বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
efficiency is our strength

AUDITED FINANCIAL STATEMENTS 2025

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 2025, and consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2025, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in note no. #2.00 to the financial statements.

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 Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note #2.00 to the financial statements, where management has outlined the basis of preparation of financial statements including compliance with Rules and Regulations issued by Bangladesh Bank on classification of loans and advances/ investments (for Islami Banks), and the recognition of required impairment provision. In addition to the above, the following matters are also emphasized:

As disclosed in Notes 7, 7.8 and 13.5.1, the Bank reported loans and advances of BDT 28,593.27 crore, including classified loans of BDT 4,342.07 crore (NPL 15.19%). Against the total required provision BDT 3,390.23 crore, BDT 1,250.92 crore has been maintained by the bank, resulting in a shortfall of BDT 2,139.31 crore.

The Bank reported a CRAR of 12.52%, which is marginally above the regulatory minimum. However, this CRAR has been computed without considering the above-mentioned shortfall of required provision.

However, Bangladesh Bank, through letter no. BSD 2/2203/2026 384 dated 29 April 2026, has allowed the Bank to finalize its 2025 financial statements without recognizing the provision shortfall of BDT 2,139.31 crore, having no adequate profit, subject to (i) non-declaration of dividends, (ii) enhanced market disclosures, and (iii) a Board approved time bound plan to address the provision and capital gaps. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. 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 matter is provided in that context.

Risk	Our response to the risk
1. Measurement of Provision for Loans and Advances	
All scheduled banks in Bangladesh shall follow Bangladesh bank regulation on loan approval and disbursement, loan classification and maintenance of required provision, interest waiver and transfer to interest in suspense. The Bank calculates provision for loans and advances/investments by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 15 dated 27 November 2024 and its subsequent amendments. Due to the current macro-economic situation of the Country and global geo-political events, non-performing loans across banking industry significantly increased during last couple of years. In order to support businesses in overcoming economic challenges and continue with operation, Bangladesh Bank provided policy support to borrowers who become classified non-performing through BRPD Circular No. 07 dated 16 September 2025, including additional relief measures approved by the relevant BRPD committee on a case-by-case basis. Significant proportion of the Hank's classified borrowers availed these special rescheduling and policy support facilities and were consequently reported as unclassified as at the reporting date. However, despite being unclassified these borrowers reflect high risk of default and hence may require additional provision. Loan write-off involves significant judgment in determining eligibility, adequacy of provisioning and compliance with regulatory requirements. The Bank executed write-offs in accordance with Bangladesh Bank BRPD Circular No. 04 dated 18 February 2024, as subsequently updated by BRPD Circular No. 08 dated 19 October 2025. To maintain provisions for non-performing loans in line with the central bank's guidelines, the lank identifies impaired loan accounts and calculates required provisions manually. Furthermore, the process for calculating the provision for loans and advances/investments portfolio associated with credit risk is significant and complex. Management has incentive to maintain lower provisions for loans and advances to overstate profit. At year end, the Group reported total gross loans and advances of BDT 29,010.46 Crore on (2024: BDT 30,403.04 Crore) and provision for loans and advances of BDT 1,256.27 Crore (2024: BDT 2125.97 Crore). On the other hand, the Bank reported loans and advances of BDT 28,593.27 Crore (2024: 30,025.10 Crore) and provision for loans and advances of BDT 1,250.92 Crore (2024: BDT 2,115.91 Crore). Due to these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter.	We evaluated the design and implementation of relevant controls, checked operating effectiveness of selected key controls, and on sample basis conducted substantive testing of the following: Credit appraisal, loan sanction and disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early; • warning and default warning indicators, Reviewed the quarterly Classification of Loans (CL); • Processes for loan classification, determination of required provisions on loans, advances in accordance with applicable Bangladesh Bank regulations; • Compliance with applicable laws and regulations of Bangladesh Bank relating to loan sanctioning and disbursement during the year, Adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Adequacy of the general and specific provisions in line with related Bangladesh Bank Guidelines; • Assessment of methodologies. which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Process of loans and advances/investments write off, recoveries from written off loans and advances/investments, loans and advances/ investments re-schedule and re-structure, calculation of interest /profit waiver and suspense as per directions provided by Bangladesh Bank; • Compliance with Bangladesh Bank BRPD. Circular No. 04 dated 18 February 2024, as amended by BRPD Circular No. 08 dated 19 October 2025, with particular focus eligibility criteria, approval hierarchy and procedural requirements for loan write-off; • Appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; Finally, compared the amount of loan classification and provision requirement as determined by the Bangladesh Bank inspection team via letter no: BSD-2/2203/2026-372 dated: 28 April 2026 & BSD-2/2203/2026-384 dated 29 April 2026 to the actual amount disclosed in the financial statements. (Refer to emphasis of matter para).
See note # 2.2.3, 7,7.8, 13.5 and 13.5.1 (a & b) to the financial statements.	
2. Recognition of interest income on loans, advances/investments	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments. We identify recognition of interest income from loans, advances/investments as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error and misstatement in recognition of interest by management to meet specific targets or expectations.	We tested the design and operating e-ffectiveness of key controls over recognition and measurement of interest on loans, advances/investments focusing on the following. • We performed test of operating e-ffectiveness on automated control in place to measure and recognize interest income. • We have also performed substantive procedure to check whether interest income is recognized completely and accurately. • Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guidelines • We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines. We performed procedures to ensure that the revenue recognition criteria adopted by each group entity for all major revenue streams is appropriate and in line with the Group's accounting policies.
See note # 2.10.1, 20 & 20 (a) to the financial statements.	
2. Adequacy of income tax provision and measurement of deferred tax	
The adequacy of the income tax provision and the measurement of deferred tax assets is considered a key audit matter due to the significant judgment involved in determining both the current and deferred tax, as well as the potential impact on the financial position and performance of the company. These areas involve complex estimates, the application of tax laws, and the assessment of future taxable income, which require careful consideration and professional judgment. The Bank reports net current tax and deferred tax assets (DTA) amounting to BDT 398.96 & 28.67 Crore respectively (2024: BDT 364.51 & 24.34 crore respectively). Both income tax provisions and deferred tax assets rely on significant estimates. There is a risk that these estimates may be incorrect or overly optimistic, particularly in the case of deferred tax assets, which can be recognized only if it is probable that the Bank will have future taxable profits against which the deferred tax assets can be utilized.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of both current tax and deferred tax, including the assumptions used in estimating the Bank's taxable income. We carefully reviewed any ongoing tax litigation between the Bank and the income tax authority, as well as the tax positions for the years where income tax assessments are still pending. Moreover, we have obtained confirmation of the above mentioned matters from the certified tax consultant of the Bank. We also assessed the adequacy of the tax provision recorded by the Bank. Special attention was given to any reversals or adjustments made to the income tax provision from prior years.
See note # 2.6.1, 13, 13.4.1 & 13.4.2 to the financial statements.	
3. Recognition and subsequent measurement of IFRS-16 Leases	
IFRS 16 Leases became effective for annual reporting beginning on or after 01 January 2019 which replaced the existing standard IAS 17 Leases. The application of the lease standard resulted in the recognition and subsequent measurement, a right-of-use (ROU) asset at BDT 19.47 crore (net present value) (2024: BDT 39.10 crore) and lease liabilities at BDT 26.03 crore (2024: BDT 44.33 crore). We measured the implementation and subsequent measurement of IFRS 16 Leases as a key audit matter, as the balances recorded are material, management had to apply several judgments and estimates such as lease period, incremental borrowing rate, measurement basis among others and consider a significant data analysis to summarize the lease information used in their lease calculation model.	We assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the bank; Assessed the appropriateness of the incremental borrowing rate; Assessed the correctness of the underlying lease data by agreeing to original contract and checked the accurateness of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment and; Assessed the disclosures given in the financial statements.
See note # 2.2.10, 9, 13, 21 and 33 to the financial statements	
4. Valuation of Investment in governments and other securities	
Investments in government and other securities constitute significant portion of the Group and Bank's asset portfolio. The classification and measurement of government securities, especially T-Bill and T. Bond require judgment and complex estimates. Also based on classification of government securities into HTM and HFT category, different accounting should be followed. In the absence of a quoted price in active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment. Similarly, due to the absence of quoted price/active market, valuation/ impairment assessment of investments in other unquoted securities also require significant judgment.	We assessed the processes and controls put in place by the Hank to identify and confirm the existence of treasury bills and bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the valuation process of unquoted investments, including controls over market data inputs into valuation models, model governance and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. In applicable cases, to determine fair value assess impairment of investments in unquoted securities, we considered latest audited financial statements, repayment history and information of the issuer available in public domain. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note # 2.2.2, 6, and 16 (B&C) to the financial statements	
5. 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 2025 the total carrying value of this investment is BDT 366.26 crore (2024: BDT 365.77 crore). The Bank is required to conduct impairment test of investment in subsidiaries when indication exists. The impairment testing is considered to be a key audit matter due to complexity and judgments required in determining assumptions used to estimate recoverable amount which is higher of fair value less cost of sales and value in use. Management has conducted impairment assessment of its subsidiaries namely Mercantile Bank Securities Limited, MBL Asset Management Limited and Mercantile Exchange House UK Limited in accordance with IAS 36 as there is no impairment indication for investment in subsidiaries.	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.
See note # 2.2.2, 6, 16 (A) and 16.1 to the financial statements	
6. 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. 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 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. 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.
See note # 2.2.2 and 9 to the financial statements	
7. IT Systems and Controls	
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. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.
See note # 2.13.8 to the financial statements.	
8. Internal Control System	
The Bank's overall internal control system is fundamental to ensuring the integrity of financial reporting, safeguarding of assets, and compliance with regulatory requirements. We identified this as a Key Audit Matter due to the following reasons: Pervasive Nature: Internal controls impact all significant areas of the Bank, including loans and advances, deposits, treasury operations, IT systems, and financial reporting. Any deficiencies may lead to material misstatements. Manual and Automated Processes: The Bank operates a combination of manual and system-based controls. Manual interventions increase the risk of human error, while reliance on IT systems introduces risks related to system access, data integrity, and unauthorized transactions. Complex Regulatory Environment: Banks are subject to extensive regulations issued by Bangladesh Bank. Failure to comply may result in penalties and misstatement in financial disclosures. Risk of Management Override: Due to the centralized 7nature of decision-making in certain functions, there is a risk that established controls may be overridden by management. Fraud and Operational Risk Exposure: Weaknesses in internal controls may increase susceptibility to fraud, errors, or irregularities across various banking operations.	To address the risks associated with the Bank's internal control system, we performed the following procedures: Understanding and Evaluation of Controls: We obtained an understanding of the Bank's internal control framework and evaluated the design and implementation of key controls across major operational areas, including credit, deposits, treasury, and financial reporting. Testing of Operating Effectiveness: We tested the operating effectiveness of selected key controls through walkthroughs, inspection, observation, and re-performance. IT General Controls (ITGC) Testing: We assessed controls over IT systems, including user access management, change management, and data security, to ensure the reliability of automated processes. Compliance Assessment: We evaluated the Bank's compliance with regulatory guidelines issued by Bangladesh Bank and relevant internal policies. Substantive Procedures: Where control deficiencies were identified, we performed additional substantive procedures to obtain sufficient audit evidence. Governance and Oversight Review: We reviewed the role and effectiveness of internal audit, risk management, and audit committee oversight in monitoring internal controls.

Other information

Management is responsible for the other information. The other information comprises all of the information 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 of consolidated and separate financial statements that give a true and fair view in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the IASB as explained in note #2.00 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 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.

Auditors' 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 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's and 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 auditor's report to the related disclosures in the consolidated 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 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.
- ssPlan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, actions taken to eliminate threats or safeguards applied.

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 auditor's 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 Bank Company 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) In our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(iii) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(iv) The balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;

(v) 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;

(vi) In our opinion, adequate provisions have not been made against certain loans, advances and other assets which are considered doubtful of recovery, resulting in a shortfall in required provisions as per applicable regulatory requirements. Refer to "Emphasis of Matter" section of the report para 1.

(vii) Based on our checking of sample, no advance or loan in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed.

(viii) 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 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 Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls:

(a) Internal audit, internal control and risk management arrangements of the Group 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 these financial statements);

(ix) Financial statements for the year ended 31 December 2025 of subsidiary companies of the Bank namely Mercantile Bank Securities Limited, MBL Asset Management Limited and Mercantile Exchange house (UK) Limited have been audited by Pinaki & Co., Chartered Accountants and Muhit & Co. Chartered Certified Accountants, respectively;

(x) The information and explanations required by us have been received and found satisfactory;

(xi) We have reviewed over 80% of the risk weighted assets of the Bank and spent over 8,000 person hours;

(xii) Capital to Risk-weighted Asset Ratio (CRAR), Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as required by Bangladesh Bank has been maintained adequately as at 31 December 2025;

(xiii) As part of our going concern assessment, we reviewed maturity mismatch between assets and liabilities which may adversely affect the Bank's subsequent liquidity position; and

(xiv) Non-banking assets have been accounted in conformity with Bangladesh Bank guidelines.

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipok Kumar Roy, FCA
Partner
ICAB Enrollment No: 1334
DVC: 2604301334AS814398

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No: 1415
DVC: 2604301415AS257366

Dated: Dhaka
30 April 2026

Mercantile Bank PLC. and its Subsidiaries

Consolidated Balance Sheet
As at 31 December 2025

	Notes	Amount in BDT Dec-25	Dec-24
PROPERTY AND ASSETS			
Cash	3(a)	**29,094,583,277**	**19,966,071,186**
Cash in hand (Including foreign currency)		4,163,713,148	3,886,073,062
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)		24,930,870,128	16,079,998,124
Balance with other banks and financial institutions	4(a)	**15,862,147,900**	**10,078,271,386**
In Bangladesh		1,886,715,135	868,026,329
Outside Bangladesh		13,975,432,766	9,210,245,057
Money at call on short notice	5(a)	**3,471,054,000**	**12,258,100,000**
Investments	6(a)	**129,888,387,555**	**91,148,536,179**
Government		119,757,554,460	80,605,543,842
Others		10,130,833,095	10,542,992,337
Loans and Advances/investments	7(a)	**290,104,557,208**	**304,030,499,796**
Loans, Cash Credit, Overdraft etc/investments		282,337,558,784	294,689,212,819
Bills purchased and discounted		7,766,998,424	9,341,286,977
Fixed assets including premises, furniture and fixtures	8(a)	**3,244,604,924**	**3,358,706,142**
Other assets	9(a)	**8,301,354,587**	**6,698,676,534**
Non- banking assets	10(a)	**1,010,150,332**	**45,081,332**
Total Assets		**480,976,839,782**	**447,583,942,554**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	**14,967,172,991**	**15,505,468,357**
Non-convertible Subordinated Bond	11.6a	**-**	**600,000,000**
Mercantile Bank Perpetual Bond	11.7a	**3,630,000,000**	**3,630,000,000**
Deposits and other Accounts		**379,758,048,424**	**342,653,298,554**
Current/ Al-wadeeah current accounts and other accounts	12.1(a)	107,682,411,328	120,318,486,811
Bills Payable	12.2(a)	3,122,006,246	3,557,652,516
Savings Bank/Mudaraba savings bank deposits	12.3(a)	41,152,368,733	36,831,229,655
Fixed deposits/Mudaraba fixed deposits	12.4(a)	143,333,705,572	126,252,565,103
Deposit under schemes/Mudaraba deposit schemes	12.5(a)	84,467,556,545	55,693,364,468
Other Liabilities	13(a)	**55,672,894,863**	**58,914,723,983**
Total Liabilities		**454,028,116,279**	**421,303,490,893**
Capital/Shareholders' Equity		**26,837,922,222**	**26,173,336,777**
Paid up Capital	14.1	11,065,754,350	11,065,754,350
Statutory Reserve	15(a)	11,041,529,482	10,667,555,337
General Reserve	15.1	2,480,000,000	2,480,000,000
Other Reserve	16(a)	1,423,252,689	1,592,436,574
Foreign currency translation gain/(loss)	16.1 (a)	17,095,140	16,846,392
Surplus in Profit & Loss Account	17(a)	810,290,560	350,744,124
Non Controlling Interest	17(b)	110,801,282	107,114,883
Total Shareholders' Equity		**26,948,723,504**	**26,280,451,661**
Total Liabilities & Shareholders' Equity		**480,976,839,782**	**447,583,942,554**
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and Endorsements	18.1	55,580,552,033	56,397,171,238
Letters of Guarantee	18.2	19,247,512,905	18,463,259,698
Irrevocable Letters of Credit	18.3	98,339,091,366	120,338,067,687
Bills for Collection	18.4	11,007,287,618	13,053,034,178
Other Contingent Liabilities	18.5	-	-
Total		**184,174,443,922**	**208,251,532,801**
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed	18.6	-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**-**	**-**
Total Off-Balance Sheet Items including contingent liabilities		**184,174,443,922**	**208,251,532,801**
Net Asset Value Per Share (NAVPS)	36(a)	**24.35**	**23.75**

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 : 2604301334AS814398

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No.: 1415
DVC : 2604301415AS257366

Dhaka
Date: 30 April 2026

Mercantile Bank PLC. and its Subsidiaries

Consolidated Profit & Loss Account
For the year ended 31 December 2025

	Notes	Amount in BDT Jan-25 to Dec-25	Jan-24 to Dec-24
Interest income/Profit on investment	20(a)	27,627,736,201	23,466,287,929
Interest/Profit Paid on deposits, borrowings etc.	21(a)	27,380,880,798	22,754,852,604
Net interest income		**246,855,402**	**711,435,326**
Investment income	22(a)	9,391,783,914	7,448,388,605
Commission, exchange and brokerage	23(a)	2,943,380,842	4,111,427,649
Other operating income	24(a)	1,561,767,607	2,208,082,438
		13,896,932,363	**13,767,898,692**
Total operating income		**14,143,787,765**	**14,479,334,018**
Salaries and allowances	25(a)	4,126,799,790	4,219,257,134
Rent, taxes, insurances, electricity etc.	26(a)	757,630,359	795,641,640
Legal expenses	27(a)	42,716,345	59,965,715
Postage, stamps, telecommunication etc.	28(a)	95,721,900	80,068,876
Stationery, Printings, Advertisements etc.	29(a)	530,314,280	474,893,322
Chief Executive's salary and fees	30(a)	17,500,000	17,902,232
Directors' fees	31(a)	6,183,850	7,276,100
Auditors' fees	32(a)	2,755,804	3,370,655
Depreciation and repair of bank's assets	33(a)	723,429,112	757,420,353
Other expenses	34(a)	1,907,890,993	2,237,491,788
Total operating expenses		**8,210,942,434**	**8,653,287,814**
Profit/(Loss) before provision		**5,932,845,331**	**5,826,046,204**
Provision for loans and advances/investments including Off Balance Sheet items	13.5(a)	3,666,495,113	4,375,685,786
Provision for diminution in value of investments in shares	13.3.1(a)	27,100,000	76,978,137
Other provision	13.3.1(a)	319,944,317	30,137,609
Total provision		**4,013,539,430**	**4,482,801,532**
Total Profit/(Loss) before Taxes		**1,919,305,901**	**1,343,244,673**
Provision for Current Tax	13.4.1(a)	736,715,155	727,706,311
Provision for Deferred Tax	13.4.2(a)	(43,792,061)	(34,028,769)
		692,923,094	**693,677,542**
Net Profit after Taxation		**1,226,382,807**	**649,567,131**
Appropriations			
Statutory Reserve	15	373,974,146	256,244,888
Startup Fund	13.2.2	11,998,707	6,312,244
General Reserve	15.1	-	-
Other Reserve		591,480	4,577,904
Coupan Interest on MBL Perpetual Bond		363,000,000	361,214,445
		749,564,333	**628,349,481**
Retained surplus		**476,818,474**	**21,217,649**
Net profit after Tax attributable to:			
Equity holders of Mercantile Bank Ltd.		473,132,075	18,443,321
Non Controlling Interest	17(b).1	3,686,399	2,774,328
		476,818,474	**21,217,649**
Earnings Per Share (EPS)	35(a)	**1.10**	**0.58**

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 : 2604301334AS814398
Dhaka
Date: 30 April 2026

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No.: 1415
DVC : 2604301415AS257366

বাংলার ব্যাংক
মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
efficiency is our strength

AUDITED FINANCIAL STATEMENTS 2025

Mercantile Bank PLC. and its Subsidiaries

Consolidated Cash Flow Statement
For the year ended 31 December 2025

	Notes	Amount in BDT Jan-25 to Dec-25	Jan-24 to Dec-24
A) Cash flows from operating activities		**7,426,647,554**	**7,937,480,111**
Interest received		23,879,483,970	21,225,142,102
Interest paid		(12,744,243,195)	(10,518,712,196)
Dividends receipts		41,514,928	49,510,950
Fees and commission received		1,790,014,738	2,092,407,370
Recoveries on loans previously written off		174,807,770	756,061,057
Payment to the employees		(4,126,799,790)	(4,219,257,134)
Payment to suppliers		(530,314,280)	(474,893,322)
Income taxes paid		(1,057,816,587)	(972,778,716)
Received from other operating activities		**11,963,802,456**	**11,519,404,829**
Exchange gain		1,153,366,104	2,019,020,278
Other operating income		10,810,436,353	9,500,384,550
Payment for other operating activities		**(2,836,540,551)**	**(3,183,220,015)**
Rent, taxes, insurances and electricity		(587,718,397)	(645,176,692)
Legal expenses		(42,716,345)	(59,965,715)
Postage, stamps and telecommunication		(95,511,269)	(79,848,934)
Auditors' fees		(570,804)	(1,185,655)
Repair and maintenance		(157,876,491)	(137,082,752)
Chief Executive's salary and fees		(17,500,000)	(17,902,232)
Directors' fees		(6,183,850)	(7,276,100)
Other expenses		(1,928,463,394)	(2,234,781,936)
Operating profit before changes in operating assets & liabilities		**16,553,909,459**	**16,273,664,925**
(Increase)/ decrease in operating assets and liabilities		**(25,226,068,030)**	**(25,633,633,442)**
Trading securities		(39,152,010,618)	(10,196,552,644)
Loans and advances to other banks		-	-
Loans and advances to customer		13,925,942,588	(15,437,080,798)
Other assets (Item-wise)		**(1,602,678,051)**	**421,938,317**
Income generating other assets:			
Investment in shares of subsidiary companies			
Investment in Shares of subsidiary company (In Bangladesh) Mercantile Bank Securities Limited		(32,542,700)	(23,722,709)
Investment in Shares of subsidiary company (In Bangladesh) MBL Asset Management Limited		646,720	(2,321,703)
Investment in Shares of subsidiary company (outside Bangladesh) Mercantile Exchange House (UK) Limited		(1,123,809)	(524,167)
Mercantile Bank OBU Unit			-
Islamic-Conv. Adjustment Account			-
Non-income generating other assets:			
Stationery, stamps,printing materials in stock etc		(23,235,200)	(8,588,579)
Advance rent and advertisement		10,467,169	36,467,540
Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable		(1,502,131,101)	(161,925,330)
Security deposit		(571,395)	3,000
Preliminery, formation and organization expenses, renovation/development expenses and prepaid expenses		(20,050,006)	14,855,028
Branch adjustment		-	-
Inter Branch Settlement Account		151,912,282	471,307,097
Suspense Account		(382,367,483)	(97,914,648)
Right Of Use (ROU) Assets as per IFRS-16		196,317,468	194,302,788
		16,855,744,281	**28,640,016,987**
Deposit from other banks		(538,295,366)	(5,375,776,434)
Deposit from customers		37,104,749,871	35,774,136,510
Other liabilities		(19,710,710,224)	(1,758,343,089)
Net cash flows from operating activities		**6,580,907,659**	**19,701,986,788**
B) Cash flows from investing activities			
Brokerage House customer account		-	-
(Purchase)/ sale of property, plant and equipment		(254,350,722)	(189,838,133)
(Purchase)/sale of shares		7,390,045	165,813,135
(Purchase)/sale of bond		390,000,000	160,480,000
Other investment		(712,500)	6,934,645
Net cash flows from investing activities		**142,326,823**	**143,389,647**
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		(36,534,240)	(67,330,664)
Received by issue of right share		-	-
Dividend paid		-	(1,106,575,435)
Net cash flows from financing activities		**(636,534,240)**	**(1,773,906,099)**
Net increase/(decrease) in cash & cash equivalent (A+B+C)		**6,086,700,241**	**18,071,470,335**
Effects of Exchange rate changes on cash and cash equivalents		39,030,864	90,231,649
Cash and cash equivalent at beginning of the year		42,308,425,872	24,146,723,888
Cash and cash equivalent at the end of the year		**48,434,156,977**	**42,308,425,872**
Net Operating Cash Flow Per Share (NOCFPS)	37(a)	**5.95**	**17.80**
Cash and cash equivalents at the end of the year			
Cash in hand (Including foreign currencies)	3(a)	4,163,713,148	3,886,073,062
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	3(a)	24,930,870,128	16,079,998,124
Balance with other banks and financial institutions	4(a)	15,862,147,900	10,078,271,386
Prize Bonds	6.2 (b)	6,371,800	5,983,300
Money at call on short notice	5(a)	3,471,054,000	12,258,100,000
		48,434,156,977	**42,308,425,872**

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: 30 April 2026

Mercantile Bank PLC. and its Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	General reserve	Foreign currency translation gain/(loss)	Other Reserve: Dividend Equalization Fund	Other Reserve: Adjustment for Approved Securities	Other Reserve: Revaluation Surplus for Fixed Assets /Other	Other Reserve: Net Balance of Other Reserve	Surplus: Profit/(loss)	Total	Non Controlling Interest	Grand Total
	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 2025	11,065,754,350	10,667,555,337	2,480,000,000	16,846,392	45,680,250	860,494,907	686,852,897	1,593,028,054	350,744,124	26,173,928,258	107,114,883	26,281,043,141
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	373,974,146	-	-	-	-	-	-	(373,974,146)	-	-	-
Coupan Interest on MBL Perpetual Bond	-	-	-	-	-	-	-	-	(363,000,000)	(363,000,000)	-	(363,000,000)
Startup Fund	-	-	-	-	-	-	-	-	(11,998,707)	(11,998,707)	-	(11,998,707)
General reserve	-	-	-	-	-	-	-	-	-	-	-	-
Market adjustment of approved securities (HTM)	-	-	-	-	-	(169,775,365)	43,240,942	(126,534,423)	-	(126,534,423)	-	(126,534,423)
Surplus/deficit on account of revaluation/Reserve of properties/others	-	-	-	-	-	-	(43,240,942)	(43,240,942)	-	(43,240,942)	-	(43,240,942)
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	248,748	-	-	-	-	(17,863,519)	(17,614,771)	-	(17,614,771)
Net gains and losses not recognised in Income Statement	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period after taxation	-	-	-	-	-	-	-	-	1,226,382,807	1,226,382,807	3,686,400	1,230,069,207
Transfer	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of bonus shares	-	-	-	-	-	-	-	-	-	-	-	-
Bonus share premium	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-	-
Non controlling share capital/profit	-	-	-	-	-	-	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2025	11,065,754,350	11,041,529,482	2,480,000,000	17,095,140	45,680,250	690,719,542	686,852,897	1,423,252,689	810,290,560	26,837,922,222	110,801,282	26,948,723,504
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	26,173,336,777	107,114,883	26,280,451,661

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: 30 April 2026

Mercantile Bank PLC. and its Subsidiaries

Consolidated Liquidity Statement
Asset and Liability Maturity Analysis
As at 31 December 2025

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	4,163,665,980	11,606,869,128	47,168	-	13,324,001,000	29,094,583,277
Balance with other banks and financial institutions	57,875,694	196,270,581	15,608,001,625	-	-	15,862,147,900
Money at call on short notice	3,471,054,000	-	-	-	-	3,471,054,000
Investments	1,021,673,855	5,674,493,163	28,611,574,778	49,577,134,098	45,003,511,660	129,888,387,555
Loans and advances/investments	56,113,148,969	28,773,610,294	52,517,950,124	79,824,912,166	72,874,935,655	290,104,557,208
Fixed assets including premises, furniture and fixtures	-	-	378,429,118	2,866,175,806	-	3,244,604,924
Other assets	3,107,493,439	1,919,820,066	2,436,979,488	79,799,896	757,261,698	8,301,354,587
Non-banking assets Land	-	-	-	-	1,010,150,332	1,010,150,332
Total Assets	**67,934,911,937**	**48,171,063,232**	**99,552,982,301**	**132,348,021,967**	**132,969,860,345**	**480,976,839,782**
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	1,589,840,200	-	13,377,332,791	-	-	14,967,172,991
Deposits (Conventional and Islamic banking)	58,983,231,187	43,111,229,420	52,722,800,902	95,302,851,468	126,515,929,202	376,636,042,178
Other accounts	3,122,006,246	-	-	-	-	3,122,006,246
Non-convertible Subordinated Bond	-	-	-	-	-	-
Mercantile Bank Perpetual Bond	-	-	-	-	3,630,000,000	3,630,000,000
Provision and other liabilities	-	202,923,165	21,666,535,496	33,803,436,202		55,672,894,863
Total Liabilities	**63,695,077,633**	**43,314,152,585**	**87,766,669,189**	**129,106,287,670**	**130,145,929,202**	**454,028,116,279**
Net Liquidity Gap	**4,239,834,304**	**4,856,910,647**	**11,786,313,112**	**3,241,734,297**	**2,823,931,144**	**26,948,723,504**

Mercantile Bank PLC.

Balance Sheet
As at 31 December 2025

	Notes	Amount in BDT Dec-25	Dec-24
PROPERTY AND ASSETS			
Cash	3	**29,094,536,109**	**19,962,485,940**
Cash in hand (Including foreign currencies)	3.1	4,163,665,980	3,882,487,815
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	3.2	24,930,870,128	16,079,998,124
Balance with other banks and financial institutions	4	**15,799,296,237**	**10,034,259,706**
In Bangladesh	4.1	1,859,240,158	838,708,642
Outside Bangladesh	4.2	13,940,056,079	9,195,551,064
Money at call on short notice	5	**3,471,054,000**	**12,258,100,000**
Investments	6	**127,853,585,736**	**89,098,252,662**
Government	6.4	119,757,554,460	80,605,543,842
Others	6.5	8,096,031,276	8,492,708,821
Loans and Advances/investments	7	**285,935,574,074**	**300,025,106,242**
Loans, Cash Credit, Overdraft etc/investments	7.A	278,168,575,650	290,683,819,265
Bills purchased and discounted	7.B	7,766,998,424	9,341,286,977
Fixed assets including premises, furniture and fixtures	8	**3,131,089,404**	**3,249,270,388**
Other assets	9	**11,592,242,363**	**10,017,743,654**
Non- banking assets	10	**1,010,150,332**	**45,081,332**
Total Assets		**477,887,528,253**	**444,690,299,923**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**14,427,279,690**	**15,022,007,343**
Non-convertible Subordinated Bond	11.6	**-**	**600,000,000**
Mercantile Bank Perpetual Bond	11.7	**3,630,000,000**	**3,630,000,000**
Deposits and other Accounts	12	**379,787,527,443**	**342,724,252,551**
Current/ Al-wadeeah current accounts and other accounts	12.1	107,711,890,347	120,389,440,809
Bills Payable	12.2	3,122,006,246	3,557,652,516
Savings Bank/Mudaraba savings bank deposits	12.3	41,152,368,733	36,831,229,655
Fixed deposits/Mudaraba fixed deposits	12.4	143,333,705,572	126,252,565,103
Deposit under schemes/Mudaraba deposit schemes	12.5	84,467,556,545	55,693,364,468
Other Liabilities	13	**53,577,315,869**	**56,903,980,183**
Total Liabilities		**451,422,123,002**	**418,880,240,077**
Capital/Shareholders' Equity			
Paid up capital	14.1	11,065,754,350	11,065,754,350
Statutory reserve	15	11,041,529,482	10,667,555,337
General reserve	15.1	2,480,000,000	2,480,000,000
Other reserve	16	1,380,011,747	1,549,787,112
Foreign currency translation gain/(loss)	16.1	17,095,140	16,846,392
Surplus in Profit & Loss Account	17	481,014,532	30,116,656
Total shareholders' Equity		**26,465,405,251**	**25,810,059,847**
Total Liabilities & Shareholders' Equity		**477,887,528,253**	**444,690,299,923**
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and Endorsements	18.1	55,580,552,033	56,397,171,238
Letters of Guarantee	18.2	19,247,512,905	18,463,259,698
Irrevocable Letters of Credit	18.3	98,339,091,366	120,338,067,687
Bills for Collection	18.4	11,007,287,618	13,053,034,178
Other Contingent Liabilities	18.5	-	-
Total		**184,174,443,922**	**208,251,532,801**
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed	18.6	-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**-**	**-**
Total Off-Balance Sheet items including contingent liabilities		**184,174,443,922**	**208,251,532,801**
Net Asset Value Per Share (NAVPS)	36	**23.92**	**23.32**

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 : 2604301334AS814398

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Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No.: 1415
DVC : 2604301415AS257366

Dhaka
Date: 30 April 2026

Mercantile Bank PLC.

Profit and Loss Account
For the year ended 31 December 2025

	Notes	Amount in BDT Jan-25 to Dec-25	Jan-24 to Dec-24
Interest income/Profit on investment	20	27,474,551,523	23,210,970,057
Interest/Profit Paid on deposits, borrowings etc.	21	27,275,959,908	22,632,603,334
Net interest income		**198,591,615**	**578,366,723**
Investment income	22	9,348,403,094	7,403,875,925
Commission, exchange and brokerage	23	2,797,916,391	3,920,700,357
Other operating income	24	1,549,659,227	2,203,390,560
Total operating income		**13,695,978,712**	**13,527,966,842**
		13,894,570,327	**14,106,333,565**
Salaries and allowances	25	4,061,465,045	4,150,856,703
Rent, taxes, insurances, electricity etc.	26	740,277,873	773,521,657
Legal expenses	27	41,818,863	59,369,743
Postage, stamps, telecommunication etc.	28	93,692,488	78,143,762
Stationery, Printings, Advertisements etc.	29	529,468,486	473,550,700
Chief Executive's Salary and fees	30	17,500,000	17,902,232
Directors' fees	31	5,578,500	6,804,600
Auditors' fees	32	1,840,000	2,495,500
Depreciation and repair of bank's assets	33	717,543,156	750,773,834
Other expenses	34	1,868,432,940	2,159,524,999
Total operating expenses		**8,077,617,349**	**8,472,943,731**
Profit/(Loss) before provision		**5,816,952,978**	**5,633,389,835**
Provision for loans and advances/investments including Off Balance Sheet items	13.5	3,620,037,933	4,275,049,649
Provision for diminution in value of investments in shares	13.2.1(XII)	7,100,000	46,978,137
Other provision	13.2.1(XII)	319,944,317	30,137,609
Total provision		**3,947,082,250**	**4,352,165,395**
Total profit/(Loss) before taxes		**1,869,870,728**	**1,281,224,440**
Provision for Current Tax	13.4.1	713,357,585	684,412,301
Provision for Deferred Tax	13.4.2	(43,357,585)	(34,412,301)
		670,000,000	**650,000,000**
Net profit after taxation		**1,199,870,728**	**631,224,440**
Appropriations			
Statutory reserve	15	373,974,146	256,244,888
Startup Fund	13.2.2	11,998,707	6,312,244
General reserve	15.1	-	-
Coupan Interest on MBL Perpetual Bond		363,000,000	361,214,445
		748,972,853	**623,771,577**
Retained surplus		**450,897,875**	**7,452,863**
Earnings per share (EPS)	35	**1.08**	**0.57**

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 : 2604301334AS814398

Signed for & on behalf of
Anil Salam Idris & Co.
Chartered Accountants

Md. Anwar Hossain, FCA
Managing Partner
ICAB Enrollment No.: 1415
DVC : 2604301415AS257366

Dhaka
Date: 30 April 2026

Mercantile Bank PLC.

