Un-audited Financial Statements
Of
Mercantile Bank PLC.
For the period ended 30 September 2023

Office of the CFO, Head Office
61, Dilkusha Commercial Area, Dhaka – 1000, Bangladesh
## Mercantile Bank PLC. and its Subsidiaries
### Un-audited Consolidated Balance Sheet
#### As at 30 September 2023

<table>
<thead>
<tr>
<th></th>
<th>Amount in BDT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROPERTY AND ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td></td>
</tr>
<tr>
<td>Cash in hand (including foreign currency)</td>
<td>16,369,453,870</td>
</tr>
<tr>
<td>Balance with Bangladesh Bank &amp; its agent bank(s) (including foreign currency)</td>
<td>3,802,915,134</td>
</tr>
<tr>
<td><strong>Balance with other banks and financial institutions</strong></td>
<td>12,566,538,736</td>
</tr>
<tr>
<td>In Bangladesh</td>
<td>3,498,314,676</td>
</tr>
<tr>
<td>Outside Bangladesh</td>
<td>384,553,334</td>
</tr>
<tr>
<td></td>
<td>3,113,761,342</td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>918,100,000</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>94,120,779,505</td>
</tr>
<tr>
<td>Government</td>
<td>83,891,446,603</td>
</tr>
<tr>
<td>Others</td>
<td>10,229,332,448</td>
</tr>
<tr>
<td><strong>Loans and Advances/Investments</strong></td>
<td>285,917,672,763</td>
</tr>
<tr>
<td>Loans, Cash Credit, Overdraft etc/Investments</td>
<td>275,501,494,365</td>
</tr>
<tr>
<td>Bills purchased and discounted</td>
<td>10,416,178,398</td>
</tr>
<tr>
<td><strong>Fixed assets including premises, furniture and fixtures</strong></td>
<td>3,661,812,705</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td>5,243,001,683</td>
</tr>
<tr>
<td><strong>Non- banking assets</strong></td>
<td>36,772,332</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>409,765,907,078</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND CAPITAL** |               |
| **Liabilities**            |               |
| Borrowings from other banks, financial institutions and agents | 28,663,174,268 | 34,020,511,378 |
| Non-convertible Subordinated Bond | 1,200,000,000 | 1,800,000,000 |
| Mercantile Bank Perpetual Bond | 3,130,000,000 | 3,130,000,000 |
| **Deposits and other Accounts** | 304,872,286,394 | 281,737,790,921 |
| Current/ Al-wadeeek current accounts and other accounts | 106,367,745,021 | 87,863,224,690 |
| Bills Payable              | 2,643,168,755  | 2,620,728,107  |
| Savings Bank/Mudaraba savings bank deposits | 34,321,701,795 | 33,314,186,636 |
| Fixed deposits/Mudaraba fixed deposits | 115,607,397,459 | 108,426,373,475 |
| Deposit under schemes/Mudaraba deposit schemes | 43,912,273,366 | 49,513,278,013 |
| **Other Liabilities**      | 45,097,171,726  | 38,068,427,653 |
| **Total Liabilities**      | 382,962,632,388 | 358,756,729,552 |
| **Capital/Shareholders’ Equity** | 26,698,783,643 | 25,620,779,443 |
| Paid up Capital            | 11,065,754,350  | 10,848,778,780 |
| Statutory Reserve          | 10,415,929,910  | 9,865,589,282  |
| General Reserve            | 2,450,000,000   | 2,450,000,000  |
| Other Reserve              | 913,796,057     | 762,999,315    |
| Foreign currency translation gain/(loss) | 4,741,016     | 37,535,635     |
| Surplus in Profit & Loss Account | 1,648,562,310 | 1,635,876,430  |
| Non Controlling Interest   | 104,491,047     | 100,876,450    |
| **Total Shareholders’ Equity** | 26,803,274,690 | 25,721,655,893 |
| **Total Liabilities & Shareholders’ Equity** | 409,765,907,078 | 384,478,385,845 |
Un-audited Consolidated Balance Sheet
As at 30 September 2023

<table>
<thead>
<tr>
<th>OFF-BALANCE SHEET ITEMS</th>
<th>Amount in BDT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep-23</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td></td>
</tr>
<tr>
<td>Acceptances and Endorsements</td>
<td>61,934,138,052</td>
</tr>
<tr>
<td>Letters of Guarantee</td>
<td>20,634,261,164</td>
</tr>
<tr>
<td>Irrevocable Letters of Credit</td>
<td>66,972,625,359</td>
</tr>
<tr>
<td>Bills for Collection</td>
<td>9,110,313,594</td>
</tr>
<tr>
<td>Other Contingent Liabilities</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>158,651,338,169</td>
</tr>
</tbody>
</table>

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

| Total                                        |           |           |
| Total Off-Balance Sheet Items including contingent liabilities | 158,651,338,169 | 168,272,197,219 |

Net Asset Value Per Share (NAVPS) 24.22 23.71

Company Secretary
Chief Financial Officer
Managing Director and CEO
Director
Chairman

Dhaka
Date: October 23, 2023
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in BDT (Jan-23 to Sep-23)</th>
<th>Amount in BDT (Jan-22 to Sep-22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income/Profit on investment</td>
<td>14,833,550.881</td>
<td>14,419,679.646</td>
</tr>
<tr>
<td>Interest/Profit Paid on deposits, borrowings etc.</td>
<td>12,795,151.266</td>
<td>10,619,887.851</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td><strong>2,038,399.615</strong></td>
<td><strong>3,799,791.695</strong></td>
</tr>
<tr>
<td>Investment income</td>
<td>3,661,979.675</td>
<td>2,965,251.722</td>
</tr>
<tr>
<td>Commission, exchange and brokerage</td>
<td>3,396,626.445</td>
<td>3,763,564.873</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1,101,925.259</td>
<td>998,415.596</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td><strong>8,162,531.378</strong></td>
<td><strong>7,727,232.189</strong></td>
</tr>
<tr>
<td>Salaries and allowances</td>
<td>2,921,265.067</td>
<td>3,135,507.318</td>
</tr>
<tr>
<td>Rent, taxes, insurances, electricity etc.</td>
<td>488,601.295</td>
<td>525,728.276</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>26,940.101</td>
<td>28,967.477</td>
</tr>
<tr>
<td>Postage, stamps, telecommunication etc.</td>
<td>57,765.474</td>
<td>58,374.400</td>
</tr>
<tr>
<td>Stationery, Printings, Advertisements etc.</td>
<td>306,020.419</td>
<td>301,044.758</td>
</tr>
<tr>
<td>Chief Executive's salary and fees</td>
<td>12,661.715</td>
<td>11,716.113</td>
</tr>
<tr>
<td>Directors' fees</td>
<td>3,598.400</td>
<td>3,171.608</td>
</tr>
<tr>
<td>Auditors' fees</td>
<td>557.125</td>
<td>474.676</td>
</tr>
<tr>
<td>Depreciation and repair of bank's assets</td>
<td>603,347.309</td>
<td>600,820.020</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,499,504.597</td>
<td>1,290,372.785</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>5,921,153.602</strong></td>
<td><strong>5,956,167.433</strong></td>
</tr>
<tr>
<td><strong>Profit/(Loss) before provision</strong></td>
<td><strong>4,279,777.391</strong></td>
<td><strong>5,570,856.452</strong></td>
</tr>
<tr>
<td>Provision for loans and advances/investments including Off Balance Sheet items</td>
<td>1,349,351.114</td>
<td>1,154,675.213</td>
</tr>
<tr>
<td>Provision for diminution in value of investments in shares</td>
<td>57,475.654</td>
<td>-</td>
</tr>
<tr>
<td>Other provision</td>
<td>23,055.358</td>
<td>18,000.000</td>
</tr>
<tr>
<td><strong>Total provision</strong></td>
<td><strong>1,429,864.127</strong></td>
<td><strong>1,172,675.213</strong></td>
</tr>
<tr>
<td><strong>Total Profit/(Loss) before Taxes</strong></td>
<td><strong>2,849,913.265</strong></td>
<td><strong>4,398,181.239</strong></td>
</tr>
<tr>
<td>Provision for Current Tax</td>
<td>550,824.642</td>
<td>845,221.336</td>
</tr>
<tr>
<td>Provision for Deferred Tax</td>
<td>(37,229.640)</td>
<td>20,739.448</td>
</tr>
<tr>
<td><strong>Net Profit after Taxation</strong></td>
<td><strong>513,595.002</strong></td>
<td><strong>865,960.784</strong></td>
</tr>
<tr>
<td><strong>Appropriations</strong></td>
<td><strong>2,336,318.263</strong></td>
<td><strong>3,332,220.455</strong></td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>550,340.628</td>
<td>847,267.724</td>
</tr>
<tr>
<td>Startup Fund</td>
<td>22,517.031</td>
<td></td>
</tr>
<tr>
<td>General Reserve</td>
<td>230,549.999</td>
<td>1,000,000.000</td>
</tr>
<tr>
<td>Coupon Interest on MBL Perpetual Bond</td>
<td>803,407.858</td>
<td>1,847,267.724</td>
</tr>
<tr>
<td><strong>Retained surplus</strong></td>
<td><strong>1,532,910.605</strong></td>
<td><strong>1,684,952.731</strong></td>
</tr>
<tr>
<td>Net profit after Tax attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of Mercantile Bank Ltd.</td>
<td>1,529,296.008</td>
<td>1,682,830.859</td>
</tr>
<tr>
<td>Non Controlling Interest</td>
<td>3,614.597</td>
<td>2,121.872</td>
</tr>
<tr>
<td><strong>Earnings Per Share (EPS)</strong></td>
<td><strong>2.11</strong></td>
<td><strong>3.19</strong></td>
</tr>
</tbody>
</table>

