Un-audited Financial Statements
Of
Mercantile Bank Limited

For the year period of 01 January 2018 to 30 June 2018

Financial Administration Division, Head Office
61, Dilkusha Commercial Area, Dhaka – 1000, Bangladesh

বাংলার ব্যাংক
মার্কেন্টাইল ব্যাংক লিমিটেড
Mercantile Bank Limited
efficiency is our strength

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Mercantile Bank Limited and its Subsidiaries
Un-audited Consolidated Balance Sheet
As at 30 June 2018

	Amount in BDT	
	Jun-18	Dec-17
Property and Assets		
Cash in hand	**14,583,294,348**	**15,680,966,260**
Cash in hand (Including foreign currencies)	2,602,008,811	2,008,127,286
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	11,981,285,537	13,672,838,974
Balance with other banks and financial institutions	**3,075,260,994**	**934,312,772**
In Bangladesh	1,392,950,310	688,461,599
Outside Bangladesh	1,682,310,684	245,851,173
Money at call on short notice	**1,175,000,000**	**100,000,000**
Investments	**36,901,581,079**	**35,602,149,655**
Government	29,943,784,699	29,362,506,727
Others	6,957,796,380	6,239,642,928
Loans and Advances	**219,104,783,496**	**202,940,413,744**
Loans, Cash Credit, Overdraft etc.	198,188,760,893	183,544,215,779
Bills purchased and discounted	20,916,022,603	19,396,197,965
Fixed assets including premises, furniture and fixtures	**3,050,344,252**	**3,082,427,810**
Other assets	**3,402,653,977**	**3,053,717,095**
Non- banking assets	-	-
Total Property and Assets	**281,292,918,146**	**261,393,987,336**
Liabilities and Capital		
Liabilities		
Borrowings from other banks, financial institutions and agents	**24,524,512,234**	**7,056,119,495**
Deposits and other Accounts	**221,080,986,952**	**209,074,458,843**
Current Accounts and other Accounts	51,879,244,379	49,465,778,859
Bills Payable	4,353,170,912	2,594,349,058
Savings Bank Deposits	19,871,929,376	19,511,485,925
Fixed Deposits	91,904,693,021	77,056,698,640
Deposits Under Schemes	53,071,949,264	60,446,146,361
Subordinated Bond	**1,800,000,000**	**2,400,000,000**
Other Liabilities	**16,530,799,508**	**25,218,275,725**
Total Liabilities	**263,936,298,694**	**243,748,854,063**
Capital/Shareholders' Equity	**17,305,958,557**	**17,594,576,292**
Paid up Capital	8,149,202,630	7,761,145,370
General Reserve	500,000,000	500,000,000
Statutory Reserve	6,767,878,608	6,312,796,441
Other Reserve	744,152,656	1,295,336,337
Surplus in Profit & Loss Account	1,144,724,663	1,725,298,143
Non Controlling Interest	50,660,895	50,556,981
Total Shareholders' Equity	**17,356,619,452**	**17,645,133,273**
Total Liabilities & Shareholders' Equity	**281,292,918,146**	**261,393,987,336**

Un-audited Consolidated Balance Sheet
As at 30 June 2018

	Amount in BDT	
	Jun-18	Dec-17
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances and Endorsements	48,895,775,986	47,500,722,770
Letters of Guarantee	12,673,250,402	13,500,172,474
Irrevocable Letters of Credit	40,846,385,620	43,748,154,363
Bills for Collection	6,595,661,394	7,629,978,904
Other contingent liabilities(BLW)	2,850,359,423	2,378,023,272
Total	**111,861,432,825**	**114,757,051,783**
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	**111,861,432,825**	**114,757,051,783**
Net Asset Value Per Share (NAVPS)	**21.30**	**22.74**

Company Secretary

Chief Financial Officer

Managing Director and CEO

Director

Chairman

Dated: Dhaka
25 July , 2018

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Mercantile Bank Limited and its Subsidiaries
Un-audited Consolidated Profit & Loss Account
For the 2nd Quarter ended 30 June 2018

	Amount in BDT	
	Jun-18	Jun-17
Interest income	9,915,806,883	7,625,870,463
Less: Interest Paid on deposits, borrowings etc.	7,839,426,172	6,087,505,047
Net interest income	**2,076,380,711**	**1,538,365,416**
Investment income	1,638,573,523	1,447,656,498
Commission, exchange and brokerage	1,165,228,800	1,204,868,056
Other operating income	1,045,471,352	1,562,179,438
	3,849,273,675	**4,214,703,993**
Total operating income	**5,925,654,386**	**5,753,069,408**
Salaries and allowances	1,252,387,217	1,204,442,971
Chief Executive's salary and fees	9,258,710	8,080,645
Directors' fees	2,482,700	3,157,900
Rent, taxes, insurances, electricity etc.	406,739,516	338,323,426
Legal expenses	13,671,089	10,417,991
Postage, stamps, telecommunication etc.	42,355,511	33,957,914
Stationery, Printings, Advertisements etc.	136,969,817	117,472,567
Auditors' fees	262,255	376,782
Charges on loan losses	-	-
Depreciation and repair of Bank's assets	225,131,320	196,016,189
Other expenses	730,988,065	751,989,852
Total operating expenses	**2,820,246,201**	**2,664,236,236**
Profit/(Loss) before provision	**3,105,408,185**	**3,088,833,172**
Provision for loans and advances including off Balance Sheet items	800,083,791	652,218,081
Provision for diminution in value of investments in shares	-	-
Other provision	13,160,000	-
Total provision	**813,243,791**	**652,218,081**
Total Profit/(Loss) before Taxes	**2,292,164,394**	**2,436,615,091**
Provision for Current Tax	710,099,822	861,348,851
Provision for Deferred Tax	-	
	710,099,822	**861,348,851**
Net Profit after Taxation	**1,582,064,572**	**1,575,266,241**
Appropriations		
Statutory Reserve	455,082,166	483,779,966
General Reserve	-	-
	455,082,166	483,779,966
Retained surplus	**1,126,982,406**	**1,091,486,275**
Net profit after Tax attributable to:		
Equity holders of Mercantile Bank Ltd.	1,126,878,491	1,090,900,903
Non Controlling Interest in Profit	103,914	585,372
	1,126,982,406	**1,091,486,275**
Consolidated Earnings Per Share (EPS) restated for June'17	**1.94**	**1.93**

