

Trusted. Secure. Digital.

annual report
2024

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

TRUSTED.
SECURE.
DIGITAL.

As the financial sector continues to evolve, Mercantile Bank PLC. (MBPLC) remains committed to meeting client needs with trust and security at the forefront. In an increasingly digital world, we maintain a balance between innovation and reliability.

Our legacy of transparency and client-focused solutions now extends to the digital realm, where secure, intuitive services enhance the banking experience. With a strong foundation in cybersecurity and risk management, we ensure every transaction is protected, allowing clients to Bank with confidence.

As we move forward, our focus remains clear: delivering secure, reliable, and forward-thinking banking solutions.

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OVERVIEW

Mercantile Bank PLC., with a commitment to excellence, offers dependable service, innovative solutions, and a skilled team. Our mission is rooted in ethical practices and community enrichment. Guided by integrity, teamwork, and accountability, we aim for growth and client satisfaction. Our governance and leadership expertise ensure a legacy of milestones and a growing regional network dedicated to progress.

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STAKEHOLDERS INFORMATION

This section succinctly encapsulates Mercantile Bank PLC.'s business performance and strategic analysis. It features business highlights, financial summaries, and key metrics visualized over five years. Analytical tools like DuPont and SWOT provide in-depth perspectives, while PESTEL analysis examines external factors. The section also outlines our strategic framework, business model, value creation process, and stakeholder engagement, concluding with our strategic response to competitive intensity and resource allocation strategies. This comprehensive overview keeps stakeholders informed about our financial stability and strategic direction.

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RISK MANAGEMENT

At Mercantile Bank PLC., risk management is a strategic priority, ensuring the identification, assessment, and mitigation of financial risks. Our comprehensive risk framework and culture of vigilance safeguard the bank's stability and the interests of our stakeholders, adapting proactively to the dynamic financial environment.

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CORPORATE GOVERNANCE

Mercantile Bank PLC. steadfastly upholds the principles of corporate governance in alignment with our vision and mission, ensuring integrity, transparency, and accountability at every level. Our Board of Directors, equipped with diverse skills and experience, is dedicated to risk management and value creation, reflecting our commitment to becoming a 'Green Bank' and addressing ESG concerns for sustainable growth.

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SUSTAINABILITY ANALYSIS

Mercantile Bank PLC.'s approach to sustainability transcends traditional practices, embedding ecological and social responsibility into the core of our business strategy. Our commitment is reflected not just in our actions but also in our governance, ensuring that every decision contributes positively to a sustainable future.

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MANAGEMENT DISCUSSION & ANALYSIS

This section offers a comprehensive financial overview by the CFO, performance analysis of major business segments, and subsidiary overview. It underscores our advancements in digital banking, our sustainable practices, and our strategic commitment to growth and community involvement, reflecting our proactive financial stewardship and innovation.

Chief Financial Officer (CFO)'s Analysis 244
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- Mercantile Exchange House (UK) Ltd. (MEHUK) 260
- MBL Asset Management Limited (MBL AML) 261

FINANCIAL STATEMENTS

Mercantile Bank PLC. is committed to transparency, presenting financial statements that accurately reflect our financial position and activities. These statements provide stakeholders with a clear view of our financial health and adherence to compliance, enabling informed decision-making and evaluation of our performance and future potential.

Declaration by Managing Director & CFO on Financial Statements 266
Independent Auditor's Report to the Shareholders of Mercantile Bank PLC. 267
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Financial Statements of Offshore Banking Unit 369
Financial Statements of Islamic Banking 374

FINANCIAL STATEMENTS OF SUBSIDIARIES

The Financial Statements of our subsidiaries reflect a detailed account of their fiscal performance and position. At Mercantile Bank PLC., we take pride in the transparency and accuracy of these statements, which are meticulously prepared to provide stakeholders with a clear understanding of the subsidiaries' financial health and strategic direction, ensuring accountability and informed oversight.

Independent Auditors' Report To the Board of Directors of Mercantile Bank Securities Limited 382
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Financial Statements of MBL Asset Management Limited 411
Directors' Report of Mercantile Exchange House (UK) Limited 427
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Financial Statements of Mercantile Exchange House (UK) Limited 429

SUPPLEMENTARY INFORMATION

This section offers additional resources and official documentation to complement the contents of this report. These materials provide important reference points for stakeholders, shareholders, and regulatory bodies.

Branch Network 440
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LETTER OF TRANSMITTAL

June 29, 2025

All Shareholders of Mercantile Bank PLC.
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.
Central Depository Bangladesh Limited
Financial Reporting Council
and All other stakeholders of Mercantile Bank PLC.

Dear Sir,

Annual Report of Mercantile Bank PLC., for the year ended December 31, 2024

We are pleased to present the Annual Report of Mercantile Bank PLC. (MBPLC) for the year ended December 31, 2024, along with the audited Financial Statements (Consolidated and Solo) for your kind information and record.

Financial Statements of 'The Bank' comprise Mercantile Bank PLC.'s main operation, Offshore Banking Unit (OBU), and Islamic Banking operation, which are presented separately. The consolidated Financial Statements comprise 'The Bank' and its subsidiaries—Mercantile Bank Securities Limited (MBSL), Mercantile Exchange House (UK) Limited, and MBL Asset Management Limited—each presented separately. Analyses in this report are based on the financials of 'The Bank' unless explicitly mentioned otherwise.

For your convenience, PDFs of the Annual Report, Annual General Meeting (AGM) Notice, and relevant forms are available for download on https://www.mblbd.com in the Bank's website.

Should you have any questions or require additional information, please do not hesitate to contact us.

Thank you for your continued support.

Yours Sincerely,

Mohammad Rezaul Karim
Company Secretary

বাংলার ব্যাংক

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Mercantile Bank PLC.
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61 Dilkusha C/A, Dhaka-1000.

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notice is hereby given to all members of Mercantile Bank PLC., (the "Company") that the 26th Annual General Meeting (AGM) of the members i.e., shareholders of the Company will be held on **Sunday, 20 July 2025 at 11:00 am** virtually by using digital platform through the link **https://mbplc.bdvirtualagm.com** to transact the following businesses and to adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2024, Reports of the Auditors' and Directors' thereon;
2. To declare "No Dividend" for the year ended 31 December 2024 as recommended by the Board of Directors;
3. To elect/re-elect Directors and to accord approval for appointment of Independent Director of the Bank;
4. To appoint External Auditors of the Company for the term until conclusion of the next Annual General Meeting and to fix up their remuneration;
5. To appoint Corporate Governance Compliance Auditor of the Company for the term until conclusion of the next Annual General Meeting and to fix up their remuneration;

Scan to get link of AGM

Scan to get digital version of Annual Report

By order of the Board

Dhaka
29 June 2025

Mohammad Rezaul Karim
Company Secretary

Notes:

a) The "Record Date" was Sunday, 29 June 2025. The shareholders, whose name appeared on the Register of members of the Bank or in the Depository (CDBL) on the Record Date, are eligible to attend the 26th AGM.

b) Shareholders entitled to attend and vote at this virtual AGM, may appoint a proxy to attend and vote. The "Proxy Form", duly filled, signed and stamped at BDT 100.00 must be sent through e-mail to **share@mblbd.com** not later than 48 hours before commencement of the AGM.

c) Institutional shareholders of the company, by resolution of the Board of Directors or other Governing Body of such body corporate, may authorize such person as it thinks fit, to act as representative.

d) Link of Annual Report-2024 alongwith Attendance Slip and Proxy Form and Notice of the 26th AGM are being sent to all the members by courier service/post/e-mail address available as per CDBL record. Members may also collect the Annual Report & Proxy Form from the registered office of the company or from **www.mblbd.com** website of the company.

e) The shareholders will join the virtual AGM through the link: **https://mbplc.bdvirtualagm.com** The shareholders will be able to submit their questions/comments electronically before 24 (twenty-four) hours of commencement of the AGM through this link and also during the Annual General Meeting. In order to log in for the virtual AGM, the shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) account number or Folio number, name of shareholders, their number of shares and mobile number or e-mail ID.

f) Shareholders are requested to log in to the system prior to starting of the meeting at 10:30 am on Sunday, 20 July 2025. The online (real time) or e-voting option shall be opened before 24 hours prior to start of general meeting and shall remain open up to the closure of general meeting.

For any IT related guidance and help with the login process, the respected members may contact at +8802 223382295, +8802 223389352 or visit **www.mblbd.com** website.

KEY RATIOS

Return on Assets (ROA)

2024	2023
0.15%	0.52%

Return on Equity (ROE)

2024	2023
2.44%	7.92%

Earnings Per Share (EPS) (BDT)

2024	2023
0.57	1.83

Price Earnings (P/E) Multiple (Times)

2024	2023
18.06	7.25

Net Assets Value Per Share (NAVPS) (BDT)

2024	2023
23.32	23.48

Capital to Risk Weighted Assets Ratio (CRAR)

2024	2023
13.07%	14.79%

Leverage Ratio

2024	2023
5.46%	6.17%

Cost to Income Ratio

2024	2023
60.06%	60.65%

Net Stable Funding Ratio (NSFR)

2024	2023
105.81%	104.84%

Liquidity Coverage Ratio (LCR)

2024	2023
165.18%	121.97%

FINANCIAL KEY FIGURES

BDT in million

Total Assets

2024	2023
444,690.30	402,173.04

Total Loans & Advances

2024	2023
300,025.11	284,830.98

Total Investment

2024	2023
89,098.25	79,234.93

Total Deposits

2024	2023
355,121.12	317,227.09

Total Borrowing

2024	2023
19,252.01	25,261.23

Total Shareholders' Equity

2024	2023
25,810.06	25,984.47

Common Equity Tier-1 Capital

2024	2023
27,715.38	28,722.63

Total Regulatory Capital

2024	2023
38,748.56	43,266.98

Operating Income

2024	2023
14,106.33	13,749.29

Profit Before Provisions & Tax

2024	2023
5,633.39	5,410.40

Profit Before Tax

2024	2023
1,281.22	2,728.61

Profit After Tax

2024	2023
631.22	2,028.61

NON-FINANCIAL KEY FIGURES

Branches



2024	2023
152	152

Sub-Branches



2024	2023
45	42

No. of Foreign Correspondents



2024	2023
618	618

No. of Subsidiaries



2024	2023
03	03

No. of ATMs & CRMs



2024	2023
199	196

Islamic Banking Windows



2024	2023
45	45

Agent Banking Outlets



2024	2023
188	187

Off-Shore Banking Units



2024	2023
02	02

Total No. of Employees



2024	2023
2,651	2,695

AWARDS & RECOGNITIONS

24TH ICAB NATIONAL AWARD – BEST PRESENTED ANNUAL REPORTS 2023

Mercantile Bank PLC. continues its legacy of excellence, earning the "Certificate of Merit" Award for Best Presented Annual Report: Private Sector Banks and Corporate Governance Disclosures at the 24th ICAB National Award. The award was conferred by Dr. Salehuddin Ahmed, Honorable Finance & Commerce Adviser to the Interim Government, to Tapash Chandra Paul, PhD, CFO of Mercantile Bank PLC, at a prestigious ceremony held at Pan Pacific Sonargaon Hotel, Dhaka, on 10 September 2024. The event, presided over by ICAB President Mohammad Forkan Uddin FCA, was attended by distinguished guests from the banking and financial sectors.

A GLIMPSE OF THIS PRESTIGIOUS MOMENT IS CAPTURED BELOW.



MILESTONES OF EXCELLENCE

2023

- 23rd ICAB National Award – Best Presented Annual Reports 2022

2022

- Best Bank in the Private Sector
- Triple Win in ICAB Awards 2021
- ICSB Silver Award for Corporate Governance Excellence
- J.P. Morgan Chase Bank N.A. Awards
- ISO 27001:2013 Certification

2020

- Daily Industry Best Rated Bank Award 2020

2019

- ICAB National Award 2019
- Bangladesh Brand Forum Award – Most Loved Brand (MyCash)
- Bill Collection Award – Dhaka WASA

These accolades reinforce our unwavering commitment to corporate excellence, financial transparency, and customer-centric innovation.



2021

- AmCham CSR Excellence Award
- U.S. Dollar Clearing MT202 Elite Quality Recognition Award

2018

- 18th ICAB National Award

2016

- National Productivity and Quality Excellence Award 2016

ABOUT MBPLC'S INTEGRATED REPORT

The 2024 Integrated Report of MBPLC provides a transparent and structured overview of our financial performance, corporate governance, and sustainability initiatives. This report reflects our commitment to accountability, resilience, and long-term value creation for stakeholders.

REPORTING FRAMEWORKS AND REGULATIONS

Category	Applicable Frameworks & Regulations
Integrated Reporting	IIRC's Integrated Reporting Framework
Financial Reporting	• International Financial Reporting Standards (IFRS) • Bank Companies Act, 1991 (amended) • Bangladesh Bank Regulations • Companies Act, 1994 (amended) • Bangladesh Securities and Exchange Commission (BSEC) Rules • The Financial Reporting Act, 2015 • Other applicable laws and regulations
Corporate Governance	• Companies Act, 1994 (amended) • Bangladesh Bank Guidelines • Bangladesh Securities and Exchange Commission (BSEC) Rules • DSE & CSE Listing Regulations, 2015 • CDBL Rules & Regulations
Corporate Governance	• Global Reporting Initiatives (GRI) Standards • Sustainable Development Goals (SDG)

REPORTING PERIOD

The report covers the period from January 1, 2024, to December 31, 2024.

EXTERNAL ASSURANCE

MBPLC has obtained external assurance from the following providers:

Particulars	Assurance Provider
Financial Statements 2024	• Basu Banerjee Nath & Co., Chartered Accountants • Anil Salam Idris & Co., Chartered Accountants
Corporate Governance	Suraiya Parveen & Associates, Chartered Secretaries
Credit Rating	• Moody's (International) • Credit Rating Information & Services Limited (CRISL) (Local)
ISO Certification	Bureau Veritas (Bangladesh) Private Limited
PCI DSS	ISOQAR (India) Private Limited

RESPONSIBILITY FOR THE INTEGRATED ANNUAL REPORT 2024

We affirm the integrity of the disclosures contained within this report. In line with the principle of materiality, we have ensured that all significant economic, environmental, and social factors that may influence stakeholder decisions are comprehensively addressed. However, the information presented should be read in conjunction with the audited financial statements.

The Board, through its delegated authority to the Chief Financial Officer, has overseen the preparation and presentation of this Integrated Report in compliance with the applicable regulatory frameworks.



Tapash Chandra Paul, PhD
Chief Financial Officer



Md. Tabibul Huq
Aug 19, 1952 – Jun 23, 2014



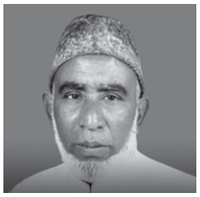
Golam Faruk Ahmed
Apr 7, 1953 – Jan 26, 2013



Dr. Matiur Rahman
Jan 11, 1946 – Sep 13, 2012



Shamsur Rahman Khan
Jan 25, 1933 – Jan 2, 2012



Alhaj Tara Meah Khan
Aug 30, 1931 - Mar 16, 2010



Md. Abdul Jalil
Founder Chairman
Jan 21, 1941-Mar 6, 2013



Jamshed R Khan
Jul 10, 1943 – Aug 30, 2008



Mohd. Selim
Dec 20, 1952- Jun 26, 2020



We Mourn

Our deepest condolence on the departure of our beloved ones

OVER

Mercantile Bank PLC., with a commitment to excellence, offers dependable service, innovative solutions, and a skilled team. Our mission is rooted in ethical practices and community enrichment. Guided by integrity, teamwork, and accountability, we aim for growth and client satisfaction. Our governance and leadership expertise ensure a legacy of milestones and a growing regional network dedicated to progress.

VIEW

ABOUT MERCANTILE BANK

26 YEARS OF EXCELLENCE – TRUSTED. SECURE. DIGITAL.

For over 26 years, Mercantile Bank PLC (MBPLC) has been a cornerstone of Bangladesh's banking sector, earning trust through innovation, security, and customer-centric solutions. With 152 branches, 45 sub-branches, and 188 agent banking outlets, we ensure seamless access to financial services nationwide. Our 199 ATMs & CRMs and 45 Islamic Banking Windows enhance convenience, while offshore banking operations and strategic foreign partnerships spanning 618 correspondents strengthen our global footprint.

Driven by digital transformation, MBPLC continues to redefine modern banking—offering secure, innovative, and inclusive financial solutions that empower individuals and businesses alike.

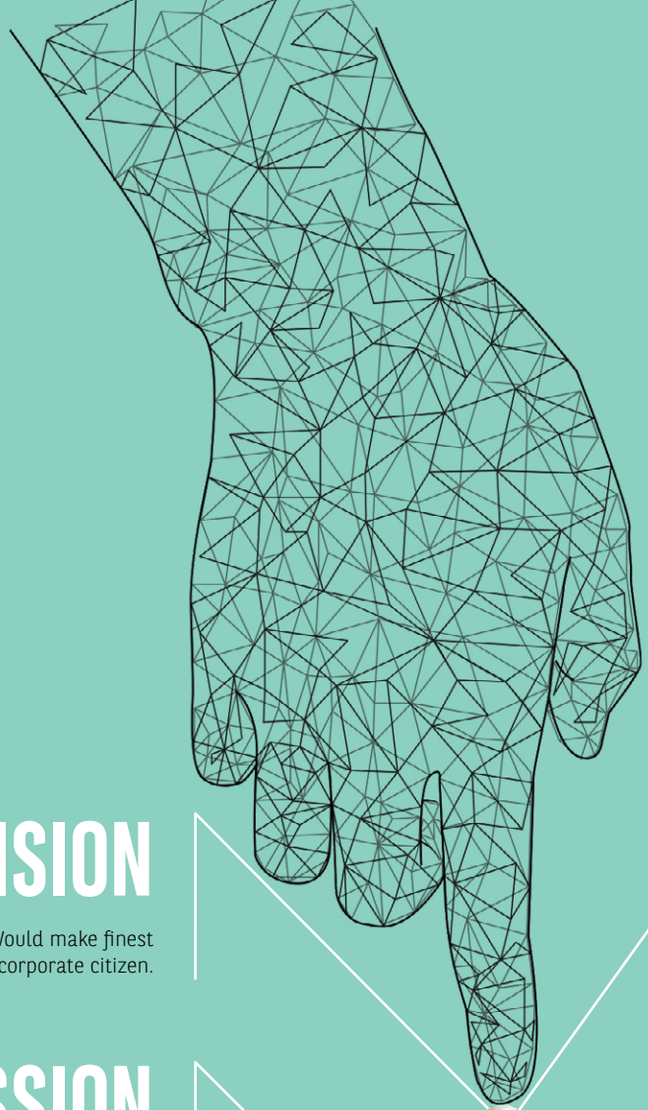
COMMITMENT TO SOCIETY

Beyond banking, MBPLC plays a vital role in social progress, sustainability, and financial inclusion. Our core initiatives focus on:

- **Empowering Communities** → Expanding financial literacy and economic opportunities
- **Sustainable Finance** → Driving green banking and responsible investment
- **Inclusive Banking** → Bridging the gap for underserved populations
- **Innovation & Security** → Investing in cutting-edge, secure financial solutions

CORPORATE GOVERNANCE

Integrity, transparency, and accountability define MBPLC's governance framework. With three subsidiaries and a workforce of 2,651 professionals, we uphold the highest regulatory and ethical standards, ensuring sustainable growth and long-term stakeholder value.



VISION

Would make finest corporate citizen.

MISSION

Will become most caring, focused for equitable growth based on diversified deployment of resources and nevertheless would remain healthy and gainfully profitable bank.

CORE VALUES

Our seven core values define our corporate identity, guide our strategic decisions, and inspire us to excel:

- **Customer Delight** – Delivering exceptional banking experiences with a relentless focus on customer satisfaction and long-term relationships.
- **Innovation** – Driving forward-thinking solutions to reshape financial services and meet evolving market demands.
- **Ethical Values** – Upholding the highest standards of integrity, compliance, and corporate responsibility.
- **Caring for Human Resources** – Empowering our workforce through continuous learning, development, and an inclusive work culture.
- **Commitment** – Upholding a steadfast commitment to our valued depositors, ensuring we remain their trusted custodian while fostering strong, lasting relationships with all stakeholders.
- **Social Responsibility** – Advocating sustainability, financial inclusion, and responsible banking practices.
- **Wealth Maximization** – Ensuring strategic growth, profitability, and long-term shareholder value.

BUSINESS ETHICS

RESPONSIBLE BANKING

We adhere to the highest legal and regulatory standards, ensuring that all our operations comply with the directives of the central bank while making positive contributions to society.



ETHICAL BANKING

Our commitment to fairness and integrity guides our actions, aligning with globally recognized ethical standards. We avoid any activity that compromises these principles.



SUSTAINABLE BANKING

Sustainability is a core focus. Through continuous CSR efforts, we foster long-term positive impacts on our community and environment.



TRANSPARENT BANKING

Transparency is vital to maintaining trust. We clearly communicate all fees, interest rates, and financial terms to our clients, ensuring they have complete understanding.



CUSTOMER-CENTRIC BANKING

Our focus is on nurturing strong relationships through personalized, responsive service, ensuring every interaction meets the unique needs of our clients.



CONFIDENTIAL BANKING

We prioritize data privacy, ensuring strict compliance with privacy regulations to safeguard our clients' information.



COMPLIANT BANKING

We operate with full compliance to all relevant laws and industry standards, reinforcing integrity at every stage of our business operations.

CODE OF CONDUCT

SALIENT FEATURES OF MBPLC EMPLOYEES' CODE OF CONDUCT:



ADHERENCE TO REGULATIONS

Comply with all rules, regulations, and policies set by the bank and regulatory authorities.



CONFIDENTIALITY

Safeguard the confidentiality of bank and customer information at all times.



INTEGRITY

Refrain from engaging in personal or external business activities that may conflict with your role.



PROFESSIONAL REPRESENTATION

Only make representations on behalf of the bank with the appropriate authority.



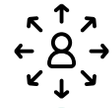
NO INVOLVEMENT IN GAMBLING

Abstain from participating in gambling or any betting activities.



NO MISUSE OF FUNDS

Avoid personal investment in any ventures directly linked to the bank's interests.



AVOID EXTERNAL INFLUENCE

Do not participate in political activities or affiliations that may conflict with the bank's operations.



COURTESY AND RESPECT

Treat colleagues, clients, and partners with respect, fostering an environment of professionalism and teamwork.



AVOID OUTSIDE EMPLOYMENT

Do not accept any external employment or engage in activities that may lead to a conflict of interest with the bank.



ATTENDANCE AND RESPONSIBILITY

Notify supervisors in writing if absent from work for any critical reason.



REFRAIN FROM FAVORITISM

Avoid any acts of favoritism, especially in recruitment or career progression.



NO ABUSE OF POSITION

Do not leverage your position for personal gain or unethical influence.



NO HARMFUL ACTIVITIES

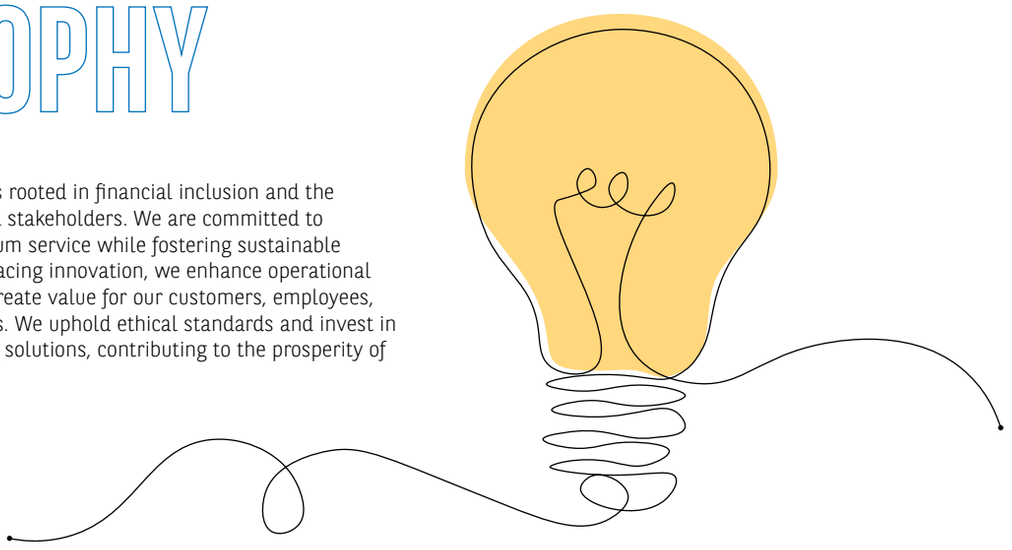
Steer clear of activities that could damage the bank's reputation or violate any regulatory mandates.

STRATEGIC OBJECTIVES

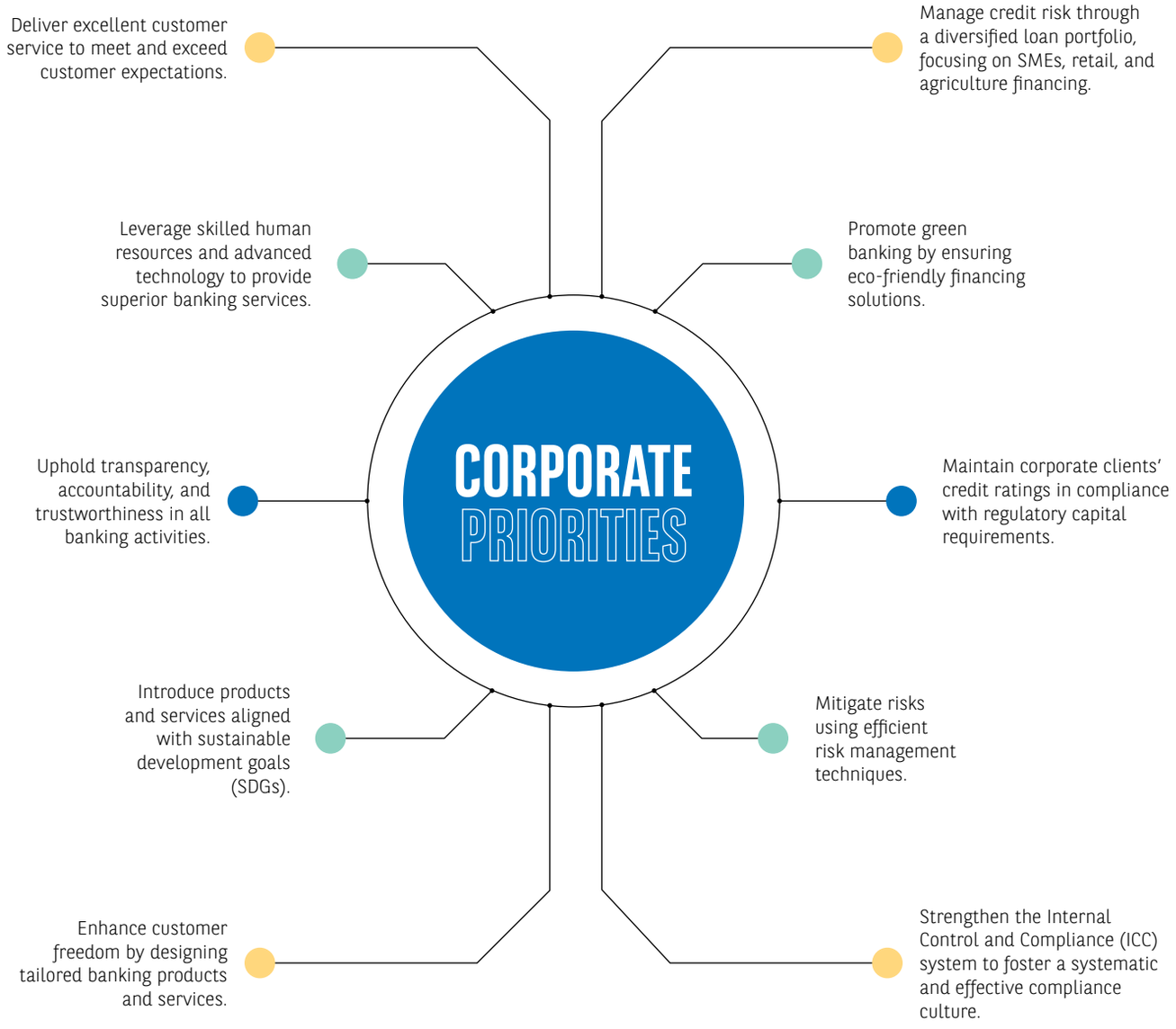
- Enhance shareholder value by fostering sustainable growth and improving profitability
- Achieve economic value through prudent resource allocation and cost-efficiency.
- Lead in product innovation to meet evolving market demands.
- Expand market share, positioning MBPLC among the top financial institutions in the country.
- Optimize operational efficiency to set industry standards.

CORPORATE PHILOSOPHY

Our philosophy is rooted in financial inclusion and the satisfaction of all stakeholders. We are committed to delivering premium service while fostering sustainable growth. By embracing innovation, we enhance operational excellence and create value for our customers, employees, and shareholders. We uphold ethical standards and invest in forward-thinking solutions, contributing to the prosperity of our community.



CORPORATE PRIORITIES



CORPORATE PROFILE

Name of the Company
Mercantile Bank PLC.

Authorized Capital
BDT 20,000 million

Paid-up Capital
BDT 11,065.75 million

Company Registration Number
C-37775 (2075)/99, Dated: May 20, 1999

Listing Status
Listed on Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) since 2004

Registered & Head Office Address
61, Dilkusha Commercial Area, Dhaka-1000, Bangladesh

IP Phone
09678144144 (Hunting)

Taxpayer Identification Number (TIN)
440661330349

Chairman
Md. Anwarul Haque

Tax Advisor
K. M. Hasan & Co., Chartered Accountants

Credit Ratings
- **Moody's: B3**
- **CRISL: 'AA+' (Long-term), 'ST-2' (Short-term)**

No. of Employees
2,651

No. of Branches
152

Accounting Year
January 1 - December 31

Legal Form
Public listed company, incorporated in Bangladesh and registered with the Registrar of Joint Stock Companies & Firms. Renamed to Mercantile Bank PLC in compliance with the Companies (2nd Amendment) Act, 2020.

Market Category
"A" Category

BTCL Number
02-223382295

SWIFT Code
MBLBBDDH

Email
it@mblbd.com

Website
www.mblbd.com

Business Identification Number (BIN)
000151542-0202

Business Activities
Conventional Banking | Islamic Banking | Offshore Banking | Agent Banking

Subsidiaries
- **Mercantile Bank Securities Limited (MBSL)**
- **Mercantile Exchange House (UK) Limited**
- **MBL Asset Management Limited**

Managing Director
Mati ul Hasan

Chief Financial Officer
Tapash Chandra Paul, PhD

Company Secretary
Mohammad Rezaul Karim

External Auditors
Basu Banerjee Nath & Co., Chartered Accountants | Anil Salam Idris & Co., Chartered Accountants

No. of Uposhakhas
45

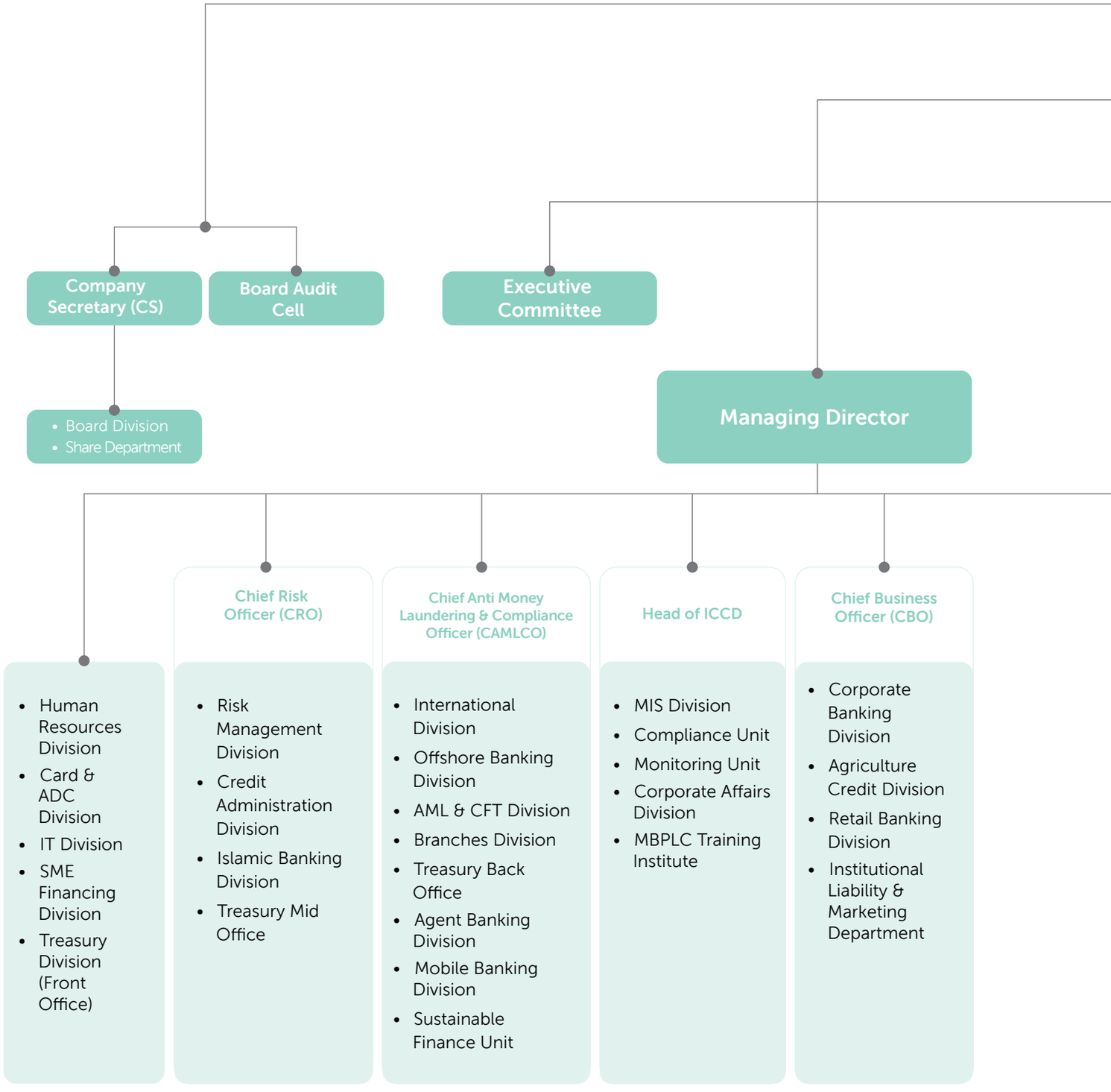
No. of Agent Banking Outlets
188

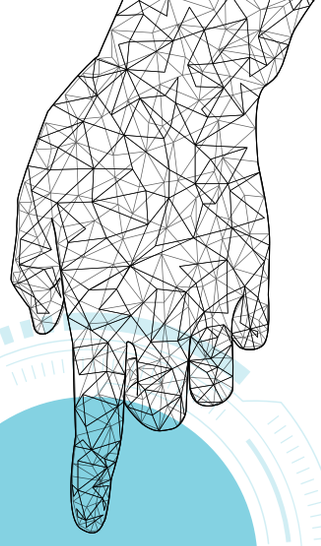
No. of Islamic Banking Windows
45

No. of AD Branches
22

No. of Offshore Banking Units
02

CORPORATE ORGANOGRAM





Board of Directors

- Risk Management Committee
- Audit Committee
  - Audit Unit

Chief Credit Officer (CCO)

- Credit Division
- RMG Monitoring Cell
- Monitoring Department

Head of Recovery

- Special Asset Management Department
- Early Alert Department
- Central Law Department

Chief Operating Officer (COO)

- CTPC
- Impaired Assets Management Department
- Digital Banking & Innovation Department
- Central Monitoring Cell
- Information Security and Governance Division
- Call Center

Chief Financial Officer (CFO)

- Financial Administration Division
- General Services Division
- Research & Planning Division
- Central Clearing Department
- Oparations Division
- NRB Division

SPONSORS OF THE BANK

1. MD. ABDUL JALIL
   Founder Chairman
   (Deceased)
2. SHAMSUR RAHMAN KHAN
   (Deceased)
3. MD. ANWARUL HAQUE
4. DR. TOUFIQUE RAHMAN CHOWDHURY
5. GOLAM FARUK AHMED
   (Deceased)
6. ALHAJ S.M. SHAKIL AKHTER
7. ENGR. MOHD. MONSURUZZAMAN
8. MD. MIZANUR RAHMAN CHOWDHURY
9. ALHAJ TARA MEAH KHAN
   (Deceased)
10. SUBROTA NARAYAN ROY
11. MD. SHAHIDUL AHSAN
12. JAMSHED R KHAN
    (Deceased)
13. BILKIS BEGUM
14. AL-HAJ AKRAM HOSSAIN (HUMAYUN)
15. MD. TABIBUL HUQ
    (Deceased)



SPONSORS OF THE BANK

16. A. S. M. FEROZ ALAM
17. M. AMANULLAH
18. MD. ABDUL HANNAN
19. MOHD. SELIM (Deceased)
20. FEROZA BEGUM
21. S. M. SHAFIQUL ISLAM (MAMUN)
22. DR. A.K.M. SHAHEED REZA
23. NARGIS ANWAR
24. MD. NASIRUDDIN CHOUDHURY
25. MOHAMMED SALAM HOSSAIN
26. JALALUDDIN AHMED YEAMIN
27. MORSHED ALAM
28. MORZINA KHAN MONZU
29. MD. SHAHABUDDIN ALAM



DIRECTORS' PROFILE



MD. ANWARUL HAQUE
Chairman

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

13 September, 2021

PROFILE

Mr. Md. Anwarul Haque was born on January 03, 1951 in a respected Muslim family in Dhaka. He is a renowned businessman of the country. He obtained the B.Sc. Eng (Civil) Degree from BUET.

SKILLS AND EXPERIENCE

He engaged himself in business for last 45 years in different sectors like Construction, Real Estate, Export & Import and Trading. His business affiliation is versatile and diversified. His association with the well-reputed organization makes him a forward looking and progressive-businessman who has already reached an enviable height.

CONCURRENT APPOINTMENTS

He is the Managing Director of Living Plus Limited. He is a Director of Holiday Travels Limited, Sponsor of Premier Leasing & Finance Limited, Premier Leasing Securities Limited and Mercantile Bank Securities Limited. He is a Shareholder & Ex-Chairman of Global Insurance Limited.

SOCIAL ENGAGEMENT

Furthermore, he has deep affinity and also attachment with various socio-cultural activities like Gulshan Club Limited, Dhanmondi Club Limited and Uttara Model Club Limited.



AL-HAJ AKRAM HOSSAIN (HUMAYUN)
Vice Chairman

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

19 June, 2024

PROFILE

Al-Haj Akram Hossain (Humayun) was born on July 01, 1952 in a respectable Muslim family of Dagonbhuiyan, Feni. He is a commerce graduate and one of the known Freedom Fighters of Bangladesh Liberation War.

SKILLS AND EXPERIENCE

He has established himself as an icon in the business sector of the country with global reputation of being reliable in various business sectors. He is the Chairman and Managing Director of FARS group and Sponsor of Mercantile Bank Securities Ltd.

CONCURRENT APPOINTMENTS

He was the Founder President of Bangladesh Paper Importers Association and Founder President of Greater Noakhali Paper Merchant Samobay Somittee. Apart from the aforementioned affiliations, he is also General Body Member of FBCCI, Bangladesh.

SOCIAL ENGAGEMENT

He is the founder of Rajapur High School & College, Al Haj Shamsul Hoque Miah Adarsha Academy, Khaja Ahmed Bidda Niketon. He is also the Chairman of Managing Committee of Rajapur High School and College, Al Haj Shamsul Hoque Miah Adarsha Academy and Sindurpur Rowshan Ulum Wadudia Madrasha. He is the founder member of Board of Trustee of Feni University and Life Member of Feni Heart Foundation, Feni Diabetic Somittee and Officers' club, Feni.



MD. ABDUL HANNAN
Vice Chairman

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

19 June, 2024

PROFILE

Mr. Md. Abdul Hannan was born on July 27, 1962 in a respectable Muslim family of Faridgonj, Chandpur. He is communicative, problem solver and an empathetic person.

SKILLS AND EXPERIENCE

He is one of the leading businessmen of the country, especially in export of readymade garments.

CONCURRENT APPOINTMENTS

He is Chairman & Managing Director of Dabstar & Associates Limited, Reu Fashion Limited, ZHAS Garments Limited, M.H. Trading and Murad Apparels Limited.

SOCIAL ENGAGEMENT

He is also Director of Eastern University of Bangladesh and Pan Pacific Hospital Ltd. His contributions towards the society are quite remarkable.



M. A. KHAN BELAL

Director & Chairman, Executive Committee

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

19 June, 2024

PROFILE

Mr. M.A. Khan Belal was born on November 02, 1958 in a respectable Muslim family of Begumgonj, Noakhali.

Mr. Belal obtained M.Sc (Chemistry) from Dhaka University. He has a high academic background and commendable experience in the field of Trade, Industry, Shipping, Banking and other businesses in Bangladesh.

SKILLS AND EXPERIENCE

Shamrat Group of Companies Limited is one of the leading Group of Companies in Bangladesh and he is the Chairman of the Group.

CONCURRENT APPOINTMENTS

1. Shamrat Prince Spinning Mills Limited – Chairman
2. Shamrat Cold Storage Limited – Managing Director
3. Shamrat Commercial Company Limited – Managing Director
4. Shandhya Hotel (Residential) – Proprietor
5. Shamrat Shipping Lines – Proprietor
6. Shamrat Commercial Enterprise – Proprietor
7. B.M.S Travels – Proprietor
8. Prince Trade International – Proprietor
9. Shamrat Agro Limited – Chairman
10. Shamrat Feed Limited – Chairman
11. B.S.P. Corporation – Proprietor
12. Zamzam LP Gas Limited – Managing Director
13. Mercantile Bank Securities Limited – Sponsor

SOCIAL ENGAGEMENT

Mr. Belal always engages himself with various social, cultural, educational and religious organizations. He donated in various sectors like orphanages, School, Mosque, Madrasha, Sports etc.

Mr. Belal is the convenor of Noakhali Zila Samity. He is the founder of Gopal Pur Foundation, Al-Haj Aman Ullah Khan Ideal Kindergarten and Al-Haj Aman Ullah Khan Hafezee Madrasha. He is also the Chairman of Podi Para Fazil Madrasha, Kachihata Dakhil Madrasha and K.M Bohumukhi Mohila Alim Madrasha. Mr. Belal was the Chairman of Gopal Pur Ali Haider High School and Ex-executive Member of the Siddheswari University College. He was the Vice President of Noakhali Zilla Samity, Executive Member of the Mohammedan Sporting Club, Dhaka, Member of the Dhaka Club Limited and also the Member of the Noakhali Club. He was assumed the office of Region Chairman of the Lions Club of Dhaka Premier Dist 315-B1, Ex-Chairman of Mannikka Nagar Dhakil Mohila Madrasha. Mr. Belal is also Advisor, Begumgonj Jubo Kallyan Samity, Advisor, Tulachara Manob Kallyan Club and President, Gopal Pur Ali Haider High School Ex- Student Kalyan Parishad.



MOHAMMAD ABDUL AWAL

Director & Chairman, Risk Management Committee

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

26 June, 2023

PROFILE

Mr. Mohammad Abdul Awal is a renowned businessman of the country. He was born in a respected Muslim family in Shariatpur District.

Mr. Mohammad Abdul Awal has a strong foundation of financial literacy. He obtained Bachelor of Business Administration (BBA) degree.

SKILLS AND EXPERIENCE

He started his business career soon after completing his education and from then he devoted himself fully to business. In 2005, he started his share trading business house Synthia Securities Limited having a membership of Dhaka Stock Exchange and he is the Managing Director of the company. Within short period of time he becomes a successful businessman by dint of his hard labor, sincerity, honesty and amiable dealings.

CONCURRENT APPOINTMENTS

Mr. Mohammad Abdul Awal, a Sponsor Shareholder of Express Insurance Limited, has been actively involved with the company since its inception on 30 March 2000. Over the years, he has provided guidance and leadership, and holded the various position including Board Member, Vice Chairman, and Chairman.

SOCIAL ENGAGEMENT

He has also made notable contribution in socio economic and cultural activities. He is the member secretary of 'Abdur Razzaq & Mohammad Selim Foundation', a non-profit organization engaged in social welfare activities with a view for helping the under privileged people of the society with their education & health care.



PROF. DR. MD. REZAUL KABIR
Independent Director & Chairman, Audit Committee

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

15 October, 2023

Dr. Md. Rezaul Kabir is a Professor of Finance at the Institute of Business Administration (IBA), University of Dhaka. He earned his PhD from Aston Business School, Aston University, UK, under the prestigious Commonwealth Scholarship and Fellowship Plan, and completed his M.Sc. in Accounting and Finance from the same institution with 'Distinction'. He also received advanced training in Firm Valuation, Venture Financing, Mergers and Acquisitions, and Corporate Restructuring at the Indian Institute of Management Ahmedabad (IIM-A).

At IBA, Dr. Kabir teaches graduate-level finance courses, bringing both academic rigor and practical insight to the classroom. He is a pioneer in introducing case study-based pedagogy at IBA, significantly enriching the learning experience and bridging theory with real-world application. Prior to joining IBA, he taught at Aston Business School in the UK for nearly two years. He has held several key administrative leadership roles at IBA, serving as Coordinator of the Executive MBA Program (2017–2019), the MBA Program (2020–2022), and the BBA Program (2023–2024), where he played a pivotal role in enhancing program structure and academic excellence.

Dr. Kabir has been involved in numerous academic research collaborations with universities in Bangladesh, Canada, and the UK. Beyond academia, Dr. Kabir's leadership and influence extend to the corporate sector as well, where he has served with distinction as an independent director, consultant, and mentor—guiding organizations through complex challenges and driving meaningful outcomes.



A. S. M. FEROZ ALAM
Sponsor Director

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

26 June, 2023

PROFILE

Mr. A. S. M. Feroz Alam was born on December 01, 1960 in a respectable Muslim family of Patuakhali. He is a renowned businessman of the country.

He is visionary, critical thinker and strategic decision maker.

SKILLS AND EXPERIENCE

Mr. Alam has thorough understanding of banking business model. He has extensive travelling experiences of around 64 countries for business purposes.

CONCURRENT APPOINTMENTS

He is the Sponsor Director & Chairman of Mercantile Bank Securities Limited. He is a Sponsor Shareholder of Premier Leasing & Finance Ltd., Premier Leasing Securities Limited and was the Chairman of Bengal Trading Limited (Japan).

SOCIAL ENGAGEMENT

He is also Founder of Saheda Gafur Ibrahim General Hospital, Kalaiya, Patuakhali.



M. AMANULLAH

Sponsor Director & Chairman, Mercantile Exchange House (UK) Limited

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

26 June, 2023

PROFILE

Mr. M. Amanullah, the founder of the conglomerate, Aman Group of Companies, is a very respected and distinguished industrialist in Bangladesh. His business dexterity has led to the successful launch of various, diversified businesses under the umbrella of Aman Group of Companies and he holds the position of Chairman of all the companies under the group.

Mr. Aman was honored several times by the Govt. and other organizations. He was awarded the Sarojini Naidu Gold Medal Award in 2000, C.R. Das Gold Medal Award in 2002 and the Atish Dipankar Scholar Congress Award in 2004 for his extraordinary contribution in various sectors of Bangladesh. He was declared CIP, Commercially Important Person, for many years for his significant contribution to the country's export trade sector.

SKILLS AND EXPERIENCE

He is the past Chairman of Mercantile Bank PLC., (2013-2014) and contributed heavily towards the efficiency and optimization of Mercantile Bank during his tenure.

Born and brought up in a business family, Mr. Amanullah started pursuing his own business endeavors since 1968.

He introduced Arena Industries Ltd., engaged in industrial contract-packaging & founded Mousumi Network Ltd. and Arena Consumer Products Ltd., for distribution and manufacture of consumer products. He introduced Arena HRI Ltd., which is an India-Bangladesh joint venture in the field of cosmetic industry and is one of the leading manufacturers of Hair Care products in Bangladesh.

He also introduced Dayton Holdings Ltd. and Arena Securities Ltd. in the financial sector which is a member of Dhaka Stock Exchange and registered as a corporate house for operation in the capital market of the country. In the textile sector Mr. Aman set up a manufacturing unit in the name of Aman Spinning Mills Ltd., which manufactures 100% export oriented carded yarn from raw cotton.

CONCURRENT APPOINTMENTS

1. Aman Spinning Mills Limited – Chairman
2. Mousumi Network Limited – Chairman
3. Dayton Holdings Limited – Chairman
4. Mercantile Exchange House (UK) Limited – Chairman
5. Mercantile Bank Securities Limited – Sponsor Director

SOCIAL ENGAGEMENT

Mr. Aman is also recognized for his contribution to the community and to the nation in the field of education. He is one of the governing body members and donor representatives of Ayat College of Nursing & Health Sciences. Mr. Amanullah established "Aman Group Foundation" as his initiative towards social responsibilities. Under the foundation, a specialized Kidney Dialysis center has been in operation to cater to the health needs of the disadvantaged population.



MORSHED ALAM

Sponsor Director & Chairman, Mercantile Bank Foundation

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

19 May, 2022

PROFILE

Mr. Morshed Alam is one of the most eminent business icons of present time in the country. With his outstanding business acumen, he has become a leading entrepreneur of Bangladesh.

He was declared CIP for the Fiscal Year of 1996-1997, 1999-2000, 2008-2009 & 2010-2011 (Export) by the Ministry of Commerce, Government of the People's Republic of Bangladesh for his remarkable contribution in the business arena.

SKILLS AND EXPERIENCE

Mr. Morshed Alam has an acute perception of the dimensions of contemporary business issues and exceptional ability to make sense out of complexity and vulnerable business world.

As a token of recognition, he is also recipient of Prime Minister's National Export Trophy - Gold during the FY 2013-2014, 2012-2013, 2011-2012, 2006-2007, 2000-2001, Prime Minister's National Export Trophy – Silver during the FY 2013-2014, 2012-2013, 2010-2011, 2009-2010, Prime Minister's National Export Trophy - Bronze during the FY 2010-2011, "Best Enterprise Award 2007" (Awarded by DHL / The Daily Star).

CONCURRENT APPOINTMENTS

He is the founder of Bengal Group of Industries which consists of as following

1. Bengal Windsor Thermoplastics Limited – Chairman
2. Bengal Media Corporation Limited (Rtv) – Chairman
3. Bengal Plastics Limited – Chairman
4. Bengal Poly Paper Sack Limited – Chairman
5. Hamilton Metal Corporation Limited – Chairman
6. Bengal Renewable Energy Limited – Chairman
7. Linnex Electronics (Bangladesh) Limited – Chairman
8. Bengal Hotel and Resort Limited – Chairman
9. Mercantile Bank Foundation – Chairman
10. Mercantile Bank Securities Limited – Sponsor

Besides, he is the member of trustee board of The People's University of Bangladesh and Director of Mercantile Bank Securities Limited. He was the Chairman of Board of Directors of Mercantile Bank PLC., during the year 2014-2015 and 2019-2024.

SOCIAL ENGAGEMENT

Being a philanthropist, he founded Morshed Alam High School at Nateswar, Noakhali and is a life donor member of Kazi Nagar Madrasa and Bazra High School at Noakhali and Motijheel Ideal High School, Dhaka.



ALHAJ MOSHARREF HOSSAIN
Director

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

19 May, 2022

PROFILE

Alhaj Mosharref Hossain was born on January 07, 1940 in a respectable Muslim family at Chhagalnaiya, Feni. He had his schooling in the local educational institutions.

Alhaj Mosharref Hossain is one of the leading businessmen of the country, especially in trading.

SKILLS AND EXPERIENCE

He is the Proprietor of M. H. Traders, a renowned business house engaged in paper trading. Apart from being a businessman of repute, he is also a prominent personality in Bangladesh.

CONCURRENT APPOINTMENTS

He is also a Director of Toka Ink (BD) Ltd. and Managing Director of Bulbul Printers.



DR. GAZI MOHAMMAD HASAN JAMIL
Independent Director

DATE OF LAST REAPPOINTMENT AS A DIRECTOR

29 February, 2024

PROFILE

Dr. Gazi Mohammad Hasan Jamil was appointed as an Independent Director of Mercantile Bank PLC., on February 02, 2021.

Presently, he has been working as a Professor of the Department of Finance, University of Dhaka. He achieved his Ph.D. from Concordia University, Canada, and Masters in Science in Finance and MBA from Texas A&M University, USA. Dr. Gazi also holds the Certified Management Accountant (CMA) designation and has been actively pursuing the Chartered Financial Analysts Program (CFA).

SKILLS AND EXPERIENCE

In the early stage of his career, he had notable experience in working with multinational Banks and well-reputed companies in Bangladesh. As an outstanding academician and researcher in the field of finance and economics, he has published several articles in recognized journals and conferences at the national and international levels. He is also working as a national consultant of UNDP and a research fellow of CIREQ, Quebec. Dr. Gazi had also served as an Assistant Professor in the Economics Department of Concordia University, Canada.



MATI UL HASAN
Managing Director

Mr. Mati ul Hasan is the Managing Director of Mercantile Bank PLC. He served in the same bank holding the position of Additional Managing Director & Chief Risk Officer. Over 41 years of experience in the financial sector, he has been working in Mercantile Bank from 2014. He joined IFIC Bank in 1st April, 1984 as Probationary Officer. He has experience of 10 years in oversees operation in Pakistan. He was the Head of overseas branch in Pakistan and Served 2 years as Deputy Managing Director of Nepal Bangladesh Bank Limited, Nepal (a Joint Venture Bank of IFIC), and Head of Branch Local Office of IFIC Bank-Motijheel, Dhaka. He completed B.S.S. (Hons) in Economics from Dhaka University and Masters in Bank Management. He is a Diplomaed Associate of Institute of Bankers, Bangladesh (DAIBB) and Associate Member of Institute of Bankers, Pakistan.

SENIOR MANAGEMENT PROFILE



MATI UL HASAN
Managing Director

Mr. Mati ul Hasan is the Managing Director of Mercantile Bank PLC. He served in the same bank holding the position of Additional Managing Director & Chief Risk Officer. Over 41 years of experience in the financial sector, he has been working in Mercantile Bank from 2014. He joined IFIC Bank in 1st April, 1984 as Probationary Officer. He has experience of 10 years in oversees operation in Pakistan. He was the Head of overseas branch in Pakistan and Served 2 years as Deputy Managing Director of Nepal Bangladesh Bank Limited, Nepal (a Joint Venture Bank of IFIC), and Head of Branch Local Office of IFIC Bank-Motijheel, Dhaka. He completed B.S.S. (Hons) in Economics from Dhaka University and Masters in Bank Management. He is a Diplomaed Associate of Institute of Bankers, Bangladesh (DAIBB) and Associate Member of Institute of Bankers, Pakistan.



MD. ZAKIR HOSSAIN
Deputy Managing Director & CRO (Acting)

Md. Zakir Hossain is the Deputy Managing Director of Mercantile Bank PLC having experience of about 32 years in the banking industry of Bangladesh. He started his banking career in 1993 with Janata Bank, a state-owned Commercial Bank of Bangladesh as Financial Analyst in the position of Probationary Officer. Thereafter, he moved to Prime Bank Limited in 1995 and served there as Credit Officer in Credit Risk Management Division till 1999.

Then Mr. Zakir joined Mercantile Bank PLC in June 1999. He has been serving Mercantile Bank since it's inception in various capacity and positions at Branch and Head Office. He was the Head of 3 (three) leading Branches including Main Branch of the Bank. After promotion as Deputy Managing Director, he had been designated as Deputy Chief Business Officer (DCBO), Chief Operating Officer (COO) and Head of Chattogram Region at different periods. At Present, he is the Chief Risk Officer (Acting) of the Bank.

He has experience of working as a member of the committee for Review of Credit Risk Management Guidelines and of the committee for formulation of guidelines for Internal Credit Risk Rating (ICRR) System of Bangladesh Bank.



SHAMIM AHMED
Deputy Managing Director & CAMLCO

Mr. Shamim Ahmed has over 33 years experience in the Banks including United Commercial Bank Ltd and Prime Bank Ltd. He is with Mercantile Bank Limited from June, 1999. He completed his B.Sc. (Hons), M.Sc. in Statistics from University of Dhaka. He has specific expertise on foreign trade, treasury, Anti Money Laundering & CFT, Offshore Banking Business, Foreign Remittance, Branch Development and Branch Banking. He is selected as a Trainer for outreach training program on "Foreign Exchange Risk Management" designed for the 'Training of Trainers' arranged by Bangladesh Bank Training Institute and South Asia Enterprise Development Facility (SEDF). He participated in a good number of training program at home and abroad in International Trade, Foreign Exchange, Tresury, Banking operation and AML & CFT. Mr. Shamim is actively associated with many social activities.



ASHIM KUMAR SAHA
Deputy Managing Director & Head of ICCD

Mr. Ashim Kumar Saha has completed Post-Graduation in Accounting from University of Dhaka. Over 35 years of experience in the banking sector, Mr. Ashim Kumar Saha has expertise on Government Securities, Local & Foreign Currency Management, ALM Analysis and Risk Management. He is also expertise in private bonds and equity market. He started banking career in 1990 with Uttara Bank Limited as Probationary Officer. He worked at NCC Bank Ltd for 20 years. During the tenure of NCC Bank Ltd, he worked in Financial Administration Division and thereafter taking the responsibility of Treasury Division Front Office. On 10th August 2016, he joined Mercantile Bank Ltd as Senior Executive Vice President and Head of Treasury.

He is serving as the Member of ALM, Investment Committee and SMT, Credit Committee, etc. He is also instrumental in integrating the entire Treasury Operation with in- house IT solutions.

He has attained different professional training programs and workshop in USA, Germany, Japan, India, Thailand, Malaysia, Sri Lanka, Hong Kong, & Indonesia vastly for developing bonds and equity market in Bangladesh. He is a Convener, Technical committee of PDBL. He was the Chairman of Technical Committee of BAFEDA. He is a Registered Income Tax Practitioner.



DR. MD. ZAHID HOSSAIN
Deputy Managing Director & CBO

Dr. Md. Zahid Hossain began his banking career in 1996 as a Probationary Officer at Eastern Bank. He later joined Bank Asia, where he served with distinction for over 21 years. On December 30, 2024, he joined Mercantile Bank PLC as Deputy Managing Director and Chief Business Officer (CBO).

He holds a B.Com (Honors) and an M.Com in Finance and Banking from the University of Dhaka. In addition, he earned an MBA and a Doctor of Business Administration (DBA) from the Institute of Business Administration (IBA), University of Dhaka.

A distinguished figure in the banking sector of Bangladesh, Dr. Zahid currently serves as a key member of Mercantile Bank PLC's senior management team. With a career spanning more than 29 years, he is widely recognized as a seasoned expert in corporate banking. His core strengths include relationship management and wholesale banking solutions, which he delivers to a diverse portfolio of clients.

Dr. Zahid's deep knowledge and strategic insight continue to play a pivotal role in driving the bank's operational excellence and long-term success.



SHAH MD. SOHEL KHURSHID
Senior Executive Vice President & CCO

Shah Md Sohel Khurshid, with 33 years of banking experience, has versatile expertise in the area of General Banking, Import, Export, Corporate & Retail Credit and SME Financing at both Branch and Head Office level. He joined United Commercial Bank Limited as a Probationary Officer on September 16, 1991, and then joined Dhaka Bank Limited in April 1997. He has been working in Mercantile Bank Limited since December 1999. Besides acting as Chief Credit Officer (CCO), presently he discharges his duties as a member of senior Management Team and several Management Committees of the Bank. Previously he served as the Head of Corporate Banking Division, Head of of Bijoynagar, Gulshan and Mohakhali Branch. He obtained BSS(Hons), MSS, from the University of Dhaka and MBA degree from a Private University. He attended a good number of training and workshop programs on almost all windows of banking both at home and abroad. He traveled to many countries including India, Malaysia, Thailand, Singapore, Vietnam Germany, Netherlands and Switzerland.



MOHAMMAD IQBAL REZWAN
Senior Executive Vice President & Head of Recovery Div.

Mr. Mohammad Iqbal Rezwan has 31 years of professional exposure in banking industry in various capacities. He started his banking career in Arab Bangladesh Bank as Probationary Officer in 1994. He also served in HSBC, Premier Bank, Trust Bank in different leadership capacities at Head Offices and Branches. Presently, he has been serving as Head of Recovery Division covering the Early Alert Department, Special Asset Management Department and Legal Department. Before that, he was the Head of International Division, Human Resources Division and Risk Management Division. He is the member secretary of Senior Management Team (SMT) and member of Investment Committee, Asset Liability Management Committee and Executive Risk Management Committee.

Mr. Rezwan completed his Honors and Masters in Economics from University of Chittagong and completed Masters in Bank Management (MBM) from University of Science and Technology, Chittagong. He is an alumnus of Economics Department of the University of Chittagong. He has attended seminars, workshops and training programs at home and abroad in various occasions.



MD. ABDUL HALIM
Senior Executive Vice President & COO (Acting)

Mr. Md. Abdul Halim has over 33 years of experience in Banking Industry. After completing his post-graduation from the University of Dhaka, he started his banking career in 1992 as a probationary officer at Islami Bank Bangladesh PLC. He served at EXIM Bank PLC. before joining Mercantile Bank PLC. in 2008. At Mercantile Bank, he held leadership roles as the Head of Branch for key corporate locations, including Uttara Branch, Mohakhali Branch, Gulshan Branch and the Main Branch. His professional development includes participation in specialized training programs and workshops in the UAE and Malaysia. He also participated a Training Programme on "Future CEO Leadership Recharge" arranged by WSDA, New Zealand. Currently, he serves as Senior Executive Vice President & Chief Operating Officer (Acting) of the bank.



TAPASH CHANDRA PAUL, PHD
Chief Financial Officer

Mr. Tapash Chandra Paul, PhD has more than 2 (two) decades of diversified experience in Banking Sector. He has sound academic track record. Having completed his B.Com (Hon's) & M. Com from University of Dhaka and obtained MBA from reputed university, Mr. Paul was also awarded PhD for his contribution in Research work on Strategic Management of Commercial Banks in Bangladesh. He has attended a good number of training courses, workshops & seminars/webinars at home & abroad. He is a regular trainer at the Mercantile Bank Training Institute and the training institutes of other Banks/FIs. He delivers both nationally & internationally as a keynote speaker in the field of Finance, Banking, and Economics & Risk Management. He writes insightful and informative articles regularly on Banking and Economics in the widely circulated National dailies.

Since taking over the supervisory role of 'Research & Planning Division', Mercantile Bank monthly online bulletin 'MBL Spectrum' is being published under his dynamic leadership.



MOHAMMAD REZAUL KARIM
Company Secretary

Mohammad Rezaul Karim has 25 years of experience in the Banks including AB Bank PLC. and Mutual Trust Bank PLC. He is with Mercantile Bank PLC. from September 2008. He completed his B.S.S. (Hons), M.S.S. in Public Administration from University of Dhaka. He is an AIBB.

He has working experiences with ICC Division, Board & Share Division, Human Resources Division, Mobile Banking Division, Core Banking Software Implementation Business Team at Head Office level and also worked at Branches in various capacities including Manager Operation of an AD Branch. He has attained different professional training programs and workshops.

HEADS OF DIVISIONS/DEPARTMENTS/UNITS



Shah Md. Sohel Khurshid SEVP
Credit Division



Mohammad Iqbal Rezwan SEVP
Recovery Division



Lutful Haidar Chowdhury EVP
Early Alert Department



Abu Yusuf Md. Abdullah Haroon EVP
MIS Division and AML & CFT Division



Muhammad Mahmud Hasan EVP & CTO
IT Division



Md. Enayet Ullah EVP
Audit Unit, ICCD



Shamim Ahmed EVP
Corporate Banking Division



Md. Ashiqur Rahman EVP
Credit Administration Division



Javed Tariq Principal
Mercantile Bank Training Institute



Md. Delwar Hossain SVP
Central Law Department



Mostafizur Rahman SVP
Card & ADC Division



Mohammad Kamrul Hossain SVP
Digital Banking & Innovation Department



Mohammad Faruque Ahmmed SVP
SME Financing Department



Md. Nasim Alam SVP
Risk Management Division



Zihan Al Fuad SVP
International Division



K. M. Anowarul Islam SVP
RMG Monitoring Cell



Muhammad Khorshed Alam SVP
Operations Division and CCS & CMC



Md. Aminul Islam SVP
CTPC



Mohammad Rezaul Karim VP
Board Division



Md. Gias Uddin VP
Monitoring Unit, ICCD



Mohammad Hossain VP
Branches Division



Abul Kashem Mohammad Fazlul Hoque VP
Special Asset Management Department



Ashim Kumar Saha VP
Retail Banking Division



Md. Shah Jamal VP
Gereral Services Division



Md. Salahuddin Khan VP
Human Resources Division



Md. Mukitul Kabir VP
Corporate Affairs Division



A. S. M. Kamal Hossain VP
Research & Planning Division



Md. Toriqul Islam VP
NRB Divison



Mohammad Mijanur Rahman Sharker VP
Islamic Banking Division



Md. Almasuddin Ahmed VP
Central Clearing Department



Md. Zillur Rahman VP
Agriculture Credit Division



Kafil Uddin Muhammad Zahid Mahmud FVP
Information Security & Governance Division



Md. Abul Kashem FVP
Compliance Unit, ICCD



Md. Faruk Hossain FVP
Off-shore Banking Division



Md. Hasanuzzaman Bakshi FVP
Treasury Front Office



Md. Gious Uddin FVP
Financial Administration Division



Tapon James Rozario AVP
Institutional Liability Marketing Department



Syeda Shabiha Afrug AVP
Treasury Back Office



S.M. Tofazzel Husain FAVP
Central Monitoring Cell



Md. Saiful Islam FAVP
Share Department

OUR PRIDE
FORMER CHAIRMEN

1. **MD. ABDUL JALIL**
   Founder Chairman
   (Deceased)
2. **ALHAJ MOSHARREF HOSSAIN**
3. **M. AMANULLAH**
4. **MORSHED ALAM**
5. **AL-HAJ AKRAM HOSSAIN (HUMAYUN)**
6. **MD. SHAHIDUL AHSAN**
7. **DR. A.K.M. SHAHEED REZA**



1 — 2





3 — 4





5 — 6



7



OUR PRIDE

FORMER CHIEF ADVISOR & MANAGING DIRECTOR & CEOS

1. **LUTFAR RAHMAN SARKAR**
   Former Governor of
   Bangladesh Bank
2. **M. TAHERUDDIN**
3. **SHAH MD. NURUL ALAM**
4. **DEWAN MUJIBUR RAHMAN**
5. **A.K.M. SHAHIDUL HAQUE**
6. **M. EHSANUL HAQUE**
7. **KAZI MASIHUR RAHMAN**
8. **MD. QUAMRUL ISLAM CHOWDHURY**



1 — 2





3 — 4





5 — 6





7 — 8



MILESTONES

1999

- Incorporation of the Bank **May 20**
- Commencement Of Business **Jun 02**

2003

- Initial Public Offering **Jun 30**
- Subscription for Shares **Oct 21-22**

2004

- Listed in Dhaka Stock Exchange **Feb 16**
- Listed in Chittagong Stock Exchange **Feb 26**

2009

- Brokerage House Operation **Jun 06**
- 50th Branch opening **Dec 30**

2011

- Launch of OBU Operation **Mar 20**
- Commencement of Mercantile Bank Securities Limited (MBSL), Subsidiary Company **Sep 14**
- Commencement of Mercantile Exchange House (UK) Limited, Subsidiary Company **Dec 06**

2012

- 100th Branch opening **Dec 29**

2014

- Opening of Mercantile Exchange House (UK) Limited, London Branch **Sep 20**

2018

- Inauguration of MBL Contact Center **Oct 03**
- Launch of 'MBL Young Bankers' Appreciation Award' **Jun 02**
- Awarded For National Productivity And Quality Excellence -2016 **Apr 18**
- Incorporated MBL Asset Management Limited, a subsidiary of Mercantile Bank PLC. **Nov 29**

2020

- Launch of Agent Banking
  Jun 21
- Launch of Islamic Banking Window operation 'Taqwa'
  Jun 29
- 150th Branch Opening
  Dec 24

2021

- Launch of 'MBL Rainbow' Mobile Banking App
  Jun 02
- Started 'Automated Challan System (ACS)' Service
  Jul 07

2022

- Inaugurated shari'ah-based complete "Islamic Banking Branch" at Dilkusha in the capital.
  September 22

2022

- Inauguration of Global Debit Card service
  June 4
- Achieved '23rd ICAB National Award' for best presented annual reports 2022
  October 30

2023

- Awarded the South Asian Business Excellence Award-2022 as the "Best Bank in the Private Sector" by the South Asian Partnership Summit.
  September 22
- Awarded ISO 27001: 2013 certificate by Bureau Veritas Certification Holding SAS-UK branch.
  October 17
- Achieved 22nd ICAB National Award for Best Presented Annual Reports 2021 in three categories.
  December 3
- Won Silver Award in General Banking category of 9th ICSB National Award for Corporate Governance Excellence 2021.
  December 17

2024

- 25th Anniversary of the Bank
  June 2
- Inauguration of "Bangla QR Code"
  July 9
- Achieved '24th ICAB National Award' for best presented annual reports 2023
  September 10

KEY EVENTS 2024



24th ICAB National Award 24th ICAB National Award



AML Conference 2024



Annual Risk Conference 2024



Inauguration of CRM Booth at Head Office



25th Annual General Meeting (AGM)



Inauguration of Bangla QR Code Service



Inauguration of Meherpur Uposhakha



Partnership with Mastercard



Business Review Meeting-2024, Barisal & Khulna Region



Half Yearly Performance Review Meeting 2024



Annual Business Summit 2024



Celebration of 25th anniversary of MBPLC.



Mercantile Bank Distributes Open Agriculture Loan in Feni



Participation Agreement Signing Ceremony with Bangladesh Bank



Inauguration of Sorupkathi Uposhakha

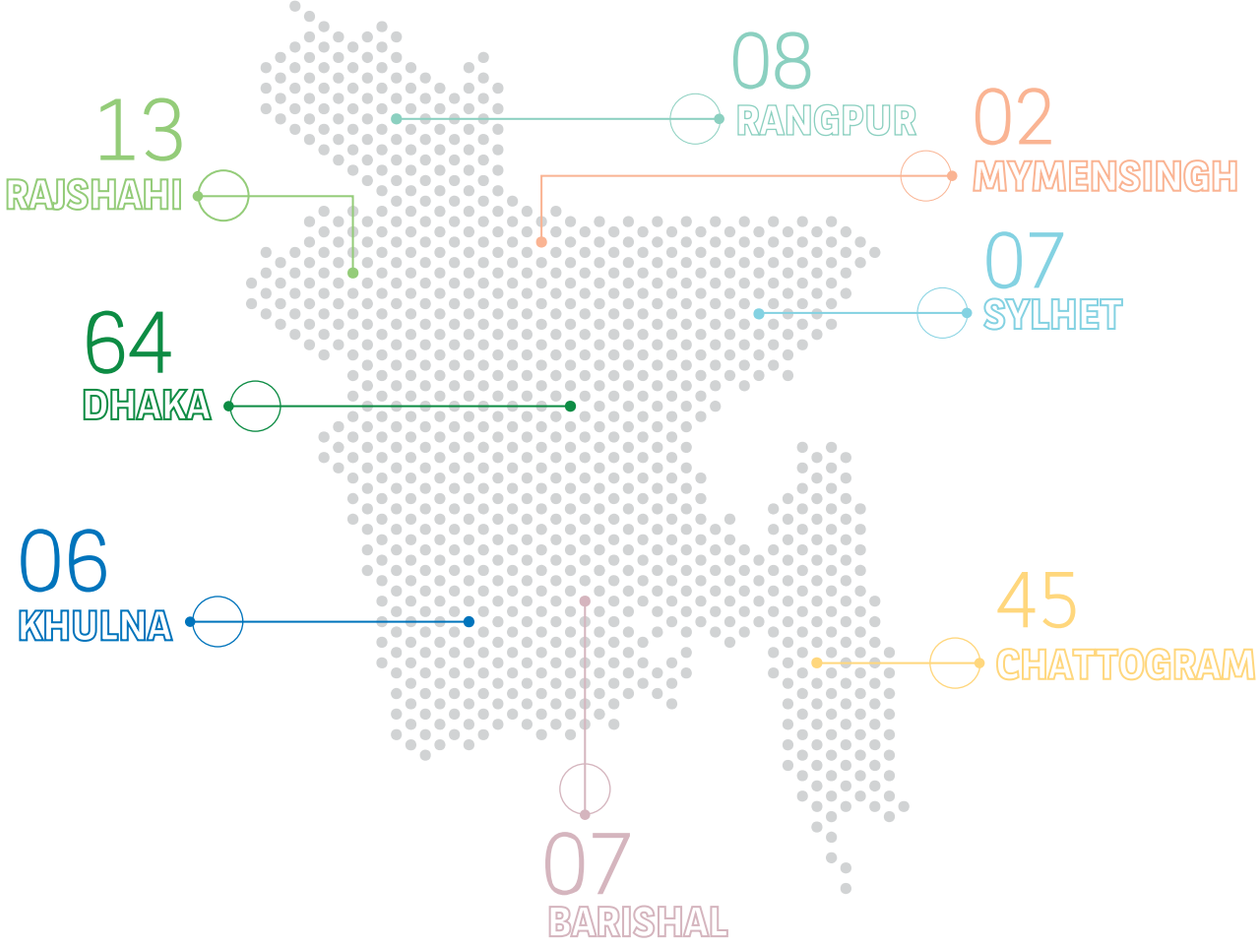


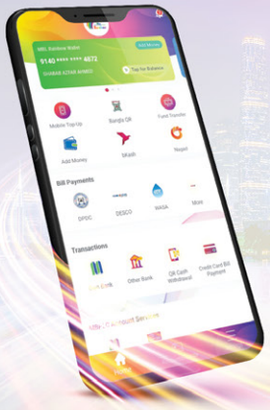
Inauguration of Sonaimuri Uposhakha

BRANCH NETWORK OF MERCANTILE BANK PLC.

Footprints as on December 31, 2024

Division	Branches	Sub-Branches	ATMs/CRMs	Agent Banking Outlets
Dhaka	64	22	100	28
Chattogram	45	8	47	66
Sylhet	7	1	8	5
Khulna	6	2	6	16
Barishal	7	3	8	9
Mymensingh	2	1	2	8
Rajshahi	13	3	16	43
Rangpur	8	5	12	13
Total	**152**	**45**	**199**	**188**





ব্যাংক এখন আপনার পকেটে

আধুনিক এবং নিরাপদ ব্যাংকিং এর নিশ্চয়তায়
মার্কেন্টাইল ব্যাংক পিএলসি এর "MBL Rainbow"

MBL Rainbow এর পরিষেবাসমূহঃ

ফান্ড ট্রান্সফার
- নিজস্ব ব্যাংক (MBPLC)
- অন্যান্য ব্যাংক
  - BEFTN
  - NPSB (Instant)
  - RTGS (Instant)

অ্যাকাউন্ট খোলা
- ঘরে বসে শুধুমাত্র NID দিয়ে অ্যাকাউন্ট খুলুন

অ্যাকাউন্ট পরিষেবা
- ব্যালেন্স চেক
- মিনি স্টেটমেন্ট

MBPLC কার্ড বিল পরিশোধ
- ক্রেডিট কার্ড
- প্রিপেইড কার্ড

মোবাইল রিচার্জ
- প্রিপেইড
- পোস্টপেইড

QR ক্যাশ উত্তোলন
- যেকোনো শাখা থেকে QR কোড এর মাধ্যমে টাকা উত্তোলন করুন

MFS ফান্ড ট্রান্সফার
- বিকাশ
- নগদ

বাংলা QR পেমেন্ট
- কেনাকাটায় বাংলা QR দিয়ে বিল পরিশোধ করুন খুব সহজেই

Add Money
- যেকোনো VISA / MasterCard / AMEX অথবা MFS থেকে MBL Rainbow Wallet-এ Add Money করুন

ইউটিলিটি বিল পরিশোধ
১. ডেসকো ২. ডিপিডিসি ৩. নেসকো
৪. ঢাকা ওয়াসা ৫. খুলনা ওয়াসা ৬. জালালাবাদ
৭. ওয়েস্ট জোন পাওয়ার

ই-কমার্স পেমেন্ট
- অনলাইন কেনাকাটার বিল পরিশোধ
- ই-টিকিট
  - বাস
  - ট্রেন
  - বিমান
  - লঞ্চ

বীমার প্রিমিয়াম পরিশোধ
- জেনিথ ইসলামী লাইফ ইন্স্যুরেন্স
- রূপালী লাইফ ইন্স্যুরেন্স

এ চালান পেমেন্ট
- পাসপোর্ট, ইনকাম ট্যাক্স সহ অন্যান্য সরকারি পেমেন্ট

শিক্ষা ফি পরিশোধ
- ঢাকা ইম্পেরিয়াল কলেজ

সকল ব্রাঞ্চ এবং এটিএম এর ঠিকানা

বাংলার ব্যাংক

আধুনিকতায় নিরাপদ ব্যাংকিং

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

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www.mblbd.com

REFLECT
FROM T

This segment presents a clear perspective of our leadership's dedication to guiding Mercantile Bank PLC. towards enduring growth and societal contribution, reflecting our commitment to excellence and strategic financial stewardship.

TIONS
THE TOP

CHAIRMAN'S STATEMENT

Despite the macroeconomic headwinds, Mercantile Bank PLC. achieved significant balance sheet expansion, driven by the enduring trust customers placed on us, and the effectiveness of our strategic growth initiatives.



Md. Anwarul Haque
Chairman

10.57%

GROWTH OF TOTAL ASSETS IN 2024.

Dear Shareholders,

It is my honor and privilege to welcome you at 26th Annual General Meeting of Mercantile Bank PLC. The year 2024, was a period that truly tested our collective resilience and strategic foresight. Yet, through these dynamic times, MBPLC has not only demonstrated remarkable operational strength but has also laid a strong foundation for an even more sustainable and prosperous future.

NAVIGATING A DYNAMIC GLOBAL AND DOMESTIC LANDSCAPE

The year 2024 presented a challenging macroeconomic and geopolitical landscape, both globally and in Bangladesh. Global growth moderated, creating a complex environment for financial institutions. Domestically, Bangladesh grappled with significant economic uncertainty, marked by persistent high inflation, often exceeding 10% and peaking at 10.8% in December 2024. The Bangladeshi Taka also experienced a substantial devaluation against the USD, depreciating by 12.72% in 2024. The banking sector faced considerable strain, evidenced by a fragile environment and a surge in non-performing loans. Foreign exchange reserves fluctuated, closing December 2024 at approximately USD 21,394.7 million as per BPM6 calculation, or USD 26,214.8 million gross. These pressures profoundly impacted our operations, necessitating agile responses and prudent strategic adjustments to safeguard the Bank's stability and long-term viability.

OPERATIONAL RESILIENCE AND STRATEGIC GROWTH IN 2024

Despite these macroeconomic headwinds, Mercantile Bank PLC. achieved significant balance sheet expansion, driven by the enduring trust customers placed on us, and the effectiveness of our strategic growth initiatives. Our total assets expanded impressively by 10.57% to BDT 444,690.30 million. This was underpinned by a healthy growth in our loan and investment portfolio, with the loan portfolio specifically growing by 5.33% to BDT 300,025.11 million. Crucially, our deposit base surged by 11.66% to BDT 342,724.25 million, reflecting successful mobilization efforts and the inherent stability of our funding profile. This strong deposit growth, in turn, fueled a remarkable increase in our Net Operating Cash Flow per Share (NOCFPS) to BDT 17.80, demonstrating our strong liquidity and operational efficiency.

While the prevailing interest rate environment presented challenges to traditional net interest income, which saw an adjustment to BDT 578.37 million, our diversified revenue streams proved to be vital pillars of strength. Our investment income, in particular, was an outstanding performer, surging by 56.16% to BDT 7,403.88 million. This strategic diversification ensured that our total operating income continued its positive trajectory, registering a growth of 2.60% to BDT 14,106.33 million, a clear indicator of our adaptable business model. Furthermore, our unwavering commitment to financial discipline saw us maintain rigorous control over operating expenses, which increased by a modest 1.61%, reflecting our relentless pursuit of efficiency.

FORTIFYING OUR FINANCIAL FOUNDATION: ASSET QUALITY AND CAPITAL STRENGTH

The year also necessitated a transparent and prudent strengthening of our balance sheet through enhanced provisioning. The increase in non-performing assets (NPLs) is a challenge we are addressing head-on with resolve and transparency. Our total classified loans, including Bad/Loss loans, increased to BDT 51,761.70 million. This proactive approach, driven by both internal assessment and regulatory oversight, is a crucial step in fortifying our financial foundation. While this led to a provision shortfall of BDT 17,008.60 million and the prudent decision not to declare a dividend for the year, it underscores our unwavering commitment to building a stronger, more robust bank for the long-term benefit of all stakeholders. This strategic decision, while impacting our Net Profit After Tax, which stood at BDT 631.22 million, and our Earnings Per Share (EPS) of BDT 0.57, ensures that we are well-capitalized for future growth. Our Capital to Risk-Weighted Asset Ratio (CRAR) of 13.07% remains healthy, comfortably above regulatory requirements, providing a strong buffer for future growth and resilience.

UPHOLDING EXCELLENCE IN GOVERNANCE AND RISK MANAGEMENT

As a Board, we remain steadfast in our commitment to the highest standards of corporate governance and rigorous risk management. These are not merely compliance exercises but fundamental pillars that underpin our long-term value creation for shareholders. We believe that strong governance, coupled with proactive risk identification and mitigation, enables us to navigate complexities with confidence and seize opportunities with agility. Our Board-level oversight ensures that all strategic decisions are made with the utmost integrity, transparency, and accountability, aligning with the BSEC Corporate Governance Code 2018 and Bangladesh Bank's stringent guidelines.

The financial strength of Mercantile Bank PLC. is rooted in our loyal customer base, the unwavering dedication of our exceptional team, and a clear, forward-looking strategic vision.

11.25%

GROWTH OF EXPORT BUSINESS IN 2024.

DRIVING NATIONAL PROGRESS: TRADE, REMITTANCES, AND SYNERGISTIC GROWTH

Beyond financial statements, Mercantile Bank PLC. continued its vital role in facilitating national growth. In 2024, MBPLC's facilitated import business reached BDT 284,486.70 million, a notable 29.16% increase from the previous year's BDT 220,260.18 million. Export business also experienced healthy growth, rising by 11.25% to BDT 198,840.30 million.

We remained a steadfast partner in facilitating crucial remittance inflows, contributing significantly to the nation's foreign exchange reserves and supporting countless households. Our Bank's remittance inflows grew to BDT 51,107.86 million by the end of 2024. Furthermore, our subsidiaries, through their specialized services, continue to enhance our diversified service offerings and contribute synergistically to our consolidated strength.

OUTLOOK FOR 2025: CHARTING OUR COURSE FOR SUSTAINABLE VALUE CREATION

As we look ahead to 2025, we remain optimistic about navigating a dynamic macroeconomic landscape with a clear strategic vision. While inflationary pressures are expected to gradually moderate and economic growth stabilizes—driven by sustained infrastructure development and strong export performance—we see significant opportunities to strengthen our market position through prudent risk management and sound governance.

Our Board's agenda for the coming year centers on a set of focused strategic imperatives. We will accelerate asset quality resolution through a decisive, multi-faceted approach aimed at converting non-performing assets into productive exposures and unlocking capital for fresh lending. At the same time, we are enhancing financial optimization by actively managing funding costs and broadening non-interest income streams to build a resilient and diversified revenue base.

Preserving capital strength remains a top priority. We will reinforce our capital position by rebuilding retained earnings and improving risk-weighted asset efficiency, ensuring we remain well above regulatory thresholds. Our commitment to digital transformation also continues with sustained investments in advanced technologies, including AI-led innovations that enhance customer experience, streamline operations, and promote financial inclusion.

In lending, we will pursue disciplined portfolio expansion, prioritizing high-quality assets across resilient sectors and regions to support sustainable economic growth while maintaining asset health. Additionally, we will deepen our ESG integration by embedding environmental, social, and governance principles into our business strategy, expanding green finance initiatives, and reinforcing our role as a responsible corporate citizen. Through these priorities, we aim to deliver sustainable value to all stakeholders in the year ahead.

The financial strength of Mercantile Bank PLC. is rooted in our loyal customer base, the unwavering dedication of our exceptional team, and a clear, forward-looking strategic vision. While 2024 presented opportunities for prudent adjustments and a transparent strengthening of our financial position, our resolve to deliver sustainable profitability and build lasting value for all stakeholders remains absolute. We are confident that our strategic financial initiatives for 2025 will propel us forward, ensuring Mercantile Bank PLC. continues its journey of excellence and contribution to the nation's economic progress.

ACKNOWLEDGEMENTS

I extend my heartfelt gratitude and thanks to all the members of the Board of Directors, the Managing Director and his team, our exectives, employees, and staffs at all levels, Bangladesh Bank and all regulatory bodies, the shareholders of the bank, and above all, our countless customers and well-wishers. I firmly believe that Mercantile Bank has reached its current position through the collective efforts of all of you, and this progress will continue in the future.

Md. Anwarul Haque
Chairman

চেয়ারম্যানের বক্তব্য

প্রিয় শেয়ারহোল্ডারবৃন্দ,

মার্কেন্টাইল ব্যাংক পিএলসি-এর ২৬তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগত জানাতে পেরে আমি আনন্দিত। ২০২৪ সাল আমাদের সকলের জন্যই ছিল এক চ্যালেঞ্জিং সময়—যেখানে আমাদের সম্মিলিত দৃঢ়তা ও কৌশলগত চিন্তাশক্তির প্রকৃত পরীক্ষা হয়েছে। তবুও, নানা প্রতিকূলতার মাঝেও মার্কেন্টাইল ব্যাংক পিএলসি শুধু উল্লেখযোগ্য সাফল্যই অর্জন করেনি, বরং একটি টেকসই ও সমৃদ্ধ ভবিষ্যতের ভিত্তি শক্তভাবে গড়ে তুলেছে।

বৈশ্বিক ও দেশীয় অর্থনৈতিক অবস্থা: ২০২৪ সালের প্রেক্ষাপট

২০২৪ সাল বৈশ্বিক ও দেশীয় উভয় প্রেক্ষাপটেই অর্থনৈতিক ও ভূ-রাজনৈতিক দিক থেকে এক ঝুঁকিপূর্ণ বছর ছিল। বৈশ্বিক অর্থনীতি মন্থর হয়ে পড়ে, যা আর্থিক খাতের জন্য একটি জটিল ও অনিশ্চিত পরিবেশ তৈরি করে। একই সঙ্গে, বাংলাদেশ উচ্চ মূল্যস্ফীতির চাপে পড়েছিল—যা প্রায় পুরো বছরজুড়ে ১০ শতাংশেরও উপরে ছিল এবং বছরের শেষে, ডিসেম্বর ২০২৪-এ, ১০.৮ শতাংশে পৌঁছায়। বাংলাদেশি টাকার মান ডলারের বিপরীতে উল্লেখযোগ্যভাবে হ্রাস পায়—২০২৪ সালে এর অবমূল্যায়ন দাঁড়ায় ১২.৭২ শতাংশ। এর পাশাপাশি, ব্যাংকিং খাতকে বিভিন্ন চাপে পড়তে হয়েছে, যার মধ্যে অন্যতম ছিল অর্থনৈতিক অনিশ্চয়তা, ভঙ্গুর আর্থিক পরিবেশ এবং নন-পারফর্মিং লোনের (NPL) ঊর্ধ্বগতি। বৈদেশিক মুদ্রার রিজার্ভেও ওঠানামা লক্ষ্য করা গেছে—বিপিএম৬ পদ্ধতিতে হিসাব করলে ডিসেম্বর ২০২৪ শেষে রিজার্ভের পরিমাণ ছিল ২১,৩৯৪.৭ মিলিয়ন মার্কিন ডলার, আর সামগ্রিকভাবে তা দাঁড়ায় ২৬,২১৪.৮ মিলিয়ন ডলারে। এই বহুমাত্রিক চাপ আমাদের ব্যাংক কার্যক্রমে প্রত্যক্ষ প্রভাব ফেলেছে। ফলে ব্যাংকের স্থিতিশীলতা ও দীর্ঘমেয়াদী কার্যকারিতা বজায় রাখতে তাৎক্ষণিক কার্যকর পদক্ষেপ ও বিচক্ষণ কৌশলগত সমন্বয় অপরিহার্য হয়ে ওঠে।

পরিচালন স্থিতিশীলতা এবং কৌশলগত প্রবৃদ্ধি

২০২৪ সালের প্রতিকূল সামষ্টিক অর্থনৈতিক পরিবেশ সত্ত্বেও, মার্কেন্টাইল ব্যাংক পিএলসি দৃঢ় পরিচালন স্থিতিশীলতা প্রদর্শন করেছে এবং কৌশলগত প্রবৃদ্ধির ধারা বজায় রাখতে সক্ষম হয়েছে। বছরের শেষে আমাদের মোট সম্পদ ১০.৫৭% বৃদ্ধি পেয়ে ৪,৪৪,৬৯০.৩০ মিলিয়ন টাকায় দাঁড়ায়, যা ব্যাংকের উপর গ্রাহকদের অটুট আস্থার সুস্পষ্ট প্রতিফলন।

এই প্রবৃদ্ধির পেছনে ছিল ঋণ ও বিনিয়োগ পোর্টফোলিওর সুস্থ প্রবৃদ্ধি—যেখানে ঋণ পোর্টফোলিও ৫.৩৩% বৃদ্ধি পেয়ে ৩,০০,০২৫.১১ মিলিয়ন টাকায় পৌঁছেছে। আরও উল্লেখযোগ্য হলো ব্যাংকের আমানত ভিত্তির ১১.৬৬% প্রবৃদ্ধি, যার পরিমাণ দাঁড়ায় ৩,৪২,৭২৪.২৫ মিলিয়ন টাকা। এটি সফল আমানত সংগ্রহ প্রচেষ্টা এবং তহবিল ব্যবস্থাপনায় গুরুত্বপূর্ণ স্থিতিশীলতার প্রতিফলন। ফলস্বরূপ, নিট অপারেটিং ক্যাশ ফ্লো পার শেয়ার (NOCFPS) উল্লেখযোগ্যভাবে বৃদ্ধি পেয়ে ১৭.৮০ টাকায় উন্নীত হয়েছে—যা তারল্য এবং কার্যকর পরিচালনার শক্তিশালী প্রমাণ।

বিদ্যমান উচ্চ সুদের হার পরিবেশ নিট সুদ আয়ে চাপ তৈরি করেছে এবং তা ৫৭৮.৩৭ মিলিয়ন টাকায় পৌঁছেছে, তবুও আমাদের বৈচিত্র্যপূর্ণ আয় প্রবাহ স্থিতিশীলতা বজায় রাখতে সাহায্য করেছে। বিনিয়োগ আয় ৫৬.১৬% বৃদ্ধির মাধ্যমে ৭,৪০৩.৮৮ মিলিয়ন টাকায় উন্নীত হয়েছে। মোট পরিচালন আয় ২.৬০% বৃদ্ধি পেয়ে ১৪,১০৬.৩৩ মিলিয়ন টাকায় পৌঁছেছে। পাশাপাশি, ব্যয় ব্যবস্থাপনায় কঠোর শৃঙ্খলার মাধ্যমে পরিচালন ব্যয় সীমিত ১.৬১% হারে বৃদ্ধি পেয়েছে—যা দক্ষতা বৃদ্ধির প্রতি আমাদের প্রতিশ্রুতির বাস্তব দৃষ্টান্ত।

আর্থিক ভিত্তি সুদৃঢ়করণ: সম্পদের গুণমান এবং শক্তিশালী মূলধন

২০২৪ সালে আমরা ব্যাংকের ব্যালেন্স শীটকে আরও স্বচ্ছ ও টেকসই করতে সচেষ্ট ছিলাম, যার অংশ হিসেবে প্রয়োজনীয় প্রভিশন বৃদ্ধি করা হয়েছে। নন-পারফর্মিং অ্যাসেট (NPL) বৃদ্ধির চ্যালেঞ্জ সত্ত্বেও আমরা তা সক্রিয় ও দায়িত্বশীলভাবে মোকাবিলা করেছি। এই অবস্থার প্রেক্ষিতে অভ্যন্তরীণ মূল্যায়ন ও নিয়ন্ত্রক সংস্থার নির্দেশনার আলোকে আমরা আমাদের আর্থিক ভিত্তিকে আরও মজবুত করার উদ্যোগ গ্রহণ করি। ব্যাংকের দীর্ঘমেয়াদী স্থিতিশীলতা ও শক্তি নিশ্চিত করতে চলতি বছরের জন্য লভ্যাংশ না দেওয়ার একটি বিচক্ষণ সিদ্ধান্ত নেওয়া হয়েছে। এই পদক্ষেপে আমাদের কর-পরবর্তী নিট মুনাফা ৬৩১.২২ মিলিয়ন টাকায় এবং শেয়ার প্রতি আয় (EPS) ০.৫৭ টাকায় সীমিত থাকলেও এটি আমাদের দীর্ঘমেয়াদি প্রবৃদ্ধি ও মূলধন ভিত্তি শক্তিশালী করার দৃঢ় অঙ্গীকারের প্রতিফলন।

ফলস্বরূপ, আমাদের মূলধন পর্যাপ্ততা অনুপাত (CRAR) ১৩.০৭%-এ স্থিতিশীল রয়েছে, যা নিয়ন্ত্রক সংস্থা নির্ধারিত ন্যূনতম সীমার তুলনায় বেশি। এটি আমাদের ভবিষ্যতের প্রবৃদ্ধি, অনিশ্চয়তা মোকাবিলা এবং ঝুঁকি ব্যবস্থাপনায় এক শক্তিশালী বাফার হিসেবে কাজ করবে।

সুশাসন ও ঝুঁকি ব্যবস্থাপনায় শ্রেষ্ঠত্ব বজায় রাখা

আমরা কর্পোরেট সুশাসন ও কার্যকর ঝুঁকি ব্যবস্থাপনার সর্বোচ্চ মান বজায় রাখতে প্রতিশ্রুতিবদ্ধ। এগুলো আমাদের কাছে শুধু নিয়মরক্ষা নয়, বরং শেয়ারহোল্ডারদের জন্য দীর্ঘমেয়াদি পরিসম্পদ বৃদ্ধির ভিত্তি। আমরা বিশ্বাস করি, সুশাসনের দৃঢ় কাঠামো ও ঝুঁকি চিহ্নিতকরণ ও প্রশমনের সক্রিয় কৌশল আমাদেরকে প্রতিকূলতা মোকাবিলায় সক্ষম করে এবং নতুন সুযোগ দ্রুত কাজে লাগাতে সহায়তা করে। পর্ষদের তত্ত্বাবধান নিশ্চিত করে যে প্রতিটি কৌশলগত সিদ্ধান্ত সর্বোচ্চ সততা, স্বচ্ছতা ও জবাবদিহিতার সঙ্গে গৃহীত হয়—যা বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (BSEC) কর্পোরেট সুশাসন কোড, ২০১৮ এবং বাংলাদেশ ব্যাংকের প্রযোজ্য নির্দেশিকা অনুযায়ী পরিপালিত।

জাতীয় অর্থনীতিতে সক্রিয় অবদান

মার্কেন্টাইল ব্যাংক পিএলসি ২০২৪ সালে জাতীয় অর্থনীতিতে গুরুত্বপূর্ণ অবদান অব্যাহত রেখেছে। বিশেষত বাণিজ্য অর্থায়নে আমাদের সক্রিয় অংশগ্রহণ আমদানি ও রপ্তানি কার্যক্রমকে উল্লেখযোগ্যভাবে সহায়তা করেছে। আমদানি

বাণিজ্যে ব্যাংকের সহায়তা ২৯.১৬% বৃদ্ধি পেয়ে ২,৮৪,৪৮৬.৭০ মিলিয়ন টাকায় উন্নীত হয়েছে, যা ২০২৩ সালে ছিল ২,২০,৯২৬.৫৪ মিলিয়ন টাকা। একইসঙ্গে, রপ্তানি কার্যক্রমে ১১.২৫% প্রবৃদ্ধি অর্জিত হয়েছে, যার পরিমাণ দাঁড়িয়েছে ১৯৮,৮৪০.৩০ মিলিয়ন টাকা।

রেমিট্যান্স প্রবাহ সহজতরে আমাদের ভূমিকা দেশের বৈদেশিক মুদ্রার রিজার্ভকে শক্তিশালী করেছে এবং দেশব্যাপী বহু পরিবারকে সহায়তা করেছে। ২০২৪ সালের শেষে আমাদের ব্যাংকের মাধ্যমে প্রেরিত রেমিট্যান্সের পরিমাণ দাঁড়ায় ৫১,১০৭.৮৬ মিলিয়ন টাকা।

এছাড়া, আমাদের সাবসিডিয়ারি প্রতিষ্ঠানগুলো বিশেষায়িত সেবা প্রদানের মাধ্যমে ব্যাংকের বৈচিত্র্যময় পণ্য ও পরিষেবা কাঠামোকে আরও সমৃদ্ধ করেছে এবং সমন্বিতভাবে ব্যাংকের সামগ্রিক অগ্রগতিতে অবদান রেখেছে।

২০২৫ সালের দৃষ্টিভঙ্গি: টেকসই ভবিষ্যতের পথে আমাদের অগ্রযাত্রা

একটি সুস্পষ্ট কৌশলগত দৃষ্টিভঙ্গি ও সুসংহত প্রস্তুতি নিয়ে ২০২৫ সালের দিকে এগিয়ে যেতে আমরা আশাবাদী। মূল্যস্ফীতির চাপ ক্রমান্বয়ে কমে আসবে এবং অর্থনৈতিক প্রবৃদ্ধি স্থিতিশীল হবে বলে আশা করা যাচ্ছে। এই প্রেক্ষাপটে, আমরা ঝুঁকি ব্যবস্থাপনা ও সুশাসনের মাধ্যমে বাজারে আমাদের অবস্থানকে আরও দৃঢ় করার সুযোগ দেখছি।

পর্ষদের কৌশলগত পরিকল্পনা কয়েকটি মূল অগ্রাধিকারে কেন্দ্রীভূত। প্রথমত, আমরা সম্পদের গুণমান উন্নত করার জন্য একটি বহু-মাত্রিক কৌশল গ্রহণ করবো, যার লক্ষ্য হলো নন-পারফর্মিং সম্পদকে উৎপাদনশীল খাতে রূপান্তর করা এবং নতুন ঋণের জন্য মূলধনের সুযোগ তৈরি করা। পাশাপাশি, তহবিল ব্যয় কার্যকরভাবে পরিচালনা এবং অ-সুদ ভিত্তিক আয় বৃদ্ধির মাধ্যমে একটি বৈচিত্র্যপূর্ণ ও স্থিতিশীল রাজস্ব ভিত্তি গড়ে তোলা হবে।

ঋণ কার্যক্রমে আমরা সুশৃঙ্খল সম্প্রসারণ কৌশল গ্রহণ করবো, যাতে টেকসই খাত ও অঞ্চলভিত্তিক উচ্চ-মানসম্পন্ন সম্পদের দিকে অগ্রাধিকার দিয়ে দীর্ঘমেয়াদী স্থিতিশীলতা নিশ্চিত করা যায়। ঝুঁকি-ভারিত সম্পদের কার্যকারিতা বাড়িয়ে মূলধন পর্যাপ্ততা নিশ্চিত করার বিষয়টি আমাদের অগ্রাধিকারে থাকবে। পরিবেশ, সামাজিক এবং শাসন (ESG) নীতিমালার সঙ্গে সামঞ্জস্য রেখে আমরা সবুজ অর্থায়নেও উদ্যোগ বিস্তারের মাধ্যমে একটি দায়িত্বশীল কর্পোরেট নাগরিক হিসেবে আমাদের ভূমিকা আরও সুদৃঢ় করবো।

একই সঙ্গে, আমাদের প্রযুক্তি-কেন্দ্রিক রূপান্তর পরিকল্পনা অব্যাহত থাকবে—বিশেষ করে কৃত্রিম বুদ্ধিমত্তা (AI) এবং উন্নত ডিজিটাল সমাধানের মাধ্যমে গ্রাহক অভিজ্ঞতা উন্নয়ন, প্রক্রিয়াগত দক্ষতা বৃদ্ধি ও আর্থিক অন্তর্ভুক্তি জোরদার করার লক্ষ্যে।

আমরা আত্মবিশ্বাসী যে ২০২৫ সালে আমাদের কৌশলগত অগ্রগতি ব্যাংককে আরও শক্তিশালী করবে এবং দেশের সামগ্রিক অর্থনৈতিক উন্নয়নে অবদান রাখবে।

কৃতজ্ঞতা জ্ঞাপন

আমি আন্তরিক কৃতজ্ঞতা ও ধন্যবাদ জানাই পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দ, ব্যবস্থাপনা পরিচালক ও সিনিয়র ম্যানেজমেন্ট টিম, সকল স্তরের কর্মকর্তা ও কর্মচারীবৃন্দ, বাংলাদেশ ব্যাংকসহ অন্যান্য সকল নিয়ন্ত্রক সংস্থা, আমাদের প্রিয় শেয়ারহোল্ডারবৃন্দ এবং সর্বোপরি, ব্যাংকের অগণিত গ্রাহক ও শুভানুধ্যায়ীদের প্রতি—যাঁদের অকুণ্ঠ সহযোগিতা, আস্থা ও সমর্থন আমাদের প্রতিটি পদক্ষেপে প্রেরণা জুগিয়েছে।

আমি দৃঢ়ভাবে বিশ্বাস করি, মার্কেন্টাইল ব্যাংক পিএলসি আজ যে অবস্থানে পৌঁছেছে, তা আপনাদের সকলের সম্মিলিত প্রচেষ্টারই ফসল। এই ধারাবাহিক অগ্রগতি আগামীতেও অব্যাহত থাকবে—এমনটাই আমাদের প্রত্যাশা ও অঙ্গীকার।

মো. আনোয়ারুল হক
চেয়ারম্যান

মার্কেন্টাইল ব্যাংক গ্লোবাল ডেবিট কার্ড

দেশে কিংবা দেশের বাইরে লেনদেন হবে এক কার্ডেই



কেনাকাটা, নগদ উত্তোলন এবং অনলাইন লেনদেনের সঙ্গী হোক মার্কেন্টাইল ব্যাংকের গ্লোবাল ডেবিট কার্ড

বিশেষ বৈশিষ্ট্য ঃ

- বিশ্বব্যাপী VISA লোগো সম্বলিত যেকোন ATM ও POS মেশিনে ব্যবহারযোগ্য
- যেকোন মুদ্রায় online কেনাকাটায় কার্ড থেকে সরাসরি পেমেন্ট করা যায়
- কার্ড থেকে বিভিন্ন মোবাইল ফাইন্যান্সিয়াল সার্ভিসে সরাসরি অ্যাড মানি করা যায়
- গ্রাহকের চলতি/সঞ্চয়ী হিসাবে জমাকৃত টাকা কার্ডের মাধ্যমে সরাসরি ব্যবহারের সুবিধা
- বৈদেশিক লেনদেনে ট্রাভেল কোটা প্রযোজ্য এবং পাসপোর্ট এন্ডোর্সমেন্ট আবশ্যক
- দেশজুড়ে বিভিন্ন হোটেল, রেস্টুরেন্ট ও হাসপাতালে ডিসকাউন্ট সুবিধা
- অনলাইন / ই-কমার্স লেনদেন OTP দ্বারা প্রতিপালিত
- কার্ডটি EMV Chip এবং NFC প্রযুক্তিসম্পন্ন

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

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MANAGING DIRECTOR'S REVIEW

We achieved commendable expansion in our core activities and healthy earnings from diversified sources, particularly our investment portfolio and primary lending, despite evolving market conditions.



MATI UL HASAN
Managing Director

11.66%

GROWTH OF DEPOSITS IN 2024.

Dear Shareholders,

As-salamu-alaikum,

The past year was one of dynamic navigation for Mercantile Bank PLC, where we demonstrated steadfast resilience and strategic foresight. We achieved commendable expansion in our core activities and healthy earnings from diversified sources, particularly our investment portfolio and primary lending, despite evolving market conditions. Disciplined cost management contributed to healthy operational profits before strategic provisioning, which we undertook to further strengthen our financial position for long-term stability, ultimately delivering a sound net profit. Our commitment to facilitating international trade also yielded significant growth. Throughout this period, our focus on enhancing customer relationships, advancing digital capabilities, and reinforcing risk management has solidified our foundation, positioning us to confidently capitalize on future opportunities.

FINANCIAL PERFORMANCE 2024: DEMONSTRATING RESILIENCE AND STRATEGIC PROGRESS

Mercantile Bank demonstrated resilience in its financial performance during 2024. Our Total Assets grew by 10.57% to BDT 444,690.30 million, Deposits increased by 11.66% to BDT 342,724.25 million while Loans and Advances expanded by 5.33% to BDT 300,025.11 million.

In the profit & loss account, our Interest Income increased by 15.34% to BDT 23,210.97 million from BDT 20,123.91 million in comparison with the previous year. This growth indicates the underlying strength and quality of our earning assets. However, the prevailing market conditions led to a sharper rise in Interest Expenses by 30.11% to BDT 22,632.60 million, impacting Net Interest Income, concluding the year at BDT 578.37 million.

A standout performance was seen in our Investment Income, which surged by an impressive 56.16% from BDT 4,741.25 million in 2023 to BDT 7,403.88 million in 2024. This reflects the prudence and strategic acumen of the Bank in optimizing returns from its investment portfolio. Our Commission, Exchange, and Brokerage income stood at BDT 3,920.70 million. Overall, the Bank's Total Operating Income grew by 2.60% to BDT 14,106.33 million.

We maintained rigorous control over our operational expenditures. Total Operating Expenses increased by a mere 1.61% to BDT 8,472.94 million, despite inflationary pressures and our continued investments in expanding our network, including new sub-branches to reach more customers. This efficiency allowed us to achieve a Profit Before Provisions of BDT 5,633.39 million, a growth of 4.12% over the previous year.

In line with prudent banking practices and to further strengthen our balance sheet against the backdrop of the prevailing economic climate, the Bank made substantial provisions amounting to BDT 4,352.17 million during the year. This strategic decision, which includes an additional BDT 2,000 million set aside, fortifies our financial position for long-term resilience and stability. Consequently, after these provisions and tax expenses of BDT 650.00 million, the Net Profit After Taxation for the year stood at BDT 631.22 million.

Over the last few years, the foreign currency reserve of the country has been a much-discussed issue. As an import-based country, Bangladesh cannot just stop imports altogether. However, the country had certainly curtailed its import (in USD) in the financial year 2023-24 as compared to the financial year 2022-23. Imports, however, did rebound in the first half of FY 2024-25. In this scenario, MBPLC's import performance has aligned with the country's economy. At the end of 2024, MBPLC facilitated import business amounting to BDT 284,486.70 million, which is around a 29.16% increase from last year's amount of BDT 220,926.54 million. Export business also saw healthy growth, increasing by 11.25% to stand at BDT 198,840.30 million, while remittance inflows through the Bank grew to reach BDT 51,107.86 million at the end of 2024.

MACROECONOMIC AND BANKING SECTOR REVIEW

Global Economic Landscape

In 2024, the global economy demonstrated resilience, recording growth of approximately 3.2%, despite persistent—though moderating—inflationary pressures and uneven regional performance. This external environment presented a mixed outlook for Bangladesh, offering both tailwinds and headwinds. Strengthening global demand supported a 12.3% year-on-year rise in RMG exports and a 27.6% increase in remittances during the first half of FY25. However, imported inflationary

Mercantile Bank PLC. is deeply committed to extending its banking services across Bangladesh, fostering financial inclusion by bringing unbanked and underbanked populations into the formal financial system.

pressures remained elevated, compounded by the depreciation of the Taka—down 12.7% against the US dollar—amid continued global monetary tightening.

Domestic Economic Developments

Bangladesh navigated a period of economic adjustment marked by a shift in macroeconomic policy priorities. Following a political transition in August 2024, the interim government placed renewed emphasis on financial sector reform, with Bangladesh Bank leading efforts to restore macroeconomic stability. Inflation remained a central concern, peaking at 11.66% in July, driven by earlier accommodative monetary conditions, the former interest rate cap, and currency depreciation.

In response, Bangladesh Bank adopted a more contractionary stance, raising the policy rate by 150 basis points between August and October, enhancing exchange rate flexibility, and improving banking sector liquidity. These measures contributed to a more stable external position, with foreign exchange reserves recovering to USD 21.4 billion by year-end.

Banking Sector Dynamics

The banking sector operated in a challenging macroeconomic context marked by high inflation, rising interest rates, and currency pressures. These dynamics were further compounded by structural vulnerabilities. Non-performing loans (NPLs) continued to escalate, reaching 20.2% in December 2024, exerting pressure on banks' capital adequacy and profitability, particularly among state-owned banks.

Despite overall improvements in sector liquidity, pockets of stress persisted. In response, the interim government, in collaboration with Bangladesh Bank, launched a series of reform measures aimed at enhancing transparency, strengthening regulatory oversight, and aligning resolution frameworks with international standards.

These reforms represent a critical step toward reinforcing stability, restoring investor confidence, and building long-term resilience in the financial sector.

STRATEGIC TRANSFORMATION AND DIGITALIZATION

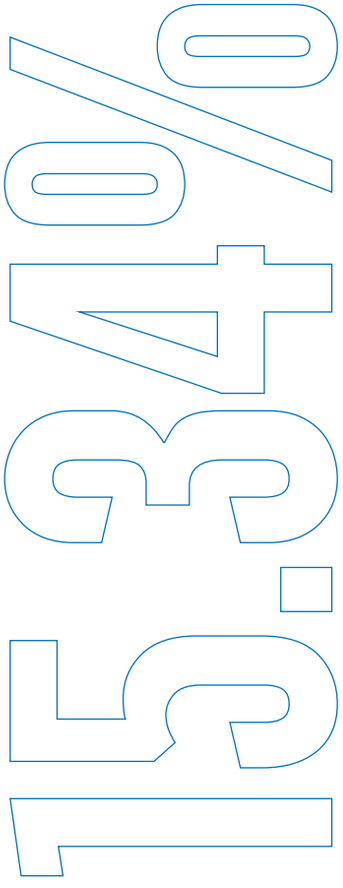
In response to this environment, we accelerated our transformation agenda by investing in data analytics, process automation, and digital platforms. The MBL Rainbow App—now equipped with real-time fund transfers, digital KYC, and QR-based payments—has improved customer convenience and reduced transaction turnaround times. We deepened integration with mobile financial service providers such as bKash and Nagad, enabling seamless interoperability. Our Core Banking Software upgrade to Temenos T24 R19 has enhanced operational efficiency, strengthened cybersecurity, and provided a scalable foundation for future innovations. Automated services—like challan and utility bill payments—now allow customers to complete routine tasks without visiting a branch. To safeguard these digital channels, we established a dedicated Information Security & Governance Division, conducted regular cyber-security drills and quizzes, and provided ongoing staff training, ensuring that our systems and people remain vigilant against evolving threats.

ASSET QUALITY AND PROVISIONING

Recognizing that a strong balance sheet underpins sustainable growth, Mercantile Bank strengthened its credit-risk framework in 2024. Our credit-appraisal processes were further tightened to ensure rigorous due diligence, and we enhanced our portfolio monitoring to detect early warning signs of stress. As non-performing loans rose—reflecting broader industry trends—management elected to recognize higher NPLs promptly, avoiding any future adjustments. By increasing our provisioning by BDT 4,352.17 million, we absorbed potential credit shocks today rather than tomorrow. This proactive approach not only aligns with Bangladesh Bank's stronger emphasis on transparency and capital resilience but also positions us to maintain higher asset-quality standards over the long run. Stakeholders can have confidence that Mercantile Bank is prepared for any macroeconomic volatility, with adequate capital cushions and conservative loss-absorption capacity.

EXPANDING REACH, EMPOWERING COMMUNITIES

Mercantile Bank PLC. is deeply committed to extending its banking services across Bangladesh, fostering financial inclusion by bringing unbanked and underbanked



GROWTH OF INTEREST INCOME IN 2024.

populations into the formal financial system. We are expanding our footprint through a diverse network of 152 branches, 47 sub-branches, and 188 agent banking outlets nationwide, complemented by over 200 ATM booths to ensure convenient access to financial services. Our strategy emphasizes reaching deeper into rural and semi-urban areas, empowering local communities and supporting small and medium enterprises. Initiatives like our 'Taqwa' Islamic Banking windows, available across numerous branches, cater to the specific needs of a diverse clientele, further broadening our inclusive approach. Alongside our physical network, our digital platforms, including the MBL Rainbow app and comprehensive internet banking, play a crucial role in transcending geographical barriers, offering accessible and modern banking solutions to all, thereby contributing to the broader goal of a financially inclusive and digitally empowered Bangladesh.

A SUSTAINABLE AND VERSATILE BANK

Mercantile Bank integrates eco-friendly initiatives and community projects in education, healthcare, disaster management, and environmental conservation. It adapts to customer and market needs by diversifying its product range and using technologies such as automated services and mobile banking. Through targeted strategies, reliable customer support, and practical solutions, the bank supports financial inclusion and economic development.

CONTRIBUTION TO GOVERNMENT EXCHEQUER

In keeping with its tradition of substantial contributions to the national treasury, Mercantile Bank PLC has once again demonstrated its role as a responsible corporate citizen. During the year 2024, the Bank facilitated a noteworthy contribution to the Government Exchequer amounting to BDT 7,682.55 million.

COMMITMENT TO GOOD GOVERNANCE

At Mercantile Bank PLC, we firmly believe that robust corporate governance is the cornerstone of sustainable success and enduring stakeholder trust. Throughout 2024 and looking ahead, our commitment to upholding the highest standards of ethical conduct, transparency, and accountability in all our operations remains unwavering. We are dedicated to strict adherence to all applicable laws, regulatory guidelines set forth by Bangladesh Bank, the Bangladesh Securities and Exchange Commission, and other relevant authorities, ensuring our practices not only meet but strive to exceed compliance requirements. Our Board of Directors provides active oversight, supported by its specialized committees, to ensure that sound governance principles permeate every level of the organization. This diligent approach is fundamental to protecting the interests of our valued customers, shareholders, employees, and the wider community, and reinforces our pledge to operate with integrity as we navigate the path to a stronger and more resilient future.

AWARDS AND RECOGNITION

Mercantile Bank PLC's enduring commitment to the highest standards of transparency, accountability, and corporate governance has been consistently recognized by esteemed national professional bodies. We are honored to have been recurrently commended by the Institute of Chartered Accountants of Bangladesh (ICAB) for the quality and comprehensive presentation of our Annual Reports. Similarly, our dedication to upholding robust corporate governance practices has earned us prestigious accolades from the Institute of Chartered Secretaries of Bangladesh (ICSB). These significant recognitions underscore our continuous efforts to achieve excellence in financial reporting and governance, reinforcing the trust and confidence placed in us by our valued customers, shareholders, and the wider community.

OUR HUMAN CAPITAL: DRIVING FORCE OF EXCELLENCE

At Mercantile Bank PLC, we firmly believe that our employees are our most valuable asset and the driving force behind our enduring success and resilience. As of the end of 2024, our dedicated team comprised 2,651 professionals. We are committed to fostering a work environment where every individual is valued, empowered to grow professionally and personally, and motivated to reach their full potential. Significant emphasis is placed on continuous learning and development through our Mercantile Bank Training Institute (MBTI). We strive to create a culture of innovation, ethical practices, and mutual respect, encouraging our team to embody our core values and contribute to our mission of being a leading, customer-centric financial institution in Bangladesh.

STRATEGIC VISION AND OUTLOOK 2025

Looking ahead to 2025, Mercantile Bank PLC is poised to build on the lessons learned and leverage our inherent strengths with a clear strategic vision focused on robust financial health, enhanced customer value, and sustainable growth. Our foremost priority will be the diligent management and significant improvement of our asset quality through intensified recovery efforts, strengthened credit risk protocols, and the steadfast implementation of our Board-approved action plan to address provisioning requirements. We are committed to restoring and enhancing profitability by strategically improving our Net Interest Margin, vigorously pursuing growth in non-funded income streams—particularly through trade finance and innovative digital services—and maintaining disciplined cost management. Concurrently, we will accelerate our digital transformation journey, further empowering our customers with convenient and secure banking solutions like our MBL Rainbow app and comprehensive internet banking services, while also enhancing operational efficiency through greater centralization and technological upgrades. Strengthening our capital base, upholding the highest standards of governance and compliance, and deepening our engagement in vital sectors such as CMSME and Agriculture will be central to our strategy, as we navigate 2025 with a renewed focus on resilience and value creation for all our stakeholders.

APPRECIATION

I want to express my sincere gratitude to our valued stakeholders and customers as we look back on our adventure. Over the years, we have been motivated by your steadfast trust. I also want to thank our capable Board of Directors for their prompt judgments and valuable policy advices, which have helped the Bank succeed. Finally, I would like to thank the regulatory bodies—Bangladesh Bank, FRC, NBR, BSEC, DSE, CSE, and RJSC&F—on behalf of our whole team. Their continued assistance and support have been crucial in determining our course. We keep working together to create a strong, customer-focused organization.

May almighty bless our endeavors and guide us toward greater heights.



Mati ul Hasan
Managing Director

DIRECTORS' REPORT 2024

The year 2024 tested the resilience of Bangladesh's economy and its financial sector like never before. Confronted with elevated inflation, moderating growth and an industry-wide recalibration of asset quality, Mercantile Bank PLC remained steadfast in safeguarding core operations while taking decisive steps to strengthen our balance sheet for the future.

Despite achieving double-digit growth in total assets and deposits—evidence of our customers' enduring confidence—profitability was unavoidably affected by the proactive decision to reinforce provisions against higher Non-Performing Loans (NPLs). This action, though it moderated short-term earnings, was essential to align with enhanced regulatory standards and to ensure the Bank's long-term stability.

Accordingly, the Board has recommended no dividend for 2024. We believe this is a prudent capital preservation measure that will leave us well-positioned to weather current challenges and to capitalize on emerging opportunities.

We remain fully confident in our leadership team. Over the past year, we have sharpened our strategic focus around three pillars:

1. **NPL Resolution**
    - Strengthening our Special Asset Management Division for accelerated recoveries
    - Offering pragmatic restructuring solutions to viable customers
    - Enforcing prompt legal action against chronic defaulters
2. **Profitability Rebuild & Cost Discipline**
    - Optimizing our deposit mix to lower funding costs
    - Enhancing yields on performing assets
    - Implementing bank-wide efficiency measures to streamline expenses
3. **Prudent Growth & Digital Excellence**
    - Adopting a rigorous, centralized risk framework to guide future lending
    - Expanding our digital platforms—MBPLC Rainbow (Internet Banking) and MyCash
    - (Mobile Banking)—to improve customer service and unlock low-cost delivery channels

We have maintained open and transparent communication with all stakeholders throughout this pivotal year. While the near-term environment remains complex, the measures we have put in place—grounded in discipline, accountability and forward-looking risk management—will underpin a sustainable return to profitability and enduring shareholder value.

Economic and Industry Landscape

GLOBAL ECONOMIC REVIEW

In 2024, the global economy maintained a path of gradual recovery, underscoring its underlying resilience amid a persistently evolving landscape. According to the International Monetary Fund (IMF), global growth was estimated at 3.2% in 2024, with a projected modest improvement to 3.3% in 2025. While these figures remain below the pre-pandemic average of 3.8%, they signal a cautious but steady adjustment towards a more balanced global economic environment.

A key development during the year was the faster-than-expected moderation of global inflation, projected to decline from 6.8% in 2023 to 5.8% in 2024. This encouraging trend was supported by the easing of supply chain disruptions and coordinated monetary tightening by central banks across major economies. Nonetheless, elevated interest rates and the gradual withdrawal of fiscal stimulus in advanced markets are expected to keep global demand conditions subdued—factors particularly relevant for emerging economies like Bangladesh that are closely integrated into global trade and financial systems.

BANGLADESH ECONOMIC REVIEW

Against the backdrop of these global dynamics, Bangladesh's economy remained fundamentally resilient, though not immune to broader macroeconomic pressures. GDP growth for FY2024 moderated to 4.2%, compared to 5.8% in the prior year, reflecting a synchronized deceleration in both industry and services sectors. This was largely due to a softening in global demand for exports and cautious domestic consumption.

Inflationary pressures were a central theme throughout the year. Average inflation stood at 9.5%, with point-to-point inflation reaching 10.89% in December 2024. While challenging, this environment was met with an appropriately calibrated response from Bangladesh Bank, which raised the policy rate to 10.00%, reinforcing its commitment to price stability and prudent monetary management.

External sector developments presented a mixed picture. On a positive note, remittance inflows surged by 27.56% during the first half of FY2025 (July–December 2024), aided by effective channeling mechanisms and stronger labor market conditions in host countries. On the other hand, import volumes contracted as a result of policy-driven tightening and restrained domestic demand.

Bangladesh's per capita Gross National Income (GNI) stood at USD 2,784 for FY24. Overall, 2024 was a year of macroeconomic balancing—where stability, reform, and discipline were prioritized to lay the groundwork for a more sustainable trajectory in the years ahead.

BANGLADESH BANKING INDUSTRY REVIEW

The year 2024 will be remembered as a transformational period for the banking industry of Bangladesh, marked by critical structural reforms and enhanced regulatory oversight. The industry navigated a complex operating environment that included tighter liquidity conditions, selective capital adequacy recalibrations, and a forward-looking reassessment of asset quality.

Alongside these regulatory reforms, the sector also benefited from coordinated initiatives aligned with national economic priorities and guided by international development partners. Bangladesh Bank's roadmap for 2025 includes further refinements in classification, provisioning,

and governance frameworks—measures that are expected to significantly enhance the sector's long-term soundness and investor confidence.

As a result, the industry is now better equipped to address inherited inefficiencies, fortify its capital base, and play a more dynamic role in supporting inclusive and sustainable economic growth in the years to come.

Operational and Financial Performance Review of MBPLC.

FINANCIAL HIGHLIGHTS

2024 was a year of consolidation and prudence for Mercantile Bank PLC. Against the backdrop of sector-wide regulatory reforms and economic adjustment, the Bank remained focused on maintaining growth in its core operations while proactively enhancing the resilience of its balance sheet. Strategic provisioning and realignment of asset mix were central to this approach, reflecting the Bank's long-term commitment to financial health and stakeholder trust.

(BDT in Million)

Particulars	2024	2023	Y-o-Y Change
Total Assets	444,690.30	402,173.04	+10.57%
Loans & Advances	300,022.19	284,828.05	+5.33%
Total Deposits	342,724.25	306,947.95	+11.66%
Operating Profit	5,633.39	5,410.40	+4.12%
Profit After Tax (PAT)	631.22	2,028.61	-68.89%
Cost of Deposit	6.27%	5.18%	+109 bps
Earnings Per Share (EPS) (Tk.)	0.57	1.83	-68.85%

Analysis of Financial Performance

TOTAL INCOME

The Bank recorded a healthy 17.96% growth in total income, reaching BDT 36,738.94 million in 2024. This performance was driven by strong contributions from both interest and non-interest income segments. However, in line with the Bank's prudent stance, the increased income was strategically allocated towards provisioning for credit risk—a forward-looking measure taken amidst broader industry asset quality realignments.

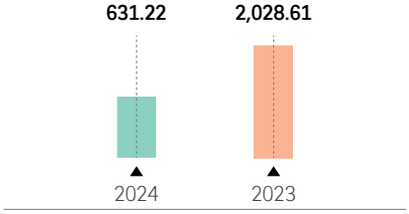
(BDT in Million)

Particulars	2024	2023
Interest Income	23,210.97	20,123.91
Investment Income	7,403.87	4,741.25
Commission, Exchange and Brokerage	3,920.70	4,718.11
Other Operating Income	2,203.39	1,561.14
Total Income	36,738.94	31,144.40

PROFITABILITY

Operating profit rose by 4.12% despite a high-cost environment, demonstrating continued operational strength. The decline in Profit After Tax (PAT) is attributed primarily to elevated provisioning aligned with the updated regulatory framework and asset risk profiles. This strategic provisioning reflects the Bank's conservative risk posture and reinforces its long-term solvency and trustworthiness.

Net Profit (BDT in Million)



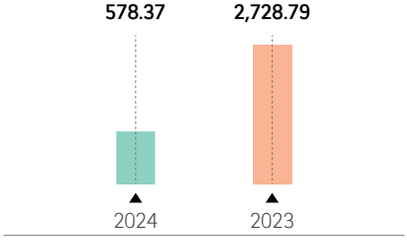
NET INTEREST INCOME (NII)

The Bank experienced pressure on net interest margins, resulting in a reduction in Net Interest Income. This stemmed from two key factors:

- A rise in the cost of funds due to tighter monetary conditions and competitive deposit markets.
- A temporary decline in interest-earning capacity owing to higher NPL recognition under updated classification norms.

While this impacted short-term profitability, it represents a necessary and transitional phase as the Bank fortifies its balance sheet for the future.

Net Interest Income (NII) (BDT in Million)



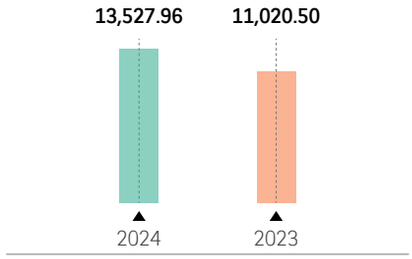
NON-INTEREST INCOME

Non-interest income grew by 22.75%, reaching BDT 13,527.96 million. The Bank's strategic investment decisions—particularly in government securities—contributed significantly to this growth. The diversified non-interest income base reflects agility in revenue generation amidst external constraints on the lending business.

(BDT in Million)

Components	Amount	% of Total
Exchange gains	2,109.25	15.59%
Commission	1,811.45	13.39%
Income of Investment	7,403.87	54.73%
Other-non Interest Income	2,203.39	16.29%
Total	**13,527.96**	**100.00%**

Non-Interest Income (BDT in Million)



Analysis of Financial Position

BALANCE SHEET STRENGTH

Total assets grew by 10.57% to BDT 444,690.30 million, indicating continued institutional expansion. The Bank adopted a more calibrated growth trajectory in its credit portfolio (Loans & Advances up by 5.33%) while enhancing its investment book by 12.45%, emphasizing stability and capital protection through low-risk instruments.

Loans & Advances, accounting for 70.82% of the asset base, remain well-diversified with emphasis on corporate, SME, and export-oriented segments. This reflects the Bank's continued commitment to productive sectors of the economy while safeguarding asset quality.

LIABILITIES AND DEPOSITS

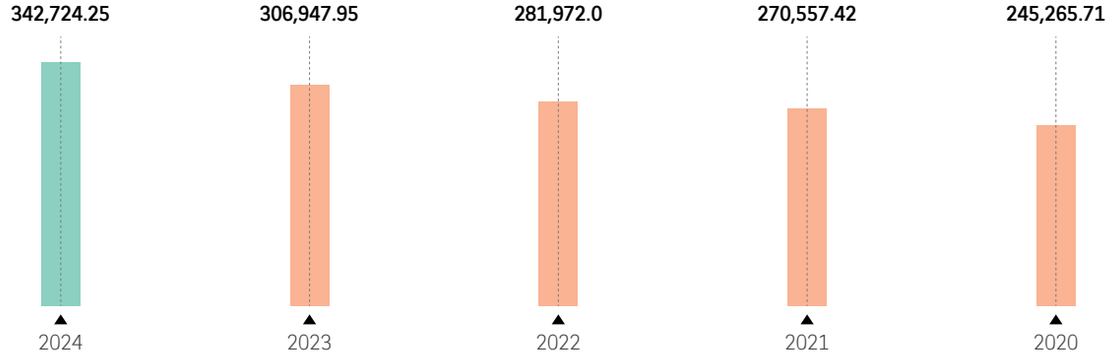
In 2024, MBPLC's liabilities expanded in tandem with its asset base, recording a growth of 11.35% to reach BDT 418,880.24 million. This balanced expansion reflects prudent financial management and the Bank's ability to attract stable funding even amid heightened industry competition.

A key contributor to this growth was the continued strength in deposit mobilization. Total deposits increased by 11.66%, reaching BDT 342,724.25 million. This performance is a testament to the Bank's enduring brand trust and wide-reaching footprint, supported by 152 branches, 45 sub-branches, and 188 agent banking outlets across the country.

A closer look at the deposit composition reveals both opportunities and emerging trends. Notably, the Bank achieved a 19.14% growth in low-cost deposits (savings and short-notice accounts), reinforcing its ability to maintain affordable funding channels. However, in an environment of increasing competition and shifting customer preferences, no-cost deposits (current and other accounts) experienced a slight contraction of 3.33%. Meanwhile, high-cost deposits (fixed and scheme deposits) rose by 13.21%, providing volume stability but contributing to an upward movement in the average cost of funds, which stood at 6.27% by year-end.

This shift in the deposit mix reflects a broader industry pattern, and the Bank is already pursuing strategic initiatives to rebalance its funding structure in favor of sustainable, cost-efficient sources going forward.

Deposit (BDT in Million)

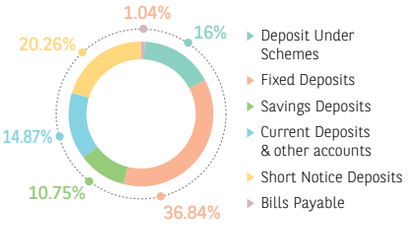


DEPOSIT MIX

(BDT in Million)

Type	2024		2023	
	Volume	%	Volume	%
Deposit Under Schemes	55,693.36	16.25%	43,257.54	14.09%
Fixed Deposits	126,252.57	36.84%	117,453.41	38.26%
Savings Deposits	36,831.23	10.75%	35,361.55	11.52%
Current Deposits & other accounts	50,963.67	14.87%	53,075.47	17.29%
Short Notice Deposits	69,425.77	20.26%	54,226.75	17.67%
Bills Payable	3,557.65	1.04%	3,573.24	1.16%
Total	**342,724.25**	**100.00%**	**306,947.95**	**100.00%**

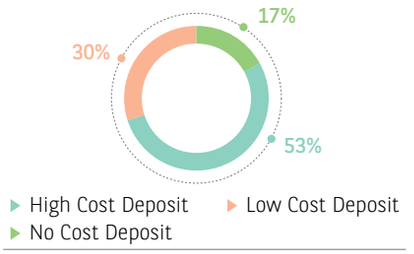
Deposit Mix 2024 Volume



(BDT in million)

Deposit Mix	Dec-24	Dec-23	Growth
High Cost Deposit	181,945.93	160,710.95	13.21%
Low Cost Deposit	102,942.19	86,405.76	19.14%
No Cost Deposit	57,836.13	59,831.24	-3.33%
Total	**342,724.25**	**306,947.95**	**11.66%**

Deposit Mix 2024



Asset Quality, Risk, and Capital Management

ASSET QUALITY AND NON-PERFORMING LOANS (NPLS)

In 2024, the Bank operated in a period of regulatory transition and sector-wide recalibration, which influenced asset quality metrics across the industry. Mercantile Bank's NPL ratio stood at 17.25% at the close of the year, reflecting both updated loan classification norms and broader economic headwinds. This compares to 6.08% in 2023, a year when previous regulatory leniencies remained in place.

It is important to recognize that this shift aligns with Bangladesh Bank's broader efforts to enforce internationally consistent standards. Industry-wide, the reported NPL ratio reached 20.2%, following the reduction of overdue thresholds and the prioritization of transparency. This development, though initially impactful, serves the long-term interests of the sector by enhancing accountability and reinforcing credit discipline.

Beyond systemic reclassifications, the Bank faced borrower-specific challenges in sectors affected by global supply disruptions, inflationary pressure, and a slower economic recovery. In response, Mercantile Bank has taken decisive steps to strengthen its credit risk management infrastructure.

- The Board has elevated NPL resolution to a top strategic priority.
- The Special Asset Management Division (SAMD) has been expanded and empowered to execute a structured recovery plan, focusing on:
  - Intensified monitoring and early warning systems,
  - Restructuring support for viable borrowers, and
  - Accelerated legal action against habitual defaulters.

Simultaneously, the credit underwriting framework has been significantly enhanced to prevent future stress accumulation, reinforcing the Bank's forward-looking governance approach.

CREDIT RATING

Credit Rating Information and Services Limited (CRISL) affirmed the Bank's long-term rating at 'AA+' and short-term rating at 'ST-2', with a stable outlook, based on financials up to December 31, 2024. This rating primarily reflects the Bank's strong domestic franchise, sound liquidity position, and adequate capitalization.

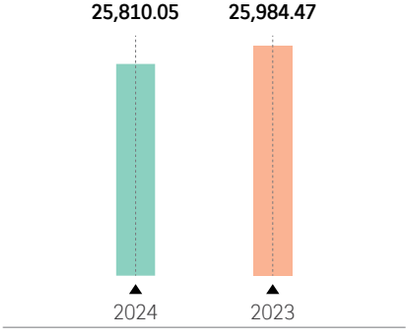
Concurrently, Moody's Investors Service has assigned a 'B3' rating to the Bank.

CAPITAL AND LIQUIDITY MANAGEMENT

The Bank maintained regulatory capital adequacy in full compliance with Basel III requirements, despite the one-off impact on profitability stemming from conservative provisioning.

- Shareholders' equity stood at BDT 25,810.05 million, reflecting a modest decline of 0.67%, primarily due to lower retained earnings.

Shareholders' Equity (BDT in Million)



- No dividend has been recommended for the year—a move to conserve capital and ensure buffers amid a transitional operating landscape.

In terms of liquidity, the Bank remains on solid footing. Supported by its expanding and diversified deposit base, the Bank conducted rigorous internal stress tests, with results confirming that key liquidity and capital adequacy ratios remain well above regulatory thresholds. These outcomes affirm the Bank's strong risk-absorbing capacity and confirm its status as a going concern with long-term operational stability.

Business and Strategic Review

BUSINESS SEGMENT PERFORMANCE

Loans and Advances

In 2024, Mercantile Bank PLC achieved steady growth in its loan portfolio, with total Loans and Advances increasing by 5.33% to BDT 300,022.19 million. This growth reflects the Bank's continued commitment to supporting Bangladesh's productive sectors while exercising disciplined risk management in a complex environment.

A review of the sectoral allocation highlights a strategic alignment with the nation's export-oriented priorities. Notably:

- Lending to the Readymade Garments (RMG) sector (excluding IDBP) rose sharply to 16.51% of the total portfolio, up from 11.43% in 2023.
- Textile sector (excluding IDBP) exposure increased to 6.90%, from 3.90% last year.

These shifts underscore the Bank's strategic focus on industries that are central to Bangladesh's export economy. While this targeted exposure supports national priorities, the Bank maintains robust risk oversight through a dynamic credit monitoring framework to mitigate sectoral concentration risks.

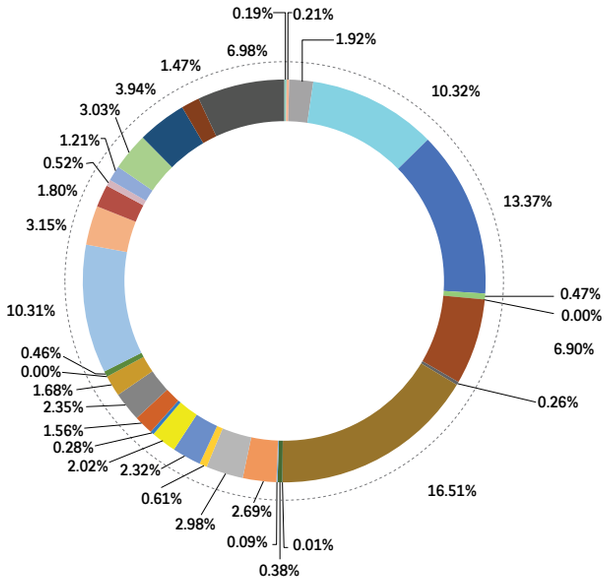
Full sector-wise breakdown is provided in the following table.

SECTOR WISE LOANS & ADVANCES MIX

(BDT in Million)

Sectors	Dec-24	%	Dec-23	%
Education (School/College, University, Research institute)	564.46	0.19%	449.07	0.16%
Health	617.86	0.21%	610.58	0.21%
Agriculture	5,748.91	1.92%	5,301.14	1.86%
Commodities (Sugar/ Edible Oil/ Wheat/ Rice/ Dal/ Peas/ Maize etc), Food & Beverage	30,952.87	10.32%	28,267.13	9.92%
Trade Finance	40,110.81	13.37%	38,196.04	13.41%
Transport	1,409.52	0.47%	1,352.37	0.47%
Shipping	12.82	0.00%	14.49	0.01%
Textile (Excluding IDBP)	20,703.09	6.90%	11,097.57	3.90%
Textile (IDBP)	766.67	0.26%	824.23	0.29%
Readymade Garments (RMG) [excluding IDBP]	49,529.29	16.51%	32,568.83	11.43%
Readymade Garments (RMG) [IDBP]	40.71	0.01%	281.98	0.10%
Tele communication	1,149.05	0.38%	1,139.04	0.40%
IT & Computer/Trade	263.84	0.09%	315.64	0.11%
Power & Fuel	8,059.75	2.69%	8,965.29	3.15%
Real Estate	8,953.00	2.98%	7,645.08	2.68%
Cement	1,820.91	0.61%	1,488.39	0.52%
Chemicals	6,969.49	2.32%	9,015.91	3.17%
Leather & Leather products	6,071.41	2.02%	5,496.32	1.93%
Plastic & Plastic products	847.35	0.28%	645.43	0.23%
Electrical & Electronic goods	4,667.58	1.56%	4,552.30	1.60%
Paper & Packaging	7,059.78	2.35%	6,377.53	2.24%
Jute & Jute products	5,042.11	1.68%	4,434.60	1.56%
Glass & Glass products	-	0.00%	-	0.00%
Ceramics (Table ware, Sanitary ware, Tiles etc.)	1,383.83	0.46%	1,265.45	0.44%
Iron & Steel	30,946.46	10.31%	28,209.99	9.90%
Engineering & Construction	9,440.33	3.15%	9,903.48	3.48%
Contractor Finance	5,411.72	1.80%	5,252.01	1.84%
Capital Market Intermediaries	1,566.56	0.52%	1,800.01	0.63%
Backward Linkage	3,644.51	1.21%	3,946.65	1.39%
Consumer & Retail Products	9,088.73	3.03%	9,876.19	3.47%
Non Bank Financial Institution (NBFI)	11,819.43	3.94%	10,956.13	3.85%
Service (Hotel, Restaurant, Travelling, Tickets, etc.)	4,414.64	1.47%	4,064.23	1.43%
Others	20,944.72	6.98%	40,514.97	14.22%
Total	**300,022.19**	**100.00%**	**284,828.05**	**100.00%**

Sector Wise Loans & Advances Mix



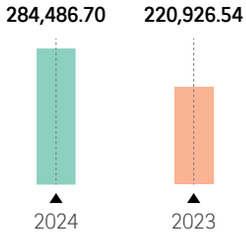
- Education (School/College, University, Research institute)
- Health
- Agriculture
- Commodities (Sugar/ Edible Oil/ Wheat/ Rice/Dal/ Peas/ Maize etc), Food & Beverage
- Trade Finance
- Transport
- Shipping
- Textile (Excluding IDBP)
- Textile (IDBP)
- Readymade Garments (RMG) [excluding IDBP]
- Readymade Garments (RMG) [IDBP]
- Tele communication
- IT & Computer/Trade
- Power & Fuel
- Real Estate
- Cement
- Chemicals
- Leather & Leather products
- Plastic & Plastic products
- Electrical & Electronic goods
- Paper & Packaging
- Jute & Jute products
- Glass & Glass products
- Ceramics (Table ware, Sanitary ware, Tiles etc.)
- Iron & Steel
- Engineering & Construction
- Contractor Finance
- Capital Market Intermediaries
- Backward Linkage
- Consumer & Retail Products
- Non Bank Financial Institution (NBFI)
- Service (Hotel, Restaurant, Travelling, Tickets, etc.)
- Others

INTERNATIONAL TRADE AND REMITTANCES

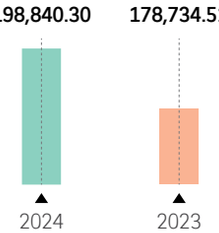
The Bank's international operations continued to demonstrate resilience and relevance. In 2024:

- Import trade finance volume surged by 28.77% to BDT 284,486.70 million, supported by higher L/C issuance for industrial inputs and essential commodities.
- Export finance recorded a healthy 11.25% growth to BDT 198,840.30 million, predominantly driven by the RMG sector.
- Inward remittances increased modestly by 3.02%, reaching BDT 51,107.86 million, enabled by a strong network of correspondent banks and strategic partnerships in key labor markets.