Dhaka
Date: October 23, 2023

Company Secretary  
Chief Financial Officer  
Managing Director and CEO  
Chairman
## Mercantile Bank PLC. and its Subsidiaries

**Un-audited Consolidated Profit & Loss Account**

For the period ended 30 September 2023

<table>
<thead>
<tr>
<th>Amount in BDT</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
<th>Jul'23-Sep'23</th>
<th>Jul'22-Sep'23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest income/Profit on investment</strong></td>
<td>14,833,550,881</td>
<td>14,410,679,546</td>
<td>4,948,268,488</td>
<td>4,843,151,063</td>
</tr>
<tr>
<td><strong>Interest/Profit Paid on deposits, borrowings etc.</strong></td>
<td>12,795,715,266</td>
<td>10,619,887,851</td>
<td>4,428,723,973</td>
<td>3,667,768,491</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>2,038,335,615</td>
<td>3,799,791,695</td>
<td>519,454,515</td>
<td>1,173,384,572</td>
</tr>
<tr>
<td><strong>Investment Income</strong></td>
<td>3,861,979,675</td>
<td>2,965,251,722</td>
<td>1,396,921,462</td>
<td>1,044,963,958</td>
</tr>
<tr>
<td>Commission, Exchange and Brokerage</td>
<td>3,398,626,445</td>
<td>3,763,564,873</td>
<td>928,192,418</td>
<td>1,150,735,611</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>1,101,925,259</td>
<td>958,415,595</td>
<td>406,725,679</td>
<td>304,595,538</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>8,162,531,378</td>
<td>7,727,232,189</td>
<td>2,731,839,560</td>
<td>2,500,313,107</td>
</tr>
<tr>
<td><strong>Salaries and Allowances</strong></td>
<td>2,921,256,067</td>
<td>3,213,557,318</td>
<td>990,241,022</td>
<td>1,118,977,257</td>
</tr>
<tr>
<td>Rent, Taxes, Insurances, Electricity etc.</td>
<td>488,561,295</td>
<td>525,728,276</td>
<td>177,012,786</td>
<td>108,926,413</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>26,940,101</td>
<td>28,957,477</td>
<td>14,179,478</td>
<td>7,665,401</td>
</tr>
<tr>
<td>Postage, Stamps, Telecommunication etc.</td>
<td>57,766,474</td>
<td>58,374,400</td>
<td>18,342,427</td>
<td>17,283,856</td>
</tr>
<tr>
<td>Stationary, Printings, Advertisements etc.</td>
<td>306,920,419</td>
<td>301,044,758</td>
<td>102,347,997</td>
<td>64,600,332</td>
</tr>
<tr>
<td>Chief Executive’s Salary and Fees</td>
<td>12,061,715</td>
<td>11,716,113</td>
<td>3,354,000</td>
<td>3,890,000</td>
</tr>
<tr>
<td>Directors’ Fees</td>
<td>3,598,400</td>
<td>3,711,608</td>
<td>1,230,200</td>
<td>707,008</td>
</tr>
<tr>
<td>Auditors’ Fees</td>
<td>557,125</td>
<td>474,678</td>
<td>222,759</td>
<td>181,050</td>
</tr>
<tr>
<td>Depreciation and Repair to bank’s property</td>
<td>603,347,309</td>
<td>600,820,020</td>
<td>199,249,721</td>
<td>195,664,011</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>1,495,504,697</td>
<td>1,290,327,785</td>
<td>456,801,255</td>
<td>478,965,555</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>8,915,153,662</td>
<td>8,566,167,433</td>
<td>1,963,014,646</td>
<td>1,996,860,423</td>
</tr>
<tr>
<td><strong>Profit/(loss) before provision</strong></td>
<td>4,277,777,391</td>
<td>5,579,568,495</td>
<td>1,238,068,306</td>
<td>1,678,525,785</td>
</tr>
</tbody>
</table>

| Provision for loans and advances/Investments including Off Balance Sheet items | 1,340,351,114 | 1,154,675,213 | 256,753,416 | 304,675,213 |
| Provision for diminution in value of investments in shares | 57,457,654 | - | - | - |
| Other Provision | 23,055,358 | 18,000,000 | 11,100,000 | - |
| **Total Provision** | 1,429,864,127 | 1,172,675,213 | 267,853,416 | 304,675,213 |
| **Total Profit before taxes** | 2,848,913,265 | 4,406,903,282 | 1,266,214,890 | 1,373,850,572 |
| **Provision for Current Tax** | 550,824,642 | 845,221,336 | 171,626,593 | 226,345,035 |
| **Provision for Deferred Tax** | (37,229,640) | 20,739,448 | (14,142,114) | 24,521,282 |
| **Net Profit after Taxation** | 2,336,318,263 | 3,532,220,455 | 663,031,534 | 1,123,295,227 |

| Appropriations | Statutory Reserve | 550,340,628 | 847,267,724 | 197,447,717 | 260,823,388 |
| Startup Fund | 22,517,031 | - | 8,372,366 | - |
| General Reserve | - | 1,000,000,000 | - | 1,000,000,000 |
| Coupian Interest on MBL Perpetual Bond | 230,549,999 | - | 78,249,999 | - |
| **Retained surplus** | 803,407,688 | 1,847,267,724 | 284,070,102 | 1,260,823,387 |
| **Net profit after Tax attributable to:** | 1,532,910,665 | 1,684,952,731 | 578,961,432 | (137,528,160) |
| **Equity holders of Mercantile Bank Ltd.** | 1,529,296,008 | 1,682,830,859 | 577,360,488 | (138,627,285) |
| **Non Controlling Interest in Profit** | 3,614,597 | 2,121,872 | 1,600,944 | 1,099,124 |
| **Consolidated Earnings Per Share (EPS)** | 2.11 | 3.19 | 0.78 | 1.01 |

**Company Secretary**

**Managing Director and CEO**

**Chairman**

Dhaka
Date: October 23, 2023

3a
## Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>13,069,188,441</td>
<td>12,651,717,422</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(2,192,224,457)</td>
<td>(3,148,662,726)</td>
</tr>
<tr>
<td>Dividends received</td>
<td>22,564,231</td>
<td>143,978,272</td>
</tr>
<tr>
<td>Fees and commission received</td>
<td>1,311,015,741</td>
<td>1,637,756,874</td>
</tr>
<tr>
<td>Recoveries on loans previously written off</td>
<td>4,354,214</td>
<td>44,481,726</td>
</tr>
<tr>
<td>Payment to the employees</td>
<td>(2,921,256,067)</td>
<td>(3,135,507,318)</td>
</tr>
<tr>
<td>Payment to suppliers</td>
<td>(305,920,419)</td>
<td>(301,044,758)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(1,331,714,807)</td>
<td>(556,584,907)</td>
</tr>
<tr>
<td>Received from other operating activities</td>
<td>6,737,252,071</td>
<td>5,867,867,904</td>
</tr>
<tr>
<td>Exchange gain</td>
<td>2,087,610,703</td>
<td>2,126,807,999</td>
</tr>
<tr>
<td>Other operating income</td>
<td>4,649,641,368</td>
<td>3,741,859,905</td>
</tr>
<tr>
<td>Payment for other operating activities</td>
<td>(2,507,942,545)</td>
<td>(1,804,766,490)</td>
</tr>
<tr>
<td>Rent, taxes, insurance and electricity</td>
<td>(379,424,865)</td>
<td>(432,527,750)</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>(26,940,101)</td>
<td>(26,967,477)</td>
</tr>
<tr>
<td>Postage, stamps and telecommunication</td>
<td>(56,270,472)</td>
<td>(58,284,837)</td>
</tr>
<tr>
<td>Auditors' fees</td>
<td>17,875</td>
<td>100,322</td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td>(109,186,250)</td>
<td>(82,730,728)</td>
</tr>
<tr>
<td>Chief Executive's salary and fees</td>
<td>(12,661,716)</td>
<td>(11,716,113)</td>
</tr>
<tr>
<td>Directors' fees</td>
<td>(3,598,400)</td>
<td>(3,171,658)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(1,919,678,576)</td>
<td>(1,187,508,289)</td>
</tr>
<tr>
<td><strong>Operating profit before changes in operating assets &amp; liabilities</strong></td>
<td><strong>11,904,316,401</strong></td>
<td><strong>11,59,035,999</strong></td>
</tr>
</tbody>
</table>

