,525	296,421,159	560,319,162	194,133,272
Chief Executive's Salary and Fees	22.1(a)	4,095,000	1,365,000	3,915,000	1,215,000
Directors' Fees	23	2,344,150	805,000	2,847,850	814,500
Rent, Taxes, Insurances, Electricity etc.	24	187,810,888	60,199,539	171,186,760	61,010,413
Legal Expenses	25	6,002,977	4,061,779	9,098,898	3,071,199
Postage, Stamps, Telecommunication etc.		51,905,836	11,453,617	32,409,868	11,783,545
Stationery, Printings, Advertisements etc.	26	89,995,146	21,755,055	92,980,876	26,235,478
Auditors' Fees		184,559	-	250,000	250,000
Depreciation and Repair of Fixed Assets	27	96,935,578	28,440,124	78,762,105	19,506,715
Other Expenses	28	507,566,813	152,227,999	301,670,675	125,327,729
<b>Total Operating Expenses</b>		<b>1,745,464,472</b>	<b>576,729,272</b>	<b>1,253,441,194</b>	<b>443,347,851</b>
<b>Profit before Provision</b>		<b>2,843,426,865</b>	<b>1,265,011,909</b>	<b>2,051,601,027</b>	<b>749,220,986</b>
Provision against Classified Loans		217,000,000	40,871,987	127,600,000	49,200,000
Provision against Un Classified Loans		128,200,000	41,200,000	157,700,000	79,100,000
Other Provision		90,000,000	-	160,468,892	56,800,000
<b>Total Provision</b>	12.5	<b>435,200,000</b>	<b>82,071,987</b>	<b>445,768,892</b>	<b>185,100,000</b>
<b>Total Profit before Taxes</b>		<b>2,408,226,865</b>	<b>1,182,939,922</b>	<b>1,605,832,135</b>	<b>564,120,986</b>
Provision for Taxation		844,673,320	229,673,320	677,658,700	157,658,700
<b>Net Profit after Taxation</b>		<b>1,563,553,545</b>	<b>953,266,602</b>	<b>928,173,435</b>	<b>406,462,286</b>
Retained Surplus brought forward from previous period		44,470,703	-	2,202,876	-
		<b>1,608,024,248</b>	<b>953,266,602</b>	<b>930,376,311</b>	<b>406,462,286</b>
<b>Appropriations</b>					
Statutory Reserve		481,645,373	359,587,984	321,166,427	216,824,197
General Reserve		466,000,000	466,000,000	-	-
Retained Surplus		660,378,875	127,678,618	609,209,884	189,638,089
		<b>1,608,024,248</b>	<b>953,266,602</b>	<b>930,376,311</b>	<b>406,462,286</b>
<b>Earning Per Share* (EPS)</b>	29	<b>31.47</b>	<b>19.19</b>	<b>18.68</b>	<b>8.18</b>

\* Earning Per Share (EPS) has been calculated by using weighted average number of share outstanding and previous year's EPS has been restated accordingly as per para 42 of BAS 33..

Monindra Kumar Nath  
Deputy Managing Director & C F O

A K M Shahidul Haque  
Managing Director & C E O