Cash Flow Statement
For the year ended 31 December 2025

	Notes	Amount in BDT Jan-25 to Dec-25	Jan-24 to Dec-24
A) Cash flows from operating activities		**7,260,068,992**	**7,593,195,620**
Interest received		23,726,299,293	20,969,824,229
Interest paid		(12,639,322,305)	(10,396,462,926)
Dividends receipts		41,514,928	49,510,950
Fees and commission received		1,605,519,424	1,811,448,430
Recoveries on loans previously written off		174,807,770	756,061,057
Payment to the employees		(4,061,465,045)	(4,150,856,703)
Payment to suppliers		(529,468,486)	(473,550,700)
Income taxes paid		(1,057,816,587)	(972,778,716)
Received from other operating activities		**11,925,928,026**	**11,485,062,413**
Exchange gain		1,170,980,874	2,033,882,421
Other operating income		10,754,947,152	9,451,179,992
Payment for other operating activities		**(2,775,281,961)**	**(3,079,265,503)**
Rent, taxes, insurances and electricity		(570,365,910)	(623,056,709)
Legal expenses		(41,818,863)	(59,369,743)
Postage, stamps and telecommunication		(93,481,857)	(77,923,819)
Auditors' fees		345,000	(310,500)
Repair and maintenance		(157,876,491)	(137,082,752)
Chief Executive's Salary and fees		(17,500,000)	(17,902,232)
Directors' fees		(5,578,500)	(6,804,600)
Other expenses		(1,889,005,341)	(2,156,815,148)
Operating profit before changes in operating assets and liabilities		**16,410,715,057**	**15,998,992,531**
(Increase)/ decrease in operating assets and liabilities		**(25,062,478,450)**	**(25,390,675,409)**
Trading securities		(39,152,010,618)	(10,196,552,644)
Loans and advances to other banks		-	-
Loans and advances to customers		14,089,532,168	(15,194,122,765)
Other assets (Item-wise)		**(1,574,498,708)**	**445,091,767**
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.		(4,840,444)	(3,415,130)
Mercantile Bank OBU Unit			
Islamic-Conv. Adjustment Account			
Non-income generating other assets:			
Stationery, stamps,printing materials in stock etc		(23,235,200)	(8,588,579)
Advance rent and advertisement		10,467,169	36,467,540
Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable		(1,502,131,101)	(161,925,330)
Security deposit		(571,395)	3,000
Preliminery, formation and organization expenses, renovation/development expenses and prepaid expenses		(20,050,006)	14,855,028
Branch adjustment		-	-
Inter Branch Settlement Account		151,912,282	471,307,097
Suspense Account		(382,367,483)	(97,914,648)
Right Of Use (ROU) Assets as per IFRS-16		196,317,468	194,302,788
		16,802,997,821	**28,639,353,042**
Deposit from other banks		(594,727,653)	(5,409,222,232)
Deposit from customers		37,063,274,891	35,776,299,284
Other liabilities		(19,665,549,418)	(1,727,724,010)
Net Cash flows from operating activities		**6,576,735,721**	**19,692,761,931**
B) Cash flows from investing activities			
(Purchase)/sale of property, plant and equipment		(247,865,919)	(182,545,653)
(Purchase)/sale of shares		7,390,045	165,813,135
Purchase/sale of bond		390,000,000	160,480,000
Other investment activities		(712,500)	6,934,645
Net cash flows from investing activities		**148,811,625**	**150,682,127**
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		(36,534,240)	(67,330,664)
Received by issue of right share		-	-
Dividend paid		-	(1,106,575,435)
Net cash flows from financing activities		**(636,534,240)**	**(1,773,906,099)**
Net increase/(decrease)in cash & cash equivalent (A+B+C)		**6,089,013,106**	**18,069,537,958**
Effects of Exchange rate changes on cash and cash equivalents		21,416,093	75,369,506
Cash and cash equivalent at the beginning of the year		42,260,828,946	24,115,921,482
Cash and cash equivalent at the end of the year		**48,371,258,145**	**42,260,828,946**
Net Operating Cash Flow Per Share (NOCFPS)	37	**5.94**	**17.80**
Cash and cash equivalents at end of the year			
Cash in hand (Including foreign currencies)	3.1	4,163,665,980	3,882,487,815
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	3.2	24,930,870,128	16,079,998,124
Balance with other banks and financial institutions	4	15,799,296,237	10,034,259,706
Prize Bonds	6.2 (b)	6,371,800	5,983,300
Money at call on short notice	5	3,471,054,000	12,258,100,000
		48,371,258,145	**42,260,828,946**

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: 30 April 2026

Mercantile Bank PLC.

Statement of Changes in Equity
For the year ended 31 December 2025

Amount in BDT

Particulars	Paid-up capital	Statutory reserve	General reserve	Foreign currency translation gain/(loss)	Other reserve: Dividend Equalization Fund	Other reserve: Adjustment for Approved Securities	Other reserve: Revaluation surplus for Fixed assets/Other	Other reserve: Net balance of other reserve	Surplus profit/(loss)	Total
	A	B	C	D	E	F	G	H=E+F+G	I	J=A+B+C+D+H+I
Balance as at 1 January 2025	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
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Transfer from income of OBU	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	373,974,146	-	-	-	-	-	-	(373,974,146)	-
Coupan Interest on MBL Perpetual Bond	-	-	-	-	-	-	-	-	(363,000,000)	(363,000,000)
Startup Fund	-	-	-	-	-	-	-	-	(11,998,707)	(11,998,707)
General reserve	-	-	-	-	-	-	-	-	-	-
Market adjustment of	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation/Reserve of properties	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(169,775,365)	-	(169,775,365)	-	(169,775,365)
Currency translation difference	-	-	-	248,748	-	-	-	-	-	248,748
Net gains and losses not in the income statement	-	-	-	-	-	-	-	-	-	-
Net profit for the period after taxation	-	-	-	-	-	-	-	-	1,199,870,728	1,199,870,728
Transfer	-	-	-	-	-	-	-	-	-	-
Issuance of bonus share	-	-	-	-	-	-	-	-	-	-
Bonus share premium	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Issue of right share	-	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2025	11,065,754,350	11,041,529,482	2,480,000,000	17,095,140	45,680,250	690,719,542	643,611,955	1,380,011,747	481,014,532	26,465,405,251
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

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: 30 April 2026

Mercantile Bank PLC.

Liquidity Statement
Asset and Liability Maturity Analysis
As at 31 December 2025

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	4,163,665,980	11,606,869,128	-	-	13,324,001,000	29,094,536,109
Balance with other banks and financial institutions	57,875,694	196,270,581	15,545,149,962	-	-	15,799,296,237
Money at call on short notice	3,471,054,000	-	-	-	-	3,471,054,000
Investments	1,021,673,855	5,674,493,163	26,576,772,960	49,577,134,098	45,003,511,660	127,853,585,736
Loans and advances/investments	56,113,148,969	28,773,610,294	48,348,966,989	79,824,912,166	72,874,935,655	285,935,574,074
Fixed assets including premises, furniture and fixtures	-	-	378,429,118	2,752,660,286	-	3,131,089,404
Other assets	3,107,493,439	1,919,820,066	2,436,979,488	79,799,896	4,048,149,474	11,592,242,363
Non-banking assets Land	-	-	-	-	1,010,150,332	1,010,150,332
Total assets	**67,934,911,937**	**48,171,063,232**	**93,286,298,516**	**132,234,506,446**	**136,260,748,121**	**477,887,528,253**
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	1,589,840,200	-	12,837,439,490	-	-	14,427,279,690
Deposits (Conventional and Islamic banking)	58,983,231,187	43,111,229,420	52,752,279,920	95,302,851,468	126,515,929,202	376,665,521,197
Other accounts	3,122,006,246	-	-	-	-	3,122,006,246
Non-convertible Subordinated Bond	-	-	-	-	-	-
Mercantile Bank Perpetual Bond	-	-	-	-	3,630,000,000	3,630,000,000
Provision and other liabilities	-	202,923,165	21,666,535,496	31,707,857,208	-	53,577,315,869
Total liabilities	**63,695,077,633**	**43,314,152,585**	**87,256,254,906**	**127,010,708,676**	**130,145,929,202**	**451,422,123,002**
Net Liquidity Gap	**4,239,834,304**	**4,856,910,647**	**6,030,043,610**	**5,223,797,770**	**6,114,818,919**	**26,465,405,251**

Mercantile Bank PLC.

Notes to the Financial Statements
As at and for the year ended 31 December, 2025

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 153 Branches including 2 Islamic Banking Branch, 48 Sub-branches, 188 agent banking outlets, 200 own Automated Teller Machines (ATMs), 11 own Cash Recycler Machines (CRM), 2 Off-shore Banking Units (OBU), 45 Islamic Banking Windows and 2,610 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, 2025. 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, and Bangladesh.

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
efficiency is our strength

AUDITED FINANCIAL STATEMENTS 2025

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 02 (Two) 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 Ltd.
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 28, Dilkusha Commercial Area, Motijheel, 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 28, Dilkusha Commercial Area, Motijheel, Dhaka-1000. 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 year presented in these financial statements and have been applied consistently by the Bank.

2.1.1 Basis of Preparation of the Financial Statements

The financial statements of the Bank and its subsidiaries have been prepared for the year ended on 31 December, 2025 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 thereon 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 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.

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 year ended 31 December, 2025 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 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 year-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, DOS circular no. 01 dated 24 may 2023 investments in quoted and unquoted shares are revalued on the bases of year 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, BRPD Circular Letter No. 63 dated 31 December, 2020 and BRPD Circular Letter No. 13 dated 27 June, 2021, BRPD circular No. 15 dated 27 November 2024 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	Referr ed 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 year ended 31 December, 2025. 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=122.2954	£1 =165.1966 BDT
For Income & Expenses	Average Price	USD 1=122.2195	£1= 164.1040 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
- Provision for taxation

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the year 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 year, the bank has not adopted any change of accounting estimates and consistency applies same accounting estimates of the previous year.

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, 2025:

Currency	BDT
USD 1=	122.2954
GBP 1=	165.1966
EURO 1=	143.9845
JYEN 1=	0.7829

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 year 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 year 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 year ended 31 December, 2025 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 year financial statements. Previous year have been rearranged whenever considered necessary to ensure comparability with the current year.

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 153 branches and 48 Sub-branches as on 31 December, 2025. 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, 2025 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, 2025 to 31 December, 2025.

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 year 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, 2025 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. DOS circular no-01 dated 24 may 2023.

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.
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

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AUDITED FINANCIAL STATEMENTS 2025

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 year 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. 03 dated 21 April 2019, 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. 63 dated 31 December, 2020, BRPD Circular Letter No. 53 dated 30 December 2021, BRPD Circular Letter No. 13 dated 27 June, 2021, BRPD Circular Letter No. 03 dated 2 February 2023, BRPD Circular Letter No. 15 dated 27 November 2024, BRPD Circular Letter No. 03 dated 23 January 2025, BRPD Circular No. 5 dated 25 June 2025, BRPD Circular Letter No. 22 dated 13 October 2025, BRPD Circular Letter No. 29 dated 21 December 2025 and. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (amended up to 2023) and Instruction Circular Letter No. 2969 dated 22 December, 2022 & Instruction Circular Letter No. 3434/2024 dated 01 December, 2024. The rates of provision for loans and advances are given below:

Rate of Provision for Unclassified Loans and Advances/Investments

Particulars		Duration	31.12.25	31.12.24
Unclassified (General Provision)	STD 0	No Past due or overdue	1%	1%
	STD 1	Less than 1 Months	1%	1%
	STD 2	Less than 2 Months	1%	1%
	SMA	Less than 3 Months	5%	5%

According to the BRPD Circular Letter No. 29 dated 21 December 2025 it has been decide to maintain provision at the rate of 0.50% against all unclassified (STD and SMA) in case of Short Term Agricultural credit and CMSE under CMSME.

Rate of provision for Classified Loans and Advances/Investments

Particulars		Duration	31.12.25	31.12.24
Classified (Specific Provision)	SS	Less than 6 Months	20%	20%
	DF	Less than 12 Months	50%	50%
	BL	Over 12 Months	100%	100%

Off-balance Sheet exposures: BRPD Circular no. 06, dated 25/04/2023

Particulars	31.12.25	31.12.24
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%

Additional Provisioning: In accordance with BRPD Circular no. 06 dated 25/04/2023 additional provisioning for OBS exposures remaining overdue as follows:

Criteria		Additional Provisioning requirement (%)
OBS exposures remaining overdue for	03 (three) months or beyond but less than 12 (twelve) months.	1%
	12 (Twelve) months or beyond but less than 24 twenty four) months.	2%
	24 (twelve) months or beyond.	5%

*** In case OBS exposures under litigation, banks have to maintain additional 5% provision over the provision requirement mentioned paragraph 6(A) & 6(B).

In accordance with BRPD Circular no. 05 dated 29 May, 2013 and BRPD Circular No-15 dated 27 November 2024 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.

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, 2017 , BRPD Circular No-47 dated 28 September 2020 and BRPD Circular No-15 dated 27 November 2024, BRPD Circular Letter No. 22 dated 13 October 2025.

h. Provision for **Short-term** Agricultural and Micro-Credits: BRPD Circular No-15 dated 27 September, 2017 and BRPD Circular No-15 dated 27 November 2024, BRPD Circular Letter No. 29 dated 21 December 2025.

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 year of purpose other than to produce during that year.

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 year 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 year 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 year 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 year 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 313.00 crore from private placement and from public offer 50.00 crore as on 31 December, 2025.

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 year 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 year.

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 year 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 year.

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 21 June 2018 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, BRPD circular No.06 dated 25 April 2023 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 year profit before tax to reserve until such reserve equals to its paid up capital. Accordingly, Bank has transferred requisite portion of current year 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

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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 year.

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 year ended 31 December, 2025 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 year.

Diluted Earnings per Share

Diluted earnings per share are calculated as dilution has been occurred during the year.

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
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 Implementation of IFRS 9 and Expected Credit Loss (ECL) Framework

Pursuant to BRPD Circular Letter No. 03 dated January 23, 2025, the Bank is diligently following the regulatory roadmap for the full implementation of the Expected Credit Loss (ECL) methodology by 2027. We are pleased to report that the Bank is currently in full compliance with the specified timelines of the roadmap.

As of December 31, 2025, the Bank successfully completed the Training and Capacity Building phase (Phase 4), providing comprehensive technical training on ECL-based classification and provisioning to all relevant employees and management officials. Earlier phases, including the formation of the 'IFRS 9 Implementation Team,' the preparation of the Board-approved action plan, and the development of the historical database for ECL parameters, have also been concluded within the prescribed periods.

The Bank remains committed to the full implementation of the approved action plan and continues to engage closely with the regulator to ensure total alignment with provisioning requirements, subject to continued profitability and capital considerations.

2.19 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 verifying the Financial Statements using the Document Verification System (DVS).

2.20 Approval of financial statements

The Board of Directors' approved the financial statements for the year ended on 31 December, 2025 on 30 April 2026

2.21 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.

2.22 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.

2.23 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) 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 10 July, 2025 to 09 July, 2026.

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

2.24 General

- Figures appearing in the Financial Statements have been rounded off to the nearest Taka.
- Figures of previous year have been rearranged wherever necessary to conform to current year presentation.

		Amount in BDT Dec-25	Dec-24
3 Cash			
Conventional and Islamic banking			
Cash in hand (including foreign currencies)	3.1	4,163,665,980	3,882,487,815
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	3.2	24,930,870,128	16,079,998,124
		29,094,536,109	**19,962,485,940**
3.1 Cash in hand (including foreign currencies)			
Conventional and Islamic banking			
In local currency		4,060,023,182	3,804,072,688
In foreign currency		103,642,798	78,415,127
		4,163,665,980	**3,882,487,815**
3.2 Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)			
Conventional and Islamic banking			
Bangladesh Bank			
In local currency		22,200,450,298	14,321,648,433
In foreign currencies 3.2.a		2,208,630,179	1,236,663,574
		24,409,080,477	**15,558,312,007**
Agent banks(s)			
Sonali Bank PLC - Local Currency		521,789,651	521,686,117
		24,930,870,128	**16,079,998,124**

3.2.a Balance with Bangladesh Bank in Foreign Currencies

Currencies	Balance as on 31.12.25	Exchange Rate (BDT)		
USD	17,855,947.24	122.2954	2,183,700,210	1,220,573,875
GBP	37,457.29	165.1966	6,187,817	5,394,956
EURO	88,380.36	143.9845	12,725,402	5,131,951
JPY	437.00	0.7829	342	332
CNY	344,440.34	17.4672	6,016,408	5,562,460
			2,208,630,179	**1,236,663,574**

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 # 03 & 01 dated 09 April 2020 & dated 04 March, 2025 at 4% on bi- weekly average basis with a provision of minimum 3% 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;

	Amount in BDT Dec-25	Dec-24
a-i) Cash Reserve Ratio (CRR): 4% of average demand and time liabilities:		
Conventional Banking		
Required Reserve	13,324,001,000	12,400,744,000
*Actual reserve held with Bangladesh Bank	21,533,760,800	13,226,345,820
Surplus on CRR	**8,209,759,800**	**825,601,820**
a-ii) Cash Reserve Ratio (CRR): 4% of average demand and time liabilities:		
Islamic Banking		
Required Reserve	824,573,000	542,503,000
Actual reserve held with Bangladesh Bank	856,546,000	618,641,000
Surplus on CRR	**31,973,000**	**76,138,000**

	Amount in BDT Dec-25	Dec-24
b-i) Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities:		
Conventional Banking		
Required reserve	43,645,066,000	40,587,250,000
Actual reserve held with Bangladesh Bank	122,013,786,030	82,955,930,690
Surplus on SLR	**78,368,720,030**	**42,368,680,690**
b-ii) Statutory Liquidity Ratio (SLR): 5.5% of average demand and time liabilities:		
Islamic Banking		
Required reserve	1,133,788,000	745,941,000
Actual reserve held with Bangladesh Bank	8,629,146,850	917,976,870
Surplus on SLR	**7,495,358,850**	**172,035,870**
3.4 Held for Statutory Liquidity Ratio		
a-i). Conventional banking		
Cash in hand	4,092,162,162	3,834,788,950
Surplus of CRR	8,209,759,800	825,601,820
Balance with Sonali Bank as an agent of BB	521,789,651	521,686,117
Held for Trading (HFT)	41,203,702,370	23,518,438,663
Held to Maturity (HTM)	67,669,390,246	52,438,821,834
Other Securities	316,981,800	1,816,593,305
	122,013,786,030	**82,955,930,690**
a-ii). Islamic banking		
Cash in hand	67,243,850	47,698,865
Surplus of CRR	31,973,000	76,138,000
Balance with Sonali Bank as an agent of BB	-	-
Held for Trading (HFT)	-	-
Held to Maturity (HTM)	-	-
Other Securities	8,529,930,000	794,140,005
	8,629,146,850	**917,976,870**

* 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 31.12.2025

3.5 Maturity grouping of cash		
Maturity-wise groupings (inside and outside Bangladesh)		
Payable on demand	29,094,536,109	19,962,485,940
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	-	-
	29,094,536,109	**19,962,485,940**
3(a) Consolidated Cash		
Cash in hand (Including foreign currencies)		
Mercantile Bank PLC.	4,163,665,980	3,882,487,815
Mercantile Bank Securities Limited	47,129	613,928
MBL Asset Management Limited	39	9,181
Mercantile Exchange House (UK) Limited	-	2,962,137
	4,163,713,148	**3,886,073,062**
Balance with Bangladesh Bank and its agent bank. (Including foreign currencies)		
Mercantile Bank PLC.	24,930,870,128	16,079,998,124
Mercantile Bank Securities Limited	-	-
MBL Asset Management Limited	-	-
Mercantile Exchange House (UK) Limited	-	-
	24,930,870,128	**16,079,998,124**
	29,094,583,277	**19,966,071,186**
4. Balance with other banks and financial institutions		
4.1 In Bangladesh		
A Current accounts		
Conventional banking		
Sonali Bank PLC	70,825	50,909
Agrani Bank PLC.	2,421,792	68,407
Janata Bank PLC.	49,878,356	41,870,344
United Commercial Bank PLC.	1,142	1,982
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	3,579	4,499
Total Current Deposit	**57,875,694**	**47,496,141**
B Short-Notice Deposits accounts		
I. Conventional banking		
Standard Chartered (VISA & MC settlement)	36,361,879	21,317,997
Trust Bank Limited (Q-CASH settlement)	30,768,378	64,493,691
National Bank Limited	1,261,466	1,152,611
Agrani Bank PLC.	31,211,161	61,338,704
South East Bank Limited	27,422	29,798
Islami Bank Limited	6,005,710	18,149
	105,636,016	**148,350,950**
II. Islamic banking		
Islami Bank Bangladesh Limited	52,131	52,405
EXIM Bank Limited	-	250,000,000
Shahjalal Islami Bangladesh Limited	98,915	99,074
	151,046	**250,151,479**
III. Off-shore Banking Division	90,483,519	382,890,374
Total Short-Notice Deposits accounts B (I+II+III)	**196,270,581**	**781,392,803**
Total Current accounts & Short-Notice Deposit (A+B)	**254,146,275**	**828,888,944**
C Fixed deposit accounts		
I. Conventional banking		
United Commercial Bank PLC.	1,100,000,000	-
Modhumoti Bank PLC.	500,000,000	-
Conventional Financial institutions	**1,600,000,000**	**-**
Bay Leasing and Investment Limited	5,000,000	7,500,000
Meridian Finance & Investment Limited	-	2,000,000
II. Islamic banking	**5,000,000**	**9,500,000**
	-	-
	-	-
Total Fixed deposit accounts C(I+II)	**1,605,000,000**	**9,500,000**
D Financial institutions		
Conventional banking		
PFI Securities Limited	1,503	1,503
Mercantile Bank PLC. (Code-100)	1	163,939
Mercantile Bank PLC. (Code-468)	14,092	14,242
Mercantile Bank PLC.-SFCM (Code-4814)	78,287	140,014
Total Financial Institutions	**93,883**	**319,698**
Total (A+B+C+D)	**1,859,240,158**	**838,708,642**

	Currency / Rate(Dec'25)		
4.2 Outside Bangladesh (Nostro accounts)			
Conventional banking			
Standard Chartered Bank, New York	USD / 122.2954	628,396,163	597,565,048
Mashreq Bank, New York	USD / 122.2954	4,008,888,988	2,019,611,776
Wells Fargo Bank, New York	USD / 122.2954	-	1,134,520,778
Commerzbank, Frankfurt	USD / 122.2954	150,764,166	35,651,918
Citi Bank NA, New York	USD / 122.2954	318,484,693	306,351,728
Zhejiang Chouzhou Comm. Bank- USD	USD / 122.2954	9,574,616	29,539,814
Standard Chartered Bank ,London	GBP /166.1966	73,625,506	184,933,898
Standard Chartered Bank, Tokyo	Japanees Yen/0.7829	7,036,778	15,871,261
Arab Bangladesh Bank Limited., Mumbai	ACU/USD 122.2954	333,362,922	155,541,866
Commerzbank, Frankfurt	EURO / 143.9845	103,466,954	33,979,175
Standard Chartered Bank, Frankfurt	EURO / 143.9845	17,535,678	53,029,620
Hatton National Bank, Colombo	ACU/USD 122.2954	8,482	8,323
Bank of Bhutan, Phuentsholing	ACU/USD 122.2954	1,510,091	1,217,177
Sonali Bank, Kolkata	ACU/USD 122.2954	444,432	4,841,651
Punjab National Bank - ACU (Former United Bank Of India)	ACU/USD 122.2954	39,201,254	51,120,230
Hdfc Bank Limited Mumbai - ACU	ACU/USD 122.2954	9,388,192	35,861,828
Nabil Bank Limited,Nepal-Nepal BD Bank Limited., Kathmandu	ACU/USD 122.2954	977,308	1,678,844
Standard Chartered Bank, Mumbai	ACU/USD 122.2954	137,380,890	123,476,326
Meezan Bank Ltd.Karachi,(Former HSBC,Karachi)	ACU/USD 122.2954	84,233,282	48,490,348
ICICI, Mumbai	ACU/USD 122.2954	56,226,188	70,503,312
Habib Bank AG Zurich	Swiss Franc /155.0398	10,126,887	9,040,419
Mashreq Bank, Mumbai	ACU/USD 122.2954	33,751,119	27,175,865
Habib American Bank, New York	USD / 122.2954	1,904,656,185	2,478,013,895
JP Morgan Chase Bank NY	USD / 122.2954	4,598,177,282	479,920,524
Habib Metropolitan Bank	ACU/USD 122.2954	16,331,082	4,487,125
AXIS Bank Limited	ACU/USD 122.2954	31,706,830	13,628,418
Bank of Huzhou Company Limited	CNY/ 17.4672	31,106,873	8,605,341
EMIRATES NBD BANK (P.J.S.C) - ACU	ACU/USD 122.2954	8,851,510	13,217,287
Zhejiang Chouzhou Comm. Bank	CNY/ 17.4672	565,972	6,916,483
Mashreq Bank Dubai	Dirham/AED 33.2994	1,324,275,756	1,250,750,784
Total Outside Bangladesh (Nostro accounts)		**13,940,056,079**	**9,195,551,064**
Grand Total (Note 4.1 & Note 4.2)		**15,799,296,237**	**10,034,259,706**

বাংলার ব্যাংক
মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
efficiency is our strength

AUDITED FINANCIAL STATEMENTS 2025

		Amount in BDT Dec-25	Dec-24
4.3	**Remaining maturity grouping of balance with other banks and financial Institutions (inside and outside Bangladesh)**		
	Payable on demand	254,146,275	828,888,944
	Up to 1 (one) month	-	-
	Over 1 (one) month but not more than 3 (three) months	15,545,056,079	9,195,551,064
	Over 3 (three) months but not more than 1 (one) year	93,883	9,819,698
	Over 1 (one) year but not more than 5 (five) years	-	-
	Over 5 (five) years	-	-
		15,799,296,237	**10,034,259,706**
4(a)	**Consolidated Balance with Other Banks and Financial Institutions**		
	In Bangladesh		
	Mercantile Bank PLC.	1,859,240,158	838,708,642
	Mercantile Bank Securities Limited	150,763,363	232,731,050
	MBL Asset Management Limited	3,681,488	6,486,881
	Mercantile Exchange House (UK) Limited	-	-
		2,013,685,009	1,077,926,573
	Inter Company Transaction	(126,969,874)	(209,900,244)
		1,886,715,135	**868,026,329**
	Outside Bangladesh (Nostro Accounts)		
	Mercantile Bank PLC.	13,940,056,079	9,195,551,064
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	35,376,687	14,693,994
		13,975,432,766	**9,210,245,057**
		15,862,147,900	**10,078,271,386**
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.	300,000,000	480,000,000
	Agrani Bank PLC.	-	1,000,000,000
	NCC Bank PLC.	1,000,000,000	840,000,000
	IFIC Bank PLC.	700,000,000	-
	Jamuna Bank PLC.	1,222,954,000	-
	United Commercial Bank PLC.	-	800,000,000
	Janata Bank PLC.	-	2,200,000,000
	Modhumoti Bank PLC.	-	-
	Dutch Bangla Bank Limited	-	2,500,000,000
		3,222,954,000	**12,010,000,000**
	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**
		3,471,054,000	**12,258,100,000**
5(a)	**Consolidated money at call on short notice**		
	Mercantile Bank PLC.	3,471,054,000	12,258,100,000
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		3,471,054,000	**12,258,100,000**
6.	**Investments**		
	Conventional and Islamic banking		
	Government Securities (Note- 6.1)	119,757,554,460	80,605,543,842
	Other investments (Note- 6.5)	8,096,031,276	8,492,708,821
		127,853,585,736	**89,098,252,663**
6.1	**Government Securities: Classified as per Bangladesh Bank circular**		
	Conventional banking		
	Held for trading (HFT)	41,203,702,370	23,518,438,663
	Held to maturity (HTM)	67,669,390,246	52,438,821,834
	Other securities	2,354,531,844	3,854,143,344
		111,227,624,460	**79,811,403,842**
	Islamic banking		
	Islamic Banking (BGIIB-3-6 Months) Bond	7,700,000,000	500,000,000
	Islamic Banking (SUKUK-5 Years) Bond	829,930,000	294,140,000
		8,529,930,000	**794,140,000**
		119,757,554,460	**80,605,543,842**
6.2	**Government Securities: Classified as per nature**		
	Conventional banking		
	a) Government securities:		
	14 days Treasury Bill	-	-
	91 days BB Bills	897,630,774	6,784,056,462
	182 days BB Bills	1,179,983,943	2,118,966,027
	364 days BB Bills	4,375,833,974	1,396,539,606
		6,453,448,690	**10,299,562,095**
	b) Government bonds:		
	2 Years Treasury Bond	20,726,840,958	12,038,339,378
	3 Years Treasury Bond	4,749,595,211	9,988,441
	5 Years Treasury Bond	19,155,372,355	7,335,247,229
	5 Years Sukuk Bond	310,610,000	310,610,000
	9 Years BGSP Bond	750,394,000	750,394,000
	10 Years BGSP Bond	1,155,348,000	1,155,348,000
	10 Years Treasury Bond	20,161,813,162	15,205,958,036
	15 Years Treasury Bond	11,124,058,202	8,859,213,824
	20 Years Treasury Bond	26,633,772,081	22,340,759,539
	Prize Bonds	6,371,800	5,983,300
	Standing Deposit Facility With BB	-	1,500,000,000
		104,774,175,770	**69,511,841,746**
	Total (a+b)	**111,227,624,460**	**79,811,403,842**
	Islamic banking		
	a) Islamic Banking Bond:		
	Islamic Banking BGIIB Bond for 3 Months	7,700,000,000	500,000,000
	Islamic Banking SUKUK Bond for 5 Years	829,930,000	294,140,000
		8,529,930,000	**794,140,000**
	Total	**119,757,554,460**	**80,605,543,842**

Note:- Value of securities as on 31.12.2025 are also adjusted with the values determined by mark-to-market method.