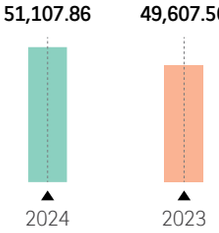
Import (BDT in Million)



Export (BDT in Million)



Inward Remittance (BDT in Million)



These segments remain essential to the Bank's non-interest income and its role in facilitating the national foreign exchange ecosystem.

Strategic Direction and Future Outlook

The experience of 2024 prompted a strategic recalibration, with the Bank embracing a more focused and performance-driven roadmap designed to navigate current challenges while laying a foundation for future growth.

STRATEGIC PRIORITIES FOR 2025 AND BEYOND

1. **Urgent Priority – Aggressive NPL Resolution:**

   Addressing asset quality remains the foremost objective. The Bank will enhance the efforts of its Special Asset Management Division (SAMD) to drive recoveries, restructure viable accounts, and pursue legal action against chronic defaulters. Performance indicators across departments will be aligned to reinforce asset quality as a top priority.

2. **Mid-Term Priority – Profitability Restoration and Cost Optimization:**

   To rebuild Net Interest Income (NII), the Bank will refine its deposit mix and enhance asset yield through selective portfolio rebalancing. In parallel, a comprehensive cost rationalization program will be introduced, targeting improved operational efficiency and productivity.

3. **Long-Term Priority – Prudent Growth and Digital Transformation:**

   Future loan growth will be guided by a stringent risk framework focused on credit quality. Continued investments in digital platforms such as MBPLC Rainbow (Internet Banking) and MyCash (Mobile Banking) will enhance customer service, improve efficiency, and expand low-cost delivery channels.

Outlook for 2025

The operating landscape for the banking industry is expected to remain demanding due to persistent macroeconomic uncertainties and ongoing balance sheet adjustments across the sector. However, MBPLC is well-positioned to adapt, with a clearly defined strategy centered around resilience, recovery, and reinvention.

The Board and Management are fully committed to:

- Strengthening the balance sheet,
- Reinforcing risk governance,
- Enhancing shareholder value, and
- Delivering reliable service to our customers and communities.

Corporate Governance and Statutory Disclosures

IT SYSTEMS, DATA PRIVACY, AND CYBERSECURITY

Recognizing the strategic role of technology in modern banking, Mercantile Bank PLC has taken important steps to modernize its IT infrastructure while prioritizing customer data protection and operational continuity.

- A new Tier 3 Data Center is under development, aligned with TIA 942 standards, ensuring redundancy and resilience for mission-critical systems.
- A dedicated ICT Security Unit has been established, tasked with threat detection, prevention, and response. Continuous employee training is also underway to cultivate a culture of cyber-awareness and build a robust "human firewall."
- The Bank actively participated in Cybersecurity Awareness Month, underscoring its commitment to digital safety.

REVIEW OF SUBSIDIARIES PERFORMANCE

The Bank operates three wholly owned subsidiaries that contribute to service diversification:

- **Mercantile Exchange House (UK) Ltd:** Serving the Bangladeshi diaspora in the UK with remittance and related services since 2011.
- **Mercantile Bank Securities Ltd (MBSL):** A leading stock brokerage offering margin loans and dealership services through seven branches.
- **MBPLC Asset Management Ltd (AML):** Licensed in 2020, AML focuses on mutual funds, portfolio management, and advisory, strengthening the Bank's capital market footprint.

Additional detail is provided in the "Management Discussion & Analysis" section of this Annual Report

OFF-SHORE BANKING UNIT (OBU)

The Off-shore Banking Unit (OBU), operational since 2011, reported total exposures of BDT 7,818.59 million in 2024. Reflecting market-wide pressures, OBU's net profit declined to BDT 14.02 million, from BDT 219.85 million in 2023. The Bank is reviewing OBU strategies to align with future international trade and treasury opportunities.

INTERNAL CONTROL, RISK MANAGEMENT, AND FINANCIAL REPORTING

Mercantile Bank PLC maintains a robust Internal Control System overseen by the Board and executed through the Internal Control and Compliance (ICC) Division. This system ensures operational soundness, compliance, and reliable financial reporting.

Risk oversight is exercised through the Board Risk Management Committee (BRMC) and includes structured frameworks for credit, market, liquidity, and operational risks. Additional detail is provided in the "Risk Management Report" section of this Annual Report.

The financial statements have been prepared in accordance with:

- IFRS,
- Companies Act 1994,
- Securities and Exchange Rules 1987, and
- Relevant guidelines of Bangladesh Bank and BSEC.

GOING CONCERN ASSUMPTION

The financial statements have been prepared on a going concern basis. Following rigorous internal stress testing and analysis of capital and liquidity adequacy, the Bank confirms it remains well-capitalized and stable under all reviewed scenarios. This affirmation supports continued confidence in the Bank's financial viability.

All required statutory disclosures by the Bangladesh Securities and Exchange Commission (BSEC) have been included in the relevant sections of this report.

We extend our sincere gratitude to our customers, employees and shareholders for their steadfast support.

On behalf of the Board of Directors,



Md. Anwarul Haque
Chairman

mastercard

Mercantile Bank

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- Complimentary access to **1,600+** airport lounges
- **0%** EMI facility
- Cash withdrawal from **ATMs worldwide**
- Annual fee waived: two years **free**
- **Contactless** payments at NFC-enabled POS terminals & online platforms
- Access to privileges at **9000+** mastercard partners
- **Complimentary** companion dining and exciting rewards
- **Life insurance** protection & **complimentary** health checkup
- Exclusive **discounts** at selected merchants



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STAKEHO
INFORMA

This section succinctly encapsulates Mercantile Bank PLC.'s business performance and strategic analysis. It features business highlights, financial summaries, and key metrics visualized over five years. Analytical tools like DuPont and SWOT provide in-depth perspectives, while PESTEL analysis examines external factors. The section also outlines our strategic framework, business model, value creation process, and stakeholder engagement, concluding with our strategic response to competitive intensity and resource allocation strategies. This comprehensive overview keeps stakeholders informed about our financial stability and strategic direction.

OLDERS
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BUSINESS HIGHLIGHTS

PERFORMANCE DURING THE YEAR

Particulars	2024 (BDT in million)	2023 (BDT in million)
Interest income including investment income	30,536.67	24,808.36
Non-interest income	6,202.27	6,336.05
Total income	36,738.94	31,144.40
Operating profit	5,633.39	5,410.40
Profit after tax	631.22	2,028.61

YEAR-END FINANCIAL POSITION

Particulars	2024 (BDT in million)	2023 (BDT in million)
Loans and advances	300,025.11	284,830.98
Total investment	89,098.25	79,234.92
Deposits	342,724.25	306,947.95
Shareholders equity	25,810.06	25,984.47
Total assets	444,690.30	402,173.04

INFORMATION PER ORDINARY SHARE

Particulars	2024	2023
Earnings per share (BDT)	0.57	1.83
Price earnings ratio (times)	18.06	7.25
Net asset value per share (BDT)	23.32	23.48
Market price per share (BDT)	10.30	13.3
Net operating cash flow per share (NOCFPS) BDT	17.80	4.77

RATIOS (%)

Particulars	2024 (%)	2023 (%)
Capital to RWA ratio (CRAR) (as per Basel III)	13.07%	14.79%
Cost to income ratio	60.06%	60.65%
Return on equity (ROE)	2.44%	7.92%
Return on assets (ROA)	0.15%	0.52%

FIVE-YEAR BUSINESS SUMMARY

BDT in million unless otherwise specified

BALANCE SHEET METRICS

Metrics	2024	2023	2022	2021	2020
Authorized Capital	20,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Paid-up Capital	11,065.75	11,065.23	10,848.78	10,332.17	9,840.16
Shareholders' Equity	25,810.06	25,984.47	25,275.15	24,403.90	22,101.78
Borrowings	19,252.01	25,261.23	38,950.00	37,873.00	41,671.00
Deposits*	355,121.12	317,227.09	294,060.00	274,905.61	252,817.40
Loans and Advances	300,025.11	284,830.98	280,890.53	266,766.89	248,994.39
Investments	89,098.25	79,234.92	60,561.00	62,397.89	48,953.71
Fixed Assets	3,249.27	3,488.15	3,760.34	3,815.63	3,093.34
Total Assets	444,690.30	402,173.04	382,328.47	359,411.36	330,785.56
Off Balance Sheet Items	208,251.53	158,544.61	168,272.50	175,067.32	108,112.30
Interest Earning Assets	405,319.70	368,992.31	346,551.55	334,144.06	302,164.54
Non-Interest Earning Assets	39,370.60	33,180.72	35,776.92	25,267.31	28,621.02
Debt-Equity Ratio	74.59%	97.22%	154.10%	155.19%	188.54%

INCOME STATEMENT METRICS

Metrics	2024	2023	2022	2021	2020
Interest Income **	30,536.67	24,808.36	22,826.37	22,411.64	23,348.45
Interest Expenses	22,632.60	17,395.11	14,197.83	13,516.41	16,732.22
Net Interest Income	7,904.06	7,413.24	8,628.54	8,895.23	6,616.23
Non-Interest Income	6,202.27	6,336.05	6,729.10	4,482.98	3,927.34
Non-Interest Expenses	8,472.94	8,338.89	8,218.75	7,266.09	6,595.83
Net Non-Interest Income	(2,270.67)	(2,002.84)	(1,489.64)	(2,783.11)	(2,668.49)
Total Income	36,738.94	31,144.40	29,555.47	26,894.62	27,275.79
Total Expenditure	31,105.55	25,734.00	22,416.58	20,782.50	23,328.05
Profit before Provision and Tax	5,633.39	5,410.40	7,138.89	6,112.12	3,947.74
Provision for Loans and Advances & Other Provision	4,352.17	2,681.80	4,136.31	1,893.50	1,236.41
Profit after Provision before Tax	1,281.22	2,728.61	3,002.58	4,218.62	2,711.32
Provision for Tax including Deferred Tax	650.00	700	800	800	550
Profit after Tax	631.22	2,028.61	2,202.58	3,418.62	2,161.32

Trade Business and Remittance Metrics

Metrics	2024	2023	2022	2021	2020
Import	284,486.70	220,926.54	254,945.00	278,533.10	172,773.50
Export	198,840.30	178,734.51	209,222.50	164,212.50	135,418.10
Remittance (Inward)	51,107.86	49,607.56	68,272.90	40,848.60	30,893.00

CAPITAL METRICS

Metrics	2024	2023	2022	2021	2020
Total Risk Weighted Assets	296,518.31	292,490.93	277,997.12	252,571.34	245,486.43
Tier I Capital	27,715.38	28,722.63	27,591.27	23,897.10	21,284.49
Tier II Capital	11,033.18	14,544.36	12,287.45	11,887.33	12,135.01
Total Capital/Regulatory Capital	38,748.56	43,266.98	39,878.72	35,584.43	33,419.50
Capital Surplus/(Deficit)	1,683.77	6,708.52	5,192.08	4,013.02	2,733.70
Tier I Capital to RWA	9.35%	9.82%	9.93%	9.38%	8.67%
Tier II Capital to RWA	3.72%	4.97%	4.42%	4.71%	4.94%
Total Capital Adequacy Ratio	13.07%	14.79%	14.35%	14.09%	13.61%

ASSETS QUALITY METRICS

Metrics	2024	2023	2022	2021	2020
Non-Performing Loans (NPLs)	51,761.70	17,313.35	19,928.63	12,112.51	11,751.16
Provision for Unclassified Loan	9,711.31	11,081.01	7,960.42	7,398.18	6,847.42
Provision for Classified Loan	11,447.80	6,398.12	8,062.79	5,131.60	4,882.58
Provision for Contingent Liabilities	1,321.88	1,234.04	1,334.25	1,340.15	988.60
NPLs to Total Loans and Advances	17.25%	6.08%	7.09%	4.54%	4.72%

BDT in million unless otherwise specified

CREDIT RATING

Metrics	2024	2023	2022	2021	2020
Credit Rating Agency (Local)	CRISL	CRISL	CRISL	CRISL	ECRL
Long Term (Local)	AA+	AA	AA	AA	AA
Short Term (Local)	ST-2	ST-2	ST-2	ST-2	ST-2
Outlook (Local)	Stable	Stable	Stable	Stable	Stable
Credit Rating by Moody's (International)	B3	B2	B2	B1	B1

SHARE-BASED METRICS

Metrics	2024	2023	2022	2021	2020
Market Price per Share (BDT)	10.30	13.30	13.6	17.1	12.7
No. of Shares Outstanding (Million)	1,106.58	1,106.58	1,084.88	1,033.22	984.02
Earnings per Share (BDT)	0.57	1.83	1.99	3.31	2.2
Price Earnings Ratio (times)	18.06	7.25	6.83	5.17	5.78
Book Value per Share	23.32	23.48	23.3	23.62	22.46
Market Capitalization	11,397.73	14,717.45	14,754.34	17,668.01	12,497.01
Market Value Book Value multiple	0.44	0.57	0.58	0.72	0.57

DIVIDEND PAYMENT METRICS

Metrics	2024	2023	2022	2021	2020
Dividend	0%	10.00%	12.00%	17.50%	15.00%
Cash	0%	10.00%	10.00%	12.50%	10.00%
Stock	0%	0.00%	2.00%	5.00%	5.00%
Dividend Payout Ratio	0%	54.64%	60.30%	52.89%	68.29%

OPERATING PROFIT RATIO

Metrics	2024	2023	2022	2021	2020
Net Interest Margin (NIM)	2.04%	2.00%	2.54%	2.81%	2.26%
Net Non-interest Margin	-0.59%	-0.54%	-0.44%	-0.88%	-0.91%
Earning Base in Assets (Average)	91.43%	91.21%	108.97%	92.19%	91.69%
Credit Deposit Ratio	82.53%	85.57%	86.82%	85.98%	84.30%
Cost of Deposit	6.27%	5.18%	4.68%	4.76%	6.12%
Yield on Loans and Advances	7.92%	6.81%	6.97%	7.37%	8.29%
Spread	1.65%	1.63%	2.29%	2.61%	2.17%
Return on Average Assets	0.15%	0.52%	0.59%	0.99%	0.73%
Return on Average Equity	2.44%	7.92%	8.87%	14.70%	10.05%
Equity Multiple (Times)	17.23	15.48	15.13	14.73	14.97

PERFORMANCE RATIO

Metrics	2024	2023	2022	2021	2020
Profit per Employee	2.13	2.01	2.72	2.33	1.63
Operating Profit as % of Working Fund	1.27%	1.35%	1.87%	1.70%	1.19%
Net Interest Income as % of Working Fund	1.78%	1.84%	2.26%	2.47%	2.00%
Burden Coverage	73.20%	75.98%	81.88%	61.70%	59.54%
Burden	26.80%	24.02%	18.12%	38.30%	40.46%
Ratio to Fees Income	10.67%	15.15%	32.81%	19.33%	20.93%
Salary Exp. to Total Operating Exp.	49.20%	50.21%	51.58%	56.26%	46.15%
Salary Exp. to Fees Income	106.33%	88.75%	84.15%	158.05%	137.96%
Cost Income / Efficiency Ratio	60.06%	60.65%	53.52%	54.31%	62.56%

OTHER INFORMATION

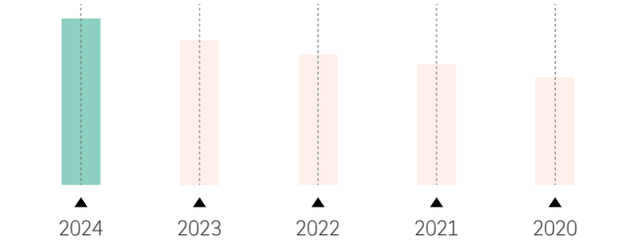
Metrics	2024	2023	2022	2021	2020
No. of Branches	152	152	152	150	150
Number of Sub-branches	45	42	30	19	-
Number of Agent Banking Outlets	188	187	187	162	101
Islamic Banking Windows	45	45	45	45	10
Number of ATMs	199	196	197	185	185
No. of Employees	2651	2,695	2,624	2,628	2,428
No. of Correspondence Relationships	618	618	618	608	626

* Deposit amount includes Deposits and other accounts, adjusting account credit balance shown on Financial Statements
** Interest Income includes interest income and interest on investment shown on Financial Statements

KEY OPERATING & FINANCIAL HIGHLIGHTS

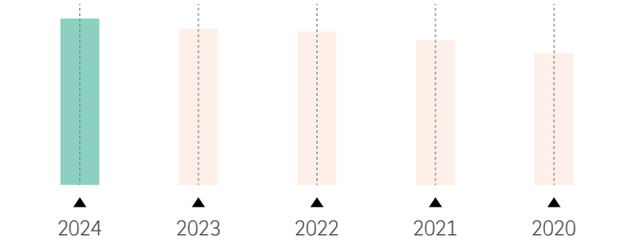
TOTAL DEPOSIT (BDT IN MILLION)

2024	2023	2022	2021	2020
355,121.12	317,227.09	294,060.00	274,905.61	252,817.40



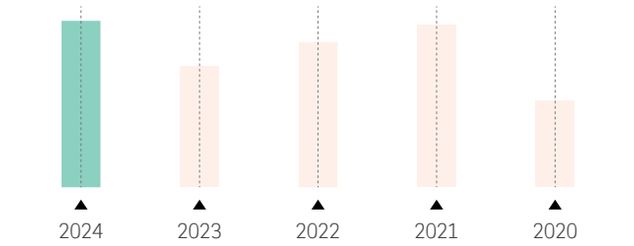
TOTAL LOANS & ADVANCE (BDT IN MILLION)

2024	2023	2022	2021	2020
300,025.11	284,830.98	280,890.53	266,766.89	248,994.39



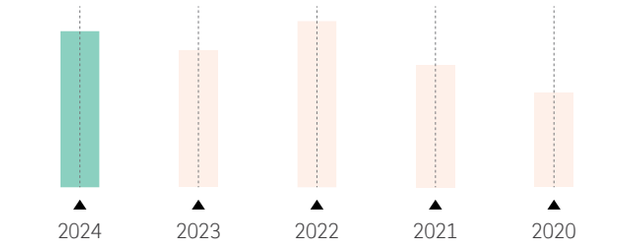
IMPORT (BDT IN MILLION)

2024	2023	2022	2021	2020
284,486.70	220,926.54	254,945.00	278,533.10	172,773.50



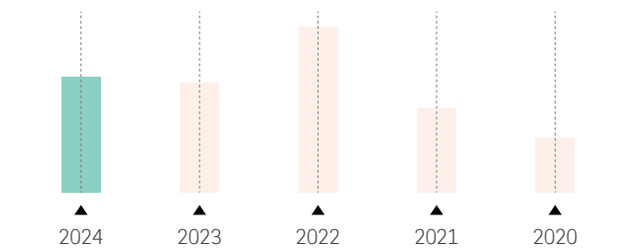
EXPORT (BDT IN MILLION)

2024	2023	2022	2021	2020
198,840.30	178,734.51	209,222.50	164,212.50	135,418.10



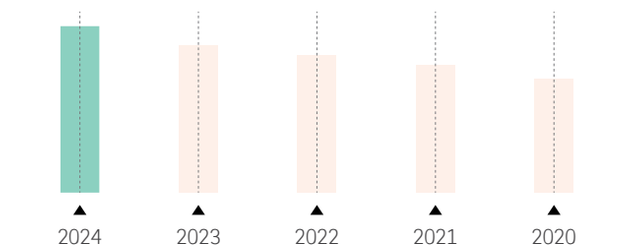
REMITTANCE (BDT IN MILLION)

2024	2023	2022	2021	2020
51,107.86	49,607.56	68,272.90	40,848.60	30,893.00



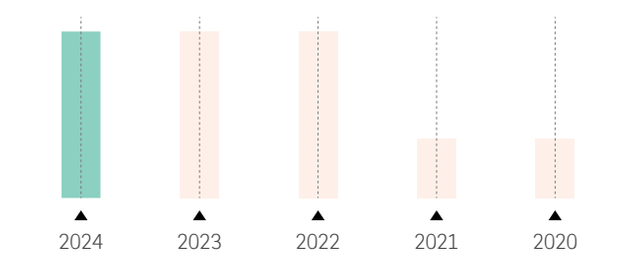
TOTAL ASSETS (BDT IN MILLION)

2024	2023	2022	2021	2020
444,690.30	402,173.04	382,328.47	359,411.36	330,785.56



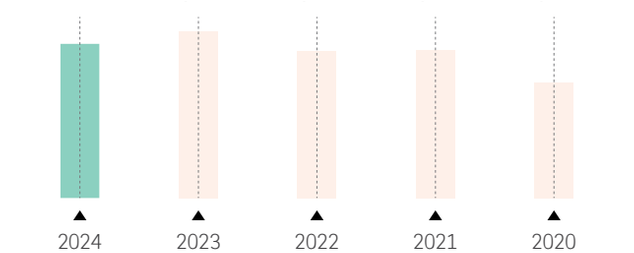
NO. OF BRANCHES

2024	2023	2022	2021	2020
152	152	152	150	150

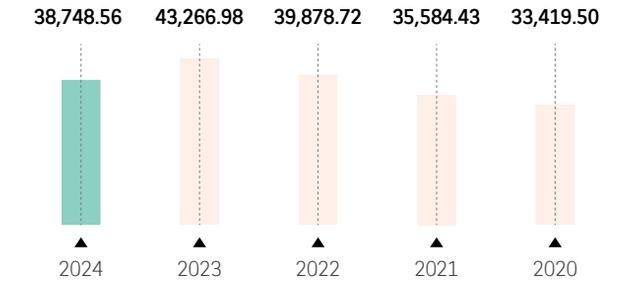


NO. OF EMPLOYEES

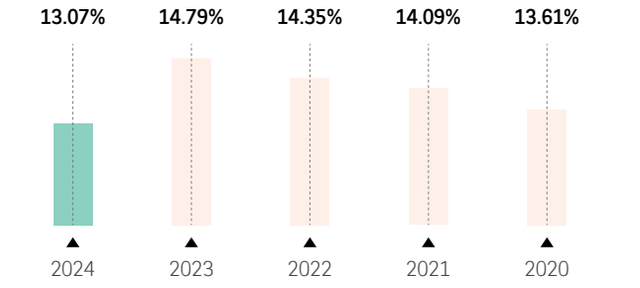
2024	2023	2022	2021	2020
2651	2,695	2,624	2,628	2,428



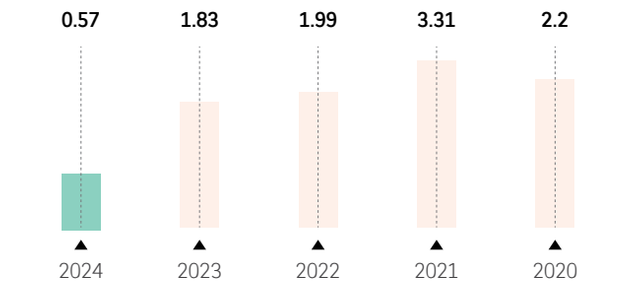
TOTAL CAPITAL/REGULATORY CAPITAL (BDT IN MILLION)



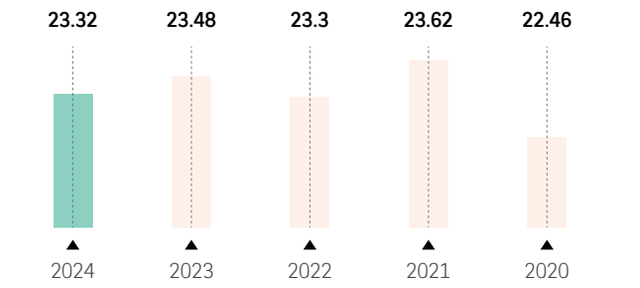
CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)



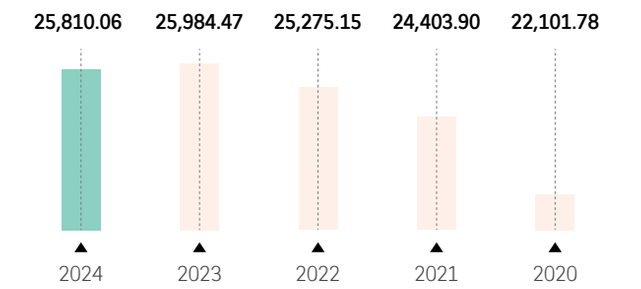
EARNINGS PER SHARE (EPS) (BDT)



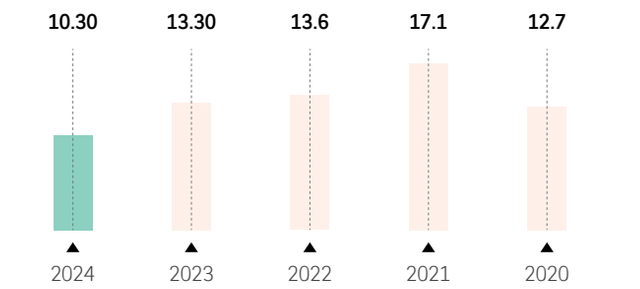
NET ASSET VALUE PER SHARE (BDT)



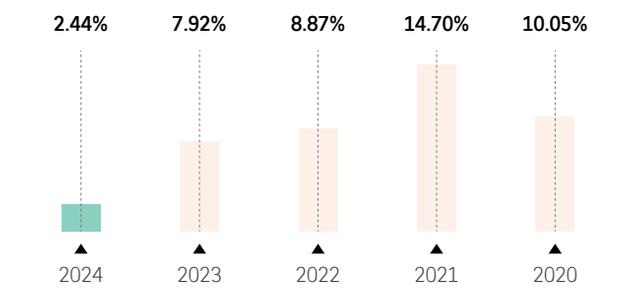
TOTAL SHAREHOLDERS' EQUITY (BDT IN MILLION)



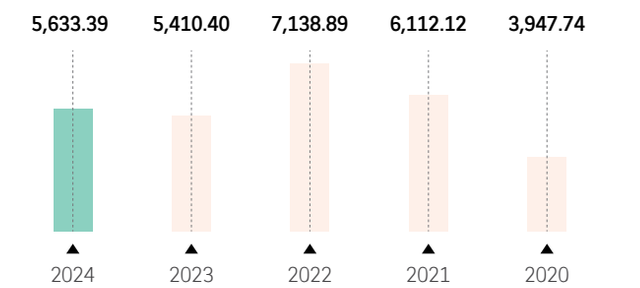
MARKET PRICE PER SHARE (BDT)



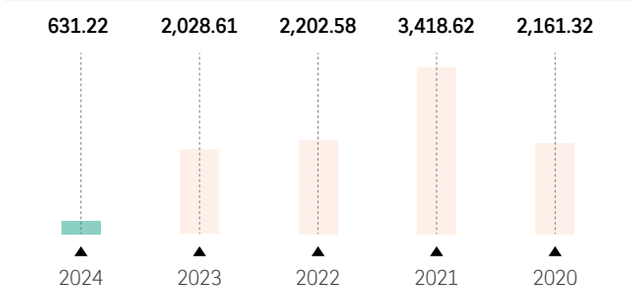
RETURN ON AVERAGE EQUITY (ROE)



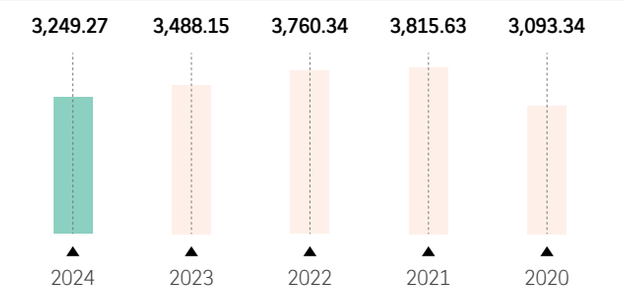
PROFIT BEFORE PROVISION & TAX (BDT IN MILLION)



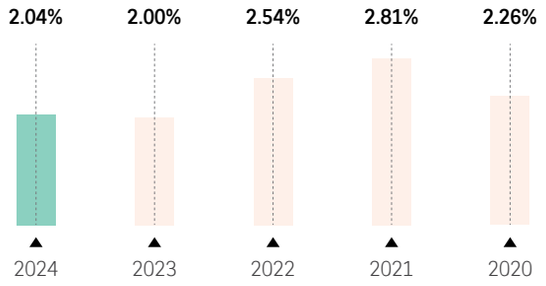
PROFIT AFTER TAX (BDT IN MILLION)



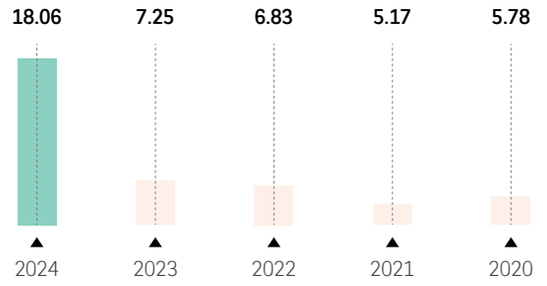
FIXED ASSETS (BDT IN MILLION)



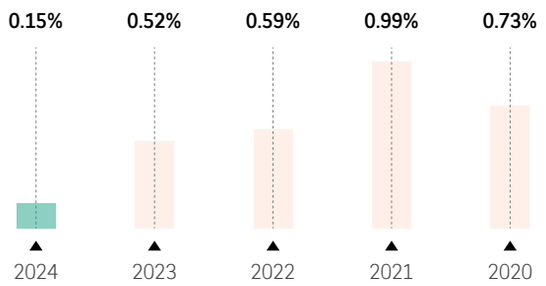
NET INTEREST MARGIN (NIM)



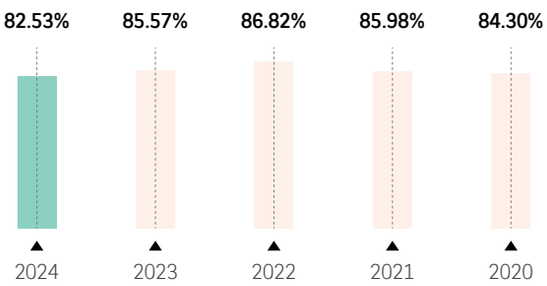
PRICE EARNING MULTIPLE (TIMES)



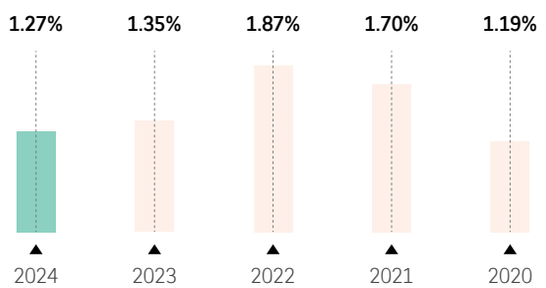
RETURN ON ASSETS (ROA)



CREDIT DEPOSIT RATIO



OPERATING PROFIT AS % OF WORKING FUND



HORIZONTAL ANALYSIS
BALANCE SHEET

For the last five years Balance sheet

PROPERTY AND ASSETS	2024	2023	2022	2021	2020
Cash	128.76%	114.84%	106.88%	94.29%	100.00%
Cash In hand (including foreign currencies)	164.66%	151.77%	131.42%	107.31%	100.00%
Balance with Bangladesh Bank and its agent bank	122.32%	108.22%	102.47%	91.96%	100.00%
Balance with other banks and financial institutions	226.91%	125.79%	93.53%	66.30%	100.00%
In Bangladesh	132.45%	126.48%	126.26%	307.50%	100.00%
Outside Bangladesh	242.69%	125.68%	88.06%	25.99%	100.00%
Money at Call and short notice	4940.79%	299.52%	100.00%	221.04%	100.00%
Investments	182.01%	161.86%	123.71%	127.46%	100.00%
Government	185.01%	161.61%	120.81%	126.05%	100.00%
Others	157.70%	163.88%	147.21%	138.86%	100.00%
Loans and advances/investments	120.49%	114.39%	112.81%	107.14%	100.00%
Loans, cash credits, overdrafts, etc.	122.02%	116.36%	112.32%	105.18%	100.00%
Bills purchased and discounted	86.71%	70.85%	123.75%	150.32%	100.00%
Fixed assets including premises, furniture, fixtures	105.04%	112.76%	121.56%	123.35%	100.00%
Other assets	104.96%	109.62%	161.61%	86.92%	100.00%
Non-banking assets	178.16%	178.16%	100.00%	100.00%	100.00%
Total assets	134.43%	121.58%	115.58%	108.65%	100.00%
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions, and agents	39.46%	53.67%	89.36%	93.17%	100.00%
Subordinated non-convertible bonds	16.67%	33.33%	50.00%	66.67%	100.00%
Mercantile Bank Perpetual Bond	0.00%	100.00%	100.00%	0.00%	100.00%
Deposits and other accounts	139.74%	125.15%	114.89%	110.31%	100.00%
Current accounts and other accounts	201.95%	180.00%	147.48%	133.05%	100.00%
Bills payable	87.39%	87.77%	64.37%	88.38%	100.00%
Savings bank deposits	133.56%	128.23%	120.80%	120.75%	100.00%
Fixed deposits	135.38%	125.94%	116.26%	102.41%	100.00%
Deposits under schemes	59.72%	46.38%	53.09%	63.10%	100.00%
Other liabilities	261.67%	202.24%	166.97%	122.21%	100.00%
Total liabilities	135.70%	121.87%	115.67%	108.53%	100.00%
Total Shareholders' equity	116.78%	117.57%	114.36%	110.42%	100.00%
Paid-up capital	112.45%	112.45%	110.25%	105.00%	100.00%
Statutory reserve	126.67%	123.63%	117.15%	110.02%	100.00%
General reserve	160.00%	160.00%	100.00%	145.16%	100.00%
Other reserve	191.38%	110.36%	93.85%	90.23%	100.00%
Foreign currency translation gain/(loss)	100.00%	100.00%	100.00%	100.00%	100.00%
Surplus in Profit & Loss Account	2.03%	76.28%	88.71%	123.17%	100.00%
Total liabilities and Shareholders' equity	**134.43%**	**121.58%**	**115.58%**	**108.65%**	**100.00%**

Horizontal Analysis (Balance Sheet):

Horizontal Analysis on Balance Sheet refers to the analysis of growth of each component of balance sheet items from the base period. Here base period is considered the year 2020 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year.Here,assets,liabilities and shareholder' equity are showing consistent growth over the last five years which symbolize sustainable balance sheet growth of the bank as a whole.

HORIZONTAL ANALYSIS
PROFIT AND LOSS STATEMENT

For the last five years Profit and Loss Statement

Operating Income	2024	2023	2022	2021	2020
Interest income / profit on investments	119.72%	103.79%	97.56%	93.84%	100.00%
Interest / profit paid on deposits, borrowings, etc.	135.26%	103.96%	84.85%	80.78%	100.00%
Net interest / net profit on investments	**21.78%**	**102.74%**	**177.64%**	**176.11%**	**100.00%**
Investment income	178.88%	114.55%	99.02%	115.84%	100.00%
Commission, exchange, and brokerage	177.70%	213.84%	228.35%	117.22%	100.00%
Other operating income	142.87%	101.23%	97.44%	85.58%	100.00%
Total operating income	**133.79%**	**130.40%**	**145.66%**	**126.89%**	**100.00%**
Salaries and allowances	136.95%	137.63%	139.39%	134.40%	100.00%
Rent, Taxes, Insurance, Electricity, etc.	199.91%	171.22%	176.16%	148.69%	100.00%
Legal expenses	276.86%	176.20%	177.96%	114.12%	100.00%
Postage, Stamp, Telecommunication, etc.	120.97%	117.69%	117.45%	114.89%	100.00%
Stationery, Printing, Advertisements, etc.	185.86%	141.17%	151.47%	116.78%	100.00%
Managing Director's salary and fees	136.79%	122.37%	113.13%	106.93%	100.00%
Director's fees	148.00%	102.40%	97.62%	96.28%	100.00%
Auditors' fees	206.67%	101.90%	101.90%	104.76%	100.00%
Depreciation and Repair of Fixed Assets	83.97%	88.48%	89.92%	78.32%	100.00%
Other expenses	112.23%	115.30%	103.31%	78.00%	100.00%
Total operating expenses	**128.46%**	**126.43%**	**124.61%**	**110.16%**	**100.00%**
Profit / (Loss) before provision	**142.70%**	**137.05%**	**180.84%**	**154.83%**	**100.00%**
Provision for loans and advances					
Provision against Unclassified Loans (General provision)	-662.97%	1560.30%	399.44%	290.60%	100.00%
Provision against Classified Loans (Specific provision)	1573.65%	-106.57%	831.79%	79.16%	100.00%
Provision for off-balance sheet items	4476.46%	-5107.17%	-300.70%	17915.87%	100.00%
Other provisions	**11.03%**	**27.69%**	**72.65%**	**102.63%**	**100.00%**
Total provision	**352.00%**	**216.90%**	**334.54%**	**153.14%**	**100.00%**
Total profit / (loss) before taxes	**47.25%**	**100.64%**	**110.74%**	**155.59%**	**100.00%**
Provision for Taxation					
Current tax	120.42%	131.82%	142.33%	142.08%	100.00%
Deferred tax	187.63%	268.07%	48.54%	41.02%	100.00%
Net profit after taxation	**29.21%**	**93.86%**	**101.91%**	**158.17%**	**100.00%**

Horizontal Analysis (Profit and Loss Statement):

Horizontal Analysis on Profit and Loss Statement refers to the analysis of growth of each component of income statement items from the base period. Here base period is considered the year 2020 giving value 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. The above table shows that total operating income, expenses and operating profit of MBPLC are growing cinsistently over the periods.

VERTICAL ANALYSIS
BALANCE SHEET

For the last five years Balance sheet

Property and Assets	2024	2023	2022	2021	2020
Cash	4.49%	4.43%	4.33%	4.07%	4.69%
Cash In hand (including foreign currencies)	0.87%	0.89%	0.81%	0.70%	0.71%
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	3.62%	3.54%	3.52%	3.36%	3.97%
Balance with other banks and financial institutions	**2.26%**	**1.38%**	**1.08%**	**0.82%**	**1.34%**
In Bangladesh	0.19%	0.20%	0.21%	0.54%	0.19%
Outside Bangladesh	2.07%	1.18%	0.87%	0.27%	1.15%
Money at Call and short notice	2.76%	0.18%	0.25%	0.15%	0.08%
Investments	**20.04%**	**19.70%**	**15.84%**	**17.36%**	**14.80%**
Government	18.13%	17.51%	13.77%	15.28%	13.17%
Others	1.91%	2.19%	2.07%	2.08%	1.63%
Loans and advances/investments	**67.47%**	**70.82%**	**73.47%**	**74.22%**	**75.27%**
Loans, cash credits, overdrafts, etc.	65.37%	68.92%	69.98%	69.72%	72.02%
Bills purchased and discounted	2.10%	1.90%	3.49%	4.51%	3.26%
Fixed assets: including premises, furniture, and fixtures	**0.73%**	**0.87%**	**0.98%**	**1.06%**	**0.94%**
Other assets	**2.25%**	**2.60%**	**4.03%**	**2.31%**	**2.89%**
Total assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Liabilities and Capital					
Liabilities					
Borrowings from other banks, financial institutions, and agents	3.38%	5.08%	8.90%	9.87%	11.51%
Subordinated non-convertible bonds	0.13%	0.30%	0.47%	0.67%	1.09%
Deposits and other accounts	**77.07%**	**76.32%**	**73.70%**	**75.28%**	**74.15%**
Current accounts and other accounts	27.07%	26.68%	23.00%	22.07%	18.02%
Bills payable	0.80%	0.89%	0.69%	1.00%	1.23%
Savings bank deposits	8.28%	8.79%	8.71%	9.27%	8.34%
Fixed deposits	28.39%	29.20%	28.36%	26.57%	28.19%
Deposits under schemes	12.52%	10.76%	12.95%	16.37%	28.19%
Other liabilities	**12.80%**	**10.94%**	**9.50%**	**7.39%**	**6.57%**
Total liabilities	**94.20%**	**93.54%**	**93.39%**	**93.21%**	**93.32%**
Total Shareholders' equity	**5.80%**	**6.46%**	**6.61%**	**6.79%**	**6.68%**
Paid-up capital	2.49%	2.75%	2.84%	2.87%	2.97%
Statutory reserve	2.40%	2.59%	2.58%	2.58%	2.55%
General reserve	0.56%	0.62%	0.64%	0.63%	0.47%
Foreign currency translation gain/(loss)	0.00%	0.00%	0.01%	0.00%	0.00%
Surplus in Profit & Loss Account	0.01%	0.28%	0.34%	0.51%	0.45%
Total liabilities and Shareholders' equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

VERTICAL ANALYSIS (BALANCE SHEET):

Vertical Analysis on Balance sheet refers to the components of balance sheet items as a % of total Assets over the periods which would be termed as common sizing of balance sheet.In assest side,Loans and advances (67.47%) and investment (20.04%) holds major portion.Investment increase insignificantly on other investemnt portfolio where Loan and advances had a consistency growth in line with growth of overall industry. In liability side,deposit holds major portion (77.07%) and shows a consistant trend over the last five years as per overall industry deposit trend.

VERTICAL ANALYSIS
PROFIT & LOSS STATEMENT

For the last five years Profit and Loss Statement

Profit & Loss Statement	2024	2023	2022	2021	2020
Operating Income					
Interest income/profit on investments	63.18%	64.61%	64.00%	67.65%	71.08%
Interest/profit paid on deposits, borrowings, etc.	61.60%	55.85%	48.04%	50.26%	61.34%
Net interest / net profit on investments	**1.57%**	**8.76%**	**15.96%**	**17.39%**	**9.74%**
Investment income	20.15%	15.22%	13.87%	17.83%	15.17%
Commission, exchange, and brokerage	10.67%	15.15%	17.05%	9.62%	8.09%
Other operating income	6.00%	5.01%	5.08%	4.91%	5.65%
Total operating income	**38.40%**	**44.15%**	**51.96%**	**49.74%**	**38.66%**
Operating Expenses					
Salaries and allowances	11.30%	13.39%	14.29%	15.15%	11.11%
Rent, Taxes, Insurance, Electricity, etc.	2.11%	2.13%	2.31%	2.14%	1.42%
Legal expenses	0.16%	0.12%	0.13%	0.09%	0.08%
Postage, Stamp, Telecommunication, etc.	0.21%	0.24%	0.26%	0.28%	0.24%
Stationery, Printing, Advertisements, etc.	1.29%	1.15%	1.31%	1.11%	0.93%
Managing Director's salary and fees	0.05%	0.05%	0.05%	0.05%	0.05%
Director's fees	0.02%	0.02%	0.02%	0.02%	0.02%
Auditors' fees	0.01%	0.00%	0.00%	0.00%	0.00%
Depreciation and Repair of Fixed Assets	2.04%	2.54%	2.72%	2.60%	3.28%
Other expenses	5.88%	7.12%	6.73%	5.58%	7.25%
Total operating expenses	**23.06%**	**26.77%**	**27.81%**	**27.02%**	**24.18%**
Profit / (loss) before provision	**15.33%**	**17.37%**	**24.15%**	**22.73%**	**14.47%**
Provision for Loans and Advances					
Provision against Unclassified Loans (General)	-3.42%	9.49%	2.56%	2.05%	0.69%
Provision against Classified Loans (Specific)	14.82%	-1.18%	9.74%	1.02%	1.27%
Provision for off-balance sheet items	0.24%	-0.32%	-0.02%	1.31%	0.01%
Other provisions	0.21%	0.62%	1.72%	2.67%	2.56%
Total provision	**11.85%**	**8.61%**	**14.00%**	**7.04%**	**4.53%**
Total profit / (loss) before taxes	**3.49%**	**8.76%**	**10.16%**	**15.69%**	**9.94%**
Provision for Taxation					
Current tax	1.86%	2.41%	2.74%	3.00%	2.08%
Deferred tax	-0.09%	-0.16%	-0.03%	-0.03%	-0.07%
Net Profit After Taxation	**1.72%**	**6.51%**	**7.45%**	**12.71%**	**7.92%**

VERTICAL ANALYSIS (PROFIT AND LOSS STATEMENT):

Vertical Analysis on Profit and Loss Statement refers to the components of income statement items as a % of total income over the periods which would be termed as common sizing of income statement.In income side,interest income (63.18%), income from investment (20.15)% and comission,exchange and brokarage (10.67%) hold major portion.Net Interest income was in a decreasing trend due to increase of deposit rate and income from commission,exchange and brokerage also decreased in 2024.

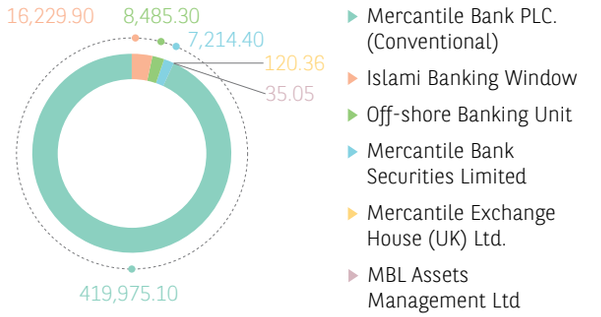
SEGMENT ANALYSIS - 2024

TOTAL ASSETS POSITION

(BDT in million)

Particulars	2024	2023
Mercantile Bank PLC. (Conventional)	419,975.10	383,783.57
Islami Banking Window	16,229.90	11,864.51
Off-shore Banking Unit	8,485.30	6,524.96
Mercantile Bank Securities Limited	7,214.40	7,275.52
Mercantile Exchange House (UK) Ltd.	35.05	19.14
MBL Assets Management Ltd	120.36	118.55
Total Assets Position	**452,060.12**	**409,586.25**

TOTAL ASSETS POSITION

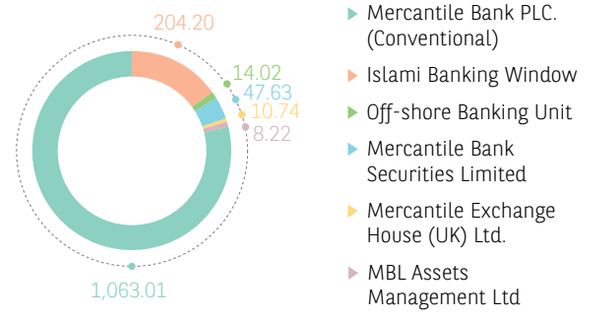


PROFIT BEFORE TAX

(BDT in million)

Particulars	2024	2023
Mercantile Bank PLC.(Conventional)	1,063.01	2,353.08
Islami Banking Window	204.20	155.68
Off-shore Banking Unit	14.02	219.85
Mercantile Bank Securities Limited	47.63	83.29
Mercantile Exchange House (UK) Ltd.	10.74	(18.19)
MBL Assets Management Ltd	8.22	9.27
Total Profit Before Tax	**1,347.82**	**2,802.98**

PROFIT BEFORE TAX



ROADMAP TO INTEGRATED REPORTING

At MBPLC, integrated reporting is not just about compliance—it is a strategic imperative. By aligning financial strength with sustainability and stakeholder value, we provide a cohesive, forward-looking view of performance. Our approach ensures that decision-making is informed, transparent, and future-ready.

BUILDING A SUSTAINABLE, VALUE-DRIVEN FRAMEWORK

MBPLC's journey towards integrated thinking is structured around four key pillars:

VALUE CREATION ACTIVITIES

Driving sustainable growth through responsible banking.

FUTURE ORIENTATION

Anticipating market trends and adapting with agility.

STRATEGY & RESOURCE ALLOCATION

Optimizing capital deployment for long-term value.

DEFINING MBPLC'S BUSINESS MODEL

Strengthening operational resilience and innovation.

By embedding these principles, we enhance business processes, reinforce risk management, and create enduring value for all stakeholders.

MAPPING MBPLC'S VALUE CREATION MODEL

We recognize that long-term success depends on a balance of six essential capitals:

HUMAN CAPITAL

Investing in expertise, leadership, and an inclusive workforce.

INTELLECTUAL CAPITAL

Driving innovation and digital transformation.

NATURAL CAPITAL

Embedding sustainability into core banking practices.

FINANCIAL CAPITAL

Enhancing profitability while ensuring risk-adjusted returns.

CAPITAL

Upholding governance, ethics, and regulatory compliance.

SOCIAL & RELATIONSHIP CAPITAL

Strengthening trust through responsible engagement.

A FUTURE-READY INSTITUTION

By integrating financial and non-financial metrics, MBPLC ensures a business model that is resilient, sustainable, and aligned with global best practices.

DUPONT ANALYSIS

A WIDER PERSPECTIVE OF MBPLC'S ROE

DuPont analysis breaks ROE into its constituent components to determine which of these factors are most responsible for changes in ROE. MBPLC.'s ROE has been decomposed in this section in terms of Net Profit Margin, Asset Turnover, and Financial Leverage which allows its investors to focus on the key metrics of financial performance individually. In addition, 5 factors model has been applied by decomposing Net profit margin to operating profit margin, effect of non- operating items and tax effects. DuPont analysis breaks ROE into three components to determine which of these factors are most responsible for changes in ROE.

NET PROFIT MARGIN

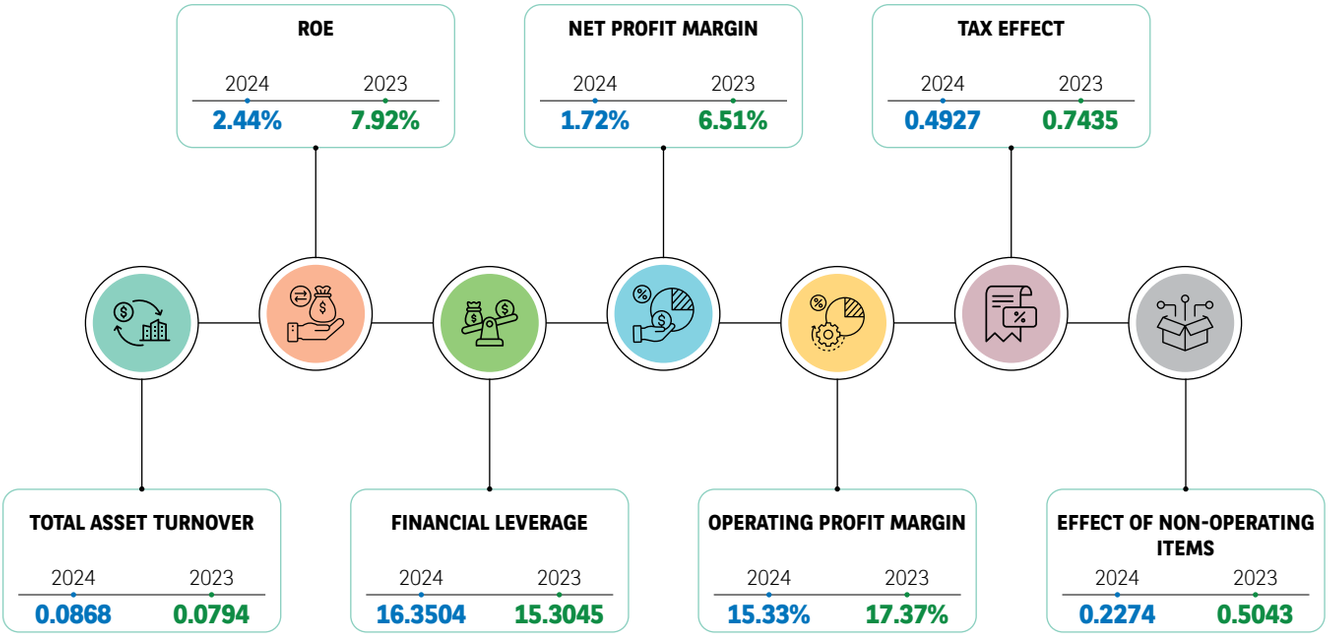
Net profit margin consists of three important components namely operating profit margin, effects on non-operating items and tax effects as mentioned in second level break down. Operating profit margin has dropped to 15.33% in 2024 from 17.37% in 2023 due to decrease of net interest income by 78.81%. Effects of non-operating items have decreased to 0.2274 from 0.5043 in comparison with previous year. In addition, Tax effect decreased to 0.4927 in 2024 from 0.7435 in 2023. The combined effects of these three components i.e. operating profit margin, effect of non-operating items and tax effect resulted in decrease of net profit margin to 1.72% in 2024 compared to 6.51% of last year.

TOTAL ASSET TURNOVER

Total assets turnover was slightly higher than previous year due to optimum utilization of assets.

FINANCIAL LEVERAGE

During the year 2024, the Bank kept optimum level of financial leverage ratio in consideration with stabilizing earnings, favorable tax treatment and proportionate risks. Hence, MBPLC.'s financial leverage slightly increased to 16.3504 from last year's 15.3045.



SWOT ANALYSIS

Strengths



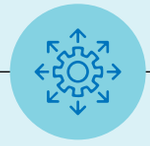
- **Established Market Presence:** Strong brand equity with over two decades of trusted banking services.
- **Experienced Leadership:** Board and senior management team with strategic foresight and banking acumen.
- **Extensive Network:** Wide-reaching presence with over 152 branches and a 199 ATMs and 188 agent banking outlets nationwide.
- **Innovative Product Portfolio:** Comprehensive suite of products tailored for Retail, SME, Corporate, and Islamic banking segments.
- **Sound Financial Position:** Consistent profitability and stable asset quality.
- **Technological Advancements:** Investments in core banking solutions to improve service efficiency.
- **Strong Credit Rating:** Rated AA+ for long-term and ST-2 for short-term.
- **Corporate Governance:** Adherence to ethical standards, regulatory compliance, and risk management best practices.

Weaknesses



- **NPL Management:** Scope for improvement in non-performing loan monitoring and recovery.
- **Product Penetration:** Underutilized potential in rural and underserved market segments.
- **Data Analytics Utilization:** Need for advanced analytics to drive customer insights and personalized offerings.

Opportunities



- **Digital Expansion:** Scaling up digital banking services, fintech partnerships, and mobile wallet integrations.
- **Green Financing:** Engaging in environmentally sustainable projects aligned with global ESG standards.
- **Agent Banking Growth:** Expanding agent banking network to drive financial inclusion in remote areas.
- **SME & Agriculture Lending:** Increased focus on SME and agriculture sectors supported by government and central bank incentives.
- **Remittance Services:** Enhancing remittance processing channels with tech-driven and customer-centric solutions.
- **Macroeconomic Stability:** Leveraging Bangladesh's projected GDP growth and improving business confidence.

Threats



- **Economic Uncertainty:** Macroeconomic pressures such as inflation, energy costs, and global supply chain disruptions.
- **Regulatory Changes:** Evolving banking regulations requiring rapid compliance adaptation.
- **Cybersecurity Threats:** Rising incidents of cyber-attacks and data breaches in the financial sector.
- **Currency Fluctuations:** Risks arising from exchange rate volatility impacting trade finance and foreign currency holdings.
- **Competitive Landscape:** Intensifying competition from non-banking financial institutions and digital-only banks.

PESTEL ANALYSIS



POLITICAL (P)

FACTORS

- Continued collaboration with the Government in delivering services such as VAT/tax collection, e-GP payments, etc.
- Government prioritization of digital financial inclusion and SME development.
- Ongoing regulatory reforms from Bangladesh Bank and Ministry of Finance

Impact on the Industry

- Increased opportunities to expand financial services under government-led initiatives.
- However, policy shifts and regulatory pressure may cause temporary operational uncertainty.

MBPLC's Response

- Strengthened internal compliance and regulatory affairs unit to adapt swiftly to new regulations.



ECONOMIC (E)

FACTORS

- Exchange rate remains volatile, with BDT depreciation against USD continuing.
- Trade deficit narrowing slowly due to increased exports and reduced imports.
- Foreign reserves under gradual improvement, but still under stress.

Impact on the Industry

- Higher operational and funding costs for banks.
- Loan demand softened in certain sectors due to tighter liquidity and inflationary pressures.
- Pressure on import-based trade finance portfolios.

MBPLC's Response

- Realigned deposit and lending rates to balance profitability and customer support.
- Focused lending in high-potential sectors like agriculture, export-oriented industries, and SMEs.



SOCIAL (S)

FACTORS

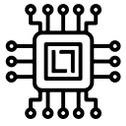
- Growing middle class and urbanization driving demand for tailored retail banking.
- Public sensitivity toward ethical banking, transparency, and sustainability..

Impact on the Industry

- Demand for convenient, personalized, and secure banking experiences.
- Need to position the bank as socially responsible and technologically relevant.

MBPLC's Response

- Expanded digital banking footprint through upgraded MBL Rainbow app and agent banking.
- Engaged in CSR activities and ESG-aligned initiatives to enhance community trust and social value.



TECHNOLOGICAL (T)

FACTORS

- Growing usage of cloud-based infrastructure and API integrations for third-party fintech collaboration.
- Increasing reliance on cybersecurity frameworks to safeguard customer data.
- Expansion of real-time digital payments and biometric authentication technologies.
- Greater demand for omnichannel banking experience (mobile, internet, agent banking).

Impact on the Industry

- Fintech convergence has redefined service delivery models.
- Cyber threats and data privacy remain top concerns.
- Rising customer expectations for seamless digital services.

MBPLC's Response

- Upgraded its core banking system and strengthened its mobile app functionalities.
- MBPLC continue investing in technology to remain competitive.



ENVIRONMENTAL (E)

FACTORS

- Increased regulatory and social pressure to support green banking and climate resilience financing.
- Stakeholder expectations around carbon disclosure, ESG reporting, and ethical lending.
- Need for resource-efficient operations including energy-saving measures in branches and ATMs.
- Involvement in climate-friendly infrastructure and renewable energy financing.

Impact on the Industry

- Stronger link between environmental responsibility and reputational strength.
- Incentives and regulatory direction toward sustainable finance and climate mitigation.

MBPLC's Response

- Scaled up Sustainable Financing under Bangladesh Bank's refinancing scheme.
- MBPLC is committed to achieving sustainable development goals and taking each step towards that.



LEGAL (L)

FACTORS

- Stringent laws regarding customer privacy, their data protection and other Bangladesh Bank and government imposed legal policies and guidelines.
- Strict compliance required for AML/CFT regulations and international KYC norms.
- More rigorous disclosure and reporting obligations under Basel III.
- Rising legal scrutiny regarding consumer rights, data security, and ethical practices.

Impact on the Industry

- Legal risks from data breaches, transaction frauds, and lapses in due diligence.

MBPLC's Response

- Conducted regular employee training on AML/CFT, data privacy, and ethical banking.
- Adopted more robust internal audit protocols to ensure governance and legal integrity.

CREDIT RATING OF MBPLC

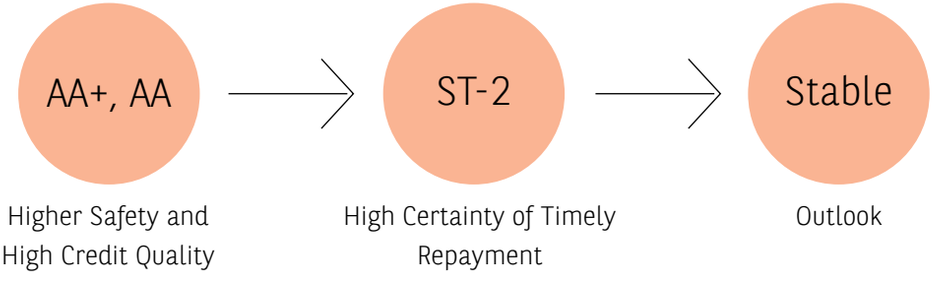
RATING BY LOCAL AGENCY: CREDIT RATING INFORMATION AND SERVICES LIMITED (CRISL)

Date of Rating : June 11,2024	Validup to: June 10,2025	
Particulars	**Longterm**	**Shortterm**
Entity Rating	AA+	ST-2
Outlook	Stable	

RATIONALE

Mercantile Bank PLC. has been assigned a long-term rating of AA+ (pronounced as double A plus) and a short-term rating of ST-2 by Credit Rating Information and Services Limited (CRISL). The ratings are based on audited financials up to December 31, 2023 and un-audited financials up to March 31, 2024, along with other relevant quantitative and qualitative information.

Here is a breakdown of the Credit Rating Description:



The bank is upbeat of further upswing of its rating in future.

RATING BY INTERNATIONAL AGENCY: MOODY'S

MBPLC has been rated by Moody's, a renowned global rating agency since May 2018. The current rating of the Bank is "B3".

CREDIT RATING OF PERPETUAL BOND RATED BY CRISL

Bond rating	AA
	Validity up to June 10, 2025
	Date of rating declaration: June 11, 2024

The long term rating "AA" signifies that the bond is adjudged to be of high credit quality and offers higher safety. This level of rating indicates a security with sound credit profile and strong protection factors.

RATIONALE

CRISL has upgraded the long term rating AA (pronounced as "double A") of "Mercantile Bank Perpetual Bond of Tk.5,000 million" of Mercantile Bank PLC. The above rating has been assigned on the basis of the fundamentals of the issue as well as of the issuer that include sound credit profile of the issuer, issuer's profitability indictors support regular coupon payment, etc.Securities rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

STRATEGIC FRAMEWORK

In 2024, Mercantile Bank continued to strengthen its financial ecosystem by enhancing its core strategic pillars—Deposits, Advances, Foreign Trade, and Remittances—supported by prudent risk management, digital transformation, and sustainability-driven initiatives. Our forward-looking approach focuses on resilience, customer centricity, and long-term value creation.

DEPOSIT STRATEGIES

Mercantile Bank remains committed to building a sustainable, diversified, and low-cost deposit base through a combination of innovation, partnership, and service excellence. The bank's emphasis on compliance with global AML standards, coupled with digital onboarding, robust IT infrastructure, and customer-centric product design, has fortified depositor confidence.

Key Strategies for Deposit Growth

- Enhancing cross-selling initiatives for deposit mobilization among retail, SME, and corporate clients.
- Strengthening partnerships with public institutions and private corporations for salary accounts and collection services.
- Increasing deposit avenues via insurance policy renewals, bill collection kiosks, and MyCash utility payments.
- Expanding into underbanked rural regions through low-cost rural branches and agent banking outlets.
- Deepening inclusion by promoting easy account opening for women, farmers, and micro-entrepreneurs.
- Collaborating with fintech platforms to streamline utility bill payments and mobile wallet top-ups.
- Conducting quarterly awareness and campaign drives to attract stable, low-cost deposits.
- Digitizing monitoring tools for better oversight of collection accounts and improved operational control.

ADVANCES/INVESTMENTS STRATEGIES

MBPLC follows a disciplined and risk-sensitive lending approach, guided by borrower creditworthiness and sectoral viability. The bank continues to focus on SMEs and priority sectors, while ensuring portfolio diversification and asset quality.

STRATEGIC LENDING FOCUS:

- Continued prioritization of SME and retail loans, especially in agri-linked and rural value chains.
- Emphasizing green lending in renewable energy, environmentally friendly industries, and climate-resilient projects.
- Supporting high-potential sectors: agriculture, food processing, ready-made garments (RMG), pharmaceuticals, and ICT.
- Rebalancing sectoral exposures to ensure risk-adjusted returns.
- Expanding loans to clients with verified credit history, ESG alignment, and supply chain integration.
- Strengthening Early Warning Systems (EWS) and internal risk grading to detect and address credit risks proactively.
- Aligning with Bangladesh Bank's refinancing schemes for CMSME and agri-financing programs.
- Promoting financial access to women-owned businesses and start-ups with tailored credit products.

IMPORT & EXPORT STRATEGIES

Mercantile Bank plays a vital role in facilitating the country's international trade. In 2024, the bank's strategic focus has shifted to supporting value-added exports, diversifying trade services, and enhancing client advisory in response to global and regional challenges. Our Strategic Initiatives include:

- Directing marketing initiatives toward high-potential entrepreneurs with well-established business operations.
- Giving strategic priority to service exports in key growth areas such as information technology, education, and healthcare.
- Securing international credit facilities to strengthen foreign currency support and offer trade financing at competitive rates.
- Maintaining focused engagement in the garment sector, shipbuilding, and shipbreaking industries, ensuring a prudent balance between risk and return.
- Emphasizing industries with strong backward linkages to enhance supply chain stability and reduce credit risk.

REMITTANCE STRATEGIES

Recognizing remittances as a critical driver of foreign currency inflow, MBPLC has reinforced its position through global outreach, digital innovation, and efficient service delivery. To tap into this market, we have implemented the following initiatives:

- **Mercantile Exchange House (UK) Ltd.:** Our fully owned subsidiary in London offers top-notch remittance services to UK-based expatriates.
- **Global Marketing:** Our top management actively promotes our remittance services internationally to attract more inflows.
- **Seamless Service:** We prioritize seamless service for remittance customers at the branch level.
- **Strategic Partnerships:** MBPLC collaborates with worldwide remittance service providers, continuously enhancing these relationships to improve service quality.

STRATEGIC FOCUS 2025

At Mercantile Bank PLC. (MBPLC), our strategic vision for 2025 is anchored in sustainable growth, innovation, and uncompromising service excellence. We remain focused on enhancing operational efficiency, expanding our footprint, and strengthening core business areas to drive long-term value and resilience.

KEY STRATEGIES

1. ENHANCING OPERATIONAL EFFICIENCY AND COST OPTIMIZATION

- **Expense Rationalization:** Streamline operational expenditures through process automation and lean management practices.
- **Channel Optimization:** Expand sub-branchesand agent banking to ensure cost-effective rural outreach.
- **Asset Diversification:** Explore acquisition of non-banking assets to broaden the bank's earning base.
- **Energy Efficiency:** Implement green initiatives at branches and back offices to reduce operational costs.

2. FOCUSED NPL RECOVERY AND CREDIT DISCIPLINE

- **Proactive Recovery Framework:** Strengthen recovery efforts and teams.
- **Legal Enforcement:** Intensify legal follow-up on willful defaulters.
- **Credit Screening:** Apply stricter due diligence and sectoral stress testing to reduce future default risks.

3. STRENGTHENING RETAIL AND SME BANKING

- **SME Financing Focus:** Prioritize SME and CMSME sectors aligned with government and Bangladesh Bank refinancing schemes.
- **Customer-Centric Products:** Design simplified loan and savings products tailored for small entrepreneurs, women-led enterprises, and youth.
- **Financial Literacy Drives:** Launch awareness programs to boost responsible borrowing and financial inclusion.
- **Workforce Capability:** Invest in staff development to improve relationship management and service delivery.

4. ACCELERATING DIGITAL TRANSFORMATION

- **Mobile & Internet Banking:** Enhance the functionality and user experience of the MBL Rainbow appand digital onboarding solutions.
- **Fintech Partnerships:** Collaborate with fintechs to expand reach and offer bundled services.
- **Cybersecurity Strengthening:** Upgrade cyber risk management and ensure full compliance with the latest Bangladesh Bank IT governance guidelines.
- **Omnichannel Banking:** Deliver a seamless customer journey across mobile, branch, ATM, and agent banking platforms.

KEY STRATEGIES

5. REVITALIZING CARD BUSINESSES

- **Digital Payments Push:** Promote QR-based payments, contactless cards, and mobile wallet interoperability.
- **Corporate Card Penetration:** Launch co-branded corporate cards for SMEs and exporters.
- **Merchant Network Expansion:** Increase POS terminal deployment and merchant acquisition in underserved urban areas.

6. SCALING UP ISLAMIC AND OFFSHORE BANKING

- **Islamic Banking Growth:** Expand Islamic banking operations through Shariah-compliant product lines.
- **Offshore Banking Enhancement:** Strengthen offshore banking services to facilitate export finance and foreign remittance-based deposits.
- **Foreign Currency Management:** Leverage international credit lines to mitigate forex volatility and ensure liquidity.

7. BROADENING REVENUE STREAMS

- **Asset Management Strengthening:** Scale up MBL Asset Management Ltd. to capitalize on capital market opportunities.
- **Remittance Growth:** Deepen partnerships with global remittance providers and scale agent-assisted cash payout services in remote areas.

8. ESG & SUSTAINABLE FINANCE INTEGRATION

- **Green Financing:** Prioritize environmentally sustainable projects aligned with SDG goals and BB's green banking guidelines.
- **Sustainability Reporting:** Enhance disclosure practices in line with ESG and climate risk reporting frameworks.

Mercantile Bank's strategic focus in 2025 remains rooted in risk-managed growth, digital enablement, and inclusive banking. Through these integrated strategies, we are positioned to overcome macroeconomic challenges, support national financial stability, and create lasting value for our customers, shareholders, and the broader economy.

BUSINESS MODEL

VISION, MISSION & VALUES

CAPITAL INPUTS	VALUE CREATION PROCESS	STAKEHOLDERS

- FINANCIAL CAPITAL
- HUMAN CAPITAL
- INSTITUTIONAL CAPITAL
- INTELLECTUAL CAPITAL
- SOCIAL & RELATIONSHIP CAPITAL
- NATURAL CAPITAL

STRATEGY

CORE BUSINESS OPERATION

CORPORATE GOVERNANCE & RISK MANAGEMENT

CAPITAL TRANSFORMATION

OUTCOMES

OUTPUTS

- ECONOMIC IMPACTS
- SOCIAL IMPACTS
- ENVIRONMENTAL IMPACTS

STRATEGIC IMPERATIVES

- A YEAR OF BUILDING RESILIENCE
- CUSTOMER CENTRICITY
- ENSURING ASSET QUALITY
- DIGITAL TRANSFORMATION IN THE CONTEXT OF STATE OF ART TECHNOLOGY
- OPERATIONAL EXCELLENCE

VALUE CREATION

	CAPITAL INPUTS	VALUE ADDING ACTIVITIES	OUTCOME 2024	OUTCOME 2023
FINANCIAL CAPITAL	• Shareholders Fund • Borrowings from other banks, financial institutions and agents • Subordinated Bond • Deposits and other Accounts	• Expanding business volumes prudently by ensuring robust and efficient financial intermediation and maturity transformation, thereby reinforcing the Bank's leadership position in the industry.	• BDT 25,810.06 million • BDT 15,022.01 million • BDT 600.00 million • BDT 342,724.25 million	• BDT 25,984.5 million • BDT 20,431.2 million • BDT 1,200 million • BDT 306,948 million
HUMAN CAPITAL	• No. of employee • No. of new recruits • Profit per employee • % of return to job after availing maternity leave	• Enhancing career growth opportunities through structured development initiatives. • Strengthening performance evaluation and appraisal systems to drive accountability and excellence.	• 2651 • 31 • BDT 0.24 million • 71%	• 2695 • 148 • BDT 0.8 million • 100%
INSTITUTIONAL CAPITAL	• Branch Network • No. of Sub-Branches • No. of ATMs • No. of Agent banking outlets	• Optimal allocation of capital expenditure.	• 152 • 45 • 199 • 188	• 152 • 42 • 196 • 187
INTELLECTUAL CAPITAL	• Training Expenses	• Organizing appropriate training programs for employee development.	• BDT 4.64 million	• BDT 4.98 million
SOCIAL & NETWORK CAPITAL	• Community investment • Payment to Government exchequer	• Pursuing Sustainable Development Goals (SDGs) to promote community well-being.	• BDT 416.13 million • BDT 7,682.55 million	• BDT 512.02 million • BDT6,660.12 million
NATURAL CAPITAL	• Resources Consumption (Lighting, gas, water) • Printing & Stationery Expenses • Computer Expenses • Nursery & Plantation	• Minimizing paper use and promoting recycling • Expanding reliance on renewable energy • Adopting energy-efficient appliances	• BDT 143.65 million • BDT 257.31 million • BDT 169.57 million • BDT 1.42 million	• BDT 131.15 million • BDT 192.93 million • BDT 108.54 million • BDT 1.24 million

STAKEHOLDER ENGAGEMENT

As a values-driven financial service provider, Mercantile Bank maintains a strong commitment to environmental and stakeholder stewardship. We are dedicated to creating and safeguarding long-term value by understanding the evolving needs, interests, and expectations of our stakeholders. Insights gathered through structured engagement platforms are actively considered to enhance our services and align our strategies with stakeholder priorities.

MBPLC 'S STAKEHOLDERS

1) Customers
2) Employee
3) Supplier
4) Shareholders & Investors
5) Government & Regulators
6) Community



1) CUSTOMERS

Key Concerns and expectations

- Seamless digital banking experience
- Real-time support and financial advice
- Customized products and services
- Data privacy and cyber security
- Ethical, transparent, and inclusive banking
- Competitive, transparent, and customer-centric pricing that delivers value for money

Engagement Platforms

- Rainbow Digital App and a suite of online banking solutions for retail customers
- Multiple customer touchpoints including branches and alternative delivery channels
- Dedicated contact centre for real-time assistance
- Comprehensive corporate website
- Strategic media campaigns and advertisements
- Active presence across social media platforms for engagement and updates

Our Approach

- Drive digital innovation to ensure seamless, anytime-anywhere banking access
- Strengthen cybersecurity infrastructure and data governance
- Invest in digital platforms and solutions & promote digital inclusion through simplified onboarding
- Provide tailored financial solutions to diverse customer segments based on their needs and aspirations
- Continuously upgrade service quality and turnaround time



2) EMPLOYEES

Key Concerns and expectations

- Greater emphasis on mental well-being and stress management
- Safe, healthy, and flexible work environment
- Assurance of financial stability and security
- Robust performance management with competitive compensation packages
- Structured opportunities for talent development and career progression

Engagement Platforms

- Comprehensive training and professional development initiatives
- Individualized engagement through one-on-one interactions
- Collaborative team-building activities and events

Our Approach

- Foster a sense of ownership by inspiring and engaging employees throughout the organization
- Promote supportive and inclusive HR practices
- Establish clear and robust career development pathways
- Enhance governance and initiatives focused on employee well-being



3) SUPPLIERS

Key Concerns and expectations

- Ethical sourcing and long-term partnerships
- Transparent procurement processes
- Timely payment and fair contract terms
- Secure platforms for transactions and communications

Engagement Platforms

- Regular business meetings
- Structured onboarding and procurement processes
- Supplier performance assessments
- Ad hoc consultations and engagements

Our Approach

- Ensure compliance and fairness in sourcing
- Fair and ethical pricing practices



4) SHAREHOLDERS & INVESTORS

Key Concerns and expectations

- Sustainable expansion of earnings, net asset value (NAV), and financial returns
- Implementation of a compelling and sustainable growth strategy
- Maintaining a robust balance sheet to mitigate downside risks
- Experienced, transparent, and effective management team
- Strict adherence to all regulatory and legal requirements
- Commitment to transparent reporting and comprehensive disclosure

Engagement Platforms

- Annual General Meeting (AGM)
- Distribution of investor briefings, including presentations and financial statements
- Media briefings and press releases on key developments
- Official announcements to stock exchanges
- Information dissemination through MBPLC's corporate website

Our Approach

- Long-term business strategy centered on wealth maximization and enhancing shareholder value
- Consistent and sustainable dividend policy
- Proactive engagement with shareholders and the investment community
- Timely and transparent disclosure of financial results, asset quality, and significant events
- Robust governance framework and a strong culture of compliance



5) GOVERNMENT & REGULATORS

Key Concerns and expectations

- Full compliance with evolving regulations
- Anti-money laundering (AML) and KYC adherence
- Good corporate governance and business ethics
- Green finance, responsible lending, and sustainability

Engagement Platforms

- Regular meetings and update sessions with regulators
- Issuance and compliance with directives and circulars
- Participation in trainings, seminars, and workshops
- Providing timely feedback to fulfill regulators' information requirements

Our Approach

- Timely and accurate regulatory reporting
- Proactive involvement in the execution of government policies
- Robust internal controls and effective corporate governance frameworks
- Steady contribution to national exchequer
- Active support for diverse development initiatives



6) COMMUNITY

Key Concerns and expectations

- Support for economic recovery and climate resilience
- Access to inclusive finance and job creation
- Community empowerment through education and skills
- Corporate accountability in social investment

Engagement Platforms

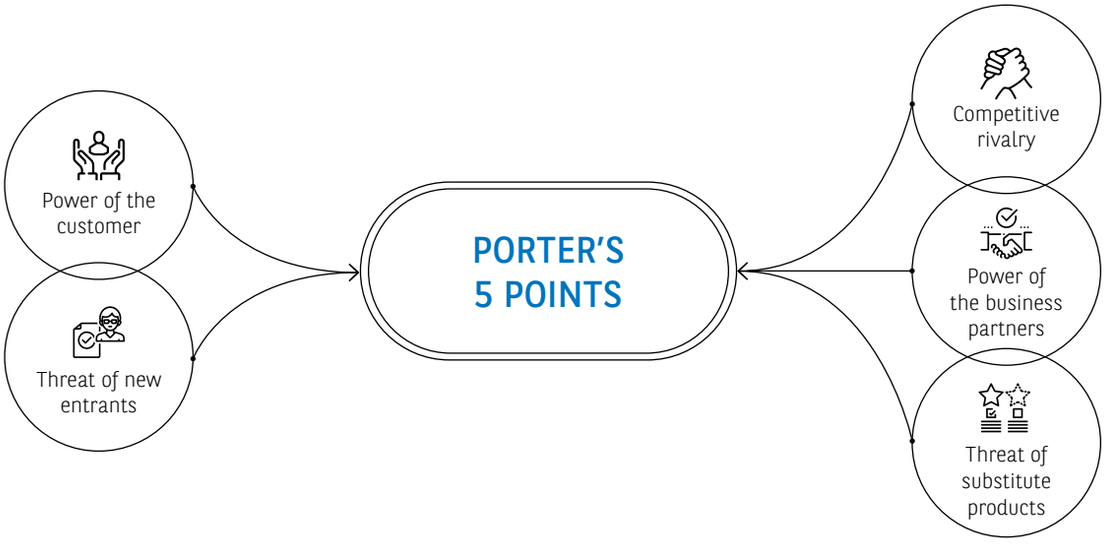
- Community development projects
- Employee volunteer programs
- Thorough analysis and vetting of credit proposals
- On-site visits to customer locations
- Contributions to relief efforts and various funds
- Impact-driven CSR projects

Our Approach

- Amplify social impact through targeted CSR and SDG-linked financing
- Enable access to finance for low-income and rural segments
- Focus on green and inclusive economic growth initiatives

COMPETITIVE INTENSITY AND OUR STRATEGIC RESPONSE

Mercantile Bank PLC operates in an increasingly dynamic and competitive financial services landscape. To navigate this environment effectively and sustain a competitive advantage, MBPLC assesses market forces using Porter's Five Forces framework to gain competitive advantage.



Power of MBPLC's customer

IMPACT High

Customers today are more informed and digitally empowered, with access to a broad range of banking products and competitive pricing. Large corporate borrowers remain highly price sensitive with strong bargaining power, while the SME segment is evolving rapidly, driven by increased financial literacy and technology adoption. Retail customers increasingly demand seamless, personalized, and digital-first banking experiences.

Strategic response

Deepen customer engagement through personalized digital platforms and relationship management. Accelerate financial literacy initiatives targeting SMEs and retail segments to build trust and loyalty. Enhance value proposition via tailored products and transparent pricing.

Threat of new entrants in the banking industry

IMPACT Moderate

While the regulatory environment for new banking licenses remains stringent, the emergence of fintech firms and non-traditional financial service providers is reshaping the competitive landscape. Digital banks and tech-driven lenders will present alternative choices for customers, particularly in niche segments.

Strategic response

Strengthen MBPLC's brand as a trusted, innovative, and customer-centric financial service provider. Leverage digital transformation to enhance agility and introduce competitive products. Collaborate with fintech partners to broaden service offerings and market reach.

Competitive rivalry into banking industry

IMPACT ●●●●●●●●●○○ High

Number of competitors	Switching cost	Strategic response	Customer loyalty
The Bangladeshi financial sector remains crowded with 62 scheduled banks and 35 NBFIs, intensifying competition. Aggressive pricing and product innovation are key battlegrounds.	Customer switching costs remain low due to widespread access to digital channels.	Focus on financial inclusion, digital innovation, and superior customer experience to differentiate MBPLC. Invest in data analytics for targeted marketing and customer retention. Promote ESG-linked and sustainable finance products to attract conscientious customers.	Customer loyalty, particularly among affluent and tech-savvy segments, faces ongoing pressure.

Power of MBPLC's business partners

IMPACT ●●●●●○○○○○○ Moderate

As a financial service provider, the majority of MBPLC's primary vendors are engaged in delivering support services. Given the non-core nature of these services, the bargaining power of business partners remains moderate.

Strategic response

Focus on maintaining a diversified pool of support service providers to mitigate the risk of overdependence on any single vendor group.

Threat of substitute products

IMPACT ●●●●●○○○○○○ Moderate

Traditional banking products such as deposits and loans face limited direct substitutes. However, alternative financing solutions offered by fintech firms and microfinance institutions are growing in popularity, particularly among retail and SME customers.

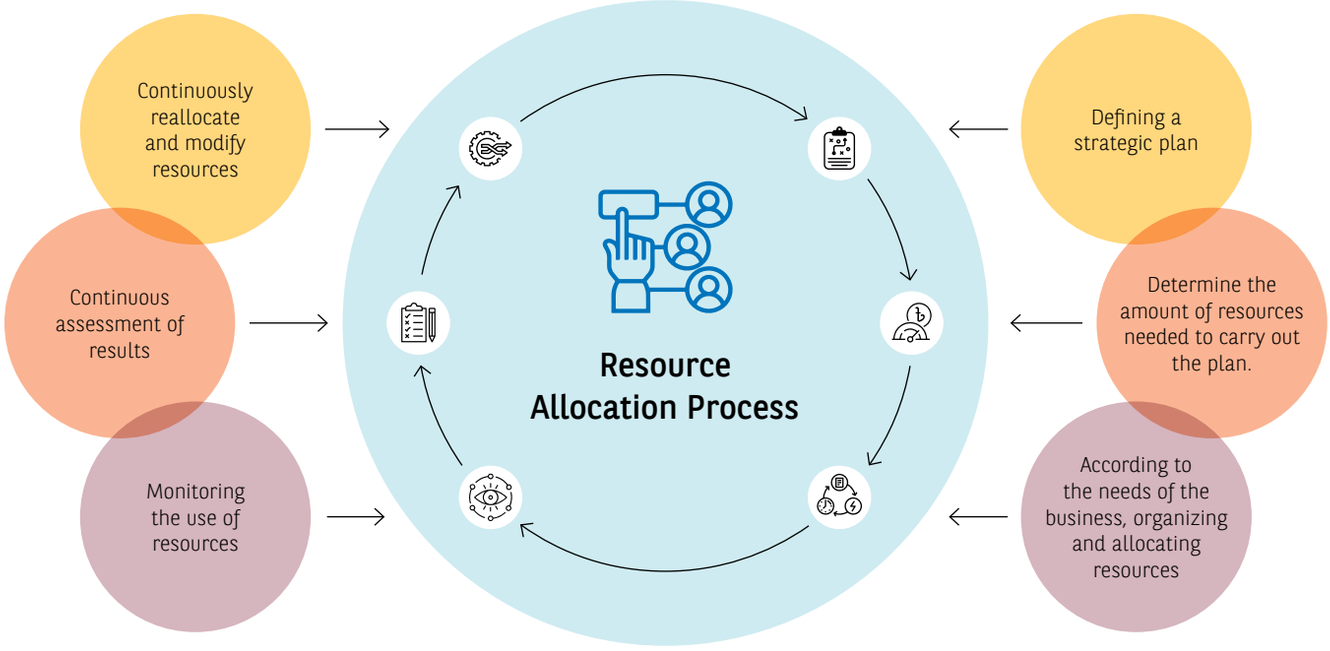
Strategic response

Stay at the forefront of emerging financial technologies and market trends. Integrate digital platform and payment solutions to compete effectively with substitutes. Educate customers on the benefits of regulated banking products versus alternative offerings.

STRATEGY AND RESOURCE ALLOCATION

RESOURCE ALLOCATION AT MERCANTILE BANK PLC.

Effective resource allocation involves balancing priorities and making strategic decisions to maximize returns. At Mercantile Bank PLC., we manage our assets to align with our strategic goals and optimize capital utilization.



MBPLC'S CAPITAL-WISE RESOURCE ALLOCATION STRATEGY

FINANCIAL CAPITAL

Strategic Priorities	Initiatives	Key Performance Indicators (KPIs)
• Drive asset growth while upholding high operational standards • Optimize operating and deposit costs to ensure efficiency • Achieve consistent and sustainable income growth	• Ongoing monitoring to ensure cost efficiency and prevent financial waste • Introduction of new products and enhancement of existing offerings • Strategic investments directed toward high-impact areas	• Non-performing Loan (NPL): 17.25% • Cost-to-income ratio: 60.06% • Net profit margin: 1.72% • Profit after taxation (PAT): BDT 631.22 million • Loans & Advances growth: 5.33% • Number of awards achieved for financial reporting: 1

HUMAN CAPITAL

Strategic Priorities	Initiatives	Key Performance Indicators (KPIs)
• Foster a culture of performance with a highly motivated, qualified, and experienced team. • Ensure a safe and healthy work environment.	• Aligning rewards and recognition with individual and organizational performance • Offering continuous learning opportunities and attracting skilled professionals • Recruiting talent in line with the Bank's growth and expansion plans • Conducting timely and effective training programs to enhance employee capabilities	• Number of new job opportunities created: 31 • Number of training programs arranged: 193 • Total training hours: 1614 hours

INSTITUTIONAL CAPITAL

Strategic Priorities	Initiatives	Key Performance Indicators (KPIs)
• Expand customer touchpoints to enhance accessibility and engagement • Achieve operational excellence through improved efficiency and streamlined processes	• Expanding geographical footprint to enhance market reach • Relocating branches with modern, customer-friendly layouts • Investing in advanced IT infrastructure and accelerating digital transformation	• Number of - Sub-branch opened: 3 - ATMs opened: 3 - Agent Banking Outlets opened: 1 • Capital Expenditure on IT infrastructure: BDT 85.07 million

INTELLECTUAL CAPITAL

Strategic Priorities	Initiatives	Key Performance Indicators (KPIs)
• Leveraging social media for strategic communication and engagement • Strengthening service quality and ensuring robust data security • Elevating brand value and reinforcing corporate reputation	• Enhancing network infrastructure and communication systems • Introducing SMS alerts for real-time transaction notifications • Delivering a secure and user-friendly online banking platform • Strengthening brand presence through targeted advertising and promotional campaigns	• Number of customers using the online platform: 76,608 • Increasing brand image.

SOCIAL & RELATIONSHIP CAPITAL

Strategic Priorities	Initiatives	Key Performance Indicators (KPIs)
• Deliver exceptional customer service • Enhance customer loyalty and satisfaction • Maintain strong investor trust and confidence • Expand and reinforce strategic supplier relationships	• Ongoing training focused on service excellence • Seamless and uninterrupted customer support • Active engagement with the community	• Number of customer complaints: 244 • Investment in community development projects: BDT 416.13 million

NATURAL CAPITAL

Strategic Priorities	Initiatives	Key Performance Indicators (KPIs)
• Minimizing carbon footprint through sustainable practices • Promoting the use of energy-efficient technologies and renewable energy sources	• Developing strategies in alignment with the United Nations Sustainable Development Goals (SDGs) • Organizing awareness initiatives focused on environmental conservation and protection	• Carbon footprint. • Number of trees planted. • Number of awareness programs conducted.

RESOURCE ALLOCATION

BDT in Million unless otherwise specified

Particulars	Mercantile Bank PLC.	Mercantile Bank Securities Ltd	Mercantile Bank Exchange House (UK) Ltd	Mercantile Bank Asset Management Ltd
Total Assets	444,690.30	7,214.40	35.05	120.36
Total Loans and Advances	300,025.11	4,603.61	-	-
Total Investment	89,098.25	1,955.33	-	105.69
Total Deposit	342,724.25	149.68	-	-
Investment Income	7,403.88	39.32	-	5.19
Interesr paid on Deposit and borrowings	22,632.60	122.25	-	-
Commission, Exchange and Brokerage	3,920.70	125.21	57.00	8.51
Other Operating Income	2,203.39	2.38	2.31	-
Total Operating Income	14,106.33	296.49	59.31	17.20
Total Operating Expenses	8,472.94	122.52	53.14	4.68
Profit before Provision and Taxes	5,633.39	173.97	6.17	12.52
Net Profit after Tax	631.22	5.91	6.16	6.26
EPS	0.57	0.02	1.20	0.63
Number of Employees	2,651	47	5	3
Number of Branches	152	8	-	-
Number of Agent Banking Outlet	188	-	-	-
Number of ATM	199	-	-	-
Number of Foreign Correspondent	618	-	-	-
Number of Deposit Accounts (In Million)	1.41	-	-	-

তাক্বওয়া
শরীয়া আস্থায় ব্যাংকিং
মার্কেন্টাইল ব্যাংক ইসলামিক ব্যাংকিং



মার্কেন্টাইল ব্যাংক তাক্বওয়া ইসলামিক ক্রেডিট কার্ড

"আপনার লেনদেনের সম্পূর্ণ চাহিদা পূরণের জন্য শরীয়াহ নীতিমালায় পরিচালিত"

সুবিধাসমূহ ঃ

- প্রথম দুই বছর কোন ইস্যু/ বার্ষিক ফি নেই
- সর্বনিম্ন মাসিক রক্ষণাবেক্ষণ ফি
- বিশ্বব্যাপি ব্যবহারযোগ্য
- কোনও হিডেন চার্জ নেই এবং কার্ড চেক সুবিধা
- বাংলাদেশে বলাকা লাউঞ্জে বিনামূল্যে প্রবেশাধিকার
- বিদেশ ভ্রমণে Priority Pass কার্ডের সুবিধা
- লেনদেনে আকর্ষণীয় ডিসকাউন্ট ও মাসিক কিস্তি সুবিধা
- বছর জুড়ে পাঁচ তারকা হোটেলে একটি কিনলে একটি ফ্রি
- লেনদেনে নিশ্চিত করে সর্বোচ্চ নিরাপত্তা

*শর্ত প্রযোজ্য

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

RISK MANAG

At Mercantile Bank PLC., risk management is a strategic priority, ensuring the identification, assessment, and mitigation of financial risks. Our comprehensive risk framework and culture of vigilance safeguard the bank's stability and the interests of our stakeholders, adapting proactively to the dynamic financial environment.

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REPORT ON RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS

The Risk Management Committee (RMC) of the Board of Directors of the Bank oversees the overall risk management periphery to ensure comprehensive risk management of the Bank. The objective of this committee is to reduce probable risk arising during implementation of policies & strategies. One of the key functions of the committee is to supervise the overall risk management activities of the Bank with a view to establishing appropriate risk management culture into the Bank.

COMPOSITION OF THE RISK MANAGEMENT COMMITTEE (RMC)

As per Bank Company Act 1991 (amendment up to 2023) and Bangladesh Bank's Circular, Bank has reformed the 'Board Risk Management Committee'. As on December 2024, the composition of the Committee is as follows:

SL No.	Name	Position in the Board	Position in RMC
1.	Mr. Mohammad Abdul Awal	Director	Chairman
2.	Mr. M. Amanullah	Director	Member
3.	Mr. Md. Abdul Hannan	Director	Member
4.	Mr. Morshed Alam	Director	Member
5.	Mr. M. A. Khan Belal	Director	Member

PARTICIPATION OF NON-MEMBER

The Managing Director and the Chief Risk Officer (CRO) of the Bank attend the meetings of RMC of the Bank along with other pertinent members of the management as desired by the committee.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

Terms of reference for the ''Board Risk Management Committee (BRMC)'' guided by Risk Management Guidelines and associated latest circulars of Bangladesh Bank. Key roles and responsibilities of BRMC of the Bank are furnished below-

- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management of the Bank;
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures;
- Ensuring adequate organizational structure for managing risks within the Bank;
- Supervising the activities of Executive Risk Management Committee (ERMC) of Mercantile Bank PLC.;
- Ensuring compliance of Bangladesh Bank's instructions regarding implementation of core risk management;
- Ensuring formulation and review of risk appetite as well as its' limits and recommending those to the Board of Directors for their review and approval;
- Approving adequate record keeping, reporting system and ensuring the appropriate usage;
- Holding at least 4 meetings in a year (preferably once in every quarter) and more, if necessary;
- Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation;
- Submitting proposals, suggestions & summary of BRMC meetings to the Board of Directors at least on quarterly basis;
- Complying the instructions issued from time to time by the regulatory bodies;
- Ensuring appropriate knowledge, experience, and expertise of lower-level managers and Officials involved in risk management;
- Ensuring sufficient & efficient Human Resources for Risk Management Division;
- Establishing standards of ethics and integrity for Employees and enforcing these standards;
- Assessing overall effectiveness of risk management functions of the Bank on yearly basis.

MEETINGS OF THE COMMITTEE HELD DURING THE YEAR 2024

12 (twelve) meetings of the Board Risk Management Committee were held during the year 2024, details of which are as follows:

Meeting no. & Date	Engrossed Points
54th BRMC meeting held on January 28, 2024	Detail information regarding "Comprehensive Risk Management Report" as of December 2023 of the Bank placed before the committee & risk issues categorically analyzed by the members. The committee advised the management to take initiatives for risk mitigation in risk related cases.
	Detail information regarding "Post Import Financing-PIF" as of December 2023 of the Bank placed before the committee for their kind information. The committee advised the same to place before the Board of Directors for their kind approval and take initiatives to provide Bangladesh Bank.
	Quarterly report of restructured syndicated Term Loan liability of "Jamuna Builders PLC." (Lead arranger & Agent: Janata Bank PLC.) for the quarter ended as on December 2023 was submitted before the committee for their kind perusal.
	Information regarding "Centralization of General Banking Operation, Credit Operations and Foreign Trade Transactions" placed before the committee for their kind information.
55th BRMC meeting held on February 20, 2024	Information regarding "Stress Testing" as of December 2023 placed before the committee with a view to discussing the different shock absorbing capacity of the Bank & noted accordingly after detailed discussion.
	Information regarding "Risk Appetite Statement" for the year of 2024 presented in the meeting for their kind information. The committee instructed to place the Risk Appetite Statement to the Board of Directors' meeting for their kind approval.
	Information regarding "Review Report on Risk Management Policies and effectiveness of Risk Management Function of Mercantile Bank PLC" as of December 2023 placed before the committee.
	Information regarding "Sustainable Finance Activities" as of December 2023 placed before the committee for their kind information and committee advised to take initiatives to provide the same to Bangladesh Bank.
	Information regarding "Centralization of General Banking Operation, Credit Operations and Foreign Trade Transactions" placed before the committee for their kind information.
	Customer wise monthly recovery report for the month of December 2023 against the adversely classified loans & advances of 31.12.2022 placed before the committee for their kind information.
	Branch and segment wise monthly recovery report of overdue loans up to December 2023 placed before the committee for their kind information.
56th BRMC meeting held on 27 March 2024	Summary of 159th, 160th and 161st ERMC meeting placed before the committee. The members of the committee discussed the key risk issues meticulously and advised the management to take initiatives for risk mitigation in risk related issues.
	Monthly Risk Management Report as on January 2024 placed before the committee for their kind information, where key risk issues identified and discussed.
57th BRMC meeting held on April 24, 2024	Summary of 162nd ERMC meeting placed before the committee. The members of the committee discussed the key risk issues meticulously and advised the management to take initiatives for risk mitigation in risk related issues.
	Information regarding "Sustainable Finance Activities" as of March 2024 placed before the committee for their kind information and committee advised to take initiatives to provide the same to Bangladesh Bank.
	Quarterly report of restructured syndicated Term Loan liability of "Jamuna Builders PLC." (Lead arranger & Agent: Janata Bank PLC.) for the quarter ended as on March 2024 submitted before the committee and advised the same to place before the Board of Directors for their kind information.
	Monthly Risk Management Report as on March 2024 placed before the committee for their kind information, where key risk issues identified and discussed.
	Detail information regarding "Post Import Financing-PIF" as of March 2024 of the Bank placed before the committee for their kind information. The committee advised the same to place before the Board of Directors for their kind approval and provide the same to Bangladesh Bank.
	Information regarding "20 Loss Branches" as on March 2024 of the Bank placed before the committee for their kind information. The committee advised the management to take initiatives for loss mitigation.
58th BRMC meeting held on May 27, 2024	Information regarding Sector-wise Loans and Advances as on April 2024 presented before the committee for their kind information.
	Customer wise monthly recovery report for the month of March 2024 against the adversely classified loans & advances of 31.12.2023 placed before the committee for their kind information.
	Information regarding "Stress Testing" as of March 2024 placed before the committee in view to discuss the different shock absorbing capacity of the Bank & noted accordingly after detail discussion.
	Detail information regarding "Internal Capital Adequacy Assessment Process (ICAAP)" documents, December 2023 under Supervisory Review Process (SRP) i.e. pillar 2 of Basel III placed before the committee & risk issues were categorically analyzed by the members. The committee advised to place the same before the Board of Directors for final approval.
	Detail information regarding "Comprehensive Risk Management Rating" as well as the observations as of December 2023 of the Bank placed before the committee. The committee discussed risk issues categorically and advised the management to take initiatives for risk mitigation in risk related cases.
	Summary of 163rd ERMC meeting placed before the committee. The members of the committee discussed the key risk issues meticulously and advised the management to take initiatives for risk mitigation in risk related issues.

Meeting no. & Date	Engrossed Points
59st BRMC meeting held on June 26, 2024	Information regarding "Overdue CMSME Portfolio" as on March 2024, placed before the committee for their kind information.
	Information regarding "Recovery Plan 2024 under Stress Scenario" of the Bank as on May 2024 placed before the committee for their kind approval.
	Information regarding Sector-wise Loans and Advances as on May 2024 along with Risk Appetite Statement for 2024 presented before the committee for their kind information.
	Detail information regarding "Prompt Corrective Action (PCA) Framework" and Bank's Position as on March 31, 2024 presented before the committee for their kind information and necessary guidance.
	Summary of 164th ERMC meeting placed before the committee. The members of the committee discussed the key risk issues meticulously and advised the management to take initiatives for risk mitigation in risk related issues.
	Proposal for "Operational Manual on General Banking" revised 2024 presented before the committee for their kind information and approval.
60th BRMC meeting held on July 30, 2024	Information regarding "16 Loss Branches" as on June 2024 of the Bank placed before the committee for their kind information. The committee advised the management to take initiatives for loss mitigation.
	Detail information regarding "Comprehensive Risk Management Report" as of June 2024 of the Bank placed before the committee. The committee discussed risk issues categorically and advised the management to take initiatives for risk mitigation in risk related cases.
	Information regarding "Sustainable Finance Activities" as of June 2024 placed before the committee for their kind information and committee advised to take initiatives to provide the same to Bangladesh Bank.
	Detail information regarding ''Post Import Financing-PIF'' as of June 2024 of the Bank placed before the committee for their kind information. The committee advised the same to place before the Board of Directors for their kind approval and take initiatives to provide the same to Bangladesh Bank.
	Quarterly report of restructured syndicated Term Loan liability of "Jamuna Builders PLC." (Lead arranger & Agent: Janata Bank PLC.) for the quarter ended as on June 2024 submitted before the committee and advised the same to place before the Board of Directors for their kind information.
	Information regarding Offshore Banking Activities in compliance with Offshore Banking Act 2024 presented before the committee for their kind information and necessary guidance.
61st BRMC meeting held on August 25, 2024	Information regarding "Recovery/ Regularization position of NPL accounts" for the period of January to July 2024 presented before the committee for their kind information and necessary guidance.
	Recovery report of overdue loans from April to July 2024 Branch and segment wise placed before the committee for their kind information.
	Inspection Report on sanctioned/ disbursed loans against Financial Institutions and Leasing Companies presented before the committee for their kind information and necessary guidance.
	Information regarding "Stress Testing" as of June 2024 placed before the committee with a view to discussing the different shock absorbing capacities of the Bank & noted accordingly after detail discussion.
	Detail information regarding "Prompt Corrective Action (PCA) Framework" and Bank's Position as on June 30, 2024 presented before the committee for their kind information and necessary guidance.
	Summary of 165th ERMC meeting presented before the committee for their kind information.
	Monthly Risk Management Report as on July 2024 placed before the committee for their kind information, where key risk issues identified and discussed.
62nd BRMC meeting held on September 25, 2024	Updated information regarding the lawsuits status against the Financial Institutions and Leasing Companies to recover the loans presented before the committee for their kind information.
	Proposal for approval of "Centralized operation of Central Law Division" presented before the committee for their kind information and approval.
	Information regarding the "Risk Prone Areas" of the Bank as of 31.08.2024 presented before the committee for their kind information and necessary guidance.
	Monthly Risk Management Report as on August 2024 placed before the committee for their kind information, where key risk issues identified and discussed.
	Summary of 167th ERMC meeting presented before the committee for their kind information.

Meeting no. & Date	Engrossed Points
63rd BRMC meeting held on October 30, 2024	Branch and segment wise recovery report of overdue loans for the period from August to September 2024 placed before the committee for their kind information.
	Large Loan information as on September 2024 presented before the committee for their kind information.
	Recovery or regularization position of NPL/ BLW Accounts during the period from January to September 2024 presented before the committee for their kind information and necessary guidance.
	Detail information regarding 'Post Import Financing-PIF' as of September 2024 of the Bank placed before the committee for their kind information. The committee advised the same to place before the Board of Directors for their kind approval and take initiatives to provide the same to Bangladesh Bank.
	Quarterly report of restructured syndicated Term Loan liability of "Jamuna Builders PLC." (Lead arranger & Agent: Janata Bank PLC.) for the quarter ended as on September 2024 submitted before the committee and advised the same to place before the Board of Directors for their kind information.
	Monthly Risk Management Report as on September 2024 placed before the committee for their kind information, where key risk issues identified and discussed.
	Information regarding "Sustainable Finance Activities" as of September 2024 placed before the committee for their kind information and committee advised to take initiatives to provide the same to Bangladesh Bank.
	Proposal for approval of "Revised Risk Appetite Statement" for the year 2024 presented before the committee for their kind information and approval. The committee advised to present the same to the Board of Directors for final approval.
	Information regarding "16 Loss Branches" as on September 2024 of the Bank placed before the committee for their kind information. The committee advised the management to take initiatives for loss mitigation.
64th BRMC meeting held on November 26, 2024	Information regarding "Annual Risk Conference 2024" presented before the committee for their kind information and necessary guidance.
	Appointment of Md. Zakir Hossain, Deputy Managing Director as Chief Risk Officer (CRO) placed before the committee for their kind information and approval. The committee advised to present the same to the Board of Directors for kind approval.
	Information regarding strengthening the SAM Division presented before the committee for their kind information and approval.
	Detail information regarding "Comprehensive Risk Management Rating" as of June 2024 along with the observations of Bangladesh Bank placed before the committee for their kind information and necessary guidance. The members of the committee discussed the risk issues categorically and advised the management to take initiatives to improve the Risk Rating.
	Detail information regarding "Prompt Corrective Action (PCA) Framework" and Bank's Position as on September 30, 2024 presented before the committee for their kind information and necessary guidance.
	Information regarding "Stress Testing" as of September 2024 placed before the committee with a view to discussing the different shocks absorbing capacity of the Bank & noted accordingly after detail discussion.
	Summary of 168th and 169th ERMC meeting presented before the committee for their kind information.
65th BRMC meeting held on December 26, 2024	Information regarding "Borrower wise credit concentration" presented before the committee for their kind information and necessary guidance.
	Monthly Risk Management Report as on November 2024 placed before the committee for their kind information, where key risk issues identified and discussed.
	Summary of 170th ERMC meeting presented before the committee for their kind information.

Mohammad Abdul Awal
Chairman
Risk Management Committee

CHIEF RISK OFFICER'S REVIEW ON RISK MANAGEMENT

Mercantile Bank demonstrates its dedication to Risk Management by adopting international standards and practices; prioritizing customer-centric products and maintaining information security.



2024 can be attributed by volatile energy market, disruptions to production & shipment of commodities, rising geopolitical tensions, commodity price fluctuations etc. These challenges have slowed down the economic growth all over the world. Despite these challenges, advancements in artificial intelligence, digital transformation, and renewable energy provided opportunities for innovation and growth. Economic policies worldwide focused on balancing inflation control, growth stimulation, and social equity. Worldwide, central banks adjusted their monetary policies in response to evolving economic conditions. Overall, 2024 was a year of adaptation and resilience in the global economic landscape.

Geopolitical instability has created additional challenges for developing countries, like Bangladesh. Bangladesh's economy faced severe stress throughout 2024, with macroeconomic stability continuing to deteriorate. Like many other countries of the world, Bangladesh has nearly overcome the adverse effects of COVID-19. Bangladesh is encountering specific challenges like high inflation, slowdown in economic growth, fragile banking sector, and declining foreign exchange reserves due to various external and internal factors. Despite several global challenges, Bangladesh achieved a growth of 5.78 percent in FY 2022-23 and 5.82 percent in FY 2023-24. Parallel to other countries, inflationary pressures have been observed in Bangladesh too. The general inflation rate rose to 9.73 percent in the FY 2023-24.

Banking sector of Bangladesh is dealing with the impact of global as well as domestic shocks. Actually, banking sector has passed another challenging year marked by liquidity crunch, slow deposit growth, rising non-performing loans (NPLs), slow loan recovery, lack of corporate governance, raising the scope of cyber security & money laundering risk and decline in depositors confidence. The Central Bank of Bangladesh is continuously trying to stabilize the banking sector by implementing several measures like liquidity support, rising interest rates on deposits, board reformation of Banks, etc.

The recent string of banking sector turmoil and associated financial crisis has brought the importance of risk management in banking into sharp focus. Risk Management in Bank has a number of different threat areas to cover. The challenge is not just how many different types of risk there are; it is also about how much control an organization actually has over these factors.

MBPLC'S COMPREHENSIVE APPROACH TO RISK MANAGEMENT

As a Bank, we believe that banking activities always have correlation with risk. From inception, Mercantile Bank employs a comprehensive approach to risk management, so that we can mitigate the risks. We always try to maintain a solid risk management framework without stopping our appetite for risk.

Our Risk Management Framework outlines how we manage risk, providing structure and discipline for risk management activities. This is underpinned by our risk culture that requires all our Officials to own risk outcomes. This framework is evaluated yearly and adopted by the Risk Management Committee of the Board of Directors of the Bank.

Unlike exclusively considering risk as a vulnerable component, we address risk as a scope of opportunity, which done through calculative risk taking and informed decision making on constant basis under risk management strategy. Mercantile Bank strengthening its foothold, both in terms of state of art technology and customer centric products. Bank continuously developing the overall risk management sphere keeping in mind the ever-changing external and internal obligations and requirements.

Last year, the Bank took several initiatives to minimize and control several risks. Bank took several initiatives to minimize and control several risks. Such as a fully centralized foreign trade operation; a centralized credit operation achieved ISO 27001 certification for IT operations; reduced cyber threats on the Bank, including PCI DSS & SWIFT CSP; the Data Center has been certified Rated-3 by an international organization; implemented the latest SWIFT Alliance Application, Version 7.8; arranged training on AML & CFT; arranged risk awareness programs. We periodically reviewed the Risk Appetite Statement (RAS), Leverage Ratio (LR), Risk Based Capital Adequacy, Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) for prudential liquidity management.

In accordance with the direction from the Bangladesh Bank, the Mercantile Bank has a thorough Recovery Plan for Banks in stressful situations which outlines the feasible actions that the bank will take in the event of a significant stressful event in the upcoming years.

Mercantile Bank has been working tirelessly to fortify its regulatory capital basis in order to generate more prospects for business expansion. The Bank is constantly conscious of managing its risks, including those related to concentration, residual, liquidity, strategy, environmental and climate change risk. To show our commitment towards dealing risk proactively, we have checked MBPLC's position in 2024 in accordance with the Prompt Corrective Action (PCA) Framework.

In conclusion, the bank has been able to retain a strong risk management framework without reducing its appetite for risk; thanks to MBPLC's all-encompassing approach to risk management. The bank demonstrates its dedication to risk management by adopting international standards and practices; prioritizing customer-centric products; and maintaining information security.

Mercantile Bank risk management has been focusing on establishing an effective risk management eco-structure aimed towards ensuring all-out risk tolerance to provide comfort to the stakeholders.

We have gone through all possible risk management initiatives to combat domestically & globally unpredictable challenges that might come from technical, regulator and market places.

WAY FORWARD 2025

In 2025, our topmost challenges will be cash recovery; ensuring quality asset portfolio; maintaining adequate capital as per Basel III accords; increasing non-interest earning businesses, and procuring low cost & no cost deposits. Mercantile Bank seeks to pledge a forward-thinking, creative, resilient, and customer-focused Bank by staying watchful and risk-aware. Our strategic priorities for 2025 will contain- promote a culture of risk management in order to encourage long-term growth; strengthen loan portfolio by focusing on Retail and SME business; minimize operational risk by centralizing banking operation; increase borrowers' credit rating; focus on quality customer services by adopting modern technology; address climate change and environmental risks adequately.



Md. Zakir Hossain
Deputy Managing Director &
Chief Risk Officer (Acting)

RISK MANAGEMENT REPORT

OVERVIEW

Mercantile Bank PLC. (the Bank) maintained a steadfast commitment to robust risk management throughout 2024, navigating a complex global and domestic economic landscape. The Bank's comprehensive approach to risk management, deeply embedded in its value creation model, prioritizes international standards, customer-centricity, and information security. While the year presented significant challenges, notably a substantial increase in non-performing loans (NPLs), the Bank's proactive measures, strong capital and liquidity positions, and strategic initiatives underscore its resilience and dedication to sustainable growth.

The Bank's risk management framework, underpinned by strong Board oversight and a clear "three lines of defense" model, ensured continuous adaptation to evolving internal and external obligations. Key initiatives in 2024 included the centralization of foreign trade and credit operations, achieving critical IT security certifications like ISO 27001, and developing a thorough Recovery Plan for stressed scenarios. Despite sector-wide liquidity pressures and a challenging loan recovery environment, the Bank consistently exceeded regulatory capital adequacy and liquidity ratios. Looking ahead to 2025, the strategic focus remains on enhancing asset quality, strengthening cash recovery efforts, and leveraging technology to build a more resilient and forward-thinking institution. The Bank's transparent disclosure and proactive engagement with regulatory frameworks, such as the Prompt Corrective Action (PCA) Framework, reinforce its commitment to prudential management and stakeholder confidence.

RISK LANDSCAPE 2024: GLOBAL & DOMESTIC CONTEXT

The year 2024 unfolded against a backdrop of considerable global and domestic economic volatility, significantly influencing the risk environment for the banking sector. Globally, the economic landscape was characterized by a volatile energy market, disruptions in the production and shipment of commodities, rising geopolitical tensions, and persistent commodity price fluctuations. These factors collectively contributed to a deceleration in global economic growth. Despite these headwinds, advancements in artificial intelligence, digital transformation, and renewable energy also presented avenues for innovation and growth within the financial sector. Central banks worldwide adjusted their monetary policies in a delicate balancing act, aiming to control inflation while simultaneously stimulating growth and promoting social equity.

The Bangladeshi banking sector, in particular, experienced a challenging year, grappling with the ripple effects of these global dynamics alongside its own specific domestic pressures. This period was marked by a pervasive liquidity crunch, sluggish deposit growth, and a notable surge in non-performing loans (NPLs) coupled with slow loan recovery rates. Furthermore, the sector faced heightened risks related to cybersecurity and money laundering, contributing to a decline in overall depositor confidence. The Central Bank of Bangladesh actively intervened to stabilize the sector, implementing various measures such as providing liquidity support, adjusting interest rates on deposits, and initiating board reformations within banks. The recent string of banking sector turmoil and associated financial crises has underscored the critical importance of robust risk management. For financial institutions, the challenge extends beyond merely identifying diverse risk types; it also encompasses the inherent limitations in controlling these complex and often unpredictable external and internal factors. The Bank's internal struggles, particularly the significant increase in NPLs, are not isolated incidents but rather direct manifestations of these broader, systemic pressures impacting the entire banking sector. This perspective highlights the Bank's resilience and adaptive strategies in navigating such a difficult operating environment.

MBPLC'S RISK MANAGEMENT FRAMEWORK & GOVERNANCE

The Bank's foundational approach to risk management is integral to its value creation model, recognizing that accepting calculated risks is a normal course of business. Significant resources are dedicated to this critical function, ensuring that risk awareness is well-articulated, communicated, and understood by all employees, as it is considered a shared responsibility across the organization. The overall goal is to ensure that risks are undertaken in accordance with the Bank's defined risk appetite and strategic objectives, thereby maximizing value delivery to stakeholders.

The Bank's risk management framework is built upon several key pillars: strong Board oversight, multi-tier management supervision, efficient systems, a clearly documented risk appetite, and meticulously articulated policies and procedures. Transparency and the timely, effective mitigation or management of identified risks are core tenets of this framework.

A strong risk culture is actively fostered within Mercantile Bank, encompassing the collective values, beliefs, behaviors, and attitudes that shape how employees and leadership manage risk. This culture is essential for maintaining the Bank's safety, soundness, reputation, and franchise value. The Board of Directors regularly reviews the Bank's risk profile, ensuring that every senior leader is a responsible stakeholder in cultivating this culture and that every employee clearly understands their risk responsibilities in their daily activities.

The Bank adheres to the internationally recognized 'three lines of defense' model, which ensures a clear segregation of duties between risk owners (first line), risk oversight (second line, including an independent Risk Management Division), and assurance roles (third line, e.g., Audit Committee). This structure promotes effective internal control and accountability. Decision-making on risk issues is centralized through a system of specialized committees with clearly defined reporting lines, facilitating comprehensive risk management across all levels of the organization. Key committees include:

- Board Risk Management Committee (BRMC): Responsible for strict adherence to the risk management governance framework, formulating

and reviewing policies, and supervising the Executive Risk Management Committee (ERMC).

- Executive Risk Management Committee (ERMC): Identifies, measures, and manages existing and potential risks, contributes to policy formulation, and determines risk appetite and limits.
- Credit Risk Management Committee (CRMC): Monitors credit risk and devises strategies for credit policy and procedures.
- Assets-Liability Management Committee (ALCO): Monitors the structure of assets and liabilities, identifying and devising strategies for liquidity, interest rate, and market risks.
- Other vital committees include the Audit Committee (AC), Supervisory Review Process (SRP) Team, Sustainable Finance Committee (SFC), Recovery Plan Supervisory Committee, and Basel Supervisory Committee, all contributing to a comprehensive, organization-wide approach to risk management.

In 2024, the Bank continuously developed its overall risk management sphere by reviewing existing guidelines, introducing new risk management tools, building awareness (e.g., through the MBPLC Annual Risk Conference-2024), and adopting new technology. This detailed, structured governance framework directly addresses and counteracts the "lack of corporate governance" identified as a challenge within the broader Bangladeshi banking sector. By demonstrating a strong and well-defined governance structure, the Bank signals its proactive approach to internal control and ethical conduct, which is vital for long-term stability and stakeholder confidence in a volatile environment.

RISK PERFORMANCE & MANAGEMENT HIGHLIGHTS 2024

This section provides a realistic analysis of Mercantile Bank's performance and key management activities across its primary risk categories in 2024, reflecting both areas of strength and those requiring continued strategic focus.

CAPITAL ADEQUACY

Mercantile Bank PLC maintained a sound capital position in 2024, with its Capital to Risk-weighted Asset Ratio (CRAR) standing at 13.07% on a solo basis and 13.05% on a consolidated basis as of December 31, 2024. These figures comfortably surpassed the minimum regulatory requirement of 12.50%, which includes the Capital Conservation Buffer. The total eligible capital amounted to BDT 38,748.55 Million (Solo) and BDT 39,176.4 Million (Consolidated). The Bank's policy is to manage and maintain its capital at an adequate level, well above the minimum requirement, to absorb all material risks and ensure compliance with regulatory mandates.

While the Bank's CRAR remained compliant, a provision shortfall of BDT 1,700.86 crore was noted as of December 31, 2024. Recognizing the broader capital landscape within the sector, the regulatory flexibility supports the Bank's current capital position. The Bank is proactively engaged in initiatives to further enhance its provisioning levels and strengthen its capital base for sustained resilience.

To assess resilience under stress, the Bank regularly conducts scenario-based stress testing. The December 2024 assessment revealed that under combined moderate and major shocks, the CRAR could adjust to 8.08% and 5.67%, respectively. These insights provide valuable guidance in enhancing the Bank's capital strategy and further emphasize the importance of its ongoing efforts to reinforce capital buffers. The Bank remains committed to strengthening its capital adequacy through strategic initiatives, enhanced risk management practices, and sustained focus on financial resilience.

The following tables provide a detailed overview of the Bank's capital adequacy and stress testing results:

TABLE 1: CAPITAL ADEQUACY & RWA BREAKDOWN (BDT IN MILLION)

Particulars	Dec-24	Dec-23
A. Eligible Capital		
1. Tier-1 Capital	27,715.37	28,722.62
2. Tier-2 Capital	11,033.18	14,544.36
3. Total Eligible Capital (1+2)	**38,748.55**	**43,266.98**
B. Total Risk Weighted Assets (RWA)	**296,518.31**	**292,490.93**
**C. Capital to Risk-weighted Asset Ratio (CRAR) (A3/B)100*	13.07%	14.79%
D. Tier-1 Capital to RWA (A1/B)*100	9.35%	9.82%
E. Tier-2 Capital to RWA (A2/B)*100	3.72%	4.97%
F. Leverage Ratio	5.46%	6.17%

CAPITAL ALLOCATION BY RISK TYPES (BDT IN MILLION)

Particulars	Dec-24	Dec-23
Credit Risk (A)	259,035.71	256,984.14
On-Balance Sheet	228,635.81	220,926.05
Off-Balance Sheet	30,399.90	36,058.09
Market Risk (B)	7,349.84	6,960.77
Operational Risk (C)	30,132.76	28,546.02
Total RWA (A+B+C)	296,518.31	292,490.93

TABLE 2: STRESS TESTING RESULTS (CRAR AFTER SHOCK)

Individual Shocks	CRAR after shock					
	December-2024			December-2023		
	Minor	Moderate	Major	Minor	Moderate	Major
Performing loan directly downgraded to B/L: Sectoral Concentration 1	12.70	12.32	11.94	14.27	13.21	12.14
Performing loan directly downgraded to B/L: Sectoral Concentration 2	12.78	12.48	12.18	14.50	13.92	13.33
Increase in NPLs due to default of Top large loan borrowers	9.12	7.51	4.15	10.20	7.73	6.62
Negative Shift in NPLs categories	12.68	12.49	12.29	14.38	13.07	12.24
Decrease in the FSV of the Collateral	11.95	11.57	11.19	14.40	14.00	13.20
Increase in NPLs	11.48	9.82	8.11	13.13	9.47	4.87
Interest Rate	12.87	12.77	12.67	14.62	14.44	14.27
FEX : Currency Depreciation	12.97	12.93	12.88	14.76	14.73	14.70
Equity Shock	12.31	12.06	11.80	14.53	14.28	13.75
Combined Shock	9.66	8.02	5.59	11.87	6.03	-0.94

CREDIT RISK

Credit risk remains a central focus for Mercantile Bank, given its inherent role in lending and its impact on capital consumption. In 2024, the Bank navigated a challenging credit environment, which saw the Non-Performing Loan (NPL) ratio increase from 6.08% in 2023 to 17.25%. This was accompanied by a rise in total classified loans from BDT 17,313 Million to BDT 51,761 Million, primarily driven by an increase in the "Bad and Loss" category.

The Bank proactively manages its loan portfolio, recognizing the importance of diversification. While the portfolio remains concentrated in urban areas, particularly Dhaka (72.73% in 2024) and Chattagram (17.33%), and within the industry sector (67.18%), these concentrations are actively monitored. The exposure to top-20 borrowers, which increased from 21% in 2023 to 26% in 2024, is also under close scrutiny to mitigate potential impacts from large defaults.

Mercantile Bank employs a comprehensive credit risk management framework, established by the Board of Directors in line with Bangladesh Bank guidelines. This framework includes a defined Risk Appetite Statement (RAS), Management Action Triggers (MAT), Single Borrower Exposure Limits, Environmental Risk Rating, collateral security coverage, and stress testing. The Bank maintains both General and Specific provisions against unclassified and classified loans, as well as off-balance sheet exposures, in accordance with regulatory guidelines to cover potential losses. These mitigation techniques are continuously applied and refined to address the dynamic economic environment and portfolio characteristics, ensuring proactive management of credit quality.

Table 3: NPL Status (BDT in Million)

Status of classifications	YTD'24	YTD'23
SMA	2,015	2,451
SS	479	684
DF	601	567
Bad and Loss	50,681	16,062
Total CL	51,761	17,313
Total loans and advances	300,025	284,831
NPL Ratio	17.25%	6.08%

TABLE 4: LOAN PORTFOLIO CONCENTRATION (BDT IN MILLION)

Particulars	YTD'24		YTD'23	
	Outstanding	%	Outstanding	%
Sector-wise allocation of Loans and Advances				
Agriculture, Fishing, and Forestry	5,735	1.91%	5,284	1.86%
Industry Loan	201,544	67.18%	190,729	66.96%
Trade & Commerce	40,110	13.37%	38,197	13.41%

Particulars	YTD'24		YTD'23	
	Outstanding	%	Outstanding	%
Construction	17,940	5.98%	17,279	6.07%
Transport	1,410	0.47%	1,352	0.47%
Consumer financing	9,088	3.03%	6,460	2.27%
Loans to financial institutions	14,522	4.84%	13,509	4.74%
Miscellaneous	9,676	3.22%	12,021	4.22%
Total	**300,025**	**100%**	**284,831**	**100%**
Geographical Concentration of Loans and Advances				
Dhaka	218,215	72.73%	206,352	72.45%
Chattagram	51,983	17.33%	49,043	16.16%
Rajshahi	17,810	5.94%	17,904	5.73%
Sylhet	966	0.32%	1,058	0.36%
Khulna	3,009	1.00%	2,767	0.88%
Rangpur	4,616	1.54%	4,496	1.58%
Barisal	2,982	0.99%	2,790	1.02%
Mymensingh	444	0.15%	421	0.15%
Total	**300,025**	**100%**	**284,831**	**100%**
Top-20 Borrower Concentration				
Top-20 Borrower Funded Loan	78,159		59,053	
% of Total Loans and advances	26%		21%	

LIQUIDITY RISK

Mercantile Bank maintained a robust liquidity position throughout 2024, exceeding regulatory requirements. Its Liquidity Coverage Ratio (LCR) stood at 165.18%, and the Net Stable Funding Ratio (NSFR) was 105.81%, both comfortably above the 100% regulatory minimum.1 The Advance to Deposit Ratio (ADR) was managed at 82.53%, remaining below the regulatory limit of 87%. These strong ratios suggest effective liquidity management and compliance with prudential standards.

The Bank employs various methods for prudential liquidity management, including regular review of LCR, NSFR, and Leverage Ratio. Key tools include GAP analysis, which assesses asset-liability mismatches across various time buckets (e.g., 0-30 days, 31-90 days), and cash flow forecasting to anticipate future cash flow mismatches. The Assets-Liability Management Committee (ALCO) plays a prime role in monitoring and managing these aspects.

A comprehensive, Board-approved Recovery Plan is in place, prepared and maintained in accordance with Bangladesh Bank guidelines. This plan outlines feasible actions to maximize the Bank's survival prospects under severe stressed scenarios, specifically designed to function without supervisory or government intervention. The existence of this detailed Recovery Plan is a crucial proactive measure, indicating the Bank's awareness of systemic liquidity risks and its preparedness for extreme stress, even with healthy current metrics.

While the Bank's LCR and NSFR ratios are strong, the broader "liquidity crunch" affecting the domestic banking sector and the significant reliance on fixed deposits (37%) and scheme deposits (16%) in the deposit mix suggest underlying structural considerations. These deposit categories, while providing stability, can be less flexible and potentially higher-cost sources of funding compared to current and savings accounts. A sector-wide liquidity crunch could intensify competition for these deposits, potentially impacting profitability. The Bank's proactive development of a Recovery Plan demonstrates a clear understanding of these potential vulnerabilities and a commitment to preparedness for external shocks.

Table 5: Key Liquidity Ratios

Risk Appetite Criteria	Risk Limit for 2024	Position 2024
Liquidity Risk		
Top-10 deposit suppliers to total deposit (in %)	19.26%	16.95%
Commitment limit (In Million)	2,22,060	2,17,740
Advance to Deposit Ratio (ADR) (in %)	87%	82.53%
Liquidity Coverage Ratio (LCR) (in %)	100%	165.18%
Net Stable Funding Ratio (NSFR) (in %)	100%	105.81%
Stock of High quality liquid assets (BDT in Crore)		9,385.17
Total net cash outflows over the next 30 calendar days (BDT in Crore)		5,682.13

OPERATIONAL & TECHNOLOGY RISK

The Internal Control & Compliance Division, operating under the guidance of the Audit Committee of the Board, holds the primary responsibility for mitigating operational risk within the Bank.

In 2024, Mercantile Bank made significant advancements in strengthening its operational and technology risk posture, demonstrating a proactive and robust stance against evolving digital threats and internal process weaknesses. Key initiatives and achievements include:

- **Information Security Certifications:** The Bank achieved ISO 27001 certification for its IT operations, signifying adherence to international information security management standards. It also successfully reduced cyber threats, including compliance with critical industry standards like PCI DSS (Payment Card Industry Data Security Standard) and SWIFT CSP (Customer Security Programme).
- **Data Center Resilience:** The Bank's Data Center received a Rated-3 certification from an international organization, indicating a high level of availability and resilience against disruptions.
- **Technology Upgrades:** The latest SWIFT Alliance Application, Version 7.8, was implemented, enhancing the security and efficiency of financial messaging.
- **Operational Centralization:** Strategic decisions were made to centralize foreign trade operations and credit operations. This centralization inherently minimizes the potential for operational errors, enhances control mechanisms, and streamlines processes, directly addressing the risk of internal process failures.
- **Awareness and Training:** Extensive training programs were conducted on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT), with 791 officials trained, alongside broader risk awareness programs. These efforts are crucial for fostering a strong risk culture and mitigating risks arising from human factors and non-compliance.

The Bank's substantial investments in IT security certifications and the strategic centralization of operations are direct and highly effective responses to the "raising the scope of cyber security & money laundering risk" and "operational errors" identified as sector-wide challenges. These concrete, verifiable actions demonstrate a proactive and robust stance against evolving digital threats and internal process weaknesses, which is crucial for maintaining depositor confidence and regulatory compliance in a challenging banking environment.

For regulatory capital purposes, the operational risk capital charge is calculated using the Basic Indicator Approach, which is 15% of the average positive annual gross income over the last three years.

MARKET & OTHER EMERGING RISKS

Mercantile Bank is exposed to market risk, which arises from fluctuations in market variables such as interest rates, foreign exchange rates, credit spreads, and equity prices. These fluctuations can significantly affect the Bank's Net Interest Margin (NII), the value of its trading portfolio, income from treasury operations, and the quality of its loan portfolio. The Assets Liability Management Committee (ALCO) and the Treasury Division bear the primary responsibility for managing market risk. They employ a suite of tools and models, including Mark-to-Market (MTM) valuations, Value-at-Risk (VaR), Stress Testing, and an extensive limit management framework, all of which are periodically reviewed to enhance their effectiveness.

In terms of interest rate risk performance, the actual impact on Net Interest Income (NII) due to a 1% adverse change in interest rate was BDT (139) Million in 2024. This performance was significantly better than the set risk limit of BDT (370) Million, indicating either highly effective risk management strategies or favorable positioning in a volatile interest rate environment. This positive outcome serves as a strong indicator of the Bank's capability in managing this specific market risk against its stated appetite.

Table 6: Market Risk Impact on Net Interest Income (NII) (BDT in Million)

Risk Appetite Criteria	Risk Limit for 2024	Position 2024
Market Risk		
Impact on net interest income(NII) due to 1% adverse change in interest rate	(370)	(139)

Beyond traditional financial risks, the Bank demonstrates a forward-thinking and holistic approach to risk management by explicitly addressing other emerging risk categories:

- Environmental and Climate Change Risk: Recognizing the increasing importance of sustainability, the Bank has a Board-approved 'Environmental and Social Risk Management' guideline, which is integrated into its Credit Policy. This framework is maintained to manage adverse environmental and social impacts stemming from its lending businesses and to ensure compliance with prevailing national environmental regulations.
- Human Resources (HR) Risk: The Bank addresses HR risks, which include issues such as improper employee management, employee behavior, theft, sabotage, fraud, unexpected temporary leave, poor management practices, and employee turnover. Mitigation strategies encompass assessing risks, workforce planning, proper hiring practices, succession planning, job rotation, fostering ethical behavior, and continuous training and development.

OUTLOOK & STRATEGIC PRIORITIES FOR 2025

Looking ahead, Mercantile Bank anticipates several critical challenges in 2025 that will shape its strategic priorities for risk management. These include intensifying efforts for cash recovery, ensuring the sustained quality of its asset portfolio, maintaining adequate capital levels in strict adherence to Basel III accords, growing non-interest earning businesses, and strategically procuring low-cost and no-cost deposits. The explicit inclusion of "cash recovery" and "ensuring quality asset portfolio" as topmost challenges directly acknowledges the severity of the 2024 NPL increase and the provision shortfall, indicating that the Bank views these not as isolated issues but as systemic problems requiring sustained strategic focus.

In response to these anticipated challenges and to further enhance its risk resilience and support sustainable business growth, Mercantile Bank aims to be a forward-

thinking, creative, resilient, and customer-focused institution. The key strategic priorities for 2025 encompass:

- Cultivating a Strong Risk Culture: Promoting a robust culture of risk management across all lines of defense to foster long-term growth and embed risk-adjusted returns in decision-making processes.
- Strengthening Asset Quality: Deliberately focusing on Retail and SME businesses to strengthen the loan portfolio, which suggests a strategic move towards a more diversified and potentially less concentrated loan book, aiming to mitigate future credit concentration risks. This includes intensifying efforts to increase borrowers' credit ratings and ensuring intense monitoring of vulnerable risk areas.
- Enhancing Operational Efficiency and Security: Minimizing operational risk by further centralizing banking operations and adopting modern technology to enhance quality customer services. This also includes initiating a real-time digitized platform for continuous monitoring of risk limits, indicating a commitment to leveraging technology for more dynamic and effective risk management.
- Proactive NPL Management: Implementing collective initiatives for NPL management, coupled with ensuring adequate provisioning to address the existing portfolio quality challenges.
- Policy and Framework Review: Conducting comprehensive reviews of risk management policies and guidelines to ensure their continued effectiveness under changing scenarios.
- Addressing Emerging Risks: Proactively addressing environmental and climate change risks, demonstrating a commitment to broader sustainability considerations.

Demonstrating a proactive stance and strong commitment to regulatory compliance and early intervention, the Bank has already commenced calculating various parameters under the Prompt Corrective Action (PCA) Framework, ahead of its official implementation by Bangladesh Bank from March 31, 2025. This forward-looking engagement is crucial for maintaining stability and confidence in a challenging banking sector. The strategic priorities for 2025 represent a direct, comprehensive, and adaptive response to the challenges encountered in 2024, positioning the Bank for enhanced resilience and sustainable performance.

DISCLOSURES ON RISK BASED CAPITAL (BASEL III)

OVERVIEW OF PILLAR 3 DISCLOSURE

Pillar 3 of the Basel III framework is an integral part of the broader Basel Consolidated Framework, which brings together all requirements issued by the Basel Committee on Banking Supervision (BCBS) into a single, cohesive document. It provides detailed disclosures on the fundamental drivers of Risk-Weighted Assets (RWA), capital composition, leverage ratios, liquidity metrics, equity exposures, interest rate risk in the banking book, and other key business parameters. This framework is pivotal in fostering a transparent and disciplined financial market, enabling stakeholders to assess a bank's asset holdings, identify associated risks, and evaluate its capital adequacy.

CONSISTENCY AND VALIDATION

MBPLC operates under a formal disclosure framework approved by its Board of Directors, incorporating both qualitative and quantitative disclosures in strict compliance with Bangladesh Bank guidelines and directives.

The quantitative disclosures in this report are based on the bank's audited financial statements as of December 31, 2024, with data verifiable against the publicly accessible statements available on the bank's official website (www.mblbd.com).

In accordance with Basel III guidelines, MBPLC applies the 'Standardized Approach' for Credit and Market Risk, and the 'Basic Indicator Approach' for Operational Risk. This comprehensive disclosure is prepared annually and made available to stakeholders through a dedicated link titled "Disclosures on Risk Based Capital (Basel III)" on the Bank's homepage.

DISCLOSURE FRAMEWORK

In line with the Bangladesh Bank guidelines, following detailed qualitative and quantitative disclosures are prepared covering-

A. SCOPE OF APPLICATION

QUALITATIVE DISCLOSURES		
(a)	The name of the corporate entity in the group to which the guidelines applies.	**Mercantile Bank PLC. (MBPLC)**
(b)	An outline of difference in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The guidelines outlined in this disclosure apply to Mercantile Bank PLC (MBPLC), the principal corporate entity of the group. MBPLC was incorporated as a public limited company in Bangladesh on May 20, 1999, and commenced operations on June 2, 1999. It was listed on the Dhaka Stock Exchange on February 16, 2004, and on the Chittagong Stock Exchange on February 26, 2004. As of December 31, 2024, MBPLC operates through 152 branches and 45 sub-branches. In addition to core commercial banking, it offers Off-shore Banking, Islamic Banking Window operations, Agent Banking, and Mobile Banking services. The bank has three fully consolidated subsidiaries, contributing to its diversified business model: • **Mercantile Bank Securities Limited (MBSL):** Established on June 27, 2010, and operational from September 14, 2011, MBSL is licensed by the Bangladesh Securities and Exchange Commission (BSEC) as a stock dealer and broker. It facilitates trading in securities listed on the Dhaka and Chittagong stock exchanges, or those approved by BSEC, and provides margin loan facilities to clients. • **Mercantile Exchange House (UK) Limited:** A wholly-owned subsidiary incorporated in England and Wales on December 1, 2010, and operational from December 6, 2011. It offers fast, secure remittance services to Bangladeshi expatriates in the UK. • **MBL Asset Management Limited:** Commenced operations on January 30, 2020, under the BSEC (Mutual Fund) Rules, 2001. Its focus includes mutual fund and portfolio management, capital market operations, issue management, and related financial services, both domestic and international.
(c)	Any restriction, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable.

QUANTITATIVE DISCLOSURES		
(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not applicable.

B. CAPITAL STRUCTURE

QUALITATIVE DISCLOSURES		
(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 and Tier 2.	Under the Basel III framework, the regulatory capital of Mercantile Bank PLC (MBPLC) comprises two primary tiers: Tier-1 (going-concern) Capital and Tier-2 (gone-concern) Capital. Tier-1 is further divided into Common Equity Tier-1 (CET-1) Capital and Additional Tier-1 (AT-1) Capital. Bangladesh Bank prescribes specific capital requirements, including a minimum CET-1 Capital of 4.50% of total Risk Weighted Assets (RWA), a minimum Tier-1 Capital of 6.00%, and an overall Capital to Risk Weighted Assets Ratio (CRAR) of at least 10%. In line with Basel III, AT-1 Capital may be recognized up to 1.5% of RWA or 33.33% of CET-1, whichever is higher, while Tier-2 Capital is admissible up to 4.0% of RWA or 88.89% of CET-1, whichever is higher. Additionally, a Capital Conservation Buffer (CCB), introduced in 2015, must be maintained in the form of CET-1. To calculate eligible regulatory capital for CRAR, Bank must apply prescribed regulatory adjustments to both Tier-1 and Tier-2 Capital.

QUANTITATIVE DISCLOSURES

(b) The regulatory capital of Mercantile Bank PLC. as of December 31, 2024, is presented below, detailing both solo and consolidated figures:

(BDT in Crore)

Particulars		Solo	Consolidated
Tier-1 Capital			
A	**Common Equity Tier-1 (CET-1) Capital**		
	Fully Paid Up Capital	1,106.58	1,106.58
	Non-repayable Share Premium account	0.00	0.00
	Statutory Reserve	1,066.76	1,066.76
	General Reserve	248.00	248.00
	Retained Earning	3.01	35.07
	Dividend Equalization Account	4.57	4.57
	Minority Interest in Subsidiaries	0.00	10.70
	Others (If any item approved by Bangladesh Bank)	0.00	0.00
	Sub-Total (A)	**2,428.91**	**2,471.68**
	Regulatory Adjustments/Deductions from CET-1	20.37	20.37
	Total Common Equity Tier-1 (CET-1) Capital	**2,408.54**	**2,451.31**
B	**Additional Tier-1 (AT-1) Capital**	363.00	363.00
Total Tier 1 Capital (A+B)		2,771.54	2,814.31
Tier-2 Capital			
	General Provision	1,103.32	1,103.32
	Subordinated Debt/Instruments	0.00	0.00
	Sub-Total	1,103.32	1,103.32
	Regulatory Adjustments/Deductions from Tier-2 Capital	0.00	0.00
Total Tier-2 capital		**1,103.32**	**1,103.32**
Total Eligible Capital (Tier-1+Tier-2)		**3,874.86**	**3,917.63**

(c) Regulatory Adjustments/Deductions from Capital

Particulars	Solo	Consolidated
Regulatory Adjustments/Deductions from CET-1 Capital		
Shortfall in provisions required against investment in Share (Quoted Share excluding director Equity Shares)	20.37	20.37
Regulatory Adjustments/Deductions from Tier-2 Capital		
50% of Revaluation Reserves for Fixed assets, Securities & Equity (phase-in deductions as per Basel III guideline)	0.00	0.00

(d) Total Eligible Capital

Particulars	Solo	Consolidated
Total Tier-1 Capital (CET-1 Capital + AT-1 Capital)	2,771.54	2,814.31
Total Tier-2 capital	1,103.32	1,103.32
Total Eligible Capital (Tier-1 + Tier-2)	3,874.86	3,917.63

Disclosure:

As of December 31, 2024, the Bank has a provision shortfall of BDT 1,700.86 crore, after transferring BDT 200.00 crore from pre-provision profit in accordance with Bangladesh Bank directive (Ref: ডিওএস (সিএএমএস) ১১৫৭/৪১(ডিভিডেন্ড)/২০২৫-৩১১২ dated May 22, 2025). Bangladesh Bank has granted a no-objection to finalizing the financial statements without full adjustment of the shortfall, in view of existing capital constraints.

C. CAPITAL ADEQUACY

QUALITATIVE DISCLOSURES

(a)	A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.	MBPLC assesses the adequacy of its capital to support current and future activities by adopting the Standardized Approach for computing Capital Charge for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The Total Risk Weighted Assets (RWA) of the Bank are determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum CRAR ratio (10% as of December 31, 2024), and then adding these figures to the sum of risk-weighted assets for Credit Risk. The resulting Total RWA serves as the denominator, with the total Eligible Regulatory Capital as the numerator, to derive the Capital to Risk Weighted Assets Ratio (CRAR). The Bank's CRAR, on both solo and consolidated bases, stood at 13.07% and 13.05% respectively, against a minimum requirement of 12.50% (including the Capital Conservation Buffer) as of December 31, 2024. MBPLC's policy is to manage and maintain its capital at a level that consistently exceeds the minimum Basel III requirements. The goal of the bank's capital management process is to ensure that its capital base is robust enough to absorb all material risks while simultaneously complying with all regulatory mandates.

