annual report
2025

বাংলার ব্যাংক
মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

Year of Consolidation.
Foundation for Tomorrow.



YEAR OF CONSOLIDATION.
FOUNDATION FOR TOMORROW.

Against the backdrop of evolving macroeconomic conditions and changing industry dynamics, Mercantile Bank PLC pursued a measured and forward-looking strategic direction in 2025. During the year, the Bank placed particular emphasis on strengthening its core fundamentals, reinforcing balance sheet resilience, and enhancing long-term institutional stability.

As part of this approach, MBPLC continued to optimize its asset portfolio, improve operational efficiency, and maintain disciplined risk management and governance practices. The Bank also focused on preserving liquidity strength, supporting customer confidence, and advancing key operational and digital initiatives aligned with its long-term strategic priorities.

The year reflected a period of thoughtful consolidation and strategic recalibration, aimed at further strengthening the Bank's financial foundation and organizational readiness. Moving forward, MBPLC remains committed to prudent banking, responsible transformation, and the continued creation of long-term value for its customers, shareholders, and the broader economy.



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LETTER OF TRANSMITTAL

21 May 2026

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

Dear Sir,

Annual Report of Mercantile Bank PLC. for the year ended December 31, 2025

We are pleased to present the Annual Report of Mercantile Bank PLC. (MBPLC) for the year ended December 31, 2025, along with the audited Financial Statements (Consolidated and Solo) for your kind information and record.

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

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

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

Thank you for your continued support.

Yours Sincerely,

Mohammad Rezaul Karim
Company Secretary

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Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

61 Dilkusha C/A, Dhaka-1000.

NOTICE OF 27TH ANNUAL GENERAL MEETING

Notice is hereby given to all members of Mercantile Bank PLC., (the "Company") that the 27th Annual General Meeting (AGM) of the members i.e., shareholders of the Company will be held on **Wednesday, 24 June 2026 at 11:00 am** virtually by using digital platform through the link **https://mbplc.bdvirtualagm.com** to transact the following businesses and to adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2025, Reports of the Auditors' and Directors' thereon;
2. To declare "No Dividend" for the year ended 31 December 2025 as recommended by the Board of Directors;
3. To elect/re-elect Directors and to accord approval for appointment of Independent Director of the Bank;
4. To appoint External Auditors of the Company for the term until conclusion of the next Annual General Meeting and to fix up their remuneration;
5. To appoint Corporate Governance Compliance Auditor of the Company for the term until conclusion of the next Annual General Meeting and to fix up their remuneration;

Scan to get link of AGM

Scan to get digital version of Annual Report

By order of the Board

Mohammad Rezaul Karim
Company Secretary

Dhaka
24 May 2026

Notes:

a) The "Record Date" was Thursday, 21 May 2026. The shareholders, whose name appeared on the Register of members of the Bank or in the Depository (CDBL) on the Record Date, are eligible to attend the 27th AGM.

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

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

d) Link of Annual Report-2025 along with Attendance Slip and Proxy Form and Notice of the 27th AGM are being sent to all the members by courier service/post/e-mail address available as per CDBL record. Members may also collect the Annual Report & Proxy Form from the registered office of the company or from www.mblbd.com website of the company.

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

f) Shareholders are requested to log in to the system prior to starting of the meeting at 10:30 am on Wednesday, 24 June 2026. The online (real time) or e-voting option shall be opened before 24 hours prior to start of general meeting and shall remain open up to the closure of general meeting.

For any IT related guidance and help with the login process, the respected members may contact at +8802 223382295 ext.- 520, 113, 228, +8802 223389352 or visit www.mblbd.com website.

KEY RATIOS

RETURN ON ASSETS (ROA)

2025:	2024:
0.26%	0.15%

RETURN ON EQUITY (ROE)

2025:	2024:
4.59%	2.44%

EARNINGS PER SHARE (EPS) (BDT)

2025:	2024:
1.08	0.57

NET ASSET VALUE PER SHARE (NAVPS) (BDT)

2025:	2024:
23.92	23.32

PRICE EARNINGS (P/E) MULTIPLE (TIMES)

2025:	2024:
6.92	18.06

CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)

2025:	2024:
12.52%	13.07%

LEVERAGE RATIO

2025:	2024:
5.32%	5.46%

CREDIT DEPOSIT RATIO

2025:	2024:
72.89%	82.53%

NON-PERFORMING LOANS (NPL) RATIO

2025:	2024:
15.19%	17.25%

COST TO INCOME RATIO

2025:	2024:
58.13%	60.06%

LIQUIDITY COVERAGE RATIO (LCR)

2025:	2024:
243.45%	165.18%

NET STABLE FUNDING RATIO (NSFR)

2025:	2024:
109.24%	105.81%

FINANCIAL KEY FIGURES

(BDT in million)

TOTAL ASSETS

2025:
477,887.53

2024:
444,690.30

TOTAL LOANS & ADVANCES

2025:
285,935.57

2024:
300,025.11

TOTAL INVESTMENT

2025:
127,853.59

2024:
89,098.25

TOTAL DEPOSITS

2025:
394,682.05

2024:
355,121.12

TOTAL BORROWING

2025:
18,057.28

2024:
19,252.01

TOTAL SHAREHOLDERS' EQUITY

2025:
26,465.41

2024:
25,810.06

TOTAL TIER-1 CAPITAL

2025:
28,612.21

2024:
27,715.38

TOTAL REGULATORY CAPITAL

2025:
36,031.46

2024:
38,748.56

OPERATING INCOME

2025:
13,894.57

2024:
14,106.33

PROFIT BEFORE PROVISIONS & TAX

2025:
5,816.95

2024:
5,633.39

PROFIT BEFORE TAX

2025:
1,869.87

2024:
1,281.22

PROFIT AFTER TAX

2025:
1,199.87

2024:
631.22

NON-FINANCIAL KEY FIGURES

BRANCHES

2025:	2024:
153	152

SUB-BRANCHES

2025:	2024:
48	45

NO. OF ATMS & CRMS

2025:	2024:
211 (200 ATMs & 11 CRMs)	199

AGENT BANKING OUTLETS

2025:	2024:
188	188

TOTAL NO. OF EMPLOYEES

2025:	2024:
2,610	2,651

ISLAMIC BANKING WINDOWS

2025:	2024:
45	45

OFF-SHORE BANKING UNITS

2025:	2024:
2	2

NO. OF SUBSIDIARIES

2025:	2024:
3	3

NO. OF FOREIGN CORRESPONDENTS

2025:	2024:
604	618

AWARDS & RECOGNITIONS

Mercantile Bank Received Mastercard Excellence Award 2025

Mercantile Bank PLC. was honored for Excellence in Mastercard Business (Emerging) 2024-25. Deputy Managing Director & CBO of the bank, Dr. Md. Zahid Hossain, and Head of Cards, Mostafizur Rahman, received the prestigious award from Mastercard. Themed "Inspired by Future," the seventh edition of the awards celebrated outstanding contributions from organizations in Bangladesh's banking, payments, and financial sectors.





24th ICAB National Award – Best Presented Annual Reports 2023

Mercantile Bank PLC. continues its legacy of excellence, earning the "Certificate of Merit" Award for Best Presented Annual Report: Private Sector Banks and Corporate Governance Disclosures at the 24th ICAB National Award.

MILESTONES OF EXCELLENCE

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



2018 & EARLIER

National Productivity and Quality Excellence Award 2016 | AmCham CSR Excellence Award

U.S. Dollar Clearing MT202 Elite Quality Recognition Award



2019

ICAB National Award 2019 | Bangladesh Brand Forum Award – Most Loved Brand (MyCash)

Bill Collection Award – Dhaka WASA



2020

18th ICAB National Award

J.P. Morgan Chase Bank N.A. Awards



2021

Triple Win in ICAB Awards 2021 | ICSB Silver Award for Corporate Governance Excellence

J.P. Morgan Chase Bank N.A. Awards



2022

Best Bank in the Private Sector (South Asian Business Excellence Award)

ISO 27001:2013 Certification



2023

23rd ICAB National Award – Best Presented Annual Reports 2022

Daily Industry Best Rated Bank Award

ABOUT MBPLC'S INTEGRATED REPORT

The 2025 Integrated Report of MBPLC provides a transparent and structured overview of our financial performance, corporate governance, and sustainability initiatives. This report reflects our commitment to accountability, resilience, and long-term value creation for stakeholders.

REPORTING FRAMEWORKS AND REGULATIONS

Category	Applicable Frameworks & Regulations
Integrated Reporting	IIRC's Integrated Reporting Framework
Financial Reporting	• International Financial Reporting Standards (IFRS) • Bank Company Act, 1991 (amended) • Bangladesh Bank Regulations • Companies Act, 1994 (amended) • Bangladesh Securities and Exchange Commission (BSEC) Rules • The Financial Reporting Act, 2015 Other applicable laws and regulations
Corporate Governance	• Companies Act, 1994 (amended) • Bangladesh Bank Guidelines • Bangladesh Securities and Exchange Commission (BSEC) Rules • DSE & CSE Listing Regulations, 2015 • CDBL Rules & Regulations
Sustainability & Climate Reporting	• IFRS S1: Sustainability-related financial disclosures • IFRS S2: Climate-related financial disclosures • Global Reporting Initiatives (GRI) Standards• Sustainable Development Goals (SDG)

REPORTING PERIOD The report covers the period from January 1, 2025, to December 31, 2025.

EXTERNAL ASSURANCE

MBPLC has obtained external assurance from the following providers based on the respective frameworks and regulations:

Particulars	Assurance Provider
Financial Statements 2025	• Basu Banerjee Nath & Co., Chartered Accountants • Anil Salam Idris & Co., Chartered Accountants
Corporate Governance	Suraiya Parveen & Associates, Chartered Secretaries
Credit Rating	Credit Rating Information & Services Limited (CRISL)
ISO Certification	Bureau Veritas (Bangladesh) Private Limited
PCI DSS	SecurWires Technologies and Services LLP.

RESPONSIBILITY FOR THE INTEGRATED ANNUAL REPORT 2025

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

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



Tapash Chandra Paul, PhD
Deputy Managing Director &
Chief Financial Officer

We Mourn

Our deepest condolence on the departure of our beloved ones



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



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



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



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



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



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



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



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

mastercard

Mercantile Bank

Unlock a world of possibilities

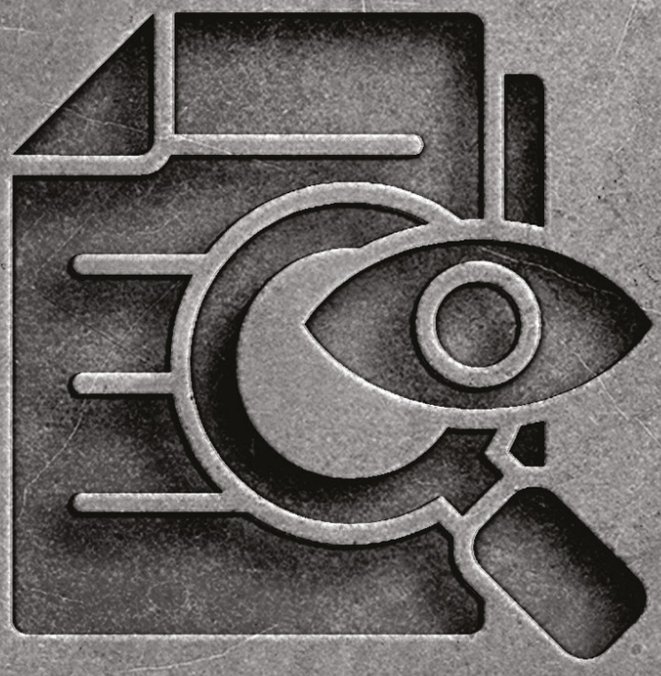
Elevate your everyday with our cards: contactless payments and innovative features, beautifully designed for you

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



16225
MBL CONTACT CENTER 24/7

*T&C Apply *Features vary by card



OVERVIEW

ABOUT MERCANTILE BANK

Stepping into its 27th year of excellence, Mercantile Bank PLC. (MBPLC) has been a cornerstone of Bangladesh's banking sector, earning trust through innovation, security, and customer-centric solutions. MBPLC has established itself as a leading third-generation private commercial bank by dint of its prudent policy guidelines coupled with proper execution, a wider range of banking products, and admirable customer services.

OUR NETWORK & FOOTPRINT

To ensure seamless access to financial services nationwide, our robust footprint currently stands at:

153
Branches (Including 2 full-fledged Islamic Banking Branches)

48
Sub-branches (Uposhakhas)

188
Agent Banking Outlets

211
200 ATMs & 11 CRMs (Cash Recycler Machines)

45
Islamic Banking Windows

02
Off-shore Banking Units (OBUs)

2,610
Dedicated Employees (Permanent)



OUR SUBSIDIARIES

Our operations and capital market footprint are strengthened by three specialized subsidiary companies:

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

COMPREHENSIVE BANKING SOLUTIONS

Driven by digital transformation, MBPLC continues to redefine modern banking—offering secure, innovative, and inclusive financial solutions that empower individuals and businesses alike. Our core activities encompass a wide spectrum of financial services, including:



COMMERCIAL & RETAIL BANKING

Deposit Mobilization, Corporate, SME, and Consumer Businesses.



GLOBAL & TRADE FINANCE

Foreign Exchange, Discounting Bills, Offshore Banking, and Treasury functions.



DIGITAL & CARDS

Internet Banking, Mobile Banking (MyCash), and Comprehensive Card Services (Credit, Debit, Prepaid, alongside specialized VISA and Mastercard products).



SHARI'AH-COMPLIANT BANKING

Islamic Banking services under the brand name "Taqwa".



24/7 ACCESSIBILITY

Centralized 'MBPLC Contact Center' (16225) bringing banking services directly to our customers' doorsteps.

COMMITMENT TO SOCIETY & GOVERNANCE

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



EMPOWERING COMMUNITIES

Expanding financial literacy and economic opportunities.



INCLUSIVE BANKING

Bridging the gap for underserved populations through widespread agent and sub-branch networks.



SUSTAINABLE FINANCE

Driving green banking, resource efficiency, and responsible investments.



INNOVATION & SECURITY

Investing in cutting-edge, secure financial solutions.

Integrity, transparency, and accountability define MBPLC's governance framework. We strictly uphold the highest regulatory and ethical standards, ensuring sustainable growth and long-term stakeholder value.

VISION

Would make finest corporate citizen.

MISSION

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

CORE VALUES

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

Customer Delight
Delivering exceptional banking experiences with a relentless focus on customer satisfaction and long-term relationships.

Innovation
Driving forward-thinking solutions to reshape financial services and meet evolving market demands.

Ethical Values
Upholding the highest standards of integrity, compliance, and corporate responsibility.

Caring for Human Resources
Empowering our workforce through continuous learning, development, and an inclusive work culture.

Commitment
Upholding a steadfast commitment to our valued depositors, ensuring we remain their trusted custodian while fostering strong, lasting relationships with all stakeholders.

Social Responsibility
Advocating sustainability, financial inclusion, and responsible banking practices.

Wealth Maximization
Ensuring strategic growth, profitability, and long-term shareholder value.

BUSINESS ETHICS

RESPONSIBLE BANKING

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

SUSTAINABLE BANKING

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

ETHICAL BANKING

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

TRANSPARENT BANKING

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

CUSTOMER-CENTRIC BANKING

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

CONFIDENTIAL BANKING

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

COMPLIANT BANKING

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

CODE OF CONDUCT

SALIENT FEATURES OF MBPLC EMPLOYEES' CODE OF CONDUCT:



ADHERENCE TO REGULATIONS

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



CONFIDENTIALITY

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



INTEGRITY

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



PROFESSIONAL REPRESENTATION

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



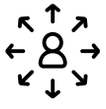
NO INVOLVEMENT IN GAMBLING

Abstain from participating in gambling or any betting activities.



NO MISUSE OF FUNDS

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



AVOID EXTERNAL INFLUENCE

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



COURTESY AND RESPECT

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



AVOID OUTSIDE EMPLOYMENT

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



ATTENDANCE AND RESPONSIBILITY

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



REFRAIN FROM FAVORITISM

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



NO ABUSE OF POSITION

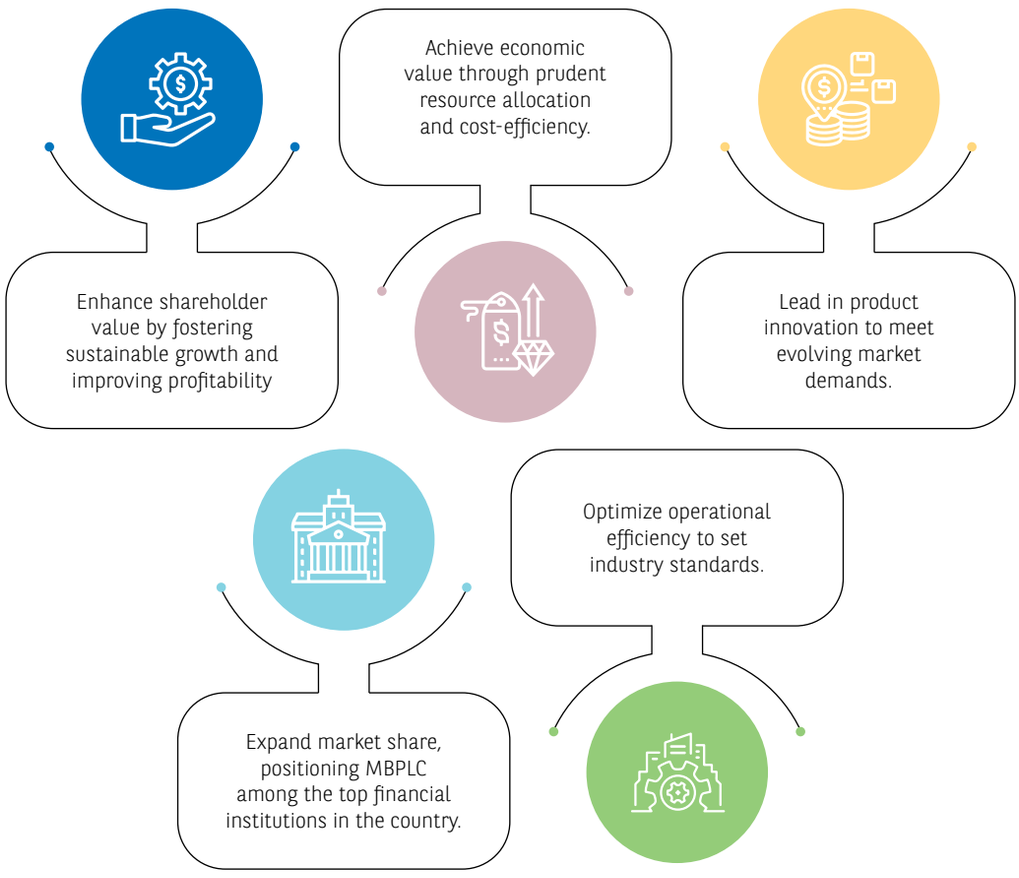
Do not leverage your position for personal gain or unethical influence.



NO HARMFUL ACTIVITIES

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

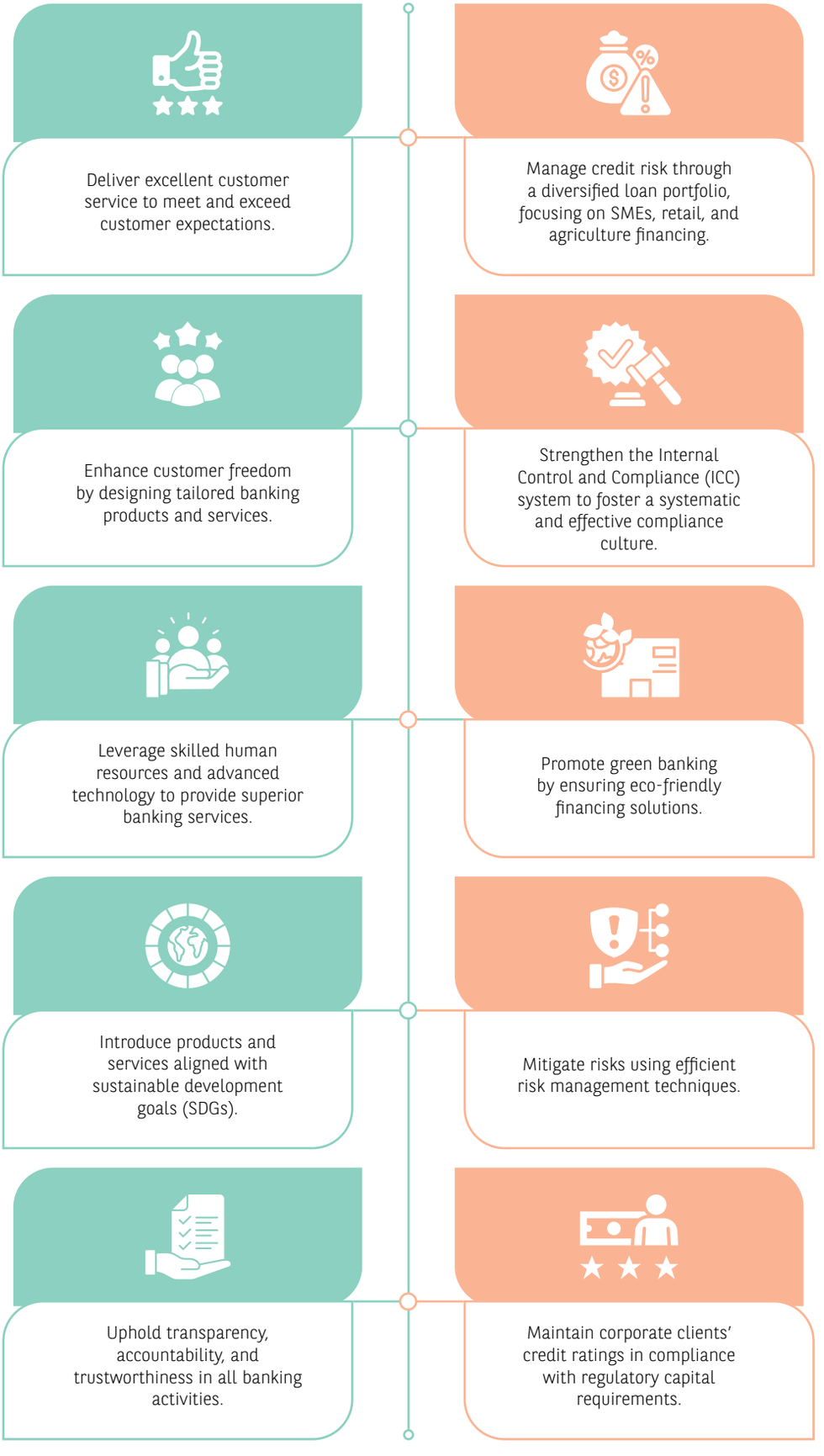
STRATEGIC OBJECTIVES



CORPORATE PHILOSOPHY

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

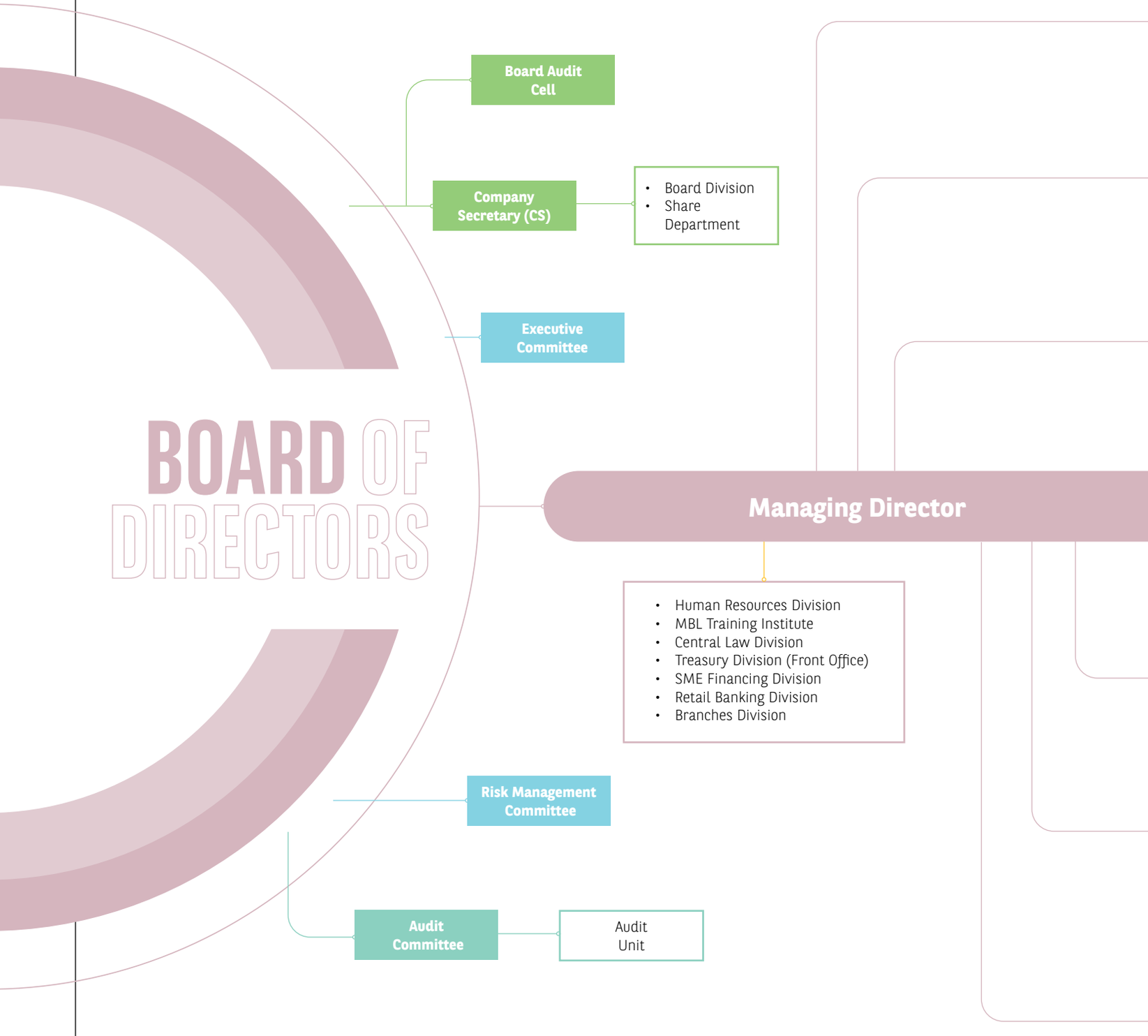
CORPORATE PRIORITIES

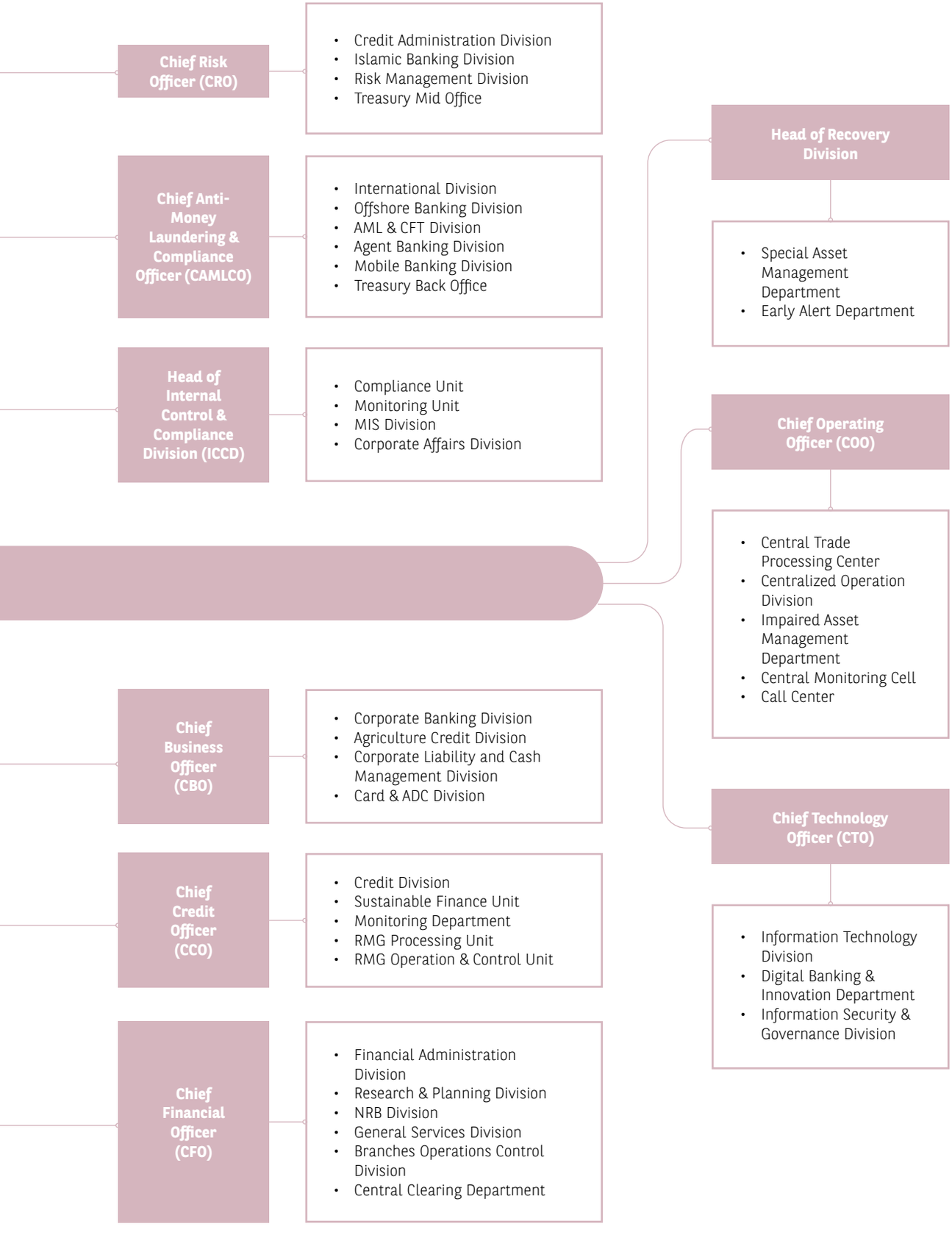


CORPORATE PROFILE

Name of the Company	Mercantile Bank PLC.
Legal Form	Public listed company, incorporated in Bangladesh and registered with the Registrar of Joint Stock Companies & Firms.
Company Registration Number	C-37775 (2075)/99, Dated: May 20, 1999.
Listing Status	Listed on Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) since 2004.
Market Category	"A" Category.
Registered & Head Office Address	61, Dilkusha Commercial Area, Dhaka-1000, Bangladesh.
BTCL Number	02-223382295.
IP Phone	09678144144 (Hunting).
SWIFT Code	MBLBBDDH
Email	it@mblbd.com.
Website	www.mblbd.com.
Taxpayer Identification Number (TIN)	440661330349
Business Identification Number (BIN)	000151542-0202
Authorized Capital	BDT 20,000 million.
Paid-up Capital	BDT 11,065.75 million.
Chairman	Md. Anwarul Haque.
Managing Director	Mati Ul Hasan.
Chief Financial Officer (CFO)	Tapash Chandra Paul, PhD.
Company Secretary	Mohammad Rezaul Karim.
Tax Advisor	K. M. Hasan & Co., Chartered Accountants.
External Auditors	• Basu Banerjee Nath & Co., Chartered Accountants • Anil Salam Idris & Co., Chartered Accountants.
Credit Ratings (2025)	'AA' (Long-term) and 'ST-2' (Short-term) by CRISL.
No. of Employees	2,610.
Accounting Year	January 1 - December 31.
No. of Branches	153
No. of Uposhakhas (Sub-branches)	48
No. of Agent Banking Outlets	188
No. of Islamic Banking Windows	45
No. of AD Branches	22
No. of Offshore Banking Units	02
Business Activities	Conventional Banking, Islamic Banking, Offshore Banking, and Agent Banking.
Subsidiaries	• Mercantile Bank Securities Limited (MBSL) • MBL Asset Management Limited, and • Mercantile Exchange House (UK) Limited.

CORPORATE ORGANOGRAM




Chief Risk Officer (CRO)
Credit Administration Division
Islamic Banking Division
Risk Management Division
Treasury Mid Office
Chief Anti-Money Laundering & Compliance Officer (CAMLCO)
International Division
Offshore Banking Division
AML & CFT Division
Agent Banking Division
Mobile Banking Division
Treasury Back Office
Head of Internal Control & Compliance Division (ICCD)
Compliance Unit
Monitoring Unit
MIS Division
Corporate Affairs Division
Chief Business Officer (CBO)
Corporate Banking Division
Agriculture Credit Division
Corporate Liability and Cash Management Division
Card & ADC Division
Chief Credit Officer (CCO)
Credit Division
Sustainable Finance Unit
Monitoring Department
RMG Processing Unit
RMG Operation & Control Unit
Chief Financial Officer (CFO)
Financial Administration Division
Research & Planning Division
NRB Division
General Services Division
Branches Operations Control Division
Central Clearing Department
Head of Recovery Division
Special Asset Management Department
Early Alert Department
Chief Operating Officer (COO)
Central Trade Processing Center
Centralized Operation Division
Impaired Asset Management Department
Central Monitoring Cell
Call Center
Chief Technology Officer (CTO)
Information Technology Division
Digital Banking & Innovation Department
Information Security & Governance Division

SPONSORS OF THE BANK

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





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

DIRECTORS'

MD. ANWARUL HAQUE
CHAIRMAN



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

Date of Reappointment as a Director
15 September, 2025

Skills and Experience
He has been engaged in business for the last 46 years in different sectors like Construction, Real Estate, Export & Import and Trading. His business affiliation is versatile and diversified. His association with the well-reputed organization makes him a forward looking and progressive businessman who has already reached an enviable height.

Concurrent Appointments
He is the Managing Director of Living Plus Limited. He is a Director of Holiday Travels Limited and Sponsor of Mercantile Bank Securities Limited. He was Chairman of Global Insurance Limited.

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

AL-HAJ AKRAM HOSSAIN (HUMAYUN)
VICE CHAIRMAN



Profile
Al-Haj Akram Hossain (Humayun) was born on July 1, 1952 in a respectable Muslim family of Dagonbhuiyan, Feni. He is a commerce graduate and one of the known Freedom Fighters of Bangladesh Liberation War.

Date of Reappointment as a Director
19 June, 2024

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

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

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

PROFILE

MD. ABDUL HANNAN, MP
VICE CHAIRMAN



Profile
Mr. Md. Abdul Hannan was born on 27 July, 1962 in a respectable Muslim family of Faridgonj, Chandpur. He is a Member of the 13th National Parliament representing constituency 263, Chandpur-4. He is communicative, problem solver and an empathetic person.

Date of Reappointment as a Director
19 June, 2024

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

Concurrent Appointments
He is Chairman & Managing Director of Dabstar & Associates Limited, Reu Fashion Limited and Murad Apparels Limited.

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

M.A. KHAN BELAL
DIRECTOR & CHAIRMAN, EXECUTIVE COMMITTEE



Profile
Mr. M.A. Khan Belal was born on November 02, 1958 in a respectable Muslim family of Begumgonj, Noakhali.
Mr. Belal obtained M.Sc (Chemistry) from Dhaka University. He has a high academic background and commendable experience in the field of Trade, Industry, Shipping, Banking and other businesses in Bangladesh.

Date of Reappointment as a Director
19 June, 2024

Skills and Experience
Shamrat Group of Companies Limited is one of the leading Group of Companies in Bangladesh and he is the Chairman of the Group which consists of as following:

Concurrent Appointments
- Shamrat Prince Spinning Mills Limited-Chairman
- Shamrat Cold Storage Limited-Managing Director
- Shamrat Commercial Company Limited-Managing Director
- Shandhya Hotel (Residential)-Proprietor
- Shamrat Shipping Lines-Proprietor
- Shamrat Commercial Enterprise-Proprietor
- B.M.S Travels-Proprietor
- Prince Trade International-Proprietor
- Shamrat Agro Limited-Chairman
- Shamrat Feed Limited-Chairman
- B.S.P. Corporation-Proprietor
- Zamzam LP Gas Limited-Managing Director
- Mercantile Bank Securities Limited-Sponsor

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

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

DIRECTORS'

MOHAMMAD ABDUL AWAL
DIRECTOR & CHAIRMAN, RISK MANAGEMENT COMMITTEE



Profile
Mr. Mohammad Abdul Awal is a renowned businessman of the country. He was born in a respected Muslim family in Shariatpur District. Mr. Mohammad Abdul Awal has a strong foundation of financial literacy. He obtained Bachelor of Business Administration (BBA) degree.

Date of Reappointment as a Director
26 June, 2023

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

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

PROF. DR. MD. REZAUL KABIR
INDEPENDENT DIRECTOR & CHAIRMAN, AUDIT COMMITTEE



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

At IBA, he applies a case-based pedagogy to strengthen experiential learning in finance education. He has previously taught at Aston Business School in the UK and has held key academic leadership roles at IBA, including Coordinator of the Executive MBA, MBA, and BBA programs. Beyond academia, he is engaged in research collaborations across Bangladesh, Canada, and the UK, and serves the corporate sector as a board member, consultant, and mentor.

PROFILE

A. S. M. FEROZ ALAM
SPONSOR DIRECTOR



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

He is visionary, critical thinker and strategic decision maker.

Date of Reappointment as a Director
26 June, 2023

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

Concurrent Appointments
He is the Sponsor Director & Chairman of Mercantile Bank Securities Limited.

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

M. AMANULLAH
SPONSOR DIRECTOR & CHAIRMAN,
MERCANTILE EXCHANGE HOUSE (UK) LIMITED



Profile
Mr. M. Amanullah, the founder of the conglomerate, Aman Group of Companies, is a very respected and distinguished industrialist in Bangladesh. His business dexterity has led to the successful launch of various, diversified businesses under the umbrella of Aman Group of Companies and he holds the position of Chairman of all the companies under the group.
Mr. Aman was honored several times by the Govt. and other organizations. He was awarded the Sarojini Naidu Gold Medal Award in 2000, C.R. Das Gold Medal Award in 2002 and the Atish Dipankar Scholar Congress Award in 2004 for his extraordinary contribution in various sectors of Bangladesh. He was declared Commercially Important Person (CIP) for many years for his significant contribution to the country's export trade sector.

Date of Reappointment as a Director
26 June, 2023

Skills and Experience
He was Chairman of Mercantile Bank PLC., (2013-2014) and contributed heavily towards the efficiency and optimization of Mercantile Bank during his tenure.
Born and brought up in a business family, Mr. Amanullah started pursuing his own business endeavors since 1968. He introduced Arena Industries Ltd., engaged in industrial contract-packaging & founded Mousumi Network Ltd. and Arena Consumer Products Ltd., for distribution and manufacture of consumer products. He introduced Arena HRI Ltd., which is an India-Bangladesh joint venture in the field of cosmetic industry and is one of the leading manufacturers of Hair Care products in Bangladesh.
He also introduced Dayton Holdings Ltd. and Arena Securities Ltd. in the financial sector which is a member of Dhaka Stock Exchange and registered as a corporate house for operation in the capital market of the country. In the textile sector Mr. Aman set up a manufacturing unit in the name of Aman Spinning Mills Ltd., which manufactures 100% export oriented carded yarn from raw cotton.

Concurrent Appointments
- Aman Spinning Mills Limited-Chairman
- Mousumi Network Limited-Chairman
- Dayton Holdings Limited-Chairman
- Mercantile Bank Securities Limited-Sponsor Director
- Arena Securities Limited- Director
- Notun Vision Limited- Director

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

DIRECTORS'

ALHAJ MOSHARREF HOSSAIN
DIRECTOR



Profile
Alhaj Mosharref Hossain was born on January 07, 1940 in a respectable Muslim family at Chhagalnaiya, Feni. He had his schooling in the local educational institutions. Alhaj Mosharref Hossain is one of the leading businessmen of the country, especially in trading.

Date of Reappointment as a Director
24 August, 2025

Skills and Experience
He is the Director of Toka Ink (BD) Limited. Apart from being a businessman of repute, he is also a prominent personality in Bangladesh.

Concurrent Appointments
He is the Managing Director of Iqbal & Sons C.N.G Complex Ltd. and a partner of Iqbal & Sons.

PROF. MOHAMMAD THOUFIQUL ISLAM , PHD
INDEPENDENT DIRECTOR



Professor Mohammad Thoufiqul Islam, PhD is a highly accomplished academician, currently serving as the Chairman of the Department of Management in the Faculty of Business Studies at the University of Dhaka.

Dr. Islam's academic foundation is international, holding a PhD in Management of Technology from Japan (2013), and a Master's in International Trade from South Korea (2009). His research and applied expertise are extensive, covering Human Resource Management (HRM), Circular Economy and Sustainability, International Trade and Business Strategy, and Innovation and Technology Management

His leadership roles include serving as Director of the Centre for Trade and Investment at the University of Dhaka.

He is a prolific contributor to academic literature, having authored six academic books and published over thirty research articles in both local and international journals.

PROFILE

MATI UL HASAN
MANAGING DIRECTOR



Mr. Mati Ul Hasan is the Managing Director of Mercantile Bank PLC. He previously served as Additional Managing Director and Chief Risk Officer. With over 42 years of experience in the financial sector, he has been associated with the bank since 2014.

He began his banking career on 1 April 1984 as a Probationary Officer in IFIC Bank PLC. Over the years, he has gained extensive experience, including 10 years in overseas operations in Pakistan, where he served as Head of an overseas branch. He also worked as Deputy Managing Director of Nepal Bangladesh Bank Limited, Nepal, a joint venture bank of IFIC Bank PLC. He also served as the Head of Branch, Local Office and Deputy Managing Director-Business of IFIC Bank PLC.

Mr. Hasan completed his BSS (Hons) in Economics from the University of Dhaka and holds a Master's degree in Bank Management. He is a Diplomaed Associate of the Institute of Bankers Bangladesh (DAIBB) and an Associate Member of the Institute of Bankers, Pakistan.

He is at the forefront of leading the bank by promoting centralized banking operations, enhancing the loan portfolio, strengthening risk management, fostering strong corporate governance and advancing digital transformation.

SENIOR MANAGEMENT PROFILE

Mr. Mati Ul Hasan is the Managing Director of Mercantile Bank PLC. He previously served as Additional Managing Director and Chief Risk Officer. With over 42 years of experience in the financial sector, he has been associated with the bank since 2014.

He began his banking career on 1 April 1984 as a Probationary Officer in IFIC Bank PLC. Over the years, he has gained extensive experience, including 10 years in overseas operations in Pakistan, where he served as Head of an overseas branch. He also worked as Deputy Managing Director of Nepal Bangladesh Bank Limited, Nepal, a joint venture bank of IFIC Bank PLC. He also served as the Head of Branch, Local Office and Deputy Managing Director- Business of IFIC Bank PLC.

Mr. Hasan completed his BSS (Hons) in Economics from the University of Dhaka and holds a Master's degree in Bank Management. He is a Diplomaed Associate of the Institute of Bankers Bangladesh (DAIBB) and an Associate Member of the Institute of Bankers, Pakistan.

He is at the forefront of leading the bank by promoting centralized banking operations, enhancing the loan portfolio, strengthening risk management, fostering strong corporate governance and advancing digital transformation.



Mati Ul Hasan
Managing Director



Md. Zakir Hossain
Deputy Managing Director & CRO

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

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

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

Mr. Shamim Ahmed has over 33 years of experience in the banks including United Commercial Bank PLC and Prime Bank PLC. He is with Mercantile Bank PLC. from June, 1999. He completed his B.Sc. (Hons), M.Sc. in Statistics from University of Dhaka.