		Amount in BDT Dec-25	Dec-24
6.3	**Government Securities: Maturity grouping wise**		
	Conventional and Islamic banking		
	Payable on demand	6,371,800	1,505,983,300
	Up to 1 (one) month	1,015,302,055	1,798,908,407
	Over 1 (one) month but not more than 3 (three) months	5,674,493,163	7,682,343,788
	Over 3 (three) months but not more than 1 (one) year	18,480,741,684	10,200,044,973
	Over 1 (one) year but not more than 5 (five) years	49,577,134,098	14,927,404,793
	Over 5 (five) years	45,003,511,660	44,490,858,581
		119,757,554,460	**80,605,543,842**
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	897,630,774	6,784,056,462
	182 days Treasury Bills	1,179,983,943	2,118,966,027
	364 days Treasury Bills	4,375,833,974	1,396,539,606
	2 Years Treasury Bond	20,726,840,958	8,539,031,798
	3 Years Treasury Bond	4,749,595,211	9,988,441
	5 Years Treasury Bond	4,879,530,550	2,125,038,463
	10 Years Treasury Bond	726,395,231	600,497,955
	15 Years Treasury Bond	1,231,493,434	183,743,167
	20 Years Treasury Bond	2,436,398,294	1,760,576,744
		41,203,702,370	**23,518,438,663**
B.	**Held to Maturity (HTM) securities**		
	2 Years Treasury Bond	-	3,499,307,580
	5 Years Treasury Bond	14,275,841,805	5,210,208,765
	10 Years Treasury Bond	19,435,417,931	14,605,460,081
	15 Years Treasury Bond	9,892,564,768	8,675,470,657
	20 Years Treasury Bond	24,065,565,742	20,448,374,751
		67,669,390,246	**52,438,821,834**
C.	**Other Securities**		
	* Encumbered Treasury Bond (20 years)-lien with Bangladesh Bank	131,808,044.16	131,808,044
	Encumbered Treasury Bill (Repo-BGSPB)	1,905,742,000	1,905,742,000
	Sukook Bond	310,610,000	310,610,000
	Prize Bonds	6,371,800	5,983,300
	Standing Deposit Facility With BB	-	1,500,000,000
		2,354,531,844	**3,854,143,344**
	Total (A+B+C))	**111,227,624,460**	**79,811,403,842**
	Islamic banking		
A.	Islamic Banking (BGIIB 1-6 Months, SUKUK-5 Years) Bond	8,529,930,000	794,140,000
		8,529,930,000	**794,140,000**
	Total	**119,757,554,460**	**80,605,543,842**

* 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

		Amount in BDT Dec-25	Dec-24
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	4,029,224
	Prime Finance	8,517,764	8,517,764
	RAK Ceramic	12,980,620	12,980,620
	Square Pharma	66,446,037	66,446,037
	Titas Gas	14,014,011	14,014,011
	IFIC Bank PLC.	10,311,085	10,311,085
	BATBC	106,253,363	106,253,363
	Reneta	21,122,194	21,122,194
	GP	-	1,313,232
	GPH Ispat	16,616,433	16,616,433
	Jamuna Oil Company Limited	11,671,266	11,671,266
	Linde BD	1,535,233	1,535,233
	Marico BD Limited	-	6,002,621
	ACMELAB	1,197,912	-
	Pioneer Insurance	1,729,502	1,729,502
	Power Grid	8,394,882	8,394,882
	United Power	10,454,703	10,454,703
	Summit Power	3,475,758	3,475,758
	Bangladesh Submarine Cable Company Limited (BSCCL)	83,728,533	83,728,533
	Global Islami Bank Limited	618,241	618,241
	Total Investment Quoted Shares (I)	**576,801,990**	**582,919,931**
	MBL 1st Mutual Fund	168,993,100	168,993,100
	Total Investment Mutual Fund (Quoted) (II)	**168,993,100**	**168,993,100**
	ACMELAB	2,192,406	-
	GPH Ispat	23,062,648	23,062,648
	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	2,245,769	3,210,279
	Power Grid	11,246,410	11,246,410
	DBH	27,809,451	27,809,451
	ACI	61,372,563	61,372,563
	British American Tobaco	88,441,251	88,441,251
	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)	**390,767,213**	**389,539,316**
	Ashugonj Power Station Company Ltd bond	5,000,000	7,500,000
	Total Investment Under corporate Bond (Quoted) (IV)	**5,000,000**	**7,500,000**
	Total Quoted Shares (I+II+III+IV)	**1,141,562,303**	**1,148,952,348**
	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	6,597,583
	Central Depository Bangladesh Limited (CDBL)	5,138,890	5,138,890
	Mercantile Bank Unit Fund	75,000,000	75,000,000
	Renata PLC. (Preference Share)	712,500	-
		1,124,948,973	**1,124,236,473**
	Total-A: (a+b)	**2,266,511,276**	**2,273,188,821**
	Market price of quoted shares (Annexure-C)	**1,295,282,425**	**1,272,631,528**
	Gain/(Loss) arises (Annexure-C)	**153,720,122**	**123,679,180**
B.	**Investment in Subordinated Bond**		
	IFIC Bank 2nd Subordinated Bond	300,000,000	400,000,000
	Prime Bank 3rd Subordinated Bond	-	100,000,000
	FSIBL Mudaraba 3rd Subordinated Bond	100,000,000	100,000,000
	Standard Bank Ltd 3rd Subordinated Bond	80,000,000	120,000,000
	The City Bank 4th Subordinated Bond	650,000,000	650,000,000
	Southeast Bank 4th Subordinated Bond	300,000,000	450,000,000
	Total (B)	**1,430,000,000**	**1,820,000,000**
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	1,419,520,000
	Total (C)	**4,399,520,000**	**4,399,520,000**
	Grand Total (A+B+C)	**8,096,031,276**	**8,492,708,821**

6.6 REPO & Reverse REPO Transctions during the year ended on 31.12.2025

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 31.12.2025

SL No.	Counterparty name	Agreement date	Reversal date	Amount (1st leg cash consideration)
1	Bangladesh Bank	19-Oct-25	19-Apr-26	1,155,348,000
2	Bangladesh Bank	26-Oct-25	26-Apr-26	750,394,000
3	Bangladesh Bank	17-Dec-25	01-Jan-26	2,393,633,500
4	Bangladesh Bank	23-Dec-25	06-Jan-26	1,674,524,000
5	Bangladesh Bank	30-Dec-25	01-Jan-26	3,656,243,550
6	Bangladesh Bank	30-Dec-25	06-Jan-26	345,251,200
7	Bangladesh Bank	30-Dec-25	06-Jan-26	275,192,962
8	Bangladesh Bank	30-Dec-25	13-Jan-26	3,281,072,374
	Total			**13,531,659,585**

(a) (ii) Disclosures regarding outstanding Reverse REPO as on 31.12.2025

Counterparty name	Agreement date	Reversal date	Amount (1st leg cash consideration)
1			
Total			-

(b) Disclosure regarding overall transaction of REPO and Reverse REPO

Counterparty name	Minimum outstanding during the period	Maximum outstanding during the period	Daily average outstanding during the period
Security sold under Repo			
I) with Bangladesh Bank	4,619,466,582	24,683,293,350	15,391,110,264
ii) with other Banks & FIs	765,151,300	2,648,515,108	1,748,541,347
Security repurchased under Reverse Repo			
I) From Bangladesh Bank	300,000,000	7,000,000,000	1,835,714,286
ii) From other Banks & FIs	496,082,000	2,636,470,954	1,163,368,216

		Amount in BDT Dec-25	Dec-24
6(a)	**Consolidated Investment**		
	Investment - Government Securities		
	Mercantile Bank PLC.	119,757,554,460	80,605,543,842
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		119,757,554,460	**80,605,543,842**
	Other Investments		
	Mercantile Bank PLC.	8,096,031,276	8,492,708,821
	Mercantile Bank Securities Limited	1,935,152,848	1,955,330,071
	MBL Asset Management Limited	109,648,970	105,688,893
	Mercantile Exchange House (UK) Limited	-	-
		10,140,833,095	**10,553,727,784**
	Inter company transaction	(10,000,000)	(10,735,447)
		10,130,833,095	**10,542,992,337**
		129,888,387,555	**91,148,536,179**
7.	**Loans and Advances/investments**		
	Conventional and Islamic banking		
7.A	Loans, Cash Credit and Overdraft etc/investments (Note-7.2)	278,168,575,650	290,683,819,265
7.B	Bills Purchased and Discounted (Note-7.B(i))	7,766,998,424	9,341,286,977
		285,935,574,074	**300,025,106,242**
7.1	**Maturity grouping of loans and advances/investments**		
	Repayable on demand	56,113,148,969	64,293,659,558
	Not more than 3 (three) months	28,773,610,294	33,893,835,222
	More than 3 (three) months but not more than 1 (one) year	48,348,966,989	63,393,033,546
	More than 1 (one) year but not more than 5 (five) years	79,824,912,166	92,238,665,315
	More than 5 (five) years	72,874,935,655	46,205,912,602
		285,935,574,073	**300,025,106,242**

		Amount in BDT Dec-25	Dec-24
7.2	**Loans, Cash Credit, Overdraft etc/investments**		
	I.a.) Within Bangladesh:		
	Conventional banking		
	Term Loan	145,257,980,844	129,389,485,016
	Time Loan	16,821,583,626	26,380,949,006
	Packing Credit	1,793,798,575	2,924,189,457
	Loan Against Trust Receipt (LTR)	3,233,177,993	3,781,670,251
	Lease Finance	1,352,718,125	1,332,772,505
	EDF Loan	9,184,320,161	10,515,139,857
	Loan General	-	-
	House Building Loan	3,432,442,611	4,231,582,191
	Hire Purchase	6,719,730,427	10,051,478,456
	Payment Against Documents (PAD)	2,805,000	27,675,390
	Cash Credit (Hypo)	4,974,621,907	7,796,803,604
	Overdraft	29,649,111,722	38,187,577,579
	Home Loan Scheme Refinance	-	94,059
	Personal Loan	143,741,091	204,647,108
	Consumers Credit Schemes	-	1,775,194
	Consumers Finance	2,374,172,858	2,718,689,853
	Staff Loan	1,341,376,168	1,439,285,210
	Credit Card	1,045,956,258	850,748,562
	Small and Medium Enterprise(SME) Loan	36,853,236,084	36,670,415,853
	Agricultural Credit	4,559,485,464	5,733,660,821
	Working Capital Under Stim Package Cor	58,867,182	50,169,900
	Other Credit Schemes	2,163,884	1,480,939
		268,801,289,981	**282,290,290,811**
	I.b). Islamic Banking		
	Quard	103,024,458	41,514,541
	Bai-Muajjal	8,110,329,433	7,202,353,088
	Murabaha-TR (PIF)	173,627,250	168,906,976
	HPSM- Others- Corp	977,382,544	977,831,866
		9,364,363,685	**8,390,606,471**
	Total Loan without Non-banking assets	**278,165,653,666**	**290,680,897,282**
	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)	**278,168,575,650**	**290,683,819,265**
7.3	**Loans and Advances/investments: Significant Concentration**		
	Advances to allied concerns of directors	138,445,188	139,027,286
	Advances to Managing Director & Chief Executive and other Senior executives	21,407,655	33,464,369
	Advances to customers' group	71,553,603,246	77,550,363,472
	Industry-wise	212,899,227,488	220,893,508,291
	Staff loan	1,319,968,514	1,405,820,840
		285,932,652,090	**300,022,184,259**
	Loan against Non-banking assets	**2,921,983**	**2,921,983**
		285,935,574,074	**300,025,106,242**
7.4	**Loans and Advances/investments: Sector wise**		
	Education (School/College, University, Research institute)	5,744	5,645
	Health	6,160	6,179
	Agriculture	45,667	57,489
	Commodities (Sugar/ Edible Oil/ Wheat/ Rice/ Dal/ Peas/ Maize etc), Food & Beverage	268,747	309,529
	Trade Finance	393,723	401,108
	Transport	13,582	14,095
	Shipping	10,296	128
	Textile (Excluding IDBP)	179,879	207,031
	Textile (IDBP)	4,512	7,667
	Readymade Garments (RMG) [excluding IDBP]	452,858	495,293
	Readymade Garments (RMG) [IDBP]	893	407
	Tele communication	5,779	11,490
	IT & Computer/Trade	2,475	2,638
	Power & Fuel	93,681	80,597
	Real Estate	86,004	89,530
	Cement	14,108	18,209
	Chemicals	83,039	69,695
	Leather & Leather products	68,655	60,714
	Plastic & Plastic products	4,029	8,474
	Electrical & Electronic goods	45,316	46,676
	Paper & Packaging	72,428	70,598
	Jute & Jute products	54,652	50,421
	Ceramics (Table ware, Sanitary ware, Tiles etc.)	14,380	13,838
	Iron & Steel	281,615	309,465
	Engineering & Construction	114,240	94,403
	Contractor Finance	52,728	54,117
	Capital Market Intermediaries	15,113	15,666
	Backward Linkage	34,618	36,445
	Consumer & Retail Products	91,004	90,887
	Non Bank Financial Institution (NBFI)	84,505	118,194
	Service (Hotel, Restaurant, Travelling, Tickets, etc.)	31,937	44,146
	Others	226,961	209,447
		2,859,326	**3,000,222**
	Loan against Non-banking assets	**29**	**29**
		2,859,355	**3,000,251**
7.5	**Loans and Advances/investments: Geographical location-wise**		
	Urban:		
	Dhaka Division	195,162,040,524	213,784,599,830
	Chattogram Division	43,123,890,602	47,110,748,001
	Rajshahi Division	14,772,963,337	16,839,475,802
	Sylhet Division	1,867,194,780	950,920,763
	Khulna Division	8,187,912,620	3,008,700,369
	Rangpur	4,915,054,693	4,421,894,879
	Barisal Division	2,977,052,931	2,823,509,747
	Mymensingh Division	4,426,847,218	443,912,036
	Sub-total Urban	**275,432,956,706**	**289,383,761,426**
	Loans and Advances/investments: Geographical location-wise		
	Rural:		
	Dhaka Division	4,280,917,988	4,430,298,030
	Chattogram Division	4,951,803,552	4,871,844,426
	Rajshahi Division	942,108,930	970,863,914
	Sylhet Division	12,982,254	15,432,887
	Rangpur Division	184,453,485	194,482,524
	Barisal Division	130,351,158	158,423,035
	Sub-total Rural	**10,502,617,367**	**10,641,344,816**
	Total	**285,935,574,074**	**300,025,106,242**
7.6	**Loans & advances/investments classified as per Bangladesh Bank circular**		
	Unclassified	242,511,999,387	248,260,486,443
	Sub-standard	640,617,289	479,468,632
	Doubtful	2,544,689,582	600,564,752
	Bad Loss	40,235,345,832	50,681,664,432
	Loan against Non-banking assets	2,921,983	2,921,983
		285,935,574,074	**300,025,106,242**

Details of Loans and advances/investments as follows: (Figure in thousand)

Status of Loans and advances/investments	Dec-25 Mix %	Dec-25 Outstanding	Dec-24 Mix %	Dec-24 Outstanding
Unclassified Loans and advances/investments :				
Unclassified (including staff loan)	74.53%	213,115,016	82.08%	246,245,216
Special Mention Account	10.28%	29,396,984	0.67%	2,015,270
Total Unclassified loans and advances/investments :	**84.81%**	**242,511,999**	**82.75%**	**248,260,486**
Classified Loans and advances/investments :				
Sub-standard	0.22%	640,617	0.16%	479,469
Doubtful	0.89%	2,544,690	0.20%	600,565
Bad/loss	14.07%	40,235,346	16.89%	50,681,664
Total classified Loans and advances/investments :	**15.19%**	**43,420,653**	**17.25%**	**51,761,698**
Total Loans and advances/investments :	**100%**	**285,932,652**	**100%**	**300,022,184**
Loan against Non-banking assets		**2,922**		**2,922**
Total Loans and advances/investments :		**285,935,574**		**300,025,106**

		Amount in BDT Dec-25	Dec-24
7.7	**Base for provision**		
	SMA	29,396,983,683	2,015,270,200
	Base for provision		
	Sub-standard	332,643,527	253,692,867
	Doubtful	1,101,638,801	236,635,304
	Bad Loss	19,574,531,279	28,310,189,983
		21,008,813,607	**28,800,518,154**

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		Amount in BDT Dec-25	Dec-24
7.8	**Required provision for Loans and advances/investments**		
	General provision (including SMA)	12,907,341,879	9,273,118,722
	OBU	803,116,700	438,185,931
	Sub-Total	**13,710,458,579**	**9,711,304,653**
	Specific provision (classified loans and advances/investments)		
	Sub-standard	66,528,705	40,091,345
	Doubtful	550,819,400	106,119,887
	Bad/ Loss	19,574,531,279	28,310,189,983
	Sub-Total	**20,191,879,385**	**28,456,401,215**
	Grand Total Required provision up to 31 December 2025	**33,902,337,964**	**38,167,705,868**
	Provision maintained (Note-13.5.1)	**12,509,233,177**	**21,159,105,868**
***	**Excess/(short) provision**	**(21,393,104,787)**	**(17,008,600,000)**

*** Bangladesh Bank has granted regulatory forbearance vide their directive (Ref: BSD-2/2203/2026-384, dated April 29, 2026) allowing the Bank to finalize the financial statements for the year ended December 31, 2025, with an unadjusted provision shortfall of BDT 2,161.31 crore. In compliance with the regulatory directive, no dividend has been declared for the year 2025.

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 :				
Agricultural Credit (Other than Short Term)	4,488,174	4,488,174	1.00%	24,298
Unclassified (SMEF)	25,376,657	25,376,657	1.00%	453,657
Industrial Credit	125,479,185	125,479,185	1.00%	9,393,409
Service Sector Credit	13,552,537	13,552,537	1.00%	578,255
Trade & Commerce Sector Credit	13,173,842	13,173,842	1.00%	135,258
Unclassified (other credit)	5,008,535	5,008,535	1.00%	557,051
Unclassified (OBU)	6,934,430	6,934,430	1.00%	803,117
Housing Finance	4,133,686	4,133,686	1.00%	44,944
Unclassified (Consumer Financing & Credit Card)	13,530,002	13,530,002	1.00%	139,947
Agri Loan/Short term Agri & Micro Credit	74,853	74,853	1.00%	374
Unclassified (staff loan)	1,363,116	1,363,116	-	-
Special Mention Account	29,396,984	29,396,984	5.00%	1,580,149
Total unclassified Loans and advances/investments :	**242,511,999**	**242,511,999**		**13,710,459**
Classified Loans and advances/investments :				
Sub - standard:				
a) Short Term Agri. Credit	2,814	2,814	20%	563
b) Others	637,804	329,830	20%	65,966
Total Sub - standard	**640,617**	**332,644**		**66,529**
Doubtful:				
a) Short Term Agri. Credit	1,377	1,258	50%	629
b) Others	2,543,312	1,100,381	50%	550,191
Total Doubtful	**2,544,690**	**1,101,639**		**550,819**
Bad/ loss	**40,235,346**	**19,574,531**	**100%**	**19,574,531**
Total Classified loans and advances/investments :	**43,420,653**	**21,008,814**		**20,191,879**
Total Loans and advances/investments :	**285,932,652**	**263,520,813**		**33,902,338**
Loan against Non-banking assets	**2,921.98**			
Total Loans and advances/investments :	**285,935,574**			

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	55,580,552,033	55,580,552,033	557,488,959	
Letter of guarantee less margin	19,247,512,905	19,247,512,905	287,811,048	
Letter of credit less margin	98,339,091,366	50,371,280,474	521,849,588.74	
Bills for collection	11,007,287,618	11,007,287,618	-	
Other contingent liabilities		-	-	
Forward assets purchased and forward deposits placed		-	-	
Required provision on Off-balance exposures	**184,174,443,922**	**136,206,633,030**	**1,367,149,596**	**1,367,149,596**
Total Provision maintained (Note-13.3)				**1,367,149,596**
Excess/(short) provision				

		Amount in BDT Dec-25	Dec-24
7.10	**Particulars of loans and advances/investments**		
i)	Loans considered good in respect of which the banking company is fully secured;	241,173,545,202	246,824,123,217
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;	14,463,178,387	16,018,771,355
iv)	Loans adversely classified; provision not maintained thereagainst;	-	-
		255,636,723,589	**262,842,894,572**
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)	**1,341,376,168**	**1,439,285,210**
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)	**1,341,376,168**	**1,439,285,210**
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;	**138,445,188**	**139,027,286**
ix)	Due from banking companies;	-	-
x)	Amount of classified loan on which interest has not been charged, should be mentioned as follows:	**43,420,652,704**	**51,761,697,816**
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	51,761,697,816	17,313,348,921
	Increase/(decrease) during the year	(8,341,045,112)	34,448,348,895
		43,420,652,704	**51,761,697,816**
b.	Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;	**19,574,531,279**	**28,310,189,983**
c.	Interest creditable to the Interest Suspense a/c;	**27,407,768,715**	**24,377,615,863**
xi)	**Cumulative amount of the written off loan and the amount written off during the Current period:**		
	Opening Balance	11,195,724,372	7,921,983,951
	Amount written off during the year	20,750,889,764	3,349,540,075
	Amount Recovered / Adjustment	(175,111,597)	(75,799,653)
	Cumulative Balance	**31,771,502,540**	**11,195,724,372**
	Cumulative amount of Loans & Advance written off since inception to 31st December last year	11,917,922,784	8,568,382,709
	Amount of loans and Advances written off during this year	20,750,889,764	3,349,540,075
	Total Amount of Writtenoff Up to this Year	**32,668,812,548**	**11,917,922,784**
	Cumulative amount Recovered / Adjusted against written off Loans & Advance since inception to 31st December last year	722,198,412	646,398,758
	Amount Recovered / Adjustment during this Year	175,111,597	75,799,654
	Total amount Recovered/Adjusted against WrittenOff Loans and Advances up to this year	**897,310,010**	**722,198,412**
	Amount of written-off Loan for which lawsuit has been filed for its recovery (Including non-impose interest)	**20,100,075,819**	**3,349,540,075**

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	13,395,562,452	8,780,560,166
Dhanmondi Branch	2,425,823,597	2,061,901,946
Motijheel Branch	1,048,988,591	361,037,409
Nayabazar Branch	405,636,896	355,559,385
Kawran Bazar	153,940,896	802,741,638
Rajshahi Branch	2,729,772,611	33,727,872
Naogaon Branch	1,534,150,168	1,406,732,739
Agrabad Branch	8,450,844,968	9,490,490,069
Sylhet Branch	87,776,584	95,609,129
Cumilla Branch	211,363,238	221,577,322
Khatungonj Branch	4,626,694,245	2,698,162,148
Sapahar Branch	9,984,421	11,610,658
Jubliee Road Branch	3,642,470,919	3,642,641,103
Banani Branch	386,398,545	386,398,545
Uttara Branch	3,741,776,913	3,262,481,558
O R Nizam Road Branch	6,230,641	6,230,641
Madam Bibi Hat Branch	2,853,276,950	2,757,564,417
Mogh Bazar Branch	332,741,873	330,839,504
Faridgonj Branch	14,823,692	11,654,710
Rangpur Branch	47,031,646	23,479,472
Sk.Mujib Road Branch	395,552,580	395,552,580
Elephant Road Branch	1,589,681,668	1,600,573,980
Darus Salam Road Branch	34,087,538	34,087,538
Bijoynagar Branch	410,434,288	268,263,553
Joypara Branch	21,503,425	46,519,601
Aganar Branch	38,699,311	34,479,756
Patiya Branch	3,628,728	3,628,728
Satmasjid Road Branch	243,590,286	301,178,010
Dinajpur Branch	218,305,762	98,413,547
Ashulia Branch	159,196,727	166,110,683
Chowmuhani Branch	149,924,274	143,377,514
A.K. Khan Moor Branch	197,158,573	197,158,573
Kushtia Branch	215,969,815	231,615,461
Moulvibazar Branch	15,785,281	15,525,932
Sunamgonj Branch	92,184,137	42,586,280
Gulshan Branch	3,137,426,501	6,230,949
Dholaikhal Branch	94,158,490	124,613,571
Nilphamari Branch	120,963,967	97,017,967
Nabigonj Branch	2,087,469	2,087,469
Hemayetpur Branch	19,979,797	19,979,797
Bogura Branch	43,740,491	54,680,183
Madanpur Branch	18,184,820	18,084,820
Chapainawabgonj Branch	28,571,832	90,694,688
Amishapara Branch	5,071,058	8,223,823
Engineer Institution Branch	31,594,929	42,494,781
Narayanganj Branch	730,838,037	745,135,119
Chandpur Branch	37,233,993	38,774,860
Patherhat Branch	4,614,717	4,614,717
Chuadanga Branch	14,991,094	19,119,255
Sudibbazar Branch	11,600,974	11,311,214
Jhilongja Branch	6,923,168	6,923,168
Shishahat Branch	48,740,119	3,981,689
Rajnagar Krishi Branch	30,964,531	8,003,964
Maijdee Court Branch	67,683,885	67,683,885
Bhulta Branch	237,515,977	203,552,924
Mirpur Branch	799,122,427	799,564,955
Ring Road Branch	383,635,996	386,884,595
Rampura Branch	117,576,544	83,194,361
Jashore Branch	46,232,408	77,362,428
Barishal Branch	1,482,856	1,482,856
Baraiyarhat Branch	25,881,281	17,908,012
Green Road Branch	19,023,710	61,369,280
Banglabazar Branch	131,981,218	90,422,397
Kuraish Munshi Branch	53,750,800	53,750,800
Pabna Branch	141,938,627	94,847,818
Kishoreganj Branch	20,916,626	20,916,626
Gareeb-e-Newaz	119,190,180	29,714,501
Sadar Ghat Branch	92,671,667	92,671,667
Chattogram EPZ	3,894,013	3,640,932
Baipal Branch	12,787,359	12,787,359
Gobindoganj Branch	72,424,471	59,896,973
Nazipur Branch	29,174,966	31,447,616
Donia Branch	20,892,175	18,122,354
Gazipur Churasta Branch	71,235,220	-
Niamatpur Branch	10,124,218	-
Suborno Char Branch	22,984,471	-
Velanagar Branch	22,900,000	-
Feni Branch	70,569,623	-
Patuakhali Branch	32,395,139	-
Pragati Sarani Branch	4,743,277	-
Damuddya Branch	15,500,000	-
Ati Bazar Branch	4,619,795	-
Beani Bazar Branch	49,168,542	-
Head Office-Law Division	138,542,000	-
	57,119,237,695	**43,829,266,536**

		Amount in BDT Dec-25	Dec-24
7.12	**Listing of assets pledged as security/ collaterals**		
	Nature of the secured assets:		
	Fixed assets	1,547,294,035,889	155,873,050,116
	Cash & quasi-cash	1,431,192,333,845	23,160,109,689
	Others	21,397,608,376	26,543,204,605
		2,999,883,978,110	**205,576,364,410**
7.13	**Nature wise loans & advances/investments**		
	Continuous	62,101,904,993	73,775,381,502
	Demand Loan	46,366,392,952	61,877,749,375
	Term Loans up to 5 (five) years	104,592,340,473	118,166,062,762
	Term Loans above 5 (five) years	72,196,884,608	45,423,591,704
	Term Loans above 5 (five) years - Staff Loan	678,051,047	782,320,898
		285,935,574,074	**300,025,106,242**
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	36,031,460,090	38,748,557,933
	Total Loans and Advances/investments (Funded)	100,842,242,119	87,229,572,337
	No. of customers	31	29
	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 31.12.2025 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 31. Total capital of the Bank was BDT. 3,603.15 crore as at 31.12.2025

SL #	Name of Clients	Outstanding (BDT) Funded	Non-Funded	Total (BDT)	Branch
1	Deshbandhu Group	8,782,000,000	110,000,000	8,892,000,000	Motijheel
2	Jamuna Industrial Agro Group	7,866,100,000	-	7,866,100,000	Rajshahi
3	International Leasing & Financial Services Ltd.	7,114,800,000	-	7,114,800,000	Banani/Elephant Road
4	Labib Group	5,742,500,000	4,899,100,000	10,641,600,000	Mohakhali
5	Orion Group (Power Sector)	5,682,500,000	323,500,000	6,006,000,000	Main
6	Rahimafrooz Group	5,652,200,000	260,000,000	5,912,200,000	Motijheel/ Moghbazar/ Mohakhali/gulshan
7	Abul Khair Group	4,766,700,000	13,727,799,000	18,494,499,000	Agrabad / Gulshan /Khatungonj
8	ACI Group	4,993,400,000	2,951,400,000	7,944,800,000	Motijheel
9	Energypac Group	5,326,900,000	293,700,000	5,620,600,000	Int'l Airport Road
10	Habib Group	5,255,700,000	3,300,000	5,259,000,000	Agrabad
11	Sajeeb Group	4,863,542,119	-	4,863,542,119	Green Road
12	TK Group	2,724,200,000	3,725,100,000	6,449,300,000	Agrabad
13	Jamuna Group	4,561,800,000	5,647,400,000	10,209,200,000	Main
14	Utah Group	2,302,300,000	1,405,500,000	3,707,800,000	Main
15	Creative Group	4,224,300,000	300,000	4,224,600,000	Main
16	Silver Line Group	2,861,800,000	227,600,000	3,089,400,000	Gulshan
17	SQ Group	2,354,300,000	2,311,953,000	4,666,253,000	Gulshan
18	Rising Group	2,001,100,000	2,964,200,500	4,965,300,500	Banani
19	Interstoff Group	2,890,200,000	1,535,166,000	4,425,366,000	Dhanmondi/Main
20	City Group	1,576,300,000	5,201,300,000	6,777,600,000	Main
21	Comprehensive Group	2,653,100,000	1,190,600,000	3,843,700,000	Dhanmondi
22	Square Group	-	5,236,900,000	5,236,900,000	Mohakhali
23	Badsha Group	1,222,700,000	3,546,400,000	4,769,100,000	Gulshan
24	GPH Group	2,542,100,000	3,281,700,000	5,823,800,000	Khatungonj
25	Pran RFL Group	725,900,000	5,698,100,000	6,424,000,000	Motijheel
26	Meghna Group	-	3,109,900,000	3,109,900,000	Main
27	MNR Group	1,049,800,000	1,093,600,000	2,143,400,000	Gulshan
28	KDS Group	951,700,000	2,151,600,000	3,103,300,000	Khatungonj
29	BSRM Group	154,300,000	764,200,000	918,500,000	Jubilee Road
30	Rural Power Company Ltd. (Power Sector)	-	8,976,700,000	8,976,700,000	Uttara
31	Power Grid Company of Bangladesh PLC. (Power Sector)	-	3,597,468,472	3,597,468,472	EIB /Rampura/ Aftabnagar
	Total	**100,842,242,119**	**84,234,486,972**	**185,076,729,091**	

		Amount in BDT Dec-25	Dec-24
7.16	**Net loans, advances and leases/ investment**		
	Gross performing loans, advances and leases/ investment (Note-7)	**285,935,574,074**	**300,025,106,242**
	Non-performing loans, advances and leases/ investment (Note-7.10(X))	(43,420,652,704)	(51,761,697,816)
	Provision for loans, advances and leases/ investment (Note-13.5.1)	(12,509,233,177)	(21,159,105,868)
		(55,929,885,881)	**(72,920,803,683)**
		230,005,688,193	**227,104,302,559**
7.17	**Loans and advances/investments: Broad categories**		
	Loans and advances/investments (7.17.1)	217,169,761,524	214,984,343,718
	Cash credits (7.17.2)	23,106,541,464	28,026,074,747
	Overdraft (7.17.3)	36,474,613,874	46,242,587,268
	Bill Purchased and discounted (7.17.4)	7,769,803,423	9,368,962,366
	Leases/investments (7.17.5)	1,411,931,806	1,400,216,160
	Loan against Non-banking Assets (7.17.6)	2,921,983	2,921,983
	In Bangladesh	**285,935,574,074**	**300,025,106,243**
	Outside Bangladesh	-	-
	Total Loans and advances /investments	**285,935,574,074**	**300,025,106,243**
7.17.1	**Loans and advances/investments: Residual maturity grouping**		
	Repayable on demand	33,664,876,828	34,818,180,234
	Not more than 3 (three) months	10,441,701,419	11,599,692,237
	More than 3 (three) months but not more than 1 (one) year	22,538,311,396	31,651,153,485
	More than 1 (one) year but not more than 5 (five) years	79,015,775,199	90,916,115,633
	More than 5 (five) years	71,509,096,682	45,999,202,129
		217,169,761,524	**214,984,343,718**
7.17.2	**Cash credit : Residual maturity grouping**		
	Repayable on demand	10,894,669,384	13,047,475,356
	Not more than 3 (three) months	2,834,213,025	4,614,040,686
	More than 3 (three) months but not more than 1 (one) year	9,306,433,420	10,303,187,187
	More than 1 (one) year but not more than 5 (five) years	71,225,635	61,371,518
	More than 5 (five) years	-	-
		23,106,541,464	**28,026,074,747**
7.17.3	**Overdraft: Residual maturity grouping**		
	Repayable on demand	9,858,465,682	14,134,554,572
	Not more than 3 (three) months	9,573,571,707	10,754,035,142
	More than 3 (three) months but not more than 1 (one) year	16,328,218,705	21,177,912,747
	More than 1 (one) year but not more than 5 (five) years	714,357,780	176,084,807
	More than 5 (five) years	-	-
		36,474,613,874	**46,242,587,268**
7.17.4	**Bills discounted and purchased: Remaining maturity grouping**		
	Payable within 1 (one) month	1,690,614,960	2,261,529,285
	Over 1 (one) month but less than 3 (three) months	5,924,124,143	6,926,067,156
	Over 3 (three) months but less than 6 (six) months	155,064,320	181,365,925
	6 months or more	-	-
		7,769,803,423	**9,368,962,366**
7.17.5	**Leases / investments: Residual maturity grouping**		
	Lease rental receivable within 1 year	25,461,263	111,334,313
	Above 1 year but within 5 years	23,553,552	1,085,093,357
	Above 5 years	1,362,916,991	203,788,490
	Total lease rental receivable	**1,411,931,806**	**1,400,216,160**
	Unearned interest receivable	-	-
		1,411,931,806	**1,400,216,160**
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 :

BDT in Lac

Nature of facility	Amount	Validity	Outstanding as on 31.12.25	Total Provision kept	CL Status
Syndication Term Loan (Restructured)	4271.28	30-Mar-32	4261.19	213.06	SMA

		Amount in BDT Dec-25	Dec-24
7.B	**Bills Purchased and Discounted:**		
7.B.(i).	**Bill discounted and purchased exclude Government Treasury bills:**		
	Conventional and Islamic banking		
	Payable in Bangladesh	1,718,376,051	1,978,567,242
	Payable outside Bangladesh	6,048,622,373	7,362,719,734
		7,766,998,424	**9,341,286,977**
7.B.(ii).	**Remaining maturity grouping of Bills discounted and purchased**		
	Payable within 1 (one) month	4,598,414,217	5,487,190,190
	Over 1 (one) month but less than 3 (three) months	2,714,075,089	3,490,338,143
	Over 3 (three) months but less than 6 (six) months	454,509,118	363,758,644
	6 months or more	-	-
		7,766,998,424	**9,341,286,977**
7(a)	**Consolidated Loans and advances/investments**		
	Loans and advances/investments		
	Mercantile Bank PLC.	278,168,575,650	290,683,819,265
	Mercantile Bank Securities Limited	4,492,759,774	4,603,605,968
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		282,661,335,424	**295,287,425,233**
	Inter company transactions	(323,776,640)	(598,212,414)
		282,337,558,784	**294,689,212,819**
	Bills Purchased and discounted		
	Mercantile Bank PLC.	7,766,998,424	9,341,286,977
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		7,766,998,424	**9,341,286,977**
	Inter company transaction	-	-
		7,766,998,424	**9,341,286,977**
	Total	**290,104,557,208**	**304,030,499,796**
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	974,389,363	1,008,092,629
	Furniture & fixtures	378,429,056	372,377,467
	Office equipment	401,019,385	495,397,979
	Vehicles	35,443,559	31,594,272
	Books	62	62
	Total	**3,131,089,404**	**3,249,270,388**
8(a).	**Consolidated Fixed assets including premises, furniture and fixtures**		
	Mercantile Bank PLC.	3,131,089,404	3,249,270,388
	Mercantile Bank Securities Limited	108,088,273	103,639,288
	MBL Asset Management Limited	211,660	314,354
	Mercantile Exchange House (UK) Limited	5,215,587	5,482,112
		3,244,604,924	**3,358,706,142**
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.	56,579,224	51,738,780
	MBL Offshore Banking Division	3,959,855,566	6,349,741,346
	Islamic-Conv. Adjustment Account		
	No-Income generating other assets:		
	Stationery, stamps,printing materials in stock etc.	71,620,312	48,385,112
	Advance rent and advertisement	224,793,589	235,260,758
	Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable (Note 9.1);	3,849,852,471	2,347,721,371
	Security deposit	10,896,221	10,324,826
	Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses (Note-9.2)	51,069,276	31,019,270
	Branch adjustment	24,161,287	24,161,287
	Inter Branch Settlement Account	2,045,790,387	2,197,702,669
	Suspense Account (Note 9.3)	1,456,805,567	1,074,438,084
	Right Of Use (ROU) Assets as per IFRS-16	194,674,029	390,991,497
		15,552,097,929	**16,367,485,000**
	Inter company transaction(OBD)	(3,959,855,566)	(6,349,741,346)
		11,592,242,363	**10,017,743,654**
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)	3,748,252,230	2,241,145,828
	Other accruals (Note - 9.1.2)	101,600,241	106,575,543
		3,849,852,471	**2,347,721,371**
9.1.1	**Accrued interest**		
	Interest Receivable on Investment	3,246,909,465	1,650,384,004
	Interest Receivable on Loan & Advances except OBD	311,601,987	308,886,522
	Coupon Int. Expenditure A/C	-	-
	Interest Receivable on OBD (Loan & Advances)	189,740,778	281,875,302
		3,748,252,230	**2,241,145,828**
9.1.2	**Other accruals**		
	Fees receivable	-	-
	Dividend receivable on share	12,452,617	17,427,920
	Discount receivable	-	-
	Protested bills	23,171,030	23,171,030
	Other receivables	65,976,594	65,976,594
		101,600,241	**106,575,543**
9.2	**Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses:**		
	Advance against new Br/HO/ZO/SO	10,791,000	-
	Prepaid insurance premium	7,111,954	8,927,233
	Others Prepaid expenditure	33,166,321	22,092,037
		51,069,276	**31,019,270**
9.3	**Suspense Account**		
	Advance against TA/DA	-	-
	Encashment of PSP/BSP/WEDB	3,774,000	17,114,643
	Cash Remitted	47,043,000	56,400,120
	BB Impress Fund for Fx-Remittance	875,000,000	357,000,000
	Others	530,988,567	643,923,321
		1,456,805,567	**1,074,438,084**

9.4 **Un-reconciled Branch Adjustments- Mercantile Bank General Account** **Amount in BDT**

This Note represents outstanding inter-branch and Head Office transactions (Net) originated but yet to be responded. However, the un-reconciled entries of 31.12.2025 (upto-date position 06.01.2026)are narrated below:

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-25	Dec-24
9(a)	**Consolidated other assets**		
	Mercantile Bank PLC.	11,592,242,363	10,017,743,654
	Mercantile Bank Securities Limited.	351,025,091	318,482,390
	MBL Asset Management Limited	7,213,688	7,860,409
	Mercantile Exchange House (UK) Limited	13,040,289	11,916,480
		11,963,521,431	**10,356,002,934**
	Inter company transaction	(3,662,166,844)	(3,657,326,400)
		8,301,354,587	**6,698,676,534**

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:

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SL	Name of Parties	Asset details	Entitlement Date	Market Value Dec-25	Market Value Dec-24
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	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
9	Sanmar Hotels Limited Agrabad Branch	a) 98515 sqft. floor space with proportionate 22.63 decimal lands of Sanmar Hotels Limited building situated at 21/1, Agrabad C/A, Mouza- Gowsaldangha, Police Station-Double Mooring, Post Office-Agrabad, District-Chittagong. b) 1 Acre 18.50 decimal lands at Mouza- Sonaichari, Police Station-Sitakunda, District-Chittagong. c) 4.00 decimal lands at Mouza-Maddam Sonaichari, Police Station-Sitakunda, District-Chittagong.	15-Sep-22	964,019,000	-
10	M/S. Al Madina Store Patiya Branch	a) 14.00 Decimal Land at Mouza- Gobinderkhil, Police Station-Patiya, District- Chottogram.	10-Aug-23	1,050,000	-
	Total			1,010,150,332	45,081,332

		Dec-25	Dec-24
10(a).	**Non- banking assets**		
	Mercantile Bank PLC.	1,010,150,332	45,081,332
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		1,010,150,332	**45,081,332**
11	**Borrowings from other banks, financial institutions and agents**		
	In Bangladesh (Note 11.1)	12,103,667,090	13,462,007,343
	Outside Bangladesh	2,323,612,600	1,560,000,000
		14,427,279,690	**15,022,007,343**
11.1	**In Bangladesh - Interest bearing**		
A.	**Money at Call & short notice (11.1a):**	1,589,840,200	-
		1,589,840,200	**-**
B.	**Other Borrowings:**		
	Bangladesh Bank Refinance (11.1b)	7,878,113,775	11,078,587,007
	Bangladesh Bank Pre-finance against RMG	726,294,915	470,575,636
	Bangladesh Bank Pre-finance against SME	3,676,200	7,102,700
	Borrowing from Bangladesh Bank	1,905,742,000	1,905,742,000
	Other Bank Borrowings (11.1c)	-	-
	Off-shore Banking Division	3,959,855,566	6,349,741,346
		14,473,682,456	**19,811,748,689**
	Inter company transaction	(3,959,855,566)	(6,349,741,346)
	Other Borrowings	**10,513,826,890**	**13,462,007,343**
	Total	**12,103,667,090**	**13,462,007,343**
11.1a	**Money at Call & short notice**		
i)	**Money at Call:**		
		-	-
ii)	**Short Notice:**		
	Sonali Bank PLC.	1,222,954,000	-
	Basic Bank LTD	366,886,200	-
		1,589,840,200	**-**
		1,589,840,200	**-**
11.1b	**Bangladesh Bank Refinance**		
	Refin on Estb of Certfd Green Build	135,714,287	164,285,715
	Refinance for Women Ent. SME	489,900,417	496,767,500
	Refinance for SME Foundation	3,617,325	8,361,666
	Refinance for Home Loan	1,513,589	2,441,113
	Refinance for SME	1,057,946,189	1,778,943,583
	Refinance against SMEDP-2	10,438,889	26,339,595
	Refinance against StimulusFund	99,110,000	133,130,000
	Refinance for Term Loan-Ghore Fera	21,450,000	21,890,000
	Refinance against EDF from BB	4,701,841,877	5,500,481,586
	Refinance Against Brick Kil	23,035,722	32,250,006
	Refinance Against Fin. Incl SC(FIS)	85,296,547	101,640,952
	Refinance for Agro Processing Ind	290,725,001	231,844,111
	FC Account Against BB Refinance	436,055,186	685,620,368
	Pre-Shipment Credit Ref Scheme Corp	-	1,802,698,000
	Re-finance agnt Corporate Loan	521,468,747	91,892,813
		7,878,113,775	**11,078,587,007**
11.1c	**Other Bank Borrowings**		
	Term Borrowing:		
		-	-
		-	**-**
11.2	**Outside Bangladesh**	**2,323,612,600**	**1,560,000,000**
	Total Borrowings from other banks, financial institutions and agents (N-11.1+11.2)	**14,427,279,690**	**15,022,007,343**
11.3	**Borrowings from other banks, financial institutions and agents: Security wise grouping**		
	Secured borrowings	10,513,826,890	13,462,007,343
	Unsecured borrowings	3,913,452,800	1,560,000,000
		14,427,279,690	**15,022,007,343**
11.4	**Borrowings from other banks, financial institutions and agents: Nature of repayment**		
	Repayable on demand	3,913,452,800	1,560,000,000
	Others	10,513,826,890	13,462,007,343
		14,427,279,690	**15,022,007,343**
11.5	**Borrowings from other banks, financial institutions and a gents: Maturity grouping**		
	Repayable on demand	3,913,452,800	1,560,000,000
	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	10,513,826,890	13,462,007,343
	Over 5 year but within 10 years	-	-
	Over 10 (ten) years	-	-
		14,427,279,690	**15,022,007,343**
11(a)	**Consolidated borrowings from other banks, financial institutions**		
	Inside Bangladesh		
	Mercantile Bank PLC.	14,427,279,690	15,022,007,343
	Mercantile Bank Securities Limited	863,669,941	1,081,673,428
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		15,290,949,631	**16,103,680,771**
	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	-	-
		-	**-**
		15,290,949,631	**16,103,680,771**
	Inter company transaction	(323,776,640)	(598,212,414)
	Total- Consolidated borrowings from other banks, financial institutions	**14,967,172,991**	**15,505,468,357**
11.6	**Non-convertible Subordinated Bond**		
	Coupon Rate		
	Janata Bank PLC. 7.07%	-	200,000,000
	Agrani Bank PLC. 7.07%	-	200,000,000
	Sonali Bank PLC 7.07%	-	200,000,000
		-	**600,000,000**

		Dec-25	Dec-24
11.6a	**Consolidated Non-convertible Subordinated Bond**		
	Mercantile Bank PLC.	-	600,000,000
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		-	**600,000,000**
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**
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 :**	**15,197,390,088**	**9,255,563,925**
	Payable on demand (Note- A-1)	11,914,467	3,579,956
	Time Deposits (Note - A-2)	15,185,475,621	9,251,983,968
B.	**Other than Bank:**	**364,590,137,355**	**333,468,688,627**
	Payable on demand (Note- B-1)	44,454,757,160	52,415,769,111
	Time Deposits (Note - B-2)	320,135,380,195	281,052,919,516
	Total Payable on Demand Deposits (Note- A-1 & B-1)	44,466,671,628	52,419,349,067
	Total Time Deposits (Note -A-2 & B-2)	335,320,855,815	290,304,903,484
		379,787,527,443	**342,724,252,551**
A.	**Deposits received from Banks:**		
	Term deposit	13,734,431,000	6,200,000,000
	Current deposit	11,914,467	3,579,956
	Special Notice deposits	1,451,044,621	3,051,983,968
	Saving deposits	-	-
		15,197,390,088	**9,255,563,925**
A-1	**Payable on demand**		
	Current deposits	11,914,467	3,579,956
	Saving deposits (9%) - (A)	-	-
		11,914,467	**3,579,956**
A-2	**Time deposits**		
	Saving deposits (91%) - (A)	-	-
	Term deposit	13,734,431,000	6,200,000,000
	Special Notice deposits	1,451,044,621	3,051,983,968
		15,185,475,621	**9,251,983,968**
	Maturity Analysis (Deposits received from Banks):		
	Repayable on demand	11,914,467	3,579,956
	Repayable within 1 month	1,451,044,621	3,051,983,968
	Over 1 months but within 6 months	13,734,431,000	6,200,000,000
	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	-	-
		15,197,390,088	**9,255,563,925**
B.	**Other than Bank:**		
B-1	**Payable on demand:**		
	Current deposits	14,361,454,246	13,835,958,350
	Saving deposits (9%) - (Note 12.3)	3,703,713,186	3,314,810,669
	Foreign currency deposits (non interest bearing)	2,878,772,178	3,088,248,304
	Bills payable (Note-12.2)	3,122,006,246	3,557,652,516
	Sundry deposits (Note - 12.1.1)	10,615,871,212	16,693,945,281
	Foreign currency held against Back to Back L/C	9,772,940,092	11,925,153,992
		44,454,757,160	**52,415,769,111**
B- 2	**Time deposits:**		
	Saving deposits (91%) - (Note-12.3)	37,448,655,547	33,516,418,986
	Foreign currency deposits (non interest bearing)	5,580,872,027	4,611,154,615
	Fixed deposits (Note-12.4)	129,599,274,572	120,052,565,103
	Special Notice deposits	61,251,125,734	66,373,786,593
	Deposits under schemes (Note-12.5)	84,467,556,545	55,693,364,468
	Non-resident taka deposit	970,199,730	87,449,309
	Deposit under Q-cash	65,194,340	52,586,047
	Deposit under Agent Banking	752,501,699	665,594,394
		320,135,380,195	**281,052,919,516**
	Maturity Analysis (Deposits received from other than Banks):		
	Repayable on demand	46,973,511,912	45,355,818,973
	Repayable within 1 month	47,432,068,331	49,366,121,775
	Over 1 months but within 6 months	41,123,797,455	41,720,888,210
	Over 6 months but within 1 year	43,383,688,805	44,242,102,684
	Over 1 year but within 5 years	54,337,685,868	53,163,874,550
	Over 5 year but within 10 years	131,339,384,984	99,619,882,435
	Unclaimed deposits 10 (ten) years and above	-	-
		364,590,137,355	**333,468,688,627**
12.1	**Current/Al-wadeeah current accounts and other accounts**		
	Current deposits	14,354,999,588	13,812,357,349
	Special Notice deposits	62,702,170,355	69,425,770,561
	Foreign currency deposits	8,459,644,206	7,699,402,919
	Deposit under Q-cash & My cash	65,194,340	52,586,047
	Deposit under Agent Banking	752,501,699	665,594,394
	Non-resident taka deposits	970,199,730	87,449,309
	Sundry deposit (Notes 12.1.1)	10,615,871,212	16,693,945,281
	Unclaimed Dividend (Note-12.6)	18,369,125	27,180,957
	Foreign currency held against Back to Back L/C	9,772,940,092	11,925,153,992
		107,711,890,347	**120,389,440,809**
12.1.1	**Details of sundry deposit**		
	Sundry Creditors	303,696,801	344,099,849
	Withholding Tax - IT	931,013,940	870,136,041
	Withholding Tax - Excise Duty	276,168,032	271,749,199
	Withholding Tax - VAT	54,931,585	55,068,917
	Margin on Letter of Guarantee	911,265,535	925,267,020
	Margin on L/C	6,035,086,059	12,032,314,219
	Margin on FDBP/IDBP	97,525	97,525
	Margin on Inward bill collection	381,079	381,079
	Other Margin Account	24,848,686	20,649,194
	Sale proceeds of PSP/BSP	3,200,000	3,200,000
	Advance deposit against lease rent	904,200	904,200
	Security deposit	18,288,860	15,615,964
	Export bill agency commission	10,156,536	10,156,536
	Export bill reserve margin	204,075,643	250,810,130
	Other sundry deposit	1,841,756,729	1,893,495,409
		10,615,871,212	**16,693,945,281**
12.2	**Bills payable**		
	Demand Draft	2,936,459	2,936,459
	Security deposit receipt	901,950	901,950
	Pay Order	3,102,476,736	3,538,937,591
	Pay Slip & FTT/FDD	15,691,102	14,876,516
		3,122,006,246	**3,557,652,516**
	Maturity wise Grouping Bills Payable		
	Repayable on demand	-	-
	Repayable within 1 month	3,121,104,296	3,556,750,566
	Over 1 months but within 6 months	901,950	901,950
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 year but within 10 years	-	-
		3,122,006,246	**3,557,652,516**
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)	3,703,713,186	3,314,810,669
	91% of total Savings Bank deposits (Time deposits)	37,448,655,547	33,516,418,986
		41,152,368,733	**36,831,229,655**
12.4	**Fixed deposits/Mudaraba fixed deposits**		
	Customer deposits (Note 12 B-2)	129,599,274,572	120,052,565,103
	Deposits received from Banks-Term deposit (Note-12 A-2)	13,734,431,000	6,200,000,000
		143,333,705,572	**126,252,565,103**
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	38,985,749,763	27,902,619,298
	Over 6 months but within 1 year	46,446,138,714	44,497,471,870
	Over 1 year but within 5 years	56,860,694,541	52,893,372,473
	Over 5 year but within 10 years	1,041,122,553	959,101,462
	Unclaimed deposits 10 (ten) years and above	-	-
		143,333,705,572	**126,252,565,103**
12.5	**Deposit under schemes/Mudaraba deposit schemes**		
	Monthly Savings Scheme	30,232,224,621	26,961,134,462
	Double Benefit Deposit Scheme	13,129,368,648	11,660,981,120
	Family Maintenance Deposit Scheme	2,940,685,962	3,157,742,261
	MBL Nari Sanchaya Prokolpo(MNSP)	446,489,786	300,765,512
	Special Savings Scheme	-	167,143,930
	Pension and Family Support Scheme	695,684,895	755,503,078
	Quarterly Benefit Deposit Scheme	19,500,000	30,050,000
	Super Benefit Scheme	36,998,266,323	12,653,349,761
	Education Planning Deposit Scheme	5,336,313	6,694,345
		84,467,556,545	**55,693,364,468**

		Dec-25	Dec-24
12.6	**Unclaimed Dividend**		
	Dividend remained unclaimed which were declared for the year:		
	Current deposits **2020**	-	-
	Current deposits **2021**	-	7,810,930
	Current deposits **2022**	5,096,916	5,837,818
	Current deposits **2023**	13,272,209	13,532,210
	Total Current deposits	**18,369,125**	**27,180,957**
		18,369,125	**27,180,957**
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.	15,197,390,088	9,255,563,925
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		15,197,390,088	**9,255,563,925**
	Other than Bank		
	Mercantile Bank PLC.	92,514,500,259	111,133,876,884
	Mercantile Bank Securities Limited	107,490,855	149,681,695
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		92,621,991,114	**111,283,558,579**
	Inter Company Transaction	(136,969,874)	(220,635,691)
		92,485,021,240	**111,062,922,889**
		107,682,411,328	**120,318,486,811**
12.2(a)	**Bills Payable**		
	Mercantile Bank PLC.	3,122,006,246	3,557,652,516
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		3,122,006,246	**3,557,652,516**
	Maturity wise Grouping Bills Payable		
	Repayable on demand	-	-
	Repayable within 1 month	3,121,104,296	3,556,750,566
	Over 1 months but within 6 months	901,950	901,950
	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	-	-
		3,122,006,246	**3,557,652,516**
12.3(a)	**Savings Bank/Mudaraba savings bank deposits**		
	Mercantile Bank PLC.	41,152,368,733	36,831,229,655
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited		
	Mercantile Exchange House (UK) Limited	-	-
		41,152,368,733	**36,831,229,655**
12.4(a)	**Fixed deposits/Mudaraba fixed deposits**		
	Mercantile Bank PLC.	143,333,705,572	126,252,565,103
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited		
	Mercantile Exchange House (UK) Limited	-	-
		143,333,705,572	**126,252,565,103**
12.4.1(a)	**Fixed deposits/Mudaraba fixed deposits - Maturity wise Grouping**		
	Repayable on demand	-	-
	Repayable within 1 month	46,446,138,714	44,497,471,870
	Over 1 months but within 6 months	56,860,694,541	52,893,372,473
	Over 6 months but within 1 year	40,026,872,317	28,861,720,760
	Over 1 year but within 5 years	-	-
	Over 5 year but within 10 years	-	-
	Unclaimed deposits 10 (ten) years and above	-	-
		143,333,705,572	**126,252,565,103**
12.5(a)	**Deposit under schemes/Mudaraba deposit schemes**		
	Mercantile Bank PLC.	84,467,556,545	55,693,364,468
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		84,467,556,545	**55,693,364,468**
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)	991,307,508	682,334,192
	Provision for Off Balance Sheet Items (Note-13.3)	1,367,149,596	1,321,875,226
	Provision for Incentive Bonus	200,738,165	200,738,165
	Provision for Current Tax less advance Tax (Note-13.4.1)	(3,989,624,567)	(3,645,165,566)
	Provision for Deferred Tax (Note-13.4.2)	(286,665,861)	(243,308,276)
	Provision for Loans and Advances/investments (Note-13.5.1)	12,509,233,177	21,159,105,868
	Leasehold Liabilities IFRS-16	260,288,730	443,307,043
	Provision against Non-banking assets	18,996,938	18,996,938
	Startup Fund (Note-13.2.2)	116,422,304	104,423,597
	Adjusting Account Credit (Note-13.6)	14,894,516,164	12,396,872,132
	Interest Suspense Account (Note-13.7)	27,407,768,715	24,377,615,863
	Provision for Audit fees	2,185,000	2,185,000
		53,577,315,869	**56,903,980,183**
13.1	**Provision for Gratuity Fund**		
	Beginning of the year	-	-
	Add. During the year	50,000,000	250,000,000
		50,000,000	**250,000,000**
	Transferred to Savings Account (Gratuity Fund)	50,000,000	250,000,000
		-	**-**
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	23,171,030	18,171,030
	Add. During the year	-	5,000,000
	Less. Transfer to Retained Earning	-	-
		23,171,030	**23,171,030**
II.A	**Provision for Other Asset**		
	Provision held at the beginning of the year	285,455,703	260,318,094
	Add. Provision made during the year	55,701,000	30,137,609
	Less: Adjusted during the year	-	(5,000,000)
		341,156,703	**285,455,703**
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)	**388,527,733**	**332,826,733**
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
	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		-
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	111,269,180	213,070,000
	Add. Provision made during the year	-	-
	Less. Adjustment during the year (Agri instrument Tk.1100000+1100000+4221000+2200000+9450000)	18,071,000	101,800,820
	Provision kept as per BB Letter No. BRPD(CMS)651/9(39)KHA/2022-9886 dated 27.09.2022	**93,198,180**	**111,269,180**
VIII.	**Provision for diminution in value of investments in shares**		
	Provision held at the beginning of the year	104,435,791	57,457,654
	Provision made during the year	7,100,000	46,978,137
		111,535,791	**104,435,791**
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	60,902,488
	Provision made during the year	-	-
		60,902,488	**60,902,488**

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		Amount in BDT Dec-25	Dec-24
X.	**Provision for FAS Finance & Investment Limited & International Leasing & Financial Services Limited**		
	Provision held at the beginning of the year	-	-
	Provision made during the year	229,446,985	-
		229,446,985	**-**
XI.	**Provision for Non- banking assets**		
	Provision held at the beginning of the year	-	-
	Provision made during the year	34,796,332	-
		34,796,332	**-**
	Total (I+II+III+IV+V+VI+VII+VIII+IX+X+XI)	**991,307,508**	**682,334,192**

		Amount in BDT Dec-25	Dec-24
XII.	**Other Provision made during the year**		
	Other Asset	55,701,000	30,137,609
	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)	-	-
	Provision for diminution in value of investments in shares	7,100,000	46,978,137
	Provision for Investment in Shares of subsidiary company Mercantile Exchange House (UK) Ltd.	-	-
	Provision for FAS Finance & Investment Limited & International Leasing & Financial Services Limited	229,446,985	-
	Provision for Non- banking assets	34,796,332	-
		327,044,317	**77,115,746**
13.2.2	**Startup Fund**		
	Beginning of the year	104,423,597	98,111,353
	During the year	11,998,707	6,312,244
	As per SME & SPD Circular Letter No.04 , dated on 29.03.2021	**116,422,304**	**104,423,597**
13.2 (a)	**Consolidated current year provision for Other Provision**		
	Mercantile Bank PLC.	327,044,317	77,115,746
	Mercantile Bank Securities Limited	20,000,000	30,000,000
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		347,044,317	**107,115,746**
13.3	**Provision for Off Balance Sheet Items**		
	Provision held at the beginning of the year	1,321,875,226	1,234,035,293
	Provision made during the year	45,274,370	87,839,933
		1,367,149,596	**1,321,875,226**
13.3 (a)	**Consolidated current year provision for off-balance sheet**		
	Mercantile Bank PLC.	45,274,370	87,839,933
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		45,274,370	**87,839,933**
13.3.1 (a)	**Consolidated current year other provision**		
	Mercantile Bank PLC.	327,044,317	77,115,746
	Mercantile Bank Securities Limited	20,000,000	30,000,000
	MBL Asset Management Limited	-	
	Mercantile Exchange House (UK) Limited	-	-
		347,044,317	**107,115,746**

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	15,254,074,559	14,281,295,843
Adjustment during the year	(599,695,744)	-
Tax paid during the year Under ITA-2023	1,057,816,587	972,778,716
	15,712,195,401	**15,254,074,559**
Provision for Tax		
Opening Provision of Tax	11,608,908,993	10,924,496,692
Adjustment during the year	(599,695,744)	-
Provision made during the year	713,357,585	684,412,301
	11,722,570,834	**11,608,908,993**
Tax liabilities/(Assets)	**(3,989,624,567)**	**(3,645,165,566)**
13.4.1 Current Tax liabilities/(Assets)		
Opening Tax Liabilities	11,608,908,993	10,924,496,692
Adjustment during the year	(599,695,744)	-
Provision made during the year	713,357,585	684,412,301
	11,722,570,834	**11,608,908,993**
Total Advance tax paid	(15,712,195,401)	(15,254,074,559)
	(3,989,624,567)	**(3,645,165,566)**

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	(243,308,276)	(208,895,975)
Provision made during the year	(43,357,585)	(34,412,301)
	(286,665,861)	**(243,308,276)**

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
Fixed Assets	1,789,281,426	2,479,979,376	(690,697,950)	(259,011,731)
Right Of Use (ROU) Assets as per IFRS-16	2,066,048,808	2,139,793,155	(73,744,347)	(27,654,130)
Total Fixed Assets & Right Of Use (ROU) Assets as per IFRS-16	**3,855,330,234**	**4,619,772,531**	**(764,442,297)**	**(286,665,861)**
Deferred Tax (Assets)/Liabilities as on 31.12.2025				**(286,665,861)**
Deferred Tax (Assets)/Liabilities as on 31.12.2024				**(243,308,276)**
Deferred Tax (Income)/Expenses				**(43,357,585)**

		Amount in BDT Dec-25	Dec-24
13.4.1(a)	**Consolidated curent year tax provision**		
	Mercantile Bank PLC.	713,357,585	684,412,301
	Mercantile Bank Securities Limited	20,747,729	41,334,495
	MBL Asset Management Limited	2,609,841	1,959,515
	Mercantile Exchange House (UK) Limited	-	-
		736,715,155	**727,706,311**
13.4.2(a)	**Consolidated deferred tax curent year provision**		
	Mercantile Bank PLC.	(43,357,585)	(34,412,301)
	Mercantile Bank Securities Limited	(434,476)	383,532
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		(43,792,061)	**(34,028,769)**
13.5	**Provision made for loans & advances/investments including off-balance sheet**		
	Provision against Un Classified Loans/investments	(2,062,636,415)	(1,256,477,813)
	Provision against Classified Loans/investments & NBA	5,637,399,978	5,443,687,529
	Other Provision (Off-Balance Sheet Items) (Note-13.3)	45,274,370	87,839,933
		3,620,037,933	**4,275,049,649**
13.5(a)	**Provision made for loans & advances/investments including off-balance sheet items**		
	Mercantile Bank PLC.	3,620,037,933	4,275,049,649
	Mercantile Bank Securities Limited	50,000,000	96,338,771
	MBL Asset Management Limited	(3,542,820)	4,297,366
	Mercantile Exchange House (UK) Limited	-	-
		3,666,495,113	**4,375,685,786**
13.5.1	**Provision for loans and advances/investments**		
a.	Provision against Classified Loans/investments & NBA (Specific Provision)	6,457,130,408	11,447,801,214
b.	Provision against Unclassified Loans/investments (General Provision)	6,052,102,769	9,711,304,653
		12,509,233,177	**21,159,105,868**
a(i)	**Movement of Provision against Classified Loans and Advances/investments (Specific Provision)**		
	Provision held at the beginning of the year	11,445,070,348	6,395,393,522
	Fully Provided Debts written off	(11,519,267,446)	(2,839,741,644)
	Recoveries of amounts previously written off	174,807,770	756,061,057
	Specific Provision for the year	716,388,892	1,689,669,884
	Recoveries and Provisions no longer required	-	-
	Net Charge to Profit and Loss Account	5,637,399,978	5,443,687,529
	Provision held at the end of the year	**6,454,399,542**	**11,445,070,348**
a(ii)	**Specific Provision against NBA (Non Banking Assets)**		
	Provision held at the beginning of the year	2,730,866	2,730,866
	Addition during the year	-	-
	Less. Adjustment during the year	-	-
		2,730,866	**2,730,866**
		6,457,130,408	**11,447,801,214**
b(i).	**Provision against Unclassified Loans/investments (General Provision)**		
	Provision held at the beginning of the year	9,351,304,653	11,112,323,375
	Fully Provided Debts written off	(1,596,565,470)	-
	Adjustment during the year	-	(144,540,908)
	Addition during the year	(2,436,408,815)	(1,616,477,813)
		5,318,330,369	**9,351,304,653**
b(ii)	**Provision against Unclassified Loans/investments(General Prov.)-Offshore Banking Division**		
	Provision held at the beginning of the year	360,000,000	-
	Addition during the year	373,772,400	360,000,000
	Less. Adjustment during the year	-	-
		733,772,400	**360,000,000**
		6,052,102,769	**9,711,304,653**
	Provision at the end of the year (a+b)	**12,509,233,177**	**21,159,105,868**

** Bangladesh Bank has granted regulatory forbearance vide their directive (Ref: BSD-2/2203/2026-384, dated April 29, 2026) allowing the Bank to finalize the financial statements for the year ended December 31, 2025, with an unadjusted provision shortfall of BDT 2,161.31 crore. In compliance with the regulatory directive, no dividend has been declared for the year 2025.

13.5.1(a)	**Consolidated Provision for Loans and Advances/investments**	
Mercantile Bank PLC.	12,509,233,177	21,159,105,868
Mercantile Bank Securities Limited	50,000,000	96,338,771
MBL Asset Management Limited	3,542,820	4,297,366
Mercantile Exchange House (UK) Limited	-	-
	12,562,775,997	**21,259,742,004**
13.6	**Adjusting Account Credit**	
	Conventional and Islamic banking	
Interest Payable	14,600,103,363	12,142,343,983
Other payable	294,412,800	254,528,150
	14,894,516,164	**12,396,872,132**
13.7	**Interest Suspense Account**	
a.	**Loans and Advances/investments**	
Opening balance	24,348,480,466	14,577,766,010
Amount transferred during the year	19,067,507,992	17,440,466,751
	43,415,988,458	**32,018,232,760**
Amount recovered and waive during the year	8,685,431,453	7,669,752,294
Amount written off during the year	7,609,695,500	-
	(16,295,126,953)	**(7,669,752,294)**
	27,120,861,505	**24,348,480,466**
b.	**Interest Suspense Account for Non-banking assets**	
Opening balance	29,135,397	29,135,397
Addition during the year	257,771,813	-
Less. Adjustment during the year	-	-
	286,907,210	**29,135,397**
Balance at the end of the period (a+b)	**27,407,768,715**	**24,377,615,863**

		Amount in BDT Dec-25	Dec-24
13(a)	**Consolidated Other Liabilities**		
	Mercantile Bank PLC.	53,577,315,869	56,903,980,183
	Mercantile Bank Securities Limited	2,038,494,036	1,958,675,804
	MBL Asset Management Limited	12,222,023	13,602,482
	Mercantile Exchange House (UK) Limited	44,862,936	38,465,514
		55,672,894,863	**58,914,723,983**
14.	**Capital**		
	Authorized capital		
	2000,000,000 Ordinary shares of BDT 10 each	**20,000,000,000**	**20,000,000,000**
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 31.12.2025		
	Opening balance	11,065,754,350	11,065,754,350
	Issued for cash	-	-
	Right shares	-	-
	Issued for other than cash (Bonus shares)	-	-
	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
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-25 No. of Shares	Dec-24 No. of Shares	Dec-25 (%)	Dec-24 (%)
Sponsor	371,995,890	372,184,890	33.62%	33.63%
Financial Institutions	284,743,571	291,851,444	25.73%	26.38%
General Public	442,719,088	433,213,266	40.01%	39.15%
Foreign	7,116,886	9,325,835	0.64%	0.84%
	1,106,575,435	**1,106,575,435**	**100.00%**	**100%**

14.4 Classification of Shareholders by Holding as on 31.12.2025

	No. of Shareholder	No. of Shares held	(%) of Holdings
1 to 499 Shares	4,746	806,806	0.07%
500 to 5,000 Shares	10,862	21,437,938	1.94%
5,001 to 10,000 Shares	2,629	18,464,090	1.67%
10,001 to 20,000 Shares	1,825	25,357,472	2.29%
20,001 to 30,000 Shares	751	18,398,253	1.66%
30,001 to 40,000 Shares	388	13,434,397	1.21%
40,001 to 50,000 Shares	284	12,912,458	1.17%
50,001 to 100,000 Shares	593	41,318,998	3.73%
100,001 to 1,000,000 Shares	612	165,287,677	14.94%
1,000,001 to 99999999 Shares	120	789,157,346	71.32%
	22,810	**1,106,575,435**	**100.00%**

14.5 Capital to Risk Weighted Asset Ratio (CRAR)-under BASEL-III

	Amount in BDT Dec-25	Dec-24
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	11,041,529,482	10,667,555,337
Retained Earnings	481,014,532	30,116,656
General Reserve	2,480,000,000	2,480,000,000
Dividend Equalization Fund	45,680,250	45,680,250
	25,113,978,614	**24,289,106,593**
Regulatory Adjustment from CET-I	**(131,770,889)**	**(203,728,540)**
	24,982,207,725	**24,085,378,053**
b) Additional Tier-I (AT-I)-Mercantile Bank Perpetual Bond	**3,630,000,000**	**3,630,000,000**
Tier-I Capital (a+b)	**28,612,207,725**	**27,715,378,053**
Tier-II Capital (Gone Concern Capital)		
General Provision	7,419,252,365	11,033,179,880
Exchange Equalization Account	-	-
Revaluation Reserve for Fixed Assets	-	-
Revaluation Reserve for Equity Investment	-	-
Non-convertible Subordinated Bond	-	-
Revaluation Reserve for Securities	-	-
	7,419,252,365	**11,033,179,880**
Regulatory Adjustments from Tier-II Capital	-	-
Tire-II Capital	**7,419,252,365**	**11,033,179,880**
A. Total Capital	**36,031,460,090**	**38,748,557,933**
B. Total Risk Weighted Assets (RWA)	**287,786,452,625**	**296,518,311,185**
C. Minimum Capital Requirement (MCR)	**35,973,306,578**	**37,064,788,898**
D. Surplus/ (Deficiency) (A-C)	**58,153,512**	**1,683,769,034**
** **Capital to Risk Weighted Asset Ratio (CRAR)**	**12.52%**	**13.07%**

Capital Requirement	Dec-25 % Required	Dec-25 % Held	Dec-24 % Required	Dec-24 % Held
Tier -I Capital (Going-Concern Capital)		7.44%		6.85%
Capital Conservation Buffer		2.50%		2.50%
Tier -II Capital (Gone-Concern Capital)		2.58%		3.72%
Total	**12.50%**	**12.52%**	**12.50%**	**13.07%**

14.6 Capital to Risk Weighted Asset Ratio (CRAR)-under BASEL-III

There remains a surplus of BDT. 58,153,512 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 31.12.2025 respectively details of which are placed below :

(a) Minimum Capital Requirement (MCR)	**35,973,306,578**	**37,064,788,898**
(b) Actual Capital:	**36,031,460,090**	**38,748,557,933**
i) Tier I Capital (Going-Concern Capital)	24,982,207,725	24,085,378,053
ii) Tier-II Capital (Gone -Concern Capital)	7,419,252,365	11,033,179,880
General provision	7,419,252,365	11,033,179,880
Exchange Equalization Account	-	-
Revaluation Reserve for Fixed Assets	-	-
Revaluation Reserve for equity Investment	-	-
Non-convertible Subordinated Bond	-	-
Revaluation Reserve for securities	-	-
Regulatory Adjustments from Tier-II Capital	-	-
Surplus/ (Deficiency) (b-a)	**58,153,512**	**1,683,769,034**

** Bangladesh Bank has granted regulatory forbearance vide their directive (Ref: BSD-2/2203/2026-384, dated April 29, 2026) allowing the Bank to finalize the financial statements for the year ended December 31, 2025, with an unadjusted provision shortfall of BDT 2,161.31 crore. In compliance with the regulatory directive, no dividend has been declared for the year 2025.