Company Secretary

Chief Financial Officer

Managing Director and CEO

Director

Chairman

Dated: Dhaka
25 July , 2018

Mercantile Bank Limited and its Subsidiaries
Un-audited Consolidated Profit & Loss Account
For the 2nd Quarter ended 30 June 2018

	Amount in BDT			
	Jan-Jun'18	Jan-Jun'17	Apr-Jun'18	Apr-Jun'17
Interest Income	9,915,806,883	7,625,870,463	5,182,381,452	4,074,578,294
Less: Interest Paid on Deposits, Borrowings etc.	7,839,426,172	6,087,505,047	4,185,827,595	3,314,128,437
Net Interest Income	**2,076,380,711**	**1,538,365,416**	**996,553,857**	**760,449,857**
Investment Income	1,638,573,523	1,447,656,498	962,215,802	709,789,427
Commission, Exchange and Brokerage	1,165,228,800	1,204,868,056	568,455,110	709,101,729
Other Operating Income	1,045,471,352	1,562,179,438	391,223,716	549,969,291
	3,849,273,675	**4,214,703,993**	**1,921,894,628**	**1,968,860,445**
Total Operating Income	**5,925,654,386**	**5,753,069,408**	**2,918,448,485**	**2,729,310,303**
Salaries and Allowances	1,252,387,217	1,204,442,971	689,980,274	626,765,673
Chief Executive's Salary and Fees	9,258,710	8,080,645	5,590,000	4,950,000
Directors' Fees	2,482,700	3,157,900	1,236,300	1,409,900
Rent, Taxes, Insurances, Electricity etc.	406,739,516	338,323,426	200,574,520	176,734,698
Legal Expenses	13,671,089	10,417,991	9,266,253	6,149,841
Postage, Stamps, Telecommunication etc.	42,355,511	33,957,914	21,923,740	16,463,038
Stationery, Printings. Advertisements etc.	136,969,817	117,472,567	55,627,262	32,349,303
Auditors' Fees	262,255	376,782	159,042	266,535
Depreciation and Repair to Bank's property	225,131,320	196,016,189	105,441,587	102,301,960
Other Expenses	730,988,065	751,989,852	293,977,985	401,651,542
Total Operating Expenses	**2,820,246,201**	**2,664,236,236**	**1,383,776,963**	**1,369,042,490**
Profit/(loss) before provision	**3,105,408,185**	**3,088,833,172**	**1,534,671,523**	**1,360,267,813**
Provision for loans and advances including off Balance Sheet ite	800,083,791	652,218,081	307,745,683	130,743,717
Provision for diminution in value of investments in shares	-	-	-	-
Other Provision	13,160,000	-	13,160,000	-
Total Provision	**813,243,791**	**652,218,081**	**320,905,683**	**130,743,717**
Total Profit before taxes	**2,292,164,394**	**2,436,615,091**	**1,213,765,840**	**1,229,524,096**
Provision for Current Tax	710,099,822	861,348,851	288,278,715	455,061,804
Provision for Deferred Tax	-	-	-	-
	710,099,822	**861,348,851**	**288,278,715**	**455,061,804**
Net Profit after Taxation	1,582,064,572	1,575,266,241	925,487,125	774,462,292
Appropriations				
Statutory Reserve	455,082,166	483,779,966	241,115,342	245,591,555
General Reserve	-	-	-	-
	455,082,166	**483,779,966**	**241,115,342**	**245,591,555**
Retained surplus				
Net profit after Tax attributable to:				
Equity holders of Mercantile Bank Ltd.	1,126,878,491	1,090,900,903	684,406,980	528,358,093
Non Controlling Interest in Profit	103,914	585,372	(35,198)	512,644
	1,126,982,406	**1,091,486,275**	**684,371,782**	**528,870,737**
Consolidated Earnings Per Share (EPS) restated for June'17	**1.94**	**1.93**	**1.09**	**0.90**

Company Secretary

Chief Financial Officer

Managing Director and CEO

Director

Chairman

Dated: Dhaka
25 July , 2018

Mercantile Bank Limited and its Subsidiaries
Un-audited Consolidated Cash Flow Statement
For the 2nd Quarter ended 30 June 2018

