BALANCE SHEET (CONSOLIDATED)

AS AT JUNE 30, 2013

AMOUNT IN TAKA

	JUNE 30, 2013	DECEMBER 31.2012
PROPERTY AND ASSETS		
Cash	**12,970,812,384**	**12,015,292,367**
Cash in hand (Including Foreign Currencies)	1,229,466,746	1,470,735,823
Balance with Bangladesh Bank & Sonali Bank (Including Foreign Currencies)	11,741,345,638	10,544,556,544
Balance with other Banks and Financial Institutions	**618,458,021**	**662,915,683**
In Bangladesh	365,368,134	576,083,402
Outside Bangladesh	253,089,887	86,832,281
Money at Call and Short Notice	-	-
Investments	**40,057,383,518**	**41,544,194,470**
Government	37,978,642,972	40,034,748,601
Others	2,078,740,546	1,509,445,869
Loans and Advances	**94,188,706,155**	**93,384,291,546**
Loans, Cash Credit, Overdraft etc.	86,566,145,722	85,675,340,959
Bills Purchased and Discounted	7,622,560,433	7,708,950,587
Fixed Assets Including Premises, Furniture and Fixtures	3,017,550,784	2,945,814,406
Other Assets	2,330,064,655	3,595,196,230
Non Banking Assets	-	-
Total Assets	**153,182,975,518**	**154,147,704,702**
LIABILITIES AND CAPITAL		
Liabilities :		
Borrowings from other Banks, Financial Institutions and Agents and Agents	**15,644,175,651**	**17,313,279,868**
Deposits and Other Accounts	**116,881,445,839**	**118,045,024,783**
Current Accounts and Other Accounts	19,202,382,071	19,865,532,250
Bills Payable	1,410,058,056	1,725,460,339
Savings Bank Deposits	8,005,678,549	6,869,659,847
Fixed Deposits	41,750,364,664	46,250,915,355
Deposits Under Schemes	46,512,962,499	43,333,456,992
Other Liabilities	**9,840,969,680**	**7,805,396,278**
Total Liabilities	**142,366,591,170**	**143,163,700,929**
Capital/Shareholders' Equity		
Paid-up Capital	6,599,613,412	6,110,753,160
Statutory Reserve	3,279,120,254	3,119,683,762
Other Reserve	784,526,761	753,360,335
Surplus in Profit & Loss Account	98,656,856	948,428,399
	10,761,917,283	10,932,225,656
Non Controlling Interest	54,467,065	51,778,117
Total Shareholders' Equity	**10,816,384,348**	**10,984,003,773**
Total Liabilities & Shareholders' Equity	**153,182,975,518**	**154,147,704,702**

OFF- BALANCE SHEET ITEMS

A CONTINGENT LIABILITIES		
Acceptances and Endorsements	24,199,668,464	20,569,926,764
Letters of Guarantee	7,784,009,553	7,832,764,925
Irrevocable Letters of Credit	22,869,131,090	19,823,147,250
Bills for Collection	224,750,368	29,376,464
Other Contingent Liabilities	1,723,701,704	1,726,232,704
Total	**56,801,261,179**	**49,981,448,107**
B 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 (A+B)	**56,801,261,179**	**49,981,448,107**

Moindra Kumar Nath
Additional Managing Director and CFO

M. Ehsanul Haque
Managing Director and CEO

PROFIT AND LOSS ACCOUNT (CONSOLIDATED)