15.	**Statutory Reserve**	
Opening balance	10,667,555,337	10,411,310,449
Addition during the year	373,974,146	256,244,888
Closing balance	**11,041,529,482**	**10,667,555,337**

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.	11,041,529,482	10,667,555,337
Mercantile Bank Securities Limited	-	-
MBL Asset Management Limited	-	-
Mercantile Exchange House (UK) Limited	-	-
	11,041,529,482	**10,667,555,337**
15.1	**General reserve**	
Opening balance	2,480,000,000	2,480,000,000
Addition during the period	-	-
Closing balance	**2,480,000,000**	**2,480,000,000**
16.	**Other reserves**	
A.	**Dividend Equalization Fund**	
Opening balance	45,680,250	45,680,250
Addition during the period	-	-
Closing balance	**45,680,250**	**45,680,250**
B.	**Adjustment for Approved Securities HTM**	
Opening balance	78,671,049	49,489,258
Addition during the period	36,277,302	29,181,791
Closing balance	**114,948,351**	**78,671,049**

		Amount in BDT Dec-25	Dec-24
C.	**Reserve from revaluation**		
	HFT securities	575,771,191	781,823,858
	** Revaluation Reserve for Fixed Assets	643,611,955	643,611,955
		1,219,383,146	**1,425,435,813**

** 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 period	-	-
	Disposal during the period	-	-
	Closing balance	**-**	**-**
	Total Other reserves (A+B+C+D)	**1,380,011,747**	**1,549,787,112**

* 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)

16(a)	**Consolidated other reserves**		
	Mercantile Bank PLC.	1,380,011,747	1,549,787,112
	Mercantile Bank Securities Limited	43,240,942	42,649,462
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		1,423,252,689	**1,592,436,574**
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 122.2954 & GBP1=BDT 165.1966 Incomes and expenses are translated using monthly average exchange rate (USD 1 = BDT 122.2195 & GBP 1= BDT 164.1040) 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	16,846,392	4,469,253
Additiion during the year	248,748	12,377,139
Less. Adjustment during the year	-	-
	17,095,140	**16,846,392**
16.1 (a) Consolidated Foreign currency translation gain/(loss)		
MBL Offshore Banking Operation (OBO)	17,095,140	16,846,392
Mercantile Exchange House (UK) Limited	-	-
	17,095,140	**16,846,392**
17. Retained earnings (Surplus in Profit & Loss Account):		
Conventional and Islamic banking		
Opening balance	30,116,656	1,129,239,228
Less. Cash dividend	-	1,106,575,435
Less. Stock dividend	-	-
Retained earnings (opening balance)	**30,116,656**	**22,663,793**
Profit before income tax	1,869,870,728	1,281,224,440
	1,899,987,384	**1,303,888,233**
Coupan Interest on MBL Perpetual Bond	363,000,000	361,214,445
Startup Fund	11,998,707	6,312,244
General reserve	-	-
Statutory reserve	373,974,146	256,244,888
	1,151,014,532	**680,116,656**
Provision for income current tax	713,357,585	684,412,301
	437,656,946	**(4,295,645)**
Provision for deferred tax	(43,357,585)	(34,412,301)
Closing balance	**481,014,532**	**30,116,656**
17.(A) Retained surplus		
Opening Retained Earning	30,116,656	22,663,793
Add. Addition during the year	450,897,875	7,452,863
Closing balance	**481,014,532**	**30,116,656**
17.1 Consolidated retained earnings last year		
Mercantile Bank PLC.	30,116,656	22,663,793
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	**362,709,916**
17(a).1 Consolidated retained earnings Current year		
Mercantile Bank PLC.	450,897,875	7,452,862
Mercantile Bank Securities Limited	3,218,398	(11,731,659)
MBL Asset Management Limited	1,776,588	(736,910)
Mercantile Exchange House (UK) Limited	7,339,973	6,164,798
	463,232,834	**1,149,091**
17(a) Consolidated Surplus in Profit and Loss Account		
Mercantile Bank PLC.	481,014,532	30,116,656
Mercantile Bank Securities Limited	384,940,705	381,722,307
MBL Asset Management Limited	8,533,823	6,757,235
Mercantile Exchange House (UK) Limited	(47,397,217)	(54,737,190)
	827,091,842	**363,859,008**
Share of profit (17(b).1)	(16,801,282)	(13,114,884)
	810,290,560	**350,744,124**
17(a).1A Controlling Interest		
a) Mercantile Bank Securities Limited		
Opening balance for MBSL	376,420,607	387,989,326
Less. Assessment completed for the year 2020	-	(12,887,050)
Addition during the year for MBSL	3,173,698	1,318,331
	379,594,305	**376,420,607**
b) MBL Asset Management Limited		
Opening balance for MBL Asset Management Limited	(1,055,948)	2,436,721
Less. Cash Dividend	(6,500,000)	(7,000,000)
Addition during the year for MBL Asset Management Limited	4,634,889	3,507,331
	(2,921,059)	**(1,055,948)**
Closing balance	**376,673,246**	**375,364,659**
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)	5,346,400	5,301,700
	55,346,400	**55,301,700**
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)	11,454,882	7,813,184
	55,454,882	**51,813,184**
Closing balance	**110,801,282**	**107,114,883**
17(b).1 Non Controlling Interest		
a) Mercantile Bank Securities Limited		
Opening balance for MBSL	5,301,700	5,464,640
Less. Assessment completed for the year 2020	-	(181,508)
Non controlling share capital for MBSL	44,700	18,568
	5,346,400	**5,301,700**
b) MBL Asset Management Limited		
Opening balance for MBL Asset Management Limited	7,813,184	5,057,424
Less. Cash Dividend	-	-
Non controlling share capital for MBL Asset Management Limited	3,641,699	2,755,760
	11,454,882	**7,813,184**
Closing balance	**16,801,282**	**13,114,883**
18.A(1) Cash and cash equivalent		
Cash	29,094,536,109	19,962,485,940
Balance with other Banks and Financial Institutions	15,799,296,237	10,034,259,706
Prize Bonds	6,371,800	5,983,300
Money at call on short notice	3,471,054,000	12,258,100,000
	48,371,258,145	**42,260,828,946**
18.A(2) Consolidated cash and cash equivalent		
Cash	29,094,583,277	19,966,071,186
Balance with other Banks and Financial Institutions	15,862,147,900	10,078,271,386
Prize Bonds	6,371,800	5,983,300
Money at call on short notice	3,471,054,000	12,258,100,000
	48,434,156,977	**42,308,425,872**
18 OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
18.1 Acceptance and endorsements		
Back to Back Bills	15,255,807,806	20,874,449,562
Banker's Liabilities PAD (EDF)	40,324,744,227	35,522,721,677
	55,580,552,033	**56,397,171,238**
18.2 Letter of guarantees		
Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
Directors	-	-
Government	78,055,885	255,885
Bank and other Financial Institutions	179,049,826	130,554,500
Others (Note-18.2.1)	18,990,407,194	18,332,449,313
	19,247,512,905	**18,463,259,698**
18.2.1 Letter of guarantees others		
Local	13,112,307,898	12,746,427,147
Foreign	5,878,099,296	5,586,022,166
	18,990,407,194	**18,332,449,313**
18.3 Letter of credit		
Inland	4,839,567,343	4,772,890,441
General (Foreign)	80,850,478,222	96,482,583,021
Back to Back L/C	12,649,045,802	19,082,594,226
	98,339,091,366	**120,338,067,687**
18.4 Bills for collection		
Outward Bills for Collection	6,259,830,970	8,670,575,803
Outward Foreign Bills for Collection	4,747,456,648	4,382,458,375
Outward Foreign Bills Lodge	-	-
	11,007,287,618	**13,053,034,178**
18.5 Other Contingent Liabilities		
	-	-
	-	**-**
Total Contingent liabilities	**184,174,443,922**	**208,251,532,801**
18.6 Other commitments		
Forward assets purchased and forward deposits placed		
Forex FWD Buy & Sell	-	-
	-	**-**
Total OFF-BALANCE SHEET ITEMS	**184,174,443,922**	**208,251,532,801**
19 Income Statement		
Conventional and Islamic banking		
Income/Profit:		
Interest, discount and similar income	36,768,198,279	30,536,667,052
Dividend income	53,967,545	66,938,870
Fees, commission and brokerage	1,605,519,424	1,811,448,430
Gain less losses arising from dealing securities	-	-
Gain less losses arising from investment securities	788,793	11,240,060
Gain less losses arising from dealing in foreign currencies	1,192,396,967	2,109,251,927
Income from non-banking assets	-	-
Other operating income	1,549,659,227	2,203,390,560
Sub. Total	**41,170,530,236**	**36,738,936,899**

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AUDITED FINANCIAL STATEMENTS 2025

		Amount in BDT Dec-25	Dec-24
	Expenses:		
	Interest/profit, fees and commission	27,275,959,908	22,632,603,334
	Losses on loans and advances/investments	-	-
	Administrative expenses	4,084,543,545	4,175,563,535
	Other operating expenses	3,433,407,140	3,683,689,113
	Depreciation on banking assets	559,666,665	613,691,082
	Sub. Total	**35,353,577,258**	**31,105,547,064**
	Operating profit before provision	**5,816,952,978**	**5,633,389,835**
20	**Interest income/Profit on investment**		
	Interest from Banks & other Financial Institutions (Note-20.1)	559,442,234	110,124,816
	Interest from F.C. Clearing Account	293,667,862	267,724,879
	Interest/profit from Loans and Advances/investments (Note-20.2)	26,621,441,427	22,833,120,361
		27,474,551,523	**23,210,970,057**
20.1	**Interest received from Banks & other Financial Institutions**		
	Interest from money at call and short notice	536,734,234	101,549,842
	Interest from other Banks	5,898,769	2,548,196
	Interest from Reverse REPO	16,809,231	6,026,779
		559,442,234	**110,124,816**
20.2	**Interest/profit from loans and advances/investments**		
	Loan General	168,797	1,032,452
	Term Loan	10,167,587,131	7,513,834,834
	Time Loan	3,261,686,843	2,757,764,394
	Loan Against Trust Receipt	531,571,271	427,188,884
	Packing Credit	254,512,547	261,870,854
	Lease Finance	197,045,737	165,944,911
	Hire Purchase	1,140,388,103	1,025,131,980
	Payment Against Documents	6,825,276	1,294,860
	Cash Credit (Hypo)	738,134,583	819,932,088
	Overdraft	4,021,499,171	3,738,479,084
	Consumers Credit	350,816,160	363,779,331
	House Building Loan	488,417,350	454,056,140
	Staff Loan	66,054,079	65,498,766
	EDF Loan	499,500,608	290,000,611
	Bill Purchase and Discounted	734,523,511	849,763,908
	S M E	3,512,905,026	3,321,521,841
	Agricultural Credit	626,934,918	748,555,388
	Personal Loan	22,687,069	27,134,742
	Other Credit Schemes	183,248	335,293
		26,621,441,427	**22,833,120,361**
20(a)	**Consolidated 'Interest income/Profit on investment**		
	Mercantile Bank PLC.	27,474,551,523	23,210,970,057
	Mercantile Bank Securities Limited	151,864,279	251,821,719
	MBL Asset Management Limited	1,320,398	3,496,154
	Mercantile Exchange House (UK) Limited	-	-
		27,627,736,201	**23,466,287,929**
	Inter Company Transaction	-	-
		27,627,736,201	**23,466,287,929**
21	**Interest/Profit Paid on deposits, borrowings etc.**		
	Conventional and Islamic banking		
	Interest/profit on Deposits	23,153,347,011	20,627,003,081
	* Interest paid on lease	26,241,650	27,705,760
	Interest on Refinance BB	75,624,379	153,376,582
	Interest on Secondary Treasury Bill Purchased	1,041,730,397	177,293,464
	Interest on Subordinated Bonds	36,534,240	93,796,424
	Interest on Borrowings	2,942,482,232	1,553,428,022
		27,275,959,908	**22,632,603,334**

* Interest paid on lease has been calculated for the period ended December 2025 as per IFRS-16

21(a)	**Consolidated Interest/Profit Paid on deposits, borrowings etc.**		
	Mercantile Bank PLC.	27,275,959,908	22,632,603,334
	Mercantile Bank Securities Limited	104,920,890	122,249,270
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		27,380,880,798	**22,754,852,604**
	Inter Company Transaction	-	-
		27,380,880,798	**22,754,852,604**
22	**Investment income**		
	Interest on Investments (Note-A)	9,293,646,755	7,325,696,996
	Income on Investment in Shares (Note-B)	54,756,338	78,178,929
		9,348,403,094	**7,403,875,925**
A	**Interest on Investments**		
	Interest on Treasury Bills	788,713,226	1,397,731,557
	Interest on Treasury Bonds	5,499,378,408	5,490,930,920
	Gain/(Loss) from Government Securities	2,051,068,699	(310,811,842)
	Interest on Sukook Bonds	47,867,231	26,034,694
	Interest on BGSPB	304,863,402	79,614,003
	Interest on Subordinated Bond	157,156,090	212,585,126
	Interest on Perpetual Bond	444,599,700	429,612,539
		9,293,646,755	**7,325,696,996**
B	**Income on Investment in Shares**		
	Gain on sale of shares	788,793	11,240,060
	Dividend on shares	53,967,545	66,938,870
		54,756,338	**78,178,929**
22(a)	**Consolidated Investment Income**		
	Mercantile Bank PLC.	9,348,403,094	7,403,875,925
	Mercantile Bank Securities Limited	33,762,145	39,324,879
	MBL Asset Management Limited	9,618,675	5,187,801
	Mercantile Exchange House (UK) Limited	-	-
		9,391,783,914	**7,448,388,605**
23	**Commission, exchange & brokerage**		
	Commission	1,605,519,424	1,811,448,430
	Exchange (Note-23.1)	1,192,396,967	2,109,251,927
		2,797,916,391	**3,920,700,357**

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	1,192,396,967	2,109,251,927
	Losses on foreign trading	-	-
		1,192,396,967	**2,109,251,927**
23(a)	**Consolidated Commission, Exchange & Brokerage**		
	Mercantile Bank PLC.	2,797,916,391	3,920,700,357
	Mercantile Bank Securities Limited	85,221,299	125,214,420
	MBL Asset Management Limited	8,527,816	8,519,915
	Mercantile Exchange House (UK) Limited	51,715,336	56,992,956
		2,943,380,842	**4,111,427,649**
24	**Other Operating Income**		
	Conventional and Islamic banking		
	Charges on L/C	435,599,656	498,431,891
	Services & Other Charges	299,561,806	965,694,059
	Income from rent of locker/property	12,545,156	11,638,094
	On Line client fees	105,166,866	99,756,428
	ATM card	124,406,803	69,578,518
	VISA card	225,256,650	190,536,764
	Co-brand services	4,543,437	11,998,564
	Gain on sale of other securities	5,278,806	1,909,106
	Gain on sale on assets	1,317,370	6,678,301
	Miscellaneous earnings (Note-24.1)	335,982,676	347,168,834
		1,549,659,227	**2,203,390,560**
24.1	**Miscellaneous earnings**		
	Postage cost recovery	7,567,258	7,014,918
	SWIFT cost recovery	88,551,241	94,298,236
	Rebate from Foreign correspondence Bank	159,451,090	146,217,642
	Others	80,413,087	99,638,038
		335,982,676	**347,168,834**
24(a)	**Consolidated Other Operating Income**		
	Mercantile Bank PLC.	1,549,659,227	2,203,390,560
	Mercantile Bank Securities Limited	4,887,804	2,376,894
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	7,220,576	2,314,985
		1,561,767,607	**2,208,082,438**

25	**Salaries and Allowances**	Amount in BDT Jan-25 to Dec-25	Jan-24 to Dec-24
	Conventional and Islamic banking		
	Basic salary	1,945,485,636	1,873,541,478
	Bonus (Festival and incentive)	333,730,380	462,177,988
	Bank's contribution to employees provident fund	191,827,162	184,749,746
	Other salaries and allowances	1,590,421,867	1,630,387,491
		4,061,465,045	**4,150,856,703**
25(a)	**Consolidated Salaries and Allowances**		
	Mercantile Bank PLC.	4,061,465,045	4,150,856,703
	Mercantile Bank Securities Limited	42,266,378	44,593,292
	MBL Asset Management Limited	2,579,819	3,475,011
	Mercantile Exchange House (UK) Limited	20,488,549	20,332,127
		4,126,799,790	**4,219,257,134**
26	**Rent, Taxes, Insurance, Lightings etc**		
	Conventional and Islamic banking		
	* Office rent	274,073,205	257,207,659
	Rates, taxes & excise duty and VAT on rent	88,207,062	79,308,834
	Insurance	237,829,393	293,353,382
	Electricity, Gas & Water	140,168,213	143,651,783
		740,277,873	**773,521,657**

* Right Of Use (ROU) Assets as per under IFRS-16 has been calculated for the period 31.12.2025 considering monthly rental expenses.

		Amount in BDT Dec-25	Dec-24
26(a)	**Consolidated Rent, Taxes, Insurance, Lightings etc**		
	Mercantile Bank PLC.	740,277,873	773,521,657
	Mercantile Bank Securities Limited	3,149,887	5,227,313
	MBL Asset Management Limited	346,150	279,450
	Mercantile Exchange House (UK) Limited	13,856,449	16,613,219
		757,630,359	**795,641,640**
27	**Legal Expenses**		
	Conventional and Islamic banking		
	Legal fees & charges	31,103,049	33,584,124
	Stamps, notary public expenses, registration fees & other fees etc.	10,715,814	25,785,618
		41,818,863	**59,369,743**
27(a)	**Consolidated Legal Expenses**		
	Mercantile Bank PLC.	41,818,863	59,369,743
	Mercantile Bank Securities Limited	154,655	84,375
	MBL Asset Management Limited	256,095	150,628
	Mercantile Exchange House (UK) Limited	486,732	360,969
		42,716,345	**59,965,715**
28	**Postage, stamps, telecommunication etc. Conventional and Islamic banking**		
	Postal Charges	769,865	399,488
	Courier Charges	8,087,716	6,443,576
	Stamp & Cartridge Paper Cost	1,008,595	996,077
	Telephone Bill	12,167,202	5,154,145
	Mobile Phone Bill	731,052	333,270
	FAX Charges	-	9,700
	Telex Charge	58	120
	Network link,internet & online connection cost	67,022,707	60,939,297
	BACH Charge	3,905,293	3,868,090
		93,692,488	**78,143,762**
28(a)	**Consolidated Postage, stamps, telecommunication etc.**		
	Mercantile Bank PLC.	93,692,488	78,143,762
	Mercantile Bank Securities Limited	1,792,939	1,758,359
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	236,474	166,755
		95,721,900	**80,068,876**
29	**Stationary, Printing and Advertisements**		
	Conventional and Islamic banking		
	Printing & stationery	262,574,767	257,311,160
	Advertisement	61,991,075	46,667,950
	Computer expenses	204,902,643	169,571,589
		529,468,486	**473,550,700**
29(a)	**Consolidated Stationary, Printing and Advertisements**		
	Mercantile Bank PLC.	529,468,486	473,550,700
	Mercantile Bank Securities Limited	637,020	925,232
	MBL Asset Management Limited	66,660	131,391
	Mercantile Exchange House (UK) Limited	142,114	285,999
		530,314,280	**474,893,322**
30	**Chief Executive's salary and fees**		
	Basic Salary	13,200,000	11,594,605
	Allowances	2,100,000	1,825,834
	Bonus (Festival and Incentive)	2,200,000	3,436,000
	Bank's contribution to Provident fund	-	1,045,793
		17,500,000	**17,902,232**
30(a)	**Consolidated Chief Executive's salary and fees**		
	Mercantile Bank PLC.	17,500,000	17,902,232
	Mercantile Bank Securities Limited	-	-
	MBL Asset Management Limited	-	-
	Mercantile Exchange House (UK) Limited	-	-
		17,500,000	**17,902,232**
31	**Directors' Fees**		
	Conventional banking		
	Director fees	4,710,000	6,046,000
	VAT on Director fees	692,500	604,600
		5,402,500	**6,650,600**
	Islamic banking		
	Shariah Supervisory Committee's Fees	160,000	140,000
	VAT on Shariah Supervisory Committee's Fees	16,000	14,000
		176,000	**154,000**
		5,578,500	**6,804,600**

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.	5,578,500	6,804,600
	Mercantile Bank Securities Limited	390,950	352,000
	MBL Asset Management Limited	214,400	119,500
	Mercantile Exchange House (UK) Limited	-	-
		6,183,850	**7,276,100**
32	**Auditors' fees**		
	External Audit fee/CGC fees	1,840,000	2,495,500
		1,840,000	**2,495,500**
32(a)	**Consolidated Auditors' Fees**		
	Mercantile Bank PLC.	1,840,000	2,495,500
	Mercantile Bank Securities Limited	115,000	115,000
	MBL Asset Management Limited	91,875	93,750
	Mercantile Exchange House (UK) Limited	708,929	666,405
		2,755,804	**3,370,655**
33	**Depreciation and Repair of Fixed Assets**		
	Conventional and Islamic banking		
	Depreciation on fixed assets (Note-33.1)	363,349,197	419,388,294
	* Depreciation of ROU (Right Of Use) assets as per under IFRS-16	196,317,468	194,302,788
	Repairs & Maintenance (Note-33.2)	157,876,491	137,082,752
		717,543,156	**750,773,834**

* Depreciation of ROU (Right Of Use) assets has been calculated for the period 31.12.2025 as per IFRS-16 (Annexure -A)

33.1	**Depreciation on fixed assets (Annexure -A)**		
	Free hold property	363,349,197	419,388,294
		363,349,197	**419,388,294**
33.2	**Repair of Fixed Assets**		
	Repairs & Maintenance	157,876,491	137,082,752
		157,876,491	**137,082,752**
33 (a)	**Consolidated Depreciation and Repair of Fixed Assets**		
	Mercantile Bank PLC.	717,543,156	750,773,834
	Mercantile Bank Securities Limited	4,578,739	4,528,498
	MBL Asset Management Limited	102,694	111,711
	Mercantile Exchange House (UK) Limited	1,204,523	2,006,310
		723,429,112	**757,420,353**
34	**Other Expenses**		
	Conventional and Islamic banking		
	Bank charges	15,509,854	9,484,868
	Corporate Social Responsibilit	6,595,000	1,429,900
	Donation	236,774,999	414,698,187
	Car expenses	190,025,248	195,615,034
	Training expenses	14,271,052	4,642,348
	Supporting Staff salaries	628,253,550	605,260,549
	Exgratia (Supporting Staff bonus)	56,899,450	55,379,425
	Subscription	13,256,692	10,214,639
	Entertainment expenses	81,030,144	69,633,058
	Travelling expenses	26,542,813	17,079,563
	Conveyance, carriage & freight	20,542,962	17,108,168
	Business development	158,149,456	144,789,189
	Liveries & uniforms	5,616,991	11,342,794
	Medical expenses	429,095	202,081
	Newspapers and magazines	1,107,423	1,003,537
	House Attendance Allowance	300,000	630,953
	Professional service fees	23,889,522	18,293,443
	Q-cash/ATM cards/VISA cards	102,307,946	106,148,807
	House furnishing	5,703,444	5,325,841
	Gratuity	50,000,000	250,000,000
	Loss on sale of assets	948,569	430,527
	Loss on sale of securities	15,555,507	18,977,304
	Mobile banking salaries and allowances	16,577,186	16,179,603
	Credit Rating Fees	5,966,536	4,568,766
	Discount & commission paid	13,766,008	12,968,288
	Miscellaneous expenses (Note-34.1)	178,413,494	168,118,128
		1,868,432,940	**2,159,524,999**
34.1	**Miscellaneous expenses**		
	Laundry & cleaning	6,902,652	6,438,129
	Photograph & Photocopy	969,823	810,498
	Cash carrying charge	18,765,069	18,819,367
	Nursery & Plantation	1,628,869	1,415,372
	Cash incentive for Loan Recovery	2,852,986	2,702,278
	Sundry expenses	147,294,095	137,932,484
		178,413,494	**168,118,128**

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.	1,868,432,940	2,159,524,999
	Mercantile Bank Securities Limited	23,605,938	64,932,972
	MBL Asset Management Limited	1,379,948	322,457
	Mercantile Exchange House (UK) Limited	14,472,168	12,711,359
		1,907,890,993	**2,237,491,788**
35	**Earnings per Share (EPS)**		
	Net profit after tax (Earnings Attributable to ordinary shareholders)	1,199,870,728	631,224,440
	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)	**1.08**	**0.57**

		Amount in BDT Dec-25	Dec-24
35 (a)	**Consolidated Earnings Per Share (EPS)**		
	Consolidated net profit after tax	1,226,382,807	649,567,131
	Less: Non Controlling Interest	3,686,399	2,774,328
	Profit attributable to ordinary equity holders of the parent entity	**1,222,696,408**	**646,792,803**
	Number of share outstanding	1,106,575,435	1,106,575,435
	Consolidated Earnings per Share (EPS)	**1.10**	**0.58**

* 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	26,465,405,251	25,810,059,847
	Number of Share outstanding	1,106,575,435	1,106,575,435
	Net Asset Value (NAV) per share	**23.92**	**23.32**
36 (a)	**Calculation of Consolidated Net Asset Value Per Share (NAVPS)**		
	Total shareholders' Equity	26,948,723,504	26,280,451,661
	Number of Share outstanding	1,106,575,435	1,106,575,435
	Net Asset Value (NAV) per share	**24.35**	**23.75**
37	**Calculation of Net Operating Cash Flow Per Share (NOCFPS)**		
	Net cash flows from operating activities	6,576,735,721	19,692,761,931
	Number of Share outstanding	1,106,575,435	1,106,575,435
	Net Operating Cash Flow Per Share (NOCFPS)	**5.94**	**17.80**
37 (a)	**Calculation of Consolidated Net Operating Cash Flow Per Share (NOCFPS)**		
	Net cash flows from operating activities	6,580,907,659	19,701,986,788
	Number of Share outstanding	1,106,575,435	1,106,575,435
	Net Operating Cash Flow Per Share (NOCFPS)	**5.95**	**17.80**
37.1	**Reconciliation of Net Profit after tax with Cash flows from Operating Activities (Solo)**		
	Net profit after taxation	**1,199,870,728**	**631,224,440**
	Adjustment to reconcile net income to net cash provided by operating activities		
	Interest Income	(3,748,252,230)	(2,241,145,828)
	Interest Expense	14,636,637,603	12,236,140,407
	Dividends receipts	41,514,928	49,510,950
	Fees and commission income	-	-
	Payment to the employees	-	-
	Income taxes paid	(387,816,587)	(322,778,716)
	Other Operating Income	10,276,508	524,605,058
	Other Operating Expenses	711,401,858	769,270,824
	Provision for Loans & Advances/Investments/Other Assets	3,947,082,250	4,352,165,395
	Operating Profit before changes in Operating Assets and Liabilities	**15,210,844,329**	**15,367,768,091**
	Increase/(Decrease) in operating assets & liabilities		
	Net Investment in trading securities	(39,152,010,618)	(10,196,552,644)
	Loan & Advance to Customers	14,089,532,168	(15,194,122,765)
	Other Assets	(1,574,498,709)	445,091,767
	Deposits from other Bank	(594,727,653)	(5,409,222,232)
	Deposits from customers	37,063,274,891	35,776,299,284
	Other Liabilities	(19,665,549,418)	(1,727,724,010)
		(9,833,979,337)	**3,693,769,400**
	Net Cash Flows from Operating activities	**6,576,735,721**	**19,692,761,931**

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 2610.	
	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	870
	Tk. 100,001 to Tk. 2,00,000	1137
	Tk. 2,00,001 and above	191
	Total	**2610**

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, Sponsor 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)/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 "M.A. Hannan Education & Human Resource Development Trust" to take rent of our Faridgonj Branch, Chandpur.	Mr. Md. Abdul Hannan, MP, 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 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.
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 Mohd. Selim, (Deceased), Sponsor, of the Bank to take rent of our Damudya Branch, Shariatpur.	Mohd. Selim (Deceased) Sponsor, 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, MP, Sponsor Director & Vice Chairman of the Bank for ATM Booth at Faridgonj branch, Chandpur.	Mr. Md. Abdul Hannan, MP, 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, MP, Sponsor Director & Vice Chairman of the Bank for ATM Booth at Murad Apparels, South Gouripur, Ashulia, Savar, Dhaka.	Mr. Md. Abdul Hannan, MP, 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, Sponsor 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, MP, 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 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 Director 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.
Lease agreement with Mr. M. Amanullah, Sponsor 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, Sponsor and Ex-Director of the Bank to take rent of our Chowmuhoni Branch, Noakhali.	Mr. Morshed 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)/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, MP, Sponsor Director & Vice Chairman of the Bank to take rent of our Arambagh Branch, Dhaka.	Mr. Md. Abdul Hannan, MP, 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, MP, Sponsor Director & Vice Chairman of the Bank for ATM Booth at Arambagh Branch, Motijheel, Dhaka.	Mr. Md. Abdul Hannan, MP, 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

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
efficiency is our strength

AUDITED FINANCIAL STATEMENTS 2025

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 and Chairman of the Executive Committee of the Board of Directors 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 31.12.25
Mercantile Bank Securities Limited	Loan (SOD)	**323,776,640**

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 31.12.2025 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 30 April 2026 approved the financial statements of the company for the year ended 31 December 2025 and authorized the same for the issue. The Board of Directors also recommended ----------Cash and ----------Stock dividend for shareholders only for the year ended 31 December 2025 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.

** Bangladesh Bank has granted regulatory forbearance vide their directive (Ref: BSD-2/2203/2026-384, dated April 29, 2026) allowing the Bank to finalize the financial statements for the year ended December 31, 2025, with an unadjusted provision shortfall of BDT 2,161.31 crore. In compliance with the regulatory directive, no dividend has been declared for the year 2025.

Managing Director | Director | Director | Chairman

Dhaka
Date: 30 April 2026

Annexure-A (Solo)

Fixed Assets Schedule
as at 31 December 2025

A. Freehold Property:

Particulars	Cost				Rate (%)	Accumulated Depreciation				Written down value at 31.12.2025
	Balance as on 01.01.2025	Additions/Revaluation during the period	Sales during the period	Balance as at 31.12.2025		Balance as on 01.01.2025	Charge for the period	Adjustment on during the period	Balance as at 31.12.2025	
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%	345,588,935	33,703,266	-	379,292,201	974,389,363
Furniture & Fixtures	1,401,781,013	77,769,960	11,276,662	1,468,274,311	10%	1,029,403,546	70,374,151	9,932,442	1,089,845,255	378,429,056
Office Equipment & Computer Equipment	2,121,218,046	141,542,971	10,735,042	2,252,025,975	20%	1,671,772,326	220,696,904	10,730,412	1,881,738,818	370,287,158
Vehicles	211,212,631	15,736,891	159,991	226,789,531	20%	179,618,358	11,887,603	159,989	191,345,972	35,443,559
Books	833,527	-	-	833,527	20%	833,464	-	-	833,464	62
Sub-total	**6,430,534,760**	**235,049,822**	**22,171,695**	**6,643,412,887**		**3,227,216,629**	**336,661,924**	**20,822,843**	**3,543,055,710**	**3,100,357,176**

B. Intangible asset:

Particulars	Cost				Rate (%)	Accumulated Amortization				Written down value at 31.12.2025
	Balance as on 01.01.2025	Additions/Revaluation during the period	Adjustment on during the period	Balance as at 31.12.2025		Balance as on 01.01.2025	Charge for the period	Adjustment on during the period	Balance as at 31.12.2025	
Software	719,431,939	11,467,245	-	730,899,184	20%	673,479,681	26,687,276	-	700,166,957	30,732,228
Sub-total	**719,431,939**	**11,467,245**	**-**	**730,899,184**		**673,479,681**	**26,687,276**	**-**	**700,166,957**	**30,732,228**
Balance as at 31.12.2025: Total (A+B)	**7,149,966,699**	**246,517,067**	**22,171,695**	**7,374,312,071**		**3,900,696,310**	**363,349,199**	**20,822,843**	**4,243,222,666**	**3,131,089,404**
Balance as at 31.12.2024	**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**

Right Of Use (ROU) Assets as per IFRS-16

Particulars	Cost				Rate (%)	Accumulated Amortization				Written down value at 31.12.2025
	Balance as on 01.01.2025	Additions/Revaluation during the period	Adjustment on during the period	Balance as at 31.12.2025		Balance as on 01.01.2025	Charge for the period	Adjustment on during the period	Balance as at 31.12.25	
Right Of Use (ROU) Assets as per IFRS-16	2,256,218,544	-	-	2,256,218,544	25%	1,865,227,047	196,317,468	-	2,061,544,515	194,674,029
Balance as at 31.12.2025	**2,256,218,544**	**-**	**-**	**2,256,218,544**		**1,865,227,047**	**196,317,468**	**-**	**2,061,544,515**	**194,674,029**
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**

Annexure-B

Name of the Directors and their Interest in the Bank and other different entities

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
			31.12.2025	31.12.2024			
1	2	3	4		5	6	7
01.	**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 2. Holiday Travels Limited 3. Mercantile Bank Securities Limited	Managing Director Director Sponsor	32.00% 35.00% 0.056%
02.	**AL-HAJ AKRAM HOSSAIN (HUMAYUN)** 2/C, Purana Paltan, Dhaka-1000.	Sponsor Director	24,017,249	24,017,249	1. Akram Traders 2. FARS Holding & Associates Limited 3. FARS Hotels & Resorts Limited 4. Mercantile Bank Securities Limited	Proprietor Managing Director Managing Director Sponsor	100.00% 25.00% 25.00% 0.056%
03.	**MR. MD. ABDUL HANNAN, MP** 190 Arambag, Inner Circular Road, Dhaka-1000.	Sponsor Director	25,298,854	25,298,854	1. Dabster & Associates Limited 2. Reu Fashion Limited 3. Murad Apparels Limited 4. Unnayan Engineers & Associates 5. Unnayan Housing Limited 6. Pan Pacific Hospital Limited 7. Eastern University 8. Hina Hotel Limited	Chairman Chairman Chairman Proprietor Managing Director Director Director Managing Director	90.00% 50.00% 70.00% 100.00% 50.00% 5.00% --- 30.00%
04.	**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 2. Shamrat Cold Storage Limited 3. Shamrat Commercial Company Limited 4. Shandhya Hotel (Residential) 5. Shamrat Shipping Lines 6. Shamrat Commercial Enterprise 7. B.M.S Travels 8. Prince Trade International 9. Shamrat Agro Limited 10. Shamrat Feed Limited 11. B.S.P. Corporation 12. Zamzam LP Gas Limited 13. Mercantile Bank Securities Limited	Chairman Managing Director Managing Director Proprietor Proprietor Proprietor Proprietor Proprietor Chairman Chairman Proprietor Managing Director Sponsor	50% 50% 50% 100% 100% 100% 100% 100% 35% 35% 100% 40% 0.056%
05.	**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 2. Express Insurance Limited	Managing Director Sponsor	18% 2.76%
06.	**PROF. DR. MD. REZAUL KABIR** Professor Coordinator, BBA Program Institute of Business Administration (IBA), University of Dhaka, Dhaka-1000.	Independent Director	---	---	---	---	---
07.	**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. Mercantile Bank Securities Limited 2. Saheda Gafur Ibrahim General Hospital	Chairman Founder Chairman	0.056% ---
08.	**MR. M. AMANULLAH** House No.06, Road No. 80, Gulshan-2, Dhaka.	Sponsor Director	25,000,000	25,000,000	1. Aman Spinning Mills Limited 2. Mousumi Network Limited 3. Dayton Holdings Limited 4. Mercantile Bank Securities Limited 5. Arena Securities Limited 6. Notun Vision Limited	Chairman Chairman Chairman Sponsor Director Director Director	20.00% 25.00% 90.00% 0.056% 10.00% 10.00%
09.	**ALHAJ MOSHARREF HOSSAIN** 1/1 Folder Street, Wari, Dhaka.	Director	26,486,392	26,486,392	1. Iqbal & Sons 2. Iqbal & Sons C.N.G Complex Ltd. 3. Toka Ink (BD) Limited	Partner Managing Director Director	50.00% 50.00% 5.00%
10.	**PROF. MOHAMMAD THOUFIQUL ISLAM, PhD** Chairman & Professor, Department of Management, University of Dhaka, Dhaka-1000.	Independent Director	---	---	---	---	---

Annexure-C

Investment in Shares/Securities
as at 31 December 2025

A.(i) Quoted Company (shares)

SL	Name of the Company	Type of Shares	Face Value	No of Shares	Avg. cost	Total cost	Closing price 31.12.2025	Total market value as on 31.12.2025	Unrealize Gain/(Loss)
1	ACI LTD.	Quoted	10.00	135,900	234.42	31,857,404	194.60	26,446,140	(5,411,264)
2	ACME LABORATORIES LTD	Quoted	10.00	14,243	84.11	1,197,912	70.90	1,009,829	(188,083)
3	BATBC	Quoted	10.00	190,805	556.87	106,253,363	248.60	47,434,123	(58,819,240)
4	BANGLADESH SUBMARINE CABLE CO.LTD.	Quoted	10.00	416,934	200.82	83,728,533	126.60	52,783,844	(30,944,689)
5	GLOBAL ISLAMI BANK PLC	Quoted	10.00	68,161	9.07	618,241	-	-	(618,241)
6	GPH ISPAT LTD.	Quoted	10.00	337,599	49.22	16,616,433	16.00	5,401,584	(11,214,849)
7	IDLC FINANCE LTD	Quoted	10.00	15,276,916	9.71	148,359,099	35.70	545,385,901	397,026,802
8	IFIC BANK PLC	Quoted	10.00	678,037	15.21	10,311,085	4.60	3,118,970	(7,192,115)
9	IT CONSULTANTS LTD.	Quoted	10.00	1,478,076	6.77	10,000,000	38.40	56,758,118	46,758,118
10	JAMUNA OIL COMPANY LTD	Quoted	10.00	65,315	178.69	11,671,266	167.90	10,966,389	(704,878)
11	LINDE BD LTD.	Quoted	10.00	1,200	1,279.36	1,535,233	750.10	900,120	(635,113)
12	NAVANA CNG LTD.	Quoted	10.00	34,688	100.57	3,488,726	21.00	728,448	(2,760,278)
13	NATIONAL BANK LTD.	Quoted	10.00	246,591	16.34	4,029,224	3.20	789,091	(3,240,133)
14	PIONEER INSURANCE CO.LTD.	Quoted	10.00	27,496	62.90	1,729,502	47.30	1,300,561	(428,941)
15	POWER GRID BD LTD.	Quoted	10.00	136,940	61.30	8,394,882	26.70	3,656,298	(4,738,584)
16	PRIME FIN & INVESTMENT LTD.	Quoted	10.00	65,956	129.14	8,517,764	1.00	65,956	(8,451,808)
17	RAK CERAMICS (BD) LTD.	Quoted	10.00	127,717	101.64	12,980,620	21.90	2,797,002	(10,183,618)
18	RENATA LTD.	Quoted	10.00	21,133	999.49	21,122,194	391.80	8,279,909	(12,842,285)
19	SQUARE PHARMACEUTICALS PLC	Quoted	10.00	320,000	207.64	66,446,037	198.60	63,552,000	(2,894,037)
20	SUMMIT POWER LTD.	Quoted	10.00	90,000	38.62	3,475,758	12.30	1,107,000	(2,368,758)
21	TITAS GAS TRANSMISSION & DISTRIBUTION CO.LTD	Quoted	10.00	309,500	45.28	14,014,011	15.50	4,797,250	(9,216,761)
22	UNITED POWER GENERATION & DISTRIBUTION CO.LTD.	Quoted	10.00	41,163	253.98	10,454,703	116.10	4,779,024	(5,675,679)
Total of Shares a (i):						**576,801,990**		**842,057,558**	**265,255,568**
A(ii): BOND (QUOTED)									
1	ASHUGONJ POWER STATION CO.LTD.	Quoted	2,500.00	2,000	2,500.00	5,000,000	2,500.00	5,000,000	-
A(ii): BOND (QUOTED)						**5,000,000**		**5,000,000**	**-**
A.(iii) MUTUAL FUND:									
1	MBLIST MUTUAL FUND	Quoted	10.00	16,899,310	10.00	168,993,100	3.40	57,457,654	(111,535,446)
Total of Mutual Fund A (iii)						**168,993,100**		**57,457,654**	**(111,535,446)**
Sub Total A(i+ii+iii)						**750,795,090**		**904,515,212**	**153,720,122**

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 31.12.2025	Total market value as on 31.12.2025	Unrealize Gain/(Loss)
1	ACI LTD.	Quoted	10.00	250,811	244.70	61,372,563	244.70	61,372,563	-
2	ACME LABORATORIES LTD	Quoted	10.00	29,002	75.60	2,192,406	75.60	2,192,406	-
3	BATBC	Quoted	10.00	150,000	589.61	88,441,251	589.61	88,441,251	-
4	BANGLADESH SUBMARINE CABLE CO.LTD.	Quoted	10.00	51,639	219.75	11,347,799	219.75	11,347,799	-
5	DELTA BRAC HOUSING FIN PLC	Quoted	10.00	389,109	71.47	27,809,451	71.47	27,809,451	-
6	GPH ISPAT LTD.	Quoted	10.00	454,177	50.78	23,062,648	50.78	23,062,648	-
7	LINDE BD LTD.	Quoted	10.00	4,178	1,615.48	6,749,486	1,615.48	6,749,486	-
8	MJL BANGLADESH PLC	Quoted	10.00	25,000	89.83	2,245,769	89.83	2,245,769	-
9	PIONEER INSURANCE CO.LTD.	Quoted	10.00	196,542	85.35	16,774,576	85.35	16,774,576	-
10	POWER GRID CO.BD LTD.	Quoted	10.00	170,000	66.16	11,246,410	66.16	11,246,410	-
11	RENATA LTD.	Quoted	10.00	5,125	1,225.11	6,278,694	1,225.11	6,278,694	-
12	SAIF POWERTEC LTD.	Quoted	10.00	200,000	40.46	8,092,402	40.46	8,092,402	-
13	SINGER BD LTD.	Quoted	10.00	100,000	179.46	17,945,543	179.46	17,945,543	-
14	SQUARE PHARMACEUTICALS PLC	Quoted	10.00	46,855	222.23	10,412,650	222.23	10,412,650	-
15	SUMMIT POWER LTD.	Quoted	10.00	90,404	39.18	3,542,075	39.18	3,542,075	-
16	TITAS GAS TRANSMISSION & DISTRIBUTION CO.LTD	Quoted	10.00	149,450	42.16	6,300,913	42.16	6,300,913	-
17	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)						**390,767,213**		**390,767,213**	**-**
Sub Total A(i+ii+iii+iv)						**1,141,562,303**		**1,295,282,425**	**153,720,122**

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	7500000	10.00	75,000,000
6	PREFERENCE SHARE OF RENATA PLC	Un-Quoted	10.00	375	1,900.00	712,500
Sub Total (B)						**1,124,948,973**
Grand Total (A+B)						**2,266,511,276**

Annexure-D

Adjustment for Approved Securities HTM
as at 31 December 2025

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.