### Income generating other assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in shares of subsidiary companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in Shares of subsidiary company (In Bangladesh) Mercantile Bank Securities Limited</td>
<td>(32,312,752)</td>
<td>(27,230,408)</td>
</tr>
<tr>
<td>Investment in Shares of subsidiary company (In Bangladesh) MBL Asset Management Limited</td>
<td>26,544</td>
<td>59,052</td>
</tr>
<tr>
<td>Investment in Shares of subsidiary company (outside Bangladesh) Mercantile Exchange House (UK) Limited</td>
<td>(2,744,795)</td>
<td>20,018,563</td>
</tr>
<tr>
<td>Mercantile Bank OBU Unit</td>
<td>336,720</td>
<td>4,073</td>
</tr>
<tr>
<td><strong>Non-income generating other assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stationery, stamps, printing materials in stock etc</td>
<td>3,022,763</td>
<td>337,575</td>
</tr>
<tr>
<td>Advance rent and advertisement</td>
<td>925,596</td>
<td>277,970,948</td>
</tr>
<tr>
<td>Interest accrued on investment but not collected, commission and brokerage receivable on shares and debenture and other income receivable</td>
<td>75,322,728</td>
<td>486,691,489</td>
</tr>
<tr>
<td>Security deposit</td>
<td>10,000</td>
<td>54,205</td>
</tr>
<tr>
<td>Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses</td>
<td>(528,313,224)</td>
<td>(364,831)</td>
</tr>
<tr>
<td>Branch adjustment</td>
<td>-</td>
<td>210,369,383</td>
</tr>
<tr>
<td>Inter Branch Settlement Account</td>
<td>7,137,584,862</td>
<td>(4,980,652,004)</td>
</tr>
<tr>
<td>Suspense Account</td>
<td>(17,629,117)</td>
<td>171,531,512</td>
</tr>
<tr>
<td>Right Of Use (ROU) Assets as per IFRS-16</td>
<td>169,728,828</td>
<td>195,071,629</td>
</tr>
<tr>
<td>D.D.Paid Without Advice</td>
<td>-</td>
<td>(1,397,250)</td>
</tr>
</tbody>
</table>

### Net cash flows from operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in BDT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit from other banks</td>
<td>(5,357,337,110)</td>
</tr>
<tr>
<td>Deposit from customers</td>
<td>23,134,495,473</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(2,427,627,980)</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td><strong>1,353,859,690</strong></td>
</tr>
</tbody>
</table>
Un-audited Consolidated Cash Flow Statement
For the period ended 30 September 2023

<table>
<thead>
<tr>
<th>Amount in BDT</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B) Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brokerage House customer account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Purchase)/sale of property, plant and equipment</td>
<td>$212,002,216</td>
<td>$264,842,040</td>
</tr>
<tr>
<td>(Purchase)/sale of shares</td>
<td>$209,256,948</td>
<td>$228,890,011</td>
</tr>
<tr>
<td>(Purchase)/sale of bond</td>
<td>$40,000,000</td>
<td>$80,000,000</td>
</tr>
<tr>
<td>Other investment</td>
<td>$53,553,570</td>
<td>$53,553,520</td>
</tr>
<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td>$(551,388,064)</td>
<td>$(487,285,820)</td>
</tr>
<tr>
<td><strong>C) Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from issue of loan capital and debt securities</td>
<td>$600,000,000</td>
<td>$600,000,000</td>
</tr>
<tr>
<td>Payments for redemption of loan capital and debt securities</td>
<td>$88,814,136</td>
<td>$(133,961,556)</td>
</tr>
<tr>
<td>Paid for interest on Subordinated bond</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Received by issue of right share</td>
<td>$1,084,877,878</td>
<td>$1,291,521,264</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td>$(1,773,882,014)</td>
<td>$(2,025,562,840)</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash &amp; cash equivalent (A+B+C)</strong></td>
<td>$(971,420,388)</td>
<td>$3,462,622,859</td>
</tr>
<tr>
<td><strong>Effects of Exchange rate changes on cash and cash equivalents</strong></td>
<td>$59,014,443</td>
<td>$257,611,011</td>
</tr>
<tr>
<td><strong>Cash and cash equivalent at beginning of the year</strong></td>
<td>$21,702,153,201</td>
<td>$18,178,958,318</td>
</tr>
<tr>
<td><strong>Cash and cash equivalent at the end of the period</strong></td>
<td>$20,789,787,346</td>
<td>$21,899,191,987</td>
</tr>
<tr>
<td><strong>Net Operating Cash Flow Per Share (NOCFPS)</strong></td>
<td>1.22</td>
<td>5.51</td>
</tr>
</tbody>
</table>

*Cash and cash equivalents at the end of the period*

<table>
<thead>
<tr>
<th></th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand (including foreign currencies)</td>
<td>$3,802,915,134</td>
<td>$2,903,023,412</td>
</tr>
<tr>
<td>Balance with Bangladesh Bank &amp; its agent bank(s) (including foreign currencies)</td>
<td>$12,566,538,736</td>
<td>$11,992,774,422</td>
</tr>
<tr>
<td>Balance with other banks and financial institutions</td>
<td>$3,496,314,676</td>
<td>$4,755,621,153</td>
</tr>
<tr>
<td>Prize Bonds</td>
<td>$3,918,000</td>
<td>$4,015,300</td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>$918,100,000</td>
<td>$2,233,757,700</td>
</tr>
<tr>
<td><strong>Total Cash and Cash Equivalents</strong></td>
<td>$20,789,787,346</td>
<td>$21,899,191,987</td>
</tr>
</tbody>
</table>

Dhaka
Date: October 23, 2023

Company Secretary
Chief Financial Officer
Managing Director and CEO
Director
Chairman
## Mercantile Bank PLC. and its Subsidiaries
### Un-audited Consolidated Statement of Changes in Equity
#### For the period ended 30 September 2023

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Paid-up Capital (BDT)</th>
<th>Statutory Reserve (BDT)</th>
<th>General reserve (BDT)</th>
<th>Foreign currency translation gain/(loss) (BDT)</th>
<th>Other Reserve</th>
<th>Surplus/(loss) (BDT)</th>
<th>Total (BDT)</th>
<th>Non Controlling Interest (BDT)</th>
<th>Grand Total (BDT)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1 January 2023</strong></td>
<td>10,848,778,780</td>
<td>9,865,589,282</td>
<td>2,450,000,000</td>
<td>37,535,635</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in accounting policy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coupon Interest on MBL Perpetual Bond</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Startup Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market adjustment of approved securities (HTM)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/deficit on account of revaluation/Reserve of properties/others</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/deficit on account of revaluation of investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation difference</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gains and losses not recognised in Income Statement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the period after taxation Transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of bonus shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(32,794,616)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonus share premium</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend equalization fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non controlling share capital/profit issue of right share</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance as at 30.09.2023</strong></td>
<td>11,065,754,390</td>
<td>10,415,929,999</td>
<td>2,450,000,000</td>
<td>4,741,016</td>
<td>45,680,250</td>
<td>190,196,108</td>
<td>677,919,699</td>
<td>913,796,057</td>
<td>104,491,047</td>
</tr>
<tr>
<td><strong>Balance as at 30.06.2022</strong></td>
<td>10,848,778,780</td>
<td>10,112,340,328</td>
<td>3,250,000,000</td>
<td>32,792,482</td>
<td>45,680,250</td>
<td>48,949,263</td>
<td>668,174,082</td>
<td>762,803,595</td>
<td>99,651,898</td>
</tr>
</tbody>
</table>