He has specific expertise on Foreign Trade, Treasury, Anti Money Laundering & CFT, Offshore Banking Business, Foreign Remittance, Branch Development and Branch Banking. He is selected as a Trainer for outreach training program on "Foreign Exchange Risk Management" designed for the 'Training of Trainers' arranged by Bangladesh Bank Training Institute and South Asia Enterprise Development Facility (SEDF). He participated in a good number of training program at home and abroad in International Trade, Treasury, Banking operation and AML & CFT. Mr. Shamim is actively associated with many social activities.

After getting promoted as Deputy Managing Director, Mr. Shamim Ahmed has been working as Chief Anti Money Laundering & Compliance Officer (CAMLCO) of the Bank since 2019. He is also overseeing several divisions at Head Office.



Shamim Ahmed
Deputy Managing Director & CAMLCO

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

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

He has served as a member of the committee responsible for preparing the EDS Money Guidelines of Bangladesh Bank.

He currently serves as Head of the ICC Division and also oversees the MIS as well as Corporate Affairs Divisions. He is the Bank's Focal Point Officer. Besides these roles, he is the member of the ALM, Investment, SMT, and Credit Committees. In addition, he is instrumental in integrating the Bank's treasury operations with in-house IT solutions.



Ashim Kumar Saha
Deputy Managing Director & Head of ICCD



Dr. Md. Zahid Hossain
Deputy Managing Director & CBO

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

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

A distinguished figure in Bangladesh's banking sector, Dr. Zahid serves as a key member of the Senior Management Team at Mercantile Bank PLC. Alongside his senior management responsibilities, he spearheads the Cashless Bangladesh Unit and oversees several key Divisions of the Bank. With a career spanning more than 30 years, he is widely recognized as a seasoned expert in Corporate Banking. His core strengths lie in high-impact relationship management and sophisticated wholesale banking solutions.

Beyond his professional commitments, Dr. Zahid is deeply engaged in philanthropic initiatives, serving as Chairman of Together for Life (Trust). He holds active memberships in the Rotary Club Dhaka Mahanagar, the Baridhara Cosmopolitan Club, the Gulshan Society, and the Seoul-based International Academy of Financial Consumers (IAFICO) in South Korea. His strategic foresight and deep domain expertise continue to play a vital role in driving the Bank's service excellence and meaningful long-term growth.

Mr. Tapash Chandra Paul, PhD, brings over two and a half decades of diversified experience in the banking sector, with a strong track record in strategic financial management, risk governance, and institutional research.

He has a sound academic track record, holding a B.Com (Honours) and M.Com from the University of Dhaka, as well as an MBA. He earned his PhD for his research on the "Strategic Management of Commercial Banks in Bangladesh." He has also participated in numerous high-level training programs, workshops, and seminars both at home and abroad.

Throughout his career, Dr. Paul has played a pivotal role in shaping the Bank's financial strategy and research initiatives. In addition to his executive responsibilities, he is a regular trainer at the Mercantile Bank Training Institute and other financial institutions. He is a recognized keynote speaker at domestic and international forums on finance, banking, economics, and risk management. He is also a frequent contributor to national dailies, writing insightful and informative articles on banking and economic issues. Furthermore, since he took over the supervisory role of the 'Research & Planning Division', he has provided strategic leadership in the publication of Mercantile Bank PLC's monthly online bulletin, MBPLC Spectrum, playing a significant role in its continued development.



Tapash Chandra Paul, PhD
Deputy Managing Director & CFO

Mr. Shah Md Sohel Khurshid, with 34 years of banking experience, has versatile expertise in the area of General Banking, Import, Export, Corporate & Retail Credit and SME Financing at both Branch and Head Office level. He joined United Commercial Bank PLC. as a Probationary Officer on September 16, 1991, and then joined Dhaka Bank PLC in April 1997. He has been working in Mercantile Bank PLC., since December 1999. Besides the role of Chief Credit Officer (CCO), presently he discharges his duties as the Head of Sustainable Finance Unit (SFU), a member of senior Management Team and several Management Committees of the Bank. Previously he served as the Head of Corporate Banking Division, Head of of Bijoynagar, Gulshan and Mohakhali Branch.

He obtained BSS(Hons), MSS, from the University of Dhaka and MBA degree from a reputed Private University. He attended a good number of training and workshop programs on almost all windows of banking both at home and abroad. He traveled to many countries including India, Malaysia, Thailand, Singapore, Vietnam, Germany, the Netherlands and Switzerland.



Shah Md. Sohel Khurshid
Deputy Managing Director & CCO



Mohammad Iqbal Rezwan
Senior Executive Vice President & Head of Recovery Division

Mr. Mohammad Iqbal Rezwan has 32 years of professional exposure in banking industry in various capacities. He started his banking career in Arab Bangladesh Bank as Probationary Officer in 1994. He also served in HSBC, Premier Bank, Trust Bank in different leadership capacities at Head Offices and Branches.

Presently, he has been serving as Head of Recovery Division covering the Early Alert Department and Special Asset Management Department. Before that, he was the Head of International Division, Human Resources Division and Risk Management Division. He is the member of Investment Committee, Asset Liability Management Committee and Executive Risk Management Committee.

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

Mr. Md. Abdul Halim has 34 years of experience in Banking Industry. After completing his post-graduation from the University of Dhaka, he started his banking career in 1992 as a probationary officer at Islami Bank Bangladesh PLC. He served at EXIM Bank PLC before joining Mercantile Bank PLC., in 2008.

At Mercantile Bank, he held leadership roles as the Head of Branch for key corporate locations, including Uttara Branch, Mohakhali Branch, Gulshan Branch and the Main Branch. His professional development includes participation in specialized training programs and workshops in the UAE and Malaysia. He also participated a Training Programme on "Future CEO Leadership Recharge" arranged by WSDA, New Zealand.

Currently, he serves as Chief Operating Officer (Acting) of the Bank as well as plays supervisory role of Central Trade Processing Center, Centralized Operation Division, Impaired Asset Mgt. Department, Central Monitoring Cell and Call Center of the Bank.



Md. Abdul Halim
Senior Executive Vice President & COO (Acting)



Mohammad Rezaul Karim
Vice President & Company Secretary

Mr. Mohammad Rezaul Karim has 26 years of experience in the Banking industry including AB Bank PLC and Mutual Trust Bank PLC. He is with Mercantile Bank PLC., from September 2008. He completed his B.S.S. (Hons), M.S.S. in Public Administration from University of Dhaka. He is an Associate of the Institute of Bankers, Bangladesh.

He has diversified working experiences with ICC Division, Board & Share Division, Human Resources Division, Mobile Banking Division, Core Banking Software Implementation Business Team at Head Office level and also worked at Branches in various capacities including Manager Operation of an AD Branch. He has attained different professional training programs and workshops. Presently, he is rendering his service as Company Secretary of the Bank.



মার্কেন্টাইল ব্যাংক তাক্বওয়া ইসলামিক ক্রেডিট কার্ড

"আপনার লেনদেনের সম্পূর্ণ চাহিদা পূরণের জন্য শরীয়াহ নীতিমালায় পরিচালিত"

সুবিধাসমূহ ঃ

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

*শর্ত প্রযোজ্য

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

HEADS OF DIVISIONS/ DEPARTMENTS/UNITS/CELLS



Mohammad Iqbal Rezwan
SEVP, Recovery Division



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



Muhammad Mahmud Hasan
EVP & CTO, IT Division



Md. Enayet Ullah
EVP, Audit Unit, ICCD



Md. Fakhruzzaman Chowdhury
EVP, International Division



Shamim Ahmed
EVP, Risk Management Division



Md. Ashiqur Rahman
EVP, Credit Administration Division



A. H. M. Kamal
EVP, HR Policy & Strategy, HRD



Md. Aliullah
SVP, Branches Division



Mohammad Nizamul Hoque
SVP, SME Financing Division



Mostafizur Rahman
SVP, Card & ADC Division



Muhammad Monirul Hoq
AVP, Digital Banking & Innovation Department



K. M. Anowarul Islam
SVP, Corporate Liability and Cash Management Division



Pratap Kumar Deshmukhya
SVP, Centralized Operation Division



Muhammad Khorshed Alam
SVP, Branches Operations Control Division and CCS & CMC



Md. Aminul Islam
SVP, CTPC



Md. Rezaul Karim
VP, Monitoring Department



Muhammad Saiful Karim
VP, Corporate Banking Division



Md. Gias Uddin
VP, General Services Division



Md. Mamunur Rashid
VP, Monitoring Unit, ICCD



Ashim Kumar Saha
VP, Retail Banking Division



Md. Salahuddin Khan
VP, HR Operations, HRD



Md. Mukitul Kabir
VP, Corporate Affairs Division



Mohammad Khabir Hossain
VP, Early Alert Department



Md. Toriqul Islam
VP, NRB Divison



Mohammad Mijanur Rahman Sharker
VP, Islamic Banking Division



Mohammad Rezaul Karim
VP, Board Division



Md. Almasuddin Ahmed
VP, Central Clearing Department



Mohammad Nuruzzaman Chowdhury
VP, Special Asset Management (Corporate)



Mohammad Mustahidur Reza Chowdhury
VP, RMG Processing Unit



Md. Rezaul Karim
VP, RMG Operation & Control Unit



Darpan Kanti Roy
VP, Agent Banking Division / Mobile Banking Division



Ritan Barua
VP, Central Law Division



Md. Abul Kashem
FVP, Compliance Unit, ICCD



Md. Shariful Islam
FVP, Off-shore Banking Division



Md. Hasanuzzaman Bakshi
FVP, Treasury Front Office



Md. Gious Uddin
FVP, Financial Administration Division



Kafil Uddin Muhammad Zahid Mahmud
FVP, Information Security & Governance Division



Syeda Shabiha Afrug
AVP, Treasury Back Office



Md. Rustom Ali
FAVP, Central Monitoring Cell



Md. Sajjadur Rahman
FAVP, Agriculture Credit Division



Md. Saiful Islam
FAVP, Share Department

OUR PRIDE
FORMER CHAIRMEN

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















OUR PRIDE

FORMER CHIEF ADVISOR & MANAGING DIRECTOR & CEOS

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

















MILES

1999

May 20
Incorporation of the Bank

June 02
Commencement of Business

2003

June 30
Initial Public Offering (IPO)

October 21-22
Subscription for Shares

2004

February 16
Listed in Dhaka Stock Exchange (DSE)

February 26
Listed in Chittagong Stock Exchange (CSE)

2009

June 06
Brokerage House Operation

December 30
50th Branch Opening

2020

June 21
Launch of Agent Banking

June 29
Launch of Islamic Banking Window operation 'Taqwa'

December 24
150th Branch Opening

2021

June 02
Launch of 'MBL Rainbow' Mobile Banking App

July 07
Started 'Automated Challan System (ACS)' Service

2022

September 22
Awarded the South Asian Business Excellence Award-2022 as the "Best Bank in the Private Sector"

September 22
Inaugurated Shari'ah-based complete "Islamic Banking Branch" at Dilkusha

October 17
Awarded ISO 27001: 2013 certificate

December 03
Achieved 22nd ICAB National Award for Best Presented Annual Reports 2021

December 17
Won Silver Award in General Banking category of 9th ICSB National Award for Corporate Governance Excellence 2021

2011

March 20
Launch of OBU Operation

September 14
Commencement of Mercantile Bank Securities Limited (MBSL), Subsidiary Company

December 06
Commencement of Mercantile Exchange House (UK) Limited, Subsidiary Company

2012

September 20
Opening of Mercantile Exchange House (UK) Limited, London Branch

2014

December 29
100th Branch Opening

2018

April 18
Awarded for National Productivity and Quality Excellence - 2016

June 02
Launch of 'MBL Young Bankers' Appreciation Award'

October 03
Inauguration of MBL Contact Center

November 29
Incorporated MBL Asset Management Limited, a subsidiary of Mercantile Bank PLC.

TONES

2023

June 04
Inauguration of Global Debit Card service

October 30
Achieved '23rd ICAB National Award' for Best Presented Annual Reports 2022

2024

June 02
25th Anniversary of the Bank

July 09
Inauguration of "Bangla QR Code"

September 10
Achieved '24th ICAB National Award' for Best Presented Annual Reports 2023

2025

July 21
153rd Branch opening

November 09
Mercantile Bank Launches 'Mercantile Priority Zenith'

November 22
Mercantile Bank Received Mastercard Excellence Award 2025

KEY EVENTS 2025



Mercantile Bank Holds 26th AGM



Mercantile Bank PLC Holds 'Annual Business Conference – 2025'



Mercantile Bank Celebrates 26th Founding Anniversary



Mercantile Bank Holds Risk Conference 2025



Mercantile Bank Holds AML Awareness Program



Mercantile Bank Joins Bangladesh Bank's Tk. 5 Billion Startup Fund



Mercantile Bank Signs MoU with Bangladesh Bank



Mercantile Bank Signs an Agreement with Bangladesh House Building Finance Corporation



Mercantile Bank Launches
'Mercantile Priority Zenith'



Mercantile Bank Inaugurates 'Malkhanagar Branch'
at Shirajdikhan



Mercantile Bank Inaugurates
'Alipur Uposhakha' at Patuakhali



Mercantile Bank Inaugurates 'Fultola Uposhakha'



Mercantile Bank Inaugurates
'Naria Uposhakha'



Mercantile Bank Inaugurates 3 ATM Booths
at Metro Rail Station



Mercantile Bank Celebrates
International Women's Day



Mercantile Bank Implements "Tree Plantation"

BRANCH NETWORK

FOOTPRINTS AS ON DECEMBER 31, 2025

153
Branches
(including 2 full-fledged Islamic Banking Branches)

48
Sub-branches
(Uposhakhas)

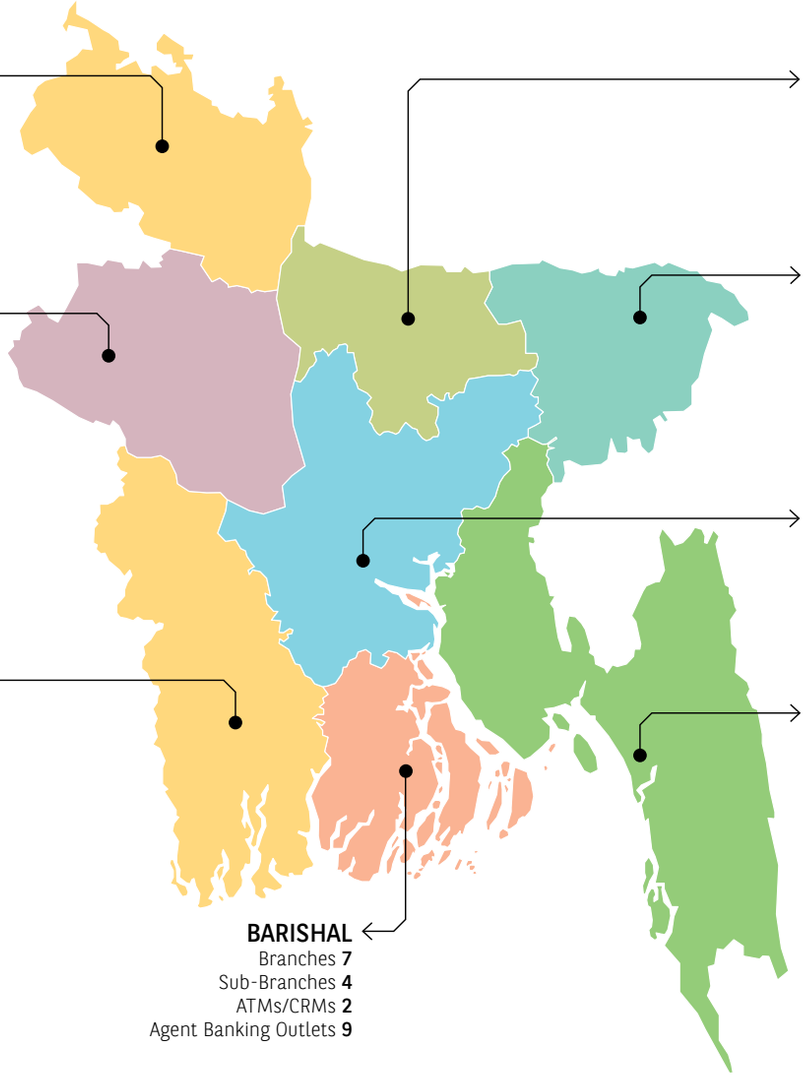
188
Agent Banking Outlets

200
ATMs

11
CRMs
(Cash Recycler Machines)

45
Islamic Banking Windows

02
Off-shore Banking Units
(OBUs)



RANGPUR
Branches **8**
Sub-Branches **5**
ATMs/CRMs **7**
Agent Banking Outlets **13**

RAJSHAHI
Branches **13**
Sub-Branches **3**
ATMs/CRMs **8**
Agent Banking Outlets **43**

KHULNA
Branches **6**
Sub-Branches **3**
ATMs/CRMs **16**
Agent Banking Outlets **16**

BARISHAL
Branches **7**
Sub-Branches **4**
ATMs/CRMs **2**
Agent Banking Outlets **9**

MYMENSINGH
Branches **2**
Sub-Branches **1**
ATMs/CRMs **11**
Agent Banking Outlets **8**

SYLHET
Branches **7**
Sub-Branches **1**
ATMs/CRMs **9**
Agent Banking Outlets **5**

DHAKA
Branches **65**
Sub-Branches **23**
ATMs/CRMs **110**
Agent Banking Outlets **28**

CHATTOGRAM
Branches **45**
Sub-Branches **8**
ATMs/CRMs **48**
Agent Banking Outlets **66**

REFLECTIONS FROM THE TOP



CHAIRMAN'S STATEMENT



MD. ANWARUL HAQUE
CHAIRMAN

DEAR SHAREHOLDERS,

It is my privilege to welcome our shareholders to the 27th Annual General Meeting of Mercantile Bank PLC. and to place before you the audited Annual Report and financial statements for the year ended 31 December 2025. The year under review was, by any reasonable measure, one of the most testing years our industry has navigated in recent memory — and within that context, our institution recorded measurable progress across several important dimensions, even as substantive work remains in others.

A YEAR OF RECALIBRATION AT HOME AND ABROAD

The year 2025 unfolded against a global backdrop that remained demanding. Global growth held at around 3.3%, with disinflation progressing unevenly across major economies and central banks moving more cautiously on rate adjustments than markets had anticipated. Geopolitical tensions and the continued recalibration of global trade flows shaped the operating environment for emerging-market banks throughout the year.

At home, Bangladesh navigated a year of significant adjustment. GDP growth in FY2025 settled at 3.49%, reflecting tighter monetary conditions and the cyclical absorption of the country's reform programme.

THE 2025 FINANCIAL YEAR REPRESENTS A STEP FORWARD IN OUR JOURNEY OF DISCIPLINED, PRINCIPLE-LED BANKING. IN THIS YEAR, WE HELD TO THE PRINCIPLES AND THE PATIENCE THAT HAVE DEFINED THIS INSTITUTION THROUGH EVERY CYCLE. THE WORK OF STRENGTHENING IT FURTHER CONTINUES WITH THE SAME CARE AND DISCIPLINE THAT THE MOMENT REQUIRES.

Inflation remained elevated, closing December at 8.49% point-to-point. In response, Bangladesh Bank maintained a contractionary stance. Exchange-rate stabilisation, the recovery of foreign-exchange reserves to comfortable levels, and record remittance inflows together restored an external footing materially stronger than the country entered the year on. The orderly completion of the political transition and the national election further consolidated institutional continuity, laying the basis for renewed reform momentum through 2026. For our Bank, this environment shaped both the opportunities we pursued and the discipline with which we pursued them.

THE YEAR IN OPERATING CONTEXT

The 2025 financial year saw Mercantile Bank PLC. deliver measurable improvement across several key indicators against a backdrop of exceptional industry stress. Net profit after tax rose by 90.10% to BDT 119.99 crore. Our deposit base expanded by 10.81% to BDT 37,978.75 crore, channelling approximately BDT 3,706 crore of net stable funding into the institution within a single year at a time when depositors across the country were carefully reassessing where their savings belonged. Asset quality showed improvement, with the non-performing loan ratio moving from 17.25% to 15.19% — a position that still requires sustained attention. Total assets expanded by 7.47% to BDT 47,788.75 crore, operating profit before provisions and tax rose modestly to BDT 581.70 crore, and earnings per share recovered to BDT 1.08.

These outcomes reflect the operational discipline and considered judgment applied through the year. The Bank's cost-to-income ratio improved to 58.13% from 60.06% — a creditable outcome in a year of double-digit inflation, earned through sustained cost management and the careful redirection of resources. We approach the position with measured confidence: the direction of travel is constructive, while the work of further strengthening the Bank remains substantial.

BUILDING FROM WITHIN

Several developments through the year strengthened the institution's underlying foundations. The growth in stable, longer-duration deposits, with scheme deposits rising 51.66% to BDT 8,446.76 crore, reflects the trust our customers continue to place in this Bank, even as deposit competition across the system intensified. The deliberate redeployment of liquidity into government securities, which expanded our investment portfolio by 43.40% to BDT 12,785.36 crore, generated BDT 934.84 crore of investment income — an outcome that helped offset the cyclical compression in net interest income during the year. The Common Equity Tier-I ratio strengthened modestly to 8.68% from 8.13% through retained earnings — building the highest-quality form of capital from within, though the overall Capital to Risk-Weighted Asset Ratio at 12.52% remains a position requiring continued attention and rebuilding over the coming years.

Our subsidiaries — Mercantile Bank Securities Limited, MBL Asset Management Limited, and Mercantile Exchange House (UK) Limited — each recording developments collectively represent considered progress.

DRIVING NATIONAL PROGRESS: ANCHORING TRADE, REMITTANCE AND INCLUSIVE GROWTH

Mercantile Bank PLC. continued to serve as an active partner in the broader economic life of Bangladesh through 2025. We facilitated import business of BDT 25,005.71 crore and export business of BDT 20,585.02 crore, connecting Bangladeshi enterprise to global markets and supporting the country's gradual recovery in external trade activity. Through our domestic network and our UK Exchange House, we channelled remittance inflows that contributed to the foreign-exchange resilience underpinning the country's external stabilisation. We participated in Bangladesh Bank's directed-lending priorities — extending finance to women entrepreneurs, small and medium enterprises, agro-processing industries, certified green buildings, and other

priority segments aligned with national development objectives. And we discharged our fiscal responsibilities to the State in full, contributing to the national exchequer through corporate taxation, withholding taxes, excise duty, and VAT collections — affirming our role as a responsible corporate citizen.

COMMITMENT TO GOOD GOVERNANCE: REINFORCING THE ARCHITECTURE OF TRUST

In a year that tested confidence in the banking sector with rare intensity, governance functioned as an essential source of institutional strength. The Board remained closely engaged throughout the year, exercising oversight with the seriousness the operating environment demanded. Governance practices were aligned with the BSEC Corporate Governance Code 2018, the directives of Bangladesh Bank, and the wider expectations of the regulatory community. The Audit Committee, the Risk Management Committee, and the Executive Committee each discharged their mandates with the independence and rigour that effective governance requires. Internal audit continued to report directly to the Audit Committee, preserving the chain of assurance on which institutional credibility rests.

THE PATH FORWARD: CONTINUED STRENGTHENING AND CALIBRATED GROWTH

The 2025 financial year represents a step forward in our journey of disciplined, principle-led banking. In this year, we held to the principles and the patience that have defined this institution through every cycle. The work of strengthening it further continues with the same care and discipline that the moment requires.

As we look toward 2026, the operating environment remains demanding, and the path forward calls for sustained discipline rather than premature confidence. The International Monetary Fund projects Bangladesh's growth at approximately 4.7% in FY2026, with a gradual return toward the medium-term potential of six per cent. Inflation is expected to moderate progressively. The banking sector will advance further into the Expected Credit Loss regime and the more forward-looking discipline of Risk-Based Supervision — regulatory transitions that will require continued capability investment, careful preparation, and active engagement with Bangladesh Bank. For our institution, the outlook is one of selective opportunity coupled with sustained focus on the substantive work that remains.

The strategic priorities for the year ahead are clear and disciplined: to drive continued improvement in asset quality through intensified recovery, structured workout of stressed exposures, and disciplined origination practices; to rebuild capital strength meaningfully above the regulatory minimum through retained earnings, optimisation of risk-weighted assets, and where appropriate the careful deployment of capital instruments; to deepen our retail and SME franchises as the enduring foundations of stable, long-term funding; to restore net interest margin as policy rates moderate; to broaden our non-interest income streams across trade finance, card business, treasury operations, and digital channels; and to embed sustainability and climate considerations as integral elements of every lending decision we make. These priorities are not isolated initiatives but strands of a single, coherent strategy — designed to strengthen the institution further over the coming years, with patience, discipline, and steady execution.

7.47%

GROWTH OF TOTAL ASSETS IN 2025

APPRECIATION

The progress of 2025 was made possible by the stewardship, support, and trust of many partners, and I close these reflections by recognising them with gratitude.

To Bangladesh Bank, the Bangladesh Securities and Exchange Commission, the Financial Reporting Council, the National Board of Revenue, the Dhaka and Chittagong Stock Exchanges, and RJSC&F — we extend our sincere appreciation for the stewardship of the financial sector and for the constructive, principled engagement that has shaped this year's results. Their guidance, vigilance, and commitment to the long-term health of the financial system remain foundational to all that responsible banking aspires to be.

To my esteemed fellow Directors on the Board of Mercantile Bank PLC. — my sincere gratitude for the engagement, judgement, and discipline you have brought to every deliberation and every decision of this past year. The progress of this institution owes much to the quality of counsel that flows from this Board.

To our Managing Director and to every colleague across Mercantile Bank PLC. and our subsidiaries — the operating results placed before this Annual General Meeting reflect your sustained, often unseen effort across a year of considerable complexity. To each of you, my thanks for the dedication, care, and professionalism that animate this Bank day after day.

And to our shareholders, our customers, and our partners — your confidence remains the foundation on which we operate. We are honoured to be the custodians of that trust, and we are committed to continuing to earn it through patient, disciplined, and considered work over the years ahead.

May Almighty Allah continue to bless our shared journey and guide us toward greater heights.

Md. Anwarul Haque
Chairman, Board of Directors

চেয়ারম্যানের বক্তব্য

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

মার্কেন্টাইল ব্যাংক পিএলসি.-এর ২৭তম বার্ষিক সাধারণ সভায় আমাদের শেয়ারহোল্ডারবৃন্দকে স্বাগত জানাতে পেরে এবং ৩১ ডিসেম্বর ২০২৫ তারিখে সমাপ্ত বছরের নিরীক্ষিত বার্ষিক প্রতিবেদন ও আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে পেরে আমি আনন্দিত। আলোচ্য বছরটি ছিল আমাদের ব্যাংকিং খাতের জন্য সাম্প্রতিক সময়ের অন্যতম চ্যালেঞ্জিং বছর। তবুও এই প্রেক্ষাপটে আমাদের প্রতিষ্ঠান বিভিন্ন গুরুত্বপূর্ণ ক্ষেত্রে উল্লেখযোগ্য অগ্রগতি অর্জন করেছে, যদিও অন্যান্য ক্ষেত্রে গুরুত্বপূর্ণ কাজ অবশিষ্ট রয়েছে।

দেশ ও বিশ্বের প্রেক্ষাপটে পুনর্বিন্যাসের একটি বছর

২০২৫ সাল বৈশ্বিক অর্থনীতির জন্যও ছিল একটি কঠিন সময়। বৈশ্বিক প্রবৃদ্ধি প্রায় ৩.৩% হারে স্থিতিশীল ছিল, তবে মূল্যস্ফীতি নিয়ন্ত্রণের অগ্রগতি ছিল অসম। বিভিন্ন দেশের কেন্দ্রীয় ব্যাংক সুদের হার সমন্বয়ে বাজারের প্রত্যাশার তুলনায় বেশি সতর্ক ছিল। ভূ-রাজনৈতিক উত্তেজনা এবং বৈশ্বিক বাণিজ্যের নতুন বিন্যাস উদীয়মান অর্থনীতির ব্যাংকগুলোর জন্য চ্যালেঞ্জ তৈরি করে।

দেশীয় পর্যায়ে, বাংলাদেশ একটি গুরুত্বপূর্ণ সমন্বয়ের বছর অতিক্রম করেছে। ২০২৫ অর্থবছরে জিডিপি প্রবৃদ্ধি ৩.৪৯ শতাংশে দাঁড়ায়, যা কঠোর মুদ্রানীতি এবং দেশের সংস্কার কর্মসূচির চক্রাকার প্রভাবের প্রতিফলন। মূল্যস্ফীতি উচ্চ পর্যায়ে অবস্থান করেছে এবং ডিসেম্বর শেষে পয়েন্ট-টু-পয়েন্ট ভিত্তিতে ৮.৪৯ শতাংশে দাঁড়ায়। এর প্রেক্ষিতে বাংলাদেশ ব্যাংক সংকোচনমূলক নীতি বজায় রাখে। বিনিময় হার স্থিতিশীলতা, বৈদেশিক মুদ্রার রিজার্ভের স্বস্তিদায়ক পর্যায়ে পুনরুদ্ধার এবং রেকর্ড পরিমাণ রেমিট্যান্স প্রবাহ সম্মিলিতভাবে দেশের বহিঃখাতকে বছরের শুরুতে যে অবস্থায় ছিল তার তুলনায় উল্লেখযোগ্যভাবে শক্তিশালী করেছে। রাজনৈতিক রূপান্তর এবং জাতীয় নির্বাচন সুশৃঙ্খলভাবে সম্পন্ন হওয়ায় প্রাতিষ্ঠানিক ধারাবাহিকতা আরও সুসংহত হয়েছে, যা ২০২৬ সালের সংস্কার কর্মসূচির জন্য নতুন গতি সঞ্চারের ভিত্তি স্থাপন করেছে। আমাদের ব্যাংকের জন্য, এই পরিবেশ যেমন নতুন সুযোগ সৃষ্টি করেছে, তেমনি সেই সুযোগগুলো অনুসরণের ক্ষেত্রে শৃঙ্খলা ও সতর্কতাও নির্ধারণ করেছে।

বছরের পরিচালনাগত প্রেক্ষাপট

২০২৫ অর্থবছরে মার্কেন্টাইল ব্যাংক পিএলসি. শিল্পখাতজুড়ে বিরাজমান ব্যতিক্রমী চাপের মধ্যেও বেশ কয়েকটি গুরুত্বপূর্ণ সূচকে পরিমাপযোগ্য উন্নতি অর্জন করেছে। কর-পরবর্তী নিট মুনাফা ৯০.১০ শতাংশ বৃদ্ধি পেয়ে ১১৯.৯৯ কোটি টাকায় উন্নীত হয়েছে—যা আয়ের ক্ষেত্রে একটি তাৎপর্যপূর্ণ পুনরুদ্ধার। আমাদের আমানতভিত্তি ১০.৮১ শতাংশ বৃদ্ধি পেয়ে ৩৭,৯৭৮.৭৫ কোটি টাকায় পৌঁছেছে, যার ফলে এক বছরের মধ্যেই প্রায় ৩,৭০৬ কোটি টাকার নিট স্থিতিশীল তহবিল ব্যাংকে যুক্ত হয়েছে। এমন এক সময়ে এই অর্জন এসেছে যখন দেশের আমানতকারীরা তাদের সঞ্চয় কোথায় রাখবেন সে বিষয়ে অত্যন্ত সতর্কতার সঙ্গে পুনর্বিবেচনা করছিলেন।

সম্পদের গুণগত মানেও উন্নতি হয়েছে। খেলাপি ঋণের হার ১৭.২৫ শতাংশ থেকে কমে ১৫.১৯ শতাংশে নেমে এসেছে, যদিও এই অবস্থান আরও ধারাবাহিক মনোযোগ দাবি করে।

মোট সম্পদ ৭.৪৭ শতাংশ বৃদ্ধি পেয়ে ৪৭,৭৮৮.৭৫ কোটি টাকায় উন্নীত হয়েছে। প্রভিশন ও কর-পূর্ব পরিচালন মুনাফা সামান্য বৃদ্ধি পেয়ে ৫৮১.৭০ কোটি টাকায় দাঁড়িয়েছে এবং শেয়ারপ্রতি আয় (EPS) পুনরুদ্ধার হয়ে ১.০৮ টাকায় পৌঁছেছে।

এই ফলাফলগুলো বছরের পুরো সময়জুড়ে অনুসৃত কার্যকর পরিচালন শৃঙ্খলা ও বিচক্ষণ সিদ্ধান্ত গ্রহণের প্রতিফলন। ব্যাংকের ব্যয়-আয় অনুপাত ৬০.০৬ শতাংশ থেকে কমে ৫৮.১৩ শতাংশে দাঁড়িয়েছে—যা দ্বি-অঙ্কের মূল্যস্ফীতির বছরেও একটি প্রশংসনীয় সাফল্য। এটি অর্জিত হয়েছে ধারাবাহিক ব্যয় নিয়ন্ত্রণ এবং সম্পদের সুচিন্তিত পুনর্বিন্যাসের মাধ্যমে।

আমরা এই অবস্থানকে পরিমিত আত্মবিশ্বাসের সঙ্গে মূল্যায়ন করি। অগ্রগতির দিকনির্দেশনা ইতিবাচক হলেও ব্যাংককে আরও শক্তিশালী করার কাজ এখনও ব্যাপক এবং তা অব্যাহত রয়েছে।

ভিতর থেকে ভিত্তি শক্তিশালীকরণ

বছরজুড়ে বেশ কয়েকটি অগ্রগতি প্রতিষ্ঠানের অন্তর্নিহিত ভিত্তিকে শক্তিশালী করেছে। দীর্ঘমেয়াদি ও স্থিতিশীল আমানতের প্রবৃদ্ধি, বিশেষত স্কিম আমানত ৫১.৬৬ শতাংশ বৃদ্ধি পেয়ে ৮,৪৪৬.৭৬ কোটি টাকায় উন্নীত হওয়া, ব্যাংকের প্রতি গ্রাহকদের অব্যাহত আস্থার প্রতিফলন। এমনকি যখন পুরো ব্যাংকিং ব্যবস্থায় আমানত সংগ্রহে প্রতিযোগিতা তীব্রতর হচ্ছিল, তখনও এই আস্থা অটুট ছিল।

তারল্য ব্যবস্থাপনার অংশ হিসেবে সরকারি সিকিউরিটিজে পরিকল্পিত বিনিয়োগ বৃদ্ধির ফলে আমাদের বিনিয়োগ পোর্টফোলিও ৪৩.৫০ শতাংশ বৃদ্ধি পেয়ে ১২,৭৮৫.৩৬ কোটি টাকায় পৌঁছেছে। এর মাধ্যমে ৯৩৪.৮৪ কোটি টাকার বিনিয়োগ আয় অর্জিত হয়েছে, যা বছরের মধ্যে নিট সুদ আয়ের চক্রাকার সংকোচনের প্রভাব আংশিকভাবে মোকাবিলায় সহায়তা করেছে।

সংরক্ষিত আয়ের মাধ্যমে কমন ইকুইটি টিয়ার-১ (CET-1) অনুপাত ৮.১৩ শতাংশ থেকে সামান্য বৃদ্ধি পেয়ে ৮.৬৮ শতাংশে উন্নীত হয়েছে। এটি প্রতিষ্ঠানের অভ্যন্তরীণ উৎস থেকে সর্বোচ্চ মানের মূলধন গঠনের প্রতিফলন। তবে ঝুঁকি-ভারযুক্ত সম্পদের বিপরীতে মোট মূলধন অনুপাত (Capital to Risk-Weighted Asset Ratio) ১২.৫২ শতাংশে অবস্থান করছে, যা আগামী বছরগুলোতে আরও শক্তিশালী করার জন্য অব্যাহত মনোযোগের দাবি রাখে।

আমাদের সহযোগী প্রতিষ্ঠানসমূহ— মার্কেন্টাইল ব্যাংক সিকিউরিটিজ লিমিটেড, এমবিএল অ্যাসেট ম্যানেজমেন্ট লিমিটেড এবং মার্কেন্টাইল এক্সচেঞ্জ হাউস (ইউকে) লিমিটেড— প্রত্যেকেই নিজ নিজ ক্ষেত্রে কার্যসম্পাদন করেছে, যা সম্মিলিতভাবে আমাদের সুপরিকল্পিত ও ধারাবাহিক উন্নয়নের প্রতিফলন।

জাতীয় অগ্রগতিতে অবদান: বাণিজ্য, রেমিট্যান্স ও অন্তর্ভুক্তিমূলক প্রবৃদ্ধির নোঙর

২০২৫ সালজুড়ে মার্কেন্টাইল ব্যাংক পিএলসি. বাংলাদেশের সামগ্রিক অর্থনৈতিক কর্মকাণ্ডের একটি সক্রিয় অংশীদার হিসেবে কাজ করে গেছে। আমরা ২৫,০০৫.৭১ কোটি টাকার আমদানি ব্যবসা এবং ২০,৫৮৫.০২ কোটি টাকার রপ্তানি ব্যবসা পরিচালনা করেছি, যার মাধ্যমে বাংলাদেশের ব্যবসা-বাণিজ্যকে বৈশ্বিক বাজারের সঙ্গে সংযুক্ত রাখতে এবং দেশের বৈদেশিক বাণিজ্যের ধীরগতির পুনরুদ্ধারকে সমর্থন করতে ভূমিকা রেখেছি।

আমাদের দেশীয় নেটওয়ার্ক এবং যুক্তরাজ্যভিত্তিক এক্সচেঞ্জ হাউসের মাধ্যমে আমরা উল্লেখযোগ্য পরিমাণ রেমিট্যান্স প্রবাহ দেশের অর্থনীতিতে প্রবেশের সুযোগ সৃষ্টি করেছি, যা দেশের বৈদেশিক মুদ্রা খাতের স্থিতিশীলতা জোরদারে সহায়ক হয়েছে।

বাংলাদেশ ব্যাংকের নির্দেশিত অগ্রাধিকারমূলক ঋণ কর্মসূচির আওতায় আমরা নারী উদ্যোক্তা, ক্ষুদ্র ও মাঝারি শিল্প (এসএমই), কৃষিভিত্তিক প্রক্রিয়াজাত শিল্প, পরিবেশবান্ধব প্রত্যয়িত ভবন এবং অন্যান্য গুরুত্বপূর্ণ খাতে অর্থায়ন প্রদান করেছি, যা জাতীয় উন্নয়ন লক্ষ্যের সঙ্গে সামঞ্জস্যপূর্ণ।একই সঙ্গে আমরা রাষ্ট্রের প্রতি আমাদের আর্থিক দায়বদ্ধতা যথাযথভাবে পালন করেছি। কর্পোরেট কর, উৎসে

কর, আবগারি শুল্ক এবং ভ্যাট সংগ্রহ ও পরিশোধের মাধ্যমে জাতীয় রাজস্ব ভাণ্ডারে অবদান রেখে আমরা একজন দায়িত্বশীল কর্পোরেট নাগরিক হিসেবে আমাদের ভূমিকা পালন করেছি।

সুশাসনের প্রতি অঙ্গীকার: আস্থার স্থাপত্যের পুনঃসুদৃঢ়করণ

যে বছর ব্যাংকিং খাতের প্রতি আস্থা বিরল মাত্রায় পরীক্ষার মুখোমুখি হয়েছে, সেই বছরে সুশাসন আমাদের প্রতিষ্ঠানের অন্যতম প্রধান শক্তি হিসেবে কাজ করেছে। পরিচালনা পর্ষদ সারা বছর ঘনিষ্ঠভাবে কার্যক্রম তদারকি করেছে এবং পরিস্থিতির গুরুত্ব বিবেচনায় প্রয়োজনীয় দায়িত্বশীলতা ও বিচক্ষণতার সঙ্গে তাদের ভূমিকা পালন করেছে। আমাদের সুশাসন কাঠামো বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (BSEC) কর্পোরেট গভর্ন্যান্স কোড ২০১৮, বাংলাদেশ ব্যাংকের নির্দেশনা এবং নিয়ন্ত্রক সংস্থাগুলোর প্রত্যাশার সঙ্গে সামঞ্জস্যপূর্ণ ছিল। অডিট কমিটি, রিস্ক ম্যানেজমেন্ট কমিটি এবং এক্সিকিউটিভ কমিটি প্রত্যেকেই স্বাধীনতা, পেশাদারিত্ব এবং কঠোর মানদণ্ডের সঙ্গে তাদের দায়িত্ব পালন করেছে।অভ্যন্তরীণ নিরীক্ষা বিভাগ সরাসরি অডিট কমিটির নিকট প্রতিবেদন প্রদান অব্যাহত রেখেছে, যার ফলে প্রতিষ্ঠানের জবাবদিহিতা ও নির্ভরযোগ্যতার ভিত্তি অক্ষুণ্ন রয়েছে।

সম্মুখপথ: ধারাবাহিক শক্তিশালীকরণ ও ভারসাম্যপূর্ণ প্রবৃদ্ধি

২০২৫ অর্থবছর আমাদের শৃঙ্খলাবদ্ধ ও নীতিনিষ্ঠ ব্যাংকিং অভিযাত্রায় একটি গুরুত্বপূর্ণ অগ্রগতির মাইলফলক। এ বছরে আমরা সেই নীতি, মূল্যবোধ ও ধৈর্যের প্রতি অবিচল থেকেছি, যা প্রতিটি পরিবর্তনশীল সময়পর্বে এ প্রতিষ্ঠানকে পথ দেখিয়েছে। প্রতিষ্ঠানটিকে আরও শক্তিশালী ও সক্ষম করে তোলার প্রচেষ্টা অব্যাহত রয়েছে, এবং সেই প্রচেষ্টা বর্তমান সময়ের দাবি অনুযায়ী একই সতর্কতা, বিচক্ষণতা ও শৃঙ্খলার সঙ্গে পরিচালিত হচ্ছে।

আমরা যখন ২০২৬ সালের দিকে তাকাই, তখন দেখতে পাই যে পরিচালন পরিবেশ এখনও চ্যালেঞ্জপূর্ণ এবং সামনের পথ আত্মতুষ্টির নয়, বরং অব্যাহত শৃঙ্খলা ও অধ্যবসায়ের দাবি রাখে। আন্তর্জাতিক মুদ্রা তহবিল (IMF) ২০২৬ অর্থবছরে বাংলাদেশের প্রবৃদ্ধি প্রায় ৪.৭ শতাংশ হবে বলে পূর্বাভাস দিয়েছে, যা ধীরে ধীরে মধ্যমেয়াদি ৬ শতাংশ সম্ভাব্য প্রবৃদ্ধির দিকে ফিরে যাওয়ার ইঙ্গিত বহন করে। একই সঙ্গে মূল্যস্ফীতি ধীরে ধীরে হ্রাস পাওয়ার প্রত্যাশা করা হচ্ছে। ব্যাংকিং খাত ক্রমান্বয়ে Expected Credit Loss (ECL) কাঠামো এবং অধিকতর অগ্রগামী Risk-Based Supervision ব্যবস্থার আওতায় প্রবেশ করবে। এই নিয়ন্ত্রক পরিবর্তনগুলো বাস্তবায়নের জন্য সক্ষমতা বৃদ্ধি, সুপরিকল্পিত প্রস্তুতি এবং বাংলাদেশ ব্যাংকের সঙ্গে সক্রিয় সম্পৃক্ততা অপরিহার্য হবে।

