## Mercantile Bank Limited Profit & Loss Account

For the year ended 31 December 2017

| Interest income  |  | Notes | Amount in BDT  |                |
|--|--|-------|----------------|----------------|
| Less: Interest paid on deposits, borrowings etc.   21   12,897,323,225   3,383,174,584   3,044,421,614     Investment income   |  | notes | 2017           | 2016           |
| Net interest income   20   3,383,174,584   3,044,421,614     Investment income   20   3,451,100,187   2,604,840,269   1,871,881,144     Other operating income   23   2,415,186,666   2,129,802,611     Total operating income   24   2,487,918,086   2,129,802,611     Salaries and allowances   24   2,487,918,808   2,469,283,725     Chief Executive's salary and fees   25   16,138,710   11,380,645     Directors' fees   26   4,381,689   4,866,800     Rent, taxes, insurances, electricity etc.   27   676,353,053     Legal expenses   28   15,568,813   8,543,103     Postage, stamps, telecommunication etc.   29   190,625,308   179,044,671     Auditors' fees   30   1,545,680   920,000     Charges on loan losses   2   2,252,846,431   949,077,542     Provision for loans and advances including off Balance Sheet items of Provision for diminution in value of investments in shares Other provision   2,252,846,431   949,077,542     Provision for Current Tax   12,41   1,354,457,982   1,264,861,038     Provision for Deferred Tax   12,42   1,354,457,982   1,264,861,038     Provision for Deferred Tax   12,42   1,300,000,000   1,260,000,000     Net profit atfer taxation   2,227,358,324     Retained surplus   16   1,554,173,610   1,559,886,660  | Interest income  | 19    | 16,280,497,809 | 13,794,722,502 |
| Investment income  | Less: Interest paid on deposits, borrowings etc.                   | 21    | 12,897,323,225 | 10,750,300,888 |
| Commission, exchange and brokerage         22         2,604,840,269         1,871,881,144         2,129,802,611           Total operating income         23         2,415,186,666         8,471,127,122         7,050,880,546           Salaries and allowances         24         2,487,918,808         10,095,302,161           Salaries and allowances         24         2,487,918,808         2,469,283,725           Chief Executive's salary and fees         25         16,138,710         11,380,645           Directors' fees         26         4,381,689         4,866,800           Rent, taxes, insurances, electricity etc.         27         676,353,053         626,185,633           Legal expenses         28         15,568,813         8,543,103           Postage, stamps, telecommunication etc.         29         190,625,308         179,044,671           Auditors' fees         29         190,625,308         179,044,671           Auditors' fees         30         379,957,135         377,534,484           Other expenses         31         1,449,756,644         1,917,895,473           Total operating expenses         7         2,253,738,264         5,658,866,295           Provision for loans and advances including off Balance Sheet items Other provision         1,354,457,982         1,344,36,4   | Net interest income  |       | 3,383,174,584  | 3,044,421,614  |
| Other operating income         23         2,415,186,666 8,471,127,122 7,050,880,546         2,129,802,611 7,005,302,161           Salaries and allowances         24         2,487,918,808 10,095,302,161         10,095,302,161           Chief Executive's salary and fees         25         16,138,710 11,380,645         11,380,645           Directors' fees         26         4,381,689 4,866,800         4,866,800           Rent, taxes, insurances, electricity etc.         27         676,353,053 626,185,633         8,543,103           Legal expenses         28         15,568,813 8,543,103         8,543,103           Postage, stamps, telecommunication etc.         61,492,424 63,211,761         63,211,761           Stationery, Printings, Advertisements etc.         29         190,625,308 179,044,671         179,044,671           Auditors' fees         30         379,957,135         920,000           Charges on loan losses         30         379,957,135         377,534,484           Other expenses         31         1,449,756,644         1,917,895,473           Total operating expenses         5,283,738,264         4,436,435,866           Provision for loans and advances including off Balance Sheet items         12.5         2,252,846,431         949,077,542           Total profit/(Loss) before taxes         1,334,457,982   | Investment income  | 20    | 3,451,100,187  | 3,049,196,792  |