Dhaka
Date: October 23, 2023

Company Secretary
Managing Director and CEO

Chief Financial Officer
Chairman
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Up to 1 Month</th>
<th>1-3 Months</th>
<th>3-12 Months</th>
<th>1-5 Years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand</td>
<td>3,799,538,371</td>
<td>464,698,736</td>
<td>3,376,764</td>
<td>-</td>
<td>12,101,840,000</td>
<td>16,369,453,870</td>
</tr>
<tr>
<td>Balance with other banks and financial institutions</td>
<td>25,366,286</td>
<td>291,254,752</td>
<td>3,181,693,638</td>
<td>-</td>
<td>-</td>
<td>3,498,314,676</td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>918,100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>918,100,000</td>
</tr>
<tr>
<td>Investments</td>
<td>2,688,532,890</td>
<td>9,952,989,485</td>
<td>21,492,886,692</td>
<td>20,327,560,833</td>
<td>39,658,709,150</td>
<td>94,120,779,050</td>
</tr>
<tr>
<td>Loans and advances/Investments</td>
<td>64,855,433,132</td>
<td>32,026,536,322</td>
<td>58,469,723,629</td>
<td>67,889,417,675</td>
<td>62,676,562,005</td>
<td>285,917,672,763</td>
</tr>
<tr>
<td>Fixed assets including premises, furniture and fixtures</td>
<td>-</td>
<td>-</td>
<td>461,993,512</td>
<td>3,199,819,192</td>
<td>-</td>
<td>3,661,812,705</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,269,942,857</td>
<td>1,563,912,319</td>
<td>1,271,367,297</td>
<td>185,065,000</td>
<td>952,714,210</td>
<td>5,243,001,683</td>
</tr>
<tr>
<td>Non-banking assets Land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36,772,332</td>
<td>36,772,332</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>73,556,913,535</td>
<td>44,299,391,614</td>
<td>84,881,041,532</td>
<td>91,601,962,700</td>
<td>115,426,597,696</td>
<td>409,765,907,078</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowing from Bangladesh Bank, other banks, financial institutions and agents</td>
<td>3,030,000,000</td>
<td>-</td>
<td>25,633,174,268</td>
<td>-</td>
<td>-</td>
<td>28,663,174,268</td>
</tr>
<tr>
<td>Deposits (Conventional and Islamic banking)</td>
<td>63,226,192,710</td>
<td>38,335,013,234</td>
<td>40,762,415,156</td>
<td>58,513,371,806</td>
<td>101,392,124,731</td>
<td>302,229,117,639</td>
</tr>
<tr>
<td>Other accounts</td>
<td>2,643,168,755</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,200,000,000</td>
<td>1,200,000,000</td>
</tr>
<tr>
<td>Non-convertible Subordinated Bond</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,130,000,000</td>
<td>3,130,000,000</td>
</tr>
<tr>
<td>Mercantile Bank Perpetual Bond</td>
<td>-</td>
<td>-</td>
<td>56,764,694</td>
<td>28,944,121,894</td>
<td>-</td>
<td>45,097,171,726</td>
</tr>
<tr>
<td>Provision and other liabilities</td>
<td>56,764,694</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>68,899,361,465</td>
<td>38,391,777,928</td>
<td>82,491,874,562</td>
<td>87,457,493,702</td>
<td>105,722,124,731</td>
<td>382,962,632,388</td>
</tr>
<tr>
<td>Net Liquidity Gap</td>
<td>4,657,552,071</td>
<td>5,907,613,686</td>
<td>2,389,166,970</td>
<td>4,144,468,998</td>
<td>9,704,472,965</td>
<td>26,803,274,690</td>
</tr>
<tr>
<td>PROPERTY AND ASSETS</td>
<td>Sep-23</td>
<td>Dec-22</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>--------------</td>
<td>--------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>16,366,077,106</td>
<td>16,570,148,270</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand (Including foreign currencies)</td>
<td>3,799,538,371</td>
<td>3,098,694,535</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance with Bangladesh Bank &amp; its agent bank(s)</td>
<td>12,566,538,736</td>
<td>13,471,453,735</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(including foreign currencies)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance with other banks and financial institutions</td>
<td>3,448,268,442</td>
<td>4,136,152,371</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Bangladesh</td>
<td>357,970,911</td>
<td>799,491,360</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outside Bangladesh</td>
<td>3,090,297,531</td>
<td>3,336,661,011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>918,100,000</td>
<td>948,100,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>92,158,984,721</td>
<td>60,561,001,474</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>83,891,446,603</td>
<td>52,632,759,204</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>8,267,538,118</td>
<td>7,928,242,270</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and Advances/Investments</td>
<td>282,154,464,708</td>
<td>280,890,533,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Cash Credit, Overdraft etc/Investments</td>
<td>271,738,266,310</td>
<td>257,558,520,840</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills purchased and discounted</td>
<td>10,416,178,398</td>
<td>13,332,012,660</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets including premises, furniture and fixtures</td>
<td>3,557,134,014</td>
<td>3,760,342,927</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>8,587,806,636</td>
<td>15,425,416,838</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-banking assets</td>
<td>36,772,332</td>
<td>36,772,332</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>407,227,607,959</td>
<td>382,328,467,712</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND CAPITAL</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings from other banks, financial institutions and agents</td>
<td>28,355,424,384</td>
<td>34,020,511,378</td>
</tr>
<tr>
<td>Non-convertible Subordinated Bond</td>
<td>1,200,000,000</td>
<td>1,800,000,000</td>
</tr>
<tr>
<td>Mercantile Bank Perpetual Bond</td>
<td>3,130,000,000</td>
<td>3,130,000,000</td>
</tr>
<tr>
<td>Deposits and other Accounts</td>
<td>304,931,972,730</td>
<td>281,792,054,757</td>
</tr>
<tr>
<td>Current/Al-wadadah current accounts and other accounts</td>
<td>108,447,431,356</td>
<td>87,917,488,526</td>
</tr>
<tr>
<td>Bills Payable</td>
<td>2,643,168,755</td>
<td>2,620,726,107</td>
</tr>
<tr>
<td>Savings Bank/Mudaraba savings bank deposits</td>
<td>34,321,701,785</td>
<td>33,314,186,636</td>
</tr>
<tr>
<td>Fixed deposits/Mudaraba fixed deposits</td>
<td>115,607,397,459</td>
<td>108,426,373,475</td>
</tr>
<tr>
<td>Deposit under schemes/Mudaraba deposit schemes</td>
<td>43,912,273,366</td>
<td>49,513,278,013</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>43,334,588,936</td>
<td>36,310,748,577</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>380,951,986,049</td>
<td>357,053,314,710</td>
</tr>
<tr>
<td>Capital/Shareholders' Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid up capital</td>
<td>11,065,754,350</td>
<td>10,848,778,780</td>
</tr>
<tr>
<td>Statutory reserve</td>
<td>10,415,929,910</td>
<td>9,865,589,282</td>
</tr>
<tr>
<td>General reserve</td>
<td>2,450,000,000</td>
<td>2,450,000,000</td>
</tr>
<tr>
<td>Other reserve</td>
<td>879,488,313</td>
<td>759,983,014</td>
</tr>
<tr>
<td>Foreign currency translation gain/(loss)</td>
<td>4,741,016</td>
<td>37,535,635</td>
</tr>
<tr>
<td>Surplus in Profit &amp; Loss Account</td>
<td>1,459,708,321</td>
<td>1,313,296,289</td>
</tr>
<tr>
<td>Total shareholders' Equity</td>
<td>26,275,621,910</td>
<td>25,275,153,000</td>
</tr>
<tr>
<td>Total Liabilities &amp; Shareholders' Equity</td>
<td>407,227,607,959</td>
<td>382,328,467,712</td>
</tr>
</tbody>
</table>
## Un-audited Balance Sheet
### As at 30 September 2023

<table>
<thead>
<tr>
<th>OFF-BALANCE SHEET ITEMS</th>
<th>Amount in BDT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Sep-23</strong></td>
<td><strong>Dec-22</strong></td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptances and Endorsements</td>
<td>61,934,138,052</td>
<td>73,405,007,386</td>
</tr>
<tr>
<td>Letters of Guarantee</td>
<td>20,634,261,164</td>
<td>20,505,768,350</td>
</tr>
<tr>
<td>Irrevocable Letters of Credit</td>
<td>66,972,625,359</td>
<td>64,497,529,207</td>
</tr>
<tr>
<td>Bills for Collection</td>
<td>9,110,313,594</td>
<td>9,863,952,274</td>
</tr>
<tr>
<td>Other Contingent Liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>156,651,338,169</td>
<td>168,272,197,219</td>
</tr>
<tr>
<td>Other commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Documentary credits and short term trade related transactions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Forward assets purchased and forward deposits placed</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Undrawn note issuance and revolving underwriting facilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Undrawn formal standby facilities, credit lines and other commitments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Off-Balance Sheet Items including contingent liabilities</td>
<td>156,651,338,169</td>
<td>168,272,197,219</td>
</tr>
</tbody>
</table>

### Net Asset Value Per Share (NAVPS)

<table>
<thead>
<tr>
<th></th>
<th><strong>Sep-23</strong></th>
<th><strong>Dec-22</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23.74</td>
<td>23.30</td>
</tr>
</tbody>
</table>

---

Company Secretary  
Chief Financial Officer  
Managing Director and CEO  
Director  
Chairman

Dhaka  
Date: October 23, 2023
<table>
<thead>
<tr>
<th>Amount in BDT</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income/Profit on investment</td>
<td>14,607,041,114</td>
<td>14,262,323,546</td>
</tr>
<tr>
<td>Interest/Profit Paid on deposits, borrowings etc.</td>
<td>12,733,199,709</td>
<td>10,570,011,527</td>
</tr>
<tr>
<td><strong>Net Interest income</strong></td>
<td><strong>1,873,841,405</strong></td>
<td><strong>3,692,311,129</strong></td>
</tr>
<tr>
<td>Investment income</td>
<td>3,617,884,470</td>
<td>2,903,129,097</td>
</tr>
<tr>
<td>Commission, exchange and brokerage</td>
<td>3,318,383,747</td>
<td>3,609,109,867</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1,100,216,372</td>
<td>994,278,609</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td><strong>9,910,335,993</strong></td>
<td><strong>11,198,820,293</strong></td>
</tr>
<tr>
<td>Salaries and allowances</td>
<td>2,880,900,620</td>
<td>3,097,129,311</td>
</tr>
<tr>
<td>Rent, taxes, insurances, electricity etc.</td>
<td>475,462,965</td>
<td>510,700,412</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>25,678,376</td>
<td>28,042,481</td>
</tr>
<tr>
<td>Postage, stamps, telecommunication etc.</td>
<td>56,326,069</td>
<td>56,900,898</td>
</tr>
<tr>
<td>Stationery, Printings, Advertisements etc.</td>
<td>305,789,639</td>
<td>299,902,285</td>
</tr>
<tr>
<td>Chief Executive's Salary and fees</td>
<td>12,661,715</td>
<td>11,716,113</td>
</tr>
<tr>
<td>Directors’ fees</td>
<td>3,458,400</td>
<td>3,071,608</td>
</tr>
<tr>
<td>Auditors’ fees</td>
<td>80,500</td>
<td>80,500</td>
</tr>
<tr>
<td>Depreciation and repair of bank’s assets</td>
<td>600,917,045</td>
<td>598,221,972</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,417,977,326</td>
<td>1,255,069,455</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>5,779,252,655</strong></td>
<td><strong>5,860,835,034</strong></td>
</tr>
<tr>
<td><strong>Profit/(Loss) before provision</strong></td>
<td><strong>4,131,083,337</strong></td>
<td><strong>5,337,964,259</strong></td>
</tr>
<tr>
<td>Provision for loans and advances/investments including Off Balance Sheet Items</td>
<td>1,319,351,114</td>
<td>1,101,655,641</td>
</tr>
<tr>
<td>Provision for diminution in value of investments in shares</td>
<td>57,457,654</td>
<td>-</td>
</tr>
<tr>
<td>Other provision</td>
<td>2,571,431</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total provision</strong></td>
<td><strong>1,379,380,200</strong></td>
<td><strong>1,101,655,641</strong></td>
</tr>
<tr>
<td><strong>Total profit/(Loss) before taxes</strong></td>
<td><strong>2,751,703,138</strong></td>
<td><strong>4,236,338,618</strong></td>
</tr>
<tr>
<td>Provision for Current Tax</td>
<td>537,369,514</td>
<td>829,156,373</td>
</tr>
<tr>
<td>Provision for Deferred Tax</td>
<td>(37,369,514)</td>
<td>20,843,627</td>
</tr>
<tr>
<td><strong>Net profit after taxation</strong></td>
<td><strong>2,254,703,138</strong></td>
<td><strong>3,856,338,618</strong></td>
</tr>
<tr>
<td>Appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory reserve</td>
<td>550,340,628</td>
<td>847,261,724</td>
</tr>
<tr>
<td>Startup Fund</td>
<td>22,517,031</td>
<td>-</td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>Coupon Interest on MBL Perpetual Bond</td>
<td>230,549,999</td>
<td>-</td>
</tr>
<tr>
<td><strong>Retained surplus</strong></td>
<td><strong>1,448,295,480</strong></td>
<td><strong>1,539,070,894</strong></td>
</tr>
<tr>
<td><strong>Earnings per share (EPS)</strong></td>
<td>2.03</td>
<td>3.96</td>
</tr>
</tbody>
</table>