আগামী বছরের জন্য আমাদের কৌশলগত অগ্রাধিকারসমূহ সুস্পষ্ট ও সুসংগঠিত: ঋণ পুনরুদ্ধার কার্যক্রম জোরদার করা, চাপগ্রস্ত ঋণের কাঠামোগত পুনর্বিন্যাস এবং শৃঙ্খলাপূর্ণ ঋণ বিতরণের মাধ্যমে সম্পদের গুণগত মানের আরও উন্নতি সাধন; সংরক্ষিত আয়, ঝুঁকি-ভারযুক্ত সম্পদের সর্বোত্তম ব্যবস্থাপনা এবং প্রয়োজন অনুযায়ী মূলধনী উপকরণের বিচক্ষণ ব্যবহার করে নিয়ন্ত্রক ন্যূনতম সীমার চেয়ে অর্থবহভাবে উচ্চতর মূলধন সক্ষমতা গড়ে তোলা; স্থিতিশীল ও দীর্ঘমেয়াদি তহবিলের ভিত্তি হিসেবে রিটেইল ব্যাংকিং ও এসএমই খাতকে আরও শক্তিশালী করা; নীতিগত সুদের হার হ্রাসের সঙ্গে সঙ্গে নিট সুদ মার্জিন পুনরুদ্ধার করা; ট্রেড ফাইন্যান্স, কার্ড ব্যবসা, ট্রেজারি কার্যক্রম এবং ডিজিটাল চ্যানেলের মাধ্যমে অ-সুদভিত্তিক আয়ের উৎস সম্প্রসারণ করা; প্রতিটি ঋণ সিদ্ধান্তে টেকসই উন্নয়ন এবং জলবায়ু-সংক্রান্ত বিবেচনাকে অবিচ্ছেদ্য অংশ হিসেবে অন্তর্ভুক্ত করা। এই অগ্রাধিকারগুলো বিচ্ছিন্ন কোনো উদ্যোগ নয়; বরং একটি সমন্বিত ও সুসংহত কৌশলের অংশ, যার উদ্দেশ্য আগামী বছরগুলোতে ধৈর্য, শৃঙ্খলা এবং ধারাবাহিক বাস্তবায়নের মাধ্যমে প্রতিষ্ঠানকে আরও শক্তিশালী করে তোলা।

কৃতজ্ঞতা

২০২৫ সালের অগ্রগতি সম্ভব হয়েছে বহু অংশীজনের দিকনির্দেশনা, সহযোগিতা ও আস্থার মাধ্যমে। তাঁদের প্রতি কৃতজ্ঞতা প্রকাশের মধ্য দিয়েই আমি আমার বক্তব্য শেষ করতে চাই।

বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (BSEC), ফাইন্যান্সিয়াল রিপোর্টিং কাউন্সিল (FRC), জাতীয় রাজস্ব বোর্ড (NBR), ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জ এবং রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ অ্যান্ড ফার্মস (RJSC&F)-এর প্রতি আমরা আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি। আর্থিক খাতের সুশাসন নিশ্চিতকরণে তাঁদের নেতৃত্ব, গঠনমূলক সহযোগিতা এবং নীতিনিষ্ঠ সম্পৃক্ততা এ বছরের ফলাফল অর্জনে গুরুত্বপূর্ণ ভূমিকা পালন করেছে। তাঁদের দিকনির্দেশনা, সতর্ক তদারকি এবং আর্থিক ব্যবস্থার দীর্ঘমেয়াদি স্থিতিশীলতার প্রতি অঙ্গীকার দায়িত্বশীল ব্যাংকিংয়ের ভিত্তিকে সুদৃঢ় করেছে।

মার্কেন্টাইল ব্যাংক পিএলসি.-এর পরিচালনা পর্ষদের সম্মানিত সহ-পরিচালকদের প্রতিও আমি আন্তরিক কৃতজ্ঞতা প্রকাশ করছি। বিগত বছরজুড়ে প্রতিটি আলোচনা ও সিদ্ধান্ত গ্রহণ প্রক্রিয়ায় আপনাদের সক্রিয় অংশগ্রহণ, বিচক্ষণতা এবং শৃঙ্খলাবোধ এই প্রতিষ্ঠানের অগ্রগতিতে গুরুত্বপূর্ণ অবদান রেখেছে। পরিচালনা পর্ষদ থেকে প্রাপ্ত মূল্যবান পরামর্শ ও দিকনির্দেশনাই আমাদের এগিয়ে যাওয়ার অন্যতম শক্তি।

আমাদের ব্যবস্থাপনা পরিচালক এবং মার্কেন্টাইল ব্যাংক পিএলসি. ও এর সহযোগী প্রতিষ্ঠানসমূহের সকল সহকর্মীর প্রতিও আমি আন্তরিক ধন্যবাদ জ্ঞাপন করছি। বার্ষিক সাধারণ সভায় উপস্থাপিত এই পরিচালন ফলাফল একটি জটিল ও চ্যালেঞ্জপূর্ণ বছরে আপনাদের নিরলস, প্রায়শই অদৃশ্য কিন্তু অত্যন্ত গুরুত্বপূর্ণ প্রচেষ্টারই প্রতিফলন। আপনাদের নিষ্ঠা, যত্নশীলতা এবং পেশাদারিত্ব প্রতিদিন এই প্রতিষ্ঠানকে এগিয়ে নিয়ে যাচ্ছে।

এবং সর্বোপরি, আমাদের সম্মানিত শেয়ারহোল্ডার, গ্রাহক ও অংশীদারদের প্রতি জানাই আন্তরিক কৃতজ্ঞতা। আপনাদের আস্থাই আমাদের কার্যক্রমের মূল ভিত্তি। এই আস্থার রক্ষক হতে পেরে আমরা গর্বিত এবং আগামী দিনগুলোতেও ধৈর্য, শৃঙ্খলা ও বিচক্ষণতার সঙ্গে কাজ করে আপনাদের সেই আস্থা অর্জন ও ধরে রাখার অঙ্গীকার পুনর্ব্যক্ত করছি।

মহান আল্লাহ আমাদের এই সম্মিলিত যাত্রাকে অব্যাহতভাবে আশীর্বাদ করুন এবং আমাদের আরও সাফল্য ও সমৃদ্ধির পথে পরিচালিত করুন।

মোঃ আনোয়ারুল হক
চেয়ারম্যান, পরিচালনা পর্ষদ



ইনস্ট্যান্ট

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MBL Rainbow

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- অন্যান্য ব্যাংক
  - BEFTN
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মোবাইল রিচার্জ
- প্রিপেইড
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- Instant বিল পেমেন্ট

ইউটিলিটি বিল পরিশোধ
- ডেসকো
- ডিপিডিসি
- নেসকো
- ঢাকা ওয়াসা
- খুলনা ওয়াসা
- জালালাবাদ
- ওয়েস্ট জোন পাওয়ার

MBPLC কার্ড বিল পরিশোধ
- ক্রেডিট কার্ড
- প্রিপেইড কার্ড

MFS ফান্ড ট্রান্সফার
- bKash
- নগদ

সকল ব্রাঞ্চ এবং এটিএম এর ঠিকানা

বাংলা QR পেমেন্ট
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অ্যাকাউন্ট খোলা
- ঘরে বসে শুধুমাত্র NID দিয়ে অ্যাকাউন্ট খুলুন

ডিপোজিট
- Instant DPS/MSS & FDR খোলা এবং নগদায়ন

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

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

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

শিক্ষা ফি পরিশোধ
- ঢাকা ইম্পেরিয়াল কলেজ

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

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MANAGING DIRECTOR'S REVIEW



MATI UL HASAN
MANAGING DIRECTOR

DEAR STAKEHOLDERS,

As-salamu alaikum.

The year 2025 was, operationally, the most demanding year our industry has navigated in recent memory. Tighter loan-classification standards reshaped how banks recognise risk on their books; private-sector credit growth slowed to multi-decade lows; deposit competition intensified as customers actively reassessed where their funds belonged; and the cost of funding rose materially through the elevated-rate environment. For our management team, this environment translated into a year of constant calibration — pricing assets and liabilities through tighter spreads, intensifying recovery operations on legacy exposures, deploying surplus liquidity into the highest-return opportunities available, holding operating costs firmly in check despite double-digit inflation, and maintaining service quality across our entire branch and digital network even as the operating tempo accelerated.

What we are able to report today is the direct outcome of that execution. Net profit after tax of BDT 119.99 crore (a 90.10% year-on-year increase), a deposit base of BDT 37,978.75 crore (up 10.81% with BDT

OUR STRATEGIC FOCUS REMAINS ON SUSTAINABLE GROWTH, OPERATIONAL EXCELLENCE AND INNOVATION — POSITIONING MERCANTILE BANK PLC. AS A SAFE, STRONG AND FORWARD-LOOKING INSTITUTION FOR THE NEXT PHASE OF THE COUNTRY'S DEVELOPMENT.

3,706 crore of net new funding), a non-performing loan ratio brought down to 15.19% (against an industry-wide deterioration to approximately 30.60%), an operating profit of BDT 581.70 crore (despite materially compressed net interest income), and a cost-to-income ratio improved to 58.13% — these are not abstract indicators of institutional health. They are the measurable results of decisions throughout the year.

The sections that follow define substantive detail of how the Bank performed across each of its principal business lines, the macroeconomic and banking-sector context within which we operated, the progress we have made on asset quality and capital, the milestones achieved in our digital transformation agenda, our commitments to our people and to sustainability, and the strategic priorities that will guide our operating focus into 2026.

MACROECONOMIC AND BANKING SECTOR REVIEW

GLOBAL ECONOMIC LANDSCAPE

Global growth in 2025 came in at 3.3%, with disinflation progressing unevenly across major economies and central banks moving more cautiously on rate cuts than financial markets had priced at the start of the year. The pass-through to emerging-market banking systems was material: higher external funding costs, slower trade flows, and currency volatility that became structural rather than episodic. Geopolitical tensions and the continued recalibration of global trade arrangements added an additional layer of operating complexity, particularly for banks with significant trade-finance and remittance footprints. For our trade and remittance corridors, this environment required active management of correspondent-banking relationships, careful selection of L/C opening counterparties, and continuous repricing of our foreign-currency lending book to reflect prevailing market conditions.

DOMESTIC ECONOMIC DEVELOPMENTS

At home, Bangladesh navigated a year of deep adjustment. GDP growth in FY2025 settled at 3.49% — the weakest performance since the immediate post-Covid recovery period — reflecting tighter monetary conditions, weaker private investment, contractionary fiscal posture, and softer domestic demand. Inflation remained persistently elevated, closing December at 8.49% point-to-point with continued pressure from food and non-food prices alike. In response, Bangladesh Bank maintained a contractionary monetary stance, holding the policy rate at elevated levels and keeping liquidity conditions tight throughout the year. Exchange-rate stabilisation, the recovery of foreign-exchange reserves, and record remittance inflows together restored an external position materially stronger than the country entered the year on — a development that flowed directly into our own treasury operations through more stable USD/BDT trading conditions, improved nostro liquidity, and reduced FX volatility on our trade-finance and remittance flows. The orderly completion of the political transition and the national election further consolidated the

institutional continuity on which all banking activity ultimately depends.

BANKING SECTOR DYNAMICS

The banking sector operated against the most consequential supervisory and structural reset in a generation. Loan-classification standards were tightened in line with international practice. Depositor behaviour shifted noticeably; funds and credibility migrated toward institutions perceived to be soundly governed, adequately capitalised, and professionally managed. Private-sector credit growth slowed to 6.10%, the weakest reading in more than two decades. Bangladesh Bank introduced the Risk-Based Supervision framework, advanced the phased adoption of IFRS 9 / Expected Credit Loss accounting, and enacted the Bank Resolution Ordinance 2025 and the Deposit Protection Ordinance 2025. For our management team, these supervisory transitions translated into significant programme work — data-gathering and sustained engagement with Bangladesh Bank's RBS implementation team — all of which has progressed steadily and on the agreed transition timeline.

DELIVERING RESILIENT FINANCIAL PERFORMANCE

Against this backdrop, our principal business lines delivered measurable, broad-based progress. The results reflect disciplined execution of our operating plan throughout the year:

- Net Profit After Tax of BDT 119.99 crore, an increase of 90.10% over the prior year, achieved through expanded operating profit.
- Interest Income rose by 18.37% to BDT 2,747.46 crore, supported by the higher average yield earned across our earning-asset base, and selective origination at appropriate spreads.
- Investment Income grew by 26.27% to BDT 934.84 crore, driven by a 43.50% expansion of our investment portfolio and active treasury management that generated BDT 205.11 crore of mark-to-market and realised gains on our trading book in addition to the recurring accrual contribution.
- Operating Expenses fell by 4.67% to BDT 807.76 crore in a year of double-digit inflation — a disciplined outcome earned through sustained automation, tighter procurement protocols, and the careful redirection of spend toward technology and risk infrastructure. The cost-to-income ratio improved to 58.13% from 60.06% in 2024.
- Operating Profit before provisions and tax rose by 3.26% to BDT 581.70 crore, demonstrating measurable improvement in core earnings power despite the year's compression in net interest income.
- Total Assets expanded by 7.47% to BDT 47,788.75 crore, with deposits growing by 10.81% to BDT 37,978.75 crore — a net inflow of approximately BDT 3,706 crore in a single year.
- Earnings per Share climbed to BDT 1.08 (solo) and BDT 1.10 (consolidated), nearly doubling from the prior year and signalling tangible value creation for our shareholders.

18.37%

GROWTH IN INTEREST INCOME

> WE CONTINUED TO NURTURE A CULTURE OF INNOVATION, ETHICAL PRACTICE, AND MUTUAL RESPECT — ENCOURAGING EVERY COLLEAGUE TO EMBODY OUR CORE VALUES AND CONTRIBUTE TO OUR SHARED MISSION OF BEING A LEADING, CUSTOMER-CENTRIC FINANCIAL INSTITUTION IN BANGLADESH.

RESTORING ASSET QUALITY, RESTORING EARNINGS POWER

Improving asset quality has been the most operationally intensive priority of our recent strategy, and the audited 2025 results record real and measurable progress. The non-performing loan ratio improved from 17.25% to 15.19% — at a time when the industry's NPL ratio rose to approximately 30.60%. Classified loans declined by 16.11% to BDT 4,342.07 crore, and BDT 2,075.09 crore of fully-provided legacy classified exposure was decisively written off our books during the year. Recovery operations were intensified across legal channels and structured workout arrangements. Our credit-appraisal and early-warning monitoring frameworks were recalibrated to identify stress earlier and act on it faster, and the Special Mention Account pool — now at BDT 2,939.70 crore — sits under intensified monitoring and active borrower engagement. The work is far from complete, but the direction of travel, measured in audited numbers, is unmistakable.

DEPOSIT GROWTH: POWERED BY TRUST, ANCHORED IN DISCIPLINE

Our deposit franchise was the operational standout of the year. In a single year, and in a market in which depositors across the country were actively reassessing where their funds belonged, we increased approximately BDT 3,706 crore of deposits. The composition strengthened materially: deposits under schemes grew 51.66% to BDT 8,446.76 crore,

58.13%

COST-TO-INCOME RATIO

fixed deposits grew 13.53% to BDT 14,333.37 crore, and savings deposits grew 11.73% to BDT 4,115.24 crore. These are the most stable, longest-duration retail balances available to any Bangladeshi bank, and they form the operational foundation on which the next phase of disciplined asset-side growth will be built. The Advance-Deposit Ratio moderated to a comfortable 72.89% (2024: 82.53%), providing meaningful operational headroom for selective credit expansion as the asset-quality cleansing progresses. Behind these aggregate numbers sits the daily work of our network — every account opened, every renewal conversation, every product fit, executed at scale across our entire footprint.

DIGITAL TRANSFORMATION: BUILDING THE BANK OF TOMORROW

Our digital transformation agenda accelerated meaningfully during the year. To safeguard these digital channels, our dedicated Information Security and Governance Division conducted regular cyber-security drills, and maintained ongoing vigilance against an evolving threat environment. The work of preparing for IFRS 9 / Expected Credit Loss adoption and Risk-Based Supervision — the two most consequential regulatory transitions of the medium term — advanced steadily with capacity-building and system development progressing on plan.

EXPANDING REACH, EMPOWERING COMMUNITIES

Mercantile Bank PLC. continued to extend its physical and digital reach in support of bringing unbanked and underbanked populations into the formal financial system. Our diverse network — 153 branches, 48 sub-branches, 188 agent banking outlets nationwide, and over 200 ATM booths — ensures convenient access to financial services, reaches deeper into rural and semi-urban areas, and supports small and medium enterprises across the country. Our Taqwa Islamic Banking windows, available across 45 branches and 02 dedicated Islamic Banking Branches, cater to the specific needs of a diverse clientele seeking Shari'ah-compliant banking. Together, our physical network, our digital platforms, and our agent-banking outlets connect us to communities and customer segments that traditional banking has historically reached only partially.

OUR HUMAN CAPITAL: THE DRIVING FORCE OF EXCELLENCE

At Mercantile Bank PLC., we firmly believe that our employees are our most valuable asset and the driving force behind our enduring success. As at year-end 2025, our dedicated team of professionals serving across our nationwide network and overseas operations with deeper investment per head in capability-building, well-being, and engagement.

Investment in our people during the year accelerated meaningfully. Training programmes delivered covered technical banking, leadership development, risk and compliance, digital skills, customer service, and supervisory effectiveness, with both classroom and online formats maintained at scale. Beyond strategic competitive compensation, we sustained our full suite of statutory and non-statutory employee benefits — provident fund, gratuity, healthcare, and dedicated support for colleagues facing personal hardship or critical illness. We continued to nurture a culture of innovation, ethical practice, and mutual respect — encouraging every colleague to embody our core values and contribute to our shared mission of being a leading, customer-centric financial institution in Bangladesh. The strength of our institution is, finally, the strength of the people who build it day after day.

COMMITMENT TO SUSTAINABILITY AND RESPONSIBLE BANKING

Sustainability remains integral to how we approach long-term value creation. We continued to expand our green and sustainable-finance portfolio during 2025, supported by Bangladesh Bank's directed refinance facilities — for certified green buildings, women-entrepreneur SMEs, agro-processing industries, financial-inclusion supply chains, and brick-kiln modernisation. IFRS S1 and S2 sustainability disclosure standards has begun in coordination with the wider industry transition. Through these efforts, we aim to deliver inclusive and sustainable economic growth alongside our commercial banking activity.

OUTLOOK 2026: SUSTAINABLE GROWTH, OPERATIONAL EXCELLENCE, INNOVATION

Looking ahead to 2026, we remain cautiously optimistic about the economic outlook. Exchange-rate stability, steady remittance inflows and the gradual recovery of exports are expected to support continued resilience. The banking sector will progress further into the Expected Credit Loss regime and the more forward-looking discipline of Risk-Based Supervision. Our priorities for the year ahead are clear: drive sustained improvement in asset

quality through intensified recovery and disciplined origination; rebuild capital strength meaningfully above the regulatory minimum through retained earnings; rebuild net interest margin as policy rates moderate and asset repricing flows through; deepen our non-interest income streams across trade finance, card business, treasury and digital channels; and continue to embed sustainability and climate considerations across our lending decisions. Our strategic focus remains on sustainable growth, operational excellence and innovation — positioning Mercantile Bank PLC. as a safe, strong and forward-looking institution for the next phase of the country's development.

APPRECIATION

My sincere thanks to our Honourable Chairman and to every member of the Board of Directors for the engagement, judgement, and active oversight that have shaped this year's work. To Bangladesh Bank, the Bangladesh Securities and Exchange Commission, the Financial Reporting Council, the National Board of Revenue, the Dhaka and Chittagong Stock Exchanges, and RJSC&F — our sincere appreciation for the regulatory stewardship that has guided the industry through a year of substantial transition.

To every customer and depositor whose continued confidence is the operational foundation on which we conduct our business — thank you. To every shareholder and partner who has remained engaged with us through a demanding year — thank you. And to every colleague across Mercantile Bank PLC. and our subsidiaries — the operating results are, in truth, your achievement. They were earned through the daily work of running a Bank with discipline, care, and commitment to doing things the right way. I am grateful, beyond what words can fully express, for what each of you has contributed during the year just completed.

May Almighty Allah bless our shared journey and guide us toward greater heights.



Mati Ul Hasan
Managing Director

দেশের জনপ্রিয় ডিপোজিট স্কিম

মার্কেন্টাইল ব্যাংকের

মাসিক সঞ্চয় প্রকল্প



ভবিষ্যত নির্মাণে সঞ্চয় করার এখনই সময়

- মাসিক কিস্তি: ৫০০ থেকে ২৫,০০০ টাকা
- মেয়াদকাল: ১, ৩, ৫, ৮ ও ১০ বছর
- মেয়াদপূর্তিতে আকর্ষণীয় মুনাফাসহ এককালীন টাকা প্রদান
- মেয়াদপূর্তির পূর্বে নগদায়নে নির্দিষ্ট হারে মুনাফা (বছর পূর্ণ হলে)
- জমাকৃত টাকার বিপরীতে ৮০% পর্যন্ত ঋণ সুবিধা
- আয়কর রেয়াত সুবিধা

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

DIRECTORS' REPORT 2025

FOR THE YEAR ENDED 31 DECEMBER 2025

On behalf of the Board of Directors of Mercantile Bank PLC, it is both an honour and pleasure to extend a warm welcome to our esteemed shareholders and to place before you the Directors' Report, together with the audited financial statements, for the financial year ended 31 December 2025.

Mercantile Bank PLC delivered a meaningful performance in 2025 — a year that tested the resilience and character of every institution in Bangladesh's banking sector. In the face of sector-wide structural transformation, tight monetary conditions, and an environment of elevated provisioning requirements, the Bank rose to the occasion. The Bank recorded a net profit after tax of BDT 1,199.87 million — a remarkable 90% growth over BDT 631.22 million in 2024. Earnings Per Share (EPS) nearly doubled to BDT 1.08 from BDT 0.57, and the Bank's Net Asset Value Per Share (NAVPS) appreciated to BDT 23.92 from BDT 23.32. Total deposits grew 10.81% to BDT 379787.53 million, reflecting the unwavering confidence of the Bank's depositors and customers.

The Board extends its heartfelt gratitude to the Bank's valued depositors, customers, and shareholders for their enduring trust and loyalty. The Board equally expresses its deep appreciation to the Bank's dedicated employees whose talent, professionalism, and commitment to excellence made these achievements possible.

THE BANK'S STRATEGIC FOCUS IN 2025

In 2024, the Board set out a clear three-priority strategic roadmap for 2025 — centred on aggressive NPL resolution as the urgent priority, profitability restoration and cost optimisation as the mid-term priority, and prudent growth with digital transformation as the long-term priority. The Board is pleased to report that the Bank delivered meaningfully against each of these strategic commitments during the year.

URGENT PRIORITY — AGGRESSIVE NPL RESOLUTION

Addressing asset quality was identified as the foremost objective for 2025, and the Bank pursued this with exceptional determination. The Bank executed the largest single-year loan write-off in its history, BDT 20,750.89 million, decisively clearing long-standing bad debt from the balance sheet. Recovery lawsuits aggregating BDT 57,119.24 million were filed across the branch network, and performance indicators across departments were aligned to reinforce asset quality as a top institutional priority. As a direct result, the NPL ratio improved from 17.25% in 2024 to 15.19% in 2025 — a meaningful step forward on the path to a cleaner and more resilient credit portfolio.

MID-TERM PRIORITY — PROFITABILITY RESTORATION AND COST OPTIMISATION

To rebuild Net Interest Income (NII) and restore profitability, the Bank pursued a twin-track approach of income enhancement and rigorous cost discipline. On the income side, the Bank strategically expanded its investment portfolio by 43.5% to BDT 127,853.59 million, deploying liquidity into high-yielding government securities to protect total operating income at BDT 13,894.57 million even as interest spreads compressed across the industry. Investment income surged 26.27% to BDT 9,348.40 million. On the cost side, austerity was maintained across all branches and divisions, reducing total operating expenses by 4.89% to BDT 8,077.62 million. The combined effect was a 3.3% growth in profit before provision to BDT 5,816.95 million and a 90.1% improvement in net profit after tax to BDT 1,199.87 million.

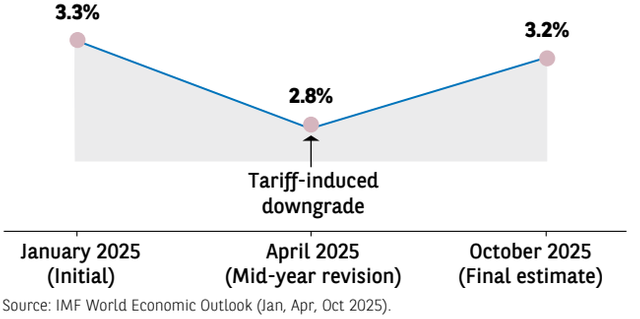
LONG-TERM PRIORITY — PRUDENT GROWTH AND DIGITAL TRANSFORMATION

Future loan growth was guided by a stringent, centralised risk framework with an uncompromising focus on credit quality. Rather than pursuing volume, the Bank concentrated on building a healthier and more selective portfolio. On the deposit side, the Bank grew its funding base by 10.81% to BDT 379,787.53 million through targeted product innovation with the Super Benefit Scheme surging 192% to BDT 36,998.27 million and the women-focused MBL Nari Sanchaya Prokolpo growing 48.45% to BDT 446.49 million. Digital platforms, MBPLC Rainbow (Internet Banking) and MyCash (Mobile Banking), continued to be expanded, improving customer service and unlocking low-cost delivery channels, with ATM card income rising 79% and VISA card income growing 18% during the year.

GLOBAL ECONOMIC REVIEW

The global economy in 2025 proved more resilient than initial fears suggested a testament to the underlying strength of economic fundamentals across major regions and the policy agility of central banks and governments alike. The year unfolded in three distinct phases. In the opening months, the IMF projected global growth at 3.3 percent, supported by easing inflation, gradual monetary policy normalisation, and steady consumer demand. In April 2025, however, a temporary escalation of US trade tariffs introduced significant uncertainty into global supply chains and investment decisions, prompting the IMF to revise its mid-year forecast downward to 2.8 percent. As trade-policy tensions de-escalated through the second half and bilateral negotiations restored a measure of predictability, the global economy adapted swiftly: confidence recovered, financial conditions eased, and the IMF revised its final estimate back up to 3.2 percent in its October 2025 World Economic Outlook.

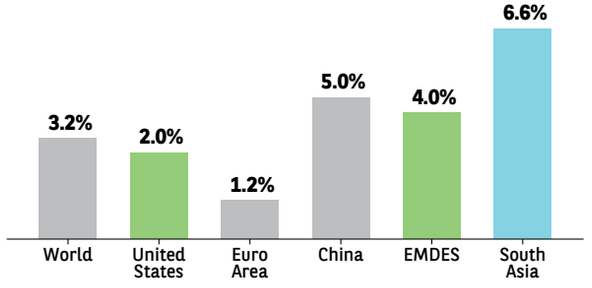
IMF World Economic Outlook - 2025 Projection Trajectory



Source: IMF World Economic Outlook (Jan, Apr, Oct 2025).

The performance across major regions was uneven but broadly constructive. The United States delivered standout growth of approximately 2.0 percent, supported by resilient labour markets, strong household consumption, and continued investment in artificial intelligence and reshored manufacturing capacity. The Euro Area registered modest growth as energy markets stabilised and structural reforms began to bear fruit. China's growth moderated to around 5.0 percent as the property sector continued to recalibrate, while emerging market and developing economies (EMDEs) collectively exceeded 4.0 percent. South Asia retained its position as the world's fastest-growing region at 6.6 percent, led by India, Bangladesh, and a recovering Sri Lanka.

Global GDP Growth 2025 by Region



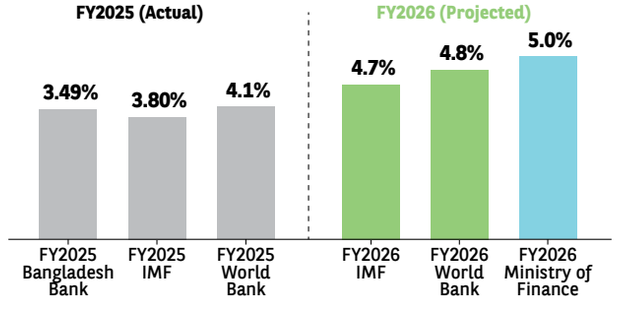
Source: IMF World Economic Outlook (October 2025); World Bank.

Global inflation continued its welcome disinflationary trend, declining to approximately 4.2 percent in 2025 as the coordinated efforts of central banks worldwide began to bear fruit. The US Federal Reserve, the European Central Bank, and the Bank of England all moved cautiously toward policy easing in the second half of the year. Commodity prices remained broadly stable, with oil trading in a moderate range and food prices easing in major exporting nations. For Bangladesh, this benign external environment provided a meaningful tailwind: lower import-cost pressures, more stable global financial conditions, and improved external demand for the country's exports.

BANGLADESH ECONOMIC REVIEW

Bangladesh's economy in FY2025 demonstrated an underlying resilience, navigating through a period of transition while laying the groundwork for a stronger recovery. Real GDP growth stood at approximately 3.49 percent, with the IMF placing it at 3.80 percent and the World Bank at 4.1 percent. While this represented a moderation from the pre-pandemic trend, the slowdown reflected the deliberate macroeconomic recalibration undertaken by the authorities — a tightening of monetary policy, a transition to a market-based exchange rate, and a temporary cooling in private investment as policy uncertainty was being resolved. Encouragingly, the outlook for FY2026 is substantially more optimistic, with projections of 4.7–5.0 percent from the IMF, World Bank, and Ministry of Finance respectively, reflecting the expectation that ongoing reforms will translate into renewed investment momentum.

Bangladesh GDP Growth FY2025 Actual vs FY2026 Projections

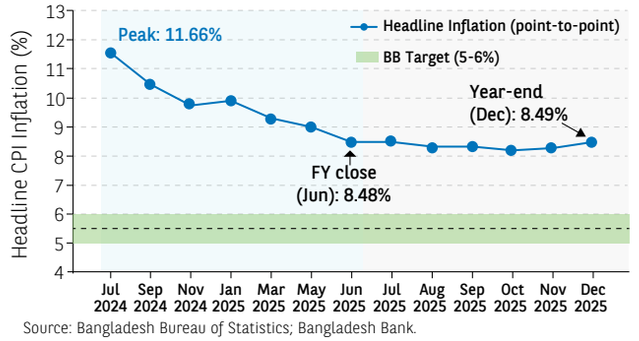


Source: Bangladesh Bank, IMF, World Bank, Ministry of Finance

INFLATION — A DECISIVE DISINFLATIONARY PATH

On the inflation front, the year's most consequential development was the steady taming of price pressures from their multi-year highs. Headline (point-to-point) inflation, which had peaked at 11.66 percent in July 2024, eased substantially to 8.48 percent by June 2025 — a meaningful decline reflecting the cumulative effect of restrictive monetary policy, exchange rate stabilisation, and the easing of global commodity prices. In the second half of the calendar year, inflation entered a stabilisation phase, fluctuating in a narrow 8.17–8.55 percent range from July through December and closing the year at 8.49 percent in December 2025. While this represented substantial progress from the peak, the year-end reading remained above Bangladesh Bank's medium-term target band of 5–6 percent, reflecting the persistence of structural and supply-side pressures, particularly in food categories, that have proved resilient even as the dollar shortage eased and the currency market stabilised. Bangladesh Bank's commitment to maintaining its policy rate at restrictive levels, complemented by ongoing reforms to the monetary transmission mechanism, is expected to continue exerting downward pressure on inflation through FY2026.

Bangladesh Inflation Trajectory - July 2024 to December 2025



Source: Bangladesh Bureau of Statistics; Bangladesh Bank.

EXTERNAL SECTOR AND EXCHANGE RATE

The external sector was a genuine bright spot. Ready-Made Garment (RMG) exports grew during the year, supported by improving demand in Western markets and the competitiveness of Bangladeshi manufacturers. Remittances remained near-record levels as the formal channel was strengthened by exchange rate adjustments and the eradication of much of the parallel market. The current account deficit narrowed significantly, easing balance-of-payments pressures, and foreign exchange reserves began to rebuild following the adoption of a fully flexible, market-based exchange rate regime in May 2025.

FISCAL AND PROGRAMME ENGAGEMENT

Fiscal management saw similar progress. Revenue mobilisation strengthened modestly, expenditure discipline was reinforced, and the budget deficit was contained within sustainable bounds. The IMF Extended Credit Facility / Extended Fund Facility programme remained on track, with successive reviews completed satisfactorily and additional financing support secured from the World Bank and the Asian Development Bank. The combined effect of monetary, fiscal, and external sector reform created the macroeconomic foundation necessary for the banking sector's own transformation — a sequencing that the Board considers both prudent and constructive.

BANGLADESH BANKING INDUSTRY REVIEW

The Bangladesh banking sector in 2025 undertook a bold and necessary transformation that sets the stage for a healthier, more transparent, and better-governed industry. Bangladesh Bank took the

courageous step of aligning Non-Performing Loan (NPL) recognition with international standards, bringing long-standing vulnerabilities into the open and creating a credible foundation for genuine reform. The reclassification of overdue loans under stricter parameters caused industry-wide NPL ratios to rise sharply during the year. This movement should be understood not as a deterioration of underlying asset quality but as an honest accounting of conditions that had previously been understated — a necessary step on the path to a stronger and more credible banking system.

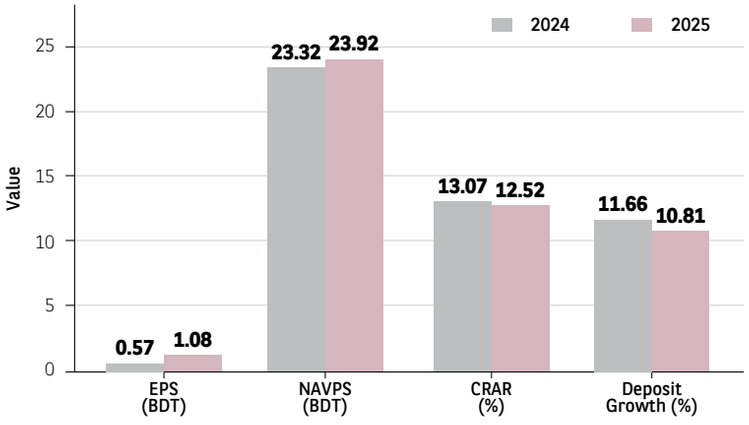
MODERNISED MONETARY AND EXCHANGE RATE FRAMEWORKS

Monetary and exchange rate frameworks were comprehensively modernised during the year. Bangladesh Bank adopted a fully market-based interest rate framework, allowing lending and deposit rates to reflect underlying liquidity and credit conditions, and a market-based exchange rate regime, strengthening monetary transmission and restoring exchange rate credibility. Liquidity management was enhanced through the introduction of more flexible repo facilities and improved interbank market functioning. Provisioning requirements were tightened, with the timetable for full alignment to international standards published transparently, providing banks with a clear and predictable roadmap for capital and provision augmentation over the medium term.

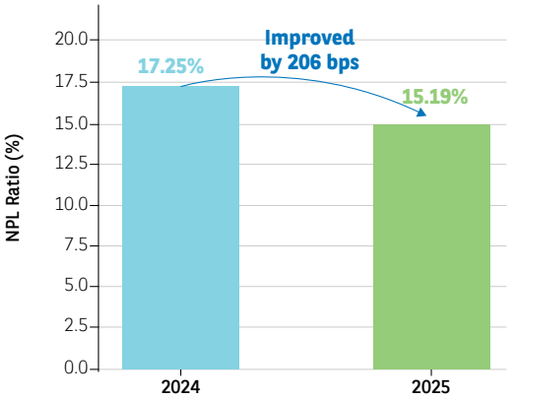
MBPLC'S STANDOUT PERFORMANCE

Against this backdrop of sector-wide transformation, Mercantile Bank PLC stood out clearly. MBPLC's deposit base grew 10.81 percent reflecting depositor confidence amid sector-wide turbulence. Net profit after tax grew 90.1 percent, EPS nearly doubled to BDT 1.08, and NAVPS appreciated to BDT 23.92. The Bank executed the largest single-year loan write-off in its history (BDT 20,750.89 million), reduced its NPL ratio from 17.25 percent to 15.19 percent, a 206 basis point improvement, and entered 2026 better positioned than at any point in recent years to participate constructively in the sector's continuing reform journey.

Headline Metrics 2025 vs 2024



NPL Ratio—Step Forward



FINANCIAL HIGHLIGHTS

2025 was a year of disciplined recovery and renewed momentum for Mercantile Bank PLC. Building upon the prudent provisioning foundation laid in 2024, the Bank delivered marked improvements across nearly every dimension of performance with net profit nearly doubling, deposits accelerating to double-digit growth, and asset quality strengthening meaningfully. The three strategic pillars articulated by the Board for the year — aggressive NPL resolution, profitability rebuild and cost discipline, and prudent growth supported by digital expansion — translated into concrete and measurable financial outcomes. These results affirm the resilience of the Bank's franchise and the effectiveness of its management actions amid a sector-wide period of recalibration.

(BDT in million)

Particulars	2025	2024	Y-o-Y Change
Total Assets	477,887.53	444,690.30	+7.46%
Loans & Advances	285,935.57	300,025.11	-4.70%
Total Deposits	379,787.53	342,724.25	+10.81%
Profit Before Provision	5,816.95	5,633.39	+3.26%
Profit After Tax (PAT)	1,199.87	631.22	+90.09%
Earnings Per Share (EPS) (Tk.)	1.08	0.57	+89.47%
Net Asset Value Per Share (NAVPS) (Tk.)	23.92	23.32	+2.57%
Capital Adequacy Ratio (CRAR)	12.52%	13.07%	-55 bps

The financial statements placed before the shareholders have been prepared in accordance with applicable Bangladesh Accounting Standards (BAS) / Bangladesh Financial Reporting Standards (BFRS), Bangladesh Bank circulars, the Companies Act, 1994, and the Bank Company Act, 1991 (as amended in 2023).

ANALYSIS OF FINANCIAL PERFORMANCE

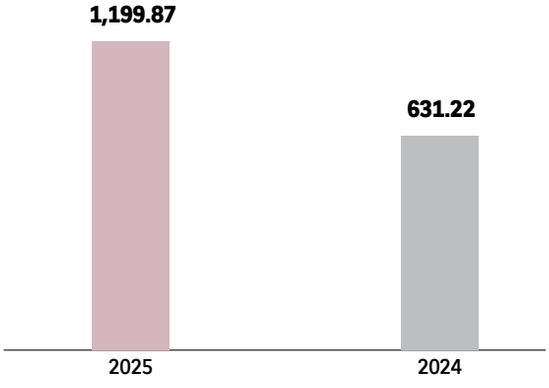
TOTAL INCOME

The Bank's total operating income for 2025 stood at BDT 13,894.57 million, broadly holding firm against the prior year despite the industry-wide compression of net interest margins. This stability reflects the agility of the Bank's revenue model and the strategic emphasis placed on diversifying its income streams. Interest income grew impressively by 18.4% to BDT 27,474.55 million on the back of selective lending and improved asset yields, while investment income surged 26.3% to BDT 9,348.40 million driven by robust Treasury Bond coupon earnings of BDT 5,499.38 million. Commission and brokerage income contributed BDT 2,797.92 million, while digital banking channels demonstrated encouraging momentum: ATM card income rose 79% to BDT 124.41 million and VISA card income grew 18% to BDT 225.26 million, evidencing the early returns from the Bank's continued investment in technology-led revenue channels.

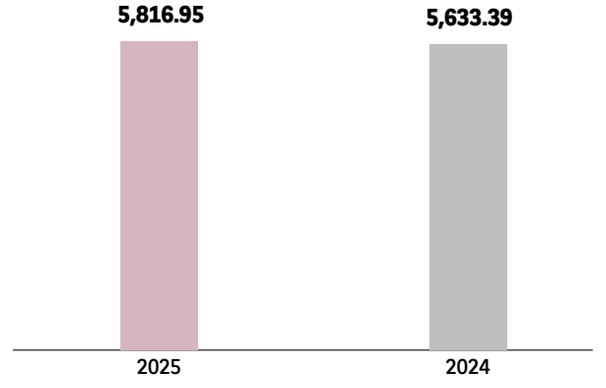
PROFITABILITY

The Bank's profitability in 2025 demonstrated decisive recovery. Profit before provision grew 3.3% to BDT 5,816.95 million, supported by rigorous cost discipline that reduced operating expenses by 4.7% to BDT 8,077.62 million which is a clear demonstration of the effectiveness of the bank-wide austerity implemented across all branches and divisions. After absorbing total provisions of BDT 3,947.08 million, including BDT 3,620.04 million for loan losses, net profit after tax reached BDT 1,199.87 million, representing a 90.09% improvement over the BDT 631.22 million recorded in 2024. Earnings per share nearly doubled to BDT 1.08 from BDT 0.57, while net asset value per share appreciated to BDT 23.92 from BDT 23.32. This recovery affirms that the conservative provisioning posture taken in 2024 has begun to yield the intended benefits, with the Bank now better positioned to deliver sustainable shareholder value.

Net Profit (BDT in Million)



Profit Before Provision (BDT in Million)



NET INTEREST INCOME (NII)

Net interest income remained constrained during the year by the higher cost of funds and the persistent drag from non-performing assets. The competitive deposit market, coupled with the Bank's strategic decision to support depositors through enhanced returns on scheme deposits, contributed to elevated funding costs. At the same time, the temporary reduction in interest-earning capacity arising from accelerated NPL recognition continued to weigh on margin generation across the industry. Notwithstanding these pressures, the Bank's emphasis on growing low- and stable-cost deposit categories, together with the deliberate redeployment of liquidity into higher-yielding government securities, partially offset the margin compression. Management remains focused on rebuilding NII through asset-side repricing, recovery momentum in the SAMD-led portfolio, and continued optimisation of the deposit mix in the periods ahead.

NON-INTEREST INCOME

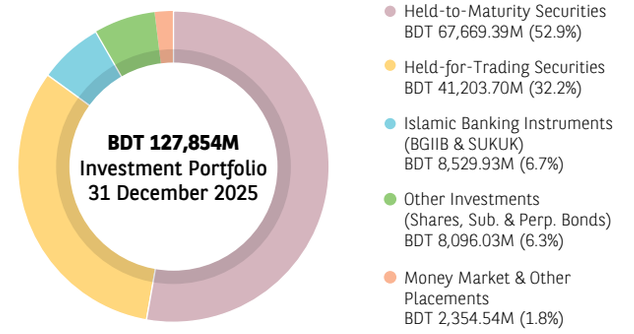
Non-interest income performance was a defining strength of 2025, anchored by the treasury-led investment income strategy. Investment income alone contributed BDT 9,348.40 million (+26.3% Y-o-Y). Commission, exchange and brokerage income provided a stable contribution at BDT 2,797.92 million, supplemented by growing digital banking fee income through MBPLC Rainbow (Internet Banking) and MyCash (Mobile Banking). The diversified non-interest income base reflects the Bank's adaptability and the strength of its balance sheet management capabilities, particularly in an environment where lending growth was deliberately moderated as part of the asset quality improvement programme.

ANALYSIS OF FINANCIAL POSITION

BALANCE SHEET STRENGTH

The Bank's total assets grew by a healthy 7.47% to BDT 477,887.53 million as at 31 December 2025, reflecting purposeful balance sheet expansion and the enduring confidence of the Bank's depositors. The composition of asset growth reflects the Bank's strategic priorities: a deliberate moderation in loans and advances (down 4.70% to BDT 285,935.57 million) was more than offset by a substantial 43.5% expansion of the investment portfolio to BDT 127,853.59 million — a strategically astute redeployment of liquidity into higher-yielding government securities and stable income-generating instruments. CRR and SLR maintained with comfortable surpluses throughout the year in both conventional and Islamic banking windows — underscoring the financial strength and stability of the Bank's funding base.