	Amount in BDT	
	Jun-18	Jun-17
A) Cash flows from operating activities		
	2,392,878,180	**690,884,843**
Interest received	10,297,401,003	6,609,588,189
Interest paid	(5,681,569,614)	(4,501,853,130)
Fees and commission received	594,267,267	550,412,084
Dividend receipts	122,989,327	105,370,718
Recoveries on loans previously written off	63,057,146	1,259,000
Payment to the employees	(1,252,387,217)	(1,204,442,971)
Payment to suppliers	(178,785,828)	(148,584,534)
Income tax paid	(1,572,093,904)	(720,864,513)
Received from other operating activities	**2,064,109,192**	**3,558,921,191**
Exchange gain	570,961,533	654,455,972
Other operating income	1,493,147,659	2,904,465,219
Payment for other operating activities	**(1,249,977,335)**	**(1,188,985,471)**
Rent, taxes, insurances and electricity	(406,739,516)	(338,323,426)
Legal expenses	(13,671,089)	(10,417,991)
Postage, stamps and telecommunication	(42,355,511)	(33,957,914)
Auditors' fees	(262,255)	(115,000)
Repair and maintenance	(44,219,489)	(42,942,743)
Chief Executive's salary and fees	(9,258,710)	(8,080,645)
Directors' fees	(2,482,700)	(3,157,900)
Other expenses	(730,988,065)	(751,989,852)
Operating cash flows before changes in operating assets & liabilities	**3,207,010,037**	**3,060,820,563**
(Increase)/ decrease in operating assets and liabilities	**(13,097,905,835)**	**(29,742,207,140)**
Trading securities (Treasury Bills & Bonds)	(581,277,972)	(1,685,276,742)
Loans and advances to other banks	-	-
Loans and advances to customer	(12,516,627,863)	(28,056,930,398)
Other assets (Item-wise)	**2,255,928,549**	**(1,414,169,893)**
Investment in shares of subsidiary companies		
In Bangladesh (Mercantile Bank OBU Unit)	2,413,199,023	(747,589,884)
Outside Bangladesh (Mercantile Exchange House (UK) Limited)	(18,020)	(1,883,832)
Stationery, stamps,printing materials in stock etc	(5,913,888)	(312,321)
Advance rent and advertisement	13,339,731	31,076,056
Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable (Adjusting account debit)	(87,804,355)	(317,970,127)
Security deposit (Advance deposits)	(205,725)	(760,110)
Prelimiary, formation and organization expenses, renovation/development expenses and prepaid expenses (MBL Center)	(41,837,000)	
Branch adjustment (Mercantile Bank general account)	(160,267,942)	(200,506,752)
Suspense Account	134,496,546	(169,523,347)
Silver	-	
Others (Premium on bond)	-	
Others (Clearing adjustment account)	(9,059,821)	(6,699,576)
	12,684,350,585	**39,971,464,139**
Deposit from other banks	17,468,392,739	13,643,522,921
Deposit from customers	9,704,671,552	30,307,017,991
Other liabilities on account of customers	-	-
Other liabilities	(14,488,713,706)	(3,979,076,773)
Net cash flows from operating activities	**5,049,383,336**	**11,875,907,670**

Un-audited Consolidated Cash Flow Statement
For the 2nd Quarter ended 30 June 2018

	Amount in BDT	
	Jun-18	Jun-17
B) Cash flows from investing activities		
Brokerage House customer account	-	-
(Purchase)/ sale of property, plant and equipment	(148,587,960)	(120,693,503)
(Purchase)/sale of shares	(1,751,814)	(62,343,026)
(Purchase)/sale of bond	286,000,000	(614,000,000)
Other investment	(1,002,401,640)	855,370,709
Net cash flows from investing activities	**(866,741,413)**	**58,334,180**
C) Cash flows from financing activities		
Receipts from issue of loan capital and debt Securities	-	-
Payments for redemption of loan capital and debt securities	(600,000,000)	(600,000,000)
Paid for Interest on Subordinated bond	(144,000,000)	(18,000,000)
Received by issue of right share	-	-
Dividend paid	(1,319,395,213)	(1,108,735,052)
Net cash flows from financing activities	**(2,063,395,213)**	**(1,726,735,052)**
Net increase/(decrease) in cash & cash equivalent (A+B+C)	**2,119,246,710**	**10,207,506,799**
Cash and cash equivalent at beginning of the year	16,719,162,732	16,254,524,116
Cash and cash equivalent at the end of the half year	**18,838,409,442**	**26,462,030,915**
Net Operating Cash Flow Per Share (NOCFPS)	**6.20**	**15.30**
Cash and cash equivalents at end of the half year		
Cash in hand (Including foreign currencies)	2,602,008,811	2,416,385,322
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	11,981,285,537	13,444,401,565
Balance with other banks and financial institutions	3,075,260,994	9,596,750,008
Prize Bonds	4,854,100	4,494,020
Money at call on short notice	1,175,000,000	1,000,000,000
	18,838,409,442	**26,462,030,915**

Company Secretary

Chief Financial Officer

Managing Director and CEO

Director

Chairman

Dated: Dhaka
25 July , 2018

Mercantile Bank Limited and its Subsidiaries
Un-audited Consolidated Statement of Changes in Equity
For the 2nd Quarter ended 30 June 2018