QUANTITATIVE DISCLOSURES

(BDT in Crore)

	Particulars	Solo	Consolidated
(b)	Capital Requirement for Credit Risk	2,590.36	2,608.42
(c)	Capital Requirement for Market Risk	73.50	87.69
(d)	Capital Requirement for Operational Risk	301.33	306.99
(e)	Individual Capital Ratio		
	Capital to Risk Weighted Assets Ratio (CRAR)	13.07%	13.05%
	CET-1 Capital to RWA Ratio	8.12%	8.16%
	Total Tier-1 Capital to RWA Ratio	9.35%	9.38%
	Tier-2 Capital to RWA Ratio	3.72%	3.67%
(f)	Capital Conservation Buffer (2.50% of RWA)	741.30	750.78
(g)	Available Capital under Pillar-2 Requirement	168.37	163.75

D. CREDIT RISK

QUALITATIVE DISCLOSURES		
(a)	**The general qualitative disclosure requirement with respect to credit risk, including:**	
	i) Definition of past due and impaired (for accounting purposes);	As per the directives of Bangladesh Bank, all loans and advances are classified into four broad categories for the purpose of loan classification: 1. Continuous Loan 2. Demand Loan 3. Fixed Term Loan 4. Short-Term Agricultural Credit & Micro Credit **1. Continuous Loan** • **For CMSE (Cottage, Micro, Small Enterprises):** • **Sub-standard:** Past due for ≥ 6 months but < 18 months • **Doubtful:** Past due for ≥ 18 months but < 30 months • **Bad/Loss:** Past due for ≥ 30 months • **For Others (Non-CMSE):** • **Sub-standard:** Past due for ≥ 3 months but < 9 months • **Doubtful:** Past due for ≥ 9 months but < 12 months • **Bad/Loss:** Past due for ≥ 12 months **2. Demand Loan** • **For CMSE:** • **Sub-standard:** Past due for ≥ 6 months but ≤ 18 months • **Doubtful:** Past due for > 18 months but ≤ 30 months • **Bad/Loss:** Past due for > 30 months • **For Others (Non-CMSE):** • **Sub-standard:** Past due for ≥ 3 months but ≤ 9 months • **Doubtful:** Past due for > 9 months but ≤ 12 months • **Bad/Loss:** Past due for > 12 months **3. Fixed Term Loan** • **For CMSE:** • **Sub-standard:** Installment(s) overdue for ≥ 6 months but < 18 months • **Doubtful:** Installment(s) overdue for ≥ 18 months but < 30 months • **Bad/Loss:** Installment(s) overdue for ≥ 30 months • **For Others (Non-CMSE):** • **Sub-standard:** Installment(s) overdue for ≥ 3 months but < 9 months • **Doubtful:** Installment(s) overdue for ≥ 9 months but < 12 months • **Bad/Loss:** Installment(s) overdue for ≥ 12 months **4. Short-Term Agricultural Credit & Micro Credit** • **Sub-standard:** Irregular status continuing for ≥ 12 months • **Doubtful:** Irregular status continuing for ≥ 36 months • **Bad/Loss:** Irregular status continuing for ≥ 60 months Any Continuous Loan, Demand Loan, or Fixed Term Loan that remains past due/overdue for 2 months or more must be placed in the Special Mention Account (SMA) category.

ii) Description of approaches followed for specific and general allowances and statistical methods;

As per Bangladesh Bank's guideline, MBPLC maintains General and Specific provision in the following way:

A. General Provision

Particulars	Rate (%)
Unclassified loans/SMA under Small and Medium Enterprise (SME)	0.25%
Unclassified loans/SMA (excluding Consumer Financing, Brokerage Houses, Merchant Banks, etc.)	1%
Unclassified loans/SMA under Consumer Financing (excluding Housing Finance & professional loans)	2%
Unclassified loans/SMA for Housing Finance & Loans to professionals (under Consumer Financing)	1% – 2%
Unclassified loans/SMA to Brokerage Houses, Merchant Banks, Stock Dealers, etc.	2%
Off-Balance Sheet exposures	1%

B. Specific Provision

For Classified Continuous, Demand, and Fixed Term Loans

Classification	CSME Rate (%)	Other than CSME Rate (%)
Sub-standard	5%	20%
Doubtful	20%	50%
Bad/Loss	100%	100%

For Short-Term Agricultural and Micro-Credits

All credits (except Bad/Loss)	5%
Bad/Loss	100%

iii) Discussion of the Bank's credit risk management policy

The Bank has adopted a robust and multi-dimensional approach to managing credit risk. Key strategies include fostering a strong risk awareness culture and operating under a Board-approved Credit Policy. A dedicated Credit Risk Management Division is supported by a Law and Recovery Division and specialized Recovery Teams led by senior executives. Internal controls are strengthened through an independent audit function with direct access to the Board and Audit Committee. The Bank emphasizes credit quality and portfolio diversification, employs an early warning system to detect potential defaults, and applies prudent provisioning and interest suspension practices. A structured, risk-based credit approval process—guided by counterparty credit ratings—supports sound lending decisions. Additionally, a comprehensive Non-Performing Loan (NPL) management system underpins its overall credit risk mitigation framework.

QUANTITATIVE DISCLOSURES

(b) Total gross credit risk exposures broken down by major types of credit exposure.

Total Gross Credit Risk exposures broken down by major types of credit exposure as on December 31, 2024 is as under:

Particulars	BDT in Crore
Term Loan	12,938.95
Time Loan	2,638.09
Packing Credit	292.42
Loan against Trust Receipt (LTR)	378.17
Lease Finance	133.28
EDF Loan	1,051.51
Loan General	-
House Building Loan	423.16
Hire Purchase	1,005.15
Payment Against Documents (PAD)	2.77
Cash Credit (Hypo)	779.68
Overdraft	3,818.76
Home Loan Scheme Refinance	0.01
Personal Loan	20.46

		Particulars	BDT in Crore
		Consumer Credit Scheme	0.18
		Consumer Finance	271.87
		Staff Loan	143.93
		Credit Card	85.07
		Small and Medium Enterprise (SME) Loan	3,667.04
		Agricultural Credit	573.37
		Working Capital under Stim Package	5.02
		Other Credit Scheme	0.15
		Islamic Banking	
		Quard	4.15
		Bai-Muajjal	720.24
		Murabaha-TR (PIF)	16.89
		HPSM-Others-Croporate	97.78
		Loan against Non-banking Assets	
		Loan against Non-banking Assets	0.29
		Bill Purchased and Discounted	
		Payable in Bangladesh	197.86
		Payable outside Bangladesh	736.27
		Total	**30,002.51**
(c)	Geographical distribution of exposure, broken down in significant areas by major types of credit exposure	**Geographical Distribution of total exposure as on December 31, 2024 is as under:**	
		Particulars	**BDT in Crore**
		Urban	
		Dhaka Division	21,378.46
		Chattogram Division	4,711.07
		Rajshahi Division	1,683.95
		Sylhet Division	95.09
		Khulna Division	300.87
		Rangpur Division	442.19
		Barisal Division	282.35
		Mymensingh Division	44.39
		Sub-Total (A)	**28,938.38**
		Rural	
		Dhaka Division	443.03
		Chattogram Division	487.18
		Rajshahi Division	97.09
		Sylhet Division	1.54
		Khulna Division	-
		Rangpur Division	19.45
		Barisal Division	15.84
		Mymensingh Division	-
		Sub-Total (B)	**1,064.13**
		Grand Total (A+B)	**30,002.51**

(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure as on December 31, 2024 is as under:	
		Particulars	**BDT in Crore**
		Education (School/College, University, Research institute)	56.45
		Health	61.79
		Agriculture	574.89
		Commodities (Sugar/ Edible Oil/ Wheat/ Rice/ Dal/ Peas/ Maize etc), Food & Beverage	3,095.29
		Trade Finance	4,011.08
		Transport	140.95
		Shipping	1.28
		Textile (Excluding IDBP)	2,070.31
		Textile (IDBP)	76.67
		Readymade Garments (RMG) [excluding IDBP]	4,952.93
		Readymade Garments (RMG) [IDBP]	4.07
		Tele Communication	114.90
		IT & Computer/Trade	26.38
		Power & Fuel	805.97
		Real Estate	895.30
		Cement	182.09
		Chemicals	696.95
		Leather & Leather Products	607.14
		Plastic & Plastic Products	84.74
		Electrical & Electronic Goods	466.76
		Paper & Packaging	705.98
		Jute & Jute Products	504.21
		Ceramics (Table ware, Sanitary ware, Tiles etc.)	138.38
		Iron & Steel	3,094.65
		Engineering & Construction	944.03
		Contractor Finance	541.17
		Capital Market Intermediaries	156.66
		Backward Linkage	364.45
		Consumer & Retail Products	908.87
		NBFI	1,181.94
		Service (Hotel, Restaurant, Travelling, Tickets, etc.)	441.46
		Others	2,094.47
		Loan against Non-banking Assets	0.29
		Total	**30,002.51**
(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure	**Residual contractual maturity breakdown of total exposure as on December 31, 2024 is as under:**	
		Repayable on Demand	6,429.37
		Not more than 3 (three) months	3,389.38
		More than 3 (three) Months but not more than 1 (one) year	6,339.30
		More than 1 (one) year but not more than 5 (five) years	9,223.87
		More than 5 (five) years	4,620.59
		Total	**30,002.51**

(f)	**By major industry and counter party type:**		
	i) Amount of impaired loans and if available, past due loans, provided separately	**Impaired Loan (or classified Loan) under 4 (four) broad categories as on December 31, 2024 is as under:**	
		Particulars	**BDT in Crore**
		Continuous Loan	1,226.27
		Demand Loan	470.79
		Term Loan	3,478.78
		Short Term Agro Credit and Micro Credit	0.32
		Total	5,176.17
	ii) Specific and general provisions; and	**As per Bangladesh Bank's guidelines, the specific and general provisions maintained as of December 31, 2024, are summarized below:**	
		Particulars	**BDT in Crore**
		General Provision (including SMA & OBU)	971.13
		Specific Provision (SS, DF, Bad/Loss)	1,144.78
		Provision for Off-balance Sheet Exposure	132.19
	iii) Charges for specific allowances and charge-offs during the periods	**During 2024, the Bank maintained provisions on unclassified, classified, and off-balance sheet exposures in accordance with Bangladesh Bank guidelines:**	
		Particulars	**BDT in Crore**
		Provision against Un Classified Loans	(125.65)
		Provision against Classified Loans	544.37
		Other Provision (Off Balance Sheet Items)	8.78
(g)	Gross non-performing assets (NPAs):	**Gross non-performing assets as on December 31, 2024 is as under**	
		Particulars	**BDT in Crore**
		Gross non-performing assets (NPAs):	
		Non-performing Assets (NPAs) to Outstanding Loans & Advances	17.25%
		Movement of Non Performing Assets	
		Opening balance	1,731.33
		Increase/(decrease)	3,444.83
		Closing Balance	5,176.17
		Movement of specific provisions for NPAs	
		Opening balance	639.54
		Fully Provided Debts written off	(283.97)
		Recoveries of amount from pre-written off	75.61
		Special Provision for the year	168.96
		Provisions made during the period	544.37
		Write-back of excess provisions	-
		Special provision against NBA	0.27
		Closing Balance	1,144.78

E. EQUITIES: DISCLOSURE FOR BANKING BOOK POSITIONS

QUALITATIVE DISCLOSURES		
(a)	**The general qualitative disclosure requirement with respect to equity risk, including:**	
	Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons.	MBPLC holds equity shares primarily for two purposes: to realize capital gains and to serve strategic or relationship-based objectives, such as equity participation and portfolio diversification. For example, the Bank maintains a directorship in IDLC Finance Ltd., where the investment is driven more by strategic alignment than by short-term capital appreciation. Equity investments are categorized into Quoted Securities—traded in secondary markets and held in the trading book—and Unquoted Securities, which are not publicly traded and are classified under the banking book.

	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in the practices.	Quoted shares are initially recorded at cost. At each quarter-end, if the total cost of the quoted equity portfolio exceeds its market value, a provision is made for the shortfall in accordance with regulatory requirements. Unquoted shares are valued at cost or at book value, whichever is lower, based on the latest audited financial statements.

QUANTITATIVE DISCLOSURES			(BDT in Crore)
Particulars		**Solo**	**Consolidate**
(b)	Value disclosed in the balance sheet of investment, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.		
	• Quoted shares	114.90	249.33
	• Un Quoted shares	112.57	112.57
(c)	The cumulative realized gain (losses) arising from sales and liquidations in the reporting periods.		
	• Realized gain (losses) from equity investments	1.12	1.38
(d)	Total unrealized gains (losses)	12.37	11.64
	Total latent revaluation gains (losses)	0.00	0.00
	Any amount of the above included in tier 2 Capital	0.00	0.00
(e)	Market value of investment in equities as on December 31, 2024	127.26	198.24
	Specific Risk- Capital Requirement is 10% of the said value	12.73	19.82
	Market value of investment in equities as on December 31, 2024	127.26	198.24
	General Risk- Capital Requirement is 10% of the said value	12.73	19.82

F. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

QUALITATIVE DISCLOSURES		
(a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Interest Rate Risk in the Banking Book (IRRBB) fundamentally arises from mismatches between the future yield generated by a Bank's assets and the corresponding funding costs of its liabilities. The Assets Liability Committee (ALCO) at MBPLC is responsible for continuously monitoring interest rate movements. MBPLC assesses its interest rate risk using the Duration Gap approach. A positive Duration Gap implies that the bank's assets are more sensitive to interest rate changes than its liabilities, meaning a rise in interest rates would negatively impact profitability. Conversely, a negative Duration Gap indicates that a decline in interest rates would enhance profitability, as liabilities reprice faster than assets.

QUANTITATIVE DISCLOSURES					
(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant)	Increase of Interest Rate will affect the Bank in the following ways:			
		Particulars	**Minor Shock**	**Moderate Shock**	**Major Shock**
		Magnitude of Shock	1%	2%	3%
		Duration Gap (Years)	1.13	1.13	1.13
		Total Regulatory Capital (BDT in Cr.)	3,874.86	3,874.86	3,874.86
		Risk Weighted Assets (BDT in Cr.)	29,651.83	29,651.83	29,651.83
		CRAR	13.07%	13.07%	13.07%
		Revised Capital (After Shock)	3,362.98	2,851.09	2,339.21
		Revised RWA	26,175.20	26,175.20	26,175.20
		Revised CRAR (%)	12.85%	10.89%	8.94%

G. MARKET RISK

QUALITATIVE DISCLOSURES		
(a)	Views of BOD on trading/investment activities	Market Risk refers to the potential losses arising from fluctuations in key market variables such as interest rates, exchange rates, and asset prices, impacting both on- and off-balance sheet positions. MBPLC's total capital requirement for market risk is the sum of capital charges for interest rate risk, equity position risk, foreign exchange risk, and commodity risk. The Bank's Board of Directors (BOD) approves all market risk policies and guidelines, regularly sets limits, and monitors compliance to ensure effective risk mitigation.

	Methods used to measure Market risk	For calculating market risk on its trading book, the Bank uses the Standardized (rule-based) Approach. Under this method, capital charges for interest rate risk, equity position risk, foreign exchange risk, and commodity risk are calculated separately. MBPLC's total market risk capital charge is the sum of specific and general risk components for interest rate and equity positions, plus the general risk components for foreign exchange and commodity exposures.
	Market Risk Management system	The Market Risk Management system is primarily overseen by the Treasury and International Divisions, with active support from the Asset Liability Committee (ALCO) and the Asset Liability Management (ALM) Desk.
	Policies and Processes for mitigating market risk	The Bank's market risk mitigation policies and processes are formally established and approved by the Board of Directors. These policies cover critical areas such as Loan Deposit Ratio, Wholesale Borrowing Guidelines, Medium-Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, and compliance with local regulations. **• Interest Rate Risk Management:** The Treasury Division continuously monitors the impact of market interest rate fluctuations on the bank's income, aiming to minimize mismatches between the durations of interest rate-sensitive assets and liabilities. The Asset Liability Committee (ALCO) conducts monthly Gap Analyses, calculating the difference between Rate Sensitive Assets and Liabilities, to guide adjustments based on market conditions and mitigate interest rate risk. **• Foreign Exchange Risk Management:** Managed jointly by the Treasury and International Divisions, foreign exchange risk arises from earnings volatility due to exchange rate fluctuations or adverse market positions. ALCO supervises daily trading activities, while the Treasury Division monitors price changes. The Treasury Back Office operates independently from the Front Office, ensuring separation of duties by verifying deals, monitoring limits, and sourcing market rates independently to prevent conflicts of interest and enhance internal controls. All foreign exchange reserves and approved securities are revalued using Mark-to-Market as per Bangladesh Bank guidelines. Nostro accounts, maintained across various currencies and countries, undergo monthly reconciliation, with overdue transactions reviewed for timely settlement. **• Equity Risk Management:** The Bank manages equity risk—the risk of loss from adverse market price changes—through Mark-to-Market valuation of the investment portfolio against predefined cut-loss limits. Portfolio diversification is practiced in line with the investment policy to minimize exposure. Additionally, margin loans are carefully managed by assessing the security, liquidity, and reliability of underlying assets, with ongoing professional monitoring of associated risks.

QUANTITATIVE DISCLOSURES (BDT in Crore)

		Particulars	Solo	Consolidate
	Capital requirement for:	Interest Rate Risk	32.04	32.04
		Equity Position Risk	25.45	39.65
		Foreign Exchange Risk	16.01	16.01
		Commodity Risk	0.00	0.00
		Total Capital Requirement for Market Risk	**73.50**	**87.69**

H. OPERATIONAL RISK

QUALITATIVE DISCLOSURES		
(a)	Views of BOD on system to reduce Operational Risk	The Board of Directors of MBPLC places strong emphasis on minimizing operational risk through robust systems and governance frameworks. All relevant policies, including those related to Internal Control, Compliance, and Board Audit, are formally approved by the Board. The Audit Committee directly supervises the internal control and compliance functions to proactively identify and address lapses or irregularities that may pose significant operational risks. Operational risk, which includes legal risk but excludes strategic and reputational risks, covers areas such as transaction processing, operational controls, technology and systems, physical and logical security, and risks arising from outsourcing arrangements.
	Performance gap of executives and staffs	The Board is committed to offering competitive and attractive remuneration to its executives and staff. The bank's recruitment policy focuses on hiring fresh graduates from reputable universities and developing their skills through comprehensive training programs to build high-quality talent. Its strong reputation as a leading institution boosts employee morale. A supportive and collaborative work environment is cultivated to encourage teamwork and alignment with organizational goals. Continuous investment in talent development and performance enhancement underscores the bank's dedication to strengthening its human capital.

	Potential external events	No potential external events that could significantly impact operational risk have been detected at the time of reporting the capital accord.
	Policies and processes for mitigating operational risk	To address these risks, the bank has implemented an Operational Risk Management Framework aimed at establishing a robust and well-controlled operational environment.
	Approach for calculating capital charge for operational risk	MBPLC calculates its capital charge for operational risk using the Basic Indicator Approach (BIA). Under this method, the capital charge is set at 15% of the average positive annual gross income over the previous three years.

QUANTITATIVE DISCLOSURE

(b)	Particulars	Solo	Consolidate
	Capital requirements for Operational Risk	301.33	306.99

I. LIQUIDITY RATIO

QUALITATIVE DISCLOSURES

(a)	Views of BOD on system to reduce Liquidity Risk	The Board of Directors of Mercantile Bank PLC. places strong emphasis on minimizing liquidity risk. This is achieved through strict adherence to regulatory requirements, including the ongoing maintenance of the Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve (SLR). In line with Basel III guidelines, the bank also diligently maintains the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), under the direct supervision of the Board.
	Methods used to measure Liquidity Risk	MBPLC employs several methods to measure liquidity risk, including regular GAP analysis to identify mismatches between assets and liabilities across defined time buckets (e.g., 0–30 days, 31–90 days, etc.). These analyses are presented in monthly ALCO papers and guide strategic decisions to mitigate liquidity risk. Additionally, cash flow forecasting is used to assess potential future mismatches, further strengthening the bank's liquidity risk management framework.
	Liquidity Risk Management System	As part of its liquidity risk management framework, MBPLC has a Board-approved Liquidity Contingency Plan outlining strategic actions to address potential liquidity crises. In compliance with Bangladesh Bank's ALM guidelines, the plan is reviewed annually and re-approved by the Board.
	Policies and processes for mitigating Liquidity Risk	The Bank operates under comprehensive, Board-approved liquidity risk mitigation policies, which are also subject to annual review and approval.

QUANTITATIVE DISCLOSURE

(BDT in Crore)

Liquidity Coverage Ratio (LCR)	165.18%
Net Stable Funding Ratio (NSFR)	105.81%
Stock of High quality liquid assets	9,385.17
Total net cash outflows over the next 30 calendar days	5,681.78
Available amount of stable funding	34,617.70
Required amount of stable funding	32,715.70

J. LEVERAGE RATIO

QUALITATIVE DISCLOSURES

(a)	Views of BOD on system to reduce excessive leverage	Leverage is a fundamental aspect of modern banking, where banks not only operate as highly leveraged institutions themselves but also enable leverage for others. It reflects the extent to which a bank finances its assets through debt rather than equity. While leverage can enhance returns, excessive reliance on debt increases financial risk. Recognizing this, the Board of Directors emphasizes the importance of maintaining prudent controls to ensure a healthy balance between debt and equity. The Board is committed to keeping the bank's leverage ratio at or above regulatory thresholds to strengthen financial stability and public confidence.
	Policies and processes for mitigating excessive on and off balance sheet leverage	The leverage ratio functions as a non-risk-based safeguard, acting as a critical backstop to the risk-based capital framework and helping to contain excessive leverage. It serves two key purposes: preventing the undue accumulation of leverage and reinforcing risk-based requirements through a straightforward, transparent metric. In line with Basel III, banks are required to maintain a minimum Tier 1 leverage ratio of 3% on both solo and consolidated bases. MBPLC strictly complies with all regulatory requirements related to capital adequacy, liquidity, commitments, Advance-Deposit Ratio (ADR), Maximum Cumulative Outflow (MCO), large exposures, and broader risk management practices. These measures collectively ensure that the inherent leverage of the banking model is managed prudently and in alignment with the standards set by Bangladesh Bank.

	Approach for Calculating exposure	The exposure measure for calculating the leverage ratio is determined by dividing Tier 1 capital (the numerator) by total exposure (the denominator), which includes both on-balance sheet and off-balance sheet (OBS) items after applicable deductions. Tier 1 capital is used after incorporating all regulatory deductions. To maintain consistency with financial reporting, on-balance sheet non-derivative exposures are presented net of specific provisions and valuation adjustments. However, exposures are not reduced by physical or financial collateral, guarantees, or purchased credit risk mitigants, nor is netting of loans and deposits allowed. OBS exposures are converted using a uniform 100% Credit Conversion Factor (CCF), except for unconditionally cancellable commitments, which are subject to a 10% CCF.

QUANTITATIVE DISCLOSURE

Particulars	Solo	Consolidated
Leverage Ratio	5.46%	5.51%
On balance sheet exposure	43,324.25	43,613.61
Off balance sheet exposure	7,498.17	7,498.17
Total exposure (After deduction from On and Off balance sheet exposure)	50,802.05	51,091.41

K. REMUNERATION

QUALITATIVE DISCLOSURES

(a)	Information relating to the bodies that oversee remuneration.	The Human Resources Division (HRD) at the Head Office of MBPLC is responsible for managing remuneration under the direct supervision of the Managing Director. The remuneration policy is periodically approved by the Board of Directors or its Executive Committee. The HRD comprises 11 officials—3 executives and 8 officers, including the Divisional Head—and does not engage external consultants for formulating the policy. A uniform remuneration structure is maintained across the organization, ensuring equal pay for the same grade. The Remuneration Committee also oversees remuneration practices across the bank's three subsidiaries: Mercantile Bank Securities Limited (MBSL), Mercantile Exchange House (UK) Limited, and MBL Asset Management Limited. Senior management and all heads of business units (branches and divisions) are designated as material risk-takers within the bank. Remuneration oversight meetings are convened on an as-needed basis to review and ensure alignment with risk management objectives.
(b)	Information relating to the design and structure of remuneration processes.	MBPLC has adopted a flexible compensation and benefits structure aimed at ensuring pay equity and aligning rewards with employee performance. All employees receive competitive remuneration, with periodic reviews based on organizational performance and inflationary trends. The Board of Directors approves the pay scales, which include components such as Basic Pay, House Rent, Medical and Conveyance Allowances, House Maintenance, Utility, and Leave Fare Assistance. Beyond regular compensation, employees are also entitled to a range of financial benefits during their tenure and upon retirement.
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes.	Key remuneration risks include national economic conditions, bank performance, peer market benchmarks, employee turnover, and retention strategies.
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	All officials are evaluated through a three-part Performance Appraisal Form, and KPIs have been introduced for employees, branches, and divisions.
(e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	The bank maintains a flexible, equitable compensation system aligned with economic conditions and performance, emphasizing long-term employee growth. Key benefits include Provident, Gratuity, and Welfare Funds, along with 6 months' maternity leave and up to 3 years of study leave for higher education.
(f)	Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.	MBPLC's compensation and benefits strategy aims to foster a high-performance culture while ensuring market competitiveness through a strong employee value proposition. Basic pay is benchmarked against industry standards, and employees receive a comprehensive mix of financial and non-financial benefits. These include annual increments, fair promotions, bonuses, travel allowances, and long-term benefits such as Gratuity, Provident Fund, and Disability coverage. Additional offerings include Leave Fare Assistance, executive car loans and allowances, housing loan schemes, retirement benefits, welfare fund support, training (domestic and international), career development opportunities, a positive work environment, healthcare facilities, and privileged-rate loan access.

<table>
<tr><th colspan="4">QUANTITATIVE DISCLOSURES</th></tr>
<tr><td>(g)</td><td colspan="2">Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</td><td>Meeting regarding overseeing the remuneration was held on need basis.</td></tr>
<tr><td rowspan="4">(h)</td><td colspan="2">Number of employees having received a variable remuneration award during the financial year.</td><td>233 employees having received variable remuneration award during the financial year 2024.</td></tr>
<tr><td colspan="2">Number and total amount of guaranteed bonuses awarded during the financial year.</td><td>2 incentive bonuses and 2 festival bonuses are awarded during the financial year 2024.</td></tr>
<tr><td colspan="2">Number and total amount of sign-on awards made during the financial year.</td><td>Nil</td></tr>
<tr><td colspan="2">Number and total amount of severance payments made during the financial year.</td><td>Nil</td></tr>
<tr><td rowspan="2">(i)</td><td colspan="2">Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</td><td>Nil</td></tr>
<tr><td colspan="2">Total amount of deferred remuneration paid out in the financial year.</td><td>Nil</td></tr>
<tr><td>(j)</td><td colspan="2">Breakdown of amount of remuneration awards for the financial year to show:
- fixed and variable.
- deferred and non-deferred.
- different forms used (cash, shares and share linked instruments, other forms).</td><td>Breakdown of amount of remuneration awards for the financial year 2024;
(BDT in Crore)
<table><tr><td>Basic salary</td><td>188.51</td></tr><tr><td>Allowances</td><td>163.22</td></tr><tr><td>Bonus</td><td>46.56</td></tr><tr><td>Provision for Gratuity</td><td>25.00</td></tr><tr><td>Provident fund contribution</td><td>18.57</td></tr><tr><td>Total</td><td>451.86</td></tr></table>Nil
Bank Account Transfer</td></tr>
<tr><td rowspan="4">(k)</td><td colspan="3">Quantitative information about employees' exposure to implicit (eg fluctuations in the value of shares or performance units) and explicit adjustments (eg claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</td></tr>
<tr><td colspan="2">Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</td><td>Nil</td></tr>
<tr><td colspan="2">Total amount of reductions during the financial year due to ex post explicit adjustments.</td><td>Nil</td></tr>
<tr><td colspan="2">Total amount of reductions during the financial year due to ex post implicit adjustments.</td><td>Nil</td></tr>
</table>

MANAGEMENT OF NON-PERFORMING LOANS (NPL)

INDUSTRY OVERVIEW

In 2024, Bangladesh's banking sector continues to navigate a challenging economic environment marked by global uncertainties, inflationary pressures, and fluctuating foreign exchange reserves. While the lingering effects of the Russia-Ukraine conflict and tightening global financial conditions have moderated, these factors continue to influence credit quality across the industry. The banking sector's focus remains sharply on strengthening asset quality and managing credit risks prudently.

The regulatory landscape has evolved with Bangladesh Bank reinforcing its commitment to sustainable banking through enhanced supervisory frameworks. The Risk-Based Supervision (RBS) approach has deepened, emphasizing early identification and mitigation of credit risks. Regulatory directives continue to urge banks to aggressively address NPLs, with stringent governance reforms and enforcement actions aimed at curbing willful defaults and improving transparency in loan classification and provisioning.

Bangladesh Bank's ambitious NPL reduction targets remain in effect, with private banks expected to reduce gross NPL ratios to below 5% by mid-2026. This objective aligns with the broader goal of fostering financial sector resilience and supporting the country's economic growth trajectory.

NPL POSITION OF MBPLC

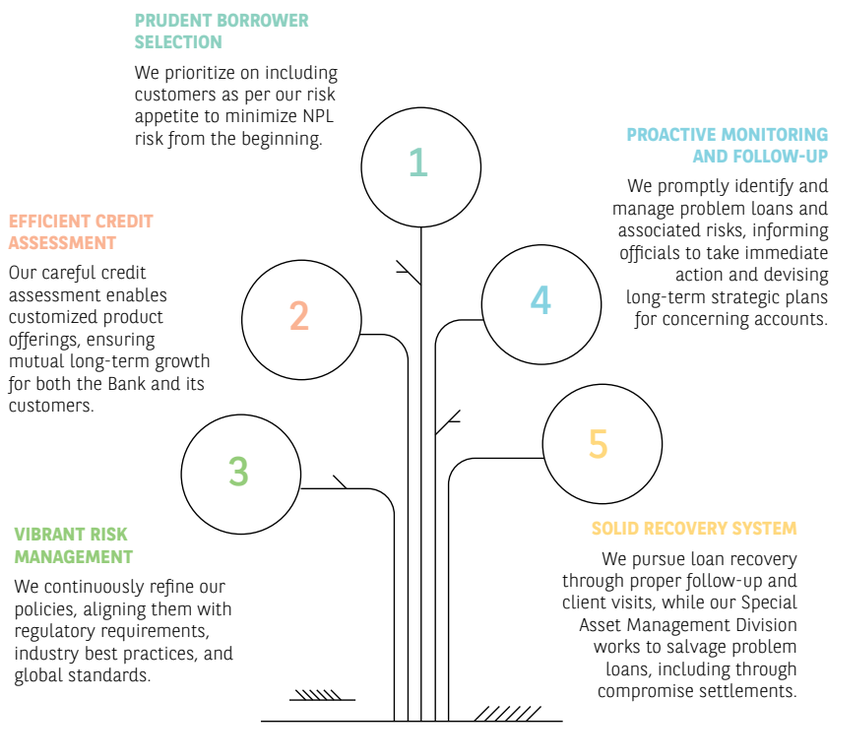
Mercantile Bank PLC ended the year 2024 with a Gross NPL ratio of 17.25%. This surge reflects the reclassification of loans under stricter central bank guidelines and cautious recognition of credit risks in alignment with best practices.

Despite the increase, the Bank maintained a specific loan loss provision of BDT 11,447.80 million, demonstrating prudent provisioning to safeguard financial stability.

Year	Total loans outstanding	NPL		Specific provision
	Amount	Amount	%	Amount
2024	300,022,184,259	51,761,697,816	17.25%	11,447,801,215
2023	284,828,061,494	17,313,346,921	6.08%	6,398,124,387
2022	280,890,533,240	19,928,629,556	7.09%	8,062,791,433
2021	266,766,599,619	12,112,505,104	4.54%	5,131,598,567
2020	248,994,385,876	11,751,163,636	4.72%	4,882,578,037
2019	236,890,448,333	11,502,613,647	4.86%	4,519,981,000

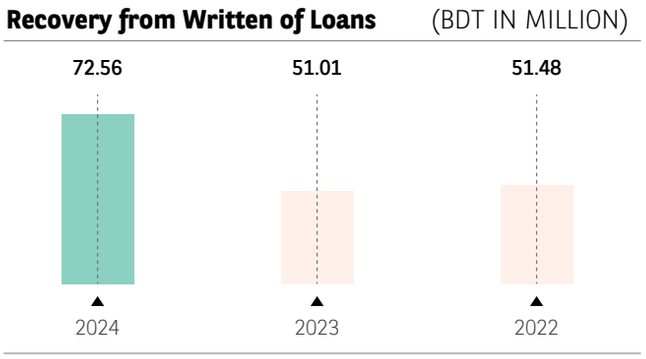
STRATEGIC FOCUS IN 2024 FOR NPL MANAGEMENT

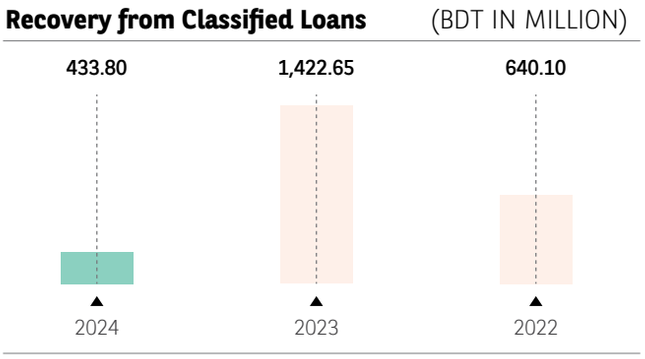
- **Enhanced Portfolio Monitoring:** Intensified surveillance of high-risk accounts to prevent further deterioration of asset quality.
- **Reinforced Legal Measures:** Expanded litigation efforts and strengthened follow-up on default cases.
- **Customer Engagement:** Opened structured dialogues with distressed but cooperative borrowers for resolution through restructuring and settlement.
- **Focus on Recovery and Regularization:** More and more focus on recovery & regularization of stressed loans & Advances to ensure a much improved loan portfolio.
- **Enhanced Focus on Loan Portfolio Diversification:** To mitigate concentration risk and strengthen portfolio resilience, MBPLC will place greater emphasis on diversifying its loan portfolio across sectors, customer segments, and geographic regions.



RECOVERY OF CLASSIFIED AND WRITTEN OFF LOANS

Despite economic headwinds, MBPLC made notable progress in recovery operations. Recovery from classified loans in 2024 stood at BDT 433.80 million, while recovery from written-off loans improved to BDT 75.80 million, surpassing prior years





STRATEGIC FOCUS IN 2024 FOR RECOVERY

Our strategic priorities in 2024 were centered on strengthening recovery infrastructure and mitigating the sharp rise in non-performing loans (NPLs). These focused efforts were aimed at restoring asset quality and reinforcing the Bank's financial stability. The key initiatives included:

1. **Expanding Legal Recovery Operations:** We broadened our legal reach by issuing a greater number of notices and arrest warrants against defaulters. This proactive approach aimed to create pressure on habitual defaulters and facilitate faster settlements.
2. **Enhancing Write-Off Recovery Initiatives:** Emphasis was placed on recovering previously written-off loans. Through improved tracking and follow-up, we achieved better performance in recovering written-off amounts compared to prior years.
3. **Reinforcing Legal Team Capacity:** We strengthened our legal department with dedicated in-house officers and external counsel to manage the rising volume of pending and new legal cases more effectively and expedite resolutions.
4. **Prioritizing High-Value Recovery Cases:** A focused list of large default accounts was created to channel recovery resources strategically, ensuring that the maximum value could be recovered within the shortest timeframe.
5. **Leveraging Court-Driven Recoveries:** Enhanced coordination with courts and law enforcement led to a higher number of case resolutions, judgments, and execution of warrants, facilitating progress on long-standing recovery cases.
6. **Monitoring Distressed Accounts Intensively:** High-risk borrower accounts were placed under special surveillance with frequent reviews and tailored follow-up strategies to prevent further slippage and identify restructuring opportunities.

These strategic actions reflect our continued commitment to reducing credit risk and protecting the financial health of Mercantile Bank PLC.

PERFORMANCE HIGHLIGHTS IN 2024

BDT 20.85 million
Successfully sold Mortgage property

421
Number of legal notices issued

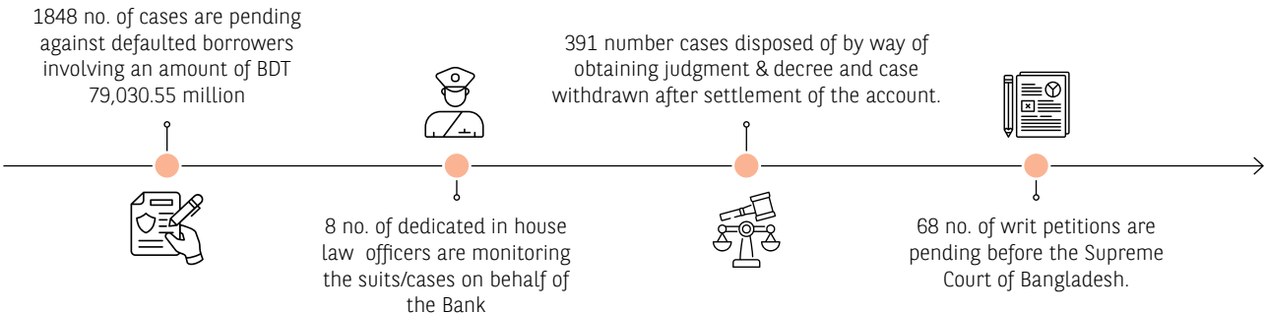
104
Issuance of Warrants of Arrest against defaulted borrowers

BDT 90.26 million
Payment order Realization from court

391
Cases disposed of in favor of bank

8
Warrants of arrest Executed

STATUS OF LEGAL PROCEEDINGS



WAY FORWARD 2025

- **Strengthening Credit Risk Governance:** We will further enhance our credit assessment and risk grading frameworks to ensure early identification of potential defaulters and prevent further NPL escalation.
- **Accelerated Recovery Drive:** Focused recovery efforts will continue, especially targeting high-value classified and written-off loans, with strengthened legal execution and borrower engagement strategies.
- **Portfolio Rebalancing:** MBPLC will realign its credit portfolio by reducing exposure to high-risk segments and increasing lending to stable, productive, and resilient sectors.
- **Litigation Efficiency:** We aim to reduce recovery delays by fast-tracking legal actions, resolving long-pending court cases, and leveraging relationships with enforcement authorities for timely execution.
- **Tech-Enabled Monitoring:** Deployment of advanced analytics and recovery dashboards will improve real-time tracking of NPLs, recovery progress, and case resolution status across all branches.
- **Strategic Collaboration with Regulators:** Continued alignment with Bangladesh Bank's regulatory roadmap on NPL reduction and recovery targets will be maintained through transparent reporting and policy compliance.
- **Rebuilding Borrower Relationships and Restructuring Viable Accounts:** In light of the significant rise in NPLs, MBPLC will prioritize close engagement with distressed but cooperative borrowers. We will assess financial conditions and explore structured rescheduling or restructuring options to facilitate recovery and prevent further deterioration.
- **Vigorous Pursuit of Willful Defaulters:** With a renewed focus, the Bank will identify and take strict legal action against willful defaulters, including initiating public disclosure, freezing of assets, and collaborating with law enforcement to enforce accountability.
- **High-Priority Legal Case Management:** With over 1,800 pending legal cases involving substantial amounts, we will optimize legal workflows, assign dedicated teams to high-value cases, and escalate unresolved matters to higher courts for accelerated judgments and execution.
- **Aggressive Foreclosure and Collateral Liquidation:** The Bank will initiate fast-track foreclosure proceedings for non-cooperative defaulters with secured loans. Repossessed properties will be auctioned or disposed of promptly to realize value and reduce asset drag.
- **Revamping Recovery Operations and MIS Infrastructure:** A comprehensive upgrade of the recovery MIS system will enable better tracking of account status, legal proceedings, realization targets, and recovery agent performance, supporting timely decision-making.
- **Strengthening Court and Regulatory Liaison:** MBPLC will reinforce relationships with judiciary, law enforcement, and regulators to expedite the disposal of cases and ensure legal compliance in complex recovery actions.
- **Focus on Sectoral Risk Exposure and Credit Reassessment:** Lessons from 2024's NPL spike will guide a reassessment of sectoral exposure risks. Lending practices will be tightened, with stricter due diligence and dynamic risk-based pricing to safeguard future asset quality.
- **Special Monitoring of Rescheduled and Restructured Loans:** Loans that have been restructured or regularized will come under a dedicated early warning surveillance system to prevent re-default and maintain the integrity of the loan book.
- **Compliance with Regulatory NPL Reduction Targets:** In alignment with Bangladesh Bank's directive to reduce NPLs to 5% by 2026, MBPLC will adopt a phased NPL reduction roadmap with periodic reviews and reporting to the Board and regulators.

CORPO
GOVER

Mercantile Bank PLC. steadfastly upholds the principles of corporate governance in alignment with our vision and mission, ensuring integrity, transparency, and accountability at every level. Our Board of Directors, equipped with diverse skills and experience, is dedicated to risk management and value creation, reflecting our commitment to becoming a 'Green Bank' and addressing ESG concerns for sustainable growth.

RATE NANCE

LETTER FROM THE BOARD OF DIRECTORS PRESENTED BY THE COMPANY SECRETARY

Dear Valued Shareholders,

It is our pleasure to present the Corporate Governance Report of Mercantile Bank PLC. on behalf of the Board of Directors for the year ended December 31, 2024.

STANCE ON CORPORATE GOVERNANCE

At Mercantile Bank PLC., our commitment to corporate governance is a journey of continuous improvement towards achieving the highest standards of governance. We take into account developments in the regulatory, business, and internal workplace environments to ensure that the organization carries out its business in a responsible manner, leading to the long-term sustainability of the Bank. Our approach to governance goes beyond a mere ticking of boxes, and this report showcases this stance.

OUTLINE OF THE CORPORATE GOVERNANCE REPORT

The report details how the MBPLC Board discharged their governance duties effectively with meticulous compliance with the applicable regulatory framework during the year under review. The key Corporate Governance rules applying to MBPLC are the Corporate Governance Code Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC) in exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), as well as BRPD Circulars issued by Bangladesh Bank, Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) and global best practices applicable to banks. The said compliances are also independently reviewed and certified by Suraiya Parveen & Associates, Chartered Secretaries and are opined on through a Certificate of Compliance to the Shareholders, as per the requirements of the BSEC guidelines. The compliance status, along with the Corporate Governance Report, is enclosed with our Annual Report 2024.

In addition, the report demonstrates the overall responsibilities of the Board, which include setting MBPLC's strategies, overseeing and supporting management in their day-to-day running of the business, performance monitoring, and safeguarding the interests of shareholders.

ADOPTING BEST INDUSTRY PRACTICES

Our commitment extends to continuously refining our corporate governance policies, benchmarking against leading national and international standards. This proactive approach aims to elevate our governance practices to a global level, thereby contributing significantly to the development of Bangladesh's economy.

We welcome engagement with our stakeholders and look forward to your valuable feedback to continue our commitment to further improve on our corporate governance philosophy on a continuing basis.

On behalf of the Board

Sincerely,



Mohammad Rezaul Karim
Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

Effective governance of the Bank's operations is paramount, necessitating a clearly defined structure of roles and responsibilities, underpinned by transparency, accountability, and strict regulatory adherence. The Board ensures that the Bank's financial statements are prepared in full compliance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the Companies Act, 1994 (as amended), the Bank Company Act, 1991 (as amended), Bangladesh Bank regulations, Bangladesh Securities and Exchange Commission (BSEC) directives, relevant stock exchange Listing Regulations, and all other applicable laws and guidelines.

BOARD AND COMMITTEE MEETINGS

In 2024, the Board of Directors convened 22 meetings, the Executive Committee 41, the Audit Committee 9, and the Risk Management Committee 12. Dates for Board and other Meetings are decided in advance and notice of each Board Meeting is served in writing well ahead of the meeting.

Directors' Responsibilities

The Board's responsibilities, as outlined by Bangladesh Bank Circulars, ensure comprehensive oversight across all critical operational areas:

Work-Planning and Strategic Management

The Board defines the Bank's objectives and goals, formulates annual strategies and work-plans, and monitors their implementation quarterly. It reviews performance in the Annual Report, providing recommendations for future strategies, and sets and evaluates Key Performance Indicators (KPIs) for the Managing Director and officers two tiers below.

Credit and Risk Management

The Board approves policies for loan/investment appraisal, sanction, disbursement, recovery, rescheduling, and write-off, delegating authority to the Managing Director and subordinates. No Director interferes, directly or indirectly, in the loan approval process. The Board frames and implements risk management policies, monitoring compliance quarterly. This includes adherence to 2024 updates on Foreign Exchange Risk Management Guidelines, Environmental and Social Risk Management (ESRM) Guidelines, and stricter anti-defaulter measures.

Internal Control Management

The Board maintains vigilance over the internal control system, ensuring independent internal audits. It reviews committee reports on compliance with internal/external audit and Bangladesh Bank inspection recommendations. The Board ensures the Bank is prepared for and cooperates with risk-based Comprehensive Assessments, maintaining high standards of internal data readiness and meticulous policy documentation.

Human Resources Management and Development

The Board approves HR policies and service rules. The Chairman or any Director does not interfere in administrative HR matters, with the Board retaining authority for recruitment, promotion, transfer, and punishment of officers two tiers below the CEO. The Board prioritizes staff skill development, modern technology adoption, and effective Management Information Systems (MIS). It imposes a Code of Ethics for all employees, fostering a compliance culture and ensuring the effective implementation of Bangladesh Bank's reward policy for integrity.

Financial Management

The Board approves the annual budget and statutory financial statements, reviewing and monitoring monthly income, expenditure, liquidity, non-performing assets, capital adequacy, and loan loss provisions. It frames policies for purchase and procurement and approves major capital expenditures. In 2024, responsibilities were significantly impacted by the transition to a market-based interest rate system and various foreign currency/import/remittance circulars.

Appointment of Managing Director

A key responsibility of the Board is to appoint an honest, efficient, experienced, and suitable Managing Director, with the approval of Bangladesh Bank.

AUXILIARY COMMITTEES OF THE BOARD

In accordance with BRPD Circular No. 02 dated February 11, 2024, the Board forms three specific auxiliary committees.

- Executive Committee: Handling urgent and routine operational activities between Board meetings. Decisions require ratification by the full Board.
- Audit Committee: Focuses on financial reporting, internal control, audit procedures, and compliance. No Executive Committee member can be on the Audit Committee.
- Risk Management Committee: Overseeing risk management strategies and ensuring proper application of risk reduction methods.

OTHER RESPONSIBILITIES AND REGULATORY COMPLIANCE

The Board complies with all responsibilities assigned by Bangladesh Bank. The Annual Report includes a 'Directors' Report 2024' as per the Companies Act 1994, covering the Bank's affairs, reserves, dividends, and changes in activities. Directors also declare matters as per the BSEC Corporate Governance Code, including:

- Industry outlook and future developments.
- Segment-wise or product-wise performance and risks.
- Extraordinary gain or loss.
- Related party transactions.
- Utilization of proceeds from public/rights issues.
- Significant variance between quarterly and annual financial performance.
- Remuneration to directors.
- Preparation of financial statements and any departures disclosed.

- Sound internal control system design, effective implementation, and monitoring.
- No significant doubts about the bank's ability to continue as a going concern.
- Significant deviations from the last year's operating results.
- Key operating and financial data for at least preceding 5 years.
- Reasons if no dividend declared.
- Number of Board meetings held and attendance by each director.
- Pattern of shareholding structure.
- Information for director appointment/ re-appointment (brief resume, expertise, other directorships/ committee memberships).

The Board ensures compliance with key 2024 regulatory updates:

- **Companies Act, 1994 Amendments:** Ensuring alignment with changes such as the abolition of the common seal, explicit use of "PLC," extended AGM notice periods, and enhanced shareholder rights to propose agenda items.
- **BSEC Shareholding Rules:** Overseeing strict compliance with intensified enforcement of mandatory 30% joint shareholding for sponsors/directors and 2% individual shareholding for directors in listed companies.
- **Capital Market Reforms (IPO and Mutual Funds):** Ensuring adherence to increased IPO share allocation for general investors, revised minimum paid-up capital for IPOs, mandatory redemption of closed-end funds, revised dividend distribution, increased investment limits for mutual funds, and prohibition of investments in unlisted equity securities.
- **Stock Exchange Listing Regulations:** Overseeing compliance with evolving regulations, including strategic implications of short selling, capital gains tax, commodity exchange licensing, and BSEC's emphasis on minimum paid-up capital for main board listing.

The Directors confirm that the Annual Report, Directors' Report, and Consolidated Financial Statements comply with all applicable laws, rules, and regulatory guidelines for the fiscal year ended December 31, 2024.

REPORT OF THE BOARD AUDIT COMMITTEE

The year 2024 was defined by global economic headwinds, regulatory shifts, and rising credit stress across the domestic banking sector. In this context, the Board Audit Committee of Mercantile Bank PLC intensified its oversight to reinforce the Bank's governance, control, and risk management frameworks.

Guided by a mandate for strategic vigilance, the Committee moved beyond compliance to drive institutional strengthening. Key priorities included ensuring the integrity of financial reporting, improving asset quality through enhanced recovery and provisioning oversight, addressing structural control weaknesses, and initiating targeted reforms across critical functions.

This report outlines the Committee's major reviews and directives in 2024—efforts that have materially advanced the Bank's resilience, operational discipline, and governance maturity.

STATEMENT OF PURPOSE AND AUTHORITY

The Board Audit Committee of Mercantile Bank PLC. is a standing sub-committee of the Board, empowered to support the Board's oversight responsibilities. Its authority is defined by the Board and grounded in the prevailing regulatory framework in Bangladesh, including:



The Bank Company Act, 1991
(as amended)

Bangladesh Bank directives
(e.g., BRPD Circular No. 02, dated February 11, 2024)

The Corporate Governance Code
(Notification dated June 3, 2018, issued by BSEC, and its amendments)

The Committee exercises independent judgment in overseeing the Bank's financial reporting, risk management, internal control environment, audit functions, and regulatory compliance—ensuring the transparency and integrity of the Bank's operations.

COMMITTEE CHARTER AND RESPONSIBILITIES

The Committee operates under a formally approved Terms of Reference (ToR), which outlines its responsibilities, consistent with global best practices and local regulatory expectations. The Committee's core duties include:

Financial Reporting Oversight

Reviewing the Bank's annual, half-yearly, and quarterly financial statements and accompanying disclosures, with particular attention to accounting policies, estimates, and adherence to IFRS as adopted in Bangladesh.

Risk Management and Internal Controls

Evaluating the adequacy of internal controls and the robustness of the risk management framework. Oversight extends to the policies and procedures that govern financial and non-financial risk identification, assessment, and mitigation.

> Guided by a mandate for strategic vigilance, the Committee moved beyond compliance to drive institutional strengthening. Key priorities included ensuring the integrity of financial reporting, improving asset quality through enhanced recovery and provisioning oversight, addressing structural control weaknesses, and initiating targeted reforms across criticalfunctions.

Internal and External Audit Supervision

Reviewing and approving audit scopes, strategies, and performance. The Committee ensures auditor independence, oversees implementation of audit recommendations, and monitors the resolution of control deficiencies.

Compliance Monitoring

Overseeing the Bank's adherence to regulatory requirements, internal policies, and codes of conduct. The Committee works to ensure that compliance is embedded in the culture and operations of the Bank.

Reporting and Communication

- Reporting regularly to the Board of Directors on key findings, recommendations, and oversight activities.
- Reporting matters including conflicts of interest, suspected or confirmed fraud or irregularities, material deficiencies in internal controls or financial reporting, and breaches of laws or regulatory requirements—especially those related to banking and securities.
- Escalating urgent or significant issues to the Board without delay.

COMMITTEE COMPOSITION, MEETINGS, AND EXPERTISE

The Audit Committee of the Board of Directors of Mercantile Bank PLC., was reconstituted in the 453rd Board meeting held on 11 December 2024. In accordance with applicable rules, the Committee includes 2 non-executive and Independent Directors with strong credentials in banking, finance, and governance.

During 2024, the Committee convened 9 meetings, reflecting a sustained commitment to its oversight agenda.

Board Audit Committee Composition and Attendance (2024)

Name	Status	Position	Educational Qualification	Meeting Attendance
Prof. Dr. Md. Rezaul Kabir	Independent Director*	Chairman	M.Sc. (UK), Ph.D. (UK)	9/9
Al-Haj Akram Hossain (Humayun)	Director	Member	Graduate	4/5
Mr. Md. Abdul Hannan	Director	Member	Engineer	1/1
Dr. Gazi Mohammad Hasan Jamil	Independent Director*	Member	BBA & MBA (DU), MS in Finance (USA), CMA, Ph.D. (Canada)	6/9

*Independent Directors are not members of the Executive Committee.
Note: The Company Secretary of the Bank serves as the Secretary to the Audit Committee.

Meeting Dates in 2024:

Sl No.	Meeting	Date of Meeting
1	227th Audit Committee Meeting	28 January 2024
2	228th Audit Committee Meeting	16 April 2024
3	229th Audit Committee Meeting	29 April 2024
4	230th Audit Committee Meeting	30 June 2024
5	231st Audit Committee Meeting	31 July 2024
6	232nd Audit Committee Meeting	27 August 2024
7	233rd Audit Committee Meeting	30 September 2024
8	234th Audit Committee Meeting	22 October 2024
9	235th Audit Committee Meeting	29 December 2024

MAJOR ISSUES REVIEWED BY THE BOARD AUDIT COMMITTEE IN 2024

In 2024, the Board Audit Committee maintained focused oversight to strengthen governance, enhance risk controls, and support strategic execution amid economic and regulatory challenges. Key matters reviewed included:

1. Financial Reporting Oversight

Reviewed annual and interim financial statements to ensure compliance with IFRS and regulatory directives. Scrutinized key estimates—particularly provisioning and asset valuations—for prudence and relevance.

2. Internal Control and Risk Assurance

Assessed the effectiveness of the Internal Control and Compliance Division (ICCD), approved the annual audit plan, and monitored closure of audit findings. Commissioned external audits of key control functions to identify systemic gaps and guide corrective action.

3. Credit Risk and Recovery Strategy

Provided intensive oversight of asset quality, NPL levels, and provisioning. Monitored execution of the NPL recovery roadmap and evaluated the impact of performance-linked incentive mechanisms.

4. Governance and Compliance Framework

Ensured adherence to Bangladesh Bank and BSEC regulations, including AML/CFT compliance.

5. Strategic and Emerging Risks

Reviewed the Bank's preparedness against cybersecurity threats and governance of digital initiatives. Encouraged integration of ESG principles into risk and business strategies.

STRATEGIC OUTLOOK AND PRIORITIES FOR 2025

In 2025, the Audit Committee will continue its focused oversight to drive the execution of transformative initiatives launched in 2024, reinforce governance, and support sustainable performance. Key priorities include:

1. Execution of Strategic Initiatives

Monitor progress on the centralization of the credit portfolio and the restructuring of the loan recovery system. Milestone tracking for these initiatives will remain a standing agenda item.

2. Strengthening Financial Resilience

Ensure timely implementation of the action plan to address the provisioning shortfall identified by Bangladesh Bank. Oversee initiatives to enhance "other income" and optimize cost efficiency through targeted expense control.

3. Lending Portfolio Rebalancing

Support the shift towards a more diversified, secured SME and retail lending portfolio. Review underwriting quality and adherence to risk standards in the new lending segments.

4. Governance and Compliance Enhancements

Ensure sustained quality in internal and external audit functions. Enforce evidence-based compliance reporting and hold third-party partners accountable to elevated governance standards.

5. Treasury and Subsidiary Oversight

Review investment strategy and performance in government securities to ensure liquidity and return optimization. Continue governance oversight of subsidiaries, including the formulation and approval of investment policies for Mercantile Bank Securities Limited.

ACKNOWLEDGEMENT

The Audit Committee sincerely thanks the Members of the Board of Directors for their continued strategic guidance, which has been instrumental in enabling the Committee to discharge its oversight duties effectively. The Committee also acknowledges the consistent support of the Management team and the cooperation of the External Auditors in facilitating the execution of its responsibilities.

The Committee further appreciates the regulatory oversight and constructive guidance provided by Bangladesh Bank and the Bangladesh Securities and Exchange Commission, which have played a critical role in upholding governance integrity and ensuring compliance with applicable standards.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

Our governance structure is designed for resilience and adaptability. The Board of Directors, comprised of members with diverse industry knowledge and strategic acumen, maintained rigorous oversight throughout the year.



The year 2024 unfolded against a backdrop of evolving global dynamics and a challenging domestic financial landscape. Amid these complexities, a steadfast commitment to sound corporate governance has been not just a regulatory necessity but a strategic enabler. It has served as the cornerstone of our ability to respond decisively, manage emerging risks effectively, and uphold the values of integrity, transparency, accountability, and fairness.

Our governance structure is designed for resilience and adaptability. The Board of Directors, comprised of members with diverse industry knowledge and strategic acumen, maintained rigorous oversight throughout the year. Regular meetings of the Board and its sub-committees were held to review financial performance, monitor risk exposures, and guide strategic initiatives. The Board also ensured the integrity of our internal control systems and supported management in executing decisions aligned with our long-term objectives and risk tolerance.

A pivotal focus of the Board in 2024 was to strengthen asset quality. This involved intensified efforts to reduce non-performing loans (NPLs), improve credit underwriting standards, and support recovery initiatives through enhanced governance mechanisms. These actions were particularly important in the context of regulatory changes that prompted more transparent loan classification practices sector-wide.

Equally important was our strategic emphasis on inclusive economic development. The Bank directed capital and advisory support to the agriculture sector and Small and Medium-sized Enterprises (SMEs)—sectors that are critical to employment generation, rural upliftment, and economic diversification. By supporting these foundational areas, we demonstrated our commitment to responsible banking and nation-building—principles deeply embedded in our governance ethos.

At MPLC, we believe that good governance is not static; it evolves with the environment. Accordingly, we continue to refine our governance practices to reflect global best practices, regulatory updates, and the expectations of our stakeholders.

I extend my sincere appreciation to my fellow Board members for their leadership and insight, to the management team and all employees for their dedication and performance, and to you—our shareholders—for your continued trust and support. Together, we will navigate challenges, seize opportunities, and build a stronger, more resilient Mercantile Bank.

Sincerely,

Md. Anwarul Haque
Chairman

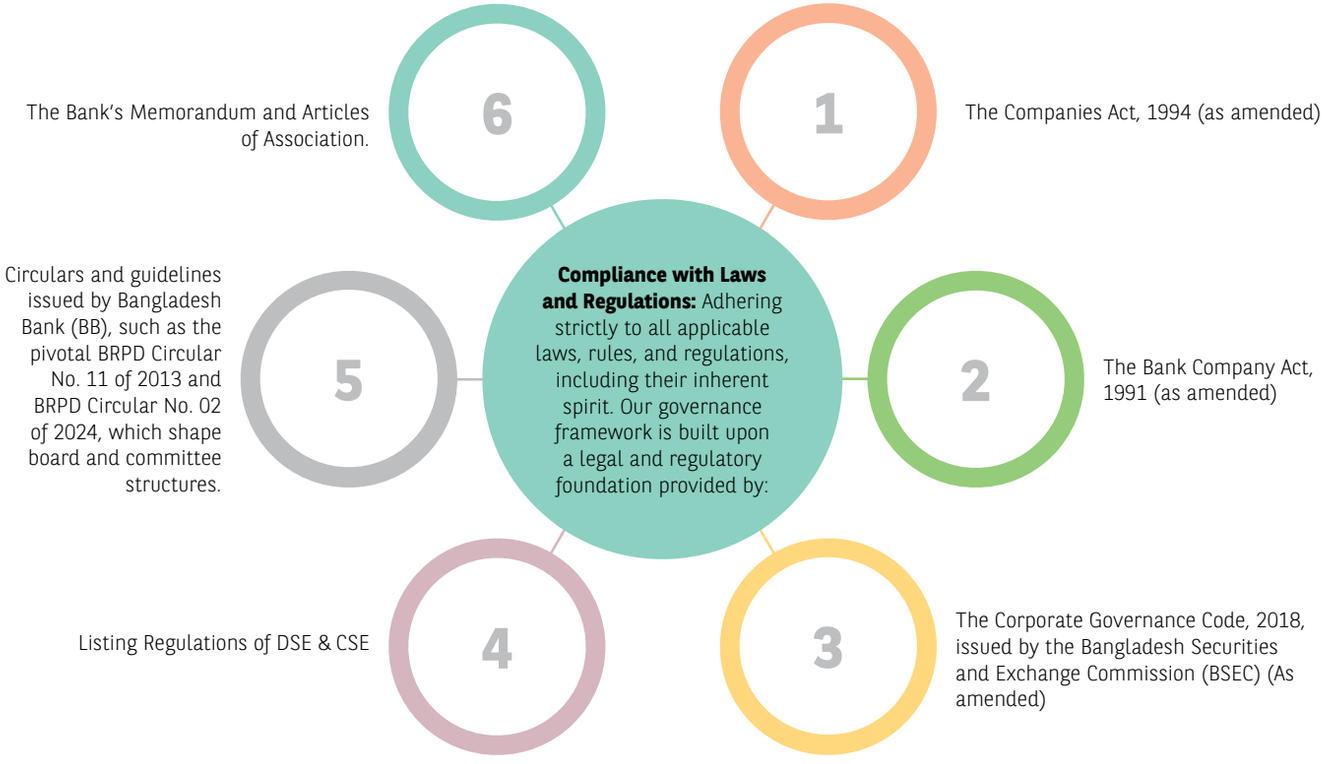
CORPORATE GOVERNANCE REPORT

MBPLC'S GOVERNANCE PHILOSOPHY AND FRAMEWORK

The corporate governance philosophy of MBPLC is founded on the conviction that strong governance is essential for long-term investment, financial stability, and business integrity. It serves as the cornerstone for building an environment of trust, transparency, and accountability, thereby supporting sustainable growth and value creation for all stakeholders. Our framework is designed to go beyond mere regulatory compliance, embedding a culture of integrity across all spheres of the organization.

This philosophy is guided by a set of core principles that inform our policies, procedures, and day-to-day operations. These principles are modeled after local and international best practices, including the G20/OECD Principles of Corporate Governance, and are designed to ensure that the bank is managed in a responsible and ethical manner. The guiding philosophy of our governance practices is based on the following principles:

- **Value Creation for Stakeholders:** Creating sustainable, long-term value for all stakeholders, including shareholders, customers, employees, and the community, without compromising on ethical principles and corporate responsibility.
- **Fairness and Equity:** Ensuring fair and equitable treatment for all stakeholders. We are committed to protecting shareholder rights, including those of minority shareholders, and providing effective redress for any violations.
- **Transparency and Disclosure:** Maintaining a policy of full disclosure and transparency. We ensure the timely and accurate disclosure of all material matters, including the bank's financial situation, performance, ownership structure, and governance practices.
- **Accountability:** Establishing clear lines of responsibility and accountability throughout the organization, from the Board of Directors and its committees to senior management and all employees.



- **Trusteeship Model:** Embracing a model in which the Board and Management act as trustees of the shareholders' capital. This principle reinforces the fiduciary duty to manage the bank's resources prudently and in the best interests of its owners.
- **Risk Management and Internal Control:** Establishing and maintaining a sound system of risk management and internal controls, complete with adequate safeguards and early warning systems to identify, assess, and mitigate risks effectively.

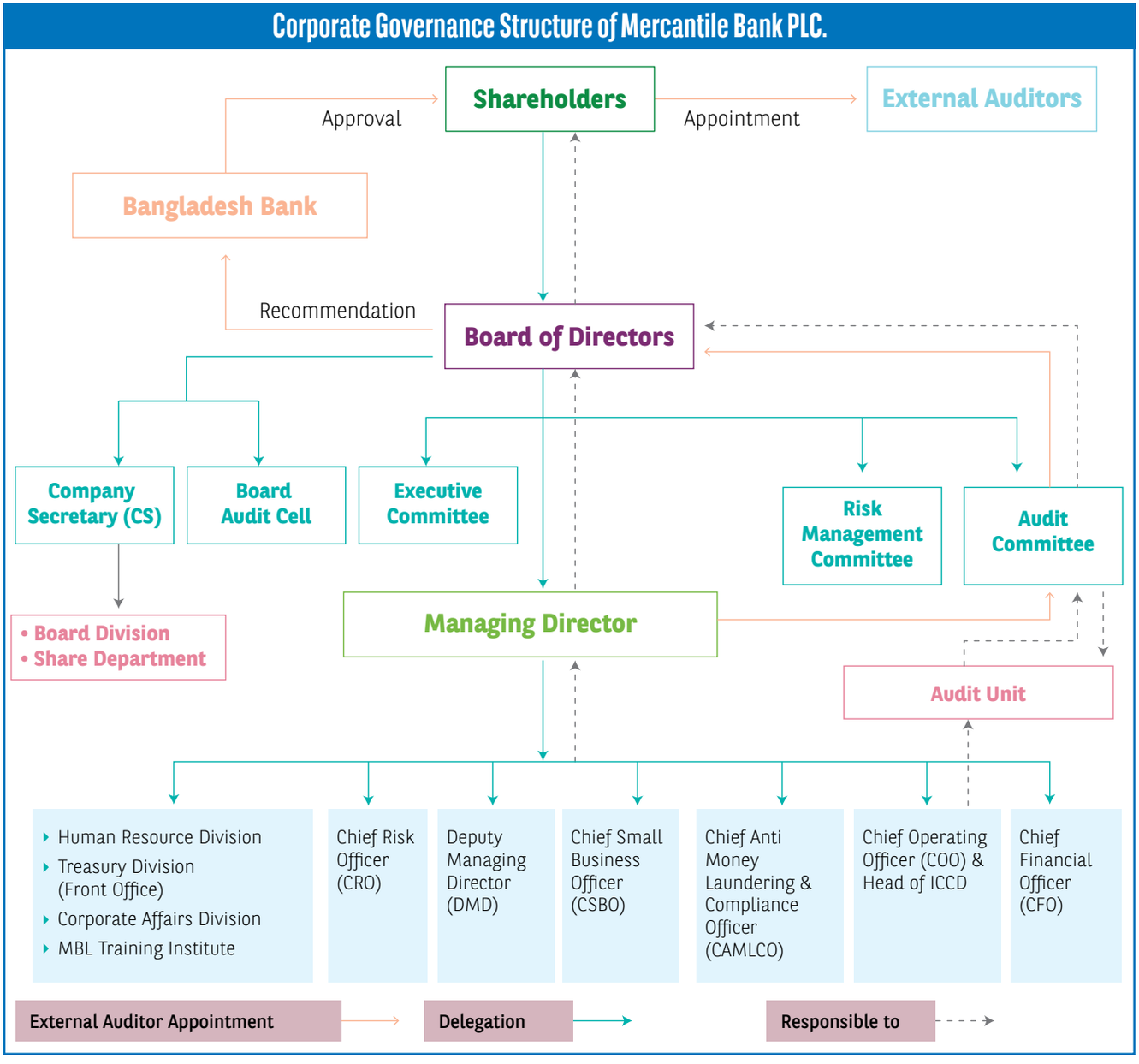
GOVERNANCE STRUCTURE OF MERCANTILE BANK PLC

The governance structure of MBPLC is designed to ensure clear lines of authority, effective oversight, and accountability. The Board of Directors is at the center of this framework, responsible for establishing the overall governance structure and setting the strategic direction of the bank. The shareholders' role is to appoint qualified directors and the external auditors, thereby entrusting the Board with the stewardship of their investment.

Our governance model is hierarchical and interconnected, promoting a balance of power and a system of checks and balances. It incorporates the "Three Lines of Defense" model, a recognized best practice within the global and Bangladeshi banking sectors, to ensure a comprehensive and systematic approach to risk management and internal control.

A visual representation of the governance structure is provided below:

CORPORATE GOVERNANCE STRUCTURE



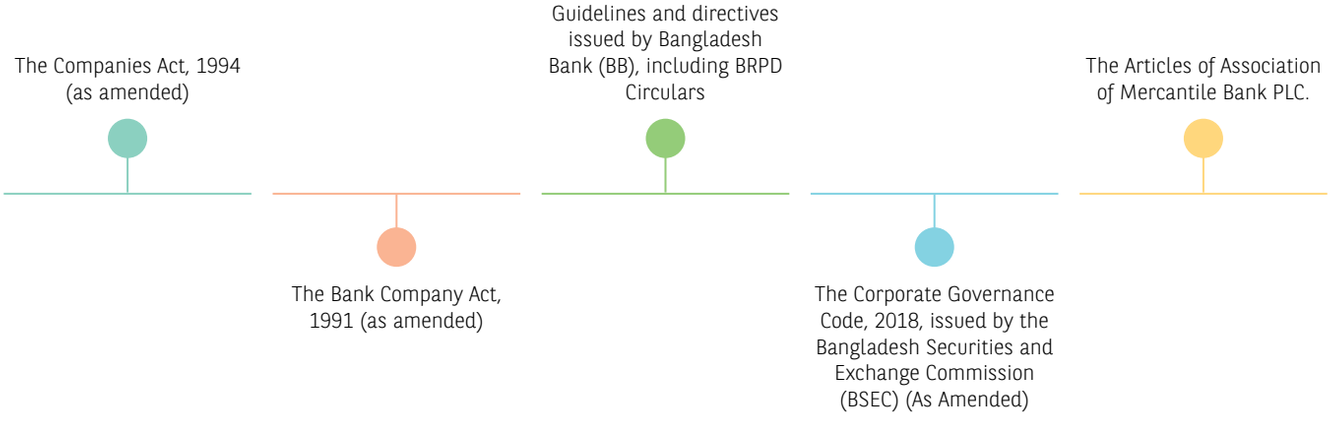
This structure ensures that the Board, supported by its committees, provides independent oversight of the management team. The management, led by the Managing Director, is responsible for executing the policies and strategies set by the Board and for the day-to-day operations of the bank. The risk management and internal control functions (the second line of defense) are designed to be independent from the business units (the first line of defense) to provide objective assessments and safeguards against unforeseen risks. The Audit Committee, chaired by an Independent Director as required by the BSEC Corporate Governance Code, plays a pivotal role in overseeing financial reporting and the integrity of the internal control systems, including the third line of defense, which is the internal audit function.

THE BOARD OF DIRECTORS: STEWARDSHIP AND OVERSIGHT

BOARD COMPOSITION AND PROFILE

Policy on Appointment of Directors

The appointment of Directors to the Board of MBPLC is a formal and transparent process, conducted in strict accordance with the prevailing laws, regulations, and the Bank's own governing documents. This ensures that the Board is composed of individuals with the requisite skills, integrity, and experience to lead the institution effectively. Directors are appointed as per the respective provisions, sections, and regulations of the following authorities and documents :



Non-executive directors are elected by the shareholders at the Annual General Meeting (AGM). Independent Directors are appointed by the Board, subject to regulatory clearance and subsequent approval by shareholders at the AGM. The Managing Director is appointed by the Board, subject to the prior approval of Bangladesh Bank.

STRUCTURE AND DIVERSITY OF THE BOARD

The Board of Directors of MBPLC comprises a blend of experienced entrepreneurs, seasoned business professionals, and independent experts. The collective knowledge of the Board spans diverse fields, including banking and finance, business management, law, and accounting, providing a strong foundation for strategic decision-making and effective oversight.

As of 31 December 2024, the Board consists of 12 Directors. The composition is as follows :



The composition of the Board is a strategic construct. It is heavily weighted towards successful entrepreneurs and industrialists, reflecting a governance culture that prioritizes practical business acumen and growth, which aligns perfectly with the bank's strategic focus on commercial and SME lending. The presence of two distinguished academics as Independent Directors provides a crucial counterbalance, ensuring that strategic decisions are also subject to rigorous, objective scrutiny from a non-commercial and regulatory-minded perspective. This creates a balanced ecosystem of practical and theoretical expertise, specifically designed for effective governance.

PROFILES OF THE BOARD OF DIRECTORS

The following table provides a profile of each member of the Board of Directors, detailing their qualifications, expertise, and tenure. This consolidated view highlights the collective strength and capabilities of the Board entrusted with the Bank's stewardship.

BOARD OF DIRECTORS PROFILE

Name & Position	Core Experience & Expertise	Date of Appointment / Last Re-appointment	Committee Memberships (EC, AC, RMC)
Md. Anwarul Haque Chairman	Over 45 years of experience in construction, real estate, export-import, and trading. Managing Director of Living Plus Limited and Director of multiple other companies.	13 September 2021	-
Al-Haj Akram Hossain (Humayun) Vice Chairman	Eminent businessman. Chairman & Managing Director of FARS Group, with extensive experience in the real estate sector. Known for philanthropic activities.	19 June 2024	Member, Audit Committee
Md. Abdul Hannan Vice Chairman	Renowned businessman. Chairman and Managing Director of Dabstar & Associates Limited and Murad Apparels Limited. Involved in export-oriented ready-made garments and other businesses.	19 June 2024	Member, Audit Committee ; Member, Risk Management Committee
M.A. Khan Belal Director & Chairman, Executive Committee	Experience in trade, industry, shipping, and banking. Chairman of Shamrat Group of Companies. High academic background.	19 June 2024	Chairman, Executive Committee ; Member, Risk Management Committee
Mohammad Abdul Awal Director & Chaiman, Risk Management Committee	Founder and Managing Director of Synthia Securities Limited (a DSE member). Experience in share trading and finance. Sponsor Shareholder and former Chairman of Express Insurance Limited.	26 June 2023	Chairman, Risk Management Committee ; Member, Executive Committee
Prof. Dr. Md. Rezaul Kabir Independent Director & Chairman, Audit Committee	Professor of Finance and Coordinator of the BBA Program at IBA, University of Dhaka. Over 15 years of teaching and consultancy experience. Associate Fellow of the Higher Education Academy, UK.	15 October 2023	Chairman, Audit Committee
A.S.M. Feroz Alam Sponsor Director	Renowned businessman with extensive international business experience. Chairman of Bengal Trading Limited (Japan). Founder of Saheda Gafur Ibrahim General Hospital.	26 June 2023	Member, Executive Committee
M. Amanullah Sponsor Director	Founder of Aman Group of Companies, a conglomerate with diversified businesses. Honored as a Commercially Important Person (CIP) for contributions to export trade. Former Chairman of MBPLC.	26 June 2023	Member, Executive Committee ; Member, Risk Management Committee
Morshed Alam Sponsor Director	Founder of Bengal Group of Industries. Extensive experience in manufacturing (plastics), media, and financial services. Former Chairman of MBPLC. Honored as a Commercially Important Person (CIP).	19 May 2022	Member, Executive Committee ; Member, Risk Management Committee
Al-haj Mosharref Hossain Director	Leading businessman with extensive experience in paper trading as the Proprietor of M.H. Traders. Director of Toka Ink (BD) Ltd. and Managing Director of Bulbul Printers.	19 May 2022	Member, Executive Committee
Dr. Gazi Mohammad Hasan Jamil Independent Director	Professor of the Department of Finance, University of Dhaka. Holds a Ph.D. from Concordia University, Canada, and an MSc in Finance and MBA from Texas A&M University, USA. Certified Management Accountant (CMA) and active candidate in the Chartered Financial Analyst (CFA) program.	29 February 2024	Member, Audit Committee
Mati Ul Hasan Managing Director	Over 41 years of experience in the financial sector. Served as Additional Managing Director & Chief Risk Officer and Deputy Managing Director at MBPLC. Expertise in foreign trade, treasury, and branch banking, with extensive overseas experience.	30 November 2024	-

In compliance with BSEC requirements, profiles of the members of the Board of Directors are presented in the "Overview" section of this Annual Report.

BOARD RESPONSIBILITIES, INDEPENDENCE, AND PERFORMANCE

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board of Directors is entrusted with the ultimate responsibility for the stewardship of Mercantile Bank PLC. Its roles and responsibilities are clearly defined to ensure effective oversight of the bank's strategy, performance, and risk management framework. These duties are established in compliance with the Bank Company Act, 1991, and the guidelines of Bangladesh Bank. The major roles and responsibilities of the Board are outlined below:

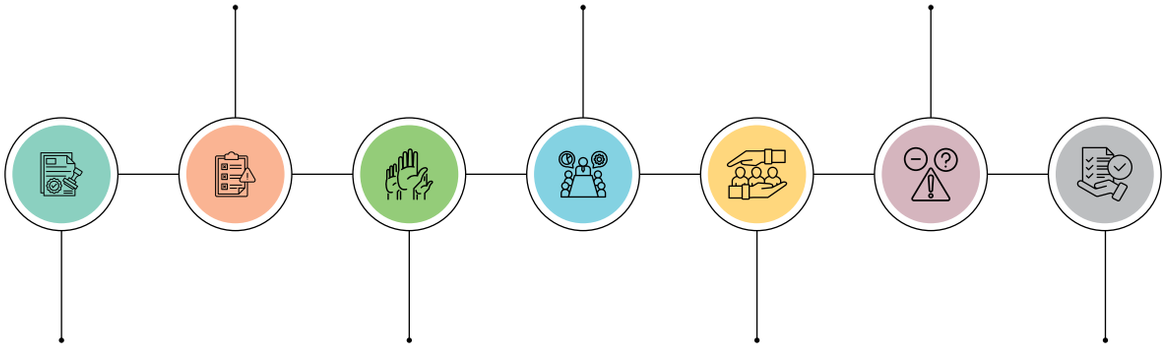
Major Roles and Responsibilities	Brief Particulars
Work Planning and Strategic Management	• Determining the bank's vision, mission, objectives, and goals, and formulating strategies and annual work plans to achieve them. • Making str ategic decisions related to structural changes for enhancing institutional efficiency and other key policy matters. • Analyzing and monitoring the implementation status of the bank's strategic plans. • Setting and periodically evaluating Key Performance Indicators (KPIs) for the Managing Director and the two executive tiers immediately below.
Credit and Risk Management	• Formulating policies, strategies, and procedures for loan appraisal, sanction, disbursement, recovery, rescheduling, and write-offs, in accordance with existing laws and regulations. • Prudently delegating lending authority to the MD and designated executives. • Establishing a comprehensive risk management framework and monitoring compliance with Bangladesh Bank's guidelines on key risk areas.
Internal Control Management	• Maintaining vigilant oversight of the internal control system to ensure the quality of the bank's loan portfolio and operational integrity. • Establishing an internal control system that ensures the independence of the internal audit function from management. • Reviewing reports from the Audit Committee regarding compliance with recommendations from internal audits, external audits, and Bangladesh Bank inspections.
Human Resources Management and Development	• Framing policies for recruitment, promotion, transfer, disciplinary measures, and human resource development, including the formulation of service rules. • Refraining from any interference in administrative affairs that are executed under the established service rules. • Overseeing the recruitment, promotion, and disciplinary actions for officers in the two tiers immediately below the MD, in compliance with service rules. • Promoting the development of staff skills, particularly in prudent loan appraisal, modern technology adoption, and the use of an effective Management Information System (MIS). • Establishing and promoting a Code of Ethics and healthy conduct to foster a strong compliance culture throughout the bank.
Financial Management	• Finalizing and approving the annual budget and periodic financial statements. • Reviewing and monitoring the bank's performance with respect to income, expenditure, liquidity, non-performing assets, capital adequacy, and loan loss provisions. • Framing policies for procurement and approving the delegation of expenditure authority to the MD. • Making decisions on major infrastructure development and capital expenditures, such as the purchase of land, buildings, and vehicles. • Reviewing the formation and functioning of the Asset-Liability Committee (ALCO) to ensure it operates per Bangladesh Bank guidelines.
Appointment of Managing Director (MD)	• Appointing an honest, efficient, experienced, and suitable Managing Director, with the prior approval of Bangladesh Bank.
Formation of Supporting Committees	• Forming an Executive Committee, an Audit Committee, and a Risk Management Committee with directors. The Board is restricted from forming any other sub-committees beyond these three, as per regulatory directives.

ROLE OF INDEPENDENT DIRECTORS

Independent Directors are a cornerstone of MBPLC's governance framework, bringing objectivity, diverse expertise, and impartial judgment to the Board's deliberations. Their presence ensures that the Board's decisions are made in the best interests of all stakeholders, particularly minority shareholders and depositors. The roles, responsibilities, and accountabilities of Independent Directors are aligned with the BSEC Corporate Governance Code and Bangladesh Bank guidelines.

A powerful governance mechanism specific to the Bangladeshi context is the explicit power granted to Independent Directors to report concerns directly to the central bank. This elevates their role from mere advisors to active regulatory conduits, providing a significant check on the power of the full Board and management. This demonstrates the bank's full acceptance of this rigorous oversight and provides a powerful assurance to depositors and minority shareholders that their interests are protected by a mechanism with real authority.

The key responsibilities of an Independent Director include:



Ensuring Regulatory Compliance: To ensure the bank's management complies with the Bank Company Act, 1991, and all other relevant acts, rules, and regulations.

Reporting Violations: To promptly inform Bangladesh Bank of any violation of the Bank Company Act or other regulations by the Board of Directors.

Active Participation: To participate actively in Board meetings and provide thoughtful, unbiased opinions on all matters presented, especially those involving potential conflicts of interest.

Committee Contribution: To fulfill all assigned duties diligently if appointed to any Board sub-committee. The Chairman of the Audit Committee must be an Independent Director.

Protecting Stakeholder Interests: To always strive for the protection of the interests of depositors and ordinary shareholders.

Escalation of Concerns: If an Independent Director's opinion is not given due importance by the Board or its sub-committees, or if any inappropriate practices are observed, he or she is obligated to report these concerns in writing to the relevant departments of Bangladesh Bank.

Accountability: To be accountable for their duties, as any substantiated complaint of negligence can result in action being taken against them under the Bank Company Act, 1991.

SEPARATION OF CHAIRMAN AND MANAGING DIRECTOR ROLES

In strict compliance with the BSEC Corporate Governance Code and Bangladesh Bank guidelines, Mercantile Bank PLC maintains a clear separation between the roles of the Chairman of the Board and the Managing Director. This separation is fundamental to ensuring a balance of power, enhancing accountability, and preventing unfettered authority in any single individual.

The Chairman of the Board, Mr. Md. Anwarul Haque, is elected from among the non-executive directors. The Chairman's primary responsibility is to lead the Board of Directors, ensuring its effectiveness in setting the bank's strategic direction and overseeing management. The Chairman sets the agenda for Board meetings, presides over them to facilitate constructive debate and consensus-building, and acts as the lead representative of the bank to its shareholders. The Chairman does not participate in the day-to-day administrative or operational affairs of the bank.

The Managing Director, Mr. Mati Ul Hasan, is the head of the management team and is accountable to the Board for the day-to-day running of the bank. The MD's primary responsibilities include implementing the policies and strategic direction established by the Board, managing the bank's operations to safeguard the interests of customers and stakeholders, establishing and maintaining a strong system of internal controls, and ensuring the bank's compliance with all applicable legal and regulatory requirements.

This clear demarcation of roles ensures that the Board, led by the Chairman, can effectively challenge and supervise the executive team, led by the Managing Director creating a robust governance structure.

ANNUAL PERFORMANCE APPRAISAL OF THE BOARD AND MD

Mercantile Bank PLC has an established process for the annual evaluation of the performance of the Board, its committees, individual directors, and the Managing Director. This process is crucial for ensuring effectiveness, accountability, and continuous improvement in governance.

- **Appraisal of the Board:** The performance of the Board as a whole is critically appraised by the

shareholders at the Annual General Meeting (AGM). During the AGM, shareholders have the opportunity to evaluate the financial performance of the bank, the effectiveness of its internal control systems, and its overall governance. The Board's performance is also internally assessed against the achievement of strategic objectives and the annual budget. The attendance and active participation of directors in Board and committee meetings are key metrics in this evaluation.

- **Evaluation of the MD:** The Board of Directors conducts an annual evaluation of the performance of the Managing Director. This evaluation is based on a set of pre-defined roles, responsibilities, and Key Performance Indicators (KPIs). The Board scrutinizes various reports on the bank's financial and operational performance, analyzes the variance between budgeted targets and actual results, and assesses the MD's leadership in achieving the bank's strategic goals. Key financial parameters used in the evaluation include the Non-Performing Loan (NPL) ratio, growth in loans and deposits, Return on Equity (ROE), Return on Assets (ROA), and the cost-to-income ratio.

BOARD MEETINGS AND DIRECTOR ATTENDANCE

The Board of Directors of MBPLC holds meetings on a regular basis to discharge its duties effectively. Management provides detailed working papers and agendas to all directors well in advance of each meeting to allow for thorough preparation. During meetings, the Chairman ensures that sufficient time is allocated for discussion on each agenda item, encouraging open debate and allowing directors to inquire and express their opinions freely.

During the year 2024, a total of 22 Board meetings were held. The attendance of each director at these meetings is recorded below to ensure transparency regarding their commitment and engagement. This disclosure is a key requirement of the BSEC Corporate Governance Code and serves as a quantitative measure of each director's diligence and accountability to shareholders.

ATTENDANCE AT BOARD MEETINGS (2024)

SL. No.	Name of Director	Position	Total Meetings Held	No. of Meetings Attended
1.	Md. Anwarul Haque	Chairman	22	22
2.	Al-Haj Akram Hossain (Humayun)	Vice Chairman	21	16
3.	Md. Abdul Hannan	Vice Chairman	21	20
4.	M.A. Khan Belal	Director	21	21
5.	Mohammad Abdul Awal	Director	22	22
6.	Prof. Dr. Md. Rezaul Kabir	Independent Director	22	20
7.	A. S. M. Feroz Alam	Director	22	19
8.	M. Amanullah	Director	22	22
9.	Morshed Alam	Director	22	19
10.	Alhaj Mosharref Hossain	Director	22	22
11.	Dr. Gazi Mohammud Hasan Jamil	Independent Director	21	11

BOARD COMMITTEES

To ensure focused oversight and enhance governance effectiveness, the Board of Directors has constituted three key sub-committees, in line with the directives of Bangladesh Bank which permit a maximum of three such committees. These are the Executive Committee, the Audit Committee, and the Risk Management Committee.

EXECUTIVE COMMITTEE (EC)

The Executive Committee (EC) of the Board acts as a proxy for the full Board, empowered to take decisions on urgent business matters that arise between scheduled Board meetings. This ensures the smooth and uninterrupted flow of the bank's business operations. Any decision taken by the EC is subsequently presented to the full Board for ratification.

Composition of the Executive Committee: The EC is composed of directors nominated by the Board. As of 31 December 2024, the members of the Executive Committee are :

- **Chairman:** M.A. Khan Belal
- **Members:**
  - A.S.M. Feroz Alam
  - M. Amanullah
  - Morshed Alam
  - Alhaj Mosharref Hossain
  - Mohammad Abdul Awal

Meetings and Activities in 2024: During the year 2024, the Executive Committee held 41 meetings. The committee reviewed and approved various credit proposals and other business matters falling within its delegated authority, ensuring timely decision-making and operational continuity.

AUDIT COMMITTEE (AC)

The Audit Committee (AC) is a cornerstone of the bank's corporate governance framework, providing independent oversight of the financial reporting process, the internal control system, the internal audit function, and the bank's compliance with laws and regulations.

COMPOSITION AND MANDATE

The AC is constituted by the Board of Directors in strict compliance with the guidelines of Bangladesh Bank and the BSEC Corporate Governance Code. A critical feature of the local regulatory environment is the specific directive from Bangladesh Bank (as cited in BRPD Circular No. 02, dated February 11, 2024) that limits the number of board sub-committees to three. Consequently, the functions typically assigned to a separate Nomination and Remuneration Committee (NRC) have been entrusted to the Audit Committee. This consolidation is a defining feature of the banking sector's governance structure in Bangladesh.

This arrangement places an extraordinary level of responsibility on the AC, requiring its members to possess a uniquely broad skillset covering finance, audit, risk, human resources, and corporate strategy. The composition of the AC is therefore paramount. The bank has ensured that the committee is composed of highly qualified individuals capable of handling this expanded and highly demanding mandate.

As of 31 December 2024, the members of the Audit Committee are :

- **Chairman:** Prof. Dr. Md. Rezaul Kabir (Independent Director)
- **Members**:
  - Al-Haj Akram Hossain (Humayun) (Director)
  - Md. Abdul Hannan (Director)
  - Dr. Gazi Mohammad Hasan Jamil (Independent Director)

The Committee is chaired by an Independent Director, and all members are financially literate with expertise in fields such as accounting, finance, and business, enabling them to effectively discharge their duties. The Head of Internal Audit reports directly to the Audit Committee, ensuring the independence of the audit function is preserved.

ACTIVITIES OF THE AUDIT COMMITTEE IN 2024

During the year 2024, the Audit Committee held 9 meetings and diligently fulfilled its responsibilities as per its Terms of Reference. The major activities and areas of focus included:

- **Review of Financial Statements:** Scrutinized the quarterly, half-yearly, and annual financial statements of the bank before their submission to the Board, ensuring their accuracy, completeness, and compliance with International Financial Reporting Standards (IFRS) and other regulatory requirements.
- **Oversight of Internal Control:** Continuously assessed the adequacy and effectiveness of the bank's internal control system. This involved reviewing reports from the Internal Control & Compliance Division (ICCD) and management's responses to identified weaknesses or deficiencies.
- **Oversight of Audit Functions:**
  - Internal Audit: Reviewed and approved the annual internal audit plan, monitored its implementation, and reviewed the findings of internal audit reports. The committee held meetings with the Head of Internal Audit without management present to discuss any sensitive issues.
  - External Audit: Recommended the appointment, remuneration, and terms of engagement of the external auditors to the Board for shareholder approval. The committee reviewed the external auditors' findings and management's response to ensure that any identified irregularities were promptly addressed.
  - Compliance Oversight: Reviewed the bank's compliance with applicable laws, regulations, and internal policies to ensure management's adherence.
  - Nomination and Remuneration Functions: Fulfilled the responsibilities of the NRC, a critical function given the consolidated committee structure.

RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee (RMC) is responsible for overseeing the bank's enterprise-wide risk management framework. Its primary role is to ensure that management is properly identifying, assessing, managing, and mitigating all material risks faced by the bank, including credit, market, operational, liquidity, compliance, and strategic risks.

Composition of the Risk Management Committee: The RMC is composed entirely of non-executive directors, providing an independent perspective on risk oversight. As of 31 December 2024, the members of the Risk Management Committee are :

- **Chairman:** Mohammad Abdul Awal
- **Members:**
  - M. Amanullah
  - Md. Abdul Hannan
  - Morshed Alam
  - M.A. Khan Belal

Meetings and Activities in 2024: During the year 2024, the Risk Management Committee held 12 meetings. The committee's key activities included:

- Reviewing and approving the bank's overall risk appetite and tolerance limits.
- Overseeing the implementation of the risk management policies and framework across the Bank.
- Reviewing reports from the Chief Risk Officer (CRO) on the Bank's risk profile and the effectiveness of mitigation strategies.
- Monitoring key risk areas and ensuring that adequate capital is maintained against identified risks, in line with the Basel framework and the Bank's Internal Capital Adequacy Assessment Process (ICAAP).

NOMINATION AND REMUNERATION FUNCTIONS

As mandated by Bangladesh Bank circulars that limit the number of Board sub-committees, the responsibilities of the Nomination and Remuneration Committee (NRC) are carried out by the Audit Committee of the Board. This ensures regulatory compliance while maintaining dedicated oversight of these critical governance functions. The Audit Committee reports its recommendations on these matters to the full Board for approval.

The key responsibilities related to nomination and remuneration include:

- **Nomination and Board Composition:**
  - Formulating the criteria for determining the qualifications, positive attributes, and independence of a director.
  - Devising a policy on Board diversity, considering factors such as age, gender, experience, and educational background.
  - Identifying persons who are qualified to become directors and who may be appointed to top-level executive positions, and recommending their

appointment and removal to the Board.

- **Performance Evaluation:**
  - Formulating the criteria for the evaluation of the performance of independent directors and the Board as a whole.
- **Human Resources and Remuneration:**
  - Developing, recommending, and annually reviewing the bank's human resources and training policies.
  - Identifying the bank's needs for employees at different levels and determining their selection, transfer, and promotion criteria.
  - Recommending a policy to the Board relating to the remuneration of independent directors and top-level executives, ensuring it is fair, competitive, and aligned with the long-term interests of the bank.

Remuneration Policy for Directors and Senior Management: The remuneration for Directors, the Managing Director, and other employees is governed by the policies of the Bank, which are framed in compliance with the circulars issued by Bangladesh Bank.

- **Directors:** Non-executive directors receive an honorarium for attending Board and committee meetings, as permitted by Bangladesh Bank. No other remuneration is provided.
- **Independent Directors:** In addition to the meeting attendance fee, Independent Directors receive a fixed monthly remuneration, subject to applicable taxes, as per regulatory guidelines.
- **Managing Director:** The remuneration of the MD is determined by a service contract approved by the Board of Directors and Bangladesh Bank.
- **Employees:** Salaries and other benefits for all other employees are regulated by the bank's "HR Policy."

CONTROL, RISK, AND MANAGEMENT

KEY MANAGEMENT ROLES AND RESPONSIBILITIES

MBPLC has clearly defined roles and responsibilities for its key management personnel to ensure effective leadership, operational excellence, and accountability. These roles form the executive layer responsible for implementing the Board's strategic vision.

- **Managing Director (MD):** The MD, currently Mr. Mati Ul Hasan, is accountable to the Board of Directors for the overall performance of the bank. The MD is responsible for achieving the financial and business targets set by the Board, implementing strategic plans, and managing the Bank's administrative and financial affairs prudently. The MD ensures compliance with the Bank Company Act and other relevant laws in all routine functions and is responsible for all staff matters except for the two executive tiers immediately below, which are overseen by the Board.
- **Chief Financial Officer (CFO):** The CFO is responsible for the integrity of the Bank's financial reporting. Key duties include supervising the preparation of all periodic financial statements and regulatory reports, overseeing financial planning and analysis, managing payables and fixed assets, and ensuring compliance with financial reporting standards and tax regulations. The CFO is also a key member of several management committees, including the Asset-Liability Committee (ALCO).
- **Company Secretary (CS):** The Company Secretary acts as the custodian of good governance, ensuring the Bank complies with the Corporate Governance Code and other applicable laws. The CS manages all Board and committee affairs, facilitates meetings, ensures the timely implementation of Board decisions, manages shareholder services and communication, and oversees the maintenance of all statutory records and corporate disclosures. The Company Secretary is accountable to the Board, through the Chairman, on all matters related to the proper functioning of the Board.
- **Head of Internal Audit & Compliance (HIAC):** The HIAC is responsible for providing independent assurance on the effectiveness of the bank's risk management, control, and governance processes. Key responsibilities include developing and implementing a risk-based internal audit plan, ensuring the internal audit function operates independently and complies with all policies and guidelines, and reporting significant findings directly to the Audit Committee of the Board. This direct reporting line is a critical control feature that ensures the function's independence from management.

INTERNAL CONTROL FRAMEWORK

DIRECTORS' RESPONSIBILITY FOR INTERNAL CONTROL

The Board of Directors of Mercantile Bank PLC acknowledges its ultimate responsibility for establishing and maintaining a sound and effective system of internal control, as mandated by the Bank Company Act. This system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss. The Board has delegated supervisory duties for the internal control system to the Audit Committee, which actively monitors its effectiveness and reports its findings to the full Board.

THE THREE LINES OF DEFENSE MODEL

The Bank's internal control and risk management framework is structured around the "Three Lines of Defense" model. This model provides a clear and effective way to manage risk and control by defining distinct roles and responsibilities across the organization. This approach is a recognized best practice within the Bangladeshi Banking sector and is fundamental to our governance.

- **The First Line of Defense:** This line consists of the business and operational units that directly own and manage risks as part of their daily responsibilities. They are responsible for identifying, assessing, and controlling risks in their respective areas, adhering to established policies and procedures, and ensuring that controls are functioning effectively.
- **The Second Line of Defense:** This line is composed of the Risk Management and Compliance functions. They provide oversight and support to the first line, ensuring that activities are conducted within the Bank's defined risk appetite. This includes developing risk policies, monitoring adherence to these policies and regulatory requirements, and providing independent risk analysis and reporting to senior management and the Board.

- **The Third Line of Defense:** This line is the Internal Audit function. Operating independently from the first and second lines, Internal Audit provides objective and independent assurance to the Board and the Audit Committee on the effectiveness of the Bank's governance, risk management, and internal control processes. The Head of Internal Audit reports directly to the Audit Committee to ensure its independence is preserved.

FUNCTIONS OF THE INTERNAL CONTROL & COMPLIANCE DIVISION (ICCD)

The Internal Control & Compliance Division (ICCD) is structured to support the internal control framework and comprises three distinct departments, each with a specific mandate to ensure operational integrity and regulatory adherence.

- **Internal Audit Department:** This department conducts risk-based audits of all bank functions, including branches, corporate banking, treasury, IT systems, and core risk areas. It provides key stakeholders with assurance that the bank is operating in line with compliance norms and good governance standards.

- **Monitoring Department:** This department conducts perpetual offsite and onsite monitoring of the bank's departments and branches to ensure the appropriate practice of internal control systems and tools. It reviews operational exceptions, documentation deficiencies, and compliance with exposure limits, reporting its findings to senior management and the Audit Committee.

- **Compliance Department:** This department is responsible for fostering a strong compliance culture throughout the bank. It acts as the contact point for regulators, ensures the proper enactment of all regulatory policies, responds to regulatory queries, and advises departments and branches on resolving compliance issues.

ENTERPRISE RISK MANAGEMENT

MBPLC operates in a dynamic environment and is exposed to a wide array of risks. Effective risk identification and management are therefore critical to our stability and long-term success. The Risk Management Division (RMD), under the leadership of the Chief Risk Officer (CRO), is responsible for overseeing, monitoring, and reporting on all risks in line with the risk appetite set by the Risk Management Committee (RMC) of the Board.

Risk Identification: We identify and categorize risks to ensure a comprehensive management approach. These risks are captured from all organizational units and encompass both quantitative and qualitative elements.

Quantitative Risks	Qualitative Risks	Emerging Risks
• Credit Risk	• Operational Risk	• Forex Crisis
• Market Risk	• Reputational Risk	• Geopolitical Instability
• Liquidity & Funding Risk	• Strategic Risk	• Cybersecurity Threats
	• Environmental & Social Risk	• Climate Change Risk

Risk Management and Mitigation Strategies: The bank has developed robust risk mitigation strategies based on the policies and guidelines of Bangladesh Bank and its own defined risk appetite, limits, and standards. The process involves a continuous cycle of risk identification, measurement, solution analysis, implementation, and monitoring. This framework ensures that the bank maintains adequate capital against all material risks, as assessed through our Internal Capital Adequacy Assessment Process (ICAAP), which is a critical tool for aligning capital with the bank's overall risk profile.

STAKEHOLDER ENGAGEMENT AND ETHICAL CONDUCT

SHAREHOLDER INFORMATION AND DISCLOSURES

MBPLC is committed to maintaining effective communication with its shareholders and ensuring transparency in all disclosures. The Company Secretariat and the Investors' Relation Department serve as the primary points of contact for shareholders, addressing queries related to share transfers, dividend payments, and other matters.

OWNERSHIP COMPOSITION

The following table presents the shareholding composition of Mercantile Bank PLC, providing a transparent view of the bank's ownership structure. The data shows significant ownership by sponsors and directors, indicating their strong alignment with the bank's long-term success. The presence of institutional and foreign investors reflects a degree of market confidence and professional scrutiny of the bank's performance and governance.

Sl.	Particulars	As at December 31, 2024		As at December 31, 2023	
		Shares held	%	Shares held	%
1	Sponsor / Director	372,184,890	33.63%	379,645,289	34.31%
2	General Public	433,213,266	39.15%	398,696,922	36.03%
3	Institution	291,851,444	26.38%	284,040,515	25.67%
4	Foreign	9,325,835	0.84%	44,192,709	3.99%
	Total:	**1,106,575,435**	**100%**	**1,106,575,435**	**100%**

DIRECTORS' SHAREHOLDING STATUS

In compliance with BSEC regulations requiring directors to hold a minimum percentage of shares, the following table details the shareholding position of each director of Mercantile Bank PLC as of 31 December 2024.

SL	Name of the Directors	As on December 31, 2024		As on December 31, 2023	
		Shares held	%	Shares held	%
1	Md. Anwarul Haque	24,943,792	2.25%	24,943,792	2.25%
2	Al-haj Akram Hossain (Humayun)	24,017,249	2.17%	24,017,249	2.17%
3	Md. Abdul Hannan	25,298,854	2.29%	25,298,854	2.29%
4	M.A. Khan Belal	22,217,211	2.01%	22,217,211	2.01%
5	Mohammad Abdul Awal	22,592,370	2.04%	22,592,370	2.04%
6	Prof. Dr. Md. Rezaul Kabir	Nil	Nil	Nil	Nil
7	A.S.M. Feroz Alam	34,854,232	3.15%	34,854,232	3.15%
8	M. Amanullah	25,000,000	2.26%	27,260,399	2.46%
9	Morshed Alam	27,558,916	2.49%	27,558,916	2.49%
10	Al-haj Mosharref Hossain	26,486,392	2.39%	26,486,392	2.39%
11	Dr. Gazi Mohammed Hasan Jamil	Nil	Nil	Nil	Nil

SHAREHOLDER COMMUNICATION AND GRIEVANCE POLICY

The bank communicates with its shareholders through various channels, including the Annual Report, quarterly financial publications, disclosures of price-sensitive information, and the bank's official website. The Annual General Meeting (AGM) provides a crucial platform for direct engagement, where shareholders can ask questions and provide feedback to the Board and management.

A formal grievance policy is in place to address any shareholder complaints related to share transfers, non-receipt of annual reports, or dividend payments. The Company Secretary acts as the Chief Compliance Officer for handling such matters, ensuring they are resolved lawfully and in a timely manner.

DIVIDEND DISTRIBUTION AND UNCLAIMED DIVIDENDS

The bank has a formal Dividend Distribution Policy, which is available on the company website. This policy governs the process of declaring and distributing dividends to shareholders.

A significant aspect of local regulatory compliance involves the detailed tracking and reporting of unclaimed dividends. These funds are held by the bank for a specified period before being subject to transfer to the Capital Market Stabilization Fund (CMSF), as per regulatory directives. This detailed disclosure is crucial for transparency and regulatory adherence.

The list of unclaimed cash and stock dividends as of 31 December 2024 is also available on the company website.

ETHICS, COMPLIANCE, AND BUSINESS CONDUCT

- **Code of Conduct and Ethical Guidelines:** The Board of Directors and all employees of Mercantile Bank PLC are committed to adhering to a strict Code of Conduct and Ethical Guidelines. This code mandates compliance with all applicable laws and regulations and sets the highest standards for professional and ethical behavior, centered on the core value of "Uncompromising Integrity".
- **Whistleblowing Policy:** The bank has a robust "Speak Up Policy" and an anti-fraud program to encourage employees to report any suspected wrongdoing, fraud, or corruption without fear of reprisal. All concerns can be reported anonymously, and the Internal Control & Compliance Division is responsible for investigating such reports under the oversight of the Audit Committee. The policy ensures effective protection for whistleblowers against any form of retaliation.
- **Anti-Money Laundering and Counter-Terrorist Financing:** The bank maintains a "Zero Tolerance" approach to money laundering and terrorist financing, supported by a dedicated Anti-Money Laundering Department (AMLD) and a Central Compliance Committee (CCC). A Chief Anti-Money Laundering Compliance Officer (CAMLCO) leads this function, ensuring adherence to all national and international standards.

- **Related Party Transactions:** All transactions with related parties are conducted on an arm's length basis and are subject to review and approval in accordance with the bank's policy and regulatory guidelines, including IAS 24. The Audit Committee reviews all material related party transactions, and the Board approves them to ensure that such transactions do not create conflicts of interest and are fair to the bank and its shareholders.

- **IT Governance and Business Continuity:** The Board has established a comprehensive framework for IT governance to align technology with the bank's strategic goals and ensure robust cybersecurity. The bank also maintains a detailed Disaster Recovery Plan (DRP) with geographically dispersed recovery sites to ensure operational resilience and the continuity of critical services during unforeseen events.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Commitment to Environmental and Social Governance (ESG)

Mercantile Bank PLC. recognizes that its responsibilities extend beyond financial performance to include its impact on the environment and society. We are committed to integrating Environmental, Social, and Governance (ESG) principles into our business strategy and operations, following a "People, Planet, and Profit" philosophy. This commitment is not ancillary but is central to our long-term value creation model.

The bank's ESG strategy is strategically tailored to address pressing national issues in Bangladesh, such as climate vulnerability and financial inclusion. This alignment demonstrates a deeper level of corporate citizenship, where the bank uses its financial power to contribute to national resilience and sustainable development. This approach creates a powerful narrative for both regulators and socially conscious investors.

Policies and Practices: The bank has policies in place to promote sustainable finance and green banking. We actively seek to support projects that have a positive environmental impact and are committed to reducing the environmental footprint of our own operations. The bank's Sustainable Finance Unit has been expanded to drive these initiatives forward.

The Bank's sustainability and CSR initiatives are discussed in the "Sustainability Analysis" section of this Annual Report.

SHARI'AH GOVERNANCE AND ISLAMIC BANKING OPERATIONS

FOREWORD FROM THE CHAIRMAN OF THE SHARI'AH SUPERVISORY COMMITTEE

Assallamu Alaikum W.R.B.T

On behalf of the Shari'ah Supervisory Committee (SSC) of Mercantile Bank PLC., it is my privilege to present the annual report on the governance and operational activities of the 'Taqwa' Islamic Banking operations for the fiscal year ended 31 December 2024. This report outlines the framework of our independent oversight, details our key activities throughout the year, and provides our formal opinion on the compliance of the Bank's Islamic banking operations.

The year 2024 was marked by the continued strategic development of our 'Taqwa' Islamic Banking operations, a key initiative within the bank's diversified service portfolio designed to meet the specific financial needs of a significant and growing client segment. In an increasingly complex global financial landscape, the demand for ethically grounded and socially responsible banking solutions has never been more pronounced. The 'Taqwa' Islamic Banking operations is Mercantile Bank's dedicated response to this demand, offering a comprehensive suite of products and services structured in strict adherence to the principles of Islamic Shari'ah.

Throughout the year, the Committee has been steadfast in its mission to provide independent oversight. Our work has focused on strengthening governance protocols, enhancing operational capabilities, and ensuring unwavering adherence to the foundational principles that underpin Islamic finance. We believe that rigorous governance is not merely a matter of compliance; it is the bedrock upon which stakeholder trust is built and the ultimate guarantor of the integrity and authenticity of the 'Taqwa' brand. This commitment to diligent oversight is fundamental to mitigating Shari'ah non-compliance risk, a critical component of the bank's overall risk management framework.

This report details the tangible outcomes of our work in 2024. We review the comprehensive Shari'ah audits conducted across our network, the enhancements made to our client-facing technology, and the continuous professional development of our staff. Furthermore, we present our strategic priorities for 2025, which are designed to build upon the progress of the past year and further embed a culture of excellence and compliance throughout the organization.

As we move forward, the Committee remains dedicated to its role in fostering a financial ecosystem that is not only compliant but also fair, transparent, and conducive to the well-being of all stakeholders. We are committed to upholding the highest standards of ethical finance and contributing to the development of a just and equitable economic system.

Ma-assalamah



Maolana Shah Mohammad Waliullah, CSAA
Chairman
Shari'ah Supervisory Committee (SSC)
Mercantile Bank PLC.

SHARI'AH GOVERNANCE AND COMPLIANCE FRAMEWORK

A robust and independent governance structure is the cornerstone of any credible financial operation. For the 'Taqwa' Islamic Banking operations of Mercantile Bank PLC, this structure is embodied by the Shari'ah Supervisory Committee (SSC). This section details the mandate, composition, and independence of the SSC, positioning it as an integral component of the bank's corporate governance and risk management architecture, responsible for ensuring the absolute integrity of its Islamic finance offerings.1 The establishment and maintenance of such a body underscore the bank's commitment to providing authentic Shari'ah-compliant services, a commitment that is crucial for building and maintaining the trust of clients, investors, and regulators.

MANDATE AND RESPONSIBILITIES OF THE SHARI'AH SUPERVISORY COMMITTEE (SSC)

The primary mandate of the Shari'ah Supervisory Committee (SSC) is to ensure that all activities, products, contracts, and operations under the 'Taqwa' brand comply strictly and continuously with Islamic Shari'ah principles. The Committee's authority is grounded in the Qur'an, Sunnah, and Islamic jurisprudence, including scholarly consensus (Ijma) and analogical reasoning (Qiyas), providing a comprehensive ethical and legal framework for all financial transactions.

Beyond product approval, the SSC oversees ongoing supervision, monitoring, and evaluation of the entire Islamic banking operation. This includes reviewing management policies, strategic initiatives, operational processes, and marketing materials to ensure full Shari'ah compliance. This proactive and holistic oversight is essential for managing Shari'ah non-compliance risk—a unique category encompassing potential financial loss, regulatory penalties, and reputational harm.

Within the Bank's enterprise risk management (ERM) framework, the SSC functions similarly to other key risk committees (e.g., credit/investment, market, operational risks). Its role is integral to safeguarding the 'Taqwa', protecting the Bank's brand, and maintaining competitive advantage.

COMPOSITION AND INDEPENDENCE OF THE SUPERVISORY COMMITTEE

To uphold the highest standards of expertise and objectivity, Mercantile Bank PLC ensures that its Shari'ah Supervisory Committee operates as an independent body comprising renowned Islamic scholars and qualified jurisprudents. The Committee's authority is grounded in its members' deep understanding of both classical Islamic jurisprudence and contemporary financial practices, enabling guidance that is both principled and practical. This independence is crucial, allowing the Committee to provide unbiased oversight and informed opinions, free from managerial influence, and thereby safeguarding the credibility of the Bank's Shari'ah compliance.

The composition of the Shari'ah Supervisory Committee as of the year ended 31 December 2024 is presented below.

COMPOSITION OF THE SHARI'AH SUPERVISORY COMMITTEE

SL	Name of Member	Position in the Committee
1	Maolana Shah Mohammad Waliullah	Chairman
2	Dr. Muhammad Zakaria	Member Secretary
3	Dr. Muhammad Shahjahan Madani	Member
4	Professor Dr. Md. Abdul Kadir	Member
5	Professor Dr. Md. Shamsul Alam	Member
6	Dr. A.Y.M. Nesar Uddin	Member

2024 OPERATIONAL REVIEW: 'TAQWA' ISLAMIC BANKING

The year 2024 marked a period of consolidation and strategic advancement for MBPLC's 'Taqwa' Islamic Banking division. Having established a solid operational foundation in previous years, the division's focus in 2024 centered on strengthening governance frameworks, leveraging digital capabilities to enhance client experience, and embedding a robust culture of Shari'ah compliance across all operational tiers. This review outlines the key highlights and oversight activities that demonstrate the division's alignment with the Bank's broader strategic goals.

Business Overview and Strategic Context

Mercantile Bank PLC launched its 'Taqwa' Islamic Banking services on June 29, 2020, in response to the growing demand for Shari'ah-compliant financial solutions. The initiative reflects a strategic decision by the Board of Directors to serve clients seeking banking services aligned with Islamic principles.

'Taqwa' operates under a parallel window model, offering a full suite of Islamic banking products alongside conventional services within the same branches. This model enables the Bank to optimize its existing infrastructure and resources, ensuring operational efficiency and rapid market penetration.

By the end of 2024, 'Taqwa' services were available through 45 Islamic Banking Windows (IBWs) and a dedicated Islamic Banking Branch (IBB) in Dhaka's Dilkusha commercial area. A robust digital platform and 'Taqwa' Islamic Banking help/service desks at all other branches and sub-branches further enhance accessibility, delivering a seamless blend of physical and digital service channels across the country.

Key Governance and Oversight Activities in 2024

In 2024, the Shari'ah Supervisory Committee (SSC) actively ensured compliance with Islamic principles and provided strategic oversight for the 'Taqwa' Islamic Banking division. The Committee held three meetings to review performance, evaluate product proposals, and assess policies from a Shari'ah perspective.

Shari'ah audits were conducted across the Dhaka and Chattogram divisions, covering all 45 Islamic Banking Windows and the dedicated Islamic Banking Branch. Based on the findings, the SSC issued clear directives to address deviations and strengthen internal controls.

The Bank also enhanced its compliance framework to support the effective implementation of SSC guidance. Regular training programs were conducted to maintain staff proficiency and uphold a strong compliance culture.

SUMMARY OF SHARI'AH GOVERNANCE KPIS –2024

Key Performance Indicator	2024 Result	Description
SSC Meetings Held	3	Formal review sessions covering strategy, policy, product approval, and operational performance.
Divisions Audited	2	Comprehensive Shari'ah compliance audits conducted for all Islamic Banking Windows and the Islamic Banking Branch in the Dhaka and Chattogram divisions.
Employee Training Programs	Continuous	Regular and ongoing Shari'ah training programs delivered to all relevant Head Office and branch-level staff to ensure proficiency and 100% compliance.

ENHANCEMENTS IN CLIENT SERVICES AND TECHNOLOGY

A strategic priority for MBPLC is to ensure that clients of its 'Taqwa' Islamic Banking operations receive services that are not only Shari'ah-compliant but also modern, convenient, and digitally advanced. In 2024, substantial investments were made to upgrade digital infrastructure and enhance the client experience.

Key technological initiatives introduced for 'Taqwa' clients include:

- **Real-Time Online Banking** – Instant access to account information and transaction capabilities.
- **"RAINBOW" Digital Wallet** – A mobile wallet tailored for individual and proprietorship accounts, enabling seamless digital payments and financial management.
- **Enhanced Payment Integration** – Full connectivity with RTGS, BACH, and BEFTN systems for fast and secure fund transfers.

SHARI'AH COMPLIANCE AUDIT AND FORMAL OPINION

A cornerstone of the Shari'ah Supervisory Committee's (SSC) oversight is the annual compliance audit, designed to assess the alignment of 'Taqwa' Islamic Banking operations with Shari'ah principles. The 2024 audit covered the Islamic Banking Branch and all 45 Islamic Banking Windows in Dhaka and Chattogram.

The audit involved a thorough review of financial transactions, client contracts, product structures, and internal processes. The findings were compiled into a comprehensive report, presented to the SSC for detailed evaluation. Where deviations were identified, the Committee issued specific guidance for corrective action, with the internal compliance team assigned to oversee implementation and strengthen the control environment.

FORMAL COMPLIANCE OPINION – 2024

Following its review of all financial transactions, agreements, and operational activities for the year, the SSC concluded:

The Islamic Banking operations of Mercantile Bank PLC. were conducted in full compliance with established Islamic Shari'ah principles.

In particular, the Committee verified the profit distribution process and confirmed:

Profit allocations to all categories of depositors were executed in strict accordance with the approved Mudaraba policy. Where investment returns exceeded provisional rates, surplus profits were duly distributed, as per Shari'ah guidelines.

This unqualified opinion affirms the Shari'ah integrity of the 'Taqwa' division's operations and offers strong assurance to all stakeholders.

HUMAN CAPITAL DEVELOPMENT AND COMPLIANCE CULTURE

MBPLC recognizes that the effectiveness of its Shari'ah compliance framework relies on the knowledge, skills, and ethical commitment of its workforce. In 2024, the Bank prioritized human capital development through regular, mandatory Shari'ah training programs for all employees engaged in Islamic banking operations, both at the Head Office and branch level.

This initiative is regarded as a strategic investment to build specialized expertise and foster a culture of accountability and compliance. Training programs emphasize not only the operational aspects of Shari'ah principles but also their underlying ethical rationale, empowering employees to serve clients with integrity and uphold the values of the 'Taqwa' brand.

The Bank maintains a goal of "100% compliance" as a core performance standard, reflecting its zero-tolerance approach to Shari'ah deviations. This people-centric strategy aligns with global best practices in cultivating a values-driven and competent financial workforce.

STRATEGIC OUTLOOK AND PRIORITIES FOR 2025

Building on the solid foundation established in 2024, the Shari'ah Supervisory Committee has conducted a forward-looking analysis to identify key priorities for the 2025 fiscal year. These priorities are designed to further strengthen the governance, operational integrity, and strategic positioning of the 'Taqwa' Islamic Banking division. The recommendations have been formally communicated to Bank Management and represent a clear roadmap for ensuring sustained, compliant growth.

The following strategic priorities have been established for 2025:

Priority Area	Strategic Rationale	Key Action/Deliverable
1. Compliance Control Environment	Proactive implementation of SSC guidance is critical to maintaining a robust and adaptive compliance framework.	Ensure diligent and timely implementation of all guidelines issued by the SSC to maintain the highest standards of Shari'ah compliance.
2. Profit Distribution Integrity	The Mudaraba contract is central to depositor trust. Strict adherence to its principles is paramount for regulatory compliance and brand integrity.	Rigorously manage the profit distribution methodology to ensure strict adherence to Shari'ah principles and regulatory guidelines.
3. Stakeholder Engagement	Educating stakeholders is key to driving adoption, ensuring correct product implementation, and reinforcing the 'Taqwa' brand value.	Execute a strategic communication and training plan, including seminars and workshops, to deepen understanding of Islamic banking.
4. Documentation Standards	Inadequate documentation for credit-based products represents a significant operational and legal risk.	Implement enhanced controls to ensure meticulous documentation is maintained, particularly for Bai-Muajjal and Bai-Murabaha investments.
5. Culture of Compliance	A strong compliance culture is the most effective long-term defense against procedural lapses and ethical breaches.	Intensify efforts to promote a pervasive culture of compliance awareness and responsibility among all executives and officers.
6. Management-SSC Coordination	Seamless collaboration is essential for the effective and efficient implementation of Shari'ah principles.	Review and improve formal channels for coordination between Bank Management and the SSC to enhance strategic alignment.

Suraiya Parveen & Associates
(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

Report to the Shareholders of Mercantile Bank PLC on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Mercantile Bank PLC for the year ended on 31st December 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the company is satisfactory.

Dhaka, Dated
March 22, 2025

For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

Office Address: Razzak Plaza (9th Floor) Suite-10G, 383 Tangi Diversion Road (old), 2 Shahid Tajuddin Ahmmed Sarani (New), Moghbazar, Dhaka-1217, Mobile: 01911-421998, 01713-110408, E-mail: suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

COMPLIANCE REPORT

On BSEC Notification on Corporate Governance

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 and subsequent amended Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 and BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024 as per condition No. 1(5)(xxvii):

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1.	**Board of Directors:**			
1(1)	Size of the Board of Directors : The total number of members of a company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	√		There are 11 (eleven) members in the Board of the Bank as on 31 December 2024.
1(2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s):	√		There are 02 (Two) Independent Directors in the Board of the Bank in accordance with the Bank Companies Act (and amendment thereon).
1(2)(a)(i)	Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;			The Board of the Bank is duly informed
1(2)(b)	**Without contravention of any provision of any other laws, for the purpose of this clause an "Independent director" means a Director**			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		Independent directors have submitted declarations about their compliances.
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM):	√		The appointments of independent directors are duly approved in the 25th AGM held on 30.05.2024.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1(2)(c)(i)	Provided that the Board shall appoint independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;			Complied as a Banking Company in accordance with the Bank Companies Act and Directives of Bangladesh Bank.
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		No such situation arisen in the reporting year.
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Condition no. 18 of Companies Act, 1994. Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	√		Independent directors of the Bank are in their 2nd tenure.
1(3)	**Qualification of Independent Director :**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		The qualification and background of Independent Directors justify their capabilities to ensure mentioned compliances.
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			Not applicable.
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company; or Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.			Not applicable.
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			Not applicable.
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		One of the Independent Directors, Dr. Gazi Mohammad Hasan Jamil is a Professor in the Department of Finance, University of Dhaka. The other Independent Director, Prof. Dr. Md. Rezaul Kabir is a Professor of Institute of Business Administration (IBA), University of Dhaka.
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not applicable.
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		Both the Independent Directors have more than 10 years of working experiences in their respective fields.
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not applicable.
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		The Chairman of the Board and the MD of the Bank are different individuals.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		The MD of the Bank is not holding any such position in another listed company.
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		All 11 (eleven) members of the Board including the Chairperson are non-executive directors.
(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		The Board have clearly defined respective roles and responsibilities of the Chairman and the MD of the Bank.
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		Duly recorded in the minutes.
1(5)	**The Directors' Report to Shareholders**			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	An industry outlook and possible future developments in the industry	√		Disclosed in the Directors' Report part of this Annual Report.
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		Being a bank, Interest Income, Interest Expenses and Profit Margins were discussed.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such situation arisen in the reporting year.
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		Disclosed in the Directors' Report part of this Annual Report.
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/ or any other instruments;			No such situation arisen in the reporting year.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		Disclosed in the Directors' Report part of this Annual Report.
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			No such situation arisen in the reporting year.
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		Disclosed in the Directors' Report part of this Annual Report.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			No such situation arisen in the reporting year.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		Disclosed in this Annual Report.
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	**In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:**			
1(5)(xxiv)(a)	a brief resume of the director;	√		Disclosed in this Annual Report.
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		Disclosed in the Annual Report.
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	**Meetings of the Board of Directors** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		Board Meetings are conducted regularly and all minutes, required books and records are well maintained and preserved.
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			Bangladesh Bank (BB), the primary regulator of Banks, advised all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. They have also provided the Banks with the code of conduct of Board.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			
2	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		Duly followed.
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		The positions of MD, CS, CFO, HIAC are appointed by the Board.
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		The positions of MD, CS, CFO, HIAC are filled by different individuals.
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time:	√		MD, CS, CFO, HIAC of the Bank are not holding any such position in any other company at the same time.
3(1)(c)(i)	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed of non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		The positions of CFO & CS are filled by different individuals.
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		Roles, responsibilities and duties of CFO, the HIAC and the CS are clearly defined by the Board.
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		No such situation arisen in the reporting year.
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board. Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		They do not involve in considering of an agenda item relating to their personal matters.
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		Disclosed in this Annual Report.
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee :** For ensuring good governance in the company, the Board shall have at least following sub-committees			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
4(i)	Audit Committee; and	√		Audit Committee of the Board of the Directors has been formed as per guidelines of Bangladesh Bank and BSEC.
4(ii)	Nomination and Remuneration Committee.			Bangladesh Bank (BB), the primary regulator of Banks, advised all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, to comply with the issue, we addressed this issue to BSEC and BB.
5	**Audit Committee**			
5(1)	**Responsibility to the Board of Directors**			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		Audit Committee is established as per BSEC and BB guidelines.
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		The Audit Committee discharges their responsibility as per given guidelines.
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		The duties of the Audit Committee are clearly defined in the Guidelines for Audit Committee as per BSEC and BB guidelines.
5(2)	**Constitution of the Audit Committee**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		Audit Committee comprises of 04 (Four) members.
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		All the Directors of the Bank except MD are non-executive directors. There are 02 (two) Independent Directors in the Audit Committee and one of them, Prof. Dr. Md. Rezaul Kabir, was the Chairman of the Audit Committee.
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	√		The profiles of the members demonstrate their capabilities as such.
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		No such situation arisen in the reporting year.
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		The CS in practice act as the secretary of the Audit Committee.
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		The quorum of all the meetings of the Audit Committee were duly filled up.
5(3)	**Chairperson of the Audit Committee**			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		Prof. Dr. Md. Rezaul Kabir, is a Professor of Institute of Business Administration (IBA), University of Dhaka an Independent Director, is the Chairman of Audit Committee.
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		Duly recorded.
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		Total 9 (nine) meetings of Audit Committee held in the Year 2024.
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		The quorum of all the meetings of the Audit Committee was duly filled up.
5(5)	**Role of Audit Committee** **The Audit Committee shall:**			
5(5)(a)	Oversee the financial reporting process;	√		The Audit Committee performs as per BSEC and BB guidelines.
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√		No such situation arisen in the reporting year.
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		The Audit Committee performs as per BSEC and BB guidelines.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:	√		The Audit Committee performs as per BSEC and BB guidelines.
5(6)(a)(ii)(a)	report on conflicts of interests			No such situation arisen in the reporting year.
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such situation arisen in the reporting year.
5(7)	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		Disclosed in this Annual Report.
6	**Nomination and Remuneration Committee (NRC).**			
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	**Chairperson of the NRC**			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;			
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	**External or Statutory Auditors**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		Declaration has been provided by External/Statutory auditors.
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		Representative of external or statutory auditors were present in the 25th AGM held in 2024.
8	**Maintaining a website by the Company**			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		The address of official website of the Bank is www.mblbd.com and it's already linked with websites of DSE and CSE.
8(2)	The company shall keep the website functional from the date of listing.	√		The website is functional since inception of the Bank.
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		Detailed disclosures required as per listing regulations are available on the "Investors' Relation" part of the website.
9	**Reporting and Compliance of Corporate Governance**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the Chartered Secretaries Act, 2010	√		Disclosed in this Annual Report.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		Approval for Appointment of Corporate Governance compliance Auditor has been taken in the 25th AGM held in 2024.
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Disclosed in this Annual Report.

COMPLIANCE OF MEETING & REMUNERATION

MONTHLY FIXED HONORARIUM FOR INDEPENDENT DIRECTORS OF THE BANK DURING THE YEAR 2024.

No.	Director's Name	Designation	Applicable for mentioned member		
			Amount Per Month	No. of Month	Total Honorarium (Tk.)
1	Prof. Dr. Md. Rezaul Kabir	Independent Director	50,000.00	9	450,000
2	Dr. Gazi Mohammad Hasan Jamil	Independent Director	50,000.00	9	450,000

Note:

Banking Regulation & Policy Department (BRPD) of Bangladesh Bank, vide BRPD Circular No. 03 dated 14 February 2024,Clause # 5(A), has instructed all Banks to make payment fixed honorarium @Tk. 50,000.00 Per month to each Independent Director.

RISK MANAGEMENT COMMITTEE (RMC) MEETING HELD DURING THE YEAR 2024 AND ATTENDANCE OF EACH DIRECTOR

No.	Director's Name	Designation	Total no. of meeting held of the committee during the year	Applicable for mentioned member			
				Meeting held	Present	Absent	Remuneration (Tk.)
1	Mr. Mohammad Abdul Awal	Chairman	12	12	12	0	118,000
2	Mr. M. Amanullah	Member		12	11	1	108,000
3	Mr. Md. Abdul Hannan	Member		12	12	0	118,000
4	Mr. Morshed Alam*	Member		4	0	4	-
5	Mr. M. A. Khan Belal	Member		12	11	1	108,000
6	Mr. Md. Anwarul Haque**	Member		8	8	0	78,000

Members, who could not attend meeting, were granted leave of absence by the present members of the committee.

Note:

*Mr. Morshed Alam was appointed as Member of Risk Management Committee on 01.09.2024

** Mr. Md. Anwarul Haque Continued as Chairman of Risk Management Committee up to 01.09.2024

AUDIT COMMITTEE (AC) MEETING HELD DURING THE YEAR 2024 AND ATTENDANCE OF EACH DIRECTOR

No.	Director's Name	Designation	Total no. of meeting held of the committee during the year	Applicable for mentioned member			
				Meeting held	Present	Absent	Remuneration (Tk.)
1	Prof. Dr. Md. Rezaul Kabir	Chairman	9	9	9	0	78,000
2	Al-Haj Akram Hossain (Humayun)*	Member		5	4	1	40,000
3	Mr. Md. Abdul Hannan**	Member		1	1	0	10,000
4	Dr. Gazi Mohammad Hasan Jamil	Member		9	6	3	48,000
5	Mr. A.S.M. Feroz Alam***	Member		4	4	0	28,000

Members, who could not attend meeting, were granted leave of absence by the present members of the committee.

Note:

*Al-Haj Akram Hossain (Humayun) was appointed as Member of Audit Committee on 30.06.2024

** Mr. Md. Abdul Hannan was appointed as Member of Audit Committee on 11.12.2024

*** Mr. A.S.M. Feroz Alam Continued as Member of Audit Committee up to 30.06.2024

EXECUTIVE COMMITTEE (EC) MEETING HELD DURING THE YEAR 2024 AND ATTENDANCE OF EACH DIRECTOR

No.	Director's Name	Designation	Total no. of meeting held of the committee during the year	Applicable for mentioned member			
				Meeting held	Present	Absent	Remuneration (Tk.)
1	Mr. M. A. Khan Belal	Chairman	41	39	37	2	364,000
2	Mr. A.S.M. Feroz Alam*	Member		22	16	6	160,000
3	Mr. M. Amanullah	Member		41	39	2	384,000
4	Mr. Morshed Alam**	Member		16	2	14	20,000
5	Alhaj Mosharref Hossain	Member		41	40	1	394,000
6	Mr. Mohammad Abdul Awal	Member		41	41	0	404,000
7	Mr. Md. Abdul Hannan***	Member		36	32	4	316,000
8	Mr. Md. Anwarul Haque****	Member		25	25	0	244,000
9	Al-Haj Akram Hossain (Humayun)*****	Member		17	17	0	164,000

Members, who could not attend meeting, were granted leave of absence by the present members of the committee.

Note:

*Mr. A.S.M. Feroz Alam was appointed as Member of Executive Committee on 30.06.2024

**Mr. Morshed Alam was appointed as Member of Executive Committee on 01.09.2024

*** Mr. Md. Abdul Hannan Continued as Member of Executive Committee up to 10.12.2024

**** Mr. Md. Anwarul Haque Continued as Member of Executive Committee up to 30.08.2024

***** Al-Haj Akram Hossain (Humayun) Continued as Chairman of Executive Committee up to 30.06.2024

BOARD MEETING HELD DURING THE YEAR 2024 AND ATTENDANCE OF EACH DIRECTOR

No.	Director's Name	Designation	Total no. of meeting held of the committee during the year	Applicable for mentioned member			
				Meeting held	Present	Absent	Remuneration (Tk.)
1	Mr. Md. Anwarul Haque	Chairman	22	22	22	0	198,000
2	Al-Haj Akram Hossain (Humayun)	Vice Chairman		21	16	5	158,000
3	Mr. Md. Abdul Hannan	Vice Chairman		21	20	1	190,000
4	Mr. M. A. Khan Belal	Chairman, Executive Committee		21	21	0	198,000
5	Mr. Mohammad Abdul Awal	Chairman, Risk Management Committee		22	22	0	198,000
6	Prof. Dr. Md. Rezaul Kabir	Independent Director & Chairman, Audit Committee		22	20	2	178,000
7	Mr. A.S.M. Feroz Alam	Director		22	19	3	178,000
8	Mr. M. Amanullah	Director		22	22	0	198,000
9	Mr. Morshed Alam	Director		22	19	3	168,000
10	Alhaj Mosharref Hossain	Director		22	22	0	198,000
11	Dr. Gazi Mohammad Hasan Jamil	Independent Director		21	11	10	100,000

Dircetors, who could not attend meeting, were granted leave of absence by the present members of the Board.

DIVIDEND DISTRIBUTION POLICY

PRELUDE

The Dividend Distribution Policy has been formulated in accordance with the directives of Bangladesh Securities and Exchange Commission (BSEC) reference no. BSEC/CMRRCD/2021-386/03 dated. 14 January 2021.

The Board of Directors may recommend dividend complying the Companies Act, 1994 and provisions of all Rules, Regulations, Notifications, Orders, Guidelines, etc. in force or to be enforced and issued or to be issued from time to time by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and other Regulatory Authorities.

OBJECTIVES

The objectives of this policy are:

1. To protect interest of all stakeholders.
2. To lay down the criteria to be considered by the Board of Directors of the Bank before recommending dividend to its shareholders for a financial year.
3. To describe manner and procedure of dividend payment.
4. To describe manner and procedure of unclaimed dividend.
5. To comply all regulatory requirements.

PARAMETERS FOR VARIOUS CLASSES OF SHARES

Currently, the Bank does not have any other class of shares (including shares with differential voting rights) other than equity shares. In the absence of any other class of shares and/or shares with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for the equity shareholders.

FACTORS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The dividend for each year is recommended by the Board at its discretion for approval by the shareholders in Annual General Meeting (AGM) as per the Policy guidelines, after taking into account of Bangladesh Bank instruction regarding dividend distribution, financial performance of the Bank, its future plans, internal and external factors, Dividend payout trends, Tax implications, Cost of raising funds from alternate sources of capital, Corporate actions including expansion plans and investment in subsidiaries/associates of the Bank, Shareholder expectations and statutory restrictions, etc.

UTILIZATION OF RETAINED EARNINGS

The Bank would utilize the retained earnings of the Bank in a manner which is beneficial to the interest of the Bank and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Bank's future business growth/ expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Bank and its stakeholders.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Bank may not recommend any dividend if the eligibility criteria for recommendation of dividend has not been met by the Bank, including any restriction imposed by the Regulatory Authorities.

PROCEDURE OF APPROVAL/ RECOMMENDATION OF DIVIDEND

The shareholders of the Bank shall approve dividend at Annual General Meeting (AGM) on the basis of recommendation of the Board. The Board shall recommend Dividend after taking consideration of above mentioned factors and review of the financial statements by the Board Audit Committee. All requisite approvals and clearances, where necessary as applicable, shall be obtained before the declaration of dividend.

ENTITLEMENT TO DIVIDEND

Only the shareholders of the Bank whose names are appeared in the Register of Members and/or Depository Register of the Bank on the record date fixed by the Bank shall be entitled to the dividend.

PAYMENT OF DIVIDEND

Mercantile Bank Limited shall payoff the dividend to its shareholders within 30 (thirty) days of approval. The Bank shall maintain detailed information of Beneficiary Owners (BO) account, bank account, mobile phone number, email and address of the shareholder as maintained with the Depository Participants (DP) for the purpose of proper distribution of dividend and also keep confidentiality of information.Manner and procedures of dividend payment shall be as follows:

A. Cash dividend:

i. The Bank shall maintain the amount equivalent to the declared cash dividend payable for the concerned year in a separate bank account within 10 (ten) days of declaration.

ii. The Bank shall send a short message service (SMS) to mobile number or email of the shareholders after disbursement of cash dividend intimation.

iii. The Bank shall pay Cash dividend directly to the bank account through Bangladesh Electronic Funds Transfer Network (BEFTN);

iv. In case of unavailability of BEFTN, the Bank shall pay Cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank;

v. In case of margin loan and claim by loan provider, the Bank shall pay Cash dividend through the Consolidated Customer's Bank Account (CCBA);

vi. To the separate bank account of the merchant Banker or portfolio manager through BEFTN;

vii. The Bank shall pay Cash dividend through the security custodian following Foreign Exchange Regulation for non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI);

viii. The Bank shall issue reminder through e-mail / SMS / post in case of non-deposit of cash dividend and non-availability of information of the shareholder or unit holder.

B. Stock dividend

i. The Bank shall credit the stock dividend to the BO account within 30 (thirty) days of approval subject to the clearance of the regulatory requirement [if any from Bangladesh Bank, BSEC, exchange(s) and the Central Depository Bangladesh Limited (CDBL)]:

ii. In case of undistributed or unclaimed stock dividend/bonus shares, The Bank shall credit the stock dividend to the suspense BO Account;

iii. The bonus dividend shall be transferred to the suspense BO account if BO account is not available or BO account is inactive;

iv. The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

UNPAID/UNCLAIMED DIVIDEND

i. Mercantile Bank Limited shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof.

ii. Unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remain, shall bekept in a separate bank account.

iii. In case of non-credited stock dividend through Corporate Action due to closure of BO ID or any other reasons, the bonus shares shall be kept in 'Dividend Suspense Account'.

iv. The Bank shall not forfeit any unclaimed cash or stock dividend till the claim becomes barred by the law of land in force.

v. Unclaimed dividend shall be paid off as per procedure set by the Bangladesh Securities and Exchange Commission and the Stock Exchanges.

TAX MATTERS

Tax will be deducted at source as per applicable tax laws.

DIVIDEND INFORMATION

The Bank shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof as per BO account number-wise or name-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the Statements of Financial Position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account'.

CONFLICT IN POLICY

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

AMENDMENTS/ MODIFICATIONS

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

REVIEW OF POLICY

The Board of Directors of the Bank will review the policy annually. If the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Bank's website and in the Annual Report.

DISCLOSURE OF POLICY

The policy will be available on the Bank's website and will also be disclosed in the Bank's Annual Report.

SUSTAIN
ANALYSI

Mercantile Bank PLC.'s approach to sustainability transcends traditional practices, embedding ecological and social responsibility into the core of our business strategy. Our commitment is reflected not just in our actions but also in our governance, ensuring that every decision contributes positively to a sustainable future.

IABILITY

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SUSTAINABLE BANKING HIGHLIGHTS 2024

Mercantile Bank is committed to the 3P philosophy—prioritizing People and Planet alongside Profit. Our 2024 sustainability highlights reflect this commitment, showcasing initiatives that contribute to a sustainable future for the Bank and society.

People

Small Steps, Big Impact

CSR investment **BDT 415.70** million

Total female employees **678**

New employees **31**

Female employee as % of total employees **25.59%**

No. of Employee participation of training **2,540**

No. of AML training **20**

Total training hours **1614**

Provided to improve health facilities **BDT 102.90** million

Benefitted financially through our agricultural credit **95,322** Rural Farmers

Contributed to national exchequer **BDT 7,682.55** million

No. of transaction using digital banking platform **1,177,305**

Cash transaction done through ATM (number) **30.25 Lac**

Volume of ATM transactions **BDT 2700.30** crore

Total deposit accounts **14,37,894**

No. of loan Accounts **19,874**

Mobile banking customers **746,638**

No. of new CASA opened **95,823**

Agent banking accounts **62,594**

CMSME women entrepreneurs **507**

Planet

Foster Sustainable living

Sustainable finance portfolio **BDT 173,966.26** million

Powered by solar energy of **56.85** KW **60** branches

Green finance and other sustainable linked finance disbursement **BDT33,657.70** million

13,294 no. ten/fifty/ hundred-taka account under financial inclusions deposited **BDT34.97** million

Transaction done through MBPLC Rainbow **1,177,283**

Volume of transaction done through MBPLC Rainbow **BDT 22,575** million

No. of inward remittance transaction **447,639**

Volume of inward remittance transaction **USD 442.19** million

SMS alerts sent to the customers **22,806,689**

No. of customers using online platform **76,608**

Profit

More profit, More Sustainability

No. of branches
152

Agent banking Outlets
188

No. of sub-branches
45

No. of ATM
199

No. of new loan accounts
26,831

No. of new deposit accounts
214,144

Sustainable agriculture loan
BDT5,748.92 million

Sustainable CMSME loan
BDT 12,363.55 million

Total assets
BDT 444,690.30 million

Earnings per share (BDT)
0.57

Profit after tax
BDT 631.22 million

Revenue per employee (BDT Million)
13.87

Income from mobile banking increased
23%

Profit from Islamic banking
BDT 20.42 crore

Non-performing asset (NPA)
17.25%

ROA
0.15%

ROE
2.44%

LCR
165.18%

CRAR
13.07%

Leverage ratio
5.46%

Tier 1 capital
BDT 2,771.54 million

MESSAGE FROM MANAGING DIRECTOR ON SUSTAINABILITY

> Our sustainability vision is rooted in three core pillars: environmental stewardship, social responsibility, and good governance.

MATI UL HASAN
Managing Director



Dear Shareholders and Stakeholders,

At Mercantile Bank PLC., we recognize that sustainability is not just a responsibility but a commitment to building a resilient and inclusive future. As a financial institution, we recognize our critical role in fostering economic resilience, environmental stewardship, and social progress. Our commitment to sustainability is deeply embedded in our operations, investments, and partnerships, ensuring that we contribute meaningfully to a better future.

Our sustainability vision is rooted in three core pillars: environmental stewardship, social responsibility, and good governance. We are committed to reducing our carbon footprint, promoting financial inclusion, and upholding the highest standards of transparency and ethics in all our Banking operations. Through responsible lending, green financing, and digital innovation, we strive to empower businesses and individuals while safeguarding the planet for future generations.

In 2025 and in future, we will continue strengthening our sustainability efforts by financing projects that contribute to a greener economy, supporting community-driven initiatives, and integrating ESG (Environmental, Social, and Governance) principles into our decision-making processes. Our journey toward sustainability is a collective effort, and we invite our customers, employees, and partners to join us in making a lasting impact. Together, we can build a future where economic prosperity, environmental preservation, and social progress go hand in hand. We remain steadfast in our mission to drive sustainable growth, and we thank you for your continued trust and support.

Together, we can build a more sustainable, equitable, and prosperous world.

Sincerely,



Mati Ul Hasan
Managing Director

REPORT PARAMETER

GRI 2-2,2-3



Reporting period

January 1, 2024 to December 31, 2024



Date of the most recent previous report

Sustainability Analysis,
MBPLC Annual Report 2023



Reporting cycle

Annual



Scope

Impact of MBPLC activities on environmental, economic and societal



Boundaries

Operations run by MBPLC and its direct network



Disclosure

GRI Standards: Core Option



External assurance

Under management consideration



Feedback and further information and suggestions

We welcome any feedback on this Sustainability Report.
For further information and comments, please contact Sustainability Reporting Team of the Bank.

TRIPLE BOTTOM LINE

MBPLC's unwavering commitment to sustainability is driven by our focus on the 3P of the triple bottom line - people, planet, and profit. Guided by these principles, MBPLC is dedicated to creating a holistic impact that benefits all constituents of our stakeholder ecosystem.

FOCUS ON PEOPLE, THE SOCIAL EQUITY BOTTOM LINE

MBPLC's commitment to the social equity bottom line is evident in our fair and responsible business practices that benefit all stakeholders. We foster a reciprocal social structure where the well-being of our corporate, labor, and stakeholder interests is mutually interdependent. Our active contribution to society is reinforced through various CSR initiatives, detailed in our CSR and Corporate Governance Reports.

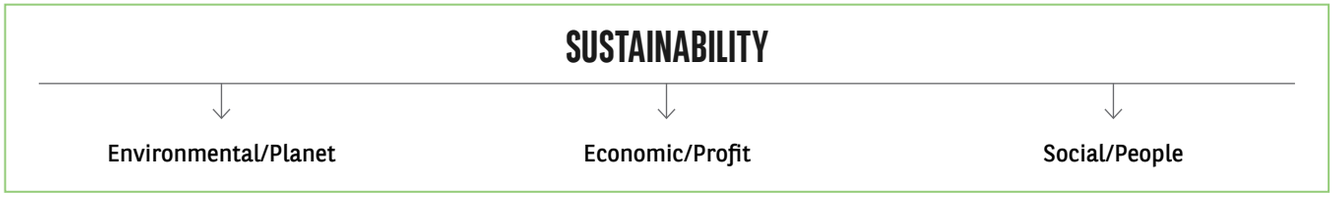
FOCUS ON PLANET, THE ENVIRONMENTAL BOTTOM LINE

Our commitment to the environmental bottom line influences a diverse range of stakeholders, including individuals, customers, communities, and the broader ecosystem. As a responsible corporate citizen, we actively minimize our environmental impact by promoting green finance. In 2024, our sustainable project loan portfolio reached BDT 173,966.26 million.