| Other operating income         23         2,415,186,666 8,471,127,122 7,050,880,546         2,129,802,611 7,005,302,161           Salaries and allowances         24         2,487,918,808 10,095,302,161         10,095,302,161           Chief Executive's salary and fees         25         16,138,710 11,380,645         11,380,645           Directors' fees         26         4,381,689 4,866,800         4,866,800           Rent, taxes, insurances, electricity etc.         27         676,353,053 626,185,633         8,543,103           Legal expenses         28         15,568,813 8,543,103         8,543,103           Postage, stamps, telecommunication etc.         61,492,424 63,211,761         63,211,761           Stationery, Printings, Advertisements etc.         29         190,625,308 179,044,671         179,044,671           Auditors' fees         30         379,957,135         920,000           Charges on loan losses         30         379,957,135         377,534,484           Other expenses         31         1,449,756,644         1,917,895,473           Total operating expenses         5,283,738,264         4,436,435,866           Provision for loans and advances including off Balance Sheet items         12.5         2,252,846,431         949,077,542           Total profit/(Loss) before taxes         1,334,457,982   | Commission, exchange and brokerage                                 | 22    | 2,604,840,269  | 1,871,881,144  |
| Total operating income   |  | 23    | 2,415,186,666  | 2,129,802,611  |
| Salaries and allowances Chief Executive's salary and fees Directors' fees Chief Executive's salary and fees Directors' fees Rent, taxes, insurances, electricity etc. 27 676,333,053 12,646,800 Rent, taxes, insurances, electricity etc. 28 15,568,813 8,543,103 Postage, stamps, telecommunication etc. Stationery, Printings, Advertisements etc. 29 190,625,308 179,044,671 Auditors' fees Charges on loan losses Depreciation and repair of Bank's assets Other expenses 31 10tal operating expenses Profit/(Loss) before provision Provision for loans and advances including off Balance Sheet items Other provision Total provision To |  |       | 8,471,127,122  | 7,050,880,546  |
| Chief Executive's salary and fees Directors' fees Chief Executive's salary and fees Directors' fees Chief Executive's salary and fees Directors' fees Charges 26 Rent, taxes, insurances, electricity etc. Legal expenses 28 Dostage, stamps, telecommunication etc. Stationery, Printings, Advertisements etc. Auditors' fees Charges on loan losses Charges on loan losses Depreciation and repair of Bank's assets Other expenses Total operating expenses Profit/(Loss) before provision  Provision for loans and advances including off Balance Sheet items Other provision Total profit/(Loss) before taxes  Provision for Current Tax Total profit/(Loss) before taxes  Provision for Deferred Tax  12.4.1 Provision for Deferred Tax 12.4.2 Profit available for appropriation Appropriations Statutory reserve 14 Retained surplus  16 16 1,525,886,660 11,387,10 11,388,645 4,866,809 4,866,809 4,866,800 11,50,886 4,886,809 11,549,705 11,387,030 11,389,645 4,486,808 4,866,800 11,380,645 4,866,809 11,380,645 6,510,563,863 11,449,756,644 1,917,895,473 11,449,756,644 1,917,895,473 11,310,449,756,644 1,917,895,473 11,344,756,431 1,949,077,542 1,252,846,431 1,949,077,542 1,252,846,431 1,949,077,542 1,252,846,431 1,300,000,000 1,260,000 1,260,000,000 1,260,000,000 1,260,000,000 1,363,543,401 1,654,173,610 1,529,886,660   | Total operating income   |       | 11,854,301,706 | 10,095,302,161 |
| Chief Executive's salary and fees Directors' fees Chief Executive's salary and fees Directors' fees Chart, taxes, insurances, electricity etc. Legal expenses Depreciation and repair of Bank's assets Other expenses Profit/(Loss) before provision Total profit/(Loss) before taxes  Provision for Current Tax Provision for Deferred Tax Provision for Deferred Tax Provision for Deferred Tax Profit available for appropriation Appropriations Statutory reserve General reserve 14 Retained surplus  16 16 1,654,173,610 11,380,645 4,866,800 4,881,689 4,866,800 4,886,800 4,886,800 4,866,800 4,866,800 4,866,800 4,866,800 4,866,800 4,866,800 4,866,800 4,866,800 4,866,800 4,866,800 4,920,424 63,211,761 10,525,308 61,492,424 63,211,761 61,492,424 61,486,801 61,492,424 61,486,680 61,492,424 61,486,680 61,492,424 61,486,680 61,492,424 61,486,680 61,492,424 61,486,680 61,492,424 61,486,680 61,492,424 61,486,680 61,492,424 61,486,680  | Salaries and allowances  | 24    | 2.487.918.808  | 2.469.283.725  |