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	General reserve	Other Reserve				Surplus	Total	Non Controlling Interest	Total
				Dividend Equalization Fund	Adjustment for Approved Securities	Revaluation Surplus for Fixed Assets	Net Balance of Other Reserve	Profit/(loss)			
	A	B	C	D	E	F	G=(D+E+F)	H	I=(A+B+C+G+H)	J	K=(I+J)
Balance as at 1 January 2018	**7,761,145,370**	**6,312,796,441**	**500,000,000**	**45,680,250**	**606,044,132**	**643,611,955**	**1,295,336,337**	**1,725,298,143**	**17,594,576,291**	**50,556,981**	**17,645,133,273**
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	455,082,167	-	-	-	-		(455,082,167)	-	-	-
General reserve	-	-	-	-	-	-	-	-	-		-
Market adjustment of approved securities (HTM)	-	-	-	-	(551,183,681)	-	(551,183,681)	-	(551,183,681)	-	(551,183,681)
Surplus/deficit on account of revaluation of properties	-	-	-		-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-	-	-
Currency transaction difference	-	-	-	-	-	-	-	(103,912)	(103,912)	-	(103,912)
Net gains and losses not recognised in Income Statement			-	-	-	-	-	-	-		-
Net profit for the year after taxation	-		-	-	-	-	-	1,582,064,572	1,582,064,572	103,914	1,582,168,486
Transfer	-		-	-	-	-	-	-	-	-	-
Issuance of bonus shares	388,057,260	-	-	-	-	-	-	(388,057,260)	-	-	-
Bonus share premium	-		-	-	-	-	-	-	-		-
Cash dividend	-	-	-	-	-	-	-	(1,319,394,713)	(1,319,394,713)	-	(1,319,394,713)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Non controlling share capital/profit	-	-	-	-	-	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	**8,149,202,630**	**6,767,878,609**	**500,000,000**	**45,680,250**	**54,860,451**	**643,611,955**	**744,152,656**	**1,144,724,662**	**17,305,958,557**	**50,660,895**	**17,356,619,452**
Balance as at 31 December 2017	**7,761,145,370**	**6,312,796,441**	**500,000,000**	**45,680,250**	**606,044,132**	**643,611,955**	**1,295,336,337**	**1,725,298,143**	**17,594,576,292**	**50,556,981**	**17,645,133,273**

Company Secretary

Managing Director and CEO

Chief Financial Officer

Director

Chairman

Dated: Dhaka
25 July , 2018

Mercantile Bank Limited and its Subsidiaries
Un-audited Consolidated Liquidity Statement
Asset and Liability Maturity Analysis
As at 30 June 2018

Amount in BDT

Particulars	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 years	Total
Assets:						
Cash in hand	2,598,933,647	899,717,277	3,075,164	-	11,081,568,260	14,583,294,348
Balance with other banks and financial institutions	103,578,621	842,242,999	2,129,439,374	-	-	3,075,260,994
Money at call and short notice	1,175,000,000	-	-	-	-	1,175,000,000
Investments	4,854,600	712,890,720	9,677,796,491	7,624,178,309	18,881,860,960	36,901,581,079
Loans and advances	13,440,746,382	24,557,225,203	97,773,008,256	56,466,000,081	26,867,803,574	219,104,783,496
Fixed assets including premises, furniture and fixtures	-	-	470,068,434	572,368,053	2,007,907,765	3,050,344,252
Other assets	-	2,164,219,941	222,203,076	291,266,321	724,964,639	3,402,653,977
Non-banking assets	-	-	-	-	-	-
Total Assets	**17,323,113,250**	**29,176,296,141**	**110,275,590,794**	**64,953,812,764**	**59,564,105,198**	**281,292,918,146**
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	4,630,000,000	-	19,894,512,234	-	-	24,524,512,234
Deposits	3,605,536,994	27,333,563,728	73,269,718,406	61,478,796,531	51,040,200,380	216,727,816,039
Other accounts	4,353,170,912	-	-	-	-	4,353,170,913
Subordinated Bond	-	-	-	-	1,800,000,000	1,800,000,000
Provision and other liabilities	-	207,623,345	13,186,794,035	3,136,382,130		16,530,799,509
Total Liabilities	**12,588,707,906**	**27,541,187,073**	**106,351,024,675**	**64,615,178,661**	**52,840,200,380**	**263,936,298,695**
Net Liquidity Gap	**4,734,405,344**	**1,635,109,068**	**3,924,566,119**	**338,634,103**	**6,723,904,818**	**17,356,619,452**

AMARSTOCK

Mercantile Bank Limited
Un-audited Balance Sheet
As at 30 June 2018

	Amount in BDT	
	Jun-18	Dec-17
Property and Assets		
Cash in hand	**14,580,219,184**	**15,678,480,709**
Cash in hand (Including foreign currencies)	2,598,933,647	2,005,641,735
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	11,981,285,537	13,672,838,974
Balance with other banks and financial institutions	**3,044,580,092**	**821,345,385**
In Bangladesh	1,362,269,408	575,494,212
Outside Bangladesh	1,682,310,684	245,851,173
Money at call on short notice	**1,175,000,000**	**100,000,000**
Investments	**39,621,581,190**	**38,322,149,765**
Government	29,943,784,699	29,362,506,727
Others	9,677,796,491	8,959,643,037
Loans and Advances	**215,847,445,445**	**199,660,721,031**
Loans, Cash Credit, Overdraft etc.	194,931,422,842	180,264,523,067
Bills purchased and discounted	20,916,022,603	19,396,197,964
Fixed assets including premises, furniture and fixtures	**3,026,597,181**	**3,057,496,972**
Other assets	**2,686,138,767**	**2,529,732,363**
Non- banking assets	-	-
Total Property and Assets	**279,981,561,859**	**260,169,926,224**
Liabilities and Capital		
Liabilities		
Borrowings from other banks, financial institutions and agents	**24,524,512,234**	**7,056,119,495**
Deposits and other Accounts	**221,106,883,794**	**209,122,954,051**
Current Accounts and other Accounts	51,905,141,221	49,514,274,067
Bills Payable	4,353,170,912	2,594,349,058
Savings Bank Deposits	19,871,929,376	19,511,485,925
Fixed Deposits	91,904,693,021	77,056,698,640
Deposit Under Schemes	53,071,949,264	60,446,146,361
Subordinated Bond	**1,800,000,000**	**2,400,000,000**
Other Liabilities	**15,261,313,130**	**24,006,832,417**
Total Liabilities	**262,692,709,158**	**242,585,905,963**
Capital/Shareholders' Equity		
Paid up capital	8,149,202,630	7,761,145,370
Statutory reserve	6,767,878,608	6,312,796,441
General reserve	500,000,000	500,000,000
Other reserve	744,152,656	1,295,336,337
Surplus in Profit & Loss Account	1,127,618,807	1,714,742,113
Total shareholders' Equity	**17,288,852,701**	**17,584,020,261**
Total Liabilities & Shareholders' Equity	**279,981,561,859**	**260,169,926,224**