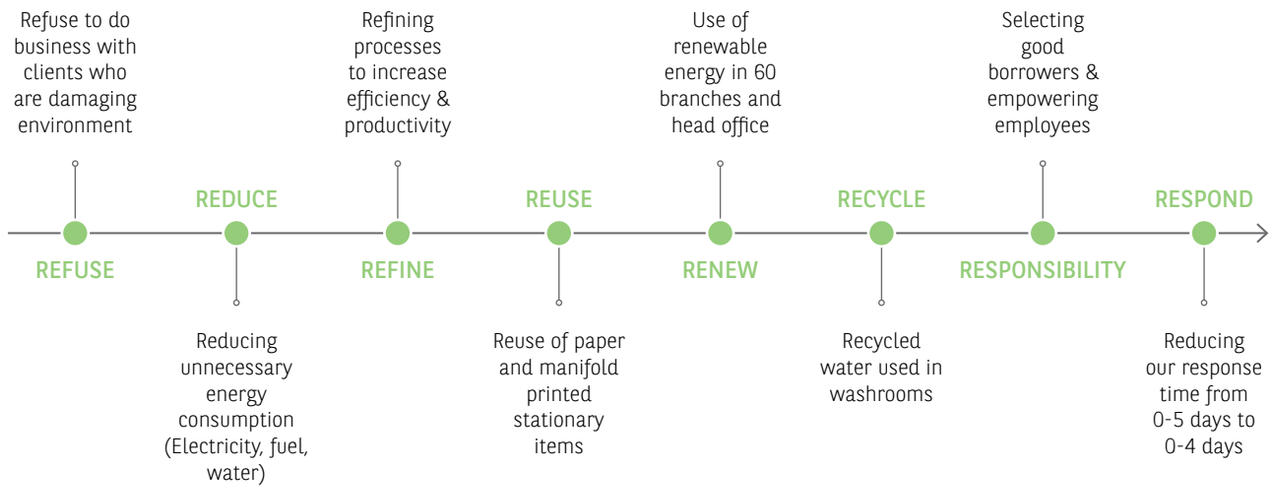
FOCUS ON PROFIT, THE ECONOMIC BOTTOM LINE

Our focus on profit, the economic bottom line, reflects the value MBPLC creates within its economic environment. In 2024, MBPLC achieved an operating profit of Tk. 5,633.39 million.

We remain dedicated to our 3P approach, recognizing it as a fundamental driver of long-term value for all stakeholders. With a steadfast commitment to sustainability, we are confident in our ability to deliver superior performance while fostering responsible growth.



8R APPROACH TO SUSTAINABILITY



STRATEGIC FOCUS FOR SUSTAINABILITY

ENCOURAGING "GOING GREEN"

Mercantile Bank PLC is dedicated to fostering a sustainable future for the customers, shareholders, and the environment. Our long-term strategic vision is to evolve into a green, triple bottom line bank, where financial and environmental considerations are seamlessly integrated into every decision. To achieve this, we actively promote "Going Green" by financing eco-friendly projects that reduce greenhouse gas emissions and enhance energy efficiency. Our green banking initiatives encompass online and paperless banking, carbon footprint assessment, investments in environmentally sustainable projects, and support for plant nurseries and horticulture programs.

BETTER AND FASTER CUSTOMER SERVICES

In the highly competitive banking sector, customer service is a critical differentiator. At Mercantile Bank PLC, we recognize that superior and efficient service is essential to enhancing our reputation and distinguishing us from competitors. We are dedicated to delivering prompt support by continuously evaluating product demand and improving our service offerings. By prioritizing customer confidence, we are confident in our long-term success.

FINANCIAL INCLUSION THROUGH AGENT BANKING, SUB-BRANCH, AND DIGITAL BANKING

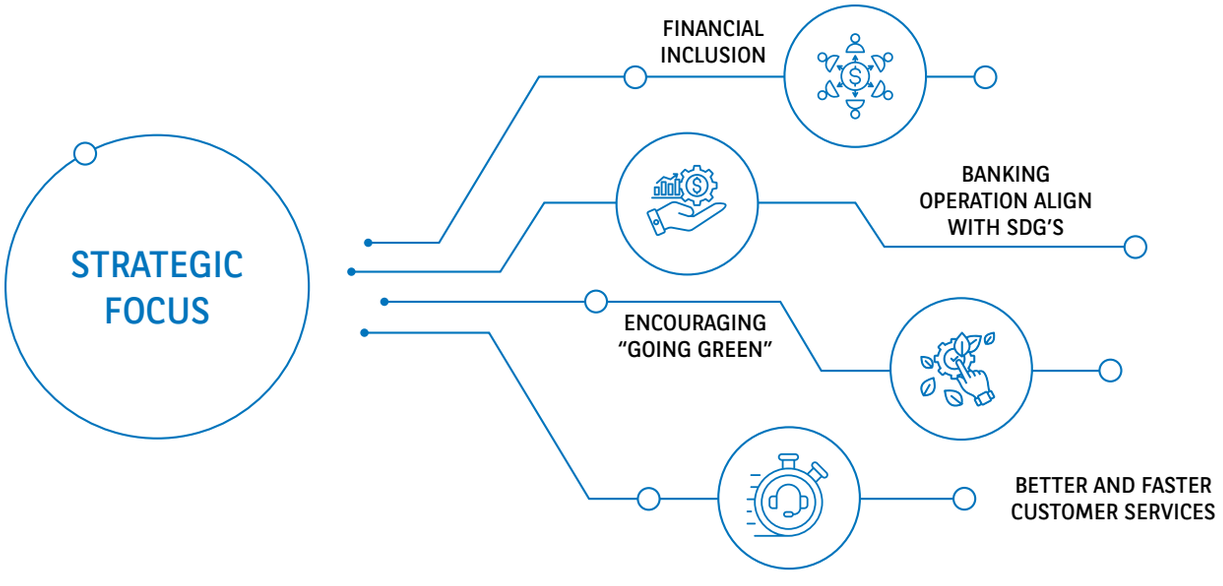
Mercantile Bank PLC is dedicated to advancing financial inclusion through our Agent Banking, Sub-branch, and Digital Banking services. These offerings are designed to integrate unbanked individuals into the financial mainstream, providing access to essential government and organizational services. Through the establishment of a robust financial inclusion framework, we aim to improve the lives of individuals and communities across Bangladesh.

BANKING OPERATIONS ALIGNED WITH SDGS

Our business strategy is aligned with the United Nations' Sustainable Development Goals (SDGs), reflecting our commitment to contributing to individuals' needs and society's goals. At Mercantile Bank PLC., we believe that our board and employees have a comprehensive understanding of the SDGs, and we work to ensure that our portfolio focus areas, products, and services align with these goals. We proactively seek to increase finance in green and socially responsible sectors while decreasing investment in non-aligned sectors.

MBPLC'S APPROACH TO SDGS

As a signatory to the United Nations Sustainable Development Goals, Mercantile Bank PLC endorses the principles of sustainable banking and is dedicated to managing stakeholder relationships in the context of the world's most pressing sustainability challenges. Our commitment is rooted in the belief that finance can drive economic, social, and environmental progress. Sustainable Development Goals, Mercantile Bank PLC. endorses the principles of sustainable banking and is committed to managing relationships with stakeholders in the context of the world's foremost sustainability challenges. Our commitment is enshrined in our belief that finance can deliver economic, social, and environmental progress.



MBPLC SUSTAINABLE FINANCE UNIT

OVERVIEW OF SUSTAINABLE FINANCE PORTFOLIO 2024

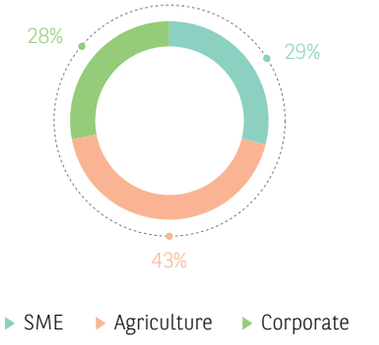
Portfolio
BDT 173,966.26 mn

Disbursement
BDT 33,657.70 mn

Portfolio Mix
SME 11.21%
Agriculture 3.30%
Corporate 85.45%
Retail 0.03%

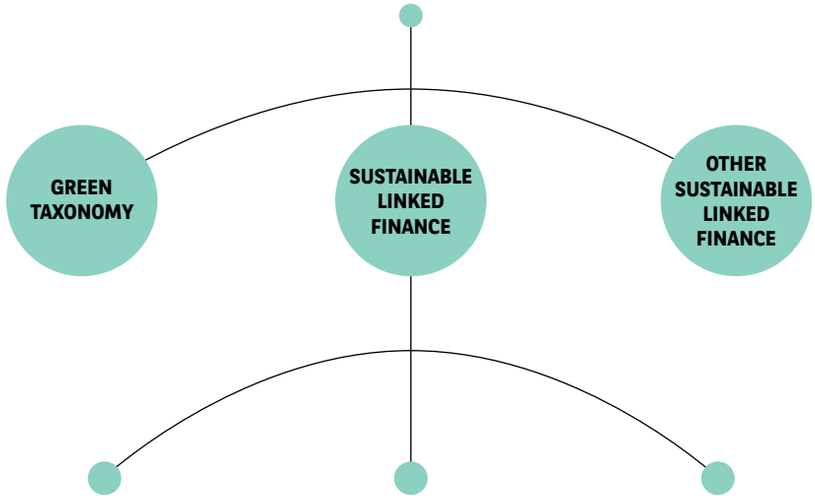
Achievement Target
Target 20.00%
Achievement 33.40%

PORTFOLIO MIX OF SUSTAINABLE FINANCE



Sustainable Finance Taxonomy

* Disbursed BDT 33,657.70 million



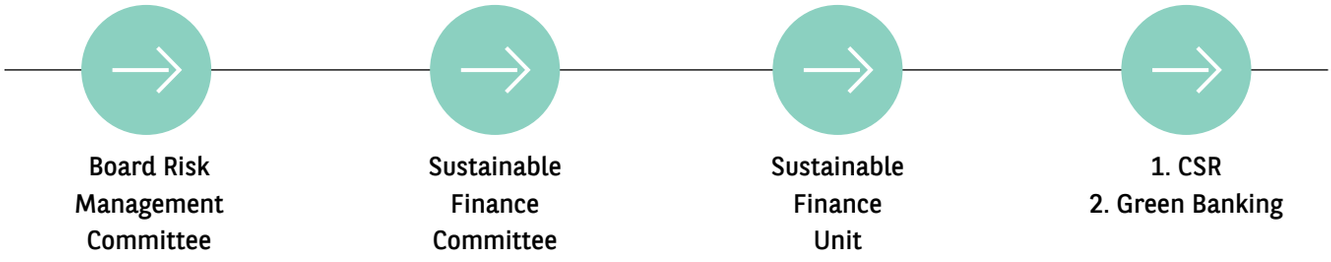
Sustainable Agriculture
* Disbursed BDT 5748.92 million

Sustainable CMSME
* Disbursed BDT 12363.55 million

Socially Responsible Finance

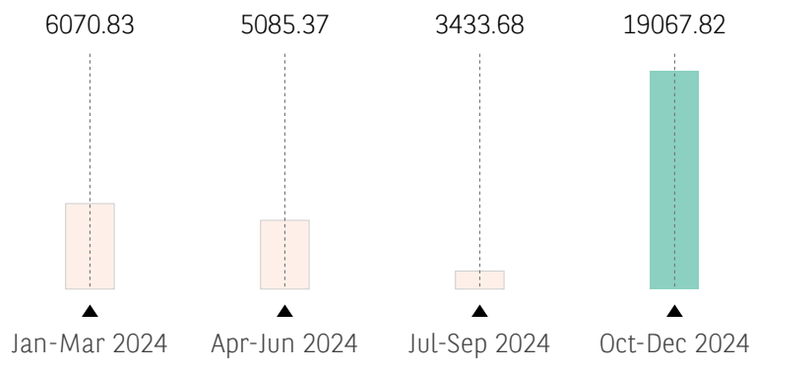
We are proud to be one of the biggest contributors to sustainable taxonomy, as per the new SFD Circular No. 05: Sustainable Finance Policy for Banks and Financial Institutions, dated December 30, 2020, by Bangladesh Bank. We recognize that forming Sustainable Finance Taxonomy is essential within the broader scope of sustainable development goals for a country like Bangladesh. Our policy actions and operations have been included in the taxonomy to provide a comprehensive understanding for concerned stakeholders regarding sustainable finance. At Mercantile Bank PLC., we are committed to building a sustainable future for all. We have emphasized a high priority on funding sustainable projects such as waste management initiatives, green industry, energy efficient projects which have both environmental and social benefit.

ORGANOGRAM



Sustainable Finance Disbursement 2024

BDT in Million



SDG MAPPING WITH SUSTAINABLE FINANCE PORTFOLIO OF MBPLC

Disbursement Segment	Disbursement amount (BDT in Mn)	Client Segment	SDG mapping
Green Finance and other Sustainable Linked Finance	**33,657.70**	• (LEED) Certified Green Building • Energy & Resource Efficiency • Waste Management (ETP/WTP) • Renewable Energy	
Sustainable Agriculture	**5,748.92**	• Crops • Irrigation equipment • Agro-equipment • Live-stock and poultry farming • Fisheries • Grain Storage and marketing • Poverty Alleviation	
Sustainable CMSME	**12,363.55**	• Herbal cosmetic manufacturing industries • 100% local ingredients-based milk processing industry • Handicrafts, Handloom and alike • Agro feed manufacturing industry • Jute made products manufacturing industry • Unani /Ayurvedic / Homeopathic manufacturing industries • Rice processing industry • Agro equipment manufacturing industry • Production of bio pesticide, production of organic fertilizer • Bran wood projects • Horticulture processing industry	

MBPLC SUSTAINABLE FINANCE UNIT

In accordance with Bangladesh Bank's prudential guideline SFD Circular No. 02: Formation and Formulation of Terms of Reference of Sustainable Finance Division in Banks and Financial Institutions dated December 12, 2016, MBPLC Sustainable Finance Unit operates as a specialised function that focuses on integrating environmental, social and governance (ESG) considerations into the bank's operations, investments and financing activities.

Our Sustainable Finance Committee, comprised of senior management of the bank, serves as the apex authority, supervising the bank's sustainability activities, as directed by the Board. We club our sustainability initiatives into Sustainable Banking and our Corporate Social Responsibility. Both aim to support a values-based banking model and transform banking for a more sustainable future.

MAJOR ACTIVITIES

1. Responsible for its sustainable finance policy formation, modification, correction, update execution of below mentioned activities:
   - Green Banking
   - Corporate Social responsibility
   - Environmental & Social Risk Management
   - Green Office Guidelines
   - Green Strategic Planning
   - Gender Parity
   - Carbon Footprint Measurement (on yearly basis)
   - Climate Risk Fund Formation and Management
   - Green Marketing
2. Include collaborative CSR related activities in the Financial Sector
3. Execute all the regulations from Bangladesh Bank on United Nations Sustainable Development Goals.
4. Introduce and design different Financial Instruments & Products under Green and Sustainable Finance.
5. Ensure appropriate training to the Official/Staff on Green Banking, CSR, Sustainable Banking and Sustainable Finance

MEMBERS OF SUSTAINABLE FINANCE COMMITTEE

Sl.	Name	Designation	Position
1	**Mr. Shamim Ahmed**	Deputy Managing Director & CAMLCO	Chairman
2	**Mr. Shah Md. Sohel Khurshid**	SEVP	Member
3	**Mr. Tapash Chandra Paul, PhD**	Chief Financial Officer	Member
4	**Mr. Shamim Ahmed**	EVP & Head of Sustainable Finance Unit	Member Secretary
5	**Mr. Mohammad Golam Kibria**	EVP	Member
6	**Mr. Md. Ashiqur Rahman**	EVP	Member
7	**Mr. Mohammad Faruque Ahmmed**	SVP	Member
8	**Mr. Md. Nasim Alam**	SVP	Member
9	**Mr. Md. Salahuddin Khan**	VP	Member
10	**Mr. Ashim Kumar Saha**	VP	Member
11	**Mr. Mohammad Shafruzzaman Khan**	VP	Member

SDG MAPPING AND SUSTAINABLE RESOURCE ALLOCATION BY MBPLC

MBPLC's resource allocation activities are designed collaboratively with the SDGs, with a focus on sustainable impact on society. The approaches used by MBPLC in relation to the SDGs are summarized below:

MBPLC'S APPROACHES TO SDG



- Partnerships with NGOs
- Coverage of 52 districts
- 188 Agent Banking Outlets
- Sub-Branches
- Digital Banking



- Employment generation
- Fresh job openings
- Internship opportunities



- Financing for pharmaceutical industries and diagnostic centers
- Medical retainers at Head office
- Discounted diagnostic facilities
- Day care center



- Scholarship opportunities
- MBPLC Young Banker Appreciation Award
- Donations to schools and colleges



- 25% female representation in executive and officer roles
- Special loan and deposit products



- Specially procured filtered mineral water
- Loans for water treatment plans



- Solar/renewable finance
- 60 solar power branches with a total capacity of 56.85 kW
- Use of daylight and energy-efficient bulbs



- Respectful workplace culture
- Corporate banking, consumer and retail banking, SME financing, and agri-banking



- "UDAYAN" loan product for start-up businesses
- "MBPLC Rainbow" app for digital banking
- QR code introduction
- E-KYC implementation



- Respectful workplace culture



- Loans given to eco-friendly projects
- Reduction of pollution



- Solar/renewable finance
- 60 solar power branches with a total capacity of 56.85 kW
- Use of daylight and energy-efficient bulbs



- Effluent Treatment Plant (ETP)
- Climate risk fund
- Urban Building Safety Project under JICA/ Bangladesh Bank Refinancing Scheme



- Loans given to eco-friendly projects
- Reduction of water pollution



- Loans given to eco-friendly projects
- Reduction of environment pollution



- Good governance and strong business ethics
- Positive relationships with the government, local, and international organizations.



- Relationship with the government, local, and international organizations.

MBPLC BRANDS PRODUCTS & SERVICES

With the slogan "বাংলার ব্যাংক" MBPLC has anchored the idea of financial inclusion and emerged as a brand identity, reaching audiences ranging from semi-urban to deep rural areas and even the remotest landscapes where access to banking is limited. Its intention is to eradicate poverty by ensuring access to finance for all.

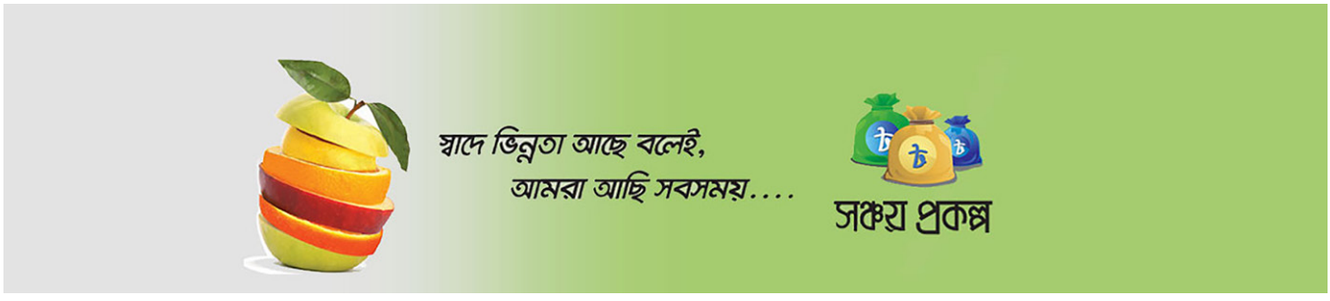
Since its inception, MBPLC has maintained a sound corporate brand image among its peer group of new generation private commercial banks in Bangladesh. Today, it is one of the most reputable financial services brands, recognized for its service experience, product innovation, productivity, and sustainable performance. MBPLC is committed to upholding its corporate motto, "Efficiency is our strength," and its corporate brand identity has been strengthened mainly due to its superior excellence in customer relationship management and innovation of technology-driven unique banking services catering to people from all socio-economic backgrounds.

MBPLC PRODUCTS AND SERVICES

MBPLC introduces new products and services to provide unique solutions to the market while protecting society and environmental obligations. Its range of products and services includes personal banking, corporate banking, trade services, deposit products, loan products, investment products, internet banking, and mobile banking services, catering to the immediate needs of people and corporates.



RETAIL BANKING PRODUCTS



DEPOSITS

LOW COST/NO COST DEPOSIT ACCOUNTS

- Current Deposit (CD) Account
- Savings Bank Deposit (SB) Account
- Special Notice Deposit (SND) Account
- Non-Resident Investor's Taka Account (NITA)
- Foreign Currency Account
- School Banking Account
- Non Chequeable Savings Bank Account (NSB A/C)
- Account for Under-privileged Section (10 Taka Account)
- MBL Prabashi Sanchay Hishab
- Savings Account for MSS
- MBPLC ExtraBenefit (Payroll Account)

TERM DEPOSIT (S)

- Fixed Deposit Receipt (FDR)

SCHEME DEPOSIT (S)

- Masik Sanchaya Prokolpo (MSP)
- MBL Prabashi Masik Sanchaya Prokolpo
- MBPLC Gram Banglar Sanchaya Prokolpo
- MBPLC Bonus Sanchay Hishab
- MBL Nari Sanchay Prokolpo (MNSP)
- MBL Kotipoti Monthly Savings Scheme
- Super Munafa Amanat Prokolpo (SMAP)
- Digun Briddhi Amanat Prokolpo (DBAP)
- Troi Masik Munafa Amanat Prokolpo(TMAP)
- Masik Munafa Amanat Prokolpo (MMAP)
- Poribar Surokkha Amanat Prokolpo (PSAP)
- Aporajita Masik Munafa Prokolpo (AMMP)
- Preferential Deposit Account





SME FINANCING

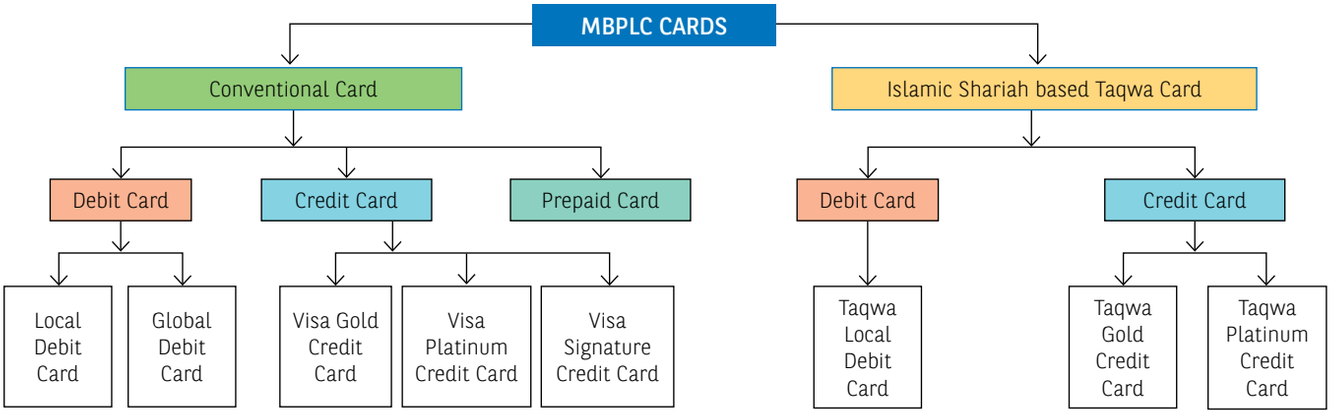
- SAMRIDDHI (Continuous Loan)
- CHAKA (Term Loan)
- MOUSUMI (Short Term Seasonal Loan)
- ANANNYA (Women Entrepreneur's Loan)
- SANCHALAK (A mix of Term, Time & Continuous Credit)
- Factoring Of Receivables (Receivable Financing)
- UNMESH (Foreign Trade Finance)











RETAIL LOANS

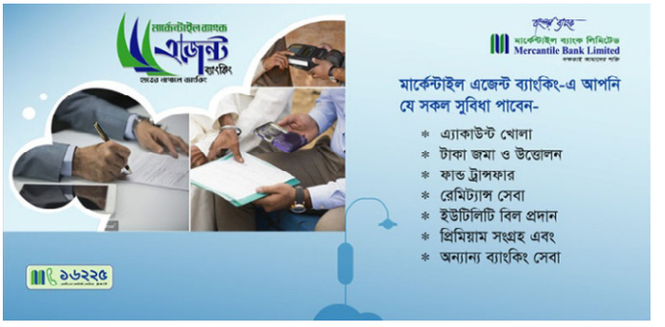
- Car Loan
- Cottage Loan
- Doctor's Loan
- Education Loan
- Home Loan
- House Furnishing Loan
- Overseas Employment Loan
- Personal Loan
- Secured Over Draft (SOD)

AGRICULTURE LOAN

- Short Term Loan [Agri]
- Overdraft (Agri)
- CC (Hypo) [Agri]
- Term Loan [Agri]
- Time Loan (Agri)

FINANCIAL INCLUSION SCHEME

- Time Loan [FIS]
- Term Loan [FIS]



CORPORATE LOANS

- Short Term Finance
- Long Term Finance
- Real Estate Finance
- Import Finance/Trade Finance
- Work Order Financing/Construction Business
  - Earnest Money Financing Scheme-SOD (EMF)
  - Bid Bond
  - Performance Guarantee (PG)
  - Advance Payment Guarantee (APG)
- Shipping Guarantee
- Customs Guarantee
- SOD (WO)
- Export Finance (Pre-Shipment Credit/ Finance)
  - Export Cash Credit (Hypothecation/ Pledge)
  - Export Cash Credit Against Trust Receipt
  - Advance Against Anticipatory Letter of Credit
  - Back to Back Letter of Credit
  - Packing Credit
  - SOD (Export)
- Post-Shipment Credit/Finance
  - Negotiation of Export Documents (FDBP)
  - Purchase of Documents against DP or DA Bills
- Structured Finance/ Project Finance
- Syndication





ISLAMIC BANKING PRODUCTS

DEPOSIT PRODUCTS AND SCHEMES

- Al-Wadiah Current Account
- Mudaraba Savings Account
- Mudaraba Special Notice Deposit Account
- Taqwa School Banking Account
- Mudaraba Term Deposit Account
- Mudaraba Masik Sanchaya Prokolpo
- Taqwa Mohorana Sanchaya Prokolpo
- Mudaraba Masik Munafa Amanat Prokolpo
- Mudaraba Super Munafa Amanat Prokolpo.
- Taqwa Bibaho Sanchaya Prokolpo (TBSP)
- Taqwa Mudaraba Hajj Sanchaya Prokolpo (TMHAP)
- Taqwa Kotipoti Sanchaya Prokolpo (TKSP)
- Taqwa Bonus Sanchaya Account (TBSA)
- Mudaraba Digun Briddhi Amanat Prokolpo
- Taqwa Mudaraba Payroll Account (TMPA)

INVESTMENT PRODUCTS

- Bai-Murabaha
- Long Term investment Finance
- Musharaka
- Bai-Salam
- Quard
- Bai-As-Sarf
- Bai-Muajjal
- Hire-Purchase under Shirkatul Melk (HPSM)



CORPORATE BANKING

CASH MANAGEMENT PRODUCTS

- Day-to-day cash control
- Account Packages – Current, SND and Fixed Deposits
- Monitoring money at the bank, both active and non-active cash
- Receipts and items in the course of collection
- Payments and items in the course of being paid
- Cash Pick Up & Delivery
- Short-term investments
- Short-term borrowings
- Short-term foreign exchange positions
- Electronic payments
- Booths

FUNDED PRODUCTS

- Cash Credit (Hypothecation)
- Overdraft (General)
- Loan /Secured Over Draft(Financial Obligation) for Corporate Customers
- Loan against Trust Receipt (LTR)
- Packing Credit (PC) / Pre-Shipment Credit (PSC)
- Export Cash Credit (ECC)
- Inland (Documentary) Bill Purchase
- Foreign (Documentary) Bills Purchase
- Inland Bills Purchase
- Export Development Fund (EDF) Loan
- Export Facilitation Pre Finance (EFPF) Loan
- Secured Overdraft (EMFS under e-tendering)
- Overdraft (Work Order/ Supply Order)
- Factoring (Receivable) Financing
- Time Loan
- Short Term Loan (STL)
- Lease Finance (LF)
- Hire Purchase (HP)
- Term Loan
- House Building Loan(Commercial)
- Loan (General)
- Syndication Loan & Structured Finance

NON-FUNDED PRODUCTS

- Letter of Guarantee (Bid Bond/PG/APG/Others)
- Letter of Credit (Sight/Deferred/UPAS/EDF)
- BTB LC including EDF LC

OFF-SHORE BANKING UNIT (OBU) PRODUCTS

ON-SHORE IMPORT & EXPORT BILL DISCOUNTING

- UPAS Loan
- Bill Purchase

WORKING CAPITAL FINANCE

- LTR
- Packing Credit
- Term Loan
- Lease Finance

TRADE FINANCE

- Import / Export

LOANS & ADVANCES TO WHOLLY FOREIGN OWNED ENTITIES

- LTR
- Demand Loan
- Term loan

OFF-SHORE BANKING UNIT (OBU) PRODUCTS

TERM LOAN TO LOCAL ENTITIES

NOSTRO ACCOUNT SERVICES TO OTHER LOCAL BANKS

Services and Facilities Offered:

A. Deposit Accounts:

- OBU Savings Account
- OBU Fixed Deposit Account
- OBU Current Account
- OBU Special Notice Deposit (SND) Account

B. Loan and Credit Facilities:

- OBU Term Loan (Short, Medium, and Long Term)
- OBU Time Loan
- OBU Overdraft
- OBU Import Bill Discounting
- OBU Export Bill Discounting (Deemed and Direct Export Bills)
- Letter of Credit (L/C) & Guarantee Facilities

C. Additional Services:

- Remittance services (inward/outward) for offshore customers
- Full banking services for customers associated with EPZs, PEPZs, EZs, and Hi-Tech Parks

Offshore Banking Locations:

- Principal Offshore Banking Unit, Dilkusha, Dhaka
- Agrabad Offshore Banking Unit, Agrabad, Chattogram

AGENT BANKING

SERVICES

- Account Opening
- Fund Transfer
- Utility Bill Payment
- Other Banking Services
- Cash Deposit and withdrawal
- Remittance Service
- Premium Collections

TREASURY PRODUCTS

MONEY MARKET PRODUCTS

- Call money
- Term money
- Re-purchase agreement
- Reverse repo

FIXED INVESTMENT PRODUCTS

- Government Securities to Inter-Bank
- Government securities to customers
- T-Bond to foreign individuals, investors &institutions
- Sub-Ordinated Bond
- Perpetual Bond

FOREIGN EXCHANGE PRODUCTS

- Inter-Bank spot in major currency pairs
- Customer spot in major currency pairs
- Foreign remittance
- Foreign exchange swap

DERIVATIVE PRODUCTS

- Forward contract
- Foreign currency placement
- Commercial paper
- Interest rate swap

FOREIGN EXCHANGE

- Spot Foreign Exchange
- Forward Foreign Exchange
- Forex Swaps
- Cross Currency Swaps
- Interest Rate Swaps
- Interest Rate Cap and Collar

CAPITAL MARKET SERVICES

MONEY MARKET, FIXED INCOME & CAPITAL MARKET

- Brokerage Services
- Attractive Commission Rate
- Wide Branch Network
- Research
- Daily Market Update and News Summary
- Institutional and Foreign Trade
- Portfolio and Risk Management
- Internet and Smartphone trading
- Margin Loan

OTHER SERVICES

- Online Banking
- SMS Banking
- Cash Deposit Machine (CDM) Service
- Mobile Banking (MyCash)
- Locker Service
- NRB Banking
- Internet Banking
- Utility Bills Pay Service
- ATM Booth Services

MBPLC is dedicated to financial inclusion, innovation, and excellence in service. Its commitment to efficiency and superior customer relationship management has allowed it to maintain a reputable corporate brand image among its peer group, offering technology-driven unique banking services that cater to people from all socio-economic backgrounds.

STAKEHOLDERS' ENGAGEMENT

GRI 2-29

MBPLC designed its sustainable business objectives to align with the expectations of its stakeholders and is continually striving to create value while minimizing any detrimental effects. By assessing these objectives, MBPLC formulated strategies that complement our business model, with a focus on creating value for stakeholders and producing the most desirable outcomes. We believe that we cannot succeed without earning full support from all of our stakeholders.

MBPLC STAKEHOLDER ENGAGEMENT PROCESS IS GIVEN BELOW:

Identification
Identify our main stakeholders

Assessment and Planning
Assess their interest and influence levels.

Establish scope, objectives and timeline and allocate necessary resources

Engagement
Determine mode of engagement

Evaluation
Determine mode of engagement

Prioritizing and Reporting
Review findings and address according to priority. Monitor and report accordingly.

WE IDENTIFY OUR STAKEHOLDERS THROUGH CONDUCTING IMPACT ANALYSES IN RESPECT OF

Responsibility
Direct legal responsibility to regulators, tax authority etc.

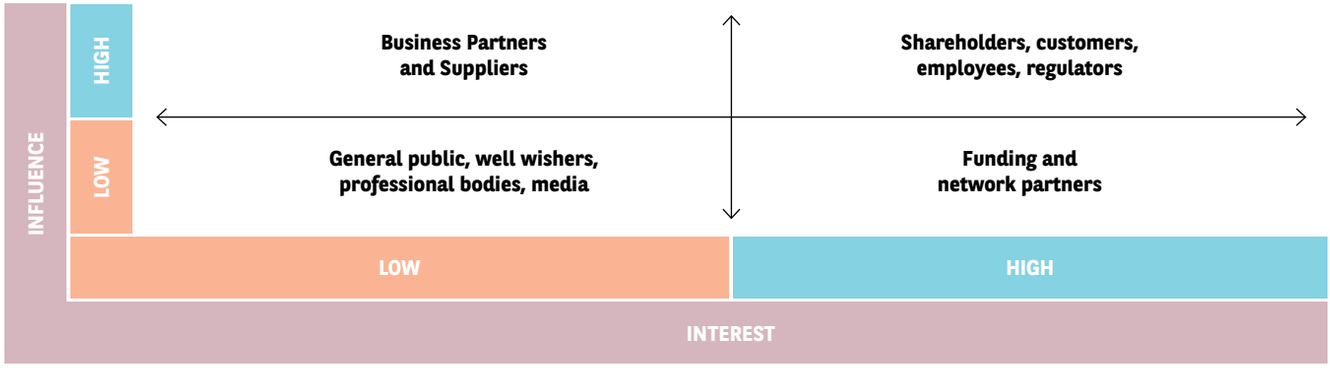
Influence
Decision making of the bank is influenced to reach its intended goals by shareholders and employees etc.

Proximity
The local community that influence heavily our daily operation

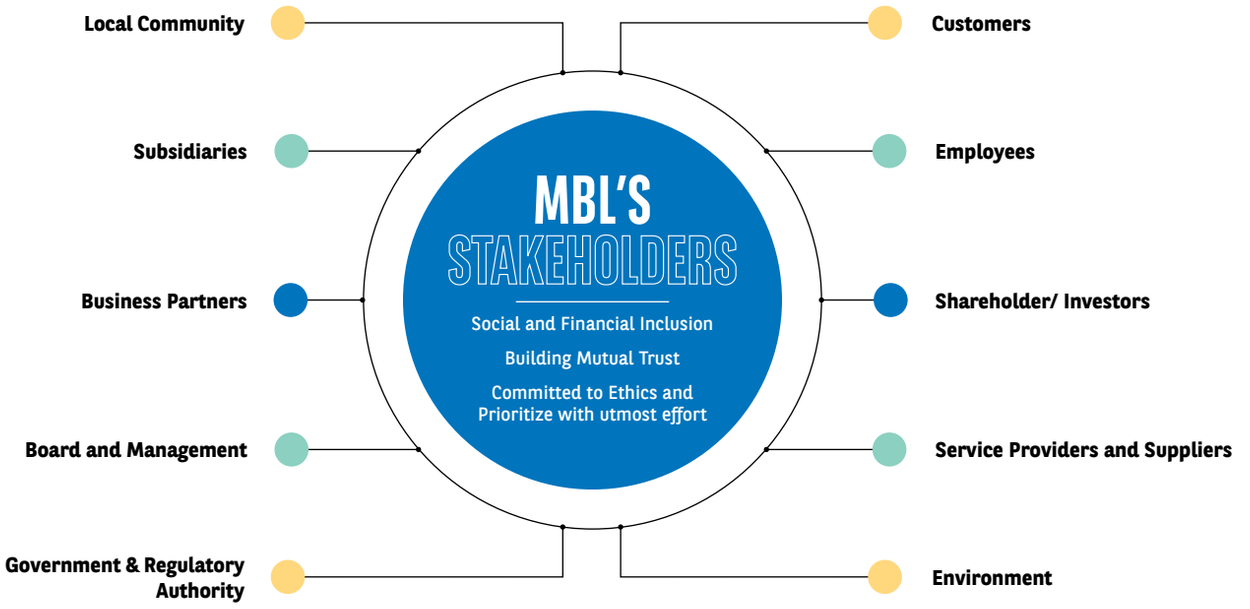
Dependency
Those who are dependent on their operational performance, e.g. business partners, and those whom we are dependent, e.g. customers.

Representation
Those who represent MBPLC to the outside world, e.g. employees, board and those whom we face for various decision making purposes.

As a value-driven financial brand, MBPLC prioritizes transparency in providing both financial and non-financial data on the bank's activities. MBPLC determines the level of relevance and significance of economic, environmental, social, and financial impacts on stakeholders through materiality mapping.



OUR KEY STAKEHOLDERS



MBPLC'S STAKEHOLDER ENGAGEMENT MECHANISM AT A GLANCE

Stakeholder	Key issues and Concerns for Stakeholders	Ways of Interaction	Value Creation
Shareholders / Investors	• Healthy return on investments and stable dividend policy • Maximizing shareholder's wealth • Growing earnings • Sound governance and risk management, ratings of the bank based on overall financial performances	• AGM, EGM, annual & semiannual report, ZOOM meeting, publishing quarterly financials, announcement to DSE & CSE, Press Conference and media releases, credit rating and PSI in newspapers	• Maintained attractive plough back ratio • Timely payment of debt with stated return • Established risk management culture • Transparency & integrity in financial reporting • Maintained consistent ratings through financial commitments • Each queries of the investors meet up through our share department efficiently and fairly
Customers	• Customers Queries, Complaints and suggestions • Good return from deposits • Fast service delivery with excellence • Product varieties catering market demand • Online banking solutions with secured transactions, privacy and confidentiality • Ensuring better and uniform services to the customers • Customer interactions and suggestions	• Customer hotline 16225(24/7) • Customer Relationship Management • Multi-channel engagement, including face-to-face customer engagement • Customer workshops • Customer feedback channels (in-branch, email, contact centre, social media) • Ongoing market research and product innovation • Customer Service Enhancement Program &Complaints Management Cell • Media campaigns/ advertisements • Website information updates	• Affordability of banking, fees and interest • Reaching out to customers by widening our geographic footprint in terms of establishing a larger number of branches and SME centers / Agent banking/Sub branch. • Transforming existing branches/ unit offices to cater to diversified customer requirements • Continuously innovating new products and operational processes for reinforcing customer benefit • ALCO sits every month to decide pricing and rates based on market analyses • All network nodes are run by online core banking system (CBS) • E-products like SMS banking, EGP service, E- commerce, E- payment solution, internet banking • Front desks and relationship managers ensure fast and high quality service delivery following one to one relationship • Proper actions are taken of customers complaints if any service goes against the • Customer service policy of the Bank.

Stakeholder	Key issues and Concerns for Stakeholders	Ways of Interaction	Value Creation
Government & Regulatory Authority 	• Proper compliance with laws &regulations • Timely reporting as per requirement • Timely payment of income tax and VAT accurately	• One-on-one meetings • Adhering to all local regulations and circulars issued by Bangladesh Bank • Strict ethics & compliance with applicable laws, rules and regulations • Directives, notifications and guidelines • Meetings and discussions with Board and Senior Management • Submission of necessary reports, returns and statements	• Ensuring proper compliance and timely reporting to government bodies and regulators. • Contributed Tk.7,682.55 million to National Exchequer which significantly contributed to Government's revenue collection. • Enhanced transparency.
Employees 	• Talents and performances Development • Regular training for updated rules &regulation • Inflation adjustment in pay package planning • Job description setting as per individual skill Performance driven career progression • Healthy working environment and Policy formulation for safe working atmosphere • Future Leadership Development Program & Sports Tournament	• Quarterly/Half yearly Strategic Business conferences physically/virtual platform • Training, workshops and orientation program, internal meeting, group emails • Intranet circulation through MBPLC Web Portal (HRD Circular, Information Circular and Instruction Circular) • Physical fitness, Future Leadership Development Program, safe and clean working environment	• 1614 hours training for human capital in 2024 both physical & Virtual platform. • Salary package adjusted in line with market competitiveness and inflation • Work life balance • Yearly performance bonus for employee motivation • Well set KPIs for performance and inherent quality analysis • All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise
Environment 	• Conducting business without damaging the environment	• Implementing Green banking practices and ensuring compliance through Green reporting to Bangladesh bank. • Strict energy saving practices to reduce wastage.	• Green Banking initiatives • In-house Environmental management system
Subsidiaries 	• Goals and Strategic focuses are based on local business environment & regulatory requirement	• Policies formulation • Implementation of new strategies considering economic and business environment.	• Review of market and environment before setting its strategic priorities ensuring proper representation from subsidiaries for transference.
Board & Management 	• Governance principles, policies& procedures formulation. • Strategic focus & value creation, Strategic business planning	• Decisions based on financial and business delegation of different levels • Major decisions must be placed to board for approval	• At least one board meeting in every month, frequent executive committee meeting, audit committee meeting etc. • Board members meet management on various occasions like annual & semiannual business conferences, bank's anniversary celebration.
Business Partners 	• Fair trade, fair enlistment, • Sustainable and stable growth of the bank	• Procurement management, training and communication	• Free from any bias or coercion from influencing quarters • Fair play & competition to award work order. • Timely payment to vendors.

Stakeholder	Key issues and Concerns for Stakeholders	Ways of Interaction	Value Creation
Local Communities 	• Provide banking facility to geographically dispersed poor segment of the society • Benefit economy by poverty reduction through banking services to rural poor people • Support underprivileged people through Social Safety Net programs	• Promoting financial inclusion both for banked and unbanked people, CSR contribution-Scholarship to poor meritorious students	• Strongly consider environmental and social impact and restrain from adverse impact upon society • Target segment is under-developed and under-privileged people • Services to old citizen, widow and disable beneficiaries • Significant contribution to education, health, disaster management, art & culture, environmental and sports sector
Service Providers & Suppliers 	• Maintaining robust relationship with service providers. • Compliance with proper procurement regulations.	• Continuous upgradation and enforcement of internal procurement policies to ensure strong control and fair treatment of suppliers.	• Procuring services and goods in a cost effective way. • Timely payment to suppliers.

MATERIAL ASPECTS AND BOUNDARIES

GRI 3-1, 3-2, 3-3

Material Aspects	Boundaries inside the Organization	Boundaries outside the Organization
Financial Inclusion	Client base of the organization increases with diversity, taping business opportunities, increase of revenue generation.	The community including the overall economy benefitted from reduction of poverty through augmenting economic activities in the geographically dispersed areas.
Energy Consumption	Efficient use of scarce resources, use of Solar Energy and Natural Light.	Reduction of Carbon emission and the national GHG will be reduced.
Agriculture Credit	Product diversification and attachment to mainstream of the economic activity of the country.	As an agricultural country, share croppers and marginal farmers will be benefitted by lower interest rate and their poverty level will be improved.
Environment Friendly Investment	Encourage green investment.	Creating public awareness as well as enforcing to increase environment friendly investment.
Building the Community	Discharging our responsibility towards society to ensure sustainable balanced growth in economic, social and ecological arena.	Overall betterment of the nation through CSR activities in different sectors like health, education, sports and culture etc.
Human capital & Talent Management	Enhancement of operational level efficiency. Attaining cost savings through reducing time requirement. Customer retention rate will be higher.	The clients will be benefitted from customer friendly efficient services and will be more loyal to bank.

ENVIRONMENTAL PERFORMANCE

GRI 2-22, 3-1 ,3-2 ,3-3

SDGS INENVIRONMENTAL PERFORMANCE OF MBPLC

MBPLC is committed to the United Nations Sustainable Development Goals (SDGs) for a sustainable future. We are dedicated to enhancing our environmental impact through sustainable practices and reducing our carbon footprint. This Annual Report outlines our progress in environmental sustainability and our ongoing commitment to the SDGs.

BDT 33,657.70 Million
Green Finance and other Sustainable Linked Finance Disbursement

BDT 5,748.92 Million
Sustainable Agriculture

BDT 12,363.55 Million
Sustainable CMSME

BDT 4,453.42 Million
Green Finance Investment

BDT 131.60 Million
Green Transformation Fund

SDGs Mapping	Implementation by MBPLC
7 AFFORDABLE AND CLEAN ENERGY	The MBPLC Centre is a state-of-the-art building designed to utilize natural light, which reduces energy consumption substantially compared to other conventional buildings including.
13 CLIMATE ACTION	MBPLC has invested in eco-friendly projects for a sustainable and green economy.
14 LIFE BELOW WATER	MBPLC invested in liquid waste management and wastewater processing plants.
15 LIFE ON LAND	We conduct a larger scale of CSR activities that contribute to the ultimate benefit of society.

Mercantile Bank's strategy prioritize containable environmental practice. We acknowledge the broader implication of waste, emphasizing resource efficiency. Our commitment to environmental health and climate action is reflected in our risk assessments and ecological footprint monitoring.



CLIMATE ACTION

GRI 305-1,305-2,305-3,305-4,305-6

Climate change, driven by high greenhouse gas emission, precinct significant global and local challenge. SDG 13 emphasize the need for immediate measure to mitigate its effect, which are closely connected to the other Sustainable Development Goals. Recognizing the need for collective action, the Bank has developed a 'carbon management plan' to reduce the carbon footprint of the Bank and its stakeholders.



Branch Solarisation

We are gradually reducing our dependence on the national grid through our branch solarisation project.



Green Financing

We remain committed to combating climate change by promoting projects and activities that contribute to a greener, more sustainable economy in Bangladesh.



Energy Efficient Technology

We strive to achieve greater energy efficiency by investing in energy-efficient technology such as LED lighting, energy-efficient lifts, and inverter air-conditioning.



Promoting Sustainable Lifestyles

Environmentally sustainable practices are built into the culture of MBPLC through promoting a sustainable lifestyle for every employee to integrate environmentally friendly practices into their daily activities at work and at home.



Paperless Drive

Our strong digitization drive has reduced and in some cases completely eliminated the need for paper-based processes.

MBPLC EFFORTS TO DRIVE CLIMATE ACTION

ENERGY SAVINGS

MBPLC is actively fostering a low carbon economy, achieving significant energy saving and cost reduction across its banking network. Key initiatives include:

- Utilizing daylight to save over 35% on electricity costs.
- Implementing energy-saving bulbs for a third of our lighting.
- Prioritizing email to minimize paper use and protect forests.

IN-HOUSE GREEN BANKING PRACTICES (BDT IN MILLION)

	2024	2023	Change BDT in million	Change in percentage
Paper Usages	14.78	14.14	0.64	4.53%
Water Consumption	8.64	8.43	0.21	2.49%
Electricity Consumption	121.37	107.41	13.96	13.00%
Natural Gas	0.36	0.31	0.05	16.13%
Generator Fuel	10.99	12.70	-1.71	-13.46%
Other Utility Bills	2.29	2.30	-0.01	-0.43%

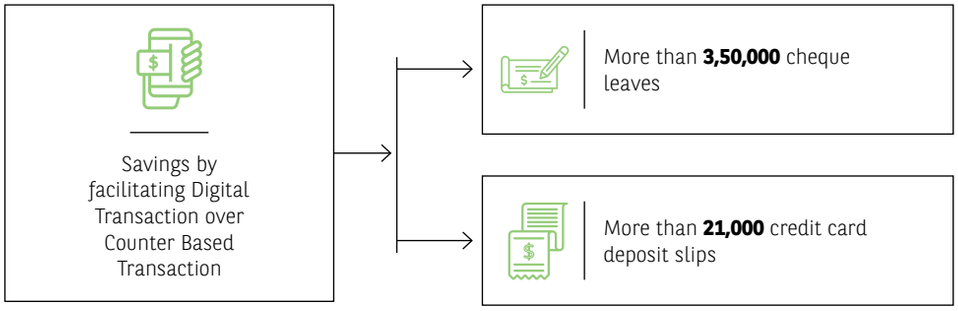
REDUCING ENERGY AND RESOURCE CONSUMPTION

GRI 302-4

MBPLC streamlines operations and enhances sustainability through:

- Centralizing card services like issuance and PIN change at call center "16225", cutting down on paper and delivery expense.
- Offering Green Banking options such as E-Statements and digital transactions, boosting overall savings and reducing environmental impact.

PAPER CONSUMPTION



MBPLC's commitment to a paperless environment is evident in our extensive automation, reducing print material needs. Even when printing is necessary, we adhere to eco-friendly practices and reuse memos. Our digital transformation and the rise in mobile banking have cut paper use and costs. Our proprietary MBPLC-iRSM software ensures efficient stationery management, further curbing paper consumption.

Customers	Employees	Vendors and Suppliers
• Cashless/digital payments and transfers • E-statements • MBL Rainbow • MyCash • i-banking	• Digitisation of internal processes • E-learning • Training through online • Recuing stationery and fixed assets • Remote work • Online HRM	• Inventory & Requisition Management System (IRMS) • E-procurement • Monitoring and reporting of our performance against sustainability KPIs • Operate responsibly and meet basic standards of environmental

RENEWABLE ENERGY AND CARBON OFFSET PROJECTS

BDT 4,453.42 Million
Green Finance Investment

60 Branches
No. of Solar Panel in urban and rural area

56.85KW
Total available capacity of electricity from Solar Panel



GRI 306-1

WATER EFFICIENCY

Water management is a critical aspect of our operations. We've made strides in reducing water use and aim to cut it by 50% in the near future, reinforcing our commitment to sustainability and environmental care.





GRI 306

SOLID WASTE MANAGEMENT

Mercantile Bank has made strides in sustainable waste management, notably reducing landfill waste through initiatives like recycling and awareness campaigns. We're now extending these successful practices to branches across the nation to further diminish environmental pollution



GRI 302-1

DIESEL CONSUMPTION

In the reporting year, our diesel usage totaled 67,458 liters. We are actively seeking cleaner power alternatives to further decrease diesel use in the future.





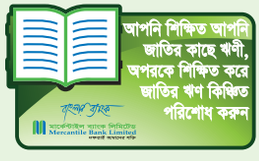
GRI 305-1, 305-2,305-3, 305-4, 305-6

CLIMATE CHANGE & CARBON FOOTPRINT

Mercantile Bank's green loans initiative supports reducing carbon footprints to combat climate change, fostering sustainable economic growth. The bank's efforts address the widespread effects of climate change on ecosystems and human well-being.

We are actively engaged in mitigating climate change by reducing greenhouse gas emissions. We achieve this through implementing eco-friendly practices in our operations and by financing projects that prioritize sustainability and lower carbon footprints.









COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATION

Mercantile Bank complies with all environmental laws and regulations prevailing in Bangladesh and has not suffered any fines, sanctions, penalties, queries - financial or nonfinancial - owing to non-compliance.

ECONOMIC PERFORMANCE

GRI 207-1

SDGS IN ECONOMIC PERFORMANCE OF MBPLC

As a conscientious financial institution, Mercantile Bank PLC (MBPLC) recognizes the critical role of the United Nations Sustainable Development Goals (SDGs) in advancing sustainable economic growth. We are committed to supporting the SDGs through our various initiatives, which include providing financial assistance to businesses, entrepreneurs, and SMEs. MBPLC's loans and credit facilities are designed to foster economic growth and enhance financial inclusion, in line with SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities). This Annual Report highlights our contributions toward achieving the SDGs in economic performance and our ongoing commitment to supporting sustainable economic development.

SDGS MAPPING



IMPLEMENTATION BY MBPLC

MBPLC tries to reduce poverty & inequalities for ensuring sustainable economic growth by creating employment, Agent banking & other supporting activities for rural credit empowerment.

An Economic Impact Report (EIR) examines the effect of an event on the economy in a specified area, ranging from a single neighborhood to the entire globe. An economic impact analysis attempts to measure or estimate the changes in economic activities in a specified region caused by a specific business, organization, policy, program, project, activity, or other economic event. The effect that an event, policy change, or market trend will have on economic factors such as interest rates, consumer confidence, stock market activity, or unemployment. Events such as regulatory changes, supply shortages, or natural disasters can have a significant economic impact due to the way they affect business activities.

We continue to change at MBPLC; we believe we can become the bank of choice for all our customers and clients. Our approach delivers broader economic benefits and more valuable services to our stakeholders in a unique way.

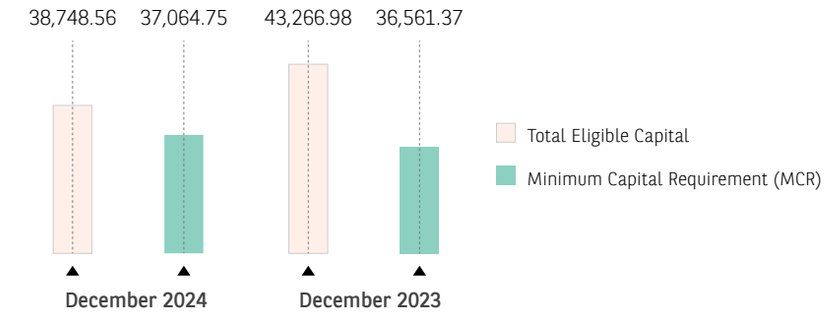
CAPITAL ADEQUACY

MBPLC is maintaining a strong capital base. Total eligible capital of the Bank stood at BDT 38,748.56 Million (Solo Basis) as of December 2024, which is well above the minimum requirement of BDT 36,561.37 Million as of the same date. Capital Adequacy Ratio was 13.07% as of December 2024, compared to the minimum requirement of 12.5% as per Basel III, including buffer.

(BDT in Million)

Particulars	December 2024	December 2023
Tier-1	27,715.38	28,722.63
Tier-2	11,033.18	14,544.36
Total Eligible Capital	38,748.56	43,266.98
Total Risk Weighted Assets (RWA)	296,518.31	292,490.93
Capital to Risk Weighted Assets Ratio (CRAR)	13.07%	14.79%
Tier-1 Capital to RWA	9.35%	9.82%
Tier-2 Capital to RWA	3.72%	4.97%
Minimum Capital Requirement (MCR)	37,064.75	36,561.37
Surplus/(Deficit)	1,683.77	6,705.62

Total Eligible Capital and MCR (BDT in Million)



VALUE ADDED STATEMENT

(BDT in Million)

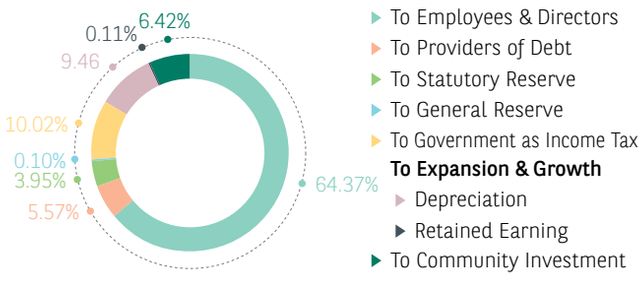
Particulars	December 2024	December 2023
Income from Banking Services	36,738.94	31,144.40
Less: Cost of services & Supplies	(25,977.40)	(20,381.41)
Value added by Banking Services	10,761.54	10,762.99
Provision for loans & off – balance sheet items	(4,275.05)	(2,681.80)
Total	**6,486.49**	**8,081.20**

DISTRIBUTION OF VALUE ADDITION

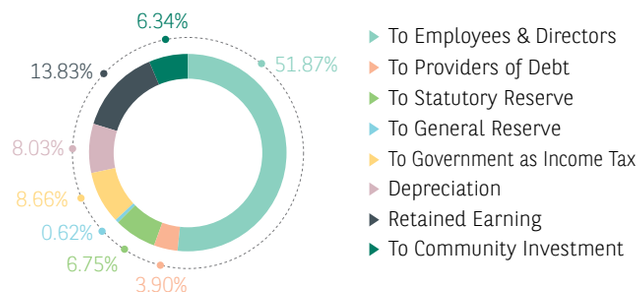
(BDT in Million)

Particulars	December 2024	December 2023
To Employees & Directors	4,175.56	4,191.93
To Providers of Debt	361.21	314.77
To Statutory Reserve	256.24	545.72
To General Reserve	6.31	50.29
To Government as Income Tax	650	700.00
To Expansion & Growth		
Depreciation	613.69	648.63
Retained Earning	7.45	1,117.83
To Community Investment	416.13	512.02
Total	**6,486.49**	**8,081.20**

Distribution of value addition 2024



Distribution of value addition 2023



ECONOMIC VALUE ADDED STATEMENT

Economic Value Added (EVA) attempts to capture the true economic profit of a company. EVA is an estimate of the amount by which earnings exceed or fall short of the required minimum return for shareholders at comparable risks. EVA is calculated by deducting the cost of equity capital employed from the post-tax profit plus the provision for loans and advances. Companies that earn higher returns than the cost of capital create value. Therefore, shareholders/equity providers are always conscious of their return on capital invested. As a commercial banking company, MBPLC is deeply concerned about delivering higher value to its shareholders/equity providers.

ECONOMIC VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2024

(BDT in Million)

Particulars	2024	2023
Shareholders' equity	**25,810.06**	**25,984.47**
Add: Provision for loans and advances and off-balance sheet exposure	4,275.05	2,681.80
	30,085.11	28,666.27
Average Shareholders' Equity	**29,375.69**	**29,038.87**
Earnings		
Profit After Tax	**631.22**	**2,028.61**
Add: Provision for loans and advances and off-balance sheet exposure during the year	4,275.05	2,681.80
Total Earnings (a)	**4,983.39**	**4,710.40**
Average cost of equity (based on weighted average rate of 10 years treasury bond issued by Government of Bangladesh plus 2% risk premium)	12.37%	10.08%
Total cost of average equity (b)	3,633.77	2,927.12
Economic Value Addition (a-b)	**1,349.62**	**1,783.29**

INVESTED FUND BY SHAREHOLDERS

(BDT in Million)

Particulars	2024	2023
Shareholders' Equity	25,810.06	25,984.47
Add: Cumulative provision for loans and advances and off balance sheet exposure	21,159.11	18,744.49
Total Shareholders' Equity	46,969.17	44,728.96
Average Shareholders' Equity	45,849.07	43,778.14

MARKET VALUE ADDED STATEMENT

The market value added statement shows the difference between the total market value of the Bank and the capital contributed by shareholders, i.e., total book value of equity. A high market value added indicates that the company has created substantial wealth for the equity holders. The share market value of the Bank stood at BDT 137,215.35 million, whereas the book value of the share stood at BDT 110,657.54 million, resulting in market value added of BDT 331.97 million as of December 31, 2024.

Particulars	No of Shares Outstanding (in Million)	Per Share	BDT in Million
Market Value	1,106.58	10.30	137,215.35
Book Value	1,106.58	10	110,657.54
Market Value Added			**331.97**

CONTRIBUTION TO NATIONAL EXCHEQUER

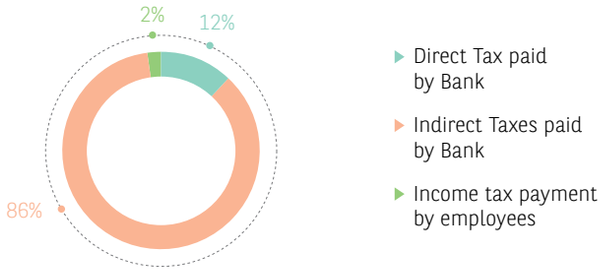
GRI 207-3

As a corporate entity, MBPLC pays taxes and VAT on its own income in accordance with the country's prevailing laws, making significant contributions to the government's revenue collection efforts. In 2022, the Bank contributed Tk. 6,474.83 million to the national exchequer in the form of taxes and VAT on its earnings. Additionally, the Bank deducts taxes, VAT, excise duties, and other charges from various payments and deposits them into the government exchequer.

(BDT in Million)

Particulars	December 2024	December 2023
Income Tax Payment on Bank's earnings	938.17	1589.43
Income tax, VAT and Excise duty deducted at source from various payment and services by the Bank	6621.40	4936.27
Income tax payment by the employees	122.99	134.41
Total Payment	7,682.55	6,660.11

Contribution to National Exchequer



MARKET PERFORMANCE

GRI 201-1, 3-1, 3-2, 3-3

STOCK EXCHANGE LISTING

Mercantile Bank PLC. is listed with Dhaka Stock Exchange Limited since February 16, 2004 and with Chattogram Stock Exchange Limited since February 26, 2004. Stock exchange code for Mercantile Bank PLC. share is "MERCANBANK".

SHAREHOLDERS' INFORMATION

MBPLC's Investor Base

MBPLC's investor base currently comprises of 1,106,575,435 voting shares distributed among sponsors/directors, general public, institutions and a few foreign investors. The total number of shareholders was 24,239 in 2024 and 25,889 in 2023.

PARTICULARS OF FULLY PAID-UP SHARE CAPITAL

Sl.	Particulars	As at December 31, 2024		As at December 31, 2023	
		Shares held	%	Shares held	%
1	Sponsor / Director	372,184,890	33.63%	379,645,289	34.31%
2	General Public	433,213,266	39.15%	398,696,922	36.03%
3	Institution	291,851,444	26.38%	284,040,515	25.67%
4	Foreign	9,325,835	0.84%	44,192,709	3.99%
	Total:	**1,106,575,435**	**100%**	**1,106,575,435**	**100%**

PARTICULARS OF FULLY PAID-UP SHARE CAPITAL

Shareholding Range	As at December 31, 2024				As at December 31, 2023			
	No. of Shareholders	%	No. of Shares Held	%	No. of Shareholders	%	No. of Shares Held	%
1-499	5,148	21.24%	895,940	0.08%	5,781	22.33%	1,000,638	0.09%
500-5000	11,796	48.67%	23,154,430	2.09%	12,791	49.41%	24,346,765	2.20%
5001-10000	2,708	11.17%	18,754,815	1.69%	2,699	10.43%	17,965,915	1.62%
10001-20000	1,883	7.77%	25,878,747	2.34%	1,927	7.44%	25,462,078	2.30%
20001-30000	781	3.22%	18,981,390	1.72%	814	3.14%	19,388,773	1.75%
30001-40000	358	1.48%	12,297,064	1.11%	366	1.41%	12,498,256	1.13%
40001-50000	261	1.08%	11,781,627	1.06%	225	0.87%	9,877,192	0.89%
50001-100000	574	2.37%	39,958,700	3.61%	548	2.12%	37,124,946	3.35%
100001-1000000	610	2.52%	159,670,751	14.43%	616	2.38%	160,102,835	14.47%
1000001-99999999	120	0.50%	795,201,971	71.86%	122	0.47%	798,808,037	72.19%
Total :	**24,239**	**100.00%**	**1,106,575,435**	**100.00%**	**25,889**	**100%**	**1,106,575,435**	**100%**

FINANCIAL CALENDAR-2024

Annual and Quarterly Results

Particulars	Submission Date
Audited consolidated results for the year ended 31 December 2023	16/04/2024
Unaudited consolidated results for the 1st quarter (Q1) ended 31 March 2024	30/04/2024
Unaudited consolidated results for the 2nd quarter (Q2) ended 30 June 2024	31/07/2024
Unaudited consolidated results for the 3rd quarter (Q3) ended 30 September 2024	22/10/2024

ANNUAL GENERAL MEETING (AGM)

Particulars of 25th AGM for the year ended on 31 December 2023	Respective Date
Announcement Date	16/04/2024
Record Date	08/05/2024
Notice Date	09/05/2024
Held Date	30/05/2024
10% Cash Dividend credited to shareholders' Bank Accounts	06/06/2024
Dividend Compliance Report Submitted	02/07/2024

SHARE TRADING IN DHAKA STOCK EXCHANGE PLC.

Share Trading / Year	2024	2023	2022	2021	2020
No. of transactions	41,208	15,305	80,099	175,071	52,444
No. of shares traded	156,218,874	56,425,667	288,386,933	959,224,466	258,245,865
Value of shares traded (Tk. Million)	1,712.25	770.34	4,586.53	15,100.28	3,140.88

MARKET VALUE IN DHAKA STOCK EXCHANGE PLC.

(BDT in Million)

Market Price / Year	2024	2023	2022	2021	2020
Lowest Market price	8.70	13.30	13.30	10.70	10.00
Highest Market price	13.90	14.10	18.40	20.50	13.80
Closing price as at 30th December	10.30	13.30	13.60	17.10	12.70

DIVIDEND PAYMENT HISTORY

Dividend / Year	2023	2022	2021	2020
Cash %	10	10	12.50	10
Stock %	0	2	5	5
Total	**10.00**	**12.00**	**17.50**	**15**

MARKET CAPITALIZATION TREND IN DHAKA STOCK EXCHANGE PLC.

Figure in Million Taka

Year	2024	2023	2022	2021	2020
Market Capitalization	11,397.73	14,717.45	14,754.34	17,668.01	12,497.01

Year End Closing Price on December 30, 2024 is **Tk.10.30** at Dhaka Stock Exchange PLC.

Total Trading Days in 2024: **235 days**

VALUE CREATION FOR SHAREHOLDERS

Figure in Taka

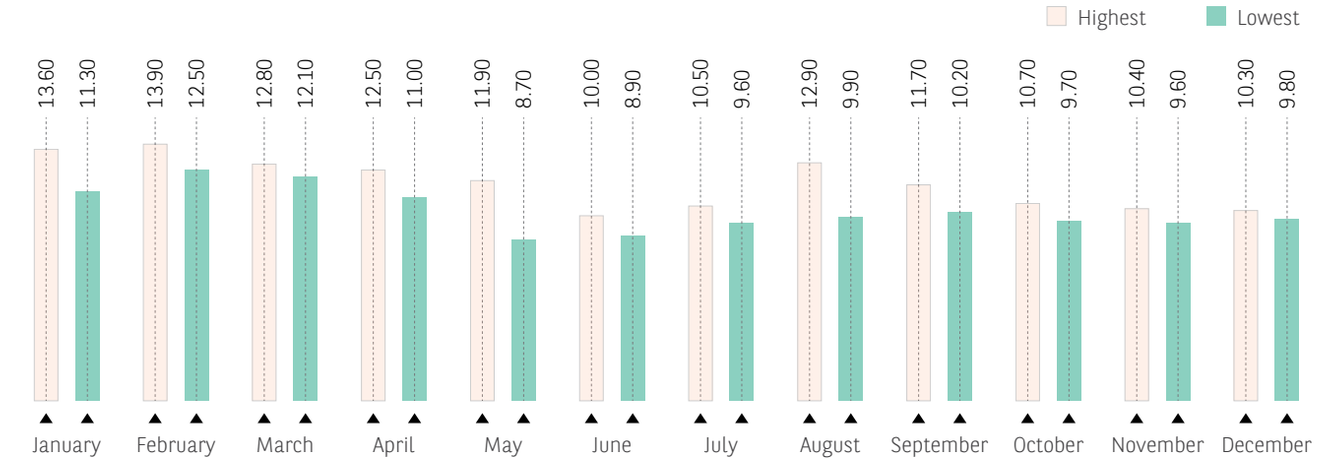
Particulars	2024	2023	Changes in Taka
Net asset value per share	23.32	23.48	(0.16)
Earnings per share - Basic	0.57	1.83	(1.26)
Dividend per share	0.00	1.00	(1.00)
Market price per share as at 30th December closing	10.30	13.30	(3.00)

MARKET PERFORMANCE

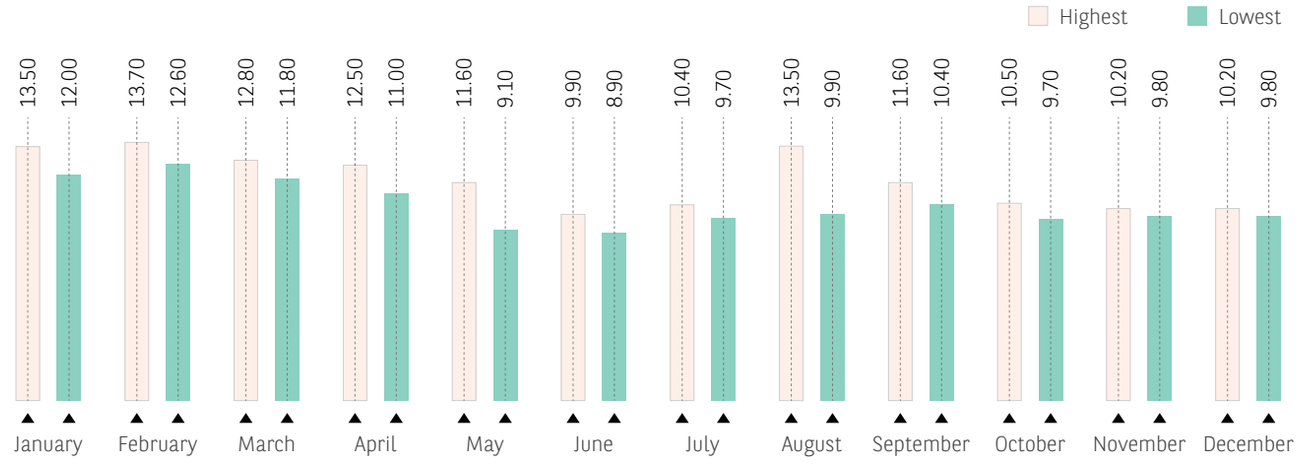
Figure in Taka

Month (2024)	Dhaka Stock Exchange (DSE)			Chattogram Stock Exchange (CSE)		
	Highest Price Tk.	Lowest Price Tk.	Average Trade Volume	Highest Price Tk.	Lowest Price Tk.	Average Trade Volume
January	13.60	11.30	514,728	13.50	12.00	18,303
February	13.90	12.50	1,152,086	13.70	12.60	24,280
March	12.80	12.10	300,706	12.80	11.80	7,516
April	12.50	11.00	403,026	12.50	11.00	11,280
May	11.90	8.70	759,035	11.60	9.10	2,294
June	10.00	8.90	578,720	9.90	8.90	16,126
July	10.50	9.60	258,937	10.40	9.70	7,688
August	12.90	9.90	962,586	13.50	9.90	15,884
September	11.70	10.20	437,960	11.60	10.40	10,128
October	10.70	9.70	916,704	10.50	9.70	9,273
November	10.40	9.60	1,154,847	10.20	9.80	7,856
December	10.30	9.80	507,074	10.20	9.80	7,554

Monthly Highest & Lowest Price in Taka in DSE



Monthly Highest & Lowest Price in Taka in CSE



DIVIDEND TREND ANALYSIS

Year-ended	Cash Dividend paid (Taka)	Bonus Dividend paid (Taka)	Total Dividend paid (Taka)	Total number of Shares at year end	Dividend per Share (Taka)	Net Profit after Tax for the year (Taka)	Dividend payout ratio %
2023	1,106,575,435.00	-	1,106,575,435.00	1,106,575,435	1.00	2,058,220,622.00	53.76%
2022	1,084,877,878.00	216,975,570.00	1,301,853,448.00	1,084,877,878	1.20	2,353,750,135.00	55.31%
2021	1,291,521,283.75	516,608,510.00	1,808,129,793.75	1,033,217,027	1.75	3,579,250,497.00	50.52%
2020	984,016,217.00	492,008,100.00	1,476,024,317.00	984,016,217	1.50	2,231,331,651.00	66.15%
2019	1,030,874,132.20	468,579,150.00	1,499,453,282.20	937,158,302	1.60	2,222,561,346.00	67.47%
2018	-	1,222,380,390.00	1,222,380,390.00	814,920,263	1.50	3,000,937,116.00	40.73%
2017	1,319,394,713.00	388,057,260.00	1,707,451,973.00	776,114,537	2.20	3,017,717,011.00	56.58%
2016	1,108,735,052.00	369,578,360.00	1,478,313,412.00	739,156,701	2.00	2,227,358,324.00	66.37%
2015	886,988,041.00	-	886,988,041.00	739,156,701	1.20	1,402,788,540.00	63.23%
2014	739,491,268.00	-	739,491,268.00	739,156,701	1.00	1,171,806,155.00	63.11%
2013	527,969,073.00	791,953,600.00	1,319,922,673.00	659,961,341	2.00	1,977,849,749.00	66.74%

BOARD OF DIRECTORS & DURATION

Sl No.	Name of the Director	Status with the Bank	Date of First Appointment	Date of Last Appointment or Reappointment	Interval(s) Between Each Subsequent Appointment (last 10 years)
1	Mr. Md. Anwarul Haque	Chairman	29.05.1999	13.09.2021	25.05.2015 to 07.06.2015, 01.05.2018 to 19.05.2018, 29.04.2021 to 12.09.2021
2	Al-haj Akram Hossain (Humayun)	Vice Chairman	29.05.1999	19.06.2024	25.05.2015 to 07.06.2015, 01.05.2018 to 19.05.2018, 29.04.2021 to 19.06.2021, 31.05.2024 to 18.06.2024
3	Mr. Md. Abdul Hannan	Vice Chairman	29.05.1999	19.06.2024	13.05.2016 to 12.06.2016, 21.06.2019 to 25.06.2019, 29.04.2021 to 19.06.2021, 31.05.2024 to 18.06.2024

Sl No.	Name of the Director	Status with the Bank	Date of First Appointment	Date of Last Appointment or Reappointment	Interval(s) Between Each Subsequent Appointment (last 10 years)
4	Mr. M.A. Khan Belal	Chairman, Executive Committee	30.03.2008	19.06.2024	15.07.2012 to 25.06.2019, 29.04.2021 to 19.06.2021, 31.05.2024 to 18.06.2024
5	Mr. Mohammad Abdul Awal	Chairman, Risk Management Committee	09.02.2021	26.06.2023	15.06.2023 to 25.06.2023
6	Prof. Dr. Md. Rezaul Kabir	Independent Director & Chairman, Audit Committee	29.09.2020	15.10.2023	29.09.2023 to 14.10.2023
7	Mr. A.S.M. Feroz Alam	Sponsor Director	29.05.1999	26.06.2023	13.06.2014 to 12.08.2014, 31.03.2017 to 28.03.2018, 25.06.2020 to 21.07.2020, 15.06.2023 to 25.06.2023
8	Mr. M. Amanullah	Sponsor Director	29.05.1999	26.06.2023	25.05.2015 to 07.06.2015, 01.05.2018 to 19.05.2018, 25.06.2020 to 04.07.2020, 15.06.2023 to 25.06.2023
9	Mr. Morshed Alam	Sponsor Director	29.05.1999	19.05.2022	13.05.2016 to 12.06.2016, 21.06.2019 to 25.06.2019, 29.04.2022 to 18.05.2022
10	Al-haj Mosharref Hossain	Director	05.01.2003	19.05.2022	13.06.2014 to 12.08.2014, 31.03.2017 to 28.03.2018, 25.06.2020 to 04.07.2020, 29.04.2022 to 18.05.2022
11	Dr. Gazi Mohammad Hasan Jamil	Independent Director	02.02.2021	29.02.2024	03.02.2024 to 28.02.2024
12	Mr. Mati Ul Hasan	Managing Director	30.11.2024	-	-

THE PATTERN OF SHAREHOLDING

(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details) :

1. Mercantile Bank Securities Limited
2. Mercantile Exchange House (UK) Limited
3. MBL Asset Management Limited (MBL AML)

(b) Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children (name-wise details);

SL	Name of the Directors, their spouse & minor children	As on December 31, 2024		As on December 31, 2023	
		Shares held	%	Shares held	%
i.	**Directors**				
1	Md. Anwarul Haque	24,943,792	2.25%	24,943,792	2.25%
	Spouse: Nargis Anwar	3,296,254	0.30%	2,296,254	0.21%
	Minor Children :	Nil	Nil	Nil	Nil
2	Al-haj Akram Hossain (Humayun)	24,017,249	2.17%	24,017,249	2.17%
	Spouse: Ferdousi Begum	2,768,452	0.25%	2,768,452	0.25%
	Minor Children :	Nil	Nil	Nil	Nil

SL	Name of the Directors, their spouse & minor children	As on December 31, 2024		As on December 31, 2023	
		Shares held	%	Shares held	%
3	Md. Abdul Hannan	25,298,854	2.29%	25,298,854	2.29%
	Spouse: Israt Jahan	3,542,845	0.32%	3,542,845	0.32%
	Minor Children :	Nil	Nil	Nil	Nil
4	M.A. Khan Belal	22,217,211	2.01%	22,217,211	2.01%
	Spouse: Morzina Khan Monzu	485,903	0.04%	485,903	0.04%
	Minor Children :	Nil	Nil	Nil	Nil
5	Mohammad Abdul Awal	22,592,370	2.04%	22,592,370	2.04%
	Spouse: Yesmin Ferdous	299,320	0.03%	299,320	0.03%
	Minor Children :	Nil	Nil	Nil	Nil
6	Prof. Dr. Md. Rezaul Kabir	Nil	Nil	Nil	Nil
	Spouse: Dr. Ismat Rahman	Nil	Nil	Nil	Nil
	Minor Children :	Nil	Nil	Nil	Nil
7	A.S.M. Feroz Alam	34,854,232	3.15%	34,854,232	3.15%
	Spouse: Yoko Inamori	Nil	Nil	Nil	Nil
	Minor Children :	Nil	Nil	Nil	Nil
8	M. Amanullah	25,000,000	2.26%	27,260,399	2.46%
	Spouse: Tazneen Aman	3,281,302	0.30%	2,800,000	0.25%
	Minor Children :	Nil	Nil	Nil	Nil
9	Morshed Alam	27,558,916	2.49%	27,558,916	2.49%
	Spouse: Bilkis Nahar	376,299	0.03%	376,299	0.03%
	Minor Children :	Nil	Nil	Nil	Nil
10	Al-haj Mosharref Hossain	26,486,392	2.39%	26,486,392	2.39%
	Spouse: Feroza Begum	3,506,712	0.32%	3,506,712	0.32%
	Minor Children :	Nil	Nil	Nil	Nil
11	Dr. Gazi Mohammed Hasan Jamil	Nil	Nil	Nil	Nil
	Spouse: Shumana Bhuiya	Nil	Nil	Nil	Nil
	Minor Children :	Nil	Nil	Nil	Nil
ii.	Mati Ul Hasan Managing Director	Nil	Nil	Nil	Nil
	Spouse / Minor Children of MD	Nil	Nil	Nil	Nil
iii.	Mohammad Rezaul Karim Company Secretary	Nil	Nil	Nil	Nil
	Spouse / Minor Children of CS	Nil	Nil	Nil	Nil

SL	Name of the Directors, their spouse & minor children	As on December 31, 2024		As on December 31, 2023	
		Shares held	%	Shares held	%
iv.	Tapash Chandra Paul, PhD CFO	Nil	Nil	Nil	Nil
	Spouse / Minor Children of CFO	Nil	Nil	Nil	Nil
v.	Ashim Kumar Saha DMD & HIAC	Nil	Nil	Nil	Nil
	Spouse / Minor Children of DMD & HIAC	Nil	Nil	Nil	Nil

(c) Executives [top 5 (five) salaried employees of the company, other than the Directors, Managing Director, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance]

Sl	Designation	As on December 31, 2024		As on December 31, 2023	
		Shares held	%	Shares held	%
1	Md. Zakir Hossain Deputy Managing Director	Nil	Nil	Nil	Nil
2	Adil Raihan Deputy Managing Director	Nil	Nil	Nil	Nil
3	Shamim Ahmed Deputy Managing Director	Nil	Nil	Nil	Nil
4	Dr. Md. Zahid Hossain Deputy Managing Director	Nil	Nil	Nil	Nil
5	Shah Md. Sohel Khurshid Senior Executive Vice President	Nil	Nil	Nil	Nil

(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details): Nil

TAXATION ON DIVIDEND INCOME

Stock dividend is tax exempted. In case of cash dividend, following is the rate of tax deduction at source on dividend income as per current fiscal act:

- If the shareholder is a company, either resident or non-resident, at the rate applicable to the company i.e. 20%
- If the shareholder is a resident person, other than company, @ 10% with e-TIN number failing of which is 15%
- If the shareholder is a non-resident (other than Bangladeshi) person, other than company, at the rate of 25%

TAXATION ON CAPITAL GAIN

Capital gain arising from transfer or sale of Government Securities is tax exempted. Capital gain arising from transfer or sale of Stocks and Shares of publicly listed companies listed with stock exchanges is taxable at the rate of 10%. For non-resident, the tax exemption on capital gain shall be allowed if the similar exemption is allowed in the country of residence of the non-resident.

OTHER INFORMATION

Exchange controls and other limitations are affecting equity security holders. Non-residents can buy and sell MBPLC's share and transfer the dividends after complying with Guidelines for Foreign Exchange Transactions 1996 and BSEC Rules.

STOCK DETAILS

Particulars	DSE	CSE
Stock Symbol	MERCANBANK	MERCANBANK
Scrip Code	11128	22023
Listing Year with DSE & CSE	2004	2004
Market Category	A	A
Electronic Share	Yes	Yes
Market Lot (Nos.)	1	1
Face Value (Taka)	10	10
Total Number of Shares as on 31.12.2024	1,106,575,435	1,106,575,435

ACCESSIBILITY OF ANNUAL REPORT 2024

Annual Report 2024 and other information about Mercantile Bank PLC., may be accessed through bank's website www.mblbd.com. MBPLC provides copies of Annual Reports to the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank, Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC for their reference. Respectable stakeholders may read them at their public reference room or library.

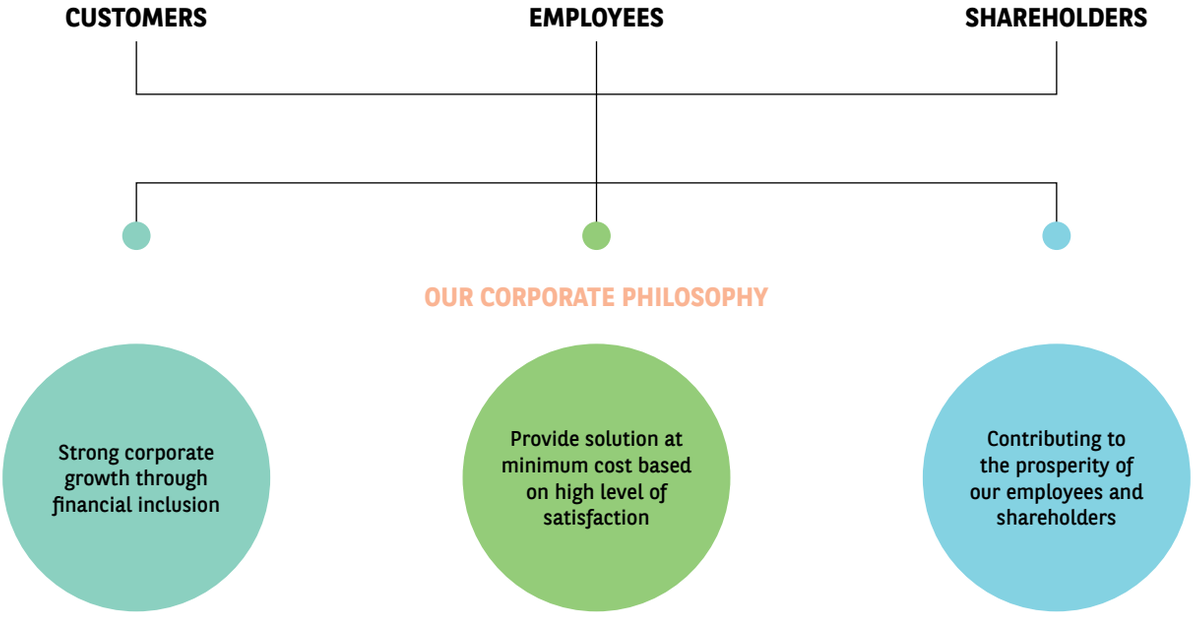
SHAREHOLDERS' INQUIRIES

Share Department
Mercantile Bank PLC.
Head Office
61, Dilkusha Commercial Area (2nd Floor)
Dhaka-1000
Phone: +8802 223389352 (Direct)
PABX: 02 223382295 Ext. 113, 212, 520
Email: share@mblbd.com
Web: www.mblbd.com

FINANCIAL INCLUSION

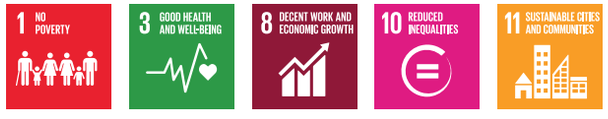
GRI 207-1

FINANCIAL INCLUSION AND DIVERSITY IN 2024



Mercantile Bank PLC., embracing the slogan of "বাংলার ব্যাংক" is dedicated to offering financial services to businesses of all sizes. We excel in corporate, SME, and agricultural financing, with a strategic emphasis on agriculture and SMEs. We support local development through SME loans, agricultural credits, and women's banking initiatives, enhancing customer engagement with educational programs, tailored products, and training for women entrepreneurs, thereby delivering superior banking services across urban and rural communities.

SDGS LINKED WITH:



FINANCIAL INCLUSION AND DIVERSITY IN 2024



151	1	342,724.25	300,025.11	1.2 Million
Branches (Conventional)	Branch (Islamic)	BDT Million Deposit Balance	BDT Million Advance Balance	(approximately) No. of Customer

CARD SERVICES

199	362,522	20,050	4,687	30.25 Lac	2,700.30 BDT Crore
ATMs	Number of Debit Card	Number of Credit Card	Number of Prepaid Card	Number of ATM Transaction	Volume of ATM Transaction



AGENT BANKING 2024

188	62,594	8 Divisions & 50 Districts	665.60 BDT Million	584.40 BDT Million
Agent Banking Outlets	No. of Account	Covered through Agent Banking	Deposit	Remittance

WOMEN BANKING 2024

DEPOSIT PRODUCT FOR WOMAN				CMSME WOMEN ENTREPRENEURS	
MBL Nari Sanchaya Prokolpo		Aporajita Masik Munafa Prokolpo			
5,169	300.79 BDT Million	1,583	1,542.69 BDT Million	507	1,341.90 BDT Million
No. of Account	Total Deposit Balance	No. of Account	Total Deposit Balance	No. of Customer	Loan Outstanding

SCHOOL BANKING 2024

11,061	12,144	23,205	5.23 Crore	6.23 Crore	11.44 Crore
Male Account	Female Account	Total Account	Male Account Balance	Female Account Balance	Total Balance

ISLAMIC BANKING 2024



45
Islamic Banking Window



01
Full-fledged Islamic Banking Branch



16,939
No. of Islami Banking Customer



15,485.24
BDT Million
Deposits

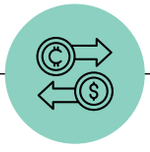


8,400.41
BDT Million
Investments



204.19
BDT Million
Profit

NRB CROSS BORDER REMITTANCE 2024



4,46,799
No. of Transactions



5,110.79
BDT Crore
Volume of Remittance (in BDT)



442.19
USD Million
Volume of Remittance (in USD)



1.64%
Contribution of MBPLC to National Remittance

MOBILE BANKING 2024



746,638
Customers



9,654
BDT Million
Volume of Transaction



82,426
BDT Million
Agents Points



210
Deployment of POS across the country

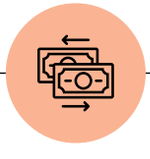


23%
Total Income Increased in 2024

DIGITAL BANKING 2024



New Generation Banking through internet and apps "MBL Rainbow"



No. of transaction: **1,177,305** and Volume: **BDT 22,575 million**



6,575 Accounts Opened through E-KYC Platform



76,608 Customers using online platform

10/50/100 TAKA ACCOUNT 2024



13,294
No. of Deposit Account



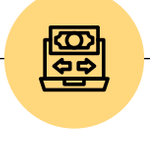
34.97
BDT Million
Amount of Deposit



3,095
Loan and Advance Account



253.09
BDT Million
Amount of Loan and Advance



2.6
BDT Million
Remittance through Account

SUSTAINABLE HUMAN RESOURCE MANAGEMENT

GRI 405-1

"Efficiency is our Strength" with this slogan, MBPLC is very passionate and committed to supporting and driving a high-performance culture leading toward the achievement of ultimate business goals, delivered by a cadre of truly engaged workforce. MBPLC emphasizes developing employees' latent potential, leveraging employee skills, and respecting individual worth and dignity to ensure smooth career progression as well as a welfare-oriented approach in Human Resource Management policies and practices. Mercantile Bank PLC. is continuing its journey with 152 branches and 45 sub-branches all over the country, with 5,205 dedicated workforces (with contractual and outsource), among them 4,489 employees are male and rest 716 employees are female.

2,651
Total Employees

678
Women Employees

25.58%
Women in the Workforce (%)

13.85
Revenue Per Employee (BDT Mn)

1.57
Average Salaries and other benefits per employee (BDT Mn)

SDG RELEVANCE WITH MBPLCS' HRM

Poverty alleviation through employment generation

Uplifting the lives of our employees through employment benefits

Initiatives taken to ensure safe & healthy workplace & overall well-being of our employees

Training and development to build employee capacity and knowledge

Promote a fair, equal, diverse and meritocratic work force irrespective of locality, gender or ethnicity of employees

operational sustenance and continuity through ensuring an inspiring and inclusive workplace environment with strong talent pipeline

HIGHLIGHTS OF HUMAN CAPITAL PERFORMANCE

Employee Productiviity

- **BDT 2.13 Mn** operating profit per employee
- **BDT 0.24 Mn** profit after tax per employee

Employee Development

- **1,614** hours, 2,540 Training Recipients
- **BDT 4.64 Mn** invested on employee development

Strong and Agile Workforce

- **31** New recruitment
- **Increased** agility and creativity

Employee Value Proposition

- **BDT 81.72 Lac** Increment sanctioned to 2044 employees
- **BDT 627.57 Lac** sanctioned to 818 employees as Financial Assistance

HUMAN CAPITAL LINKAGE WITH OTHER CAPITAL



FINANCIAL CAPITAL

Long-term positive financial results increasing productivity and efficiency

NATURAL CAPITAL

Contributing in sustainability by taking green initiatives

Decent work environment by constructing green building

INTELLECTUAL CAPITAL

Provide a competitive advantage as unique set of intangible asset

Improve business performance by enhancing knowledge and efficiency

MANUFACTURED CAPITAL

The procurement of HRM system

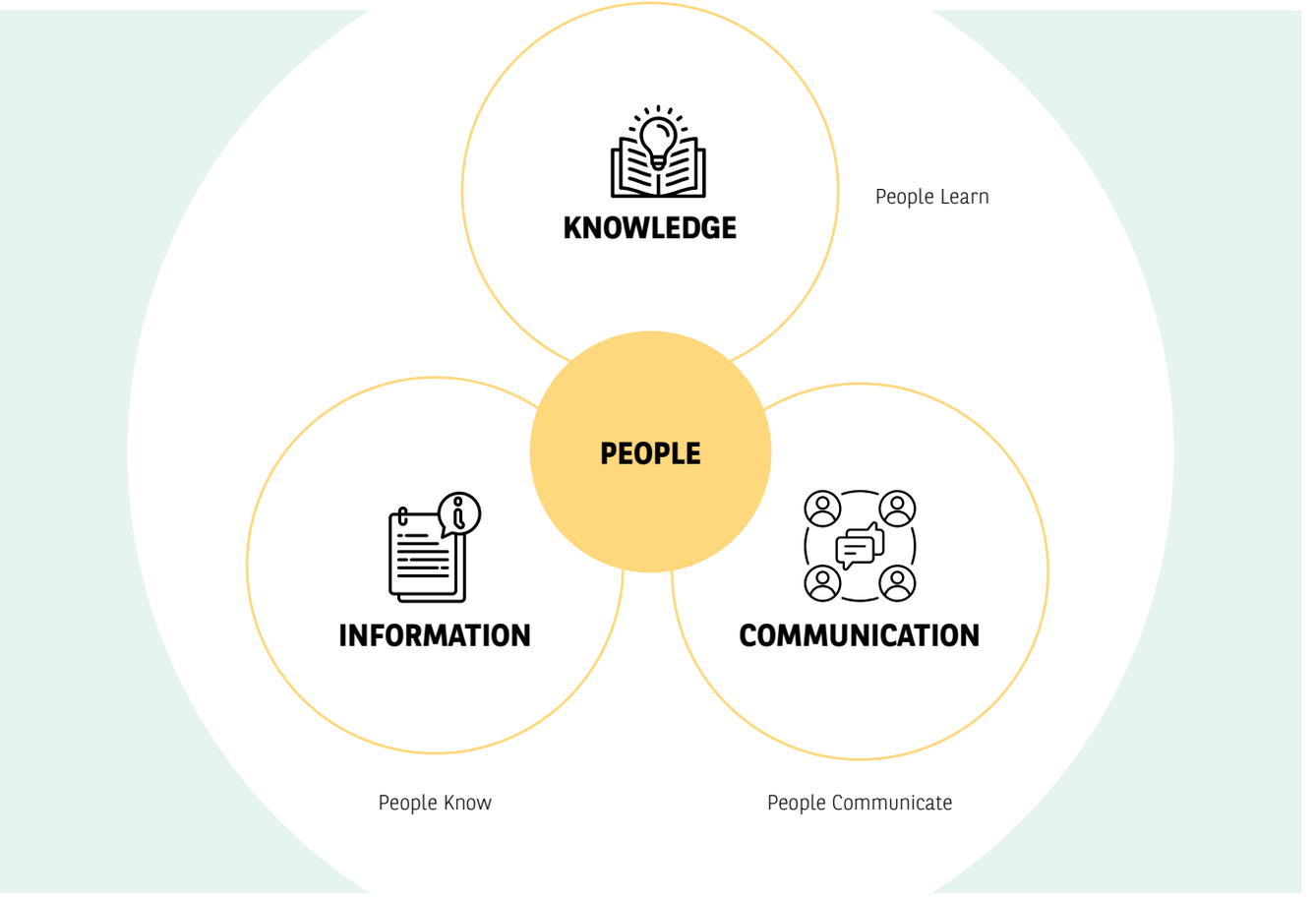
Investment in digitization

SOCIAL AND RELATIONSHIP CAPITAL

Delighting existing customer

Contribute in building reputation among potential customers, investors, suppliers and other stakeholders.

IMPORTANCE OF HR AND THE OPTIMIZATION OF HUMAN CAPITAL

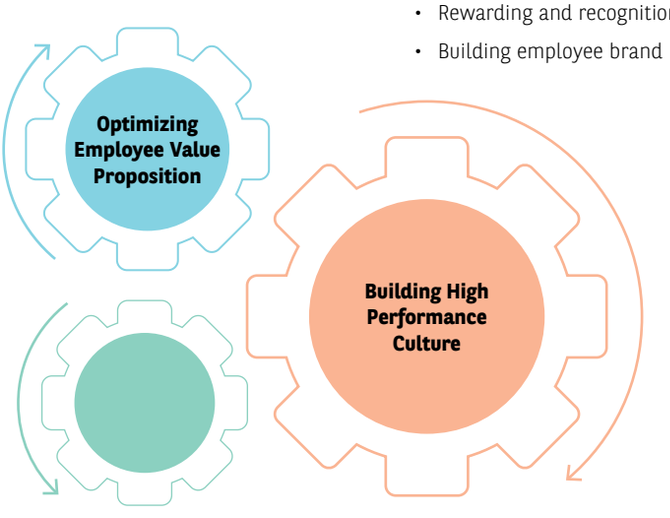


FOCAL POINT OF MBPLC HUMAN CAPITAL PHILOSOPHY

Caring for human resources is one of our core values. MBPLC views its employees as Human Capital and believes that they are the key components to achieve its core objectives. MBPLC priorities on corporate culture, excellent pay package and other benefits. MBPLC emphasizes to improve the personal skills through intensive training and developments.

- Workforce planning and talent acquisition
- Developing capabilities and performance
- Leadership and high potential development
- Developing succession pool depth

- Offering competitive salaries and fringe Benefits
- Building carrier growth opportunities
- Rewarding and recognition
- Building employee brand



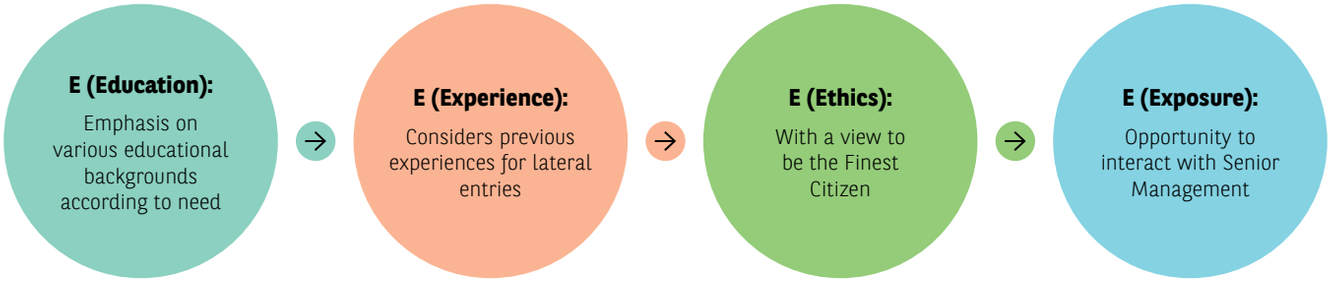
- Build motivated and engaged work culture
- Value driven and objective performance management

HUMAN RESOURCE RECRUITMENT AND SELECTION PROCESS

The most important responsibility of human resource department is to ensure that placing right people at the right time in the right position. In order to achieve that we have a very comprehensive and optimized recruitment process in place. MBPLC Management is committed to provide equal employment opportunity to all as well as in identifying the unique strengths of each individual which brings to the roles they carry out and the self-development.

SUCCESSION PLANNING

Four E Approches in Succession Planning of MBPLC



Succession planning is a cost and time effective process that focuses on measuring, identifying, and developing employees to help them advance within an organization. Through our succession planning, we prefer to promote to leadership roles from within the organization to foster greater career opportunities for our people. During the year, we had several internal moves and promotions into key leadership positions, reflecting that the depth in our talent pool, consequent to which our succession pipelines for key management positions got bolstered.

TRAINING AND DEVELOPMENT

GRI: 404-1

Orientation for fresh employees:

MBPLC HRD arranges orientation program for fresh recruited workforce.

Product Training:

The product training is provided like deposit product training, loan product training, and product operational training to help the related staff to learn more about the products those are providing by the Bank.

Skill training:

The Bank provides a lot of skill related training e.g. credit workshop, sales and negotiation skills, project management, etc. to enhance skill of the staff in particular aspects.

On the job training:

Staff members are continuously involved in the learning process in the form of on-job training. Thus a lot of on-job training opportunities and job rotation to increase staff's exposure are providing.

Self-learning:

The bank provides various opportunities for employees self-learning such as study leave, provides financial rewards for Banking Diploma, CDCS, CSDG, CAMS and various professional certifications.

Management Development Training and conference:

In this training program, the employees are given strategic perspectives and business goals, management goals and patron focus abilities to better understand and manage their jobs.

Specific Competency Training:

Various operational training is arranged to build up necessary competencies and to gain operational Excellencies.

MBPLC Employees' Performance Appraisal:

This includes-

- Recognize the efforts and contribution of current staff.
- Reward staff directly linked to performance.
- Motivate staff to improved performance.
- Orientation of staff towards goal achievement.
- Attract quality employees with an effective performance management system.

Performance Management

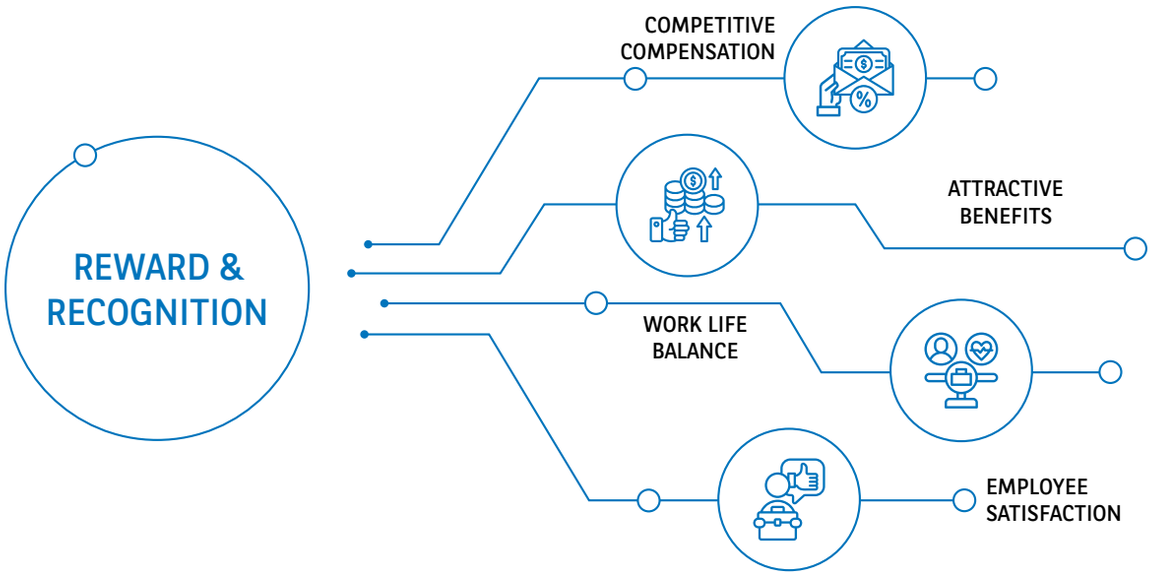
Employee Performance Evaluation

The main purpose of Human Resource Management is to create and to keep balance between the Bank's mission, vision and the interests of the employees. HRD's activities always ensure that:

- Skilled people are available in the Bank to meet forecast work demands.
- The Bank's structure provides with opportunity for appropriate career development.
- Relevant workforce data is readily available to inform management for decision making.

Respect and Recognition

MBPLC respects the rights of employees and believes in providing them a safe and conducive working environment. MBPLC endeavors to provide satisfaction with working conditions and remunerations, heal and safety, opportunity to contribute to society.

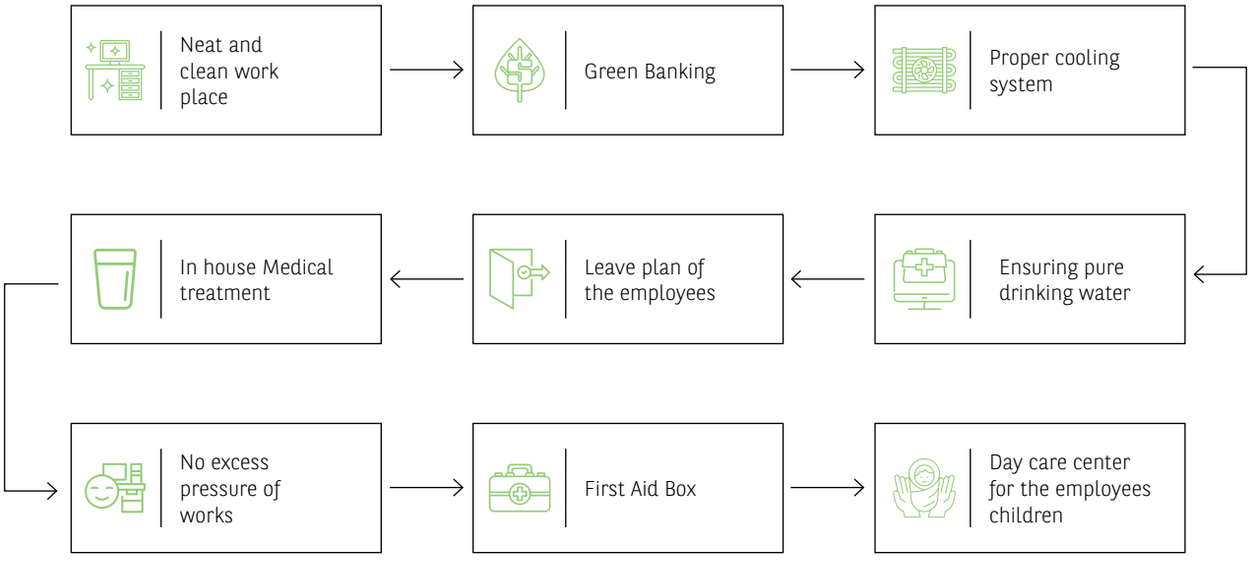


EMPLOYEE CULTURES AND WELL-BEING

GRI 403-1, 403-2

Fostering Health and Safety

MBPLC always emphasizes on safe and healthy working environment. The Bank always emphasizes on the safety, wellbeing of its staff and communities.



EMPLOYEE ENGAGEMENT AND JOB SATISFACTION

Employee engagement is vital to maintain an innovative, motivated and committed workforce. Our employees are fundamental to growing our brand and to the delivery of a consistently high-quality service. In normal times, employees are motivated to go beyond their regular activities and engage in different team building activities. Our wellness programmes offers financial, physical and emotional support. We nurture an inclusive, diverse and meritocratic culture.

WORK LIFE BALANCE

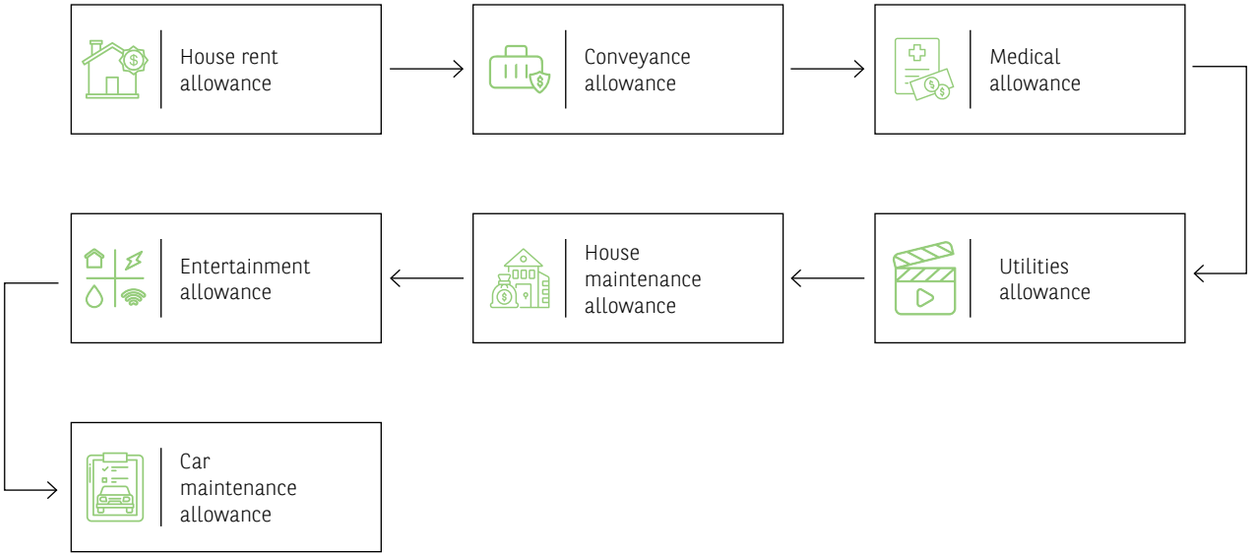
We encourage employees and managers to discuss both business and personal goals. Work/life flexibility creates a competitive advantage and addresses the needs of our multi- generational workforce. We usually conduct different types of program with our personnel like Sport Events, Encourage Vacations, Picnic Arrangement, providing health coverage to employees, women's day throughout the year. This year, because of social distancing measures, many activities were shifted to a virtual platform.

EMPLOYEE BENEFITS

GRI 201-3, 401-2

Every employee is paid salary on monthly basis, which is a combination of basic salary, fringe benefits and other benefits disbursed on 25th of each month or previous working day if 25th is holiday. MBPLC provides the following benefit to its employee:

Fringe Benefits



OTHER BENEFITS

- Leave fare assistance
- Furniture allowance
- House Building Loan (HBL)
- Car loan
- Provident fund
- Personal Loan
- Mobile phone allowance (talk time)
- Ex Gratia Payment

END SERVICE BENEFIT PLANS

- Provident fund
- Gratuity
- Superannuation
- Leave encashment

MINIMUM NOTICE PERIOD REGARDING OPERATIONAL CHANGES

Minimum notice period before switching job is 3 months for regular employees and 1 month for contractual employees.

EMPLOYEES' LEAVE MANAGEMENT IN MBPLC

MBPLC has a leave policy under which employees avail various leaves depending on their requirement. Such leaves are: Casual Leave, Sick Leave, Privilege Leave, Quarantine Leave, Maternity Leave, Mandatory /Compulsory Leave, Study Leave, Leave without Pay where applicable. Recently Web Based Leave Management system has been implemented.

MATERNITY LEAVE

GRI 401-3

The competent authority of the Bank grants to a female employee, maternity leave with full pay for a maximum period of six months according to policies formulated by Bangladesh Bank.

HUMAN RESOURCE MANAGEMENT INFORMATION SYSTEM

MBPLC uses Human Resource Management Information System which is a robust database management system that ensures pinpoint accuracy and enterprise-level security for our data that helps management to take prompt decision. In our data base, we keep the records of Employee personnel details such as address, date of birth, job title, length of service, salary, recruitment details and qualifications both academic and professional held, timesheets and training courses attended, leave availed.

ETHICS AND CULTURE

Corporate culture sets the direction for our teams. We follow the highest ethical values and make it a key business priority to do so.

We expect our employees to fully uphold statutory compliances. As a result, it is compulsory for all our employees to read and sign the Code of Conduct every year as a sign of recurrence to the values enshrined in it. Additionally, MBPLC encourages employees to act with honesty and spread the message of social responsibility to the community. Furthermore, MBPLC puts effort in creating an organizational environment through the implementation of policies and programs that help individuals and teams to grow and sustain.

HUMAN RESOURCE STATISTICS

The tables and graphs given below provide information on total workforce by region, employment type, age analysis, service analysis and gender. MBPLC has its branches in all the divisions in the country. Now the total number of branches stood 152 and Head Office in Dhaka.

HUMAN RESOURCES AT A GLANCE IN MBPLC AS ON 31.12.2024

Employee Nature	Male	Female	Total
Regular	1,950	666	2,616
Contractual	23	12	35
Outsource	2,518	38	2,556
Total	**4,491**	**716**	**5,207**

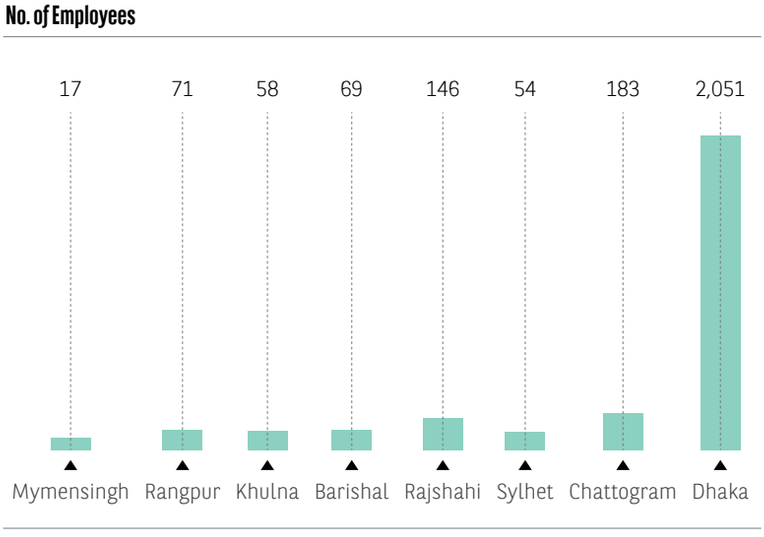
EMPLOYEE POSITION BY GENDER IN MBPLC IN 2024

Position	Male	Female	Total
Executives	297	29	326
Non-Executives	1,676	649	2,325
Total	**1,973**	**678**	**2,651**

DIVISION-WISE BREAKDOWN OF HUMAN CAPITAL AS ON 31.12.2024

GRI 102-8

Division	No. of Employees	Percentage to Total
Dhaka	2,053	77.44%
Chattogram	183	6.91%
Sylhet	54	2.04%
Rajshahi	146	5.51%
Barishal	69	2.60%
Khulna	58	2.19%
Rangpur	71	2.68%
Mymensingh	17	0.64%
Total	**2,651**	**100.00%**



MBPLC EMPLOYEE DIVERSITIES IN 2024

Head Office & Branches Comparison (2024)

Employment Nature	Head Office	Branch	Total
Regular	620	1,996	2,616
Contractual	35	0	35
Outsource	454	2,102	2,556
Total	**1,109**	**4,098**	**5,207**

Segment of the Employee by age (2024)

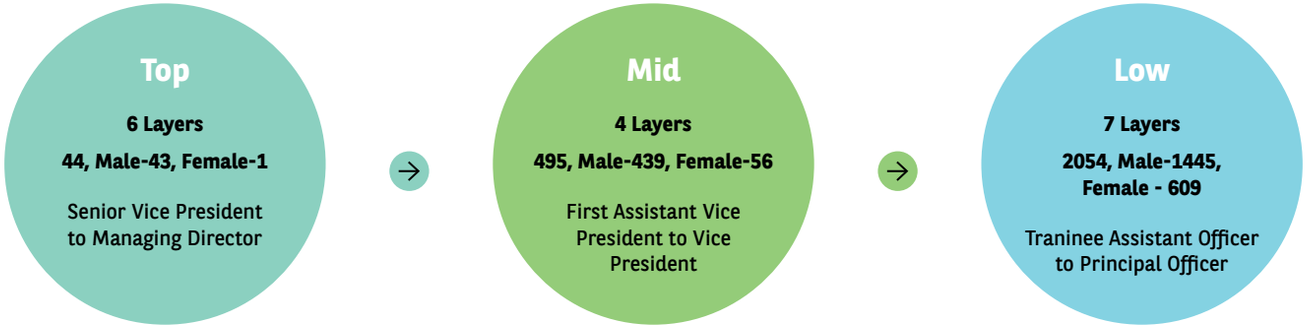
Age Range	Female	Male	Total
20 years – below 30 years	123	223	346
31 years – below 40 years	281	862	1,143
41 years – below 50 years	250	689	939
51 years and above	24	199	223
Total	**678**	**1,973**	**2,651**

GRI 405-1

DIVERSITY OF EMPLOYEES ACCORDING TO DESIGNATION, FEMALE & MALE 2024

1. Regular Employee

Sl	Position	Female	Male	Total
1	Managing Director & CEO	0	1	1
2	Additional Managing Director	0	0	0
3	Deputy Managing Director	0	6	6
4	Senior Executive Vice President	0	6	6
5	Executive Vice President	0	12	12
6	Senior Vice President	1	18	19
7	Vice President	3	58	61
8	First Vice President	3	60	63
9	Assistant Vice President	22	133	155
10	First Assistant Vice President	28	189	217
11	Principal Officer	59	192	251
12	Senior Executive Officer	118	285	403
13	Executive Officer	154	347	501
14	Officer	113	245	358
16	Management Trainee Officer	0	0	0
17	Assistant Officer	161	365	526
18	Trainee Assistant Officer	4	11	15
19	Driver	0	19	19
20	Electrician	0	3	3
21	Others	12	23	35
	Total	**678**	**1,973**	**2,651**



2. Contractual Employees

Sl	Division	Position	Female	Male	Total
1	Retail Banking Division	Senior Sales Executives	8	17	25
		Direct Sales Executives	25	56	81
2	Mobile Banking Division	Territory Manager	-	7	7
		Territory Officer	6	27	33
		Office Executive	2	1	3
		Call Centre & Customer Care Officer	1	2	3
3	Agent Banking Division	Senior Agent Outlet Manager	-	4	4
		Agent Outlet Manager	14	26	40
		Senior Sales Executives	-	7	7
		Direct Sales Executives	4	10	14
		Territory Manager	-	1	1
		Territory Officer	-	5	5
	Total		60	163	223

3. Outsourced Employees

Sl	Position	Female	Male	Total
1	PABS Operator	5	4	9
2	Store Assistant	0	7	7
3	Dispatcher	1	1	2
4	Driver	0	42	42
5	Electrician	0	4	4
6	TBCM	15	628	643
7	Cleaner	17	322	339
8	Security Personnel	0	1506	1506
9	Imam	0	4	4
	Total	**38**	**2518**	**2556**

FINANCIAL ASSISTANCE TO ALL CATEGORIES EMPLOYEES (2024)

Sl	Benefit & Bill	Regular Employees		Contractual & Outsourced Employees	
		No. of Beneficiaries	Amount in Tk.	No. of Beneficiaries	Amount in Tk.
1	Retirement Benefit	8	19,300,000.00	0	0.00
2	Medical Bill	454	21,174,281.00	115	2,227,442.00
3	Maternity Bill	22	670,000.00	2	40,000.00
4	Stipend	299	7,331,000.00	225	3,090,000.00
5	Death Benefit	4	5,500,000.00	2	1,000,000.00
6	Special Benefit	20	3,687,187.00	12	1,162,004.00
	Total	**807**	**57,662,468.00**	**356**	**7,519,446.00**

MATERNITY AND STUDY LEAVE STATISTICS

Particulars	2024
Maternity Leave	63
Return to job	45
% of Return to Job	71%
Study leave continuing	20

EMPLOYEE TRAINING RELATED STATISTICS

Training Category	2024				
	Total Participants	Total Training Hour	Total Training Courses	Training on IT	Training on AML
Zoom platform	873	1614	193	17	20
Physical	1658				
Foreign	9				
Total	2,540				

YEAR WISE RECRUITMENT STATISTICS IN MBPLC

Categories	2024	2023	2022	2021	2020
Fresh [TAO, MTO]	10	138	61	238	54
Experience Bankers	7	4	34	43	10
Contractual	14	6	2	1	8
Total	**31**	**148**	**97**	**282**	**72**

PROFESSIONAL CERTIFICATION DATABASE OF EMPLOYEES

Name of Certification	No. of employees
Junior Associate of the Institute of Bankers, Bangladesh	1,256
Diplomaed Associate of the Institute of Bankers, Bangladesh	697
Certified Documentary Credit Specialist	45
Certified Anti-Money Laundering Specialist	12
Certified Expert in Risk Management	16
Certified Ethical Hacker	5
Certificate for Specialists in Demand Guarantees	7
Certified Information Systems Security Professional	1
Senior Professional in Human Resources - International	1

HUMAN RESOURCE ACCOUNTING 2024

The key metrics in regards to headcount	2024	2023	2022	2021
Deposits (BDT mn)	129.28	115.00	112.07	102.95
Loan and Advances (BDT mn)	113.17	106.72	107.04	101.51
Operating Income (BDT mn)	5.32	5.15	6.09	5.09
Operating Expense (BDT mn)	3.20	3.12	3.3	2.77
Training Cost (BDT Thousand)	1.75	1.87	2.64	0.7
Operating Profit (BDT mn)	2.13	2.03	2.79	2.32
Profit Before Tax (BDT mn)	0.48	1.02	2.38	1.63
Profit After Tax (BDT mn)	0.24	0.76	1.98	1.32

OUTLOOK 2025

- MBPLC believes human resources are the main catalysts for success
- HRD outlook for 2025 includes:
    - Visualizing the Bank's vision and objectives
    - Optimizing human resource utilization
    - Succession planning for future leaders
    - Developing professional skills for each employee
    - Maintaining a better work culture for employee health and safety
    - Conducting performance appraisals and identifying areas for improvement and growth
    - Completing HR automation and software upgrades
    - Providing appropriate digital training and learning programs
    - Ensuring the Bank's ability to maintain global standards
- MBPLC HRD is optimistic that all employees will contribute to the Bank's growth and success in 2025.

MERCANTILE BANK FOUNDATION

Mercantile Bank Foundation (MBF) was established in 2000 to fulfill Bangladesh Bank's guidelines on Corporate Social Responsibility (CSR). MBF undertakes organized, standardized, and sustainable CSR programs to assist distressed and disabled individuals. Over the past 25 years, MBF has focused on improving the quality of life and socioeconomic status of its target population.

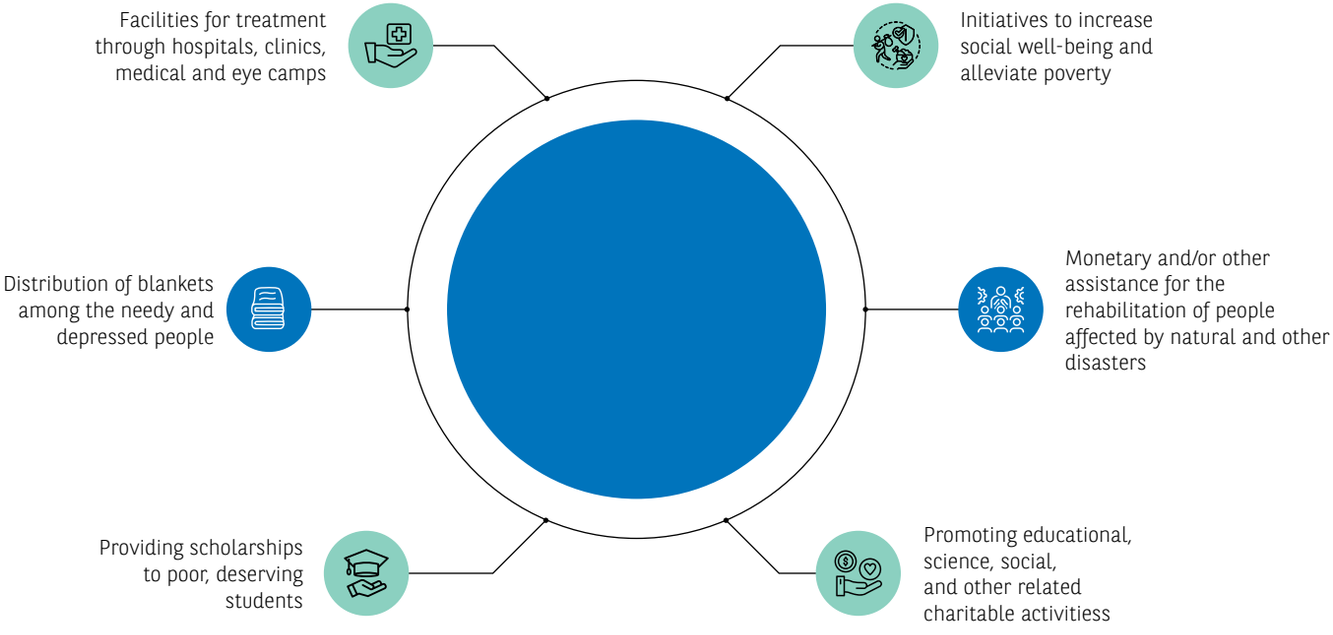
Mercantile Bank Foundation (MBF) believes that our responsibility extends beyond our core business to the society in which we operate. Actually, MBF has been promoting a dialogue between the Bank and its community people. Core focus of the Foundation is to work for the distressed and disabled people around the country throughout its course of compassionate operation.

MBF promotes dialogue between the Bank and the community and is dedicated to helping people access core services such as education and healthcare. MBF believes that accessible and affordable core services are fundamental in breaking the cycle of poverty. MBPLC is a dynamic organization with an adaptive approach and effective programs and services to achieve this goal.

OBJECTIVES OF MERCANTILE BANK FOUNDATION

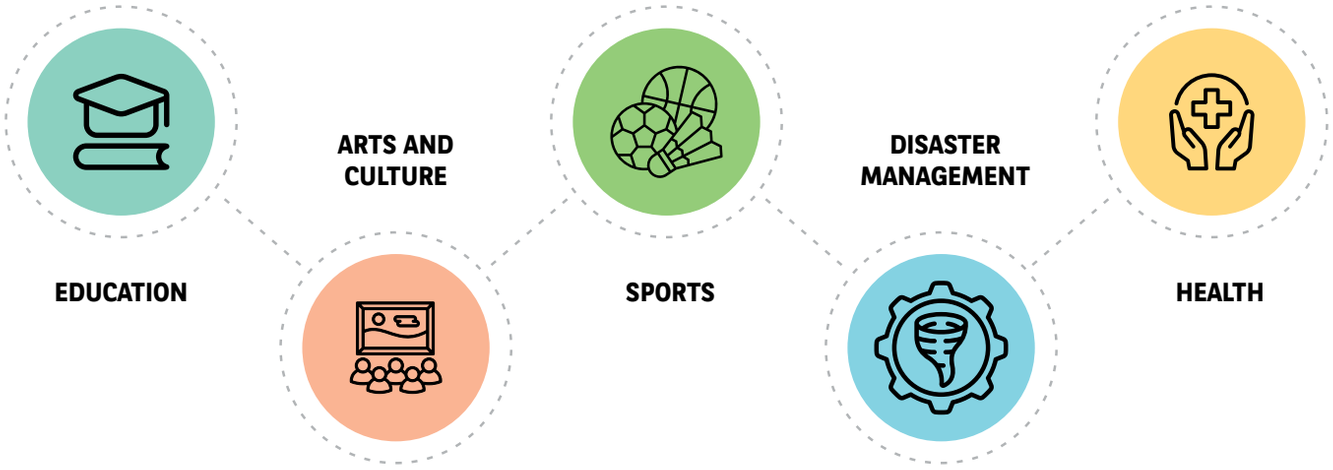
The Mercantile Bank Foundation was established to achieve the following objectives:

- Increase social well-being and alleviate poverty through various initiatives
- Support education by establishing institutions and providing scholarships to underprivileged students
- Recognize scholars in different areas for their outstanding contributions
- Assist research on Bengali literature through Bangla Academy
- Help unemployed youth become self-sufficient
- Assist orphans and mentally challenged children for mental perfection and self-support
- Establish hospitals and clinics to improve the health sector
- Provide one-time financial endowments to poor artists, literature-patrons and ailing poor patients
- Support poor fathers in arranging their daughter's marriages
- Support writers and publishers by purchasing their books



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an integral part of MBPLC's culture since its inception. MBPLC is committed to complying with ethical standards and national/international norms. CSR is not just a charitable activity for MBPLC, but a core business strategy that is encouraged by the Board of Directors in line with Bangladesh Bank standards. MBPLC's focus is on enhancing the well-being of millions of underprivileged, distressed, and poor people through various projects.



MBPLC'S CSR COMMITMENT: EMPOWERING COMMUNITIES FOR SUSTAINABLE DEVELOPMENT

SDGs Mapping	Implementation by MBPLC
3 GOOD HEALTH AND WELL-BEING; 11 SUSTAINABLE CITIES AND COMMUNITIES	MBPLC's CSR activities promote healthy communities and contribute to the well-being and productivity of the country.
4 QUALITY EDUCATION; 5 GENDER EQUALITY	Provides educational support to those in need, enhancing employability and ensuring inclusivity and balance in society
15 LIFE ON LAND; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Supports the creation of a safe, resilient, and sustainable environment for the country during times of adversity and disaster, enabling communities to rebuild their lives and livelihoods

CSR ACTIVITIES OF MBPLC IN 2024

In 2024, MBPLC expended BDT 415.70 million on its CSR programs.

Education	Health	Environment and Climate Change Mitigation & Adaptation	Others	Total CSR Expenditure
TK. 2.30 MN	**TK. 102.90 MN**	**TK. 0.20 MN**	**TK. 310.30 MN**	**TK. 415.70 MN**
0.55%	24.75%	0.05%	74.65%	100%

EDUCATION

At MBPLC, we view education as a powerful tool for leveling the playing field and raising aspirations. It is crucial for addressing major challenges in today's globalized and knowledge-based world. Our CSR initiatives primarily focus on tertiary education as it is where youths are prepared for the job market and where critical thinking skills are developed. By supporting education, we aim to promote social cohesion, provide pathways to employment, and inspire future generations. Our initiatives are centered on two pillars: raising aspirations and providing opportunities for education and employment.

BDT **5.00** LAC

Society for the Welfare of Autistic Children (SWAC)

HEALTH AND MEDICAL ASSISTANCE

Throughout its history, Mercantile Bank PLC. has provided financial support to various medical and health institutions, as well as individuals in need of medical treatment. In 2024, the Bank contributed BDT 102.90 million to support healthcare efforts in the community.

2024 →

TK. 102.90 MN

32 beneficiaries (Individuals and Institutions)

ABDUL JALIL HEMODIALYSIS UNIT

Mercantile Bank Foundation established Abdul Jalil Hemodialysis Unit at Naogaon Sadar Hospital in 2012, treating 1485 patients in 2024.

COMMUNITY OUTREACH: A HELPING HAND FOR POPULATION AT-RISK

MBPLC always considers responsibility towards the society which is not limited to banking. As a responsible corporate citizen, MBPLC. is dedicated to carrying out humanitarian and development activities to fight against poverty for vulnerable communities.



BDT 10 Lac

MBPLC. distribution of relief among destititute peoples at Bauphal, Patuakhali.

MBPLC WINTER CLOTH DISTRIBUTION









DISASTER MANAGEMENT

35,000 PIECES BLANKET DONATION

MBPLC. donated 35,000 blankets to Chief Advisor Relief & Welfare Fund to support cold-stricken poor people and flood-affected individuals respectively.

We have aim to serve the poor and deprived sections at the grassroots level with distinct preference in time of need and crisis and enabling them to get all that a common citizen cherishes. The society we belong to and operate is the place where all our responsibilities lie. We have always come forward with support.

HELPING FLOOD AFFECTED PEOPLE OF CUMILLA, FENI, NOAKHALI









DISTRIBUTION OF FERTILIZER



Faridganj, Chandpur



Faridganj, Chandpur



Bauphal, Patuakhali



Bauphal, Patuakhali



Dagonbhuiyan, Feni



Dagonbhuiyan, Feni



Mercantile Bank PLC. Signed an agreement with Bangladesh Agricultural University to donate Tk. 1.60 Crore for enhancing research in the title of 'Hybrid Drying System for reducing Post Harvest Losses of Nutrient Enriched Crops and Fishes in Bangladesh'.

MBPLC SPORTS – 2024





Champion Frost Blast T20 Championship - 2024





Plate Champion Bankers Champions Trophy, Season 4

PLATE CHAMPION BDJOBS CRICKET CORPORATE TOURNAMENT - 2024







COMPLAINTS REDRESSAL MECHANISM

GRI: 2-16

INVESTOR INQUIRIES/COMPLAINTS

Share Office:
Mercantile Bank PLC.
Share Department
61,Dilkusha Commercial Area, Dhaka-1000
Phone:+88-02-223382295 (TNT), 09612955933 (IP), Ext: 212, 113
Email:share@mblbd.com



24/7 Call Center
16225

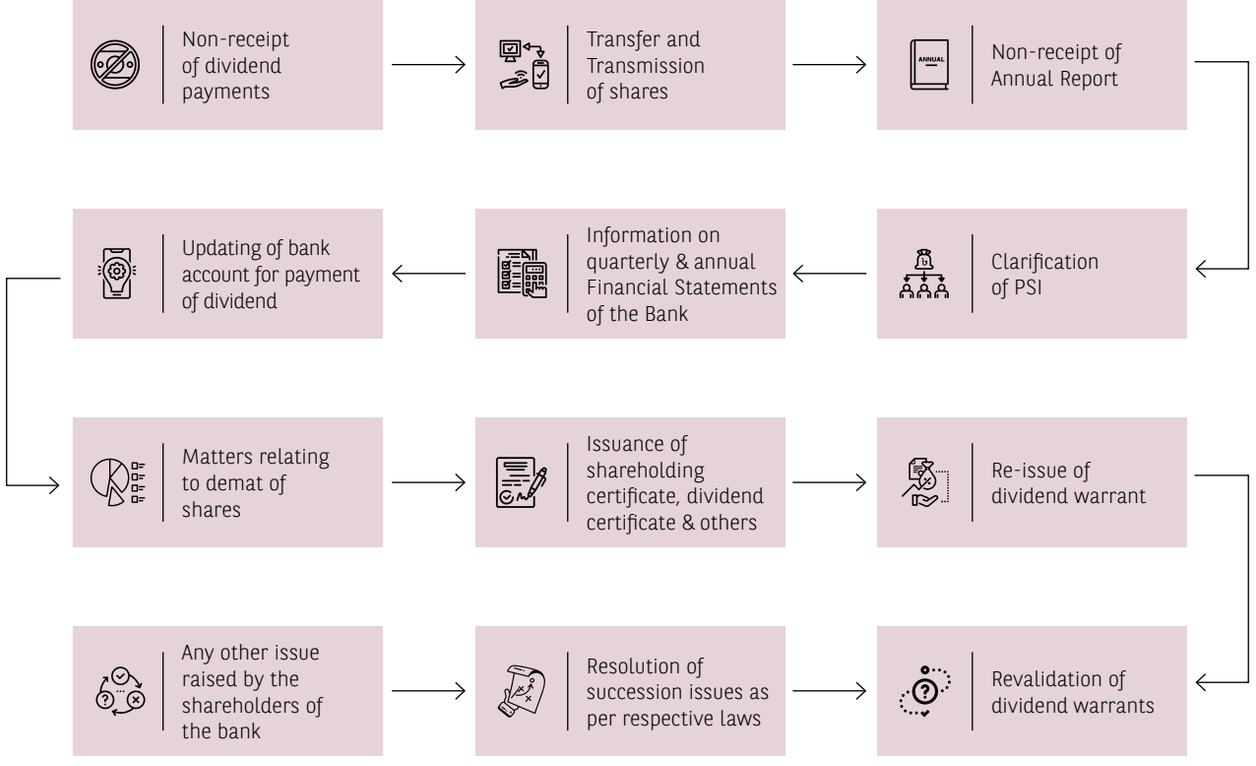
Complaint Box
at each branches

Complaint Management Cell
complaint@mblbd.com

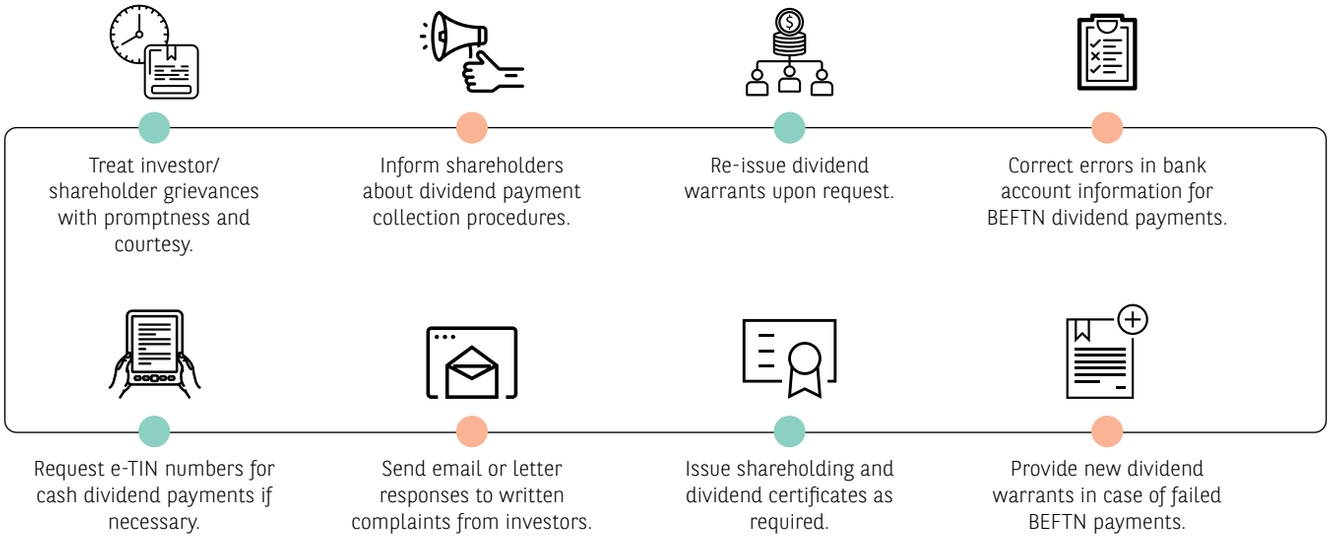
Monitoring
via inspection/ media coverage

Maintaining a smooth and interactive relationship with stakeholders is a top priority for MBPLC. Our proactive stakeholder redressal policy ensures effective and fair handling of all grievances and complaints. We are committed to providing equitable treatment to every shareholder and prioritize the resolution of any complaints. Our complaints management and grievance resolution team conducts root-cause analysis in collaboration with relevant units to ensure a delightful customer experience and timely resolution of issues.

COMMON AREAS OF REDRESSAL FROM SHAREHOLDER'S PERSPECTIVE



MBPLC SHAREHOLDERS REDRESSAL PROCESS





CUSTOMERS' PERSPECTIVE

From the customers' perspective, we acknowledge their importance as key stakeholders and prioritize their demands through our Customer Service Policy and Customer Acceptance Policy. As with our investors, we handle customer queries and complaints promptly through the relevant department, division, or unit, with the Operations Division being responsible for all complaint resolutions.



EMPLOYEES' PERSPECTIVE

Regarding our employees, we recognize them as our primary resource, human capital, and are committed to providing a comfortable work environment that fosters productivity. To ensure a healthy and gender-responsive workplace, we have established Grievance Resolution and Women Anti-Harassment Policies, with our Department of Human Resources addressing any adverse situations. We are pleased to report that we received no substantial complaints regarding our employees in 2024.

EQUITABLE TREATMENT OF SHAREHOLDERS'RIGHT

We maintain equitable treatment of our shareholders' rights by communicating with them regularly, providing periodic updates on performance, and encouraging their participation in our annual general meetings (AGMs). To facilitate this, we provide shareholders with information, including the date, time, and venue, along with all agenda items and supporting data, prior to the meeting. The notice of the AGM and other documents are dispatched at least 21 days before the meeting and published on our website, www.mblbd.com, for shareholder convenience.

CUSTOMER SATISFACTION SURVEY-2024

Customer satisfaction is a key driver of MBPLC's sustainable success. To maintain our focus on customers, we conduct regular online surveys to obtain feedback for continuous improvement. As Steve Jobs famously stated, "Get closer than ever to your customers." We use the insights from these surveys to stay relevant and anticipate customer needs.

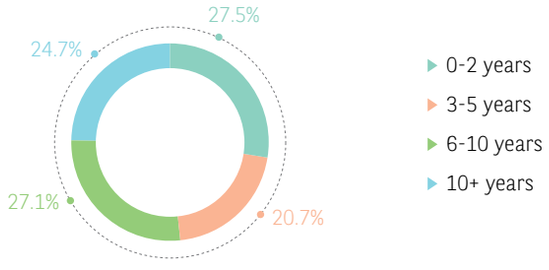
RESEARCH OBJECTIVE

- Evaluate customer satisfaction of Mercantile Bank PLC.
- Evaluate the quality of products and services
- Anticipate market expectations
- Connect with customers
- Measure the likelihood of customer recommendations
- Optimize decision-making based on customer feedback.

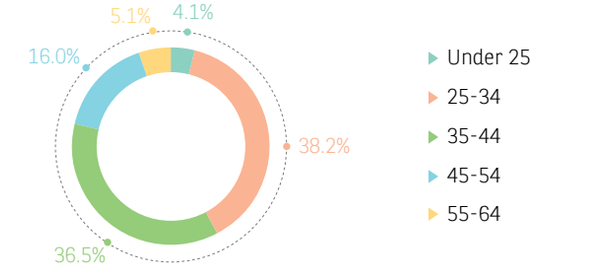
The study received 299 online responses to a set of questions, with follow-up prompts provided for respondents who selected less than satisfactory answers. The follow-up questions were optional for the participants.

SURVEY ANALYSIS

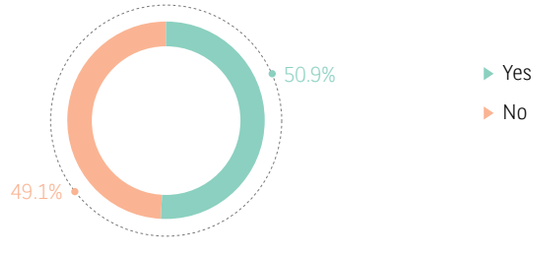
Engagement of respondents with MBPLC.