Investment Portfolio Composition

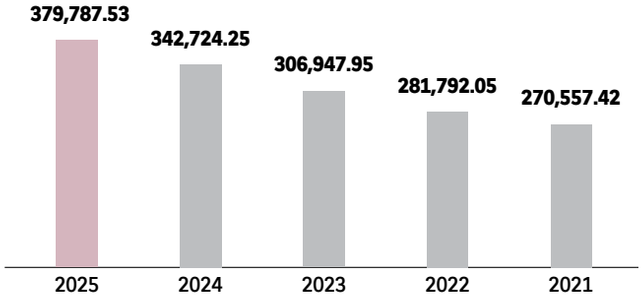


LIABILITIES AND DEPOSITS

Deposit mobilisation was a standout achievement of 2025. Total deposits grew by 10.81% to reach BDT 379,787.53 million — a meaningful acceleration from the prior year and a powerful affirmation of customer confidence amid sector-wide turbulence. The Bank's extensive distribution network of 153 branches, 45 sub-branches and 188 agent banking outlets, complemented by its expanding digital channels, continued to provide broad-based access for retail and corporate customers across the country.

Within the deposit composition, scheme deposits delivered an exceptional performance, growing 51.7% to BDT 84,467.56 million. This was led by the outstanding success of the Super Benefit Scheme (up 192% to BDT 36,998.27 million) and the sustained popularity of the Monthly Savings Scheme (BDT 30,232.22 million). The women-focused MBL Nari Sanchaya Prokolpo grew 48.4% to BDT 446.49 million, reinforcing the Bank's commitment to financial inclusion. Fixed deposits stood at BDT 143,333.71 million and savings deposits at BDT 41,152.37 million. The Bank also completed the full repayment of its BDT 600.00 million Non-convertible Subordinated Bond during the year, demonstrating prudent funding management. While the higher contribution of high-cost scheme and fixed deposits supported volume stability, it also placed upward pressure on funding costs — a trend the Bank is actively addressing through targeted strategies aimed at rebalancing the deposit mix in favour of more cost-efficient sources.

Total Deposits - Five-Year History BDT in Million



SHAREHOLDERS' EQUITY AND CAPITAL POSITION

Shareholders' equity strengthened to BDT 26,465.41 million at year-end, an increase of 2.54% from BDT 25,810.06 million in 2024. This advance reflects the year's improved profitability and the deliberate decision to retain earnings rather than declare a dividend — a decision taken in compliance with Bangladesh Bank's regulatory directive and in the long-term interest of capital strengthening. The Capital to Risk-weighted Assets Ratio (CRAR) stood at 12.52% as at 31 December 2025. Total Tier-I Capital stood at BDT 28,612.21 million, with Tier-II Capital of BDT 7,419.25 million bringing total regulatory capital to BDT 36,031.46 million. The Bank's capital adequacy position, supported by rigorous internal stress testing, confirms its strong risk-absorbing capacity and its status as a going concern with long-term operational stability. Detailed Pillar III capital disclosures are provided in the Capital Adequacy Report forming part of this Annual Report.

Shareholders' Equity BDT in Million

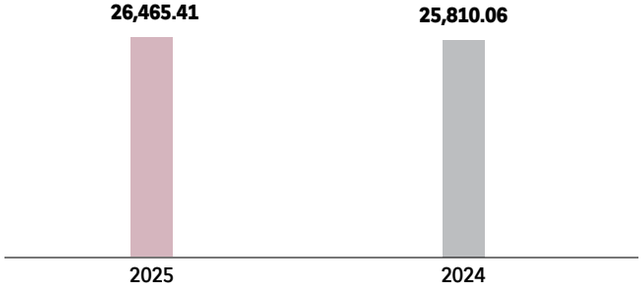


Figure: Shareholders' Equity strengthened by 2.54% during 2025

APPROPRIATION OF PROFIT AND DIVIDEND

The net profit after tax of BDT 1,199.87 million for the year ended 31 December 2025 has been appropriated as follows:

Cumulative Statutory Reserve balance has been BDT 11,041.53 million, steadily advancing toward the paid-up capital threshold. A further BDT 12.00 million has been contributed to the Startup Fund, equivalent to 1% of net profit, in compliance with Bangladesh Bank SME & SPD Circular No. 4/2021, bringing the cumulative Startup Fund balance to BDT 116.42 million. Additionally, coupon interest of BDT 363.00 million on the MBL Perpetual Bond has been charged in accordance with the terms of the instrument. After these appropriations, the retained surplus for the year stands at BDT 450.90 million. Adding the opening retained earnings balance of BDT 30.11 million, the closing retained earnings as at 31 December 2025 amounted to BDT 481.01 million.

With regard to dividend, the Board has not recommended any dividend for the financial year 2025. This decision has been made in strict compliance with Bangladesh Bank's regulatory directive, which grants forbearance for the unadjusted provision shortfall. The Board considers this a responsible and necessary measure and remains fully committed to restoring dividend payments to shareholders as the Bank progresses along the structured provision augmentation roadmap. The Bank's 90% growth in net profit during 2025 gives the Board every confidence that this objective is well within reach.

CAPITAL ADEQUACY — BASEL-III FRAMEWORK

Pursuant to Section 13(A) of the Bank Company Act, 1991 and Bangladesh Bank BRPD Circular No. 9 dated 31 December 2025, the Bank maintained a Capital to Risk-weighted Assets Ratio (CRAR) of 12.52% as at 31 December 2025. Total Tier-I Capital stood at BDT 28,612.21 million, comprising Common Equity Tier-I of BDT 24,982.21 million and Additional Tier-I capital of BDT 3,630.00 million represented by the MBL Perpetual Bond. Tier-II Capital comprising the general provision stood at BDT 7,419.25 million. Total regulatory capital was BDT 36,031.46 million against Total Risk-Weighted Assets of BDT 287,786.45 million, yielding a surplus of BDT 58.15 million over the Minimum Capital Requirement. The Board draws attention to the fact that this CRAR has been computed without recognising the provision shortfall referred to below. Full Pillar III capital disclosures are provided in the Capital Adequacy Report forming part of this Annual Report.

EMPHASIS OF MATTER — AUDITORS' REPORT

The Board of Directors draws the attention of shareholders to the Emphasis of Matter included in the Independent Auditors' Report on the financial statements for the year ended 31 December 2025. In accordance with good corporate governance practice and in the interest of full transparency, the Board reproduces the substance of that emphasis below.

The auditors have drawn attention to Note 2.00 to the financial statements, which outlines the basis of preparation of the financial statements including compliance with Rules and Regulations issued by Bangladesh Bank on classification of loans and advances and investments, and the recognition of required impairment provision. In addition, the auditors have emphasised the following matters:

As disclosed in Notes 7, 7.8 and 13.5.1 to the financial statements, the Bank reported total loans and advances of BDT 28,593.56 crore,

including classified loans of BDT 4,342.07 crore representing an NPL ratio of 15.19%. Against the total required provision of BDT 3,390.23 crore, the Bank has maintained a provision of BDT 1,250.92 crore, resulting in a provision 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.

Bangladesh Bank, through letter no. BSD 2/2203/2026 384 dated 29 April 2026, has allowed the Bank to finalise its 2025 financial statements without recognising 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.

The Board acknowledges the significance of this matter and reaffirms its commitment to addressing the provision shortfall in a structured and time-bound manner in accordance with the roadmap agreed with Bangladesh Bank. The Board is confident that the Bank's strong operational performance — with net profit growing 90% in 2025 — provides a sound foundation for progressive provision augmentation in the periods ahead.

BUSINESS AND STRATEGIC REVIEW

LOANS AND ADVANCES PORTFOLIO

In line with the Bank's strategic priority of asset quality improvement over volume growth, total loans and advances stood at BDT 285,935.57 million as at 31 December 2025, a deliberate reduction of 4.7% from BDT 300,025.11 million in 2024. This contraction was principally driven by the Bank's decisive execution of the largest single-year loan write-off in its history — BDT 20,750.89 million — as the Bank took bold and necessary action to cleanse the balance sheet of long-standing non-performing debt. The portfolio is well-diversified across term loans, SME lending, trade finance, and Islamic banking products, with term loans remaining the largest component. The Bank maintained selective credit growth in strategic segments including SME and Islamic banking, while reducing concentration in higher-risk categories such as overdrafts and time loans. This disciplined approach to credit allocation reflects the Board's commitment to building a leaner, higher-quality loan book as the foundation for sustainable growth in the years ahead.

LOAN CLASSIFICATION AND ASSET QUALITY

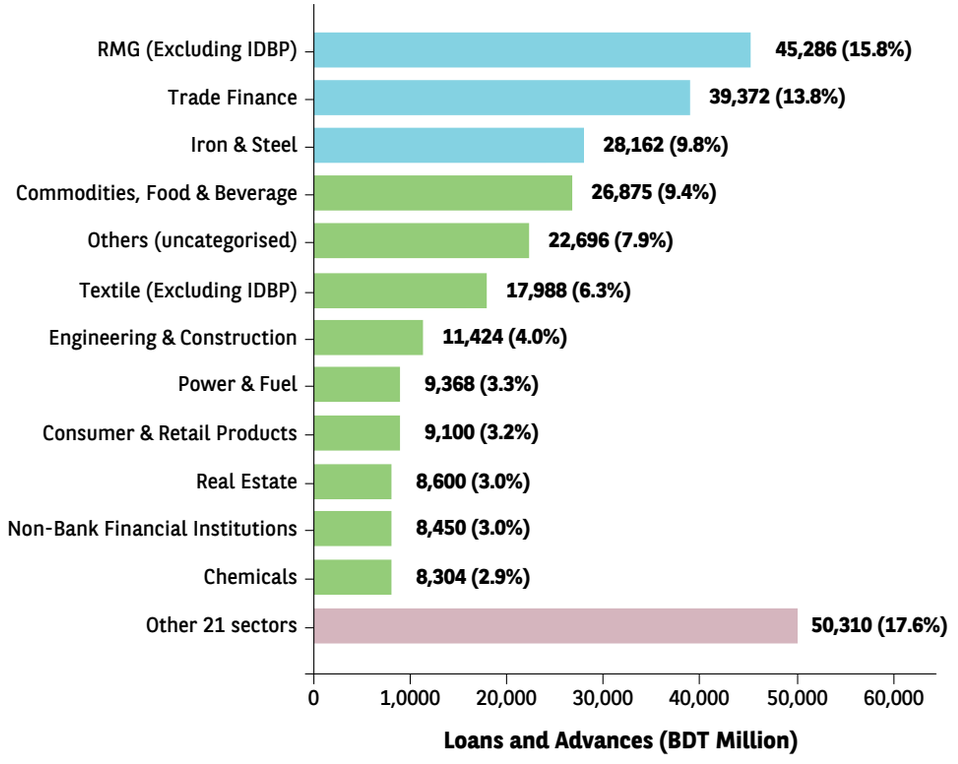
Asset quality improvement was the Bank's foremost strategic priority in 2025, and the results demonstrate meaningful progress. The NPL ratio declined from 17.25% in 2024 to 15.19% in 2025, with 74.53% of the portfolio classified as unclassified and regular. Recovery lawsuits aggregating BDT 57,119.24 million have been filed across the branch network. Total provision maintained against loans and advances stood at BDT 12,509.23 million, comprising specific provision of BDT 6,457.13 million and general provision of BDT 6,052.10 million. The unadjusted provision shortfall of BDT 21,393.10 million is subject to Bangladesh Bank's regulatory forbearance as disclosed in this report.

SECTOR-WISE LOANS AND ADVANCES

Sector	Dec-25 (BDT Million)	% of Total	Dec-24 (BDT Million)	% of Total
Education (School/College/University/Research)	574.43	0.20%	564.46	0.19%
Health	615.97	0.22%	617.86	0.21%
Agriculture	4,566.73	1.60%	5,748.91	1.92%
Commodities (Sugar/Edible Oil/Wheat/Rice/Dal etc.), Food & Beverage	26,874.70	9.40%	30,952.87	10.32%
Trade Finance	39,372.32	13.77%	40,110.81	13.37%
Transport	1,358.25	0.48%	1,409.52	0.47%
Shipping	1,029.61	0.36%	12.82	0.00%
Textile (Excluding IDBP)	17,987.93	6.29%	20,703.09	6.90%
Textile (IDBP)	451.16	0.16%	766.67	0.26%
Readymade Garments (RMG) — Excluding IDBP	45,285.75	15.84%	49,529.29	16.51%
Readymade Garments (RMG) — IDBP	89.32	0.03%	40.71	0.01%
Telecommunication	577.87	0.20%	1,149.05	0.38%
IT & Computer/Trade	247.53	0.09%	263.84	0.09%
Power & Fuel	9,368.10	3.28%	8,059.75	2.69%
Real Estate	8,600.41	3.01%	8,953.00	2.98%
Cement	1,410.76	0.49%	1,820.91	0.61%
Chemicals	8,303.86	2.90%	6,969.49	2.32%
Leather & Leather Products	6,865.53	2.40%	6,071.41	2.02%
Plastic & Plastic Products	402.90	0.14%	847.35	0.28%
Electrical & Electronic Goods	4,531.56	1.58%	4,667.58	1.56%
Paper & Packaging	7,242.82	2.53%	7,059.78	2.35%
Jute & Jute Products	5,465.20	1.91%	5,042.11	1.68%
Ceramics (Tableware, Sanitary ware, Tiles)	1,437.99	0.50%	1,383.83	0.46%
Iron & Steel	28,161.54	9.85%	30,946.46	10.31%

Engineering & Construction	11,423.98	4.00%	9,440.33	3.15%
Contractor Finance	5,272.76	1.84%	5,411.72	1.80%
Capital Market Intermediaries	1,511.28	0.53%	1,566.56	0.52%
Backward Linkage	3,461.77	1.21%	3,644.51	1.21%
Consumer & Retail Products	9,100.39	3.18%	9,088.73	3.03%
Non-Bank Financial Institutions (NBFI)	8,450.47	2.96%	11,819.43	3.94%
Service (Hotel, Restaurant, Travelling, Tickets)	3,193.66	1.12%	4,414.64	1.47%
Others	22,696.10	7.94%	20,944.72	6.98%
SUB-TOTAL (BDT Million)	**285,932.65**	**-**	**300,022.19**	**-**
Loan against Non-banking assets	**2.92**	**0.0010%**	**2.92**	**0.0010%**
GRAND TOTAL (BDT Million)	**285,935.57**	**100.00%**	**300,025.11**	**100.00%**

Sector-wise Loans and Advances - as at 31 December 2025
Total portfolio: BDT 285,935.7 million



Source: MBPLC audited financial statements 2025; figures in BDT Million.

GOING CONCERN

The Board of Directors confirms that there are no significant doubts about the Bank's ability to continue as a going concern. Hence, the financial statements for the year ended 31 December 2025 have accordingly been prepared on the going concern basis.

EVENTS AFTER THE REPORTING DATE

- Board Approval of Financial Statements: The Board of Directors, at its meeting held on 30 April 2026, approved the audited financial statements of the Bank for the year ended 31 December 2025 and authorised the same for issue. The Board did not recommend any dividend (cash or stock) for the financial year 2025 in compliance with Bangladesh Bank's regulatory directive.
- Regulatory Forbearance: Bangladesh Bank granted regulatory forbearance allowing the Bank to finalise the financial statements for the year ended 31 December 2025 with an unadjusted provision shortfall. This is a non-adjusting post-balance sheet event disclosed in Notes 7.8, 13.5, and 14.6 of the financial statements.
- No other significant events occurred between the balance sheet date (31 December 2025) and the date of authorisation (30 April 2026) that would require adjustment to or additional disclosure in the financial statements.

SUBSIDIARY COMPANIES

As at 31 December 2025, Mercantile Bank PLC has three subsidiaries. The performance of all three subsidiaries is detailed in the consolidated financial statements and the relevant notes thereto forming part of this Annual Report.

MERCANTILE BANK SECURITIES LIMITED (MBSL)

Mercantile Bank Securities Limited operates as a leading stock brokerage firm in Bangladesh, offering margin loans and dealership services through its branch network. The company plays an

important role in strengthening the Bank's capital market presence and providing investment services to retail and institutional clients.

MBL ASSET MANAGEMENT LIMITED

MBL Asset Management Limited, licensed in 2020, focuses on mutual fund management, portfolio management, and investment advisory services. The company further deepens the Bank's footprint in Bangladesh's asset management and capital market ecosystem.

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Mercantile Exchange House (UK) Limited has been operational since 2011, serving the Bangladeshi diaspora in the United Kingdom by providing inward remittance and related financial services. The company plays a vital role in facilitating the flow of remittances to Bangladesh through a trusted and regulated channel.

DIRECTORS' AND MANAGING DIRECTOR'S REMUNERATION

In compliance with Section 18(1) of the Bank Company Act, 1991 (as amended in 2023) and as per BRPD Circular No. 02 dated 11 February 2024 and BRPD Circular No. 03 dated 14 February 2024, the Directors of the Bank were paid board meeting attendance fees only. Full details are provided in Note 31 to the audited financial statements.

The remuneration of the Managing Director is determined by the Board of Directors in accordance with Bangladesh Bank's guidelines. Full details are disclosed in Note 30 to the audited financial statements.

DIRECTORS' DECLARATION

The Board of Directors hereby declares that the financial statements for the year ended 31 December 2025 give a true and fair view of the state of affairs and results of operations of the Bank; proper books of accounts have been maintained as required under the Companies Act, 1994; applicable Bangladesh Accounting Standards (BAS) / Bangladesh Financial Reporting Standards (BFRS) have been consistently followed and any material departures have been disclosed in the notes; the system of internal controls is sound in design and has been effectively implemented and monitored throughout the year; and there are no significant doubts about the Bank's ability to continue as a going concern. The Board further confirms that key operating and financial data for preceding years is presented in the Five-Year Financial Summary forming part of this Annual Report; the pattern of shareholding as at 31 December 2025 is disclosed in the relevant section of this report; no shares were issued to directors or executives without consideration or at a discount; no business other than banking business was conducted with any related concern of the directors as per Section 18(2) of the Bank Company Act, 1991; and no investments were made in the securities of directors and their related concerns.

RELATED PARTY DISCLOSURES

A discussion on related party transactions has been made in the 'Corporate Governance Report' forming part of this Annual Report, and a statement with the amount of related party transactions has been presented in Note 39 to the financial statements for the year ended 31 December 2025.

RISK MANAGEMENT

The Risk Management Committee (RMC) of the Board reviews and monitors the overall risk management system of the Bank and reports to the Board from time to time. Risk management functions are subject to continuous scrutiny of the Internal Control and Compliance Division (ICCD) and the supervision of the Risk Management Division (RMD) to ensure the appropriateness and integrity of risk management practices and mechanisms. The risk management system of Mercantile Bank PLC has been described in detail in the 'Risk Management Report' section of this Annual Report, and the major areas focused on by the RMC in 2025 have been presented in the 'Report of the Risk Management Committee of the Board' section of this Annual Report. The major areas focused on by the Executive Risk Management Committee (ERMC) in 2025 have also been described in the 'Report of the Executive Risk Management Committee' section of this Annual Report.

INFORMATION TECHNOLOGY AND INFORMATION SECURITY

During 2025, the Information Technology Division continued to strengthen the Bank's digital infrastructure and cyber resilience. Key achievements include the upgrade of networking equipment at the Data Center and Disaster Recovery site, deployment of Next Generation Endpoint Protection, and the initiation of cloud-based deployment of Agent Banking and Mobile Banking platforms. A significant milestone was the successful transition to ISO/IEC 27001:2022 certification on 10 November 2025, reaffirming the Bank's commitment to international information security standards. Payment systems were further enhanced through automation of key processes including RTGS, BEFTN, and Account Verification.

INTERNAL CONTROL, COMPLIANCE AND AUDIT

INTERNAL CONTROL SYSTEM

The Bank maintains a robust system of internal controls across all operations. The Internal Control and Compliance Division (ICCD) provides comprehensive, risk-based internal audit coverage of all branches, divisions, subsidiaries, and off-site locations on a systematic and rotating basis. Findings are reported to the Board's Audit Committee, which reviews and monitors management's corrective actions.

AUDIT COMMITTEE OF THE BOARD

The Audit Committee of the Board of Directors was constituted and functions in accordance with the BSEC Corporate Governance Code (2018) and Bangladesh Bank's Corporate Governance Guidelines. During 2025, the Audit Committee reviewed quarterly and annual financial statements; reviewed external auditors' management letters; reviewed and approved the internal audit plan; assessed the adequacy of the Bank's risk management framework; reviewed all significant related-party transactions; reviewed the provision position, NPL classification, and loan write-off proposals; and monitored compliance with regulatory requirements.

EXTERNAL AUDIT AND AUDITOR INDEPENDENCE

The statutory audit for the year ended 31 December 2025 was conducted by Basu Banerjee Nath & Co. and Anil Salam Idris & Co. Both firms are duly enlisted with Bangladesh Bank and registered with the Financial Reporting Council (FRC). Detail of Auditors' Fee is disclosed in Note 32 of the Audited Financial Statements.

FINANCIAL REPORTING COUNCIL (FRC) COMPLIANCE

As a listed Public Interest Entity (PIE), the Bank is subject to the oversight of the Financial Reporting Council established under the Financial Reporting Act, 2015. The Bank's financial statements have been prepared in full compliance with applicable Bangladesh

Accounting Standards (BAS) / Bangladesh Financial Reporting Standards (BFRS) as adopted under FRC oversight.

CORPORATE SOCIAL RESPONSIBILITY AND GREEN FINANCE

CORPORATE SOCIAL RESPONSIBILITY

Mercantile Bank PLC continued its commitment to Corporate Social Responsibility (CSR) throughout 2025, contributing meaningfully to the communities it serves. In addition, MBL Foundation is the Bank's dedicated philanthropic arm which supports charitable, educational, healthcare, and community development activities across Bangladesh. Details of CSR and donation are disclosed in Note 34 of the Audited Financial Statements.

GREEN FINANCE AND ENVIRONMENTAL SUSTAINABILITY

Key green finance and sustainability initiatives undertaken during 2025 include:

- Refinance facility for Certified Green Buildings: BDT 135.71 million outstanding.
- Women Entrepreneurs SME Refinance: BDT 489.90 million outstanding.
- Agricultural and Agro-processing Refinance: BDT 290.73 million outstanding.
- Climate Risk Fund: BDT 3.50 million maintained as per Bangladesh Bank's directive.
- MBL Nari Sanchaya Prokolpo (MNSP): The Bank's dedicated savings scheme for women grew 48.4% to BDT 446.49 million.
- Agent Banking: Deposits of BDT 752.50 million under the Agent Banking platform, extending financial services to underserved communities.

COMPLIANCE WITH BSEC CORPORATE GOVERNANCE CODE 2018

As a responsible corporate citizen, Mercantile Bank PLC has complied with all applicable conditions of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code (CGC), issued vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The Bank firmly believes that sound corporate governance is not merely a regulatory obligation but a cornerstone of sustainable institutional growth, stakeholder trust, and long-term value creation. In keeping with this conviction, the Bank has ensured that its governance structures, practices, and disclosures remain fully aligned with the spirit and letter of the CGC throughout the year. A detailed condition-by-condition compliance status report, together with the certificate of compliance issued by Suraiya Parveen & Associates, Chartered Secretaries, has been furnished in the Corporate Governance Report forming part of the Annual Report.

FIVE-YEAR KEY FINANCIAL SUMMARY

In compliance with Condition 1.7 of the BSEC Corporate Governance Code 2018 and Section 184 of the Companies Act, 1994, the key operating and financial data of Mercantile Bank PLC for the preceding five years has been presented in the 'Stakeholder Information' section of this Annual Report.

STRATEGIC DIRECTION AND FUTURE OUTLOOK

The journey of 2025 has reaffirmed Mercantile Bank PLC's capacity for disciplined execution and adaptive strategy in a challenging and transformative operating environment. The progress achieved during the year has positioned the Bank to enter 2026 with renewed confidence, and the Board's agenda for the year ahead is one of consolidating hard-won gains, deepening institutional strengths, and unlocking the next phase of sustainable value creation.

STRATEGIC AGENDA FOR 2026

A. REINFORCING CAPITAL STRENGTH AND INSTITUTIONAL RESILIENCE:

The Bank's foremost commitment for 2026 is the continued reinforcement of its capital foundations and the steady fortification of its balance sheet. Internal capital generation, accelerated recovery initiatives, and prudent balance-sheet management will be channeled toward strengthening the Bank's resilience and ensuring it remains well-positioned to support its long-term growth ambitions.

B. REINVIGORATION OF CORE EARNING CAPACITY:

Strengthening the Bank's core lending margin stands as a central operational priority for the year ahead. A coordinated programme of asset-side repricing, dynamic deposit-mix optimisation in favour of lower-cost categories, and accelerated recovery of suspended interest is designed to deliver a more balanced and sustainable earnings profile, even as the broader rate environment continues to evolve.

C. STRENGTHENING THE CUSTOMER FRANCHISE AND DEPOSIT EXCELLENCE:

Deepening the Bank's customer relationships stands as a defining priority for 2026. The Bank will leverage its expanding network with its growing digital footprint to broaden its customer base, mobilise stable and cost-efficient deposits, and enhance the contribution of fee-based services across trade finance, treasury, cards, and remittance channels. Investments in service quality, branch productivity, and a unified customer experience across physical and digital touch-points are designed to build a deeper, more durable, and more profitable franchise for the years ahead.

OUTLOOK FOR 2026

The macroeconomic backdrop for 2026 is materially more constructive than the Bank has experienced in recent years, with growth expected to accelerate, inflation moderating toward the medium-term target, the foreign exchange market well-stabilised under the new regime, and the Banking Sector Reform Roadmap providing a credible industry-wide framework. While the operating landscape will continue to present its share of challenges, the institutional momentum carried into the new year creates a genuine opportunity for the Bank to translate disciplined execution into a multi-year platform for sustainable growth and enduring stakeholder value.

ACKNOWLEDGEMENTS

As the Bank concludes the year 2025, the Board of Directors wishes to express its heartfelt gratitude to all who have been part of the Bank's journey in 2025 — a year of purposeful transformation and meaningful progress.

- The Board thanks Bangladesh Bank for its visionary regulatory leadership, constructive oversight, and the regulatory

forbearance that has enabled the Bank to navigate this period of sector-wide reform in a structured and responsible manner.

- The Board thanks the Bangladesh Securities and Exchange Commission (BSEC) for its steadfast oversight of the capital markets, protecting the interests of all the Bank's shareholders.
- The Board thanks the Financial Reporting Council (FRC) for elevating the standards of financial reporting and audit quality across Bangladesh.
- The Board thanks the Government of the People's Republic of Bangladesh for its policies supporting a dynamic, healthy, and inclusive banking sector.
- The Board thanks the Bank's valued shareholders for their patience, trust, and long-term belief in the Mercantile Bank PLC franchise.
- The Board thanks the Bank's loyal depositors and customers for more than two decades of partnerships built on trust.
- The Board thanks the Bank's talented employees whose energy, integrity, and professionalism are the living embodiment of the Bank's values for their inspiring dedication throughout 2025.
- The Board thanks the Bank's international correspondent banking partners across more than 30 global financial centres for their continued cooperation.
- The Board thanks the statutory auditors, Basu Banerjee Nath & Co. and Anil Salam Idris & Co. (Chartered Accountants), for their professional rigour and the quality of their audit work.

Mercantile Bank PLC enters 2026 with momentum, clarity of purpose, and a firm belief in its ability to deliver growing value to all stakeholders. The foundations reinforced in 2025 — cleaner assets, stronger deposits, disciplined costs, and an outstanding team — are the springboard for what lies ahead.

On behalf of the Board of Directors,



Md. Anwarul Haque
Chairman

বৈশ্বিক বাণিজ্যে
আপনার ফিনান্সিং পার্টনার

মার্কেন্টাইল ব্যাংকের

উন্মেষ

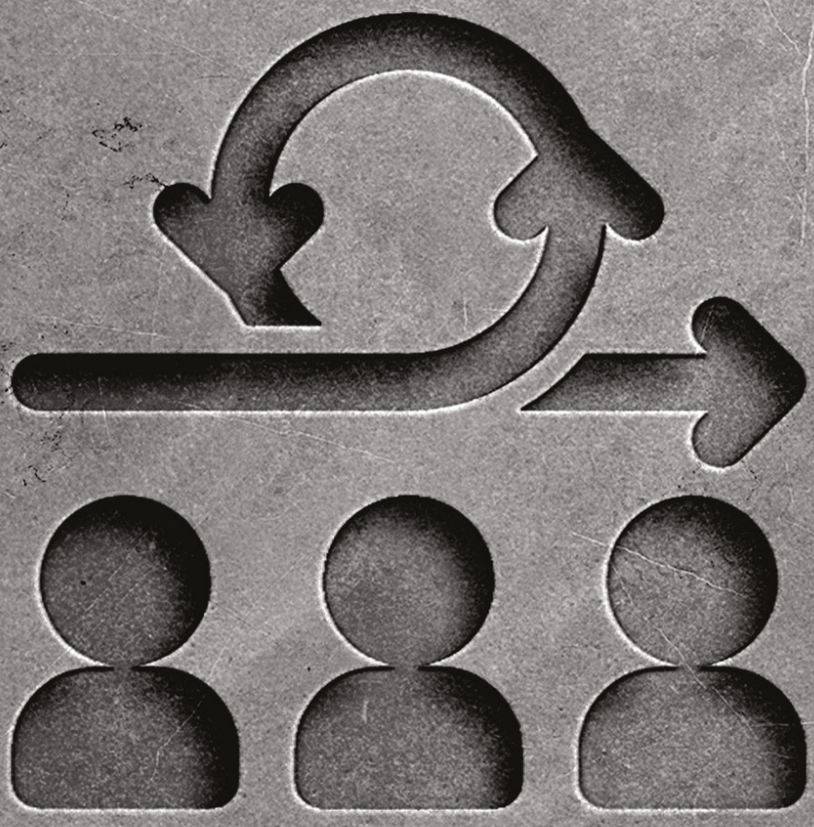
(সিএমএসএমই বৈদেশিক বানিজ্য ঋণ)

ট্রেড ফাইন্যান্স এখন আরও সহজ, দ্রুত ও কাস্টমাইজড



বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি



STAKEHOLDERS INFORMATION

BUSINESS HIGHLIGHTS

Performance during the year

Particulars	2025 (BDT in million)	2024 (BDT in million)
Interest income including investment income	36,822.95	30,536.67
Non-interest income	4,347.58	6,202.27
Total income	41,170.53	36,738.94
Operating profit	5,816.95	5,633.39
Profit after tax	1,199.87	631.22

Year-end financial position

Particulars	2025 (BDT in million)	2024 (BDT in million)
Loans and advances	285,935.57	300,025.11
Total investment	127,853.59	89,098.25
Total Deposits	394,682.05	355,121.12
Shareholders' equity	26,465.41	25,810.06
Total assets	477,887.53	444,690.30

Information per ordinary share

Particulars	2025 (BDT)	2024 (BDT)
Earnings per share (EPS)	1.08	0.57
Price earnings ratio (times)	6.92	18.06
Net asset value per share (NAVPS)	23.92	23.32
Market price per share	7.50	10.30
Net operating cash flow per share (NOCFPS)	5.94	17.80

Ratios (%)

Particulars	2025 (%)	2024 (%)
Capital to RWA ratio (CRAR) (as per Basel III)	12.52%	13.07%
Cost to income ratio	58.13%	60.06%
Return on equity (ROE)	4.59%	2.44%
Return on assets (ROA)	0.26%	0.15%

FIVE-YEAR BUSINESS & FINANCIAL SUMMARY

Balance Sheet Metrics

(BDT in million)

Metrics	2025	2024	2023	2022	2021
Authorized Capital	20,000.00	20,000.00	12,000.00	12,000.00	12,000.00
Paid-up Capital	11,065.75	11,065.75	11,065.23	10,848.78	10,332.17
Shareholders' Equity	26,465.41	25,810.06	25,984.47	25,275.15	24,403.90
Borrowings	18,057.28	19,252.01	25,261.23	38,950.00	37,873.00
Deposits*	394,682.05	355,121.12	317,227.09	294,060.00	274,905.61
Loans and Advances	285,935.57	300,025.11	284,830.98	280,890.53	266,766.89
Investments	127,853.59	89,098.25	79,234.92	60,561.00	62,397.89
Fixed Assets	3,131.09	3,249.27	3,488.15	3,760.34	3,815.63
Total Assets	477,887.53	444,690.30	402,173.04	382,328.47	359,411.36
Off Balance Sheet Items	184,174.44	208,251.53	158,544.61	168,272.50	175,067.32
Interest Earning Assets	422,544.20	405,319.70	368,992.31	346,551.55	334,144.06
Non-Interest Earning Assets	55,343.30	39,370.60	33,180.72	35,776.92	25,267.31
Debt-Equity Ratio	68.23%	74.59%	97.22%	154.10%	155.19%

Income Statement Metrics

(BDT in million)

Metrics	2025	2024	2023	2022	2021
Interest Income**	36,822.95	30,536.67	24,808.36	22,826.37	22,411.64
Interest Expenses	27,275.96	22,632.60	17,395.11	14,197.83	13,516.41
Net Interest Income	9,546.99	7,904.06	7,413.24	8,628.54	8,895.23
Non-Interest Income	4,347.58	6,202.27	6,336.05	6,729.10	4,482.98
Non-Interest Expenses	8,077.62	8,472.94	8,338.89	8,218.75	7,266.09
Net Non-Interest Income	(3,730.04)	(2,270.67)	(2,002.84)	(1,489.64)	(2,783.11)
Total Income	41,170.53	36,738.94	31,144.40	29,555.47	26,894.62
Total Expenditure	35,353.58	31,105.55	25,734.00	22,416.58	20,782.50
Profit before Provision & Tax	5,816.95	5,633.39	5,410.40	7,138.89	6,112.12
Provision for Loans/Advances & Other	3,947.08	4,352.17	2,681.80	4,136.31	1,893.50
Profit after Provision before Tax	1,869.87	1,281.22	2,728.61	3,002.58	4,218.62
Provision for Tax (incl. Deferred Tax)	670.00	650.00	700.00	800.00	800.00
Profit after Tax	1,199.87	631.22	2,028.61	2,202.58	3,418.62

Trade Business and Remittance Metrics

(BDT in million)

Metrics	2025	2024	2023	2022	2021
Import	250,057.10	284,486.70	220,926.54	254,945.00	278,533.10
Export	205,850.20	198,840.30	178,734.51	209,222.50	164,212.50
Remittance (Inward)	50,884.90	51,107.86	49,607.56	68,272.90	40,848.60

Capital Metrics

(BDT in million, unless otherwise specified)

Metrics	2025	2024	2023	2022	2021
Total Risk Weighted Assets (RWA)	287,786.45	296,518.31	292,490.93	277,997.12	252,571.34
Core Capital (Tier I)	28,612.21	27,715.38	28,722.63	27,591.27	23,897.10
Supplementary Capital (Tier II)	7,419.25	11,033.18	14,544.36	12,287.45	11,887.33
Total Capital/Regulatory Capital	36,031.46	38,748.56	43,266.98	39,878.72	35,584.43
Capital Surplus / (Deficit)	58.15	1,683.77	6,708.52	5,192.08	4,013.02
Core Capital (Tier I) to RWA	9.94%	9.35%	9.82%	9.93%	9.38%
Supplementary Capital (Tier II) to RWA	2.58%	3.72%	4.97%	4.42%	4.71%
Total Capital Adequacy Ratio (CRAR)	12.52%	13.07%	14.79%	14.35%	14.09%

Assets Quality Metrics

(BDT in million, unless otherwise specified)

Metrics	2025	2024	2023	2022	2021
Non-Performing Loans (NPLs)	43,420.65	51,761.70	17,313.35	19,928.63	12,112.51
Provision for Unclassified Loan	6,052.10	9,711.31	11,081.01	7,960.42	7,398.18
Provision for Classified Loan	6,457.13	11,447.80	6,398.12	8,062.79	5,131.60
Provision for Contingent Liabilities	1,367.15	1,321.88	1,234.04	1,334.25	1,340.15
NPLs to Total Loans and Advances	15.19%	17.25%	6.08%	7.09%	4.54%

Credit Rating

Metrics	2025	2024	2023	2022	2021
Credit Rating Agency (Local)	CRISL	CRISL	CRISL	CRISL	CRISL
Long Term	AA	AA+	AA	AA	AA
Short Term	ST-2	ST-2	ST-2	ST-2	ST-2
Outlook	Stable	Stable	Stable	Stable	Stable

Share-Based Metrics

Metrics	2025	2024	2023	2022	2021
Market Price per Share (BDT)	7.50	10.30	13.30	13.60	17.10
No. of Shares Outstanding (Million)	1,106.58	1,106.58	1,106.58	1,084.88	1,033.22
Earnings per Share (EPS) (BDT)	1.08	0.57	1.83	1.99	3.31
Price Earnings Ratio (times)	6.92	18.06	7.25	6.83	5.17
Net Asset Value per Share (NAVPS)	23.92	23.32	23.48	23.30	23.62
Market Capitalization (BDT in million)	8,299.32	11,397.73	14,717.45	14,754.34	17,668.01
Market Value to Book Value Multiple	0.31	0.44	0.57	0.58	0.72

Dividend Payment Metrics

Metrics	2025	2024	2023	2022	2021
Total Dividend	0.00%	0.00%	10.00%	12.00%	17.50%
Cash Dividend	0.00%	0.00%	10.00%	10.00%	12.50%
Stock Dividend	0.00%	0.00%	0.00%	2.00%	5.00%
Dividend Payout Ratio	0.00%	0.00%	54.64%	60.30%	52.89%

Operating Profit Ratio

Metrics	2025	2024	2023	2022	2021
Net Interest Margin (NIM)	2.31%	2.04%	2.00%	2.54%	2.81%
Net Non-interest Margin	(0.81%)	(0.59%)	(0.54%)	(0.44%)	(0.88%)
Earning Base in Assets (Average)	89.73%	91.43%	91.21%	108.97%	92.19%
Credit Deposit Ratio	72.89%	82.53%	85.57%	86.82%	85.98%
Cost of Deposit	7.47%	6.27%	5.18%	4.68%	4.76%
Yield on Loans and Advances	8.69%	7.92%	6.81%	6.97%	7.37%
Spread	1.22%	1.65%	1.63%	2.29%	2.61%
Return on Average Assets (ROA)	0.26%	0.15%	0.52%	0.59%	0.99%
Return on Average Equity (ROE)	4.59%	2.44%	7.92%	8.87%	14.70%
Equity Multiple (Times)	18.06	17.23	15.48	15.13	14.73

Performance Ratio

Metrics	2025	2024	2023	2022	2021
Profit per Employee (BDT in Million)	2.23	2.13	2.01	2.72	2.33
Operating Profit as % of Working Fund	1.23%	1.27%	1.35%	1.87%	1.70%
Net Interest Income as % of Working Fund	2.01%	1.78%	1.84%	2.26%	2.47%
Burden Coverage	76.49%	73.20%	75.98%	81.88%	61.70%
Burden	23.51%	26.80%	24.02%	18.12%	38.30%
Ratio to Fees Income	6.80%	10.67%	15.15%	32.81%	19.33%
Salary Exp. to Total Operating Exp.	50.50%	49.20%	50.21%	51.58%	56.26%
Salary Exp. to Fees Income	145.78%	106.33%	88.75%	84.15%	158.05%
Cost Income / Efficiency Ratio	58.13%	60.06%	60.65%	53.52%	54.31%

Other Information (Network & Human Resources)

Metrics	2025	2024	2023	2022	2021
No. of Branches	153	152	152	152	150
Number of Sub-branches	48	45	42	30	19
Number of Agent Banking Outlets	188	188	187	187	162
Islamic Banking Windows	45	45	45	45	45
Number of ATMs including CRM	211	199	196	197	185
No. of Employees	2,610	2,651	2,695	2,624	2,628
No. of Correspondence Relationships	604	618	618	618	608

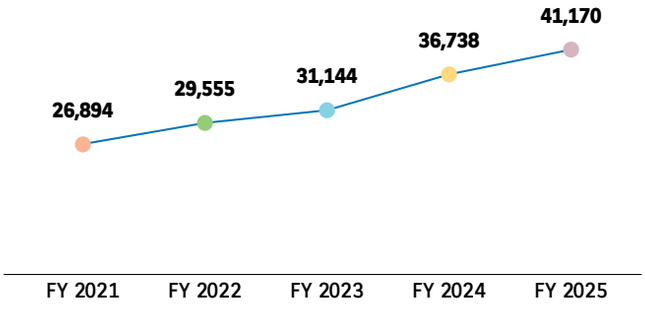
* Deposit amount includes deposits and other accounts, and adjusting account credit balances as reported in the Financial Statements.