| Directors' fees Rent, taxes, insurances, electricity etc. Rental expenses Rent, taxes, insurances, electricity etc. Rental expenses Rent, taxes, insurances, electricity etc. Rental expenses  | Chief Executive's salary and fees                                  | 25    |                |                |
| Rent, taxes, insurances, electricity etc. Legal expenses 28 15,568,813 8,543,103 Rostage, stamps, telecommunication etc. Stationery, Printings, Advertisements etc. 29 190,625,308 179,044,671 Auditors' fees Charges on loan losses Depreciation and repair of Bank's assets Other expenses Total operating expenses Profit/(Loss) before provision  Provision for loans and advances including off Balance Sheet items Other provision Total profit/(Loss) before taxes  Provision for Current Tax Provision for Current Tax Provision for Deferred Tax  Provision for Deferred Tax  Profit after taxation Retained surplus  Retained surplus  Retained surplus  626,185,633 8,543,103 179,044,671 199,044,61 199,044,61 199,044,61 199,044 19,19,894 19,19,894 19,19,894 19 |  | 26    |                |                |
| Legal expenses   | Rent, taxes, insurances, electricity etc.                          | 27    |                | 626,185,633    |
| Postage, stamps, telecommunication etc. Stationery, Printings, Advertisements etc. 29 190,625,308 179,044,671 Auditors' fees 1,545,680 1 |  | 28    | 15,568,813     |                |
| Stationery, Printings, Advertisements etc. Auditors' fees Charges on loan losses Depreciation and repair of Bank's assets Other expenses Total operating expenses Profit/(Loss) before provision  Provision for loans and advances including off Balance Sheet items Other provision Total provision Total profit/(Loss) before taxes  Provision for Current Tax Provision for Current Tax Provision for Deferred Tax  Provision for Deferred Tax  Net profit after taxation Profit available for appropriation Appropriations Statutory reserve General reserve  Retained surplus  100  101  102  103  103  103  109,625,308 1,545,680 1,545,680 1,920,000 1,917,895,473 1,917,895,473 1,917,895,473 1,917,895,473 1,949,077,542 1,252,846,431 1,949,077,542 1,252,846,431 1,252,846,431 1,252,846,431 1,252,846,431 1,264,861,038 1,360,000,000 1,260,000, | Postage, stamps, telecommunication etc.                            |       |                | 63,211,761     |
| Charges on loan losses Depreciation and repair of Bank's assets Other expenses Total operating expenses Profit/(Loss) before provision  Provision for loans and advances including off Balance Sheet items Provision for diminution in value of investments in shares Other provision Total profit/(Loss) before taxes  Provision for Current Tax Total profit after taxation Profit available for appropriation Statutory reserve General reserve  Depreciation and repair of Bank's assets 30 379,957,135 1,449,756,644 1,917,895,473 5,283,738,264 6,570,563,442 5,283,738,264 6,570,563,442  4,436,435,866  P49,077,542 2,252,846,431 949,077,542 3,487,358,324  12.4.1 1,354,457,982 (54,457,982) (54,457,982) 1,264,861,038 (4,861,038) 1,260,000,000 2,227,358,324  14 863,543,401 500,000,000 1,363,543,401 500,000,000 1,363,543,401 1,529,886,660  | Stationery, Printings, Advertisements etc.                         | 29    | 190,625,308    |                |
| Depreciation and repair of Bank's assets Other expenses Total operating expenses Profit/(Loss) before provision  Provision for loans and advances including off Balance Sheet items Provision for diminution in value of investments in shares Other provision Total provision Total profit/(Loss) before taxes  Provision for Current Tax Provision for Current Tax Provision for Deferred Tax  Provision for Deferred Tax  12.4.1 Profit after taxation Profit available for appropriation Appropriations Statutory reserve General reserve  14.1 Retained surplus  30 379,957,135 1,449,756,644 1,917,895,473 5,283,738,264 6,570,563,442 5,658,866,295 4,436,435,866  12.5 2,252,846,431 949,077,542 3,487,358,324  1,354,457,982 (54,457,982) 1,300,000,000 3,017,717,011 2,227,358,324  697,471,664 1,529,886,660  | Auditors' fees   |       | 1,545,680      | 920,000        |