(Amount in BDT)

Market Adjustment on Approved Securities HTM	
Balance as on Januray 1, 2025	78,671,049
Less: Adjustment due to sale & Repo Treasury Bond	
Less : Adjustment due to Bond Maturity	-
Add. Adjustment of Amortization of HTM secutrities	36,277,302
Balance as on 31.12.2025	**114,948,351**
Reserve for Revaluation (for HFT securities)	
Balance as on Januray 1, 2025	781,823,858
Add adjustment during the year in Mark to market Method on Treasury Bond	5,056,872,316
Add adjustment during the year in Mark to market Method on Treasury Bill	2,045,576,241
Less adjustment due to Maturity,sale & Repo Treasury Bond	5,249,139,441
Less adjustment due to Maturity,MTM, sale & Repo Treasury Bill	2,059,361,783
Balance as on 31.12.2025	**575,771,191**

(Market adjustment on Treasury Bond is reported as per DOS circular no.220 Dated. 8 December ,2010.)

Annexure-D1

Certificate obtained by Mercantile Bank PLC. under section 33(7) of Artha Rin Adalat Ain, 2003

Non-banking assets: As at 31.12.2025

Amount in BDT.

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.	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
9	Agrabad Branch	Sanmar Hotels Limited	a) 98,515 sqft. floor space with proportionate 22.63 decimal lands of Sanmar Hotels Limited building situated at 21/1, Agrabad C/A, Mouza-Gowsaldangha, Police Station-Double Mooring, Post Office-Agrabad, District-Chittagong. b) 1 Acre 18.50 decimal lands at Mouza Lot-66 Sonaichari, Police Station-Sitakunda, District-Chittagong. c) 4.00 decimal lands at Mouza-Maddam Sonaichari, Police Station-Sitakunda, District-Chittagong.	15-Sep-22	964,019,000	Physical possession of the property under Bank's control
10	Patiya Branch	M/S. Al Madina Store	a) 14.00 Decimal Land at Mouza- Gobinderkhil, Police Station-Patiya, District- Chottogram.	10-Aug-23	1,050,000	Physical possession of the property under Bank's control
			Total		**1,010,150,332**	

Annexure-E

Maturity Analysis of Other Assets
As at 31.12.2025

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	-	-	-	-	56,579,224	56,579,224
Mercantile Bank OBU Unit	3,959,855,566	-	-	-	-	3,959,855,566
MBL Asset Management Limited					56,000,000	56,000,000
No-Income generating other asset:						-
Stationery, stamps,printing materials in stock etc	24,719,392	41,424,262	5,476,659	-	-	71,620,312
Advance rent and advertisement	-	-	224,793,589		-	224,793,589
Interest accued on investment but not collected,commission and brokerage receivable on shares and debenture and other income receivable	656,983,661	1,158,276,070	2,034,592,740	-		3,849,852,471
Security deposit	-	-	-	-	10,896,221	10,896,221
Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses		51,069,276	-	-	-	51,069,276
Branch adjustment	-	-	-	24,161,287	-	24,161,287
Inter Branch Settlement Account	2,045,790,387	-	-	-	-	2,045,790,387
Suspense Account	380,000,000	669,050,458	172,116,500	55,638,609	180,000,000	1,456,805,567
Right Of Use (ROU) Assets as per IFRS-16	-	-	-	-	194,674,029	194,674,029
Silver	-	-	-	-	-	-
D.D.Paid Without Advice	-					-
Clearing adjustment account	-	-	-	-	-	-
Intra company transaction (OBU)	(3,959,855,566)	-	-	-	-	(3,959,855,566)
Total amount in taka	**3,107,493,439**	**1,919,820,066**	**2,436,979,488**	**79,799,896**	**4,048,149,474**	**11,592,242,363**

Annexure-F

Highlights of Mercantile Bank PLC.

(BDT in crore)

SL #	Particulars	31.12.2025	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	1,106.58	1,084.87	1,033.22	984.02
2	Total Capital Fund	3,603.15	3,874.86	4,326.70	3,987.87	3,558.44	3,341.95
3	Capital Surplus /(deficit)	5.82	168.38	670.56	512.91	401.30	273.37
4	Total Assets	47,788.75	44,469.03	40,217.30	38,232.85	35,941.14	33,078.56
5	Total Deposits	37,978.75	34,272.43	30,694.80	28,179.21	27,055.74	24,526.57
6	Total Loans and Advances	28,593.56	30,002.51	28,483.10	28,089.05	26,676.66	24,899.44
7	Total Contingent Liabilities and Commitments	18,417.44	20,825.15	15,854.45	16,827.22	17,506.03	10,811.23
8	Credit Deposit Ratio (in %)	72.89%	82.53%	85.57%	86.82%	85.98%	84.30%
9	Percentage of Classified Loans against Total Loans and Advances (in %)	15.19%	17.25%	6.08%	7.09%	4.54%	4.72%
10	Profit after Tax and Provision	119.99	63.12	202.86	220.26	341.86	216.13
11	Amount of Classified Loans during the year	4,342.07	5,176.17	1,731.33	1,992.86	1,211.25	1,175.12
12	Provision kept against classified Loans	645.71	1,144.78	639.81	806.27	513.16	488.26
13	Provision Surplus/(Deficit)	(2,139.31)	(1,700.86)	3.13	19.47	-	-
14	Cost of Fund (in %)	7.40%	5.86%	4.89%	4.25%	4.40%	5.66%
15	Interest Earning Assets	42,254.42	40,531.97	36,899.23	34,655.15	33,414.41	30,216.45
16	Non-interest Earning Assets	5,534.33	3,937.06	3,318.07	3,577.69	2,526.73	2,862.10
17	Return on Equity (ROE) (in %)	4.59%	2.44%	7.92%	8.87%	14.70%	10.05%
18	Return on Assets (ROA) (in %)	0.26%	0.15%	0.52%	0.59%	0.99%	0.67%
19	Income from Investment	934.84	740.39	474.12	409.85	479.46	413.90
20	Earning Per Share (Tk.)	1.08	0.57	1.83	2.03	3.31	2.20
21	Net Income Per Share (Tk)	1.08	0.57	1.83	2.03	3.31	2.20
22	Return on investment (ROI)	8.62%	8.80%	6.78%	6.67%	8.61%	8.39%
23	Net assets value per share (NAVPS)	23.92	23.32	23.48	23.30	23.62	22.46
24	Cost of deposit (%)	7.47%	6.27%	5.18%	4.68%	4.76%	6.12%
25	Price Earning Ratio (approximate)	6.92 Times	18.06 Times	7.25 Times	6.83 Times	5.17 Times	5.78 Times

Annexure-G

Mercantile Bank PLC. Offshore Banking Division

Balance Sheet
As at 31 December 2025

Particulars	Notes	December-2025 USD	December-2025 Taka (122.2954)	December-2024 USD	December-2024 Taka (120.0000)
Property and Assets:					
Cash:		-	-	-	-
Cash in Hand		-	-	-	-
Balance with Bangladesh Bank					
Balance with other Banks and Financial Institutions					

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AUDITED FINANCIAL STATEMENTS 2025

Mercantile Bank PLC. Offshore Banking Division

Profit and Loss Account
For the year ended 31 December 2025

Particulars	Notes	December-2025 USD	December-2025 Taka (122.2195)	December-2024 USD	December-2024 Taka (116.1561)
Interest Income	13	4,447,996.22	543,631,874	5,194,652.86	603,390,617
Less: Interest paid on Deposits, Borrowings etc.	14	1,666,245.74	203,647,721	2,091,783.08	242,973,365
Net Interest Income		**2,781,750.48**	**339,984,153**	**3,102,869.78**	**360,417,252**
Investment Income		-	-	-	-
Commision, Exchange and Brokerage		578,966.10	70,760,947	197,904.35	22,987,797
Other Operating Income	15	43,500.00	5,316,548	48,260.00	5,605,693
Miscellaneous Earnings		1,295.57	158,344	1,217.85	141,461
Adjustment for Exchange Rate Fluctuation		-	-	-	-
Total Non-interest/Other Operating Income		**623,761.67**	**76,235,839**	**247,382.20**	**28,734,951**
Total Operating Income		**3,405,512.15**	**416,219,992**	**3,350,251.98**	**389,152,203**
Salary and Allowances	16	125,144.11	15,295,051	127,416.66	14,800,222
Rent, Taxes, Insurances, Electricity etc.		-	-	-	-
Postage, Stamps, Telecommunication etc.		-	-	-	-
Depreciation and repair of Fixed Assets		-	-	-	-
Other Expenses-Fees For Nostro Aaccount	17	3,053.68	373,219	2,892.30	335,958
Adjustment for Exchange Rate Fluctuation		-	-	-	-
Total Operating Expenses		**128,197.79**	**15,668,270**	**130,308.96**	**15,136,180**
Profit Before Provision		**3,277,314.36**	**400,551,722**	**3,219,943.02**	**374,016,023**
Provision against Classified Loans					
Provision against Unclassified Loans	17	**3,000,000.00**	**366,886,200**	**3,000,000.00**	**360,000,000**
Other Provision					
Total Provision					
Total Profit before Taxes		**277,314.36**	**33,665,522**	**219,943.02**	**14,016,023**
Provision for Taxation		-	-		
Net Profit after Taxation		**277,314.36**	**33,665,522**	**219,943.02**	**14,016,023**

** 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 period Ended 31 December 2025

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.

	December-2025 USD	December-2025 BDT (122.2954)	December-2024 USD	December-2024 BDT (120.0000)
4 Balance with other Banks and Financial Institutions				
In Bangladesh:				
With Own Bank (Mercantile Bank PLC.)	739,876.72	90,483,519	3,190,753.12	382,890,374
With Other Bank in BD	-	-	-	-
Outside Bangladesh (With JP Morgan Chase Bank, NY)	9,586.60	1,172,397	16,200.34	1,944,041
	749,463.32	**91,655,916**	**3,206,953.46**	**384,834,415**

5 Loans & Advances	USD	BDT (122.2954)	USD	BDT (120.0000)
Loans, Cash credit etc.				
Overdrafts	2,315,672.78	283,196,129	2,315,672.78	277,880,734
Time Loans	5,482,583.46	670,494,737	5,482,583.46	657,910,015
Term Loans	7,586,677.73	927,815,788	8,598,778.97	1,031,853,476
Export Bill Discounting (EBD)	3,716,485.80	454,509,118	3,031,322.03	363,758,644
Import Bill Discounting (IBD)	37,600,876.38	4,598,414,217	45,726,584.92	5,487,190,190
	56,702,296.15	**6,934,429,989**	**65,154,942.16**	**7,818,593,059**

6 Fixed Assets including Premises, Furniture and Fixtures				
Software	-	-	-	-
Computer, Printer & Peripherals	-	-	-	-
Air Conditioner	-	-	-	-
Furniture & Fixture	-	-	-	-
	-	-	-	-

7 Other Assets				
Interest Receivable on Overdraft	13,556.65	1,657,916	13,556.65	1,626,798
Interest Receivable on Time Loan	656,157.86	80,245,088	656,157.86	78,738,943
Interest Receivable on Term Loan	2,623.08	320,790	2,909.62	349,154
Interest Receivable on Export Bill Discounting	32,991.21	4,034,673	20,604.70	2,472,565
Interest Receivable on Import Bill Discounting	846,166.82	103,482,310	1,655,732.02	198,687,842
	1,551,495.62	**189,740,777**	**2,348,960.85**	**281,875,302**

8 Borrowing from other Banks, Financial Institutions and Agents				
In Bangladesh (a & b):				
a. Mercantile Bank PLC. (Own Borrowing)	32,379,431.82	3,959,855,566	52,914,511.22	6,349,741,346
b. Other Banks in Bangladesh	-	-	-	-
Outside Bangladesh (Foreign Bank)	19,000,000.00	2,323,612,600	13,000,000.00	1,560,000,000
	51,379,431.82	**6,283,468,166**	**65,914,511.22**	**7,909,741,346**

8.1 Borrowing from Local Banks in Bangladesh				
	-	-	-	-
	-	-	-	-

8.2 Ageing of Borrowing from Local Banks in Bangladesh as on 31.12.2025

Ageing	0-1 Month	>01-03 Month	>03-06 Month	Total
USD	-	-		-
BDT(122.2954)	-	-	-	-

9 Deposit and Other Accounts:				
Current Deposit	34,964.43	4,275,989	5,200.00	624,000
Fixed Deposit	564,634.64	69,052,219	518,391.86	62,207,023
Foreign Currency Deposit FCAD (Gen)	127.23	15,560	127.23	15,268
	599,726.30	**73,343,768**	**523,719.09**	**62,846,291**

9.1 Ageing of Fixed/Term Deposit as on 31.12.2025

Ageing	0-1 Month	>01-03 Month	>03-06 Month	Total
USD			564,634.64	**564,634.64**
BDT(122.2954)	-	-	69,052,219	**69,052,219**

10 Other Liabilities				
Accrued Interest				
Intt. Payable on Borrowing from Own Bank	3,903.61	477,394	5,936.22	712,346.00
Intt. Payable on FDR A/C.	16,340.80	1,998,405	13,409.60	1,609,152
Intt. Payable on Borrowing from Foreign Bank	248,365.48	30,373,955	555,164.60	66,619,752
Intt. Suspense A/C	478,172.72	58,478,324	478172.72	57,380,727
Particular Provision Build up against A and B Outerwear Ltd. (10.1)	6,000,000.00	733,772,400	3,000,000.00	360,000,000
	6,746,782.61	**825,100,478**	**4,052,683.14**	**486,321,977**

10 Particular Provision Build up against A and B Outerwear Ltd.

Provision held at the beginning of the year	360,000,000	-
Addition during the year	373,772,400	360,000,000
Less. Adjustment during the year	-	-
	733,772,400	**360,000,000**

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, 2025 i.e USD 1 = BDT 122.2954 and incomes and expenses are translated using **monthly average** of standard mid rate of exchange (WAR) i.e USD 1 = 122.2195. 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.	11,010,672.25	1,346,554,567	12,387,006.29	1,486,440,754
2. Corporate Import Commitment favoring LBBW Bank, Germany on behalf of Badsha Textile Ltd. under ECA through Syndication under lead arrangement of EBPLC.	6,077,878.87	743,296,628	2,557,476.28	306,897,154
TOTAL	**17,088,551.12**	**2,089,851,195**	**14,944,482.57**	**1,793,337,908**

13 Interest Income	December-2025 USD	December-2025 BDT (122.2195)	December-2024 USD	December-2024 BDT (116.1561)
Interest on Advances	4,447,996.22	543,631,874	5,194,652.86	603,390,617
Interest on Money at Call and Short Notice				
Interest on fund placement with Head Office				
Interest on Foreign Currency Balances				
	4,447,996.22	**543,631,874**	**5,194,652.86**	**603,390,617**

14 Interest paid on Deposit, Borrowings etc.				
Interest on Deposit				
Interest paid on Borrowings from own Bank	496,044.21	60,626,275	531,352.55	61,719,840
Interest paid on Borrowings from Other Banks	1,136,027.55	138,844,719	1,525,651.57	177,213,737
Interest Paid on FDR	34,173.98	4,176,727	34,778.96	4,039,788
	1,666,245.74	**203,647,721**	**2,091,783.08**	**242,973,365**

15 Other Operating Income				
Investment Income				
Commission, Exchange & Brokerage (Processing & Arrangement Fee)	578,966.10	70,760,947	197,904.35	22,987,797
Other Operating Income/Foreign Cor. Crg (Rebate of Nostro A/c)	43,500.00	5,316,548	48,260.00	5,605,693
Miscellaneous Earnings (Interest on Balance of Nostro Account)	1,295.57	158,344	1,217.85	141,461
	623,761.67	**76,235,839**	**247,382.20**	**28,734,951**

16 Salary and Allowances, Rent, Taxes, Electricity etc.	December-2025 USD	December-2025 BDT (122.2195)	December-2024 USD	December-2024 BDT (116.1561)
Basic Salary	54,633.10	6,677,230	53,956.74	6,267,404
House Rent	15,988.86	1,954,150	16,818.19	1,953,535
Medical Allowances	7,871.48	962,048	8,279.79	961,748
Conveyance Allowance	1,279.10	156,331	1,345.47	156,285
Provident Fund	5,463.32	667,725	5,395.62	626,735
Car Allowances	13,478.34	1,647,316	14,180.24	1,647,121
Leave Fare Assistance	17,216.82	2,104,231	18,113.61	2,104,006
Bonus	9,213.09	1,126,020	9,327.00	1,083,388
	125,144.11	**15,295,051**	**127,416.66**	**14,800,222**

17 Particular provision against A & B Outerwear Ltd. (A-Type Industry of Chattrogram EPZ and customer of our Agrabad Branch) 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 122.2954 is used here to present in BDT as per IAS-21. It is to be noted here that out of total profit of 2024, USD 3,000,000.00 has also been kept as provision for the same purpose. Now, the Balance of total provision is USD 6,000,000.00. 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

Annexure-H

Mercantile Bank PLC. Islamic Banking Operations

Balance Sheet
As at 31 December 2025

Particulars	Notes	31.12.2025 Taka	31.12.2024 Taka
PROPERTY AND ASSETS			
Cash in hand	1		
Cash in hand (including foreign currencies)	1.1	71,503,818	47,698,865
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1.2	852,680,767	614,321,036
		924,184,585	**662,019,901**
Balance with other banks and financial institutions	2		
In Bangladesh	2.1	151,046	250,151,479
Outside Bangladesh		-	-
Placement with banks and other financial institution		-	-
Investments in Shares and Securities	3		
Government	3.1	8,529,930,000	794,140,000
Others		-	-
		-	-
Investments			
General Investments etc.	4	9,364,363,685	8,390,606,471
Bills purchased and discounted	5	20,793,954	9,811,750
		9,385,157,639	8,400,418,221
Fixed assets including premises	6	12,201,719	15,715,956
Other assets	7	9,231,004,395	6,107,453,235
Non-banking assets		-	-
Total Property and Assets:		**28,082,629,384**	**16,229,898,792**
LIABILITIES AND CAPITAL			
Liabilities:			
Placement from banks and other financial institutions		-	-
Deposits and other accounts:			
Al-wadeeah Current Accounts and Other Deposit Accounts		512,901,718	317,898,404
Mudaraba Savings Deposits		1,338,470,600	650,939,805
Mudaraba Term Deposits		19,178,037,024	11,206,979,595
Other Mudaraba Deposits		6,314,731,765	3,271,257,425
Bills Payable		60,227,196	38,168,768
		27,404,368,303	**15,485,243,997**
Other liabilities	8	852,356,333	540,459,333
Total Liabilities:		**28,256,724,636**	**16,025,703,330**
Capital/Shareholders' Equity			
Paid up Capital			
Foreign Currency Translation Difference			
Statutory Reserve		-	-
Other Reserve			
Retained Earnings		(174,095,252)	204,195,462
Total Shareholders' Equity		**(174,095,252)**	**204,195,462**
Total Liabilities and Shareholders' Equity		**28,082,629,384**	**16,229,898,792**
Off Balance Sheet Items			
Letter of Guarantee		**509,147,403**	**221,060,435**

Mercantile Bank PLC. Islamic Banking Operations

Profit and Loss Account
For the period ended as on 31 December 2025

Particulars	Notes	31.12.2025 Taka	31.12.2024 Taka
Operating Income			
Investment Income	9.0	1,663,031,842	1,317,806,977
Profit paid on deposits	10.0	(1,917,249,586)	(1,105,072,306)
Net Investment Income		**(254,217,744)**	**212,734,671**
Income from investments in Shares/Securities	11.0	148,866,708	13,861,760
Commission, exchange and brokerage		32,976,129	34,948,233
Other operating income	12	9,067,021	7,316,572
		190,909,858	56,126,565
Total operating income		**(63,307,886)**	**268,861,236**
Salaries and allowances	13	45,386,570	38,377,858
Rent, taxes, insurance, electricity, etc.		5,655,739	2,514,165
Legal expenses		18,230	19,710
Postage, stamps, telecommunications, etc.		494,021	133,734
Stationery, printing, advertisement etc.		6,712,833	5,186,856
Chief Executive's Salary & Fees		-	-
Directors' Fees and Expenses		-	-
Shariah SupervisoryCommittee's Fees ad Expenses	14	176,000	154,000
Auditors' Fees		-	-
Charges in Investment Losses		-	-
Depreciation and repair to bank's assets	15	6,078,869	6,101,707
Other expenses	16	46,265,105	12,177,744
Total operating expenses		**110,787,367**	**64,665,774**
Profit/(Loss) before provision		**(174,095,253)**	**204,195,462**
Provision for loans & advances / Investments		-	-
Provision for Diminution in value of Investment		-	-
Other provision		-	-
		-	-
Total Profit/(Loss) before Taxes		**(174,095,253)**	**204,195,462**

Note: Provision against investment is included in consolidated accounts of Mercantile Bank PLC.

Mercantile Bank PLC. Islamic Banking Operations

Notes to the Financial Statements
For the period ended as on 31 December 2025

	Note	31.12.2025 Taka	31.12.2024 Taka
1 Cash			
Cash in hand (including foreign currencies)	1.1	71,503,818	47,698,865
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	1.2	852,680,767	614,321,036
		924,184,585	**662,019,901**
1.1 Cash in hand (including foreign currencies):			
In local currency		71,503,818	47,698,865
In foreign currency		-	
		71,503,818	**47,698,865**
1.2 Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)			
In local currency		852,680,767	614,321,036
In foreign currency		-	
		852,680,767	**614,321,036**
2 Balance with other banks and financial institutions			
In Bangladesh	2.1	151,046	250,151,479
Outside Bangladesh			
		151,046	**250,151,479**
2.1 In Bangladesh			
with Islami Bank Bangladesh Ltd		52,131	52,405
with Shahjalal Islami Bangladesh Ltd		98,915	99,074
with Exim Bank Ltd		-	250,000,000
		151,046	**250,151,479**
3 Placement with banks and other financial institution, Investments in Shares and Securities			
Government	3.1	8,529,930,000	794,140,000
Others		-	
		8,529,930,000	**794,140,000**

	Note	31.12.2025 Taka	31.12.2024 Taka
3.1 Government			
BGIIB (for 3 Months)		3,100,000,000	500,000,000
BGIIB (for 6 Months)		4,600,000,000	-
SUKUK (for 5 Year)		829,930,000	294,140,000
		8,529,930,000	**794,140,000**
4 General Investment			
Bai-Muajjal		8,110,329,433	7,202,353,088
Murabaha-TR (PIF)		173,627,250	168,906,976
HPSM		977,382,544	977,831,866
Quard		103,024,458	41,514,541
		9,364,363,685	**8,390,606,471**
5 Bills purchased and discounted			
MDBP		20,793,954	9,811,750
		20,793,954	**9,811,750**
6 Fixed assets including premises, Furniture and Fixtures-at cost less Accumulated Depreciation (Annexure-A):			
Furniture & Fixture		6,864,330	7,002,399
Office equipment		5,337,389	8,713,557
		12,201,719	**15,715,956**
7 Other Asset			
Printing Stationery		1,416,332	1,216,230
Security Papers		4,349,645	1,074,809
Profit Receivable Balance Wth Other Bank		-	3,800,000
Profit Receivable Inv in Appvd Securities		120,853,932	5,287,254
Profit Receivable on Islamic Investment		8,213,868	10,968,837
Suspense Account		236,138	100,000
Prepaid Exp. House Furneshing Allowances		304,713	518,743
Prepaid Exp. Insurance Premium		95,225	28,030
Prepaid Exp. Mobile Phone Set		59,583	-
Stamp In hand		69,060	66,270
Inter-branch settlement		-	13,900
Restricted Mudaraba Investment		9,084,880,146	6,080,165,162
Advance Rent		9,017,420	-
Advance Income Tax		1,508,333	4,214,000
		9,231,004,395	**6,103,239,235**
8 Other Liabilities			
Total Other Liability	8.1	**852,356,333**	**540,459,333**
8.1 Other Liability			
Total Markup Pft on Islamic -Inv		260,702,909	221,972,063
Profit payable on Mudaraba Savings A/C		166,554	5,504,111
Profit payable on Mudaraba Short Notice Deposit A/C		-	-
Profit payable on Mudaraba Term Deposit A/C		388,322,556	249,974,298
Profit payable on Mudaraba Scheme Deposit A/C		132,632,850	46,527,150
Provision a/c insurance		43,486	-
Compensation on Islamic -Investment		70,487,978	16,481,711
		852,356,333	**540,459,333**
9 Investments Income			
General Investment Income		778,969,267	858,713,566
Profit on Restricted Mudaraba		864,650,824	422,615,390
Profit from Balance with Other Bank		19,411,751	36,478,021
		1,663,031,842	**1,317,806,977**
10 Profit paid on deposits			
Profit Paid on Mudaraba Savings Account (MSA)		37,889,233	22,998,367
Profit Paid on Mudaraba SND		79,906,574	65,379,174
Profit Paid on Mudaraba Term Deposit		1,362,278,843	907,886,814
Profit Paid on Mudaraba Scheme Deposit		437,174,936	108,807,951
		1,917,249,586	**1,105,072,306**
11 Income from investments in Shares/Securities			
Profit on Ijara Sukuk		30,984,769	13,861,760
Profit on BGIIB		117,881,939	-
		148,866,708	**13,861,760**
12 Other Operating Income			
Total Charges on trade Finance		1,392,810	815,012
Service Charge & Fee		7,674,211	6,501,560
		9,067,021	**7,316,572**
13 Salaries and allowances:			
Basic Salary		24,337,654	20,283,356
Bonus		4,020,000	3,396,000
Bank Contribution to Prov Fund		2,433,766	2,028,685
House Rent		6,901,258	6,158,267
Conveyance Allowance		884,887	773,400
Medical Allowance		3,338,355	3,009,067
Car Allowance		3,126,000	2,470,333
Risk Allowances (Cash)		125,000	84,000
Charge Allowances & Other allownes		219,650	174,750
		45,386,570	**38,377,858**
14 Shariah SupervisoryCommittee's Fees ad Expenses			
Shariah SupervisoryCommittee's Fees ad Expenses		160000	140000
VAT on Shari'ah Supervisory Committee Fee & Exp.		16000	14000
		176,000	**154,000**
15 Depreciation and repair to bank's assets			
Depreciation on Fixed asset (Annexure-A)		5,707,137	6,026,879
Repair		371,732	74,828
		6,078,869	**6,101,707**
16 Other Expense			
Refreshment		551,589	452,527
Inland Traveling Exp.		69,650	130,655
Local Conveyance		150,255	78,510
Business Development		1,604,765	1,028,555
Newspaper Magazine		8,466	9,682
House Funishing Allowances		133,708	74,570
Leave Fare Assistance		7,346,775	6,580,400
Laundry & Cleaning		99,418	70,150
Cash Carring & Remittance Charge		600	6,900
Exgratia		373,950	256,500
Bank Charges		103,198	2,795
Other computer expense		32,120	81,738
Subscription to Institutions (Membership Fee of CSIBB		1,660,000	700,000
Supporting Staff Salary		3,922,742	2,604,762
Profit sharing with NWCB		30,201,399	-
Donation & Gift		-	100,000
Photograph & Photocpy		470	-
Internship Allownces		3,000	-
Nursery & Plantation		3,000	-
		46,265,105	**12,177,744**

Mercantile Bank PLC. Islamic Banking Operations

Schedule of Property, Plant and Equipment
As on 31 December 2025

Annexure-A

Amount in Taka

Particulars	Cost: Opening Balance	Cost: Addition During the period	Cost: Adjustment/ Disposal during the period	Cost: Closing Balance	Rate %	Depreciation: Opening Balance	Depreciation: Charged during the period	Depreciation: Adjustment /Disposal during the period	Depreciation: Balance as on 31.12.2025	Written Down Value as on 31.12.2025
Furniture & Fixture	8,572,731.09	729,056.67	-	9,301,787.76	10%	1,570,331.92	867,126.17	-	2,437,458.09	6,864,329.67
Office Equipment	24,778,088.00	1,463,842.26	-	26,241,930.26	20%	16,064,530.89	4,840,010.48	-	20,904,541.37	5,337,388.89
Sub total	**33,350,819.09**	**2,192,898.93**	-	**35,543,718.02**		**17,634,862.81**	**5,707,136.65**	-	**23,341,999.46**	**12,201,718.56**

বাংলার ব্যাংক
মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
efficiency is our strength

AUDITED FINANCIAL STATEMENTS 2025

Annexure-I

Mercantile Bank Securities Limited

Independent Auditors' Report
To the Board of Directors of Mercantile Bank Securities Limited

Opinion:

We have audited the financial statements of "**Mercantile Bank Securities Limited'** which comprise the Statement of financial position as at 31 December 2025, 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 2025 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 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: 11 March, 2026
DVC: 2603110151AS619672

Mercantile Bank Securities Limited

Statement of Financial Position
as at 31 December 2025

Particulars	Notes	Amount in Taka	
		31 December 2025	31 December 2024
Assets			
Current assets		**6,306,152,105**	**6,487,601,783**
Cash and bank balances	**03.00**	150,810,492	233,344,978
Accounts Receivables from securities trading	**04.00**	5,541,524	18,617,454
Accounts Receivable from margin clients	**05.00**	4,492,759,774	4,603,605,968
Proprietary position in securities & other investments	**06.00**	1,307,111,390	1,314,212,683
Other advances	**07.00**	349,928,925	317,820,700
Non-current assets		**731,684,373**	**726,800,912**
Fixed assets	**08.00**	107,885,369	103,374,534
Intangible assets	**09.00**	202,904	264,754
Investment in exchanges	**10.00**	622,499,934	622,499,934
Other long term assets	**11.00**	1,096,166	661,690
Total assets		**7,037,836,478**	**7,214,402,695**
Liabilities Shareholders' Equity			
Liabilities		**3,009,654,832**	**3,190,030,927**
Payable to clients	**12.00**	107,490,855	149,681,695
Short term business liabilities	**13.00**	863,669,941	1,081,673,428
Payable to exchanges	**14.00**	8,747,126	27,414,502
Other liabilities and provisions	**15.00**	2,029,746,910	1,931,261,302
Shareholders' equity		**4,028,181,646**	**4,024,371,768**
Share capital	**16.00**	3,600,000,000	3,600,000,000
Capital Reserve	**17.00**	43,240,942	42,649,462
Retained earnings	**18.00**	384,940,704	381,722,306
Total liabilities and Shareholders' Equity		**7,037,836,478**	**7,214,402,695**
Net asset value per share of Tk. 10 each	**19.00**	**11.19**	**11.18**

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.