Mercantile Bank Limited
Un-audited Balance Sheet
As at 30 June 2018

	Amount in BDT	
	Jun-18	Dec-17
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances and Endorsements	48,895,775,986	47,500,722,770
Letters of Guarantee	12,673,250,402	13,500,172,474
Irrevocable Letters of Credit	40,846,385,620	43,748,154,363
Bills for Collection	6,595,661,394	7,629,978,904
Other contingent liabilities(BLW)	2,850,359,423	2,378,023,272
Total	**111,861,432,825**	**114,757,051,783**
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	**111,861,432,825**	**114,757,051,783**
Net Asset Value Per Share (NAVPS)	**21.22**	**22.66**

Company Secretary **Chief Financial Officer**

Managing Director and CEO

Director **Chairman**

Dated: Dhaka
25 July , 2018

AMARSTOCK

Mercantile Bank Limited
Un-audited Profit and Loss Account
For the 2nd Quarter ended 30 June 2018

	Amount in BDT	
	Jun-18	Jun-17
Interest income	9,879,816,612	7,596,628,869
Less: Interest paid on deposits, borrowings etc.	7,839,426,172	6,087,505,047
Net interest income	**2,040,390,440**	**1,509,123,822**
Investment income	1,616,136,986	1,447,656,498
Commission, exchange and brokerage	1,128,908,877	1,132,994,456
Other operating income	1,037,979,656	1,550,440,453
	3,783,025,519	**4,131,091,407**
Total operating income	**5,823,415,959**	**5,640,215,229**
Salaries and allowances	1,233,686,909	1,188,037,707
Chief Executive's salary and fees	9,258,710	8,080,645
Directors' fees	1,895,200	2,456,400
Rent, taxes, insurances, electricity etc.	398,540,383	332,625,687
Legal expenses	13,397,126	9,658,083
Postage, stamps, telecommunication etc.	41,294,726	32,876,638
Stationery, Printings, Advertisements etc.	136,714,449	116,757,546
Auditors' fees	57,500	195,500
Charges on loan losses	-	-
Depreciation and repair of Bank's assets	222,773,667	193,667,246
Other expenses	715,442,666	709,741,865
Total operating expenses	**2,773,061,336**	**2,594,097,316**
Profit/(Loss) before provision	**3,050,354,623**	**3,046,117,913**
Provision for loans and advances including off Balance Sheet items	761,783,791	627,218,081
Provision for diminution in value of investments in shares	-	-
Other provision	13,160,000	-
Total provision	**774,943,791**	**627,218,081**
Total profit/(Loss) before taxes	**2,275,410,832**	**2,418,899,832**
Provision for Current Tax	700,000,000	850,000,000
Provision for Deferred Tax	-	-
	700,000,000	**850,000,000**
Net profit after taxation	**1,575,410,832**	**1,568,899,832**
Appropriations		
Statutory reserve	455,082,166	483,779,966
General reserve	-	-
	455,082,166	**483,779,966**
Retained surplus	**1,120,328,666**	**1,085,119,866**
Earnings per share (EPS) restated for June'17	**1.93**	**1.93**

Company Secretary **Chief Financial Officer**

Managing Director and CEO

Director **Chairman**

Dated: Dhaka
25 July , 2018

Mercantile Bank Limited
Un-audited Profit & Loss Account
For the 2nd Quarter ended 30 June 2018