| Other expenses         31         1,449,756,644         1,917,895,473           Total operating expenses         5,283,738,264         5,658,866,295           Profit/(Loss) before provision         4,436,435,866           Provision for loans and advances including off Balance Sheet items Provision for diminution in value of investments in shares Other provision         12.5           Other provision         2,252,846,431         949,077,542           Total provision for Current Tax         12.4.1         1,354,457,982         1,264,861,038           Provision for Deferred Tax         12.4.2         1,330,000,000         1,260,000,000           Net profit after taxation Profit available for appropriations         3,017,717,011         2,227,358,324           Statutory reserve General reserve         14.1         863,543,401         697,471,664           Retained surplus         16         1,654,173,610         1,529,886,660   |  |       | -              | -              |
| Total operating expenses Profit/(Loss) before provision         5,283,738,264         5,658,866,295           Provision for loans and advances including off Balance Sheet items Other provision Total provision Total profit/(Loss) before taxes         12.5         2,252,846,431         949,077,542           Provision for Current Tax Provision for Current Tax Provision for Deferred Tax         12.4.1         1,354,457,982         1,264,861,038           Provision for Deferred Tax Profit after taxation Profit available for appropriations Statutory reserve General reserve         14         863,543,401         697,471,664           Retained surplus         16         1,654,173,610         1,529,886,660   | Depreciation and repair of Bank's assets                           | 30    | 379,957,135    | 377,534,484    |
| Profit/(Loss) before provision         6,570,563,442         4,436,435,866           Provision for loans and advances including off Balance Sheet items 12.5 Provision for diminution in value of investments in shares Other provision         2,252,846,431         949,077,542           Total provision Total profit/(Loss) before taxes         2,252,846,431         949,077,542           Provision for Current Tax Provision for Deferred Tax         12.4.1         1,354,457,982         1,264,861,038           Provision for Deferred Tax         12.4.2         (54,457,982)         (4,861,038)           Net profit after taxation Profit available for appropriation Appropriations Statutory reserve General reserve         14         863,543,401         697,471,664           General reserve         14.1         500,000,000         697,471,664           Retained surplus         16         1,654,173,610         1,529,886,660  |  | 31    | 1,449,756,644  | 1,917,895,473  |
| Provision for loans and advances including off Balance Sheet items Provision for diminution in value of investments in shares Other provision Total provision Total profit/(Loss) before taxes  Provision for Current Tax Provision for Deferred Tax  Net profit after taxation Profit available for appropriation Statutory reserve General reserve  14  863,543,401 Forward of the surplus  152.5  2,252,846,431  949,077,542  2,252,846,431  4,317,717,011  3,487,358,324  1,264,861,038  1,300,000,000  1,260,000,000  1,260,000,000  2,227,358,324  1,264,861,038  1,300,000,000  1,260,000 |  |       | 5,283,738,264  | 5,658,866,295  |
| Provision for diminution in value of investments in shares Other provision Total provision Total profit/(Loss) before taxes  Provision for Current Tax Provision for Deferred Tax  Net profit after taxation Profit available for appropriation Appropriations Statutory reserve General reserve  Retained surplus  Provision for diminution in value of investments in shares   | Profit/(Loss) before provision                                     |       | 6,570,563,442  | 4,436,435,866  |
| Provision for diminution in value of investments in shares Other provision  Total provision Total profit/(Loss) before taxes  Provision for Current Tax Provision for Deferred Tax  Net profit after taxation Profit available for appropriation Appropriations Statutory reserve General reserve  Retained surplus  Provision for diminution in value of investments in shares  | Provision for loans and advances including off Balance Sheet items | 12.5  | 2.252.846.431  | 949.077.542    |
| Other provision Total provision Total profit/(Loss) before taxes  Provision for Current Tax Provision for Deferred Tax  Net profit after taxation Profit available for appropriation Appropriations Statutory reserve General reserve  Retained surplus  Page 2,252,846,431 4,317,717,011 3,487,358,324  1,264,861,038 1,300,000,000 1,264,861,038 1,300,000,000 3,017,717,011 2,227,358,324  14 863,543,401 500,000,000 - 1,363,543,401 697,471,664 1,654,173,610 1,529,886,660   |  |       | -,,,           | -              |