FOR THE HALF YEAR ENDED JUNE 30, 2013

AMOUNT IN TAKA

	Jan-June13	Jan-June12	April-June13	April-June12
Interest Income	6,541,053,475	5,994,869,928	3,309,401,595	3,014,299,959
Less: Interest Paid on Deposits, Borrowings, etc.	5,964,868,416	5,246,863,586	3,004,760,534	2,757,887,231
Net Interest Income	**576,185,059**	**748,006,342**	**304,641,061**	**256,412,728**
Investment Income	1,659,247,242	1,143,263,021	951,479,381	700,482,614
Commission, Exchange and Brokerage	590,300,557	713,990,086	249,693,642	406,993,094
Other Operating Income	537,058,813	598,840,865	335,574,090	318,262,218
	2,786,606,612	**2,456,093,972**	**1,536,747,113**	**1,425,737,926**
Total Operating Income	**3,362,791,671**	**3,204,100,314**	**1,841,388,174**	**1,682,150,654**
Salaries and Allowances	616,924,763	571,443,167	319,674,113	302,605,619
Chief Executive's Salary and Fees	5,797,819	4,285,147	2,815,014	2,770,147
Directors' Fees	1,518,000	1,765,250	1,032,250	290,200
Rent, Taxes, Insurances, Electricity, etc.	218,172,791	159,820,681	121,362,728	84,648,838
Legal Expenses	5,693,860	2,515,305	4,418,384	1,413,141
Postage, Stamps, Telecommunication, etc.	29,585,679	26,739,643	14,294,247	15,187,339
Stationery, Printings, Advertisements, etc.	102,626,004	99,738,227	44,170,938	53,797,767
Auditors' Fees	-	-	-	-
Depreciation and Repair of Fixed Assets	105,488,217	92,068,640	74,553,841	65,835,118
Other Expenses	416,127,716	289,114,717	257,137,036	157,995,989
Total Operating Expenses	**1,501,934,848**	**1,247,490,777**	**839,458,550**	**684,544,158**
Profit before Provision	**1,860,856,823**	**1,956,609,537**	**1,001,929,624**	**997,606,496**
Provision against Classified Loans	999,900,000	298,100,000	280,000,000	190,600,000
Provision against Un Classified Loans	-	103,000,000	28,900,000	81,900,000
Other Provision	32,000,000	138,501,000	12,000,000	40,250,000
Total Provision	**1,031,900,000**	**539,601,000**	**320,900,000**	**312,750,000**
Total Profit before Taxes	**828,956,823**	**1,417,008,537**	**681,029,624**	**684,856,496**
Provision for Taxation	601,077,197	717,541,906	470,450,447	395,421,514
Net Profit after Taxation	**227,879,626**	**699,466,631**	**210,579,177**	**289,434,982**
Retained Surplus brought forward from previous year	34,680,788	35,591,605	(21,583)	-
	262,560,413	**735,058,236**	**210,557,593**	**289,434,982**
Appropriations				
Statutory Reserve	159,436,492	140,911,119	128,687,350	145,168,072
Non Controlling Share of Profit	4,467,065	(57,570)	1,460,531	-
Retained Surplus	98,656,856	594,204,687	80,409,712	144,266,910
	262,560,413	**735,058,236**	**210,557,593**	**289,434,982**
Earning Per Share* (EPS)	0.35	1.06	0.32	0.44

STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

FOR THE HALF YEAR ENDED JUNE 30, 2013

Amount in Taka

Particulars	Equity Attributable to shareholder's of Mercantile Bank Limited								Non Controlling Interest (I)	Total J= (H+I)
	Paid-up Capital (A)	Statutory Reserve (B)	Dividend Equalization Fund(C)	Adjustment for Approved Securtiies (D)	Revaluation Surplus for Fixed Assets (E)	Net Balance of Other Reserve F= (C+D+E)	Surplus Profit/(loss) (G)	Total H= (A+B+F+G)		
Balance as at 01 January 2013	6,110,753,160	3,119,683,762	45,680,250	64,068,130	643,611,955	753,360,355	948,428,399	10,932,225,656	51,778,117	10,984,003,773
Changes in Accounting Policy										
Statutory Reserve		159,436,492					(159,436,492)			
Market Adjustment of Approved Securities (HTM)				(16,694,422)		(16,694,422)		(16,694,422)		(16,694,422)
Surplus/Deficit on account of revaluation of properties										
Surplus/Deficit on account of revaluation of investments					47,4860,848	47,4860,848		47,4860,848		47,860,848
Currency transaction difference							(1,601,704)	(1,601,704)		(1,601,704)
Net profit for the year after taxation							227,879,626	227,879,626		227,879,626
Transfer										
Issuance of Bonus Share	488,860,253						(488,860,253)			
Bonus Share Premium										
Cash Dividend							(427,752,721)	(427,752,721)		(427,752,721)
Dividend Equalization Fund										
Non Controlling Share Capital/Profit									2,688,948	2,688,948
Issue of Right Share										
Balance as at 30 June 2013	**6,599,613,413**	**3,279,120,254**	**45,680,250**	**47,373,708**	**691,472,803**	**784,526,761**	**98,656,855**	**10,761,917,283**	**54,467,065**	**10,816,384,348**
Balance as at 30 June 2012	**6,110,753,160**	**2,784,304,673**	**45,680,250**	**36,393,272**	**659,068,030**	**741,141,552**	**594,204,687**	**10,230,404,072**	**51,716,059**	**10,282,120,131**