** Interest income includes both interest income and income from investments as reported in the Financial Statements.

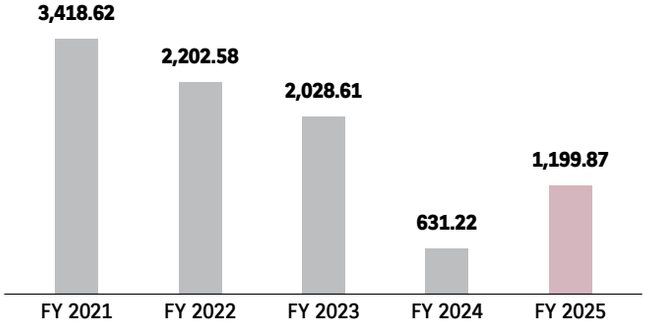
KEY OPERATING & FINANCIAL HIGHLIGHTS

Profitability & Earnings Performance

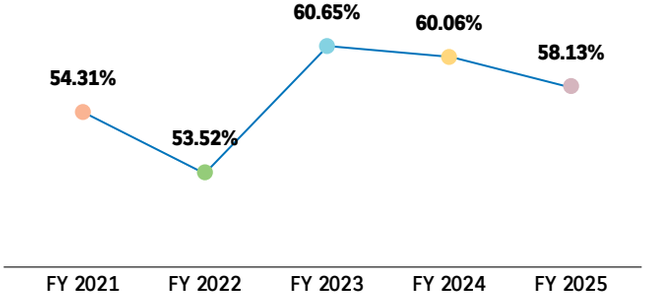
Total Operating Revenue Trend BDT in Million



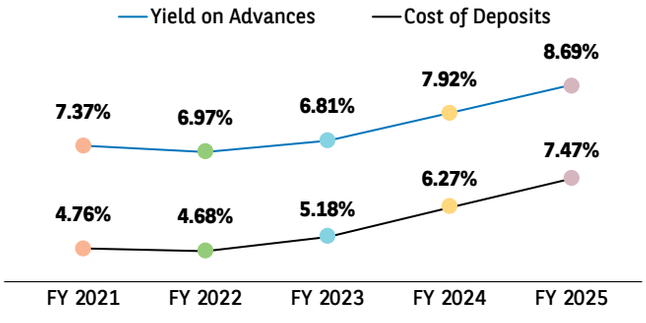
Net Profit After Tax Rebound BDT in Million



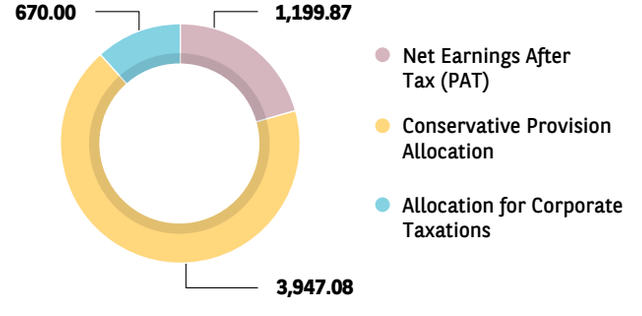
Cost-to-Income Ratio Trend CIR Percentage



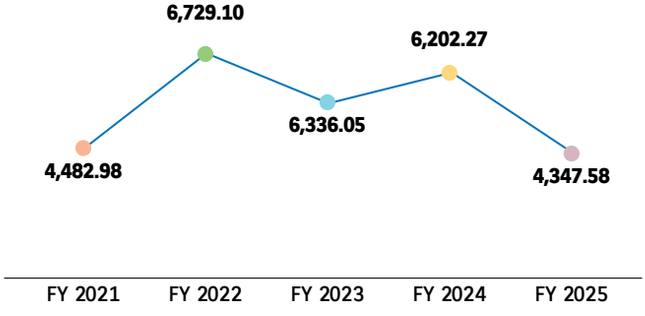
Yield vs. Cost Corridor Percentage Corridor



Operating Profit Allocation Mix Percentage Corridor

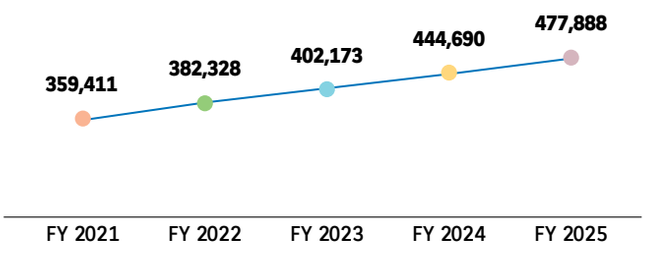


Non-Interest Fee Income Scaling BDT in Million

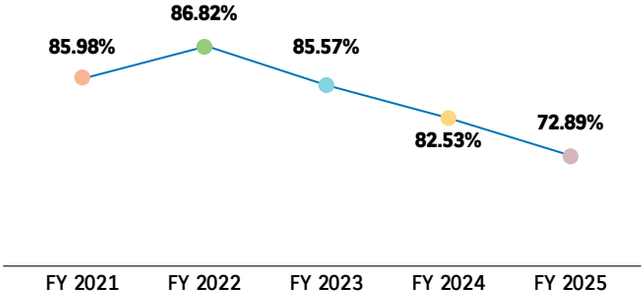


Balance Sheet Strength & Funding Structure

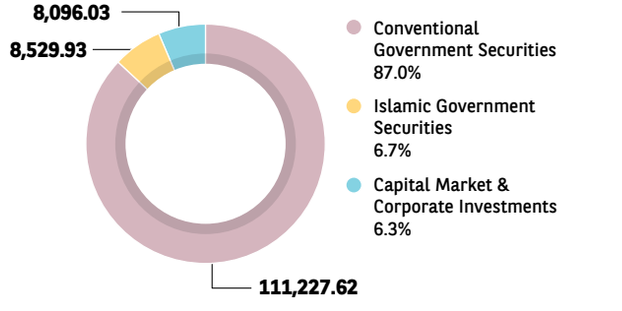
Consolidated Assets Progression BDT in Million



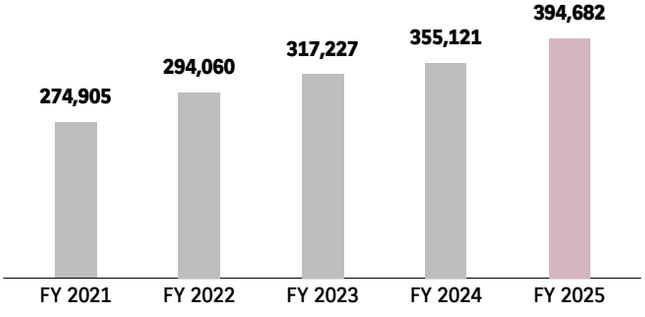
Advance-to-Deposit (ADR) Trend Lending Ratio (%)



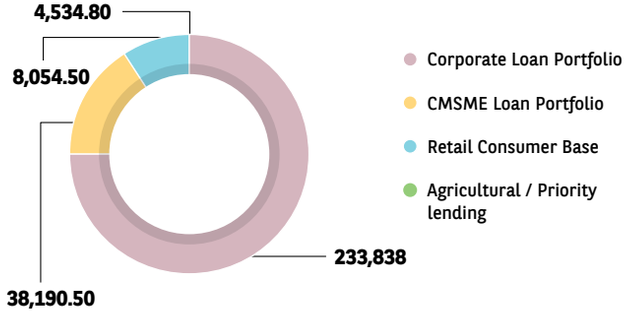
Investment Portfolio Mix BDT in Million



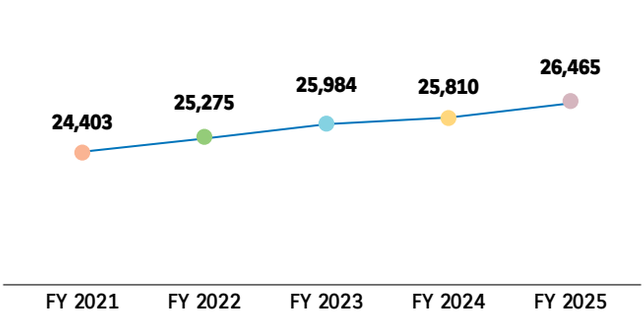
Total Deposit Mobilization BDT in Million



Lending Allocation Distribution BDT in Million

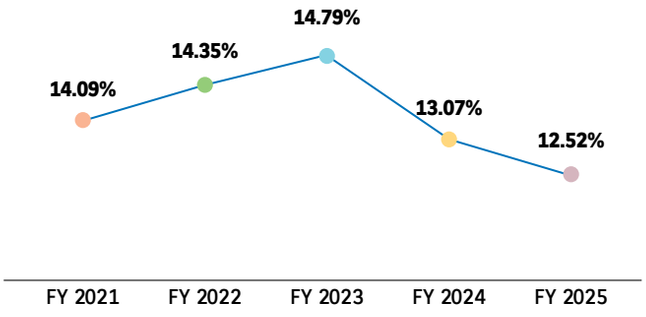


Shareholders' Equity Growth BDT in Million

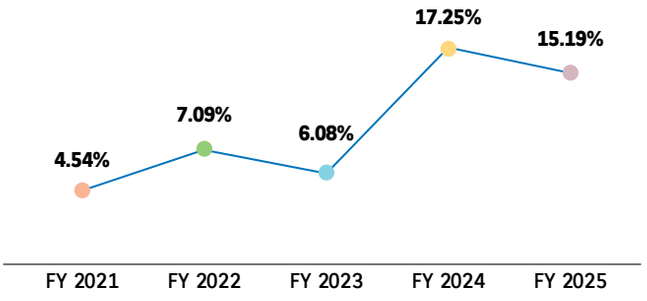


Capital Adequacy & Risk Solvency

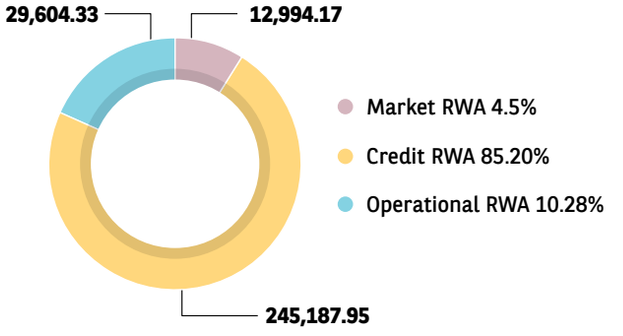
Capital Adequacy Trend CRAR Ratio (%)



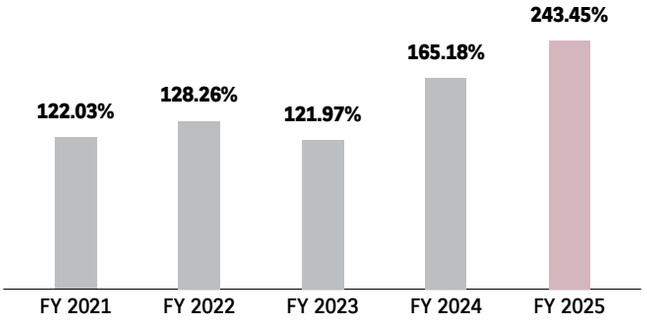
NPL Ratio Active Remediation NPL Percentage



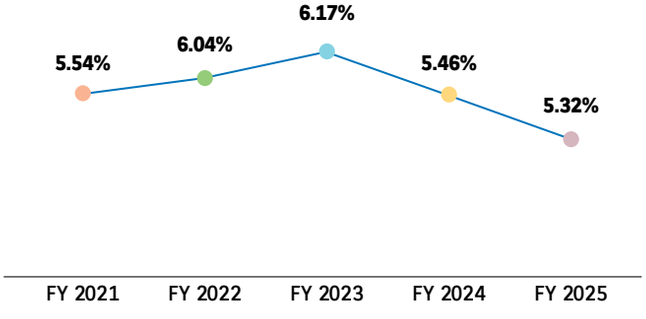
Risk Weighted Assets (RWA) Mix BDT in Million



Liquidity Coverage Trend LCR (%)

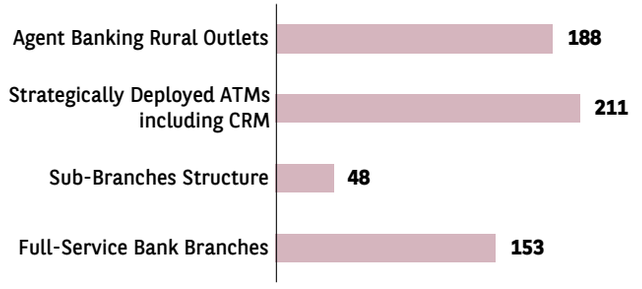


Leverage Ratio Compliance Trend Leverage Ratio (%)

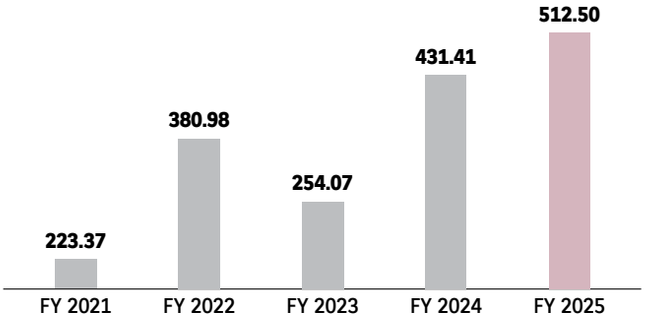


Digital Footprint, ESG & Community Impact

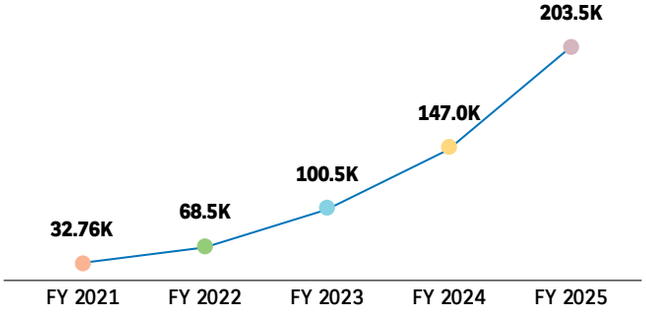
Omnichannel Delivery Network Channel Touchpoint



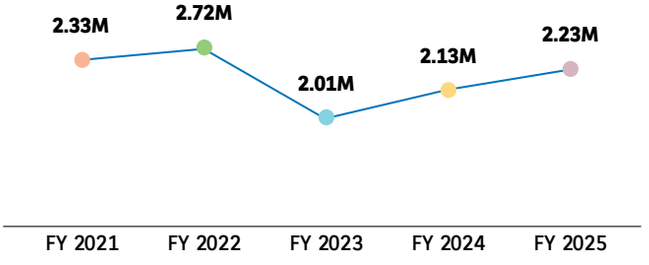
Sustainable Green Finance Disbursement Trend BDT in Million



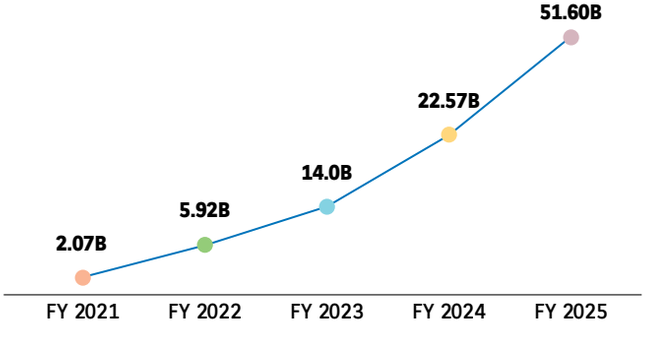
MBL Rainbow App Users Trend Active Users (Qty '000)



Personnel Productivity Trend Profit per Employee (BDT Millions)



Rainbow Transaction Values BDT in Billion



HORIZONTAL ANALYSIS

Balance Sheet

PROPERTY AND ASSETS	2025	2024	2023	2022	2021
Cash	**199.02%**	**136.55%**	**121.80%**	**113.35%**	**100.00%**
Cash In hand (including foreign currencies)	164.55%	153.44%	141.42%	122.46%	100.00%
Balance with Bangladesh Bank and its agent bank	206.23%	133.02%	117.69%	111.44%	100.00%
Balance with other banks and financial institutions	**538.90%**	**342.26%**	**189.74%**	**141.08%**	**100.00%**
In Bangladesh	95.49%	43.07%	41.13%	41.06%	100.00%
Outside Bangladesh	1415.74%	933.89%	483.61%	338.87%	100.00%
Money at Call and short notice	632.94%	2235.25%	135.50%	172.88%	100.00%
Investments	**204.90%**	**142.79%**	**126.98%**	**97.06%**	**100.00%**
Government	218.06%	146.77%	128.20%	95.84%	100.00%
Others	108.26%	113.56%	118.02%	106.01%	100.00%
Loans and advances/investments	**107.19%**	**112.47%**	**106.77%**	**105.29%**	**100.00%**
Loans, cash credits, overdrafts, etc.	111.01%	116.01%	110.63%	106.78%	100.00%
Bills purchased and discounted	47.96%	57.68%	47.13%	82.32%	100.00%
Fixed assets including premises, furniture, fixtures	**82.06%**	**85.16%**	**91.42%**	**98.55%**	**100.00%**
Other assets	**139.73%**	**120.75%**	**126.12%**	**185.94%**	**100.00%**
Non-banking assets	**2803.92%**	**125.13%**	**125.13%**	**102.07%**	**100.00%**
Total assets	**132.96%**	**123.73%**	**111.90%**	**106.38%**	**100.00%**
LIABILITIES AND CAPITAL	**2025**	**2024**	**2023**	**2022**	**2021**
Liabilities					
Borrowings from other banks, financial institutions, and agents	39.06%	40.67%	57.60%	95.90%	100.00%
Subordinated non-convertible bonds	0.00%	25.00%	50.00%	75.00%	100.00%
Mercantile Bank Perpetual Bond	100.00%	100.00%	100.00%	100.00%	100.00%
Deposits and other accounts	140.37%	126.67%	113.45%	104.15%	100.00%
Current accounts and other accounts	135.81%	151.79%	135.29%	110.85%	100.00%
Bills payable	86.77%	98.88%	99.32%	72.84%	100.00%
Savings bank deposits	123.58%	110.60%	106.19%	100.04%	100.00%
Fixed deposits	150.08%	132.20%	122.99%	113.53%	100.00%
Deposits under schemes	143.54%	94.64%	73.51%	84.14%	100.00%
Other liabilities	**201.59%**	**214.11%**	**165.48%**	**136.63%**	**100.00%**
Total liabilities	**134.75%**	**125.04%**	**112.29%**	**106.58%**	**100.00%**
Total Shareholders' equity	**108.45%**	**105.76%**	**106.48%**	**103.57%**	**100.00%**
Paid-up capital	107.10%	107.10%	107.10%	105.00%	100.00%
Statutory reserve	119.17%	115.14%	112.37%	106.48%	100.00%
General reserve	110.22%	110.22%	110.22%	108.89%	100.00%
Other reserve	188.88%	212.11%	122.32%	104.02%	100.00%
Foreign currency translation gain/(loss)	101.48%	100.00%	100.00%	100.00%	100.00%
Surplus in Profit & Loss Account	26.38%	1.65%	61.93%	72.02%	100.00%
Total liabilities and Shareholders' equity	**132.96%**	**123.73%**	**111.90%**	**106.38%**	**100.00%**

Horizontal Analysis (Balance Sheet): Horizontal analysis of the Balance Sheet evaluates the growth trajectory of each asset, liability, and equity component relative to a defined base period. In this report, 2021 serves as the base year, assigned an index value of 100.00%. Values exceeding 100.00% denote positive expansion, while values below 100.00% indicate a contraction relative to the base year. The analysis illustrates that MBPLC's total assets, liabilities, and shareholders' equity have exhibited consistent, sustainable growth over the five-year horizon. Notably, total assets reached 132.96% of the base year in 2025, strongly supported by robust deposit mobilization (140.37%) and a strategic surge in secure investments (204.90%), which perfectly aligns with the Bank's focus on prudent balance sheet consolidation.

Profit and Loss Statement

PROPERTY AND ASSETS	2025	2024	2023	2022	2021
Interest income / profit on investments	151.01%	127.58%	110.61%	103.97%	100.00%
Interest / profit paid on deposits, borrowings, etc.	201.80%	167.45%	128.70%	105.04%	100.00%
Net interest / net profit on investments	**4.24%**	**12.36%**	**58.34%**	**100.87%**	**100.00%**
Investment income	194.98%	154.42%	98.89%	85.48%	100.00%
Commission, exchange, and brokerage	108.19%	151.60%	182.43%	194.81%	100.00%
Other operating income	117.41%	166.94%	118.28%	113.86%	100.00%
Total operating income	**103.86%**	**105.44%**	**102.77%**	**114.80%**	**100.00%**
Salaries and allowances	99.71%	101.90%	102.40%	103.71%	100.00%
Rent, Taxes, Insurance, Electricity, etc.	128.67%	134.44%	115.15%	118.47%	100.00%
Legal expenses	170.88%	242.60%	154.39%	155.94%	100.00%
Postage, Stamp, Telecommunication, etc.	126.24%	105.29%	102.43%	102.22%	100.00%
Stationery, Printing, Advertisements, etc.	177.94%	159.15%	120.88%	129.70%	100.00%
Managing Director's salary and fees	125.05%	127.92%	114.44%	105.80%	100.00%
Director's fees	126.03%	153.73%	106.36%	101.39%	100.00%
Auditors' fees	145.45%	197.27%	97.27%	97.27%	100.00%
Depreciation and Repair of Fixed Assets	102.46%	107.21%	112.97%	114.81%	100.00%
Other expenses	124.49%	143.88%	147.82%	132.44%	100.00%
Total operating expenses	**111.17%**	**116.61%**	**114.76%**	**113.11%**	**100.00%**
Profit / (Loss) before provision	**95.17%**	**92.17%**	**88.52%**	**116.80%**	**100.00%**
Provision for loans and advances					
Provision against Unclassified Loans (General provision)	-374.51%	-228.13%	536.92%	137.45%	100.00%
Provision against Classified Loans (Specific provision)	2058.73%	1987.99%	-134.63%	1050.80%	100.00%
Provision for off-balance sheet items	12.88%	24.99%	-28.51%	-1.68%	100.00%
Other provisions	**45.59%**	**10.75%**	**26.98%**	**70.79%**	**100.00%**
Total provision	**208.45%**	**229.85%**	**141.63%**	**218.45%**	**100.00%**
Total profit / (loss) before taxes	**44.32%**	**30.37%**	**64.68%**	**71.17%**	**100.00%**
Provision for Taxation					
Current tax	88.34%	84.75%	92.77%	100.17%	100.00%
Deferred tax	576.35%	457.44%	653.55%	118.35%	100.00%
Net profit after taxation	**35.10%**	**18.46%**	**59.34%**	**64.43%**	**100.00%**

Horizontal Analysis (Profit and Loss Statement): Horizontal analysis of the Profit and Loss Statement tracks the proportional shifts in the Bank's revenue streams and expenditure lines compared to the base period. Using 2021 as the base year (100.00%), the matrix highlights MBPLC's operational dynamics and strategic recalibrations. The data shows that while total operating income and operating expenses have followed a structured growth path (reaching 103.86% and 111.17% respectively in 2025), the core profit trajectories reflect deliberate management actions rather than uninterrupted linear growth. The operating profit (profit before provision) stood at 95.17% of the base year, while massive surges in specific provisioning (2058.73%) resulted in a net profit after tax of 35.10%. This illustrates the Bank's highly conservative, proactive stance on cleansing legacy asset quality to secure long-term macroeconomic resilience.

VERTICAL ANALYSIS

Balance Sheet

(As a % of Total Assets)

Property and Assets	2025	2024	2023	2022	2021
Cash	**6.09%**	**4.49%**	**4.43%**	**4.33%**	**4.07%**
Cash In hand (including foreign currencies)	0.87%	0.87%	0.89%	0.81%	0.70%
Balance with Bangladesh Bank and its agent bank	5.22%	3.62%	3.54%	3.52%	3.36%
Balance with other banks and financial institutions	**3.31%**	**2.26%**	**1.38%**	**1.08%**	**0.82%**
In Bangladesh	0.39%	0.19%	0.20%	0.21%	0.54%
Outside Bangladesh	2.92%	2.07%	1.18%	0.87%	0.27%
Money at Call and short notice	**0.73%**	**2.76%**	**0.18%**	**0.25%**	**0.15%**
Investments	**26.75%**	**20.04%**	**19.70%**	**15.84%**	**17.36%**
Government	25.06%	18.13%	17.51%	13.77%	15.28%
Others	1.69%	1.91%	2.19%	2.07%	2.08%
Loans and advances/investments	**59.83%**	**67.47%**	**70.82%**	**73.47%**	**74.22%**
Loans, cash credits, overdrafts, etc.	58.21%	65.37%	68.92%	69.98%	69.72%
Bills purchased and discounted	1.63%	2.10%	1.90%	3.49%	4.51%
Fixed assets (including premises, furniture, fixtures)	**0.66%**	**0.73%**	**0.87%**	**0.98%**	**1.06%**
Other assets	**2.43%**	**2.25%**	**2.60%**	**4.03%**	**2.31%**
Non-banking assets	**0.21%**	**0.01%**	**0.02%**	**0.02%**	**0.01%**
Total assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Liabilities					
Borrowings from other banks, FIs, and agents	3.02%	3.38%	5.08%	8.90%	9.87%
Subordinated non-convertible bonds	0.00%	0.13%	0.30%	0.47%	0.67%
Deposits and other accounts	**79.47%**	**77.07%**	**76.32%**	**73.70%**	**75.28%**
Current accounts and other accounts	22.54%	27.07%	26.68%	23.00%	22.07%
Bills payable	0.65%	0.80%	0.89%	0.69%	1.00%
Savings bank deposits	8.61%	8.28%	8.79%	8.71%	9.27%
Fixed deposits	29.99%	28.39%	29.20%	28.36%	26.57%
Deposits under schemes	17.68%	12.52%	10.76%	12.95%	16.37%
Other liabilities	**11.21%**	**12.80%**	**10.94%**	**9.50%**	**7.39%**
Total liabilities	**94.46%**	**94.20%**	**93.54%**	**93.39%**	**93.21%**
Total Shareholders' equity	**5.54%**	**5.80%**	**6.46%**	**6.61%**	**6.79%**
Paid-up capital	2.32%	2.49%	2.75%	2.84%	2.87%
Statutory reserve	2.31%	2.40%	2.59%	2.58%	2.58%
General reserve	0.52%	0.56%	0.62%	0.64%	0.63%
Other reserve	0.29%	0.35%	0.22%	0.20%	0.20%
Foreign currency translation gain/(loss)	0.00%	0.00%	0.00%	0.01%	0.00%
Surplus in Profit & Loss Account	0.10%	0.01%	0.28%	0.34%	0.51%
Total liabilities and Shareholders' equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Vertical Analysis (Balance Sheet): Vertical Analysis of the balance sheet, often referred to as common-sizing, evaluates each individual asset, liability, and equity component as a proportional percentage of Total Assets. This provides a clear view of the Bank's structural composition and capital allocation strategy over time.

On the asset side, the 2025 matrix clearly illustrates MBPLC's strategic pivot during this "Year of Consolidation." While Loans and Advances remain the primary asset class, their concentration was deliberately moderated from 67.47% in 2024 to 59.83% in 2025 to prioritize asset quality and balance sheet cleansing. Simultaneously, the Bank actively redirected its liquidity into safe, high-yielding government securities, increasing the total Investment portfolio's share from 20.04% to 26.75% of total assets.

On the liability side, the Bank's funding structure remains highly stable and customer-centric. Deposits continue to hold the absolute majority share, rising to 79.47% of total liabilities and equity in 2025 (up from 77.07%). This steady upward trend in deposit concentration reflects enduring public confidence and effectively cushions the Bank against external liquidity shocks.

Profit and Loss Statement

(As a % of Gross Income)

Profit & Loss Statement	2025	2024	2023	2022	2021
Operating Income					
Interest income/profit on investments	66.73%	63.18%	64.61%	64.00%	67.65%
Interest/profit paid on deposits, borrowings, etc.	66.25%	61.60%	55.85%	48.04%	50.26%
Net interest / net profit on investments	**0.48%**	**1.57%**	**8.76%**	**15.96%**	**17.39%**
Investment income	22.71%	20.15%	15.22%	13.87%	17.83%
Commission, exchange, and brokerage	6.80%	10.67%	15.15%	17.05%	9.62%
Other operating income	3.76%	6.00%	5.01%	5.08%	4.91%
Total operating income	**33.75%**	**38.40%**	**44.15%**	**51.96%**	**49.74%**
Operating Expenses					
Salaries and allowances	9.86%	11.30%	13.39%	14.29%	15.15%
Rent, Taxes, Insurance, Electricity, etc.	1.80%	2.11%	2.13%	2.31%	2.14%
Legal expenses	0.10%	0.16%	0.12%	0.13%	0.09%
Postage, Stamp, Telecommunication, etc.	0.23%	0.21%	0.24%	0.26%	0.28%
Stationery, Printing, Advertisements, etc.	1.29%	1.29%	1.15%	1.31%	1.11%
Managing Director's salary and fees	0.04%	0.05%	0.05%	0.05%	0.05%
Director's fees	0.01%	0.02%	0.02%	0.02%	0.02%
Auditors' fees	0.00%	0.01%	0.00%	0.00%	0.00%
Depreciation and Repair of Fixed Assets	1.74%	2.04%	2.54%	2.72%	2.60%
Other expenses	4.54%	5.88%	7.12%	6.73%	5.58%
Total operating expenses	**19.62%**	**23.06%**	**26.77%**	**27.81%**	**27.02%**
Profit / (loss) before provision	**14.13%**	**15.33%**	**17.37%**	**24.15%**	**22.73%**
Provision for Loans and Advances					
Provision against Unclassified Loans (General)	(5.01%)	(3.42%)	9.49%	2.56%	2.05%
Provision against Classified Loans (Specific)	13.69%	14.82%	(1.18%)	9.74%	1.02%
Provision for off-balance sheet items	0.11%	0.24%	(0.32%)	(0.02%)	1.31%
Other provisions	0.79%	0.21%	0.62%	1.72%	2.67%
Total provision	**9.59%**	**11.85%**	**8.61%**	**14.00%**	**7.04%**
Total profit / (loss) before taxes	**4.54%**	**3.49%**	**8.76%**	**10.16%**	**15.69%**
Provision for Taxation					
Current tax	1.73%	1.86%	2.41%	2.74%	3.00%
Deferred tax	(0.11%)	(0.09%)	(0.16%)	(0.03%)	(0.03%)
Net Profit After Taxation	**2.91%**	**1.72%**	**6.51%**	**7.45%**	**12.71%**

Vertical Analysis (Profit and Loss Statement): Vertical Analysis of the Profit and Loss Statement, also known as common-sizing, expresses each income and expense component as a percentage of the Bank's Gross Income. This provides stakeholders with a clear picture of how efficiently MBPLC is generating its revenues and managing its costs over time.

The 2025 analysis illustrates a profound shift in the Bank's core earning dynamics due to macro-environmental pressures. While gross Interest Income contributed the majority share (66.73%), an elevated high-cost deposit environment resulted in Interest Expenses simultaneously consuming 66.25% of gross revenues. This severely compressed the Net Interest Margin to 0.48% (down from 1.57% in 2024).

However, management successfully mitigated this margin compression by actively diversifying its revenue streams. Most notably, Income from Investments surged to represent 22.71% of total income (up from 20.15%), driven by high-yielding government securities. Furthermore, strict cost-containment measures improved our overall efficiency, reducing Total Operating Expenses to 19.62% of gross income (down from 23.06% in 2024). Ultimately, after strategically absorbing 13.69% in specific provisions to further clean up the balance sheet, MBPLC delivered a stabilized Net Profit After Tax equivalent to 2.91% of total income.

DUPONT ANALYSIS: A WIDER PERSPECTIVE OF MBPLC'S ROE

DuPont analysis is an extended financial performance tool used to examine a bank's Return on Equity (ROE) in detail by breaking it down into fundamental operational and financial metrics. By mathematically disaggregating ROE into net profit margin, asset turnover, financial leverage, tax effect, and the effect of non-operating items, this 5-step framework gives the Management and our investors a transparent, wider perspective on how efficiently MBPLC generates wealth for its shareholders.

At Mercantile Bank PLC (MBPLC), utilizing this framework uncovers a clear picture of our financial performance during this "Year of Consolidation," highlighting both our strategic recovery and areas of ongoing opportunity.

THE 5-STEP DUPONT BREAKDOWN

The following table segregates the core components of our DuPont analysis, illustrating the primary drivers behind the Bank's improvement in shareholder returns in 2025:

Particulars	2025	2024
Return on Equity (ROE)	4.59%	2.44%
Total Asset Turnover (Times)	0.0893	0.0868
Financial Leverage (Times)	17.6484	16.3504
Net Profit Margin (%)	2.91%	1.72%
Operating Profit Margin (%)	14.13%	15.33%
Tax Effect	0.6417	0.4927
Effect of non-operating items	0.3215	0.2274

DECOMPOSING THE PERFORMANCE (ANALYTICAL INSIGHTS)

RETURN ON EQUITY (ROE) RECOVERY

Driven by a multi-pronged strategic recovery, MBPLC's ROE increased significantly from 2.44% in 2024 to 4.59% in 2025. This near-doubling of equity returns is the direct mathematical result of improvements in our net profit margins, enhanced asset utilization, and optimized financial leverage.

PROFITABILITY MARGINS (NPM & OPM)

The Bank's Net Profit Margin (NPM) rose robustly to 2.91% in 2025, up from 1.72% in 2024. This indicates enhanced bottom-line profitability, driven primarily by an impressive 90.09% growth in Net Profit After Tax, which reached BDT 1,199.87 million. Conversely, the Operating Profit Margin (OPM) experienced a deliberate contraction from 15.33% to 14.13%. This contraction at the operating level reflects the industry-wide compression of net interest margins and the high-cost deposit environment navigated during the year.

TOTAL ASSET TURNOVER

Asset turnover measures the Bank's efficiency in generating gross revenue from its total asset base. Despite deliberately moderating loan portfolio growth to prioritize asset quality, MBPLC successfully improved its Total Asset Turnover from 0.0868 to 0.0893 in 2025. This improvement was supported by an agile revenue model that successfully generated a gross operating income of BDT 13,894.57 million, largely aided by shifting liquidity toward high-yielding government treasury bonds to generate BDT 9,348.40 million in investment income.

FINANCIAL LEVERAGE

During the year under review, the Bank maintained an optimum level of financial leverage to balance earnings stability with proportionate risks. The Financial Leverage multiplier increased from 16.3504 in 2024 to 17.6484 in 2025. This indicates a highly efficient mobilization and deployment of depositor funds, scaling our Total Assets to BDT 477,887.53 million and amplifying returns against our BDT 26,465.41 million shareholders' equity base.

TAX & NON-OPERATING EFFECTS

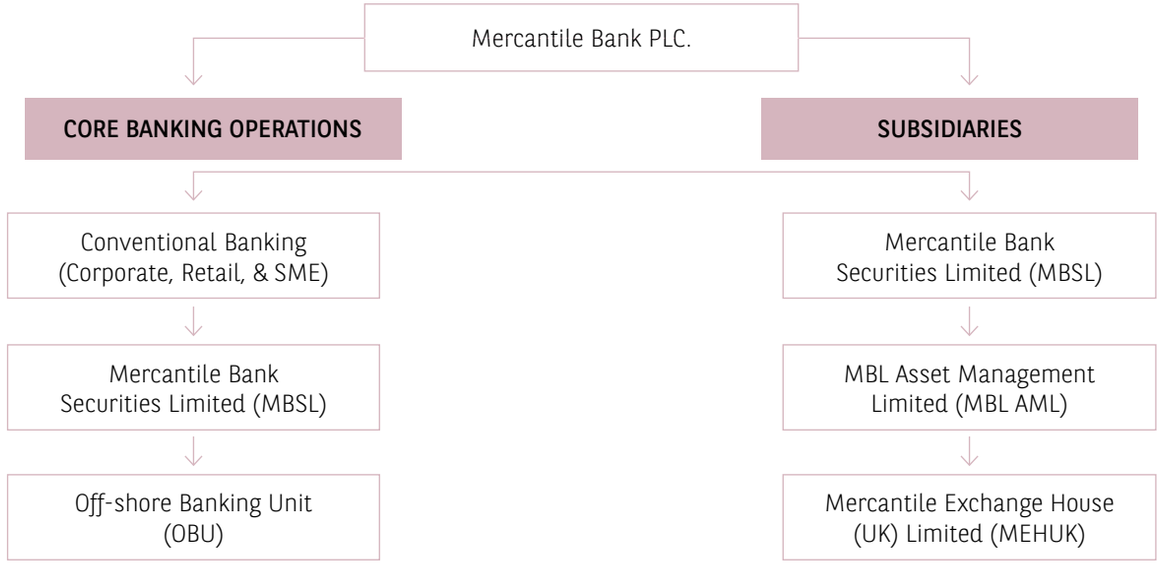
The Tax Effect parameter improved to 0.6417 (from 0.4927), and the Effect of non-operating items increased to 0.3215 (from 0.2274). The movement of these metrics serves as the vital bridge between our BDT 5,816.95 million Profit Before Provision and our final bottom line. It confirms that while aggressive prudential provisioning (to clean up legacy bad debt) suppresses pre-tax margins, the fundamental tax and non-operating structures are performing efficiently to protect the core equity base and ensure the long-term sustainability of the Bank's ROE.

ROE AS PER DUPONT, 2025: 4.59%

The significant recovery in ROE from 2.44% in 2024 to 4.59% in 2025 reflects MBPLC's successful strategic balance sheet consolidation. The higher the value of these DuPont components—particularly the improvements in Net Profit Margin and Asset Turnover—the higher the positive impact on long-term Return on Equity.

SEGMENT ANALYSIS 2025

Mercantile Bank PLC (MBPLC) evaluates its business across defined operational and geographical segments. During the 2025 "Year of Consolidation," management meticulously tracked the income, expenses, assets, and liabilities of these segments to optimize capital allocation, assess risk-adjusted returns, and accurately identify inter-segment transactions.

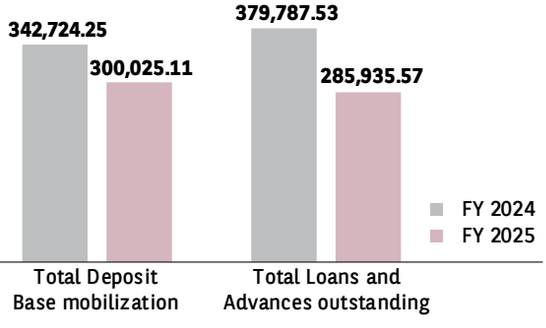


Below is the analytical review of MBPLC's primary business and geographical segments for the financial year ended 31 December 2025:

CONVENTIONAL COMMERCIAL BANKING (CORE OPERATIONS)

The conventional banking segment remains the primary engine of MBPLC's balance sheet, operating through a robust network of 153 branches, 48 Sub-branches, and 188 Agent Banking outlets.

Loans Advances vs Deposit Mobilization BDT in Million

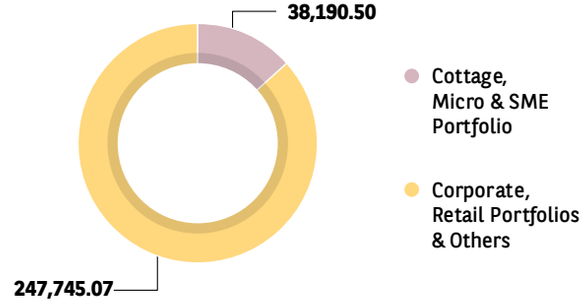


Strategic Focus	2025 Performance Outcome
Deposit Mobilization	Secured BDT 379,787.53 million in total deposits, reflecting high customer trust.
Credit Contraction	Deliberately moderated the loan portfolio to BDT 285,935.57 million to prioritize asset quality.
Liquidity Reallocation	Navigated net interest margin compression by strategically shifting liquidity into high-yielding government securities.

SME FINANCING SEGMENT

The Cottage, Micro, Small, and Medium Enterprises (CMSME) segment is a vital driver of the Bank's inclusive growth strategy and portfolio diversification.

Cottage, Micro & SME Portfolio Share BDT in Million

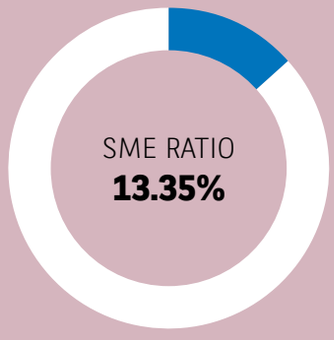


SME Financing Indicators	2025 Performance
Total SME Portfolio	BDT 38,190.50 million
New Sanctions Disbursed	BDT 14,102.20 million
Active SME Customer Base	~6,700 Customers
Contribution to Total Loans	13.35%

Cottage, Micro & SME Financing Mix

SME segment portfolio ratio relative to the total lending base (FY2025 proportions).

BDT 38,190.50 M
SME Base

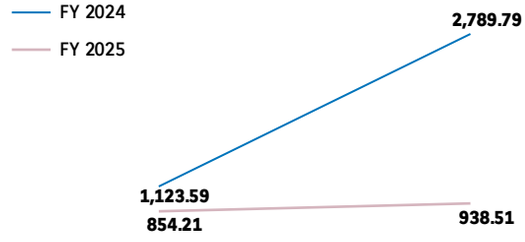


- Active Customers: **~6,700 Clients**
- SME Lending Base: **38,190.50 M**
- Lending Headroom: **247,745.07 M**

'TAQWA' ISLAMIC BANKING SEGMENT

The 'Taqwa' Islamic Banking window operates as a dedicated Shari'ah-compliant operational segment. In 2025, it demonstrated extraordinary market acceptance and rapid volume scaling.

Islamic Window Deposit & Asset Expansion



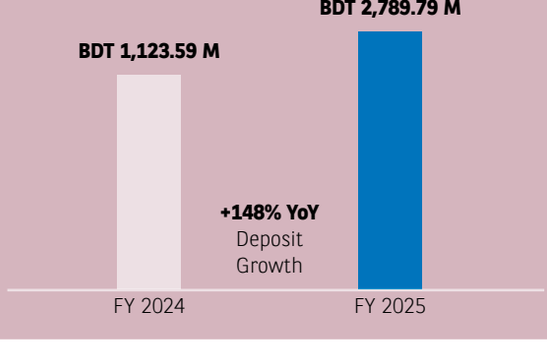
Total Deposit Balance Mobilization | General Shari'ah Investment Portfolio

Taqwa Segment Indicators	2025 (BDT m)	2024 (BDT m)	Growth (YoY)
Total Deposits	2,789.79	1,123.59	+148%
General Investment	938.51	854.21	+10%
Import Business	638.00	640.00	0%
Net Profit / (Loss)	(17.40)	15.57	(212%)

(Note: The loss in 2025 reflects specific provisioning adjustments aligned with the Bank's broader balance sheet clean-up strategy.)

'Taqwa' Islamic Deposit Growth

Shari'ah-compliant consumer deposit mobilization trajectory (BDT in Million).



OFFSHORE BANKING DIVISION (OBD) - GEOGRAPHICAL SEGMENT

Serving as a specialized geographical and currency segment, the Offshore Banking Division (OBD) provides crucial foreign currency financing to corporate clients, particularly in the export-oriented RMG and manufacturing sectors.

OBD Highlights	2025 Performance
Total Exposure	USD 56.70 million
Net Profit Contribution	USD 2.77 million

CAPITAL MARKET & GLOBAL REMITTANCE (SUBSIDIARIES SEGMENT)

MBPLC's subsidiary segment comprises Mercantile Bank Securities Limited (MBSL), MBL Asset Management Limited (MBL AML), and Mercantile Exchange House (UK) Limited (MEHUK). Despite macroeconomic headwinds and capital market volatility, the subsidiaries maintained structural stability and executed vital technological upgrades.

A. MERCANTILE BANK SECURITIES LIMITED (MBSL)

MBSL navigated a volatile market landscape characterized by a prolonged downturn in trading activities. While the downward trend of the market index resulted in a contraction in operating income and profit, the company strategically utilized this period for "internal fortification."

BDT in Million

Particulars	2025	2024	Y-o-Y Growth
Operating Income	271.38	418.01	-35.08%
Operating Profit	94.12	173.97	-45.90%
Net Profit after Tax	3.80	5.91	-35.70%
Total Assets	7,037.84	7,214.40	-2.45%
Total Equity	4,028.18	4,024.37	0.09%

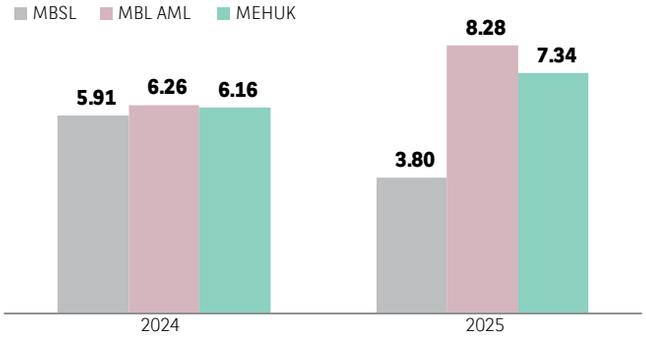
B. MBL ASSET MANAGEMENT LIMITED (MBL AML)

MBL AML demonstrated highly resilient fund management capabilities in 2025, focusing on mutual funds and investment advisory services.

BDT in Million

Particulars	2025	2024	Y-o-Y Growth
Operating Income	8.52	8.51	0.12%
Operating Profit	3.49	3.84	-9.11%
Net Profit after Tax	8.28	6.26	32.27%
Total Assets	120.76	120.36	0.33%
Total Equity	108.53	106.75	1.67%

Subsidiaries Net Profit (NPAT) Comparison



C. MERCANTILE EXCHANGE HOUSE (UK) LIMITED (MEHUK)

Serving the Bangladeshi expatriate community in the United Kingdom, MEHUK successfully rebounded from prior economic pressures.