	Amount in BDT			
	Jan-Jun'18	Jan-Jun'17	Apr-Jun'18	Apr-Jun'17
Interest Income	9,879,816,612	7,596,628,869	5,169,681,267	4,056,484,359
Less: Interest Paid on Deposits, Borrowings etc.	7,839,426,172	6,087,505,047	4,185,827,595	3,314,128,437
Net Interest Income	**2,040,390,440**	**1,509,123,822**	**983,853,672**	**742,355,922**
Investment Income	1,616,136,986	1,447,656,498	941,730,233	709,789,427
Commission, Exchange and Brokerage	1,128,908,877	1,132,994,456	544,913,029	642,538,282
Other Operating Income	1,037,979,656	1,550,440,453	384,497,691	584,032,206
	3,783,025,519	**4,131,091,407**	**1,871,140,953**	**1,936,359,914**
Total Operating Income	**5,823,415,959**	**5,640,215,229**	**2,854,994,625**	**2,678,715,836**
Salaries and Allowances	1,233,686,909	1,188,037,707	679,833,578	617,945,883
Chief Executive's Salary and Fees	9,258,710	8,080,645	5,590,000	4,950,000
Directors' Fees	1,895,200	2,456,400	1,048,800	1,076,400
Rent, Taxes, Insurances, Electricity etc.	398,540,383	332,625,687	196,060,585	174,658,433
Legal Expenses	13,397,126	9,658,083	9,242,778	5,950,309
Postage, Stamps, Telecommunication etc.	41,294,726	32,876,638	21,419,865	15,943,433
Stationery, Printings, Advertisements etc.	136,714,449	116,757,546	55,477,552	31,814,167
Auditors' Fees	57,500	195,500	57,500	161,000
Depreciation and Repair to Bank's property	222,773,667	193,667,246	104,282,730	101,187,777
Other Expenses	715,442,666	709,741,865	284,898,842	378,326,940
Total Operating Expenses	**2,773,061,336**	**2,594,097,316**	**1,357,912,230**	**1,332,014,342**
Profit/(loss) before provision	**3,050,354,623**	**3,046,117,913**	**1,497,082,395**	**1,346,701,494**
Provision for loans and advances including off Balance Sheet items	761,783,791	627,218,081	278,345,683	118,743,717
Provision for diminution in value of investments in shares	-	-	-	-
Other Provision	13,160,000	-	13,160,000	-
Total Provision	**774,943,791**	**627,218,081**	**291,505,683**	**118,743,717**
Total Profit before taxes	**2,275,410,832**	**2,418,899,832**	**1,205,576,712**	**1,227,957,777**
Provision for Current Tax	700,000,000	850,000,000	280,000,000	450,000,000
Provision for Deferred Tax	-	-	-	-
	700,000,000	**850,000,000**	**280,000,000**	**450,000,000**
Net Profit after Taxation	**1,575,410,832**	**1,568,899,832**	**925,576,712**	**777,957,777**
Profit available for appropriation	**1,575,410,832**	**1,568,899,832**	**925,576,712**	**777,957,777**
Appropriation				
Statutory Reserve	455,082,166	483,779,966	241,115,342	245,591,555
General reserve	-	-	-	-
	455,082,166	**483,779,966**	**241,115,342**	**245,591,555**
Retained Surplus	**1,120,328,666**	**1,085,119,866**	**684,461,370**	**532,366,222**
Earnings Per Share (EPS) restated for June'17	**1.93**	**1.93**	**1.09**	**0.91**

Company Secretary

Chief Financial Officer

Managing Director and CEO

Director

Chairman

Dated: Dhaka
25 July , 2018

Mercantile Bank Limited
Un-audited Cash Flow Statement
For the 2nd Quarter ended 30 June 2018

	Amount in BDT	
	Jun-18	Jun-17
A) Cash flows from operating activities		
	909,202,687	**638,001,901**
Interest received	8,645,273,746	6,580,346,595
Interest paid	(5,537,569,614)	(4,501,853,130)
Fees and commission received	557,947,344	478,538,484
Dividend receipts	122,989,327	105,370,718
Recoveries on loans previously written off	63,057,146	1,259,000
Payment to the employees	(1,233,686,909)	(1,188,037,707)
Payment to suppliers	(136,714,449)	(116,757,546)
Income tax paid	(1,572,093,904)	(720,864,513)
Received from other operating activities	**3,102,088,848**	**3,547,182,205**
Exchange gain	570,961,533	654,455,972
Other operating income	2,531,127,315	2,892,726,233
Payment for other operating activities	**(1,224,105,800)**	**(1,138,577,560)**
Rent, taxes, insurances and electricity	(398,540,383)	(332,625,687)
Legal expenses	(13,397,126)	(9,658,083)
Postage, stamps and telecommunication	(41,294,726)	(32,876,638)
Auditors' fees	(57,500)	(195,500)
Repair and maintenance	(44,219,489)	(42,942,743)
Chief Executive's salary and fees	(9,258,710)	(8,080,645)
Directors' fees	(1,895,200)	(2,456,400)
Other expenses	(715,442,666)	(709,741,865)
Operating cash flows before changes in operating assets and liabilities	**2,787,185,735**	**3,046,606,547**
(Increase)/ decrease in operating assets and liabilities	**(15,533,459,519)**	**(29,761,685,144)**
Trading securities (Treasury bills & Bonds)	(581,277,972)	(1,685,276,742)
Loans and advances to other banks	-	-
Loans and advances to customers	(14,952,181,548)	(28,076,408,402)
Other assets (Item-wise)	**2,255,928,549**	**(2,430,452,167)**
Investment in shares of subsidiary companies		
In Bangladesh (Mercantile Bank OBU Unit)	2,413,199,023	(747,589,884)
Outside Bangladesh (Mercantile Exchange House (UK) Limited)	(18,020)	(1,883,832)
Stationery, stamps,printing materials in stock etc	(5,913,888)	(312,321)
Advance rent and advertisement	13,339,731	31,076,056
Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable (Adjusting account debit)	(87,804,355)	(1,334,252,401)
Security deposit (Advance deposits)	(205,725)	(760,110)
Prelimiary, formation and organization expenses, renovation/development expenses and prepaid expenses (MBL Center)	(41,837,000)	-
Branch adjustment (Mercantile Bank general account)	(160,267,942)	(200,506,752)
Suspense Account	134,496,546	(169,523,347)
Silver	-	-
Others (Premium on bond)	-	-
Others (Clearing adjustment account)	(9,059,821)	(6,699,576)
	15,620,491,370	**41,113,727,683**
Deposit from other banks	17,468,392,739	13,643,522,921
Deposit from customers	9,682,073,185	30,238,311,600
Other liabilities on account of customers	-	-
Other liabilities	(11,529,974,554)	(2,768,106,838)
Net cash flows from operating activities	**5,130,146,136**	**11,968,196,918**