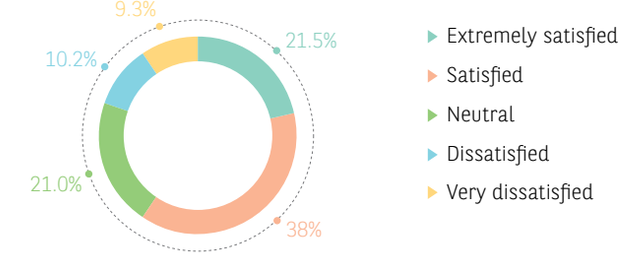
Age range of respondents



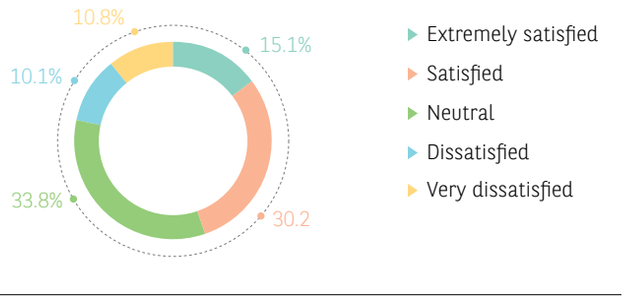
MBPLC. Rainbow User



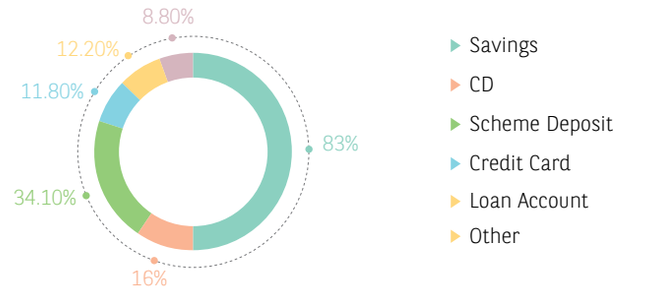
User Satisfaction of MBPLC. Rainbow User



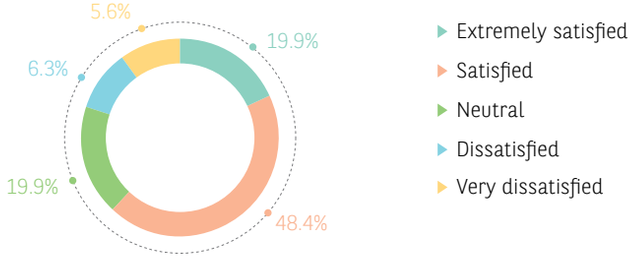
User Satisfaction MBPLC. My Cash User



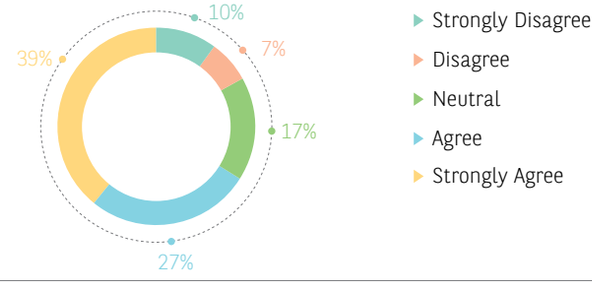
Percentage of A/C holders in Mercantile Bank PLC.



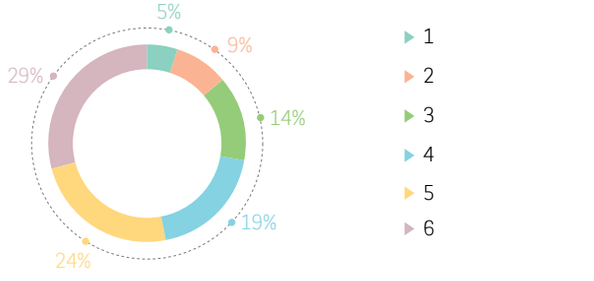
Level of customer satisfaction in terms of MBPLC.'s Products & Services.



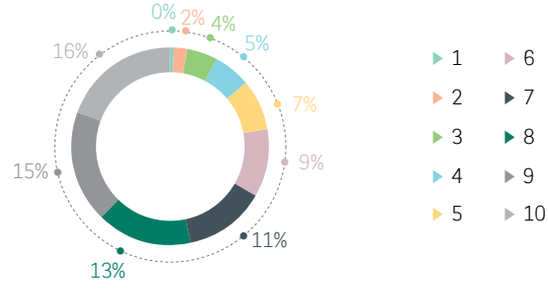
Time to handle acceptable transaction for customer



Ease of Using Digital Banking (5 - being strongly agree and 1- being strongly disagree, 6- N/A)



Recommending Mercantile Bank to friends and family (0- Not at all likely; 10- Extremely likely)



FINDINGS AND RECOMMENDATIONS

Findings from customer survey	Customers expectation from MBPLC
Product Range Offered to customers	Launching attractive new products and offering competitive rates
Quick Response/Communication	Updating MBPLC Rainbow and My Cash software to improve communication via email/SMS
Loan Services	Streamlining the loan processing system to make it easier and faster
ATM Booth Service	Expanding ATM booth availability in rural and urban areas
Staff Knowledge	Providing more training opportunities to update MBPLC staff skills.

COMPONENT OF SUSTAINABLE FINANCE RATING AS REQUIRED BY BANGLADESH BANK

1.1. Sustainable Finance Indicators

A. Quantitative Components

SL	Components	Year 2024	Year 2023	Year 2022	Year 2021
1	Green Finance (GF) as % of Total Term Loan Disbursed	5.03%	1.26%	1.91%	0.24%
2	Sustainable Finance (SF) as % of Total Loan Disbursed	33.40%	9.99%	9.57%	8.21%
3	Number of Borrowers with SF as % of Total Borrowers	2846	SF Borrower: 66,565	SF Borrower: 70,874	SF Borrower: 37,541
4	Number of Borrowers with GF as % of Total SF Borrowers	0.46%	0.04%	0.04%	0.03%
5	SF in rural areas as % of Total SF	3.96%	17.57%	95%	99%
6	Number of Women Borrowers with SF as % of Total Borrowers with SF	5.94%	25.74%	88.28%	82.87%
7	Sustainable Agriculture as % of Total Loan Disbursed with SF	17.03%	43.39%	66.51%	92.14%
8	Sustainable CMSMEs as % of Total Loan Disbursed with SF	37.93%	29.10%	4.70%	5.88%
9	SRF as % of Total Loan Disbursed with SF	0.00%	0.00%	0.00%	0.00%
10	Number of Categories belong to GF	14	14	05	05
11	Number of Products/Projects/Initiatives belong to GF	94	94	32	31
12	ESDD Rated project finance as % Total Finance	52%	55%	22.07%	20.62%
13	NPLs in SF as % of Total NPLs	0.01%	0.01%	0.01%	0.95%
14	NPLs in SF as % of Total Outstanding	0.03%	0.08%	0.05%	0.04%
15	Number of Beneficiaries of concessional loans under CRF	0	0	0	0
	In-house Green Banking practices				
16	Electricity Consumption per employee	BDT 0.022 million	BDT 0.04 million	BDT 0.04 million	BDT 0.04 million
17	Water Consumption per employee	BDT 0.001 million	BDT 0.003 million	BDT 0.003 million	BDT 0.003 million
18	Paper Usage per employee	BDT 0.002 million	BDT 0.002 million	BDT 0.002 million	0.002 BDT million
19	Transport expenses for official purpose per employee	BDT 0.0437 million	BDT 0.09 million	BDT 0.09 million	0.09 BDT million
20	Solar powered branches as % of total branches	20%	60%	50%	40%
21	Branches with rainwater harvesting as % of total branches	Nil	Nil	Nil	Nil
22	Branches with solid waste management system as % of total branches	Nil	Nil	Nil	Nil
23	Solar powered ATM booth as % of Total ATM booth	1.32%	1.32%	1.16%	1.16%
24	MFS accounts as % of Industry's MFS accounts	7,46,638	7,37,272	7,31,051 (0.38%)	0.65%
25	Online branches as % of Total branches	100%	100%	100%	100%
26	App-based Banking Accounts as % of Total Accounts	8.60%		5.00%	1.20%
27	Internet Banking Accounts as % of Total Accounts	1.25%	1.25%	1.25%	1.20%
	Green Investment				
28	Green Investment as % of Total Investments	Nil	Nil	Nil	Nil
29	Green Equity as % of Shareholders' Equity	Nil	Nil	Nil	Nil

B. Qualitative Components

Sl	Factor	Yes/No
1	Any decision taken by the BoD/(Regional Office/SMT in case of FCBs) in SF? Yes/No	Yes
2	Any decision taken by the BoD/(Regional Office/SMT in case of FCBs) in GF? Yes/No	Yes
3	Any decision taken by the BoD/(Regional Office/SMT in case of foreign banks) in Green Banking activities other than GF? Yes/No	Yes
4	Any decision taken by the Risk Management Committee of BoD/(Regional Office/SMT in case of foreign banks) in SF? Yes/No	Yes
5	MIS for ESRM? Yes/No	Yes
6	MIS for SF? Yes/No	Yes
7	MIS for CRF? Yes/No	No
8	Review the SF policies/strategies as per ICC guidelines of BB? Yes/No	Yes
9	Steps taken for capacity building of employee? Yes/No	Yes
10	Steps taken for awareness building of customers? Yes/No	Yes
11	Does the institution's website contain a specific section separated for Sustainable Finance/Banking related issue? Yes/No	Yes
12	Does the institution's annual report contain a specific section separated for Sustainable Finance/Banking related issue? Yes/No	Yes
13	Reporting to SFD/Compliance with time to time SFD instructions in due time? Yes/No	Yes

1.2. CSR Activities

A. Quantitative Components

SL	Components	Year 2024 (BDT in Crore)	Year 2023 (BDT in Crore)	Year 2022 (BDT in Crore)
1	Education	0.23	2.63	2.72
2	Health	11.31	14.92	4.53
3	Utilization of Climate Risk Fund (CRF) Grant	0.021	4.04	0.15
4	Cultural Welfare	0.025	-	0.93
5	Others	29.99	29.61	2.13

B. Qualitative

SL	Components	Yes/No
1	Due Diligence check list for CSR project, Yes/No	Yes
2	Any undue intervention by the BoD for CSR approval? Yes/No	No
3	Penalty imposed for non-compliance of CSR issues? Yes/No	No
4	Minimum (20%) women employees in the work place? Yes/No	Yes
5	Separate transportation facilities for women employees? Yes/No	No
6	Harassment policy in the work place, reviewed or not? Yes/No	Yes
7	Participation in Daycare Center; Own/Combined? Yes/No	Yes
8	Minimum (25%) of CSR Expenditure in rural areas? Yes/No	Yes
Disclosure		
9	CSR Activities Disclosed in Annual Report? Yes/No	Yes
10	CSR Activities Disclosed in Print/Electronic Media? Yes/No	Yes
In House CSR Activities		
11	Scholarship for employee's children? Yes/No	Yes
12	Medical facilities for employee's dependents? Yes/No	Yes
13	Safety measures in the work place? Yes/No	Yes

1.3. Green Refinance

BB Refinance

SL	Factor	Year 2024	Year 2023	Year 2022	Year 2021
1	Annual percentage of refinance taken of the total disbursement	90%	100%	83.36%	Nil
2	Sector wise Refinance	Nil	Nil	Nil	Nil
3	Product wise Refinance	Nil	Nil	Nil	Nil
	Green Transformation Fund (GTF)				
4	USD Component	1.5 Million	4.10 Million	0.95 Million	5.74 Million
5	Euro Component	0.5 Million	Nil	0.68 Million	Nil
6	BDT Component	131.60 Million	83.50 Million	Nil	Nil

1.4. Core Banking Sustainability

A. Quantitative

SL	Factors	Year 2024	Year 2023	Year 2022	Year 2021
1	Total NPL rate	17.25%	6.08%	7.09%	4.54%
2	Capital Ratio against Risk Weighted Assets (CRAR)	13.07%	14.79%	15.28%	14.09%
3	Liquidity Coverage Ratio (LCR)	165.18%	121.97%	128.26%	122.03%
4	Net Stable Funding Ratio (NSFR)	105.81%	104.84%	104.08%	105.67%
5	Core Risk Assessment	Complied	Complied	Complied	Complied
6	Return on Asset (ROA)	0.15%	0.52%	1.40%	1.07%
7	Return on Equity (ROE)	2.44%	7.92%	19.74%	14.70%
8	Net Interest Margin (NIM)	2.04%	2.00%	2.81%	2.81%
9	Efficiency Ratio	60.06%	60.65%	54.23%	54.31%

B. Qualitative

SL	Factors	Yes/ No
10	Failure in maintaining adequate provision against loans and advances?	No
11	Failure in maintaining adequate CRR?	No
12	Maintaining ADR/IDR Requirement?	Yes
13	Exceeding of Single Borrower Exposure Limit?	No
14	Penalty imposed for non-compliance with CRR & SLR?	No
15	Penalty for regulatory non-compliance (other than CRR & SLR)?	No
16	Exceeding Foreign Exchange open position?	No
17	Undue intervention by BoD for loan approval?	No

এমবিপিএলসি
বোনাস সঞ্চয় হিসাব

লেনদেন হবে ইচ্ছেমতো, মুনাফা বাড়বে অবিরত

দৈনিক স্থিতির উপর আকর্ষণীয় হারে মুনাফা উপভোগ করুন
আর সঞ্চয়কে করে তুলুন আরও লাভজনক

- সর্বনিম্ন ৫,০০০ টাকা থেকে মুনাফা শুরু
- মাত্র ১,০০০ টাকায় অ্যাকাউন্ট খোলা
- প্রতিদিনের ইন্টারেস্টের হিসাব মাস শেষে সরাসরি অ্যাকাউন্টে জমা
- অনলাইন লেনদেন এবং এসএমএস এর জন্য কোন ফি বা চার্জ নেই
- প্রথম চেক বই বিনামূল্যে প্রদান
- ডেবিট কার্ড সুবিধা



মুনাফার হার

দৈনিক ব্যালেন্স (টাকা)	মুনাফার হার
৫,০০০ — ৫০,০০০ /-	৩.৫%
৫০,০০১ — ১০০,০০০ /-	৪.৫%
১০০,০০১ — ৫০০,০০০ /-	৫.৫%
৫০০,০০১ — ১,০০০,০০০ /-	৬.৫%
১,০০০,০০১ /- এবং তার উপরে	৭.৫%

ভাবনাহীন ভবিষ্যৎ গড়তে আজই এমবিপিএলসি বোনাস সঞ্চয় হিসাব খুলুন।
আধুনিক ও সুরক্ষিত ব্যাংকিংয়ের অভিজ্ঞতা নিয়ে মার্কেন্টাইল ব্যাংক সর্বদা আছে আপনার পাশে।

বাংলার ব্যাংক
মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

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এমবিএল কাস্টমার সেন্টার 24/7

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MANAGEM
DISCUSSI
ANALYSIS

This section offers a comprehensive financial overview by the CFO, performance analysis of major business segments, and subsidiary overview. It underscores our advancements in digital banking, our sustainable practices, and our strategic commitment to growth and community involvement, reflecting our proactive financial stewardship and innovation.

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CHIEF FINANCIAL OFFICER (CFO)'S ANALYSIS

This past year truly tested our agility and strategic resolve amidst dynamic macroeconomic shifts and a proactive recalibration of our asset quality. Despite the external complexities, our core business demonstrated remarkable operational resilience and strategic growth. While profitability metrics reflect the necessary and prudent strengthening of our balance sheet through enhanced provisioning, this diligent approach lays an even stronger foundation for sustainable future growth.

Tapash Chandra Paul, PhD
Chief Financial Officer



FINANCIAL HIGHLIGHTS & KEY PERFORMANCE INDICATORS (KPIs)

The Bank achieved significant balance sheet expansion, a testament to the enduring trust of our customers and the effectiveness of our growth initiatives. Our disciplined operational focus enabled robust top-line performance, setting the stage for future profitability once current asset quality adjustments are fully absorbed.

Key Financial Highlights (BDT Million)

Particulars	Dec 31, 2024	Dec 31, 2023	Change (%)
Total Assets	444,690.30	402,173.04	10.57%
Total Deposits	342,724.25	306,947.95	11.66%
Total Loans & Advances	300,025.11	284,830.98	5.33%
Net Profit After Tax	631.22	2,028.61	(68.88%)
Total Shareholders' Equity	25,810.06	25,984.47	(0.67%)

Key Performance Ratios

Ratio	Dec 31, 2024	Dec 31, 2023
Earnings per Share (EPS)	BDT 0.57	BDT 1.83
Net Asset Value Per Share (NAVPS)	BDT 23.32	BDT 23.48
Net Operating Cash Flow Per Share (NOCFPS)	BDT 17.80	BDT 4.77
Capital to Risk Weighted Asset Ratio (CRAR)	13.07%	14.79%
Net Interest Margin (NIM)	2.04%	2.00%
Cost to Income Ratio	60.06%	60.65%

REVENUE PERFORMANCE ANALYSIS: DIVERSIFYING FOR RESILIENCE

Our revenue performance in 2024 underscored the strategic importance of our diversified income streams. While the prevailing interest rate environment presented challenges to traditional net interest income, our robust performance in non-interest-bearing activities demonstrated our adaptability and strength.

Revenue Stream Analysis (BDT Million)

Revenue Component	Jan-Dec 2024	Jan-Dec 2023	Change (%)
Interest Income on Loans & Advances	23,210.97	20,123.91	15.34%
Interest Expense on Deposits & Borrowings	22,632.60	17,395.11	30.11%
Net Interest Income (NII)	578.37	2,728.79	(78.80%)
Investment Income	7,403.88	4,741.25	56.16%
Commission, Exchange & Brokerage	3,920.70	4,718.11	(16.90%)
Other Operating Income	2,203.39	1,561.14	41.14%
Total Operating Income	**14,106.33**	**13,749.29**	**2.60%**

Net Interest Income (NII): The recalibration of our Net Interest Income to BDT 578.37 million primarily reflects the dynamic shifts in the interest rate landscape. While our interest income from loans and investments expanded impressively by 15.34%, the competitive market and rising cost of funds naturally led to a significant increase in interest expenses. This dynamic highlights our ongoing focus on optimizing our funding mix and asset repricing strategies to enhance margins over time. Our Net Interest Margin (NIM) stood at 2.04% in 2024, a reflection of these market dynamics, and we are actively working to improve this key profitability metric.

Non-Interest Income: Pillars of Strength: Our non-interest income streams proved to be vital pillars of strength, significantly offsetting the pressures on NII.

- **Investment Income:** This was an outstanding performer, surging by 56.16% to BDT 7,403.88 million. This strong result underscores our astute portfolio management and ability to generate significant value from strategic investments, particularly in government securities.
- **Commission, Exchange & Brokerage:** While this stream experienced a slight dip, our overall focus on enhancing service offerings and digital capabilities positions us for renewed growth in this area.
- **Other Operating Income:** Demonstrating robust growth of 41.14% to BDT 2,203.39 million, this category reflects the broader success of our diversified revenue generation efforts across various operational fronts.

Crucially, the resilience and impressive growth from our non-interest income streams ensured that our Total Operating Income still registered a positive growth of 2.60% to BDT 14,106.33 million, showcasing our balanced and adaptable business model.

EXPENSE MANAGEMENT: DRIVING EFFICIENCY AND STRATEGIC INVESTMENT

We maintained rigorous financial discipline in managing our operating expenses in 2024, reflecting our unwavering commitment to efficiency and sustainable resource allocation. While the year necessitated a significant provision for asset quality, our underlying cost control remains strong.

Expense Analysis (BDT Million)

Expense Component	Jan-Dec 2024	Jan-Dec 2023	Change (%)
Salaries and Allowances	4,150.86	4,171.21	(0.49%)
Rent, Taxes, Insurance, Electricity etc.	773.52	662.51	16.76%
Stationery, Printings, Advertisements etc.	473.55	359.68	31.66%
Depreciation and Repair of Assets	750.77	791.10	(5.10%)
Other Operating Expenses	2,324.24	2,223.49	4.53%
Total Operating Expenses	**8,472.94**	**8,338.88**	**1.61%**
Total Provisions	**4,352.17**	**2,681.80**	**62.29%**

Operating Expenses: Our total operating expenses saw a very controlled increase of a mere 1.61% to BDT 8,472.94 million. This disciplined management, even amidst inflationary pressures and strategic investments in technology and infrastructure, is a testament to our ongoing drive for operational efficiency. This proactive cost control contributed to a positive improvement in our Cost to Income Ratio to 60.06% from 60.65% in 2023, reflecting our commitment to maximizing efficiency.

Provisions: A Prudent Strengthening of the Foundation: The increase in total provisions by 62.29% to BDT 4,352.17 million reflects a transparent and prudent approach to asset quality. This substantial provisioning, driven by regulatory assessments and our own rigorous internal reviews, is a critical step in fortifying our balance sheet. By proactively addressing potential risks, we are building a more resilient and sustainable financial institution, ensuring we are well-prepared for future growth.

BALANCE SHEET HEALTH & ASSET QUALITY: RESILIENCE AND RESOLUTION

Our balance sheet continued its robust expansion in 2024, underpinned by strong funding mobilization and excellent liquidity management. The focus on asset quality reflects our commitment to transparency and a proactive approach to risk management, which is fundamental to our long-term stability.

Asset Growth & Funding Profile: Our total assets expanded impressively by 10.57% to BDT 444,690.30 million. This growth was strongly supported by an 11.66% increase in total deposits, reaching BDT 342,724.25 million. This significant increase in deposits highlights the strong confidence our customers place in us and forms a stable base for our lending activities. We are particularly pleased with the strategic growth in stable funding sources, such as "Deposit under schemes" (28.77% increase) and "Fixed deposits" (7.49% increase), which enhances the quality and stability of our funding structure. Furthermore, our strategic reduction in total borrowings from other banks and financial institutions by 26.47% to BDT 15,022.01 million demonstrates our disciplined approach to managing our liabilities and reducing reliance on potentially costlier short-term funding.

Liquidity Management: A Position of Strength: The Bank maintained an exceptionally strong liquidity position throughout the year. Cash and balances with Bangladesh Bank increased by 12.12% to BDT 19,962.49 million. Our consistent maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) well above regulatory requirements, with a comfortable surplus, underscores our unwavering commitment to sound financial management and stability.

Asset Quality – Proactive Management for Future Strength: The increase in non-performing assets is a challenge we are addressing head-on with transparency and resolve. Our rigorous internal classification and the regulatory directive regarding provisions have led to a significant increase in classified loans, particularly in the "Bad/Loss" category. This is a crucial step towards accurately reflecting our asset book and provisioning adequately for future stability.

The surge in "Bad/Loss" loans to BDT 50,681.66 million, and the corresponding increase in total classified loans, represents our transparent commitment to a thorough clean-up of our loan book. This proactive classification, driven by both internal assessment and regulatory oversight, including the Bangladesh Bank's directive on the BDT 17,008.60 million provision shortfall, ensures that our financial statements accurately reflect the necessary provisions. While this led to the prudent decision not to declare a dividend for the year, it underscores our commitment to building a stronger, more robust bank. We are vigorously pursuing all available recovery efforts, demonstrating our unwavering resolve to maximize recoveries and enhance asset quality.

CAPITAL ADEQUACY: MAINTAINING STRENGTH AND STABILITY

Our Capital to Risk-Weighted Asset Ratio (CRAR) stood at 13.07% as of December 31, 2024, compared to 14.79% in 2023. While this represents a slight adjustment from the previous year, it remains comfortably above the regulatory minimum of 12.50%. This healthy capital buffer provides a strong foundation for future growth and resilience against potential economic volatility. The strategic decision to enhance provisioning, while impacting retained earnings in the short term, is a necessary step to fortify our capital base for the long-term, ensuring the Bank's stability and capacity to support the economy. Our total shareholders' equity decreased slightly by 0.67% to BDT 25,810.06 million, primarily due to the significant reduction in retained earnings as a result of the provisioning impact.

IMPORT-EXPORT AND REMITTANCE BUSINESS: FACILITATING NATIONAL GROWTH

Mercantile Bank PLC. remains a steadfast partner in facilitating Bangladesh's vital international trade and remittance inflows, contributing significantly to the nation's economic dynamism.

Remittance Inflows: Remittance inflows are a cornerstone of Bangladesh's economy, bolstering foreign exchange reserves and supporting millions of households.

Mercantile Bank PLC. facilitated BDT 51,117.90 million in remittance inflows during 2024, increased by 3.02% from BDT 49,607.60 million in 2023, contributing to both national foreign exchange reserves and supporting countless households across the country.

SUBSIDIARY PERFORMANCE: SYNERGISTIC CONTRIBUTIONS

Our subsidiaries, Mercantile Bank Securities Limited, MBL Asset Management Limited, and Mercantile Exchange House (UK) Limited, play an integral role in our diversified service offerings. Their performance is consolidated into the Bank's overall financial results, contributing to our broader market presence and service capabilities.

Consolidated Financial Performance: The consolidated financial statements reflect the combined performance of the Bank and its subsidiaries. For the full-year 2024, the consolidated net profit after tax was BDT 649.57 million, compared to BDT 2,058.22 million in 2023. The consolidated Earnings Per Share (EPS) was BDT 0.58 in 2024, down from BDT 1.86 in 2023. The consolidated Net Asset Value Per Share (NAVPS) was BDT 23.75 in 2024, slightly down from BDT 23.91 in 2023. A strong highlight was the consolidated Net Operating Cash Flow Per Share (NOCFPS), which surged to BDT 17.80 in 2024 from BDT 4.80 in 2023.

OUTLOOK 2025 – CHARTING A COURSE FOR SUSTAINABLE GROWTH

The year 2025 offers a dynamic landscape, presenting opportunities for strategic advancement and requiring disciplined financial management. We are optimistic about our ability to navigate these dynamics and emerge stronger.

Economic & Sectoral Landscape: Opportunities Ahead:

- **Inflation:** We anticipate a gradual moderation of inflationary pressures, creating a more stable operating environment and supporting consumer purchasing power.
- **GDP Growth:** Economic growth is poised for stabilization and recovery, fueled by continued strategic infrastructure development and robust export performance. We see opportunities in supporting these growth engines.
- **Foreign Exchange & Interest Rates:** We will maintain our vigilant approach to foreign exchange management. While interest rates may remain elevated, this also creates opportunities for optimizing asset yields and disciplined margin management.
- **Banking Sector:** The sector-wide focus on asset quality will lead to a healthier and more transparent banking environment. We see this as an opportunity to differentiate ourselves through proactive risk management and strong governance, gaining greater trust and market share.

OUR FINANCIAL STRATEGY FOR 2025: DRIVING VALUE CREATION

In response to this positive outlook, Mercantile Bank PLC. will rigorously execute the following strategic financial initiatives, designed to drive sustainable profitability and enhance stakeholder value:

1. **Accelerated Asset Quality Resolution:** This is our top financial priority. We will intensify our multi-pronged approach to non-performing asset resolution, accelerating legal recoveries and actively engaging in strategic restructuring for viable assets. Our focus is on swiftly transforming non-performing exposures into performing ones, freeing up capital for productive lending.

2. **Dynamic Cost of Funds Optimization & Margin Expansion:** We will proactively manage our funding costs through diversified deposit mobilization strategies, focusing on low-cost and stable retail deposits. This, combined with active asset repricing, will enable us to expand our Net Interest Margin in a disciplined manner, enhancing core profitability.

3. **Strategic Diversification of Non-Interest Income:** Building on the performance of 2024, we will continue to grow our non-interest income streams. This involves expanding our digital transactional capabilities, enhancing trade finance services, and prudently optimizing returns from our investment portfolio, providing a resilient and diversified revenue base.

4. **Relentless Pursuit of Operational Excellence:** Our commitment to disciplined cost control and operational efficiency will deepen. Through continued digitalization, process automation, and strategic resource allocation, we aim to further improve our Cost-to-Income Ratio, ensuring every expense contributes to value creation.

5. **Fortifying Capital Strength:** Maintaining a robust capital position is paramount. We will strategically manage our risk-weighted assets and diligently rebuild retained earnings to further strengthen our Tier-I capital. Our goal is to ensure our capital base not only meets but exceeds regulatory expectations, providing ample capacity for future growth and resilience.

6. **Targeted and Quality-Driven Lending Growth:** Our loan portfolio expansion will be judicious, focusing on high-quality assets in resilient sectors and geographies. We will leverage our strengths in specific sectors and deep market insights to support sustainable economic growth while prioritizing portfolio health.

7. **Pioneering Digital Integration & Innovation:** We firmly believe technology is a financial enabler. We will continue our significant investments in advanced digital capabilities, to transform customer experience, streamline operations, and unlock new business opportunities. Our digital advancements will drive both efficiency and broader financial inclusion.

The financial strength of Mercantile Bank PLC. is rooted in our loyal customer base, the unwavering dedication of our exceptional team, and a clear, forward-looking strategic vision. While 2024 presented opportunities for prudent adjustments and a transparent strengthening of our financial position, our resolve to deliver sustainable profitability and build lasting value for all stakeholders remains absolute. We are confident that our strategic financial initiatives for 2025 will propel us forward, ensuring Mercantile Bank PLC. continues its journey of excellence and contribution to the nation's economic progress.



Tapash Chandra Paul, PhD
Chief Financial Officer

MANAGEMENT DISCUSSION & ANALYSIS

STRATEGIC AGILITY IN A CHALLENGING ENVIRONMENT

In 2024, Mercantile Bank PLC. operated within a complex economic environment marked by inflationary pressures, foreign exchange volatility, and tightening liquidity. Despite these headwinds, the Bank demonstrated resilience through disciplined execution and strategic adaptability.

Progress was driven by accelerated digital transformation, strengthened financial inclusion, and a recovery in international remittance flows. Notable achievements included sustained growth in digital banking, exceeding agricultural loan targets, and the return to profitability of the UK-based exchange house. Targeted actions are underway to address challenges in legal recovery and subsidiary performance.

Looking ahead, the Bank remains focused on expanding its digital reach, enhancing asset quality, and optimizing subsidiary contributions. Guided by a commitment to sustainable growth and regulatory integrity, Mercantile Bank PLC. continues to reinforce its role as a trusted financial partner in advancing inclusive development.

CORE BANKING DIVISIONS: PERFORMANCE AND STRATEGIC REVIEW

CORPORATE BANKING

In 2024, Mercantile Bank PLC's Corporate Banking Division (CBD) undertook a major transition toward centralized credit operations, positioning itself as the single point of contact for corporate clients. Beginning in September, the Bank initiated the consolidation of corporate portfolios from branches under CBD to streamline service delivery, enhance compliance, and strengthen customer relationships. A dedicated Corporate Banking Hub was also established in Chattogram to serve clients in the region. Full centralization is targeted for completion by 2025.

Relationship Management and Credit Assessment

CBD serves as the gateway for corporate financing, aligning proposals with the Bank's risk appetite. The Division rigorously screens business proposals across industry, geography, and financing type before conducting detailed due diligence, including sector analysis, financial reviews, and site visits. A team of 12 professionals manages a diversified portfolio across key sectors such as RMG, textile, pharmaceuticals, power and gas, construction, and infrastructure.

Products and Solutions

CBD offers a full spectrum of funded and non-funded facilities tailored to the needs of corporate clients.

→ **Funded Products** include Cash Credit, Overdrafts, LTR, Packing Credit, Pre/Post-Shipment Finance, Term Loans, Lease Finance, and Syndicated Loans.

→ **Non-Funded Products** include Letters of Credit, Bank Guarantees, BTB LCs (including EDF), and Credit Commitments.

Performance Highlights – 2024

The Corporate Banking Division demonstrated significant activity and contribution in 2024.

Key Metrics:

Loan volume (Funded)	Export & Import volume	New Booking/Fresh Disbursement (Funded & Non Funded)
BDT 246,535.40 million	Export: BDT 174,392.60 million	BDT 85,540.60 million
	Import: BDT 242,561.60 million	

Operational Achievements:

Customers on-Boarded to MBPLC.	Proposals Processed	Team members	Total revenue from corporate customers
448	3,376	12	BDT 18,480.10 million

Corporate Loan Portfolio Mix-2024 (BDT in Millions):

SL	Sector Name	Category	% of Total	Sub-Category	% of Total
A	Industrial Loans	176,449.30	71.57%		
A.1	RMG			49,175.30	19.95%
A.2	Textile			18,090.80	7.34%
A.3	Food and Allied Industries			27,727.40	11.25%
A.4	Pharmaceutical Industries			2,681.90	1.09%
A.5	Chemical, Fertilizer, etc.			2,960.00	1.20%
A.6	Cement and Ceramic Industries			2,811.10	1.14%
A.7	Ship Building Industries			2,442.70	0.99%
A.8	Ship Breaking Industries			13,849.00	5.62%
A.9	Power and Gas			8,057.70	3.27%
A.10	Other Manufacturing or Extractive Industries			46,941.70	19.04%
A.11	Others			1,711.70	0.69%
B	Service Industries	8,817.50	3.58%	8,817.50	3.58%
C	Construction	13,144.80	5.33%		
C.1	Residential Real Estate			58.40	0.02%
C.2	Commercial Real Estate			711.20	0.29%
C.3	Infrastructure Development			1,249.80	0.51%
C.4	Others			11,125.40	4.51%
D	Transport	1,145.60	0.46%	1,145.60	0.46%
E	Trade & Commerce	23,348.70	9.47%		
E.1	Retail Trading			1,616.10	0.66%
E.2	Wholesale Trading			5,738.80	2.33%
E.3	Export Financing			1,392.50	0.56%
E.4	Import Financing			11,360.10	4.61%
E.5	Others			3,241.20	1.31%
F	Financial Institutions	14,505.90	5.88%	14,505.90	5.88%
G	Miscellaneous	9,123.60	3.70%	9,123.60	3.70%
Total loans and Advances	**246,535.40**	**100.00%**	**246,535.40**	**100.00%**	

Corporate Loan Position for last 05 years (BDT in Millions):

YEAR	Outstanding
2020	203,630.87
2021	217,312.76
2022	227,386.64
2023	230,972.27
2024	246,535.40

Challenges & Opportunities

Macroeconomic volatility, including currency depreciation and tight liquidity, posed headwinds for corporate lending. However, the move toward centralized credit operations enhances governance and service delivery. Portfolio quality remains a priority, with an emphasis on reducing NPLs and increasing exposure to high-potential sectors such as healthcare, IT, construction, and export-oriented industries.

2025 Outlook

In 2025, the Corporate Banking Division will focus on consolidating its centralized credit operations to enhance portfolio quality, operational efficiency, and customer experience. Priority will be placed on recovering irregular and non-performing loans, expanding the quality loan book through engagement with high-creditworthy clients, and deepening exposure in priority sectors such as RMG, construction, healthcare, pharmaceuticals, and IT. The Division aims to drive sustainable growth through structured financing solutions while reinforcing its role as a trusted partner for large-scale corporate clients.

SME

Since its inception, the SME of Mercantile Bank PLC. has played a pivotal role in supporting the Cottage, Micro, Small, and Medium Enterprise (CMSME) sector. By offering tailored financing to this vital segment of the economy, the Bank contributes significantly to employment generation, financial inclusion, and grassroots economic development across Bangladesh. The Division supports branches nationwide in originating, evaluating, and administering CMSME credit facilities in alignment with regulatory and internal guidelines.

Performance Highlights – 2024

In 2024, the CMSME loan portfolio reached BDT 38,180.40 million, serving approximately 7,000 customers. This reflects a steady growth trajectory and a commitment to supporting entrepreneurship and national development. The Division processed 10,491 number of credit proposals including 2,646 number of new customers and disbursed BDT 14,716.40 million new loans to new concern of existing customers as well as to new customers. Strategic lending under refinance schemes and to thrust sectors allowed the Bank to claim BDT 1,538.80 million in refinancing from Bangladesh Bank. These initiatives reinforce the Division's strategic alignment with national priorities and broaden its access to affordable funding sources.

SME Financing Division Portfolio Trend (2020-2024)

Year	CMSME Loan Outstanding Balance (BDT in million)
2020	32,330.60
2021	34,205.10
2022	37,517.50
2023	37,738.00
2024	38,180.40

Key Activities 2024

The Bank conducted over 120 customer visits to strengthen relationship management and customer retention. Participation in the National SME Commodity Fair and regional SME Melas helped broaden outreach. Training programs were organized in collaboration with Mercantile Bank Training Institute and strategic partners, including a notable workshop on Cluster Financing in Rangamati.

Challenges & Opportunities

While managing a wide distribution of small-ticket loans poses operational and credit risk challenges, the CMSME sector presents significant opportunities for growth, driven by government support, refinance schemes, and a large underserved market. The Bank's focus on women entrepreneurs, Start-Up Loans, and cluster development positions it well for social impact and sustainable expansion.

2025 Outlook

The strategic focus for 2025 includes retaining existing CMSME clients while accelerating customer acquisition through targeted campaigns and rural expansion. The Bank aims to decentralize its portfolio to reduce concentration risk, emphasizing financing in the service and manufacturing sectors. A minimum of 25% of total loan outstanding will be allocated to the CMSME sector, in line with Bangladesh Bank directives. The Division also plans to enhance its credit risk management framework through Credit Guarantee Schemes and revise Product Program Guidelines to reflect evolving market conditions. Extensive training initiatives will be undertaken, including specialized programs for women entrepreneurs, in collaboration with ADB and Bangladesh Bank, further promoting inclusive financing.

AGRICULTURE CREDIT & FINANCIAL INCLUSION

The Agriculture Credit Division, formalized in 2016, and the Financial Inclusion Department, established under its umbrella the same year, represent Mercantile Bank PLC.'s strong commitment to rural prosperity and inclusive development. Through a multi-channel approach—direct farmer lending, agent banking, contract farming, and MFI/NGO partnerships—the Bank supports smallholder farmers and marginalized communities. The Financial Inclusion Department, in particular, targets low-income and underserved populations through focused refinance schemes, promoting access to affordable financial services.

Performance Highlights – 2024

The Agriculture Credit Division exceeded its FY2023–24 target by disbursing BDT 625.02 crore against a target of BDT 616.00 crore (101.46% achievement). Disbursements under government stimulus schemes and refinance programs totaled over BDT 11.82 crore, supporting food security and sustainable agriculture. As of December 31, 2024, the classified loan portfolio increased to BDT 11.04 crore from BDT 8.94 crore, signaling the need for tighter risk controls amid a growing portfolio.

The Financial Inclusion Department served 456 clients with a total portfolio of BDT 8.76 crore, successfully disbursing BDT 5.02 crore under the refinance scheme for 10/50/100 Taka account holders, exceeding its 2024 target.

Agriculture Credit Division Performance (2020-2024):

Fiscal Year	Target Fixed by BB (Tk. in Crore)	Disbursed Amount (Tk. in Crore)	Outstanding (Tk. in Crore)	Classified Amount (Tk. in Crore)
2020-2021	423.00	509.15	431.00	3.56
2021-2022	480.00	558.73	653.05	3.05
2022-2023	516.00	554.31	634.84	8.57
2023-2024	616.00	625.02	505.94	8.94
2024 (CY)			561.02	11.04

Note: *Disbursement data is for fiscal year, while Outstanding and Classified Amount are for calendar year end.*

Financial Inclusion Department Key Metrics (2024)

Metric	Value (Tk. in Crore)
Nos. of Clients	456
Total Portfolio	8.76
Disbursed under Refinance scheme (for 10/50/100 Taka account holders)	5.02

Note: *Disbursement target for 2024 was Tk. 5.00 crore lac, which was exceeded.*

Challenges & Opportunities

Challenges include declining arable land, rising input costs, and the complexity of serving rural populations with limited financial literacy. The increase in classified loans also necessitates improved customer vetting and monitoring mechanisms. However, the government's focus on agricultural self-sufficiency and inclusive growth presents significant expansion opportunities. Digital tools such as e-KYC and mobile disbursements can enable scalable, low-cost financial services for rural clients.

2025 Outlook

For FY2024–25, the Agriculture Credit Division plans to scale lending to priority areas such as crop production, fisheries, and livestock. It also aims to diversify into import-substituting crops like lentils, oilseeds, maize, and spices. The Financial Inclusion Department will deepen outreach under refinance schemes, expand its client base, and strengthen recovery mechanisms. With focused training, digital innovations, and strategic product diversification, both divisions are positioned to advance inclusive rural finance and contribute meaningfully to national economic resilience.

RETAIL BANKING

The Retail Banking is a cornerstone of Mercantile Bank PLC., primarily focusing on mobilizing individual deposits from a diverse customer base that is less prone to sudden withdrawals. Concurrently, it provides essential financial products such as home loans, personal loans, and car loans, playing a crucial role in managing personal finances. Retail deposits are recognized as a stable and low-cost funding source for the Bank.

Performance Highlights – 2024

In 2024, Retail Banking achieved a record milestone in deposit mobilization, with retail deposits rising by BDT 15,078.30 million to reach BDT 156,023.24 million—accounting for 45.53% of the Bank's total deposits. This achievement was driven by two successful deposit campaigns exceeding 109% of their targets. The Division also opened 94,042 new CASA accounts. On the lending side, the retail loan portfolio stood at BDT 8,235.05 million, comprising 2.75% of the total loan book, with a low classified loan ratio of 1.23%. Although inflation and high interest rates moderated loan demand, the Bank's retail loan penetration remains well below the industry average of 8.62%, reflecting significant untapped potential.

Retail Banking Division Key Information – 2024

Particulars	Value
% of Retail Loans against Total Loan	2.75%
Total Retail Loan Portfolio	BDT 8235.05 Million
% of CL in the Portfolio	1.23 %
Growth in Retail Deposit - 2024	BDT 15,078.50 Million
Retail Deposits at the end of 2024	BDT 156,023.24 Million
Retail Deposits % against Total Deposit	45.53%
Loan Amount Approved in 2024	BDT 1,946.20 Million
No. of New CASA Opened in 2024	94,042

Key Initiatives

To enhance service delivery and portfolio monitoring, the Division introduced a Digital Deposit Reporting System for employees and a Retail Loan Monitoring System for branches. Additionally, it revised the Home Loan Product Program Guidelines and issued a consolidated Master Circular for all retail loan products.

Challenges & Opportunities

Macroeconomic pressures such as elevated inflation, high interest rates, and exchange rate volatility have dampened demand for consumer credit. However, the low share of retail loans in the Bank's overall portfolio and the sector-wide trend toward digital banking present significant growth opportunities. Product innovation, data-driven decision-making, and customer-centric strategies remain key enablers for the Division's expansion.

Focus in 2025

In 2025, the Retail Banking Division will focus on expanding its footprint through localized neighborhood campaigns and the establishment of a dedicated retail loan sales team. In order to serve high net worth individual customers, it also plans to launch Priority Banking Services through establishing priority centers in different places of the country. Moreover, escalating payroll banking by targeting large corporate entities will be another focus area. These efforts will help deepen customer engagement, unlock growth in the retail lending segment, and strengthen the deposit base in a cost-effective and sustainable manner.

CARD & ADC DIVISION

Mercantile Bank PLC.'s Card & ADC Division has consistently delivered innovation and growth since launching card operations in 2002 and joining the Q-Cash consortium in 2004. A defining achievement in 2024 was the Bank's elevation to principal membership of Mastercard, enabling direct issuance and acquiring of Mastercard-branded products. This milestone empowers the Bank with greater operational independence, cost efficiency, and product flexibility, reinforcing its leadership in digital payments. The Division continues to play a vital role in enhancing customer convenience and driving the Bank's digital transformation agenda. By year-end, the Bank operated a robust infrastructure comprising 197 ATMs and 2 Cash Recycling Machines (CRMs), underscoring its commitment to widespread access to financial services.

Performance Highlights – 2024

The cardholder base grew to 387,259 in 2024 from 360,826 in 2023, with growth across all product segments: Credit Cards (20,050), Debit Cards (362,522), and Prepaid Cards (4,687). Advances increased to BDT 85.10 crore from BDT 76.40 crore in the previous year, and operating profit rose to BDT 15.06 crore, reflecting solid bottom-line performance. However, while the number of transactions climbed to 30.25 lakh from 28.63 lakh, the total transaction volume declined sharply to BDT 2,700.30 crore from BDT 4,071.62 crore in 2023. This shift toward smaller-value, high-frequency digital payments may reflect evolving customer behavior and broader economic headwinds affecting high-value discretionary spending.

Card & ADC Division Key Performance Indicators (2021-2024)

Particulars	2021	2022	2023	2024
No. of Credit Card	16,035	18,256	19,036	20,050
No. of Debit Card	292,491	316,692	337,891	362,522
No. of Prepaid Card	1,894	2,787	3,899	4,687
Total Cardholders	310,420	337,735	360,826	387,259
Advances (BDT in Crore)	54.76	70.25	76.40	85.10
Operating Profit (Crore)	10.03	12.57	13.06	15.06
Number of transaction (Lac)	19.66	25.19	28.63	30.25
Volume of transaction (BDT in Crore)	2,681.12	3,468.23	4,071.62	2,700.30

Key Initiatives

In 2024, the division launched a suite of enhancements, including CRMs and Bangla QR-based payments to widen acceptance infrastructure. The automation of debit card requisition and fee realization processes improved efficiency, while a successful credit card campaign enhanced product uptake. A unique Meet & Greet service was introduced at Hazrat Shahjalal International Airport to elevate the premium cardholder experience.

Challenges & Opportunities

The primary challenge is optimizing revenue generation amid decreasing average transaction values and navigating intense competition in the digital payments space. Nonetheless, the Mastercard principal membership opens avenues for proprietary product development and strategic cost savings. Planned expansion of CRM deployment, value-added services, and innovative offerings such as Taka Pay present strong opportunities to deepen market penetration and enhance customer loyalty.

2025 Outlook

The strategic focus for 2025 includes launching Mastercard-branded Debit, Credit, and Prepaid Cards to broaden the product suite. The Division plans to develop in-house Switching and Card Management Software, allowing greater flexibility in innovation and reducing vendor reliance. CRM network expansion will continue, alongside the rollout of Taka Pay to offer seamless, secure digital payments. Growth in merchant enrollment and tailored value-added services will be pursued through targeted partnerships, aiming to strengthen customer retention, enhance revenue, and elevate profitability.

TREASURY

In 2024, Mercantile Bank PLC.'s Treasury Division played a pivotal role in sustaining profitability and managing financial risk amid a volatile macroeconomic landscape. Through strategic fund mobilization, disciplined investment decisions, and dynamic interbank operations, the Division ensured optimal liquidity while enhancing returns. The Division contributed Tk. 369.97 crore to the Bank's operating profit—remaining the single largest contributor to earnings.

Money Market

The money market remained under pressure due to increased government borrowing and growing private sector credit demand. The Bank's average borrowing rate rose steadily, closing at 9.71% in December 2024, aligned with an industry-wide uptrend in call money rates. The Treasury team maintained funding efficiency despite tightening liquidity, aided by active engagement in interbank markets.

Month	Average Borrowing rate MBPLC	Industry Call Money Rate	BB SLF Rate
Jan-24	8.40%	9.38%	6.50%
Feb-24	8.35%	9.30%	6.50%
Mar-24	7.72%	8.75%	6.50%
Apr-24	7.27%	8.81%	6.50%
May-24	6.71%	9.08%	7.00%

Month	Average Borrowing rate MBPLC	Industry Call Money Rate	BB SLF Rate
Jun-24	8.20%	9.08%	7.00%
Jul-24	9.85%	8.86%	7.00%
Aug-24	9.58%	8.78%	7.50%
Sep-24	8.93%	9.16%	8.00%
Oct-24	9.04%	9.66%	8.50%
Nov-24	9.54%	9.99%	8.50%
Dec-24	9.71%	10.07%	8.50%

Foreign Exchange Market

The Bangladeshi Taka depreciated from BDT 110 to BDT 120 per USD over the year, driven by persistent supply-demand imbalances, declining reserves, and remittance inflows via informal channels. In May 2024, Bangladesh Bank adopted a crawling peg mechanism, devaluing the currency sharply to stabilize market conditions. The Bank's proactive foreign exchange management delivered sound profitability while supporting trade flows.

Date	USD	GBP	EURO	CHF
2024-01-31	110	139.75	120.08	128.37
2024-02-28	110	138.93	118.67	125.53
2024-03-30	110	139.89	119.63	124.01
2024-04-30	110	137.87	118.19	121.05
2024-05-31	115.03	145.31	124.3	126.4
2024-06-26	117.94	150.13	127.14	131.89
2024-07-31	117.93	151.78	127.95	132.18
2024-08-31	118.93	153.59	130.85	138.37
2024-09-27	120	158.38	133.14	141.58
2024-10-31	120	156.84	130.93	139.47
2024-11-30	120	153.08	127.66	136.33
2024-12-28	120	151.79	125.71	134.7

Government Securities Market

Government securities yields rose consistently through most of 2024, reflecting a tight monetary policy stance. Mercantile Bank benefited from this environment, achieving a 43.24% year-on-year increase in revenue from fixed income investments. Bangladesh Bank's investor-friendly reforms also enhanced access to these instruments.

Particulars	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
91 Days	11.35%	11.40%	11.35%	11.35%	11.65%	11.65%	11.64%	11.59%	11.48%	11.75%	11.75%	11.50%
182 Days	11.40%	11.45%	11.40%	11.40%	11.80%	11.80%	11.80%	11.80%	11.72%	11.90%	11.90%	11.87%
364 Days	11.60%	11.60%	11.60%	11.50%	12.00%	12.00%	11.95%	11.95%	11.89%	11.99%	11.99%	11.99%
2 Year	11.60%	11.80%	12.00%	12.00%	12.05%	12.30%	12.30%	12.25%	12.24%	12.20%	12.30%	12.30%
5 Year	11.75%	11.95%	12.05%	12.10%	12.40%	12.45%	12.40%	12.40%	12.37%	12.30%	12.45%	12.38%
10 Year	11.90%	12.05%	12.10%	12.15%	12.55%	12.60%	12.55%	12.55%	12.50%	12.44%	12.55%	12.48%
15 Year	12.00%	12.15%	12.15%	12.20%	12.65%	12.70%	12.65%	12.65%	12.50%	12.70%	12.69%	12.63%
20 Year	12.10%	12.25%	12.25%	12.25%	12.75%	12.80%	12.75%	12.75%	12.65%	12.79%	12.78%	12.68%

Asset Liability Management (ALM)

The ALM Desk ensured prudent balance sheet management, focusing on interest rate sensitivity, liquidity, and market risks. Key regulatory metrics—including LCR, NSFR, and ADR—were closely monitored and reported. Through 91 ALCO decisions, all implemented successfully, the Bank improved its deposit structure: No Cost and Low Cost Deposits rose to 20.39% and 30.14%, respectively, while High Cost Deposits declined to 49.46% by year-end.

Performance

The Treasury Division was the single major contributor to the Bank's profitability, generating Tk. 369.97 crore in operating profit in 2024.

Year	Treasury Contribution to Bank's Operating Profit
2019	35.40%
2020	55.05%
2021	53.82%
2022	59.25%
2023	66.87%
2024	57.44%

Challenges & Opportunities

Persisting inflation, currency depreciation, and constrained forex reserves posed significant operational challenges. However, strong performance in foreign exchange and fixed income portfolios, along with effective deposit mix optimization, provided critical growth levers.

2025 Outlook

The Treasury Division will prioritize optimized liquidity management, strategic investment, and prudent market risk control. Enhanced market intelligence, agile fund deployment, and close alignment with regulatory changes will underpin efforts to sustain performance and support Bank-wide profitability.

INTERNATIONAL DIVISION

The International Division plays a vital role in enabling Mercantile Bank PLC.'s trade finance, remittance, and foreign exchange operations. It oversees the activities of AD branches and the Centralized Trade Processing Centre (CTPC), manages relationships with correspondent banks and multilateral institutions, and ensures compliance with global trade standards and Bangladesh Bank guidelines.

Performance Highlights – 2024

In 2024, the Division facilitated the issuance of 38,080 Letters of Credit (LCs)—comprising 21,829 foreign and 16,251 local LCs—marking a shift in proportion with foreign LCs accounting for 57.32% of the total, up from 53.72% in 2023. Import transactions reached USD 2,443.96 million, while export volume stood at USD 1,708.31 million. Remittance inflow totaled USD 470 million. The Bank maintained 30 Nostro accounts across 8 currencies.

Year	Import (USD in Million)	Export (USD in Million)	Remittance (USD in Million)
2020	2037	1597	386
2021	3293	1936	512
2022	2747.44	2268.8	702
2023	2031	1684.6	477.5
2024	2443.96	1708.31	470

Description/Year	2020	2021	2022	2023	2024
Number of Foreign LC Opened	17795	19618	24474	20993	21829
Number of Local LC Opened	18716	25430	19764	18087	16251
Total	**36511**	**45048**	**44238**	**39080**	**38080**

Operational and System Enhancements

In 2024, 60% of trade operations were centralized under the CTPC. Key system upgrades included the implementation of SWIFT SR2024 standards, upgrade to Alliance version 7.6.80, RMA Live portal activation, and compliance with 28 out of 32 SWIFT CSP controls. The Bank also renewed credit lines with ITFC and ADB, further strengthening trade capacity.

Challenges & Opportunities

The Division operates in a volatile global environment marked by exchange rate fluctuations and constrained USD availability. However, the expansion of trade finance infrastructure, diversification of funding sources, and improved digital capabilities create strong opportunities for growth. Strengthening correspondent relationships and completing trade centralization remain top strategic priorities.

2025 Outlook

In 2025, the International Division will work toward full-scale centralization of trade operations, further expand its correspondent banking network, and deepen credit arrangements with multilateral institutions like ADB and ITFC. With a sharpened focus on enhancing operational efficiency and increasing market share in trade finance, the Division aims to reinforce the Bank's position as a trusted partner in international banking.

OFFSHORE BANKING DIVISION (OBD)

Mercantile Bank PLC. initiated Offshore Banking operations on July 4, 2010, with dedicated Offshore Banking Units (OBUs) in Dhaka and Chattogram. Governed under Bangladesh Bank's regulatory framework, the Offshore Banking Division supports foreign trade, financing, and treasury services through these independently operated units. The division provides tailored services to non-resident clients and international businesses, contributing significantly to the Bank's foreign exchange earnings and global connectivity.

Performance Highlights – 2024

In 2024, the Offshore Banking Division recorded a total funded exposure of USD 65.16 million (BDT 7,818.59 million) and non-funded exposure of USD 14.94 million (BDT 1,793.34 million). The division reported a profit before provision of USD 3.22 million (BDT 374.02 million), highlighting its efficiency in managing offshore assets and liabilities in a volatile global environment.

Key Performance Indicators 2024

Particulars	Amount (USD in million)	Amount (BDT in million)
Total Exposure (Funded)	65.16	7,818.59
Total Exposure (Non-Funded)	14.94	1,793.34
Profit before Provision	3.22	374.02

Challenges & Opportunities

The offshore banking segment is not immune to macroeconomic challenges, including currency volatility, geopolitical tensions, and constraints in accessing USD liquidity. Nevertheless, opportunities lie in exploring low-cost foreign credit lines, improving customer onboarding through digitalization, and offering new offshore products such as international debit and prepaid cards. These strategic shifts can enhance customer experience and attract new clientele from the global business ecosystem.

2025 Outlook

In 2025, the Division aims to introduce an OBU Online Account Opening Platform to facilitate remote onboarding, significantly enhancing convenience and operational efficiency. The focus will be on sourcing quality deposits and advances, offering customer-centric solutions, and securing cost-effective foreign credit lines to optimize profitability. The planned launch of international cards against OBU foreign currency accounts marks a strategic expansion into value-added offerings, reinforcing the Bank's commitment to innovative offshore services.

DIGITAL BANKING & INNOVATION DEPARTMENT

The Digital Banking and Innovation Department (DBID) of Mercantile Bank PLC. has emerged as a central force in the Bank's transformation journey. DBID enables digital service delivery through platforms such as the MBL Rainbow App and a centralized e-KYC system, driving efficiency, accessibility, and customer empowerment across the Bank's network. With a sharp focus on innovation, the department advances both customer-facing and back-office digital capabilities, supporting sustainable operations and expanding financial inclusion.

Performance Highlights – 2024

In 2024, the Bank achieved significant digital milestones. Over 500,000 cheque leaves and 25,000 credit card deposit slips were saved via digital transactions under the Green Banking Initiative. The e-KYC platform was rolled out across all 152 branches and 44 sub-branches, enabling over 28,000 digital account openings—predominantly via fingerprint matching. Mobile banking activities surged, with a customer base of 746,638 and 82,426 agent outlets supporting BDT 9,654 million in total transactions. The result was a 23% rise in income and a 46% increase in cumulative profit, highlighting the department's strong contribution to the Bank's bottom line.

Digital Banking & Innovation Department Key Metrics (2024 & 2025 Outlook)

Metric	2024 Performance	2025 Outlook (Expected)
Cheque Leaves Saved	>500,000	>700,000
Credit Card Deposit Slips Saved	>25,000	>40,000
Customer Inquiries Addressed	>7,500	N/A
Target Customers (Digital Banking Platform)	N/A	200,000
New Revenue Sources	N/A	Yes

Mobile Banking Key Metrics (2024)

Metric	Value
Customer Base	746,638
Agent Outlets	82,426
Total Transactions	9654 million
Total Income Increased	23%
Cumulative Profit Increased	46%
Total Profit Earned	2.4 million

Key Initiatives 2024

New features were introduced, including Push-Pull SMS, QR payments, and real-time NPSB and bKash integrations. The Bank launched salary disbursement for RMG factories, expanded POS deployment, and grew its B2B network. The IT Division upgraded core SWIFT systems and DBID integrated the A-Challan payment gateway, expanding digital transaction capabilities.

Challenges & Opportunities

Rapid technological change and growing customer expectations necessitate continuous platform enhancement and cybersecurity upgrades. However, the opportunity to deepen customer engagement, reduce operational costs, and generate new income streams through digital services remains immense. Digital banking also serves as a powerful tool for financial inclusion, reaching underserved populations through agent banking and mobile platforms.

2025 Outlook

In 2025, DBID aims to onboard over 200,000 new digital customers, expand its service ecosystem with card digitization, automated FDR-DPS openings, and online statement services. Integration with the Agent Banking System will enhance outreach, while partnerships with new merchant networks aim to create a localized digital payment ecosystem. The department anticipates over 700,000 cheque leaves and 40,000 deposit slips saved, with additional revenue generated from transaction fees, commissions, and platform usage. Digital literacy campaigns and staff training will ensure secure adoption, positioning Mercantile Bank as a leader in customer-centric digital transformation.

TAQWA ISLAMIC BANKING

Mercantile Bank's Islamic Banking operations, conducted under the brand "Taqwa," continue to grow in scale and influence. Services are offered through 45 Islamic Banking Windows (IBWs), one full-fledged Islamic Banking Branch (IBB), and via conventional branches. Taqwa adheres strictly to Shariah principles under the guidance of a dedicated Islamic Banking Division and a reformed Shariah Supervisory Committee, ensuring compliance and ethical banking practices.

Performance Highlights – 2024

Despite macroeconomic headwinds, Taqwa Islamic Banking recorded substantial deposit growth of 40.52% in 2024, reaching BDT 1,578.72 crore. Profit rose by 31.15% to BDT 20.42 crore. Export financing witnessed an impressive 84.41% growth, while the overall investment portfolio remained stable at BDT 840.04 crore. These figures reflect the Bank's ability to meet the increasing demand for Shariah-compliant financial solutions, particularly among a growing base of ethically driven customers.

Taqwa Islamic Banking Performance (2022-2024) BDT in Crore

Particulars	31-Dec-2022	31-Dec-2023	31-Dec-2024	Growth (%) from 2023 to 2024
Deposit	771.49	1123.59	1578.72	40.52%
General Investment	538.68	854.21	840.04	(1.66%)
Profit/(Loss)	11.76	15.57	20.42	31.15%
Import	355.00	640.00	568.30	(11.20%)
Export	285.07	221.64	408.73	84.41%

Key Initiatives 2024

The division ensured equitable distribution of investment income, allocating over 80% to Mudarabah depositors, surpassing regulatory requirements. Training and awareness initiatives were scaled up, and product development efforts advanced through internal R&D. The updated Islamic Banking Operational Guidelines now reflect current regulatory mandates and customer needs.

Challenges & Opportunities

Global uncertainties, USD scarcity, and domestic currency depreciation remain key challenges. However, the significant demand for riba-free banking in Bangladesh presents opportunities to broaden deposit mobilization and diversify the investment base. The growing preference for SME and retail-oriented Islamic banking creates a strong foundation for future expansion.

2025 Outlook

The strategic focus for 2025 involves deepening Islamic deposit mobilization while expanding into the SME and retail segments to diversify the investment portfolio. Full-scale service integration across all branches, sub-branches, and agent banking outlets will strengthen market reach. New product development through research and market insights will align offerings with evolving customer needs. A nationwide training drive will ensure staff readiness, while a renewed focus on fee-based services and Islamic treasury operations will enhance profitability and competitive differentiation. The division remains committed to establishing benchmark Shariah-compliant banking standards in the country.

AGENT BANKING DIVISION

The Agent Banking Division continues to be a primary driver of Mercantile Bank's financial inclusion strategy, successfully expanding the bank's footprint into rural and semi-urban markets. The year 2024 was marked by organic growth, with a significant 18.9% increase in the customer base and a 23.6% rise in deposit volume.

Performance -2024

The division's operational network now stands at 188 agent outlets providing nationwide coverage across all 8 administrative divisions and 50 districts. Key performance indicators demonstrate strong year-over-year growth in core business areas.

Performance Metric	2023	2024	YoY Growth %
Number of Agents	187	188	0.5%
Number of Customers	52,654	62,594	18.9%
Deposit Volume (BDT Millions)	538.4	665.6	23.6%
Remittance Volume (BDT Millions)	613.0	584.4	-4.7%

Outlook 2025

To achieve the 2025 targets, the division will execute the following core initiatives:

- **Network Expansion:** Inaugurate 62 new high-quality agent outlets to reach a total of 250, strategically expanding our physical footprint.
- **Product & Service Diversification:** Launch a suite of new offerings to enhance customer value and competitiveness, including:
  - Islamic Banking Services
  - ATM Card Issuance
  - Introduction of Loan Services
  - Integration with 'RAINBOW' Digital Platform
- **Financial Performance:** Drive targeted campaigns to achieve a cumulative deposit base of BDT 850 million and remittance earnings of BDT 650 million.

SUBSIDIARY PERFORMANCE REVIEW

Mercantile Bank PLC's subsidiaries continue to play a pivotal role in delivering on the Bank's strategic objectives. Through targeted operations in remittances, capital markets, and asset management, these entities contribute to revenue diversification, risk dispersion, and expansion into specialized financial services. The year 2024 witnessed both strong performance and significant lessons, underscoring the agility and resilience of Mercantile Bank's consolidated business model.

GROUP OVERVIEW

Mercantile Bank PLC currently operates through three wholly-owned subsidiaries:

→ **MBSL**

Mercantile Bank Securities Limited (MBSL)
A leading domestic brokerage house providing comprehensive capital market services.

→ **MEHUK**

Mercantile Exchange House (UK) Ltd. (MEHUK)
The Bank's remittance arm in the United Kingdom, serving the Bangladeshi expatriate community.

→ **MBL AML**

MBL Asset Management Limited (MBL AML)
The asset management wing, overseeing mutual funds and institutional portfolios.

Each of these subsidiaries serves as a strategic extension of the Bank, enabling specialized service delivery, market expansion, and customer-centric innovation. Collectively, they align with the Bank's broader objectives of achieving digital transformation, ensuring regulatory compliance, and fostering long-term value creation.

MERCANTILE BANK SECURITIES LIMITED (MBSL)

Mercantile Bank Securities Limited (MBSL), a key subsidiary of Mercantile Bank PLC, maintained its strategic position in Bangladesh's capital market through a year of operational consolidation and focused initiatives. The 2024 fiscal year was characterized by a 8.32% increase in operating profit, reflecting disciplined expense management. Key strategic activities included enhancing compliance standards, conducting investor awareness programs, and advancing employee proficiency through targeted training.1 For 2025, MBSL will execute an ambitious growth strategy centered on increasing its market share to over 3% and expanding its active client base by at least 20%. This growth will be driven by significant technological upgrades, including the launch of a proprietary Order Management System (OMS) and a full-featured online trading platform, alongside strategic network expansion.

BOARD OF DIRECTORS

1. **A.S.M. FEROZ ALAM**
   Chairman
2. **ENGR. MOHD. MONSURUZZAMAN**
   Vice Chairman
3. **MIRAZUL AHSAN**
   Director
4. **M. AMANULLAH**
   Director
5. **DR. TOUFIQUE RAHMAN CHOWDHURY**
   Director
6. **MS. BILKIS BEGUM**
   Director
7. **MS. ISRAT JAHAN**
   Director
8. **RAKIM REZA ROUSSEAU**
   Director
9. **SUBROTA NARAYAN ROY**
   Director
10. **MD. ANWAR HOSSAIN**
    Director
11. **MS. FARIDA BEGUM**
    Director
12. **DR. GAZI MOHAMMAD HASAN JAMIL**
    Independent Director
13. **MD. IKHTIER KHAN PRINCE**
    Director
14. **ABDUR RAHIM CHOWDHURY**
    CEO



PERFORMANCE 2024

MBSL serves a client base of approximately 7,102 active accounts through its established network of 6 branches and 2 extension offices. The company's 2024 financial performance demonstrated operational resilience, though net profitability was impacted by prevailing market conditions.

Particulars	2024 (BDT mn)	2023 (BDT mn)	YoY Growth %
Operating Income	418.01	411.46	1.59%
Operating Profit	341.19	372.17	8.32%
Net Profit after Tax	45.77	0.59	-7,657.6%
Total Assets	7,214.40	7,214.40	-0.84%
Total Equity	4,024.37	4,024.37	-0.17%

OUTLOOK 2025

- **Market & Client Growth:** Execute targeted strategies to achieve >3% market share and grow the active client base by over 20%.
- **Technological Advancement:** Launch a full-fledged online trading platform and acquire a proprietary Order Management System (OMS) to improve trade execution and customer service.
- **Network Expansion:** Open new branches and digital booths in strategic locations across Bangladesh to broaden operational reach and service accessibility.
- **Revenue Enhancement:** Attract and retain investors by offering competitive margin loan facilities and optimizing commission structures to grow commission-based income.
- **Human Capital:** Recruit additional skilled manpower and continue investment in employee training programs to maintain service excellence and support growth.

MERCANTILE EXCHANGE HOUSE (UK) LTD. (MEHUK)

Mercantile Exchange House (UK) Ltd., a fully owned subsidiary of Mercantile Bank PLC., began operations on December 6, 2011, to serve the Bangladeshi expatriate community in the UK. Despite facing macroeconomic headwinds and increased market competition in 2024, the company achieved a 217% increase in revenue and shifted from a substantial operating loss in 2023 to a profit of GBP 69,594 in 2024. This performance underscores MEHUK's resilience and its success in maintaining its position as the UK's largest Bangladeshi bank-owned financing company by business volume and customer base. The strategic plan for 2025 is focused on leveraging this momentum to drive sustained growth through targeted customer base expansion and innovative service offerings.

PERFORMANCE 2024

The 2024 fiscal year was defined by a strong recovery and sound profitability, reversing the negative trends of the previous year.

Financial Metric (Figure in GBP)	2024	2023	YoY Change
Revenue	414,097	130,677	+217.0%
Operating Profit	69,594	(131,120)	Turnaround
Profit After Tax	69,594	(131,120)	Turnaround
Net Assets	(22,595)	(92,188)	+75.5%

KEY ACHIEVEMENTS 2024

- **Financial Turnaround:** Successfully transitioned from a net loss in 2023 to profitability in 2024.
- **Market Leadership:** Maintained its leading market position despite increased competition and challenging economic conditions affecting USD sourcing.

2025 OUTLOOK

The 2025 strategy is designed to build upon the strong performance of 2024, focusing on scalable growth and enhanced customer value. Technological Advancement: Launch a full-fledged online trading platform and acquire a proprietary Order Management System (OMS) to improve trade execution and customer service.

- **Customer Base Expansion:** Continue to grow the client portfolio by leveraging MEHUK's strong market presence and the support of the MBPLC representative office in London.
- **Service & Solution Innovation:** Introduce a varied range of services and creative customer solutions to deepen engagement and attract new market segments.
- **Sustained Growth:** Utilize the company's strong base and established market position to achieve sustained growth and long-term financial stability.

MBL ASSET MANAGEMENT LIMITED (MBL AML)

MBL Asset Management Limited (MBL AML), a subsidiary of Mercantile Bank PLC, demonstrated strong fund management capabilities and strategic progress in 2024. A key achievement was the successful increase of the cash dividend for the flagship Mercantile Bank Unit Fund to 5%, up from 3% in the prior year, reflecting a commitment to creating unit holder value. The company also expanded its advisory footprint by providing corporate advisory services to PMJ Asset Management Limited. Looking to 2025, the strategic focus is on business expansion through the growth of the unit fund, enhancement of corporate advisory services, and a comprehensive digital transformation to improve operational efficiency and client engagement.

BOARD OF DIRECTORS

1. **TAHRIN AMAN**
   Chairman, Nominated by Arena Industries Ltd.
2. **RAKIM REZA ROUSSEAU**
   Director
3. **SHAMIM AHMED**
   Vice Chairman, Nominated by MBPLC
4. **SHIMON INAMORI**
   Director
5. **NAFISA SAIMA**
   Director
6. **SHAMSUL ALAM**
   Director
7. **AHMED HOSSAIN**
   Director
8. **JAHANARA IRIN**
   Director
9. **MD. RUSHAED AHSAN**
   Director
10. **SHAHRIAR AREFIN ALAM**
    Director
11. **BAKHTIER KHAN**
    Director
12. **TAPASH CHANDRA PAUL, PHD**
    Director, Nominated by MBPLC
13. **MOHAMMAD SAMIR UDDIN, CFA**
    Chief Executive Officer



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PERFORMANCE 2024

MBL AML maintained stable total assets while navigating challenging market conditions. The company's primary focus in 2024 was on strengthening its core offerings and delivering value to its shareholders.

Financial Metric	2024 (BDT)	2023 (BDT)	YoY Growth %
Total Assets	120,359,718	118,550,211	1.5%
Net Profit After Tax	6,263,090	7,315,668	-14.4%
Earnings Per Share (EPS)	0.63	0.73	-13.7%

KEY ACHIEVEMENTS 2024

- **Enhanced Unitholder Returns:** Increased the final cash dividend for the Mercantile Bank Unit Fund to 5% for the 2024 fiscal year, a significant rise from the 3% distributed in 2023.
- **Corporate Advisory:** Successfully provided corporate advisory services to PMJ Asset Management Limited, demonstrating expertise in the field.
- **Operational Excellence:** Efficiently performed all operational and investment activities while ensuring full compliance with all regulatory requirements.

2025 OUTLOOK

The 2025 strategy is centered on growth, diversification, and technological advancement to solidify MBL AML's position as a leading asset manager.

- **Fund Size Growth:** Substantially increase the fund size of the Mercantile Bank Unit Fund to an optimal level.
- **Business Expansion:** Drive revenue growth through the expansion of Corporate Advisory and Portfolio Management Services.
- **Digital Transformation:** Execute a full digital transformation of asset management services, leveraging technology to enhance client engagement and service delivery.
- **Operational Improvement:** Enhance operational efficiency through the implementation of improved models and technology platforms.

ভাবনাহীন নিশ্চিত ভবিষ্যতের লক্ষ্যে
সঞ্চয় করুন মার্কেন্টাইল ব্যাংকে



সুপার মুনাফা আমানত প্রকল্প

নিয়মিত আয়ে নিশ্চিন্ত জীবন

প্রতি লাখে ১,০০০/- (করের আগে)
মাসিক মুনাফা

মাসিক সঞ্চয় প্রকল্প

আজকের ছোট সঞ্চয়
ভবিষ্যতের সুরক্ষার প্রত্যয়

- মাসিক জমার পরিমাণ ৫০০ টাকা থেকে ২৫,০০০ টাকা
- মেয়াদকাল: ১, ৩, ৫, ৮ ও ১০ বছর
- বছরভেদে আকর্ষণীয় মুনাফা
- ৮০% পর্যন্ত ঋণ সুবিধা





মাসিক মুনাফা আমানত প্রকল্প

নিরাপদ বিনিয়োগে সর্বোচ্চ মুনাফায়
পরিবারের মাসিক খরচ মেটায়

- প্রতি লাখ টাকা জমায় মাসে ৮৯০ টাকা (করের আগে) পাওয়া যায়
- ন্যূনতম ৫০ হাজার টাকা ও গুণিতক যে কোনও এমাউন্ট বিনিয়োগ করা যায়
- প্রতিমাসে স্বয়ংক্রিয়ভাবে মুনাফা অ্যাকাউন্টে স্থানান্তর
- ৮০%পর্যন্ত ঋণ সুবিধা

আকর্ষণীয় মুনাফায় মার্কেন্টাইল ব্যাংকের রয়েছে - নারী সঞ্চয় প্রকল্প, দ্বিগুণ বৃদ্ধি আমানত প্রকল্প, পরিবার সুরক্ষা আমানত প্রকল্প, কোটিপতি মাসিক সঞ্চয় প্রকল্প সহ বেশ কিছু আমানত প্রকল্প।

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

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FINANC
STATEM

Mercantile Bank PLC. is committed to transparency, presenting financial statements that accurately reflect our financial position and activities. These statements provide stakeholders with a clear view of our financial health and adherence to compliance, enabling informed decision-making and evaluation of our performance and future potential.

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DECLARATION BY MANAGING DIRECTOR & CFO ON FINANCIAL STATEMENTS

Date: 29 May 2025

The Board of Directors
Mercantile Bank PLC.
61, Dilkusha C/A
Dhaka-1000

Subject: Declaration on Financial Statements for the year ended 31 December 2024.

Dear Sirs,

Pursuant to condition 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we hereby declare that:

1. The Financial Statements of Mercantile Bank PLC for the year ended 31 December 2024 have been prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in Bangladesh, and any departure therefrom has been adequately disclosed.
2. The estimates and judgments applied in the preparation of these Financial Statements were made on a prudent and reasonable basis, in order to present a true and fair view.
3. The form and substance of transactions, and the Bank's state of affairs, have been reasonably and fairly presented in the Financial Statements.
4. The Bank has taken proper and adequate care in establishing and maintaining a system of internal control and in the maintenance of accounting records.
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that established policies and procedures of the Bank were consistently followed.
6. The management's use of the going-concern basis of accounting in preparing the Financial Statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt upon the Bank's ability to continue as a going concern.

In this regard, we also certify that:

1. We have reviewed the Financial Statements for the year ended 31 December 2024 and, to the best of our knowledge and belief:
    a) These statements do not contain any materially untrue statement, omit any material fact, or contain statements that might be misleading;
    b) These statements collectively present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards and applicable laws.
2. To the best of our knowledge and belief, there were no transactions entered into by the Bank during the year which are fraudulent, illegal, or in violation of the Code of Conduct for the Bank's Board of Directors or its members.

Sincerely yours,

Mati ul Hasan
Managing Director

Tapash Chandra Paul, PhD
Chief Financial Officer

Basu Banerjee Nath & Co.
Chartered Accountants
Dhaka Trade Centre (11th floor), 99 Kazi Nazrul
Islam Avenue, Kawran bazar, Dhaka-1215
Phone: +88 02 55012551-2
Email: info@bbnco.net Web: www.bbnco.net

Anil Salam Idris & Co.
Chartered Accountants
House # 1/B (3rd Floor), Road # 8, Block # I,
Banani, Dhaka # 1213
Telephone: +880-2222274858-9
E-mail: info@asico.com.bd Web: www.asico.com.bd

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MERCANTILE BANK PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Mercantile Bank PLC. and its subsidiaries (the "Group") as well as the separate financial statements of Mercantile Bank PLC. (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2024 and the consolidated and separate profit and loss accounts, consolidated and separate cash flow statements, and consolidated and separate statements of changes in equity for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2024, and of its consolidated and separate profit and loss accounts, its consolidated and separate cash flow statements, and its consolidated and separate statements of changes in equity for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2.0 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), guidelines issued by Bangladesh Bank and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matter of Emphasis

We draw attention to Note 7.8 & 13.5.1 of the financial statements, the required provision for loans and advances is amounting to BDT 3,816.77 crore against which the Bank has kept BDT 2,115.91 crore only. Thus, an amount of BDT 1,700.86 crore remained short in the provision for the said loans and advances. However, Bangladesh Bank vide their letter # DOS(CMS)1157/41(Dividend)/2025-3112, dated-22 May 2025 has granted the Bank, having no adequate profit, to finalize the financial statements for the year ended 31 December 2024 without required adjustment of the provisions of BDT 1,700.86 with the condition to provide (i) adequate disclosure of provision shortfall in market disclosure and (ii) a board approve time bound action for overcoming the shortfall of provision and capital. Our opinion is not modified in respect of this matter.

Our opinion remains unmodified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements for the year 2024. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matters provided in that context.

Risk	Our response to the risk
1. Measurement of Provision for Loans and Advances	
The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance, and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deal with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.	We tested the design and operating effectiveness of key controls focusing on the following: • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of loans as well as recording of loan balance; • Alternate procedures applied by management to assess new loan/renewal of existing loans where the latest audited financial statements of the borrower are not available;

Risk	Our response to the risk
At year end the Group and the Bank reported total gross loans and advances of BDT 304,030.49 million (2023: BDT 288,593.41 million) and 300,025.10 million (2023: BDT284,830.98 million) and provision for loans and advances of BDT 21,259.40 million (2023: BDT 17,570.44 million) and 21,159.10 million (2023: BDT 17,510.44 million) respectively. We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias: Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	• Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly classification of loans (CL); Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the companies' general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • The Bank has calculated required provision as per Bangladesh Bank letter DBI- 4/110/2025- 655 dated 29 April 2025 • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note # 2.2.3, 7, 13, 13.5 and 13.5.1 (a & b) to the financial statements.	

Risk	Our response to the risk
2. Measurement of Interest income recognition	
Recognition and measurement of interest income involve the use of a complex IT environment and require critical estimates and judgment, particularly in areas such as the effective interest rate (EIR) method, loan staging, and income accrual on non- performing assets. Interest in income from loans and advances is a key performance indicator for the Bank and is material to the financial statements. Due to the significance of this item, the complexity of the underlying systems and processes, and the inherent risk of fraud or error, we considered the recognition and measurement of interest income to be a key audit matter.	We tested the design and operating effectiveness of key controls, including automated controls, over the recognition and measurement of interest income on loans and advances. For selected customers and loan files, on a sample basis, we performed substantive testing of details, including recalculation of interest income and cut- off testing, to assess the accuracy and timing of recognition. In addition, we performed substantive analytical procedures to evaluate the reasonableness of interest income recognized during the year by comparing it against product-wise outstanding loan balances and applicable interest rates.
See note # 2.10 & 20 to the financial statements.	

Risk	Our response to the risk
3. Measurement of Deferred Tax Assets	
The Bank reports net deferred tax assets (DTA) amounting to BDT 243.30 million as at 31 December 2024 (2023: BDT 208.89 million). The recognition of DTA involves significant judgment, particularly in assessing the recoverability of the assets. This is dependent on management's projections of future taxable profits and the availability of taxable temporary differences. These forecasts span multiple years and are inherently uncertain, especially given the volatility in economic and regulatory environments. Due to the level of judgment involved and the materiality of the balance, we considered this area to be a key audit matter.	We obtained an understanding of, evaluated the design, and tested the operating effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets (DTAs), including the assumptions used in forecasting future taxable income. We assessed the completeness and accuracy of the data used in management's estimations of future taxable income, including evaluating the consistency of those forecasts with approved business plans and budgets. We involved our tax specialists to assess the key assumptions, controls, and the application of relevant tax laws in the recognition and measurement of DTAs. Finally, we evaluated the appropriateness of the related disclosures in the financial statements against the requirements of IAS 12 Income Taxes.
See note # 2.6.2, 13, 13.4.2, 13.4.2(a) to the financial statements.	

4. Recognition and subsequent measurement of IFRS-16 Leases	
IFRS 16 Leases became effective for annual reporting periods beginning on or after 1 January 2019, replacing IAS 17 Leases. The application of IFRS 16 has resulted in the recognition of right-of- use (ROU) assets amounting to BDT 390.99 million (2023: BDT 585.29 million) and corresponding lease liabilities of BDT 443.30 million (2023: BDT 646.26 million) in the financial statements.	We assessed the design and implementation of key controls related to the recognition and measurement of leases under IFRS 16 and their impact on the Bank's financial statements. We evaluated the appropriateness of the incremental borrowing rate applied in determining the present value of lease liabilities.

Risk	Our response to the risk
We considered this a key audit matter due to the materiality of the balances involved and the significant judgments required by management. These include the determination of the lease term, the selection of the incremental borrowing rate, and the measurement of lease liabilities and ROU assets. The process also involved complex data analysis to extract and summarize relevant lease information for input into the lease accounting model.	We verified the completeness and accuracy of the underlying lease data by agreeing key terms to the original lease contracts, and we independently recalculated the IFRS 16 adjustments to assess the mathematical accuracy of the lease accounting model. Finally, we assessed the adequacy and appropriateness of the related disclosures in the financial statements in accordance with the requirements of IFRS 16.

See note # 2.2.10, 9, 13, 21 and 33 to the financial statements

Risk	Our response to the risk
5. Valuation of Treasury Bill, Treasury Bond	
The classification and measurement of Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds) require significant judgment and complex estimates. In the absence of quoted prices in active markets, the fair value of T-Bills and T-Bonds is determined using valuation techniques that may incorporate unobservable inputs and complex pricing models. These include assumptions around interest rates, yield curves, liquidity premiums, and other market factors, all of which involve a high degree of management judgment. Given the materiality of these instruments to the financial statements and the level of estimation uncertainty involved, we considered this area to be a key audit matter.	We assessed the processes and controls implemented by the Bank to identify and confirm the existence of financial investments, including Treasury Bills and Bonds. We obtained an understanding of, evaluated the design, and tested the operating effectiveness of key controls over the financial investment valuation processes. This included controls related to market data inputs into valuation models, model governance, and valuation adjustments. For a sample of financial instruments, we tested the valuation models and the inputs used, including comparing key assumptions and inputs to available market data where possible. Finally, we evaluated the appropriateness and presentation of related disclosures in the financial statements, in accordance with applicable financial reporting standards and Bangladesh Bank guidelines.

See note # 2.2.2, 6, and 16 (B&C) to the financial statements

Risk	Our response to the risk
6. Carrying Value of Investments in Subsidiaries by the Bank	
The Bank has invested in equity shares of its subsidiary namely Mercantile Bank Securities Limited, MBL Asset Management Limited and Mercantile Exchange House UK Limited. As at 31 December 2024 the total carrying value of this investment is BDT 3,657.32 million (2023: BDT 3,653.91 million). In accordance with IAS 36 Impairment of Assets, the Bank is required to assess whether there is any indication that these investments may be impaired. Where such indicators exist, an impairment test is required to estimate the recoverable amount of the investment, determined as the higher of fair value less costs of disposal and value in use. Although management concluded that no indicators of impairment existed during the year, an assessment was still performed. The impairment assessment process involves significant judgment, including assumptions related to future cash flows, growth rates, and discount rates, which may have a material impact on the valuation. Given the materiality of the investments and the complexity of the judgments involved in the impairment assessment, this area was considered a key audit matter.	We reviewed management's impairment assessment and evaluation of the recoverable amount of investments in subsidiaries in accordance with IAS 36 Impairment of Assets. Our procedures included discussions with management focused on the continued appropriateness of using a value-in-use model, and we evaluated the key assumptions applied in that model, including projected cash flows, discount rates, and long-term growth rates. We also assessed the sensitivity of the model to reasonably possible changes in key assumptions, particularly those that have the most significant impact on the recoverable amount. Additionally, we evaluated the consistency of the assumptions with external market data and internal forecasts, and assessed the appropriateness of related disclosures in the financial statements.

See note # 2.2.2 and 9(a) to the financial statements.

7. Legal and Regulatory Matters	
We focused on this area because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many Uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.

Risk	Our response to the risk
Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.	We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Group's provisions and contingent liabilities disclosure.

8. IT Systems and Controls

Risk	Our response to the risk
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.	We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.

See note # 2.13.8 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the consolidated and separate financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2.1.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date), and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Banking Companies Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) To the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

(a) Internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;

(b) Nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities other than matters disclosed in note 2.13.7 to the financial statements;

(iii) Financial statements of the Bank's subsidiaries namely, Mercantile Bank Securities Limited have been audited by Pinaki & Co., Chartered Accountants, MBL Asset Management Limited have been audited by Pinaki & Co., Chartered Accountants, and Mercantile Exchange House (UK) Limited have been audited by NFA (UK) Ltd. T/A Muhit & Co., Chartered Certified Accountants (UK) have been properly reflected in the consolidated financial statements;

(iv) In our opinion, proper books of account as required by law have been kept by the Group and Bank so far as it appeared from our examination of those books;

(v) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) The consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) The expenditures incurred were for the purpose of the Bank's business for the year;

(viii) The consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(ix) Adequate provisions have been made for loans and advances, other assets and off-balance sheet items which are in our opinion, doubtful of recovery;

(x) The information and explanations required by us have been received and found satisfactory;

(xi) We have reviewed over 82% of the risk weighted assets of the Bank and spent over 5,200 person hours; and

(xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year;

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No: 1334
DVC: 2505291334AS331634

Date: 29 May 2025

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No: 1415
DVC: 2505291415AS724325

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

Particulars	Notes	Amount in BDT	
		Dec-24	Dec-23
PROPERTY AND ASSETS			
Cash	3(a)	**19,966,071,186**	**17,805,904,761**
Cash in hand (Including foreign currency)		3,886,073,062	3,579,135,234
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		16,079,998,124	14,226,769,527
Balance with other banks and financial institutions	4(a)	**10,078,271,386**	**5,592,856,927**
In Bangladesh		868,026,329	827,781,875
Outside Bangladesh		9,210,245,057	4,765,075,052
Money at call on short notice	5(a)	**12,258,100,000**	**743,100,000**
Investments	6(a)	**91,148,536,179**	**81,358,803,832**
Government		80,605,543,842	70,408,991,198
Others		10,542,992,337	10,949,812,634
Loans and Advances/investments	7(a)	**304,030,499,796**	**288,593,418,998**
Loans, Cash Credit, Overdraft etc/investments		294,689,212,819	280,960,116,855
Bills purchased and discounted		9,341,286,977	7,633,302,143
Fixed assets including premises, furniture and fixtures	8(a)	**3,358,706,142**	**3,592,292,283**
Other assets	9(a)	**6,698,676,534**	**7,120,614,851**
Non- banking assets	10(a)	**45,081,332**	**45,081,332**
Total Property and Assets		**447,583,942,554**	**404,852,072,983**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	**15,505,468,357**	**20,881,244,791**
Non-convertible Subordinated Bond	11.6a	**600,000,000**	**1,200,000,000**
Mercantile Bank Perpetual Bond	11.7a	**3,630,000,000**	**3,630,000,000**
Deposits and other Accounts		**342,653,298,554**	**306,879,162,044**
Current/ Al-wadeeah current accounts and other accounts	12.1(a)	120,318,486,811	107,233,424,214
Bills Payable	12.2(a)	3,557,652,516	3,573,240,118
Savings Bank/Mudaraba savings bank deposits	12.3(a)	36,831,229,655	35,361,551,520
Fixed deposits/Mudaraba fixed deposits	12.4(a)	126,252,565,103	117,453,408,919
Deposit under schemes/Mudaraba deposit schemes	12.5(a)	55,693,364,468	43,257,537,272
Other Liabilities	13(a)	**58,914,723,983**	**45,805,076,395**
Total Liabilities		**421,303,490,893**	**378,395,483,230**
Capital/Shareholders' Equity		**26,173,336,777**	**26,352,067,690**
Paid up Capital	14.1	11,065,754,350	11,065,754,350
Statutory Reserve	15(a)	10,667,555,337	10,411,310,449
General Reserve	15.1	2,480,000,000	2,480,000,000
Other Reserve	16(a)	1,592,436,574	931,770,350
Foreign currency translation gain/(loss)	16.1 (a)	16,846,392	4,469,253
Surplus in Profit & Loss Account	17(a)	350,744,124	1,458,763,288
Non Controlling Interest	17(b)	107,114,883	104,522,063
Total Shareholders' Equity		**26,280,451,661**	**26,456,589,753**
Total Liabilities & Shareholders' Equity		**447,583,942,554**	**404,852,072,983**

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2024

Particulars	Notes	Amount in BDT	
		Dec-24	Dec-23
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and Endorsements	18.1	56,397,171,238	56,157,942,608
Letters of Guarantee	18.2	18,463,259,698	20,590,285,972
Irrevocable Letters of Credit	18.3	120,338,067,687	74,388,419,485
Bills for Collection	18.4	13,053,034,178	7,407,884,455
Other Contingent Liabilities	18.5	-	-
Total		**208,251,532,801**	**158,544,532,519**
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed	18.6	-	80,329
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**-**	**80,329**
Total Off-Balance Sheet Items including contingent liabilities		**208,251,532,801**	**158,544,612,848**
Net Asset Value Per Share (NAVPS)	36(a)	**23.75**	**23.91**

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

Managing Director **Director** **Director** **Chairman**

This is the Consolidated Balance Sheet referred to in our separate report of even date.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No: 1334
DVC: 2505291334AS331634

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No: 1415
DVC: 2505291415AS724325

Dhaka
Date: 29 May 2025

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT & LOSS ACCOUNT

For the year ended 31 December 2024

Particulars	Notes	Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
Interest income/Profit on investment	20(a)	23,466,287,929	20,416,063,027
Interest/Profit Paid on deposits, borrowings etc.	21(a)	22,754,852,604	17,482,802,969
Net interest income		**711,435,326**	**2,933,260,059**
Investment income	22(a)	7,448,388,605	4,789,349,350
Commission, exchange and brokerage	23(a)	4,111,427,649	4,820,006,400
Other operating income	24(a)	2,208,082,438	1,563,570,134
		13,767,898,692	**11,172,925,885**
Total operating income		**14,479,334,018**	**14,106,185,943**
Salaries and allowances	25(a)	4,219,257,134	4,226,785,049
Rent, taxes, insurances, electricity etc.	26(a)	795,641,640	684,473,453
Legal expenses	27(a)	59,965,715	40,650,323
Postage, stamps, telecommunication etc.	28(a)	80,068,876	77,978,915
Stationery, Printings, Advertisements etc.	29(a)	474,893,322	361,231,622
Chief Executive's salary and fees	30(a)	17,902,232	16,015,715
Directors' fees	31(a)	7,276,100	4,932,000
Auditors' fees	32(a)	3,370,655	1,920,622
Depreciation and repair of bank's assets	33(a)	757,420,353	794,387,791
Other expenses	34(a)	2,237,491,788	2,313,359,497
Total operating expenses		**8,653,287,814**	**8,521,734,987**
Profit/(Loss) before provision		**5,826,046,204**	**5,584,450,956**
Provision for loans and advances/investments including Off Balance Sheet items	13.5(a)	4,375,347,015	2,548,239,493
Provision for diminution in value of investments in shares	13.3.1(a)	46,978,137	57,457,654
Other provision	13.3.1(a)	60,476,380	181,064,571
Total provision		**4,482,801,532**	**2,786,761,718**
Total Profit/(Loss) before Taxes		**1,343,244,673**	**2,797,689,238**
Provision for Current Tax	13.4.1(a)	727,706,311	788,866,404
Provision for Deferred Tax	13.4.2(a)	(34,028,769)	(49,397,787)
		693,677,542	**739,468,617**
Net Profit after Taxation		**649,567,131**	**2,058,220,622**
Appropriations			
Statutory Reserve	15	256,244,888	545,721,167
Startup Fund	13.2.2	6,312,244	20,286,058
General Reserve	15.1	-	30,000,000
Other Reserve		4,577,904	15,055,257
Coupon Interest on MBL Perpetual Bond		361,214,445	314,772,222
		628,349,481	**925,834,704**
Retained surplus		**21,217,649**	**1,132,385,917**
Net profit after Tax attributable to:			
Equity holders of Mercantile Bank PLC.		18,443,322	1,128,740,304
Non Controlling Interest	17(b).1	2,774,328	3,645,613
		21,217,649	**1,132,385,917**
Earnings Per Share (EPS)	35(a)	**0.58**	**1.86**

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

Managing Director **Director** **Director** **Chairman**

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No: 1334
DVC: 2505291334AS331634

Dhaka
Date: 29 May 2025

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No: 1415
DVC: 2505291415AS724325

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

Particulars	Notes	Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
A) Cash flows from operating activities			
		7,937,480,111	**6,932,704,217**
Interest received		21,225,142,102	18,331,729,364
Interest paid		(10,518,712,196)	(7,070,189,523)
Dividends receipts		49,510,950	36,546,409
Fees and commission received		2,092,407,370	1,794,009,458
Recoveries on loans previously written off		756,061,057	47,129,734
Payment to the employees		(4,219,257,134)	(4,226,785,049)
Payment to suppliers		(474,893,322)	(361,231,622)
Income taxes paid		(972,778,716)	(1,618,504,554)
Received from other operating activities		**11,519,404,829**	**9,240,907,640**
Exchange gain		2,019,020,278	3,025,996,943
Other operating income		9,500,384,550	6,214,910,697
Payment for other operating activities		**(3,183,220,015)**	**(3,047,996,777)**
Rent, taxes, insurances and electricity		(645,176,692)	(607,747,130)
Legal expenses		(59,965,715)	(40,650,323)
Postage, stamps and telecommunication		(79,848,934)	(77,399,802)
Auditors' fees		(1,185,655)	(195,622)
Repair and maintenance		(137,082,752)	(142,461,729)
Chief Executive's salary and fees		(17,902,232)	(16,015,715)
Directors' fees		(7,276,100)	(4,932,000)
Other expenses		(2,234,781,936)	(2,158,594,457)
Operating profit before changes in operating assets & liabilities		**16,273,664,925**	**13,125,615,079**
(Increase)/ decrease in operating assets and liabilities		**(25,633,633,442)**	**(21,899,436,178)**
Trading securities		(10,196,552,644)	(17,776,231,994)
Loans and advances to other banks		-	-
Loans and advances to customer		(15,437,080,798)	(4,123,204,185)
Other assets (Item-wise)		**421,938,317**	**4,928,345,083**
Income generating other assets:			
Investment in shares of subsidiary companies			
Investment in Shares of subsidiary company (In Bangladesh) Mercantile Bank Securities Limited		(23,722,709)	(35,740,582)
Investment in Shares of subsidiary company (In Bangladesh) MBL Asset Management Limited		(2,321,703)	(877,200)
Investment in Shares of subsidiary company (outside Bangladesh) Mercantile Exchange House (UK) Limited		(524,167)	(3,268,739)
Mercantile Bank OBU Unit			
Islamic-Conv. Adjustment Account			
Non-income generating other assets:			
Stationery, stamps,printing materials in stock etc		(8,588,579)	(3,619,431)
Advance rent and advertisement		36,467,540	9,829,524
Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable		(161,925,330)	(274,411,538)
Security deposit		3,000	(737,055)
Preliminery, formation and organization expenses, renovation/development expenses and prepaid expenses		14,855,028	40,376,906
Branch adjustment		-	-
Inter Branch Settlement Account		471,307,097	5,358,687,436
Suspense Account		(97,914,648)	(382,214,757)
Right Of Use (ROU) Assets as per IFRS-16		194,302,788	220,320,521
		28,640,016,987	**9,152,461,123**
Deposit from other banks		(5,375,776,434)	(13,139,266,587)
Deposit from customers		35,774,136,510	25,141,371,123
Other liabilities		(1,758,343,089)	(2,849,643,413)
Net cash flows from operating activities		**19,701,986,788**	**5,306,985,107**

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2024

Particulars		Notes	Amount in BDT	
			Jan-24 to Dec-24	Jan-23 to Dec-23
B)	**Cash flows from investing activities**			
	Brokerage House customer account		-	-
	(Purchase)/ sale of property, plant and equipment		(189,838,133)	(251,216,819)
	(Purchase)/sale of shares		165,813,135	(297,014,331)
	(Purchase)/sale of bond		160,480,000	(600,000,000)
	Other investment		6,934,645	(680,000)
	Net cash flows from investing activities		**143,389,647**	**(1,148,911,150)**
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		(67,330,664)	(88,814,136)
	Received by issue of right share		-	-
	Dividend paid		(1,106,575,435)	(1,084,877,878)
	Net cash flows from financing activities		**(1,773,906,099)**	**(1,773,692,014)**
	Net increase/(decrease) in cash & cash equivalent (A+B+C)		**18,071,470,335**	**2,384,381,943**
	Effects of Exchange rate changes on cash and cash equivalents		90,231,649	60,148,654
	Cash and cash equivalent at beginning of the year		24,146,723,888	21,702,193,291
	Cash and cash equivalent at the end of the year		**42,308,425,872**	**24,146,723,888**
	Net Operating Cash Flow Per Share (NOCFPS)	37(a)	**17.80**	**4.80**
	Cash and cash equivalents at the end of the year			
	Cash in hand (Including foreign currencies)	3(a)	3,886,073,062	3,579,135,234
	Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	3(a)	16,079,998,124	14,226,769,527
	Balance with other banks and financial institutions	4(a)	10,078,271,386	5,592,856,927
	Prize Bonds	6.2 (b)	5,983,300	4,862,200
	Money at call on short notice	5(a)	12,258,100,000	743,100,000
			42,308,425,872	**24,146,723,888**

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

Managing Director **Director** **Director** **Chairman**

This is the consolidated Cash Flow Statement referred to our separate report of even date.

Dhaka
Date: 29 May 2025

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

Particulars	Paid-up Capital	Statutory Reserve	General reserve	Foreign currency translation gain/(loss)	Other Reserve				Surplus	Total	Non Controlling Interest	Grand Total
					Dividend Equalization Fund	Adjustment for Approved Securities	Revaluation Surplus for Fixed Assets/Other	Net Balance of Other Reserve	Profit/(loss)			
	A	B	C	D	E	F	G	H=(E+F+G)	I	J = (A+ B+ C+ D+ H+ I)	K	L=(J+K)
Balance as at 1 January 2024	**11,065,754,350**	**10,411,310,449**	**2,480,000,000**	**4,469,253**	**45,680,250**	**204,406,587**	**681,683,513**	**931,770,350**	**1,458,763,288**	**26,352,067,690**	**104,522,063**	**26,456,589,753**
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	256,244,888	-	-	-	-	-	-	(256,244,888)	-	-	-
Coupan Interest on MBL Perpetual Bond	-	-	-	-	-	-	-	-	(361,214,445)	(361,214,445)	-	(361,214,445)
Startup Fund	-	-	-	-	-	-	-	-	(6,312,244)	(6,312,244)	-	(6,312,244)
General reserve	-	-	-	-	-	-	-	-	-	-	-	-
Market adjustment of approved securities (HTM)	-	-	-	-	-	656,088,320	42,649,462	698,737,782	-	698,737,782	-	698,737,782
Surplus/deficit on account of revaluation/Reserve of properties/others	-	-	-	-	-	-	(38,071,558)	(38,071,558)	-	(38,071,558)	-	(38,071,558)
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	12,377,139	-	-	-	-	(27,239,282)	(14,862,143)	-	(14,862,143)
Net gains and losses not recognised in Income Statement			-	-	-	-	-	-	-	-	-	-
Net profit for the year after taxation	-		-	-	-	-	-	-	649,567,131	649,567,131	2,592,820	652,159,951
Transfer	-		-	-	-	-	-	-	-	-	-	-
Issuance ofbonus shares	-	-	-	-	-	-	-	-	-	-	-	-
Bonus share premium	-		-	-	-	-	-	-	-	-		-
Cash dividend	-	-	-	-	-	-	-	-	(1,106,575,435)	(1,106,575,435)	-	(1,106,575,435)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-	-
Non controlling share capital/profit	-	-	-	-	-	-	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-		-	-	-	-	-
Balance as at 31.12.2024	**11,065,754,350**	**10,667,555,337**	**2,480,000,000**	**16,846,392**	**45,680,250**	**860,494,907**	**686,261,417**	**1,592,436,574**	**350,744,124**	**26,173,336,778**	**107,114,883**	**26,280,451,661**
Balance as at 31.12.2023	**11,065,754,350**	**10,411,310,449**	**2,480,000,000**	**4,469,253**	**45,680,250**	**204,406,587**	**681,683,513**	**931,770,350**	**1,458,763,288**	**26,352,067,690**	**104,522,063**	**26,456,589,753**

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

Managing Director **Director** **Director** **Chairman**

This is the Consolidated Statement of Changes in Equity referred to in our separate report of even date.

Dhaka
Date: 29 May 2025

CONSOLIDATED LIQUIDITY STATEMENT
ASSET AND LIABILITY MATURITY ANALYSIS

As at 31 December 2024

Particulars	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 years	Total
Assets:						
Cash in hand	3,882,487,815	3,679,254,124	3,585,247	-	12,400,744,000	19,966,071,186
Balance with other banks and financial institutions	47,496,141	781,392,803	9,249,382,442	-	-	10,078,271,386
Money at call on short notice	12,258,100,000	-	-	-	-	12,258,100,000
Investments	3,304,891,707	7,682,343,788	20,743,037,311	14,927,404,793	44,490,858,581	91,148,536,179
Loans and advances/investments	64,293,659,558	33,893,835,222	67,398,427,100	92,238,665,315	46,205,912,602	304,030,499,796
Fixed assets including premises, furniture and fixtures	-	-	372,377,529	2,986,328,613	-	3,358,706,142
Other assets	2,690,663,793	1,829,867,377	1,223,093,485	215,063,896	739,987,983	6,698,676,534
Non-banking assets Land	-	-	-	-	45,081,332	45,081,332
Total Assets	**86,477,299,013**	**47,866,693,314**	**98,989,903,113**	**110,367,462,617**	**103,882,584,496**	**447,583,942,554**
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	-	15,505,468,357	-	-	15,505,468,357
Deposits (Conventional and Islamic banking)	78,480,685,432	41,104,684,145	51,934,414,665	74,945,806,213	92,630,055,583	339,095,646,038
Other accounts	3,557,652,516	-	-	-	-	3,557,652,516
Non-convertible Subordinated Bond	-	-	-	-	600,000,000	600,000,000
Mercantile Bank Perpetual Bond	-	-	-	-	3,630,000,000	3,630,000,000
Provision and other liabilities	-	1,340,360,222	26,872,687,825	30,701,675,936		58,914,723,983
Total Liabilities	**82,038,337,948**	**42,445,044,367**	**94,312,570,846**	**105,647,482,149**	**96,860,055,583**	**421,303,490,893**
Net Liquidity Gap	**4,438,961,066**	**5,421,648,947**	**4,677,332,267**	**4,719,980,468**	**7,022,528,913**	**26,280,451,661**

MERCANTILE BANK PLC.

BALANCE SHEET

As at 31 December 2024

Particulars	Notes	Amount in BDT	
		Dec-24	Dec-23
PROPERTY AND ASSETS			
Cash	3	**19,962,485,940**	**17,805,205,766**
Cash in hand (Including foreign currencies)	3.1	3,882,487,815	3,578,436,239
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	3.2	16,079,998,124	14,226,769,527
Balance with other banks and financial institutions	4	**10,034,259,706**	**5,562,753,516**
In Bangladesh	4.1	838,708,642	800,909,938
Outside Bangladesh	4.2	9,195,551,064	4,761,843,578
Money at call on short notice	5	**12,258,100,000**	**743,100,000**
Investments	6	**89,098,252,662**	**79,234,927,799**
Government	6.4	80,605,543,842	70,408,991,198
Others	6.5	8,492,708,821	8,825,936,601
Loans and Advances/investments	7	**300,025,106,242**	**284,830,983,477**
Loans, Cash Credit, Overdraft etc/investments	7.A	290,683,819,265	277,197,681,334
Bills purchased and discounted	7.B	9,341,286,977	7,633,302,143
Fixed assets including premises, furniture and fixtures	8	**3,249,270,388**	**3,488,149,759**
Other assets	9	**10,017,743,654**	**10,462,835,420**
Non- banking assets	10	**45,081,332**	**45,081,332**
Total Property and Assets		**444,690,299,923**	**402,173,037,068**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**15,022,007,343**	**20,431,229,575**
Non-convertible Subordinated Bond	11.6	**600,000,000**	**1,200,000,000**
Mercantile Bank Perpetual Bond	11.7	**3,630,000,000**	**3,630,000,000**
Deposits and other Accounts	12	**342,724,252,551**	**306,947,953,267**
Current/ Al-wadeeah current accounts and other accounts	12.1	120,389,440,809	107,302,215,437
Bills Payable	12.2	3,557,652,516	3,573,240,118
Savings Bank/Mudaraba savings bank deposits	12.3	36,831,229,655	35,361,551,520
Fixed deposits/Mudaraba fixed deposits	12.4	126,252,565,103	117,453,408,919
Deposit under schemes/Mudaraba deposit schemes	12.5	55,693,364,468	43,257,537,272
Other Liabilities	13	**56,903,980,183**	**43,979,382,154**
Total Liabilities		**418,880,240,077**	**376,188,564,996**
Capital/Shareholders' Equity			
Paid up capital	14.1	11,065,754,350	11,065,754,350
Statutory reserve	15	10,667,555,337	10,411,310,449
General reserve	15.1	2,480,000,000	2,480,000,000
Other reserve	16	1,549,787,112	893,698,792
Foreign currency translation gain/(loss)	16.1	16,846,392	4,469,253
Surplus in Profit & Loss Account	17	30,116,656	1,129,239,228
Total shareholders' Equity		**25,810,059,847**	**25,984,472,072**
Total Liabilities & Shareholders' Equity		**444,690,299,923**	**402,173,037,068**

MERCANTILE BANK PLC.

BALANCE SHEET (CONTINUED)

As at 31 December 2024

Particulars	Notes	Amount in BDT	
		Dec-24	Dec-23
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and Endorsements	18.1	56,397,171,238	56,157,942,608
Letters of Guarantee	18.2	18,463,259,698	20,590,285,972
Irrevocable Letters of Credit	18.3	120,338,067,687	74,388,419,485
Bills for Collection	18.4	13,053,034,178	7,407,884,455
Other Contingent Liabilities	18.5	-	-
Total		**208,251,532,801**	**158,544,532,519**
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed	18.6	-	80,329
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**-**	**80,329**
Total Off-Balance Sheet items including contingent liabilities		**208,251,532,801**	**158,544,612,848**
Net Asset Value Per Share (NAVPS)	36	**23.32**	**23.48**

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

Managing Director **Director** **Director** **Chairman**

This is the Balance Sheet referred to in our separate report of even date.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No: 1334
DVC: 2505291334AS331634

Dhaka
Date: 29 May 2025

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No: 1415
DVC: 2505291415AS724325

MERCANTILE BANK PLC.

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

Particulars	Notes	Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
Interest income/Profit on investment	20	23,210,970,057	20,123,905,677
Interest/Profit Paid on deposits, borrowings etc.	21	22,632,603,334	17,395,113,255
Net interest income		**578,366,723**	**2,728,792,422**
Investment income	22	7,403,875,925	4,741,246,773
Commission, exchange and brokerage	23	3,920,700,357	4,718,114,365
Other operating income	24	2,203,390,560	1,561,135,945
		13,527,966,842	**11,020,497,083**
Total operating income		**14,106,333,565**	**13,749,289,506**
Salaries and allowances	25	4,150,856,703	4,171,209,394
Rent, taxes, insurances, electricity etc.	26	773,521,657	662,507,872
Legal expenses	27	59,369,743	37,783,694
Postage, stamps, telecommunication etc.	28	78,143,762	76,021,564
Stationery, Printings, Advertisements etc.	29	473,550,700	359,680,467
Chief Executive's Salary and fees	30	17,902,232	16,015,715
Directors' fees	31	6,804,600	4,708,000
Auditors' fees	32	2,495,500	1,230,500
Depreciation and repair of bank's assets	33	750,773,834	791,095,863
Other expenses	34	2,159,524,999	2,218,632,843
Total operating expenses		**8,472,943,731**	**8,338,885,913**
Profit/(Loss) before provision		**5,633,389,835**	**5,410,403,593**
Provision for loans and advances/investments including Off Balance Sheet items	13.5	4,275,049,649	2,488,239,493
Provision for diminution in value of investments in shares	13.2.1(X)	46,978,137	57,457,654
Other provision	13.2.1(X)	30,137,609	136,100,612
Total provision		**4,352,165,395**	**2,681,797,759**
Total profit/(Loss) before taxes		**1,281,224,440**	**2,728,605,835**
Provision for Current Tax	13.4.1	684,412,301	749,165,673
Provision for Deferred Tax	13.4.2	(34,412,301)	(49,165,673)
		650,000,000	**700,000,000**
Net profit after taxation		**631,224,440**	**2,028,605,835**
Appropriations			
Statutory reserve	15	256,244,888	545,721,167
Startup Fund	13.2.2	6,312,244	20,286,058
General reserve	15.1	-	30,000,000
Coupan Interest on MBL Perpetual Bond		361,214,445	314,772,222
		623,771,577	**910,779,447**
Retained surplus		**7,452,862**	**1,117,826,387**
Earnings per share (EPS)	35	**0.57**	**1.83**

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

Managing Director **Director** **Director** **Chairman**

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

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No: 1334
DVC: 2505291334AS331634

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No: 1415
DVC: 2505291415AS724325

Dhaka
Date: 29 May 2025

MERCANTILE BANK PLC.

CASH FLOW STATEMENT

For the year ended 31 December 2024

Particulars		Notes	Amount in BDT	
			Jan-24 to Dec-24	Jan-23 to Dec-23
A)	**Cash flows from operating activities**			
			7,593,195,620	**6,623,322,701**
	Interest received		20,969,824,229	18,039,572,014
	Interest paid		(10,396,462,926)	(6,982,499,809)
	Dividends receipts		49,510,950	36,546,409
	Fees and commission received		1,811,448,430	1,631,968,768
	Recoveries on loans previously written off		756,061,057	47,129,734
	Payment to the employees		(4,150,856,703)	(4,171,209,394)
	Payment to suppliers		(473,550,700)	(359,680,467)
	Income taxes paid		(972,778,716)	(1,618,504,554)
	Received from other operating activities		**11,485,062,413**	**9,246,138,122**
	Exchange gain		2,033,882,421	3,081,764,191
	Other operating income		9,451,179,992	6,164,373,931
	Payment for other operating activities		**(3,079,265,503)**	**(2,925,566,441)**
	Rent, taxes, insurances and electricity		(623,056,709)	(585,781,549)
	Legal expenses		(59,369,743)	(37,783,694)
	Postage, stamps and telecommunication		(77,923,819)	(75,442,451)
	Auditors' fees		(310,500)	494,500
	Repair and maintenance		(137,082,752)	(142,461,729)
	Chief Executive's Salary and fees		(17,902,232)	(16,015,715)
	Directors' fees		(6,804,600)	(4,708,000)
	Other expenses		(2,156,815,148)	(2,063,867,802)
	Operating profit before changes in operating assets and liabilities		**15,998,992,531**	**12,943,894,382**
	(Increase)/ decrease in operating assets and liabilities		**(25,390,675,409)**	**(21,716,681,970)**
	Trading securities		(10,196,552,644)	(17,776,231,994)
	Loans and advances to other banks		-	-
	Loans and advances to customers		(15,194,122,765)	(3,940,449,977)
	Other assets (Item-wise)		**445,091,767**	**4,962,581,417**
	Income generating other assets:			
	Investment in shares of subsidiary companies			
	Investment in Shares of subsidiary company (In Bangladesh) Mercantile Bank Securities Ltd.		-	-
	Investment in Shares of subsidiary company (In Bangladesh) MBL Asset Management Ltd.		-	-
	Investment in Shares of subsidiary company (outside Bangladesh) Mercantile Exchange House (UK) Ltd.		(3,415,130)	(5,650,188)
	Mercantile Bank OBU Unit			-
	Islamic-Conv. Adjustment Account			-
	Non-income generating other assets:			
	Stationery, stamps,printing materials in stock etc		(8,588,579)	(3,619,431)
	Advance rent and advertisement		36,467,540	9,829,524
	Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable		(161,925,330)	(274,411,538)
	Security deposit		3,000	(737,055)
	Preliminery, formation and organization expenses, renovation/development expenses and prepaid expenses		14,855,028	40,376,906
	Branch adjustment		-	-
	Inter Branch Settlement Account		471,307,097	5,358,687,436
	Suspense Account		(97,914,648)	(382,214,757)
	Right Of Use (ROU) Assets as per IFRS-16		194,302,788	220,320,521
			28,639,353,042	**9,093,004,608**
	Deposit from other banks		(5,409,222,232)	(13,589,281,803)
	Deposit from customers		35,776,299,284	25,155,898,510
	Other liabilities		(1,727,724,010)	(2,473,612,100)
	Net Cash flows from operating activities		**19,692,761,931**	**5,282,798,437**

MERCANTILE BANK PLC.

CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2024

Particulars		Notes	Amount in BDT	
			Jan-24 to Dec-24	Jan-23 to Dec-23
B)	**Cash flows from investing activities**			
	(Purchase)/sale of property, plant and equipment		(182,545,653)	(158,464,357)
	(Purchase)/sale of shares		165,813,135	(297,014,331)
	Purchase/sale of bond		160,480,000	(600,000,000)
	Other investment activities		6,934,645	(680,000)
	Net cash flows from investing activities		**150,682,127**	**(1,056,158,688)**
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		(67,330,664)	(88,814,136)
	Received by issue of right share		-	-
	Dividend paid		(1,106,575,435)	(1,084,877,878)
	Net cash flows from financing activities		**(1,773,906,099)**	**(1,773,692,014)**
	Net increase/(decrease)in cash & cash equivalent (A+B+C)		**18,069,537,958**	**2,452,947,735**
	Effects of Exchange rate changes on cash and cash equivalents		75,369,506	4,381,406
	Cash and cash equivalent at the beginning of the year		24,115,921,482	21,658,592,341
	Cash and cash equivalent at the end of the year		**42,260,828,946**	**24,115,921,482**
	Net Operating Cash Flow Per Share (NOCFPS)	**37**	**17.80**	**4.77**
	Cash and cash equivalents at end of the period year			
	Cash in hand (Including foreign currencies)	3.1	3,882,487,815	3,578,436,239
	Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	3.2	16,079,998,124	14,226,769,527
	Balance with other banks and financial institutions	4	10,034,259,706	5,562,753,516
	Prize Bonds	6.2 (b)	5,983,300	4,862,200
	Money at call on short notice	5	12,258,100,000	743,100,000
			42,260,828,946	**24,115,921,482**

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

Managing Director **Director** **Director** **Chairman**

This is the Cash Flow Statement referred to our separate report of even date.

Dhaka
Date: 29 May 2025

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

Amount in BDT

Particulars	Paid-up capital	Statutory reserve	General reserve	Foreign currency translation gain/(loss)	Other reserve				Surplus profit/ (loss)	Total
					Dividend Equalization Fund	Adjustment for Approved Securities	Revaluation surplus for Fixed assets/ Other	Net balance of other reserve		
	A	B	C	D	E	F	G	H=E+F+G	I	J=A+B+C+D+H+I
Balance as at 1 January 2024	**11,065,754,350**	**10,411,310,449**	**2,480,000,000**	**4,469,253**	**45,680,250**	**204,406,587**	**643,611,955**	**893,698,792**	**1,129,239,228**	**25,984,472,072**
Changes in accounting policy	-	-	-	-	-		-	-	-	**-**
Transfer from income of OBU			-	-				-	-	**-**
Statutory reserve	-	256,244,888	-	-	-	-	-	-	(256,244,888)	**-**
Coupan Interest on MBL Perpetual Bond									(361,214,445)	**(361,214,445)**
Startup Fund	-	-	-	-	-	-	-	-	(6,312,244)	**(6,312,244)**
General reserve	-	-	-	-	-	-	-	-	-	**-**
Market adjustment of approved securities (HTM)	-	-	-	-	-	-	-	-	-	**-**
Surplus/deficit on account of revaluation/Reserve of properties	-	-	-	-	-	-	-	-	-	**-**
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	656,088,320	-	656,088,320	-	**656,088,320**
Currency translation difference	-	-	-	12,377,139	-	-	-	-	-	**12,377,139**
Net gains and losses not recognised			-	-		-	-	-	-	**-**
in the income statement	-	-	-	-	-		-	-	-	**-**
Net profit for the year after taxation	-	-	-	-	-	-	-	-	631,224,440	**631,224,440**
Transfer	-	-	-	-	-	-	-	-	-	**-**
Issuance of bonus share	-	-	-	-	-	-	-	-	-	**-**
Bonus share premium	-	-	-	-	-	-	-	-	-	**-**
Cash dividend	-	-	-	-	-	-	-	-	(1,106,575,435)	**(1,106,575,435)**
Dividend equalization fund	-	-	-	-	-	-	-	-	-	**-**
Issue of right share	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31.12.2024	**11,065,754,350**	**10,667,555,337**	**2,480,000,000**	**16,846,392**	**45,680,250**	**860,494,907**	**643,611,955**	**1,549,787,112**	**30,116,656**	**25,810,059,847**
Balance as at 31.12.2023	**11,065,754,350**	**10,411,310,449**	**2,480,000,000**	**4,469,253**	**45,680,250**	**204,406,587**	**643,611,955**	**893,698,792**	**1,129,239,228**	**25,984,472,072**

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

Managing Director **Director** **Director** **Chairman**

This is the Statement of Changes in Equity referred to in our separate report of even date.

Dhaka
Date: 29 May 2025

MERCANTILE BANK PLC.

LIQUIDITY STATEMENT
ASSET AND LIABILITY MATURITY ANALYSIS

As at 31 December 2024

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	3,882,487,815	3,679,254,124	-	-	12,400,744,000	19,962,485,940
Balance with other banks and financial institutions	47,49 6,141	781,392,803	9,205,370,762	-	-	10,034,259,706
Money at call on short notice	12,258,100,000	-	-	-	-	12,258,100,000
Investments	3,304,891,707	7,682,343,788	18,692,753,794	14,927,404,793	44,490,858,581	89,098,252,662
Loans and advances/investments	64,293,659,558	33,893,835,222	63,393,033,546	92,238,665,315	46,205,912,602	300,025,106,242
Fixed assets including premises, furniture and fixtures	-	-	372,377,529	2,876,892,859	-	3,249,270,388
Other assets	2,690,663,793	1,829,867,377	1,223,093,485	215,063,896	4,059,055,103	10,017,743,654
Non-banking assets Land	-	-	-	-	45,081,332	45,081,332
Total assets	**86,477,299,013**	**47,866,693,314**	**92,886,629,116**	**110,258,026,863**	**107,201,651,617**	**444,690,299,923**
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	-	15,022,007,343	-	-	15,022,007,343
Deposits	78,480,685,432	41,104,684,145	46,034,414,665	77,285,806,213	96,261,009,581	339,166,600,036
Other accounts	3,557,652,516	-	-	-	-	3,557,652,516
Non-convertible Subordinated Bond	-	-	-	-	600,000,000	600,000,000
Mercantile Bank Perpetual Bond	-	-	-	-	3,630,000,000	3,630,000,000
Provision and other liabilities	-	1,340,360,222	26,872,687,825	28,690,932,136	-	56,903,980,183
Total liabilities	**82,038,337,948**	**42,445,044,367**	**87,929,109,832**	**105,976,738,349**	**100,491,009,581**	**418,880,240,077**
Net Liquidity Gap	**4,438,961,066**	**5,421,648,947**	**4,957,519,284**	**4,281,288,514**	**6,710,642,036**	**25,810,059,847**

MERCANTILE BANK PLC.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2024

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). As per BRPB Circular letter # 34 dated: 27 August 2023 Mercantile Bank Limited change it's Name as Mercantile Bank PLC. At present, the Bank has 152 Branches including 1 Islamic Banking Branch, 45 Sub-branches, 188 agent banking outlets, 197 own Automated Teller Machines (ATMs), 02 own Cash Recycler Machines (CRM), 2 Off-shore Banking Units (OBU), 45 Islamic Banking Windows and 2,651 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 31 December, 2024. It is to be mentioned here that MBPLC (Having 10% share holding) has obtained Letter of Intent (LOI) to start a Digital Banking Operation under consortium method in the name "Digi10 Bank PLC.". 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, Bangladesh.

1.1 Nature of Business Activities

MBPLC 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. MBPLC 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 PLC. has started centralized 'MBPLC Contact Center' to provide banking services to customers' doorstep on 24/7 basis through 16225.

1.2 Offshore Banking Division

The Offshore Banking is a separate business division commenced its commercial operation on 20th March 2011 after obtaining permission from Bangladesh Bank vide letter no. BRPD (P-3)744(114)/2010-1743, dated May 04, 2010. The Bank has also got approval as per BRPD circular # 2, dated 25 February 2019. At present, the bank has 2 (two) units in operation in Bangladesh under supervision of Offshore Banking Division at Head Office. The Offshore Banking Division are governed by the rules and guidelines of Bangladesh Bank. The principal activities of the Division are to provide all kinds of commercial banking services to its customers in foreign currencies as per guideline and instructions set out by the Bangladesh Bank. Separate Financial Statements of Offshore Banking Division has been drawn up in **Annexure-G.**

1.3 Mobile Banking Division

The Bank obtained the permission for conducting Mobile Banking Operation under reference letter # DCMPS/PSD/37(D)/2011-753, dated 2 November, 2011 of Bangladesh Bank. The main activities of the mobile banking services are to deliver a wide range of financial products and services through mobile phone in the brand of MYCash within the applicable rules & regulations and guidelines of Bangladesh Bank. MYCash is a customer centric mobile financial service with a combination of convenient and secured services to 'Make Life Easy'.

It could be noted that the process of transforming Bank's Mobile Banking Division to a separate subsidiary company for rendering better Mobile Financial Services (MFS) to a wide range of customers in the name of 'MBL MyCash Limited'.

1.4 Islami Banking Division

Mercantile Bank PLC. started its Islamic banking operations through 'Window' mechanism as per Bangladesh Bank approval. Mercantile Bank Islamic Banking, the brand name of the operation is "Taqwa" in operation through 45 (Forty Five) Islamic banking windows and 01 (One) full-fledged Islamic Banking dedicated Branch. A part from this Islami Banking operation provided to customers through Islamic banking window to all non-window branches.

Core issue of Islamic Banking is avoidance of interest and compliance of Sharia in its business process & practice. In addition to the Sharia guidelines, Mercantile Bank Islamic banking operations are strictly complied with the Bangladesh Bank instructions regarding Islamic banking operations and adheres to the followings:

- Completely Separate Fund management.
- Separate book-keeping, Profit & Loss Account by Islamic banking Software of Bank's CBS (T24).
- Investments are made from the Islamic banking deposits only.
- Profit distributions are executed as per approved weightage table.

A separate Balance-sheet and Profits & Loss account are shown in the Annexures-H, of this report. The figures appears in the Annexure have been incorporated in the related heads of financial statement as per accounting standards.

1.5 Agent Banking Division

Mercantile Bank PLC. obtained permission from Bangladesh Bank on 05 August 2019 vide reference no. BRPD(P-3)745(44)/2019-6168 to commence Agent Banking services and subsequently started agent banking operation in 2019 with a view to reaching unbanked population particularly in the geographically dispersed area and offer banking services to potential customers who are currently out of traditional banking periphery. MBPLC. has launched agent banking service with 1 outlet in 2019, which is now 188 cross the country with all new customers. This service includes offering all types of deposit accounts and other banking transactions including bill payments, inward foreign remittance payment, and fund transfer etc.

1.6 Subsidiaries of the Bank

The Bank has 3 (three) subsidiaries as follows:

Name of the Subsidiaries	Principal activities	Country of incorporation	Controlling interest of Mercantile Bank PLC.
Mercantile Bank Securities Limited	Trading securities	Bangladesh	98.61%
MBL Asset Management Limited	Assets Management , Capital Market Operation,	Bangladesh	56.00%
Mercantile Exchange House (UK) Limited	Financial services	UK	100%

Detail as presented in note no. 1.4.1 to 1.4.3

1.6.1 Mercantile Bank Securities Limited

Mercantile Bank Securities Limited (MBSL) was founded in 2010 and started its commercial operation on 14 September, 2011. MBSL has been licensed from Bangladesh Securities and Exchange Commission (BSEC) with a view to carrying out Stock Broker & Dealer business in the capital market and other diversified services to a wide range of customers. MBSL has high quality products and services at a competitive rate. Having seats in both Dhaka Stock Exchange Limited (TREC no. 224) and Chittagong Stock Exchange Limited (TREC no. 140), MBSL has become a trusted name to most of the Institutional investors & retail investors in Bangladesh.

MBSL offers full-fledged international standard brokerage service with margin loan facility. It is also a full service Depository Participant (DP) of Central Depository Bangladesh Ltd. (CDBL). MBSL is dedicated to provide high level of professional and personalized services to its clients at a reasonable cost. MBSL's services are comprehensive in nature, including brokerage, margin loan, CDBL facilities, and research and custodian needs of customers. The Head Office of MBSL is situated at Shawdesh Tower, 41/6 Purana Palton, Dhaka-1000. The Financial Statements of the Company are shown in **Annexure-I**.

1.6.2 MBL Asset Management Limited

MBL Asset Management Limited was incorporated on 29, November 2018 to carry out asset management business, capital market operation, equity investment etc. It has been registered vide code: BSEC/Assets Manager/2020/45 dated 30, January 2020 to run full-fledged business operations. Registered office is located at 61, Dilkusha Commercial Area, Motijheel, Dhaka. The Financial Statements of the company are shown in **Annexure-J**.

1.6.3 Mercantile Exchange House (UK) Limited

Mercantile Exchange House (UK) Limited was incorporated as private limited company with Companies of England and Wales under registration no. 07456837 on 1 December 2010. The company is a wholly owned subsidiary company of Mercantile Bank PLC., which is also the ultimate holding company. Earlier on 17 September 2010, Mercantile Bank PLC. got the permission from Bangladesh Bank for opening a fully owned subsidiary in UK. Mercantile Exchange House (UK) Limited obtained Anti-Money Laundering registration on 21 February 2011 which was issued by HM Customs and Excise of the Government of UK.

The company got registration from Financial Services Authority (FSA) on 7 October 2010 as Small Payment Institution to carry out business under Payment Services Regulations 2009. The company started its commercial operation in London, UK on 20 September 2012. The Head Office of Mercantile Exchange House (UK) Limited is situated at 108 Whitechapel Road, London E1 1JD, UK. The Financial Statements of the company are shown in **Annexure-K**.

2.0 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

The financial statements of the Bank and its subsidiaries have been prepared for the period ended on 31 December, 2024 on a going concern basis in accordance with the First Schedule (Sec-38) of the Bank Companies Act, 1991 (as amended up to 2018), BRPD Circular #14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs) adopted by Financial Reporting Council (FRC) etc.

The Bank has complied with the requirements of following laws and regulations from various Government bodies:

I. The Bank Company Act, 1991(amendment till 2023).

II. The Companies Act, 1994 and amendment thereon.

III. Circulars, Regulations and Guidelines issued by Bangladesh Bank time to time.

IV. Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987 and 2020, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission IPO Rules 2006, Gazette Notification (No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated: 20 June 2018) on Financial Reporting and Disclosure, Any other directives, Orders and Circulars issued by Bangladesh Securities and Exchange Commission (BSEC).

V. Dhaka Stock Exchange (DSE) Listing Regulations, 2015, Chittagong Stock Exchange (CSE) (Listing) Regulations, 2015 and Central depository Bangladesh Limited (CDBL) rules & regulations.

VI. The Income Tax Act 2023 and Fiancne Act 2024.

VII. Statutory Regulatory Orders (SROs), General Orders, Notifications issued by NBR time to time

VIII. The VAT and Supplementary Duty Act, 2012 and amendment thereon; The VAT and Supplementary Duty Rules 2016.

IX. The Financial Reporting Act, 2015.

The consolidated financial statements of the Bank as at and for the period ended 31 December, 2024 have been prepared under the historical cost convention except investments and in accordance with the "first schedule" (section 38) of the Bank Companies Act 1991 as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Accounting Standards, International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and exchange Rules 1987 and 2020, Dhaka and Chittagong Stock Exchange's listing regulations. In case, any requirement of provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Bank has departed from those which are the requirements of IFRSs and IASs in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

2.1.2 Departures from IAS/IFRS

I) Presentation of Financial Statements

IAS: As per IAS 1 Presentation of Financial Statements, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e., balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) is prescribed in the "First Schedule" of Section 38 of the Banking Companies Act, 1991 (amended up to 2023) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

II) Name of the Financial Statements

IAS: As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes comprising a summary of significant accounting policies and other explanatory information.

Bangladesh Bank: The forms of financial statements and directives for preparation thereof of the banking companies in Bangladesh are guided by BRPD circular no. 14 dated 25 June 2003 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

III) Investments in Shares and Securities

IFRS: As per requirements of IFRS 9: Financial Instruments, classification and measurement of investments in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the period- end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted and unquoted shares are revalued on the bases of period end market price and net assets value (NAV) of last audited balance sheet respectively. As per another instruction issued by Department of Off-site Supervision of Bangladesh Bank (DOS) circular letter no. 3 dated 12 March 2015, investment in mutual fund (closed-end) is revalued 'at lower of cost and (higher of market value and 85% of NAV)'. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognized at costs.

IV) Revaluation Gains/(Losses) on Government Securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Where securities are measured 'at fair value through other comprehensive income' then gains or losses shall be recognised in other comprehensive income (OCI), except for impairment gains or losses and foreign exchange gains and losses. The loss allowance arise from impairment shall be recognised in OCI and shall not reduce the carrying amount of financial assets in the Financial Position. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification issue through DOS circular no. 5 dated 28 January 2009, amortisation loss is charged to profit and loss account, mark-to-market loss on revaluation of government securities (T-bills/T -bonds) categorised as held for trading (HFT) is charged to profit and loss account, but any unrealised gain on such revaluation is recognised to revaluation reserve account. T - bills/T - bonds designated as held to maturity (HTM) are measured at amortised cost but interest income/gain is recognised through equity.

V) Provision on Loans/Investments and Off-balance Sheet Items

IFRS: As per IFRS 9, an entity shall recognise an impairment allowance on loans/investments based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans /investments at an amount equal to the lifetime expected credit losses if the credit risk on these loan/investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward- looking. For those loan/ investments for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months' expected credit losses that may result from default events on loan/ investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 8 dated 2 August 2015 BRPD Circular no. 13 dated 15 Jun 2020, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no. 17 dated 28 September 2020, BRPD Circular Letter No. 52 dated 20 October 2020, BRPD Circular Letter No. 56 dated 10 December, 2020, BRPD Circular Letter No. 53 dated 30 December 2021, BRPD Circular Letter No. 63 dated 31 December, 2020 and BRPD Circular Letter No. 13 dated 27 June, 2021, a general provision @ 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) should be maintained regardless of objective evidence of impairment. And specific provision for sub-standard/ doubtful/bad-loss loans should be made at 20%, 50% and 100% respectively on loans net off eligible securities except CMSME, agricultural and micro-credits (if any) (details in Notes 2.2.3). Also, a general provision @ 0.5% - 1% should be provided for certain off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

VI) Recognition of Loans/Investments (interest/Income) in Suspense

IFRS: As per IFRS 9 Loans/Investments to customers are generally classified at amortised cost and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loans/ investments. Once a loans/ investments subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of the loan/investment.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once an Loans/ investment is classified, investment income on such investment is not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest income in suspense account, which is presented as liability in the balance sheet.

VII) Other comprehensive income

IAS: As per 'IAS 1- Presentation of Financial Statements' Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which would strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

VIII) Financial Instruments – Presentation and Disclosure

In several cases, Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 cannot be made in the financial statements.

IX) Financial guarantees

IFRS: IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of the instrument. Financial guarantee liabilities are recognised initially at their fair value and is amortised over the life of the instrument. Any such liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are prescribed to be included within other liabilities

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as LC & LG should be treated as off balance sheet items. No liability is recognized for such guarantee except the cash margin. However, a general provision @ 0.5% -1% is provided against such guarantees.

X) Repo & Reserve Repo transaction

When an entity sells a financial asset and simultaneously enters into an agreement to repurchase asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is treated as a loan and the underlying asset continues to be recognized in the entry's financial statements. The difference between selling price and repurchase price is treated as interest expense. Same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter No. 6 dated 15 July 2010 and subsequent clarification in Dos circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter No. 7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

XI) Cash and cash equivalents

IAS: as per 'IAS 7- Statement of Cash Flows'. Cash and cash equivalent items should be reported as cash items.

Bangladesh Bank: Some cash and cash equivalent items such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

XII) Non banking assets

IAS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, there must exist a face item named Non-banking asset. As per BRPD Circular-22 dated September 20, 2021 a guide line issued for Non Banking Assets accordingly we account for NBA in Balance sheet.

XIII) Cash flow statement

IFRS: As per 'IAS 7- Statement of Cash Flows' The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

XIV) Balance with Bangladesh Bank

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per 'IAS 7- Statement of Cash Flows'.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

XV) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognized. And the disclosure must be given as per 'IAS 38-Intangible Assets'.

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no.14 dated 25 June 2003.

XVI) Off balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

XVII) Disclosure of Appropriation of Profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 an appropriation of profit should be disclosed in the face of profit and loss account.

XVIII) Loans and advances net of provision

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

[Also refer to Note-2.17 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)]

XIX) Recovery of Written off Loans/Investments

IAS: As per IAS 1, an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by any IFRSs. Again, recovery of written off loans investments should be charged to profit and loss account as per IFRS 15: Revenue from Contracts with Customers.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, recoveries of amount previously written off should be adjusted with the specific provision for investments/loans and advances.

2.1.2a Presentation of financial statements

The presentation of the financial statements has been made as per the requirements of BRPD Circular No 14, dated 25 June, 2003 issued by Bangladesh Bank.

2.1.3 Basis of measurement

The financial statements have been prepared on a historical cost convention, except for the following material items;

Items	Basis of Measurement	Application of Accounting Standards	Referred Note No:
Financial Investments	Fair Value	IAS-32, IFRS-7, IFRS-9, IFRS-13	2.2.2
Freehold Land	Stated at Revalued Amount	IAS 16, IFRS-13	16.00 (C)

No adjustment has been made for inflationary factors affecting the financial statements. The accounting policies referred in IAS 8 unless it contradicts with local laws and regulations have been consistently followed by the bank, as appropriate.

2.1.4 Basis of Consolidation

The Consolidated Financial Statements include the financial statements of Mercantile Bank PLC., Off-shore Banking Units and its subsidiaries- Mercantile Bank Securities Limited, MBL Asset Management Limited and Mercantile Bank Exchange House (UK) Limited, prepared as at and for the period ended 31 December, 2024. The Consolidated Financial Statements have been prepared in accordance with IAS 27 "Separate Financial Statements" and IFRS-10 "Consolidated Financial Statements".

Subsidiaries

Subsidiaries are all entities over which the bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. A parent of a subsidiary should present consolidated financial statements according to IAS 27 "Separate financial statements" and IFRS 10 "Consolidated Financial Statements". The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. The conversion policy of subsidiary companies is given below:

Particulars	Price	OBD	Mercantile Bank Exchange House (UK) Ltd.
For Assets & Liabilities	Closing Price	USD 1=120.0000	£1 =150.9600 BDT
For Income & Expenses	Average Price	USD 1=116.1561	£1= 154.2603 BDT

Transactions Eliminated on Consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and Loss resulting from transaction between groups are also eliminated on consolidation.

Preparation of Consolidated Financial Statements

Consolidated Financial Statements have been prepared by using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transactions between groups is also eliminated on consolidation.

2.1.5 Use of Estimates & Judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statement in line with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when-

- the Bank has a legal or constructive obligation as a result of past event.
- It is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas are where management requiring the use of estimate and judgment

- Useful life of depreciable assets.
- Provision for leases, loans, advances and investments for future impairment.
- Provision for Gratuity Fund.
- Right of Use of Assets
- Lease Liabilities
- Revaluation of Land

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

Changes in accounting estimates

Changes are reflected in the assumptions when they occur in accordance with IAS 8, Accounting Policies, and Changes in Accounting Estimates & Errors. During the period, the bank has not adopted any change of accounting estimates and consistency applies same accounting estimates of the previous period.

2.1.6 Foreign Currency Transactions and Translations

i) Functional and Presentation Currency

The Bank has determined Bangladesh Taka (BDT) as functional currency. Moreover, functional currency for Off-shore banking unit is US Dollar (USD) and Mercantile Exchange House (UK) Limited is Pound Sterling (GBP).

The financial statements of Bank and its subsidiaries are presented in Bangladesh Taka (BDT) except as indicated above; financial information has been rounded off to the nearest Taka.

ii) Foreign Currency translation

Transactions in foreign currencies are converted into equivalent BDT applying the ruling rates on the dates of transaction as per IAS-21," The Effects of Changes in Foreign Exchange Rates". Foreign currencies balances held in US dollar are converted into BDT at weighted average rate of interbank market as determined by Bangladesh Bank on the closing date of every month. Balance held in foreign currency other than US dollar are converted into equivalent US dollar at buying rates of New York closing of the previous day and converted into BDT equivalent.

Foreign currencies are translated into BDT at the following rates as on 31 December, 2024:

Currency	BDT
USD 1=	120.0000
GBP 1=	150.9600
EURO 1=	125.1060
JYEN 1=	0.7604

Other foreign currency related transactions have been converted by using the rate of exchange prevailing on the dates of such transactions.

iii) Commitments

Commitments for outstanding forwarded foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent commitments for letter of credits and letter of guarantees denominated in foreign currencies are expressed in BDT terms at the rates of exchange prevailing on the balance sheet date.

iv) Translation gains or losses

The resulting exchange transactions gains or losses are included in the profit or loss account, except those arising on the translation of net investment in foreign subsidiary.

v) Foreign operation

The results and financial position of the Bank's operation whose functional currency is not Bangladeshi Taka are translated into Bangladeshi Taka as follows:

a) Assets and liabilities are translated at the exchange rate prevailing at the balance sheet date;

b) Income and expenses in the income statement are translated at an average rate approximating the exchange rates at the period end;

c) Resulting exchange differences are recognized as a separate component of equity;

d) As per IAS 21, "Foreign Currency Transactions", foreign currency denominated non-monetary items of OBDs are translated at historical rate, as the OBDs are considered as an integral part of the Bank's operation not a foreign operation due to specific regulations governing the OBD and unique nature.

2.1.7 Going concern

Going concern is one of the fundamental assumptions in accounting on the basis of which all the financial statements are prepared. The financial statements of the Bank have been prepared assuming that a business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly restrain its operational activities. Therefore, it is assumed that the entity will realize its assets and settle its obligations in the normal course of the business. It is the responsibility of the management of the bank to determine whether the going concern assumption is appropriate in the preparation of financial statements.

2.1.8 Materiality and aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenditures are presented on a net basis only when permitted by the relevant accounting standards.

2.1.9 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, the bank applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8.

2.1.10 Comparative figures

Comparative information has been disclosed in respect of the period ended 31 December, 2024 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current period financial statements. Previous period have been rearranged whenever considered necessary to ensure comparability with the current period.

2.1.11 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with the guideline of BRPD Circular # 14, dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank which is a combination of direct and indirect methods. In addition to BRPD Circular 14, dated 25 June 2003 as stated, MBPLC. also follows IAS-7 for areas not covered in the above circular.

2.1.12 Branch accounting

The bank has 152 branches and 45 Sub-branches as on 31 December, 2024. Accounts of the branches and sub-branches are maintained at the Branch/Sub-branches level, and consolidated through the "**Temenos T24**" Core Banking Software (CBS) automatically in head office from which these accounts are drawn up.

2.1.13 Liquidity Statement

The liquidity statement of assets and liabilities has been prepared in accordance with the residual maturity grouping as on 31 December, 2024 under the presented format of BRPD Circular # 14 dated 25 June 2003. MBPLC has prepared its liquidity statement on following basis:

	Items	On the basis of
a.	Balance with other Banks and financial institutions, money at call and short notice, etc.	maturity term
b.	Investments	respective maturity
c.	Loans and advances/ investments	repayment schedules
d.	Fixed assets	useful lives
e.	Other assets	realizations/ amortizations
f.	Non- banking assets Land	useful lives
g.	Borrowing from other banks, financial institutions and agents etc.	maturities/ repayment terms
h.	Deposits and other accounts	Maturity term and past trend of withdrawal by the depositors.
i.	Other long term liability	Maturity term
j.	Provisions and other liabilities	payments/ adjustments schedule

2.1.14 Reporting Period

These financial statements cover from 1 January, 2024 to 31 December, 2024.

2.1.15 Events after the reporting period (IAS 10)

Events after the reporting period refer those events, which could be favorable or unfavorable, that occur between the end of the reporting period and the date that the financial statements are authorized for issue.

2.2 Assets & Basis of their Valuation

2.2.1 Cash & Cash Equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the Bank for its short term commitments.

2.2.2 Investments

All investment securities are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method is taken to discount income as per IAS 32 "Financial Instruments: Presentations" and IFRS 9 "Financial Instruments". Details of investment in shares/securities are given in. The valuation methods of investments include: Please see **Annexure-C**.

Investments in Bond

Investment in Subordinated Bond

Investment in Subordinated Bond is recognized at cost price.

Bangladesh Government Investment Sukuk

Investment in Bangladesh Government Investment Sukuk is recognized at cost price.

Islamic Investment Bond

Investment in Bangladesh Government Islamic Investment Bond (BGIIB) is reported at cost price.

Held To Maturity (HTM)

HTM consist the Government approved securities in the mode of Treasury bond & Bills which are classified as per Bangladesh Bank DOS Circular # 5, dated 26 May 2008 and DOS Circular # 5, dated 28 January 2009. These securities bear fixed coupon payments and are revalued annually on amortized cost method as directed by Bangladesh Bank. The change in revaluation of the securities is reflected in the Changes in Equity Statement. Please see **Annexure-D**.