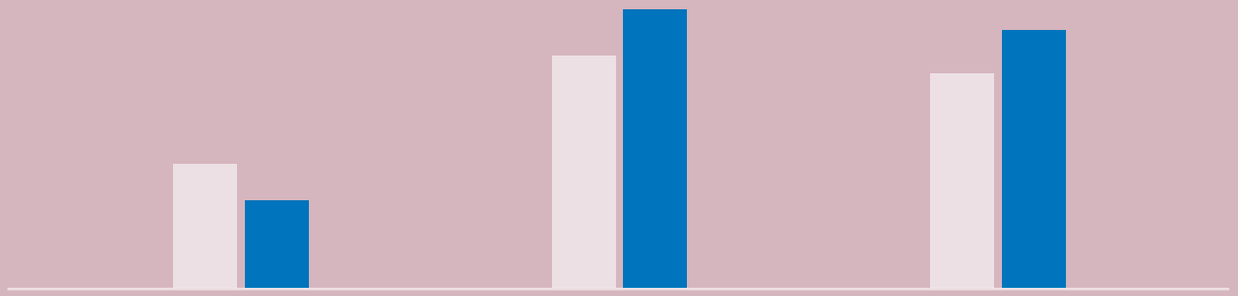
BDT in Million

Particulars	2025	2024	Y-o-Y Growth
Income	64.02	63.88	0.22%
Profit	12.42	10.74	15.64%
Net Profit after Tax	7.34	6.16	19.16%
Total Assets	53.63	35.05	53.01%

Corporate Subsidiary Performance

Consolidated NPAT

Comparing 2024 vs. 2025 Net Profit After Tax (NPAT) for direct subsidiaries (BDT in Million).



CREDIT RATING OF MBPLC

For the financial year 2025, Credit Rating Information and Services Limited (CRISL) evaluated the Bank based on its audited financial statements and other relevant quantitative and qualitative information. The agency has assigned the following ratings to MBPLC as an entity and to its Perpetual Bond:

ENTITY CREDIT RATING (2025-2026)

Particulars	Rating / Status
Credit Rating Agency	Credit Rating Information and Services Limited (CRISL)
Long-Term Rating	AA (Pronounced as Double A)
Short-Term Rating	ST-2
Outlook	Stable
Date of Rating Declaration	10 July 2025
Validity of Rating	09 July 2026

Entity Rating Rationale:CRISL's assessment of MBPLC reflects the Bank's financial viability and consequent improvements in capital adequacy, stable sources of funding, diversified product lines, and an active focus on asset quality.

- **Long-Term (AA):** Financial institutions rated in this category are adjudged to be of high quality, offering higher safety and demonstrating a high capacity for the timely repayment of financial obligations. This indicates that MBPLC possesses a sound credit profile without significant problems.
- **Short-Term (ST-2):** This rating denotes a High Grade for the Bank, indicating a high certainty of timely payment. It reflects that MBPLC's liquidity factors are strong and are supported by good fundamental protection factors, with very small associated risk elements.

CREDIT RATING OF MERCANTILE BANK PERPETUAL BOND

Particulars	Rating / Status
Instrument	Mercantile Bank Perpetual Bond of BDT 5,000 million
Credit Rating Agency	Credit Rating Information and Services Limited (CRISL)
Long-Term Bond Rating	AA- (Pronounced as Double A Minus)
Short-Term Bond Rating	ST-3
Date of Rating Declaration	10 July 2025
Validity of Rating	09 July 2026

Bond Rating Rationale & Indication:The "Mercantile Bank Perpetual Bond of BDT 5,000 million" has been assigned a long-term rating of AA- on the basis of the fundamentals of both the issue and the issuer. This includes the sound credit profile of the Bank and profitability indicators that strongly support regular coupon payments.

- **Long-Term (AA-):** This rating signifies that the bond is adjudged to be of high credit quality and offers higher safety. It indicates a security with a sound credit profile, strong protection factors, and without significant problems. Risk is modest but may vary slightly from time to time because of broader economic conditions.
- **Short-Term (ST-3):** The short-term rating indicates good certainty regarding the obligator's capacity to meet its financial commitments. The safety level is assessed to be almost comparable to risk-free government short-term securities.

STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

As a values-driven financial service provider, Mercantile Bank PLC (MBPLC) recognizes that sustainable, long-term value creation is fundamentally interdependent on the well-being of its stakeholders and the environment. During the 2025 "Year of Consolidation," navigating macroeconomic headwinds and regulatory shifts required intensified, transparent, and proactive stakeholder dialogue. Our engagement philosophy goes beyond merely fulfilling disclosure requirements; it is a strategic mechanism used to identify emerging risks, capitalize on operational opportunities, and align our corporate strategy with the expectations of our diverse stakeholder base.

STAKEHOLDER ENGAGEMENT FRAMEWORK

MBPLC identifies its stakeholders by assessing their level of influence, dependency, proximity, and representational significance to the Bank. We maintain structured communication channels to address their core concerns effectively. Below is an overview of our 2025 stakeholder engagement dynamics:

Stakeholder Group	Key Concerns & Expectations	Primary Engagement Platforms	MBPLC's Strategic Response / Value Delivered
Shareholders & Investors (22,810+ Individuals/Entities)	• Sustainable earnings and ROE • Strict NPL management • Transparent governance	• Annual General Meeting (AGM) • Financial & non-financial reporting • Website (www.mblbd.com) & Press Releases	• Prioritized long-term wealth maximization through aggressive balance sheet cleansing. • Ensured transparent, timely disclosures of asset quality and regulatory provisioning.
Customers (1.24+ Million)	• Secure and swift digital banking • Fair pricing and customized solutions • Data privacy	• 153 Branches, 48 Sub-branches, 188 Agent Outlets, and 211 ATMs & CRMs • MBL Rainbow / MyCash Apps • Customer Care & Grievance desk	• Deployed advanced digital platforms to ensure seamless, secure financial solutions. • Addressed grievances rapidly to maintain high customer trust.
Employees (2,610 Personnel)	• Fair compensation & benefits • Career development pathways • Safe, inclusive workplace	• Town Hall Meetings • Human Resources Management Systems (HRMS) • Annual Business Conferences	• Fostered an equal opportunity workplace (25.21% female workforce). • Provided continuous professional development and robust Shari'ah & ESG training.
Government & Regulators	• Compliance with BB regulations • Tax and VAT contributions • Climate risk reporting (IFRS S1 & S2)	• Regular meetings and updates • Audit and Compliance Reporting • Timely regulatory returns	• Contributed robustly to the National Exchequer. • Proactively adopted IFRS S1 and S2 frameworks for climate and sustainability disclosures.
Business Partners & Suppliers	• Transparent procurement processes • Ethical sourcing • Timely payment execution	• E-bidding and invitations • Vendor assessments • Contract Management	• Enforced strict internal procurement policies ensuring fair competition. • Maintained timely settlements to protect vendor liquidity.
Community & Environment	• Support for economic recovery • Climate change mitigation • Financial inclusion for unbanked	• CSR Activities & MBPLC Foundation • Sustainable Finance Unit (SFU) • NGO collaborations	• Disbursed significant CSR funds toward health, education, and disaster management. • Aggressively promoted green finance and tracked financed greenhouse gas emissions.

MATERIALITY ASSESSMENT PROCESS

Materiality at MBPLC is not a static reporting exercise but a continuous, dynamic process of listening, evaluating, and aligning. We determine material topics—issues that have a substantial actual or potential impact on our capital and value creation—through a structured four-step methodology:

1. **Identification:** Pinpointing economic, environmental, social, and governance (ESG) factors by scanning regulatory guidelines (including Bangladesh Bank's SFD circulars and IFRS S1/S2 standards), internal policies, and peer benchmarks.

2. **Assessment & Planning:** Evaluating the identified topics based on their capacity to influence MBPLC's operational stability, risk-adjusted returns, and regulatory standing.

3. **Engagement:** Actively consulting with the identified stakeholder groups through the aforementioned platforms to gauge their expectations and priorities.

4. **Prioritizing & Reporting:** Ranking the issues based on a dual metric—"Importance to Stakeholders" and "Impact on MBPLC." These findings are then integrated directly into the Bank's strategic resource allocation and public disclosures.

KEY MATERIAL TOPICS FOR 2025

Following the rigorous assessment exercise conducted under the supervision of the Sustainable Finance Committee (SFC) and the Board Risk Management Committee (BRMC), the following topics were classified as highly material for the 2025 financial year:

- **Asset Quality & NPL Management:** Amidst macroeconomic stress, prioritizing the containment of non-performing loans and ensuring adequate provisioning was deemed the most critical internal factor for securing long-term solvency.

- **Climate-Related Financial Risks (Transition & Physical):** With the phased adoption of IFRS S1 and S2, the identification and mitigation of climate risks (such as the transition away from high-emission sectors like traditional brick kilns) became a top strategic priority.

- **Digital Transformation & Cyber Resilience:** Enhancing digital service delivery (e.g., MBL Rainbow, Agent Banking) while securing customer data against escalating cyber threats was vital for retaining market share and customer trust.

- **Green & Sustainable Finance:** Actively pivoting portfolio allocations toward renewable energy, sustainable agriculture, and eco-friendly manufacturing to align with the Paris Agreement and national sustainability targets.

- **Regulatory Compliance & Corporate Governance:** Upholding ethical business practices, stringent anti-money laundering (AML) controls, and transparent reporting to maintain the confidence of both investors and the central bank.

ROADMAP TO INTEGRATED REPORTING

At Mercantile Bank PLC (MBPLC), integrated reporting is not merely a compliance exercise—it is a strategic imperative. By aligning our financial strength with sustainability, transparent governance, and stakeholder value creation, we provide a cohesive, forward-looking view of the Bank's performance. During the 2025 "Year of Consolidation," MBPLC took a historic leap in its reporting roadmap by actively adopting the IFRS S1 (Sustainability-related Financial Disclosures) and IFRS S2 (Climate-related Disclosures) standards. This milestone reflects our absolute commitment to enhanced transparency, global best practices, and robust governance in sustainability reporting.

BUILDING A SUSTAINABLE, VALUE-DRIVEN FRAMEWORK

MBPLC's journey towards integrated thinking is structured around four core pillars that dictate how we operate and report:

- **Defining MBPLC's Business Model:** Strengthening operational resilience and fostering innovation to adapt to a dynamic macroeconomic environment.
- **Value Creation Activities:** Driving sustainable growth through responsible, ethical banking practices that balance short-term realities with long-term goals.
- **Strategy & Resource Allocation:** Optimizing the deployment of our capital and resources to ensure long-term value generation and risk mitigation.
- **Future Orientation:** Anticipating market trends, integrating climate-risk assessments, and adapting with agility to secure the Bank's future.

MAPPING MBPLC'S VALUE CREATION MODEL (THE SIX CAPITALS)

We recognize that long-term success and institutional resilience depend on the balanced utilization and growth of six essential capitals. By embedding these principles, we enhance business processes, reinforce risk management, and create enduring value for all stakeholders.

Six Capitals	Strategic Focus at MBPLC	2025 Value Creation Highlights
Financial Capital	Enhancing profitability, optimizing cost-to-income, and ensuring risk-adjusted returns.	Deliberately moderated credit growth to prioritize asset quality while securing BDT 379.78 billion in deposits to fortify liquidity.
Institutional Capital (Manufactured)	Upholding strong governance, ethics, and expanding the physical/digital network.	Leveraged a robust network of 153 branches, 48 Sub-branches, 188 Agent Banking outlets, and specialized subsidiaries for nationwide service delivery.
Intellectual Capital	Driving innovation, digital transformation, and state-of-the-art technological deployment.	Deployed advanced digital platforms and centralized IT infrastructures to enhance customer experience and operational excellence.
Human Capital	Investing in expertise, leadership development, and fostering an inclusive workforce.	Fostered a safe, meritocratic workplace for over 2,600 employees, ensuring continuous professional development and training.
Social & Relationship Capital	Strengthening trust through responsible engagement, financial inclusion, and customer-centricity.	Directed CSR funds toward education, healthcare, and climate resilience, actively engaging with over 1.24 million customers.
Natural Capital	Embedding sustainability into core banking practices and combating climate change.	Quantified institutional carbon baseline (1.33M metric tonnes CO2e), championed green finance, and implemented IFRS S1/S2 to align with Net Zero by 2050.

By integrating financial metrics with non-financial ESG indicators, MBPLC ensures a business model that is highly resilient, sustainable, and strictly aligned with global best practices. As we move forward, this integrated approach will remain the bedrock of MBPLC's corporate narrative.

OUR VALUE CREATION PROCESS & THE SIX CAPITALS

At Mercantile Bank PLC (MBPLC), value creation is a dynamic, continuous process of transforming our capital inputs into sustainable outcomes for our diverse stakeholders. Guided by our corporate philosophy and strategic objectives, we leverage our resources to conduct responsible financial intermediation, manage risks prudently, and drive inclusive economic growth.

During the 2025 "Year of Consolidation," our value creation process was strictly aligned with our core strategic imperatives: ensuring asset quality, achieving operational excellence, scaling up digital transformation, and integrating sustainability into our core operations.

We categorize our resources into Six Capitals as defined by the International Integrated Reporting Council (IIRC). The following matrix details how we managed these capitals in 2025 to preserve and generate long-term value:

FINANCIAL CAPITAL

Financial capital is the pool of funds available to the Bank, which we deploy to generate revenue, support economic activities, and provide returns to our shareholders.

- 2025 Inputs: Shareholders' equity, Subordinated Bonds, and a robust deposit base totaling BDT 379,787.53 million.
- Value Creation & Outcomes: In 2025, we prioritized balance sheet resilience over aggressive expansion. We navigated severe net interest margin compression by strategically shifting liquidity into high-yielding government securities. This prudent capital allocation ensured a highly resilient liquidity buffer, stabilized asset quality, and secured a strong AA Long-Term Entity Credit Rating.

INSTITUTIONAL (MANUFACTURED) CAPITAL

Institutional capital comprises our physical and digital infrastructure that enables us to deliver seamless, nationwide financial services.

- 2025 Inputs: A comprehensive network comprising 153 Branches, 188 Agent Banking Outlets, 48 Sub-branches, 200 ATMs, 11 Cash Recycler Machines (CRMs), and 45 Islamic Banking Windows.
- Value Creation & Outcomes: We optimized our physical footprint to ensure financial inclusion across both urban and rural demographics. By bridging the gap between physical and digital channels (Phygital), we enhanced customer convenience, facilitated efficient fund transfers, and maintained uninterrupted banking services despite macroeconomic disruptions.

INTELLECTUAL CAPITAL

Intellectual capital represents our intangible assets: our brand equity, corporate governance frameworks, proprietary technology, and the accumulated tacit knowledge of our organization.

- 2025 Inputs: Advanced IT infrastructure, rigorous internal control and compliance systems, and our specialized Shari'ah Governance framework.
- Value Creation & Outcomes: We heavily invested in digital transformation, including the deployment of a new proprietary Order Management System (OMS) for our subsidiary, MBSL. Our intellectual capital enabled us to execute complex risk assessments, fortify our cyber defense mechanisms, and maintain absolute regulatory compliance, thereby reinforcing stakeholder trust.

HUMAN CAPITAL

Our people are the primary drivers of our strategy. Human capital encompasses the skills, experience, ethical alignment, and motivation of our workforce.

- 2025 Inputs: A dedicated workforce of 2,610 personnel (featuring a 25.21% female representation), supported by comprehensive training, competitive compensation, and a safe work environment.
- Value Creation & Outcomes: Embracing a "People First" philosophy, we invested BDT 4.64 million in employee development, delivering 1,614 hours of training to 2,540 recipients. This fostered an agile, ethical, and high-performance culture capable of executing the Bank's strategic pivot toward asset quality stabilization and digital resilience.

SOCIAL & RELATIONSHIP CAPITAL

This capital represents the strength of our relationships with customers, communities, regulators, and business partners, which grants us our social license to operate.

- 2025 Inputs: Active engagement with over 1.24+ million customers, transparent dialogue with regulators (such as Bangladesh Bank and BSEC), and strategic partnerships with vendors.
- Value Creation & Outcomes: We delivered exceptional value to our community by channeling significant CSR funds toward health, education, and disaster management. Furthermore, our massive 148% deposit growth in the 'Taqwa' Islamic Banking window highlighted the deep-rooted trust and acceptance we have cultivated within the communities we serve.

NATURAL CAPITAL

Natural capital includes the environmental resources we consume and the ecological impact of our operational and financing activities.

- 2025 Inputs: Implementation of the 8R Approach to Sustainability (Refuse, Reduce, Reuse, Recycle, Refine, Renew, Responsibility, Respond) and energy consumed across our 153 branches.
- Value Creation & Outcomes: Recognizing climate change as a critical financial risk, we disbursed BDT 11,367.60 million toward Sustainable CMSME sectors, empowering eco-friendly industries such as renewable energy and organic manufacturing. By pioneering the adoption of IFRS S1 and S2 climate-related financial disclosures and monitoring our carbon footprint, we aligned MBPLC's growth trajectory with the global transition toward a Net Zero economy.

THE SYNERGY OF THE SIX CAPITALS

At MBPLC, the Six Capitals do not operate in silos; they are highly interconnected. For instance, our strategic investment in Intellectual Capital (digital platforms) required an outflow of Financial Capital, but it directly enhanced our Institutional Capital (service delivery) and reduced our Natural Capital consumption (paperless banking). Simultaneously, upskilling our Human Capital allowed us to better manage legacy asset risks, thereby protecting our Financial Capital and enhancing our Social & Relationship Capital with regulators. This integrated, synergistic approach is what allowed MBPLC to successfully navigate the macroeconomic headwinds of 2025 and secure a highly sustainable foundation for the future.

HUMAN RESOURCE ACCOUNTING (HRA)

At Mercantile Bank PLC (MBPLC), integrated reporting is not merely a compliance exercise—it is a strategic imperative. By aligning our financial strength with sustainability, transparent governance, and stakeholder value creation, we provide a cohesive, forward-looking view of the Bank's performance. During the 2025 "Year of Consolidation," MBPLC took a historic leap in its reporting roadmap by actively adopting the IFRS S1 (Sustainability-related Financial Disclosures) and IFRS S2 (Climate-related Disclosures) standards. This milestone reflects our absolute commitment to enhanced transparency, global best practices, and robust governance in sustainability reporting.

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- **Strategy & Resource Allocation:** Optimizing the deployment of our capital and resources to ensure long-term value generation and risk mitigation.
- **Future Orientation:** Anticipating market trends, integrating climate-risk assessments, and adapting with agility to secure the Bank's future.

MAPPING MBPLC'S VALUE CREATION MODEL (THE SIX CAPITALS)

We recognize that long-term success and institutional resilience depend on the balanced utilization and growth of six essential capitals. By embedding these principles, we enhance business processes, reinforce risk management, and create enduring value for all stakeholders.

- **Strategic Decision-Making:** HRA informs strategic decisions by quantifying the value of human capital, guiding recruitment, training, and resource allocation.
- **Competitive Edge:** Effectively managing human capital through HRA, driving innovation, providing a competitive edge and sustainable business growth.
- **Performance Evaluation:** HRA facilitates performance evaluation, identifying high performers and areas for improvement to drive continuous growth and development.
- **Talent Management:** HRA supports talent management by optimizing recruitment, retention, and development strategies to attract and retain top talent.
- **Financial Transparency:** HRA enhances financial reporting accuracy by accounting for human capital costs, ensuring compliance and providing stakeholders with clear actionable insights.

VISUAL DASHBOARD: 2025 HUMAN CAPITAL AT A GLANCE

Total Core Employees	Female Representation	Training Participants
2,610	25.21%	3,736
(Male: 1,952 | Female: 658)	Industry-leading diversity	+47% YoY Growth

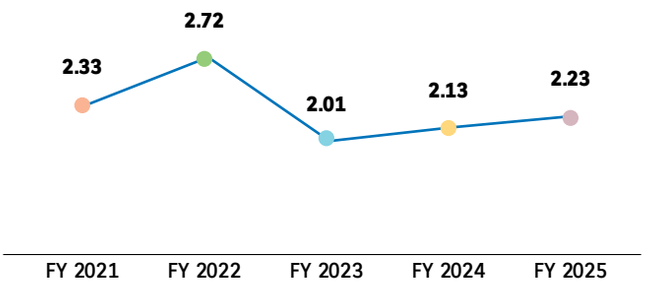
(Note: MBPLC also generated indirect employment by engaging 2,524 outsourced personnel in 2025, bringing the total footprint to 5,134 individuals).

HR PRODUCTIVITY & EFFICIENCY RATIOS

A core component of our HRA framework is measuring how effectively our workforce drives the Bank's bottom line. By tracking per-employee revenue and profitability, management can evaluate the direct return on investment for our human capital expenditures.

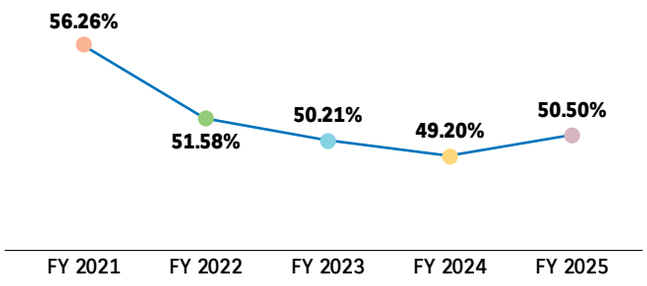
Metrics	2025	2024	2023	2022	2021
Operating Income per Employee	5.32	5.25	5.05	4.88	4.55
Operating Cost per Employee	3.09	3.16	3.20	2.65	2.50
Operating Profit per Employee	2.23	2.13	2.01	2.72	2.33
Profit After Tax per Employee	0.46	0.24	0.75	0.84	1.30

Operating Profit per Employee Trend BDT in Million



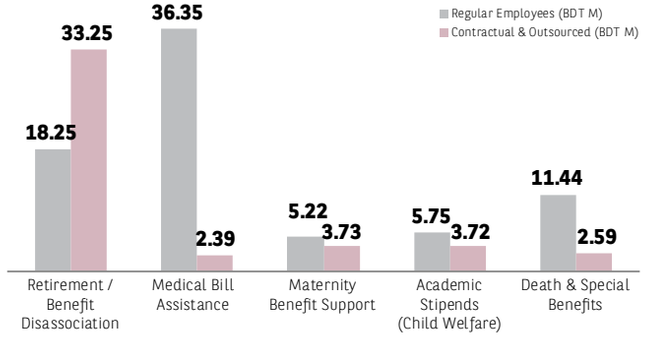
Salary Overhead vs. Operating Expenses

Overhead Percentage



Employee Financial Assistance Pool

BDT in Million



DEMOGRAPHIC & DIVERSITY BREAKDOWN

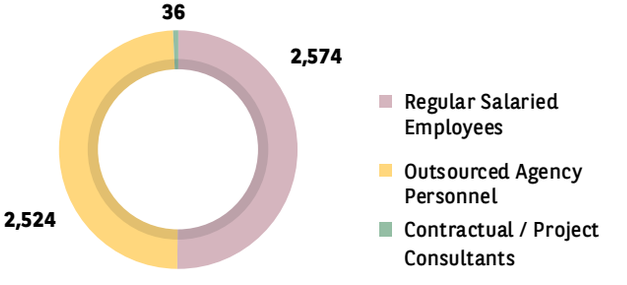
MBPLC prides itself on maintaining a highly diverse, multi-generational, and meritocratic workforce. We ensure equal opportunity across all levels of the organization, seamlessly blending the agility of youth with the strategic wisdom of experienced professionals.

74.79%
(Male: 1,952)

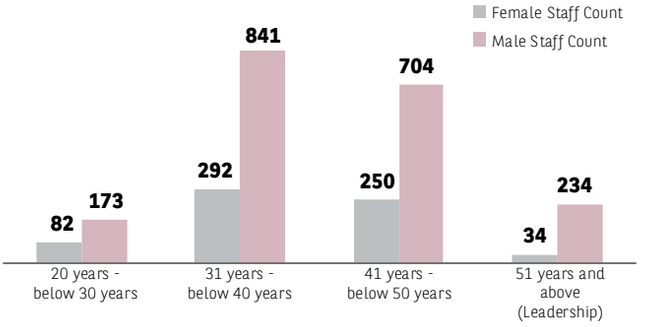
25.21%
(Female: 658)

Management Tier	Total	Male	Female	Proportion
Top 6 Layers (SVP to MD)	42	41	1	1.64%
Mid 4 Layers (FAVP to VP)	489	437	52	19.13%
Low 7 Layers (TAO to PO)	2,025	1,430	595	79.23%

Workforce Composition Status

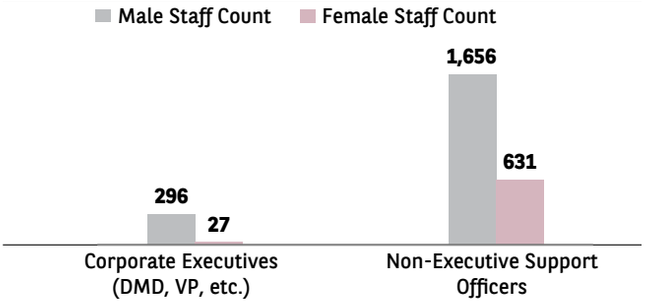


Workforce Age Structural Groups

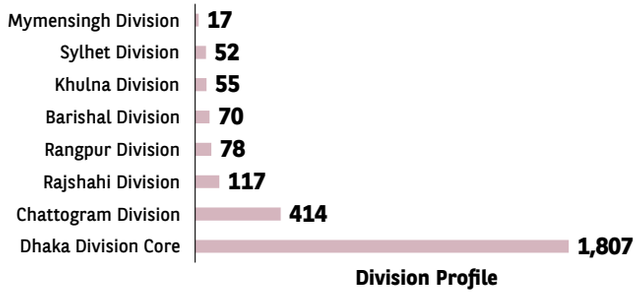


Executives vs. Non-Executives Grade Mix

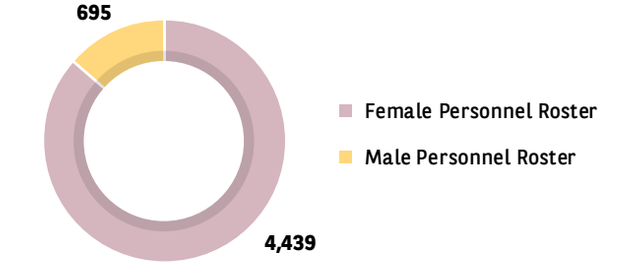
Headcount Ratio



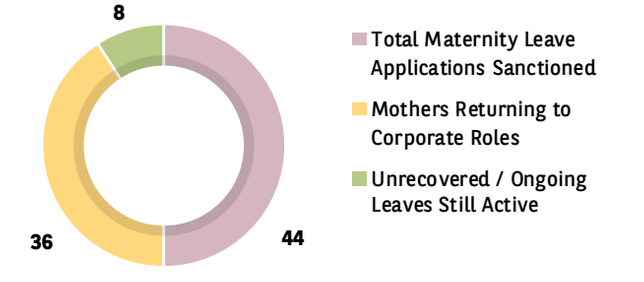
Geographic Division Staff Dispersion



Gender Diversity Roster Share



Maternal Return-to-Work Ratio

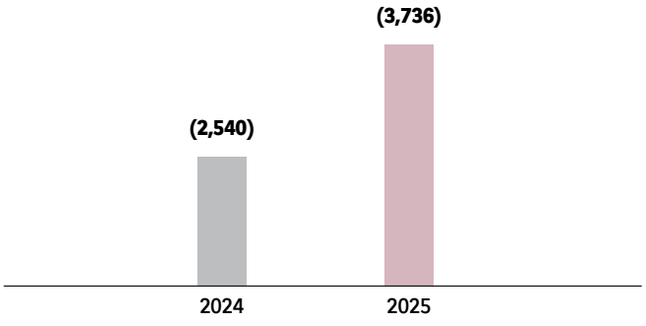


INVESTMENT IN EMPLOYEE WELL-BEING & INTELLECTUAL CAPITAL

To optimize our employee value proposition, MBPLC goes beyond standard remuneration. In 2025, the Bank provided targeted financial assistance totaling BDT 122.70 million to 1,977 employee beneficiaries covering medical, maternity, death benefits, and educational stipends.

We view trained and certified employees as vital strategic assets capable of navigating complex banking challenges, ensuring regulatory compliance, and driving digital innovation.

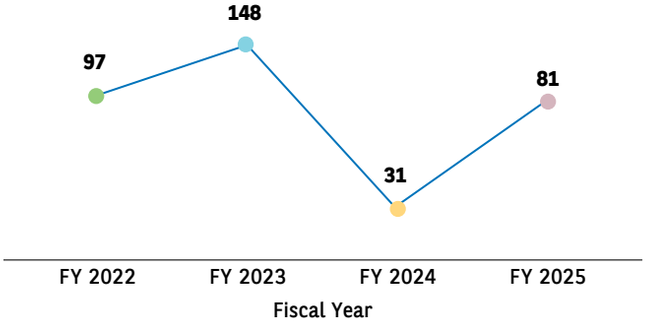
Training Participants (Physical, International & Digital)



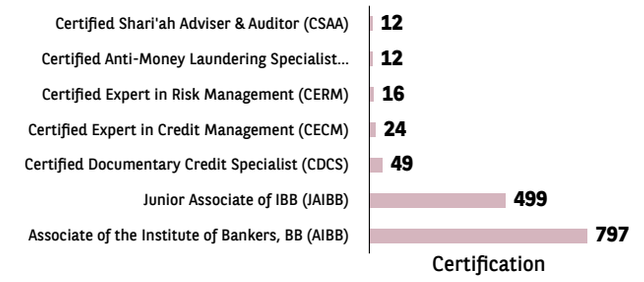
INTELLECTUAL CAPITAL: PROFESSIONAL CERTIFICATIONS (2025)

A granular assessment of our human capital reveals a highly specialized workforce. To quantify the depth of our talent pool in 2025, we actively track the advanced professional certifications held by our employees.

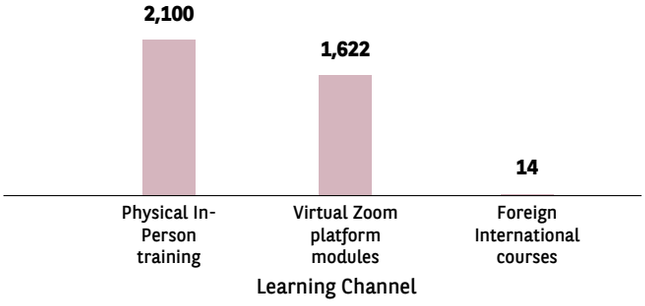
Talent Acquisition Pipeline Staff Intake



Banking Certifications Held Staff count



Corporate Training Distribution Trained Participants



SUSTAINING VALUE: THE "FOUR E" SUCCESSION PLANNING MATRIX

To protect our human capital investment and ensure long-term leadership continuity, MBPLC utilizes a highly structured succession planning framework. This mitigates the risk of talent attrition and ensures highly skilled individuals are ready to step into critical roles.

1. **EDUCATION:** Prioritizing diverse and specialized educational backgrounds tailored to the Bank's evolving strategic needs (e.g., funding professional certifications).
2. **EXPOSURE:** Providing emerging leaders with cross-functional project exposure and direct interaction with Senior Management.
3. **EXPERIENCE:** Carefully leveraging previous departmental experiences for lateral leadership entries and complex problem-solving.
4. **ETHICS:** Rigorously evaluating all future leaders on their demonstration of corporate values, integrity, and Shari'ah-compliant principles to mold the "Finest Citizens".

ECONOMIC IMPACT & CONTRIBUTION TO THE NATIONAL EXCHEQUER

As a conscientious financial institution, Mercantile Bank PLC (MBPLC) recognizes that its corporate responsibilities extend far beyond generating returns for shareholders; it plays a critical role in advancing the nation's sustainable economic growth. By facilitating trade, empowering grassroots enterprises, and diligently fulfilling our fiscal obligations, MBPLC acts as a vital catalyst for Bangladesh's macroeconomic resilience.

DIRECT CONTRIBUTION TO THE NATIONAL EXCHEQUER

During the calendar year 2025, the Bank contributed a massive BDT 8,262.67 million to the national exchequer, representing a robust 7.55% Year-over-Year growth compared to 2024.

Contribution to the National Exchequer (2024 vs. 2025)

Particulars	2025 (BDT in Million)	2024 (BDT in Million)	Growth (YoY)
Direct Taxes paid by the Bank (Income Tax Payment on Bank's earnings)	1,011.09	938.17	+7.77%
Indirect Taxes paid by the Bank (Income Tax, VAT, and Excise duty deducted at source from various payments and services)	7,135.81	6,621.40	+7.77%
Income tax payment by employees	115.77	122.99	-5.87%
Total Payment to National Exchequer	8,262.67	7,682.55	+7.55%

COMPOSITION OF CONTRIBUTIONS (2025):

- 86%: Indirect taxes paid by the Bank (Deductions at source).
- 12%: Direct Taxes paid by the Bank on its own earnings.
- 2%: Income tax payments facilitated by employees.

BROADER ECONOMIC IMPACT & VALUE CREATION

Beyond our direct fiscal contributions, MBPLC's core banking activities are strategically structured to generate widespread economic ripples across the country. Our economic impact is primarily driven by:

- **SDG-Aligned Financing:** MBPLC's loans and credit facilities are actively designed to foster economic growth and enhance financial inclusion, operating in strict alignment with SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities).
- **Empowering the CMSME Sector:** We recognize that Cottage, Micro, Small, and Medium Enterprises (CMSME) are particularly suited for a densely populated country like Bangladesh. By channeling targeted financing to this sector, MBPLC facilitates immense employment opportunities with lower capital investment requirements, thereby driving a resilient national economy and accelerating poverty alleviation.
- **Foreign Exchange & Remittance:** By taking a highly balanced approach to maintaining the flow of exports, imports, and remittances, our Treasury and Offshore divisions ensure the continuous mobilization of critical foreign currency, safeguarding the nation's balance of payments during periods of global volatility.

THE MULTIPLIER EFFECT OF RESPONSIBLE BANKING

The BDT 8,262.67 million deposited into the National Exchequer in 2025 is a direct, quantifiable measure of our value to the state. However, MBPLC's true economic impact is exponential. When we finance a CMSME entrepreneur, we are not just booking an asset; we are stimulating local supply chains, creating grassroots employment, and enabling those new employees to participate in the broader consumer economy.

VALUE ADDED STATEMENT (VAS), ECONOMIC VALUE ADDED (EVA) & MARKET VALUE ADDED (MVA)

To provide our shareholders and stakeholders with a transparent, holistic view of MBPLC's financial performance beyond traditional accounting metrics, we measure our wealth accretion through three advanced analytical frameworks: the Value Added Statement (VAS), Economic Value Added (EVA), and Market Value Added (MVA).

During the 2025 "Year of Consolidation," management's deliberate strategy to aggressively provision against legacy assets heavily influenced our short-term value distribution, yet fundamentally fortified the Bank's long-term economic foundation.

VALUE ADDED STATEMENT (VAS)

The Value Added Statement reflects the total wealth created by MBPLC through its banking operations and illustrates how this wealth was distributed among our vital stakeholders—employees, the government, and shareholders—while retaining a portion for future institutional growth and asset replacement.

Value Added Generated (BDT in Million)

Particulars	2025	2024
Income from Banking Services (Operating Income)	13,894.57	14,143.78
Less: Cost of Services & Supplies	(3,326.72)	(3,288.66)
Value Added by Banking Services	10,567.85	10,855.12
Less: Provision for Loans & Off-Balance Sheet Items	(4,013.54)	(3,947.08)
Total Value Added	6,554.31	6,908.04

Distribution of Value Added (2025)

Stakeholder / Destination	2025 (BDT in Mn)	% of Total
To Employees & Directors(Salaries, Allowances & Fees)	4,151.98	63.35%
To Government(Corporate Income Tax)	736.72	11.24%
To Expansion & Growth(Depreciation & Amortization)	757.42	11.56%
To Statutory & General Reserves	373.97	5.71%
To Retained Earnings	534.22	8.14%
Total Distributed	6,554.31	100.00%

ECONOMIC VALUE ADDED (EVA)

Economic Value Added (EVA) is a critical metric that captures the true economic profit of the Bank. It operates on the premise that to create genuine shareholder wealth, the Bank must generate returns that exceed the cost of the equity capital employed. By adding back the massive provisions absorbed during the year, EVA reveals the underlying cash-generating strength of our core operations.

Economic Value Added Statement (BDT in Million)

Particulars	2025	2024
Shareholders' Equity	26,465.41	25,810.06
Add: Cumulative Provision for Loans & Advances	25,172.65	21,159.11
Total Invested Capital	51,638.06	46,969.17
Average Shareholders' Equity (A)	26,137.73	25,897.26
Earnings Assessment:		
Profit After Tax (PAT)	1,199.87	1,226.38
Add: Provision for Loans & Advances during the year	4,013.54	3,947.08
Total Adjusted Earnings (B)	5,213.41	5,173.46
Average Cost of Equity (10-Yr T-Bond + 2% Risk Premium)	13.8%*	14.37%
Capital Charge / Cost of Average Equity (C = A × Rate)	3,418.82	3,721.44
Economic Value Added (B - C)	1,794.59	1,452.02

*Estimated benchmark rate.

MARKET VALUE ADDED (MVA)

The Market Value Added (MVA) statement evaluates the Bank's performance from the perspective of the capital markets. It measures the difference between the total market capitalization of MBPLC and the book value of equity contributed by shareholders.

Like many peers in the banking sector experiencing broader macroeconomic market depressions, MBPLC's shares traded at a discount to their intrinsic Net Asset Value (NAV) in 2025.

Market Value Added Statement (BDT in Million)

Particulars	2025	2024
Face Value Per Share (BDT)	10.00	10.00
Net Asset Value (NAV) Per Share (BDT)	23.91	23.32
Market Price Per Share (BDT) at Year-End	7.50	10.30
Number of Shares Outstanding (in Million)	1,106.58	1,106.58
Total Market Capitalization	8,299.35	11,397.77
Book Value of Shareholders' Equity	26,465.41	25,810.06
Market Value Added (MVA)	(18,166.06)	(14,412.29)

STOCK PERFORMANCE, SHAREHOLDING STRUCTURE & PRICE SENSITIVITY

Mercantile Bank PLC (MBPLC) remains deeply committed to continuous value creation for its investors. The calendar year 2025 was characterized by significant volatility in the domestic capital market, driven by macroeconomic realignments, and an elevated interest rate regime. Despite these external pressures putting downward sensitivity on the Bank's market capitalization, MBPLC's core fundamentals—specifically its Net Asset Value (NAV) and Earnings Per Share (EPS)—demonstrated robust growth, highlighting a distinct gap between the market's pricing and the Bank's intrinsic value.

MBPLC STOCK PROFILE

MBPLC shares are actively traded under the "A" category on both the Dhaka Stock Exchange PLC (DSE) and Chittagong Stock Exchange PLC (CSE).

Particulars	Details
Stock Symbol	MERCANBANK
Scrip Code	11128 (DSE) / 22023 (CSE)
Market Category	A
Listing Year	2004
Face Value	BDT 10.00
Total Outstanding Shares	1,106,575,435

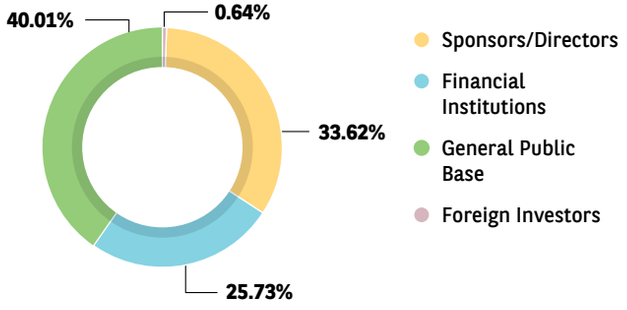
SHAREHOLDING STRUCTURE & INVESTOR BASE

As of 31 December 2025, the total number of shareholders stood at 22,810, ensuring broad public participation alongside strong institutional and sponsor backing.

A. OWNERSHIP COMPOSITION (2025 VS. 2024)

Investor Category	2025 (Shares)	2025 (%)	2024 (%)
Sponsors / Directors	371,995,890	33.62%	33.63%
Financial Institutions	284,743,571	25.73%	26.38%
General Public	442,719,088	40.01%	39.15%
Foreign Investors	7,116,886	0.64%	0.84%
Total	1,106,575,435	100.00%	100.00%

Shareholding Composition



DISTRIBUTION SCHEDULE OF SHAREHOLDERS (AS OF 31 DECEMBER 2025)

To highlight retail participation, the distribution of shareholdings is actively tracked. Over 71% of the total shares are held by major entities (holding over 1 million shares), while the Bank retains a massive retail base of over 15,000 shareholders holding less than 5,000 shares.

Range	Count	% Count	Shares Held	% Shares
1-499	4,746	20.81%	806,806	0.07%
500-5000	10,862	47.62%	21,437,938	1.94%
5001-10000	2,629	11.53%	18,464,090	1.67%
10001-20000	1,825	8.00%	25,357,472	2.29%
20001-30000	751	3.29%	18,398,253	1.66%
30001-40000	388	1.70%	13,434,397	1.21%
40001-50000	284	1.25%	12,912,458	1.17%
50001-100000	593	2.60%	41,318,998	3.73%
100001-1000000	612	2.68%	165,287,677	14.94%
1000001-1106575435	120	0.53%	789,157,346	71.32%
Total	**22,810**	**100%**	**1,106,575,435**	**100%**

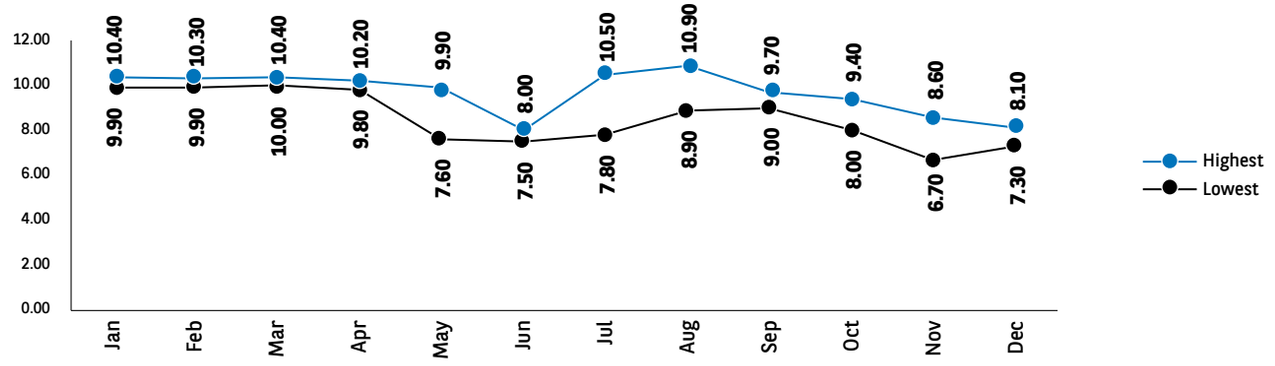
STOCK PERFORMANCE IN 2025 DSE & CSE

The trading pattern of MBPLC shares reflects the broader volatility of the DSEX index throughout the year. The stock reached its peak of BDT 10.90 in August, driven by mid-year market recoveries, but experienced downward pressure toward the year-end due to industry-wide liquidity constraints and portfolio rebalancing by institutional investors.