Pinaki Das FCA
Senior Partner
ICAB Enroll No. 151
FRC Enlistment No: CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No: CAF-001-113

Place : Dhaka, Bangladesh
Dated: 11 March, 2026
DVC: 2603110151AS619672

Mercantile Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2025

Particulars	Notes	Amount in Taka	
		01 January 2025 to 31 December 2025	01 January 2024 to 31 December 2024
Brokerage commission	**20.00**	85,221,189	125,195,900
Interest Income from margin Loan		151,864,279	251,821,719
Income from investment in securities	**21.00**	33,762,145	39,324,879
Other operating income	**22.00**	532,179	1,669,666
Total operating income		**271,379,792**	**418,012,164**
Operating expenses	**23.00**	11,775,769	45,837,526
Income from operation		**259,604,023**	**372,174,638**
Other income	**24.00**	4,355,735	725,748
Administrative and general expenses	**25.00**	64,915,737	76,679,515
Financial expenses	**26.00**	104,920,890	122,249,270
Net profit before Provision and income tax		**94,123,131**	**173,971,601**
Provision for diminution in value of investment		20,000,000	30,000,000
Provision for margin loan		50,000,000	96,000,000
General provision		-	338,771
		70,000,000	**126,338,771**
Net profit before income tax		**24,123,131**	**47,632,830**
Provision for taxation			
Current tax		20,747,729	41,334,495
Deferred tax		(434,476)	383,532
		20,313,253	**41,718,027**
Net profit after income tax		**3,809,878**	**5,914,803**
Other comprehensive income		-	-
Total comprehensive income		**3,809,878**	**5,914,803**
Appropriations			
Capital reserve @ 10% of Last year profit after income tax		591,480	4,577,904
		591,480	**4,577,904**
Retained surplus		**3,218,398**	**1,336,899**
Earnings Per Share (EPS)	**27.00**	**0.01**	**0.02**

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.

Pinaki Das FCA
Senior Partner
ICAB Enroll No. 151
FRC Enlistment No: CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No: CAF-001-113

Place: Dhaka, Bangladesh
Dated: 11 March, 2026
DVC: 2603110151AS619672

Mercantile Bank Securities Limited

Statement of Changes in Equity
for the year ended 31 December 2025

Amount in Taka

Particulars	Share capital	Capital Reserve	Retained earnings	Total
Balance as at 01 January 2025	3,600,000,000	42,649,462	381,722,306	4,024,371,768
Net profit/(Loss) for the year	-	-	3,809,878	3,809,878
Capital reserve for the year	-	591,480	(591,480)	-
Balance as at 31 December 2025	**3,600,000,000**	**43,240,942**	**384,940,704**	**4,028,181,646**

Statement of Changes in Equity
for the year ended 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**

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 31 December 2025

Particulars	Amount in Taka	
	01 January 2025 to 31 December 2025	01 January 2024 to 31 December 2024
A. Cash Flow from Operating Activities		
Cash received from commission and others	288,811,457	420,471,725
Payment for operating expenses & others	(7,358,155)	(89,128,920)
Finance expenses paid	(104,920,890)	(122,249,270)
Income tax paid	(32,392,886)	(49,837,538)
Net Cash flow from operating activities	**144,139,526**	**159,255,997**
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	(8,670,525)	(7,278,498)
Net Cash flow from investing activities	**(8,670,525)**	**8,817,497**
C. Cash Flows from Financing Activities		
Short term business liabilities	(218,003,487)	(175,635,216)
Tax Paid as Assessment completed for the year 2020	-	(13,068,558)
Net cash flow from financing activities	**(218,003,487)**	**(188,703,774)**
Net surplus in cash and bank balance for the year (A+B+C)	**(82,534,486)**	**(20,630,280)**
Cash & Bank Balance at the beginning of the year	233,344,978	253,975,258
Cash & Bank Balance	**150,810,492**	**233,344,978**
Cash & Bank Balance :		
Cash in Hand	47,129	613,928
Cash at Bank	126,909,686	209,590,019
Investment in FDR	23,019,572	23,019,572
Cash at Trading Accounts (Stock Dealer A/C)	834,105	121,459
	150,810,492	**233,344,978**

The annexed notes 01 to 30 form an integral part of these financial statements.

Chief Executive Officer (CC) | Director | Director

Mercantile Bank Securities Limited

Notes to the Financial Statements
as at and for the year ended 31 December 2025

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 01 (One) 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 liabilitiesat 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 liabilitiesthat 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 year 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 2025.
b) Statement of Profit or Loss and Other Comprehensive Income for the year ended on 31 December 2025.
c) Statement of changes in Equity for the year ended on 31 December 2025.
d) Statement of Cash Flows for the year ended on 31 December 2025 and
e) Notes, comprising a summary of significant accounting policies and other explanatory notes as at and for the year ended on 31 December 2025.

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 liabilityis 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 liabilityat 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 year 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 liabilityplus 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 liabilityis initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liabilityis 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 liabilitiesare 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 obligationas 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.

Notes	Particulars	Amount in Taka	
		31 December 2025	31 December 2024
3.00	**Cash and bank balances**		
	Cash in Hand	47,129	613,928
	Cash at bank in company's accounts (note:3.01)	8,523,578	16,397,774
	Cash at bank in consolidated customer accounts (note:3.02)	118,386,108	193,192,245
	Cash at bank in trading accounts (dealer) (note:3.03)	834,105	121,459
	Investment in FDR (note:3.04)	23,019,572	23,019,572
		150,810,492	**233,344,978**
3.01	**Cash at bank in company's accounts**	**Account No.**	
	MBSL Income Expenditure A/C (MBPLC)	1131-32237	8,097,160	16,382,157
	Mercantile Bank Securities ltd.(MBPLC)	1131-34183	129,549	2,187
	Mercantile Bank Securities ltd.(MBPLC)	1131-56111	292,630	7,742
	Mercantile Bank Securities ltd.(NRBC)	010136-208	4,038	5,688
	Mercantile Bank Securities ltd.(JBPLC)	1201-24546	201	-
			8,523,578	**16,397,774**

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Notes	Particulars		Amount in Taka	
			31 December 2025	31 December 2024
3.02	**Cash at bank in consolidated customer accounts**			
		Account No.		
	MBSL Consolidated Customers A/C (MBPLC)	1131-03295	113,975,835	186,957,013
	Mercantile Bank Securities ltd. (G-Sec)	1131-57002	176,280	49,303
	Mercantile Bank Securities ltd. (OBPLC)	0013-0616	4,233,993	6,185,929
			118,386,108	**193,192,245**
3.03	**Cash at bank in trading accounts (dealer)**			
	Mercantile Bank Securities ltd. (OBPLC)	0013-663	40,551	40,875
	Mercantile Bank Securities ltd. (MBPLC)	1131-27302	793,554	80,584
			834,105	**121,459**
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)		5,541,524	17,737,463
	Receivable from CSE (Note:4.02)		-	879,991
			5,541,524	**18,617,454**
4.01	**Receivable from DSE**			
	Receivable from DSE Broker Activities (note: 4.01.1)		5,541,524	1,901,568
	Receivable from DSE Dealer Activities (note: 4.01.2)		-	15,835,895
			5,541,524	**17,737,463**
4.01.1	**Receivable from DSE Broker Activities**			
	Receivable against A,B,G and N category		4,624,958	-
	Receivable against Z category		916,566	1,901,568
			5,541,524	**1,901,568**
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
			-	**15,835,895**
4.02	**Receivable from CSE**			
	Receivable from CSE Broker Activities (note: 4.02.1)		-	879,991
			-	**879,991**
4.02.1	**Receivable from CSE Broker Activities**			
	Receivable against A,B,G and N category		-	879,991
			-	**879,991**
5.00	**Accounts Receivable from margin clients**			
	Margin Loan (Note:5.01)		4,492,550,447	4,603,135,980
	Due to CDBL Charge/ BO renewal fees		209,327	469,988
			4,492,759,774	**4,603,605,968**
5.01	**Margin loan**			
	Receivable to clients having negative equity		3,712,370,098	3,478,833,635
	Receivable to clients fall under force sale condition(e.g.Equity is >DB but <125% of DB)		208,513,800	358,697,735
	Receivable to clients fall under margin call(e.g. Equity is >125% of DB but <150% of DB)		177,036,080	108,816,055
	Receivable to regular margin clients (e.g. Equity is >150% of DB)		394,630,469	656,788,555
			4,492,550,447	**4,603,135,980**
6.00	**Proprietary position in securities & other investment**			
	Dealer Investment position (Note:6.01)		934,830,039	930,698,563
	Strategic Investments Position (4747) (Note:6.02)		74,846,526	78,487,109
	Strategic Investments Position (6100) (Note:6.03)		297,434,825	305,027,011
			1,307,111,390	**1,314,212,683**
6.01	**Dealer Investment Position**			
	Value of "A" category instruments		765,776,861	855,281,593
	Value of "B,G,N,S" category instruments		121,184,377	74,141,943
	Value of "Z" category instruments		47,868,801	1,275,027
			934,830,039	**930,698,563**
	Deposit for application of right shares/IPO		-	-
			934,830,039	**930,698,563**
	Investment in securities at cost		934,830,039	930,698,563
	Investment in securities at market value		517,591,677	490,337,316
	Unrealized Gain/(Loss)		**(417,238,362)**	**(440,361,246)**
	Details of investment in marketable securities are shown in "Annexure- D.1".			
6.02	**Strategic Investments Position**			
	Investment in securities		74,846,526	78,487,109
			74,846,526	**78,487,109**
	Investment in securities at cost		74,732,654	76,774,346
	Investment in securities at market value		28,616,596	41,695,634
	Unrealized Gain/(Loss)		**(46,116,058)**	**(35,078,712)**
	Value of "A" category instruments		54,774,510	66,794,705
	Value of "B,G,N,S" category instruments		3,976,981	3,976,981
	Value of "Z" category instruments		15,981,163	6,002,660
			74,732,654	**76,774,346**
	Deposit for application of right shares/IPO		-	-
			74,732,654	**76,774,346**
	Details of investment in marketable securities are shown in "Annexure- D.2 ".			
6.03	**Strategic Investments Position**			
	Investment in securities		297,434,825	305,027,011
			297,434,825	**305,027,011**
	Investment in securities at cost		296,653,168	305,025,419
	Investment in securities at market value		125,675,853	145,852,804
	Unrealized Gain/(Loss)		**(170,977,315)**	**(159,172,615)**
	Value of "A" category instruments		175,733,775	244,205,143
	Value of "B,G,N,S" category instruments		81,371,987	21,272,870
	Value of "Z" category instruments		39,547,405	39,547,405
			296,653,168	**305,025,419**
	Details of investment in marketable securities are shown in "Annexure- D.3 ".			
7.00	**Other Advances**			
	Advance income tax (Note: 7.01)		349,101,704	316,708,818
	Advance office rent		-	160,000
	Advance LFA		9,000	9,000
	Advance deposit		796,000	809,550
	Advance commission for bank guarantee		22,221	133,332
			349,928,925	**317,820,700**
7.01	**Advance income tax**			
	Opening balance		316,708,818	291,672,234
	Less: Final Settlement for the year 2020		-	25,947,970
			316,708,818	**265,724,264**
	Add: Paid during the year (Note:7.01.1)		32,392,886	50,984,554
	Closing balance		**349,101,704**	**316,708,818**
7.01.1	**Advance tax paid during the year**			
	Tax on transaction (DSE)		10,546,668	20,241,192
	Tax on transaction (CSE)		182,789	181,986
	Advance income tax for IY-2021 & IY-2024		16,651,246	23,715,079
	Advance tax (Cash dividend, Bank interest & other)		5,012,183	6,846,297
			32,392,886	**50,984,554**
	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)		-	-
	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	50,984,554
	Year 2025		32,392,886	-
			349,101,704	**316,708,818**
8.00	**Fixed assets net off depreciation**			
	Land and Land Development		82,177,850	82,177,850
	Building		11,441,250	11,745,000
	Vehicle		1	1
	Furniture and fixtures		4,431,929	5,482,389
	Office equipment		2,066,913	2,459,847
	Right of use Assets as per IFRS 16*		7,767,426	1,509,447
			107,885,369	**103,374,534**
	* 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		**202,904**	**264,754**
	Details are shown in "Annexure-C"			

Notes	Particulars	Amount in Taka	
		31 December 2025	31 December 2024
10.00	**Investment in exchanges**		
	Dhaka Stock Exchange PLC. (Note:10.01)	487,499,955	487,499,955
	Chittagong Stock Exchange PLC. (Note:10.02)	134,999,979	134,999,979
		622,499,934	**622,499,934**
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	134,999,979	180,000,000
	Less: Cost of 25% shares sold by CSE as per demutualization scheme	-	45,000,021
	Closing balance	**134,999,979**	**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	**1,096,166**	**661,690**
	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	108,088,273	103,639,288
Tax base written down value	112,472,940	106,286,049
Deductible temporary difference on written down value	**(4,384,667)**	**(2,646,761)**
Applicable tax rate	25.00%	25.00%
Closing deferred tax (assets)/liabilities	(1,096,166)	(661,690)
Opening deferred tax (assets)/liabilities	(661,690)	(1,045,222)
Deferred tax (income)/expenses	**(434,476)**	**383,532**
12.00 **Payable to clients**		
Payable to clients (Trading)	107,490,855	149,681,695
	107,490,855	**149,681,695**
13.00 **Short term business liabilities**		
Mercantile Bank PLC. (Note: 13.01)	323,776,640	598,212,414
NRBC Bank PLC. (Note: 13.02)	298,409,578	298,068,019
Investment Corporation of BD.(Note: 13.03)	94,436,970	185,392,995
Jamuan Bank PLC (Note:13.04)	147,046,753	-
	863,669,941	**1,081,673,428**
13.01 **Mercantile Bank PLC. SOD Loan**		
Principal business liabilities	323,776,640	598,212,414
	323,776,640	**598,212,414**

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. 40,00,00,000
Rate of Interest	: 9.00%
Tenor of the facility	: 31.12.2026
Security	: Usual charge documents of the bank and undated chequed covering the credit limit

13.02	**NRBC Bank PLC. SOD Loan**	
	Principal business liabilities	298,409,578 / **298,409,578**	298,068,019 / **298,068,019**

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. 300,000,000
Rate of Interest	: 14.50%
Tenor of the facility	: 12.02.2026
Security	: Usual charge documents of the bank and undated chequed covering the credit limit

13.03	**Investment Corporation of Bangladesh**	
	Principal business liabilities	93,604,926	183,557,421
	Interest payable on business liabilities	832,044	1,835,574
		94,436,970	**185,392,995**

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. 270,000,000
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

13.04	**Jamuna Bank PLC. SOD Loan**	
	Principal business liabilities	147,046,753 / **147,046,753**	- / **-**

The terms and conditions of the loan taken from Jamuna Bank PLC. are as follows:

Nature of facility	SOD (General)
Purpose	:To provide liquidity of MBSL & to meet day to day operational expenses in the business
Facility Amount	: Tk. 150,000,000
Rate of Interest	: 12%
Tenor of the facility	: 28.02.2026
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)	8,732,831	27,398,626
	Payable to Depository	14,295	15,876
		8,747,126	**27,414,502**
14.01	**Payable to exchanges**		
	Payable to DSE (note:14.01.1)	8,732,831	27,398,626
		8,732,831	**27,398,626**
14.01.1	**Payable to DSE**		
	Payable to DSE for Broker activities	8,732,831	27,389,273
	Payable to DSE for Dealer activities	-	9,353
		8,732,831	**27,398,626**
15.00	**Other liabilities and provisions**		
	Provision for income tax (Note: 15.01)	309,363,038	288,615,309
	Provision for diminution in value of investment (Note: 15.02)	140,000,000	120,000,000
	Provision for margin loan (Note: 15.03)	576,795,597	526,795,597
	General Provision (Note: 15.04)	46,036,060	46,036,060
	Other Provision (Note: 15.05)	23,019,572	23,019,572
	Other liabilities (Note: 15.06)	934,532,643	926,794,764
		2,029,746,910	**1,931,261,302**
15.01	**Provision for income tax**		
	Opening balance	288,615,309	272,081,768
	Less: Final Settlement for the year 2020	-	24,800,954
		288,615,309	**247,280,814**
	Add: Provision made during the year	20,747,729	41,334,495
	Closing balance	**309,363,038**	**288,615,309**
	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)	-	-
	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	41,334,495
	Year 2025	20,747,729	-
		309,363,038	**288,615,309**
15.02	**Provision for diminution in value of investment**		
	Opening balance	120,000,000	90,000,000
	Add: Provision made during the year	20,000,000	30,000,000
	Closing balance	**140,000,000**	**120,000,000**

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. 63,43,31,735.00 as on December 31, 2025. The company has maintained 22.07% provision of Tk. 14,00,00,000 as on December 31, 2025 against required provision. As per BSEC letter no. BSEC/SMMID/NE/AP/2025/108/637 dated November 16, 2025, the regulator extended the time till December 31, 2030.

Notes	Particulars	Amount in Taka	
		31 December 2025	31 December 2024
15.03	**Provision for margin loan**		
	Opening balance	526,795,597	430,795,597
	Add: During the Year	50,000,000	96,000,000
	Closing balance	**576,795,597**	**526,795,597**
15.03.1	**Specific Provision**		

The market value of shares of the client account having negative equity stood at Tk.99,40,33,436.00 as on December 31, 2025 against margin loan receivable of Tk. 371,23,70,098.00 leaving a shortfall of Tk. 271,93,07,959.00. 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. 57,67,95,597.00 as mentioned above and Interest suspense on margin investment stood at Tk. 89,15,21,568.00 (note-15.06) as on December 31, 2025. As per BSEC letter no. BSEC/SMMID/NE/AP/2025/108/637 dated November 16, 2025, the regulator extended the time till December 31, 2030.

15.04	**General Provision**		
	Opening balance	46,036,060	45,697,289
	Add: Provision made during the year	-	338,771
	Closing balance	**46,036,060**	**46,036,060**

As per BSEC notification no. BSEC/CMRRCD/2017-357/221/admin/89 dated May 29, 2019 part B of schedule C rule 5(2) the company has maintained 102% General provision of Tk. 4,60,36,060.00 against required provision of Tk.4,49,27,598.00 as on December 31, 2025.

15.05	**Other Provision**		
	Opening balance	23,019,572	23,019,572
	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.

15.06	**Other liabilities**		
	Accrued expenses	1,491,754	2,898,447
	Provision for audit fee	115,000	115,000
	Provident fund payable	24,298,589	23,437,596
	Employees welfare fund	915,371	741,611
	Provision for Gratuity	4,109,500	4,109,500
	Provision for incentive Bonus	3,771,900	3,771,900
	Interest suspense account	891,521,568	887,249,341
	Sundry deposit	26,133	26,133
	Cash Dividend on margin account	454,238	395,963
	Payable for Mobile Trade (DSE)	207,875	52,000
	CCBA Interest Payable	-	2,438,265
	Lease liabilities as per IFRS-16 *	7,620,715	1,559,008
		934,532,643	**926,794,764**

* 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

16.01	**Capital to regulatory capital requirement**		
	A. Total Eligible capital (Annexure-A)	**4,599,183,070**	**4,544,373,192**
	B. Total risk requirement (Annexure-A)	**520,355,772**	**526,607,604**
	C. Required capital (120% of total risk requirement)	**624,426,927**	**631,929,124**
	D. Capital surplus (A-C)	**3,974,756,143**	**3,912,444,067**
	E. Capital adequacy ratio	**884%**	**863%**
	Core capital to total risk requirement	774%	764%
	Supplementary to total risk requirement	110%	99%
	F. Core Capital (Annexure-A)	**4,028,181,646**	**4,024,371,768**
	G. Operational Risk Requirement (Annexure-A)	**21,012,869**	**22,740,203**
	H. Core capital to operational risk requirement (minimum 100%)	**191.70 times**	**176.97 times**
16.02	**Statutory Liquid Capital Requirement (Annexure-B)**		
	A. Total Liabilities	**7,037,836,478**	**7,214,402,695**
	B. Liquid Capital	**3,734,080,380**	**3,724,042,754**
	C. Regulatory LCB (8% of Total Liabilities)	**563,026,918**	**577,152,216**
	D. Excess/(Deficit) in Liquid Capital (B-C)	**3,171,053,462**	**3,146,890,538**
16.03	**Net Capital to Aggregate Liabilities Ratio**		
	A. Liquid Assets:		
	Cash in hand or in Bank	126,956,815	210,203,947
	Customer's Debit Balances receivable (within 3 days)	4,492,759,774	4,603,605,968
	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.	5,541,524	18,617,454
	Market Value of Investment in Securities traded in a stock exchange.	671,884,126	677,885,754
	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)	**5,565,032,852**	**5,778,203,736**
	B. Designated Liabilities:		
	Amount Payable in the ordinary course of dealing in securities	8,732,831	27,398,626
	Overdraft & Loan from banks	863,669,941	1,081,673,428
	Accrued Expenses	1,606,754	3,013,447
	Net Tax Payable	(39,738,666)	(28,093,509)
	All other liabilities that are regarded as liabilities under generally	107,490,855	149,681,695
	Total Designated Liabilities (B)	**941,761,715**	**1,233,673,687**
	C. Net Capital Balance (A - B)	**4,623,271,137**	**4,544,530,049**
	D. Net Capital to Aggregate Liabilities Ratio	1 : 1.51	1 : 1.43
	E. Maximum Permissible Ratio	1 : 20	1 : 20
17.00	**Capital Reserve**		
	Opening Balance	42,649,462	38,071,558
	Add: Addition during the year	591,480	4,577,904
	Closing Balance	**43,240,942**	**42,649,462**

The above General Reserve has been created as prescribed by Part 'B' of Schedule 'C' of BSEC's Risk Based Capital Adequacy Rules, 2019.

18.00	**Retained Earnings**		
	Opening Balance	381,722,306	393,453,965
	Less: Assessment completed for the year 2020	-	13,068,558
	Add: Net Profit after tax during the year	3,809,878	5,914,803
	Less: Amount Transferred to Capital Reserve	591,480	4,577,904
	Closing Balance	**384,940,704**	**381,722,306**

An amount of Tk. 5,91,480.00 has been transferred to Capital Reserve Account being 10% of Profit after Tax for the year December 31, 2025, 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	4,028,181,646	4,024,371,768
	Number of ordinary shares outstanding	360,000,000	360,000,000
		11.19	**11.18**
20.00	**Brokerage commission**		
	Brokerage Commission DSE	83,561,896	123,996,741
	Brokerage Commission CSE	1,659,293	1,199,159
		85,221,189	**125,195,900**
21.00	**Income from investment in securities**		
	Capital gain on sale of shares Note: 21.1)	5,474,734	1,814,678
	Dividend income (Note: 21.2)	28,287,411	37,510,201
		33,762,145	**39,324,879**
21.01	**Capital gain on sale of shares**		
	Capital Gain from dealer	770,764	1,600,812
	Gain from Strategic Investment(4747)	1,847,842	167,641
	Gain from Strategic Investment(6100)	2,856,128	46,225
		5,474,734	**1,814,678**

বাংলার ব্যাংক

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AUDITED FINANCIAL STATEMENTS 2025

Notes	Particulars	Amount in Taka	
		31 December 2025	31 December 2024
21.02	**Dividend income**		
	Cash dividend from DSE & CSE	3,393,488	4,308,197
	Cash Dividend Income from dealer	21,299,460	28,022,637
	Cash Dividend Income from Strategic Investment(4747)	1,154,657	1,504,961
	Cash Dividend Income from Strategic Investment(6100)	2,439,806	3,674,406
		28,287,411	**37,510,201**
22.00	**Other operating income**		
	Margin documentation fee	11,000	46,000
	BO account opening fee	36,000	50,600
	Income For Share Transfer/Transmission etc.	65,367	97,273
	BO account maintenance charge	327,600	673,300
	BO account closing fee	59,102	459,773
	IPO Commission	110	18,520
	Cheque dishonor fee	33,000	324,200
		532,179	**1,669,666**
23.00	**Operating expenses**		
	Howla charge	4,800	2,550
	Laga charge	7,347,602	10,023,880
	CDBL Charges	3,439,821	4,611,302
	Loss on sale of CSE shares (Note: 23.01)	-	28,922,526
	Loss for written-off margin loan	-	1,254,590
	Service charge	983,546	1,022,678
		11,775,769	**45,837,526**
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	3,915,619	620,179
	Rental Income	220,000	-
	Miscellaneous income	220,116	105,569
		4,355,735	**725,748**
25.00	**Administrative and general expenses**		
	Rent, taxes, insurance, electricity etc. (Note: 25.01)	3,149,887	5,227,313
	Salaries and allowances (Note: 25.02)	47,391,174	49,021,502
	Legal and professional expenses	154,655	84,375
	Postage, stamp, telecommunication etc. (Note: 25.03)	1,792,939	1,758,359
	Stationery, printing & advertisement (Note: 25.04)	637,020	925,232
	Depreciation, repairs & maintenance (Note: 25.05)	4,578,739	4,528,498
	Other expenses (Note: 25.06)	7,211,323	15,134,236
		64,915,737	**76,679,515**
25.01	**Rent, taxes, VAT, insurance, electricity etc.**		
	Office rent	1,149,140	3,186,228
	Electricity and generator	1,684,620	1,480,546
	VAT Expenses	182,715	173,479
	Tax Expenses	48,060	5,560
	Fuel	85,352	381,500
		3,149,887	**5,227,313**
25.1.1	**Office Rent**		
	Office Rent	3,442,004	3,762,228
	Less: Right of use assets *	2,292,864	576,000
		1,149,140	**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	20,801,873	21,311,365
	Consolidated Salary	-	129,483
	Bonus	4,048,450	3,641,100
	House Rent	6,013,532	6,404,337
	Conveyance Allowances	1,508,339	1,475,715
	Medical Allowances	1,459,000	1,713,710
	PF Contribution	2,060,362	1,975,019
	Leave Fare Assistance	6,084,822	6,561,930
	Support Staff's Salary	4,854,150	5,326,693
	Other Allowance	560,646	482,150
		47,391,174	**49,021,502**
25.03	**Postage, stamp, telecommunication etc.**		
	Stamp & Cartridge	13,551	34,110
	Telephone & mobile	477,303	479,135
	Internet & Data Connectivity	1,274,411	1,212,998
	Postage and courier	27,674	32,116
		1,792,939	**1,758,359**
25.04	**Stationery, printing & advertisement**		
	Office stationery	522,569	744,953
	News Paper expenses	17,549	17,506
	Advertisement	6,000	28,567
	Computer accessories	90,902	134,206
		637,020	**925,232**
25.05	**Depreciation, repairs & maintenance**		
	Depreciation	2,179,801	2,506,356
	Depreciation on Right of use Assets*	2,041,739	503,149
	Repair & maintenance	357,199	1,518,993
		4,578,739	**4,528,498**

* 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	911,111	1,020,343
	Conveyance	110,419	138,450
	Travelling and conveyance	41,842	257,866
	Uniform	116,036	130,326
	Wasa bill	50,595	39,780
	Renewal fee	20,875	50,198
	DSE-CSE Fees & Others	667,730	641,261
	Bank charge	32,006	25,260
	Excise duty	343,374	210,000
	Refreshment	1,493,185	1,238,901
	Investor Awareness Program	1,903,723	6,735,334
	Incentive Bonus	-	793,633
	Trade Incentive	290,000	587,000
	Audit fee	115,000	115,000
	Directors fee	390,950	352,000
	Software expenses	295,750	217,000
	Business Development expenses	244,891	1,913,894
	Miscellaneous expenses	183,836	667,990
		7,211,323	**15,134,236**
26.00	**Financial expenses**		
	Bank Interest paid to MBPLC for SOD	38,013,306	69,250,242
	Interest paid to ICB for Special Fund	5,000,667	8,979,686
	Bank Interest paid to NRBCPLC for SOD	47,290,409	43,896,929
	Bank Interest paid to JBPLC for SOD	14,001,655	-
	Expenses of lease liabilities as per IFRS-16*	614,853	122,412
		104,920,890	**122,249,269**

* 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	3,809,878	5,914,803
	Number of ordinary shares outstanding	360,000,000	360,000,000
		0.01	**0.02**
28.00	**Cash flow from operating activities (indirect method)**		
	Net Profit Before Income Tax	24,123,131	47,632,830
	Add: Depreciation	2,179,801	2,506,356
	Add: Depreciation on Right of use Assets	2,041,739	503,149
	Less: Gain on Sale of Asset	-	18,452
	Add: Loss on Sale of Strategic Investment in Shares (CSE)	-	28,922,526
		28,344,671	**79,546,409**
	Adjustment for changes in working capital:		
	Decrease in accounts receivables	13,075,930	1,752,265
	(Increase) in advance deposits and prepayments	284,661	930,343
	Increase in provision for investment in marketable securities	20,000,000	30,000,000
	Increase in General provision for all outstanding margin	-	338,771
	(Increase)/Decrease in margin investment	110,846,194	(33,877,019)
	(Increase)/Decrease in investment in marketable securities	7,101,293	55,598,827
	(Decrease) in provision for margin investment	50,000,000	96,000,000
	(Decrease) in trade and other payables	(53,120,337)	(21,196,061)
		148,187,741	**129,547,126**
		176,532,412	209,093,535
	Less: Income tax paid	(32,392,886)	(49,837,538)
	Net Cash flow from operating activities	**144,139,526**	**159,255,997**

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 01.01.2025	Transaction during the year		Balance as on 31.12.2025
			Dr.	Cr.	
MBPLC (Parent Company)	Bank OD	598,212,414	290,064,226	564,500,000	323,776,640

30.00 Event after the reporting year

(a) The Board of Directors in its 77th meeting held on 03 March, 2026 approved the financial statements of the company for the year ended December 31, 2025 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 Board of Directors.

Mercantile Bank Securities Limited

Statement Showing Computation of Capital Adequacy
as at 31 December 2025

Annexure-A

A. Total Capital Computation				2025	2024
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	43,240,942	0		43,240,942	42,649,462
Retained Earnings	384,940,704	0		384,940,704	381,722,306
Sum of core capital				**4,028,181,646**	**4,024,371,768**
General Provision	46,036,060	20%	9,207,212	36,828,848	36,828,848
Other Provision	23,019,572	20%	4,603,914	18,415,658	18,415,658
Specific Provision:					
Margin loan	576,795,597	30%	173,038,679	403,756,918	368,756,918
Investment in marketable	140,000,000	20%	28,000,000	112,000,000	96,000,000
Sum of supplementary capital				**571,001,424**	**520,001,424**
Total Capital				**4,599,183,070**	**4,544,373,192**

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%**	21,012,869	22,740,203
Position Risk Requirement (PRR):			
i. Proprietary positions in Equity securities:		-	-
Value of "A" category securities	**10%**	76,577,686	85,528,159
Value of "B/G/N/S/." category securities	**12%**	14,542,125	8,897,033
Value of "Z" category instruments	**15%**	7,180,320	191,254
ii. Proprietary positions in strategic investment:			
Value of "A" category securities	**10%**	5,477,451	6,679,470
Value of "B/G/N/S/." category securities	**12%**	477,238	477,238
Value of "Z" category instruments	**15%**	2,397,175	900,399
iii. Proprietary positions in strategic investment:			
Value of "A" category securities	**10%**	17,573,378	24,420,514
Value of "B/G/N/S/." category securities	**12%**	9,764,638	2,552,744
Value of "Z" category instruments	**15%**	5,932,111	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%**	359,420,782	368,288,477
Total risk requirement		**520,355,772**	**526,607,604**

C. Capital Adequacy Ratio (CAR)= Total Capital (TC) / Total Risk Requirement(TRR) X 100 =884% i.e. 8.84 times =863% i.e. 8.63 times

Chairman

Mercantile Bank Securities Limited

Statement of Statutory Liquid Capital Requirement
as at 31 December 2025

Annexure-B

Particulars	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
Assets :				
01. Cash and Bank Balances	**03.00**	**150,810,492**		**150,810,492**
Cash in Hand		47,129	**0.0**	47,129
Cash at Bank in Company's account		8,523,578	**0.0**	8,523,578
Cash at Bank in trading accounts (Stock Dealer A/C)		834,105	**0.0**	834,105
Cash at Bank accounts for clients (net claim in consolidated customer account)		118,386,108	**0.0**	118,386,108
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**	**5,541,524**		**5,495,696**
Receivable from DSE (categorize as A, B, G, N, Z and DVP)		**5,541,524**		**5,495,696**
Receivable against A,B,G and N category		4,624,958	**0.0**	4,624,958
Receivable against Z category		916,566	**5.0**	**870,738**
		-	**5.0**	-
03. Net Receivable from other Clients-	**05.00**	**209,327**		**198,861**
Receivable after securities trading			**15.0**	-
Receivable arises from fee, commission & charges		**209,327**	**5.0**	198,861
Net receivable from counterparties (clients, designated clients, etc.)				
04. Net receivable from margin clients -	**05.01**	**4,492,550,447**		**3,709,947,553**
Receivable to Clients having no margin or full erosion of clients' equity (e.g.no equity against debit balance)		3,712,370,098	**20.0**	2,969,896,078
Receivable to Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)		208,513,800	**15.0**	177,236,730
Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		177,036,080	**5.0**	168,184,276
Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)		394,630,469	**0.0**	394,630,469
05. Proprietary positions in securities and specified investments	**06.00**	**1,307,111,390**		**1,197,855,064**
Proprietary positions in Equity securities	**06.01**	**934,830,039**		**836,529,908**
Receivable against "A" category		765,776,861	**10.0**	689,199,175
Receivable against "B/G/ N" category		121,184,377	**12.0**	106,642,252
Receivable against "Z" category		47,868,801	**15.0**	40,688,481
Proprietary Position in strategic investments	**06.02**	**74,846,526**		**97,942,115**
Receivable against "A" category		54,774,510	**10.0**	49,297,059
Receivable against "B/G/ N" category		3,976,981	**12.0**	3,499,743
Receivable against "Z" category		15,981,163	**15.0**	13,583,989
Proprietary Position in strategic investments	**06.03**	**297,434,825**		**263,383,041**
Receivable against "A" category		175,733,775	**10.0**	158,160,398
Receivable against "B/G/ N" category		81,371,987	**12.0**	71,607,349
Receivable against "Z" category		39,547,405	**15.0**	33,615,294
06. Other assets arising from:		-		-
07. Total liquid assets		**5,956,223,180**		**5,064,307,665**
08. Advance /Investments in Associated undertakings (long term):	**07.00**	**349,928,925**		-
Other Advances		349,928,925	**100.0**	-
09. Fixed assets (net off Depreciation & amortization):	**08.00**	**107,885,369**	**0.0%**	**107,885,369**
Land and Land Development		82,177,850	**0.0%**	82,177,850
Building		11,441,250	**0.0%**	11,441,250
Vehicle		1	**100.0**	-
Furniture and fixtures		4,431,929	**100.0**	-
Office equipment		2,066,913	**100.0**	-
Right of use Assets as per IFRS 16*		7,767,426		-
10. Intangible Assets:	**09.00**	**202,904**		**-**
Software		202,904	**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**	**1,096,166**		**-**
Deferred Tax Assets		1,096,166	**100.0**	-
13. Total assets (aggregate of amount in items 7 to 12)		**7,037,836,478**		**5,172,193,034**
Liabilities:				
14. Short positions in securities held for own account		-	**0.0**	-
15. Payable to Clients	**12.00**	**107,490,855**	**0.0**	**107,490,855**
16. Short Term Business Liabilities:	**13.00**	**863,669,941**		**863,669,941**
17. Amounts payable to clearing houses/Exchanges/Depository, etc.:	**14.00**	**8,747,126**		**8,747,126**
Payable to Exchanges		8,732,831	**0.0**	8,732,831
Payable to Depository		14,295	**0.0**	**14,295.0**
18. Other Liabilities and Provisions:	**15.00**	**2,029,746,910**		**350,319,363**
Accruals & Accounts payable	**15.06**	1,491,754	**0.0**	**1,491,754**
Provision for Margin Loan	**15.03**	576,795,597	**100.0**	-
Provision for Unrealized Loss	**15.02**	140,000,000	**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**	309,363,038	**0.0**	**309,363,038.0**
Interest Suspense against Margin Loan	**15.06**	891,521,568	**100.0**	-
Other Provision	**15.05**	23,019,572	**100.0**	-
Others (clearly specified in notes)	**15.06**	37,409,821.00	**0.0**	**37,409,821.0**
19. Total Current Liabilities		**3,009,654,832**		**1,330,227,285**
20. Shareholders' Equity:		**4,028,181,646**		-
Share Capital	**16.00**	3,600,000,000	**100.0**	-
Capital Reserve	**17.00**	43,240,942	**100.0**	-
Retained Earnings	**18.00**	384,940,704	**100.0**	-
21. Total liabilities & Shareholders' Equity		**7,037,836,478**		**1,330,227,285**
22. Net Short term obligations after haircut		1,330,227,285		
23. Total Liabilities		7,037,836,478		
24. Liquid Capital (Amount in item 07 minus item 19)		**3,734,080,380**		
25. Regulatory LCB : 4%/6%/8% of Total Liabilities (8 % of Item 23) (i)		**563,026,918**		
26. Excess/(Deficit) in Liquid Capital (Amount in Item 24 less 25)		**3,171,053,462**		