**Company Secretary**

**Chief Financial Officer**

**Managing Director and CEO**

**Director**

**Chairman**

Dhaka
Date: October 23, 2023
<table>
<thead>
<tr>
<th></th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
<th>Jul'23-Sep'23</th>
<th>Jul'22-Sep'22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income/Profit on investment</td>
<td>14,607,041,114</td>
<td>14,262,323,546</td>
<td>4,879,865,578</td>
<td>4,790,007,757</td>
</tr>
<tr>
<td>Interest/Profit Paid on deposits, borrowings etc.</td>
<td>12,733,189,709</td>
<td>10,570,011,827</td>
<td>4,406,864,365</td>
<td>3,651,187,946</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>1,873,851,405</td>
<td>3,692,311,719</td>
<td>473,021,213</td>
<td>1,138,819,811</td>
</tr>
<tr>
<td>Investment Income</td>
<td>3,617,884,470</td>
<td>2,903,129,097</td>
<td>1,387,781,890</td>
<td>1,038,236,999</td>
</tr>
<tr>
<td>Commission, Exchange and Brokerage</td>
<td>3,318,383,747</td>
<td>3,609,109,867</td>
<td>897,570,701</td>
<td>1,092,079,650</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>1,100,216,372</td>
<td>994,278,609</td>
<td>405,849,661</td>
<td>303,055,787</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>8,036,484,588</td>
<td>7,506,517,573</td>
<td>2,691,202,252</td>
<td>2,433,372,437</td>
</tr>
<tr>
<td>Salaries and Allowances</td>
<td>2,880,900,620</td>
<td>3,097,129,311</td>
<td>977,657,774</td>
<td>1,105,852,551</td>
</tr>
<tr>
<td>Rent, Taxes, Insurances, Electricity etc.</td>
<td>475,462,965</td>
<td>510,700,412</td>
<td>172,719,539</td>
<td>103,778,016</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>26,768,376</td>
<td>28,042,481</td>
<td>13,124,620</td>
<td>7,214,163</td>
</tr>
<tr>
<td>Postage, Stamps, Telecommunication etc.</td>
<td>56,326,069</td>
<td>56,900,998</td>
<td>17,857,295</td>
<td>16,782,732</td>
</tr>
<tr>
<td>Stationery, Printings, Advertisements etc.</td>
<td>305,789,639</td>
<td>299,902,265</td>
<td>102,065,542</td>
<td>64,394,395</td>
</tr>
<tr>
<td>Chief Executive's Salary and Fees</td>
<td>12,661,715</td>
<td>11,176,113</td>
<td>3,354,000</td>
<td>3,890,000</td>
</tr>
<tr>
<td>Directors' Fees</td>
<td>3,458,400</td>
<td>3,071,608</td>
<td>1,263,200</td>
<td>1,030,008</td>
</tr>
<tr>
<td>Auditors' Fees</td>
<td>80,500</td>
<td>80,500</td>
<td>80,500</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and Repair to bank's property</td>
<td>600,917,045</td>
<td>598,221,972</td>
<td>196,435,781</td>
<td>194,792,437</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>1,417,977,328</td>
<td>1,255,069,455</td>
<td>447,563,214</td>
<td>468,687,357</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>5,779,252,655</td>
<td>5,860,835,038</td>
<td>1,934,131,465</td>
<td>1,966,416,668</td>
</tr>
<tr>
<td><strong>Profit/(loss) before provision</strong></td>
<td>4,131,083,337</td>
<td>5,337,984,293</td>
<td>1,230,092,200</td>
<td>1,605,772,579</td>
</tr>
<tr>
<td>Provision for loans and advances/investments including Off Balance Sheet items</td>
<td>1,319,351,114</td>
<td>1,101,655,641</td>
<td>241,753,416</td>
<td>301,655,641</td>
</tr>
<tr>
<td>Provision for diminution in value of investment</td>
<td>57,457,654</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Provision</td>
<td>2,571,431</td>
<td>-</td>
<td>1,100,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Provision</strong></td>
<td>1,379,380,200</td>
<td>1,101,655,641</td>
<td>242,853,416</td>
<td>301,655,641</td>
</tr>
<tr>
<td><strong>Total Profit before taxes</strong></td>
<td>2,751,703,138</td>
<td>4,238,338,618</td>
<td>987,238,584</td>
<td>1,304,116,938</td>
</tr>
<tr>
<td>Provision for Current Tax</td>
<td>537,369,514</td>
<td>829,156,373</td>
<td>164,537,729</td>
<td>225,539,820</td>
</tr>
<tr>
<td>Provision for Deferred Tax</td>
<td>(37,369,514)</td>
<td>20,843,627</td>
<td>(14,537,729)</td>
<td>24,470,160</td>
</tr>
<tr>
<td><strong>Total Profit after Taxation</strong></td>
<td>2,251,703,138</td>
<td>3,386,338,618</td>
<td>837,238,584</td>
<td>1,054,116,938</td>
</tr>
<tr>
<td><strong>Profit available for appropriation</strong></td>
<td>2,251,703,138</td>
<td>3,386,338,618</td>
<td>837,238,584</td>
<td>1,054,116,938</td>
</tr>
<tr>
<td><strong>Appropriation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>550,340,628</td>
<td>847,267,724</td>
<td>197,447,717</td>
<td>260,823,388</td>
</tr>
<tr>
<td>Startup Fund</td>
<td>22,517,031</td>
<td>-</td>
<td>8,372,386</td>
<td>-</td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>1,000,000,000</td>
<td>-</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>Coupon Interest on MBL Perpetual Bond</td>
<td>230,549,999</td>
<td>-</td>
<td>78,249,999</td>
<td>-</td>
</tr>
<tr>
<td><strong>Retained Surplus</strong></td>
<td>803,407,658</td>
<td>1,847,267,724</td>
<td>284,070,102</td>
<td>1,290,823,388</td>
</tr>
<tr>
<td><strong>Earnings Per Share (EPS)</strong></td>
<td>1,448,295,480</td>
<td>1,539,070,894</td>
<td>553,168,482</td>
<td>(206,706,450)</td>
</tr>
</tbody>
</table>