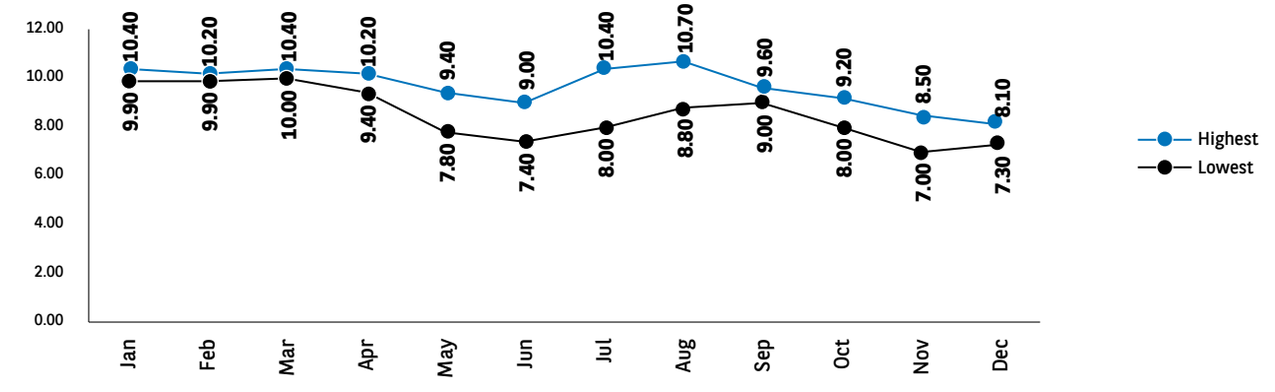
Month (2025)	Dhaka Stock Exchange (DSE)			Chittagong Stock Exchange (CSE)		
	Highest Price Tk.	Lowest Price Tk.	Average Trade Volume	Highest Price Tk.	Lowest Price Tk.	Average Trade Volume
January	10.40	9.90	460,246	10.40	9.90	20,550
February	10.30	9.90	541,943	10.20	9.90	9,469

Month (2025)	Dhaka Stock Exchange (DSE)			Chittagong Stock Exchange (CSE)		
	Highest Price Tk.	Lowest Price Tk.	Average Trade Volume	Highest Price Tk.	Lowest Price Tk.	Average Trade Volume
March	10.40	10.00	392,999	10.40	10.00	10,907
April	10.20	9.80	861,247	10.20	9.40	16,996
May	9.90	7.60	854,798	9.40	7.80	10,655
June	8.00	7.50	711,457	9.00	7.40	11,083
July	10.50	7.80	2,668,482	10.40	8.00	16,728
August	10.90	8.90	3,162,403	10.70	8.80	26,230
September	9.70	9.00	1,210,196	9.60	9.00	14,748
October	9.40	8.00	671,896	9.20	8.00	4,461
November	8.60	6.70	505,978	8.50	7.00	1,519
December	8.10	7.30	294,098	8.10	7.30	5,842

Monthly Highest & Lowest Price in Taka in DSE



Monthly Highest & Lowest Price in Taka in CSE



PRICE SENSITIVITY ANALYSIS & VALUATION GAP

In 2025, MBPLC's stock price movements were highly sensitive to systemic external factors rather than the Bank's internal operating performance.

- **Macroeconomic Drivers:** The prolonged bearish trend in the capital market, exacerbated by central bank monetary tightening and the withdrawal of floor prices, triggered widespread equity sell-offs. Furthermore, lucrative yields on risk-free Government Treasury Bills/Bonds naturally diverted retail and institutional liquidity away from the stock market.
- **The Valuation Gap:** Despite the stock price depreciating to BDT 7.50, MBPLC's core value generation remained exceptionally strong. During the "Year of Consolidation", the Bank's Consolidated Earnings Per Share (EPS) surged to BDT 1.10 (up from BDT 0.58 in 2024). More importantly, the Consolidated Net Asset Value Per Share (NAVPS) grew to BDT 23.75 (up from BDT 24.35).

FINANCIAL CALENDAR

FINANCIAL EVENTS & DISCLOSURES (2025)

Particulars	Submission / Disclosure Date
Audited consolidated results for the year ended 31 December 2024	29 May 2025
Unaudited consolidated results for the 1st quarter ended 31 March 2025	29 May 2025
Record Date for the 26th Annual General Meeting	29 June 2025
Unaudited consolidated results for the 2nd quarter ended 30 June 2025	17 July 2025
26th Annual General Meeting (AGM)	20 July 2025
Unaudited consolidated results for the 3rd quarter ended 30 September 2025	28 October 2025

CORPORATE ACTIONS (2026)

Particulars	Respective Date
Audited consolidated results for the year ended 31 December 2025 & Dividend Recommendation	30 April 2026
Record Date for Entitlement (27th AGM)	21 May 2026
27th Annual General Meeting (AGM)	24 June 2026 (To be held Virtually)

Note: In compliance with Bangladesh Bank's regulatory directive regarding the unadjusted provision shortfall, the Board of Directors did not recommend any cash or stock dividend for the financial year 2025.

INVESTORS' RELATIONS

BOARD TENURE, ROTATION, AND RETIREMENT

According to Section 91(2) of the Companies Act 1994 and clauses 106, 107, and 108 of the Articles of Association of the Bank, at the Ordinary General Meeting in every subsequent year, one-third (1/3rd) of the Directors for the time being (other than the Chairman and the Managing Director), or if their number is not a multiple of three (3), then the number nearest to one-third (1/3rd) shall retire from office. The Directors to retire by rotation every year shall be those who have been longest in office since their last election.

STATUTORY COMPLIANCE CHECKLIST ON BOARD TENURE & ROTATION

Reference Provision / Condition No.	Title / Statutory Requirement	Compliance Status	Remarks / Execution in 2025
Section 15KaKa, Bank Company Act, 1991	Limit on Consecutive Tenure: No individual can hold the position of a director in a bank for more than 12 (twelve) consecutive years without a mandatory 3-year cooling-off period.	Complied (√)	The Bank strictly monitors appointment intervals. No serving director has exceeded the continuous 12-year statutory limit.
Section 91(2), Companies Act, 1994 & Articles 106-108	Retirement by Rotation: One-third (1/3rd) of the Directors (excluding the MD and Independent Directors) must retire from office at the Annual General Meeting (AGM) each year based on seniority in office.	Complied (√)	At the 26th AGM in 2025, Mr. Md. Anwarul Haque and Al-haj Mosharref Hossain retired by rotation and were re-elected. Mr. Morshed Alam retired from the Board.
Condition 1(2)(e), BSEC CG Code 2018	Tenure of Independent Directors: Independent Directors shall be appointed for a term of 3 (three) years, extendable for only one additional term. They are exempt from rotational retirement.	Complied (√)	Both serving Independent Directors are within their statutory 3-year term limits and are excluded from the annual rotation matrix.
BRPD Circular No. 05 / Bank Company Act	Exemption of the Chief Executive: The Managing Director/CEO, as an ex-officio member, is not subject to retirement by rotation.	Complied (√)	Mr. Mati Ul Hasan serves under a fixed contract approved by Bangladesh Bank and is exempt from rotation.

DIRECTORS' TENURE, ROTATIONAL STATUS & INTERVAL MATRIX

The following matrix applies the statutory framework to the Board of Directors, preserving the exact original seniority serials provided by the Share Department, and confirming the compliance status as of 31 December 2025:

Sl.	Name of the Director	Board Designation	Date of First Appt.	Latest Appt. / Re-appointment	Interval(s) Between Appts.	Rotational & Tenure Status
1	Mr. Md. Anwarul Haque	Chairman	29.05.1999	15.09.2025	25.05.15-07.06.15, 01.05.18-19.05.18, 29.04.21-12.09.21, 21.07.25-14.09.25	Compliant. Retired and re-elected at 26th AGM.
2	Al-haj Akram Hossain (Humayun)	Vice Chairman	29.05.1999	19.06.2024	25.05.15-07.06.15, 01.05.18-19.05.18, 29.04.21-19.06.21, 31.05.24-18.06.24	Compliant. Subject to 1/3rd rotation.
3	Mr. Md. Abdul Hannan, MP	Vice Chairman	29.05.1999	19.06.2024	13.05.16-12.06.16, 21.06.19-25.06.19, 29.04.21-19.06.21, 31.05.24-18.06.24	Compliant. Subject to 1/3rd rotation.
4	Mr. M.A. Khan Belal	Chairman, EC	30.03.2008	19.06.2024	15.07.12-25.06.19, 29.04.21-19.06.21, 31.05.24-18.06.24	Compliant. Subject to 1/3rd rotation.
5	Mr. Mohammad Abdul Awal	Chairman, RMC	09.02.2021	26.06.2023	15.06.23-25.06.23	Compliant. Subject to 1/3rd rotation.

SL.	Name of the Director	Board Designation	Date of First Appt.	Latest Appt. / Re-appointment	Interval(s) Between Appts.	Rotational & Tenure Status
6	Prof. Dr. Md. Rezaul Kabir	Independent Director, Chairman, AC	29.09.2020	15.10.2023	29.09.23-14.10.23	Compliant. Serving 2nd term. Exempt.
7	Mr. A.S.M. Feroz Alam	Sponsor Director	29.05.1999	26.06.2023	13.06.14-12.08.14, 31.03.17-28.03.18, 25.06.20-21.07.20, 15.06.23-25.06.23	Compliant. Subject to 1/3rd rotation.
8	Mr. M. Amanullah	Sponsor Director	29.05.1999	26.06.2023	25.05.15-07.06.15, 01.05.18-19.05.18, 25.06.20-04.07.20, 15.06.23-25.06.23	Compliant. Subject to 1/3rd rotation.
9	Al-haj Mosharref Hossain	Director	05.01.2003	24.08.2025	13.06.14-12.08.14, 31.03.17-28.03.18, 25.06.20-04.07.20, 29.04.22-18.05.22, 21.07.25-23.08.25	Compliant. Retired and re-elected.
10	Prof. Mohammad Thoufiqul Islam, PhD	Independent Director	25.05.2025	N/A	-	Compliant. 1st term. Exempt.
11	Mr. Mati Ul Hasan	Managing Director	30.11.2024	N/A	-	Compliant. Exempt from rotation.

RETIREMENT AND RE-ELECTION AT THE 27TH AGM

In accordance with Section 91(2) of the Companies Act 1994, Clauses 106, 107, and 108 of the Articles of Association of the Bank, and as officially set forth in Agenda 3 of the Notice of the 27th Annual General Meeting (AGM), one-third (1/3rd) of the Directors are required to retire by rotation.

The Directors retiring by rotation are those who have been longest in office since their last election. Having completed their current cycle since their last re-appointment on 26 June 2023, the following three Directors shall retire at the 27th AGM and, being eligible, offer themselves for re-election:

1. Mr. Mohammad Abdul Awal (Chairman, RMC)
2. Mr. A.S.M. Feroz Alam (Sponsor Director)
3. Mr. M. Amanullah (Sponsor Director)

VALUE CREATION FOR SHAREHOLDERS

The Bank focuses on long-term wealth accretion for its investors by strengthening core fundamentals. Below is the comparative analysis of key value-creation metrics:

Particulars	2025	2024	Changes (BDT)
Net Asset Value Per Share (NAVPS)	24.35	23.75	+ 0.60
Earnings Per Share (EPS) - Basic	1.10	0.58	+ 0.52
Dividend Per Share	0.00	0.00	-
Market Price Per Share (at 30 December)	7.50	10.30	(2.80)

DIVIDEND TREND & PAYMENT HISTORY

The Bank carefully evaluates capital requirements to absorb macroeconomic shocks against its commitment to shareholder returns. For the financial year 2025, the Board of Directors has recommended a "Nil" dividend. This decision complies with a regulatory forbearance directive from Bangladesh Bank regarding unadjusted provision shortfalls, ensuring the Bank prioritizes capital augmentation and balance sheet resilience.

HISTORICAL DIVIDEND PAYMENT TREND (2021 - 2025):

Dividend Year	Cash Dividend (%)	Stock Dividend (%)	Total Dividend (%)
2025	Nil	Nil	Nil
2024	Nil	Nil	Nil
2023	10.00%	Nil	10.00%
2022	10.00%	2.00%	12.00%
2021	12.50%	5.00%	17.50%

SHAREHOLDER BASE & DEMOGRAPHICS

MBPLC's investor base currently comprises 1,106,575,435 voting shares distributed among sponsors and directors, the general public, institutions, and foreign investors. The Bank maintains a diverse and robust shareholder base, as reflected in the historical year-end trends:

Year	2025	2024	2023	2022	2021
Number of Shareholders	22,810	24,239	25,889	27,597	28,102

ACCESSIBILITY OF ANNUAL REPORT 2025

The Annual Report 2025 and other relevant corporate information about Mercantile Bank PLC may be accessed through the Bank's official website at www.mblbd.com. Furthermore, MBPLC provides physical copies of the Annual Reports to the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank, Dhaka Stock Exchange PLC, and Chittagong Stock Exchange PLC for their reference. Respectable stakeholders may read them at their public reference rooms or libraries.

SHAREHOLDERS' INQUIRIES & INVESTOR RELATIONS DESK

Maintaining a smooth and interactive relationship with stakeholders is a top priority for MBPLC. For any inquiries, grievances, or issues related to share transfers, dematerialization, and dividend payments, shareholders are requested to contact the dedicated Share Department:

Share Department

Mercantile Bank PLC, Head Office
61 Dilkusha Commercial Area (2nd Floor)
Dhaka-1000, Bangladesh
Phone (Direct): +8802 223389352
PABX: 02 223382295 (Ext: 113, 228, 520)
Dedicated Email: share@mblbd.com
Official Website: www.mblbd.com

REDRESSAL OF STAKEHOLDERS' COMPLAINTS & CUSTOMER SATISFACTION SURVEY

Mercantile Bank PLC (MBPLC) believes that maintaining a robust, transparent, and proactive relationship with its shareholders is the cornerstone of good corporate governance. We view our investors not merely as capital providers, but as vital partners in our long-term sustainable growth. To uphold this commitment, the Bank maintains a dedicated Investor Relations desk and a highly responsive Grievance Redressal Mechanism to ensure that every shareholder's concern is addressed fairly, equitably, and swiftly.

INVESTOR RELATIONS & COMMUNICATION DESK

The Share Department, operating under the direct supervision of the Company Secretary, acts as the primary focal point for all shareholder communications and regulatory disclosures. The department is dedicated to providing timely updates regarding financial performance, corporate actions, and statutory meetings.

Investor Contact Information:

- Registered Office: Share Department, 61, Dilkusha Commercial Area, Dhaka-1000.
- Dedicated Helplines: +88-02-223382295, 09678144144 (Ext: 209, 520, 212, 113).
- 24/7 Call Center: 16225.
- Designated E-mails: share@mblbd.com / complaint@mblbd.com.
- Official Website: www.mblbd.com

EQUITABLE TREATMENT OF SHAREHOLDERS

MBPLC strongly advocates for the equitable treatment of all shareholders, ensuring that both institutional and minority retail investors have equal access to information and voting rights. To facilitate maximum participation, notices of Annual General Meetings (AGMs) along with the Annual Report and all supporting documents are dispatched at least 21 days prior to the meeting. Shareholders are actively encouraged to voice their queries and provide feedback through digital platforms or directly to the Board during the AGM.

GOVERNANCE OF CUSTOMER CENTRICITY (COMPLAINTS & SURVEYS)

At Mercantile Bank PLC (MBPLC), we view our customers not merely as account holders, but as the foundational stakeholders of our enterprise value. Governing customer centricity means transitioning from passive service delivery to proactive, data-driven engagement. To achieve this, the Bank operates a highly structured Grievance Redressal Mechanism alongside rigorous, continuous Customer Satisfaction Surveys.

As Bill Gates notably observed, "Your most unhappy customers are your greatest source of learning," and we actively integrate this philosophy to continuously refine our service architecture.

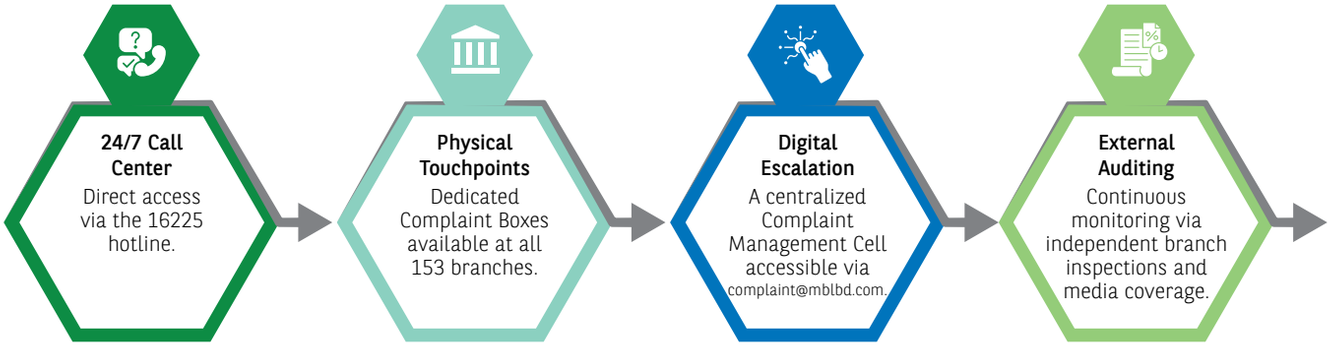
GRIEVANCE REDRESSAL MECHANISM: TRANSPARENT & TIMELY RESOLUTION

From the customers' perspective, MBPLC prioritizes their operational demands through strict adherence to our Board-approved Customer Service Policy and Customer Acceptance Policy.

To ensure complete transparency and accountability, the Branches Operations Control Division (BOCD) holds the primary, centralized responsibility for the resolution of all customer complaints.

MULTI-CHANNEL REDRESSAL NETWORK

To ensure equitable access to our redressal framework, customers and shareholders can lodge grievances through multiple, integrated channels:



2025 COMPLAINT RESOLUTION DASHBOARD

2025 Grievance Resolution Performance: MBPLC's proactive stakeholder redressal policy ensures the effective and fair handling of all grievances. Our performance for the 2025 reporting cycle stands as follows:

Total Complaints Received	Complaints Successfully Settled/Resolved	Currently in the Process of Settlement
235	232 (98.7% Resolution Rate)	3

(Note: The complaints management team conducts a deep-dive root-cause analysis on these incidents in collaboration with relevant business units to prevent future recurrences, ensuring an optimized customer experience).

CUSTOMER SATISFACTION SURVEY (2025)

To continuously evaluate the quality of our products, anticipate market expectations, and optimize strategic decision-making, MBPLC conducted a comprehensive online Customer Satisfaction Survey in 2025.

Methodology & Demographics: The study captured 313 online responses, with a core focus on the Bank's digital transition. The respondent demographic was heavily skewed toward the active, working-age population: 35.46% were aged 25-34, and 31.95% were aged 35-44. Furthermore, the survey confirmed strong digital adoption, with 54.95% of respondents actively using the MBPLC Rainbow digital application.

SATISFACTION & LOYALTY METRICS MATRIX

Key Survey Metrics (2025 Actuals)	Overall Product & Service Satisfaction	Transaction Processing Time	Net Promoter / Loyalty Score
	An overwhelming 73.81% of respondents reported positive satisfaction (64.54% 'Satisfied' + 9.27% 'Extremely Satisfied').	72.85% of customers approved of the Bank's transaction speed (65.50% 'Satisfied' + 7.35% 'Extremely Satisfied').	When asked about their likelihood to recommend Mercantile Bank to friends and family, an exceptional 79.24% of customers responded positively (52.08% 'Extremely Likely' + 27.16% 'Likely'), signaling highly robust brand advocacy.

STRATEGIC RESPONSE HIGHLIGHTS

Translating Feedback into Strategic Action: The survey directly informed the following management actions and product developments for the upcoming operational cycle:

Identified Customer Segment / Finding	MBPLC's Strategic Response
Young, Active Customer Base(Highest demographic at 35.46%)	Designing targeted products, including advanced digital banking modules, easy loans, and lifestyle banking specifically tailored for young professionals.
3–10 Year Customer Relationship(Representing 58.79% of respondents)	Introducing structured loyalty programs to retain and convert this segment into lifelong, generational customers.
MBPLC Rainbow User Growth	Boosting digital banking infrastructure through aggressive awareness campaigns and enhanced onboarding support to drive further digital adoption.
Physical Touchpoint Needs	Expanding the ATM network coverage in both rural geographies and high-demand urban commercial areas.

STRATEGIC FRAMEWORK & BUSINESS MODEL

STRATEGIC FRAMEWORK & MULTIPLE BUSINESS MODEL

Navigating the macroeconomic headwinds of 2025 required Mercantile Bank PLC (MBPLC) to remain highly agile. Our ability to create sustainable, long-term value is anchored in a robust Strategic Framework that dictates our corporate priorities, and a highly diversified Multiple Business Model that allows us to generate revenue across various financial sectors while mitigating systemic risks.

THE MBPLC STRATEGIC FRAMEWORK (2025-2026)

Our strategic framework serves as the blueprint for our boardroom decisions and operational execution. During the 2025 "Year of Consolidation," our strategic vision was explicitly focused on rebuilding financial health, enhancing customer value, and ensuring sustainable growth.

The execution of this framework is driven by several core Strategic Imperatives:

Strategic Pillars	Core Objectives & 2025 Execution Focus
1. NPL Resolution & Asset Quality	Diligent management of asset quality through intensified recovery efforts, strengthened credit risk protocols, and strict adherence to Board-approved provisioning requirements.
2. Digital Transformation & Innovation	Accelerated our digital journey to empower customers with secure, seamless solutions, heavily promoting the MBL Rainbow app, internet banking, and centralized IT operations.
3. Scaling Islamic & Offshore Banking	Expanding the 'Taqwa' Islamic Banking window through Shari'ah-compliant product lines and strengthening the Offshore Banking Unit (OBU) to facilitate export finance and foreign currency liquidity.
4. Operational Efficiency & Cost Optimization	Restoring profitability by improving the Net Interest Margin (NIM), vigorously pursuing non-funded income (trade finance), and streamlining operational expenditures.
5. ESG & Sustainable Finance Integration	Proactively managing climate-related financial risks, supporting green enterprises, and aligning our operational disclosures with IFRS S1 and S2 standards.

OUR MULTIPLE BUSINESS MODEL APPROACH

To successfully execute the Strategic Framework, MBPLC operates a Multiple Business Model. We are not merely a conventional commercial bank; we are a diversified financial group. This multiplicity ensures that if one sector of the economy faces a downturn, other segments can absorb the shock and stabilize the Bank's overall consolidated earnings. Our business model transforms capital inputs (Financial, Institutional, Intellectual, Human, Social, and Natural) into stakeholder value through the following distinct operating segments:

A. CORE COMMERCIAL BANKING (CONVENTIONAL)

- Business Activities: Corporate financing, SME empowerment, retail banking, and treasury/asset-liability management.
- Value Proposition: Mobilizing domestic savings and providing critical working capital to systemic industries (RMG, manufacturing, agriculture) while maintaining a balanced risk-return profile.

B. 'TAQWA' ISLAMIC BANKING WINDOW

- Business Activities: Dedicated Shari'ah-compliant deposit mobilization and investment financing (Mudaraba, Murabaha, Bai-Muajjal).
- Value Proposition: Catering to the growing demographic of faith-based investors and ensuring strict ethical compliance through an independent Shari'ah Supervisory Committee.

C. OFFSHORE BANKING UNIT (OBU)

- Business Activities: On-shore import/export bill discounting and foreign currency term loans.
- Value Proposition: Providing cost-effective, foreign-denominated financing to export-oriented entities, directly supporting the nation's foreign exchange reserves and global trade footprint.

D. CAPITAL MARKET & BROKERAGE (MBSL)

- Business Activities: Margin lending, equity trading, and depository services executed through Mercantile Bank Securities Limited (99.61% owned subsidiary).
- Value Proposition: Driving capital market participation. In 2025, MBSL prioritized technological upgrades, including the deployment of a proprietary Order Management System (OMS), positioning itself for a 4% market share capture in the upcoming cycles.

E. ASSET & WEALTH MANAGEMENT (MBL AML)

- Business Activities: Mutual fund management, portfolio management, and corporate advisory via MBL Asset Management Limited (56.00% owned subsidiary).
- Value Proposition: Diversifying the Bank's footprint into institutional wealth creation and alternative investment funds.

F. GLOBAL REMITTANCE (MEHUK)

- Business Activities: Facilitating secure, cross-border inward remittances via Mercantile Exchange House (UK) Limited (100% owned subsidiary).
- Business Activities: Serving the Bangladeshi diaspora in the UK, combating informal remittance channels, and injecting vital foreign currency liquidity directly into the national economy.

COMPETITIVE INTENSITY & MARKET POSITIONING (PORTER'S FIVE FORCES)

Mercantile Bank PLC (MBPLC) operates in a highly dynamic, crowded, and rapidly evolving financial services landscape. To successfully navigate this environment and sustain a long-term competitive advantage, MBPLC continuously evaluates market dynamics using the Porter's Five Forces framework.

During the 2025 "Year of Consolidation," this analytical lens was critical in helping management calibrate pricing strategies, accelerate digital deployment, and protect our market share from both traditional peers and emerging financial technologies.

COMPETITIVE RIVALRY WITHIN THE INDUSTRY: HIGH



- **Market Dynamics:** The Bangladeshi financial sector is intensely crowded, comprising 62 scheduled banks and 35 Non-Bank Financial Institutions (NBFIs). In 2025, aggressive pricing, fierce competition for low-cost deposits, and the scramble to secure high-quality corporate assets intensified rivalry. Furthermore, widespread access to digital channels has significantly lowered customer switching costs, putting continuous pressure on customer loyalty.
- **MBPLC's Strategic Response:** Rather than competing solely on price, MBPLC differentiates itself through superior customer experience, financial inclusion, and digital innovation. We leverage data analytics for targeted marketing and customer retention. Additionally, by promoting ethical banking through our 'Taqwa' Islamic window and introducing ESG-linked sustainable finance products, we successfully attract and retain conscientious, long-term customers.

BARGAINING POWER OF CUSTOMERS: HIGH



- **Market Dynamics:** Today's banking customers are highly informed and digitally empowered, enjoying access to a broad range of products and competitive pricing. Large corporate borrowers remain highly price-sensitive and command strong bargaining power. Concurrently, the SME and Retail segments are evolving rapidly, demanding seamless, personalized, and digital-first banking experiences.
- **MBPLC's Strategic Response:** We are actively deepening customer engagement through personalized digital platforms (such as MBL Rainbow) and dedicated relationship management. To build trust and loyalty, we have accelerated financial literacy initiatives specifically targeting the SME and retail segments. We also enhance our value proposition by offering tailored products and highly transparent pricing.

THREAT OF NEW ENTRANTS: MODERATE



- **Market Dynamics:** The regulatory environment for acquiring new traditional banking licenses in Bangladesh remains highly stringent, acting as a strong barrier to entry. However, the emergence of agile fintech firms, digital-only banks, and non-traditional financial service providers is rapidly reshaping the competitive landscape and presenting alternative choices for customers in niche segments.
- **MBPLC's Strategic Response:** To defend our market share, we are aggressively strengthening the MBPLC brand as a trusted, innovative, and customer-centric institution. We are leveraging our digital transformation to enhance operational agility and accelerate the speed-to-market of new products. Furthermore, we actively seek collaborations with fintech partners to broaden our service offerings rather than viewing them solely as competitors.

THREAT OF SUBSTITUTE PRODUCTS: MODERATE



- **Market Dynamics:** While traditional core banking products (like large-scale deposits and corporate loans) face limited direct substitutes, alternative financing solutions are growing in popularity. Mobile Financial Services (MFS), microfinance institutions, and digital wallets pose a growing substitution threat, particularly among retail, grassroots, and SME customers.
- **MBPLC's Strategic Response:** MBPLC is committed to staying at the forefront of emerging financial technologies. We have deeply integrated our own digital payment solutions and expanded our Mobile Banking (MyCash) and Agent Banking networks to compete directly with substitutes. Simultaneously, we continuously educate our customer base on the enhanced security, regulatory protection, and comprehensive benefits of regulated banking products compared to alternative offerings.

BARGAINING POWER OF SUPPLIERS (BUSINESS PARTNERS): MODERATE



- **Market Dynamics:** As a financial service provider, MBPLC's primary "suppliers" consist of institutional depositors (providing wholesale funds) and vital technology/support service vendors. Given the non-core nature of many support services, the bargaining power of these business partners remains moderate, though reliance on specialized IT and cybersecurity vendors is increasing.
- **MBPLC's Strategic Response:** To mitigate the risk of overdependence on any single vendor group, MBPLC focuses on maintaining a highly diversified pool of support service providers. On the funding side, we continuously strive to optimize our deposit mix, aggressively driving retail Current and Savings Accounts (CASA) to reduce our reliance on high-cost, rate-sensitive institutional suppliers of capital.

THE MACRO-ECONOMIC & OPERATING LANDSCAPE (PESTEL ANALYSIS)

The operating environment for the banking industry in 2025 was characterized by profound transitional shifts, both globally and domestically. While the global economy maintained a path of gradual recovery with a projected growth of 3.3%, the domestic landscape faced significant headwinds, including the political scenario transformation of August 2024, inflationary pressures, foreign exchange volatility, and tighter global financial conditions. To navigate this complexity, Mercantile Bank PLC (MBPLC) utilizes the **PESTEL framework** to continuously monitor the macro-economic landscape. By analyzing Political, Economic, Social, Technological, Environmental, and Legal dimensions, management actively identifies emerging systemic risks and calibrates the Bank's strategic response to ensure long-term resilience and value creation.

POLITICAL

The political landscape in 2025 was marked by a major transition and subsequent comprehensive institutional reforms driven by the interim government and Bangladesh Bank (BB).

ECONOMIC

The domestic economy grappled with a balancing act between managing inflation and stimulating growth. Bangladesh's GDP growth moderated to 3.49% from 4.22% in the previous fiscal year.

SOCIAL

The domestic economy grappled with a balancing act between managing inflation and stimulating growth. Bangladesh's GDP growth moderated to 3.49% from 4.22% in the previous fiscal year.

P > E > S

- **Operating Landscape:** The nation experienced a significant political scenario transformation on 5th August 2024, leading to prioritized governance reforms, structural recalibration of the financial sector, and an intensified focus on digital financial inclusion and Cottage, Micro, Small, and Medium Enterprise (CMSME) development.
- **Impact on Industry:** While government-led initiatives for financial inclusion presented expansion opportunities, the sudden policy shifts and tightened regulatory oversight caused temporary operational uncertainties and a cautious lending environment.
- **MBPLC's Strategic Response:** We structurally strengthened our Internal Control and Compliance (ICC) frameworks to adapt swiftly to the evolving regulatory directives. Furthermore, the Bank actively collaborated with the Government by facilitating e-GP payments, VAT/tax collections, and channeling credit to priority sectors aligned with national recovery goals.

- **Operating Landscape:** The economy faced persistent BDT depreciation against the USD, elevated interest rates, and foreign exchange reserves that, while showing gradual improvement, remained under stress.
- **Impact on Industry:** These factors resulted in higher funding and operational costs for banks. Tighter liquidity and inflationary pressures softened credit demand in certain sectors and placed immense pressure on import-based trade finance portfolios.
- **MBPLC's Strategic Response:** MBPLC proactively realigned its deposit and lending rates to balance net interest margins (NIM) with customer support. We strategically pivoted our liquidity towards secure, high-yielding government securities and focused our lending exposure on high-potential, resilient sectors such as agriculture, export-oriented RMG, and CMSMEs.

- **Operating Landscape**: A growing middle class and rapid urbanization are driving the demand for tailored, lifestyle-centric retail banking. Concurrently, there is heightened public sensitivity toward ethical banking, transparency, and corporate social responsibility.
- **Impact on Industry**: Banks are under pressure to deliver highly convenient, personalized, and secure omnichannel experiences while positioning themselves as socially responsible entities.
- **MBPLC's Strategic Response:** We aggressively expanded our financial inclusion footprint through 188 Agent Banking outlets and promoted our ethical banking alternative, the 'Taqwa' Islamic Banking window, which saw a massive 148% deposit growth. Additionally, we directed substantial CSR investments toward disaster management, healthcare, and education.

TECHNOLOGICAL

The financial sector's evolution is increasingly dictated by rapid digital transformation, bringing both operational efficiencies and elevated cyber risks.

ENVIRONMENTAL

Environmental sustainability has transitioned from a compliance checklist item to a core pillar of institutional stability.

LEGAL

The legal and regulatory frameworks governing the banking sector are becoming increasingly stringent to ensure systemic integrity.



- **Operating Landscape:** There is a growing reliance on cloud-based infrastructures, API integrations for third-party fintech collaboration, real-time digital payments, and advanced biometric authentication.
- **Impact on Industry:** Fintech convergence has redefined service delivery models. Consequently, the rising expectations for seamless digital services are paralleled by the escalating threat of cyber-attacks and data privacy concerns.
- **MBPLC's Strategic Response:** MBPLC heavily invested in its digital ecosystem, scaling up the MBL Rainbow internet banking app and MyCash mobile wallet. To protect our intellectual capital, we are developing a Tier 3 Data Center (TIA 942 compliant) and established a dedicated ICT Security Unit for advanced threat detection and cyber-resilience.

- **Operating Landscape:** Bangladesh remains highly vulnerable to climate change. Regulatory bodies are providing strong incentives and directives toward sustainable finance, climate mitigation, and the phased rollout of IFRS S1 and S2 reporting standards.
- **Impact on Industry:** There is a direct, strengthening link between a bank's environmental responsibility and its reputational strength. Institutions must actively integrate Environmental and Social Risk Management (ESRM) into their credit underwriting processes.
- **MBPLC's Strategic Response:** Guided by our "8R Approach to Sustainability" (Refuse, Reduce, Reuse, Recycle, Refine, Renew, Responsibility, Respond), we disbursed BDT 11,367.60 million toward Sustainable CMSME sectors. We have also formally integrated climate risk assessments into our enterprise risk framework, assessing financed emissions to align with Net Zero targets.

- **Operating Landscape:** The regulatory environment is characterized by evolving banking laws, stricter NPL classification mechanisms, and enhanced scrutiny regarding Anti-Money Laundering (AML) and corporate governance.
- **Impact on Industry:** Banks face heightened legal risks and potential penalties associated with transaction frauds, data breaches, and lapses in credit due diligence.
- **MBPLC's Strategic Response:** We strengthened our Early Warning Systems (EWS) and internal risk grading to detect credit deterioration proactively. Furthermore, our Special Asset Management Division (SAMD) vigorously pursued legal action against chronic defaulters, ensuring strict adherence to the latest Bangladesh Bank provisioning and restructuring guidelines.

SWOT ANALYSIS: A STRATEGIC LENS

The SWOT analysis functions as a critical strategic lens. It provides a structured framework to leverage our core strengths, address internal vulnerabilities, and proactively seize emerging opportunities while insulating the Bank against macroeconomic threats. During the 2025 "Year of Consolidation," this analytical lens was instrumental in guiding the Board's decision to strengthening provision against legacy assets while simultaneously scaling our digital and ethical banking footprints.

Below is the evaluation of MBPLC's strategic positioning for 2025:

STRENGTHS
(Internal Advantages)

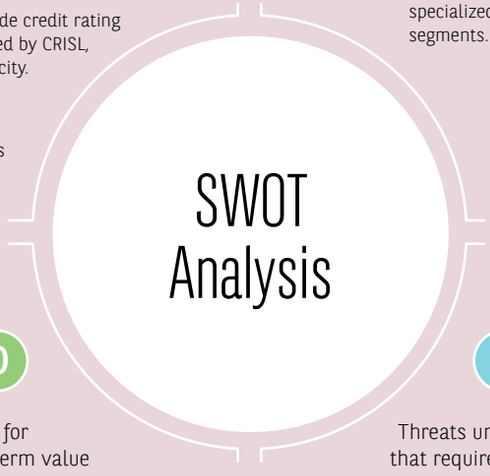
Our strengths represent the foundational pillars that drive our competitive advantage and ensure institutional resilience.

- **Established Brand & Market Presence:** Over two decades of trusted banking services, backed by strong brand equity and a loyal customer base.
- **Robust Phygital Network:** A highly synergized physical and digital delivery channel comprising 153 branches, 188 Agent Banking outlets, 48 Sub-branches, 200 ATMs, and 11 Cash Recycler Machines (CRMs) ensuring nationwide financial inclusion.
- **Ethical Banking Leadership:** Rapid market capture through our Shari'ah-compliant 'Taqwa' Islamic Banking window, which demonstrated an exceptional 148% Year-over-Year deposit growth in 2025.
- **Independent Validation:** A strong, investment-grade credit rating of AA (Long-Term) and ST-2 (Short-Term) reaffirmed by CRISL, indicating high safety and timely repayment capacity.
- **Corporate Governance & Human Capital:** An experienced Board of Directors and a highly skilled, diverse workforce of over 2,600 employees operating within a strict compliance culture.

WEAKNESSES
(Internal Vulnerabilities)

Identifying our weaknesses enables management to deploy targeted strategic interventions and allocate resources for structural improvements.

- NPL Burden & Asset Quality: The necessity to absorb provisions against legacy Non-Performing Loans (NPLs), which temporarily suppressed retained earnings and required a strategic pivot toward consolidation.
- Data Analytics Utilization: While digital adoption is high, there remains an underutilized potential for deploying advanced predictive data analytics to drive highly personalized customer offerings and proactive credit monitoring.
- Rural Product Penetration: Despite a growing Agent Banking network, there is still scope to deepen the penetration of specialized loan products in deeply rural and unbanked market segments.



OPPORTUNITIES
(External Prospects)

Opportunities represent the external avenues for expansion, revenue diversification, and long-term value creation.

- Digital Ecosystem Expansion: Scaling up digital banking services, including further enhancements to the MBL Rainbow app, internet banking, and integration with third-party fintech and mobile wallets.
- Green & Sustainable Finance: Leveraging the phased adoption of IFRS S1 and S2 to pioneer ESG-linked financing, supporting renewable energy and climate-resilient projects.
- CMSME & Agriculture Growth: Capitalizing on central bank incentives and refinance schemes to aggressively grow our exposure in Cottage, Micro, Small, and Medium Enterprises (CMSME) and the agricultural sector.
- Global Remittance Corridors: Enhancing tech-driven, cross-border remittance channels through our subsidiary (MEHUK) to secure vital foreign currency inflows.

THREATS
(External Risks)

Threats underscore the macro-environmental hazards that require continuous vigilance and proactive risk mitigation.

- Macroeconomic Headwinds: Persistent economic uncertainties, including high inflation, energy cost escalations, and global supply chain disruptions impacting borrower repayment capacities.
- Foreign Exchange Volatility: Currency fluctuations and the continuous depreciation of the BDT against the USD exerting severe pressure on trade finance and import-dependent corporate clients.
- Cybersecurity Vulnerabilities: The escalating frequency and sophistication of cyber-attacks targeting the financial sector's rapidly expanding digital infrastructure.
- Intensifying Competitive Landscape: Fierce competition for low-cost deposits and quality assets, not only from traditional peer banks but increasingly from agile digital-only banks and Mobile Financial Services (MFS).

STRATEGY, RESOURCE ALLOCATION & STRATEGIC FOCUS FOR 2026

Following the rigorous balance-sheet restructuring and provisioning absorbed during the 2025 "Year of Consolidation," Mercantile Bank PLC (MBPLC) enters 2026 with momentum, clarity of purpose, and a fortified institutional foundation. The macroeconomic backdrop for 2026 is projected to be materially more constructive, with accelerating growth, moderating inflation, a stabilized foreign exchange market, and the credible industry-wide framework provided by the new Banking Sector Reform Roadmap.

To capitalize on this stabilizing environment, MBPLC has formulated a comprehensive strategy designed to transition the Bank from consolidation to sustainable, high-quality growth.

CORE STRATEGIC AGENDA FOR 2026

The Board of Directors has mandated a clear, three-pillar strategic agenda for the upcoming fiscal cycle:

A. **Reinforcing Capital Strength and Institutional Resilience:** The foremost commitment is the continued reinforcement of capital foundations. Internal capital generation, accelerated recovery initiatives, and prudent balance-sheet management will be actively channeled toward strengthening the Bank's shock-absorption capacity.

B. **Reinvigoration of Core Earning Capacity:** Strengthening the core lending margin is a central operational priority. The Bank will execute a coordinated program of asset-side repricing, dynamic deposit-mix optimization favoring lower-cost categories, and the accelerated recovery of suspended interest to deliver a sustainable earnings profile.

C. **Strengthening the Customer Franchise and Deposit Excellence:** The Bank will leverage its expanding physical and digital footprint to broaden its customer base and mobilize stable, cost-efficient deposits. Enhancing the contribution of fee-based services—across trade finance, treasury, cards, and remittance channels—will be prioritized to build a deeper, more profitable franchise.

STRATEGIC RESOURCE ALLOCATION PLAN

To execute this agenda, MBPLC will strategically reallocate its core capitals (The Six Capitals) away from concentrated, high-risk exposures and toward granular, high-yield, and sustainable avenues:

- **Financial Capital Allocation:** We are executing a deliberate paradigm shift to downsize large-scale corporate exposures. Capital will be redirected to accelerate growth in the SME, Retail, and Agriculture segments. Priority corporate funding will be strictly allocated to high-potential and export-oriented sectors, including Healthcare, Leather, Information Technology, Construction, and RMG.
- **Intellectual & Institutional Capital Allocation:** Investments will heavily target digital infrastructure to lower customer acquisition costs. We aim to onboard over 230,000 new digital customers in 2026, expanding our service ecosystem with card digitization, automated FDR/DPS openings, and seamless online statement services.
- **Human Capital Allocation:** Resource deployment will emphasize specialized training for our workforce to adapt to the new centralized credit model, advanced analytics, and enhanced compliance frameworks.

DIVISIONAL STRATEGIC FOCUS & 2026 TARGETS

To ensure enterprise-wide alignment, specific operational targets have been set across our Multiple Business Model segments:

- **Digital & Mobile Banking (MYCash):** Accelerating growth through innovation, MYCash will introduce interoperable merchant payments via "Bangla QR" and launch a dedicated "Islamic Wallet" to address the rising demand for Shari'ah-compliant digital financial services. Furthermore, the Bank will launch "TakaPay," alongside Mastercard Prepaid Health Cards and SME-focused co-branded cards.
- **Agent Banking Expansion:** To capture unbanked rural liquidity, the Agent Banking network will expand to 250 outlets (up from 188). The division has set aggressive 2026 targets to achieve a cumulative deposit base of BDT 1,500 million, channel BDT 800 million in remittances, and reach 90,000 customers.
- **Taqwa Islamic Banking:** Positioned to lead the ethical finance transition, Taqwa aims to pioneer the "Green Sukuk" market in Bangladesh to link Islamic capital markets with sustainable infrastructure. Additionally, the division will explore Islamic Microfinance to empower small entrepreneurs and expand Hajj & Umrah financial services in collaboration with the Ministry of Religious Affairs (MORA).
- **Capital Market & Subsidiaries:** Mercantile Bank Securities Limited (MBSL) has launched an ambitious growth mandate to capture a 4% market share and expand its active client base by 20%. This will be driven by the deployment of a proprietary Order Management System (OMS) and a robust online trading platform. Concurrently, Mercantile Exchange House (UK) Ltd. (MEHUK) will leverage its successfully restored capital base of GBP 53,086 to aggressively grow its remittance client portfolio across the UK.

ESG & SUSTAINABLE FINANCE INTEGRATION

Sustainability remains an uncompromising strategic priority for 2026. Guided by our IFRS S1 and S2 climate-disclosure integration, MBPLC will:

- Strengthen Greenhouse Gas (GHG) emissions measurement across all financed activities.
- Expand green financing specifically targeting energy-efficient and sustainable investments.
- Promote financial inclusion through targeted ICT-based innovations and gender-focused financing initiatives.



CORPORATE GOVERNANCE

THE TONE AT THE TOP (LEADERSHIP STATEMENTS)

Letter from the Board of Directors Presented by the Company Secretary



Mohammad Rezaul Karim
Company Secretary

Dear Valued Shareholders,

It is our pleasure to present the Corporate Governance Report of Mercantile Bank PLC. on behalf of the Board of Directors for the year ended December 31, 2025.