Held For Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the statement of income for the period in which it arises. These investments are subsequently measured at present value as per the Bangladesh Bank Guideline. Investments in securities have been revalued as mark-to-market as at 31 December, 2024 and have been shown in the equity. Please see **Annexure- D**.

Investment in Listed Securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are valued and reported at market price as per Bangladesh Bank's guidelines. Booking of provision for Investment in securities (gain /loss net off basis) are made as per DOS Circular No. 4 dated 24 November 2011.

Investment in Unlisted Securities

Investment in unlisted securities is reported at cost under cost method or NAV if audited financial statements are available. The required Adjustments are given for any shortage of book value over cost in determining the carrying amount of investment in unlisted securities.

Investment - Initial Recognition and Subsequent Measurement

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds- Held to Maturity (HTM)	Cost	Amortized cost at each period end	Increase or decrease in value to equity and profit & Loss account respectively.
Govt. T-bills/bonds- Held for Trading (HFT)	Cost	Fair Value (Weekly revalued at Fair Market value through MTM valuation process)	Loss to profit & loss account, Gain to Revaluation Reserve through Profit & Loss Account.
Shares (Quoted)	Cost	Lower of Cost or Market Value (overall portfolio)	Loss (gain net off) to Profit & Loss account but no unrealized gain booking.

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
Share (Unquoted)	Cost	Lower of Cost or Net Asset value (NAV)	Loss to profit & Loss account but no unrealized gain booking.
Mutual Fund (Open-end)	Cost	If average cost price (CP) > NAVCMP * 0.95, then required provision per unit will be (RP)= CP- NAVCMP * 0.85	Loss (net) to profit and loss account but no unrealised gain booking
Mutual Fund (Closed-end)	Cost	If CP > Market Value (MV) or CP > NAVCMP * 0.85, then required provision (RP) per unit will be: in case of MV ≥ NAVCMP *0.85, then RP = CP- MV or in case of MV < NAVCMP * 0.85, then RP = CP- NAVCMP * 0.85	Loss (net) to profit and loss account but no unrealised gain booking
Prize Bond	Cost	Cost	N/A

Investments in Subsidiaries

The Bank recognizes investment in subsidiaries under cost method in the group financial statements in accordance with IAS 27, "Consolidated and Separate Financial Statements", IFRS 3 "Business Combination", IAS 36 "Impairment of Assets", IFRS 10, "Consolidated Financial Statements" and IFRS 12, "Disclosure of Interests in Other Entities" . Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment losses (if any).

REPO and reverse REPO

The Bank has been recording transactions of REPO and reverse REPO following DOS circular no. 6 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing (Treasury Bill) securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously as per IFRS 7 "Financial Instruments: Disclosures".

2.2.3 Loans & Advances/ investments

a. Loans and Advances/investments are stated in the balance sheet on gross basis.

b. Interest/profit is calculated on a daily product basis but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest/profit is not accounted for as income until realized from borrowers. Interest/ profit is not charged on bad and loss loans/investment as per guidelines of Bangladesh Bank. Records of such interest/profit amounts are kept in separate accounts.

c. Commission and discounts on bills purchased and discounted are recognized at the time of realization.

d. Provision for loans and advances/investment is made on the basis of period end review by the management following instructions contained in Bangladesh Bank BRPD Circular no. 7 dated 6 December 2005, BRPD Circular no. 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012, BRPD Circular no. 5 dated 29 May 2013, BRPD Circular no. 16 dated 18 November 2014. BRPD Circular no. 8 dated 2 August 2015, BRPD Circular no. 13 dated 15 Jun 2020, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no. 17 dated 28 September 2020, BRPD Circular Letter No. 52 dated 20 October 2020, BRPD Circular Letter No. 56 dated 10 December, 2020, BRPD Circular Letter No. 53 dated 30 December 2021, BRPD Circular Letter No. 63 dated 31 December, 2020 and BRPD Circular Letter No. 13 dated 27 June, 2021 and BRPD Circular Letter No. 06 dated 25 April 2023 and. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (amended up to 2018) and Instruction Circular Letter No. 2969 dated 22 December, 2022 .The rates of provision for loans and advances are given below:

Rate of Provision for Unclassified Loans and Advances/Investments

Particulars	31.12.24	31.12.23
Unclassified loans under Small and Medium Enterprise Financing (SMEF)	0.25%	0.25%
Unclassified loans under Housing Finance (HF)	1%	1%
Unclassified loans under Loans for Professionals (LP) to set up business under Consumer Financing	2%	2%

Particulars	31.12.24	31.12.23
Unclassified loans under Consumer Financing (CF) other than Housing Finance and loans for professionals	2%	5%
Unclassified loans under Credit Cards	2%	2%
Unclassified loans to Brokerage House, Merchant Banking, Stock dealers' etc.	2%	2%
All unclassified loans other than loans under Small and Medium Enterprise Financing (SMEF), Housing Finance (HF), Loans for Professionals (LP) Consumer Financing (CF), Loan to Brokerage House, Merchant Banking, Stock Dealers' etc. and short-term agricultural and micro-credit scheme	1%	1%
Unclassified loans under short-term agricultural and micro-credit scheme	1%	1%
Special General Provision under COVID-19	2%	1%

Off-balance Sheet exposures:

Particulars	31.12.24	31.12.23
Acceptances and endorsements	1%	1%
Letters of Guarantee		
Counter Guarantee rating-1	-	-
Counter Guarantee rating-2	0.50%	0.50%
Counter Guarantee rating-3 or 4	0.75%	0.75%
Counter Guarantee rating- other	1%	1%
Irrevocable Letters of Credit	1%	1%
Bills for Collection	-	-
Forward Contracts	1%	1%
Undrawn formal standby facilities, credit lines and other commitments	1%	1%

In accordance with BRPD Circular no. 05 dated 29 May, 2013, the rate of provision on the outstanding amount of loans kept in the 'Special Mention Account' will be the same as the rates stated above depending on the types of loans and advances.

Rate of provision for Classified Loans and Advances/Investments

Particulars	31.12.24	31.12.23
Specific Provision on Sub-standard loans and advances (SS)	20%	20%
Specific Provision on Doubtful loans and advances (DF)	50%	50%
Specific Provision on Bad/Loss loans and advances (BL)	100%	100%

Rate of provision for cottage, micro, small and medium enterprise (CMSME)

Particulars	31.12.24	31.12.23
Specific Provision on Sub-standard loans and advances (SS) under CMSME	5%	20%
Specific Provision on Doubtful loans and advances (DF) under CMSME	20%	50%
Specific Provision on Bad/Loss loans and advances (BL) under CMSME	100%	100%

Rate for provision for Short-term Agricultural and Micro-credits

Particulars	31.12.24	31.12.23
Specific Provision on Substandard (SS)	5%	5%
Specific Provision on Doubtful (DF)	5%	5%
Specific Provision on Bad/Loss (BL)	100%	100%

e. Loans and advances/investment are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are pending as per guidelines of Bangladesh Bank. These write off; however, will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

f. Amounts receivable on Credit Cards are included in advances to customers at the amounts expected to be recovered.

g. General Provision against all unclassified Credit Card Loans under Consumer Financing: BRPD Circular No-12 dated 20 August, 2017and BRPD Circular No-47 dated 28 September 2020.

h. Provision for Short-term Agricultural and Micro-Credits: BRPD Circular No-15 dated 27 September, 2017.

2.2.4 Fixed Assets including premises, furniture and fixtures (Property, Plant & Equipment)

a. Recognition and Measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 "Property Plant and Equipment" except Land. Land is initially measured at cost and then recognized at revalued amount.

The cost of an item of property, plant and equipment is recognizes as an asset if- it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

The cost of the items of property, plant and equipment comprises:

i) its purchase price, including import duties and non refundable purchase tax, after deducting trade discount and rebates.

ii) Any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

iii) The initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as consequence of having used the item during a particular period of purpose other than to produce during that period.

Subsequent costs

Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

b. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The rates at which property, plant and equipment are depreciated for current period are as follows:

Category of Assets	Estimated useful lives (Years)	Rate
Land and Land Development	Nil	Nil
Building	40	2.5%
Furniture and Fixtures	10	10%
Office Equipment	5	20%
Vehicles	5	20%
Books	5	20%

For addition to property, plant and equipment; depreciation is charged from the month of capitalization and no depreciation is charged in the month of disposal.

c. Disposal of Fixed Assets

The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule and gains or losses on disposal of an item of property, plant and equipment are to be determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment disposed off. Profit or (loss) if any is accounted for in "Other Operating Income" head.

d. Revaluation

The fair value of land and building usually refers its market value. This value is determined by appraisal, normally undertaken by professionally qualified experts. The fair value of items of plant and equipment is usually their market value, determined by appraisal. The frequency of revaluation depends upon the movements in the fair value of the items of property, plant and equipment being revalued.

Increases in the carrying amount as a result of revaluation are credited to shareholders equity under the heading of revaluation surplus. Decreases in the carrying amount as a result of revaluation are recognized as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of same assets.

e. Capital work in progress (CWIP)

Costs incurred but if the related asset is yet not ready or available to use are recognized as capital work in progress and disclosed as a part of fixed assets. Once the underlying asset is ready and available to use then it has been transferred to fixed assets stated at cost. These are expenses of a capital nature directly incurred in the construction of building, system development, awaiting capitalization. However, no depreciation is calculated on CWIP.

f. Borrowing costs

As per IAS 23, Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets have been capitalized as part of the cost of the assets.

2.2.5 Intangible Assets

a. Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Acquisitions of minority interest (non-controlling interest) are accounted as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Subsequently goodwill is measured at cost less accumulated impairment losses.

b. Software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.

c. License

Value of license is recognised at cost and since it has an indefinite useful life it is not amortised. The value of the license is not measured at fair value.

2.2.6 Assets Revaluation Reserve

The Bank has revalued assets in 2011 by an independent valuation firm as per IAS 16 "Property, Plant & Equipment".

2.2.7 Impairment of Financial Assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36: Impairment of Assets. At each balance sheet date, Mercantile Bank PLC. assesses whether there is objective evidence that a financial asset or a group of financial assets, i.e., general investments, off-balance sheet items and investments in shares and securities are impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if-

- There is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- The loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and
- A reliable estimate of the loss amount can be made.

  In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

2.2.8 Other Assets

Other assets of the Bank include all balance sheet items which are not covered specifically in other areas of the supervisory activity and such items may be insignificant in terms of overall financial condition of the Bank. Provisions for other assets (if any) are guided by the BRPD Circular No. 04 dated 12 April, 2022.

2.2.9 Inventories

Inventories are measured at the lower of cost and net realizable value.

2.2.10 Lease

Mercantile Bank PLC. applied IFRS 16: Leases using modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

According to IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement, the Bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments as well as the impact of lease modifications, amongst others.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit and loss account on a straight-line basis over the lease term.

On the balance sheet, right-of-use assets have been included in fixed assets including premises, furniture and fixtures and lease liabilities have been included in other liabilities.

In addition, incremental borrowing rate has considered at the rate of 5%.

Impairment of Fixed Assets

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognised as an expense in the profit and loss account unless the asset is carried at revalued amount in accordance with IAS 16 in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that accounting standard. No impairment loss was recognised up to the reporting period as there were no such indications existed as at balance sheet date.

Investment Properties

Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business.

Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost less accumulated depreciation and accumulated impairment loss.

2.2.11 Receivables

The Bank recognizes receivables when there is a contractual right to receive cash or in form of another financial asset from another entity.

2.2.12 Non- Banking Assets

Non-banking assets were acquired due to failure of borrowers to repay the loan in time taken against mortgaged property. The Bank was awarded absolute ownership on few mortgaged properties (mostly land) through the verdict of the Honourable court under section 33(7) of the Artharin Adalat Act 2003. The value of the properties has been recognized in the financial statements on the basis of third party valuation as well as Bank internal valuation committee and reported as non income generating assets and account for in the financial statement as per BRPD Circular no. 22, dated on 20 September 2021.Party wise details (including possession date) of the properties are separately presented in note-10 and **Annexure –D1**.

2.2.13 Reconciliation of Inter- bank & Inter- branch Account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences, which may affect the financial statements significantly. Un-reconciled entries/ balances in inter-branch transactions as on the reporting date are not material.

Liabilities & Provisions

Placement from other Banks and Financial Institutions include profit bearing placements and Bangladesh Bank refinance. These items are brought to the financial statements at the gross value of the outstanding balance.

2.3 Borrowings from Other Banks, Financial Institutions & Agents

Borrowings include call deposits, Bangladesh Bank refinance, other banks borrowings, off-shore banking unit. The amounts are recognized at the repayable amount. Interest expenses on these amounts are charge to the profit or loss account.

2.4.1 Non-Convertible Subordinated Bond

The Bank has issued 7 (Seven) years term subordinated bond during the year 2014 for BDT 3,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy" through Bangladesh Bank approval letter # BRPD (BIC) 661/14B (P)/ 2014, dated 15 April 2014. The Bank has further issued 7 (Seven) years term 2nd subordinated bond during the year 2018 for BDT 3,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with BASEL III)" vide BRPD Circular No- 18 dated December 21, 2014 through Bangladesh Bank approval letter # BRPD (BFIS) 661/14B(P)/2018-3835 dated June 07,2018 and Bangladesh Securities and Exchange Commission approval letter # BSEC/CI/CPLC/DS-210/2018/347 dated May 21,2018.

2.4.2 Mercantile Bank Perpetual Bond

In consideration of Bank proposal for issuance of Perpetual Bond to have capital support under Tier-I core capital following "Guideline on Risk based capital Adequacy" (revised regulatory capital framework for banks in line with Basel-III), Bangladesh Securities and Exchange

Commission has given consent vide their letter # BSEC/CI/DS-145/2021/823 dated May 24, 2022 for issuance of Perpetual Bond for BDT 500.00 crore (through Private Placement (90%) of BDT 450.00 crore and Public Placement (10%) of BDT 50.00 crore). Earlier Bangladesh Bank has also approved of the above issue vide their letter # BRPD (BFIS) 661/14B(P)/2021-11665 dated December 14, 2021. Bank has subscribed Perpetual Bond amounting for BDT 363.00 crore from private placement as on 31 December, 2024.

2.5 Deposits & Other Accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for the gross value of the outstanding balance in accordance with the contractual agreements with the counterparties.

2.6.1 Benefits to Employees

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with the provisions of IAS 19 "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

Provident Fund (Defined Contribution Plan)

Provident fund benefits are given to the permanent employees' of the Bank in accordance with Bank's service rules. Accordingly, a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone -3, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part - B of the First Schedule of Income Tax 2023.

The recognition took effect from 2 June 1999. The Fund is operated by a Board of Trustees consisting of six members (3 members from the management side and other 3 members from the Board of Directors including Managing Director) of the Bank. All confirmed employees of the Bank are continuing their contribution @10% of their basic salary as subscription to the Fund. The Bank also similarly contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on period basis.

Gratuity Fund (Defined Benefit Plan)

The Bank has started providing Gratuity fund, which was approved by the National Board of Revenue on 5 October 2006. The Fund is operated by a Board of Trustees consisting of 7 (seven) members of whom 3 members are from the Board of Directors including Managing Director of the Bank.

Employees of the bank are entitled to gratuity benefit at the following amount:

Duration of continuous and confirmed service	Entitlement
Up to 10 years	01 (One) month 'basic' pay for each completed year of service.
From 11 year and above	For the first 10 years, 01 (one) month's basic for each completed year.
	From 11th year to 25th year, 02 (two) months 'basic' pay for each completed year of service.
	Total entitlement maximum of 40 (forty) months 'basic' pay.

Welfare Fund

Mercantile Bank PLC. Employees' Welfare Fund is subscribed by monthly contribution of the employees. The Bank also contributes to the Fund from time to time. The Fund has been established to provide coverage in the event of accidental death or permanent disabilities, a portion of retirement benefit & stipend to the employees' children. Disbursement from the fund is done as per prescribed rules of employees' Welfare Fund.

Incentive Bonus

Mercantile Bank PLC. has good practice to motivate employees through offering "Incentive Bonus" depending on performance of Banks Profit.

Other Liabilities

Other liabilities comprise items such as provision for general investments, provision for investments in shares and securities, provision for taxation, profit payable, interest suspense, accrued expenses, obligation under finance lease, etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, income tax laws and internal policy of the Bank.

As per IAS 37: Provisions, Contingent Liabilities and Contingent Assets, the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made

Startup Fund

In compliance with Bangladesh Bank SMESPD Circular no.-04, dated 29 March, 2021; Mercantile Bank PLC. has formed startup fund in order to facilitate innovations for marketing new products, services and technologies, and such enterprises would create employment and assets in the country.

2.6.2 Taxation

Current Tax

Provision for current income tax has been made on the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure and provisions as per Income Tax Act 2023 in compliance with IAS 12: Income Taxes.

Deferred Tax

Principle of Recognition

Deferred tax is recognized as income or an expense amount within the tax charge, and included in the net profit and loss account for the period.

Recognition of Taxable Temporary Difference

A deferred tax liability is recognized for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Recognition of Deductible Temporary Difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.6.3 Off- Balance Sheet Items & Provisions

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines, BRPD Circular No. 13 dated 18 October 2018, BRPD Circular # 10, dated 18 September 2007, BRPD Circular # 14, dated 23 September 2012, and BRPD Circular No-07 dated 21 June 2018, and BRPD Circular No-06 dated 25 April 2023 Banks are required to maintain provision @1% against off-balance sheet exposures (L/C and Guarantee) effective from December 2008. However, in reference to the BRPD circular No.07, dated 21 June 2018, it was instructed that banks will not to maintain any provision relating to the Bills for collection. Further, it was also instructed that Banks will not have to maintain any provision against counter guarantee of government/Multilateral Development Bank (MDB)/International Bank provided that the counter guarantee issuing Multilateral Development Bank (MDB)/International Bank has to have Bangladesh Bank rating grade-1 equivalent outlined in the Guidelines on Risk based Capital adequacy (Revised Regulatory Capital framework for banks in line with Basel III).

2.6.4 Provisions for Nostro Accounts

As per instruction contained in the Circular letter No. FEPD (FEMO)/ 01/ 2005-677, dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of Nostro account as on the reporting date in these financials.

2.7 Share Capital

Ordinary shares are classified as capital/ shareholders' equity which has no contractual obligation to transfer cash or other financial assets.

2.7.1 Authorized capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association. Details of which are shown in Note 14.

2.7.2 Paid up capital

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Details of which are shown in Note 14.3

2.8 Statutory Reserve

As per the provision of section 24 of the Bank Company Act 1991 (as amended up to 2023), the Bank requires to transfer 20% of its current period profit before tax to reserve until such reserve equals to its paid up capital. Accordingly, Bank has transferred requisite portion of current period profit to the statutory reserve account.

2.9 Non-Controlling Interest

Non-Controlling Interests are measured at their proportionate share of the acquires identifiable net assets at the date of acquisition as per Para 19 of IFRS 3 "Business Combinations". The company presents the non-controlling interests in the consolidated balance sheet within equity, separately from the equity of the owners of parent as per Para 22 of IFRS 10 "Consolidated Financial Statements". Changes in Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction as per Para 23 of IFRS 10 "Consolidated Financial Statements". The company attributes the profit and loss to the owners of the parent and to the non-controlling interests even if the results in the non-controlling interest having a deficit balance as per provision of Para B94 of IFRS 10 "Consolidated Financial Statements". When the proportion of the equity held by the non-controlling interests changes, the company adjusted the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary and recognized directly in equity for any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent by as per provision of Para B96 of IFRS 10 "Consolidated Financial Statements".

Further details about non-controlling interest are given in **Note -17** of Financial Statements.

2.10 Revenue Recognition as per IFRS 15: Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing recognition guidance, IAS 18 "Revenue".

Based on preliminary assessment the Mercantile Bank has determined that IFRS 15 has no material impact on its financial statements. The impact of IFRS 15 will vary depending on a bank's existing accounting policies and the nature and mix of its products. Areas most affected could include, but are not limited to, credit cards and loyalty schemes, commissions, advisory contracts and bundled products. There might not be significant changes in how banks account for revenue, but all banks will need to review their contracts to ascertain how the new standard applies to their particular circumstances. Hence, Mercantile Bank herein should also consider how they will comply with the new disclosures required by IFRS 15.

This standard IRFS 15 contains principles that a bank will apply to determine the amount and timing of revenue. The underlying principle is for a bank to recognize revenue as it renders services to customers at an amount that the entity expects to be entitled to in exchange for those services. The bank will apply a five-step approach:

Step 1: Identify the contract(s) with the customer.

Step 2: Identify the separate performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to separate performance obligations.

Step 5: Recognize revenue when (or as) each performance obligation is satisfied.

2.10.1 Interest Income

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis. Interest on loans and advances ceases to be taken into income when such advances fall under classification. It is then kept in interest suspense account. Interest on classified loans and advances is accounted for on a cash receipt basis.

Profit on investment

Mark-up on investment is taken into income account proportionately from Unearned Income account. Income/compensation on classified investments is transferred to compensation/suspense account instead of income account

2.10.2 Interest /Profit Paid & Other Expenses

Interest paid on borrowing and other deposits (conventional banking)

Interest paid and other expenses are recognized on accrual basis.

Profit paid on deposits (Islamic Banking)

Profit paid to mudaraba deposits is recognized on accrual basis according to Investment Income Sharing Ratio (ISR) applied through commensurating appropriate weightage.

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

2.10.3 Investment Income

Interest income on investments is recognized on accrual basis using effective interest rate. Capital gains on investments in shares are recognized as income and credited to investment income in the profit and loss statement Capital Gains are recognized when these are realized.

2.10.4 Fees & Commission Income

Fees and Commission income arising on services provided by the Bank are recognized when those are realized. Commission charged to customers on letters of credit and letters of guarantee is credited to income as per terms and conditions of Letter of Credit or Letter of Guarantee in the books of accounts.

2.10.5 Dividend Income on Shares

Dividend income from investments in shares is recognised when the Bank's right to receive dividend is established. It is recognised when-

a. It is probable that the economic benefits associated with the transaction will flow to the entity; and

b. The amount of the revenue can be measured reliably.

2.10.6 Rebate to good borrower

As per BRPD Circular No 6 dated 19 March, 2015 and BRPD Circular No 3 dated 16 February, 2016 Banks are required to provide 10% interest rebate to the good borrower subject to some qualifying criteria. The bank has a policy to provide the rebate to the customer accordingly.

2.10.7 Dividend Distribution Policy

The Bank formulates its Dividend Distribution Policy in accordance with the directives of Bangladesh Securities and Exchange Commission (BSEC) as per reference no. BSEC/CMRRCD/2021-386/03 dated. 14 January 2021.

As the major strategic objectives of the Bank is to increase shareholders' value by pursuing ethical practices in the conduct of its business and maintaining high standard of disclosure and transparency; the Board, management and other functionaries have distinctly demarcated roles in achieving the corporate goals. The dividend for each year is recommended by the Board at its discretion for declaration by the shareholders in Annual General Meeting as per the Policy guidelines, after taking into account of Bangladesh Bank instruction regarding dividend distribution, financial performance of the Bank, its future plans, internal and external factors, Dividend payout trends, Tax implications, Cost of raising funds from alternate sources of capital, Corporate actions including expansion plans and investment in subsidiaries/associates of the Bank, Shareholder expectations and statutory restrictions, etc. The Bank also utilizes the retained earnings in a manner which is beneficial to the interest of the Bank and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of capital adequacy ratios, meeting the Bank's future business growth / expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Bank and its stakeholders. Moreover, Mercantile Bank PLC. ensures timely adaption of any directives and circulars prescribed by Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited regarding dividend distribution and management from time to time.

Dividend Payments

Final Dividend of the Bank and its subsidiaries is recognized only when the shareholders' right to receive payment is established and when it is approved by the shareholders in the AGM.

2.11 MBPLC Foundation

Mercantile Bank PLC. performs its Corporate Social Responsibilities and other voluntary and charitable activities as per the guidelines of Bangladesh Bank and other regulatory frameworks for the welfare of society through Mercantile Bank PLC. Foundation since 2000.

2.12 Operating Segments

Segmental information is presented in respect of Mercantile Bank PLC. and its subsidiary. Business segments report consists of products and services whose risks and returns are different from those of other business segments. These segments comprise main operations of Commercial Banking including Off-shore Banking Units, Mercantile Bank Securities Limited; MBL Assts Managements Limited and Mercantile Exchange House (UK) Ltd. Geographical segments report consists of products and services within a particular economic environment where risks and returns are different from those of other economic environments. Inter-segment transactions are generally based on inter-branch fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specifically identified with individual segments.

The Bank's Compliance with Related Pronouncement of Bangladesh Bank.

2.13 Risk Management

The risk of Mercantile Bank PLC. is defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking viz. credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk, equity risk, operational risk and reputation risk arising from money laundering incidences. The prime objective of the risk management is that the Bank evaluates and takes well calculative business risks and thereby safeguarding the Bank's capital, its financial resources and profitability from various business risks through its own measures and through implementing Risk Management Guidelines issued by Bangladesh Bank through DOS Circular No. 4 dated 08 October, 2018 and following some of the best practices as under:

Core Risk Management

BRPD Circulars No.17 dated 7 October 2003 and BRPD Circular No. 4 dated 5 March 2007 require banks to put in place an effective risk management system. The risk management system of the bank covers the following risk area:

2.13.1 Credit Risk

Credit risk arises mainly from lending, trade finance, and leasing and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his/ her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has segregated duties of the officers/ executives involved in credit related activities. A separate Corporate Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval; administration, monitoring and recovery functions have been segregated.

For this purpose, three separate units have been formed within the Credit Division. These are (a) Credit Risk Management Unit (b) Credit Administration Unit and (c) Credit Monitoring and Recovery Unit. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/ strategy for lending operation, etc. Adequate provision has been made on classified loans.

A thorough assessment is done before sanction of any credit facility at Credit Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at Corporate Division by the Relationship Manager / Officer and ends at Credit Risk Management Unit when it is approved/ declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposals beyond their delegation are approved/ declined by the Executive Committee and/ or the Management of the Bank.

In determining Single borrower / large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines.

2.13.2 Liquidity Risk/ Assets Liability Management

The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines which is formulated in line with "Managing Core Risks in Banking: Asset-Liability Management" policy issued by Bangladesh Bank. Treasury front office is supported by a very structured Mid Office and Back Office. Asset Liability Committee (ALCO) monitors the Liquidity Management on a regular basis. A written contingency plan is in place to manage crisis situation.

2.13.3 Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and commodity prices.

Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. No foreign exchange dealing on Bank's account was conducted during the period.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and the management for its settlement reviews outstanding entry beyond 30 days. The position maintained by the bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

Interest Rate Risk

Interest rate risk may arise either from trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of Government Treasury Bills and Treasury Bonds with maturity varied from 1 to 20 years. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

2.13.4 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risks in the Bank are managed through a comprehensive and well-articulated internal control framework. Material losses are regularly analyzed by cause and actions are taken to improve system and controls to prevent recurrence in the future.

Bank has restructured Internal Control and Compliance Division (ICCD) headed by a senior level executive in light of Core Risk guidelines of Bangladesh Bank. As a tool of Internal Control, the Audit and inspection teams undertake periodic and special audit and inspection on the branches and departments/ divisions of Head Office in order to sort out the weaknesses and defects in the control process and report to the management for taking corrective measures to protect the interests of the Bank.

The Compliance & Monitoring Units ensure timely and proper compliance of all regulatory instructions and internal policies and procedures in the day-to-day operation of the Bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the Bank. ICC Division reports serious non-compliances detected by internal and external auditors with up-to-date compliance position i.e. large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures.

The ICC division also ensures the clear definition of organizational structure, appropriate assignment, accountability and delegation of authorities to functional management to create control and compliance culture within organization with the active guidance and supervision of senior management and Board of Directors.

Operating Environment:

The Bank's operating environment during the period ended 31 December, 2024 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, ongoing Russia-Ukraine conflict, increase in fuel and commodity prices, strengthening of US Dollars,etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operation. From time to time, The Government of Bangladesh and the central Bank has issued various directives to manage impacts from these events which the bank has followed. Top Management on regular basis review and monitor the global and country specific macro-economic situation and consider these issues into the decision making process

2.13.5 Reputation Risk Arising from Money Laundering Incidences

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Compliance Officer at Head Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and transaction profile has been introduced. Training is continuously given to all the category of Officers and Executives for developing awareness and skill for identifying suspicious activities/ transactions.

2.13.6 Internal Control & Compliance Risk

To ensure the integrity of liquidity risk management process, Bank has adequate internal controls. These are an integral part of the Bank's overall system of internal control. An effective system of internal control for liquidity risk includes:

- a strong control environment;
- an adequate process for identifying and evaluating liquidity risk;
- the establishment of control activities such as policies and procedures;
- adequate information systems; and
- Continual review of adherence to established policies and procedures.

Our all aspects of the internal control system are effective, including those aspects that are not directly part of the risk management process. The system is evaluated and reviewed regularly by the Management.

Internal Audit

The Bank's compliance risk management system is subject to implementation by the senior management and a qualified compliance officer/ staff and reviewed by an effective and comprehensive internal audit function.

Compliance risk included in the risk assessment methodology of the internal audit function and an audit program that covers the adequacy and effectiveness of the Bank's compliance function established, including testing of controls commensurate with the perceived level of risk.

This principle implies that the compliance function and the internal audit function separate to ensure that the activities of the compliance function are subject to independent review. However, the audit function keep the head of compliance informed of any audit findings related to compliance.

2.13.7 Fraud and Forgeries

Fraud Detection and Management Process: Internal Audit (IA) team conducts surprise audit on all branches/sub-branches and departments/ divisions of the Head Office at least once in a year. While auditing branches/sub-branches and offices, the IA team thoroughly checks the operational activities of the branches/ offices including transactions in various accounts and search for any irregularities occurred in those accounts. IA team also monitors the staff accounts and if necessary investigate the suspicious transactions and report the same to the management. IA team also conducts investigation into specific allegations and submits report to the management for action. Senior management of the bank also conduct regular visit to branches and advise the branch officials to comply with all the regulatory instructions, policies and procedures of the Bank. Proper financial impact has been given in the books of accounts of the Bank as well as appropriate action has been taken for any financial irregularities due to fraud or forgery.

2.13.8 Information Technology Risk

Information and Communication Technology (ICT) is the major resource for fueling business ideas and innovations. At the same time, Information & Communication Technology Security Risk is being considered as one of the major/core risks for financial industry. Hence, Information and related technology inevitably needs to be suitably protected through ensuring acceptable level of Information Security to ensure business continuity, minimize business risk, and maximize return on investments and to help the business to gain a competitive edge/advantage and opportunities.

- ICT Security Policy of MBPLC. is prepared in line with the latest ICT Security Guideline of Bangladesh Bank.
- Vulnerability Assessment and Penetration Testing (VAPT) has been conducted regularly.
- Unauthorized application/software is strictly prohibited to use in MBPLC.
- Unique username and password are assigned to each user to all systems.

- Accesses to specific services or modules are limited based on user rights and defined user roles.
- "Committed to Build Human Firewall" is being set as objective of ICT Security Unit.
- Interactive and progressive activities like simulated phishing attack, Cyber Awareness Session and Quizzes are conducted regularly to minimize internal threats and protect data privacy & breach.
- Administrative Privileges are defined based on mandatory need basis only.
- Public facing services like Internet Banking, Digital app, Mobile Banking, Card Systems have additional layer of security like multi-factor authentication, SMS, E-mail alerts, etc.
- MBPLC has standard BCP and DRP and cyber incident management team.

2.14 Earnings per Share

Earnings per Share (EPS) is calculated in accordance with IAS 33 "Earnings per Share" which shown on the face of the Profit and Loss account and the computation of EPS is elaborated in Note-35.

Basic Earnings per Share

Basic earnings per share have been calculated in accordance with IAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings per Share

Diluted earnings per share are calculated as dilution has been occurred during the period.

2.15 Directors' responsibility on financial statements

The Board of Directors' responsibility is the preparation & presentation of financial statements.

2.16 Memorandum items

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Stock of travelers' cheque, savings certificates, wage earners bonds and other are fallen under the memorandum items.

2.17 Compliance report on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The Financial Reporting Council of Bangladesh (FRC) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). While preparing the financial statements, Mercantile Bank PLC. applied most of IASs and IFRSs as adopted by the FRC. Details are given below:

Name of the IAS	IAS No	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied*
Accounting Policies, Changes in Accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant & Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants & Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting & Reporting by Retirement Benefit Plans	26	Applied
Consolidated & Separate Financial Statements	27	Applied
Investments in Associates	28	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied

Name of the IAS	IAS No	Status
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities & Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	Applied
Agriculture	41	N/A

Name of the IFRS	IFRS No	Status
First- time Adoption	1	N/A
Share- based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non- current Assets Held for Sale & Discontinued Operations	5	N/A
Exploration for & Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	Applied
Financial Instruments	9	Applied*
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	Applied*
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from contracts with customers	15	Applied
Leases	16	Applied*
Insurance Contracts	17	N/A

*In order to comply with certain specific rules and recognitions of the local Central Bank (Bangladesh Bank) which are different to IAS/ IFRS, local laws and regulation will be prevailed.

Standard issued but not yet effective

The following new standards and amendments to standers are effective beginnings after 1st January 2023 and earlier application is permitted, but MBPLC. has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

- IFRS 17 Insurance contracts and amendments to IFRS 17 insurance contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practices Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deffered Tax related to Assets and Liabilities arising from a single Transaction(Amendments to IAS 12)
- Lease liability in a sale and Leaseback (Amendments to IFRS 16)
- Classification of Liabilities as current or Non-Current (Amendments to IAS-1)

2.18 Disclosure of FRC Policy on Use of Audited Financial Statements in Processing Loans

Audited Financial Statements are mandatory documents for any existing company at the time of applying for new loan facility from bank. The bank uses the Audited Financial Statements while assessing any new credit / Loan facilities to any new customers. In compliance with BRPD Circular Letter No. 04, dated January 04, 2021, the bank obtained audited financial statements while approving any new loan. It is also mandatory to the client of the bank to submit annual audited financial statements to the bank on an annual basis. Audited Financial Statements are preserved with the loan file by the bank. However, in some special circumstances where latest Audited Financial Statements may not be available, the bank uses interim Management Accounts for the Borrower Risk Rating (BRR) or ICRR for the purpose of renewal of any loan facilities. Such BRR or ICRR is approved by the Management only for Interim use with an instruction to update the same with the Audited Financial Statements. Regarding the BRPD Circular Letter 35 dated July 06, 2021, and FRC Letter No. 178/ FRC/APR/2021/27(28) dated December 8, 2021, from September 2021, the Bank has been verifying the Financial Statements using the Document Verification System (DVS).

2.19 Approval of financial statements

The Board of Directors' approved the financial statements for the period ended on 31 December, 2024 on 29 May, 2025.

2.20 Component of Financial Statements

As per IAS 1 "Presentation of Financial Statements" and as recommended in the BRPD Circular # 14, dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank the Financial Statement includes;

a) Balance Sheet (Statement of Financial Position);

b) Profit & Loss account (Statement of Profit or Loss & Other Comprehensive Income);

c) Statement of Changes in Equity;

d) Statement of Cash Flows;

e) Liquidity Statement;

f) Significant Accounting Policies & Explanatories and

g) Notes to the Financial Statements.

2.21 Implementation of BASEL-III

Basel III refers to the latest capital and liquidity standards prescribed by the Bank for International Settlements (BIS). Bangladesh has entered into the Basel III regime from January 1, 2015. Bangladesh Bank (BB) has amended its capital standard based on Basel II and circulated new regulatory capital and liquidity guidelines in line with Basel III of BIS. The Basel III reform measures aim to improve the banking sector's ability to absorb shocks arising from financial and economic stress thus reducing the risk of spillover from the financial sector to the real economy, improve risk management and strengthen banks' transparency and disclosures. The new capital and liquidity standards have great implications for banks.

With a view to facilitating the way of implementation of BASEL-III, the bank has formed "Basel Implementation Unit". A supervisory committee includes top management of the bank overseeing the unit. The bank has also formed a Supervisory Review Process (SRP team) to participate the dialogue with the Supervisory Review Evaluation Process (SREP) team of Bangladesh Bank for measuring the adequate capital requirement.

2.22 Rating

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 plus) 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 i.e. from 11 June, 2024 to 10 Jun, 2025.

Auditor of the Subsidiaries Company

Name of the Subsidiary	Relationship	Name of the Auditor
Mercantile Bank Securities Limited	Subsidiary	Pinaki & company, Chartered Accountants
Mercantile Exchange House (UK) Limited	Subsidiary	NFA (UK) Limited T/A Muhit & Co, Chartered Certified Accountants
MBL Asset Management Limited	Subsidiary	Pinaki & company, Chartered Accountants

Summary of Credit Rating:

Term	Rating	Indication
Long-term	AA+	Higher Safety and High Credit Quality
Short-term	ST-2	High Certainty of Timely Repayment

In addition to above, Mercantile Bank PLC. has been assigned B3 by Moody's.

2.23 General

- Figures appearing in the Financial Statements have been rounded off to the nearest Taka.
- Figures of previous period have been rearranged wherever necessary to conform to current period presentation.

Particulars			Amount in BDT	
			Dec-24	Dec-23
3	**Cash**			
	Conventional and Islamic banking			
	Cash in hand (including foreign currencies)	3.1	3,882,487,815	3,578,436,239
	Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	3.2	16,079,998,124	14,226,769,527
			19,962,485,940	**17,805,205,766**
3.1	**Cash in hand (including foreign currencies)**			
	Conventional and Islamic banking			
	In local currency		3,804,072,688	3,553,113,327
	In foreign currency		78,415,127	25,322,912
			3,882,487,815	**3,578,436,239**
3.2	**Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)**			
	Conventional and Islamic banking			
	Bangladesh Bank			
	In local currency		14,321,648,433	13,637,246,130
	In foreign currencies 3.2.a		1,236,663,574	334,910,656
			15,558,312,007	**13,972,156,786**
	Agent banks(s)			
	Sonali Bank PLC - Local Currency		521,686,117	254,612,740
			16,079,998,124	**14,226,769,527**

3.2.a Balance with Bangladesh Bank in Foreign Currencies

Currencies	Balance as on 31.12.24	Exchange Rate (BDT)		
USD	10,171,448.96	120	1,220,573,875	319,976,482
GBP	35,737.65	150.96	5,394,956	4,761,843
EURO	41,020.82	125.106	5,131,951	10,171,990
JPY	436.99	0.7604	332	340
CNY	338,338.85	16.4405	5,562,460	-
			1,236,663,574	**334,910,656**

3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been maintained on the basis of total time and demand liabilities of the Bank in accordance with the Section 33 of the Bank Company Act, 1991 and clause (1) of Article 36 of Bangladesh Bank Order,1972 (as amended up to 2018). As per MPD Circular # 1 dated 23 June 2014, the required Statutory Liquidity Ratio (SLR) is to be maintained at 13% for Conventional Banking and as per Bangladesh Bank Letter No.: DOS/(SR)1153/120-A/2020-2081, dated on 09.08.2020,Islamic Banking is required to be maintained 5.5% for in the form of securities which include Treasury Bills, Government Treasury Bonds, Bangladesh Bank Bills and Other Securities approved by Bangladesh Bank such as:T&T Bonds, balance held with Sonali Bank Limited., cash in hand including vault and balance of FC clearing account maintained with Bangladesh Bank. Now, Bangladesh Bank Monetary Policy Department has refixed Cash Reserve Requirement vide MPD Circular # 3 dated 09 April 2020. at 4% on bi- weekly average basis with a provision of minimum 3.5% on daily basis (effective from 15 April, 2020) .Both reserves are maintained by the Conventional and Islamic banking with surplus, which are as shown below;

a-i) Cash Reserve Ratio (CRR): 4% of average demand and time liabilities:		
Conventional Banking		
Required Reserve	12,400,744,000	12,088,295,000
*Actual reserve held with Bangladesh Bank	13,226,345,820	12,343,128,750
Surplus on CRR	**825,601,820**	**254,833,750**
a-ii) Cash Reserve Ratio (CRR): 4% of average demand and time liabilities:		
Islamic Banking		
Required Reserve	542,503,000	416,255,000
Actual reserve held with Bangladesh Bank	618,641,000	718,693,000
Surplus on CRR	**76,138,000**	**302,438,000**
b-i) Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities:		
Conventional Banking		
Required reserve	40,587,250,000	39,455,929,000
Actual reserve held with Bangladesh Bank	82,955,930,690	69,459,162,970
Surplus on SLR	**42,368,680,690**	**30,003,233,970**
b-ii) Statutory Liquidity Ratio (SLR): 5.5% of average demand and time liabilities:		
Islamic Banking		
Required reserve	745,941,000	572,351,000
Actual reserve held with Bangladesh Bank	917,976,870	624,436,690
Surplus on SLR	**172,035,870**	**52,085,690**

Particulars		Amount in BDT	
		Dec-24	Dec-23
3.4	**Held for Statutory Liquidity Ratio**		
a-i).	**Conventional banking**		
	Cash in hand	3,834,788,950	3,550,577,552
	Surplus of CRR	825,601,820	254,833,750
	Balance with Sonali Bank as an agent of BB	521,686,117	254,612,740
	Held for Trading (HFT)	23,518,438,663	10,726,543,290
	Held to Maturity (HTM)	52,438,821,834	54,357,123,438
	Other Securities	1,816,593,305	315,472,200
		82,955,930,690	**69,459,162,970**
a-ii).	**Islamic banking**		
	Cash in hand	47,698,865	27,858,687
	Surplus of CRR	76,138,000	302,438,000
	Balance with Sonali Bank as an agent of BB	-	-
	Held for Trading (HFT)	-	-
	Held to Maturity (HTM)	-	-
	Other Securities	794,140,005	294,140,003
		917,976,870	**624,436,690**
	* We have maintained the average amount of last forthnightly balance as per MPD Circular # 3 dated 09 April 2020 in actual reserve held with Bangladesh Bank in section 3.3 (a-i) as on 31.12.2024		
3.5	**Maturity grouping of cash**		
	Maturity-wise groupings (inside and outside Bangladesh)		
	Payable on demand	19,962,485,940	17,805,205,766
	Up to 1(one) month	-	-
	Over 1(one) month but not more than 3 (three) months	-	-
	Over 3 (three) months but not more than 1 (one) year	-	-
	Over 1 (one) year but not more than 5 (five) years	-	-
	Over 5 (five) years	-	-
		19,962,485,940	**17,805,205,766**
3(a)	**Consolidated Cash**		
	Cash in hand (Including foreign currencies)		
	Mercantile Bank PLC.	3,882,487,815	3,578,436,239
	Mercantile Bank Securities Limited	613,928	520,206
	MBL Asset Management Limited	9,181	5,040
	Mercantile Exchange House (UK) Limited	2,962,137	173,749
		3,886,073,062	**3,579,135,234**
	Balance with Bangladesh Bank and its agent bank. (Including foreign currencies)		
	Mercantile Bank PLC.	16,079,998,124	14,226,769,527
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		16,079,998,124	**14,226,769,527**
		19,966,071,186	**17,805,904,761**
4.	**Balance with other banks and financial institutions**		
4.1	**In Bangladesh**		
A	**Current accounts**		
	Conventional banking		
	Sonali Bank PLC	50,909	50,909
	Agrani Bank PLC.	68,407	12,878,767
	Janata Bank PLC.	41,870,344	9,329,946
	United Commercial Bank PLC.	1,982	1,442
	Standard Bank Limited	2,000,000	2,000,000
	Bangladesh Commerce Bank Limited	1,000,000	1,000,000
	Al Arafah Islami Bank Limited	2,500,000	2,500,000
	National Bank Limited	4,499	4,912,194
	Total Current Deposit	**47,496,141**	**32,673,258**
B	**Short-Notice Deposits accounts**		
I.	**Conventional banking**		
	Standard Chartered (VISA settlement)	21,317,997	33,911,848
	Trust Bank Limited (Q-CASH settlement)	64,493,691	19,991,680
	National Bank Limited	1,152,611	1,459,094
	Agrani Bank PLC.	61,338,704	22,428,120
	South East Bank Limited	29,798	33,258
	Islami Bank Limited	18,149	8,519,576
		148,350,950	**86,343,577**

Particulars			Amount in BDT	
			Dec-24	Dec-23
II.	**Islamic banking**			
	Islami Bank Bangladesh PLC.		52,405	102,109
	Export Import Bank of Bangladesh PLC.		250,000,000	300,000,000
	Shahjalal Islami Bank PLC.		99,074	99,086
			250,151,479	**300,201,195**
III.	**Off-shore Banking Division**		382,890,374	349,204,005
	Total Short-Notice Deposits accounts B (I+II+III)		**781,392,803**	**735,748,777**
	Total Current accounts & Short-Notice Deposit (A+B)		**828,888,944**	**768,422,034**
C	**Fixed deposit accounts**			
I.	**Conventional banking**			
	Bengal Commercial Bank PLC.		-	-
			-	**-**
II.	**Islamic banking**			
			-	-
			-	-
	Total Fixed deposit accounts C(I+II)		**-**	**-**
D	**Financial institutions**			
	Conventional banking			
	PFI Securities Limited		1,503	1,503
	Bay Leasing and Investment Limited		7,500,000	20,000,000
	Meridian Finance & Investment Limited		2,000,000	12,000,000
	Mercantile Bank PLC. (Code-100)		163,939	350,478
	Mercantile Bank PLC. (Code-468)		14,242	14,692
	Mercantile Bank PLC.-SFCM (Code-4814)		140,014	121,231
	Total Financial Institutions		**9,819,698**	**32,487,903**
	Total (A+B+C+D)		**838,708,642**	**800,909,938**
4.2	**Outside Bangladesh (Nostro accounts)**			
	Conventional banking	**Currency / Rate(Dec'24)**		
	Standard Chartered Bank, New York	USD / 120.0000	597,565,048	1,535,757,055
	Mashreq Bank, New York	USD / 120.0000	2,019,611,776	989,521,245
	Wells Fargo Bank, New York	USD / 120.0000	1,134,520,778	405,665,043
	Commerzbank, Frankfurt	USD / 120.0000	35,651,918	11,513,132
	Citi Bank NA, New York	USD / 120.0000	306,351,728	76,907,850
	Zhejiang Chouzhou Comm. Bank- USD	USD / 120.0000	29,539,814	3,665,795
	Standard Chartered Bank ,London	GBP /150.9600	184,933,898	76,777,654
	Standard Chartered Bank, Tokyo	Japanees Yen/0.7604	15,871,261	1,779,192
	Arab Bangladesh Bank Limited., Mumbai	ACU/USD 120.0000	155,541,866	167,281,506
	Commerzbank, Frankfurt	EURO / 125.1060	33,979,175	12,301,642
	Standard Chartered Bank, Frankfurt	EURO / 125.1060	53,029,620	1,457,239
	Hatton National Bank, Colombo	ACU/USD 120.0000	8,323	7,630
	Bank of Bhutan, Phuentsholing	ACU/USD 120.0000	1,217,177	309,770
	Sonali Bank, Kolkata	ACU/USD 120.0000	4,841,651	9,070,170
	Punjab National Bank - ACU (Former United Bank Of India)	ACU/USD 120.0000	51,120,230	13,424,743
	Hdfc Bank Limited Mumbai - ACU	ACU/USD 120.0000	35,861,828	44,996,456
	Nabil Bank Limited,Nepal-Nepal BD Bank Limited., Kathmandu	ACU/USD 120.0000	1,678,844	867,281
	Standard Chartered Bank, Mumbai	ACU/USD 120.0000	123,476,326	60,406,590
	Meezan Bank Ltd.Karachi,(Former HSBC,Karachi)	ACU/USD 120.0000	48,490,348	40,453,622
	ICICI, Mumbai	ACU/USD 120.0000	70,503,312	26,381,607
	Habib Bank AG Zurich	Swiss Franc /133.0746	9,040,419	1,544,575
	Mashreq Bank, Mumbai	ACU/USD 120.0000	27,175,865	106,948,307
	Habib American Bank, New York	USD / 120.0000	2,478,013,895	16,796,369
	JP Morgan Chase Bank NY	USD / 120.0000	479,920,524	1,048,059,926
	Habib Metropolitan Bank	ACU/USD 120.0000	4,487,125	12,484,055
	AXIS Bank Limited	ACU/USD 120.0000	13,628,418	34,792,700
	Bank of Huzhou Company Limited	CNY/ 16.4405	8,605,341	155,199
	EMIRATES NBD BANK (P.J.S.C) - ACU	ACU/USD 120.0000	13,217,287	3,410,059
	Zhejiang Chouzhou Comm. Bank	CNY/ 16.4405	6,916,483	52,424,642
	Mashreq Bank Dubai	Dirham/AED 32.6700	1,250,750,784	6,682,526
	Total Outside Bangladesh (Nostro accounts)		**9,195,551,064**	**4,761,843,578**
	Grand Total (Note 4.1 & Note 4.2)		**10,034,259,706**	**5,562,753,516**

Particulars		Amount in BDT	
		Dec-24	Dec-23
4.3	**Remaining maturity grouping of balance with other banks and financial Institutions (inside and outside Bangladesh)**		
	Payable on demand	828,888,944	768,422,034
	Up to 1 (one) month	-	-
	Over 1 (one) month but not more than 3 (three) months	9,195,551,064	4,761,843,578
	Over 3 (three) months but not more than 1 (one) year	9,819,698	32,487,903
	Over 1 (one) year but not more than 5 (five) years	-	-
	Over 5 (five) years	-	-
		10,034,259,706	**5,562,753,516**
4(a)	**Consolidated Balance with Other Banks and Financial Institutions**		
	In Bangladesh		
	Mercantile Bank PLC.	838,708,642	800,909,938
	Mercantile Bank Securities Limited	232,731,050	253,455,052
	MBL Asset Management Limited	6,486,881	5,965,551
	Mercantile Exchange House (UK) Limited	-	-
		1,077,926,573	1,060,330,541
	Inter Company Transaction	(209,900,244)	(232,548,666)
		868,026,329	**827,781,875**
	Outside Bangladesh (Nostro Accounts)		
	Mercantile Bank PLC.	9,195,551,064	4,761,843,578
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	14,693,994	3,231,474
		9,210,245,057	**4,765,075,052**
		10,078,271,386	**5,592,856,927**
5.	**Money at call on short notice**		
	Bank:		
	Premier Bank PLC.	2,030,000,000	-
	The City Bank PLC.	1,200,000,000	-
	Pubali Bank PLC.	600,000,000	-
	Meghna Bank PLC.	360,000,000	-
	Midland Bank PLC.	480,000,000	-
	Agrani Bank PLC.	1,000,000,000	-
	NCC Bank PLC.	840,000,000	495,000,000
	United Commercial Bank PLC.	800,000,000	-
	Janata Bank PLC.	2,200,000,000	-
	Dutch Bangla Bank Limited	2,500,000,000	-
		12,010,000,000	**495,000,000**
	Financial Institution:		
	FAS Finance & Investment Limited	145,000,000	145,000,000
	International Leasing & Financial Services Limited	103,100,000	103,100,000
		248,100,000	**248,100,000**
		12,258,100,000	**743,100,000**
5(a)	**Consolidated money at call on short notice**		
	Mercantile Bank PLC.	12,258,100,000	743,100,000
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		12,258,100,000	**743,100,000**
6.	**Investments**		
	Conventional and Islamic banking		
	Government Securities (Note- 6.1)	80,605,543,842	70,408,991,198
	Other investments (Note- 6.5)	8,492,708,821	8,825,936,601
		89,098,252,662	**79,234,927,799**
6.1	**Government Securities: Classified as per Bangladesh Bank circular**		
	Conventional banking		
	Held for trading (HFT)	23,518,438,663	10,726,543,290
	Held to maturity (HTM)	52,438,821,834	54,357,123,438
	Other securities	3,854,143,344	5,031,184,470
		79,811,403,842	**70,114,851,198**
	Islamic banking		
	Islamic Banking (BGIIB-6 Months, SUKUK-5 Years) Bond	794,140,000	294,140,000
		794,140,000	**294,140,000**
		80,605,543,842	**70,408,991,198**

Particulars		Amount in BDT	
		Dec-24	Dec-23
6.2	**Government Securities: Classified as per nature**		
	Conventional banking		
	a) Government securities:		
	14 days Treasury Bill	-	-
	91 days BB Bills	6,784,056,462	3,401,787,951
	182 days BB Bills	2,118,966,027	579,097,132
	364 days BB Bills	1,396,539,606	3,565,088,496
		10,299,562,095	**7,545,973,579**
	b) Government bonds:		
	2 Years Treasury Bond	12,038,339,378	12,433,397,613
	3 Years Treasury Bond	9,988,441	-
	5 Years Treasury Bond	7,335,247,229	5,409,840,318
	5 Years Sukuk Bond	310,610,000	310,610,000
	9 Years BGSP Bond	750,394,000	-
	10 Years BGSP Bond	1,155,348,000	-
	10 Years Treasury Bond	15,205,958,036	14,819,808,761
	15 Years Treasury Bond	8,859,213,824	8,867,210,881
	20 Years Treasury Bond	22,340,759,539	20,723,147,847
	Prize Bonds	5,983,300	4,862,200
	Standing Deposit Facility With BB	1,500,000,000	-
		69,511,841,746	**62,568,877,619**
	Total (a+b)	**79,811,403,842**	**70,114,851,198**
	Islamic banking		
	a) Islamic Banking Bond:		
	Islamic Banking BGIIB Bond for 6 Months	500,000,000	-
	Islamic Banking SUKUK Bond for 5 Years	294,140,000	294,140,000
		794,140,000	**294,140,000**
	Total	**80,605,543,842**	**70,408,991,198**
	Note:- Value of securities as on 31.12.2024 are also adjusted with the values determined by mark-to-market method.		
6.3	**Government Securities: Maturity grouping wise**		
	Conventional and Islamic banking		
	Payable on demand	1,505,983,300	4,862,200
	Up to 1 (one) month	1,798,908,407	842,160,760
	Over 1 (one) month but not more than 3 (three) months	7,682,343,788	2,667,171,397
	Over 3 (three) months but not more than 1 (one) year	10,200,044,973	6,037,810,242
	Over 1 (one) year but not more than 5 (five) years	14,927,404,793	21,397,601,674
	Over 5 (five) years	44,490,858,581	39,459,384,925
		80,605,543,842	**70,408,991,198**
6.4	**Government securities: Aging as per Bangladesh Bank Circular**		
	Conventional banking		
A.	**Held for Trading (HFT) securities**		
	14 days Treasury Bills	-	-
	91 days Treasury Bills	6,784,056,462	-
	182 days Treasury Bills	2,118,966,027	9,945,950
	364 days Treasury Bills	1,396,539,606	2,952,123,403
	2 Years Treasury Bond	8,539,031,798	7,480,360,811
	3 Years Treasury Bond	9,988,441	-
	5 Years Treasury Bond	2,125,038,463	114,147,055
	10 Years Treasury Bond	600,497,955	106,886,074
	15 Years Treasury Bond	183,743,167	1,596,312
	20 Years Treasury Bond	1,760,576,744	61,483,685
		23,518,438,663	**10,726,543,290**
B.	**Held to Maturity (HTM) securities**		
	2 Years Treasury Bond	3,499,307,580	4,953,036,802
	5 Years Treasury Bond	5,210,208,765	5,295,693,263
	10 Years Treasury Bond	14,605,460,081	14,712,922,687
	15 Years Treasury Bond	8,675,470,657	8,865,614,568
	20 Years Treasury Bond	20,448,374,751	20,529,856,118
		52,438,821,834	**54,357,123,438**

Particulars		Amount in BDT	
		Dec-24	Dec-23
C.	**Other Securities**		
*	Encumbered Treasury Bond (20 years)-lien with Bangladesh Bank	131,808,044	131,808,044
	Encumbered Treasury Bill (Repo-BGSPB)	1,905,742,000	-
	Encumbered Treasury Bill (Assured Liquidity Support)	-	4,583,904,226
	Sukook Bond	310,610,000	310,610,000
	Prize Bonds	5,983,300	4,862,200
	Standing Deposit Facility With BB	1,500,000,000	-
		3,854,143,344	**5,031,184,470**
	Total (A+B+C))	**79,811,403,842**	**70,114,851,198**
	Islamic banking		
A.	Islamic Banking (BGIIB-6 Months, SUKUK-5 Years) Bond	794,140,000	294,140,000
		794,140,000	**294,140,000**
	Total	**80,605,543,842**	**70,408,991,198**

* Encumbered Treasury Bond (20 years) : Tk. 131,808,044, ISIN No.BD0929201202, which are lien with Bangladesh Bank for TT discounting purpose till 23.12.2029

6.5	**Others Investments**		
	Conventional banking		
A.	**Investment in shares:**		
	a) Quoted:		
	IDLC	148,359,099	148,359,099
	ITCL	10,000,000	10,000,000
	ACI	31,857,404	31,857,404
	Navana CNG	3,488,726	3,488,726
	National Bank Limited	4,029,224	5,729,116
	Prime Finance	8,517,764	8,517,764
	RAK Ceramic	12,980,620	12,980,620
	Square Pharma	66,446,037	129,481,732
	Titas Gas	14,014,011	14,014,011
	Uttara Bank PLC.	-	2,260,057
	Berger PBL	-	2,024,284
	IFIC Bank PLC.	10,311,085	10,311,085
	BATBC	106,253,363	106,253,363
	Reneta	21,122,194	13,550,476
	GP	1,313,232	13,132,320
	GPH Ispat	16,616,433	16,616,433
	Jamuna Bank Limited	-	1,069,260
	Jamuna Oil Company Limited	11,671,266	14,400,965
	Linde BD	1,535,233	17,938,438
	Marico BD Limited	6,002,621	21,368,492
	Agro Organica	-	36,950
	MPETROLEUM	-	15,824,040
	Pioneer Insurance	1,729,502	1,729,502
	Power Grid	8,394,882	8,394,882
	Saif Power	-	1,881,496
	United Power	10,454,703	10,454,703
	Summit Power	3,475,758	9,837,207
	Bangladesh Submarine Cable Company Limited (BSCCL)	83,728,533	83,728,533
	BSRM Steels	-	2,696,627
	Achia Sea Foods Limited	-	50,000
	BD Paints Limited	-	100,000
	Mobil Jamuna	-	630,159
	Global Islami Bank Limited	618,241	13,173,670
	Total Investment Quoted Shares (I)	**582,919,931**	**731,891,414**
	MBL 1st Mutual Fund	168,993,100	168,993,100
	Total Investment Mutual Fund (Quoted) (II)	**168,993,100**	**168,993,100**

Particulars		Amount in BDT	
		Dec-24	Dec-23
	Apex Footwear Limited	-	1,288,313
	GPH Ispat	23,062,648	23,062,648
	GP	-	1,456,804
	Square Pharma	10,412,650	10,412,650
	Singer BD	17,945,543	17,945,543
	United Power	86,952,576	86,952,576
	Mobil Jamuna	3,210,279	9,049,272
	Power Grid	11,246,410	11,246,410
	DBH	27,809,451	27,809,451
	BSRM Steel	-	3,426,007
	ACI	61,372,563	61,372,563
	British American Tobaco	88,441,251	88,441,251
	Eastern Bank Limited	-	2,331,535
	Reneta	6,278,694	6,278,694
	BSCCL	11,347,799	11,347,799
	Pioneer Insurance	16,774,576	16,774,576
	Titas Gas	6,300,913	6,300,913
	Summit Power	3,542,075	3,542,075
	Saif Power	8,092,402	8,092,402
	Linde BD	6,749,486	6,749,486
	Total Investment Under Special Fund (Quoted) (III)	**389,539,316**	**403,880,968**
	Ashugonj Power Station Company Ltd bond	7,500,000	10,000,000
	Total Investment Under corporate Bond (Quoted) (IV)	**7,500,000**	**10,000,000**
	Total Quoted Shares (I+II+III+IV)	**1,148,952,348**	**1,314,765,483**
	b) Unquoted:		
	Bangladesh Fixed Income Special Purpose Vehicle (BFISPV)	1,000,000,000	1,000,000,000
	Central Counter Party Bangladesh Limited (CCBL)	37,500,000	37,500,000
	SWIFT	6,597,583	8,102,228
	Central Depository Bangladesh Limited (CDBL)	5,138,890	5,138,890
	Asiatic Laboratories Limited	-	4,750,000
	Sikder Insurance	-	680,000
	Mercantile Bank Unit Fund	75,000,000	75,000,000
		1,124,236,473	**1,131,171,118**
	Total-A: (a+b)	**2,273,188,821**	**2,445,936,601**
	Market price of quoted shares (Annexure-C)	**1,272,631,528**	**1,803,596,861**
	Gain/(Loss) arises (Annexure-C)	**123,679,180**	**488,831,378**
B.	**Investment in Subordinated Bond**		
	The City Bank 2nd Mudaraba Subordinated Bond	-	70,000,000
	IFIC Bank 2nd Subordinated Bond	400,000,000	500,000,000
	First Security Islami 2nd Mudaraba	-	40,000,000
	United Commercial Bank 3rd Subordinated Bond	-	40,000,000
	Standard Bank 2nd Subordinated Bond	-	70,000,000
	Prime Bank 3rd Subordinated Bond	100,000,000	200,000,000
	FSIBL Mudaraba 3rd Subordinated Bond	100,000,000	150,000,000
	Standard Bank Ltd 3rd Subordinated Bond	120,000,000	160,000,000
	The City Bank 4th Subordinated Bond	650,000,000	650,000,000
	Southeast Bank 4th Subordinated Bond	450,000,000	600,000,000
	Total (B)	**1,820,000,000**	**2,480,000,000**
C.	**Investment in Perpetual Bond**		
	Jamuna Bank Perpetual Bond	400,000,000	400,000,000
	Trust Bank Perpetual Bond	400,000,000	400,000,000
	NCC Bank Perpetual Bond	500,000,000	500,000,000
	Shahjalal Islami Bank Perpetual Bond	500,000,000	500,000,000
	Mutual Trust Bank Perpetual Bond	400,000,000	400,000,000
	Dhaka Bank Perpetual Bond	780,000,000	780,000,000
	Southeast Bank Perpetual Bond	1,419,520,000	920,000,000
	Total (C)	**4,399,520,000**	**3,900,000,000**
	Grand Total (A+B+C)	**8,492,708,821**	**8,825,936,601**

Particulars	Amount in BDT	
	Dec-24	Dec-23

6.6 REPO & Reverse REPO Transctions during the year ended on 31.12.2024

As per Bangladesh Bank DOS Circular No.-06 Dated: 15 July 2010 regarding of REPO and reverse REPO.

(a) (i) Disclosures regarding outstanding REPO as on 31.12.2024

SL No.	Counterparty name	Agreement date	Reversal date	Amount (1st leg cash consideration)
1	Bangladesh Bank	22-Oct-24	20-Apr-25	1,155,348,000.00
2	Bangladesh Bank	31-Oct-24	29-Apr-25	750,394,000.00
3	Bangladesh Bank	03-Dec-24	01-Jan-25	3,118,469,673.91
4	Bangladesh Bank	04-Dec-24	07-Jan-25	3,122,160,163.04
5	Bangladesh Bank	17-Dec-24	14-Jan-25	1,957,468,000.00
6	Bangladesh Bank	17-Dec-24	14-Jan-25	3,078,464,802.20
7	Bangladesh Bank	24-Dec-24	21-Jan-25	2,922,849,000.00
	Total			**16,105,153,639**

(a) (ii) Disclosures regarding outstanding Reverse REPO as on 31.12.2024

Counterparty name	Agreement date	Reversal date	Amount (1st leg cash consideration)
1 Bangladesh Bank	30-Dec-25	1-Jan-25	1,500,000,000.00
Total			**1,500,000,000.00**

(b) Disclosure regarding overall transaction of REPO and Reverse REPO

Counterparty name	Minimum outstanding during the Year	Maximum outstanding during the Year	Daily average outstanding during the Year
Security sold under Repo			
I) with Bangladesh Bank	931,659,950.00	19,716,508,639	8,518,522,367
ii) with other Banks & FIs	2,664,242,670	2,664,242,670	14,598,590
Security repurchased under Reverse Repo			
I) From Bangladesh Bank	500,000,000	6,200,000,000	30,410,959
ii) From other Banks & FIs	1,494,862,500	1,501,860,631	8,187,768

6(a)	**Consolidated Investment**		
	Investment - Government Securities		
	Mercantile Bank PLC.	80,605,543,842	70,408,991,198
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		80,605,543,842	**70,408,991,198**
	Other Investments		
	Mercantile Bank PLC.	8,492,708,821	8,825,936,601
	Mercantile Bank Securities Limited	1,955,330,071	2,057,681,184
	MBL Asset Management Limited	105,688,893	106,614,849
	Mercantile Exchange House (UK) Limited	-	-
		10,553,727,784	**10,990,232,634**
	Inter company transaction	(10,735,447)	(40,420,000)
		10,542,992,337	**10,949,812,634**
		91,148,536,179	**81,358,803,832**
7.	**Loans and Advances/investments**		
	Conventional and Islamic banking		
7.A	Loans, Cash Credit and Overdraft etc/investments (Note-7.2)	290,683,819,265	277,197,681,334
7.B	Bills Purchased and Discounted (Note-7.B(i))	9,341,286,977	7,633,302,143
		300,025,106,242	**284,830,983,477**
7.1	**Maturity grouping of loans and advances/investments**		
	Repayable on demand	64,293,659,558	54,119,482,630
	Not more than 3 (three) months	33,893,835,222	25,288,502,028
	More than 3 (three) months but not more than 1 (one) year	63,393,033,546	67,313,560,458
	More than 1 (one) year but not more than 5 (five) years	92,238,665,315	79,540,747,573
	More than 5 (five) years	46,205,912,602	58,568,690,788
		300,025,106,242	**284,830,983,477**

Particulars		Amount in BDT	
		Dec-24	Dec-23
7.2	**Loans, Cash Credit, Overdraft etc/investments**		
	I.a.) Within Bangladesh:		
	Conventional banking		
	Term Loan	129,389,485,016	117,276,846,235
	Time Loan	26,380,949,006	27,339,884,435
	Packing Credit	2,924,189,457	2,656,055,975
	Loan Against Trust Receipt (LTR)	3,781,670,251	3,562,956,156
	Lease Finance	1,332,772,505	1,140,836,903
	EDF Loan	10,515,139,857	9,304,102,289
	Loan General	-	119,394,434
	House Building Loan	4,231,582,191	4,276,818,923
	Hire Purchase	10,051,478,456	10,278,835,647
	Payment Against Documents (PAD)	27,675,390	120,154,460
	Cash Credit (Hypo)	7,796,803,604	9,847,063,100
	Overdraft	38,187,577,579	35,253,412,284
	Home Loan Scheme Refinance	94,059	317,844
	Personal Loan	204,647,108	266,592,304
	Consumers Credit Schemes	1,775,194	1,815,194
	Consumers Finance	2,718,689,853	3,046,192,614
	Staff Loan	1,439,285,210	1,416,910,512
	Credit Card	850,748,561.95	764,021,788
	Small and Medium Enterprise(SME) Loan	36,670,415,853	36,545,075,205
	Agricultural Credit	5,733,660,821	5,283,645,160
	Working Capital Under Stim Package Cor	50,169,900	168,120,574
	Other Credit Schemes	1,480,939	2,740,310
		282,290,290,811	**268,671,792,346**
	I.b). Islamic Banking		
	Quard	41,514,541	100,433,902
	Bai-Muajjal	7,202,353,088	7,478,010,373
	Murabaha-TR (PIF)	168,906,976	69,327,038
	HPSM- Others- Corp	977,831,866	875,195,692
		8,390,606,471	**8,522,967,005**
	Total Loan without Non-banking assets	**290,680,897,282**	**277,194,759,351**
	I.c). Loan against Non-banking assets	2,921,983	2,921,983
		2,921,983	**2,921,983**
	II) Outside Bangladesh:	**-**	**-**
	Total A (I+II)	**290,683,819,265**	**277,197,681,334**
7.3	**Loans and Advances/investments: Significant Concentration**		
	Advances to allied concerns of directors	139,027,286	105,518,884
	Advances to Managing Director & Chief Executive and other Senior executives	33,464,369	24,887,934
	Advances to customers' group	77,550,363,472	74,010,731,347
	Industry-wise	220,893,508,291	209,294,900,751
	Staff loan	1,405,820,840	1,392,022,578
		300,022,184,259	**284,828,061,494**
	Loan against Non-banking assets	**2,921,983**	**2,921,983**
		300,025,106,242	**284,830,983,477**

		Figures in Lac	
		Dec-24	Dec-23
7.4	**Loans and Advances/investments: Sector wise**		
	Education (School/College, University, Research institute)	5,645	4,491
	Health	6,179	6,106
	Agriculture	57,489	53,011
	Commodities (Sugar/ Edible Oil/ Wheat/ Rice/ Dal/ Peas/ Maize etc), Food & Beverage	309,529	282,671
	Trade Finance	401,108	381,960
	Transport	14,095	13,524
	Shipping	128	145
	Textile (Excluding IDBP)	207,031	110,976

Particulars		Figures in Lac	
		Dec-24	Dec-23
	Textile (IDBP)	7,667	8,242
	Readymade Garments (RMG) [excluding IDBP]	495,293	325,688
	Readymade Garments (RMG) [IDBP]	407	2,820
	Tele communication	11,490	11,390
	IT & Computer/Trade	2,638	3,156
	Power & Fuel	80,597	89,653
	Real Estate	89,530	76,451
	Cement	18,209	14,884
	Chemicals	69,695	90,159
	Leather & Leather products	60,714	54,963
	Plastic & Plastic products	8,474	6,454
	Electrical & Electronic goods	46,676	45,523
	Paper & Packaging	70,598	63,775
	Jute & Jute products	50,421	44,346
	Ceramics (Table ware, Sanitary ware, Tiles etc.)	13,838	12,654
	Iron & Steel	309,465	282,100
	Engineering & Construction	94,403	99,035
	Contractor Finance	54,117	52,520
	Capital Market Intermediaries	15,666	18,000
	Backward Linkage	36,445	39,467
	Consumer & Retail Products	90,887	98,762
	Non Bank Financial Institution (NBFI)	118,194	109,561
	Service (Hotel, Restaurant, Travelling, Tickets, etc.)	44,146	40,642
	Others	209,447	405,150
		3,000,222	**2,848,280**
	Loan against Non-banking assets	**29**	**29**
		3,000,251	**2,848,310**

		Amount in BDT	
		Dec-24	Dec-23
7.5	**Loans and Advances/investments: Geographical location-wise**		
	Urban:		
	Dhaka Division	213,784,599,830	201,999,366,524
	Chattogram Division	47,110,748,001	44,306,084,268
	Rajshahi Division	16,839,475,802	16,706,641,255
	Sylhet Division	950,920,763	1,036,204,971
	Khulna Division	3,008,700,369	2,766,664,838
	Rangpur Division	4,421,894,879	4,279,128,533
	Barisal Division	2,823,509,747	2,632,085,874
	Mymensingh Division	443,912,036	418,425,123
	Sub-total Urban	**289,383,761,426**	**274,144,601,387**
	Loans and Advances/investments: Geographical location-wise		
	Rural:		
	Dhaka Division	4,430,298,030	4,355,583,421
	Chattogram Division	4,871,844,426	4,736,500,314
	Rajshahi Division	970,863,914	1,197,593,946
	Sylhet Division	15,432,887	21,600,874
	Rangpur Division	194,482,524	217,182,857
	Barisal Division	158,423,035	157,920,678
	Sub-total Rural	**10,641,344,816**	**10,686,382,090**
	Total	**300,025,106,242**	**284,830,983,477**
7.6	**Loans & advances/investments classified as per Bangladesh Bank circular**		
	Unclassified	248,260,486,443	267,514,714,573
	Sub-standard	479,468,632	683,927,971
	Doubtful	600,564,752	566,953,258
	Bad Loss	50,681,664,432	16,062,467,692
	Loan against Non-banking assets	2,921,983	2,921,983
		300,025,106,242	**284,830,985,477**

Details of Loans and advances/ investments as follows:	(Figure in thousand)			
Status of Loans and advances/investments	Dec-24		Dec-23	
	Mix %	Outstanding	Mix %	Outstanding
Unclassified Loans and advances/ investments :				
Unclassified (including staff loan)	82.08%	246,245,216	93.08%	265,114,149
Special Mention Account	0.67%	2,015,270	0.84%	2,400,566
Total Unclassified loans and advances/ investments :	**82.75%**	**248,260,486**	**93.92%**	**267,514,715**
Classified Loans and advances/investments :				
Sub-standard	0.16%	479,469	0.24%	683,928
Doubtful	0.20%	600,565	0.20%	566,953
Bad/loss	16.89%	50,681,664	5.64%	16,062,466
Total classified Loans and advances/ investments :	**17.25%**	**51,761,698**	**6.08%**	**17,313,347**
Total Loans and advances/investments :	**100%**	**300,022,184**	**100%**	**284,828,063**
Loan against Non-banking assets		**2,922**		**2,922**
Total Loans and advances/investments :		**300,025,106**		**284,830,985**

		Amount in BDT	
		Dec-24	Dec-23
7.7	**Base for provision**		
	SMA	2,015,270,200	2,400,567,030
	Base for provision		
	Sub-standard	253,692,867	259,052,593
	Doubtful	236,635,304	115,533,462
	Bad Loss	28,310,189,983	6,692,075,581
		28,800,518,154	**7,066,661,635**
7.8	**Required provision for Loans and advances/investments**		
	General provision (including SMA)	9,273,118,722	11,021,189,629
	OBU	438,185,931	59,818,163
	Sub-Total	**9,711,304,653**	**11,081,007,792**
	Specific provision (classified loans and advances/investments)		
	Sub-standard	40,091,345	38,058,179
	Doubtful	106,119,887	34,707,131
	Bad/ Loss	28,310,189,983	6,325,359,078
	Sub-Total	**28,456,401,215**	**6,398,124,387**
	Grand Total	**38,167,705,868**	**17,479,132,179**
	Total Required provision up to 31 December 2024	**38,167,705,868**	**17,479,132,179**
	Provision maintained (Note-13.5.1)	**21,159,105,868**	**17,510,447,762**
***	**Excess/(short) provision**	**(17,008,600,000)**	**31,315,583**

*** As per Bangladesh Bank's letter Ref: DBI-4/110/2025-655 dated April 29, 2025, total provision shortfall of BDT 2,121.19 crore was assessed as of December 31, 2024, against which BDT 220.33 crore was maintained, resulting in an initial shortfall of BDT 1,900.86 crore. Subsequently, as per Bangladesh Bank directive Ref: ডিওএস (সিএএমএস) ১১৫৭/৪১ (ডিভিডেন্ড)/ ২০২৫-৩১১২, dated May 22, 2025, the Bank transferred BDT 200.00 crore from 2024 pre-provision profit to specific provisions, reducing the shortfall to BDT 1,700.86 crore. Bangladesh Bank granted no-objection to finalizing the 2024 financials without full adjustment of this shortfall, in view of profit limitations and capital adequacy concerns. Accordingly, no dividend was declared for 2024. These financials disclose the shortfall and regulatory forbearance, and the Bank will submit a time-bound, Board-approved action plan to address the shortfall to Bangladesh Bank within the stipulated deadline.

Provision for loans and advances/ investments:	(Figure in thousand)			
Status of loans and advances/investments	**Outstanding Amount**	**Base for Provision**	**Provision % Amount (BDT)**	**Provision**
Unclassified loans and advances/ investments:				
Unclassified (SMEF)	34,008,107	34,008,107	0.25%	360,610
Unclassified (other credit)	198,627,086	198,627,086	1.00%	8,525,196
Unclassified (OBU)	7,818,593	7,818,593	1.00%	438,186
Unclassified (HF, LP & BH/MBS/SDS against share)	3,116,854	3,116,854	1%-2%	32,011
Unclassified (other than HF, LP & short term agri. Loan)	1,125,015	1,125,015	2%-5%	23,211
Agri Loan/Short term Agri & Micro Credit	104,232	104,232	1%	1,042
Unclassified (staff loan)	1,445,330	1,445,330	-	-
Special Mention Account	2,015,270	2,015,270	0.25% -100%	331,049
Total unclassified Loans and advances/ investments :	**248,260,486**	**248,260,486**		**9,711,305**
Classified Loans and advances/ investments :				
Sub - standard:				
a) Short Term Agri. Credit	2,106	1,220	5%	244
b) Others	477,363	252,473	5%-20%	39,847
Total Sub - standard	**479,469**	**253,693**		**40,091**
Doubtful:				
a) Short Term Agri. Credit	123	18	5%	9
b) Others	600,442	236,617	20%-50%	106,111
Total Doubtful	**600,565**	**236,635**		**106,120**
Bad/ loss	**50,681,664**	**28,310,190**	**100%**	**28,310,190**
Total Classified loans and advances/ investments :	**51,761,698**	**28,800,518**		**28,456,401**
Total Loans and advances/investments :	**300,022,184**	**277,061,005**		**38,167,706**
Loan against Non-banking assets	**2,921.98**			
Total Loans and advances/investments :	**300,025,106**			

7.9 Provision for off-balance sheet exposures

Particulars of off-balance sheet exposures	Amount	Base for provision	Rate 1% Amount (BDT)	Provision Amount (BDT)
Acceptances and endorsements less margin	56,397,171,238	56,397,171,238	565,203,948	
Letter of guarantee less margin	18,463,259,698	18,463,259,698	232,569,487	
Letter of credit less margin	120,338,067,687	52,117,970,045	524,101,790.45	
Bills for collection	13,053,034,178	13,053,034,178		
Other contingent liabilities	-	-	-	
Forward assets purchased and forward deposits placed	-	-	-	
Required provision on Off-balance exposures	**208,251,532,801**	**140,031,435,159**	**1,321,875,226**	**1,321,875,226**
Total Provision maintained (Note-13.3)				**1,321,875,226**
Excess/(short) provision				**0**

7.10 Particulars of loans and advances/investments

		Amount in BDT	
		Dec-24	**Dec-23**
i)	Loans considered good in respect of which the banking company is fully secured;	246,824,123,217	266,097,802,061
ii)	Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	-	-
iii)	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor;	16,018,771,355	32,654,804,798
iv)	Loans adversely classified; provision not maintained thereagainst;	-	-
		262,842,894,572	**298,752,606,859**
v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons; (Staff Loan)	**1,439,285,210**	**1,416,910,512**

Particulars		Amount in BDT	
		Dec-24	Dec-23
vi)	Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-
vii)	Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person; (Staff Loan)	**1,439,285,210**	**1,416,910,512**
viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	**139,027,286**	**105,518,884**
ix)	Due from banking companies;	-	-
x)	Amount of classified loan on which interest has not been charged, should be mentioned as follows:	**51,761,697,816**	**17,313,348,921**
a.	**Decrease/increase in provision, amount of loan written off and amount realised against loan previously written off;**		
	Movement of classified loans and advances		
	Opening balance	17,313,348,921	19,928,629,556
	Increase/(decrease) during the year	34,448,348,895	(2,615,280,635)
		51,761,697,816	**17,313,348,921**
b.	Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;	**28,310,189,983**	**6,325,359,078**
c.	Interest creditable to the Interest Suspense a/c;	**24,377,615,863**	**14,606,901,405**
xi)	**Cumulative amount of the written off loan and the amount written off during the Current period:**		
	Opening Balance	7,921,983,951	6,442,791,373
	Amount written off during the year	3,349,540,075	1,536,303,949
	Amount Recovered / Adjustment	(75,799,653)	(57,111,371)
	Cumulative Balance	**11,195,724,372**	**7,921,983,951**
	Cumulative Balance of Loans & Advance Written off upto this year		
	Opening Balance	8,568,382,709	7,032,078,760
	Amount written off during the year	3,349,540,075	1,536,303,949
	Total Amount of writtenoff upto this Year	**11,917,922,784**	**8,568,382,709**
	Total amount Recovered/Adjusted against Written Off Loans and Advances up to this year		
	Opening Balance	646,398,758	589,287,388
	Amount Recovered / Adjustment during this Year	75,799,653	57,111,371
	Total amount Recovered/Adjusted against WrittenOff Loans and Advances up to this year	**722,198,412**	**646,398,758**
	Amount of written-off Loan for which law suit has been filed for its recovery (Including non-charged interest)	**3,349,540,075**	**1,500,850,069**
7.11	**Suits filed by the Bank Branch:**		
	As of the responding date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under:		
	Name of the Branch:		
	Main Branch	8,780,560,166	5,164,585,750
	Dhanmondi Branch	2,061,901,946	983,970,437
	Motijheel Branch	361,037,409	175,562,089
	Nayabazar Branch	355,559,385	356,164,225
	Kawran Bazar	802,741,638	781,288,580
	Rajshahi Branch	33,727,872	33,727,872
	Noagaon Branch	1,406,732,739	1,404,930,389
	Agrabad Branch	9,490,490,069	8,444,205,713
	Sylhet Branch	95,609,129	95,609,129
	Cumilla Branch	221,577,322	163,349,282
	Khatungonj Branch	2,698,162,148	2,690,961,898
	Sapahar Branch	11,610,658	5,323,602
	Jubliee Road Branch	3,642,641,103	3,640,824,426
	Banani Branch	386,398,545	565,239,004
	Uttara Branch	3,262,481,558	209,675,407
	O R Nizam Road Branch	6,230,641	5,762,117
	Madam Bibi Hat Branch	2,757,564,417	2,649,727,526
	Mogh Bazar Branch	330,839,504	331,111,288
	Faridgonj Branch	11,654,710	18,502,973

Particulars	Amount in BDT	
	Dec-24	Dec-23
Rangpur Branch	23,479,472	23,479,472
Sk.Mujib Road Branch	395,552,580	379,580,127
Elephant Road Branch	1,600,573,980	274,056,251
Darus Salam Road Branch	34,087,538	34,087,538
Bijoynagar Branch	268,263,553	308,627,279
Joypara Branch	46,519,601	40,709,149
Aganar Branch	34,479,756	762,226
Patiya Branch	3,628,728	5,729,495
Satmasjid Road Branch	301,178,010	332,146,845
Dinajpur Branch	98,413,547	117,799,379
Ashulia Branch	166,110,683	42,984,161
International Airport Road Branch	-	66,397,388
Chowmuhani Branch	143,377,514	138,282,714
A.K. Khan Moor Branch	197,158,573	188,738,635
Kushtia Branch	231,615,461	149,856,838
Moulvibazar Branch	15,525,932	15,525,932
Sunamgonj Branch	42,586,280	20,904,005
Gulshan Branch	6,230,949	6,230,949
Dholaikhal Branch	124,613,571	110,345,955
Nilphamari Branch	97,017,967	73,582,000
Nabigonj Branch	2,087,469	9,746,356
Hemayetpur Branch	19,979,797	3,365,190
Bogura Branch	54,680,183	505,030,369
Madanpur Branch	18,084,820	17,660,780
Chapainawabgonj Branch	90,694,688	44,485,017
Amishapara Branch	8,223,823	5,889,139
Engineer Institution Branch	42,494,781	40,600,700
Narayanganj Branch	745,135,119	683,328,119
Chandpur Branch	38,774,860	38,774,860
Patherhat Branch	4,614,717	13,565,563
Chuadanga Branch	19,119,255	14,991,094
Sudibbazar Branch	11,311,214	11,311,214
Jhilongja Branch	6,923,168	6,923,168
Accss Road Branch	-	123,548,772
Shishahat Branch	3,981,689	5,881,375
Rajnagar Krishi Branch	8,003,964	8,003,964
Maijdee Court Branch	67,683,885	29,233,863
Bhulta Branch	203,552,924	162,087,443
Mirpur Branch	799,564,955	797,579,336
Ring Road Branch	386,884,595	371,030,945
Rampura Branch	83,194,361	116,596,658
Jashore Branch	77,362,428	87,203,546
Barishal Branch	1,482,856	1,482,856
Baraiyarhat Branch	17,908,012	6,001,947
Green Road Branch	61,369,280	55,903,953
Banglabazar Branch	90,422,397	90,422,397
Kuraish Munshi Branch	53,750,800	53,750,800
Pabna Branch	94,847,818	63,229,288
Kishoreganj Branch	20,916,626	-
Mohakhali	-	163,825,916
Gareeb-e-Newaz	29,714,501	29,714,501
Sadar Ghat Branch	92,671,667	92,671,667
Chattogram EPZ	3,640,932	-
Baipal Branch	12,787,359	-
Gobindoganj Branch	59,896,973	-
Nazipur Branch	31,447,616	-
Donia Branch	18,122,354	-
	43,829,266,536	**33,704,188,842**

Particulars		Amount in BDT	
		Dec-24	Dec-23
7.12	**Listing of assets pledged as security/ collaterals**		
	Nature of the secured assets:		
	Fixed assets	155,873,050,116	154,803,462,738
	Cash & quasi-cash	23,160,109,689	16,578,431,631
	Others	26,543,204,605	38,636,621,148
		205,576,364,410	**210,018,515,516**
7.13	**Nature wise loans & advances/investments**		
	Continuous	73,775,381,502	73,808,078,732
	Demand Loan	61,877,749,375	59,689,470,497
	Term Loans up to 5 (five) years	118,166,062,762	92,765,811,635
	Term Loans above 5 (five) years	45,423,591,704	57,840,376,431
	Term Loans above 5 (five) years - Staff Loan	782,320,898	724,324,199
		300,025,106,242	**284,828,061,494**

7.14 Loan and advances/investments allowed to each customer exceeding 10% of Bank's total capital

As per BRPD Circular 02, dated 16 January 2014 issued by Bangladesh Bank, disclosure on large loan i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under:

Total Capital	38,748,557,933	42,266,984,276
Total Loans and Advances/investments (Funded)	87,229,572,337	85,249,595,769
No. of customers	29	30
Classified amount thereon	Nil	Nil
Measures taken for recovery of classified loans/investments	N/A	N/A

7.15 Details of large loans and advances/investments

Single Borrower Exposure Limit has been calculated on the basis of total eligible capital as on 31.12.2024 according to BRPD Circular 02, BRPD Circular 01 & BRPD Circular 21, dated 16.01.2014,16.01.2022 & 02.06.2022. Number of clients with outstanding amount exceeding 10% of total capital of the Bank is 29. Total capital of the Bank was BDT. 3,874.86 crore as at 31.12.2024

SL #	Name of Clients	Outstanding (BDT)		Total (BDT)	Branch
		Funded	Non-Funded		
1	Deshbandhu Group	7,263,800,000	469,866,000	7,733,666,000	Motijheel
2	Jamuna Industrial Agro Group	6,870,200,000	-	6,870,200,000	Rajshahi
3	International Leasing & Financial Services Ltd.	6,621,900,000	-	6,621,900,000	Banani/Elephant Road
4	Labib Group	6,159,700,000	3,860,200,000	10,019,900,000	Mohakhali
5	Abul Khair Group	4,839,351,696	8,884,221,000	13,723,572,696	Agrabad / Gulshan / Khatungonj
6	ACI Group	4,624,800,000	3,007,000,000	7,631,800,000	Motijheel
7	Jamuna Group	4,499,700,000	5,679,400,000	10,179,100,000	Main
8	Orion Group (Power Sector)	4,894,500,000	316,400,000	5,210,900,000	Main
9	Rahimafrooz Group	4,877,800,000	264,700,000	5,142,500,000	Motijheel/Moghbazar/ Mohakhali/gulshan
10	Energypac Group	4,659,400,000	366,100,000	5,025,500,000	Int'l Airport Road
11	City Group	2,603,500,000	1,777,300,000	4,380,800,000	Main
12	Utah Group	1,935,700,000	1,697,900,000	3,633,600,000	Main
13	Square Group	26,500,000	4,844,400,000	4,870,900,000	Mohakhali
14	TK Group	4,032,100,000	2,564,400,000	6,596,500,000	Agrabad
15	Interstoff Group	2,808,009,000	880,666,000	3,688,675,000	Dhanmondi/ Main
16	KDS Group	1,199,900,000	2,490,800,000	3,690,700,000	Khatungonj
17	Comprehensive Group	2,362,700,000	1,050,000,000	3,412,700,000	Dhanmondi
18	GPH Group	2,984,100,000	1,967,100,000	4,951,200,000	Khatungonj
19	Rising Group	1,985,500,000	3,526,500,000	5,512,000,000	Banani
20	Silver Line Group	2,909,500,000	615,300,000	3,524,800,000	Gulshan
21	SQ Group	2,217,806,210	3,388,753,000	5,606,559,210	Gulshan
22	S. Alam Group	2,718,000,000	-	2,718,000,000	Khatungonj
23	Badsha Group	1,433,000,000	6,387,400,000	7,820,400,000	Gulshan
24	Pran RFL Group	1,302,100,000	4,515,100,000	5,817,200,000	Motijheel
25	Meghna Group	-	6,448,000,000	6,448,000,000	Main
26	MNR Group	1,021,605,431	2,034,200,000	3,055,805,431	Gulshan
27	BSRM Group	378,400,000	5,409,100,000	5,787,500,000	Jubilee Road
28	Rural Power Company Ltd. (Power Sector)	-	9,055,500,000	9,055,500,000	Uttara
29	Power Grid Company of Bangladesh PLC. (Power Sector)	-	6,058,800,000	6,058,800,000	EIB /Rampura/ Aftabnagar
	Total	**87,229,572,337**	**87,559,106,000**	**174,788,678,337**	

Particulars		Amount in BDT	
		Dec-24	Dec-23
7.16	**Net loans, advances and leases/ investment**		
	Gross performing loans, advances and leases/ investment (Note-7)	**300,025,106,242**	**284,830,983,477**
	Non-performing loans, advances and leases/ investment (Note-7.10(X))	(51,761,697,816)	(17,313,348,921)
	Provision for loans, advances and leases/ investment (Note-13.5.1)	(21,159,105,868)	(17,510,447,762)
		(72,920,803,683)	**(34,823,796,683)**
		227,104,302,559	**250,007,186,794**
7.17	**Loans and advances/investments: Broad categories**		
	Loans and advances/investments (7.17.1)	214,984,343,718	201,279,583,886
	Cash credits (7.17.2)	28,026,074,747	31,057,993,147
	Overdraft (7.17.3)	46,242,587,268	43,518,024,682
	Bill Purchased and discounted (7.17.4)	9,368,962,366	7,753,456,603
	Leases/investments (7.17.5)	1,400,216,160	1,219,003,177
	Loan against Non-banking Assets (7.17.6)	2,921,983	2,921,983
	In Bangladesh	**300,025,106,243**	**284,830,983,479**
	Outside Bangladesh	-	-
	Total Loans and advances /investments	**300,025,106,243**	**284,830,983,479**
7.17.1	**Loans and advances/investments: Residual maturity grouping**		
	Repayable on demand	34,818,180,234	27,620,788,534
	Not more than 3 (three) months	11,599,692,237	12,251,772,191
	More than 3 (three) months but not more than 1 (one) year	31,651,153,485	27,691,048,770
	More than 1 (one) year but not more than 5 (five) years	90,916,115,633	75,151,273,761
	More than 5 (five) years	45,999,202,129	58,564,700,630
		214,984,343,718	**201,279,583,886**
7.17.2	**Cash credit : Residual maturity grouping**		
	Repayable on demand	13,047,475,356	11,700,720,422
	Not more than 3 (three) months	4,614,040,686	2,719,190,355
	More than 3 (three) months but not more than 1 (one) year	10,303,187,187	16,233,360,666
	More than 1 (one) year but not more than 5 (five) years	61,371,518	404,721,704
	More than 5 (five) years	-	-
		28,026,074,747	**31,057,993,147**
7.17.3	**Overdraft: Residual maturity grouping**		
	Repayable on demand	14,134,554,572	12,274,660,659
	Not more than 3 (three) months	10,754,035,142	5,209,245,338
	More than 3 (three) months but not more than 1 (one) year	21,177,912,747	23,176,569,150
	More than 1 (one) year but not more than 5 (five) years	176,084,807	2,856,481,360
	More than 5 (five) years	-	1,068,175
		46,242,587,268	**43,518,024,682**
7.17.4	**Bills discounted and purchased: Remaining maturity grouping**		
	Payable within 1 (one) month	2,261,529,285	2,506,952,444
	Over 1 (one) month but less than 3 (three) months	6,926,067,156	5,100,865,779
	Over 3 (three) months but less than 6 (six) months	181,365,925	145,638,380
	6 months or more	-	-
		9,368,962,366	**7,753,456,603**
7.17.5	**Leases / investments: Residual maturity grouping**		
	Lease rental receivable within 1 year	111,334,313	90,732,430
	Above 1 year but within 5 years	1,085,093,357	1,128,270,747
	Above 5 years	203,788,490	
	Total lease rental receivable	**1,400,216,160**	**1,219,003,177**
	Unearned interest receivable	-	-
		1,400,216,160	**1,219,003,177**
7.17.6	**Loan against Non-banking Assets : Residual maturity grouping**		
	Payable within 1 (one) month	-	-
	Above 1 year but within 5 years	-	-
	Above 5 years	2,921,983	2,921,983
		2,921,983	**2,921,983**

7.18 Loan and advances/investments related with large loan restructuring

The bank has participated syndication loan of Jamuna Builders Limited with lead arranger of Janata Bank Limited. In addition, these loans have been restructured as large loan restructuring complied with BRPD circular # 4 dated January 29, 2015. Details are given below :

Nature of facility	BDT in Lac				
	Amount	Validity	Outstanding as on 31.12.24	Total Provision kept	CL Status
Syndication Term Loan (Restructured)	4271.28	30-Mar-32	4155.06	83.10	SMA

		Amount in BDT	
		Dec-24	Dec-23
7.B	**Bills Purchased and Discounted:**		
7.B.(i).	**Bill discounted and purchased exclude Government Treasury bills:**		
	Conventional and Islamic banking		
	Payable in Bangladesh	1,978,567,242	2,764,758,928
	Payable outside Bangladesh	7,362,719,734	4,868,543,215
		9,341,286,977	**7,633,302,143**
7.B.(ii).	**Remaining maturity grouping of Bills discounted and purchased**		
	Payable within 1 (one) month	5,487,190,190	3,412,192,874
	Over 1 (one) month but less than 3 (three) months	3,490,338,143	3,573,799,243
	Over 3 (three) months but less than 6 (six) months	363,758,644	647,310,026
	6 months or more	-	-
		9,341,286,977	**7,633,302,143**
7(a)	**Consolidated Loans and advances/investments**		
	Loans and advances/investments		
	Mercantile Bank PLC.	290,683,819,265	277,197,681,334
	Mercantile Bank Securities Limited	4,603,605,968	4,569,728,949
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		295,287,425,233	**281,767,410,283**
	Inter company transactions	(598,212,414)	(807,293,428)
		294,689,212,819	**280,960,116,855**
	Bills Purchased and discounted		
	Mercantile Bank PLC.	9,341,286,977	7,633,302,143
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		9,341,286,977	**7,633,302,143**
	Inter company transaction	-	-
		9,341,286,977	**7,633,302,143**
	Total	**304,030,499,796**	**288,593,418,998**
8.	**Fixed assets including premises, Furniture and Fixtures-at cost less Accumulated Depreciation (Annexure-A)**		
	Conventional and Islamic banking		
	Freehold properties		
	Land & land development	1,341,807,978	1,341,807,978
	Building	1,008,092,629	1,041,795,895
	Furniture & fixtures	372,377,467	440,003,819
	Office equipment	495,397,979	639,117,418
	Vehicles	31,594,272	25,424,587
	Books	62	62
	Total	**3,249,270,388**	**3,488,149,759**
8(a).	**Consolidated Fixed assets including premises, furniture and fixtures**		
	Mercantile Bank PLC.	3,249,270,388	3,488,149,759
	Mercantile Bank Securities Limited	103,639,288	99,370,343
	MBL Asset Management Limited	314,354	426,065
	Mercantile Exchange House (UK) Limited	5,482,112	4,346,116
		3,358,706,142	**3,592,292,283**

Particulars		Amount in BDT	
		Dec-24	Dec-23
9	**Other Assets:** **Annexure-E**		
	Convetional and Islamic banking		
	Other assets should be classified under the following categories:		
	Income generating other assets:		
	Investment in Shares of subsidiary company (In Bangladesh) Mercantile Bank Securities Ltd.	3,550,000,000	3,550,000,000
	Investment in Shares of subsidiary company (In Bangladesh) MBL Asset Management Ltd.	56,000,000	56,000,000
	Investment in Shares of subsidiary company (outside Bangladesh) Mercantile Exchange House (UK) Ltd.	51,738,780	48,323,650
	MBL Offshore Banking Division	6,349,741,346	3,964,450,783
	Islamic-Conv. Adjustment Account	-	-
	No-Income generating other assets:		
	Stationery, stamps,printing materials in stock etc.	48,385,112	39,796,532
	Advance rent and advertisement	235,260,758	271,728,299
	Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable (Note 9.1);	2,347,721,371	2,185,796,041
	Security deposit	10,324,826	10,327,826
	Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses (Note-9.2)	31,019,270	45,874,298
	Branch adjustment	24,161,287	24,161,287
	Inter Branch Settlement Account	2,197,702,669	2,669,009,766
	Suspense Account (Note 9.3)	1,074,438,084	976,523,437
	Right Of Use (ROU) Assets as per IFRS-16	390,991,497	585,294,285
		16,367,485,000	**14,427,286,203**
	Inter company transaction(OBD)	(6,349,741,346)	(3,964,450,783)
		10,017,743,654	**10,462,835,420**
9.1	**Interest accued on investment but not collected, commission and brokerage receivable on shares and debenture and other income receivable:**		
	Accrued interest (Note-9.1.1)	2,241,145,828	2,084,333,663
	Other accruals (Note - 9.1.2)	106,575,543	101,462,378
		2,347,721,371	**2,185,796,041**
9.1.1	**Accrued interest**		
	Interest Receivable on Investment	1,650,384,004	1,521,889,003
	Interest Receivable on Loan & Advances except OBD	308,886,522	369,451,684
	Coupon Int. Expenditure A/C	-	-
	Interest Receivable on OBD (Loan & Advances)	281,875,302	192,992,976
		2,241,145,828	**2,084,333,663**
9.1.2	**Other accruals**		
	Fees receivable	-	-
	Dividend receivable on share	17,427,920	17,314,754
	Discount receivable	-	-
	Protested bills	23,171,030	18,171,030
	Other receivables	65,976,594	65,976,594
		106,575,543	**101,462,378**
9.2	**Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses:**		
	MBL Center (Development Expenses on Head Office Building)	-	-
	Advance against new Br/HO/ZO/SO	-	20,900,000
	Prepaid insurance premium	8,927,233	6,515,280
	Others Prepaid expenditure	22,092,037	18,459,018
		31,019,270	**45,874,298**
9.3	**Suspense Account**		
	Advance against TA/DA	-	-
	Encashment of PSP/BSP/WEDB	17,114,643	98,909,798
	Cash Remitted	56,400,120	63,937,976
	Others	1,000,923,321	813,675,663
		1,074,438,084	**976,523,437**

9.4 Un-reconciled Branch Adjustments- Mercantile Bank General Account

This Note represents outstanding inter-branch and Head Office transactions (Net) originated but yet to be responded. However, the un-reconciled entries of 31.12.2024 (upto-date position 06.01.2025)are narrated below:

Amount in BDT

Particulars	No of entries	Amount	No of entries	Amount
	Debit		Credit	
Up to 3 months	-	-	-	-
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	4	24,161,287	-	-
	4	**24,161,287**	**-**	**-**

	Amount in BDT	
	Dec-24	Dec-23
9(a) Consolidated other assets		
Mercantile Bank PLC.	10,017,743,654	10,462,835,420
Mercantile Bank Securities Limited.	318,482,390	294,759,682
MBL Asset Management Limited	7,860,409	5,538,705
Mercantile Exchange House (UK) Limited	11,916,480	11,392,314
	10,356,002,934	**10,774,526,121**
Inter company transaction	(3,657,326,400)	(3,653,911,270)
	6,698,676,534	**7,120,614,851**

10. Non-banking assets

The Bank was awarded absolute ownership on few mortgaged properties through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003. These were recorded as non banking assets. Following are the details:

SL	Name of Parties	Asset detsils	Entitlement Date	Lower of Market Value/ Valuation Value	Lower of Market Value/ Valuation Value
1	Global Business Associates	a) 44 decimal land at Mouza- Gosai Gobindapur, P.S: Baliakandi, Dist: Rajbari; b) 6.66 decimal land at Mouza- Gosai Gobindapur, P.S: Baliakandi, Dist: Rajbari. Previously owned by A.T.M Shamim Ul Alam and A.T.M Shafiqul Alam at present Mercantile Bank PLC.	30-Apr-15	500,000	500,000
2	SS Trading Corporation Shamimul Islam Siraj.	a) RM of 17.50 decimal land along with Semipacca building under Mouza Loar Shahara, PS. Dhaka Cantonment, Dist. Dhaka. Previously owned by Md. Ali Azam Khan, Solaiman Khan, Khorshed Alam Khan, mrs. Kohonoor Akhter, Rasheda Begum, Sheuli Akhter and Fatema Begum at present Mercantile Bank PLC. b) RM of 170.50 decimal land at Dist. Madaripur, PS. – Shibchar, Mouza Shamail. Previously owned by Shamimul Islam Siraj and shariar Farid at present Mercantile Bank PLC. c) RM of 375.00 decimal land at Dist. Madaripur, PS Shibchar, Mouza- Choto Chowdhurir Bill and Shamail. Previously owned by Sheba Fish Feeds Limited represented by Anwarul Haq, Md. Ashraful Islam Taluqder, Shahariar Farid and Shamimul Islam Siraj at present Mercantile Bank Limited. Mutation only 170.50 decimal completed	05-Aug-13	4,262,500	4,262,500
3	Dohar Seed Company, Prop.: Md. Advocate Abdus Sobhan	RM (3rd party) of land 16.25 Decimal at Bhatara, Gulshan, Dhaka. Previously owned by Mr. Md. Syed Hossain Imam and Mr. Mozaffar Ali at present Mercantile Bank PLC.	25-Nov-08	3,939,394	3,939,394
4	Shahinoor Enterprise, Prop: Mr. Md. Mojibur Rahman	a). 2.56 Katha Land with semi pucca building at Badda; b). 10 Katha Land at Badda.	20-Jul-06	3,400,800	3,400,800
5	Dr. Akhtar Hossain	6.66 out of 7.00 decimal land with 04 Nos. floor spaces (Ground floor, 1st floor, 4th floor & 5th floor) out of 10.50 decimal land with 06 storied building at Mouza-Chotto Balimeher, Savar, Dhaka	16-Nov-14	10,833,638	10,833,638
6	M/S Sayed Traders	RM of 261.75 decimal land (256.5 decimal land at Mouza-Bagdhani, PS-Poba, Dist.-Rajshahi and 5.25 decimal land at Mouza-Nowhata, PS-Poba, Dist.-Rajshahi. Previously owned by Md. Esaruddin at present Mercantile Bank PLC.	24-May-15	11,860,000	11,860,000
7	M/S. Rabeya Chaul Kol	94.09 decimal vacant land at JL# 73, Khatian# CS: 101, 272, SA: 98, 328, RS: 195, Mutation- 937, Plot# CS & SA- 1006,1041, 1031, RS- 1415, 1429, Mouza- Khordo Rasulpur, Upazilla-Sadullahpur, District- Gaibandha.	06-Apr-23	7,725,000	7,725,000
8	Khawaja Garib e Newaj Enterprise	1) 5.00 decimal land at P.S. Patiya, then Bandar, at present Karnafully, Mouza-Isanagar, Chattogram. 2) 3.00 decimal land at P.S. Patiya, Then Bandar, at present Karnafully, Mouza-Charlakhia, Chattogram.	21-Nov-22	2,560,000	2,560,000
Total				**45,081,332**	**45,081,332**

Particulars		Amount in BDT	
		Dec-24	Dec-23
10(a).	**Non- banking assets**		
	Mercantile Bank PLC.	45,081,332	45,081,332
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		45,081,332	**45,081,332**
11	**Borrowings from other banks, financial institutions and agents**		
	In Bangladesh (Note 11.1)	13,462,007,343	18,286,229,575
	Outside Bangladesh	1,560,000,000	2,145,000,000
		15,022,007,343	**20,431,229,575**
11.1	**In Bangladesh - Interest bearing**		
A.	**Money at Call & short notice (11.1a):**	-	500,000,000
		-	**500,000,000**
B.	**Other Borrowings:**		
	Bangladesh Bank Refinance (11.1b)	11,078,587,007	13,681,143,235
	Bangladesh Bank Pre-finance against RMG	470,575,636	76,086,340
	Bangladesh Bank Pre-finance against SME	7,102,700	-
	Borrowing from Bangladesh Bank	1,905,742,000	4,029,000,000
	Other Bank Borrowings (11.1c)	-	-
	Off-shore Banking Division	6,349,741,346	3,964,450,783
		19,811,748,689	**21,750,680,358**
	Inter company transaction	(6,349,741,346)	(3,964,450,783)
	Other Borrowings	**13,462,007,343**	**17,786,229,575**
	Total	**13,462,007,343**	**18,286,229,575**
11.1a	**Money at Call & short notice**		
i)	**Money at Call:**		
		-	**-**
ii)	**Short Notice:**		
	Southeast Bank PLC	-	100,000,000
	Premier Bank PLC	-	400,000,000
		-	**500,000,000**
		-	**500,000,000**
11.1b	**Bangladesh Bank Refinance**		
	Refin on Estb of Certfd Green Build	164,285,715	192,857,143
	Refinance for Women Ent. SME	496,767,500	462,703,333
	Refinance for SME Foundation	8,361,666	21,623,300
	Refinance for Home Loan	2,441,113	3,404,044
	Refinance for SME	1,778,943,583	1,870,935,911
	Ref agnst WC under AIIB Fund- CMSME	-	639,875,000
	Refinance against SMEDP-2	26,339,595	56,980,688
	Refinance against StimulusFund	133,130,000	606,127,434
	Refinance for ETP	-	-
	Refinance for Term Loan-Ghore Fera	21,890,000	12,300,000
	Refinance against EDF from BB	5,500,481,586	6,569,220,045
	Refinance Against Brick Kil	32,250,006	41,464,290
	Refinance Against Fin. Incl SC(FIS)	101,640,952	283,890,953
	Refinance for Agro Processing Ind	231,844,111	462,933,715
	FC Account Against BB Refinance	685,620,368	852,919,379
	Pre-Shipment Credit Ref Scheme Corp	1,802,698,000	1,512,560,000
	Re-finance agnt Corporate Loan	91,892,813	91,348,000
		11,078,587,007	**13,681,143,235**

Particulars			Amount in BDT	
			Dec-24	Dec-23
11.1c	**Other Bank Borrowings**			
	Term Borrowing:			
			-	-
			-	-
11.2	**Outside Bangladesh**		**1,560,000,000**	**2,145,000,000**
	Total Borrowings from other banks, financial institutions and agents (N-11.1+11.2)		**15,022,007,343**	**20,431,229,575**
11.3	**Borrowings from other banks, financial institutions and agents: Security wise grouping**			
	Secured borrowings		13,462,007,343	17,786,229,575
	Unsecured borrowings		1,560,000,000	2,645,000,000
			15,022,007,343	**20,431,229,575**
11.4	**Borrowings from other banks, financial institutions and agents: Nature of repayment**			
	Repayable on demand		1,560,000,000	2,645,000,000
	Others		13,462,007,343	17,786,229,575
			15,022,007,343	**20,431,229,575**
11.5	**Borrowings from other banks, financial institutions and agents: Maturity grouping**			
	Repayable on demand		1,560,000,000	2,645,000,000
	Repayable within 1 month		-	-
	Over 1 months but within 6 months		-	-
	Over 6 months but within 1 year		-	-
	Over 1 year but within 5 years		13,462,007,343	17,786,229,575
	Over 5 year but within 10 years		-	-
	Over 10 (ten) years		-	-
			15,022,007,343	**20,431,229,575**
11(a)	**Consolidated borrowings from other banks, financial institutions**			
	Inside Bangladesh			
	Mercantile Bank PLC.		15,022,007,343	20,431,229,575
	Mercantile Bank Securities Limited		1,081,673,428	1,257,308,644
	MBL Asset Management Limited		-	-
	Mercantile Exchange House (UK) Limited		-	-
			16,103,680,771	**21,688,538,219**
	Consolidated borrowings from other banks, financial institutions			
	Outside Bangladesh			
	Mercantile Bank PLC.		-	-
	Mercantile Bank Securities Limited		-	-
	MBL Asset Management Limited		-	-
	Mercantile Exchange House (UK) Limited		-	-
			-	-
			16,103,680,771	**21,688,538,219**
	Inter company transaction		(598,212,414)	(807,293,428)
	Total- Consolidated borrowings from other banks, financial institutions		**15,505,468,357**	**20,881,244,791**
11.6	**Non-convertible Subordinated Bond**			
		Coupon Rate		
	Janata Bank PLC.	7.07%	200,000,000	400,000,000
	Agrani Bank PLC.	7.07%	200,000,000	400,000,000
	Sonali Bank PLC	7.07%	200,000,000	400,000,000
			600,000,000	**1,200,000,000**
11.6a	**Consolidated Non-convertible Subordinated Bond**			
	Mercantile Bank PLC.		600,000,000	1,200,000,000
	Mercantile Bank Securities Limited		-	-
	MBL Asset Management Limited		-	-
	Mercantile Exchange House (UK) Limited		-	-
			600,000,000	**1,200,000,000**
11.7	**Mercantile Bank Perpetual Bond**	**Coupon Rate**		
I.	**Private Placement:**			
	Pubali Bank Limited	10.00%	1,000,000,000	1,000,000,000
	Bengal Commercial Bank Limited	10.00%	100,000,000	100,000,000
	Bank Asia Limited	10.00%	1,030,000,000	1,030,000,000
	United Commercial Bank Limited	10.00%	1,000,000,000	1,000,000,000
			3,130,000,000	**3,130,000,000**

Particulars		Amount in BDT	
		Dec-24	Dec-23
II.	**Public Offer:**		
		500,000,000	500,000,000
		-	-
		500,000,000	**500,000,000**
		3,630,000,000	**3,630,000,000**
11.7a	**Consolidated Mercantile Bank Perpetual Bond**		
	Mercantile Bank PLC.	3,630,000,000	3,630,000,000
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		3,630,000,000	**3,630,000,000**
12.	**Deposits and other accounts:**		
	Conventional and Islamic banking		
A.	**Deposits received from Banks :**	**9,255,563,925**	**5,625,841,997**
	Payable on demand (Note- A-1)	3,579,956	2,019,369
	Time Deposits (Note - A-2)	9,251,983,968	5,623,822,628
B.	**Other than Bank:**	**333,468,688,627**	**301,322,111,269**
	Payable on demand (Note- B-1)	52,415,769,111	57,275,776,464
	Time Deposits (Note - B-2)	281,052,919,516	244,046,334,806
	Total Payable on Demand Deposits (Note- A-1 & B-1)	52,419,349,067	57,277,795,833
	Total Time Deposits (Note -A-2 & B-2)	290,304,903,484	249,670,157,433
		342,724,252,551	**306,947,953,266**
A.	**Deposits received from Banks:**		
	Term deposit	6,200,000,000	4,150,000,000
	Current deposit	3,579,956	2,019,369
	Special Notice deposits	3,051,983,968	1,473,822,628
	Saving deposits	-	-
		9,255,563,925	**5,625,841,997**
A-1	**Payable on demand**		
	Current deposits	3,579,956	2,019,369
	Saving deposits (9%) - (A)	-	-
		3,579,956	**2,019,369**
A-2	**Time deposits**		
	Saving deposits (91%) - (A)	-	-
	Term deposit	6,200,000,000	4,150,000,000
	Special Notice deposits	3,051,983,968	1,473,822,628
		9,251,983,968	**5,623,822,628**
	Maturity Analysis (Deposits received from Banks):		
	Repayable on demand	3,579,956	2,019,369
	Repayable within 1 month	3,051,983,968	1,473,822,628
	Over 1 months but within 6 months	6,200,000,000	4,150,000,000
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 year but within 10 years	-	-
	Unclaimed deposits 10 (ten) years and above	-	-
		9,255,563,925	**5,625,841,997**
B.	**Other than Bank:**		
B-1	**Payable on demand:**		
	Current deposits	13,835,958,350	14,114,358,905
	Saving deposits (9%) - (Note 12.3)	3,314,810,669	3,182,539,637
	Foreign currency deposits (non interest bearing)	3,088,248,304	3,052,733,300
	Bills payable (Note-12.2)	3,557,652,516	3,573,240,118
	Sundry deposits (Note - 12.1.1)	16,693,945,281	21,802,836,703
	Foreign currency held against Back to Back L/C	11,925,153,992	11,550,067,802
		52,415,769,111	**57,275,776,464**

Particulars		Amount in BDT	
		Dec-24	Dec-23
B- 2	**Time deposits:**		
	Saving deposits (91%) - (Note-12.3)	33,516,418,986	32,179,011,883
	Foreign currency deposits (non interest bearing)	4,611,154,615	1,879,517,298
	Fixed deposits (Note-12.4)	120,052,565,103	113,303,408,919
	Special Notice deposits	66,373,786,593	52,752,927,287
	Deposits under schemes (Note-12.5)	55,693,364,468	43,257,537,272
	Non-resident taka deposit	87,449,309	87,858,166
	Deposit under Q-cash	52,586,047	47,653,943
	Deposit under Agent Banking	665,594,394	538,420,038
		281,052,919,516	**244,046,334,806**
	Maturity Analysis (Deposits received from other than Banks):		
	Repayable on demand	45,355,818,973	45,889,972,660
	Repayable within 1 month	49,366,121,775	48,702,562,100
	Over 1 months but within 6 months	41,720,888,210	41,110,637,640
	Over 6 months but within 1 year	44,242,102,684	45,085,237,145
	Over 1 year but within 5 years	53,163,874,550	54,451,664,830
	Over 5 year but within 10 years	99,619,882,435	66,082,036,895
	Unclaimed deposits 10 (ten) years and above	-	-
		333,468,688,627	**301,322,111,270**
12.1	**Current/Al-wadeeah current accounts and other accounts**		
	Current deposits	13,812,357,349	14,090,211,518
	Special Notice deposits	69,425,770,561	54,226,749,915
	Foreign currency deposits	7,699,402,919	4,932,250,598
	Deposit under Q-cash & My cash	52,586,047	47,653,943
	Deposit under Agent Banking	665,594,394	538,420,038
	Non-resident taka deposits	87,449,309	87,858,166
	Sundry deposit (Notes 12.1.1)	16,693,945,281	21,802,836,703
	Unclaimed Dividend (Note-12.6)	27,180,957	26,166,755
	Foreign currency held against Back to Back L/C	11,925,153,992	11,550,067,802
		120,389,440,809	**107,302,215,437**
12.1.1	**Details of sundry deposit**		
	Sundry Creditors	344,099,849	312,544,037
	Withholding Tax - IT	870,136,041	692,801,890
	Withholding Tax - Excise Duty	271,749,199	263,031,896
	Withholding Tax - VAT	55,068,917	55,254,021
	Margin on Letter of Guarantee	925,267,020	953,335,124
	Margin on L/C	12,032,314,219	16,473,472,723
	Margin on FDBP/IDBP	97,525	97,525
	Margin on Inward bill collection	381,079	395,929
	Other Margin Account	20,649,194	15,272,376
	Sale proceeds of PSP/BSP	3,200,000	3,200,000
	Advance deposit against lease rent	904,200	964,200
	Security deposit	15,615,964	13,908,034
	Export bill agency commission	10,156,536	10,156,536
	Export bill reserve margin	250,810,130	219,109,963
	Other sundry deposit	1,893,495,409	2,789,292,449
		16,693,945,281	**21,802,836,703**
12.2	**Bills payable**		
	Demand Draft	2,936,459	2,936,459
	Security deposit receipt	901,950	931,950
	Pay Order	3,538,937,591	3,555,374,615
	Pay Slip	14,876,516	13,997,095
		3,557,652,516	**3,573,240,118**
	Maturity wise Grouping Bills Payable		
	Repayable on demand	-	-
	Repayable within 1 month	3,556,750,566	3,572,308,168
	Over 1 months but within 6 months	901,950	931,950
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 year but within 10 years	-	-
		3,557,652,516	**3,573,240,118**

Particulars			Amount in BDT	
			Dec-24	Dec-23
12.3	**Savings Bank/Mudaraba savings bank deposits**			
	As per BRPD Circular No. 03 of 07 July 1997, total saving bank deposits amount is distributed into:			
	9% of total Savings Bank deposits (Demand deposits)		3,314,810,669	3,182,539,637
	91% of total Savings Bank deposits (Time deposits)		33,516,418,986	32,179,011,883
			36,831,229,655	**35,361,551,520**
12.4	**Fixed deposits/Mudaraba fixed deposits**			
	Customer deposits (Note 12 B-2)		120,052,565,103	113,303,408,919
	Deposits received from Banks-Term deposit (Note-12 A-2)		6,200,000,000	4,150,000,000
			126,252,565,103	**117,453,408,919**
12.4.1	**Fixed deposits/Mudaraba fixed deposits - maturity wise Grouping**			
	Repayable on demand		-	-
	Repayable within 1 month		-	-
	Over 1 months but within 6 months		27,902,619,298	18,269,181,504
	Over 6 months but within 1 year		44,497,471,870	44,921,693,591
	Over 1 year but within 5 years		52,893,372,473	54,114,090,647
	Over 5 year but within 10 years		959,101,462	148,443,178
	Unclaimed deposits 10 (ten) years and above		-	-
			126,252,565,103	**117,453,408,919**
12.5	**Deposit under schemes/Mudaraba deposit schemes**			
	Monthly Savings Scheme		26,961,134,462	27,707,369,818
	Double Benefit Deposit Scheme		11,660,981,120	10,495,837,882
	Family Maintenance Deposit Scheme		3,157,742,261	1,196,444,500
	MBL Nari Sanchaya Prokolpo(MNSP)		300,765,512	73,729,044
	Special Savings Scheme		167,143,930	296,295,301
	Pension and Family Support Scheme		755,503,078	390,462,135
	Quarterly Benefit Deposit Scheme		30,050,000	14,519,050
	One & Half Time Benefit Scheme		-	5,224,970
	Super Benefit Scheme		12,653,349,761	3,068,896,711
	Education Planning Deposit Scheme		6,694,345	8,757,861
			55,693,364,468	**43,257,537,272**
12.6	**Unclaimed Dividend**			
	Dividend remained unclaimed which were declared for the year:	**Year**		
	Current deposits	2020	-	7,844,756
	Current deposits	2021	7,810,930	10,454,685
	Current deposits	2022	5,837,818	7,867,314
	Current deposits	2023	13,532,210	-
	Total Current deposits		**27,180,957**	**26,166,755**
			27,180,957	**26,166,755**
12(a)	**Consolidated deposits and other accounts**			
12.1(a)	**Current/Al-wadeeah current accounts and other accounts**			
	Deposits Received from Banks			
	Mercantile Bank PLC.		9,255,563,925	5,625,841,997
	Mercantile Bank Securities Limited		-	-
	MBL Asset Management Limited		-	-
	Mercantile Exchange House (UK) Limited		-	-
			9,255,563,925	**5,625,841,997**
	Other than Bank			
	Mercantile Bank PLC.		111,133,876,884	101,676,373,440
	Mercantile Bank Securities Limited		149,681,695	204,177,443
	MBL Asset Management Limited		-	-
	Mercantile Exchange House (UK) Limited		-	-
			111,283,558,579	**101,880,550,883**
	Inter Company Transaction		(220,635,691)	(272,968,666)
			111,062,922,889	**101,607,582,217**
			120,318,486,811	**107,233,424,214**

Particulars		Amount in BDT	
		Dec-24	Dec-23
12.2(a)	**Bills Payable**		
	Mercantile Bank PLC.	3,557,652,516	3,573,240,118
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		3,557,652,516	**3,573,240,118**
	Maturity wise Grouping Bills Payable		
	Repayable on demand	-	-
	Repayable within 1 month	3,556,750,566	3,572,308,168
	Over 1 months but within 6 months	901,950	931,950
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 year but within 10 years	-	-
	Unclaimed deposits 10 (ten) years and above	-	-
		3,557,652,516	**3,573,240,118**
12.3(a)	**Savings Bank/Mudaraba savings bank deposits**		
	Mercantile Bank PLC.	36,831,229,655	35,361,551,520
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited		
	Mercantile Exchange House (UK) Limited	-	-
		36,831,229,655	**35,361,551,520**
12.4(a)	**Fixed deposits/Mudaraba fixed deposits**		
	Mercantile Bank PLC.	126,252,565,103	117,453,408,919
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited		
	Mercantile Exchange House (UK) Limited	-	-
		126,252,565,103	**117,453,408,919**
12.4.1(a)	**Fixed deposits/Mudaraba fixed deposits - Maturity wise Grouping**		
	Repayable on demand	-	-
	Repayable within 1 month	44,497,471,870	44,921,693,591
	Over 1 months but within 6 months	52,893,372,473	54,114,090,647
	Over 6 months but within 1 year	28,861,720,760	18,417,624,682
	Over 1 year but within 5 years	-	-
	Over 5 year but within 10 years	-	-
	Unclaimed deposits 10 (ten) years and above	-	-
		126,252,565,103	**117,453,408,919**
12.5(a)	**Deposit under schemes/Mudaraba deposit schemes**		
	Mercantile Bank PLC.	55,693,364,468	43,257,537,272
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		55,693,364,468	**43,257,537,272**
13.	**Other liabilities**		
	Conventional and Islamic banking		
	Provision for Gratuity Fund (Note-13.1)	-	-
	Provision for MBL Foundation 13.1A	-	-
	Provision for Employees Welfare Fund 13.1B	-	-
	Provision for Fixed Assets (Note-13.2)	85,000,000	85,000,000
	Other Provision (Note-13.2.1)	682,334,192	2,305,019,265
	Provision for Off Balance Sheet Items (Note-13.3)	1,321,875,226	1,234,035,293
	Provision for Incentive Bonus	200,738,165	366,189,694
	Provision for Current Tax less advance Tax (Note-13.4.1)	(3,645,165,566)	(3,356,799,151)
	Provision for Deferred Tax (Note-13.4.2)	(243,308,276)	(208,895,975)
	Provision for Loans and Advances/investments (Note-13.5.1)	21,159,105,868	17,510,447,762
	Leasehold Liabilities IFRS-16	443,307,043	646,260,986
	Provision against Non-banking assets	18,996,938	18,996,938
	Startup Fund (Note-13.2.2)	104,423,597	98,111,353
	Adjusting Account Credit (Note-13.6)	12,396,872,132	10,672,389,581
	Interest Suspense Account (Note-13.7)	24,377,615,863	14,606,901,406
	Provision for Audit fees	2,185,000	1,725,000
		56,903,980,183	**43,979,382,154**

Particulars		Amount in BDT	
		Dec-24	Dec-23
13.1	**Provision for Gratuity Fund**		
	Beginning of the year	-	-
	Add. During the year	250,000,000	200,000,000
		250,000,000	**200,000,000**
	Transferred to Savings Account (Gratuity Fund)	250,000,000	200,000,000
		-	**-**
13.1A	**Provision for MBL Foundation:**		
	Beginning of the year	-	-
	Add. During the year	100,000,000	100,000,000
	Less. Adjustment during the year	-	-
		100,000,000	**100,000,000**
	Transferred to Savings Account (MBL Foundation)	100,000,000	100,000,000
		-	**-**
13.2	**Provision for Fixed Assets**		
	Provision held at the beginning of the year	85,000,000	85,000,000
	Provision made during the year	-	-
		85,000,000	**85,000,000**

A Land is included under freehold properties- land (Note-8), located at Gulshan, Plot# 3, Block# CWN (C), Gulshan Avenue, Gulshan, Dhaka-1212, Municipality Holding# 105, Gulshan Avenue, Gulshan. Area of land is 1 bigha 2 chattaks purchased in the year 2005 for Bank's own use as per decision of the Board of Directors in its 73rd meeting held on 23 August 2005. The land is under litigation and possession of the land is yet to be taken. In this connection a provision has been made as per Bangladesh Bank's instruction.

Provision was made for land as per instruction of Bangladesh Bank vide letter no. DBI-1(vigilance) / 5050 (15)/ 2006-400, 20 March 2006.

13.2.1	**Other Provision**		
I.	**Provision for Protested Bill (under other asset) :**		
	Provision held at the beginning of the year	18,171,030	8,950,000
	Add. During the year	5,000,000	9,221,030
	Less. Transfer to Retained Earning	-	-
		23,171,030	**18,171,030**
II.A	**Provision for Other Asset**		
	Provision held at the beginning of the year	260,318,094	194,341,000
	Add. Provision made during the year	30,137,609	65,977,094
	Less: Adjusted during the year	(5,000,000)	-
		285,455,703	**260,318,094**
II.B	**Provision for MBL Un-reconciled Branch Adjustments (under other asset)**		
	Provision held at the beginning of the year	24,200,000	24,200,000
	Add. During the year	-	-
	Less: Adjusted during the year	-	-
		24,200,000	**24,200,000**
	Total Provision for Other Asset (I+II)	**332,826,733**	**302,689,124**
III.	**Provision for Climate risk fund**		
	Provision held at the beginning of the year	3,500,000	3,500,000
	Provision made during the year	-	-
		3,500,000	**3,500,000**
IV.	**Provision for Good Borrower rebate**		
	Provision held at the beginning of the year	11,000,000	11,000,000
	Provision made during the year	-	-
		11,000,000	**11,000,000**
V.	**Special General Provision COVID-19**		
	Provision held at the beginning of the year	1,598,000,000	1,598,000,000
	Provision made during the year	-	-
	Less. Adjustment during the year	1,598,000,000	-
	In 2020 MBL Kept Tk 69.90 crore @ 1% as per BRPD Circular Letter No.56, dated on 10.12.2020, amount which Tk. 19.08 crore has been adjusted in 2021 & In 2021 MBL Kept Tk 83.42 crore @ 2% as per BRPD Circular Letter No.53, dated on 30.12.2021 & for 2022 kept Tk. 24.90 crore as per BRPD Circular Letter No.53, dated on 22.12.2022, Transfer to Specific Provision under note 13.5.1 as per BB BRPD Circular no.58 dated on 31.12.2024	**-**	**1,598,000,000**

Particulars		Amount in BDT	
		Dec-24	Dec-23
VI.	**Provision against Unclaimed Dividend**		
	Provision held at the beginning of the year	58,400,000	58,400,000
	Provision made during the year	-	-
		58,400,000	**58,400,000**
VII.	**Provision against Special CSR Fund (Exchange Gain)**		
	Provision held at the beginning of the year	213,070,000	225,700,000
	Add. Provision made during the year	-	-
	Less. Adjustment during the year (Agri instrument Tk.1,728,000+Tk. 194,320+Tk.14,256,000+ Tk.2,200,000+60,000,000+4,200,000+19,222,500)	101,800,820	12,630,000
	Provision kept as per BB Letter No. BRPD(CMS)651/9(39)KHA/2022-9886 dated 27.09.2022	**111,269,180**	**213,070,000**
VIII.	**Provision for diminution in value of investments in shares**		
	Provision held at the beginning of the year	57,457,654	-
	Provision made during the year	46,978,137	57,457,654
		104,435,791	**57,457,654**
IX.	**Provision for Investment in Shares of subsidiary company Mercantile Exchange House (UK) Ltd.**		
	Provision held at the beginning of the year	60,902,488	-
	Provision made during the year		60,902,488
		60,902,488	**60,902,488**
	Total (I+II+III+IV+V+VI+VII+VIII+IX)	**682,334,192**	**2,305,019,265**
X.	**Other Provision made during the year**		
	Other Asset	30,137,609	65,977,094
	Climate risk fund	-	-
	Good Borrower rebate	-	-
	Provision against Other Expenses	-	-
	Provision against Unclaimed Dividend	-	-
	Provision against Special CSR Fund	-	-
	Provision for Protested Bill (under other asset)	-	9,221,030
	Provision for diminution in value of investments in shares	46,978,137	57,457,654
	Provision for Investment in Shares of subsidiary company Mercantile Exchange House (UK) Ltd.	-	60,902,488
	Special General Provision COVID-19	-	-
		77,115,746	**193,558,266**
13.2.2	**Startup Fund**		
	Beginning of the year	98,111,353	77,825,295
	During the year	6,312,244	20,286,058
	As per SME & SPD Circular Letter No.04 , dated on 29.03.2021	**104,423,597**	**98,111,353**
13.2 (a)	**Consolidated current year provision for Other Provision**		
	Mercantile Bank PLC.	77,115,746	193,558,266
	Mercantile Bank Securities Limited	30,338,771	40,000,000
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		107,454,517	**233,558,266**
13.3	**Provision for Off Balance Sheet Items**		
	Provision held at the beginning of the year	1,234,035,293	1,334,251,374
	Provision made during the year	87,839,933	(100,216,081)
		1,321,875,226	**1,234,035,293**
13.3 (a)	**Consolidated current year provision for off-balance sheet**		
	Mercantile Bank PLC.	87,839,933	(100,216,081)
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		87,839,933	**(100,216,081)**
13.3.1 (a)	**Consolidated current year other provision**		
	Mercantile Bank PLC.	77,115,746	193,558,266
	Mercantile Bank Securities Limited	30,338,771	40,000,000
	MBL Asset Management Limited	-	4,963,959
	Mercantile Exchange House (UK) Limited	-	-
		107,454,517	**238,522,225**

Particulars		Amount in BDT	
		Dec-24	Dec-23
13.4	**Provision for Income Tax**		
	Current tax liabilities for the current and prior year have been measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date (IAS 12 "Income Taxes" ; Para 46).		
	Advance tax		
	Opening Advance Tax	14,281,295,843	12,662,791,289
	Adjustment during the year	-	-
	Tax paid during the year Under ITA-2023	972,778,716	1,618,504,554
		15,254,074,559	**14,281,295,843**
	Provision for Tax		
	Opening Provision of Tax	10,924,496,692	10,175,331,019
	Adjustment during the year	-	-
	Provision made during the year	684,412,301	749,165,673
		11,608,908,993	**10,924,496,692**
	Tax liabilities/(Assets)	**(3,645,165,566)**	**(3,356,799,151)**
13.4.1	**Current Tax liabilities/(Assets)**		
	Opening Tax Liabilities	10,924,496,692	10,175,331,019
	Adjustment during the year	-	-
	Provision made during the year	684,412,301	749,165,673
		11,608,908,993	**10,924,496,692**
	Total Advance tax paid	(15,254,074,559)	(14,281,295,843)
		(3,645,165,566)	**(3,356,799,151)**
	Including Tax Provision against Special CSR Fund as per BB Letter no. BRPD(CMS)651/9(39)KHA/2022-12038, dated on 29.11.2022		
13.4.2	**Deferred Tax liabilities/(Assets)**		
	Opening Deferred Tax	(208,895,975)	(159,730,302)
	Provision made during the year	(34,412,301)	(49,165,673)
		(243,308,276)	**(208,895,975)**

13.4.2.1 As per BRPD Circular # 11 Dated: 12 December 2011 regarding accounting for Deferred Tax policy are as follows:

Particulars	Carrying Amount	Tax Base	(Deductible)/ Taxable Temporary Differences	Deferred Tax (Asset)/ Liability (@37.5%)
Fixed Assets	1,907,462,409	2,502,569,729	(595,107,320)	(223,165,245)
Right Of Use (ROU) Assets as per IFRS-16	1,863,519,287	(1,917,234,037)	(53,714,750)	(20,143,031)
Total Fixed Assets & Right Of Use (ROU) Assets as per IFRS-16	3,770,981,696	585,335,692	(648,822,070)	(243,308,276)
Deferred Tax (Assets)/Liabilities as on 31.12.2024				(243,308,276)
Deferred Tax (Assets)/Liabilities as on 31.12.2023				(208,895,975)
Deferred Tax (Income)/Expenses				(34,412,301)

13.4.1(a)	**Consolidated curent year tax provision**		
	Mercantile Bank PLC.	684,412,301	749,165,673
	Mercantile Bank Securities Limited	41,334,495	37,746,286
	MBL Asset Management Limited	1,959,515	1,954,445
	Mercantile Exchange House (UK) Limited	-	-
		727,706,311	**788,866,404**
13.4.2(a)	**Consolidated deferred tax curent year provision**		
	Mercantile Bank PLC.	(34,412,301)	(49,165,673)
	Mercantile Bank Securities Limited	383,532	(232,114)
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		(34,028,769)	**(49,397,787)**
13.5	**Provision made for loans & advances/investments including off-balance sheet**		
	Provision against Un Classified Loans/investments	(1,256,477,813)	2,957,123,375
	Provision against Classified Loans/investments & NBA	5,443,687,529	(368,667,801)
	Other Provision (Off-Balance Sheet Items) (Note-13.3)	87,839,933	(100,216,081)
		4,275,049,649	**2,488,239,493**

Particulars		Amount in BDT	
		Dec-24	Dec-23
13.5(a)	**Provision made for loans & advances/investments including off-balance sheet items**		
	Mercantile Bank PLC.	4,275,049,649	2,488,239,493
	Mercantile Bank Securities Limited	96,000,000	60,000,000
	MBL Asset Management Limited	4,297,366	-
	Mercantile Exchange House (UK) Limited	-	-
		4,375,347,015	**2,548,239,493**
13.5.1	**Provision for loans and advances/investments**		
a.	Provision against Classified Loans/investments & NBA (Specific Provision)	11,447,801,214	6,398,124,388
b.	Provision against Unclassified Loans/investments (General Provision)	9,711,304,653	11,112,323,375
		21,159,105,868	**17,510,447,762**
a(i)	**Movement of Provision against Classified Loans and Advances/investments (Specific Provision)**		
	Provision held at the beginning of the year	6,395,393,522	8,059,845,145
	Fully Provided Debts written off	(2,839,741,644)	(1,342,913,556)
	Recoveries of amounts previously written off	756,061,057	47,129,734
	Specific Provision for the year	1,689,669,884	-
	Recoveries and Provisions no longer required	-	-
***	Net Charge to Profit and Loss Account	5,443,687,529	(368,667,801)
	Provision held at the end of the year	**11,445,070,348**	**6,395,393,522**
a (ii)	**Specific Provision against NBA (Non Banking Assets)**		
	Provision held at the beginning of the year	2,730,866	2,859,885
	Addition during the year	-	1,079,182
	Less. Adjustment during the year	-	(1,208,201)
		2,730,866	**2,730,866**
		11,447,801,214	**6,398,124,388**
b(i).	**Provision against Unclassified Loans/investments (General Provision)**		
	Provision held at the beginning of the year	11,112,323,375	8,155,200,000
	Fully Provided Debts written off	-	-
	Adjustment during the year	(144,540,908)	-
***	Addition during the year	(1,616,477,813)	2,957,123,375
		9,351,304,653	**11,112,323,375**
b (ii).	**Provision against Unclassified Loans/investments(General Prov.)-Offshore Banking Division**		
	Provision held at the beginning of the year	-	-
	Fully Provided Debts written off	-	-
	Adjustment during the year	-	-
	Addition during the year	360,000,000	-
		360,000,000	**-**
		9,711,304,653	**11,112,323,375**
	Provision at the end of the year (a+b)	**21,159,105,868**	**17,510,447,762**

*** As per Bangladesh Bank's letter Ref: DBI-4/110/2025-655 dated April 29, 2025, total provision shortfall of BDT 2,121.19 crore was assessed as of December 31, 2024, against which BDT 220.33 crore was maintained, resulting in an an initial shortfall of BDT 1,900.86 crore. Subsequently, as per Bangladesh Bank directive Ref: ডিওএস (সিএমএস) ১১৫৭/৪১ (ডিভিডেন্ড)/ ২০২৫-৩১১২, dated May 22, 2025, the Bank transferred BDT 200.00 crore from 2024 pre-provision profit to specific provisions, reducing the shortfall to BDT 1,700.86 crore. Bangladesh Bank granted no-objection to finalizing the 2024 financials without full adjustment of this shortfall, in view of profit limitations and capital adequacy concerns. Accordingly, no dividend was declared for 2024. These financials disclose the shortfall and regulatory forbearance, and the Bank will submit a time-bound, Board-approved action plan to address the shortfall to Bangladesh Bank within the stipulated deadline.

13.5.1(a)	**Consolidated Provision for Loans and Advances/investments**		
	Mercantile Bank PLC.	21,159,105,868	17,510,447,762
	Mercantile Bank Securities Limited	96,000,000	60,000,000
	MBL Asset Management Limited	4,297,366	-
	Mercantile Exchange House (UK) Limited	-	-
		21,259,403,233	**17,570,447,762**
13.6	**Adjusting Account Credit**		
	Conventional and Islamic banking		
	Interest Payable	12,142,343,983	10,279,135,199
	Other payable	254,528,150	393,254,382
		12,396,872,132	**10,672,389,581**

Particulars		Amount in BDT	
		Dec-24	Dec-23
13.7	**Interest Suspense Account**		
a.	**Loans and Advances/investments**		
	Opening balance	14,577,766,010	9,928,637,681
	Amount transferred during the year	17,440,466,751	11,834,695,051
		32,018,232,760	**21,763,332,732**
	Amount recovered and waive during the year	7,669,752,294	7,185,566,723
	Amount written off during the year	-	-
		(7,669,752,294)	**(7,185,566,723)**
		24,348,480,466	**14,577,766,010**
b.	**Interest Suspense Account for Non-banking assets**		
	Opening balance	29,135,397	20,665,655
	Addition during the year	-	8,469,742
	Less. Adjustment during the year	-	-
		29,135,397	**29,135,397**
	Balance at the end of the period (a+b)	**24,377,615,863**	**14,606,901,406**
13(a)	**Consolidated Other Liabilities**		
	Mercantile Bank PLC.	56,903,980,183	43,979,382,154
	Mercantile Bank Securities Limited	1,958,675,804	1,782,503,805
	MBL Asset Management Limited	13,602,482	11,056,065
	Mercantile Exchange House (UK) Limited	38,465,514	32,134,371
		58,914,723,983	**45,805,076,395**
14.	**Capital**		
	Authorized capital		
	2000,000,000 Ordinary shares of BDT 10 each	**20,000,000,000**	**12,000,000,000**

14.1 Issued, Subscribed and Fully Paid-up Capital

Total 1,106,575,435 Ordinary shares of BDT 10 each were issued, subscribed and fully paid up as at 31.12.2024.