Moindra Kumar Nath
Additional Managing Director and CFO

M. Ehsanul Haque
Managing Director and CEO

CASH FLOWS STATEMENT (CONSOLIDATED)

FOR THE HALF YEAR ENDED JUNE 30, 2013

AMOUNT IN TAKA

	Jan to June, 2013	Jan to June, 2012
A. Cash Flows from Operating Activities	(135,828,594)	217,854,163
Interest Received	5,650,403,840	5,994,869,928
Interest Paid	(4,911,865,387)	(5,246,863,586)
Fees and Commission Received	470,639,488	428,861,784
Payment to the Employees	(616,924,763)	(571,443,167)
Payment to Suppliers	(102,626,004)	(99,738,227)
Income Tax Paid	(625,455,768)	(287,832,569)
Received from other operating activities	**537,058,813**	**718,501,934**
Exchange Gain	156,262,837	119,661,069
Other Operating Income	380,795,976	598,840,865
Payment for other operating activities	**(697,226,864)**	**(503,456,148)**
Rent, Taxes, Insurances and Electricity	(218,172,791)	(159,820,681)
Legal Expenses	(5,693,860)	(2,515,305)
Postage, Stamps and Telecommunication	(29,585,679)	(26,739,643)
Auditors' Fees	-	-
Repair and Maintenance	(20,331,000)	(19,215,405)
Chief Executive's Salary and Fees	(5,797,819)	(4,285,147)
Directors' Fees	(1,518,000)	(1,765,250)
Other Expenses	(416,127,716)	(289,114,717)
Operating profit before changes in Operating Assets and Liabilities	**(295,996,645)**	**432,899,949**
Increase / Decrease in Operating Assets and Liabilities		
	1,251,691,020	**(13,387,664,456)**
Trading Securities (Treasury Bills & Bonds)	2,056,105,629	(6,326,859,742)
Loans and Advances to other Banks	-	-
Loans and Advances to Customer	(804,414,609)	(7,060,804,714)
Other Assets (Item-wise)	**(34,115,991)**	**(205,911,104)**
Suspense Account (Note 9.1)	23,462,830	(3,510,579)
Demand Draft paid without Advice	(604,447)	(5,675,094)
Advance Rent	(101,747)	3,801,818
Advance Deposits	(10,750)	(19,200)
Stock of Stationery	1,419,936	46,681
Stamps in Hand	(525,784)	(259,626)
Premium on Bond	-	-
Clearing Adjustment Account	(54,755,577)	(30,864,982)
On Line Client Adjustment Account	2,426,736	(10,611,176)
Adjusting Account Debit	(5,427,188)	(158,818,946)
	2,228,852,594	**18,152,570,721**
Deposit from other Banks	(1,669,104,217)	7,070,668,490
Deposit from Customers	(1,163,578,944)	12,193,633,051
Other Liabilities on account of Customers		
Other Liabilities	5,061,535,755	(1,111,730,820)
Net Cash Received from Operating Activities	3,150,430,978	4,991,895,110
B. Cash Flows from Investing Activities	**(645,397,244)**	**(281,901,192)**
Brokerage House Customer Account		
Dividend Received	4,282,796	962,426
Purchase/ Sale of Property, Plant and Equipment	(80,385,363)	(84,189,333)
Purchase/ Sale of Shares	(569,294,677)	(198,674,285)
Other Investment Income	-	-
Net Cash from Investing Activities		
C. Cash Flows from Financing Activities	(427,752,721)	
Receipts from Issue of Loan Capital and Debt Securities	-	-
Paid for Repayment of Loan and Debt Securities	-	-
Received by Issue of Right Share	-	-
Dividend Paid	(427,752,721)	-
Net Cash from Financing Activities		
D. Net Increase/(Decrease) of Cash & Cash Equivalent (A+B+C)	**2,077,281,013**	**4,709,993,918**
Effects of Exchange Rate changes on Cash and Cash Equivalent		
E. Opening Cash and Cash Equivalent	11,511,989,393	6,801,995,475
F. Closing Cash and Cash Equivalent (D+E) note-16.A	**13,589,270,405**	**11,511,989,393**

Moindra Kumar Nath
Additional Managing Director and CFO

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Managing Director and CEO