**Company Secretary**

**Managing Director and CEO**

**Chief Financial Officer**

**Chairman**

Dhaka
Date: October 23, 2023
<table>
<thead>
<tr>
<th>A) Cash flows from operating activities</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>12,862,678,674</td>
<td>12,694,361,422</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(2,130,282,900)</td>
<td>(3,098,786,702)</td>
</tr>
<tr>
<td>Dividends receipts</td>
<td>22,564,231</td>
<td>143,978,272</td>
</tr>
<tr>
<td>Fees and commission received</td>
<td>1,171,756,600</td>
<td>1,226,690,858</td>
</tr>
<tr>
<td>Recoveries on loans previously written off</td>
<td>4,364,214</td>
<td>44,481,726</td>
</tr>
<tr>
<td>Payment to the employees</td>
<td>(2,880,900,620)</td>
<td>(3,097,129,311)</td>
</tr>
<tr>
<td>Payment to suppliers</td>
<td>(305,789,639)</td>
<td>(299,902,285)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(1,331,714,807)</td>
<td>(996,584,907)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received from other operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange gain</td>
<td>2,138,776,597</td>
<td>2,101,524,136</td>
</tr>
<tr>
<td>Other operating income</td>
<td>4,603,837,276</td>
<td>3,675,600,295</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment for other operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent, taxes, insurance and electricity</td>
<td>(366,286,536)</td>
<td>(417,499,895)</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>(25,678,376)</td>
<td>(28,042,481)</td>
</tr>
<tr>
<td>Postage, stamps and telecommunication</td>
<td>(54,830,067)</td>
<td>(56,761,335)</td>
</tr>
<tr>
<td>Auditors’ fees</td>
<td>494,500</td>
<td>494,500</td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td>(109,186,290)</td>
<td>(82,730,728)</td>
</tr>
<tr>
<td>Chief Executive’s Salary and fees</td>
<td>(12,661,715)</td>
<td>(11,716,113)</td>
</tr>
<tr>
<td>Directors’ fees</td>
<td>(3,458,400)</td>
<td>(3,071,608)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(1,838,351,206)</td>
<td>(1,152,779,559)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit before changes in operating assets and liabilities</td>
<td>11,745,343,337</td>
<td>10,841,195,884</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/ decrease in operating assets and liabilities</td>
<td>(22,522,018,609)</td>
<td>(10,945,182,320)</td>
</tr>
<tr>
<td>Trading securities</td>
<td>(31,258,687,399)</td>
<td>736,389,207</td>
</tr>
<tr>
<td>Loans and advances to other banks</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>(1,263,031,207)</td>
<td>(11,681,571,527)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets (Item-wise)</td>
<td>6,837,610,201</td>
<td>(3,637,576,784)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income generating other assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in shares of subsidiary companies</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment in Shares of subsidiary company (in Bangladesh) Mercantile Bank Securities Ltd.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment in Shares of subsidiary company (in Bangladesh) MBL Asset Management Ltd.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment in Shares of subsidiary company (outside Bangladesh) Mercantile Exchange House (UK) Ltd</td>
<td>(3,378,964)</td>
<td>1,806,488</td>
</tr>
<tr>
<td>Mercantile Bank OBU Unit</td>
<td>336,720</td>
<td>4,073</td>
</tr>
<tr>
<td>Islamic-Conv. Adjustment Account</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-income generating other assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stationery, stamps, printing materials in stock etc</td>
<td>3,022,763</td>
<td>337,575</td>
</tr>
<tr>
<td>Advance rent and advertisement</td>
<td>925,595</td>
<td>277,970,945</td>
</tr>
<tr>
<td>Interest accrued on investment but not collected, commission and brokerage receivable on shares and debenture and other income receivable</td>
<td>75,322,728</td>
<td>486,691,495</td>
</tr>
<tr>
<td>Security deposit</td>
<td>10,000</td>
<td>54,206</td>
</tr>
<tr>
<td>Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses</td>
<td>(628,313,224)</td>
<td>(364,831)</td>
</tr>
<tr>
<td>Branch adjustment</td>
<td>-</td>
<td>210,369,383</td>
</tr>
<tr>
<td>Inter Branch Settlement Account</td>
<td>7,137,584,862</td>
<td>(4,980,652,004)</td>
</tr>
<tr>
<td>Suspense Account</td>
<td>(17,629,117)</td>
<td>171,531,512</td>
</tr>
<tr>
<td>Right Of Use (ROU) Assets as per IFRS-16</td>
<td>169,726,828</td>
<td>196,071,629</td>
</tr>
<tr>
<td>D.D.Paid Without Advice</td>
<td>-</td>
<td>(1,397,259)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15,243,547,876</td>
<td>9,907,334,677</td>
</tr>
<tr>
<td>Deposit from other banks</td>
<td>(5,665,086,994)</td>
<td>5,110,460,017</td>
</tr>
<tr>
<td>Deposit from customers</td>
<td>23,139,917,573</td>
<td>5,050,476,356</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(2,231,283,103)</td>
<td>(253,601,697)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash flows from operating activities</td>
<td>1,303,883,009</td>
<td>5,965,681,457</td>
</tr>
</tbody>
</table>
Un-audited Cash Flow Statement
For the period ended 30 September 2023

<table>
<thead>
<tr>
<th>Amount in BDT</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Purchase)/sale of property, plant and equipment</td>
<td>(120,971,688)</td>
<td>(288,837,611)</td>
</tr>
<tr>
<td>(Purchase)/sale of shares</td>
<td>(299,265,848)</td>
<td>(228,890,011)</td>
</tr>
<tr>
<td>Purchase/sale of bond</td>
<td>(40,000,000)</td>
<td>80,000,000</td>
</tr>
<tr>
<td>Other investment activities</td>
<td>-</td>
<td>(53,553,570)</td>
</tr>
<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td><strong>(460,267,536)</strong></td>
<td><strong>(491,281,192)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C) Cash flows from financing activities</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from issue of loan capital and debt securities</td>
<td>(600,000,000)</td>
<td>(600,000,000)</td>
</tr>
<tr>
<td>Payments for redemption of loan capital and debt securities</td>
<td>(88,814,136)</td>
<td>(133,981,556)</td>
</tr>
<tr>
<td>Paid for Interest on Subordinated bond</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Received by issue of right share</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(1,084,877,878)</td>
<td>(1,291,521,284)</td>
</tr>
<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td><strong>(1,773,692,014)</strong></td>
<td><strong>(2,025,502,840)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase/(decrease)in cash &amp; cash equivalent (A+B+C)</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(930,876,542)</td>
<td>3,448,897,425</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Effects of Exchange rate changes on cash and cash equivalents</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,848,550</td>
<td>281,894,874</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalent at the beginning of the year</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21,658,592,341</td>
<td>18,103,061,278</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalent at the end of the period</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20,736,364,349</td>
<td>21,833,853,577</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Operating Cash Flow Per Share (NOCFPS)</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.18</td>
<td>5.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at end of the period</th>
<th>Jan-23 to Sep-23</th>
<th>Jan-22 to Sep-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand (Including foreign currencies)</td>
<td>3,799,538,371</td>
<td>2,891,240,821</td>
</tr>
<tr>
<td>Balance with Bangladesh Bank &amp; its agent bank(s) (including foreign currencies)</td>
<td>12,566,538,736</td>
<td>11,992,774,422</td>
</tr>
<tr>
<td>Balance with other banks and financial institutions</td>
<td>3,448,268,442</td>
<td>4,712,065,334</td>
</tr>
<tr>
<td>Prize Bonds</td>
<td>3,918,800</td>
<td>4,015,300</td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>918,100,000</td>
<td>2,233,757,700</td>
</tr>
<tr>
<td></td>
<td>20,736,364,349</td>
<td>21,833,853,577</td>
</tr>
</tbody>
</table>

Company Secretary

Chief Financial Officer

Managing Director and CEO

Director

Chairman

Dhaka
Date: October 23, 2023
### Mercantile Bank PLC.
#### Un-audited Statement of Changes in Equity
For the period ended 30 September 2023

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Paid-up capital</th>
<th>Statutory reserve</th>
<th>General reserve</th>
<th>Foreign currency translation gain/(loss)</th>
<th>Other reserve</th>
<th>Surplus profit/(loss)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
<td>I</td>
</tr>
<tr>
<td><strong>Balance as at 1 January 2023</strong></td>
<td>10,848,778,780</td>
<td>9,865,589,282</td>
<td>2,450,000,000</td>
<td>37,535,635</td>
<td>45,680,250</td>
<td>70,699,809</td>
<td>643,611,955</td>
</tr>
<tr>
<td>Changes in accounting policy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from income of OBU</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Statutory reserve</td>
<td>-</td>
<td>550,340,628</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Coupon Interest on NBL Perpetual Bond</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Startup Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Market adjustment of approved</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/deficit on account of</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>revaluation/reserve of properties</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/deficit on account of revaluation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Currency translation difference</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net gains and losses not recognised</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(32,794,619)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>in the income statement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit for the period after taxation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Issuance of bonus share</td>
<td>216,975,570</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bonus share premium</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividend equalization fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Issue of right share</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 30.09.2023</strong></td>
<td>11,065,754,350</td>
<td>10,415,929,909</td>
<td>2,450,000,000</td>
<td>4,741,016</td>
<td>45,680,250</td>
<td>190,196,108</td>
<td>643,611,955</td>
</tr>
<tr>
<td><strong>Balance as at 30.09.2022</strong></td>
<td>10,848,778,780</td>
<td>10,112,340,329</td>
<td>3,250,000,000</td>
<td>32,792,482</td>
<td>45,680,250</td>
<td>48,949,263</td>
<td>660,611,955</td>
</tr>
</tbody>
</table>