Opening balance	11,065,754,350	10,848,778,780
Issued for cash	-	-
Right shares	-	-
Issued for other than cash (Bonus shares)	-	216,975,570
Closing balance	**11,065,754,350**	**11,065,754,350**
Issued for cash	245,000,000	245,000,000
IPO	319,765,000	319,765,000
Right shares	1,438,942,300	1,438,942,300
Bonus shares	9,062,047,050	9,062,047,050
	11,065,754,350	**11,065,754,350**

14.2 History of Paid-up capital

Accounting year	Declaration	No. of shares	Value in capital (BDT)	Cumulative (BDT)
1999	Initial	24,500,000	245,000,000	245,000,000
2000	No Dividend Declared	-	-	245,000,000
2001	Bonus	3,185,000	31,850,000	276,850,000
2002	Bonus	2,768,500	27,685,000	304,535,000
2003	Bonus	1,523,000	15,230,000	319,765,000
2003	IPO	31,976,500	319,765,000	639,530,000
2004	Bonus	15,988,250	159,882,500	799,412,500
2005	Bonus	19,985,310	199,853,100	999,265,600
2006	Bonus	19,985,310	199,853,100	1,199,118,700
2007	Bonus	29,977,960	299,779,600	1,498,898,300
2008	Bonus	29,977,960	299,779,600	1,798,677,900
2009	Bonus	35,973,550	359,735,500	2,158,413,400

Accounting year	Declaration	No. of shares	Value in capital (BDT)	Cumulative (BDT)
2010	Bonus	47,485,090	474,850,900	2,633,264,300
2010	Right Share	143,894,230	1,438,942,300	4,072,206,600
2011	Bonus	89,588,540	895,885,400	4,968,092,000
2012	Bonus	114,266,116	1,142,661,160	6,110,753,160
2013	Bonus	48,886,025	488,860,250	6,599,613,410
2014	Bonus	79,195,360	791,953,600	7,391,567,010
2015	-	-	-	7,391,567,010
2016	-	-	-	7,391,567,010
2017	Bonus	36,957,836	369,578,360	7,761,145,370
2018	Bonus	38,805,726	388,057,260	8,149,202,630
2019	Bonus	122,238,039	1,222,380,390	9,371,583,020
2020	Bonus	46,857,915	468,579,150	9,840,162,170
2021	Bonus	49,200,810	492,008,100	10,332,170,270
2022	Bonus	51,660,851	516,608,510	10,848,778,780
2023	Bonus	21,697,557	216,975,570	11,065,754,350
2024	-	-	-	11,065,754,350
Total		**1,106,575,435**	**11,065,754,350**	-

14.3 Particulars of Fully Paid-up Share Capital

	Dec-24	Dec-23	Dec-24	Dec-23
	No. of Shares		(%)	
Sponsor	372,184,890	379,645,289	33.63%	34.31%
Financial Institutions	291,851,444	284,040,515	26.38%	25.67%
General Public	433,213,266	398,696,922	39.15%	36.03%
Foreign	9,325,835	44,192,709	0.84%	3.99%
	1,106,575,435	**1,106,575,435**	**100.00%**	**100%**

14.4 Classification of Shareholders by Holding as on 31.12.2024

	No. of Shareholder	No. of Shares held	(%) of Holdings
1 to 499 Shares	5,148	895,940	0.08%
500 to 5,000 Shares	11,796	23,154,430	2.09%
5,001 to 10,000 Shares	2,708	18,754,815	1.69%
10,001 to 20,000 Shares	1,883	25,878,747	2.34%
20,001 to 30,000 Shares	781	18,981,390	1.72%
30,001 to 40,000 Shares	358	12,297,064	1.11%
40,001 to 50,000 Shares	261	11,781,627	1.06%
50,001 to 100,000 Shares	574	39,958,700	3.61%
100,001 to 1,000,000 Shares	610	159,670,751	14.43%
1,000,001 to 99999999 Shares	120	795,201,971	71.86%
	24,239	**1,106,575,435**	**100.00%**

	Amount in BDT	
	Dec-24	Dec-23
14.5 Capital to Risk Weighted Asset Ratio (CRAR)-under BASEL-III		
Tier – I Capital (Going Concern Capital)		
a) Common Equity Tier I (CET-I)		
Paid up Capital	11,065,754,350	11,065,754,350
Statutory Reserve	10,667,555,337	10,411,310,449
Retained Earnings	30,116,656	1,129,239,228
General Reserve	2,480,000,000	2,480,000,000
Dividend Equalization Fund	45,680,250	45,680,250
	24,289,106,593	**25,131,984,278**
Regulatory Adjustment from CET-I	**(203,728,540)**	**(39,358,669)**
	24,085,378,053	**25,092,625,609**
b) Additional Tier-I (AT-I)-Mercantile Bank Perpetual Bond	**3,630,000,000**	**3,630,000,000**
Tier-I Capital (a+b)	**27,715,378,053**	**28,722,625,609**

Particulars		Amount in BDT	
		Dec-24	Dec-23
	Tier-II Capital (Gone Concern Capital)		
	General Provision	11,033,179,880	13,944,358,668
	Exchange Equalization Account	-	-
	Revaluation Reserve for Fixed Assets	-	-
	Revaluation Reserve for Equity Investment	-	-
	Non-convertible Subordinated Bond	-	600,000,000
	Revaluation Reserve for Securities	-	-
		11,033,179,880	**14,544,358,668**
	Regulatory Adjustments from Tier-II Capital	-	-
	Tire-II Capital	**11,033,179,880**	**14,544,358,668**
	A. Total Capital	**38,748,557,933**	**43,266,984,278**
	B. Total Risk Weighted Assets (RWA)	**296,518,311,185**	**292,490,933,385**
	C. Minimum Capital Requirement (MCR)	**37,064,788,898**	**36,561,366,673**
	D. Surplus/ (Deficiency) (A-C)	**1,683,769,034**	**6,705,617,605**
**	**Capital to Risk Weighted Asset Ratio (CRAR)**	**13.07%**	**14.79%**

	Dec-24		Dec-23	
Capital Requirement	**% Required**	**% Held**	**% Required**	**% Held**
Tier -I Capital (Going-Concern Capital)		6.85%		7.32%
Capital Conservation Buffer		2.50%		2.50%
Tier -II Capital (Gone-Concern Capital)		3.72%		4.97%
Total	**12.50%**	**13.07%**	**12.50%**	**14.79%**

14.6 Capital to Risk Weighted Asset Ratio (CRAR)-under BASEL-III

There remains a surplus of BDT. 1,683,769,034 on capital and reserve fund of the Bank as per requirement of section 13A of Bank Companies Act, 1991 and BRPD circular # 9, dated on 31.12.2024 respectively details of which are placed below :

(a) Minimum Capital Requirement (MCR)	**37,064,788,898**	**36,561,366,673**
(b) Actual Capital:	**38,748,557,933**	**43,266,984,278**
i) Tier I Capital (Going-Concern Capital)	24,085,378,053	25,092,625,609
ii) Tier-II Capital (Gone -Concern Capital)	11,033,179,880	14,544,358,668
General provision	11,033,179,880	13,944,358,668
Exchange Equalization Account	-	-
Revaluation Reserve for Fixed Assets	-	-
Revaluation Reserve for equity Investment	-	-
Non-convertible Subordinated Bond	-	600,000,000
Revaluation Reserve for securities	-	-
Regulatory Adjustments from Tier-II Capital	-	-
Surplus/ (Deficiency) (b-a)	**1,683,769,034**	**6,705,617,605**

** The decrease in the Capital to Risk-Weighted Assets Ratio (CRAR) as of December 31, 2024, is primarily due to the provisioning shortfall identified by Bangladesh Bank through their letter Ref: DBI-4/110/2025-655 dated April 29, 2025), which necessitated an additional transfer of BDT 200.00 crore from 2024 pre-provision profit to specific provisions, as directed by Bangladesh Bank (Ref: ডিওএস (সিএএমএস) ১১৫৭/৪১ (ডিভিডেন্ড)/ ২০২৫-৩১১২, dated May 22, 2025).

15. Statutory Reserve

Opening balance	10,411,310,449	9,865,589,282
Addition during the year	256,244,888	545,721,167
Closing balance	**10,667,555,337**	**10,411,310,449**

This has been made according to Sec. 24 of Bank Company Act, 1991 and shall be maintained until it equals to Paid-up Capital.

15(a) Consolidated Statutory Reserve

Mercantile Bank PLC.	10,667,555,337	10,411,310,449
Mercantile Bank Securities Limited	-	-
MBL Asset Management Limited	-	-
Mercantile Exchange House (UK) Limited	-	-
	10,667,555,337	**10,411,310,449**

15.1 General reserve

Opening balance	2,480,000,000	2,450,000,000
Addition during the period	-	30,000,000
Less. Transferred during the period	-	-
Closing balance	**2,480,000,000**	**2,480,000,000**

Particulars		Amount in BDT	
		Dec-24	Dec-23
16.	**Other reserves**		
A.	**Dividend Equalization Fund**		
	Opening balance	45,680,250	45,680,250
	Addition during the year	-	-
	Closing balance	**45,680,250**	**45,680,250**
B.	**Adjustment for Approved Securities HTM**		
	Opening balance	49,489,258	20,505,294
	Addition during the year	29,181,791	28,983,964
	Closing balance	**78,671,049**	**49,489,258**
C.	**Reserve from revaluation**		
	HFT securities	781,823,858	154,917,329
**	Revaluation Reserve for Fixed Assets	643,611,955	643,611,955
		1,425,435,813	**798,529,284**
**	Fixed assets of the Bank specially land & land development was revalued by a professional valuation firm M/s Jarip O Paridarshan. The Gain was arisen from such revaluation was duly accounted for in the year 2011 as per IAS 16.		
D.	**Reserve against non-banking assets**		
	Opening balance	-	-
*	Addition during the year	-	-
	Disposal during the year	-	-
	Closing balance	**-**	**-**
*	The Bank was awarded absolute ownership on few mortgaged properties through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003. These were recorded as non banking assets. (Shown as Annexure- D1)		
	Total Other reserves (A+B+C+D)	**1,549,787,112**	**893,698,792**
16(a)	**Consolidated other reserves**		
	Mercantile Bank PLC.	1,549,787,112	893,698,792
	Mercantile Bank Securities Limited	42,649,462	38,071,558
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		1,592,436,574	**931,770,350**
16.1	**Foreign currency translation gain/(loss)**		
	Assets and Liabilities of Mercantile Bank Limited Offshore Banking Operation (OBO) & Mercantile Exchange House (UK) Limited (on consolidation) have been presented into Taka (which is functional currency of the Bank) using year-end standard mid rate of exchange of the Bank @ USD 1 = BDT 120.0000 & GBP1=BDT 150.9600 Incomes and expenses are translated using monthly average exchange rate (USD 1 = BDT 116.1561 & GBP 1= BDT 154.2603) The net cumulative result of the exchange difference has been presented separately as equity component as per IAS 21 (para 39).		
	Foreign currency translation gain/(loss)		
	Opening Balance	4,469,253	4,469,253
	Additiion during the year	12,377,139	-
	Less. Adjustment during the year	-	-
		16,846,392	**4,469,253**
16.1 (a)	**Consolidated Foreign currency translation gain/(loss)**		
	MBL Offshore Banking Operation (OBO)	16,846,392	4,469,253
	Mercantile Exchange House (UK) Limited	-	-
		16,846,392	**4,469,253**
17.	**Retained earnings (Surplus in Profit & Loss Account):**		
	Conventional and Islamic banking		
	Opening balance	1,129,239,228	1,313,266,289
	Less. Cash dividend	1,106,575,435	1,084,877,878
	Less. Stock dividend	-	216,975,570
	Retained earnings (opening balance)	**22,663,793**	**11,412,841**
	Profit before income tax	1,281,224,440	2,728,605,835
		1,303,888,233	**2,740,018,676**
	Coupan Interest on MBL Perpetual Bond	361,214,445	314,772,222
	Startup Fund	6,312,244	20,286,058
	General reserve	-	30,000,000
	Statutory reserve	256,244,888	545,721,167
		680,116,656	**1,829,239,228**
	Provision for income current tax	684,412,301	749,165,673
		(4,295,645)	**1,080,073,556**
	Provision for deferred tax	(34,412,301)	(49,165,673)
	Closing balance	**30,116,656**	**1,129,239,228**

Particulars		Amount in BDT	
		Dec-24	Dec-23
17.(A)	**Retained surplus**		
	Opening Retained Earning	22,663,793	11,412,841
	Add. Addition during the year	7,452,862	1,117,826,387
	Closing balance	**30,116,656**	**1,129,239,228**
17.1	**Consolidated retained earnings last year**		
	Mercantile Bank PLC.	22,663,793	11,412,841
	Mercantile Bank Securities Limited	393,453,966	362,730,179
	MBL Asset Management Limited	7,494,145	4,178,477
	Mercantile Exchange House (UK) Limited	(60,901,988)	(37,422,064)
		362,709,916	**340,899,433**
17(a).1	**Consolidated retained earnings Current year**		
	Mercantile Bank PLC.	7,452,862	1,117,826,387
	Mercantile Bank Securities Limited	(11,731,659)	30,723,787
	MBL Asset Management Limited	(736,910)	3,315,669
	Mercantile Exchange House (UK) Limited	6,164,798	(23,479,924)
		1,149,091	**1,128,385,918**
17(a)	**Consolidated Surplus in Profit and Loss Account**		
	Mercantile Bank PLC.	30,116,656	1,129,239,228
	Mercantile Bank Securities Limited	381,722,307	393,453,966
	MBL Asset Management Limited	6,757,235	7,494,145
	Mercantile Exchange House (UK) Limited	(54,737,190)	(60,901,988)
		363,859,008	**1,469,285,351**
	Share of profit (17(b).1)	(13,114,883)	(10,522,063)
		350,744,124	**1,458,763,288**
17(a).1A	**Controlling Interest**		
a)	**Mercantile Bank Securities Limited**		
	Opening balance for MBSL	387,989,326	357,692,259
	Less. Assessment completed for the year 2020	(12,887,050)	-
	Addition during the year for MBSL	1,318,331	30,297,068
		376,420,607	**387,989,326**
b)	**MBL Asset Management Limited**		
	Opening balance for MBL Asset Management Limited	2,436,721	2,339,947
	Less. Cash Dividend	(7,000,000)	(4,000,000)
	Addition during the year for MBL Asset Management Limited	3,507,331	4,096,774
		(1,055,948)	**2,436,721**
	Closing balance	**375,364,659**	**390,426,048**
17(b)	**Non Controlling Interest**		
a)	**Mercantile Bank Securities Limited**		
	Non controlling share capital for MBSL	50,000,000	50,000,000
	Share of profit for MBSL (17(b).1)	5,301,700	5,464,640
		55,301,700	**55,464,640**
b)	**MBL Asset Management Limited**		
	Non controlling share capital for MBL Asset Management Limited	44,000,000	44,000,000
	Share of profit for MBL Asset Management Limited (17(b).1)	7,813,184	5,057,424
		51,813,184	**49,057,424**
	Closing balance	**107,114,883**	**104,522,063**
17(b).1	**Non Controlling Interest**		
a)	**Mercantile Bank Securities Limited**		
	Opening balance for MBSL	5,464,640	5,037,920
	Less. Assessment completed for the year 2020	(181,508)	-
	Non controlling share capital for MBSL	18,568	426,719
		5,301,700	**5,464,640**

Particulars		Amount in BDT	
		Dec-24	Dec-23
b)	**MBL Asset Management Limited**		
	Opening balance for MBL Asset Management Limited	5,057,424	1,838,530
	Less. Cash Dividend	-	-
	Non controlling share capital for MBL Asset Management Limited	2,755,760	3,218,894
		7,813,184	**5,057,424**
	Closing balance	**13,114,883**	**10,522,063**
18.A(1)	**Cash and cash equivalent**		
	Cash	19,962,485,940	17,805,205,766
	Balance with other Banks and Financial Institutions	10,034,259,706	5,562,753,516
	Prize Bonds	5,983,300	4,862,200
	Money at call on short notice	12,258,100,000	743,100,000
		42,260,828,946	**24,115,921,482**
18.A(2)	**Consolidated cash and cash equivalent**		
	Cash	19,966,071,186	17,805,904,761
	Balance with other Banks and Financial Institutions	10,078,271,386	5,592,856,927
	Prize Bonds	5,983,300	4,862,200
	Money at call on short notice	12,258,100,000	743,100,000
		42,308,425,872	**24,146,723,888**
18	**OFF-BALANCE SHEET ITEMS**		
	Contingent liabilities		
18.1	**Acceptance and endorsements**		
	Back to Back Bills	20,874,449,562	17,334,788,122
	Banker's Liabilities PAD (EDF)	35,522,721,677	38,823,154,486
		56,397,171,238	**56,157,942,608**
18.2	**Letter of guarantees**		
	Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
	Directors	-	-
	Government	255,885	69,484,247
	Bank and other Financial Institutions	130,554,500	388,822,758
	Others (Note-18.2.1)	18,332,449,313	20,131,978,967
		18,463,259,698	**20,590,285,972**
18.2.1	**Letter of guarantees others**		
	Local	12,746,427,147	14,052,638,339
	Foreign	5,586,022,166	6,079,340,627
		18,332,449,313	**20,131,978,967**
18.3	**Letter of credit**		
	Inland	4,772,890,441	4,541,644,827
	General (Foreign)	96,482,583,021	56,904,868,145
	Back to Back L/C	19,082,594,226	12,941,906,514
		120,338,067,687	**74,388,419,485**
18.4	**Bills for collection**		
	Outward Bills for Collection	8,670,575,803	4,879,288,408
	Outward Foreign Bills for Collection	4,382,458,375	2,528,596,046
	Outward Foreign Bills Lodge	-	-
		13,053,034,178	**7,407,884,455**
18.5	**Other Contingent Liabilities**		
		-	-
		-	**-**
	Total Contingent liabilities	**208,251,532,801**	**158,544,532,519**
18.6	**Other commitments**		
	Forward assets purchased and forward deposits placed		
	Forex FWD Buy & Sell	-	80,329
		-	**80,329**
	Total OFF-BALANCE SHEET ITEMS	**208,251,532,801**	**158,544,612,848**

Particulars		Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
19	**Income Statement**		
	Conventional and Islamic banking		
	Income/Profit:		
	Interest, discount and similar income	30,536,667,052	24,808,356,039
	Dividend income	66,938,870	53,861,164
	Fees, commission and brokerage	1,811,448,430	1,631,968,768
	Gain less losses arising from dealing securities	-	-
	Gain less losses arising from investment securities	11,240,060	2,935,247
	Gain less losses arising from dealing in foreign currencies	2,109,251,927	3,086,145,597
	Income from non-banking assets	-	-
	Other operating income	2,203,390,560	1,561,135,945
	Sub. Total	**36,738,936,899**	**31,144,402,760**
	Expenses:		
	Interest/profit, fees and commission	22,632,603,334	17,395,113,255
	Losses on loans and advances/investments	-	-
	Administrative expenses	4,175,563,535	4,191,933,109
	Other operating expenses	3,683,689,113	3,498,318,669
	Depreciation on banking assets	613,691,082	648,634,134
	Sub. Total	**31,105,547,064**	**25,733,999,167**
	Operating profit before provision	**5,633,389,835**	**5,410,403,593**
20	**Interest income/Profit on investment**		
	Interest from Banks & other Financial Institutions (Note-20.1)	110,124,816	392,810,475
	Interest from F.C. Clearing Account	267,724,879	258,339,137
	Interest/profit from Loans and Advances/investments (Note-20.2)	22,833,120,361	19,472,756,065
		23,210,970,057	**20,123,905,677**
20.1	**Interest received from Banks & other Financial Institutions**		
	Interest from money at call and short notice	101,549,842	201,955,750
	Interest from other Banks	2,548,196	4,492,006
	Interest from Reverse REPO	6,026,779	186,362,719
		110,124,816	**392,810,475**
20.2	**Interest/profit from loans and advances/investments**		
	Loan General	1,032,452	20,128,441
	Term Loan	7,513,834,834	6,144,917,313
	Time Loan	2,757,764,394	2,401,372,896
	Loan Against Trust Receipt	427,188,884	402,717,336
	Packing Credit	261,870,854	193,913,778
	Lease Finance	165,944,911	105,376,469
	Hire Purchase	1,025,131,980	952,570,794
	Payment Against Documents	1,294,860	4,646,259
	Cash Credit (Hypo)	819,932,088	967,409,134
	Overdraft	3,738,479,084	2,801,352,639
	Consumers Credit	363,779,331	287,767,658
	House Building Loan	454,056,140	383,045,058
	Staff Loan	65,498,766	55,562,427
	EDF Loan	290,000,611	489,839,921
	Bill Purchase and Discounted	849,763,908	809,092,020
	S M E	3,321,521,841	2,896,494,832
	Agricultural Credit	748,555,388	529,075,633
	Personal Loan	27,134,742	27,320,591
	Other Credit Schemes	335,293	152,866
		22,833,120,361	**19,472,756,065**
20(a)	**Consolidated 'Interest income/Profit on investment**		
	Mercantile Bank PLC.	23,210,970,057	20,123,905,677
	Mercantile Bank Securities Limited	251,821,719	288,460,403
	MBL Asset Management Limited	3,496,154	3,696,947
	Mercantile Exchange House (UK) Limited	-	-
		23,466,287,929	**20,416,063,027**
	Inter Company Transaction	-	-
		23,466,287,929	**20,416,063,027**

	Particulars	Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
21	**Interest/Profit Paid on deposits, borrowings etc.**		
	Conventional and Islamic banking		
	Interest/profit on Deposits	20,627,003,081	15,944,465,981
*	Interest paid on lease	27,705,760	38,074,951
	Interest on Refinance BB	153,376,582	167,454,706
	Interest on Secondary Treasury Bill Purchased	177,293,464	214,472,147
	Interest on Subordinated Bonds	93,796,424	133,478,246
	Interest on Borrowings	1,553,428,022	897,167,224
		22,632,603,334	**17,395,113,255**
*	Interest paid on lease has been calculated for the year ended December 2024 as per IFRS-16		
21(a)	**Consolidated Interest/Profit Paid on deposits, borrowings etc.**		
	Mercantile Bank PLC.	22,632,603,334	17,395,113,255
	Mercantile Bank Securities Limited	122,249,270	87,689,714
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		22,754,852,604	**17,482,802,969**
	Inter Company Transaction	-	-
		22,754,852,604	**17,482,802,969**
22	**Investment income**		
	Interest on Investments (Note-A)	7,325,696,996	4,684,450,362
	Income on Investment in Shares (Note-B)	78,178,929	56,796,411
		7,403,875,925	**4,741,246,773**
A	**Interest on Investments**		
	Interest on Treasury Bills	1,397,731,557	828,631,209
	Interest on Treasury Bonds	5,490,930,920	4,524,506,038
	Loss on market adjustment (Securities)	(850,723,941)	(1,485,495,489)
	Interest on Sukook Bonds	26,034,694	28,469,854
	Gain on sale of Govt. approved security	75,935,459	151,455,862
	Gain on REPO	463,976,640	120,120,981
	Interest on BGSPB	79,614,003	-
	Interest on Subordinated Bond	212,585,126	242,704,297
	Interest on Perpetual Bond	429,612,539	273,520,411
	Interest on Corporate Bond	-	525,000
	Interest on SWAP	-	12,200
		7,325,696,996	**4,684,450,362**
B	**Income on Investment in Shares**		
	Gain on sale of shares	11,240,060	2,935,247
	Dividend on shares	66,938,870	53,861,164
		78,178,929	**56,796,411**
22(a)	**Consolidated Investment Income**		
	Mercantile Bank PLC.	7,403,875,925	4,741,246,773
	Mercantile Bank Securities Limited	39,324,879	39,498,300
	MBL Asset Management Limited	5,187,801	8,604,277
	Mercantile Exchange House (UK) Limited	-	-
		7,448,388,605	**4,789,349,350**
23	**Commission, exchange & brokerage**		
	Commission	1,811,448,430	1,631,968,768
	Exchange (Note-23.1)	2,109,251,927	3,086,145,597
		3,920,700,357	**4,718,114,365**

Commission income arises on services provided by the Bank and recognized on a cash receipt basis. Commission charged to customers on letter of credits and letter of guarantees are credited to income at the time of effecting the transactions.

23.1	**Exchange**		
	Gains arising from dealing securities	-	-
	Losses on dealing securities	-	-
	Gains arising from investment securities	-	-
	Losses on investing in securities	-	-
	Gains arising from foreign trade business	2,109,251,927	3,086,145,597
	Losses on foreign trading	-	-
		2,109,251,927	**3,086,145,597**

	Particulars	Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
23(a)	**Consolidated Commission, Exchange & Brokerage**		
	Mercantile Bank PLC.	3,920,700,357	4,718,114,365
	Mercantile Bank Securities Limited	125,214,420	82,496,142
	MBL Asset Management Limited	8,519,915	6,558,691
	Mercantile Exchange House (UK) Limited	56,992,956	12,837,202
		4,111,427,649	**4,820,006,400**
24	**Other Operating Income**		
	Conventional and Islamic banking		
	Charges on L/C	498,431,891	430,277,998
	Services & Other Charges	965,694,059	430,974,704
	Income from rent of locker/property	11,638,094	10,902,685
	On Line client fees	99,756,428	100,870,867
	ATM card	69,578,518	93,251,639
	VISA card	190,536,764	174,428,865
	Co-brand services	11,998,564	8,531,905
	Gain on sale of other securities	1,909,106	298
	Gain on sale on assets	6,678,301	1,747,501
	Miscellaneous earnings (Note-24.1)	347,168,834	310,149,485
		2,203,390,560	**1,561,135,945**
24.1	**Miscellaneous earnings**		
	Postage cost recovery	7,014,918	6,807,739
	SWIFT cost recovery	94,298,236	83,802,790
	Rebate from Foreign correspondence Bank	146,217,642	131,591,362
	Others	99,638,038	87,947,594
		347,168,834	**310,149,485**
24(a)	**Consolidated Other Operating Income**		
	Mercantile Bank PLC.	2,203,390,560	1,561,135,945
	Mercantile Bank Securities Limited	2,376,894	2,434,189
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	2,314,985	-
		2,208,082,438	**1,563,570,134**
25	**Salaries and Allowances**		
	Conventional and Islamic banking		
	Basic salary	1,873,541,478	1,809,843,899
	Bonus (Festival and incentive)	462,177,988	612,969,860
	Bank's contribution to employees provident fund	184,749,746	175,443,068
	Other salaries and allowances	1,630,387,491	1,572,952,567
		4,150,856,703	**4,171,209,394**
25(a)	**Consolidated Salaries and Allowances**		
	Mercantile Bank PLC.	4,150,856,703	4,171,209,394
	Mercantile Bank Securities Limited	44,593,292	39,579,175
	MBL Asset Management Limited	3,475,011	3,001,464
	Mercantile Exchange House (UK) Limited	20,332,127	12,995,016
		4,219,257,134	**4,226,785,049**
26	**Rent, Taxes, Insurance, Lightings etc**		
	Conventional and Islamic banking		
*	Office rent	257,207,659	206,265,977
	Rates, taxes & excise duty and VAT on rent	79,308,834	76,224,309
	Insurance	293,353,382	248,864,952
	Electricity, Gas & Water	143,651,783	131,152,634
		773,521,657	**662,507,872**

* Right Of Use (ROU) Assets as per under IFRS-16 has been calculated for the year 31.12.2024 considering monthly rental expenses.

Particulars		Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
26(a)	**Consolidated Rent, Taxes, Insurance, Lightings etc**		
	Mercantile Bank PLC.	773,521,657	662,507,872
	Mercantile Bank Securities Limited	5,227,313	8,366,087
	MBL Asset Management Limited	279,450	279,450
	Mercantile Exchange House (UK) Limited	16,613,219	13,320,044
		795,641,640	**684,473,453**
27	**Legal Expenses**		
	Conventional and Islamic banking		
	Legal fees & charges	33,584,124	21,705,373
	Stamps, notary public expenses, registration fees & other fees etc.	25,785,618	16,078,321
		59,369,743	**37,783,694**
27(a)	**Consolidated Legal Expenses**		
	Mercantile Bank PLC.	59,369,743	37,783,694
	Mercantile Bank Securities Limited	84,375	126,139
	MBL Asset Management Limited	150,628	183,270
	Mercantile Exchange House (UK) Limited	360,969	2,557,220
		59,965,715	**40,650,323**
28	**Postage, stamps, telecommunication etc.**		
	Conventional and Islamic banking		
	Postal Charges	399,488	204,852
	Courier Charges	6,443,576	6,878,215
	Stamp & Cartridge Paper Cost	996,077	2,786,921
	Telephone Bill	5,154,145	5,522,570
	Mobile Phone Bill	333,270	354,515
	Telex Charge	120	1,973
	Network link,internet & online connection cost	60,939,297	56,912,147
	BACH Charge	3,868,090	3,360,372
		78,143,762	**76,021,564**
28(a)	**Consolidated Postage, stamps, telecommunication etc.**		
	Mercantile Bank PLC.	78,143,762	76,021,564
	Mercantile Bank Securities Limited	1,758,359	1,819,183
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	166,755	138,168
		80,068,876	**77,978,915**
29	**Stationary, Printing and Advertisements**		
	Conventional and Islamic banking		
	Printing & stationery	257,311,160	192,929,307
	Advertisement	46,667,950	58,215,875
	Computer expenses	169,571,589	108,535,286
		473,550,700	**359,680,467**
29(a)	**Consolidated Stationary, Printing and Advertisements**		
	Mercantile Bank PLC.	473,550,700	359,680,467
	Mercantile Bank Securities Limited	925,232	896,351
	MBL Asset Management Limited	131,391	87,843
	Mercantile Exchange House (UK) Limited	285,999	566,961
		474,893,322	**361,231,622**
30	**Chief Executive's salary and fees**		
	Basic Salary	11,594,605	10,414,286
	Allowances	1,825,834	1,800,000
	Bonus (Festival and Incentive)	3,436,000	2,760,000
	Bank's contribution to Provident fund	1,045,793	1,041,429
		17,902,232	**16,015,715**
30(a)	**Consolidated Chief Executive's salary and fees**		
	Mercantile Bank PLC.	17,902,232	16,015,715
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		17,902,232	**16,015,715**

Particulars		Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
31	**Directors' Fees**		
	Conventional banking		
	Director fees	6,046,000	4,120,000
	VAT on Director fees	604,600	412,000
		6,650,600	**4,532,000**
	Islamic banking		
	Shariah Supervisory Committee's Fees	140,000	160,000
	VAT on Shariah Supervisory Committee's Fees	14,000	16,000
		154,000	**176,000**
		6,804,600	**4,708,000**

Fees provided as per BRPD Circular no. 02, dated 11 February 2024 and BRPD Circular no.03, dated 14 February 2024 respectively. No other financial benefits are extended to Board of Directors [as per section 18(1) of the Banking Company Act (Amendment) 2023] excluding above fees.

31(a)	**Consolidated Directors' Fees**		
	Mercantile Bank PLC.	6,804,600	4,708,000
	Mercantile Bank Securities Limited	352,000	-
	MBL Asset Management Limited	119,500	224,000
	Mercantile Exchange House (UK) Limited	-	-
		7,276,100	**4,932,000**
32	**Auditors' fees**		
	External Audit fee/CGC fees	2,495,500	1,230,500
		2,495,500	**1,230,500**
32(a)	**Consolidated Auditors' Fees**		
	Mercantile Bank PLC.	2,495,500	1,230,500
	Mercantile Bank Securities Limited	115,000	86,250
	MBL Asset Management Limited	93,750	8,750
	Mercantile Exchange House (UK) Limited	666,405	595,122
		3,370,655	**1,920,622**
33	**Depreciation and Repair of Fixed Assets**		
	Conventional and Islamic banking		
	Depreciation on fixed assets (Note-33.1)	419,388,294	428,313,613
*	Depreciation of ROU (Right Of Use) assets as per under IFRS-16	194,302,788	220,320,521
	Repairs & Maintenance (Note-33.2)	137,082,752	142,461,729
		750,773,834	**791,095,863**

* Depreciation of ROU (Right Of Use) assets has been calculated for the year 31.12.2024 as per IFRS-16 (Annexure -A)

33.1	**Depreciation on fixed assets (Annexure -A)**		
	Free hold property	419,388,294	428,313,613
		419,388,294	**428,313,613**
33.2	**Repair of Fixed Assets**		
	Repairs & Maintenance	137,082,752	142,461,729
		137,082,752	**142,461,729**
33 (a)	**Consolidated Depreciation and Repair of Fixed Assets**		
	Mercantile Bank PLC.	750,773,834	791,095,863
	Mercantile Bank Securities Limited	4,528,498	2,267,475
	MBL Asset Management Limited	111,711	92,790
	Mercantile Exchange House (UK) Limited	2,006,310	931,664
		757,420,353	**794,387,791**

Particulars		Amount in BDT	
		Jan-24 to Dec-24	Jan-23 to Dec-23
34	**Other Expenses**		
	Conventional and Islamic banking		
	Bank charges	9,484,868	13,885,695
	Corporate Social Responsibilit	1,429,900	-
	Donation	414,698,187	512,024,030
	Car expenses	195,615,034	208,447,554
	Training expenses	4,642,348	4,979,916
	Supporting Staff salaries	605,260,549	587,292,408
	Exgratia (Supporting Staff bonus)	55,379,425	51,974,320
	Subscription	10,214,639	9,974,524
	Entertainment expenses	69,633,058	63,231,565
	Travelling expenses	17,079,563	14,100,090
	Conveyance, carriage & freight	17,108,168	14,560,892
	Business development	144,789,189	137,137,877
	Liveries & uniforms	11,342,794	11,451,627
	Medical expenses	202,081	517,360
	Newspapers and magazines	1,003,537	1,037,904
	House Attendance Allowance	630,953	600,000
	Professional service fees	18,293,443	19,502,630
	Q-cash/ATM cards/VISA cards	106,148,807	87,076,700
	House furnishing	5,325,841	6,410,773
	Gratuity	250,000,000	200,000,000
	Loss on sale of assets	430,527	784,987
	Loss on sale of securities	18,977,304	109,682,731
	Mobile banking salaries and allowances	16,179,603	16,730,948
	Credit Rating Fees	4,568,766	4,097,653
	Discount & commission paid	12,968,288	32,000
	Miscellaneous expenses (Note-34.1)	168,118,128	143,098,659
		2,159,524,999	**2,218,632,843**
34.1	**Miscellaneous expenses**		
	Laundry & cleaning	6,438,129	5,868,120
	Photograph & Photocopy	810,498	1,111,836
	Cash carrying charge	18,819,367	18,406,369
	Nursery & Plantation	1,415,372	1,239,970
	Cash incentive for Loan Recovery	2,702,278	3,299,600
	Sundry expenses	137,932,484	113,172,766
		168,118,128	**143,098,659**

As per BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, Management of the Bank has taken austerity measures in all respect to ensure cost curtailing on account of fuel, electricity, entertainment, travelling, computer & accessories, electric equipment, furniture and other stationeries. All branches and divisions have been instructed citing necessary steps which are to be followed meticulously in order to reduce expenses. On the other hand, all vehicle purchase was suspended as well as expenditures on different account heads are being monitored closely in order to ensure cost savings during the period. Although such initiatives resulted in reduction in usage/ consumption, however due to increase in unit cost and expansion in customer reach; the actual impact of the austerity measures has not fully reflected in monetary terms.

34 (a) Consolidated Other Expenses

Mercantile Bank PLC.	2,159,524,999	2,218,632,843
Mercantile Bank Securities Limited	64,932,972	88,765,444
MBL Asset Management Limited	322,457	748,277
Mercantile Exchange House (UK) Limited	12,711,359	5,212,933
	2,237,491,788	**2,313,359,497**

		Amount in BDT	
35	**Earnings per Share (EPS)**	**Dec-24**	**Dec-23**
	Net profit after tax (Earnings Attributable to ordinary shareholders)	631,224,440	2,028,605,835
	Number of Ordinary Shares outstanding in the year	1,106,575,435	1,106,575,435
	Average no. of share outstanding	1,106,575,435	1,106,575,435
**	**Earnings per Share (EPS)**	**0.57**	**1.83**

Particulars		Amount in BDT	
		Dec-24	Dec-23
35 (a)	**Consolidated Earnings Per Share (EPS)**		
	Consolidated net profit after tax	649,567,131	2,058,220,622
	Less: Non Controlling Interest	2,774,328	3,645,613
	Profit attributable to ordinary equity holders of the parent entity	**646,792,803**	**2,054,575,008**
	Number of share outstanding	1,106,575,435	1,106,575,435
**	**Consolidated Earnings per Share (EPS)**	**0.58**	**1.86**
*	Disclouser as per Bangladesh Securities and Exchange Commission notification reference no. BSEC/CMRRCD/2006-158/208/Admin/81, dated on 20 June 2018.		
36	**Calculation of Net Asset Value Per Share (NAVPS)**		
	Total shareholders' Equity	25,810,059,847	25,984,472,072
	Number of Share outstanding	1,106,575,435	1,106,575,435
**	**Net Asset Value (NAV) per share**	**23.32**	**23.48**
36 (a)	**Calculation of Consolidated Net Asset Value Per Share (NAVPS)**		
	Total shareholders' Equity	26,280,451,661	26,456,589,753
	Number of Share outstanding	1,106,575,435	1,106,575,435
**	**Net Asset Value (NAV) per share**	**23.75**	**23.91**
**	The decline in Earnings Per Share (EPS) and Net Asset Value Per Share (NAVPS) for the year ended December 31, 2024, is primarily attributable to the increase in loan loss provisions pursuant to Bangladesh Bank's directive (Ref: DBI-4/110/2025-655 dated April 29, 2025). Following this assessment, the Bank transferred BDT 200.00 crore from 2024 pre-provision profit to specific provisions, as instructed by Bangladesh Bank through their letter Ref: ডিওএস (সিএমএস) ১১৫৭/৪১ (ডিভিডেন্ড)/ ২০২৫-৩১১২, dated May 22, 2025), which directly impacted the profit for the year.		
37	**Calculation of Net Operating Cash Flow Per Share (NOCFPS)**		
	Net cash flows from operating activities	19,692,761,931	5,282,798,437
	Number of Share outstanding	1,106,575,435	1,106,575,435
**	**Net Operating Cash Flow Per Share (NOCFPS)**	**17.80**	**4.77**
37 (a)	**Calculation of Consolidated Net Operating Cash Flow Per Share (NOCFPS)**		
	Net cash flows from operating activities	19,701,986,788	5,306,985,107
	Number of Share outstanding	1,106,575,435	1,106,575,435
**	**Net Operating Cash Flow Per Share (NOCFPS)**	**17.80**	**4.80**
**	The growth in Net Operating Cash Flow per Share (NOCFPS) for 2024 is mainly attributable to a significant rise in customer deposits, which boosted the company's cash inflows from operating activities.		
37.1	**Reconciliation of Net Profit after tax with Cash flows from Operating Activities (Solo)**		
	Net profit after taxation	**631,224,440**	**2,028,605,835**
	Adjustment to reconcile net income to net cash provided by operating activities		
	Interest Income	(2,241,145,828)	(2,084,333,663)
	Interest Expense	12,236,140,407	10,412,613,445
	Dividends receipts	49,510,950	36,546,409
	Fees and commission income	-	-
	Payment to the employees	-	-
	Income taxes paid	(322,778,716)	(918,504,554)
	Other Operating Income	524,605,058	(95,260,459)
	Other Operating Expenses	769,270,824	882,429,610
	Provision for Loans & Advances/Investments/Other Assets	4,352,165,395	2,681,797,759
	Operating Profit before changes in Operating Assets and Liabilities	**15,367,768,091**	**10,915,288,547**
	Increase/(Decrease) in operating assets & liabilities		
	Net Investment in trading securities	(10,196,552,644)	(17,776,231,994)
	Loan & Advance to Customers	(15,194,122,765)	(3,940,449,977)
	Other Assets	445,091,767	4,962,581,418
	Deposits from other Bank	(5,409,222,232)	(13,589,281,803)
	Deposits from customers	35,776,299,284	25,155,898,510
	Other Liabilities	(1,727,724,010)	(2,473,612,100)
		3,693,769,400	**(7,661,095,944)**
	Net Cash Flows from Operating activities	**19,692,761,931**	**5,282,798,437**

38 Number of Employees

The number of employees engaged for the entire year who received a total remuneration of BDT 36,000 or above were 2651.

Break-up of No. of employees as per salary range wise

Range of Salary	No of employees
Tk. 0.00 to Tk. 20,000	13
Tk 20,001 to Tk. 50,000	399
Tk. 50,001 to Tk. 1,00,000	974
Tk. 100,001 to Tk. 2,00,000	1092
Tk. 2,00,001 and above	173
Total	**2651**

39 Related Party Disclosure

39.1 Name of Directors and their interest in the Bank and different entities-shown in Annexure - B.

39.2 Significant contracts where Bank is a party and herein Directors have interest:

Nature of contract	Name of Director & related by	Remarks
Lease agreement with Mr. Md. Shahidul Ahsan, Sponsor and Ex-Director of the Bank to take rent 12th,13th, 14th & 15th floor(13600sft) of Swadesh Tower for Head Office use only.	Mr. Md. Shahidul Ahsan, Sponsor and Ex-Director of the Bank.	The Lease Agreement was approved by the Bangladesh Bank vide letter no BRPD(P-3)745(44)/2006-3776 dated: 22.11.2006 and upon expiry on 03.04.2020 the Lease Agreement was renewed for 06 (six) years on 09.08.2020 and subsequently informed to Bangladesh Bank vide letter ref: MBL/GSD/2020/943, dated: 17.08.2020.
Lease agreement with Arena Industries Ltd. represented by Mr. Tahsin Aman, Director of the said company, for 02 suits no. 9/A & 9/B on 9th floor of Eunoos Trade Centre for Head Office use only.	Mr. M. Amanullah, Director of the Bank, father of Mr. Tahsin Aman, Director of Arena Industries Ltd.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD (P-3)745(44)/2019-3668 dated 14.05.2019.
Lease agreement with Mr. Md. Shahabuddin Alam, Sponsor and Ex-Director of the Bank to take rent of our CEPZ Branch, Chattogram.	Mr. Md. Shahabuddin Alam, Sponsor and Ex-Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no BRPD(P-3)745(44)/2009-2706 dated 29.07.2009, vide letter no. BRPD(P-3)/745(44)/2019-8030 dated 09.10.2019.
Lease agreement with ''M.A. Hannan Education & Human Resource Development Trust" to take rent of our Faridgonj Branch, Chandpur.	Mr. Md. Abdul Hannan, Sponsor Director & Vice Chairman of the Bank, Chairman of "M.A. Hannan Education & Human Resource Development Trust".	Initially the agreement was executed by Mr. Md. Abdul Hannan (former landowner) after getting approval from Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2009-4159 dated 10.11.2009. But, later on Mr. Md. Abdul Hannan transferred ownership of the property in favor of "M.A. Hannan Education & Human Resource Development Trust" with approval of Bangladesh Bank vide its letter no. BRPD/(p-3)/745(44)/2017-2543 dt. 24.04.2017.
Lease agreement with Mr. Md. Shahidul Ahsan, Sponsor and Ex-Director of the Bank for 2nd, 8th, 9th & 10th floor (13600sft) of Swadesh Tower for Head Office use only.	Mr. Md. Shahidul Ahsan, Sponsor and Ex-Director of the Bank.	The Lease Agreement was approved by the Bangladesh Bank vide letter no BRPD(P-3)745(44)/2010-313 dated: 31.01.2010 and upon expiry on 31.01.2022 the Lease Agreement was renewed for 01 (one) year and subsequently informed to Bangladesh Bank vide letter ref: MBL/GSD/2022/402 dated: 28.02.2022.Further, upon expiry on 31.01.2023 the Lease Agreement was renewed for another 03 (three) years and informed to Bangladesh Bank vide letter ref: MBL/GSD/04/2023 dated: 02.01.2023.
Lease agreement with (1) Dr. A. K. M. Shaheed Reza (Sponsor and Ex-Director of the Bank), (2) Mr. Shawket Reza, (3) Ms. Tahamina Afroz to take rent of our Rajnagar Branch, Feni.	Dr. A. K. M. Shaheed Reza, Sponsor and Ex-Director of the Bank, Mr. Shawket Reza (brother of Dr. A.K.M Shaheed Reza) and Ms. Tahamina Afroz (sister of Dr. A.K.M Shaheed Reza).	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)2010-1202, dated 31.03.2010 and later renewed vide letter no. BRPD(P-3)/745(44)/2016-7735 dated 22.11.2016.

Nature of contract	Name of Director & related by	Remarks
Lease agreement with Mr. Md. Baharul Ahsan to take rent of our Bangla Bazar Branch, Noakhali.	Mr. Md. Shahidul Ahsan, Sponsor and Ex-Director of the Bank (Brother of Mr. Md. Baharul Ahsan).	The lease agreement was approved by the Bangladesh Bank vide its letter no BRPD(P-3)745(44)/2010-1814 dated 06.05.2010 and Later the Lease Agreement renewed as per Bangladesh Bank approval vide it letter no. BRPD(LS-2)745(44)/2022-8127 dated 11.08.2022.
Lease agreement with Mr. Mohd. Selim, (Deceased), Sponsor, Ex-Director & Vice Chairman of the Board of Director of the Bank to take rent of our Damudya Branch, Shariatpur.	Mr. Mohd. Selim (Deceased) Sponsor and Ex- Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2011-3456 dated 25.09.2011 and later renewed vide letter no. BRPD(P-3)/745(44)/2017-6532 dated 05.10.2017.
Lease agreement with Alhaj Akram Hossain (Humayun), Director of the Bank for ATM Booth at Bijoynagar Branch, Dhaka.	Alhaj Akram Hossain (Humayun), Sponsor Director & Vice Chairman of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2011-3455 dated 25.09.2011.
Lease agreement with Mr. Md. Shahidul Ahsan, Sponsor and Ex-Director of the Bank for ATM Booth at Swadesh Tower, Dhaka	Mr. Md. Shahidul Ahsan, Sponsor and Ex-Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2011-3888 dated 20.10.2011.
Lease agreement with Mr. Md. Abdul Hannan, Director & Vice Chairman of the Bank for ATM Booth at Faridgonj branch, Chandpur.	Mr. Md. Abdul Hannan, Sponsor Director & Vice Chairman of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2011-4574 dated 01.12.2011.
Lease agreement with Mr. Shawket Reza for ATM Booth Reza Fashion Ltd at Gorat, Ashulia, Savar, Dhaka.	Dr. A. K. M. Shaheed Reza, Sponsor and Ex- Director of the Bank & brother of Mr. Shawket Reza.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2012-2215 dated 28.05.2012.
Lease agreement with Mr. Md. Abdul Hannan, Director & Vice Chairman of the Bank for ATM Booth at Murad Apparels, South Gouripur, Ashulia, Savar, Dhaka.	Mr. Md. Abdul Hannan, Sponsor Director & Vice Chairman of the Bank.	The lease agreement was executed with approval of the Board in 265th meeting dated 21.09.2015 as per Bangladesh Bank guideline vide BRPD circular letter no # 02 dated 13.01.2015.
Lease agreement with Mr. M. Amanullah, Director of the Bank for ATM Booth at Zirabo Ashulia, Savar, Dhaka.	Mr. M. Amanullah, Sponsor Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2012-3497 dated 27.08.2012.
Lease agreement with Mr. Md. Shahabuddin Alam, Sponsor and Ex-Director of the Bank for Central Godown for Chattogram City.	Mr. Md. Shahabuddin Alam, Sponsor and Ex-Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD (P-3)745(44)/2013-1121 dated 24.10.2013 and later renewed vide letter no. BRPD (P-3)745(44)/2020-2640 dated 04.03.2020.
Lease agreement with "M.A. Hannan Education & Human Resource Development Trust" to take rent of our Chandpur Branch.	Mr. Md. Abdul Hannan, Sponsor Director & Vice Chairman of the Bank and Chairman of "M.A. Hannan Education & Human Resource Development Trust".	Initially the agreement was executed by Mr. Md. Abdul Hannan (former landowner) after getting approval from the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2014-5723 dated 03.09.2014. But, later on Mr. Md. Abdul Hannan transferred ownership of the property in favor of "M.A. Hannan Education & Human Resource Development Trust" with approval of Bangladesh Bank vide its letter no. BRPD/(p-3)/745(44)/2017-3157 dt. 25.05.2017. Later the Lease Agreement renewed as per Bangladesh Bank approval vide it letter no. BRPD(P-3)/745(44)2020-9835 dated 18.11.2020.
Lease agreement with Mr. A.S.M. Feroz Alam, Sponsor and Director & Vice Chairman of the Bank to take rent of our Kalaiya Branch, Patuakhali.	Mr. A.S.M. Feroz Alam, Sponsor Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD (P-3)745(44)/2014-7845 dated 10.12.2014. Later the Lease Agreement renewed as per Bangladesh Bank approval vide its letter no. BRPD(P-3)/745(44)2020-10968 dated 15.12.2020.

Nature of contract	Name of Director & related by	Remarks
Lease agreement with Mr. M. Amanullah, Director of the Bank to take rent of our Donia Branch.	Mr. M. Amanullah, Sponsor Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)745(44)/2014-3575 dated 11.06.2014 and later renewed vide letter no.BRPD(P-3)745(44)/2021-3535 dated 21.04.2021.
Lease agreement with Mr. Morshed Alam, Director of the Bank to take rent of our Chowmuhoni Branch, Noakhali.	Mr. Morshed Alam, Sponsor Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)/745(44)/2015-17268 dated 22.11.2015. Later renewed vide letter no.BRPD(LS-2)745(44)/2022-4590 dated 10.05.2022.
Lease agreement with Mr. Md. Abdul Hannan, Director & Vice Chairman of the Bank to take rent of our Arambagh Branch, Dhaka.	Mr. Md. Abdul Hannan, Sponsor Director & Vice Chairman of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)/745(44)/2019-1979 dated 07.03.2019.
Lease agreement with Mr. Md. Abdul Hannan, Director & Vice Chairman of the Bank for ATM Booth at Arambagh Branch, Motijheel, Dhaka.	Mr. Md. Abdul Hannan, Sponsor Director & Vice Chairman of the Bank.	The lease agreement was executed with approval of the Board in 345th meeting dated 04.07.2019 as per Bangladesh Bank guidline vide BRPD circular letter no.02,dated 13.01.2015.
Lease agreement with (1) Dr. A.K.M Shaheed Reza (Sponsor and Ex-Director of the Bank), (2) Mr. Shawket Reza, (3) Mrs. Zobeda Begum & (4) Mrs. Nahid Reza to take rent of our Cumilla Noakhali Regional Office, Feni.	Dr. A.K.M Shaheed Reza (Sponsor and Ex-Director of the Bank), Mr. Shawket Reza (brother of Dr. A.K.M Shaheed Reza), Mrs. Zobeda Begum (wife of Dr. A.K.M Shaheed Reza), & Mrs. Nahid Reza (wife of Mr. Shawket Reza)	The lease agreement was approved by Bangladesh Bank vide its letter no. BRPD(P-3)/745(44)/2018-1685 dated 05.03.2018.
Lease agreement with Mr. Md. Abdul Aziz Power of Atorny Holder of Mr. M. Amanullah, Director of the Bank to take rent of our Dakpara Uposhakha under MBL, Aganagar Branch, Keraniganj, Dhaka.	Mr. M. Amanullah, Sponsor Director of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)/745(44)/2020-9834 dated 18.11.2020.
Lease agreement with Mr. M A Khan Belal, Director of the Bank to take rent of our Gopalpur Bazar Uposhakha under MBL Amishapara SME/Krishi Branch, Sonaimuri, Noakhali.	Mr. M. A. Khan Belal, Director and Chairman of the Executive Committee of the Board of Directors of the Bank.	The lease agreement was approved by the Bangladesh Bank vide its letter no. BRPD(P-3)/745(44)/2020-11087 dated 17.12.2020.
Lease agreement with Mr. Shawket Reza for ATM Booth at Fashion Plus Ltd., Gorat, Ashulia, Savar, Dhaka.	Dr. A.K.M. Shaheed Reza, Sponsor and Ex-Director of the Bank & brother of Mr. Shawket Reza.	The lease agreement was executed with approval of the Executive Committee of the Board in 833rd meeting dated 21.04.2021 as per Bangladesh Bank guideline vide BRPD circular letter no. # 02 dated 13.01.2015
Lease agreement with Mr. M. A. Khan Belal, Director and Chairman of the Executive Committee of the Board of Directors of the Bank for CRM Booth at Gopalpur Bazar Uposhakha, Noakhali	Mr. M. A. Khan Belal, Director and Chairman of the Executive Committee of the Board of Directors of the Bank.	The lease agreement was executed with approval of the Executive Committee of the Board of Directors in its 977th meeting dated 09.10.2024 as per Bangladesh Bank guideline vide BRPD circular letter no. # 02 dated 13.01.2015.

39.3 Shares issued to Directors & Executives without consideration or exercisable at discount**: Nil**

39.4 Related Party Transaction:

Transaction with related Party	Nature of transaction	Amount as on 31.12.24
Mercantile Bank Securities Limited	Loan (SOD)	**598,212,414**

39.5 Compensation of Key management personnel: Refer to note 30

39.6 Lending Policies to related Parties :

Lending to related parties is effected as requirements of Section 27 (1) of Bank Companies Act 1991

39.7 Loan and Advances to Directors and their related concern **:** Refer to note 7.3

39.8 Business other than Banking business with any related concern of the Directors as per Section 18 (2) of Bank Companies Act 1991 : **Nil**

39.9 Investments in the Securities of Directors and their related concern **: Nil**

40 Reconciliation of Inter-Bank/Books of Accounts

Books of Accounts with regards to inter-bank (in Bangladesh and outside Bangladesh) are reconciled and there are no material differences, which may affect the financial statements significantly.

41 LAND UNDER LITIGATION

A Land is included under free hold properties - land (Note-8), located at Gulshan, Plot # 3, Block # CWN (C), Gulshan Avenue, Gulshan, Dhaka-1212, Municipality Holding # 105, Gulshan Avenue, Gulshan. Area of land is 1 bigha 2 chattaks purchased in the year 2005 for Bank's own use as per decision of the Board of Directors in its 73rd meeting held on August 23, 2005. The land is under litigation and possession of the land is yet to be taken. In this connection a provision has been made as per Bangladesh Bank's instruction (Note-13.2).

42 STATEMENT OF LIQUIDITY

The Liquidity Statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31.12.2024 and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated June 25, 2003.

43 RESTATEMENTS

Wherever considered necessary, Previous year's figures have been rearranged for the purpose of comparison with current year's presentation without any impact on the profit and value of assets and liabilities as reported in the Financial Statements.

44 Events after the reporting Period

As per IAS 10 "Events after the Reporting Period" are those events favorable and unfavorable, that occurs between the end of the reporting period and the date when financial statements are authorized for issue. Two types of events can be identified:

Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after balance sheet date); and

Those are indicative of conditions that arose after the reporting period (Non-adjusting events after balance sheet date).

**

(a) The Board of Directors of the company in its meeting held on 29 May, 2025 approved the financial statements of the company for the year ended 31 December 2024 and authorized the same for the issue. The Board of Directors also recommended Nil Cash and Nil Stock dividend for shareholders only for the year ended 31 December 2024 subject to approval in the next Annual General Meeting.

(b) There is no other significant event that has occurred between the Balance sheet date and the date when the financial statements were authorized for issue by the Board of Directors.

**

No dividend has been declared for the year ended December 31, 2024, in compliance with Bangladesh Bank's directive (Ref: ডিওএস (সিএএমএস) ১১৫৭/৪১ (ডিভিডেন্ড)/ ২০২৫-৩১১২, dated May 22, 2025). The directive restricts dividend distribution in light of the Bank's provision shortfall of BDT 1,700.86 crore and its impact on capital adequacy. This position has been fully disclosed in the financial statements, and a time-bound, Board-approved plan will be submitted to Bangladesh Bank to address the shortfall.

Managing Director **Director** **Director** **Chairman**

Dhaka
Date: 29 May 2025

FIXED ASSETS SCHEDULE AS AT 31 DECEMBER 2024

Annexure-A (Solo)

A. Freehold Property:

Particulars	Cost				Rate (%)	Accumulated Depreciation				Written down value at 31.12.2024
	Balance as on 01.01.2024	Additions/ Revaluation during the year	Sales during the year	Balance as at 31.12.2024		Balance as on 01.01.2024	Charge for the year	Adjustment on during the year	Balance as at 31.12.2024	
Land	1,341,807,978	-	-	1,341,807,978	Nill	-	-	-	-	1,341,807,978
Building	1,353,681,564	-	-	1,353,681,564	2.5%	311,885,669	33,703,266	-	345,588,935	1,008,092,629
Furniture & Fixtures	1,367,630,670	45,090,347	10,940,004	1,401,781,013	10%	927,626,852	111,699,741	9,923,047	1,029,403,546	372,377,467
Office Equipment & Computer Equipment	2,079,311,750	99,891,900	57,985,603	2,121,218,046	20%	1,515,132,990	214,623,536	57,984,200	1,671,772,326	449,445,721
Vehicles	199,155,893	17,283,840	5,227,102	211,212,631	20%	173,731,306	11,114,150	5,227,098	179,618,358	31,594,272
Books	833,527	-	-	833,527	20%	833,464	-	-	833,464	62
Sub-total	**6,342,421,382**	**162,266,087**	**74,152,709**	**6,430,534,760**		**2,929,210,281**	**371,140,692**	**73,134,345**	**3,227,216,629**	**3,203,318,129**

B. Intangible asset:

Particulars	Cost				Rate (%)	Accumulated Amortization				Written down value at 31.12.2024
	Balance as on 01.01.2024	Additions/ Revaluation during the year	Adjustment on during the year	Balance as at 31.12.2024		Balance as on 01.01.2024	Charge for the year	Adjustment on during the year	Balance as at 31.12.2024	
Software	700,170,737	19,261,202	-	719,431,939	20%	625,232,079	48,247,602	-	673,479,681	45,952,258
Sub-total	**700,170,737**	**19,261,202**	**-**	**719,431,939**		**625,232,079**	**48,247,602**	**-**	**673,479,681**	**45,952,258**
Balance as at 31.12.2024: Total (A+B)	**7,042,592,119**	**181,527,289**	**74,152,709**	**7,149,966,699**		**3,554,442,360**	**419,388,294**	**73,134,345**	**3,900,696,310**	**3,249,270,388**
Balance as at 31.12.2023	**6,922,557,588**	**157,292,401**	**37,257,870**	**7,042,592,119**		**3,162,214,661**	**428,313,613**	**36,085,914**	**3,554,442,360**	**3,488,149,759**

Right Of Use (ROU) Assets as per IFRS-16

Particulars	Cost				Rate (%)	Accumulated Amortization				Written down value at 31.12.2024
	Balance as on 01.01.2024	Additions/ Revaluation during the year	Adjustment on during the year year	Balance as at 31.12.2024		Balance as on 01.01.2024	Charge for the year	Adjustment on during the year	Balance as at 31.12.2024	
Right Of Use (ROU) Assets as per IFRS-16	2,256,218,544	-	-	2,256,218,544	25%	1,670,924,259	194,302,788	-	1,865,227,047	390,991,497
Balance as at 31.12.2024	**2,256,218,544**	**-**	**-**	**2,256,218,544**		**1,670,924,259**	**194,302,788**	**-**	**1,865,227,047**	**390,991,497**
Balance as at 31.12.2023	**2,256,218,544**	**-**	**-**	**2,256,218,544**		**1,450,603,738**	**220,320,521**	**-**	**1,670,924,259**	**585,294,285**

NAME OF THE DIRECTORS AND THEIR INTEREST IN THE BANK AND OTHER DIFFERENT ENTITIES

Annexure-B

Sl. No.	Name and address	Designation	No. of Shares held in Bank		Name of Firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Position (as proprietor, partner, director, managing agent, guarantor, employee etc.)	Nature and Value of interest in the firm/ companies in which interested
			31.12.2024	31.12.2023			
1	2	3	4		5	6	7
1	**MR. MD. ANWARUL HAQUE** Apartment-4-A, House-45, Road-15/A, Dhanmondi R/A, Dhaka.	Chairman	24,943,792	24,943,792	1. Living Plus Limited	Managing Director	32.00%
					2. Holiday Travels Limited	Director	35.00%
					3. Premier Leasing & Finance Limited	Sponsor	0.02%
					4. Premier Leasing Securities Limited	Sponsor	0.001%
					5. Mercantile Bank Securities Limited	Sponsor	0.056%
2	**AL-HAJ AKRAM HOSSAIN (HUMAYUN)** 2/C, Purana Paltan, Dhaka.	Sponsor Director	24,017,249	24,017,249	1. Akram Traders	Proprietor	100.00%
					2. FARS Holding & Associates Limited	Managing Director	25.00%
					3. FARS Hotels & Resorts Limited	Managing Director	25.00%
					4. Mercantile Bank Securities Limited	Sponsor	0.056%
3	**MR. MD. ABDUL HANNAN** 190 Arambag, Inner Circular Road, Dhaka.	Sponsor Director	25,298,854	25,298,854	1. Dabster & Associates Limited	Chairman	90.00%
					2. Reu Fashion Limited	Chairman	50.00%
					3. M.H. Trading	Proprietor	100.00%
					4. Murad Apparels Limited	Chairman	70.00%
					5. Unnayan Engineers & Associates	Proprietor	100.00%
					6. Unnayan Housing Limited	Managing Director	50.00%
					7. Global Insurance Limited	Shareholder	0.01%
					8. Pan Pacific Hospital Limited	Director	5.00%
					9. Eastern University	Director	---
4	**MR. M. A. KHAN BELAL** 26/B, Topkhana Road, 4/B Eastern Housing Apartment, Shahbag, Dhaka-1000.	Director	22,217,211	22,217,211	1. Shamrat Prince Spinning Mills Limited	Chairman	50%
					2. Shamrat Cold Storage Limited	Managing Director	50%
					3. Shamrat Commercial Company Limited	Managing Director	50%
					4. Shandhya Hotel (Residential)	Proprietor	100%
					5. Shamrat Shipping Lines	Proprietor	100%
					6. Shamrat Commercial Enterprise	Proprietor	100%
					7. B.M.S Travels	Proprietor	100%
					8. Prince Trade International	Proprietor	100%
					9. Shamrat Agro Limited	Chairman	35%
					10. Shamrat Feed Limited	Chairman	35%
					11. B.S.P. Corporation	Proprietor	100%
					12. Zamzam LP Gas Limited	Managing Director	40%
					13. Mercantile Bank Securities Limited	Sponsor	0.056%

NAME OF THE DIRECTORS AND THEIR INTEREST IN THE BANK AND OTHER DIFFERENT ENTITIES (CONTINUED)

Sl. No.	Name and address	Designation	No. of Shares held in Bank		Name of Firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Position (as proprietor, partner, director, managing agent, guarantor, employee etc.)	Nature and Value of interest in the firm/ companies in which interested
			31.12.2024	31.12.2023			
1	2	3	4		5	6	7
5	**MR. MOHAMMAD ABDUL AWAL** Flat # D 6/12, Priyo Prangon, 2 Paribag, Shahbagh, Dhaka-1000	Director	22,592,370	22,592,370	1. Synthia Securities Limited	Managing Director	18%
					2. Express Insurance Limited	Sponsor	2.76%
6	**PROF. DR. MD. REZAUL KABIR** Professor Coordinator, BBA Program Institute of Business Administration (IBA), University of Dhaka, Dhaka-1000.	Independent Director	---	---	---	---	-
7	**MR. A. S. M. FEROZ ALAM** Flat no. 401, House no. 248 Road no. 6/B, Block- B, Bashundhara R/A, Dhaka	Sponsor Director	34,854,232	34,854,232	1. Premier Leasing & Finance Limited	Sponsor	6.09%
					2. Premier Leasing Securities Limited	Sponsor	0.001%
					3. Mercantile Bank Securities Limited	Chairman	0.056%
					4. Saheda Gafur Ibrahim General Hospital	Founder Chairman	-
8	**MR. M. AMANULLAH** House No.06, Road No. 80, Gulshan-2, Dhaka.	Sponsor Director	25,000,000	27,260,399	1. Aman Spinning Mills Limited	Chairman	20.00%
					2. Mousumi Network Limited	Chairman	25.00%
					3. Dayton Holdings Limited	Chairman	90.00%
					4. Mercantile Exchange House (UK) Limited	Chairman	-
					5. Mercantile Bank Securities Limited	Sponsor Director	0.056%
9	**MR. MORSHED ALAM** House no. 12/A, Road no. 63, Gulshan-2, Dhaka-1213.	Sponsor Director	27,558,916	27,558,916	1. Bengal Windsor Thermoplastics Limited	Chairman	11.17%
					2. Bengal Media Corporation Limited (Rtv)	Chairman	21.99%
					3. Bengal Plastics Limited	Chairman	37.50%
					4. Bengal Poly and Paper Sack Limited	Chairman	8.19%
					5. Hamilton Metal Corporation Limited	Chairman	42.00%
					6. Bengal Renewable Energy Limited	Chairman	15.00%
					7. Linnex Electronics (Bangladesh) Limited	Chairman	25.00%
					8. Bengal Hotels and Resorts Limited	Chairman	64.30%
					9. Mercantile Bank Foundation	Chairman	-
					10. Mercantile Bank Securities Limited	Sponsor	0.056%
10	**ALHAJ MOSHARREF HOSSAIN** 1/1 Folder Street, Wari, Dhaka.	Director	26,486,392	26,486,392	1. M/S Traders	Proprietor	100.00%
					2. Toka Ink (BD) Limited	Director	5.00%
					3. Eastern Paper House	Partner	50.00%
					4. Hossain Traders	Proprietor	100.00%
11	**DR. GAZI MOHAMMAD HASAN JAMIL** Professor, Department of Finance Faculty of Business Studies, University of Dhaka, Dhaka-1000.	Independent Director	---	---	1. Mercantile Bank Securities Limited	Independent Director	-

INVESTMENT IN SHARES/SECURITIES

As at 31 December 2024

Annexure-C

A.(i) Quoted Company

Amount in Taka

SL	Name of the Company	Type of Shares	Face Value	No of Shares	Avg. cost	Total cost	Closing price 31.12.2024	Total market value as on 31.12.2024	Unrealized Gain/ (Loss)
1	ACI LTD.	Quoted	10.00	135,900	234.42	31,857,404	139.60	18,971,640	(12,885,764)
2	BATBC	Quoted	10.00	190,805	556.87	106,253,363	367.60	70,139,918	(36,113,445)
3	BANGLADESH SUBMARINE CABLE CO.LTD.	Quoted	10.00	416,934	200.82	83,728,533	126.10	52,575,377	(31,153,156)
4	GLOBAL ISLAMI BANK PLC	Quoted	10.00	68,161	9.07	618,241	4.90	333,989	(284,252)
5	GRAMEEN PHONE LTD.	Quoted	10.00	5,000	262.65	1,313,232	323.10	1,615,500	302,268
6	GPH ISPAT LTD.	Quoted	10.00	337,599	49.22	16,616,433	22.10	7,460,938	(9,155,495)
7	IDLC FINANCE LTD	Quoted	10.00	14,549,444	10.20	148,359,099	32.70	475,766,819	327,407,720
8	IFIC BANK PLC	Quoted	10.00	678,037	15.21	10,311,085	7.20	4,881,866	(5,429,219)
9	IT CONSULTANTS LTD.	Quoted	10.00	1,478,076	6.77	10,000,000	35.70	52,767,313	42,767,313
10	JAMUNA OIL COMPANY LTD	Quoted	10.00	65,315	178.69	11,671,266	171.40	11,194,991	(476,275)
11	LINDE BD LTD.	Quoted	10.00	1,200	1,279.36	1,535,233	1,019.50	1,223,400	(311,833)
12	MARICO BD LTD.	Quoted	10.00	2,581	2,325.70	6,002,621	2,282.80	5,891,907	(110,714)
13	NAVANA CNG LTD.	Quoted	10.00	34,688	100.57	3,488,726	23.50	815,168	(2,673,558)
14	NATIONAL BANK LTD.	Quoted	10.00	246,591	16.34	4,029,224	4.90	1,208,296	(2,820,928)
15	PIONEER INSURANCE CO.LTD.	Quoted	10.00	27,496	62.90	1,729,502	48.00	1,319,808	(409,694)
16	POWER GRID BD LTD.	Quoted	10.00	136,940	61.30	8,394,882	41.80	5,724,092	(2,670,790)
17	PRIME FIN & INVESTMENT LTD.	Quoted	10.00	65,956	129.14	8,517,764	4.30	283,611	(8,234,153)
18	RAK CERAMICS (BD) LTD.	Quoted	10.00	127,717	101.64	12,980,620	22.60	2,886,404	(10,094,216)
19	RENATA LTD.	Quoted	10.00	21,133	999.49	21,122,194	635.10	13,421,568	(7,700,626)
20	SQUARE PHARMACEUTICALS PLC	Quoted	10.00	320,000	207.64	66,446,037	217.70	69,664,000	3,217,963
21	SUMMIT POWER LTD.	Quoted	10.00	90,000	38.62	3,475,758	14.80	1,332,000	(2,143,758)
22	TITAS GAS TRANSMISSION & DISTRIBUTION CO.LTD	Quoted	10.00	309,500	45.28	14,014,011	20.90	6,468,550	(7,545,461)
23	UNITED POWER GENERATION & DISTRIBUTION CO.LTD.	Quoted	10.00	41,163	253.98	10,454,703	123.60	5,087,747	(5,366,956)
Total of Shares a (i):						**582,919,931**		**811,034,902**	**228,114,971**
A (ii): BOND (QUOTED)									
1	ASHUGONJ POWER STATION CO.LTD.	Quoted	5,000.00	1,500	5,000.00	7,500,000	4,100.00	6,150,000	(1,350,000)
A (ii): BOND (QUOTED)						**7,500,000**		**6,150,000**	**(1,350,000)**
A. (iii) MUTUAL FUND:									
1	MBL1ST MUTUAL FUND	Quoted	10.00	16,899,310	10.00	168,993,100	3.90	65,907,309	(103,085,791)
Total of Mutual Fund A (iii)						**168,993,100**		**65,907,309**	**(103,085,791)**
Sub Total A(i+ii+iii)						**759,413,031**		**883,092,211**	**123,679,180**

INVESTMENT IN SHARES/SECURITIES

A(iv): Quoted Company Investment under SFCM

SL	Name of the Company	Type of Shares	Face Value	No of Shares	Avg. cost	Total cost	Closing price 31.12.2024	Total market value as on 31.12.2024	Unrealize Gain/ (Loss)
1	ACI LTD.	Quoted	10.00	250,811	244.70	61,372,563	244.70	61,372,563	-
2	BATBC	Quoted	10.00	150,000	589.61	88,441,251	589.61	88,441,251	-
3	BANGLADESH SUBMARINE CABLE CO.LTD.	Quoted	10.00	51,639	219.75	11,347,799	219.75	11,347,799	-
4	DELTA BRAC HOUSING FIN PLC	Quoted	10.00	381,480	72.90	27,809,451	72.90	27,809,451	-
5	GPH ISPAT LTD.	Quoted	10.00	454,177	50.78	23,062,648	50.78	23,062,648	-
6	LINDE BD LTD.	Quoted	10.00	4,178	1,615.48	6,749,486	1,615.48	6,749,486	-
7	MJL BANGLADESH PLC	Quoted	10.00	35,737	89.83	3,210,279	89.83	3,210,279	-
8	PIONEER INSURANCE CO.LTD.	Quoted	10.00	196,542	85.35	16,774,576	85.35	16,774,576	-
9	POWER GRID CO.BD LTD.	Quoted	10.00	170,000	66.16	11,246,410	66.16	11,246,410	-
10	RENATA LTD.	Quoted	10.00	5,125	1,225.11	6,278,694	1,225.11	6,278,694	-
11	SAIF POWERTEC LTD.	Quoted	10.00	200,000	40.46	8,092,402	40.46	8,092,402	-
12	SINGER BD LTD.	Quoted	10.00	100,000	179.46	17,945,543	179.46	17,945,543	-
13	SQUARE PHARMACEUTICALS PLC	Quoted	10.00	46,855	222.23	10,412,650	222.23	10,412,650	-
14	SUMMIT POWER LTD.	Quoted	10.00	90,404	39.18	3,542,075	39.18	3,542,075	-
15	TITAS GAS TRANSMISSION & DISTRIBUTION CO.LTD	Quoted	10.00	149,450	42.16	6,300,913	42.16	6,300,913	-
16	UNITED POWER GENERATION AND DISTRIBUTION LTD.	Quoted	10.00	330,209	263.33	86,952,576	263.33	86,952,576	-
Total Quoted Company Investment under SFCM c-A(iv)						**389,539,316**		**389,539,316**	-
Sub Total A(i+ii+iii+iv)						**1,148,952,348**	**-**	**1,272,631,528**	**123,679,180**

B. Un-Quoted Company

SL	Name of the Company	Type of Shares	Face Value	No of Shares	Avg. cost	Total cost
1	SWIFT	Un-Quoted		18	366,532.40	6,597,583
2	CENTRAL DEPOSITORY BANGLADESH LTD. (CDBL)	Un-Quoted	10.00	1,142,362	4.50	5,138,890
3	CENTRAL COUNTERPARTY BD LTD. (CCBL)	Un-Quoted	10.00	3,750,000	10.00	37,500,000
4	BANGLADESH FIXED INCOME SPECIAL PURPOSE VEHICLE	Un-Quoted	10,000,000.00	100	10,000,000.00	1,000,000,000
5	MERCANTILE BANK UNIT FUND	Un-Quoted	10.00	7,500,000	10.00	75,000,000
Sub Total (B)						**1,124,236,473**
Grand Total (A+B)						**2,273,188,821**

ADJUSTMENT FOR APPROVED SECURITIES HTM

As at 31 December 2024

Annexure-D

As per Bangladesh Bank's DOS Circular Letter # 5 dated May 26, 2008 all Government Securities holding by scheduled banks with effect from July 1, 2008 must be segregated into HTM (Held to Maturity) and HFT (Held for Trading). HTM securities are to be amortized at the end of each year and any increase/decrease due such amortization is to be adjusted in the changes in equity system. HFT securities are to revalued weekly as per Mark to Market method. Any increase/decrease due to such valuation (Mark to Market) can not be taken into Profit & Loss account untill sale or maturity rather the same is to be transferred to Reserve for Revaluation Accounts .

Market Adjustment on Approved Securities HTM

	(Amount in BDT)
Balance as on Januray 1, 2024	**49,489,258**
Less: Adjustment due to sale & Repo Treasury Bond	4,774,286
Less : Adjustment due to Bond Maturity	-
Add. Adjustment of Amortization of HTM secutrities	33,956,077
Balance as on 31.12.2024	**78,671,049**

Reserve for Revaluation (for HFT securities)

Balance as on Januray 1, 2024	**154,917,329**
Add adjustment during the year in Mark to market Method on Treasury Bond	1,403,446,616
Add adjustment during the year in Mark to market Method on Treasury Bill	860,691,792
Less adjustment due to Maturity,sale & Repo Treasury Bond	798,826,534
Less adjustment due to Maturity,MTM, sale & Repo Treasury Bill	838,405,345
Balance as on 31.12.2024	**781,823,858**

(Market adjustment on Treasury Bond is reported as per DOS circular no.220 Dated. 8 December ,2010.)

CERTIFICATE OBTAINED BY MERCANTILE BANK PLC. UNDER SECTION 33(7) OF ARTHA RIN ADALAT AIN, 2003.

Non-banking assets:
As at 31 December 2024

Annexure-D 1

SL.	Branch	Name of Borrower	Asset Detailes	Entitement Date	Lowe of Market/ valuation Value	Legal Status
1	Banani Branch	Global Business Associates A.T.M. Shamim-Ul Alam (Proprietor)	a) 44 decimal land at Mouza- Gosai Gobindapur, P.S: Baliakandi, Dist: Rajbari; b) 6.66 decimal land at Mouza- Gosai Gobindapur, P.S: Baliakandi, Dist: Rajbari.	30-Apr-15	500,000	Physical possession of the property under Bank's control
2	Banani Branch	SS Trading Corporation Shamimul Islam Siraj.	a) RM of 17.50 decimal land along with Semipacca building under Mouza Loar Shahara, PS. Dhaka Cantonment, Dist. Dhaka. b) RM of 170.50 decimal land at Dist. Madaripur, PS. – Shibchar, Mouza Shamail. c) RM of 375.00 decimal land at Dist. Madaripur, PS Shibchar, Mouza- Choto Chowdhurir Bill and Shamail. Mutation only 170.50 decimal completed.	05-Aug-13	4,262,500	Physical possession of the property under Bank's control
3	Kawran Bazar Branch	Dohar Seed Company,Prop.: Md. Advocate Abdus Sobhan	RM (3rd party) of land 16.25 Decimal at Bhatara, Gulshan, Dhaka.	25-Nov-08	3,939,394	Physical possession of the property under Bank's control
4	Main Branch	Shahinoor Enterprise, Prop: Mr. Md. Mojibur Rahman	a). 2.56 Katha Land with semi pucca building at Badda; b). 10 Katha Land at Badda.	20-Jul-06	3,400,800	Physical possession of the property under Bank's control
5	MoghBazar Branch	Dr. Akhtar Hossain	6.66 out of 7.00 decimal land with 04 Nos. floor spaces (Ground floor, 1st floor, 4th floor & 5th floor) out of 10.50 decimal land with 06 storied building at Mouza-Chotto Balimeher, Savar, Dhaka	16-Nov-14	10,833,638	Physical possession of the property under Bank's control
6	Rajshahi Branch	M/S Sayed Traders	RM of 261.75 decimal land (256.5 decimal land at Mouza-Bagdhani, PS-Poba, Dist.-Rajshahi and 5.25 decimal land at Mouza-Nowhata, PS-Poba, Dist.-Rajshahi)	24-May-15	11,860,000	Physical possession of the property under Bank's control
7	Rangpur Branch	M/S. Rabeya Chaul Kol	94.09 decimal vacant land at JL# 73, Khatian# CS: 101, 272, SA: 98, 328, RS: 195, Mutation- 937, Plot# CS & SA- 1006,1041, 1031, RS- 1415, 1429, Mouza- Khordo Rasulpur, Upazilla- Sadullahpur, District- Gaibandha.	06-Apr-23	7,725,000	Physical possession of the property under Bank's control
8	Agrabad Branch	Khawaja Garib e Newaj Enterprise	1) 5.00 decimal land at P.S. Patiya, then Bandar, at present Karnafully, Mouza-Isanagar, Chattogram. 2) 3.00 decimal land at P.S. Patiya, Then Bandar, at present Karnafully, Mouza-Charlakhia, Chattogram.	21-Nov-22	2,560,000	Physical possession of the property under Bank's control
Total					**45,081,332**	

MATURITY ANALYSIS OF OTHER ASSETS

As at 31 December 2024

Annexure-E

Amount inTaka

Particulars	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	More than 5 years	Total
1	2	3	4	5	6	7
Other assets should be classified under the following categories:						
Income generating other asset:						
Investment in shares of subsidiary companies(In Bangladesh) Mercantile Bank Securities Limited	-	-	-	-	3,550,000,000	3,550,000,000
Investment in shares of subsidiary companies(outside Bangladesh) Mercantile Exchange House (UK) Limited	-	-	-	-	51,738,780	51,738,780
Mercantile Bank OBU Unit	6,349,741,346	-	-	-	-	6,349,741,346
MBL Asset Management Limited					56,000,000	56,000,000
No-Income generating other asset:						-
Stationery, stamps,printing materials in stock etc	12,458,730	27,993,606	7,932,776	-	-	48,385,112
Advance rent and advertisement	-	-	235,260,758		-	235,260,758
Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable	480,502,393	1,003,584,527	863,634,451	-		2,347,721,371
Security deposit	-	-	-	-	10,324,826	10,324,826
Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses		31,019,270	-	-	-	31,019,270
Branch adjustment	-	-	-	24,161,287	-	24,161,287
Inter Branch Settlement Account	2,197,702,669	-	-	-	-	2,197,702,669
Suspense Account		767,269,975	116,265,500	190,902,609	-	1,074,438,084
Right Of Use (ROU) Assets as per IFRS-16	-	-	-	-	390,991,497	390,991,497
Silver	-	-	-	-	-	-
D.D.Paid Without Advice	-					-
Clearing adjustment account	-	-	-	-	-	-
Intra company transaction (OBU)	(6,349,741,346)	-	-	-	-	(6,349,741,346)
Total amount in taka	**2,690,663,793**	**1,829,867,377**	**1,223,093,485**	**215,063,896**	**4,059,055,103**	**10,017,743,654**

HIGHLIGHTS OF MERCANTILE BANK PLC.

Annexure-F

(BDT in crore)

SL	Particulars	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
1	Paid-up Capital	1,106.58	1,106.58	1,084.87	1,033.22	984.02
2	Total Capital Fund	3,874.86	4,326.70	3,987.87	3,558.44	3,341.95
3	Capital Surplus / deficit	168.38	670.56	512.91	401.30	273.37
4	Total Assets	44,469.03	40,217.30	38,232.85	35,941.14	33,078.56
5	Total Deposits	34,272.43	30,694.80	28,179.21	27,055.74	24,526.57
6	Total Loans and Advances	30,002.51	28,483.10	28,089.05	26,676.66	24,899.44
7	Total Contingent Liabilities and Commitments	20,825.15	15,854.45	16,827.22	17,506.03	10,811.23
8	Credit Deposit Ratio (in %)	82.53%	85.57%	86.82%	85.98%	84.30%
9	Percentage of Classified Loans against Total Loans and Advances (in %)	17.25%	6.08%	7.09%	4.54%	4.72%
10	Profit after Tax and Provision	63.12	202.86	220.26	341.86	216.13
11	Amount of Classified Loans during the year	5,176.17	1,731.33	1,992.86	1,211.25	1,175.12
12	Provision kept against classified Loans	1,144.78	639.81	806.27	513.16	488.26
13	Provision Surplus	(1,700.86)	3.13	19.47	-	-
14	Cost of Fund (in %)	5.86%	4.89%	4.25%	4.40%	5.66%
15	Interest Earning Assets	40,531.97	36,899.23	34,655.15	33,414.41	30,216.45
16	Non-interest Earning Assets	3,937.06	3,318.07	3,577.69	2,526.73	2,862.10
17	Return on Equity (ROE) (in %)	2.44%	7.92%	8.87%	14.70%	10.05%
18	Return on Assets (ROA) (in %)	0.15%	0.52%	0.59%	0.99%	0.67%
19	Income from Investment	740.39	474.12	409.85	479.46	413.90
20	Earning Per Share (Tk.)	0.57	1.83	2.03	3.31	2.20
21	Net Income Per Share (Tk)	0.57	1.83	2.03	3.31	2.20
22	Return on investment (ROI)	8.80%	6.78%	6.67%	8.61%	8.39%
23	Net assets value per share (NAVPS)	23.32	23.48	23.30	23.62	22.46
24	Cost of deposit (%)	6.27%	5.18%	4.68%	4.76%	6.12%
25	Price Earning Ratio (approximate)	18.06 Times	7.25 Times	6.83 Times	5.17 Times	5.78 Times

AS THE REGULATORY REQUIREMENTS DIFFER WITH THE STANDARDS, RELEVANT DISCLOSURES HAVE BEEN MADE IN ACCORDANCE WITH BANGLADESH BANK'S REQUIREMENTS

As at 31 December 2024

Annexure - F.1

SL.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	As per IFRS 9, an entity shall recognize an impairment allowance on loans/ investments based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans /investments at an amount equal to the lifetime expected credit losses if the credit risk on these loan/ investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which forward- is looking. For those loan/ investments for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months' expected credit losses that may result from default events on loan/ investments that are possible within 12 months after reporting date.	In accordance with Bangladesh Bank's BRPD Circular No. 15 dated 27 November 2024 and BRPD Circular Letter No. 03 dated 23 January 2025, a roadmap has been established for the implementation of the Expected Credit Loss (ECL) methodology for loan classification and provisioning, aligning with the International Financial Reporting Standard (IFRS) 9. This transition from the traditional incurred-loss model to a forward-looking ECL approach is scheduled to be fully operational across the banking sector by December 2027. Currently, as per the existing regulatory framework, banks are required to maintain general provisions ranging from 0.25% to 2% on unclassified loans (standard/SMA), and specific provisions at 20%, 50%, and 100% for sub-standard, doubtful, and bad/loss loans respectively, net of eligible securities, except for CMSME, agricultural, and micro-credits. Additionally, general provisions of 0.5% to 1% are mandated for certain off-balance sheet exposures. These provisioning requirements are based on a rule-based approach and do not fully align with the principles of IFRS 9, which emphasizes a risk-based, forward-looking assessment of credit losses.	In separate Financial Statements, an amount of BDT 4,275.05 million has been charged as incremental provision for loans and advances/ Investment, All so as at 31 December 2024, accumulated provision for leases, loans and advances stands at BDT 22,480.98 million. In consolidated Financial Statements, the incremental provision amount is BDT 4,375.35 million.
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	As per requirements of IFRS 9: Financial Instruments, classification and measurement of investments in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year- end is taken to profit and loss account or other comprehensive income respectively	In accordance with Bangladesh Bank's BRPD Circular No. 14 dated 25 June 2003, investments are revalued at year-end as follows: Quoted Shares: Valued at market price on the stock exchange(s). Unquoted Shares: Valued at the book value based on the latest audited financial statements. Additionally, as per DOS Circular Letter No. 3 dated 12 March 2015, investments in closed-end mutual funds are revalued at the lower of cost and the higher of market value and 85% of Net Asset Value (NAV). Provisions are made for any diminution in value of investments on a portfolio basis; otherwise, investments are recognized at cost. Bangladesh Bank has initiated the implementation of the Expected Credit Loss (ECL) methodology under IFRS 9, as outlined in BRPD Circular No. 15 dated 27 November 2024 and BRPD Circular Letter No. 03 dated 23 January 2025. This transition from the traditional incurred-loss model to a forward-looking ECL approach is scheduled to be fully operational across the banking sector by December 2027.	During this year, total market value of all shares investment of MBPLC. Is less than the cost price. As on December 31, 2024 there was BDT 46.98 million unrealized loss has been account for in profit and loss account.

SL.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
3	Presentation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	As per 'IAS 7- Statement of Cash Flows' The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.	Financial Statements for 2024 and corresponding year of 2023 have been prepared as per guidelines as per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.
4	Presentation of "Revaluation gain/loss on government securities	IFRS 9 " Financial Instruments "	As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Where securities are measured 'at fair value through other comprehensive income' then gains or losses shall be recognised in other comprehensive income (OCI), except for impairment gains or losses and foreign exchange gains and losses. The loss allowance arise from impairment shall be recognised in OCI and shall not reduce the carrying amount of financial assets in the Financial Position. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account	In accordance with Bangladesh Bank's DOS Circular No. 05 dated 26 May 2008 and subsequent clarification via DOS Circular Letter No. 05 dated 28 January 2009, the valuation of government securities is as follows: Held for Trading (HFT) Securities: Revalued weekly using the Mark-to-Market method. Unrealised losses are charged to the profit and loss account, while unrealised gains are transferred to the revaluation reserve within equity. Held to Maturity (HTM) Securities: Measured at amortised cost. Amortisation gains or losses are recognised in the revaluation reserve, and interest income, including amortisation of discounts or premiums, is recognised in the profit and loss account. Bangladesh Bank has initiated the implementation of the Expected Credit Loss (ECL) methodology under IFRS 9, as outlined in BRPD Circular No. 15 dated 27 November 2024 and BRPD Circular Letter No. 03 dated 23 January 2025. This transition from the traditional incurred-loss model to a forward-looking ECL approach is scheduled to be fully operational across the banking sector by December 2027.	During this year, total market adjustment on Approved Securities HTM is BDT 29.18 Million has been account for in Balance Sheet.
5	Other Comprehensive income	IAS 1" Presentation of Financial Statements"	As per IAS 1: Presentation of Financial Statements" other comprehensive income is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by Bank. The templates of financial statements issued by Bangladesh Bank do not include other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However elements of OCI,if any ,are shown in the statements of changes in equity	Financial statements for 2024 and corresponding year of 2023 have been prepared as per guideline (As per BRPD circular no. 14 dated 25 June 2003) of Bangladesh Bank. There is no financial impact for this departure in the financial statements. Circular

SEGMENT REPORTING

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standarads (IFRS) 8 'Operating Segment"
As at 31 December 2024

Particulars	Mercantile Bank PLC.					Mercantile Bank PLC. and its Subsidiaries					
	Inside Bangladesh					Inside Bangladesh		Outside Bangladesh	Consolidated (Before Inter company)	Inter company transaction	Total Consolidated
	Conventional Banking	Islamic Banking	Off Banking Unit (OBU)	Inter company	Total	MBSL	MBL Asset Management Ltd.	UK			
Property and Assets											
Cash	**19,300,466,039**	**662,019,901**	**-**	**-**	**19,962,485,940**	**613,928**	**9,181**	**2,962,137**	**19,966,071,186**	**-**	**19,966,071,186**
Cash in hand (Including foreign currencies)	3,834,788,950	47,698,865	-	-	3,882,487,815	613,928	9,181	2,962,137	3,886,073,062	-	3,886,073,062
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	15,465,677,088	614,321,036	-	-	16,079,998,124	-	-	-	16,079,998,124	-	16,079,998,124
Balance with other banks and financial institutions	**9,399,273,812**	**250,151,479**	**384,834,415**	**-**	**10,034,259,706**	**232,731,050**	**6,486,881**	**14,693,994**	**10,288,171,630**	**(209,900,244)**	**10,078,271,386**
In Bangladesh	205,666,789	250,151,479	382,890,374	-	838,708,642	232,731,050	6,486,881	-	1,077,926,573	(209,900,244)	868,026,329
Outside Bangladesh	9,193,607,023		1,944,041	-	9,195,551,064	-	-	14,693,994	9,210,245,057		9,210,245,057
Money at call and short notice	**12,258,100,000**	**-**	**-**		**12,258,100,000**	**-**	**-**	**-**	**12,258,100,000**	**-**	**12,258,100,000**
Investments	**88,304,112,662**	**794,140,000**	**-**	**-**	**89,098,252,662**	**1,955,330,071**	**105,688,893**	**-**	**91,159,271,626**	**(10,735,447)**	**91,148,536,179**
Government	79,811,403,842	794,140,000	-		80,605,543,842	-	-	-	80,605,543,842	-	80,605,543,842
Others	8,492,708,821	-			8,492,708,821	1,955,330,071	105,688,893	-	10,553,727,784	(10,735,447)	10,542,992,337
Loans and Advances/investments	**283,806,094,962**	**8,400,418,221**	**7,818,593,059**	**-**	**300,025,106,242**	**4,603,605,968**		**-**	**304,628,712,210**	**(598,212,414)**	**304,030,499,796**
Loans, Cash Credit, Overdraft etc/investments	280,325,568,570	8,390,606,471	1,967,644,225		290,683,819,265	4,603,605,968	-	-	295,287,425,233	(598,212,414)	294,689,212,819
Bills Purchased and Discounted	3,480,526,393	9,811,750	5,850,948,834		9,341,286,977	-	-	-	9,341,286,977	-	9,341,286,977
Fixed assets including premises, furniture and fixtures	**3,233,554,432**	**15,715,956**	**-**		**3,249,270,388**	**103,639,288**	**314,354**	**5,482,112**	**3,358,706,142**	**-**	**3,358,706,142**
Other assets	**9,978,156,463**	**6,107,453,235**	**281,875,302**	**(6,349,741,346)**	**10,017,743,654**	**318,482,390**	**7,860,409**	**11,916,480**	**10,356,002,934**	**(3,657,326,400)**	**6,698,676,534**
Non- banking assets	**45,081,332**	**-**	**-**		**45,081,332**		**-**	**-**	**45,081,332**	**-**	**45,081,332**
Total Property and Assets	**426,324,839,702**	**16,229,898,792**	**8,485,302,776**	**(6,349,741,346)**	**444,690,299,923**	**7,214,402,695**	**120,359,717**	**35,054,724**	**452,060,117,059**	**(4,476,174,505)**	**447,583,942,554**

MERCANTILE BANK PLC.

SEGMENT REPORTING (CONTINUED)

Particulars	Mercantile Bank PLC.					Mercantile Bank PLC. and its Subsidiaries					
	Inside Bangladesh					Inside Bangladesh		Outside Bangladesh	Consolidated (Before Inter company)	Inter company transaction	Total Consolidated
	Conventional Banking	Islamic Banking	Off Banking Unit (OBU)	Inter company	Total	MBSL	MBL Asset Management Ltd.	UK			
Liabilities and Capital											
Liabilities											
Borrowings from other banks, financial institutions and agents	**13,462,007,343**	**-**	**7,909,741,346**	**(6,349,741,346)**	**15,022,007,343**	**1,081,673,428**	**-**	**-**	**16,103,680,771**	**(598,212,414)**	**15,505,468,357**
Subordinated bond	**600,000,000**	**-**	**-**		**600,000,000**	**-**	**-**	**-**	**600,000,000**	**-**	**600,000,000**
Mercantile Bank Perpetual Bond	**3,630,000,000**	**-**	**-**		**3,630,000,000**	**-**	**-**	**-**	**3,630,000,000**	**-**	**3,630,000,000**
Deposits and other accounts	**327,176,162,263**	**15,485,243,997**	**62,846,291**	**-**	**342,724,252,551**	**149,681,695**		**-**	**342,873,934,246**	**(220,635,691)**	**342,653,298,554**
Current/ Al-wadeeah current accounts and other accounts	120,008,696,114	317,898,404	62,846,291	-	120,389,440,809	149,681,695	-	-	120,539,122,504	(220,635,691)	120,318,486,811
Bills payable	3,519,483,748	38,168,768	-		3,557,652,516		-	-	3,557,652,516	-	3,557,652,516
Savings Bank/Mudaraba savings bank deposits	36,180,289,850	650,939,805	-		36,831,229,655		-	-	36,831,229,655	-	36,831,229,655
Fixed deposits/Mudaraba fixed deposits	111,774,328,083	14,478,237,020	-		126,252,565,103		-	-	126,252,565,103	-	126,252,565,103
Deposit under schemes/Mudaraba deposit schemes	55,693,364,468	-	-		55,693,364,468		-	-	55,693,364,468	-	55,693,364,468
Other Liabilities	**55,877,198,873**	**540,459,333**	**486,321,977**		**56,903,980,183**	**1,958,675,804**	**13,602,482**	**38,465,514**	**58,914,723,983**	**-**	**58,914,723,983**
Total Liabilities	**400,745,368,479**	**16,025,703,330**	**8,458,909,614**	**(6,349,741,346)**	**418,880,240,077**	**3,190,030,927**	**13,602,482**	**38,465,514**	**422,122,339,000**	**(818,848,105)**	**421,303,490,895**
Capital/shareholders' equity											
	25,579,471,223	204,195,462	26,393,162	-	25,810,059,847	3,974,371,769	62,757,235	(3,410,790)	29,843,778,061	(3,670,441,283)	26,173,336,777
Paid-up capital	11,065,754,350	-	-		11,065,754,350	3,550,000,000	56,000,000	51,326,400	14,723,080,750	(3,657,326,400)	11,065,754,350
Statutory reserve	10,667,555,337	-	-		10,667,555,337	-	-	-	10,667,555,337	-	10,667,555,337
General Reserve	2,480,000,000	-	-		2,480,000,000	-		-	2,480,000,000	-	2,480,000,000
Other reserve	1,549,787,112	-	-		1,549,787,112	42,649,462	-	-	1,592,436,574	-	1,592,436,574
Foreign Currency Transation Gain	4,469,253	-	12,377,139		16,846,392	-	-	-	16,846,392	-	16,846,392
Surplus in profit & loss account	(188,094,828)	204,195,462	14,016,023	-	30,116,656	381,722,307	6,757,235	(54,737,190)	363,859,008	(13,114,883)	350,744,124
Non Controlling Interest						**50,000,000**	**44,000,000**	**-**	**94,000,000**	**13,114,883**	**107,114,883**
Total shareholders' equity	**25,579,471,223**	**204,195,462**	**26,393,162**	**-**	**25,810,059,847**	**4,024,371,769**	**106,757,235**	**(3,410,790)**	**29,937,778,061**	**(3,657,326,400)**	**26,280,451,661**
Total Liabilities & Shareholders' Equity	**426,324,839,702**	**16,229,898,792**	**8,485,302,776**	**(6,349,741,346)**	**444,690,299,923**	**7,214,402,696**	**120,359,718**	**35,054,724**	**452,060,117,060**	**(4,476,174,505)**	**447,583,942,554**

SEGMENT REPORTING (CONTINUED)

For the year ended 31 December 2024

Particulars	Mercantile Bank PLC.					Mercantile Bank PLC. and its Subsidiaries					
	Inside Bangladesh					Inside Bangladesh		Outside Bangladesh	Consolidated (Before Inter company)	Inter company transaction	Total Consolidated
	Conventional Banking	Islamic Banking	Off Banking Unit (OBU)	Inter company	Total	MBSL	MBL Asset Management Ltd.	UK			
Interest income	21,289,772,463	1,317,806,977	603,390,617		23,210,970,057	251,821,719	3,496,154	-	23,466,287,929	-	23,466,287,929
Less: Interest paid on deposits, borrowings etc.	21,284,557,663	1,105,072,306	242,973,365		22,632,603,334	122,249,270	-	-	22,754,852,604	-	22,754,852,604
Net interest income	**5,214,800**	**212,734,671**	**360,417,252**	**-**	**578,366,723**	**129,572,449**	**3,496,154**	**-**	**711,435,326**	**-**	**711,435,326**
Investment income	7,390,014,165	13,861,760	-		7,403,875,925	39,324,879	5,187,801	-	7,448,388,605	-	7,448,388,605
Commission, exchange and brokerage	3,862,764,327	34,948,233	22,987,797		3,920,700,357	125,214,420	8,519,915	56,992,956	4,111,427,649	-	4,111,427,649
Other operating income	2,190,326,834	7,316,572	5,747,154		2,203,390,560	2,376,894	-	2,314,985	2,208,082,438	-	2,208,082,438
	13,443,105,326	**56,126,565**	**28,734,951**	**-**	**13,527,966,842**	**166,916,193**	**13,707,716**	**59,307,941**	**13,767,898,692**	**-**	**13,767,898,692**
Total operating income	**13,448,320,126**	**268,861,236**	**389,152,203**	**-**	**14,106,333,565**	**296,488,642**	**17,203,870**	**59,307,941**	**14,479,334,018**	**-**	**14,479,334,018**
Salaries and allowances	4,101,429,750	38,377,858	11,049,095		4,150,856,703	44,593,292	3,475,011	20,332,127	4,219,257,134	-	4,219,257,134
Rent, taxes, insurances, electricity etc.	771,007,492	2,514,165	-		773,521,657	5,227,313	279,450	16,613,219	795,641,640	-	795,641,640
Legal expenses	59,350,033	19,710	-		59,369,743	84,375	150,628	360,969	59,965,715	-	59,965,715
Postage, stamps, telecommunication etc.	78,010,028	133,734	-		78,143,762	1,758,359	-	166,755	80,068,876	-	80,068,876
Stationery, printings, advertisements etc.	468,363,844	5,186,856	-		473,550,700	925,232	131,391	285,999	474,893,322	-	474,893,322
Chief Executive's salary and fees	17,902,232		-		17,902,232	-	-	-	17,902,232	-	17,902,232
Directors' fees	6,650,600	154,000	-		6,804,600	352,000	119,500	-	7,276,100	-	7,276,100
Auditors' fees	2,495,500		-		2,495,500	115,000	93,750	666,405	3,370,655	-	3,370,655
Depreciation and repair to Bank's assets	744,672,127	6,101,707	-		750,773,834	4,528,498	111,711	2,006,310	757,420,353	-	757,420,353
Other expenses	2,143,260,170	12,177,744	4,087,085		2,159,524,999	64,932,972	322,457	12,711,359	2,237,491,788	-	2,237,491,788
Total operating expenses	**8,393,141,776**	**64,665,774**	**15,136,180**	**-**	**8,472,943,731**	**122,517,041**	**4,683,899**	**53,143,143**	**8,653,287,814**	**-**	**8,653,287,814**
Profit/(loss) before provision	**5,055,178,350**	**204,195,462**	**374,016,023**	**-**	**5,633,389,835**	**173,971,601**	**12,519,971**	**6,164,798**	**5,826,046,204**	**-**	**5,826,046,204**
Provision for loans and advances including off Balance Sheet items	4,275,049,649				4,275,049,649	96,000,000	4,297,366	-	4,375,347,015	-	4,375,347,015
Provision for diminution in value of investments in shares	46,978,137	-	-	-	46,978,137	-	-	-	46,978,137	-	46,978,137
Other provision	30,137,609				30,137,609	30,338,771	-	-	60,476,380	-	60,476,380
Total provision	4,352,165,395	-	-	-	4,352,165,395	126,338,771	4,297,366	-	4,482,801,532	-	4,482,801,532
Total profit/(loss) before taxes	**703,012,956**	**204,195,462**	**374,016,023**	**-**	**1,281,224,440**	**47,632,830**	**8,222,605**	**6,164,798**	**1,343,244,673**	**-**	**1,343,244,673**
Provision for Current tax	684,412,301				684,412,301	41,334,495	1,959,515	-	727,706,311	-	727,706,311
Provision for Deferred Tax	(34,412,301)				(34,412,301)	383,532	-	-	(34,028,769)	-	(34,028,769)
	650,000,000	-	-	-	650,000,000	41,718,027	1,959,515	-	693,677,542	-	693,677,542
Net profit after taxation	**53,012,956**	**204,195,462**	**374,016,023**	**-**	**631,224,440**	**5,914,803**	**6,263,090**	**6,164,798**	**649,567,131**	**-**	**649,567,131**

MERCANTILE BANK PLC.
OFFSHORE BANKING DIVISION
BALANCE SHEET
As at 31 December 2024

Annexure - G

Particulars	Notes	December-2024		December-2023	
		USD	Taka (120.0000)	USD	Taka (110.0000)
Property and Assets:					
Cash:		-	-	-	-
Cash in Hand		-	-	-	-
Balance with Bangladesh Bank					
Balance with other Banks and Financial Institutions					
In Bangladesh	4	3,190,753.12	382,890,374	3,174,581.86	349,204,005
Outside Bangladesh		16,200.34	1,944,041	8,608.05	946,886
Money at Call and Short Notice:					
Investments					
Loans and Advances:					
Loans, Cash Credit, Overdraft etc.	5	2,315,672.78	277,880,734	2,315,672.78	254,724,006
Time Loans		5,482,583.46	657,910,015	5,482,583.46	603,084,181
Term Loans		8,598,778.97	1,031,853,476	9,677,320.57	1,064,505,263
Bills Purchased & Discounted [EBD & IBD]		48,757,906.95	5,850,948,834	36,904,571.82	4,059,502,900
Total Loans and Advances		**65,154,942.16**	**7,818,593,059**	**54,380,148.63**	**5,981,816,350**
Fixed Assets including premises, furniture and fixtures	6	-	-	-	-
Other Assets	7	2,348,960.85	281,875,302	1,754,481.60	192,992,976
Non-Banking Assets					
Total Assets:		**70,710,856.47**	**8,485,302,776**	**59,317,820.14**	**6,524,960,217**
Liabilities and Capital :					
Liabilities:					
Borrowings from Banks, Financial institutions and Agents	8	65,914,511.22	7,909,741,346	55,540,461.66	6,109,450,783
		-	-	-	-
Deposit and Other Accounts:		-	-	-	-
Current Deposits and Other Accounts		-	-	-	-
Fixed Deposits	9	523,719.09	62,846,291	525,000.00	57,750,000.00
FCAD (Gen)		-	-	-	-
Other Liabilities	10	4,052,683.14	486,321,977	1,213,093.86	133,440,325
Total Liabilities		**70,490,913.45**	**8,458,909,614**	**57,278,555.52**	**6,300,641,108**
Capital/Shareholders' Equity:					
Share Capital-Paid up Capital		-	-	-	-
Foreign Currency Translation Difference	11	-	12,377,139	-	4,469,253
Profit & Loss Account-retained earnigs		219,943.02	14,016,023	2,039,264.62	219,849,856
Total Liabilities and Shareholders' Equity:		**70,710,856.47**	**8,485,302,776**	**59,317,820.14**	**6,524,960,217**
Off-Balance Sheet Items					
Other Commitments:					
Corporate Import Commitment under Contract	12	**14,944,482.57**	**1,793,337,908**	**13,763,340.33**	**1,513,967,436**

MERCANTILE BANK PLC.
OFFSHORE BANKING DIVISION

PROFIT AND LOSS ACCOUNT

For the year ended on 31 December 2024

Particulars	Notes	December-2024		December-2023	
		USD	Taka (116.1561)	USD	Taka (107.8084)
Interest Income	13	5,194,652.86	603,390,617	4,666,705.36	503,110,038
Less: Interest paid on Deposits, Borrowings etc.	14	2,091,783.08	242,973,365	2,773,904.55	299,050,211
Net Interest Income		**3,102,869.78**	**360,417,252**	**1,892,800.81**	**204,059,827**
Investment Income		-	-	-	-
Commision, Exchange and Brokerage	15	197,904.35	22,987,797	273,227.55	29,456,225
Other Operating Income		48,260.00	5,605,693	15,670.00	1,689,358
Miscellaneous Earnings		1,217.85	141,461	114.13	12,304
Adjustment for Exchange Rate Fluctuation		-	-	-	-
Total Non-interest/Other Operating Income		**247,382.20**	**28,734,951**	**289,011.68**	**31,157,887**
Total Operating Income		**3,350,251.98**	**389,152,203**	**2,181,812.49**	**235,217,714**
Salary and Allowances	16	127,416.66	14,800,222	140,980.39	15,198,870
Rent, Taxes, Insurances, Electricity etc.		-	-	-	-
Postage, Stamps, Telecommunication etc.		-	-	-	-
Depreciation and repair of Fixed Assets		-	-	-	-
Other Expenses-Fees For Nostro Aaccount		2,892.30	335,958	1,567.48	168,988
Adjustment for Exchange Rate Fluctuation		-	-	-	-
Total Operating Expenses		**130,308.96**	**15,136,180**	**142,547.87**	**15,367,858**
Profit Before Provision		**3,219,943.02**	**374,016,023**	**2,039,264.62**	**219,849,856**
Provision against Classified Loans					
Provision against Unclassified Loans	17	**3,000,000.00**	**360,000,000**	**-**	**-**
Other Provision					
Total Provision					
Total Profit before Taxes		**219,943.02**	**14,016,023**	**2,039,264.62**	**219,849,856**
Provision for Taxation		**-**	**-**		
Net Profit after Taxation		**219,943.02**	**14,016,023**	**2,039,264.62**	**219,849,856**

** General Provisions would be calculated with central operation

*** Taxes would be calculated with central operation

MERCANTILE BANK PLC.
OFFSHORE BANKING DIVISION
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 31 December 2024

1 Mercantile Bank PLC. is operating two Offshore Banking units as a separate business unit under the Rules and Guidelines of Bangladesh bank as per the permission vide letter no. BRPD(P-3)744(114)/2010-1743 dated May 04, 2010. The Bank commenced operation of these units from July 04, 2010. The permission has already been revalidated by Bangladesh Bank vide their letter BRPD(P-3)744(114)/2020-1654 dated February 12, 2020. Name and location of existing OBUs has been changed based on approval from Bangladesh Bank vide their letter BRPD(P-3)745(44)/2020-1655 dated February 12, 2020 and renamed the OBUs as Principal Offshore Banking Unit (Principal OBU) at Head Office, Dhaka and Agrabad Offshore Banking Unit (Agrabad OBU), Chattogram.

2 Significant Accounting Policy

Basis of Accounting:

The Unit maintains its accounting records in USD form which accounts are prepared according to the Bank Companies Act 1991, Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) and other applicable directives issued by Bangladesh Bank.

3 Common Expenses:

a. Establishment expenses have not been separately accounted for in the Financial Statements.

b. Provision for taxation, loans & advances and Off-Balance Sheet items have not been separately accounted for in the Financial Statements

c. These are accounted for consolidation in the central accounts of Mercantile Bank PLC.

Particulars	December-2024		December-2023	
	USD	BDT (120.0000)	USD	BDT (110.0000)
4 Balance with other Banks and Financial Institutions				
In Bangladesh:				
*With Own Bank (Mercantile Bank PLC.)	3,190,753.12	382,890,374	3,174,581.86	349,204,005
With Other Bank in BD	-	-	-	-
Outside Bangladesh (With JP Morgan Chase Bank, NY)	16,200.34	1,944,041	8,608.05	946,886
	3,206,953.46	**384,834,415**	**3,183,189.91**	**350,150,891**

5 Loans & Advances	**USD**	**BDT (120.0000)**	**USD**	**BDT (110.0000)**
Loans, Cash credit etc.				
Overdrafts	2,315,672.78	277,880,734	2,315,672.78	254,724,006
Time Loans	5,482,583.46	657,910,015	5,482,583.46	603,084,181
Term Loans	8,598,778.97	1,031,853,476	9,677,320.57	1,064,505,263
Export Bill Discounting (EBD)	3,031,322.03	363,758,644	5,884,636.60	647,310,026
Import Bill Discounting (IBD)	45,726,584.92	5,487,190,190	31,019,935.22	3,412,192,874
	65,154,942.16	**7,818,593,059**	**54,380,148.63**	**5,981,816,350**

6 Fixed Assets including Premises, Furniture and Fixtures				
Software	-	-	-	-
Computer, Printer & Peripherals	-	-	-	-
Air Conditioner	-	-	-	-
Furniture & Fixture	-	-	-	-
	-	-	-	-

Particulars	December-2024		December-2023	
	USD	BDT (120.0000)	USD	BDT (110.0000)
7 Other Assets				
Interest Receivable on Overdraft	13,556.65	1,626,798	13,556.65	1,491,232
Interest Receivable on Time Loan	656,157.86	78,738,943	656,157.86	72,177,365
Interest Receivable on Term Loan	2,909.62	349,154	3,097.67	340,744.00
Interest Receivable on Export Bill Discounting	20,604.70	2,472,565	54,963.47	6,045,981
Interest Receivable on Import Bill Discounting	1,655,732.02	198,687,842	1,026,705.95	112,937,654
	2,348,960.85	**281,875,302**	**1,754,481.60**	**192,992,976**

Particulars	December-2024		December-2023	
	USD	BDT (120.0000)	USD	BDT (110.0000)
8 Borrowing from other Banks, Financial Institutions and Agents				
In Bangladesh				
Mercantile Bank PLC. (Own Borrowing)	52,914,511.22	6,349,741,346	36,040,461.66	3,964,450,783
Other Banks in Bangladesh	-	-	-	-
Outside Bangladesh (Foreign Bank)	13,000,000.00	1,560,000,000	19,500,000.00	2,145,000,000
	65,914,511.22	**7,909,741,346**	**55,540,461.66**	**6,109,450,783**
8.1 Borrowing from Local Banks in Bangladesh				
Basic Bank Limited	-	-	-	-
	-	**-**	**-**	**-**

8.2 Ageing of Borrowing from Local Banks in Bangladesh as on 31.12.2024

Ageing	0-1 Month	>01-03 Month	>03-06 Month	Total
USD	-	-		-
BDT (120.0000)	-	-	-	-

9 Deposit and Other Accounts:				
Current Deposit	5,200.00	624,000		
Fixed Deposit	518,391.86	62,207,023	525000.00	57,750,000
Foreign Currency Deposit FCAD (Gen)	127.23	15,268	-	-
	523,719.09	**62,846,291**	**525,000.00**	**57,750,000**

9.1 Ageing of Fixed/Term Deposit as on 31.12.2024

Ageing	0-1 Month	>01-03 Month	>03-06 Month	Total
USD			518,391.86	**518,391.86**
BDT (120.0000)	-	-	62,207,023	**62,207,023**

10 Other Liabilities				
Accrued Interest				
Intt. Payable on Borrowing from Own Bank	5,936.22	712,346	4,004.50	440,495.00
Intt. Payable on FDR A/C.	13,409.60	1,609,152	12,760.00	1,403,600
Intt. Payable on Borrowing from Foreign Bank	555,164.60	66,619,752	718,156.64	78,997,230
Intt. Suspense A/C	478,172.72	57,380,727	478172.72	52,599,000
Particular Provision Build up against A and B Outerwear Ltd.	3,000,000.00	360,000,000	-	-
	4,052,683.14	**486,321,977**	**1,213,093.86**	**133,440,325**

11 Foreign Currency Translation Difference:

The foreign currency translation difference is a net result of exchange differnce of balance sheet date standard mid rate of WAR and monthly average of standard mid rate arising from translation currency to presentation currency. Assets and Liabilities of Offshore Banking Operation (OBO) have been presented into Taka (which is functional currency of the Bank) using balance sheet date standard mid rate of exchange (WAR) of the Bank December 31, 2024 i.e USD 1 = BDT 120.00 and incomes and expenses are translated using monthly average of standard mid rate of exchange (WAR) i.e USD 1 = 116.1561. The net cumulative result of the exchange difference has been presented separately as equity component as per IAS 21 (para 39).

12 Off-Balance Sheet Items				
1. Corporate Import Commitment favoring BHF Bank, Germany on behalf of GPH Ispat Ltd. under Export Credit Agency (ECA) through Syndication under lead arrangement of UCBPLC.	12,387,006.29	1,486,440,754	13,763,340.33	1,513,967,436
2. Corporate Import Commitment favoring LBBW Bank, Germany on behalf of Badsha Textile Ltd. under ECA through Syndication under lead arrangement of EBPLC.	2,557,476.28	306,897,154	-	-
	14,944,482.57	**1,793,337,908**	**13,763,340.33**	**1,513,967,436**

		December-2024		December-2023	
13	**Interest Income**	**USD**	**BDT (116.1561)**	**USD**	**BDT (107.8084)**
	Interest on Advances	5,194,652.86	603,390,617	4,666,705.36	503,110,038
	Interest on Money at Call and Short Notice				
	Interest on fund placement with Head Office				
	Interest on Foreign Currency Balances				
		5,194,652.86	**603,390,617**	**4,666,705.36**	**503,110,038**
14	**Interest paid on Deposit, Borrowings etc.**				
	Interest on Deposit				
	Interest paid on Borrowings from own Bank	531,352.55	61,719,840	375,854.55	40,520,278
	Interest paid on Borrowings from Other Banks	1,525,651.57	177,213,737	2,370,220.00	255,529,625
	Interest Paid on FDR	34,778.96	4,039,788	27,830.00	3,000,308
		2,091,783.08	**242,973,365**	**2,773,904.55**	**299,050,211**
15	**Other Operating Income**				
	Investment Income				
	Commission, Exchange & Brokerage (Processing & Arrangement Fee)	197,904.35	22,987,797	273,227.55	29,456,225
	Other Operating Income/Foreign Cor. Crg (Rebate of Nostro A/c)	48,260.00	5,605,693	15,670.00	1,689,358
	Miscellaneous Earnings (Interest on Balance of Nostro Account)	1,217.85	141,461	114.13	12,304
		247,382.20	**28,734,951**	**289,011.68**	**31,157,887**
16	**Salary and Allowances, Rent, Taxes, Electricity etc.**				
	Basic Salary	53,956.74	6,267,404	57,927.26	6,245,045
	House Rent	16,818.19	1,953,535	19,116.56	2,060,925
	Medical Allowances	8,279.79	961,748	9,264.07	998,745
	Conveyance Allowance	1,345.47	156,285	1,640.53	176,863
	Provident Fund	5,395.62	626,735	5,792.73	624,505
	Car Allowances	14,180.24	1,647,121	16,629.87	1,792,840
	Leave Fare Assistance	18,113.61	2,104,006	20,656.81	2,226,977
	Bonus	9,327.00	1,083,388	9,952.56	1,072,970
		127,416.66	**14,800,222**	**140,980.39**	**15,198,870**

17 Particular provision against A & B Outerwear Ltd. (A-Type customer of Chattrogram EPZ) is kept USD 3,000,000.00 out of total profit. Since this provision is a Balance Sheet Item and kept at OBU in USD without transfering to Onshore Account in presentation currencey, therefore exchange rate for closing date i.e BDT 120.00 is used here to present in BDT as per IAS-21. The same amount is presented in Balance Sheet with other liabilites as mentioned in Notes-10.

* General Provision will be calculated with the central accounts
* Taxes are computed with the central operation

MERCANTILE BANK PLC.

ISLAMIC BANKING OPERATIONS
BALANCE SHEET

As at 31 December 2024

Annexure - H

Particulars	Notes	31.12.2024 Taka	31.12.2023 Taka
PROPERTY AND ASSETS			
Cash	1		
Cash in hand (including foreign currencies)	1.1	47,698,865	27,858,687
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1.2	614,321,036	718,693,530
		662,019,901	**746,552,217**
Balance with other banks and financial institutions	2		
In Bangladesh	2.1	250,151,479	300,201,195
Outside Bangladesh		-	-
		-	-
Placement with banks and other financial institution			
Investments in Shares and Securities	3		
Government	3.1	794,140,000	294,140,000
Others		-	-
		-	-
Investments			
General Investments etc.	4	8,390,606,471	8,522,967,005
Bills purchased and discounted	5	9,811,750	19,108,077
		8,400,418,221	8,542,075,082
Fixed assets including premises	6	15,715,956	21,578,435
Other assets	7	6,107,453,235	1,959,961,890
Non-banking assets			
Total Assets:		**16,229,898,792**	**11,864,508,819**
LIABILITIES AND CAPITAL			
Liabilities:			
Placement from banks and other financial institutions			
Deposits and other accounts:			
Al-wadeeah Current Accounts and Other Deposit Accounts		317,898,404	576,801,561
Mudaraba Savings Deposits		650,939,805	470,092,577
Mudaraba Term Deposits		11,206,979,595	9,431,219,048
Other Mudaraba Deposits		3,271,257,425	565,268,893
Bills Payable		38,168,768	4,026,534
		15,485,243,997	11,047,408,613
Other liabilities	8	540,459,333	661,435,880
Total Liabilities:		**16,025,703,330**	**11,708,844,493**
Capital/Shareholders' Equity			
Paid up Capital			
Foreign Currency Translation Difference			
Statutory Reserve			
Other Reserve			
Retained Earnings			
Total Shareholders' Equity		**204,195,462**	**155,664,326**
Total Liabilities and Shareholders' Equity		**204,195,462**	**155,664,326**
		16,229,898,792	**11,864,508,819**
Off Balance Sheet Items			
Letter of Guarantee		**221,060,435**	**69,633,080**

MERCANTILE BANK PLC.

ISLAMIC BANKING OPERATIONS
PROFIT AND LOSS ACCOUNT

For the year ended as on 31 December 2024

Particulars	Notes	31.12.2024 Taka	31.12.2023 Taka
Investment Income	9.0	1,317,806,977	777,515,627
Profit paid on deposits	10.0	(1,105,072,306)	(617,906,420)
Net Investment Income		**212,734,671**	**159,609,207**
Income from investments in Shares/Securities	11.0	13,861,760	13,902,245
Commission, exchange and brokerage		34,948,233	33,859,244
Other operating income	12	7,316,572	4,926,790
		56,126,565	52,688,279
Total operating income		**268,861,236**	**212,297,486**
Salaries and allowances	13	38,377,858	34,194,490
Rent, taxes, insurance, electricity, etc.		2,514,165	2,347,900
Legal expenses		19,710	18,280
Postage, stamps, telecommunications, etc.		133,734	109,169
Stationery, printing, advertisement etc.		5,186,856	3,823,635
Chief Executive's Salary & Fees		-	-
Directors' Fees and Expenses		-	-
Shariah SupervisoryCommittee's Fees ad Expenses	14	154,000	176,000
Auditors' Fees		-	-
Charges in Investment Losses		-	-
Depreciation and repair to bank's assets	15	6,101,707	5,423,213
Other expenses	16	12,177,744	10,540,473
Total operating expenses		**64,665,774**	**56,633,160**
Profit/(Loss) before provision		**204,195,462**	**155,664,326**
Provision for loans & advances / Investments		-	-
Provision for Diminution in value of Investment		-	-
Other provision		-	-
		-	-
Total Profit/(Loss) before Taxes		**204,195,462**	**155,664,326**

Note: Provision against investment is included in consolidated accounts of Mercantile Bank PLC.

MERCANTILE BANK PLC.

ISLAMIC BANKING OPERATIONS
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2024

Particulars		Notes	31.12.2024 Taka	31.12.2023 Taka
1	**Cash**			
	Cash in hand (including foreign currencies)	1.1	47,698,865	27,858,687
	Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	1.2	614,321,036	718,693,530
			662,019,901	**746,552,217**
1.1	**Cash in hand (including foreign currencies):**			
	In local currency		47,698,865	27,858,687
	In foreign currency		-	
			47,698,865	**27,858,687**
1.2	**Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)**			
	In local currency		614,321,036	718,693,530
	In foreign currency		-	
			614,321,036	**718,693,530**
2	**Balance with other banks and financial institutions**			
	In Bangladesh	2.1	250,151,479	300,201,195
	Outside Bangladesh			
			250,151,479	**300,201,195**
2.1	**In Bangladesh**			
	with Islami Bank Bangladesh Ltd		52,405	102,109
	with Shahjalal Islami Bangladesh Ltd		99,074	99,086
	with Exim Bank Ltd		250,000,000	300,000,000
			250,151,479	**300,201,195**
3	**Placement with banks and other financial institution, Investments in Shares and Securities**			
	Government	3.1	794,140,000	294,140,000
	Others		-	
			794,140,000	**294,140,000**
3.1	**Government**			
	BGIIB (for 3 Months)		500,000,000	
	SUKUK (for 5 Year)		294,140,000	294,140,000
			794,140,000	**294,140,000**
4	**General Investment**			
	Bai-Muajjal		7,202,353,088	7,478,010,373
	Murabaha-TR (PIF)		168,906,976	69,327,038
	HPSM		977,831,866	875,195,692
	Quard		41,514,541	100,433,902
			8,390,606,471	**8,522,967,005**
5	**Bills purchased and discounted**			
	MDBP		9,811,750	19,108,077
			9,811,750	**19,108,077**
6	**Fixed assets including premises, Furniture and Fixtures-at cost less Accumulated Depreciation (Annexure-A):**			
	Furniture & Fixture		7,002,399	7,875,023
	Office equipment		8,713,557	13,703,412
			15,715,956	**21,578,435**

Particulars		Notes	31.12.2024 Taka	31.12.2023 Taka
7	**Other Asset**			
	Printing Stationery		1,216,230	1,138,674
	Security Papers		1,074,809	1,059,249
	Profit Receivable Balance Wth Other Bank		3,800,000	2,000,000
	Profit Receivable Inv in Appvd Securities		5,287,254	5,287,254
	Profit Receivable on Islamic Investment		10,968,837	85,820,427
	Suspense Others (Mobile Banking)		100,000	100,000
	Prepaid Exp. House Furneshing Allowances		518,743	133,314
	Prepaid Exp. Insurance Premium		28,030	37,373
	Stamp In hand		66,270	81,860
	Inter-branch settlement		13,900	
	Restricted Mudaraba Investment		6,080,165,162	1,864,303,739
	Advance Income Tax		4,214,000	
			6,107,453,235	**1,959,961,890**
8	**Other Liabilities**			
	Total Other Liability	8.1	**540,459,333**	**661,435,880**
8.1	**Other Liability**			
	Total Markup Pft on Islamic -Inv		221,972,063	466,040,730
	Profit payable on Mudaraba Savings A/C		5,504,111	2,959,521
	Profit payable on Mudaraba Short Notice Deposit A/C		-	-
	Profit payable on Mudaraba Term Deposit A/C		249,974,298	163,693,953
	Profit payable on Mudaraba Scheme Deposit A/C		46,527,150	22,927,129
	Compensation on Islamic -Investment		16,481,711	5,814,547
			540,459,333	**661,435,880**
9	**Investments Income**			
	General Investment Income		858,713,566	572,976,739
	Profit on Restricted Mudaraba		422,615,390	202,321,896
	Profit from Balance with Other Bank		36,478,021	2,216,992
			1,317,806,977	**777,515,627**
10	**Profit paid on deposits**			
	Profit Paid on Mudaraba Savings Account (MSA)		22,998,367	13,135,097
	Profit Paid on Mudaraba SND		65,379,174	53,116,702
	Profit Paid on Mudaraba Term Deposit		907,886,814	518,497,135
	Profit Paid on Mudaraba Scheme Deposit		108,807,951	33,157,486
			1,105,072,306	**617,906,420**
11	**Income from investments in Shares/Securities**			
	Profit on Ijara Sukuk		13,861,760	13,902,245
	Profit on BGIIB		-	-
			13,861,760	**13,902,245**
12	**Other Operating Income**			
	Total Charges on trade Finance		815,012	713,185
	Service Charge & Fee		6,501,560	4,213,605
			7,316,572	**4,926,790**

Particulars		Notes	31.12.2024 Taka	31.12.2023 Taka
13	**Salaries and allowances:**			
	Basic Salary		20,283,356	17,615,801
	Bonus		3,396,000	2,926,000
	Bank Contribution to Prov Fund		2,028,685	1,762,173
	House Rent		6,158,267	5,655,806
	Conveyance Allowance		773,400	746,581
	Medical Allowance		3,009,067	2,710,129
	Car Allowance		2,470,333	2,556,000
	Risk Allowances (Cash)		84,000	84,000
	Charge Allowances & Other allownes		174,750	138,000
			38,377,858	**34,194,490**
14	**Shariah Supervisory Committee's Fees ad Expenses**			
	Shariah SupervisoryCommittee's Fees ad Expenses		140000	160000
	VAT on Shari'ah Supervisory Committee Fee & Exp.		14000	16000
			154,000	**176,000**
15	**Depreciation and repair to bank's assets**			
	Depreciation on Fixed asset (Annexure-A)		6,026,879	4,764,213
	Repair		74,828	659,000
			6,101,707	**5,423,213**
16	**Other Expense**			
	Refreshment		452,527	457,903
	Inland Traveling Exp.		130,655	21,400
	Local Conveyance		78,510	54,680
	Business Development		1,028,555	1,082,047
	Newspaper Magazine		9,682	10,134
	House Funishing Allowances		74,570	32,336
	Leave Fare Assistance		6,580,400	5,997,096
	Laundry & Cleaning		70,150	70,230
	Cash Carring & Remittance Charge		6,900	20,423
	Exgratia		256,500	128,250
	Bank Charges		2,795	2,945
	Other computer expense		81,738	670
	Subscription to Institutions (Membership Fee of CSIBB		700,000	700,000
	Supporting Staff Salary		2,604,762	1,962,359
	Donation & Gift		100,000	
			12,177,744	**10,540,473**

MERCANTILE BANK PLC.

ISLAMIC BANKING OPERATIONS
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2024

Annexure-A

Amount in Taka

Particulars	Cost				Rate %	Depreciation				Written Down Value as on 31.12.2024
	Opening Balance	Addition During the period	Adjustment/ Disposal during the period	Closing Balance		Opening Balance	Charged during the period	Adjustment/ Disposal during the period	Balance as on 31.12.2024	
Furniture & Fixture	8,572,731.09		-	8,572,731.09	10%	697,708.31	872,623.61	-	1,570,331.92	7,002,399.17
Office Equipment	24,613,688.00	164,400.00	-	24,778,088.00	20%	10,910,275.03	5,154,255.86	-	16,064,530.89	8,713,557.11
Sub total	**33,186,419.09**	**164,400.00**	**-**	**33,350,819.09**		**11,607,983.34**	**6,026,879.47**	**-**	**17,634,862.81**	**15,715,956.28**

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The Financial Statements of our subsidiaries reflect a detailed account of their fiscal performance and position. At Mercantile Bank PLC., we take pride in the transparency and accuracy of these statements, which are meticulously prepared to provide stakeholders with a clear understanding of the subsidiaries' financial health and strategic direction, ensuring accountability and informed oversight.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF MERCANTILE BANK SECURITIES LIMITED

Annexure - I

Opinion

We have audited the financial statements of "Mercantile Bank Securities Limited' which comprise the Statement of financial position as at 31 December 2024, and statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) Bangladesh Securities and Exchange Rules 2020 and the BSEC's Risk Based Capital Adequacy Rules 2019 and other applicable laws and regulations.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company's fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements:

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, Bangladesh Securities and Exchange Rules 2020 and the BSEC's Risk Based Capital Adequacy Rules 2019 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and

significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, Bangladesh Securities and Exchange Rules 2020 and the BSEC's Risk Based Capital Adequacy Rules ,2019 we also report the following:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

c) The statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;

d) Capital to total risk requirement ratio as required by BSEC has been maintained by the company adequately; and

e) The expenditure incurred was for the purposes of the Company's business.

Pinaki Das

Pinaki Das, FCA
Senior Partner
ICAB Enrollment No: 151
FRC Enlistment No.:CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

Place : Dhaka, Bangladesh
Dated: 26 February 2025
DVC: 2502260151AS174887

MERCANTILE BANK SECURITIES LTD.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Particulars	Notes	Amount in Taka	
		31 December 2024	31 December 2023
Assets			
Current assets		**6,487,601,783**	**6,507,599,895**
Cash and bank balances	03.00	233,344,978	253,975,258
Accounts Receivables from securities trading	04.00	18,617,454	20,369,719
Accounts Receivable from margin clients	05.00	4,603,605,968	4,569,728,949
Proprietary position in securities & other investments	06.00	1,314,212,683	1,369,811,510
Other advances	07.00	317,820,700	293,714,459
Non-current assets		**726,800,912**	**767,915,520**
Fixed assets	08.00	103,374,534	99,291,156
Intangible assets	09.00	264,754	79,187
Investment in exchanges	10.00	622,499,934	667,499,955
Other long term assets	11.00	661,690	1,045,222
Total assets		**7,214,402,695**	**7,275,515,415**
Liabilities Shareholders' Equity			
Liabilities		**3,190,030,927**	**3,243,989,892**
Payable to clients	12.00	149,681,695	204,177,443
Short term business liabilities	13.00	1,081,673,428	1,257,308,644
Payable to exchanges	14.00	27,414,502	607,241
Other liabilities and provisions	15.00	1,931,261,302	1,781,896,564
Shareholders' equity		**4,024,371,768**	**4,031,525,523**
Share capital	16.00	3,600,000,000	3,600,000,000
Capital Reserve	17.00	42,649,462	38,071,558
Retained earnings	18.00	381,722,306	393,453,965
Total liabilities and Shareholders' Equity		**7,214,402,695**	**7,275,515,415**
Net asset value per share of Tk. 10 each	19.00	**11.18**	**11.20**

The annexed notes 01 to 30 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Director**

Signed in terms of our separate report of even date.

Place : Dhaka, Bangladesh
Dated: 26 February 2025
DVC: 2502260151AS174887

Pinaki Das, FCA
Senior Partner
ICAB Enrollment No: 151
FRC Enlistment No.:CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

MERCANTILE BANK SECURITIES LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

Particulars	Notes	Amount in Taka	
		01 January 2024 to 31 December 2024	01 January 2023 to 31 December 2023
Brokerage commission	20.00	125,195,900	82,483,697
Interest Income from margin Loan		251,821,719	288,460,403
Income from investment in securities	21.00	39,324,879	39,498,300
Other operating income	22.00	1,669,666	1,014,389
Total operating income		**418,012,164**	**411,456,789**
Operating expenses	23.00	45,837,526	70,265,548
Income from operation		**372,174,638**	**341,191,241**
Other income	24.00	725,748	1,432,245
Administrative and general expenses	25.00	76,679,515	71,640,556
Financial expenses	26.00	122,249,270	87,689,714
Net profit before Provision and income tax		**173,971,601**	**183,293,216**
Provision for diminution in value of investment		30,000,000	40,000,000
Provision for margin loan		96,000,000	60,000,000
General provision		338,771	-
		126,338,771	**100,000,000**
Net profit before income tax		**47,632,830**	**83,293,216**
Provision for taxation			
Current tax		41,334,495	37,746,286
Deferred tax		383,532	(232,114)
		41,718,027	**37,514,172**
Net profit after income tax		**5,914,803**	**45,779,044**
Other comprehensive income		-	-
Total comprehensive income		**5,914,803**	**45,779,044**
Appropriations			
Capital reserve @ 10% of Last year profit after income tax		4,577,904	15,055,257
		4,577,904	**15,055,257**
Retained surplus		**1,336,899**	**30,723,787**
Earnings Per Share (EPS)	27.00	**0.02**	**0.13**

The annexed notes 01 to 30 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Director**

Signed in terms of our separate report of even date.

Place : Dhaka, Bangladesh
Dated: 26 February 2025
DVC: 2502260151AS174887

Pinaki Das, FCA
Senior Partner
ICAB Enrollment No: 151
FRC Enlistment No.:CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

MERCANTILE BANK SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended on 31 December 2024

Amount in Taka

Particulars	Share capital	Capital Reserve	Retained earnings	Total
Balance as at 01 January 2024	3,600,000,000	38,071,558	393,453,965	4,031,525,523
Assessment completed for the year 2020	-	-	(13,068,558)	(13,068,558)
Net profit/(Loss) for the year	-	-	5,914,803	5,914,803
Capital reserve for the year	-	4,577,904	(4,577,904)	-
Balance as at 31 December 2024	**3,600,000,000**	**42,649,462**	**381,722,306**	**4,024,371,768**

For the year ended on 31 December 2023

Particulars	Share capital	Capital Reserve	Retained earnings	Total
Balance as at 01 January 2023	3,600,000,000	23,016,301	362,730,178	3,985,746,479
Net profit/(Loss) for the year	-	-	45,779,044	45,779,044
Capital reserve for the year	-	15,055,257	(15,055,257)	-
Balance as at 31 December 2023	**3,600,000,000**	**38,071,558**	**393,453,965**	**4,031,525,523**

The annexed notes 01 to 30 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Director**

MERCANTILE BANK SECURITIES LIMITED

STATEMENT OF CASH FLOWS

For the year ended on 31 December 2024

	Particulars	Amount in Taka	
		01 January 2024 to 31 December 2024	01 January 2023 to 31 December 2023
A.	**Cash Flow from Operating Activities**		
	Cash received from commission and others	420,471,725	403,989,831
	Payment for operating expenses & others	(89,128,920)	(299,500,308)
	Finance expenses paid	(122,249,270)	(87,689,714)
	Income tax paid	(49,837,538)	(34,813,334)
	Net Cash flow from operating activities	**159,255,997**	**(18,013,525)**
B.	**Cash Flow from Investing Activities**		
	Cash receipt by sales of CSE share	16,077,495	-
	Cash receipt on sale of Assets	18,500	-
	Purchase of fixed assets	(7,278,498)	(94,392,780)
	Net Cash flow from investing activities	**8,817,497**	**(94,392,780)**
C.	**Cash Flows from Financing Activities**		
	Short term business liabilities	(175,635,216)	187,701,312
	Tax Paid as Assessment completed for the year 2020	(13,068,558)	-
	Dividend paid	-	-
	Net cash flow from financing activities	**(188,703,774)**	**187,701,312**
	Net surplus in cash and bank balance for the year (A+B+C)	**(20,630,280)**	**75,295,007**
	Cash & Bank Balance at the beginning of the year	253,975,258	178,680,251
	Cash & Bank Balance	**233,344,978**	**253,975,258**
	Cash & Bank Balance :		
	Cash in Hand	613,928	520,206
	Cash at Bank	209,590,019	229,969,912
	Investment in FDR	23,019,572	23,019,572
	Cash at Trading Accounts (Stock Dealer A/C)	121,459	465,568
		233,344,978	**253,975,258**

The annexed notes 01 to 30 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Director**

MERCANTILE BANK SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2024

1.00 The Company and its Activities

1.01 Legal status of the company

Mercantile Bank Securities Limited was incorporated vide Reg. # C-85413/10 dated as 27 June 2010 as a public limited company under the Companies Act 1994. The registered office of the company is at Dilkusha Center (1st Floor), 28 Dilkusha C/A, Dhaka-1000, Bangladesh. It has corporate TREC Holder of Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). Presently the company is operating its business through Head Office with 02 (Two) extension office and 06 (Six) branches all over Bangladesh. Its to facilitate development of sound capital market and to provide higher, better and diversified services to a wide range of customer. MBSL is offering high quality products and services at a competitive rate.

1.02 Nature of business activities

The principal objectives of the company are to carry on the business of stock brokers/stock dealers and other related business in connection with the dealings of listed securities. Other objectives of the company are to buy, sell, hold shares, stocks and fixed income securities or otherwise acquire or invest the capital of the company in the same and other services as mentioned in the Memorandum and Articles of Association of the Company.

2.00 Significant Accounting Policies:

2.01 Basis of Presentation of Financial Statements

The financial statements have been prepared on a going concern basis applying accrual basis of accounting except for statement of cash flows in accordance with and in compliance with International Financial Reporting Standards (IFRS), the Companies Act 1994, Securities and Exchange Rules 2020, BSEC Notification dated 29 May 2019 on Risk Based Capital Adequacy Rules, 2019. and other applicable laws and regulations.

2.02 Basis of Measurement

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.03 Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when - The Company has a legal or constructive obligation as a result of past event.

i) it is probable that an outflow of economic benefit will be required to settle the obligation.

ii) a reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.04 Components of Financial Statements

The financial statements referred to here comprises:

a) Statement of Financial Position as at 31 December 2024.

b) Statement of Profit or Loss and Other Comprehensive Income for the year ended on 31 December 2024.

c) Statement of changes in Equity for the year ended on 31 December 2024.

d) Statement of Cash Flows for the year ended on 31 December 2024 and

e) Notes, comprising a summary of significant accounting policies and other explanatory notes as at and for the year ended on 31 December 2024.

2.05 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with International Accounting Standard (IAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the direct method as prescribed by the Securities and Exchange Rules, 2020.

2.06 Going Concern

The Company has adequate resources to continue in operation for foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.07 Recognition and measurement of financial assets

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term**.**

2.08 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the International Financial Reporting Standard (IFRS) 15 "Revenue from Contracts with Customers":

Revenue recognition policy on specific item is described as under:

(i) Brokerage commission is recognized as income when selling or buying order is executed.

(ii) Interest income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective client. Income is recognized on quarterly basis.

(iii) Interest income from Bank Account is recognized on cash basis.

(iv) Dividend income against investment in securities is recognized when cash dividend receive is established.

(v) Capital gains on sale of marketable securities are recognized when these are realized.

2.09 Cash and Bank Balances

Cash and Bank Balances include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is an insignificant risk of change in the value of the above items.

2.09.1 Investment in Fixed Deposit Receipt (FDR)

Investment in Fixed Deposit Receipt (FDR) Tk. 23,019,572 kept in Peoples Leasing and Financial Service Limited which remained uncollectable due to liquidity crisis of the company and honorable high court has appointed liquidator for liquidation of Peoples Leasing and Financial Service Limited. The honorable high court has also ordered the liquidator to submit report to court. It is under the jurisdiction of honorable high court, Bangladesh Bank, DUDOK and different govt. regulatory agencies.

2.10 Fixed Assets

Fixed assets are recorded at cost and have limited useful lives (except land). All expenses incurred for the purpose of acquiring, installing and bringing the fixed assets into its present location for intended use have to be capitalized and included in the cost of the fixed assets.

Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. The rates of depreciation used on a straight-line method are as follows:

Name Of Assets	**Rate of Depreciation**
Land and Land Development	-
Building	2.5%
Vehicles	20%
Computer Equipment & Machineries	20%
Furniture & Fixtures	10%

2.11 IFRS 16: Leases

Mercantile Bank Securities Limited has applied IFRS 16: "Leases" using modified retrospective approach where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset. In according to IFRS 16 Leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer. Upon lease commencement the company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the company. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the company measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications,

amongst others. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other liabilities.

2.12 Intangible Assets

Intangible assets represent computer software which has been amortized @ 20% following straight line method.

2.13 Investment in Shares

Investment in quoted shares (or shares held for sale) and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at cost at reporting date. Net of unrealized gain and loss has not been recognized in the Statement of Profit or Loss and Other Comprehensive Income.

2.14 Deferred Tax

Deferred Tax is calculated as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

2.15 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory, etc.

2.16 Advance Income Tax

The amount of advance income tax is mainly deduction at sources by DSE & CSE on daily transactions of broker & dealer operation. Tax deduction on interest income and dividend income are also included here.

2.17 Provision for current Tax

Provision for current tax is made in accordance with the provision of Income Tax Act, 2023 and subsequent amendments made thereto from time to time.

2.18 Provision for expenses

Provision for expenses is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.

2.19 Management' responsibility on financial statements

The management of the company is responsible for the preparation and presentation of these financial statements.

2.20 GENERAL

i) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

ii) Previous year's figures have been re-arranged/re-grouped where necessary to conform to the current year's financial presentation.

iii) Figures in these notes and annexed financial statements have been rounded off to the nearest taka.