Un-audited Cash Flow Statement
For the 2nd Quarter ended 30 June 2018

	Amount in BDT	
	Jun-18	Jun-17
B) Cash flows from investing activities		
Purchase/sale of property, plant and equipment	(147,654,387)	(121,932,631)
Purchase/sale of shares	(1,751,814)	(62,343,026)
Purchase/sale of bond	286,000,000	(614,000,000)
Other investment activities	(1,002,401,640)	855,370,710
Net cash flows from investing activities	**(865,807,840)**	**57,095,053**
C) Cash flows from financing activities		
Receipts from Issue of loan capital and debt securities	-	-
Payments for redemption of loan capital and debt securities	(600,000,000)	(600,000,000)
Paid for Interest on Subordinated bond	(144,000,000)	(180,000,000)
Received by issue of right share	-	-
Dividend paid	(1,319,394,713)	(1,108,735,052)
Net cash flows from financing activities	**(2,063,394,713)**	**(1,888,735,052)**
Net increase/(decrease) of cash & cash equivalent (A+B+C)	**2,200,943,582**	**10,136,556,920**
Cash and cash equivalent at the beginning of the year	**16,603,709,794**	16,036,835,080
Cash and cash equivalent at the end of the half year	**18,804,653,376**	**26,173,392,000**
Net Operating Cash Flow Per Share (NOCFPS)	**6.30**	**15.42**
Cash and cash equivalents at end of the half year		
Cash in hand (Including foreign currencies)	2,598,933,647	2,415,442,249
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	11,981,285,537	13,444,401,565
Balance with other banks and financial institutions	3,044,580,092	9,309,054,166
Prize Bonds	4,854,100	4,494,020
Money at call on short notice	1,175,000,000	1,000,000,000
	18,804,653,376	**26,173,392,000**

Company Secretary **Chief Financial Officer**

Managing Director and CEO

Director **Chairman**

Dated: Dhaka
25 July , 2018

Mercantile Bank Limited
Un-audited Statement of Changes in Equity
For the 2nd Quarter ended 30 June 2018

Amount in BDT

Particulars	Paid-up capital	Statutory reserve	General reserve	Other reserve				Surplus profit/(loss)	Total
				Dividend Equalization Fund	Adjustment for Approved Securities	Revaluation surplus for Fixed assets	Net balance of other reserve		
	A	B	C	D	E	F	G=D+E+F	H	H=A+B+C+G+H
Balance as at 1 January 2018	**7,761,145,370**	**6,312,796,441**	**500,000,000**	**45,680,250**	**606,044,132**	**643,611,955**	**1,295,336,338**	**1,714,742,113**	**17,584,020,262**
Changes in accounting policy	-	-	-	-		-	-	-	-
Transfer from income of OBU			-					-	-
Statutory reserve	-	455,082,166	-	-	-	-	-	(455,082,166)	-
General reserve	-	-	-	-	-	-		-	-
Market adjustment of approved securities (HTM)	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(551,183,681)	-	(551,183,681)	-	(551,183,681)
Currency transaction difference	-	-	-	-	-	-	-		-
Net gains and losses not recognised			-		-	-	-	-	-
in the income statement	-	-	-	-		-	-	-	-
Net profit for the year after taxation	-	-	-		-	-	-	1,575,410,832	1,575,410,832
Transfer	-	-	-	-	-	-	-	-	-
Issuance of bonus share	388,057,260	-	-	-	-	-	-	(388,057,260)	-
Bonus share premium	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	(1,319,394,713)	(1,319,394,713)
Dividend equalization fund	-	-	-	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	**8,149,202,630**	**6,767,878,608**	**500,000,000**	**45,680,250**	**54,860,451**	**643,611,955**	**744,152,657**	**1,127,618,807**	**17,288,852,701**
Balance as at 31 December 2017	**7,761,145,370**	**6,312,796,441**	**500,000,000**	**45,680,250**	**606,044,132**	**643,611,955**	**1,295,336,337**	**1,714,742,113**	**17,584,020,261**

Company Secretary

Managing Director and CEO

Chief Financial Officer

Director

Chairman

Dated: Dhaka
25 July , 2018

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Mercantile Bank Limited
Un-audited Liquidity Statement
Asset and Liability Maturity Analysis
As at 30 June 2018