**Amount in BDT**

**Company Secretary**

**Managing Director and CEO**

**Chief Financial Officer**

**Chairman**

Date: October 23, 2023
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Up to 1 Month</th>
<th>1-3 Months</th>
<th>3-12 Months</th>
<th>1-5 Years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand</td>
<td>3,799,538,371</td>
<td>404,696,736</td>
<td>-</td>
<td>-</td>
<td>12,101,840,000</td>
<td>16,366,077,106</td>
</tr>
<tr>
<td>Balance with other banks and financial institutions</td>
<td>26,366,286</td>
<td>291,254,752</td>
<td>3,131,647,404</td>
<td>-</td>
<td>-</td>
<td>3,448,268,442</td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>918,100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>918,100,000</td>
</tr>
<tr>
<td>Investments</td>
<td>2,688,532,890</td>
<td>9,952,989,485</td>
<td>19,531,092,362</td>
<td>20,327,660,833</td>
<td>39,658,709,150</td>
<td>92,158,984,721</td>
</tr>
<tr>
<td>Loans and advances/investments</td>
<td>64,855,433,132</td>
<td>32,026,536,322</td>
<td>54,706,515,574</td>
<td>67,889,417,675</td>
<td>62,676,562,005</td>
<td>282,154,454,708</td>
</tr>
<tr>
<td>Fixed assets including premises, furniture and fixtures</td>
<td>-</td>
<td>-</td>
<td>461,993,512</td>
<td>3,055,140,002</td>
<td>-</td>
<td>3,557,134,014</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,269,942,857</td>
<td>1,563,912,319</td>
<td>1,271,367,297</td>
<td>185,065,000</td>
<td>4,297,519,164</td>
<td>8,587,806,636</td>
</tr>
<tr>
<td>Non-banking assets Land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36,772,332</td>
<td>36,772,332</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>73,556,913,535</td>
<td>44,299,391,614</td>
<td>79,102,616,150</td>
<td>91,497,284,010</td>
<td>118,771,402,650</td>
<td>407,227,607,959</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowing from Bangladesh Bank, other banks, financial institutions and agents</td>
<td>3,030,000,000</td>
<td>-</td>
<td>25,325,424,384</td>
<td>-</td>
<td>-</td>
<td>28,355,424,384</td>
</tr>
<tr>
<td>Deposits</td>
<td>63,226,192,710</td>
<td>38,335,013,234</td>
<td>30,762,415,156</td>
<td>58,513,371,808</td>
<td>111,451,811,067</td>
<td>302,288,803,975</td>
</tr>
<tr>
<td>Other accounts</td>
<td>2,643,168,755</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,200,000,000</td>
<td>1,200,000,000</td>
</tr>
<tr>
<td>Non-convertible Subordinated Bond</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,130,000,000</td>
<td>3,130,000,000</td>
</tr>
<tr>
<td>Provision and other liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>68,899,361,465</td>
<td>38,391,777,928</td>
<td>72,184,124,678</td>
<td>85,694,910,912</td>
<td>115,781,811,067</td>
<td>380,951,986,049</td>
</tr>
<tr>
<td>Net Liquidity Gap</td>
<td>4,657,552,071</td>
<td>5,907,613,686</td>
<td>6,918,491,472</td>
<td>5,802,373,098</td>
<td>2,989,591,583</td>
<td>26,275,621,910</td>
</tr>
</tbody>
</table>
Mercantile Bank PLC.
Selected Notes to the Un-audited Financial Statements
As at and for the period ended 30 September, 2023

1.0 Legal Status of the Bank

Mercantile Bank PLC. ("the Bank") is one of the third generation Private Commercial Banks (PCBs) incorporated in Bangladesh as a Public Company, Limited by shares under the Companies Act 1994 on 20 May, 1999 and subsequently obtained Banking operation license from Bangladesh Bank under the Bank Company Act, 1991 as amended in 2023. The bank commenced its commercial operation on 2 June, 1999. Afterward, the Bank went for public issue of shares in the year 2003 and its shares are listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). At present, the Bank has 152 Branches including 1 Islamic Banking Branch, 35 Sub-branches, 187 agent banking outlets, 196 own Automated Teller Machines (ATMs), 2 Off-shore Banking Units (OBUs), 45 Islamic Banking Windows and 2,721 employees all over Bangladesh. The Bank has 3 subsidiary companies namely Mercantile Bank Securities Ltd. (MBSL), MBL Asset Management Limited and Mercantile Exchange House (UK) Limited as on 30 September, 2023. Apart, the establishment of another one subsidiary- namely MBL MyCash Limited is in the process of finalization. The registered office of the bank is situated at 61, Dilkusha C/A, Dhaka-1000, and Bangladesh.

1.1 Nature of Business Activities

MB PLC. has been able to establish itself as a leading third generation private commercial bank by dint of its prudent policy guidelines coupled with proper execution, wider range of banking products and admirable customer services. The core activities of the Bank are to provide all kinds of commercial banking services including Deposits Mobilization, Corporate Banking, SME and Consumer Businesses, Discounting bills, Foreign Exchange Business, Off Shore Banking, Treasury function, Card business, Mobile Banking (MyCash), Internet Banking, Locker Service agent banking and Islamic Banking etc. MBL caters card services to its customers by VISA dual prepaid card, Credit Card, Debit card, VISA Medical Card, VISA International Student Card, VISA Dual Hajj Card and International/Dual cards with various up-to-date facilities. Mercantile Bank has started centralized ‘MBL Contact Center’ to provide banking services to customers’ doorstep on 24/7 basis through 16225.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all the period presented in these financial statements and have been applied consistently by the Bank.

2.1 Basis of Preparation of the Financial Statements

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<td>492,008,100</td>
<td>10,332,170,270</td>
</tr>
<tr>
<td>2022</td>
<td>Bonus</td>
<td>51,660,851</td>
<td>516,608,510</td>
<td>10,848,778,780</td>
</tr>
<tr>
<td>2023</td>
<td>Bonus</td>
<td>21,697,557</td>
<td>216,975,570</td>
<td>11,065,754,350</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,106,575,435</td>
<td>11,065,754,350</td>
<td></td>
</tr>
</tbody>
</table>
4. Calculation of Net Asset Value (NAV) per Share

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sep'23</th>
<th>Dec'22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Solo</td>
</tr>
<tr>
<td>Net Asset Value (in BDT)</td>
<td>26,803,274,690</td>
<td>26,275,621,910</td>
</tr>
<tr>
<td>No. of Shares Outstanding</td>
<td>1,106,575,435</td>
<td>1,106,575,435</td>
</tr>
<tr>
<td>Net Asset Value (NAV) per Share</td>
<td>24.22</td>
<td>23.74</td>
</tr>
</tbody>
</table>

5. Earnings per Share (EPS)

Earnings per Share was calculated in accordance with IAS 33 “Earnings per Share”. The calculation of EPS is as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sep'23</th>
<th>Sep'22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Solo</td>
</tr>
<tr>
<td>Net Profit attributable to equity shareholders (in BDT)</td>
<td>2,332,703,666</td>
<td>2,251,703,138</td>
</tr>
<tr>
<td>Weighted Average number of ordinary shares outstanding during the period</td>
<td>1,106,575,435</td>
<td>1,106,575,435</td>
</tr>
<tr>
<td>Earnings Per Share (Taka)</td>
<td>2.11</td>
<td>2.03</td>
</tr>
</tbody>
</table>

** Reasons for Change in Earnings per share (EPS):** In September 2022 the EPS of the Bank (Solo Basis) was Taka 3.06. Whereas, in September 2023 it has decreased to Taka 2.03. The Reasons for this are, Profit before provision has decreased from Tk. 533.80 Crore in September 2022 to 413.11 crore in September 2023. Along with this, there has been increase in Provision amount Tk. 137.94 Crore during September 2023 compared to Tk.110.16 Crore in September 2022.

6. Calculation of Net Operating Cash Flows per Share (NOCFPS)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sep'23</th>
<th>Sep'22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Solo</td>
</tr>
<tr>
<td>Net cash flows from operating activities (in BDT)</td>
<td>1,353,659,690</td>
<td>1,303,883,009</td>
</tr>
<tr>
<td>Number of Shares outstanding</td>
<td>1,106,575,435</td>
<td>1,106,575,435</td>
</tr>
<tr>
<td>Net Operating Cash Flows per Share (NOCFPS)</td>
<td>1.22</td>
<td>1.18</td>
</tr>
</tbody>
</table>
Reasons for Changes in Net Operating Cash Flow per Share (NOCFPS):

There has been increase in Investment in Government Securities Tk.8,389.14 Crore in September 2023 compared to Tk. 5,263.28 Crore in December 2022 has led to the change in Net Operating Cash Flow per Share (NOCFPS).