Particulars			Amount in Taka	
			31 December 2024	31 December 2023
3.00	**Cash and bank balances**	**Account No.**		
	Cash in Hand		613,928	520,206
	Cash at bank in company's accounts (note:3.01)		16,397,774	7,158,243
	Cash at bank in consolidated customer accounts (note:3.02)		193,192,245	222,811,669
	Cash at bank in trading accounts (dealer) (note:3.03)		121,459	465,568
	Cash at bank in IPO account (MBL)	0002558	-	-
	Investment in FDR (note:3.04)		23,019,572	23,019,572
			233,344,978	**253,975,258**
3.01	**Cash at bank in company's accounts**	**Account No.**		
	MBSL Income Expenditure A/C (MBL)	0002230	16,382,157	6,117,237
	Mercantile Bank Securities ltd.(MBL)	9818578	2,187	31,680
	MBSL Investment Account (MBL)	1131-23095	-	-
	MBSL Strategic Account (MBL)	1131-43952	-	-
	MBSL Sft 2021(MBL)	1131-44448	-	-
	Mercantile Bank Securities ltd.(MBL)	1131-56111	7,742	855,850
	Mercantile Bank Securities ltd.(NRBC)	010136-208	5,688	153,476
			16,397,774	**7,158,243**
3.02	**Cash at bank in consolidated customer accounts**			
	MBSL Consolidated Customers A/C (MBL)	1131-03295	186,957,013	219,167,599
	Mercantile Bank Securities ltd. (G-Sec)	1131-57002	49,303	3
	Mercantile Bank Securities ltd. (OBL)	0013-0616	6,185,929	3,644,067
			193,192,245	**222,811,669**
3.03	**Cash at bank in trading accounts (dealer)**			
	Mercantile Bank Securities ltd. (OBL)	0013-663	40,875	41,219
	Mercantile Bank Securities ltd. (MBL)	1131-27302	80,584	424,349
			121,459	**465,568**
3.04	**Investment in FDR**			
	People's Leasing & Financial Services Ltd.	21000001663	23,019,572	23,019,572
			23,019,572	**23,019,572**
4.00	**Accounts Receivables from securities trading**			
	Receivable from DSE (Note:4.01)		17,737,463	20,369,683
	Receivable from CSE (Note:4.02)		879,991	36
			18,617,454	**20,369,719**
4.01	**Receivable from DSE**			
	Receivable from DSE Broker Activities (note: 4.01.1)		1,901,568	20,369,683
	Receivable from DSE Dealer Activities (note: 4.01.2)		15,835,895	-
			17,737,463	**20,369,683**
4.01.1	**Receivable from DSE Broker Activities**			
	Receivable against A,B,G and N category		-	20,146,403
	Receivable against Z category		1,901,568	27,650
	Receivable against spot trading		-	195,630
			1,901,568	**20,369,683**
4.01.2	**Receivable from DSE Dealer Activities**			
	Receivable against A,B,G and N category		12,529,246	-
	Receivable against Z category		3,306,649	-
	Receivable against spot trading		-	-
			15,835,895	**-**
4.02	**Receivable from CSE**			
	Receivable from CSE Broker Activities (note: 4.02.1)		879,991	36
	Receivable from CSE Dealer Activities		-	-
			879,991	**36**
4.02.1	**Receivable from CSE Broker Activities**			
	Receivable against A,B,G and N category		879,991	36
	Receivable against Z category		-	-
			879,991	**36**

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
5.00	**Accounts Receivable from margin clients**		
	Margin Loan (Note:5.01)	4,603,135,980	4,569,268,976
	Due to CDBL Charge/ BO renewal fees	469,988	459,973
		4,603,605,968	**4,569,728,949**
5.01	**Margin loan**		
	Receivable to clients having negative equity	3,478,833,635	2,867,568,053
	Receivable to clients fall under force sale condition(e.g. Equity is >DB but <125% of DB)	358,697,735	270,877,084
	Receivable to clients fall under margin call(e.g. Equity is >125% of DB but <150% of DB)	108,816,055	376,685,323
	Receivable to regular margin clients (e.g. Equity is >150% of DB)	656,788,555	1,054,138,516
		4,603,135,980	**4,569,268,976**
6.00	**Proprietary position in securities & other investment**		
	Dealer Investment position (Note:6.01)	930,698,563	1,028,706,221
	Strategic Investments Position (4747) (Note:6.02)	78,487,109	70,196,460
	Strategic Investments Position (6100) (Note:6.03)	305,027,011	270,908,829
		1,314,212,683	**1,369,811,510**
6.01	**Dealer Investment Position**		
	Value of "A" category instruments	855,281,593	939,941,652
	Value of "B,G,N,S" category instruments	74,141,943	83,334,569
	Value of "Z" category instruments	1,275,027	-
		930,698,563	**1,023,276,221**
	Deposit for application of right shares/IPO	-	5,430,000
		930,698,563	**1,028,706,221**
	Investment in securities at cost	930,698,563	1,023,276,221
	Investment in securities at market value	490,337,316	773,966,602
	Unrealized Gain/(Loss)	**(440,361,246)**	**(249,309,619)**
	Details of investment in marketable securities are shown in "Annexure- D.1".		
6.02	**Strategic Investments Position**		
	Investment in securities	78,487,109	70,196,460
		78,487,109	**70,196,460**
	Investment in securities at cost	76,774,346	70,195,928
	Investment in securities at market value	41,695,634	55,123,654
	Unrealized Gain/(Loss)	**(35,078,712)**	**(15,072,274)**
	Value of "A" category instruments	66,794,705	63,225,741
	Value of "B,G,N,S" category instruments	3,976,981	6,970,187
	Value of "Z" category instruments	6,002,660	-
		76,774,346	**70,195,928**
	Deposit for application of right shares/IPO	-	-
		76,774,346	**70,195,928**
	Details of investment in marketable securities are shown in "Annexure- D.2 ".		
6.03	**Strategic Investments Position**		
	Investment in securities	305,027,011	270,908,829
		305,027,011	**270,908,829**
	Investment in securities at cost	305,025,419	239,348,037
	Investment in securities at market value	145,852,804	185,100,162
	Unrealized Gain/(Loss)	**(159,172,615)**	**(54,247,876)**
	Value of "A" category instruments	244,205,143	195,129,311
	Value of "B,G,N,S" category instruments	21,272,870	44,218,727
	Value of "Z" category instruments	39,547,405	-
		305,025,419	**239,348,037**
	Details of investment in marketable securities are shown in "Annexure- D.3 ".		

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
7.00	**Other Advances**		
	Advance income tax (Note: 7.01)	316,708,818	291,672,234
	Advance office rent	160,000	957,000
	Advance LFA	9,000	9,000
	Advance deposit	809,550	922,550
	Advance commission for bank guarantee	133,332	153,675
		317,820,700	**293,714,459**
7.01	**Advance income tax**		
	Opening balance	291,672,234	256,858,900
	Less: Final Settlement for the year 2020	25,947,970	-
		265,724,264	**256,858,900**
	Add: Paid during the year (Note:7.01.1)	50,984,554	34,813,334
	Closing balance	**316,708,818**	**291,672,234**
7.01.1	**Advance tax paid during the year**		
	Tax on transaction (DSE)	20,241,192	13,194,876
	Tax on transaction (CSE)	181,986	454,620
	Advance tax on FDR	0	59,375
	Advance income tax - U/S 154 of ITA-2023	23,715,079	15,603,079
	Advance tax (Cash dividend, Bank interest & other)	6,846,297	5,501,384
		50,984,554	**34,813,334**
	Year wise payment for advance income tax are as follows:		
	Up to year 2012	10,357,784	10,357,784
	Year 2013	9,234,668	9,234,668
	Year 2014	34,905,897	34,905,897
	Year 2015	11,204,313	11,204,313
	Year 2016	19,366,410	19,366,410
	Year 2017	30,873,174	30,873,174
	Year 2018	17,965,410	17,965,410
	Year 2019	15,618,456	15,618,456
	Year 2020 (Finally Settled)	-	25,947,970
	Year 2021	49,012,033	49,012,033
	Year 2022	32,372,785	32,372,785
	Year 2023	34,813,334	34,813,334
	Year 2024	50,984,554	-
		316,708,818	**291,672,234**
8.00	**Fixed assets net off depreciation**		
	Land and Land Development	82,177,850	82,177,850
	Building	11,745,000	12,048,750
	Vehicle	1	1
	Furniture and fixtures	5,482,389	4,407,595
	Office equipment	2,459,847	656,960
	Right of use Assets as per IFRS 16*	1,509,447	-
		103,374,534	**99,291,156**
	* Right of use Assets are measured at cost less any accumulated depreciation and adjusted for any measurement of lease liabilities.		
	Details are shown in "Annexure-C"		
9.00	**Intangible assets**		
	Software	**264,754**	**79,187**
	Details are shown in "Annexure-C"		
10.00	**Investment in exchanges**		
	Dhaka Stock Exchange Ltd. (Note:10.01)	487,499,955	487,499,955
	Chittagong Stock Exchange Ltd. (Note:10.02)	134,999,979	180,000,000
		622,499,934	**667,499,955**

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
10.01	**Dhaka Stock Exchange PLC**		
	Opening balance	487,499,955	487,499,955
	Less: Cost of 25% shares sold by DSE as per demutualization scheme	-	-
	Closing balance	**487,499,955**	**487,499,955**

As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange allotted 7,215,106 no. of ordinary Shares of Taka 10 each and Trading Right Entitlement Certificate (TREC) in favor of the Company against the membership of DSE. Out of the total 7,215,106 no. of Shares DSE transferred and credited 2,886,042 no. of shares directly to Company's Beneficiary Owners' (BO) Account and rest 25,25,287 no. of shares were credited to the "Demutualization Blocked Account" maintained by the DSE and sold 1,803,777 no. of shares to Shenzhen Stock Exchange and Shanghai Stock Exchange in 2018.

10.02	**Chittagong Stock Exchange PLC**		
	Opening balance	180,000,000	-
	Less: Cost of 25% shares sold by CSE as per demutualization scheme	45,000,021	-
	Closing balance	**134,999,979**	**-**

As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Chittagong Stock Exchange allotted 4,287,330 no. of ordinary Shares of Taka 10 each and Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of CSE. Out of the total 4,287,330 no. of Shares CSE transferred and credited 1,714,932 no. of shares directly to Company's Beneficiary Owners' (BO) Account and rest 2,572,398 no. of shares were credited to the "Demutualization Blocked Account" maintained by the CSE and sold 1,071,833 no. of shares to its strategic partner ABG Limited in 2024.

11.00	**Other long term assets**		
	Deferred Tax Asset	**661,690**	**1,045,222**
	Deferred tax on tangible assets		

Deferred tax assets have been recognized and measured in accordance with the provisions of 'IAS 12: Income Taxes'. Related deferred tax expense/(income) & (assets)/liabilities has been provided during the year as shown below:

Fixed Assets		
Accounting base written down value	103,639,288	99,370,343
Tax base written down value	106,286,049	103,171,149
Deductible temporary difference on written down value	**(2,646,761)**	**(3,800,806)**
Applicable tax rate	25.00%	27.50%
Closing deferred tax (assets)/liabilities	(661,690)	(1,045,222)
Opening deferred tax (assets)/liabilities	(1,045,222)	(813,108)
Deferred tax (income)/expenses	**383,532**	**(232,114)**
12.00 **Payable to clients**		
Payable to clients (IPO)	-	5,680,000
Payable to clients (Trading)	149,681,695	198,497,443
	149,681,695	**204,177,443**
13.00 **Short term business liabilities**		
Mercantile Bank PLC. (Note: 13.01)	598,212,414	807,293,428
NRBC Bank PLC. (Note: 13.02)	298,068,019	177,645,216
Investment Corporation of BD.(Note: 13.03)	185,392,995	272,370,000
	1,081,673,428	**1,257,308,644**
13.01 **Mercantile Bank PLC. SOD Loan**		
Principal business liabilities	598,212,414	807,293,428
Interest payable on business liabilities	-	-
	598,212,414	**807,293,428**

The terms and conditions of the loan taken from Mercantile Bank PLC. are as follows:

Nature of facility	: SOD General (Renewal)
Purpose	: To provide liquidity of MBSL & to meet day to day operational expenses in the business.
Facility Amount	: Tk. 60 Crore
Rate of Interest	: 9.00%
Tenor of the facility	: 31.12.2025
Security	: Usual charge documents of the bank and undated chequed covering the credit limit

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
13.02	**NRBC Bank PLC. SOD Loan**		
	Principal business liabilities	298,068,019	177,645,216
	Interest payable on business liabilities	-	-
		298,068,019	**177,645,216**

The terms and conditions of the loan taken from NRBC Bank PLC. are as follows:

Nature of facility	: SOD General (Renewal)
Purpose	: To provide liquidity of MBSL & to meet day to day operational expenses in the business.
Facility Amount	: Tk. 30,00,00,000
Rate of Interest	: 15.50%
Tenor of the facility	: 12.02.2025
Security	: Usual charge documents of the bank and undated chequed covering the credit limit

13.03	**Investment Corporation of Bangladesh**		
	Principal business liabilities	183,557,421	270,000,000
	Interest payable on business liabilities	1,835,574	2,370,000
		185,392,995	**272,370,000**

The terms and conditions of the loan taken from ICB are as follows:

Nature of facility	: Fixed
Purpose	: To invest in the secondary capital market through own portfolio.
Facility Amount	: Tk. 27,00,00,000
Rate of Interest	: 4%
Tenor of the facility	: 25.06.2023 to 11.10.2026
Security	: Usual charge documents of the bank and undated chequed covering the credit limit

14.00	**Payable to Exchange/Depository/etc.**		
	Payable to exchanges(note: 14.01)	27,398,626	109,427
	Payable to Depository	15,876	497,814
	Payable to Broker	-	-
		27,414,502	**607,241**
14.01	**Payable to exchanges**		
	Payable to DSE (note:14.01.1)	27,398,626	104,353
	Payable to CSE	-	5,074
		27,398,626	**109,427**
14.01.1	**Payable to DSE**		
	Payable to DSE for Broker activities	27,389,273	104,353
	Payable to DSE for Dealer activities	9,353	-
		27,398,626	**104,353**
15.00	**Other liabilities and provisions**		
	Provision for income tax (Note: 15.01)	288,615,309	272,081,768
	Provision for diminution in value of investment (Note: 15.02)	120,000,000	90,000,000
	Provision for margin loan (Note: 15.03)	526,795,597	430,795,597
	General Provision (Note: 15.04)	46,036,060	45,697,289
	Other Provision (Note: 15.05)	23,019,572	23,019,572
	Other liabilities (Note: 15.06)	926,794,764	920,302,338
		1,931,261,302	**1,781,896,564**
15.01	**Provision for income tax**		
	Opening balance	272,081,768	234,335,482
	Less: Final Settlement for the year 2020	24,800,954	-
		247,280,814	**234,335,482**
	Add: Provision made during the year	41,334,495	37,746,286
	Closing balance	**288,615,309**	**272,081,768**

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
	Year wise provision for income tax:		
	Up to year 2012	16,546,197	16,546,197
	Year 2013	6,641,207	6,641,207
	Year 2014	10,089,521	10,089,521
	Year 2015	8,612,580	8,612,580
	Year 2016	27,387,302	27,387,302
	Year 2017	26,113,458	26,113,458
	Year 2018	10,107,037	10,107,037
	Year 2019	21,744,127	21,744,127
	Year 2020 (Finally Settled)	-	24,800,954
	Year 2021	49,921,330	49,921,330
	Year 2022	32,371,769	32,371,769
	Year 2023	37,746,286	37,746,286
	Year 2024	41,334,495	-
		288,615,309	**272,081,768**
15.02	**Provision for diminution in value of investment**		
	Opening balance	90,000,000	50,000,000
	Add: Provision made during the year	30,000,000	40,000,000
	Closing balance	**120,000,000**	**90,000,000**

As Per Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/196 dated 28-12-2016 & Directive No. BSEC/SRI/NE/2020/605 dated 28-12-2022, the company have to keep provision for unrealized loss against company's own investment portfolio account. Total unrealized loss in company's own investment portfolio account stood at Tk. 634,612,574 as on December 31, 2024. The company has already maintained 18.91% provision of Tk. 120,000,000 as on December 31, 2024 against required provision. As per latest BSEC circular no. BSEC/SRI/NE/2020/333 dated March 27, 2023, the regulator extended the time till December 31, 2025.

15.03	**Provision for margin loan**		
	Opening balance	430,795,597	370,000,000
	Add: During the year	96,000,000	60,000,000
	Transferred from General provision	-	795,597
	Closing balance	**526,795,597**	**430,795,597**

15.03.1 Specific Provision

The market value of shares of the client account having negative equity stood at Tk. 995,111,655 as on December 31, 2024 against margin loan receivable of Tk. 3,478,833,635 leaving a shortfall of Tk. 2,483,721,980. If the market price of the shares against margin investment go up in future this equity erosion will be reduced. The Company has maintained provision for margin investment Tk. 526,795,597 as mentioned above and Interest suspense on margin investment stood at Tk. 887,249,341 (note-15.06) as on December 31, 2024 and as per latest BSEC circular no. BSEC/SMMID/NE/2023/1690 dated March 28, 2024, the regulator extended the time till January 31, 2025.

15.04	**General Provision**		
	Opening balance	45,697,289	46,492,886
	Add: Provision made during the year	338,771	-
	Less: Transferred to Provision for Margin loan	-	795,597
	Closing balance	**46,036,060**	**45,697,289**

As on December 31, 2024, 1% of outstanding margin exposures have been made as general provision as prescribed by part B of schedule C rule 5(2) of BSEC notification no. BSEC/CMRRCD/2017-357/221/admin/89 dated May 29, 2019.

15.05	**Other Provision**		
	Opening balance	23,019,572	23,019,572
	Add: Provision made during the year	-	-
	Closing balance	**23,019,572**	**23,019,572**

The above provision has been made for Investment in Fixed Deposit Receipt (FDR) Tk. 23,019,572.00 kept in Peoples Leasing and Financial Service Limited which remained uncollectable due to liquidity crisis and the company under the jurisdiction of Honorable High Court, Bangladesh Bank, DUDOK and different govt. regulatory agencies.

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
15.06	**Other liabilities**		
	Accrued expenses	2,898,447	107,500
	VAT payable	-	-
	Provision for audit fee	115,000	86,250
	Withholding tax payable	-	-
	Provident fund payable	23,437,596	19,487,558
	Employees welfare fund	741,611	571,441
	Provision for Gratuity	4,109,500	4,645,000
	Provision for incentive Bonus	3,771,900	4,000,000
	Interest suspense account	887,249,341	888,655,528
	Sundry deposit	26,133	73,278
	Cash Dividend on margin account	395,963	264,958
	Payable for Mobile Trade (DSE)	52,000	-
	CCBA Interest Payable	2,438,265	2,410,825
	Deferred Tax Liabilities	-	-
	Lease liabilities as per IFRS-16 *	1,559,008	-
		926,794,764	**920,302,338**

* As mentioned in note -2.11 the company has recognized the lease liabilities in accordance with IFRS-16.

16.00 Share capital

Authorized:

500,000,000 ordinary shares of Tk. 10 each	**5,000,000,000**	**5,000,000,000**
Issued, Subscribed and Paid up:		
360,000,000 ordinary shares of Tk. 10 each	**3,600,000,000**	**3,600,000,000**

Shareholding Position:

Sl. No.	Name of Shareholders	No. of Shares		
1	Mercantile Bank PLC	355,000,000	3,550,000,000	3,550,000,000
2	Subrota Narayan Roy	200,000	2,000,000	2,000,000
3	Ms. Bilkis Begum	200,000	2,000,000	2,000,000
4	A. S. M. Feroz Alam	200,000	2,000,000	2,000,000
5	Mohd. Selim	200,000	2,000,000	2,000,000
6	M. A. Khan Belal	200,000	2,000,000	2,000,000
7	Md. Abdul Jalil	200,000	2,000,000	2,000,000
8	Md. Anwarul Haque	200,000	2,000,000	2,000,000
9	Dr. Toufique Rahman Chowdhury	200,000	2,000,000	2,000,000
10	Golam Faruk Ahmed	200,000	2,000,000	2,000,000
11	Engr. Mohd. Monsuruzzaman	200,000	2,000,000	2,000,000
12	Md. Mizanur Rahman Chowdhury	200,000	2,000,000	2,000,000
13	M.S. Ahsan	200,000	2,000,000	2,000,000
14	Alhaj. Akram Hussain	200,000	2,000,000	2,000,000
15	Md. Tabibul Huq	200,000	2,000,000	2,000,000
16	M. Amanullah	200,000	2,000,000	2,000,000
17	S. M. Shafiqul Islam	200,000	2,000,000	2,000,000
18	A. K. M. Shaheed Reza	200,000	2,000,000	2,000,000
19	Md. Nasiruddin Choudhury	200,000	2,000,000	2,000,000
20	A. F. M. Bahauddin	200,000	2,000,000	2,000,000
21	Morshed Alam	200,000	2,000,000	2,000,000
22	Md. Shahabuddin Alam	200,000	2,000,000	2,000,000
23	Syed Muhammed Abbdul Mannan	200,000	2,000,000	2,000,000
24	Israt Jahan	200,000	2,000,000	2,000,000
25	Sakina Khatun	200,000	2,000,000	2,000,000
26	Anwar Hossain	200,000	2,000,000	2,000,000
		360,000,000	**3,600,000,000**	**3,600,000,000**

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
16.01	**Capital to regulatory capital requirement**		
	A. Total Eligible capital (Annexure-A)	**4,544,373,192**	**4,460,055,930**
	B. Total risk requirement (Annexure-A)	**526,607,604**	**521,085,599**
	C. Required capital (120% of total risk requirement)	**631,929,124**	**625,302,718**
	D. Capital surplus (A-C)	**3,912,444,067**	**3,834,753,211**
	E. Capital adequacy ratio	**863%**	**856%**
	Core capital to total risk requirement	764%	774%
	Supplementary to total risk requirement	99%	82%
	F. Core Capital (Annexure-A)	**4,024,371,768**	**4,031,525,523**
	G. Operational Risk Requirement (Annexure-A)	**22,740,203**	**19,534,794**
	H. Core capital to operational risk requirement (minimum 100%)	**176.97 times**	**206.38 times**
16.02	**Statutory Liquid Capital Requirement (Annexure-B)**		
	A. Total Liabilities	**7,214,402,695**	**7,275,515,415**
	B. Liquid Capital	**3,724,042,754**	**3,380,566,062**
	C. Regulatory LCB (8% of Total Liabilities)	**577,152,216**	**582,041,233**
	D. Excess/(Deficit) in Liquid Capital (B-C)	**3,146,890,538**	**2,798,524,828**
16.03	**Net Capital to Aggregate Liabilities Ratio**		
	A. Liquid Assets:		
	Cash in hand or in Bank	210,203,947	230,490,118
	Cash Surrender Value of life insurance policy	-	-
	Customer's Debit Balances receivable (within 3 days)	4,603,605,968	4,569,728,949
	Interest, dividend or commission receivable (within 30 days)	-	-
	Clearing House Deposits (DSE)	200,000,000	200,000,000
	Amounts Receivable in the ordinary course of business, but excluding amounts which are due to be settled against delivery of security and remain outstanding for more than five banking days.	18,617,454	20,369,719
	Treasury bills issued by the Government of Bangladesh	-	-
	Value of Investment in Government Bonds or Certificates	-	-
	Market Value of Investment in Securities traded in a stock exchange.	677,885,754	1,014,190,417
	Market value of Investment in Mutual fund	-	-
	Value of Investment in collective investment scheme with haircut of 15%	-	-
	Value of Investment in Securities no traded in Exchange with haircut of 30% of its face value.	67,890,613	67,890,613
	Total Liquid Assets (A)	**5,778,203,736**	**6,102,669,816**
	B. Designated Liabilities:		
	Amount Payable in the ordinary course of dealing in securities	27,398,626	109,427
	Overdraft & Loan from banks	1,081,673,428	1,257,308,644
	Accrued Expenses	3,013,447	193,750
	Net Tax Payable	(28,093,509)	(19,590,466)
	All other liabilities that are regarded as liabilities under generally accepted accounting principles in Bangladesh which are payable (within 30 days)	149,681,695	204,177,443
	Total Designated Liabilities (B)	**1,233,673,687**	**1,442,198,798**
	C. Net Capital Balance (A - B)	**4,548,202,002**	**4,660,471,018**
	D. Net Capital to Aggregate Liabilities Ratio	**1 : 1.43**	**1 : 1.44**
	E. Maximum Permissible Ratio	**1 : 20**	**1 : 20**
17.00	**Capital Reserve**		
	Opening Balance	38,071,558	23,016,301
	Add: Addition during the year	4,577,904	15,055,257
	Closing Balance	**42,649,462**	**38,071,558**

The above General Reserve has been created as prescribed by Part 'B' of Schedule 'C' of BSEC's Risk Based Capital Adequacy Rules, 2019.

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
18.00	**Retained Earnings**		
	Opening Balance	393,453,965	362,730,178
	Less: Assessment completed for the year 2020	13,068,558	-
	Add: Net Profit after tax during the year	5,914,803	45,779,044
	Less: Amount Transferred to Capital Reserve	4,577,904	15,055,257
	Closing Balance	**381,722,306**	**393,453,965**

An amount of Tk. 13,068,558.00 was paid to DCT as full & final settlement for the income year 2020 (Assessment Year 2021-22).

An amount of Tk. 45,77,904.00 has been transferred to Capital Reserve Account being 10% of Profit after Tax for the year 31 December 2023, as required by Part 'B' of Schedule 'C' rule 5(2) of BSEC's Risk Based Capital Adequacy Rules, 2019.

19.00	**Net asset value per share of Tk. 10 each**		
	Net asset	4,024,371,768	4,031,525,523
	Number of ordinary shares outstanding	360,000,000	360,000,000
		11.18	**11.20**
20.00	**Brokerage commission**		
	Brokerage Commission DSE	123,996,741	79,770,103
	Brokerage Commission CSE	1,199,159	2,713,594
		125,195,900	**82,483,697**
21.00	**Income from investment in securities**		
	Capital gain on sale of shares Note: 22.1)	1,814,678	6,634,550
	Dividend income (Note: 22.2)	37,510,201	32,863,750
		39,324,879	**39,498,300**
21.01	**Capital gain on sale of shares**		
	Capital Gain from dealer	1,600,812	582,559
	Gain from Strategic Investment(4747)	167,641	5,647,102
	Gain from Strategic Investment(6100)	46,225	404,889
		1,814,678	**6,634,550**
21.02	**Dividend income**		
	Cash dividend from DSE & CSE	4,308,197	5,390,462
	Cash Dividend Income from dealer	28,022,637	25,175,498
	Cash Dividend Income from Strategic Investment(4747)	1,504,961	1,667,790
	Cash Dividend Income from Strategic Investment(6100)	3,674,406	630,000
		37,510,201	**32,863,750**
22.00	**Other operating income**		
	Margin documentation fee	46,000	39,000
	BO account opening fee	50,600	34,450
	Income from Share Transfer/Transmission etc.	97,273	123,090
	BO account maintenance charge	673,300	693,200
	BO account closing fee	459,773	73,534
	IPO Commission	18,520	12,445
	Cheque dishonor fee	324,200	38,670
		1,669,666	**1,014,389**
23.00	**Operating expenses**		
	Howla charge	2,550	950
	Laga charge	10,023,880	6,880,760
	CDBL Charges	4,611,302	3,674,421
	Loss on sale of CSE shares (Note: 23.01)	28,922,526	-
	Loss for written-off margin loan	1,254,590	57,008,783
	Loss on Margin Interest Reverse	-	1,831,803
	Service charge	1,022,678	868,831
		45,837,526	**70,265,548**

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
23.01	**Loss on sale of CSE shares**		
	Cost of 1,071,833 no. of CSE shares (25%)	45,000,021	-
	Sales proceeds received	16,077,495	-
	Loss on sales of CSE share	**28,922,526**	**-**
24.00	**Other income**		
	Interest on special notice deposit	620,179	599,081
	Interest income from FDR	-	189,931
	Notice pay earning	-	-
	Miscellaneous income	105,569	643,233
		725,748	**1,432,245**
25.00	**Administrative and general expenses**		
	Rent, taxes, insurance, electricity etc. (Note: 25.01)	5,227,313	8,366,087
	Salaries and allowances (Note: 25.02)	49,021,502	43,802,619
	Legal and professional expenses	84,375	126,139
	Postage, stamp, telecommunication etc. (Note: 25.03)	1,758,359	1,819,183
	Stationery, printing & advertisement (Note: 25.04)	925,232	896,351
	Depreciation, repairs & maintenance (Note: 25.05)	4,528,498	2,267,475
	Other expenses (Note: 25.06)	15,134,236	14,362,702
		76,679,515	**71,640,556**
25.01	**Rent, taxes, VAT, insurance, electricity etc.**		
	Office rent (Note: 25.1.1)	3,186,228	6,763,543
	Electricity and generator	1,480,546	1,125,847
	VAT Expenses	173,479	21,357
	Tax Expenses	5,560	-
	Insurance for motor vehicle	-	-
	Fuel	381,500	455,340
		5,227,313	**8,366,087**
25.1.1	**Office Rent**		
	Office Rent	3,762,228	-
	Less: Right of use assets*	576,000	-
		3,186,228	**-**

* As mentioned in note-2.11 the company has recognized Right of use Assets in accordance with IFRS-16 and related depreciation is shown above.

25.02	**Salaries and allowances**		
	Basic Salary	21,311,365	18,336,746
	Consolidated Salary	129,483	86,516
	Bonus	3,641,100	3,334,500
	House Rent	6,404,337	5,963,387
	Conveyance Allowances	1,475,715	1,317,370
	Medical Allowances	1,713,710	1,493,370
	House Maintenance Allowances	-	-
	Utilities Allowance	-	-
	PF Contribution	1,975,019	1,723,225
	Leave Fare Assistance	6,561,930	5,982,168
	Support Staff's Salary	5,326,693	5,055,433
	Other Allowance	482,150	509,904
		49,021,502	**43,802,619**
25.03	**Postage, stamp, telecommunication etc.**		
	Stamp & Cartridge	34,110	23,528
	Telephone & mobile	479,135	479,021
	Internet & Data Connectivity	1,212,998	1,290,474
	Postage and courier	32,116	26,160
		1,758,359	**1,819,183**

Particulars		Amount in Taka	
		31 December 2024	31 December 2023
25.04	**Stationery, printing & advertisement**		
	Office stationery	744,953	640,982
	News Paper expenses	17,506	29,936
	Advertisement	28,567	156,705
	Computer accessories	134,206	68,728
		925,232	**896,351**
25.05	**Depreciation, repairs & maintenance**		
	Depreciation	2,506,356	2,076,034
	Depreciation on Right of use Assets*	503,149	-
	Repair & maintenance	1,518,993	191,441
		4,528,498	**2,267,475**

* As mentioned in note-2.11 the company has recognized Right of use Assets in accordance with IFRS-16 and related depreciation is shown above.

25.06	**Other expenses**		
	Commission expenses	1,020,343	768,350
	Conveyance	138,450	138,035
	Travelling and conveyance	257,866	-
	Uniform	130,326	128,475
	Wasa bill	39,780	33,766
	Renewal fee	50,198	11,200
	DSE-CSE Fees & Others	641,261	485,118
	Bank charge	25,260	187,290
	Excise duty	210,000	213,150
	Refreshment	1,238,901	1,587,110
	Investor Awareness Program	6,735,334	6,547,687
	Incentive Bonus	793,633	1,046,893
	Trade Incentive	587,000	295,000
	Audit fee	115,000	86,250
	Directors fee	352,000	682,000
	Software expenses	217,000	164,850
	Business Development expenses	1,913,894	1,605,299
	Miscellaneous expenses	667,990	382,229
		15,134,236	**14,362,702**
26.00	**Financial expenses**		
	Bank Interest paid to MBL for SOD	69,250,242	59,624,111
	Interest paid to ICB for Special Fund	8,979,686	2,370,000
	Bank Interest paid to NRBC for SOD	43,896,929	25,695,603
	Expenses of lease liabilities as per IFRS-16*	122,412	-
		122,249,270	**87,689,714**

* As mentioned in note-2.11 the company has recognized the lease liabilities in accordance with IFRS-16 and related expenses in shown above.

27.00	**Earnings per share**		
	Net profit attributable to ordinary shareholders	5,914,803	45,779,044
	Number of ordinary shares outstanding	360,000,000	360,000,000
		0.02	**0.13**
28.00	**Cash flow from operating activities (indirect method)**		
	Net Profit Before Income Tax	47,632,830	83,293,216
	Add: Depreciation	2,506,356	2,076,034
	Add: Depreciation on Right of use Assets	503,149	-
	Less: Gain on Sale of Asset	18,452	-
	Add: Loss on Sale of Strategic Investment in Shares (CSE)	28,922,526	-
		79,546,409	**85,369,250**

Particulars	Amount in Taka	
	31 December 2024	31 December 2023
Adjustment for changes in working capital:		
Decrease in accounts receivables	1,752,265	(8,899,203)
(Increase) in advance deposits and prepayments	930,343	(695,134)
Increase in provision for investment in marketable securities	30,000,000	40,000,000
Increase in General provision for all outstanding margin	338,771	(795,597)
(Increase)/Decrease in margin investment	(33,877,019)	79,559,696
(Increase)/Decrease in investment in marketable securities	55,598,827	(210,547,156)
(Decrease) in provision for margin investment	96,000,000	60,795,597
(Decrease) in trade and other payables	(21,196,061)	(27,987,644)
	129,547,126	**(68,569,441)**
	209,093,535	16,799,809
Less: Income tax paid	(49,837,538)	(34,813,334)
Net Cash flow from operating activities	**159,255,997**	**(18,013,525)**

29.00 Transactions with related parties (IAS-24)

The Company has carried out following transactions with related parties in the normal course of business.

Name of related parties	Transaction Nature	Balance as on 01.01.2024	Transaction during the year		Balance as on 31.12.2024
			Dr.	Cr.	Cr.
MBL (Parent Company)	Bank OD	807,293,428	1,090,602,176	881,521,162	598,212,414

30.00 Event after the reporting year

(a) The Board of Directors in its 72nd meeting held on 17 February 2025 approved the financial statements of the company for the year ended 31 December 2024 and authorized the same for issue.

(b) There is no other significant event that has occurred between the financial statements date and the date when the financial statements were authorized for issue by the Executive Committee Members.

MERCANTILE BANK SECURITIES LTD.

STATEMENT SHOWING COMPUTATION OF CAPITAL ADEQUACY

As at 31 December 2024

Annexure-A

A. Total Capital Computation

				2024	2023
Components	**Amount**	**Haircut %**	**Haircut Amount**	**Eligible Amount**	**Eligible Amount**
Paid-up-capital	3,600,000,000	0		3,600,000,000	3,600,000,000
Capital Reserve	42,649,462	0		42,649,462	38,071,558
Retained Earnings	381,722,306	0		381,722,306	393,453,965
Sum of core capital				**4,024,371,768**	**4,031,525,523**
General Provision	46,036,060	20%	9,207,212	36,828,848	36,557,831
Other Provision	23,019,572	20%	4,603,914	18,415,658	18,415,658
Specific Provision:					
Margin loan	526,795,597	30%	158,038,679	368,756,918	301,556,918
Investment in marketable securities	120,000,000	20%	24,000,000	96,000,000	72,000,000
Sum of supplementary capital				**520,001,424**	**428,530,407**
Total Capital				**4,544,373,192**	**4,460,055,930**

B. Total risk requirement Computation

Particulars			**Risk Factor**	**Applicable Amount**	**Applicable Amount**
Operation Risk Requirement (ORR):					
Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7)			**5%**	22,740,203	19,534,794
Position Risk Requirement (PRR):					
i. Proprietary positions in Equity securities:				-	-
Value of "A" category securities			**10%**	85,528,159	93,994,165
Value of "B/G/N/S/." category securities			**12%**	8,897,033	10,000,148
Value of "Z" category instruments			**15%**	191,254	-
ii. Proprietary positions in strategic investment:					
Value of "A" category securities			**10%**	6,679,470	6,322,574
Value of "B/G/N/S/." category securities			**12%**	477,238	836,422
Value of "Z" category instruments			**15%**	900,399	-
iii. Proprietary positions in strategic investment:					
Value of "A" category securities			**10%**	24,420,514	19,512,931
Value of "B/G/N/S/." category securities			**12%**	2,552,744	5,306,247
Value of "Z" category instruments			**15%**	5,932,111	-
iv. Proprietary positions in MFs & CISs:				-	-
Value of listed funds			**10%**	-	-
Counterparty Risk Requirement (CPRR):					
i. Exposure of credit facilities to Clients			**8%**	368,288,477	365,578,316
Total risk requirement				**526,607,604**	**521,085,599**

Capital Adequacy Ratio (CAR) = $\frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement(TRR)}}$ X 100 = 863% i.e. 8.63 times = 856% i.e. 8.56 times

MERCANTILE BANK SECURITIES LIMITED

STATEMENT OF STATUTORY LIQUID CAPITAL REQUIREMENT

As at 31 December 2024

Annexure-B

	Particulars	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
	Assets :				
01.	**Cash and Bank Balances**	03.00	233,344,978		233,344,978
	Cash in Hand		613,928	0.0	613,928
	Cash at Bank in Company's account		16,397,774	0.0	16,397,774
	Cash at Bank in trading accounts (Stock Dealer A/C)		121,459	0.0	121,459
	Cash at Bank accounts for clients (net claim in consolidated customer account)		193,192,245	0.0	193,192,245
	Cash at Bank at IPO Account		-	0.0	-
	Investments in FDR (those to be matured within six months)		23,019,572	0.0	23,019,572
02.	**Net Receivable from Securities Trading**	04.00	18,617,454		18,522,376
	Receivable from DSE (categorize as A, B, G, N, Z and DVP)		1,901,568		1,806,490
	Receivable against A,B,G and N category		-	0.0	-
	Receivable against Z category		1,901,568	5.0	1,806,490
			-	5.0	-
	Receivable from CSE (categorize as A, B, G, N, Z and DVP):		879,991		879,991
	Receivable against A,B,G and N category		879,991	0.0	879,991
	Receivable against Z category		-	5.0	-
	Receivable from Stock Broker/Stock Dealer		15,835,895	0.0	15,835,895
03.	**Net Receivable from other Clients-**	05.00	469,988		446,489
	Receivable after securities trading			15.0	-
	Receivable arises from fee, commission & charges		469,988	5.0	446,489
	Net receivable from counterparties (clients, designated clients, etc.)				
04.	**Net receivable from margin clients -**	05.01	4,603,135,980		3,848,123,790
	Receivable to Clients having no margin or full erosion of clients' equity (e.g.no equity against debit balance)		3,478,833,635	20.0	2,783,066,908
	Receivable to Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)		358,697,735	15.0	304,893,075
	Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		108,816,055	5.0	103,375,252
	Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)		656,788,555	0.0	656,788,555
05.	**Proprietary positions in securities and specified investments**	06.00	1,314,212,683		1,208,480,728
	Proprietary positions in Equity securities	06.01	930,698,563		836,082,117
	Receivable against "A" category		855,281,593	10.0	769,753,434
	Receivable against "B/G/ N" category		74,141,943	12.0	65,244,910
	Receivable against "Z" category		1,275,027	15.0	1,083,773
	Proprietary Position in strategic investments	06.02	78,487,109		100,278,563
	Receivable against "A" category		66,794,705	10.0	60,115,234
	Receivable against "B/G/ N" category		3,976,981	12.0	3,499,743
	Receivable against "Z" category		6,002,660	15.0	5,102,261
	Proprietary Position in strategic investments	06.03	305,027,011		272,120,049
	Receivable against "A" category		244,205,143	10.0	219,784,629
	Receivable against "B/G/ N" category		21,272,870	12.0	18,720,126
	Receivable against "Z" category		39,547,405	15.0	33,615,294
06.	**Other assets arising from:**		-		-
07.	**Total liquid assets**		6,169,781,083		5,308,918,361

	Particulars	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
08.	**Advance /Investments in Associated undertakings (long term):**	07.00	317,820,700		-
	Other Advances		317,820,700	100.0	-
09.	**Fixed assets (net off Depreciation & amortization):**	08.00	103,374,534	0.0%	103,374,534
	Land and Land Development		82,177,850	0.0%	82,177,850
	Building		11,745,000	0.0%	11,745,000
	Vehicle		1	100.0	-
	Furniture and fixtures		5,482,389	100.0	-
	Office equipment		2,459,847	100.0	-
	Right of use Assets as per IFRS 16*		1,509,447		-
10.	**Intangible Assets:**	09.00	264,754		-
	Software		264,754	100.0	-
11.	**Value of investment in Exchange (against Membership value)**	10.00	622,499,934	100.0	-
12.	**Other Long Term Assets:**	11.00	661,690		-
	Deferred Tax Assets		661,690	100.0	-
13.	**Total assets (aggregate of amount in items 9 to 13)**		**7,214,402,695**		**5,412,292,895**
	Liabilities :				
14.	**Short positions in securities held for own account**		-	0.0	-
15.	**Payable to Clients**	12.00	149,681,695	0.0	149,681,695
16.	**Short Term Business Liabilities:**	13.00	1,081,673,428		1,081,673,428
17.	**Amounts payable to clearing houses/Exchanges/Depository, etc.:**	14.00	27,414,502		27,414,502
	Payable to Exchanges		27,398,626	0.0	27,398,626
	Payable to Depository		15,876	0.0	15,876
18.	**Other Liabilities and Provisions:**	15.00	1,931,261,302		326,105,982
	Accruals & Accounts payable	15.06	2,898,447	0.0	2,898,447
	Provision for Margin Loan	15.03	526,795,597	100.0	-
	Provision for Unrealized Loss	15.02	120,000,000	100.0	-
	General Provision	15.04	46,036,060	100.0	-
	Provision for Gratuity, PF & others	15.06	4,109,500	50.0	2,054,750.0
	Provision for Tax & VAT	15.01	288,615,309	0.0	288,615,309.0
	Interest Suspense against Margin Loan	15.06	887,249,341	100.0	-
	Other Provision	15.05	23,019,572	100.0	-
	Others (clearly specified in notes)	15.06	32,537,476.00	0.0	32,537,476.0
19.	**Total Current Liabilities**		3,190,030,927		1,584,875,607
20.	**Shareholders' Equity:**		4,024,371,768		-
	Share Capital	16.00	3,600,000,000	100.0	-
	Capital Reserve	17.00	42,649,462	100.0	-
	Retained Earnings	18.00	381,722,306	100.0	-
21.	**Total liabilities & Shareholders' Equity**		**7,214,402,695**		**1,584,875,607**
22.	**Net Short term obligations after haircut**		1,584,875,607		
23.	**Total Liabilities**		7,214,402,695		
24.	**Liquid Capital (Amount in item 07 minus item 19)**		3,724,042,754		
25.	**Regulatory LCB : 4%/6%/8% of Total Liabilities (8 % of Item 23)**		577,152,216		
26.	**Excess/(Deficit) in Liquid Capital (Amount in Item 24 less 25)**		3,146,890,538		

MERCANTILE BANK SECURITIES LTD.

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2024

Annexure-C

Amount in taka

Particulars	COST				Rate (%)	DEPRECIATION				Written Down value as at 31.12.2024
	Balance as at 01.01.2024	Addition during the year	Adjustments / disposal during the year	Balance as at 31.12.2024		Balance as at 01.01.2024	Charged during the year	Adjustments / disposal during the year	Balance as at 31.12.2024	
Tangible assets										
Land and Land Development	82,177,850	-	-	82,177,850	-	-		-	-	82,177,850
Building	12,150,000	-	-	12,150,000	2.5%	101,250	303,750	-	405,000	11,745,000
Vehicle	100,000	-	-	100,000	20%	99,999	-	-	99,999	1
Furniture and fixtures	18,370,525	2,867,335	-	21,237,860	10%	13,962,930	1,792,541	-	15,755,471	5,482,389
Office equipment	16,819,997	2,178,567	968,906	18,029,658	20%	16,163,037	375,632	968,858	15,569,811	2,459,847
Right of use Assets	-	2,012,596	-	2,012,596		-	503,149	-	503,149	1,509,447
Sub-Total	**129,618,372**	**7,058,498**	**968,906**	**135,707,964**		**30,327,216**	**2,975,072**	**968,858**	**32,333,430**	**103,374,534**
Intangible assets										
Software	544,500	220,000	-	764,500	20%	465,313	34,433	-	499,746	264,754
As at December 31, 2024	**130,162,872**	**7,278,498**	**968,906**	**136,472,464**		**30,792,529**	**3,009,505**	**968,858**	**32,833,176**	**103,639,288**
As at December 31, 2023	**35,770,092**	**94,392,780**	**-**	**130,162,872**		**28,716,495**	**2,076,034**	**-**	**30,792,529**	**99,370,343**

MERCANTILE BANK SECURITIES LTD.

INVESTMENT IN MARKETABLE SECURITIES

As at 31 December 2024

Annexure-D.1

Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	ARGONDENIM	A	243,101	7,420,049	4,084,097
2	BATBC	A	46,500	28,923,187	17,093,400
3	BEXGSUKUK	A	20,000	1,700,200	950,000
4	DELTALIFE	A	592	80,928	47,242
5	DHAKABANK	A	205,000	2,961,480	2,234,500
6	DOREENPWR	A	50,400	3,153,613	1,204,560
7	GIB	A	1,452,396	13,173,670	7,116,740
8	GRAMEENS2	A	500,000	9,367,076	7,200,000
9	IDLC	A	10,811,131	668,007,911	353,523,984
10	LINDEBD	A	4,000	6,203,820	4,078,000
11	POWERGRID	A	314,850	22,442,810	13,160,730
12	SAIFPOWER	A	260,000	10,773,680	3,432,000
13	SEAPEARL	A	185,000	41,820,149	6,419,500
14	SHASHADNIM	A	121,275	6,700,930	2,255,715
15	SPCL	A	113,568	13,041,825	3,759,101
16	SQUARETEXT	A	11,389	777,270	562,617
17	SQURPHARMA	A	15,000	3,293,486	3,265,500
18	WALTONHIL	A	15,000	15,439,509	7,312,500
Total Value of "A" category instruments				**855,281,593**	**437,700,185**
1	BENGALWTL	B	250,000	9,790,553	4,475,000
2	ICB	B	82,555	10,167,772	5,085,388
3	IFIC	B	172,200	2,442,330	1,239,840
4	TITASGAS	B	50,000	3,927,433	1,045,000
5	UNIONBANK	B	155,257	1,478,640	745,234
6	MBL1STUF	N	3,000,000	30,000,000	30,000,000
7	KFL	S	457,992	16,308,587	7,969,061
8	WEBCOATS	S	769	26,627	14,611
Total Value of "B,G,N,S," category instruments				**74,141,943**	**50,574,133**
1	NTC	Z	10,667	1,275,027	2,062,998
Total Value of "Z" category instruments				**1,275,027**	**2,062,998**
Grand Total				**930,698,563**	**490,337,316**

MERCANTILE BANK SECURITIES LTD.

INVESTMENT IN MARKETABLE SECURITIES (4747)

As at 31 December 2024

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	BATBC	A	20,000	11,558,210	7,352,000
2	DBH	A	112,200	8,476,529	4,364,580
3	GPHISPAT	A	380,511	19,907,165	8,409,293
4	KARNAPHULI	A	46,745	2,730,912	1,449,095
5	NATLIFEINS	A	30,000	7,509,767	3,186,000
6	POWERGRID	A	175,000	12,020,195	7,315,000
7	ROBI	A	100,000	4,591,926	2,830,000
Total Value of "A" category instruments				**66,794,705**	**34,905,968**
1	ABBANK	B	306,000	3,976,981	2,356,200
Total Value of "B,G,N" category instruments				**3,976,981**	**2,356,200**
1	EMERALDOIL	Z	50,000	3,960,969	1,130,000
2	NTC	Z	17,081	2,041,692	3,303,465
Total Value of "Z" category instruments				**6,002,660**	**4,433,465**
Grand Total				**76,774,346**	**41,695,634**

MERCANTILE BANK SECURITIES LTD.

INVESTMENT IN MARKETABLE SECURITIES (6100)

As at 31 December 2024

Annexure-D.2
Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	DELTALIFE	A	70,000	9,727,211	5,586,000
2	ITC	A	12,290	695,398	438,753
3	KARNAPHULI	A	720,472	40,309,816	22,334,632
4	MARICO	A	1,000	2,448,971	2,282,800
5	PTL	A	880,000	66,872,117	41,272,000
6	RENATA	A	750	739,054	476,325
7	RUPALILIFE	A	190,451	32,721,023	20,759,159
8	AIL	A	141,289	16,851,656	12,984,459
9	SEAPEARL	A	419,500	68,471,368	14,556,650
10	SINGERBD	A	9,204	1,411,599	1,041,893
11	SINOBANGLA	A	75,000	3,956,932	2,910,000
Total Value of "A" category instruments				**244,205,143**	**124,642,671**
1	DGIC	B	141,684	5,622,123	3,315,406
2	IFIC	B	18,076	227,688	130,147
3	ISNLTD	B	184,980	11,252,026	6,751,770
4	WEBCOATS	S	5,000	173,130	95,000
5	WONDERTOYS	S	60,427	3,997,904	1,522,760
Total Value of "B,G,N,S" category instruments				**21,272,870**	**11,815,083**
1	EMERALDOIL	Z	359,073	36,314,983	8,115,050
2	PDL	Z	200,000	3,232,423	1,280,000
Total Value of "Z" category instruments				**39,547,405**	**9,395,050**
Grand Total				**305,025,419**	**145,852,804**

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MBL ASSET MANAGEMENT LIMITED

Report on the Audit of Financial Statements

Annexure - J

Opinion

We have audited the financial statements of MBL Asset Management Limited. (the Company), which comprise the statement of financial position as at 31 December 2024, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report the following:

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books; and

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.



Ajit Kumar Paul, FCA
Managing Partner
ICAB Enrollment No.908
FRC Enlistment No.: CA-001-240
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

Place: Dhaka, Bangladesh
Dated: 27 February 2025
DVC: 2502270908AS144069

MBL ASSET MANAGEMENT LIMITED

STATEMENT OF FINACIAL POSITION

As at 31 December 2024

Particular	Notes	Amount in Taka	
		31 December 2024	31 December 2023
ASSETS:			
Non Current Assets:		**314,354**	**426,065**
Property, plant & equipment	4.00	314,354	426,065
Current Assets:		**120,045,364**	**118,124,146**
Investment in listed securities	5.00	31,903,561	66,194,849
Fixed deposit	6.00	10,735,447	40,420,000
Govt. Treasury Bills & Bond	7.00	63,049,885	-
Advance, Deposit and Prepayments	8.00	3,175,566	1,690,887
Accounts Receivable	9.00	4,684,843	3,847,819
Cash and cash equivalents	10.00	6,496,062	5,970,591
TOTAL ASSETS		**120,359,718**	**118,550,211**
EQUITY & LIABILITIES:			
Shareholders' Equity	11.00	**106,757,235**	**107,494,145**
Paid up Capital	11.01	100,000,000	100,000,000
Retained earnings	11.02	6,757,235	7,494,145
Current Liabilities		**13,602,483**	**11,056,066**
Provision for Expense	12.00	8,130,963	7,977,901
Provision for income tax	13.00	4,326,242	2,366,727
Trade and other payables	14.00	1,145,277	711,438
TOTAL EQUITY AND LIABILITIES		**120,359,718**	**118,550,211**
Net Asset Value Per Share (NAVPS)	18.00	10.68	10.75

The annexed notes 01 to 21 form an integral part of these financial statements.

Chairman **Vice Chairman** **CEO**

Signed in terms of our separate report of even date.

Ajit Kumar Paul, FCA
Managing Partner
ICAB Enrollment No.908
FRC Enlistment No.: CA-001-240
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

Place: Dhaka, Bangladesh
Dated: 27 February 2025
DVC: 2502270908AS144069

MBL ASSET MANAGEMENT LIMITED

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

Particulars	Notes	Amount in Taka	
		01 January 2024 to 31 December 2024	01 January 2023 to 31 December 2023
Operating income	15.00	8,519,915	6,558,691
Less: Operating expenses	16.00	(4,683,899)	(4,625,844)
Operating profit		**3,836,016**	**1,932,847**
Add: Other income	17.00	8,683,955	12,301,224
Profit/(loss) before provision		**12,519,971**	**14,234,071**
Profit/(Loss) of fair value on ivestment in shares		(4,297,366)	(4,963,959)
Profit/(Loss) before tax		**8,222,605**	**9,270,112**
Less: Provision for income tax		(1,959,515)	(1,954,445)
Profit after income tax		**6,263,090**	**7,315,668**
Earning Per Share (EPS)	19.00	**0.63**	**0.73**

The annexed notes 01 to 21 form an integral part of these financial statements.

Chairman **Vice Chairman** **CEO**

Signed in terms of our separate report of even date.

Ajit Kumar Paul, FCA
Managing Partner
ICAB Enrollment No.908
FRC Enlistment No.: CA-001-240
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

Place: Dhaka, Bangladesh
Dated: 27 February 2025
DVC: 2502270908AS144069

MBL ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

Amount in Taka

Particulars	Share Capital	Retained earnings	Total
Opening balance	100,000,000	7,494,145	107,494,145
Cash Dividend	-	(7,000,000)	(7,000,000)
Net profit after taxes	-	6,263,090	6,263,090
Balance as at December 31, 2024	**100,000,000**	**6,757,235**	**106,757,235**

MBL ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

Particulars	Share Capital	Retained earnings	Total
Opening balance	100,000,000	4,178,477	104,178,477
Cash Dividend		(4,000,000)	(4,000,000)
Net profit after taxes	-	7,315,668	7,315,668
Balance as at December 31, 2023	**100,000,000**	**7,494,145**	**107,494,145**

The annexed notes 01 to 21 form an integral part of these financial statements.

Chairman **Vice Chairman** **CEO**

MBL ASSET MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

Particulars	Amount in Taka	
	01 January 2024 to 31 December 2024	01 January 2023 to 31 December 2023
Cash flows from operating activities		
Net profit/(loss) before tax	8,222,605	9,270,112
Adjustments for non-cash items		
Depreciation Expense	111,711	92,790
Profit/(loss) fair value of Investment in shares	-	4,963,959
(Increase)/ decrease in current assets		
(Increase)/ decrease in advance, deposit & Prepayments	(1,484,679)	66,967
(Increase)/ decrease in accounts receivables	(837,024)	(944,167)
Increase/ (decrease) in current liabilities		
Increase/ (decrease) in provision for expense	153,062	(4,841,787)
Increase/ (decrease) in provision for income tax	-	(2,918,942)
Increase/ (decrease) in accounts payables	433,839	186,786
Net Cash Flow from Operating Activities	**6,599,515**	**5,875,718**
Cash flows from Investing Activities		
Acquisition of non-current assets	-	(94,605)
Investment in listed securities at market value	34,291,288	(18,443,336)
Investment in FDR	29,684,553	-
Investment in T.bill and bond	(63,049,885)	11,635,302
Net cash used in investing activities	**925,956**	**(6,902,639)**
Cash flows from financing activities		
Dividend paid	(7,000,000)	(4,000,000)
Net Cash flows from financing activities	**(7,000,000)**	**(4,000,000)**
Surplus/ (Deficit) in Cash & Cash Equivalents (A+B+C)	**525,471**	**(5,026,921)**
Cash and cash equivalents at begaining of the period	**5,970,591**	**10,997,513**
Cash & cash equivalents at end of the period (d+e)	**6,496,062**	**5,970,591**
Net Operating Cash Flow Per Share (NOCFPS) (Note:19)	0.66	0.59

The annexed notes 01 to 21 form an integral part of these financial statements.

Chairman **Vice Chairman** **CEO**

MBL ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2024

1.0 Company and its activities

1.01 Legal Status of the Company

MBL Asset Management Limited was incorporated under the Registration of Joint Stock Companies and Firms, Bangladesh vide registration number C-148633/2018 dated: November 29, 2018, as a private company, limited by shares under the Companies Act, 1994 (ACT XVIII of 1994). MBL Asset Management Limited obtained license from the Bangladesh Securities Exchange Commission on January 30, 2020 vide registration code BSEC/Asset Management/2020/45) to operate as a full-fledged asset management company. The registered office of the company at 61, Dilkusha Commercial Area, Motijheel, Dhaka-1000.

1.02 Principal Activities of the Company

MBL Asset Management Limited provides high-standard professional services to its individual and institutional clients. The company's principal activities include the management of mutual funds, asset management, portfolio management, capital market operations, issue management, financial intermediary services, and other related services.

i. Managing the assets of any trusts or fund of any type or character and holding, acquiring, selling, or deal with such assets of any trust as relevant rules.

ii. To render portfolio management services for institutional clients.

iii. To render corporate advisory services, etc.

2.00 Basis of preparation and significant accounting policies

2.01 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, and other applicable laws and regulations.

2.02 Other Regulatory Compliance

MBL Asset Management Limited also complies with the applicable provisions of the following major laws/statutes;

- Income Tax Act 2023;

- Negotiable Instruments Act, 1881;

- Securities and Exchange Rules, 1987;

- Securities and Exchange Commission Act, 1993;

- Securities and Exchange Commission (Mutual Fund) Rules, 2001;

- Bangladesh Securities and Exchange Commission (Risk-Based Capital Adequacy) Rules, 2019;

- Value Added Tax and Supplementary Duty Act, 2012;

- Other applicable laws and regulations.

2.03 Basis of Measurement

The financial statements have been prepared on going concern basis under the historical cost convention in accordance with financial reporting committee recommended by International Financial Reporting Standards.

2.04 Components of Financial Statements

IAS 1 Presentation of Financial Statementssets out the overall requirements for the presentation of financial statements, including guidelines for the structure and content of the statements. The following are the components of financial statements:

-Statement of Financial Position

-Statement of Profit or Loss

-Statement of Changes in Equity

-Statement of Cash Flows

-Notes to the Financial Statement

2.05 Functional and Presentational Currency

The financial statements are presented in Bangladeshi Taka (BDT), which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer

2.06 Accounting Year

Accounting year starting from 1 January 2024, to 31 December 2024.

2.07 Going Concern Basis

The company has adequate resources to continue in operations for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the financial statements

3.00 Significant Accounting Policies

3.01 Basis of Accounting

The financial statements are prepared under the historical cost convention and after due compliance with the International Financial Reporting Standards (IFRS), the Companies Act 1994, and other applicable laws and regulations.

3.2.1 Financial Assets

Financial asset of the company includes cash and cash equivalents, fixed deposits, investments in marketable securities, accounts receivables, and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognizing initially on the date at which the company became a party to the contractual provision of the transactions. The company derecognizes a financial asset when, and only when the contractual right or possibilities of receiving the cash flows from the asset expires or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

3.2.1.1 Trade and Other Payables

Accounts payable and other payables are recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow of from the group of resources embodying economic benefits.

3.2.2 Fixed Deposit

Surplus funds invested as Fixed Deposit Receipts (FDR) for short-term periods to ensure best value of money.

3.2.3 Investment in Marketable Securities

Investments in marketable securities are initially measured at cost which are subsequently remeasured at fair value, as per requirement IFRS 9 (Financial Instruments). The gains/(losses) are recognized through statement of profit or loss.

3.2.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balance and bank deposits.

3.03 Taxation

Income tax expense is estimated based on the company's computation based on the based estimate of taxable profit in accordance with the Income Tax Act 2023.

3.04 Provisions

A provision is recognized in the accounts when the company has a legal or constructive obligation resulting from past events and it is probable that an economic outflow will be required to settle the obligation and a reliable estimate can be made.

3.05 Statement of Cash Flows

The cash flow statement is prepared using the indirect method, as per IAS 7 (Statement of Cash Flows).

3.06 Events After the Reporting Date

Events after the reporting date that provide additional information about the company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes.

3.07 Compliance with Bangladesh Securities and Exchange Commission

As per the Bangladesh Securities and Exchange Commission (Risk-Based Capital Adequacy) Rules, 2019, MBL Asset Management Limited is required to submit quarterly reports to the Bangladesh Securities and Exchange Commission (BSEC).

MBL Asset Management Limited as per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019, rule 04: Financial resources requirements under capital adequacy framework is required to maintain a minimum level of financial resources. As per rule 8 (1) , the company has maintained required amount of liquid capital (LC). As per rule 6 (3), the company is required to maintain the regulatory capital based on its scope of operation. The company does not have any mentioned scope of operation currently. The Company did not report as per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 rule 09 for the year ending December 31, 2021.

Notes	Particulars	Amount in Taka	
		31-Dec-2024	31-Dec-2023
4.00	**Property, plant & Equipment (Annexure A)**		
	Furniture and Fixtures	160,662	189,015
	Office Equipment	153,692	237,050
	Closing Balance	**314,354**	**426,065**
5.00	**Investment in listed securities (Annexure B)**		
	Investment in listed securities at market value	**31,903,561**	**66,194,849**
6.00	**Fixed deposit with Mercantile Bank Ltd. (Annexure C)**		
	FDR A/C	10,735,447	40,420,000
	Total from fixed deposit	**10,735,447**	**40,420,000**
7.00	**Govt. Treasury Bill & Bond**		
	Treasury Bills & Bond	63,049,885	-
	Total Treasury bill & bond	**63,049,885**	**-**
8.00	**Advance, Deposit and Prepayments**		
	Opening balance	1,690,887	1,757,854
	AIT on FDR	636,760	879,627
	AIT on SND	62,079	47,809
	AIT on corporate advisory fee	370,000	180,000
	AIT in dividend income	360,272	356,620
	AIT on Tbill and bond	55,568	-
	Income assessment year 2023-24	-	(509,408)
	Income assessment year 2022-23	-	(591,331)
	Income assessment year 2021-22	-	(430,284)
	Total	**3,175,566**	**1,690,887**
9.00	**Accounts Receivable**		
	Interest income receivable		
	Interest income receivable from FDR	147,314	463,136
	Receivable from MBUF	2,429,814	2,411,473
	Receivable from PMJ	40,000	-
	Dividend income receivable	315,955	973,210
	Accrued Interest Income from T.Bill	1,751,760	-
	Closing Balance	**4,684,843**	**3,847,819**
10.00	**Cash and cash equivalents**		
	Cash in hand	9,181	5,040
	Cash at bank:		
	MBPLC. SND A/C- 8751	5,779,715	5,175,695
	MBPLC. CD A/C -9535	690,846	776,256
	Collateral for Bidding of IPO	-	-
	Mercantile Bank Securities Limited	16,321	13,600
	Total	**6,496,062**	**5,970,591**
	Share Capital		
	Authorized capital		
	Authorized share capital is BDT 200,000,000 (Twenty crore) which is divided into 20,000,000 (Two crore) ordinary shares of BDT 10.00 each	**200,000,000**	**200,000,000**
11.00	**Shareholders Equity**		
11.01	**Paid-up Capital (Annexture E)**		
	Paid-up share capital is BDT 100,000,000 (Ten crore) which is divided into 10,000,000 (One crore) ordinary shares of BDT 10.00 each paid in full.	**100,000,000**	**100,000,000**

Notes	Particulars	Amount in Taka	
		31-Dec-2024	31-Dec-2023
11.02	**Retained earnings**		
	Opening balance	7,494,145	4,178,477
	Less: Cash Dividend paid	(7,000,000)	(4,000,000)
	Add. Addition during the year	6,263,090	7,315,668
	Closing Balance	**6,757,235**	**7,494,145**
11.03	**Regulatory Capital under Bangladesh Securities and Exchange Commission**		
	A. Core Capital	100,000,000	100,000,000
	Paid up Capital	6,757,235	7,494,145
	Retained earnings	**106,757,235**	**107,494,145**

Name of the subscribers	No. of Subscribed Shares as at 31 December 2024	No. of Subscribed Shares as at 31 December 2023
Rakim Reza Rousseau	400,000	400,000
Shamsul Alam	400,000	400,000
Arena Industries Limited	400,000	400,000
Nafisa Saima	400,000	400,000
Shimon Inamori	400,000	400,000
Ahmed Hossain	400,000	400,000
Jahanara Irin	400,000	400,000
Rushaed Ahsan	400,000	400,000
Shahriar Arefin Alam	400,000	400,000
Md. Forhad Hossain	400,000	400,000
Mercantile Bank PLC	5,600,000	5,600,000
Bakhtier Khan	400,000	400,000
Total	**10,000,000**	**10,000,000**

12.00	**Provision for expense**		
	Opening balance	7,977,901	12,819,687
	Provision for Expense	279,450	341,950
	Adjustment to Audit Fee Payable (2023)	(126,388)	-
	Adjustment to provision for diminution of value of investment	-	(5,183,737)
	Clossing balance	**8,130,963**	**7,977,901**
13.00	**Provision for income tax**		
	Opening balance	2,366,727	3,331,225
	Income tax paid during the year	-	(1,387,919)
	Provision for income tax	1,959,515	1,954,445
	Income assessment year 2023-24	-	(509,408)
	Income assessment year 2022-23	-	(591,331)
	Income assessment year 2021-22	-	(430,284)
	Closing balance	**4,326,242**	**2,366,727**
14.00	**Trade and other payables**		
	Opening balance	711,438	414,494
	Salary and allowance payable	340,089	296,944
	Audit fees payable	93,750	-
	Closing balance	**1,145,277**	**711,438**

		Amount in Taka	
		01 January 2024 to 31 December 2024	01 January 2023 to 31 December 2023
15.00	**Operating Income (Annexure D)**		
	Corporate Advisory Fees	3,740,000	1,800,000
	Management Fee from Mercantile Bank Unit Fund	4,779,915	4,758,691
		8,519,915	**6,558,691**

Notes	Particulars	Amount in Taka	
		01 January 2024 to 31 December 2024	01 January 2023 to 31 December 2023
16.00	**Operating expenses**		
	General and administrative expenses	4,683,899	4,625,844
	Total	**4,683,899**	**4,625,844**
16.01	**General and administrative expenses**		
	Office rent	279,450	279,450
	Salary and allowances	3,475,011	3,001,464
	Bank charge and Excise duty	72,680	281,651
	Other fees and renewal fees	150,628	183,270
	Conveyance	37,917	50,194
	Director honorarium	119,500	224,000
	Office maintenance	59,800	105,085
	Depreciation expenses	111,711	92,790
	Printing and stationary	131,391	87,843
	Refreshment	137,519	203,448
	Audit fees	93,750	8,750
	Website Maintenance Fee	14,541	74,899
	Training & Development	-	33,000
	Closing balance	**4,683,899**	**4,625,844**
17.00	**Other income**		
	Net Income from investment in listed securities	845,635	6,394,169
	Dividend income	1,692,594	2,210,108
	Interest income:	-	-
	Interest income from BO	7,382	50,943
	Interest income from FDR A/C 4361	789,095.75	277,527
	Interest income from FDR A/C 4389	1,283,564.13	555,053
	Interest income from FDR A/C 2589	795,321.02	155,556
	Interest income from FDR A/C 2589	-	-
	Interest income from FDR A/C 7121	-	2,172,880
	Interest income from MBL SND A/C-8751	620,791	484,988
	Interest income from FDR A/C- 8323	-	-
	Interest income from T. Bill & Bond	2,649,572	-
	Interest Income from FDR A/C 6526	-	-
	Total	**8,683,955**	**12,301,224**
18.00	**Calculation of Net Asset Value Per Share (NAVPS)**		
	Total shareholders' equity	106,757,235	107,494,145
	Number of share outstanding	10,000,000	10,000,000
	Net Asset Value (NAV) Per Share	**10.68**	**10.75**
19.00	**Earnings per share (EPS)**		
	Net profit after tax (Earnings attributable to ordinary shareholders)	6,263,090	7,315,668
	Number of ordinary shares outstanding in the year	10,000,000	10,000,000
	Average no. of share outstanding	10,000,000	10,000,000
	Earnings per share (EPS)	**0.63**	**0.73**
20.00	**Calculation of Net Operating cash flow per share (NOCFPS)**		
	Net cash flow from operating activities	6,599,515	5,875,718
	Number of share outstanding	10,000,000	10,000,000
	Net Operating cash flow per share (NOCFPS)	**0.66**	**0.59**
21.00	**Tax Calculation**		
	Tax on Net Income from Investment in Listed securities	84,564	-
	Tax on Dividend Income	338,519	-
	Tax on Interest Income from FDR & SND	1,534,586	-
	Tax on Interest Income from BO	1,846	-
	Total Income Tax	**1,959,515**	**1,954,445.00**

MBL ASSET MANAGEMENT LIMITED

SCHEDULE OF FIXED ASSETS

For the year ended 31 December 2024

Annexure-A

Amount in Taka

Particulars	Cost				Rate of %	Depreciation				WDV
	Opening Balance	Addition during the period	Sale during the period	Closing balance		Opening balance	Charge up to the period	Adjust during the period	Closing accumulated depreciation	
1. Furniture & Fixture	283,524	-	-	283,524	10%	94,509	28,353	-	122,862	160,662
2. Office Equipment	416,791	-	-	416,791	20%	179,741	83,358	-	263,099	153,692
Grand Total	**700,315**	**-**	**-**	**700,315**		**274,250**	**111,711**	**-**	**385,961**	**314,354**

MBL ASSET MANAGEMENT LIMITED

SCHEDULE OF INVESTMENT IN EQUITY SHARE

For the year ended 31 December 2024

Annexure-B

Amount in Taka

Sl	Instrument	Total Qty	Avg. Purchase Rate	Total Cost	Market Rate	Market Value	Diff MR-CP (Per Share)	Unrealized Gain/Loss
2	BATBC	8,418	629.37	5,298,065.73	367.60	3,094,456.80	(261.77)	(2,203,608.93)
3	BERGERPBL	5,988	1,800.96	10,784,120.93	1,822.90	10,915,525.20	21.94	131,404.27
4	BRACBANK	38,515	38.18	1,470,419.24	49.00	1,887,235.00	10.82	416,815.76
5	DUTCHBANGL	2,700	55.77	150,570.36	47.90	129,330.00	(7.87)	(21,240.36)
6	GP	7,600	381.06	2,896,062.10	323.10	2,455,560.00	(57.96)	(440,502.10)
7	JAMUNAOIL	5,000	178.83	894,174.50	171.40	857,000.00	(7.43)	(37,174.50)
8	LHBL	37,137	72.83	2,704,862.23	53.90	2,001,684.30	(18.93)	(703,177.93)
9	NHFIL	50,000	42.56	2,127,864.50	26.60	1,330,000.00	(15.96)	(797,864.50)
10	RENATA	2,419	1,236.36	2,990,744.80	635.10	1,536,306.90	(601.26)	(1,454,437.90)
11	SINGERBD	10,000	203.84	2,038,422.94	113.20	1,132,000.00	(90.64)	(906,422.94)
12	SQURPHARMA	18,700	240.23	4,492,307.64	217.70	4,070,990.00	(22.53)	(421,317.64)
13	SUMITPOWER	88,000	39.55	3,480,490.00	14.80	1,302,400.00	(24.75)	(2,178,090.00)
14	WALTONHIL	155	1,254.70	194,478.62	487.50	75,562.50	(767.20)	(118,916.12)
15	ACI	7,475	238.76	1,551,941.90	139.60	1,043,510.00	(99.16)	(508,431.90)
16	GRAMEENS2	5,000	18.07	90,360.00	14.40	72,000.00	(3.67)	(18,360.00)
Total				**41,164,885.49**		**31,903,560.70**		**(9,261,324.79)**

MBL ASSET MANAGEMENT LIMITED

SCHEDULE OF FIXED DEPOSITS AND GOVT. TREASURY BILLS AND BOND

For the year ended 31 December 2024

Annexure-C

Amount in Taka

Fixed Deposits Receipt

SL	Bank Name	FDR Number	Deposited Date	Maturity Date	Purchase amount	Interest Rate
1	Mercantile Bank PLC	1410001304361	9-May-24	11-Oct-24	10,735,446.85	9.50%
Total					**10,735,446.85**	

Government Treasury Bond

SL	Name of A/C	BP ID	Cost Value in BDT	Interest Rate	Maturity Date
1	MBL Asset Management Limited	BD0918205255	14,166,585.00	Zero Coupon	6-Jan-25
2	MBL Asset Management Limited	BD0918238256	18,883,300.00	Zero Coupon	4-Dec-24
3	MBL Asset Management Limited	BD0929151050	30,000,000.00	12.30%	9-Oct-29
Total			**63,049,885.00**		

MBL ASSET MANAGEMENT LIMITED

MANAGEMENT FEE FROM MERCANTILE BANK UNIT FUND AND CORPORATE ADVISORY FEE FROM MBL

For the year ended 31 December 2024

Annexure-D

Management Fee from MBUF: As per Bangladesh Securities and Exchange Commission (Mutual Fund) Rule 2001 the Fund shall pay a management fee to the Asset Management Company @ 2.50 percent per annum of the weekly average NAV up to Tk. 5.00 crore and @ 2.00 percent per annum for additional amount of the weekly average NAV up to 25.00 crore over Tk. 5.00 crore and @ 1.50 percent per annum for additional amount of the weekly average NAV up to Tk 50.00 crore over 25.00 crore and @ 1.00 percent per annum for additional amount of the weekly average NAV over Tk. 50.00 crore, accrued and payable semi-annually/quarterly.

Corporate Advisory Services: According to clause 33(10) of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules 2001, Asset Management companies are permitted to offer corporate Advisory Services. MBL Asset Management Company is currently providing Securities Custodian Services on behalf of Mercantile Bank PLC. at a monthly fee of Tk. 3,00,000.00 (Three lac) only for 3 month total Tk. 9,00,000.00 (Nine lac) only.

Calculation of Management Fees:

Date	NAV	Management Fee
28-Jan-23	225,508,598	330,567.50
1-Feb-24	222,222,543	91,280.99
8-Feb-24	221,883,169	91,149.01
15-Feb-24	224,797,270	92,282.27
22-Feb-24	225,740,409	92,649.05
29-Feb-24	226,221,109	92,835.99
7-Mar-24	224,843,221	92,300.14
14-Mar-24	224,244,833	92,067.43
21-Mar-24	223,565,433	91,803.22
28-Mar-24	223,562,960	91,802.26
31-Mar-24	223,238,609	39,289.77
4-Apr-24	223,531,224	52,451.38
9-Apr-24	223,560,040	65,572.23
18-Apr-24	217,215,013	114,857.51
25-Apr-24	216,337,258	88,992.27
2-May-24	212,549,869	87,519.39
9-May-24	215,898,034	88,821.46
16-May-24	216,135,727	88,913.89
23-May-24	216,135,727	88,647.76
30-May-24	214,315,529	88,206.04
6-Jun-24	214,763,878	88,380.40
13-Jun-24	214,441,915	88,255.19
20-Jun-24	214,765,030	88,380.84
27-Jun-24	216,849,113	89,189.32
30-Jun-24	218,421,177	38,486.86
4-Jul-24	218,697,661	51,377.26
11-Jul-24	218,673,075	89,900.64
18-Jul-24	218,738,185	89,925.96
25-Jul-24	218,716,290	89,917.45
1-Aug-24	219,554,483	90,243.41
8-Aug-24	220,237,732	90,509.12
15-Aug-24	225,745,228	92,650.92
22-Aug-24	226,383,224	92,899.03
29-Aug-24	225,172,748	92,428.29
5-Sep-24	226,402,196	92,906.41
12-Sep-24	227,787,963	93,445.32
19-Sep-24	228,170,890	93,594.23
26-Sep-24	228,326,022	93,654.56
30-Sep-24	227,055,816	53,234.63
3-Oct-24	226,965,809	39,910.97
9-Oct-24	225,810,321	79,436.77
17-Oct-24	225,097,752	104,815.00
24-Oct-24	224,588,089	92,200.92
31-Oct-24	223,389,338	91,734.74
7-Nov-24	223,131,264	91,634.38
14-Nov-24	224,909,403	92,325.88
21-Nov-24	227,589,111	93,367.99
28-Nov-24	226,743,185	93,039.02
5-Dec-24	226,879,825	93,092.15
12-Dec-24	227,625,171	93,382.01
19-Dec-24	226,841,276	93,077.16
26-Dec-24	227,934,040	93,502.13
31-Dec-24	227,701,566	67,006.75
Total		**4,779,915.27**

MBL ASSET MANAGEMENT LIMITED

SHAREHOLDING POSITION

For the year ended 31 December 2024

Annexure-E
Amount in Taka

Sl No.	Name of the subscriber	Share Group	No. of subscribed shares	Value per share	Total share value	Payment status
1.00	Mercantile Bank PLC	A	5,600,000	10	56,000,000	Bank Deposit
2.00	Rakim Reza Rousseau	B	400,000	10	4,000,000	Bank Deposit
3.00	Baktier Khan	B	400,000	10	4,000,000	Bank Deposit
4.00	Shamsul Alam	B	400,000	10	4,000,000	Bank Deposit
5.00	Arena Industries Limited	B	400,000	10	4,000,000	Bank Deposit
6.00	Nafisa Saima	B	400,000	10	4,000,000	Bank Deposit
7.00	Shimon Inamori	B	400,000	10	4,000,000	Bank Deposit
8.00	Ahmed Hossain	B	400,000	10	4,000,000	Bank Deposit
9.00	Jahanara Irin	B	400,000	10	4,000,000	Bank Deposit
10.00	Rushaed Ahsan	B	400,000	10	4,000,000	Bank Deposit
11.00	Shahriar Arefin Alam	B	400,000	10	4,000,000	Bank Deposit
12.00	Md. Forhad Hossain	B	400,000	10	4,000,000	Bank Deposit
Total			**10,000,000**		**100,000,000**	

MBL ASSET MANAGEMENT LIMITED

DIVIDEND RECEIVABLE

Annexure-F

For the year ended 31 December 2024

Amount in Taka

Sl No.	Name of the subscriber	Record date	AGM Date	No of Share	Amount of Dividend	Net Dividend (Without Tax)
1	RENATA	21-Oct-24	5-Dec-24	2,419	22,255	17,804
2	JAMUNAOIL	24-Dec-24	8-Feb-25	5,000	75,000	60,000
3	SQUARPHARMA	21-Nov-24	18-Dec-24	18,700	205,700	164,560
4	ACI	17-Nov-24	29-Dec-24	6,500	13,000	10,400
Total					**315,955**	**252,764**

MBL ASSET MANAGEMENT LIMITED

STATEMENT OF TOTAL CAPITAL COMPUTATION

As at 31 December 2024

SL	Components	Amount	Haircut	Haircut Amount	Eligible Amount
1	Paid-up Capital	100,000,000	0%	-	100,000,000
2	Share Premium	-	0%	-	-
3	General Reserve	-	0%	-	-
4	Capital Reserve	-	0%	-	-
5	Retained Earnings	6,263,090	0%	-	6,263,090
	Sum of Core Capital	**106,263,090**		**-**	**106,263,090**
6	General Provision	12,457,206	20%	2,491,441	9,965,764
7	Specific Provision	-	30%	-	-
8	Revaluation Surplus or Unrealized Gain on:				
i	Fixed Assets (Property, Plant & Equipment other than Intangible Assets)	-	30%	-	-
ii	Investment in Listed Securities (At Cost)	-	20%	-	-
iii	Investment in Non-Listed Securities (other than closed end mutual fund)	-	35%	-	-
iv	Investment in Strategic Holding	-	25%	-	-
v	Preference Share	-	25%	-	-
vi	Sunordinated Debt	-		-	-
	Sum of Supplemetary Capital	**12,457,206**		**2,491,441**	**9,965,764**
Total Capital		**118,720,296**		**2,491,441**	**116,228,855**

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Registered number: 07456837

DIRECTORS' REPORT

Annexure - K

The directors present their report and accounts for the period ended 31 December 2024.

Principal activities

The company's principal activity during the year continued to be providing money transfer services.

Directors

The following persons served as directors during the period:

Mohammad Amanullah

A S M Feroz Alam

Md Quamrul Islam Chowdhury

Matiul Hasan

Abul Kalam Azad

Nur Zohirul Islam

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 20 January 2025 and signed on its behalf.

MATIUL HASAN

Director

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

ACCOUNTANTS' REPORT

Report to the directors on the preparation of the unaudited statutory accounts of MERCANTILE EXCHANGE HOUSE (UK) LIMITED for the period ended 31 December 2024

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of MERCANTILE EXCHANGE HOUSE (UK) LIMITED for the period ended 31 December 2024 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at http://rulebook.accaglobal.com/

Our work has been undertaken in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at http://www.accaglobal.com/factsheet163.



Muhit & Co
Chartered Certified Accountants

80A Ashfield Street
Unit-4
London
E1 2BJ

20 January 2025

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

Particulars	2024 £	2023 £
Turnover	414,097	130,677
Cost of sales	(62,721)	(20,978)
Gross profit	351,376	109,699
Staff cost	(135,163)	(101,176)
Depreciation and other amounts written off assets	(5,929)	(6,686)
Other charges	(140,690)	(132,957)
Operating (loss)/profit	69,594	(131,120)
(Loss)/profit before taxation	69,594	(131,120)
Tax on (loss)/profit	-	-
(Loss)/profit for the financial year	69,594	(131,120)

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Registered number: 07456837

BALANCE SHEET

As at 31 December 2024

Particulars	Notes		31/12/24 £		30/9/24 £
Fixed assets					
Tangible assets	3		36,315		36,443
Current assets	4	78,938		78,938	
Debtors		97,337		32,494	
Cash at bank		19,622		42,480	
Cash in hand		195,897		153,912	
Creditors: amounts falling due					
within one year	5	(254,806)		(332,741)	
Net current liabilities			(58,909)		(178,829)
Net liabilities			(22,594)		(142,386)
Capital and reserves					
Called up share capital			340,000		340,000
Profit and loss account			(362,594)		(482,386)
Shareholders' funds			(22,594)		(142,386)

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.



MATIUL HASAN
Director

Approved by the board on 20 January 2025

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

Particulars	Share capital £	Share premium £	Re- valuation reserve £	Profit and loss account £	Total £
At 1 January 2023	340,000	-	-	(301,069)	38,931
Loss for the financial year				(131,120)	(131,120)
At 31 December 2023	**340,000**	**-**	**-**	**(432,189**	**(92,189)**
At 1 January 2024	340,000	-	-	(432,189)	(92,189)
Profit for the financial year				69,594	69,594
At 31 December 2024	**340,000**	**-**	**-**	**(362,595)**	**(22,595)**

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

NOTES TO THE ACCOUNTS

As at and for the year ended 31 December 2024

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 5 years
Fixtures, fittings, tools and equipment	over 5 years

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

NOTES TO THE ACCOUNTS

As at and for the year ended 31 December 2024

Particulars		2024 Number	2023 Number
2 Employees			
Average number of persons employed by the company		5	5
	Land and buildings	**Fixtures fittings & equipment**	**Total**
	£	**£**	**£**
3 Tangible fixed assets			
Cost			
At 1 January 2024 4,098	4,098	79,289	83,387
Charge for the year	8,500	2,903	11,403
At 31 December 2024 12,598	12,598	82,192	94,790
Depreciation			
At 1 January 2024	-	52,545	52,545
Charge for the year	-	5,929	5,929
At 31 December 2024	-	58,474	58,474
Net book value			
At 31 December 2024	12,598	23,717	36,315
At 31 December 2023	4,098	26,744	30,842

4 Debtors	**2024**	**2023**
	£	**£**
Trade debtors (Mercantile exchange UK)	23,864	23,864
Prepayments-Rent deposit	12,500	12,500
Other debtors-USI Commission	9,675	9,675
Sub-tenant rent due	32,899	34,806
Balanch in Banks	116,959	24,164
	195,897	105,009

5 Creditors: amounts falling due within one year		
Dhaka Mercantile bank balance	-	88,801
Mercantile bank Bangladesh waiting fund from USI	247,073	114,686
PAYE, NI & Pension	1,618	3,378
Clear junction a/c	6,116	-
Sub-tenants seceurity deposit	-	1,907
	254,806	208,772

6 Other information

MERCANTILE EXCHANGE HOUSE (UK) LIMITED is a private company limited by shares andincorporated in England. Its registered office is:

108 Whitechapel RoadLondon
E1 1JD

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

This schedule does not form part of the statutory accounts

Particulars	2024 £	2023 £
Sales	414,098	130,677
Cost of sales	(62,722)	(20,978)
Gross profit	351,376	109,699
Administrative expenses	(281,782)	(240,819)
Other operating income	-	-
Operating (loss)/profit	69,594	(131,120)
(Loss)/profit before tax	69,594	(131,120)

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

This schedule does not form part of the statutory accounts

Particulars	2024 £	2023 £
Sales		
ATM Commissions	191	308
Exchange Gains through USI money	117,834	41,304
Other operating income	8,007	-
Realised by Mercantile Bank BD	142,386	-
Rental Income	7,000	-
USI Commission	138,679	89,065
	414,097	130,677
Cost of sales		
Bank Handling charges	5,854	-
Commission-Worldpay	9,071	-
G4S Cash handling charge	21,308	-
USI money proton fee	26,488	20,978
	62,721	20,978
Administrative expenses		
Employee costs:		
Wages and salaries	126,131	89,928
Pensions	2,635	1,737
Employer's NI	3,039	2,012
Staff training and welfare	441	4,930
Travel and subsistence	2,917	2,190
Meeting expenses	-	380
	135,163	101,177
Premises costs:		
Rent	88,371	74,000
Rates	7,111	7,423
Water bill	1,163	982
Light and heat	11,052	11,612
Cleaning	414	1,180
	108,111	95,197
General administrative expenses:		
Telephone and internet	1,081	996
Postage, stationery and printing	1,644	1,648
Fees & Subscription	-	924
Link fx fees	6,000	-
Bank charge	799	-
LEI registration fees	-	195
Exchange differences & charges	-	280
Insurance-Vault	2,558	2,002
Security cost	-	1,704
Software	112	517
Repairs and maintenance	4,406	30
Waste remove	560	-
Equipment expenses	120	-
Depreciation	5,929	6,686
	23,209	14,982

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

This schedule does not form part of the statutory accounts

Particulars	2024 £	2023 £
Accountancy fees	4,320	4,290
Solicitors fees (Provided by Mercantile Ex.)	7,449	7,904
Council penalty	-	400
Consultancy fees-Go compliance	1,000	6,030
HMRC supervision application fee	-	300
HMRC/FCA updating	980	-
Advertising (website)	210	355
Marketing expenses	-	2,084
Operating account application fee	-	4,000
Other legal and professional	1,340	4,100
	15,299	29,463
	281,782	**240,819**

সকল রেমিট্যান্স যোদ্ধার

অক্লান্ত শ্রম ও ত্যাগের বিনিময়েই

আজকের নতুন বাংলাদেশ

বীর রেমিট্যান্স যোদ্ধাদের প্রতি আমাদের শ্রদ্ধা ও কৃতজ্ঞতা

মার্কেন্টাইল ব্যাংক সর্বোচ্চ রেমিট্যান্স সেবা নিয়ে সর্বদা আপনার পাশে



বাংলার ব্যাংক

আধুনিকতায় নিরাপদ ব্যাংকিং

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

১৬২২৫
www.mblbd.com

SUPPLEM
INFORMA

This section offers additional resources and official documentation to complement the contents of this report. These materials provide important reference points for stakeholders, shareholders, and regulatory bodies.

MENTARY
ATION

BRANCH NETWORK

DHAKA REGION

ABDULLAHPUR BRANCH
Tozumuddin Plaza, Kalakandi Abdullahpur Bus stand,
South Keraniganj, Dhaka.
Mobile: 01711142976
IP; 09678142191 Ext.191101
HOB: Md. Sana Ullah, FVP

AFTAB NAGAR BRANCH
Power Grid Bangladesh PLC
Head Office (1st Floor), Jahurul Islam City,
Avenue-3 DNCC, Aftab Nagar,
Badda, Dhaka-1212.
IP: 09678142344, Ext. 101
Mobile: +88-01713-048869
HOB: Md. Mamunur Rashid, AVP

AGANAGAR BRANCH
Choto Masjid Road (Ispahani), Aganagar,
South Keranigonj, Dhaka-1310
IP:09678142158
Mobile: 01730-340794;
88-02-7763658, 88-02-7763657 Ext.101,
HOB: Md. Shamsul Alam Siddique, FVP

ARAMBAG BRANCH
190 Inner Circular Road Motijheel,
Dhaka-1000
IP: 09678142343, Ext. 101
Mobile: +88-01713-013799
HOB: A K M . Giasuddin Majumder, AVP

ASAD GATE BRANCH
Dream by Icon, Holding # 2/4 ,Block-A
Mohammadpur Housing Estate Mirpur Road,
Dhaka-1207
Phone: 0241022459-60, Ext. 101
Mobile: 01708-454399
IP; 09678142314
HOB: Farhana Hosain, VP

ASHULIA BRANCH
Abid Shopping Complex
Jamgora, Ashulia, Savar, Dhaka
IP: 09678142115 Ext. 101
Mobile: +88-01711-535948
HOB: Md. Mizanur Rahman, FVP

ATIBAZAR BRANCH
Haji Edu Market, Ati Bazar, Shakta,
Keraniganj, Dhaka.
IP: 09678142187
Mobile: 01755-632916
HOB: Md. Abu Nasir Shofiur Rahman
Bhuiyan, AVP

BAIPAIL BRANCH
Zahir Plaza, Baipail
North Gazirchat, Shanirvar,
Dhamsona Union, Ashulia, Savar, Dhaka
Phone: 09678142309 Ext. 101
Mobile: 01709 652410,
HOB: Md. Hasan Towfiqul Arif, AVP

BANANI BRANCH
Banani DNCC Unique Complex,
Holding # 44, Kemal Ataturk Avenue,
Ward # 19, Dhaka North City Corporation,
Thana: Banani, District: Dhaka-1213.
IP: 09678142106, 02-222275639,
02-222275640, Mobile: HOB: 01711535954,
HOB: Muhammad Saiful Karim, VP

BARODI BAZAR BRANCH
Barodi Plaza, Mouza & Union - Barodi,
Sonargaon, Narayanganj
Phone: 09678142337, Ext. 337101,
Mobile: 01713-013782
HOB: Md. Ahaduzzaman, FAVP

BHEDARGANJ BRANCH
192, High School Road Bhedarganj,
Shariatpur
IP: 09678142345
Mobile: +88-01713-048879
HOB: Muhammad Israfil Khan, FAVP

BHOJESHWAR BAZAR BRANCH
Khan Tower (1st floor), South Matha
Bhojeshwar Bazar, Naria, Shariatpur
IP: 09678142138 Ext. 101
Mobile: 01713-384497
HOB: Md. Ashraful Islam, PO

BHULTA BRANCH
Haji A. Aziz Super Market Bhulta,
Rupganj, Narayanganj
Phone: 09678142184, Ext.101
Mobile: 01755-637389
HOB: Md. Abul Hasan Khan, AVP

BIJOYNAGAR BRANCH
Akram Centre, Purana Paltan (old)
212 S.S. Nazrul Islam Sarani (New)
Dhaka – 1000.
Phone: 88-02-223353435, 47118741-42,
Mob; 01335088141
Ext. 101, IP: 09678142133
HOB: A T M Monjurul Karim, SVP

BOARD BAZAR BRANCH
Mansur Super Market (1st & 2nd Floor)
Board Bazar, Gazipur
Phone: 09678142110, Ext. 101
Mobile: 01713-044846
HOB: Md. Ibrahim Hossain Bhuiyan, AVP

DAMUDDYA BRANCH
Synthia Plaza, 318 Main Road, Damudya Bazar, Damudya, Shariatpur
Phone: 09678142166 Ext. 101
Mobile: 01755-533146
HOB: Monjour Ahmed, PO

DARUS SALAM ROAD BRANCH
Holding-2/A, Darus Salam Road, Mirpur-1, Dhaka-1216
Phone: +88-02-8035529 (Ext-101), +88-02-48035564, 58055189
IP: 09678142144 (Ext-101)
Mobile: 01730-328681
HOB: Paritosh Kumar Dhar, FVP

DEMRA SME/KRISHI BRANCH
Matuail New Market Bhaban, Konapara, Demra, Dhaka
Phone: 02-223309466, 02-223309433, 02-223309030 (PABX-101), IP: 09678142156
Mobile No.01730 340795
HOB: Md. Mehboob Hossain Khan, FVP

DHANMONDI BRANCH
Sima Blossom, House- 03, Road- 16 (New), 27 (Old) Dhanmondi R/A, Dhaka -1209
Phone : 02-58153584, Ext. 101
Mobile : 01713-199827
HOB: Md. Humayun Kabir, SVP

DHOLAIKHAL BRANCH
72, Lalmohon Shaha Street, Dholaikhal, Dhaka-1100
IP: 09678142159 Ext-101
Mobile: 01730 709985
HOB: Mohammad Salah Uddin, VP

DONIA BRANCH
661, Donia Road,
Purba Dholaipar Jatrabari, Dhaka
Phone: 02-7540036, 7540031, 7540038, 09678142305, Ext. 101
Mobile: 01730-377232
HOB: Muhammad Abdul Kader, AVP

ELEPHANT ROAD BRANCH
Osman Plaza, 75 Elephant Road, Dhaka-1205
Phone: 02-9614542, 02-9614541, 9677364 Ext. 101, Mobile: 01703-369355
IP: 09678142118 (Ext-101)
HOB: Pratap Kumar Deshmukhy, SVP

ENGINEERS' INSTITUTION BRANCH
IEB Bhaban,
8/A, Ramna, Dhaka-1000
Phone: 02-47110651,
IP: 09678142142, Ext. 101
HOB: Syed Ezazur Rahman, VP

GAREEB-E-NEWAZ AVENUE BRANCH
22, Gareeb-E-Newaz Avenue, Sector# 13, Uttara, Dhaka.
Phone: 02-48964444, Ext. 101
IP; 09678142306, Mobile: 01709-633757
HOB: Mirza Yahia Uddin Ahmed, VP

GAZIPUR CHOWRASTA BRANCH
Shah Jilani Tower, Holding # 34
Tangail Road, Gazipur Chowrasta, Gazipur Sadar, Gazipur
Phone: 02-49261245, 49261243,
IP; 09678142307 Ext. 101
Mobile: 01709-633758
HOB: Muhammad Lutful Haider, FVP

GORAI BRANCH
S. M. Mansion, Hatuvanga Road,
Gorai, Mirzapur, Tangail
Phone: 01708-454393
HOB: Kishor Ray, AVP

GOSHAIRHAT BRANCH
Hazi Super Market Mitrasen potti
Goshairhat, Shariatpur
Phone: 09678142319, Ext. 101
Mobile: 01708-454392
HOB: Younus Miah, PO

GOURIPUR BRANCH
Razu Plaza, Gouripur, Ashulia, Savar, Dhaka
IP: 09678142323
Mobile: 01708-454394
HOB: Md. Mahmudul Bashar, FVP

GREEN ROAD BRANCH
151/6, Gazi Tower, Green Road, Dhaka.
Phone: 222246218(D) 48120754, 48120743, Ext. 101
Mobile: 01730-013453
HOB: Md. Mahfuzul Karim, VP

GULSHAN BRANCH
Hosna Center, (1st floor), House no. 106
Gulshan Avenue, Gulshan, Dhaka-1212
Phone: 02-55068969, 55068965-66, Ext. 101
HOB: Farid Ahmed , EVP

HEMAYETPUR BRANCH
Madany Super Market, Holding No. 46
Hemayetpur, Savar, Dhaka-1340
Phone: 02-44065050, IP: 09678142130
Mobile: 01713-452995
HOB: Mohammed Samaun Mollah, FAVP

IMAMGANJ BRANCH
Mohammad Hossain Complex,
3 Moulovibazar, Chawkbazar,Dhaka-1211
Phone: 02-57312943, 57312821, 57312970, Ext. 101, IP; 09678142169
Mobile: 01755-533142
HOB: Abu Saleh Md. Ibrahim, FVP

INTERNATIONAL AIRPORT ROAD BRANCH
Gulbahar Center, Holding # 47/2
Int'l Airport Road, Amtali,
Mahakhali, Dhaka-1212
IP; 09678142186
Mobile: 01755-532810
HOB: Md. Akram Hossain, FVP

ISLAMIC BANKING BRANCH
Monir Mansion (1st Floor) 18, Dilkusha C/A, Dhaka-1000
IP: 09678142205-101
Mobile: 01755-596126
HOB : Mohammad Golam Kibria, EVP

JHITKA BAZAR BRANCH
City Plaza, Jhitka Bazar, Harirampur, Manikgonj
Phone: 02-7729192, Ext. 101
IP: 09678142198, Ext. 198101
Mob: 01713-369357
HOB: Bikash Kumar Biswas, AVP

JOYPARA BRANCH
K P Plaza, Holding No.- 411,
Joypara Bazar, Main Road,
Ward No. 01, Pourashava: Dohar,
Thana: Dohar, Dist.: Dhaka
Phone: 09678142105, Ext. 105101
Mobile: 01711-535949
HOB: Sheikh Shahjahan , FVP

KAWRAN BAZAR BRANCH
Dhaka Trade Centre
99 Kazi Nazrul Islam Avenue,
Kawran Bazar, Dhaka- 1215
Phone: 02-55011690,
IP: 09678142103 Ext.101
Mobile: 01730 320284
HOB: Mizanur Rahman, SVP

KISHOREGANJ BRANCH
573, M M Shopping Complex Gouranga Bazar, Kishoreganj
IP: 09678142178, Ext. 101
Mobile: 01755 637381
HOB: Md. Atiqur Rahman, AVP

KONABARI BRANCH
Motiur Rahman Plaza, Konabari Bus Stand
Konabari, Joydevpur, Gazipur
IP: 09678142128, Ext. 101
Mobile: 01777 764999
HOB: Shampad Kumar Chanda, AVP

MADANPUR BRANCH
Akota Somabay Super Market Madanpur,
Bandar, Narayanganj.
Phone: 09678142193 Ext-101
Mobile: 01777-759525
HOB: Md. Bashir Ahmed, AVP

MADARIPUR BRANCH
137 & 138/1, Monohar Putti,
Puran Bazar, Sadar Thana, Madaripur
Phone: 02478810885, 02478810898,
Mobile: 01709-652413
IP: 09678142311
HOB: Md. Zakir Hossain, FAVP

MAIN BRANCH
Mia Amanullah Bhaban,
63 Dilkusha C/A, Dhaka-1000
PABX: 02-223382295,
02-223382958 Ext. 107
Mobile: 01709-639924
HOB: Md. Abdul Awal, SEVP

MANIKGANJ BRANCH
City Center, Holding#16, Manikganj Bus Stand, Dhaka-Aricha Mahasarak, Manikganj.
Phone: 02996610329, 02996610370
Ext. 101
Mobile: 01701-209786
HOB: Ardhendu Sen, AVP

MIRPUR BRANCH
Razia Plaza, 184 Senpara Parbata Begum Rokeya Sarani
Mirpur-10, Dhaka- 1216
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Mobile: 01730-318186
HOB: Mohammad Khabir Hossain, VP

MOGHBAZAR BRANCH
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HOB: Lopita Mannan, SVP

MOHAKHALI BRANCH
Green Delta Aims Tower
51-52 Mohakhali C/ A, Dhaka-1212
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02222288346 Ext. 101, 02222263215 (D)
Mobile: 01312 782155
HOB: Md. Jamal Hossain, SEVP

MOLLARHAT BRANCH
Ali Mia Molla Super Market, Mollarhat,
Charkumaria, Shakhipur, Shariatpur,
Phone: 09678142355, Mobile: 01755596125
Md. Hashibul Mukit, PO

MOTIJHEEL BRANCH
Malek Mansion
128 Motijheel C/A, Dhaka-1000
Phone: 02223381178, 02223356987
Ext. 101, IP: 09678142119 EX.101
HOB: Md. Fakhruzzaman Chowdhury, EVP

MYMENSINGH BRANCH
Momen Tower
65 Choto Bazar, Mymensingh
IP: 09678142157, Ext. 101
Mobile: 01730-340791
HOB: Mohd. Zulfikar Haider, FVP

NARAYANGANJ BRANCH
H R Plaza, 64 (Old),
90 (New) Bangabandhu Road, Narayanganj
Phone :02-224438242
IP: 09678142150 Ext.101
Mobile: 01713-199875
HOB: Farid Uddin Ahmed Bhuiyan, SVP

NAWABGANJ BRANCH
Sajeda Complex, Vill- Kashimpur, Union - Kolakopa, Upazila: Nawabganj, Dhaka.
Phone: 09678142334, Ext-101
Mobile: 01713-013777
HOB: S.M. Mahiuddin, AVP

NAWABPUR ROAD BRANCH
NBC Tower,
24-25, Nawabpur Road, Wari, Dhaka
Phone: 02223352829, 02223352833,
Ext. 101 Mobile: 01755-632917
HOB: Mohammad Shafruzzaman Khan, VP

NAYABAZAR BRANCH
Holing: 25/1, Road: Zinda Bahar (1st Lane)
Nayabazar, PS: Kotwali, Dhaka-1100
Phone: 02- 226657492, 02-226657493
Ext. 101, IP; 09678142111
Mobile: 01711-535956
HOB: Mohammad Nuruzzaman Chowdhury, VP

NETROKONA BRANCH
A Rashid Market, Holding # 0703-00,
Mukterpara Sarak, Netrokona.
Phone: 02-996652080 Ext-101
Mobile: 01701-209780,
HOB: Md. Rabiul Karim, FAVP

NIKUNJA BRANCH
DSE Tower (Level 1), Holding # 46, Kobi Faruque Sarani, Road # 21,
Ward # 17,Nikunja-2, Khilkhet, Dhaka-1229
IP: 09678142354 Ext-101
Mobile: 01713044838
HOB: A.K.M. Hossainuzzaman, AVP

PRAGATI SARANI BRANCH
Green Orlando, 42/4 Pragati Sarani
Baridhara, Dhaka-1212
PABX: 02-8411502-503, 02-8411501(D)
Mobile: 01730303558
IP: 09678142147 Ext- 101
HOB: Partha Sarkar, VP

RAJBARI BRANCH
Khorshed Plaza, Holding - 240, College Road, Rajbari Municipality, Rajbari
IP: 09678142340, Ext-101
Mobile: 01713-013797
HOB: Md. Ishrakuzzaman, FAVP

RAMPURA BRANCH
Ujjal Tower, 362 East Rampura, DIT Road,
Rampura, Dhaka-1219
Phone: 02-8333703, Ext-101
Mobile: 01709-639920
IP: 09678142172 Ext-101
HOB: Md. Showkat Hossain, FVP

RING ROAD BRANCH
Choice A J Golden Tower,
2/1 Ring Road, Shyamoli, Dhaka-1207
Phone: 48120896, 9103329,
48116765 Ext-101
Mobile: 01730-373896
IP: 09678142165
HOB: A.K.M Saifuddin Masuk, VP

SATMASJID ROAD BRANCH
MBPLC Center, Holding # 82/A,
Road No. 08/A, Satmasjid Road,
Dhanmondi R/A, Dhaka,
Phone: 02-58152729, 02-58153553,
IP: 09678142123, Ext-101
Mobile: 01713039792
HOB: Md. Aliullah, SVP

SAKHIPUR BRANCH
Sikder Plaza (1st Floor), Kochua Road,
Sakhipur Bazar, Sakhipur, Tangail
Phone: 02997755752
IP: 09678142185, Ext. 101
Mobile: 01755-587439
HOB: Shah Md. Mizanur Rahman, FVP

SHARIATPUR BRANCH
845, Italy Plaza, Shariatpur Sadar Road,
Palong, Shariatpur
Phone: 09678142346, Ext. 101
Mobile: +88-01713-048886
HOB: Moniruzzaman Khan, AVP

SHIMRAIL BRANCH
S. M. Tower Holding No: B-11/1
Siddirganj, Narayangonj
Phone: 02-7691562-3,
IP: 09678142318, Ext-101
Mobile: 01708-454391
HOB: Md. Mesbaul Faruq, FAVP

TEJGAON GULSHAN LINK ROAD BRANCH
Impetus Center, Holding # 242/B,
Bir Uttam Mir Shawkat Ali Road
(Tejgaon Gulshan Link Road),
Tejgaon Industrial Area, Dhaka.
Phone: 09678142327, Ext. 101,
Mobile: 01701-209784
HOB: Al Mansur, VP

UTTARA BRANCH
House- 10/A, Road- 7/D, Sector- 9,
Uttara Model Town, Uttara, Dhaka -1230
Phone: 8931729, 48958177, Ext-101
Mobile: +88-01787-681253
HOB:Muhammad Amir Hossain Sarker,EVP.

VELANAGAR BRANCH
Khadiza Mansion, Jailkhana Moor,
Velanagar, Narsingdi.
Phone: 02-9452497 Ext-101
IP: 09678142190 Ext-101
Mobile: +88-01713-279558
HOB: Md. Mahbubur Rahman, FVP

CHATTOGRAM REGION

A K KHAN MOOR BRANCH
827, Anjuman Tower, Zakir Hossain Road, A K
Khan Moor, Chattogram
IP: 09678142175,
Ext-101, Mobile: 01755-533140
HOB: Nizam Uddin Md. Mamun, AVP

ACCESS ROAD BRANCH
Amin Tower, Holding # 601/722 Agrabad
Access Road, Hali Sahar, Chattogram.
Mobile: 01701-209787
IP: 09678142332,
HOB: M.M. Fazle Rabbee, FAVP

AGRABAD BRANCH
Mishkat Arcade, 21/1 Agrabad C/A,
Double Morring, Chattogram
Phone: 02333321772, 02333316421
IP: 09678142104 Ext-101
Mobile: 01714 473000
HOB: Mohammad Nizamul Hoque, SVP

BARAIYARHAT BRANCH
5, Feroza Saleha Center
Asian Highway (Shantirhat Road)
Baraiyarhat Paurashava
P.S: Jorarganj, Mirsharai Chattogram
IP: 09678142312 Ext-101
Mobile: 01709652417,
HOB: Md. Nizam Uddin, PO

CHATTOGRAM EPZ BRANCH
S. A. Tower, Airport Road,
Mailer Matha, South Halishahar,
Bandar, Chattogram
IP: 09678142148, Ext. 101
Mobile : 01730-318185
HOB: Anupam Kumar Paul, VP

JHILONGJA BRANCH
Hotel Sea Palace Ltd.
Kalatoli Road, Cox's Bazar
IP: 09678142124, Ext. 101
Mobile: 01713-103662
HOB: Md. Rezaul Hoque, FAVP

JUBILEE ROAD BRANCH
Kamal Chamber (2nd Floor)
61 Jubilee Road, Kotwali, Chattogram
IP: 09678142117 Ext. 101
Mobile: 01711-724874
HOB: Moynul Qasem Chowdhury, VP

KHATUNGANJ BRANCH
599 Ramjoy Mohajan Lane Khatunganj,
Chattogram
IP: 09678142112, 02-333356102
Mobile: 01711-723051
HOB: Sardar Mohammad Zobayar, VP

KHULSHI BRANCH
Salam Heights
71/B/9/382 Zakir Hossain Road,
South Khulshi, Chattogram.
IP: 09678142194
Mobile: 01787-681259
HOB: Md. Faruk, AVP

MADAMBIBIR HAT BRANCH
S.A. Tower, Madambibir Hat, Bhatiary,
Sitakunda, Chattogram
IP: 09678142120 Ext-120101
Mobile: +88-01730-076127
HOB: A K M Mohiuddin Mamun, AVP

O R NIZAM ROAD BRANCH
191, CDA Avenue Commercial View Complex,
East Nasirabad, Chattogram
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IP: 09678142125, Ext. 101
Mobile: 01713-103663
HOB: Ferdous Rayhan Miaji, FAVP

PATHERHAT BRANCH
S M Shopping Center,
Pather Hat, Noapara, Raozan, Chattogram
IP: 09678142182, Ext. 101
Mobile: 01755-637384
HOB: Masrur Hasan, AVP

PATIYA SME/KRISHI BRANCH
Rahman Mansion 1284/1 Club Road,
Patiya, Chattogram
IP ; 09678142153
Mobile: 01730-320813
HOB: Ranjit Bahadur Roy, AVP

RANGAMATI BRANCH
Hotel Green Castle, 1 Pathor Ghata,
Reserve Bazar, Rangamati-4500
IP: 09678142160, 0351-61267-68
Mobile: 01730-709986
HOB: Shyamal Kanti Barua, FAVP

SADARGHAT BRANCH
Humayun Heights, 70, Sadarghat Road,
Sadarghat, Chattogram
Phone: 02-333353290, 02-333353291,
02-333353292
Mobile: 01708-454397
HOB: Debjani Das, AVP

SHEIKH MUJIB ROAD BRANCH
304, Sheikh Mujib Road, Chattogram
Phone: 02333314236,
02333324126-7, Ext. 101,
Mobile: 01708-494135
IP: 09678142141
HOB: Mr. Mohammad Nazmul Hasan, AVP

CUMILLA - NOAKHALI REGION

AMISHAPARA SME/KRISHI BRANCH
Mosarraf Plaza, Moddho Bazar, Amishapara
Sonaimuri, Noakhali Phone: 01730-320812,
IP: 09678142152 Ext. 101
HOB: Mohammed Jahir Uddin, FVP

ASHUGANJ BRANCH
Aziz Plaza (1st & 2nd Floor), West Bazar,
Char Chartola, Ashuganj, Brahmanbaria.
Phone: 08528-74592, Ext. 101
Mobile: 01755-533145
HOB: Syed Ahsanul Haque Nury, AVP

BANGLABAZAR BRANCH
Baroichatal, Banglabazar,
Begumganj, Noakhali.
IP; 09678142161
Mobile: 01730-709987
HOB: Mohammad Zia Uddin, AVP

BOZRA BAZAR BRANCH
Babul Shopping Complex, Islamgonj Bazar,
Bozra, Sonaimuri, Noakhali.
Phone: 0321-51376,
IP; 09678142304 Ext.101
Mobile: 01713-369358,
HOB: Alamgir Kabir, SEO

CHANDINA BRANCH
Alhaj Abdul Hamid Member Market, Thana
Road, Chandina, Cumilla.
IP: 09678142347
Mobile : 01713-048874
HOB: Mohammad Nasir Uddin, FAVP

CHANDPUR BRANCH
285,Techno Hannan Complex,
Hazi Mohasin Road, Sadar, Chandpur.
Phone: +88 0233 4486511-2
Mobile: 01713-369354
HOB: Md. Monir Hossain Khan, FVP

CHANDRAGONJ BRANCH
Matrichaya Bhaban, Vill- Deopara,
Afzal Road, Chandragonj Union Parishad,
Chandragonj, Lakshmipur.
Phone: 02-334443096, 02-334443097
Mobile: 01701-209781
HOB: Nizam Uddin, PO

CHHAGALNAIYA BRANCH
Sofura Arcade, 1340/1341, College Road,
Chhagalnaiya Municipality, Feni.
IP: 09678142341, Ext-341101
Mobile:01713-013792
HOB: Md. Bahar Uddin, PO

CHITOSHI BAZAR BRANCH
Rokeya Super Market, Chitoshi, Chitoshi
Purbo Union Parisad, Shahrasti, Chandpur.
IP: 09678142328
Mobile: 01701-209782
HOB: Mamun Or Rashid, SEO

CHOWMUHANI BRANCH
Morshed Alam Complex (2nd Floor),
Railgate, Chowmuhani,
Begumganj, Noakhali
Phone: 02-334492966, 02-334492960
Mobile: 01713-036991
HOB: Mahbub Jamil, VP

CUMILLA BRANCH
1042/945 Jhawtala, Comilla.
Phone: 02-334405275 & 02-334405276
IP: 09678142139
Mobile: 01713-384498,
HOB: Md Zahidul Alam Chowdhury, FVP

DAGONBHUIYAN BRANCH
Mizan Tower, 273, Basurhat Road
Dagonbhuiyan, Feni
Phone: 02-334475770, 02-334475605,
Ext.101
Mobile: 01730-328684
HOB: Monirozzaman, PO

FARIDGANJ BRANCH
Saima Abdullah Plaza
Chandra Road, Faridganj Bazar, Chandpur
Phone: 08422-66377, 09678142149,
Ext. 101, Mobile: 01730-318187
HOB: Md. Murad Hossain Chowdhury, AVP

FENI BRANCH
Kazi Plaza,
105, S. S. Kaiser Road Feni Sadar, Feni
Phone: 02-334473558, 02-334473559
IP: +8809678142131, Ext: 101
Mobile: 01713-452994,
HOB: Md. Shahadat Hossain, FVP

HAJIGANJ BRANCH
Canada Tower
Chadpur-Cumilla Highway Road,
Haziganj, Chadpur
IP: 09678142348, Ext-101
Mobile: +88-01713-048876
HOB: Mohammad Shahidul Alam, PO

KABIRHAT BRANCH
Fuad Centre, Holding - 37, Hospital Road,
Kabirhat Municipality, Noakhali
IP: 09678142336
Mobile: 01713-013790
HOB : Mohammad Sharfuddin, PO

KANKIRHAT BRANCH
R. K. Chowdhury Shopping Complex
Kankirhat, Senbag, Noakhali
Mobile: 01708-454390
HOB: A S M Mohi Uddin, PO

KORAIS MUNSHI BAZAR BRANCH
Mamun Super Market
Korais Munshi Bazar, Somaspur
Dagonbhuiyan, Feni
Phone: 01787-681254, Ext. 101
Mobile: 01787-681252
HOB: Mohammad Lokman Hossain, FAVP

LAKSHMIPUR BRANCH
R B Tower, Thana Road, Lakshmipur Sadar,
Lakshmipur
Phone: 02-334441389, 02-334441390
Ext. 101, Mobile: 01713-369352
HOB: Abul Hasnat Muhammad Zaber, FAVP

MAIJDEE COURT BRANCH
Honey Dew Point, 10 Abdul Malek Ukil
Sarak, Maijdee Court, Noakhali
Phone: 0321-71710, 71711 Ext. 101
Mobile: 01730-709983
IP; 09678142164
HOB: Rajon Saha, AVP

MANDARI BAZAR BRANCH
Kamalur Rahim Super Market, Mandari
Bazar, Chandragonj, Laxmipur
IP: 09678142321, Ext. 101
Mobile: 01708-454396
HOB: Mohammad Zahirul Islam, FAVP

MUNSHIRHAT BRANCH
Patwary Tower, Main Road,
Old Munshirhat, Fulgazi, Feni.
Mobile: 01701-209789
IP: 09678142333, Ext-101
HOB: Md. Ziaul Karim, FAVP

RAHIMANAGAR BRANCH
Shahjalal Shopping Complex North Union
Parishad, Kochua, Chandpur
IP: 09678142349 Ext-101
Mobile: 01713-048904
HOB: Mohammad Shafiqul Islam, PO

RAJNAGAR SME/KRISHI BRANCH
Balua Chowmuhani, Dhalia, Rajnagar,
Feni Sadar, Feni.
Phone: 0331-73782-3, Ext-101
Mobile: 01730-340793
HOB: Zia Uddin Ahmed, PO

SAMIR MUNSHIR HAT BRANCH
Patowary Market, Samir Munshir Hat,
6 No. Kabilpur Union Senbug, Noakhali
Mobile: 01709-652415, 01709-633759
HOB: Nizam Uddin, FAVP

SENBAG BRANCH
DK Plaza, Upazila Road Senbag, Noakhali
IP: 09678142350, Ext.-101
Mobile: 01713-048870
HOB: Mohammad Zahir Alam, PO

SUAGANJ BAZAR BRANCH
Noor Mansion Puratan Road,
Suaganj Bazar, Cumilla
IP: 09678142310 Ext. 101
Mobile: 01709-652411
HOB: Mansur Ahmed Mazumder, FAVP

SUBARNACHAR BRANCH
Haris Chowdhury Bazar
West Char Jubili, PO+PS: Char Jabbar
Subarnachar, Noakhali.
Mobile: 01709-652412, 01709- 652418
HOB: Nizam Uddin, PO

UDOY SHADUR HAT BRANCH
Malek Bhaban,Ramanandi, Union-1 No.
Charmatua, Sadar, Noakhali.
Phone: 01701-209783,
IP: 09678142325, Ext-101
Mobile: 01708-490258
HOB: Bahar Uddin, PO

NORTH BENGAL REGION

BOGURA BRANCH
Borogola, Tinpotti, Bogura Sadar, Bogura
Phone: 051-69840,
IP: 09678142126, Ex. 101
Mobile: 01713-044835
HOB: Abdullah Al Mahmood, VP

CHAPAINAWABGANJ BRANCH
65-67 Jhilim Road (1st & 2nd Floor) Boro Indara More Chapainawabganj Sadar, Chapainawabganj.
Phone: 88-0781- 51719, 51720,
IP; 09678142162 Ext. 101
Mobile: 01730-709982
HOB: Md. Hazrat Ali, VP

DEBIGANJ BRANCH
Holding no. 1892, Haque Plaza, Debiganj, Panchagarh .
Phone: 05654-56151, Ext-101
IP: 09678142174, Ext-101
Mobile: 01755-533147
HOB: Sarwar Md. Mahbub Murshed, AVP

DINAJPUR BRANCH
Dinajpur Plaza, Goneshtola Dinajpur Sadar, Dinajpur
Phone: 02589922217-8, Ext. 101,
IP: 09678142145 (Ext-101)
Mobile: 01730-328682
HOB: Md. Monjur Hossain, FVP

GOBINDAGANJ BRANCH
Anowara Super Market, Gobindaganj, Gaibandha
Phone: 05423-75387,75083 Ext. 101,
IP: 09678142183, Ext-101
Mobile: 01755-637387
HOB: Aurup Ratan Roy, FAVP

ISHWARDI BRANCH
Center Point, Holding# 283/257, Pabna-Ishwardi Main Road, Ishwardi, Pabna
Phone: 02-588847767
Mobile: 01701-209788
HOB: Md. Toufiqul Islam, FAVP

KALAI BRANCH
Samad Talukder Shopping complex Holding-0048/01, Joypurhat Mokamtola C&B Road, Kalai Municipality, Joypurhat.
IP: 09678142342, Ext-342101
Mobile: 01713-013794
HOB: Md. Monowar Hossain, FAVP

LALMONIRHAT BRANCH
Shahan Shopping Complex Holding No: 0369-00, Puran Bazar Lalmonirhat Sadar, Lalmonirhat
Phone: 02-589986720-21 Ext-101
Mobile : 01708-454395
HOB: Md. Nurul Islam Sarker, FAVP

NAOGAON BRANCH
J.R. Super Market, Old Bus Stand, Main Road, Chakdev, Naogaon
Phone: 025888-83331 (HOB),
IP: 09678142108 Ext-101
Mobile: 01711-419057
HOB: Md. Alauddin, VP

NATORE BRANCH
Julekha Complex, Holding No.81, Dhaka Road, Alaipur, Natore Sadar, Natore
Phone: 077161743, 61740, Ext. 101
Mobile: 01708-454398
HOB: H. M. A Razzaque, AVP

NAZIPUR BRANCH
Noor Market, Harirampur Nazipur, Patnitala, Naogaon
Phone: 025888-85993-4, Ext. 101
Mobile: 01755-637386
HOB: Abu Ala Md. Mazharul Islam, AVP

NIAMATPUR BRANCH
353 Girls Plaza, 216 Balahore Niamatpur Sadar, Naogaon
IP: 09678-142181, 02588886956-7 Ext. 101
Mobile: 01755-637385
HOB : Bimal Chandra Barman, AVP

NILPHAMARI BRANCH
Bari Plaza, Bara Masjid Road, Nilphamari
Phone: 0551-62007 Ext. 101
IP: 09678142173
Mobile: 01755-533144
HOB: Md. Arafat Hasan, AVP

PABNA BRANCH
Munshi Complex, Hazi Abdul Gani Sarak, Boro Bazar, Pabna
Phone: 09678142189, Ext. 101
Mobile: 01755-632918
HOB: Md. Nazrul Islam, FAVP

RAJSHAHI BRANCH
ZODIAC Plaza,
Shaheb Bazar (Zero Point), Rajshahi
Phone: 02588861214 Ext. 101
IP: 09678142107
Mobile: 01711-419079
HOB: Altamash Al-Masood Jamali,

RANGPUR BRANCH
Press Club Complex Biponi Bitan (1st Floor), Station Road, Rangpur.
Phone :025899-64045, 0521-51324, 025899-64082 Ext. 101, IP: 09678142122
Mobile: 01713-201636
HOB: Md. Rashedul Hasan, FVP

SAPAHAR BRANCH
Saha Mansion, Sapahar Bazar, Main Road, Sapahar, Naogaon
Phone: 07432-74081, Ext. 101
Mobile: 01713-068096
HOB: Milon Kumar Sarker, AVP

SHEESHA HAT BRANCH
Main Road, Sheesha Hat, Porsa, Naogaon
Phone: 01932-710888, Ext. 101
Mobile: 01755-533141
HOB: Md. Abdur Razzaque Mondal, FAVP

SIRAJGANJ BRANCH
Matam Tower, Holding - 50, S S Road, Sirajganj Municipality, Sadar, Sirajganj
IP: 09678142335, Ext. 101
Mobile: 01713-013776
HOB: Md. Mamun-Ur-Rashid, FAVP

SYEDPUR BRANCH
66, Shaheed Dr. Zohrul Haque Sarak, Ward No.-11, Syedpur Pourosobha, PS-Syedpur, District- Nilphamary
IP: 09678142353, Ext. 101
Mob; 01713-423750
HOB: Saiyed Habibul Karim, FAVP

THAKURGAON BRANCH
Afsar Uddin Chowdhury Plaza
College Road, Asrampara, Thakurgaon
Phone: 02-589932368, Ext. 101,
IP: 09678142167,
Mobile: 01755-533143
HOB: Md. Ruhul Amin Siddiqui, VP

KHULNA REGION

CHUADANGA BRANCH
Malik Tower, Holding# 43 & 107 Borobazar,
Shahid Abul Kashem Sarak, Chuadanga.
Phone: 02-477789241
Mobile: 01755-637380
HOB: Ruhidash Paul, AVP

JASHORE BRANCH
A. Ali Complex, 45 R. N. Road, Jashore
Phone: 02477764364, Ext. 101
Mobile: 01730-328683
HOB: Md. Obidullah Al-Motin, AVP

JHENAIDAH BRANCH
Sultan Market, 31, Huseyn Shaheed
Suhrawardy Road, Jhenaidah
Phone: 09678142338
Mobile: 01713-013781
HOB: Belal Ahmed Rony, FAVP

KHULNA BRANCH
Rupsha Plaza, 73, KDA Avenue,
Sonadanga, Khulna
Phone: 08-44110700
Mobile: 01713 400 641
HOB: Md. Abdul Matin, VP

KUSHTIA BRANCH
A. Hamid Market, 1, Aruapara By Lane,
N.S. Road, Kushtia Sadar, Kushtia-7000
IP: 09678142163,
Phone: 02477782628, 02477782629
Mobile: 01730-709984
HOB: Mohammad Moniruzzaman, FAVP

SATKHIRA BRANCH
345, Haji Market Shahid Kajol Sharani
Satkhira Sadar, Satkhira
Phone: 09678142352
Mobile: +88-01713-048902
HOB: Md. Shahan Shah Alam, FAVP

BARISAL REGION

BARISHAL BRANCH
141 Sadar Road, Barishal-8200
Phone: 02-478866050-51
IP; 09678142137 EX.101
Mobile: 01713-384496
HOB: Moudud Ahmed, AVP

BHOLA BRANCH
Karnaphuli Complex,
House # 3373 Sadar Road, Bhola
Phone: 0491-627220,
IP : 09678142177; Ext. 101
Mobile: 01755-637382
HOB: Md. Nure Alam, PO

JHALAKATHI BRANCH
Al - Marjan,
30, Kumarpatti, Jhalakathi
Phone: 02-478875911
Mobile: 01777-759524
HOB: Md. Jamal Hossain, PO

KALAIYA BRANCH
Shimon Plaza Kalaiya Union,
Bauphal, Patuakhali
IP: 09678142199
Mobile : 01713-369359
HOB: Md. Al-Mamun, FAVP

KHEPUPARA BRANCH
94, Society Super Market, Notun Bazar
Sarak, Khepupara, Kalapara, Patuakhali
Phone: 02-478884068
Mobile: 01701-209785
HOB: Md. Faruque Sikder, AVP

MATHBARIA BRANCH
Samabay Bank Limited Authority Building,
Mathbaria Patharghata Road,
Mathbaria, Pirojpur
Phone: IP: 09678142339, Ext- 101
Mobile: 01713-013786
HOB: Md. Farid Hossain, AVP

PATUAKHALI BRANCH
151-152, Ashrab Noor Bhaban, Sadar
Road, Natun Bazar, Patuakhali Sadar,
Patuakhali-8600
Phone: 02478880903,02478880907
IP; 09678142154
Mobile: +88-01730-340790
HOB: Md. Mosleh Uddin, AVP

SYLHET REGION

BEANIBAZAR BRANCH
Zaman Plaza Beanibazar, Sylhet
Phone: 02996646452, EX.101
Mobile: 01713-384495
HOB: Md. Badrul Islam, AVP

GOALA BAZAR BRANCH
Bhutu Babu Super Market Goala Bazar,
Osmaninagor Balagonj, Sylhet
Phone: IP: 09678142351, Ext. 101
Mobile: 01713-048903
HOB: Shakawat Hossain Ibne Ahad, FAVP

MOULVIBAZAR BRANCH
152/2 Court Road, Chowmuhana
Moulvibazar Sadar, Moulvibazar
Phone: 0861-62871, 62872 Ext.101
Mobile: 01713-068126
IP; 09678142132 EX. 101
HOB: Hasan Quedrotul Ferdoush Chowdhury,
AVP

NABIGONJ SME/ KRISHI BRANCH
Skylite Tower, Sherpur Road, Nabigonj, Habigonj
Phone: 08328-56307, Ext. 101
Mobile: 01730-320814
HOB: Mahedi Hasan, PO

SUBIDBAZAR BRANCH
16, Prantik, Subid Bazar, Sylhet
Phone: 02-996632217 (PABX), 02-996632218 (direct)
Mobile: 01755-637383
HOB: Md. Rezaul Haque Chowdhury, VP

SUNAMGANJ BRANCH
Zaman Complex 52-01 Arpin Nagar, (Old Bus Stand) Sunamgonj
Phone: 0871-61277, 61278, Ext. 101
IP Phone is # 09678142170
Mobile: 01755-533148
HOB: Alomoy Roy, FAVP

SYLHET BRANCH
Riasot Tower Laldighirpar, Sylhet
Phone: 02-996634650, Ext. 101
Mobile: 01711-922810
HOB: Debojyoti Majumder, SVP

UPOSHAKHA

SINDURPUR UPOSHAKHA
Controlling Branch: Koraish Munshi Bazar Branch, Sindurpur Adudia Rawsanul Ulum Islamia Dakhil Madrasa Market,Dagonbhuiyan, Feni.
IP: 09678142501
Mobile: 01837410570
Shamsul Alam, SEO

KALISHURI UPOSHAKHA
Controlling Branch: Kalaiya Branch Moulovi Market, Union: Kalisuri, P.S.: Bauphal, District: Patuakhali.
IP: 09678142503, 01719084444
Md. Alomgir Hussain, EO

CHATIPATTI UPOSHAKHA
Controlling Branch:Cumilla Branch Madina Plaza, Holding No. 23-24, Rajgonj Road, Ward -12, Cumilla.
IP: 09678142505, 01818297165
Mohammed Moshiur Rahman, SEO

GOPALPUR BAZAR UPOSHAKHA
Controlling Branch: Amishapara SME/ Krishi Branch, Khan Monjil, Betuabag, Gopalpur, Noakhali
IP:09678142507
Mobile: 01815412064
Nirmal Chandra Mazumder EO

BAUNIA UPOSHAKHA
Controlling Branch Gareeb-E-Newaz Branch Suhita Tower, Badaldi Main Road, Turag, Dhaka
IP: 09678142509
Mobile: 01911400355
Mahmudur Rahman Osmany, EO

ACADEMY ROAD UPOSHAKHA
Controlling Branch: Feni Branch Afzal Plaza, Holding # 279, Academy Road, Feni,
IP: 09678142502,
Mobile: 01737 515656
Abdul Ahad, PO

DAKPARA UPOSHAKHA
Controlling Branch:Aganagar Branch, Bonda Dakpara, Zinzira, Keraniganj, Dhaka.
IP: 09678142504 Ex.102,
Mobile: 01911391222
Muhammad Tareq, SEO

CHANDRA BAZAR UPASHAKH
Controlling Branch: Faridganj Branch Abul Bapary Market , Balithuba Poschim Union Porishod, Faridgonj, Chandpur.
IP: 09678142506
Chotan Chandra Chowdhury, EO

DAKSHIN KHAN UPOSHAKHA
Controlling Branch: Uttara Branch Sarker, R.E.F Tower Holding: 480, Mojammel Haque Road, Dakshin khan, Dhaka
IP: 09678142508
Mobile: 01716314477
S.M. Mamun, SEO

SHANTAHAR UPOSHAKHA
Controlling Branch: Naogaon Branch Alta Syndicate Palace, Holding: 302, Naogaon Road, Adamdighi, Bogura
IP:09678142510
Mobile: 01719612881
Md. Belal Hossain Khan, SEO

PALLABI UPOSHAKHA
Controlling Branch: Mirpur Branch Alba Tower, Holding - 2/6, Harun Mollah Road,Pallabi,Dhaka.
IP: 09678142518
Mobile: 01732187060
Md. Ruhul Amin Akungee, PO

BIROL UPOSHAKHA
Controlling Branch: Dinajpur Branch Maa Plaza, Narabari Road, Holding: 24, Ward# 04, Birol, Dinajpur.
IP: 09678142516
Mobile: 01713 199882
Md. Mostafizur Rahman, SEO

ERSHADNAGAR UPOSHAKHA
Controlling Branch: Board bazar Branch 4/13, Parkway Trade Centre Dhaka- Mymensigh Highway, Gazipur City Corporation,Tongi, Gazipur
IP: 09678142514
Mobile: 01676-163332
Md. Forhad Hossain, SEO

PALASHBARI UPOSHAKHA
Controlling Br.: Gobindoganj Branch City Business Tower, Kali bari Bazar Road, Polash Bari, Gaibandha.
IP: 09678142513
Mobile: 01712844082
Md. Humayon Rashid, SEO

SINGRA UPOSHAKHA
Controlling Branch: Natore Branch Talukder Complex, Holding # 274, Singra, Natore.
IP: 09678142517
Mobile: 01736408585
Mizanur Rahaman, EO

THAKURGAON ROAD UPASHA
Controlling Branch: Thakurgaon Branch
Kamal Super Market, Holding: 263/02,
Sugar Mills Gate Road, Thakurgaon,
Thakurgaon.
IP: 09678142515
Mobile: 01723355317
Md. Minhaz-E-Elahi, SEO

PARBATIPUR UPOSHAKHA
Controlling Branch: Syedpur Branch
Khorshed Mansion, Holding # 1134-1135,
Notun Bazar, Parbatipur, Dinajpur.
IP: 09678142512
Mobile: 01785898736
Md. Shahriar Hossain, SEO

MOHAMMADI HOMES UPASHAKHA
Controlling Branch Ring Road Branch
Malancha, Holding: 02 Mohammadi Homes
Main Road, Mohammadpur, Dhaka. IP:
09678142519
Mobile: 01712248152
Md. Borhan Uddin, SEO

DUPCHANCHIA UPOSHAKHA
Controlling Branch: Bogura Branch
Kamrunnahar Plaza, Holding# 127,
Dupchanchia, Bogura
IP: 09678142511
Mobile: 01711705927
Tapan Kumar Sarkar, SEO

BIR PROTIK SHAHEED ZAKIR HOSSAIN ROAD UPOSHAKHA
Controlling Branch: Main Branch
Holding: 51, Bir Protik Shaheed Zakir Hossain
Road (new), 9/i, Motijheel Road (old), Ward No-
09,Dhaka South City Corporation, PS: Motijheel,
Dist: Dhaka
IP-09678142522 Ext-101
Mithun Saha, SEO

MATIKATA UPOSHAKHA
Controlling Br.: Banani Branch
Online Plaza, Holding # 75, Matikata Bazar
Road, Dhaka Cantonment, Dhaka
IP: 09678142528 Ext.101
Mobile: 01715028021
Mohammad Mahabub Alam, PO

ZIGATOLA UPOSHAKHA
Controlling Br.: Satmasjid Road Branch
"Sultana Castle" Holding No.: 33, Zigatola
Old Kachabazar Road, Ward No.: 14, Dhaka
South City Corporation,
P.S: Hazaribag, Dist: Dhaka
Mobile: 01711010363
IP- 09678142527-101
Syed Mohammad Asaduzzaman, SEO

GHARISHAR BAZAR UPOSHAKHA
Controlling Br.: Bhojeshwar Bazar Branch,
Shariatpur, Bahir Kushia, Dag No.BRS
706, Khatian No: BRS 410, Mouza: Bahir
Kushia, Union: Gharishar, P.S: Naria, Dist.:
Shariatpur.
Mobile: 01712234734,
IP: 09678142526-101
Tanvir Hossain, SEO

NAZIRA BAZAR UPOSHAKHA
Controlling Branch: Nawabpur Road Branch,
Abdullah Tower, Holding: 76,76/1,76/2,
Road No.76, Kazi Alauddin Road,
Bangshal, Dhaka
Mobile: 01711 22 74 89
IP: 09678142524-101
Firoz Ahmed, PO

KHILGAON UPASHAKHA
Controlling Branch: Main Branch
Holding: 1414/2/A, Shaheed Baki Sarak,
Khilgaon, Dhaka
Mobile: 01915476473
IP: 09678142520-101
Mohammad Iqbal Hossain, FAVP

PATUATULI UPOSHAKHA
Controlling Branch: Nayabazar Branch
"Babuli Islampur Complex", Holding: 1, 2
Wise Ghat, Road No. 57-58
Loyal Street, Kotwali, Dist: Dhaka
Mobile:01819534194
IP: 09678142523-101
Omar Kaosar , PO

PORT ROAD UPOSHAKHA
Controlling Branch: Barishal Branch
Jim Villa, Holding No.548,
New Sadar Ghat Road (Port Road),
Kotwali, Barishal.
Mobile: 01716280480
IP: 09678142525-101
Md. Kamal Hossain, SEO

BANASREE UPASHAKHA
Controlling Branch: Rampura Branch
Saudia Joynul, Holding # 22,
Main Road, Block-G, Banasree, Dhaka
Mobile: 01908074422
IP- 09678142521-101
Md. Selim Sultan, SEO

RAJENDRAPUR UPOSHAKHA
Controlling Br.: Abdullahpur Branch
Sheikh Jobed Ali Complex, Rajendrapur,
Noadda, Tegharia, South Keraniganj,
Keraniganj, Dhaka
Mobile: 01705765074
IP- 09678142530-101
Md. Nahid Hossain, EO

PANCHAGARH UPOSHAKHA
Controlling Branch : Debiganj Branch
Central Plaza, Holding: 1492-02, Cinema
Hall Road, Panchagarh Municipality,
Panchagarh
Mobile: 01762910266, IP:09678142529
Abu Sayem Md. Asadullah, EO

SREEMANGL UPOSHAKHA
Controlling Branch : Moulvibazar Branch
Sabery Tower, Holding No.: 5535, College
Road, Ward No.: 09, Pourashava & P.S.:
Sreemangal, Dist.: Moulvibazar.
Contact No. 09678142542, 01712596509
Mozir Uddin Ahmed Choudhury, SEO

STEEL MILL UPOSHAKHA
Controlling Br.: Chattogram EPZ Branch
Ali Building, Holding: 3164/5362, Narikeltola,
CEPZ, Sailors Colony, Chattogram.
IP. 09678142536
Mobile: 01713442458
Samiul Karim, SEO

WARI UPOSHAKHA
Controlling Br.: Dholaikhal Branch
Wari Party Center, Holding No.: 18,
Raking Street, Wari, Dhaka.
IP: 09678142534
Mobile: 01711942339
Abu Taher Khan, SEO

BADDA UPOSHAKHA
Controlling Br.: Aftabnagar Branch
Holding: L-58, Middle Badda,
Pragati Sarani Road, Badda, Dhaka.
IP: 09678142531,
Mobile: 01781355565
Mahbub Alam, SEO

MIRPUR SECTION-6 UPOSHAKHA
Controlling Branch:
Darus Salam Road Branch
Ariza Lodge, Holding No.: 9/4, Avenue: 5,
Section: 6, Mirpur, Dhaka-1216.
IP: 09678142539
Mobile: 0197-1178866
Mohammad Rashed Jahan, SEO

SHYAMGANJ UPOSHAKHA
Controlling Br.: Mymensingh Branch
Fakir Bhaban, Mailakanda,
1 no. Mailakanda Union,
Gouripur,Mymensingh.
IP: 09678142541,
Mobile: 01733165696
Khandaker Mohammad Atiqur Rahman, SEO

LALBAGH UPOSHAKHA
Controlling Br.: Imamganj Branch Holding
No.: 29, Dhakeshwari Road, Lalbagh, Dhaka.
IP: 09678142533
Mobile: 01712 824646
Md. Imtiaj Uddin, SEO

SAROJGANJ UPOSHAKHA
Controlling Branch : Chuadanga Branch
Momtaj Super Market, Sarojganj Bazar,
4 no. Shankarchandra Union,
Chuadanga Sadar, Chuadanga.
IP: 09678142540
Mobile: 01816436818
Md. Imran Hossan, SEO

JATRABARI UPOSHAKHA
Controlling Br.: Donia Branch
Golenur Tower, Holding No.: 116/1,
North Jatrabari, Road: 17, Shaheed Faruk
Road, Jatrabari, Dhaka
IP: 09678142535,
Mobile: 01738938893
Md. Nurul Islam, SEO

MONIPURIPARA UPOSHAKHA
Controlling Br.: Asad Gate Branch
Holding: 27/A, Monipuripara, Sangsad
Bhanban Avenue, Tejgaon, Dhaka.
IP: 09612142538
Mobile: 01712547545
SK. Md. Abdul Jobbar, SEO

JAMIDAR HAT UPOSHAKHA
Controlling Br.: Samir Munshir Hat Branch
Abdul Kader Shopping Complex, Latifpur,
Rosulpur, Begumganj, Noakhali.
IP: 09678142532
Mobile: 01921180878
Md. Shamim Hossain, EO

RAIPURA UPOSHAKHA
Controlling Branch: Velanagar Branch
Raipura Trade Center, Holding No.: 234,
Thana Sadar Road, Raipura, Narsingdi.
IP: 09678142537
Monile: 01713586009
Mohammad Abdulah –Al- Mamun, EO

SONAIMURI UPOSHAKHA
Controlling Br.: Chowmuhani Branch
Sahida Sattar Complex, Holding: 403/747,
Bank Road, Sonaimuri, Noakhali.
IP: 09678142543
Md. Mosharraf Hossain, EO

SWARUPKATHI UPOSHAKHA
Controlling Br.: Barishal Branch
Amena Complex, Holding No.: 424,
Sonali Bank Road, Swarupkathi,
Nesarabad, Pirojpur,
IP: 09678142544
Md. Torikul Islam, EO

MEHERPUR UPOSHAKHA
Controlling Branch: Chuadanga Branch
Main Road, Kashripara, Meherpur Sadar,
Meherpur.
IP: 09678142545
Jewel Rana, EO

REGIONAL OFFICES

CHATTOGRAM REGIONAL OFFICE
Mishkat Arcade(1st Floor) 21/A,
Agrabad C/A, Chattogram
Phone : 02-333329445(D),
02-333316421(P),Ext-102
IP : 09678142104, Ext- 104112
Regional Head: Mesbah Uddin Ahamed, EVP

CUMILLA NOAKHALI REGIONAL OFFICE FENI
S.S.K Road, Rajnagar Complex,
Feni Sadar, Feni - 3900
Phone: 0331-63314-15, 01701-209793
Regional Head: Md. Shahadat Hossain, FVP

NORTH BENGAL REGIONAL OFFICE, BOGURA
Zamzam Tower, Jaleswaritola,
Kalibari Moor, Bogura Sadar, Bogura - 5800
Phone: 051-71002, 09678142793
Regional Head: Md. Motiar Rahman.

SYLHET REGIONAL OFFICE, SYLHET
Riasot Tower Laldighirpar, Sylhet
Phone: 02-996634650, Ext. 101
Mobile: 01711-922810
Regional Head: Debojyoti Majumder, SVP

MERCANTILE BANK TRAINING INSTITUTE (MBTI)

MBTI
Swadesh Tower,
41/6 Purana Paltan, Dhaka-1000
Phone: 02-47118277
Fax: 02-223390096
Principal: Javed Tariq

ABBREVIATIONS

ACH	Automated Clearing House
AGM	Annual General Meeting
ALCO	Asset Liability Committee
AML	Anti-Money Laundering
ATM	Automated Teller Machine
BB	Bangladesh Bank
BoP	Balance of Payments
BSEC	Bangladesh Securities and Exchange Commission
CAR / CRAR	Capital Adequacy Ratio / Capital to Risk-Weighted Asset Ratio
CASA	Current Account Savings Account
CBS	Core Banking Systems
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CIB	Corporate & Investment Bank / Credit Information Bureau
COO	Chief Operating Officer
CRM	Customer Relationship Management / Cash Recycling Machine
CRO	Chief Risk Officer
CRR	Cash Reserve Ratio
CSR	Corporate Social Responsibility
DFS	Digital Financial Services
DSE	Dhaka Stock Exchange
EPS	Earnings Per Share
ESG	Environmental, Social, and Governance
EVA	Economic Value Added
FDI	Foreign Direct Investment
FIU	Financial Intelligence Unit
IFRS	International Financial Reporting Standards
IFC	International Finance Corporation
IMF	International Monetary Fund
IPO	Initial Public Offering
IT	Information Technology
KYC	Know Your Customer
LC	Letter of Credit
LCR	Liquidity Coverage Ratio
MD / CEO	Managing Director / Chief Executive Officer
MFS	Mobile Financial Services
MIS	Management Information System
MVA	Market Value Added
NAV	Net Asset Value
NII	Net Interest Income
NIM	Net Interest Margin
NPL	Non-Performing Loan
PAT	Profit After Tax
POS	Point of Sale
P / E Ratio	Price Earnings Ratio
ROE	Return on Equity
RTGS	Real Time Gross Settlement
RWA	Risk-Weighted Assets
SDG	Sustainable Development Goals
SLR	Statutory Liquidity Ratio
SME	Small and Medium-sized Enterprises
STR	Suspicious Transaction Report
SSC	Shariah Supervisory Committee
Tk.	Taka
USD	United States Dollar

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Renewed Certificate

This is to certify that

MERCANTILE BANK PLC.

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December, 2025.

Ref. No: **CM-2025/073**

Date of issue : **February 3, 2025**

BAPLC

Secretary General

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

PROXY FORM

I/we,.....

of.....

being a member of Mercantile Bank PLC., do hereby appoint.....

of.....

as Proxy/Attorney in my absence to attend and vote for me and on my behalf at the 26th Annual General Meeting of the Company to be held on 20 July 2025 at 11.00 a.m. virtually by using digital platform through the link **https://mbl.bdvirtualagm.com** and at any adjournment thereof.

As witness my hand this .....day of ..... 2025.

Stamp Duty of Tk. 100

Signature of Member

Signature of Proxy

Folio No. .....

BO No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Note:

1. The "Proxy Form", duly filled, signed and stamped at BDT 100 must be sent through email to share@mblbd.com not later than 48 hours before commencement of the AGM.
2. Signature of the shareholders should agree with the specimen signature registered with the Company and Depository Register.

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

ATTENDANCE SLIP

I hereby record my attendance at the 26th Annual General Meeting of the Company being held on 20 July 2025 at 11.00 a.m. virtually by using digital platform **https://mbl.bdvirtualagm.com** through the link

Name of the member/Proxy.....

Folio No. .....

BO No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

.....
Signature

Scan to view digital version of this Annual Report

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

61, Dilkusha Commercial Area
Dhaka-1000, Bangladesh
Phone No: 09612955933 (Hunting)
02-223382295
Swift : MBLBBDDH
E-Mail: it@mblbd.com
Website : www.mblbd.com

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