Mercantile Bank Securities Limited

Schedule of Property, Plant and Equipment
as at 31 December 2025

Annexure-C
Amount in taka

Particulars	COST				Rate (%)	DEPRECIATION				Written Down value as at 31.12.2025
	Balance as at 01.01.2025	Addition during the year	Adjustments /disposal during the year	Balance as at 31.12.2025		Balance as at 01.01.2025	Charged during the year	Adjustments /disposal during the year	Balance as at 31.12.2025	
Tangible assets										
Land and Land Development	82,177,850	-	-	82,177,850	-	-		-	-	82,177,850
Building	12,150,000	-	-	12,150,000	2.5%	405,000	303,750	-	708,750	11,441,250
Vehicle	100,000	-	-	100,000	20%	99,999	-	-	99,999	1
Furniture and fixtures	21,237,860	62,807	-	21,300,667	10%	15,755,471	1,113,267	-	16,868,738	4,431,929
Office equipment	18,029,658	308,000	-	18,337,658	20%	15,569,811	700,934	-	16,270,745	2,066,913
Right of use Assets	2,012,596	8,299,718	-	10,312,314	-	503,149	2,041,739	-	2,544,888	7,767,426
Sub-Total	**135,707,964**	**8,670,525**	**-**	**144,378,489**		**32,333,430**	**4,159,690**	**-**	**36,493,120**	**107,885,369**
Intangible assets										
Software	764,500	-	-	764,500	20%	499,746	61,850	-	561,596	202,904
As at 31 December 2025	**136,472,464**	**8,670,525**	**-**	**145,142,989**		**32,833,176**	**4,221,540**	**-**	**37,054,716**	**108,088,273**
As at 31 December 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**

Mercantile Bank Securities Limited

Investment in marketable securities (3420)
as at 31 December 2025

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	7,420,050	4,278,578
2	BATBC	A	46,500	28,923,188	11,559,900
3	DHAKABANK	A	215,250	2,961,487	2,432,325
4	DOREENPWR	A	50,400	3,153,613	1,401,120
5	IDLC	A	11,351,687	668,007,917	405,255,226
6	SPCL	A	113,568	13,041,826	5,360,410
7	SQUARETEXT	A	11,389	777,269	552,367
8	SQURPHARMA	A	40,061	8,699,991	7,956,115
9	WALTONHIL	A	16,500	15,439,509	6,218,850
10	BEXGSUKUK	A	20,000	1,700,200	1,140,000
11	DELTALIFE	A	592	80,928	40,256
12	GRAMEENS2	A	500,000	9,367,063	5,400,000
13	LINDEBD	A	4,000	6,203,820	3,000,400
Total Value of "A" category instruments				**765,776,861**	**454,595,545**
1	IFIC	B	172,200	2,442,330	792,120
2	BENGALWTL	B	250,000	9,790,553	4,325,000
3	ICB	B	82,555	10,167,772	2,988,491
4	SEAPEARL	B	185,000	41,820,149	6,031,000
5	SHASHADNIM	B	121,275	6,700,930	1,891,890
6	TITASGAS	B	50,000	3,927,432	775,000
7	MBL1STUF	N	3,000,000	30,000,000	30,000,000
8	KFL	S	457,992	16,308,584	3,801,334
9	WEBCOATS	S	769	26,627	8,844
Total Value of "B,G,N,S," category instruments				**121,184,377**	**50,613,678**
1	GIB	Z	1,452,396	13,173,670	2,469,073
2	POWERGRID	Z	314,850	22,442,812	8,406,495
3	SAIFPOWER	Z	260,000	10,773,679	1,274,000
4	UNIONBANK	Z	155,257	1,478,640	232,886
Total Value of "Z" category instruments				**47,868,801**	**12,382,454**
Grand Total				**934,830,039**	**517,591,677**

Mercantile Bank Securities Limited

Investment in marketable securities (4747)
as at 31 December 2025

Annexure-D.2
Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	BATBC	A	20,000	11,558,210	4,972,000
2	DBH	A	114,444	8,476,529	3,959,762
3	KARNAPHULI	A	46,745	2,730,912	1,327,558
4	ROBI	A	100,000	4,591,926	2,820,000
5	GPHISPAT	A	380,511	19,907,165	6,088,176
6	NATLIFEINS	A	30,000	7,509,767	2,802,000
Total Value of "A" category instruments				**54,774,510**	**21,969,496**
1	ABBANK	B	306,000	3,976,981	1,254,600
Total Value of "B,G,N" category instruments				**3,976,981**	**1,254,600**
1	EMERALDOIL	Z	50,000	3,960,969	720,000
2	POWERGRID	Z	175,000	12,020,195	4,672,500
Total Value of "Z" category instruments				**15,981,163**	**5,392,500**
Grand Total				**74,732,654**	**28,616,596**

Mercantile Bank Securities Limited

Investment in marketable securities (6100)
as at 31 December 2025

Annexure-D.3
Amount in Taka

Sl. No.	Name of the company	Category	No of shares	Cost value	Market value
1	AIL*	A	141,289	16,851,656	5,750,462
2	ITC*	A	12,290	695,398	471,936
3	KARNAPHULI*	A	720,472	40,309,816	20,461,405
4	MARICO*	A	1,000	2,448,971	2,673,500
5	PTL*	A	880,000	66,872,117	44,792,000
6	RENATA*	A	750	739,054	293,850
7	DELTALIFE	A	70,000	9,727,211	4,760,000
8	RUPALILIFE	A	190,451	32,721,023	14,874,223
9	SINGERBD	A	9,204	1,411,599	777,738
10	SINOBANGLA	A	75,000	3,956,932	3,382,500
Total Value of "A" category instruments				**175,733,775**	**98,237,614**
1	DGIC	B	141,684	5,622,123	2,833,680
2	IFIC	B	18,076	227,688	83,150
3	ISNLTD	B	45,000	2,737,275	3,505,500
4	SEAPEARL	B	419,500	68,471,368	13,675,700
5	RENATAPS*	P	75	142,500	142,500
6	WEBCOATS	S	5,000	173,130	57,500
7	WONDERTOYS	S	60,427	3,997,904	1,069,558
Total Value of "B,G,N,S" category instruments				**81,371,987**	**21,367,588**
1	EMERALDOIL	Z	359,073	36,314,983	5,170,651
2	PDL	Z	200,000	3,232,423	900,000
Total Value of "Z" category instruments				**39,547,405**	**6,070,651**
Grand Total				**296,653,168**	**125,675,853**

MBL Asset Management Limited

Independent Auditor's Report
To the Shareholders of MBL Asset Management
Report on the Audit of the Financial Statements

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 2025, 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 2025, 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.

বাংলার ব্যাংক
মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
efficiency is our strength

AUDITED FINANCIAL STATEMENTS 2025

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.

Place: Dhaka, Bangladesh.
Dated: 15th April, 2026
DVC: 2604150908AS226974

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

MBL Asset Management Limited

Statement of Financial Position
As at 31 December, 2025

Particular	Notes	Amount in Taka	
		31 December 2025	31 December 2024
ASSETS:			
Non Current Assets:		**211,660**	**314,354**
Property, plant & equipment	4.00	211,660	314,354
Current Assets:		**120,544,186**	**120,045,364**
Investment in listed securities	5.00	35,193,039	31,903,561
Fixed Deposit Receipt (FDR)	6.00	10,000,000	10,735,447
BGT Bills & Bond	7.00	64,455,931	63,049,885
Advance, Deposit and Prepayments	8.00	1,691,566	3,175,566
Accounts Receivable	9.00	5,522,123	4,684,843
Cash and cash equivalents	10.00	3,681,527	6,496,062
TOTAL ASSETS		**120,755,846**	**120,359,718**
EQUITY & LIABILITIES:			
Shareholders' Equity:	11.00	**108,533,823**	**106,757,235**
Paid up Capital	11.01	100,000,000	100,000,000
Retained earnings	11.02	8,533,823	6,757,235
Liabilities:			
Current Liabilities:		**12,222,022**	**13,602,483**
Provision for Expense	12.00	8,224,113	8,130,963
Provision for income tax	13.00	3,419,126	4,326,242
Trade and other payables	14.00	578,784	1,145,277
TOTAL EQUITY & LIABILITIES		**120,755,846**	**120,359,718**
Net Asset Value Per Share (NAVPS)	19.00	**10.85**	**10.68**

The annexed notes 01 to 22 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 Enroll No. 908
FRC Enlistment No: CA-001-240
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No: CAF-001-113

Place : Dhaka, Bangladesh.
Dated: 15th April, 2026
DVC: 2604150908AS226974

MBL Asset Management Limited

Statement of Profit or Loss & Other Comprehensive Income
For the year ended on 31 December, 2025

Particulars	Notes	Amount in Taka	
		01 January 2025 to 31 December 2025	01 January 2024 to 31 December 2024
Operating income	15.00	8,527,816	8,519,915
Less: Operating expenses	16.00	(5,037,640)	(4,683,899)
Operating profit		**3,490,176**	**3,836,016**
Add: Other income	17.00	10,939,074	8,683,955
Profit/(loss) before provision		**14,429,249**	**12,519,971**
Unrealized profit/(loss) on investment in shares	18.00	(3,542,820)	(4,297,366)
Profit/(Loss) before tax		**10,886,429**	**8,222,605**
Less: Provision for income tax	22.00	(2,609,841)	(1,959,515)
Profit after income tax		**8,276,588**	**6,263,090**
Earning Per Share (EPS)	20.00	**0.83**	**0.63**

The annexed notes 01 to 22 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 Enroll No. 908
FRC Enlistment No: CA-001-240
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No: CAF-001-113

Place : Dhaka, Bangladesh.
Dated: 15th April, 2026
DVC: 2604150908AS226974

MBL Asset Management Limited

Statement of Changes in Equity
For the year ended on 31 December, 2025

Amount in Taka

Particulars	Share Capital	Retained earnings	Total
Opening balance	100,000,000	6,757,235	106,757,235
Cash Dividend	-	(6,500,000)	(6,500,000)
Net profit after taxes	-	8,276,588	8,276,588
Balance as at December 31, 2025	**100,000,000**	**8,533,823**	**108,533,823**

For the year ended on 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**

The annexed notes 01 to 22 form an integral part of these financial statements.

Chairman | Vice Chairman | CEO

MBL Asset Management Limited

Statement of Cash Flows
For the year ended on 31 December, 2025

Particulars	Amount in Taka	
	01 January 2025 to 31 December 2025	01 January 2024 to 31 December 2024
Cash flows from operating activities		
Net profit/(loss) before tax	10,886,429	8,222,605
Adjustments for non-cash items		
Depreciation Expense	102,694	111,711
Amortization on BGT. Bond	199,019	-
(Increase)/ decrease in current assets		
(Increase)/decrease in advance, deposit & Prepayments	1,484,000	(1,484,679)
(Increase)/decrease in accounts receivables	(837,280)	(837,024)
Increase/ (decrease) in current liabilities		
Increase/ (decrease) in provision for expense	93,150	153,063
Increase/ (decrease) in provision for income tax	(3,516,957)	-
Increase/ (decrease) in accounts payables	(566,494)	433,839
A. Net Cash Flow from Operating Activities	**7,844,561**	**6,599,515**
Cash flows from Investing Activities		
Investment in listed securities	(3,289,479)	34,291,288
Investment in FDR	735,447	29,684,553
Investment in BGT. bill and bond	(1,605,065)	(63,049,885)
B. Net cash used in investing activities	**(4,159,097)**	**925,956**
Cash flows from financing activities		
Dividend paid	(6,500,000)	(7,000,000)
C. Net Cash flows from financing activities	**(6,500,000)**	**(7,000,000)**
D. Surplus/ (Deficit) in Cash & Cash Equivalents (A+B+C)	**(2,814,535)**	**525,471**
E. Cash and cash equivalents at begaining of the period	**6,496,062**	**5,970,591**
F. Cash & cash equivalents at end of the period (D+E)	**3,681,527**	**6,496,062**
Net Operating Cash Flow Per Share (NOCFPS) **(Note:21)**	**0.78**	**0.66**

The annexed notes 01 to 22 form an integral part of these financial statements.

Chairman | Vice Chairman | CEO

MBL Asset Management Limited

Notes to the Financial Statements
As at & for the year ended on 31 December 2025

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 Statements

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 01 January 2025 to 31 December 2025.

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 December 2025	31 December 2024
4.00	**Property, plant & Equipment (Annexure A)**		
	Furniture and Fixtures	132,309	160,662
	Office Equipment	79,351	153,692
	Closing Balance	**211,660**	**314,354**
5.00	**Investment in listed securities (Annexure B)**		
	Investment in listed securities at cost value	47,997,184	41,164,885
	Urealized gain/(loss) on investment	(12,804,145)	(9,261,325)
	Investment in listed securities at fair value	**35,193,039**	**31,903,561**
6.00	**Fixed Deposit Receipt(FDR) (Annexure C)**		
	FDR:4361-Mercantile Bank PLC	10,000,000	10,735,447
	Total	**10,000,000**	**10,735,447**
7.00	**BGT. Bills & Bonds (Annexure C)**		
	BGT. Bills	-	33,049,885
	BGT. Bonds	60,000,000	30,000,000
	Premium on BGT. Bond	4,654,950	-
	Amortization on BGT. Bond	(199,019)	-
	Total	**64,455,931**	**63,049,885**
8.00	**Advance, Deposit and Prepayments**		
	Opening balance	**3,175,566**	**1,690,887**
	AIT on FDR	209,486	636,760
	AIT on SND	28,306	62,079
	AIT on Corporate Advisory Fees	343,000	370,000
	AIT on Dividend Income	282,022	360,272
	AIT on BGT.Bills & Bonds	601,921	55,568
	Income assessment year 2025-26	(1,484,679)	-
	Income assessment year 2024-25	(1,464,056)	-
	Total	**1,691,566**	**3,175,566**
9.00	**Accounts Receivable**		
	Interest income receivable from FDR	137,222	147,314
	Management fee receivable from MBUF	2,517,609	2,429,814
	Corporate advisory fee receivable from PMJ AML	-	40,000
	Dividend income receivable (Annexure F)	348,792	315,955
	Interest income receivable from BGT.Bonds	2,518,500	849,205
	Interest income receivable from BGT. Bills	-	902,555
	Total	**5,522,123**	**4,684,843**
10.00	**Cash & Cash Equivalents**		
	Cash in hand	39	9,181
	MBPLC. SND-6165	1,741,711	5,779,715
	MBPLC. CD-794358	1,939,234	690,846
	MBSL. BO-4781	543	16,321
	Total	**3,681,527**	**6,496,062**
	Share Capital		
	Authorized capital	**200,000,000**	**200,000,000**
	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.		
11.00	**Shareholders Equity**		
11.01	**Paid-up Capital (Annexture E)**	**100,000,000**	**100,000,000**
11.02	**Retained Earnings**		
	Opening balance	6,757,235	7,494,145
	Less: Cash dividend	(6,500,000)	(7,000,000)
	Add: Addition during the year	8,276,588	6,263,090
	Closing Balance	**8,533,823**	**6,757,235**
11.03	Regulatory Capital under Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019		
	Core Capital		
	Paid-up Capital	100,000,000	100,000,000
	Retained earnings	8,533,823	6,757,235
		108,533,823	**106,757,235**

Name of the Subscribers	No. of Subscribed Shares as at 31 December, 2025	No. of Subscribed Shares as at 31 December, 2024
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	8,130,963	7,977,901
	Provision for Expense	93,150	279,450
	Adjustment to audit fee payable for 2023	-	(126,387)
	Closing balance	**8,224,113**	**8,130,963**
13.00	**Provision for Income Tax**		
	Opening balance	4,326,242	2,366,727
	Provision for income tax	2,609,841	1,959,515
	Income assessment year 2024-25	(1,489,161)	-
	Income assessment year 2025-26	(2,027,796)	-
	Closing balance	**3,419,126**	**4,326,242**
14.00	**Trade and Other Payables**		
	Opening Balance	1,145,277	711,438
	Salary and allowance payable	271,503	340,089
	Adjustment: Salary and allowance payable	(1,323,031)	-
	Audit fees payable for 2024	(93,750)	93,750
	Audit fees payable for 2025	91,875	-
	Utility & service charge payable	1,909	-
	Payable to ARS Solution	485,000	-
	Closing balance	**578,784**	**1,145,277**
15.00	**Operating Income**		
	Corporate Advisory Fees	3,681,500	3,740,000
	Management Fee from Mercantile Bank Unit Fund	4,846,316	4,779,915
	Total	**8,527,816**	**8,519,915**
16.00	**Operating expenses**		
	General and administrative expenses	5,037,640	4,683,899
	Total	**5,037,640**	**4,683,899**
16.01	**General and administrative expenses**		
	Office rent	346,150	279,450
	Service charge & Utility bills	22,450	-
	Salary and allowances	2,579,819	3,475,011
	Bank charge and Excise duty	27,640	72,680
	Other fees and renewal fees	256,095	150,628
	Conveyance	35,605	37,917
	Director honorarium	214,400	119,500
	Office maintenance	846,164	59,800
	Depreciation expenses (Annexure A)	102,694	111,711
	Amortization of premium on BGT. Bond	199,019	-
	Printing and stationary	66,660	131,391
	Refreshment	234,528	137,519
	Audit fees	91,875	93,750
	Website Maintenance Fee	14,541	14,541
	Total	**5,037,640**	**4,683,899**
17.00	**Others Income**		
	Net Income from investment in listed securities	527,701	845,635
	Dividend income	1,443,153	1,692,594
	Interest income from BO-4781	-	7,382
	Interest income from FDR-4361	1,037,339	789,096
	Interest income from FDR-4389	-	1,283,564
	Interest income from FDR-2589	-	795,321
	Interest income from SND-6165	283,060	620,791
	Interest income from BGT.Bills	735,281	2,013,915
	Interest income from BGT. Bonds	6,912,541	635,657
	Total	**10,939,074**	**8,683,955**
18.00	**Unrealized Gain/(Loss) on ivestment in Shares**		
	Opening Balance	(9,261,325)	(4,963,959)
	Unrealized gain/(loss) on ivestment in shares	(3,542,820)	(4,297,366)
	Total	**(12,804,145)**	**(9,261,325)**
19.00	**Calculation of Net Asset Value Per Share (NAVPS)**		
	Total shareholders' equity	108,533,823	106,757,235
	Number of share outstanding	10,000,000	10,000,000
	Net Asset Value (NAV) Per Share	**10.85**	**10.68**
20.00	**Earnings per share (EPS)**		
	Net profit after tax (Earnings attributable to ordinary shareholders)	8,276,588	6,263,090
	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)	**0.83**	**0.63**
21.00	**Calculation of Net Operating Cash Flow Per Share (NOCFPS)**		
	Net cash flow from operating activities	7,844,561	6,599,515
	Number of share outstanding	10,000,000	10,000,000
	Net Operating Cash Flow Per Share (NOCFPS)	**0.78**	**0.66**
22.00	**Tax Calculation**		
	Tax on net income from investment in listed securities	79,155	84,564
	Tax on dividend income	288,631	338,519
	Tax on interest income from FDR, SND, BGT. Bond & Bill	2,242,055	1,534,586
	Tax on interest income from BO	-	1,846
		2,609,841	**1,959,515**

বাংলার ব্যাংক
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Mercantile Bank PLC.
efficiency is our strength

AUDITED FINANCIAL STATEMENTS 2025

MBL Asset Management Limited

Fixed Asset Schedule
For the year ended on 31 December, 2025

Annexure-A

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%	122,862	28,353	-	151,215	132,309
2. Office Equipment	416,791	-	-	416,791	20%	263,099	74,341	-	337,440	79,351
Grand Total	700,315	-	-	700,315		385,961	102,694	-	488,655	211,660

MBL Asset Management Limited

Schedule of Investment in Equity Share
For the year ended on 31 December, 2025

Annexure-B

Sl	Instrument	Total Qty	Avg. Purchase Rate	Total Cost	Market Rate	Market Value	Diff MR-CP (Per Share)	Unrealized Gain/Loss
1	BATBC	8,418	629.37	5,298,065.73	248.60	2,092,714.80	(380.77)	(3,205,350.93)
2	BERGERPBL	11,676	1,455.48	16,994,157.62	1,384.60	16,166,589.60	(70.88)	(827,568.02)
3	BRACBANK	28,329	33.94	961,377.06	63.10	1,787,559.90	29.16	826,182.84
4	DUTCHBANGL	2,970	50.70	150,570.36	38.50	114,345.00	(12.20)	(36,225.36)
5	GP	7,600	381.06	2,896,062.10	257.90	1,960,040.00	(123.16)	(936,022.10)
6	LHBL	77,137	60.41	4,660,041.12	46.70	3,602,297.90	(13.71)	(1,057,743.22)
7	RENATA	2,419	1,236.36	2,990,744.80	391.80	947,764.20	(844.56)	(2,042,980.60)
8	RENATAPS	37	1,900.00	70,300.00	1,900.00	70,300.00	-	-
9	SQURPHARMA	18,700	240.23	4,492,307.64	198.60	3,713,820.00	(41.63)	(778,487.64)
10	WALTONHIL	170	1,143.99	194,478.62	376.90	64,073.00	(767.09)	(130,405.62)
11	ACI	7,475	207.62	1,551,941.90	194.60	1,454,635.00	(13.02)	(97,306.90)
12	GRAMEENS2	5,000	18.07	90,360.00	10.80	54,000.00	(7.27)	(36,360.00)
13	NHFIL	55,000	38.69	2,127,864.50	22.50	1,237,500.00	(16.19)	(890,364.50)
14	SINGERBD	10,000	203.84	2,038,422.94	84.50	845,000.00	(119.34)	(1,193,422.94)
15	SUMITPOWER	88,000	39.55	3,480,490.00	12.30	1,082,400.00	(27.25)	(2,398,090.00)
Total				47,997,184.39		35,193,039.40		(12,804,144.99)

MBL Asset Management Limited

Schedule of FDR & BGT. Bond
For the year ended on 31 December, 2025

Annexure-C

Fixed Deposit Receipt(FDR)

SL	Bank Name	FDR Number	FDR Amount	Interest Rate	Maturity Date	Deposit Date	Mature value
1	Mercantile Bank PLC	1410001304361	10,000,000.00	9.50%	10-Feb-26	9-Aug-23	10,237,500.00
Total			10,000,000.00				10,237,500.00

Bangladesh Government Treasury Bond

SL	Name of A/C	Instrument ID	Face Value in BDT	Coupon Rate	Issue Date	Maturity Date	Market value
1	MBL Asset Management Limited	BD0944051202	30,000,000.00	12.75%	9-Oct-24	9-Oct-29	34,326,750.00
2	MBL Asset Management Limited	BD0929151050	30,000,000.00	12.30%	28-Jul-24	28-Jul-44	31,979,460.00
Total			60,000,000.00				66,306,210.00

MBL Asset Management Limited

Management Fee from Mercantile Bank Unit Fund and Corporate Advisory Fee from MBL PLC.
For the year ended on 31 December, 2025

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.

Calculation of Management Fees:

Date	NAV	Management Fee
6-Feb-25	228,719,956	489,048.67
13-Feb-25	218,541,479	88,618.65
20-Feb-25	218,551,131	88,622.35
27-Feb-25	219,626,678	89,034.89
6-Mar-25	219,596,170	89,023.19
13-Mar-25	219,999,402	89,177.85
20-Mar-25	219,875,656	89,130.39
27-Mar-25	219,868,201	89,127.53
31-Mar-25	220,562,116	51,082.11
10-Apr-25	220,711,289	127,787.01
17-Apr-25	224,145,181	90,768.01
24-Apr-25	221,043,826	89,578.45
30-Apr-25	220,746,181	77,182.68
8-May-25	220,286,851	102,043.55
15-May-25	220,522,432	89,378.47
22-May-25	221,225,096	89,647.98
29-May-25	220,998,484	89,561.06
4-Jun-25	219,698,176	76,339.13
19-Jun-25	220,467,417	191,480.07
26-Jun-25	223,393,545	90,479.72
30-Jun-25	222,903,895	51,595.37
3-Jul-25	223,202,786	38,745.58
10-Jul-25	223,040,960	90,344.48
17-Jul-25	226,169,766	91,544.57
24-Jul-25	229,577,951	92,851.82
31-Jul-25	230,572,416	93,233.26
7-Aug-25	231,944,845	93,759.67
14-Aug-25	232,906,288	94,128.44
21-Aug-25	236,508,942	95,510.28
28-Aug-25	237,709,466	95,970.75
4-Sep-25	239,150,062	96,523.31
11-Sep-25	240,528,059	97,051.86
18-Sep-25	241,067,696	97,258.84
25-Sep-25	241,176,197	97,300.46
30-Sep-25	243,068,861	70,018.87
9-Oct-25	243,478,902	126,234.53
16-Oct-25	242,778,297	97,914.96
23-Oct-25	241,707,093	97,504.09
30-Oct-25	244,165,647	98,447.10
6-Nov-25	241,220,957	97,317.63
13-Nov-25	240,069,471	96,875.96
20-Nov-25	239,808,556	96,775.88
27-Nov-25	239,864,579	96,797.37
4-Dec-25	238,926,270	96,437.47
11-Dec-25	236,645,614	95,562.70
18-Dec-25	236,150,491	95,996.03
24-Dec-25	236,684,629	81,825.48
30-Dec-25	236,902,704	81,892.48
31-Dec-25	239,069,711	13,784.64
Total		4,846,315.64

MBL Asset Management Limited

Shareholding position
For the year ended on 31 December, 2025

Annexure-E

Sl No.	Name of the subscriber	Share Group	No. of subscribed shares	Value per share	Total share value
1	Mercantile Bank Limited	A	5,600,000	10	56,000,000
2	Rakim Reza Rousseau	B	400,000	10	4,000,000
3	Baktier Khan	B	400,000	10	4,000,000
4	Shamsul Alam	B	400,000	10	4,000,000
5	Arena Industries Limited	B	400,000	10	4,000,000
6	Nafisa Saima	B	400,000	10	4,000,000
7	Shimon Inamori	B	400,000	10	4,000,000
8	Ahmed Hossain	B	400,000	10	4,000,000
9	Jahanara Irin	B	400,000	10	4,000,000
10	Rushaed Ahsan	B	400,000	10	4,000,000
11	Shahriar Arefin Alam	B	400,000	10	4,000,000
12	Md. Forhad Hossain	B	400,000	10	4,000,000
Total			10,000,000		100,000,000

MBL Asset Management Limited

Dividend Receivable
For the year ended on 31 December, 2025

Annexure-F

Sl No.	Name of the subscriber	Record Date	AGM Date	No of Share	Gross Dividend	Tax	Net Dividend (Without Tax)
1	RENATA	17-Nov-25	20-Dec-25	2,419	13,304.50	2,660.90	10,643.60
2	SQURPHARMA	16-Nov-25	15-Dec-25	18,700	224,400.00	44,880.00	179,520.00
3	ACI	19-Nov-25	28-Dec-25	7,475	18,687.50	3,737.50	14,950.00
4	SUMMITPOWER	11-Nov-25	24-Dec-25	88,000	92,400.00	18,480.00	73,920.00
Total					348,792.00	69,758.40	279,033.60

MERCANTILE EXCHANGE HOUSE (UK) LIMITED
Registered number: 07456837

Directors' Report

The directors present their report and accounts for the quarter ended 31 December 2025.

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 quarter:

Mohammad Amanullah
A S M Feroz Alam
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 10 January 2026 and signed on its behalf.

Matiul Hasan
Director

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Accountants' Report

Accountants' report to the directors of
Mercantile Exchange House (UK) Limited
You consider that the company is exempt from an audit for the quarter ended 31 December 2025. You have acknowledged, on the balance sheet, your responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. These responsibilities include preparing accounts that give a true and fair view of the state of affairs of the company at the end of the financial quarter and of its profit or loss for the financial year.

In accordance with your instructions, we have prepared the accounts which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes from the accounting records of the company and on the basis of information and explanations you have given to us.
We have not carried out an audit or any other review, and consequently we do not express any opinion on these accounts.

Muhit & Co
Chartered Certified Accountants

80A Ashfield Street Unit-4
London E1 2BJ

10 January 2026

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Profit and Loss Account
For the quarter ended 31 December 2025

	31/12/2025 £	30/09/2025 £
Turnover	78,014	70,486
Cost of sales	(16,689)	(13,444)
Gross profit	61,325	57,042
Administrative expenses	(59,333)	(56,853)
Operating (loss)/profit	**1,992**	**189**
(Loss)/profit before taxation	**1,992**	**189**
Tax on (loss)/profit	-	-
(Loss)/profit for the financial year/ quarter	**1,992**	**189**

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Balance Sheet
as at 31 December 2025

	Notes		31/12/2025 £		30/09/2025 £
Fixed assets					
Tangible assets	3		31,572		32,758
Current assets					
Debtors	4	78,938		78,938	
Cash at bank		214,149		77,134	
		293,087		156,072	
Creditors: amounts falling due within one year	5	(271,573)		(137,736)	
Net current (liabilities)/assets			21,514		18,336
Net Assets			**53,086**		**51,094**
Called up share capital			340,000		340,000
Profit and loss account			(286,914)		(288,906)
Net (liabilities)/assets			**53,086**		**51,094**
Capital and reserves			**53,086**		**51,094**

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 notbeen delivered to the Registrar of Companies.

Matiul Hasan
Director
Approved by the board on 10 January 2026

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Statement of Changes in Equity
for the year ended 31 December 2025

	Share capital £	Share premium £	Re-valuation reserve £	Profit and loss account £	Total £
At 1 July 2025	340,000	-	-	(289,095)	50,905
Profit for the financial year	-	-	-	189	189
At 30 September 2025	**340,000**	**0**	**0**	**(289,906)**	**51,094**
At 1 October 2025	340,000	-	-	(288,906)	51,094
Profit for the financial year	-	-	-	1,992	1,992
At 30 December 2025	**340,000**	0	0	**(286,914)**	**53,086**

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Notes to the Accounts
for the year ended 31 December 2025

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.

		31/12/2025 Number	30/09/2025 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 October 2025	12,598	82,192	94,790
	At 31 December 2025	12,598	82,192	94,790
	Depreciation			
	At 1 October 2025	-	60,032	60,032
	Charge for the year		1,186	1,186
	At 31 December 2025	-	63,218	63,218
	Net book value			
	At 31 December 2025	12,598	18,974	31,572
	At 30 September 2025	12,598	20,160	32,758

		31/12/2025 £	30/09/2025 £
4	**Debtors**		
	Trade debtors (Mercantile exchange UK)	23,864	23,864
	Prepayments-Rent deposit and others	12,500	12,500
	Other debtors-USI Commission	9,675	9,675
	Sub-tenant rent due	32,899	32,899
		78,938	78,938

		31/12/2025 £	30/09/2025 £
5	**Creditors: amounts falling due within one year**		
	Dhaka Mercantile bank balance	259,620	119,026
	Clear junction a/c	1,000	9,431
	Other Creditors	1,950	-
	PAYE, NI & Pension	2,888	3,164
	Accruals, Rent & accountancy	6,115	6,115
		271,573	137,736

6 Other information

MERCANTILE EXCHANGE HOUSE (UK) LIMITED is a private company limited by shares and incorporated in England. Its registered office is:
108 Whitechapel Road
London
E1 1JD

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Detailed profit and loss account
for the year ended 31 December 2025

This schedule does not form part of the statutory accounts

	31/12/2025 £	30/09/2025 £
Sales	78,014	70,486
Cost of sales	(16,689)	(13,444)
Gross profit	**61,325**	**57,042**
Administrative expenses	(59,333)	(56,853)
Operating (loss)/profit	**1,992**	**189**
(Loss)/ Profit before tax	**1,992**	**189**
Sales		
ATM Commissions	24	24
Exchange Gains through USI money	36,290	31,934
Other operating income	1,044	1,210
Rental Income	10,500	10,500
USI Commission	30,156	26,818
	78,014	**70,486**
Cost of sales		
Bank Handling charges	1,315	-
Commission -Worldpay	2,088	2,079
G4S Cash handling charge	9,396	8,495
USI money proton fee	3,890	2,870
	16,689	**13,444**
Administrative expenses		
Employee costs:		
Wages and salaries	20,259	23,786
Pensions	431	495
Employer's NI	-	1,567
Staff final settlement	6,000	1,000
Staff welfare and office entertainment	419	447
Travel and subsistence	484	497
	27,593	**27,792**
Premises costs:		
Rent	14,500	15,200
Rates	2,133	2,133
Water bill	285	361
Light and heat	3,244	2,418
Cleaning	361	276
	20,523	**20,388**
General administrative expenses:		
Telephone and internet	368	368
Stationery and printing	383	-
Link fx fees	850	-
Subscription – WorldPay	33	99
Bank charge	357	385
Insurance	2,177	-
Software	59	59
Repairs and maintenance	605	-
Depreciation	1,186	1,186
	6,018	**2,097**
Legal and professional costs		
Accountancy fees	1,080	1,080
Solicitors' fees (Provided by Mercantile Ex.)	3,200	2,500
Consultancy fees -Go compliance	-	1,200
HMRC/FCA updating	-	996
Other legal and professional	919	800
	5,199	**6,576**
Total Administrative expenses	**59,333**	**56,853**