| Total provision Total profit/(Loss) before taxes         2,252,846,431         949,077,542           Provision for Current Tax Provision for Deferred Tax         12.4.1         1,354,457,982         1,264,861,038           Net profit after taxation Profit available for appropriation Appropriations Statutory reserve General reserve         14         863,543,401         697,471,664           Retained surplus         16         1,363,543,401         697,471,664         1,529,886,660  |  |       | _              | _              |
| Provision for Current Tax Provision for Deferred Tax  12.4.1 Provision for Deferred Tax  12.4.2  Net profit after taxation Profit available for appropriation Appropriations Statutory reserve General reserve  14 Retained surplus  12.4.1 1,354,457,982 (54,457,982) 1,300,000,000 1,260,000,000 3,017,717,011 2,227,358,324  863,543,401 500,000,000 - 1,363,543,401 697,471,664 1,654,173,610 1,529,886,660  | Total provision  |       | 2,252,846,431  | 949,077,542    |
| Provision for Deferred Tax  12.4.2  (54,457,982)  1,300,000,000  1,260,000,000  1,260,000,000  3,017,717,011  2,227,358,324  Profit available for appropriation  Appropriations  Statutory reserve  14  863,543,401  500,000,000  -  1,363,543,401  697,471,664  Retained surplus  16  1,654,173,610  1,529,886,660  | Total profit/(Loss) before taxes                                   |       | 4,317,717,011  | 3,487,358,324  |
| Provision for Deferred Tax  12.4.2  (54,457,982)  1,300,000,000  1,260,000,000  1,260,000,000  3,017,717,011  2,227,358,324  Profit available for appropriation  Appropriations  Statutory reserve  14  863,543,401  500,000,000  -  1,363,543,401  697,471,664  Retained surplus  16  1,654,173,610  1,529,886,660  |  |       |                |                |
| 1,300,000,000   1,260,000,000   3,017,717,011   2,227,358,324  |  |       |                |                |
| Net profit after taxation       3,017,717,011       2,227,358,324         Profit available for appropriation       Appropriations         Statutory reserve       14       863,543,401       697,471,664         General reserve       14.1       500,000,000       -         1,363,543,401       697,471,664       -         Retained surplus       16       1,654,173,610       1,529,886,660  | Provision for Deferred Tax 1                                       | 2.4.2 |                | . , , ,        |
| Profit available for appropriation         Appropriations       14       863,543,401       697,471,664         Statutory reserve       14.1       500,000,000       -         General reserve       1,363,543,401       697,471,664         Retained surplus       16       1,654,173,610       1,529,886,660  |  |       |                |                |
| Appropriations       14       863,543,401       697,471,664         Statutory reserve       14.1       500,000,000       -         General reserve       1,363,543,401       697,471,664         Retained surplus       16       1,654,173,610       1,529,886,660   |  |       | 3,017,717,011  | 2,227,358,324  |
| Statutory reserve       14       863,543,401       697,471,664         General reserve       14.1       500,000,000       -         1,363,543,401       697,471,664       -         Retained surplus       16       1,654,173,610       1,529,886,660  |  |       |                |                |
| General reserve       14.1       500,000,000       -         1,363,543,401       697,471,664         1,654,173,610       1,529,886,660   |  | 14    | 863,543,401    | 697,471,664    |
| Retained surplus 16 1,363,543,401 697,471,664 1,529,886,660  | ,  |       |                | -              |
| Retained surplus 16 1,654,173,610 1,529,886,660  |  |       |                | 697,471,664    |
| Earnings per share (EPS restated for '16) 32 3.89 2.87   | Retained surplus   | 16    |                |                |
|  | Earnings per share (EPS restated for '16)                          | 32    | 3.89           | 2.87           |

The annexed notes form an integral part of these financial statements.

Annaging Director and CEO Director Director Chairman

This is the Profit & Loss Account referred to in our separate report of even date

Syful Shamsul Alam & Co. Chartered Accountants Dated: Dhaka 24 March, 2018 Dr. Jamshed J.A. Charling.
Aziz Halim Khair Choudhury

Aziz Halim Khair Choudhury Chartered Accountants