Amount in BDT

Particulars	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 years	Total
Assets:						
Cash in hand	2,598,933,647	899,717,277	-	-	11,081,568,260	14,580,219,184
Balance with other banks and financial institutions	103,578,621	842,242,999	2,098,758,472	-	-	3,044,580,092
Money at call and short notice	1,175,000,000	-	-	-	-	1,175,000,000
Investments	4,854,600	712,890,720	9,677,796,491	7,624,178,309	21,601,861,070	39,621,581,190
Loans and advances	13,440,746,382	24,557,225,203	97,773,008,256	56,466,000,081	23,610,465,523	215,847,445,445
Fixed assets including premises, furniture and fixtures	-		470,068,434	572,368,053	1,984,160,694	3,026,597,181
Other assets	-	2,164,219,941	222,203,076	291,266,321	8,449,429	2,686,138,767
Non-banking assets	-	-	-	-	-	-
Total assets	**17,323,113,250**	**29,176,296,141**	**110,241,834,728**	**64,953,812,764**	**58,286,504,976**	**279,981,561,859**
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	4,630,000,000		19,894,512,234	-	-	24,524,512,234
Deposits	3,605,536,994	27,333,563,728	73,269,718,406	61,478,796,531	51,066,097,222	216,753,712,881
Other accounts	4,353,170,912	-	-	-	-	4,353,170,912
Subordinated Bond	-	-	-	-	1,800,000,000	1,800,000,000
Provision and other liabilities	-	207,623,345	13,186,794,035	1,866,895,751	-	15,261,313,131
Total liabilities	**12,588,707,906**	**27,541,187,073**	**106,351,024,675**	**63,345,692,282**	**52,866,097,222**	**262,692,709,158**
Net Liquidity Gap	**4,734,405,344**	**1,635,109,068**	**3,890,810,053**	**1,608,120,482**	**5,420,407,754**	**17,288,852,701**

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Selected Explanatory Notes to the Consolidated Financial Statements
As at and for the 2nd Quarter ended 30 June 2018

1.0 Legal Status & Nature of the Bank

Mercantile Bank Limited ("the Bank") was 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 2013 and commenced its commercial operation on 2 June, 1999. 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). Presently the Bank has 129 Branches and 2 (two) subsidiary companies.

1.1 Principle Activities

The principle activities of the Bank are to provide all kinds of commercial banking activities encompassing a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions; and performing other related services such as safe keeping, collections, issuing guarantees, acceptances and letters of credit to the customers through branches in Bangladesh.

2.0 Basis of Preparation of Financial Statements & Other Significant Accounting Policies

The Financial statements of the Bank and its subsidiaries are prepared in accordance with International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs)

2.1 Basis of Consolidation

The consolidated financial statements have been prepared in accordance with IAS 27 "Consolidated and Separate Financial Statements" and IFRS-10 "Consolidated Financial Statements".

2.2 Cash Flow Statement

The cash flow statement has been prepared in accordance with the IAS 7 "Statement of Cash Flows" and under the guideline of BRPD Circular # 14, dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

3.00 Break-up of Shareholders Equity (solo)

Particulars	June'18	Dec'17
Paid up capital	8,149,202,630	7,761,145,370
Statutory reserve	6,767,878,608	6,312,796,441
General reserve	500,000,000	500,000,000
Other reserve	744,152,656	1,295,336,337
Surplus in Profit & Loss Account	1,127,618,807	1,714,742,113
Total shareholders' Equity	**17,288,852,701**	**17,584,020,261**

AMAR STOCK

3. (a) Break-up of Shareholders Equity (Consolidated)

Particulars	June'18	Dec'17
Paid up capital	8,149,202,630	7,761,145,370
Statutory reserve	6,767,878,608	6,312,796,441
General reserve	500,000,000	500,000,000
Other reserve	744,152,656	1,295,336,337
Surplus in Profit & Loss Account	1,127,618,807	1,714,742,113
Non Controlling Interest	50,660,895	50,556,981
Total shareholders' Equity	**17,356,619,452**	**17,645,133,273**

3.1 Break-up of Paid-up Capital

Particulars	Number of Ordinary Shares	June'18	Dec'17
Issued for cash (1999)	24,500,000	245,000,000	245,000,000
IPO (2003)	31,976,500	319,765,000	319,765,000
Right shares (2010)	143,894,230	1,438,942,300	1,438,942,300
Bonus shares (2000 to 2017)	614,549,533	6,145,495,330	5,757,438,070
Closing balance	814,920,263	8,149,202,630	7,761,145,370

- **Face value Tk. 10/= per share**

4.00 Calculation of Consolidated Net Asset Value (NAV) per Share

Total shareholders' Equity Tk. 17,356,619,452 / Number of Ordinary Shares outstanding in the half year 814,920,263 = 21.30 in June'18 and Total shareholders' Equity Tk. 17,645,133,273 / Number of Ordinary Shares outstanding in the half year 776,114,537) = 22.74 in June'17.

5.00 Consolidated Earnings per Share (EPS)

The company calculates Earnings per Share (EPS) in accordance with IAS 33 "Earnings per Share". This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period. i.e. (Net profit after tax Tk.1, 582,064,572 / Number of Ordinary Shares outstanding in the half year 814,920,263) = 1.94 in June'18 and Net profit after tax Tk. 1,575,266,241 / Number of Ordinary Shares outstanding in the half year 814,920,263(restated)) = 1.93 in June'17.

6.00 Calculation of Consolidated net Operating Cash Flows per Share (NOCFPS)

Net cash flows from operating activities Tk.5,049,383,336 / Number of Share outstanding in the half year 814,920,263) = 6.20 in June'18 and Net cash flows from operating activities Tk.11,875,907,670 / Number of Share outstanding in the half year 17 776,114,537) = 15.30 in June'17.

7.00 Ratings

Emerging Credit Rating Limited (ECRL) rated the Mercantile Bank Limited to "AA" in the long term and ST-2 in the short term. Both long-term and short-term rating is valid for one year i.e. from 22 May, 2018 to 21 May, 2019.

In addition to above rating, Mercantile Bank Ltd has been assigned first-time B1 ratings by Moody's.