08. Reconciliation of Net Profit after tax with Cash flows from Operating Activities (Solo) (BDT)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit after taxation</td>
<td>2,251,703,138</td>
</tr>
<tr>
<td>Adjustment to reconcile net income to net cash provided by operating activities</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>(1,744,362,440)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>10,602,926,810</td>
</tr>
<tr>
<td>Dividends receipt</td>
<td>22,564,231</td>
</tr>
<tr>
<td>Fees and commission income</td>
<td></td>
</tr>
<tr>
<td>Payment to the employees</td>
<td></td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(831,714,807)</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>(117,757,901)</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>182,604,307</td>
</tr>
<tr>
<td>Provision for Loans &amp; Advances/Investments/Other Assets</td>
<td>1,379,380,200</td>
</tr>
<tr>
<td>Operating Profit before changes in Operating Assets and Liabilities</td>
<td>9,493,640,399</td>
</tr>
<tr>
<td>Increase/(Decrease) in operating assets &amp; liabilities</td>
<td>7,254,767,266</td>
</tr>
<tr>
<td>Net Investment in trading securities</td>
<td>(31,258,687,399)</td>
</tr>
<tr>
<td>Loan &amp; Advance to Customers</td>
<td>(1,263,931,207)</td>
</tr>
<tr>
<td>Other Assets</td>
<td>6,837,610,201</td>
</tr>
<tr>
<td>Deposits from other Bank</td>
<td>(5,665,086,994)</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>23,139,917,973</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>(2,231,283,103)</td>
</tr>
<tr>
<td>(10,441,460,528)</td>
<td>(4,675,424,427)</td>
</tr>
<tr>
<td>Net Cash Flows from Operating activities</td>
<td>1,303,883,009</td>
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<td></td>
<td>5,965,681,457</td>
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</table>
08. Ratings

Credit Rating Information and Services Limited (CRISL), on the basis of Financial Statements has rated Mercantile Bank PLC. CRISL rated the Mercantile Bank PLC. to "AA" (Pronounced as Double A) in the long term. The above gradation has been done in consideration with its financial viability and consequent improvement in asset quality, capital adequacy, stable source of fund, diversified product lines etc. Financial institutions rated in this category are adjudged the financial institution that is subservient to have high safety to timely repayment of financial obligations. It means Bank rated in the category is adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicate a corporate entity a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. CRISL rated the Mercantile Bank PLC. to ST-2 in the short term. This rate shows High Grade of the Bank it indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small. Both long-term and short-term rating is valid for one year i.e. from 28 May, 2023 to 28 May, 2024

In addition to above, Mercantile Bank Ltd has been assigned B2 by Moody's.

09. General

a) The financial information has been rounded off to the nearest Taka.

b) Figures of previous period have been rearranged whenever necessary to confirm to current periods presentation.
Mercantile Bank PLC.
Selected Notes to the Un-audited Financial Statements
As at and for the period ended 30 September, 2023

1.0 Legal Status of the Bank

Mercantile Bank PLC. ("the Bank") is one of the third generation Private Commercial Banks (PCBs) incorporated in Bangladesh as a Public Company, Limited by shares under the Companies Act 1994 on 20 May, 1999 and subsequently obtained Banking operation license from Bangladesh Bank under the Bank Company Act, 1991 as amended in 2023. The bank commenced its commercial operation on 2 June, 1999. Afterward, the Bank went for public issue of shares in the year 2003 and its shares are listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). At present, the Bank has 152 Branches including 1 Islamic Banking Branch, 35 Sub-branches, 187 agent banking outlets, 196 own Automated Teller Machines (ATMs), 2 Off-shore Banking Units (OBU), 45 Islamic Banking Windows and 2,721 employees all over Bangladesh. The Bank has 3 subsidiary companies namely Mercantile Bank Securities Ltd. (MBSL), MBL Asset Management Limited and Mercantile Exchange House (UK) Limited as on 30 September, 2023. Apart, the establishment of another one subsidiary- namely MBL MyCash Limited is in the process of finalization. The registered office of the bank is situated at 61, Dilkusha C/A, Dhaka-1000, and Bangladesh.

1.1 Nature of Business Activities

MB PLC. has been able to establish itself as a leading third generation private commercial bank by dint of its prudent policy guidelines coupled with proper execution, wider range of banking products and admirable customer services. The core activities of the Bank are to provide all kinds of commercial banking services including Deposits Mobilization, Corporate Banking, SME and Consumer Businesses, Discounting bills, Foreign Exchange Business, Off Shore Banking, Treasury function, Card business, Mobile Banking (MyCash), Internet Banking, Locker Service agent banking and Islamic Banking etc. MBL caters card services to its customers by VISA dual prepaid card, Credit Card, Debit card, VISA Medical Card, VISA International Student Card, VISA Dual Haj Card and International/Dual cards with various up-to-date facilities. Mercantile Bank has started centralized ‘MBL Contact Center’ to provide banking services to customers’ doorstep on 24/7 basis through 15225.

2. Significant Accounting Policies

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<td>492,008,100</td>
<td>10,332,170,270</td>
</tr>
<tr>
<td>2022</td>
<td>Bonus</td>
<td>51,660,851</td>
<td>516,608,510</td>
<td>10,848,778,780</td>
</tr>
<tr>
<td>2023</td>
<td>Bonus</td>
<td>21,697,557</td>
<td>216,975,570</td>
<td>11,065,754,350</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,106,575,435</td>
<td>11,065,754,350</td>
<td></td>
</tr>
</tbody>
</table>
### 4. Calculation of Net Asset Value (NAV) per Share

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sep’23</th>
<th>Dec’22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Solo</td>
</tr>
<tr>
<td>Net Asset Value (in BDT)</td>
<td>26,803,274,690</td>
<td>26,275,621,910</td>
</tr>
<tr>
<td>No. of Shares Outstanding</td>
<td>1,106,575,435</td>
<td>1,106,575,435</td>
</tr>
<tr>
<td>Net Asset Value (NAV) per Share</td>
<td>24.22</td>
<td>23.74</td>
</tr>
</tbody>
</table>

### 5. Earnings per Share (EPS)

Earnings per Share was calculated in accordance with IAS 33 “Earning per Share”. The calculation of EPS is as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sep’23</th>
<th>Sep’22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Solo</td>
</tr>
<tr>
<td>Net Profit attributable to equity shareholders (in BDT)</td>
<td>2,332,703,666</td>
<td>2,251,703,138</td>
</tr>
<tr>
<td>Weighted Average number of ordinary shares outstanding during the period</td>
<td>1,106,575,435</td>
<td>1,106,575,435</td>
</tr>
<tr>
<td>Earnings Per Share (Taka)</td>
<td>2.11</td>
<td>2.03</td>
</tr>
</tbody>
</table>

** Reasons for Change in Earnings per share (EPS):** Earnings per share (EPS) has decreased compared to previous period due to profit before provision has decreased.

### 6. Calculation of Net Operating Cash Flows per Share (NOCFPS)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sep’23</th>
<th>Sep’22</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Solo</td>
</tr>
<tr>
<td>Net cash flows from operating activities (in BDT)</td>
<td>1,353,659,690</td>
<td>1,303,883,009</td>
</tr>
<tr>
<td>Number of Shares outstanding</td>
<td>1,106,575,435</td>
<td>1,106,575,435</td>
</tr>
<tr>
<td>Net Operating Cash Flows per Share (NOCFPS)</td>
<td>1.22</td>
<td>1.18</td>
</tr>
</tbody>
</table>
Reasons for Changes in Net Operating Cash Flow per Share (NOCFPS): Net Operating Cash Flow per Share (NOCFPS) has decreased compared to previous period due to increase in Investment in Government Securities.

07. Reconciliation of Net Profit after tax with Cash flows from Operating Activities (Solo)  

<table>
<thead>
<tr>
<th>Description</th>
<th>BDT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit after taxation</td>
<td>2,251,703,138</td>
</tr>
<tr>
<td>Adjustment to reconcile net income to net cash provided by operating activities</td>
<td>3,386,338,618</td>
</tr>
<tr>
<td>Interest Income</td>
<td>(1,744,362,440)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>10,602,926,810</td>
</tr>
<tr>
<td>Dividends receipts</td>
<td>22,564,231</td>
</tr>
<tr>
<td>Fees and commission income</td>
<td>-</td>
</tr>
<tr>
<td>Payment to the employees</td>
<td>-</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(831,714,807)</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>(117,757,901)</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>182,604,307</td>
</tr>
<tr>
<td>Provision for Loans &amp; Advances/Investments/Other Assets</td>
<td>1,379,380,200</td>
</tr>
<tr>
<td>Operating Profit before changes in Operating Assets and Liabilities</td>
<td>9,493,640,399</td>
</tr>
<tr>
<td>Increase/(Decrease) in operating assets &amp; liabilities</td>
<td>7,254,767,266</td>
</tr>
<tr>
<td>Net Investment in trading securities</td>
<td>(31,256,687,399)</td>
</tr>
<tr>
<td>Loan &amp; Advance to Customers</td>
<td>(1,263,931,207)</td>
</tr>
<tr>
<td>Other Assets</td>
<td>6,837,610,201</td>
</tr>
<tr>
<td>Deposits from other Bank</td>
<td>(5,665,086,994)</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>23,139,917,973</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>(2,231,263,103)</td>
</tr>
<tr>
<td>Net Cash Flows from Operating activities</td>
<td>1,303,883,009</td>
</tr>
</tbody>
</table>
08. Ratings

Credit Rating Information and Services Limited (CRISL), on the basis of Financial Statements has rated Mercantile Bank PLC. CRISL rated the Mercantile Bank PLC. to “AA” (Pronounced as Double A) in the long term. The above gradation has been done in consideration with its financial viability and consequent improvement in asset quality, capital adequacy, stable source of fund, diversified product lines etc. Financial institutions rated in this category are adjudged the financial institution that is subservient to have high safety to timely repayment of financial obligations. It means Bank rated in the category is adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicate a corporate entity a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. CRISL rated the Mercantile Bank PLC. to ST-2 in the short term. This rate shows High Grade of the Bank it indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small. Both long-term and short-term rating is valid for one year i.e. from 28 May, 2023 to 28 May, 2024

In addition to above, Mercantile Bank Ltd has been assigned B2 by Moody’s.

09. General

a) The financial information has been rounded off to the nearest Taka.

b) Figures of previous period have been rearranged whenever necessary to confirm to current periods presentation.