Stance on Corporate Governance

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

Outline of the Corporate Governance Report

The report details how the MBPLC Board discharged their governance duties effectively with meticulous compliance with the applicable regulatory framework during the year under review. The key Corporate Governance rules applying to MBPLC are the Corporate Governance Code Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC) in exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), as well as BRPD Circulars issued by Bangladesh Bank, Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) and global best practices applicable to banks. The said compliances are also independently reviewed and certified by Suraiya Parveen & Associates, Chartered Secretaries and are opined on through a Certificate of Compliance to the Shareholders, as per the requirements of the BSEC guidelines. The compliance status, along with the Corporate Governance Report, is enclosed with our Annual Report 2025.

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

Adopting best industry practices

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

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

On behalf of the Board

Sincerely,

Mohammad Rezaul Karim
Company Secretary

Scan to view the digital version of this Corporate Governance Report

Chairman's Statement on Corporate Governance



Mr. Md. Anwarul Haque
Chairman

> A STEADFAST COMMITMENT TO SOUND CORPORATE GOVERNANCE HAS BEEN NOT JUST A REGULATORY NECESSITY BUT A STRATEGIC ENABLER.

Dear Respected Shareholders and Stakeholders,

Our governance structure is fundamentally designed for resilience and adaptability. The year 2025 unfolded against a highly dynamic macroeconomic backdrop, characterized by systemic liquidity tightening and an industry-wide imperative for structural reform. Amid these complexities, our steadfast commitment to sound corporate governance has served as the cornerstone of our ability to respond decisively, manage emerging risks effectively, and uphold the uncompromising values of integrity, transparency, and fairness.

NAVIGATING 2025: GOVERNANCE AS A STRATEGIC ENABLER

At Mercantile Bank PLC (MBPLC), we firmly believe that governance is not a static exercise in regulatory compliance; rather, it is a critical strategic enabler. During the year, the Board of Directors, comprised of members with diverse industry knowledge and strategic acumen, maintained rigorous and proactive oversight.

To navigate the year's challenges, the Board governed the execution of a clear, three-priority strategic roadmap for 2025:

1. **Aggressive NPL Resolution:** Serving as our most urgent priority, the Board heavily directed the Recovery Division to accelerate cash recoveries and enforce strict legal actions against chronic defaulters.
2. **Capital & Profitability Restoration:** We responsibly navigated regulatory forbearance regarding provision shortfalls by prioritizing capital preservation and cost optimization over short-term distributions.
3. **Prudent Digital Transformation:** We maintained focused investments in our digital architecture, including the MBL Rainbow app, to ensure secure, future-ready banking for our customers.

THE TRUSTEESHIP MODEL AND ETHICAL LEADERSHIP

The Board of Directors embraces a "Trusteeship Model" of governance, taking full responsibility for the management, direction, and performance of the Bank while strictly mitigating conflicts of interest. Our governance philosophy mandates that every strategic decision reflects the best long-term interests of our depositors, minority shareholders, and the broader community we serve. We continue to refine our practices to reflect evolving global standards and the stringent guidelines set forth by the regulatory authorities.

ACKNOWLEDGEMENTS

As we conclude 2025, I wish to express my heartfelt gratitude to the Bangladesh Bank for its visionary regulatory leadership and constructive oversight, which enabled us to navigate sector-wide reforms responsibly. I also extend our deep appreciation to the Bangladesh Securities and Exchange Commission (BSEC) and the Financial Reporting Council (FRC) for their continuous efforts to elevate the standards of financial reporting and market integrity.

Finally, my deepest thanks go to my fellow Board members for their unwavering insight, to our management team and employees for their resilient execution, and to you—our valued shareholders—for your enduring trust and long-term belief in the Mercantile Bank.

Together, we will continue to build a stronger, more resilient Bank.

Sincerely,

Md. Anwarul Haque
Chairman

Directors' Responsibility Statement

Effective governance of the Bank's operations is paramount, necessitating a clearly defined structure of roles and responsibilities, underpinned by transparency, accountability, and strict regulatory adherence. The Board of Directors of Mercantile Bank PLC (MBPLC) acknowledges its ultimate responsibility for the preparation, integrity, and fair presentation of the Bank's financial statements and corporate disclosures.

DIRECTORS' RESPONSIBILITY DASHBOARD

Pillar 1



Accounting Integrity
Strict compliance with IFRS, IAS, and the Bank Company Act, 1991.

Pillar 2



Internal Control
A system sound in design, effectively implemented, and rigorously monitored by the Audit Committee.

Pillar 3



Going Concern
Validated through rigorous internal stress testing and capital adequacy analysis.

Effective governance of the Bank's operations is paramount, necessitating a clearly defined structure of roles and responsibilities, underpinned by transparency, accountability, and strict regulatory adherence. The Board of Directors of Mercantile Bank PLC (MBPLC) acknowledges its ultimate responsibility for the preparation, integrity, and fair presentation of the Bank's financial statements and corporate disclosures.

ACCOUNTING STANDARDS AND STATUTORY COMPLIANCE

The Board ensures that the Bank's financial statements are prepared in full compliance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the Companies Act, 1994 (as amended), the Bank Company Act, 1991 (as amended), Bangladesh Bank regulations, Bangladesh Securities and Exchange Commission (BSEC) directives, relevant stock exchange Listing Regulations, and all other applicable laws and guidelines. The Directors confirm that appropriate accounting policies have been consistently applied, and accounting estimates are based on reasonable and prudent judgment.

ADEQUACY OF THE INTERNAL CONTROL SYSTEM

The Board of Directors acknowledges its ultimate responsibility for establishing and maintaining a sound and effective system of internal control, as mandated by the Bank Company Act. This system is meticulously designed to manage the risk of failure to achieve business objectives, safeguarding the Bank's assets and protecting shareholders' investments. The Board has delegated day-to-day supervisory duties for the internal control system to the Audit Committee, which actively monitors its effectiveness and reports its findings to the full Board. The Directors explicitly confirm that the internal control system is sound in design and has been effectively implemented and monitored throughout 2025.

GOING CONCERN VALIDATION

The financial statements for the year ended 31 December 2025 have been prepared on a going concern basis. Following rigorous internal stress testing and comprehensive analysis of capital and liquidity adequacy, the Board confirms that the Bank remains well-capitalized and stable under all reviewed scenarios. Consequently, the Directors state that there are no significant doubts regarding MBPLC's ability to continue as a going concern.

SPECIFIC BSEC CORPORATE GOVERNANCE DECLARATIONS

In addition to the financial statements, the Directors confirm the inclusion of a comprehensive 'Directors' Report 2025', which formally declares all matters required by the BSEC Corporate Governance Code. This includes, but is not limited to:

- **Dividend Rationale:** A transparent explanation regarding the Board's decision to recommend "No Dividend" for the 2025 financial year in compliance with Bangladesh Bank's regulatory directive regarding the unadjusted provision shortfall.
- **Historical Performance:** A summarized presentation of the key operating and financial data for the preceding 5 (five) years.
- **Operational Integrity:** The disclosure of segment-wise performance, related party transactions, and the explicit confirmation that minority shareholders have been protected from any abusive actions.

The Directors confirm that the Annual Report, Directors' Report, and Consolidated Financial Statements comply with all applicable laws, rules, and regulatory guidelines for the fiscal year ended December 31, 2025.

On behalf of the Board of Directors,

Md. Anwarul Haque
Chairman

CORPORATE GOVERNANCE
FRAMEWORK & BOARD DYNAMICS

Governance Philosophy and Regulatory Framework

OUR GOVERNANCE PHILOSOPHY

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

THE CORE PILLARS OF GOVERNANCE

Our philosophy is operationalized through a set of core principles modeled after local and international best practices, including the G20/OECD Principles of Corporate Governance. These principles serve as the pillars of our day-to-day operations:

- Value Creation for Stakeholders: Creating sustainable, long-term value for shareholders, customers, employees, and the community without compromising on ethical principles.
- Fairness and Equity: Protecting shareholder rights, including minority shareholders, and ensuring equitable treatment for all.
- Transparency and Disclosure: Maintaining a policy of full disclosure and timely, accurate communication regarding the Bank's financial situation, performance, and ownership structure.
- Accountability: Establishing clear, transparent lines of responsibility from the Board of Directors and its sub-committees down to senior management and all employees.
- The Trusteeship Model: Operating under a fiduciary duty where the Board and Management act strictly as trustees of the shareholders' capital, managing resources prudently and in the best interests of the owners.

QUALITATIVE: MAPPING OF REGULATORY FRAMEWORKS

To ensure unwavering organizational stewardship and the protection of stakeholder interests, MBPLC operates within a highly structured and comprehensive regulatory ecosystem. The Bank meticulously aligns its internal policies, procedures, and daily operations with the following mandatory regulatory frameworks:

BANGLADESH BANK (BB) GUIDELINES & DIRECTIVES

As the primary regulator of the financial sector, Bangladesh Bank sets the foundational risk and operational parameters for MBPLC. Our governance structure is heavily guided by the Bank Company Act, 1991 (amended up to 2023) and pivotal circulars such as BRPD Circular No. 02 of 2024, which dictate the strict formation, roles, and responsibilities of the Board of Directors and its sub-committees.

BANGLADESH SECURITIES AND EXCHANGE COMMISSION (BSEC)

As a publicly listed entity, MBPLC strictly adheres to the BSEC Corporate Governance Code, 2018 (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018), issued under section 2CC of the Securities and Exchange Ordinance, 1969. This framework mandates critical governance disclosures, independent director ratios, and statutory audit compliance.

THE COMPANIES ACT, 1994

The Bank's Memorandum and Articles of Association, as well as its core corporate affairs, are governed by the Companies Act, 1994 (amended up to 2020). This framework guides the Bank in matters related to the Annual General Meeting (AGM), director appointments, reserve maintenance, dividend distribution, and the overarching duties of the Board.

BANGLADESH SECRETARIAL STANDARDS (BSS)

To streamline and standardize board and management proceedings, MBPLC fully complies with the Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB). The Bank formally conducts its corporate affairs in strict alignment with:

- **BSS-1:** Secretarial Standard on Meetings of the Board of Directors
- **BSS-2:** Secretarial Standard on General Meetings
- **BSS-3:** Secretarial Standard on Minutes
- **BSS-4:** Secretarial Standard on Dividend
- **BSS-5:** Secretarial Standard on Digital Meeting

5. DSE & CSE LISTING REGULATIONS

To safeguard investor wealth and ensure market transparency, MBPLC complies with the Listing Regulations of the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). This ensures the timely dissemination of Price Sensitive Information (PSI), regular financial reporting, and the continuous protection of capital market integrity.

Board of Directors: Composition & Diversity

QUALITATIVE DISCLOSURES

- **(a) Expertise and Brief Resumes**

  The MBPLC Board is structured to ensure a diverse blend of banking, corporate, and technological expertise. The brief resumes of all Directors, detailing their functional areas of expertise, are explicitly provided in the 'Profile of Directors' section of this Annual Report.

- **(b) External Directorships**

  To maintain absolute transparency regarding potential conflicts of interest, the names of all external companies where our Directors hold directorships or committee memberships have been disclosed alongside their profiles.

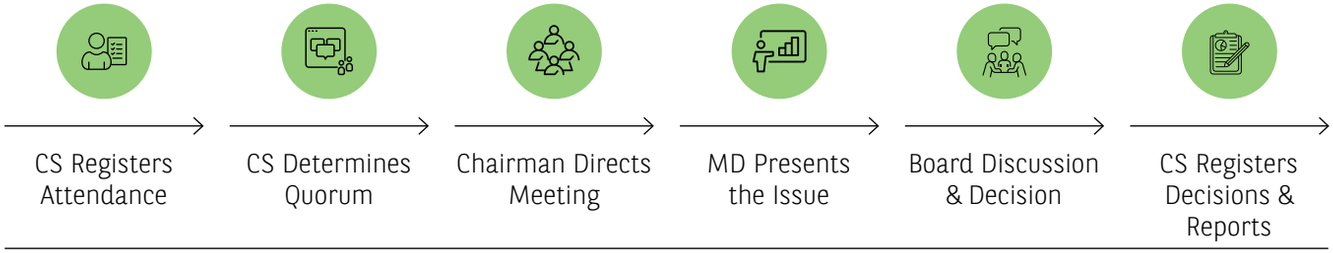
QUANTITATIVE DISCLOSURES

- **(a) Board Size:**

  The Board of MBPLC currently consists of 10 (ten) members, which strictly complies with BSEC Condition 1.1 (mandating a minimum of 5 and a maximum of 20 directors) and the regulations of the Bank Company Act, 1991.

- **(b) Independent Directors**

  To ensure unbiased oversight, the Board includes 2 (two) Independent Directors, which fulfills the regulatory mandate requiring at least one-fifth (1/5th) of the total Board to be independent.



Roles and Separation of Powers

(A) QUALITATIVE DISCLOSURE: SEPARATION OF CHAIRMAN AND CEO ROLES

To guarantee absolute independence in the Bank's governance architecture, MBPLC strictly maintains a clear demarcation of roles between the Board and the Management. The positions of the Chairman of the Board and the Managing Director (MD) are held by separate individuals.

- **Role of the Chairman:** The Chairman is a Non-Executive Director who is elected by the Board. The Chairman's primary role is to lead the Board, ensure effective corporate governance, manage Board meetings, and safeguard the interests of the shareholders. The Chairman does not participate in the day-to-day executive operations of the Bank.
- **Role of the MD:** The MD is the executive head of the Bank, appointed by the Board with the prior approval of Bangladesh Bank. The MD is strictly responsible for the day-to-day management of the Bank, executing the strategic objectives set by the Board, and leading the Senior Management Team (SMT).

Board Meetings, Attendance, and Remuneration

The effectiveness of the Board of Directors is heavily dependent on the active participation, rigorous debate, and strategic oversight exercised during Board meetings. At Mercantile Bank PLC (MBPLC), Board meetings are structured to ensure that Directors have ample time to review critical business proposals, assess risk parameters, and challenge management assumptions. The Bank strictly adheres to the meeting protocols mandated by the regulatory authorities, ensuring every decision is meticulously recorded and legally binding.

QUALITATIVE DISCLOSURES: MEETING PROCEDURES & STANDARDS

- **(a) Meeting Frequency and Preparation:** In strict compliance with Bangladesh Bank's BRPD Circular No. 02 (2024), the Board of Directors convenes at least once a month. To ensure active and informed participation, detailed memorandums and working papers are distributed to all Board members at least 2 (two) days prior to the meeting date.
- **(b) Compliance with Secretarial Standards:** The Bank conducts its meetings in full compliance with the Bangladesh Secretarial Standards (BSS-1) adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB). All proceedings are duly recorded, and Directors who could not attend specific meetings were officially granted leaves of absence by the present members of the Board.
- **(c) Director Remuneration Policy:** Members of the Board of Directors are entitled to a fixed honorarium for attending Board meetings. In strict adherence to BRPD regulations, the maximum honorarium paid to a Director per meeting is capped at BDT 10,000 (subject to applicable tax deductions).

QUANTITATIVE DISCLOSURES: 2025 ATTENDANCE METRICS

(a) Total Board Meetings: During the financial year ended December 31, 2025, the Board of Directors successfully held a total of 21 (twenty-one) scheduled meetings.

(b) Name-wise Attendance and Remuneration [BSEC 1.5.xxii & 1.5.x]: The detailed record of attendance and the corresponding remuneration paid to each Director during the 2025 operational year are explicitly disclosed below:

Sl No.	Name of the Director	Designation	Meetings Applicable	Meetings Attended	Absent	Remuneration (BDT)
1	Mr. Md. Anwarul Haque	Chairman	20	19	1	190,000
2	Al-Haj Akram Hossain (Humayun)	Vice Chairman	21	13	8	130,000
3	Mr. Md. Abdul Hannan, MP	Vice Chairman	21	15	6	150,000
4	Mr. M. A. Khan Belal	Chairman, Executive Committee	21	21	0	210,000
5	Mr. Mohammad Abdul Awal	Chairman, Risk Management Committee	21	21	0	210,000
6	Prof. Dr. Md. Rezaul Kabir	Independent Director & Chairman, Audit Committee	21	18	3	180,000
7	Mr. A.S.M. Feroz Alam	Director	21	17	4	170,000
8	Mr. M. Amanullah	Director	21	1	20	10,000
9	Mr. Morshed Alam *	Director	11	2	9	20,000
10	Alhaj Mosharref Hossain	Director	20	19	1	190,000
11	Prof. Mohammad Thoufiqul Islam, PhD **	Independent Director	14	10	4	100,000
12	Dr. Gazi Mohammad Hasan Jamil ***	Independent Director	1	0	1	-

(Statutory Notes on Board Reconstitution during 2025): * Mr. Morshed Alam continued as a Director up to 20.07.2025. ** Prof. Mohammad Thoufiqul Islam, PhD was appointed as an Independent Director on 25.05.2025. *** Dr. Gazi Mohammad Hasan Jamil continued as an Independent Director up to 12.02.2025. (Note: Directors who could not attend meetings were granted leaves of absence by the present members of the Board).

Key Activities of the Board in 2025

In 2025, the Board of Directors of Mercantile Bank PLC (MBPLC) operated in a highly dynamic and challenging macroeconomic environment, marked by systemic liquidity tightening and heightened regulatory scrutiny on asset quality. Consequently, the Board's agenda shifted from routine oversight to intensive strategic recalibration. The primary focus was placed on Non-Performing Loan (NPL) resolution, navigating Bangladesh Bank's regulatory forbearance regarding provision shortfalls, driving digital transformation, and ensuring strict compliance with evolving capital market directives.

(A) QUALITATIVE DISCLOSURES: QUARTERLY BREAKDOWN OF BOARD APPROVALS

To ensure continuous and structured oversight, the Board's activities in 2025 were systematically distributed across the four quarters, aligning with statutory reporting deadlines and strategic business cycles:

Quarter 1 (January – March 2025): Statutory Foundations & Budgeting

- Strategic Planning: Approved the Bank's comprehensive Business Budget, Capital Plan, and the formal "Risk Appetite Statement" for 2025.
- The Board reviewed Risk Management Policies and effectiveness of Risk Management Functions of the Bank.
- Reviewed the Half yearly report (July to December 2024) on steps taken by the Bank to prevent money laundering and terrorist financing, implementation progress and made recommendations in this regard.

Quarter 2 (April – June 2025): Shareholder Engagement & Compliance

- Financial Reporting & Dividend: Reviewed and approved the Audited Financial Statements for the year ended December 31, 2024. In strict adherence to Bangladesh Bank directives regarding capital adequacy and provision shortfalls, the Board prudently recommended a "No Dividend" declaration.
- AGM Preparation: Authorized the convening of the 26th Annual General Meeting (AGM) and approved the Directors' Report and Corporate Governance disclosures.
- Quarterly Financials: Adopted the First Quarter (Q1) Un-audited Financial Statements of the Bank.
- Provision Remediation: Reviewed and approved a highly structured, time-bound remediation plan to address the unadjusted provision shortfall, as mandated by Bangladesh Bank's regulatory forbearance directive (Ref: BSD-2/2203/2026-384).

Quarter 3 (July – September 2025): Business Expansion & Synergies

- Shareholder Relations: Successfully conducted the 26th virtual Annual General Meeting (AGM), ensuring seamless digital voting and transparent shareholder communication.
- Half-Yearly Financials: Reviewed and adopted the Second Quarter (Q2) / Half-Yearly Financial Statements.
- Network Expansion: Authorized the physical network expansion, including the inauguration of new Sub-Branches (Uposhakhas) at Malkhanagar, Alipur, and Fultola, further extending the Bank's grassroots footprint.

Quarter 4 (October – December 2025): Risk Oversight & 2026 Roadmap

- Third Quarter Financials: Adopted the Third Quarter (Q3) Un-audited Financial Statements.
- Risk & Asset Quality: Conducted an exhaustive review of the Comprehensive Risk Management Report (CRMR). The Board heavily directed Management to accelerate cash recoveries from classified loans and initiate legal proceedings (Artha Rin Adalat Ain) against chronic defaulters.
- ESG & Corporate Social Responsibility: Approved the allocation of CSR funds, including significant contributions to the Prime Minister's Relief & Welfare Fund and disaster management initiatives, reinforcing the Bank's commitment to social equity.
- Subsidiary & Digital Strategy: Approved the 2026 strategic roadmap for MBPLC's subsidiaries, specifically authorizing the capital allocation for Mercantile Bank Securities Limited (MBSL) to deploy a proprietary Order Management System (OMS).

BOARD SUB-COMMITTEES

Statutory Limitation on Sub-Committees: In strict adherence to Bangladesh Bank's BRPD Circular No. 02 (dated 11 February 2024), Mercantile Bank PLC (MBPLC) operates only 3 (three) sub-committees of the Board: The Executive Committee (EC), the Audit Committee (BAC), and the Risk Management Committee (RMC). No other permanent or temporary sub-committees are permitted by the central bank.

NRC Compliance: To simultaneously comply with BSEC Condition 6 (which mandates a Nomination and Remuneration Committee) and the restrictive Bangladesh Bank directives, the central bank has formally vested all NRC-related duties and responsibilities entirely upon the Board Audit Committee.

Report of the Board Audit Committee

The Audit Committee of Mercantile Bank PLC., has been formed and its roles and responsibilities have been defined in line with the notification on Corporate Governance issued by BSEC and Bangladesh Bank Circular. The Audit Committee of the Board (ACB) serves to ensure good governance in the Bank.

COMPOSITION AND QUALIFICATIONS:

The Audit Committee of the Board of Directors of Mercantile Bank PLC., was reconstituted in the 453rd Board meeting held on 11 December 2024. In accordance with applicable rules, the Committee includes 02 non-executive Directors and 02 Independent Directors with strong credentials in banking, finance, and governance.

Audit Committee

Name	Status	Position	Educational Qualification	Meeting Attendance
Prof. Dr. Md. Rezaul Kabir	Independent Director	Chairman	M.Sc. (UK), Ph.D. (UK)	9/9
Al-Haj Akram Hossain (Humayun)	Director	Member	Graduate	7/9
Mr. Md. Abdul Hannan, MP	Director	Member	Engineer	7/9
Dr. Gazi Mohammad Hasan Jamil*	Independent Director	Member	BBA & MBA (DU), MS in Finance (USA), CMA, Ph.D. (Canada)	0/1
Prof. Mohammad Thoufiqul Islam, PhD.**	Independent Director	Member	BBA & MBA (DU), M.A. (Korea), Ph.D. (Japan)	5/5
Members of Audit Committee are not members of Executive Committee.				

*Dr. Gazi Mohammad Hasan Jamil Continued as Independent Director up to 12.02.2025,

**Prof. Mohammad Thoufiqul Islam, PhD was appointed as Member of Audit Committee on 29.05.2025.

CHARTER OF THE COMMITTEE:

MBPLC Audit Committee assists the Board in the discharge of its responsibilities by exercising structured, systematic oversight over the Bank's financial reporting, internal audit, internal controls and external audit practices. The Audit Committee Charter clearly defines the Terms of Reference (TOR) of the Committee and regulates the composition, role and responsibilities of the Committee approved by the Board.

SECRETARY TO THE COMMITTEE & QUORUM

The Company Secretary of the Bank is the Secretary of the Board Audit Committee. The quorum of the Audit Committee meeting do not constitute without at least one independent director.

ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE:

- Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- Review alongwith the management, the quarterly and half yearly financial statements before submission to the Board for approval;

REPORTING OF THE AUDIT COMMITTEE:

All activities of Audit Committee were reported to the Board and the Board closely reviewed and ratified those. The Audit Committee reports to the Board on the following findings, if any –

- Meeting minutes duly reported;
- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;

- Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and
- Any other matter which the Audit Committee deems necessary, to discuss to the Board immediately;

MEETINGS OF THE AUDIT COMMITTEE:

Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) have suggested Banks to hold at least 04 (four) meetings in a year. The Audit Committee of MBPLC. held 09 (nine) meetings in 2025 and had detailed discussions and review sessions with the Head of Audit, Head of Internal Control & Compliance, External Auditors regarding their findings and remedial suggestions on various issues that need improvement. The Audit Committee instructed management to follow those remedial suggestions accordingly. Meeting dates are as follows:

Sl No.	Meeting	Date of Meeting
1	236th Audit Committee Meeting	30 January 2025
2	237th Audit Committee Meeting	26 February 2025
3	238th Audit Committee Meeting	24 March 2025
4	239th Audit Committee Meeting	29 May 2025
5	240th Audit Committee Meeting	24 June 2025
6	241st Audit Committee Meeting	17 July 2025
7	242nd Audit Committee Meeting	04 September 2025
8	243rd Audit Committee Meeting	28 October 2025
9	244th Audit Committee Meeting	09 November 2025

FEW SUGGESTIONS MADE BY THE AUDIT COMMITTEE IN 2025 ARE SUMMARIZED BELOW:

- The Audit Committee advised the Bank management to ensure Investment in the secondary market by Mercantile Bank Securities Limited in accordance with the decisions of the company's Investment Committee. In this regard the committee also advised to formulate an Investment Policy.
- The committee advised to maintain the back-office operations of Mercantile Bank Securities Limited in accordance with the directives of the regulatory authorities. To ensure proper maintenance of operations the committee also advised to purchase suitable and up-to-date back-office software.
- The Audit committee advised to ensure proper receive and verify the documentations of all loan accounts of the branch by the incoming Head of Branch from the outgoing Head of Branch during the handover–takeover period. It also advised Head Office to monitor that the handover/takeover process is done in accordance with Head office instructions.
- The Audit committee advised to cancel enlistment of surveyors and panel lawyers of the bank who are negligent in performing their duties. The committee also advised to file criminal cases against them considering the severity of the matter, if necessary.
- The Audit committee advised to arrange training/workshops for the members of the Board of Directors/ management, both within the country and abroad to remain update on the latest Acts/ Regulations/ Guidelines/Circulars necessary for bank operations.
- The Audit committee advised to strengthen early alert system/ post-disbursement monitoring system after the disbursement of loans and advances to customers.
- The Audit committee has seen weaknesses in Credit Risk Management Division (CRMD), Internal Control and Compliance Division (ICCD), and Central Law Division and advised to conduct an audit by the external auditor on CRMD, ICCD, and Central Law Division to identify the causes of weaknesses of those departments and also advised to submit a comprehensive report to overcome the weaknesses to the Board.
- The Audit Committee advised to complete classifications of loans and advances of the Bank by following objective criteria (with system generated data) as per Bangladesh Bank (BB) guidelines.
- The Audit committee advised to strengthen monitoring system to ensure the complete and final settlement of classified loans within the shortest possible time to decrease Non Performing Loan (NPL) volume. In this regard, the committee advised the Recovery Division of the bank to set separate recovery targets for each branch in coordination with them.
- The Audit committee advised the Bank management to issue cautionary circular describing the nature of criminal activity committed by any executive/official/employee of the bank. The committee also advised to bring those executives/officials/ employees under disciplinary action based on specific allegations in accordance with the HR policy who are found to be involved in criminal activities.
- The Audit Committee advised the Information Technology Division to take appropriate measures to ensure obtaining accurate and credible MIS reports so that the management can make proper decision on various matters with the help of credible information.
- The Audit Committee advised the Bank management to act effectively as per time bound action plan to reduce the shortfall of provision determined by Bangladesh Bank and also advised to submit updated performance information on monthly basis.
- The Audit Committee advised the senior management team to submit their updated performance information against loan recovery target on monthly basis.
- The Audit Committee advised the Central Law Division to present monthly basis update report on the status of the bank's pending litigations.

ACKNOWLEDGEMENT:

The Audit Committee extends its sincere appreciation to the Board of Directors, management, and auditors for their steadfast support and collaboration. The Committee also expresses its deep gratitude to regulatory bodies, particularly Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC), for their guidance and oversight which have been instrumental in fulfilling its responsibilities effectively.

On behalf of the Audit Committee,

Prof. Dr. Md. Rezaul Kabir
Chairman
Audit Committee of the Board

Report of the Executive Committee (EC)

The Executive Committee (EC) of the Board acts as the agile operational proxy for the full Board of Directors. In a highly dynamic financial sector where delayed decisions can result in lost business opportunities or increased credit exposure, the EC is empowered to handle urgent, daily, and routine banking operations between scheduled Board meetings. The primary mandate of the EC is to ensure the uninterrupted flow of the Bank's business—specifically by reviewing and approving large credit proposals, routine administrative expenditures, and strategic investments that fall beyond the delegated authority of the Managing Director.

Total EC Meetings Held:
42 (Forty-Two)

Committee Size:
06 Members (Non-Executive Directors)

Chairperson:
Mr. M. A. Khan Belal

Key 2025 Mandate:
Large Credit Approvals & Administrative Agility

QUALITATIVE DISCLOSURES: DELEGATED AUTHORITY & OPERATIONAL PROTOCOLS

(a) Delegation of Authority & Credit Approvals: In strict adherence to the Bank Company Act, 1991, the Board of Directors has formally delegated specific financial and administrative authorities to the Executive Committee. Throughout 2025, the EC meticulously evaluated and approved large-scale corporate loan syndications, renewed existing credit limits, and approved interest rate amendments and collateral security modifications that exceeded the Management's approval thresholds.

(b) Meeting Protocols & Advance Preparation: To ensure active participation and informed decision-making, a detailed memorandum along with comprehensive working papers for every credit proposal is distributed to all EC members at least 2 (two) days prior to each meeting. The Company Secretary of the Bank officially acts as the Secretary to the Executive Committee.

(c) Mandatory Board Ratification: Maintaining absolute transparency and Board supremacy, the EC does not operate in isolation. Every single decision taken, credit approved, or expenditure authorized by the Executive Committee in 2025 was subsequently presented and formally ratified at the immediate next meeting of the full Board of Directors.

Quantitative Disclosures: Meetings & Composition

(a) Number of Meetings Held: Reflecting the high velocity of MBPLC's corporate banking operations, the Executive Committee convened frequently, successfully holding an impressive 42 (forty-two) formal meetings during the 2025 operational year.

(b) Committee Size & Limitations: Complying strictly with BRPD Circular No. 02/2024, which dictates that the EC must consist of a maximum of 07 (seven) members, MBPLC's EC operated with 06 (six) nominated Non-Executive Directors.

(c) Member Attendance Record (2025):

Name of the Member	Status in Bank	Position in Committee	Applicable Meetings
Mr. M. A. Khan Belal	Director	Chairman	42
Mr. A.S.M. Feroz Alam	Director	Member	42
Mr. M. Amanullah	Director	Member	42
Mr. Morshed Alam *	Director	Member	21
Alhaj Mosharref Hossain	Director	Member	35
Mr. Mohammad Abdul Awal	Director	Member	42

(Statutory Notes on Committee Reconstitution during 2025): * Mr. Morshed Alam served as a member of the Executive Committee until his retirement from the Board on 20.07.2025 (applicable for 21 meetings prior to departure). (Note: The Managing Director, along with the Head of Credit Risk Management (CRM), regularly attended EC meetings upon invitation to present credit proposals and provide operational clarifications, though they hold no voting rights within the committee).

Report of the Risk Management Committee (RMC)

The Risk Management Committee (RMC) serves as the dedicated Board-level body responsible for overseeing Mercantile Bank PLC's overall risk management architecture. The Committee ensures that all operational, financial, and strategic risk-taking activities remain strictly aligned with the Board-approved Risk Appetite Statement.

For a comprehensive review of the Committee's governance and oversight activities during the 2025 operational year, please refer to the dedicated "Risk Management" chapter of this Annual Report.

The full Report on Risk Management Committee of the Board of Directors—located within that chapter—extensively details the RMC's statutory composition, the proceedings of the 10 (ten) formal meetings held throughout the year, member attendance records, and the Committee's critical strategic directives pertaining to Basel III compliance, the Internal Capital Adequacy Assessment Process (ICAAP), and rigorous stress testing frameworks.

Nomination and Remuneration (NRC) Compliance

One of the most complex governance challenges for listed commercial banks in Bangladesh is navigating the conflicting statutory mandates between the capital market regulator (BSEC) and the central bank (Bangladesh Bank) regarding the formation of a Nomination and Remuneration Committee (NRC). Mercantile Bank PLC (MBPLC) has established a seamless "Dual Compliance Bridge," fully satisfying the rigorous requirements of the BSEC Corporate Governance Code while strictly adhering to the structural limitations imposed by Bangladesh Bank.

- **The BSEC Mandate:** Condition 6 requires all listed companies to form a dedicated Nomination and Remuneration Committee (NRC).
- **The BB Restriction:** BRPD Circular No. 02 (11 February 2024) strictly limits banks to only three sub-committees (EC, BAC, RMC), explicitly prohibiting the formation of a separate NRC.
- **The MBPLC Solution:** Under the directives of Bangladesh Bank, the full spectrum of NRC duties—including policy formulation, nomination criteria, and remuneration review—has been officially vested in the Audit Committee of the Board (BAC).

QUALITATIVE DISCLOSURES: STRUCTURAL COMPLIANCE & ROLE DELEGATION

(a) Explanation of BB Directive Compliance: The Bank confirms that it does not maintain a separately designated Nomination and Remuneration Committee. To ensure absolute compliance with Bangladesh Bank's BRPD Circular No. 02/2024, which restricts the Board to three sub-committees, the Board of Directors has formally delegated all NRC-related roles and responsibilities to the Board Audit Committee (BAC). Consequently, the BAC independently oversees the nomination criteria for top-level executives, devises policies on Board diversity, and reviews the human resources and remuneration frameworks.

(b) Policy Formulation & Remuneration Principles: The Audit Committee (acting as the NRC) ensures that the Bank's remuneration policies are firmly aligned with its long-term strategic goals. The remuneration structure is designed to be fair, competitive, and sufficient to attract and retain top-tier talent. The Committee strictly ensures that remuneration for top-level executives involves a prudent balance between fixed pay and performance-based incentives, reflecting both short-term operational targets and long-term institutional value creation without encouraging excessive risk-taking.

QUALITATIVE DISCLOSURES: EVALUATION CRITERIA

(a) Criteria for Evaluating Independent Directors and Board Performance: The Audit Committee (acting as the NRC) has established strict criteria for evaluating the performance of the Board and its Independent Directors. The evaluation parameters include:

- **Independence & Objectivity:** The ability to exercise unbiased, independent judgment, free from any pecuniary relationship with the Bank's sponsors or management.
- **Engagement & Attendance:** Active participation in scheduled Board and Sub-Committee meetings, including the thorough review of pre-meeting memorandums.
- **Regulatory Vigilance:** Ensuring the protection of minority shareholders and depositors while monitoring compliance with BSEC, Bangladesh Bank, and other statutory regulations.
- **Strategic Contribution:** Value addition in specialized functional areas (e.g., risk management, financial reporting, corporate governance) and active intervention during crisis management.

Quantitative Disclosures: Remuneration Paid to Directors

(a) Statement of Total Remuneration Paid: In strict compliance with BRPD Circular No. 02/2024, the Non-Executive Directors of MBPLC do not receive any monthly salary, performance bonus, or profit-sharing incentives. They are only entitled to a fixed honorarium for attending Board and Sub-Committee meetings.

- o Meeting Honorarium: The maximum honorarium paid per Director is strictly capped at BDT 10,000 per meeting attended (subject to applicable tax deductions).
- o Independent Director Remuneration: Pursuant to BRPD Circular No. 03 (dated 14 February 2024), Independent Directors receive a fixed monthly remuneration of BDT 50,000, in addition to the standard meeting honorariums.
- o Cross-Reference for Name-Wise Disclosure: The explicit, name-wise breakdown of the exact remuneration paid to each Director, including Independent Directors, during the 2025 operational year has been quantitatively detailed in the "Board Attendance & Remuneration Dashboard" located in this Corporate Governance Report, as well as in Note 33 of the Audited Financial Statements.

SHAREHOLDING, DIVIDEND & AGM DISCLOSURES

Pattern of Shareholding

At Mercantile Bank PLC (MBPLC), we believe that a highly transparent ownership structure is fundamental to maintaining investor trust and institutional credibility. As of 31 December 2025, the Bank's total outstanding paid-up capital consists of 1,106,575,435 ordinary shares. The shareholding matrix is firmly anchored by our Sponsors and Directors who hold 33.62% of the total equity, comfortably exceeding the regulatory requirement of maintaining a minimum 30% joint holding. The remaining free-float shares are diversely distributed among the General Public (40.01%), Financial Institutions (25.73%), and Foreign Investors (0.64%), reflecting broad-based market confidence in the Bank's fundamental stability.

- Sponsors / Directors: 371,995,890 Shares (33.62%)
- General Public: 442,719,088 Shares (40.01%)
- Financial Institutions: 284,743,571 Shares (25.73%)
- Foreign Investors: 7,116,886 Shares (0.64%)
- Total Outstanding Shares: 1,106,575,435 Shares (100.00%)

QUANTITATIVE DISCLOSURES: NAME-WISE SHAREHOLDING DETAILS

In explicit compliance with the BSEC Corporate Governance Code, the precise, name-wise shareholding pattern of the Bank's affiliated entities, leadership, and top executives as of 31 December 2025 is declared below:

(a) Parent, Subsidiary, Associated Companies and other related parties:

MBPLC is the parent entity and holds controlling stakes in the following subsidiary companies. However, these subsidiaries do not hold any reciprocal shares in MBPLC.

1. Mercantile Bank Securities Limited (Shareholding in MBPLC: Nil)
2. Mercantile Exchange House (UK) Limited (Shareholding in MBPLC: Nil)
3. MBL Asset Management Limited (MBL AML) (Shareholding in MBPLC: Nil)

(b) Directors, Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children (name-wise details):

SL	Name of the Directors, their spouse & minor children	As on 31 December 2025		As on 31 December 2024	
		Shares held	%	Shares held	%
i.	Directors				
1	Md. Anwarul Haque	24,943,792	2.25%	24,943,792	2.25%
	Spouse: Nargis Anwar	3,296,254	0.30%	3,296,254	0.30%
	Minor Children :	Nil	Nil	Nil	Nil
2	Al-haj Akram Hossain (Humayun)	24,017,249	2.17%	24,017,249	2.17%
	Spouse: Ferdousi Begum	2,768,452	0.25%	2,768,452	0.25%
	Minor Children :	Nil	Nil	Nil	Nil
3	Md. Abdul Hannan, MP	25,298,854	2.29%	25,298,854	2.29%
	Spouse: Israt Jahan	3,542,845	0.32%	3,542,845	0.32%
	Minor Children :	Nil	Nil	Nil	Nil
4	M.A. Khan Belal	22,217,211	2.01%	22,217,211	2.01%
	Spouse: Morzina Khan Monzu	485,903	0.04%	485,903	0.04%
	Minor Children :	Nil	Nil	Nil	Nil
5	Mohammad Abdul Awal	22,592,370	2.04%	22,592,370	2.04%
	Spouse: Yesmin Ferdous	299,320	0.03%	299,320	0.03%
	Minor Children :	Nil	Nil	Nil	Nil
6	Prof. Dr. Md. Rezaul Kabir	Nil	Nil	Nil	Nil
	Spouse: Dr. Ismat Rahman	Nil	Nil	Nil	Nil
	Minor Children :	Nil	Nil	Nil	Nil
7	A.S.M. Feroz Alam	34,854,232	3.15%	34,854,232	3.15%
	Spouse: Yoko Inamori	Nil	Nil	Nil	Nil
	Minor Children :	Nil	Nil	Nil	Nil
8	M. Amanullah	25,000,000	2.26%	25,000,000	2.26%
	Spouse: Tazneen Aman	Nil	Nil	3,281,302	0.30%
	Minor Children :	Nil	Nil	Nil	Nil

	9	Al-haj Mosharref Hossain	26,486,392	2.39%	26,486,392	2.39%
		Spouse: Feroza Begum	3,506,712	0.32%	3,506,712	0.32%
		Minor Children :	Nil	Nil	Nil	Nil
	10	Prof. Mohammad Thoufiqul Islam, PhD	Nil	Nil	Nil	Nil
		Spouse: Ishrat Mahmud	Nil	Nil	Nil	Nil
		Minor Children :	Nil	Nil	Nil	Nil
		Designation				
ii.		Mati Ul Hasan, Managing Director	Nil	Nil	Nil	Nil
		Spouse / Minor Children of MD	Nil	Nil	Nil	Nil
iii.		Mohammad Rezaul Karim, Company Secretary	Nil	Nil	Nil	Nil
		Spouse / Minor Children of CS	Nil	Nil	Nil	Nil
iv.		Tapash Chandra Paul, PhD, DMD & CFO	Nil	Nil	Nil	Nil
		Spouse / Minor Children of CFO	Nil	Nil	Nil	Nil
v.		Ashim Kumar Saha, DMD & HIAC	Nil	Nil	Nil	Nil
		Spouse / Minor Children of DMD & HIAC	Nil	Nil	Nil	Nil

(c) Executives [top 5 (five) salaried employees of the company, other than the Directors, Managing Director, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance]

SL	Designation	As on 31 December 2025		As on 31 December 2024	
		Shares held	%	Shares held	%
1	Md. Zakir Hossain, Deputy Managing Director	Nil	Nil	Nil	Nil
2	Shamim Ahmed, Deputy Managing Director	Nil	Nil	Nil	Nil
3	Dr. Md. Zahid Hossain, Deputy Managing Director	Nil	Nil	Nil	Nil
4	Shah Md. Sohel Khurshid, Deputy Managing Director	Nil	Nil	Nil	Nil
5	Mohammad Iqbal Rezwan, Senior Executive Vice President	Nil	Nil	Nil	Nil

(d) Shareholders holding ten percent (10%) or more voting interest in the Company

The Bank confirms that, as of 31 December 2025, there are no shareholders (individual, corporate, or institutional) holding 10% (ten percent) or more voting interest in Mercantile Bank PLC.

Dividend Distribution Policy & Compliance

The fundamental objective of Mercantile Bank PLC's (MBPLC) Dividend Distribution Policy is to strike a prudent balance between rewarding shareholders and retaining sufficient capital to ensure robust institutional growth. The Board of Directors strictly evaluates the Bank's Capital to Risk-Weighted Assets Ratio (CRAR), asset quality, and regulatory mandates before recommending any dividend. For the financial year 2025, operating within a highly restrictive macroeconomic environment and prioritizing absolute regulatory compliance, the Board made the responsible decision to prioritize capital preservation over immediate distribution, setting a clear roadmap for long-term balance sheet fortification.

- 2025 Dividend Declaration: "No Dividend" (0% Cash, 0% Stock).
- Strategic Rationale: Regulatory compliance with Bangladesh Bank directives regarding provision shortfalls and deliberate capital preservation.
- Governing Policy: BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021.

QUALITATIVE DISCLOSURES: POLICY GUIDELINES & STATUTORY EXPLANATIONS

(a) Summary of the Dividend Distribution Policy: The Bank's Dividend Distribution Policy is meticulously formulated in accordance with BSEC Directive No. BSEC/CMRRCD/2021-386/03. The policy explicitly dictates that dividend distributions must be channeled through the Bangladesh Electronic Funds Transfer Network (BEFTN) within 30 (thirty) days of AGM approval. Furthermore, the policy outlines strict protocols for handling unclaimed dividends, ensuring they are maintained in a dedicated 'Dividend Suspense Account' and are not forfeited until barred by law, subsequently transferring eligible funds to the Capital Market Stabilization Fund (CMSF) as per BSEC guidelines.

(b) Explanation for Not Declaring Dividend: In explicit compliance with BSEC Condition 1.5.xx, the Board of Directors hereby explains the rationale for recommending "No Dividend" for the year ended 31 December 2025. Following a rigorous assessment by Bangladesh Bank, the Bank identified a significant unadjusted provision shortfall. Pursuant to Bangladesh Bank's regulatory forbearance directive (Ref: BSD-2/2203/2026-384, dated April 29, 2026), the central bank granted a no-objection to finalize the 2025 financial statements without full adjustment of this shortfall. This forbearance was granted on the strict conditions of non-declaration of dividends, enhanced market disclosures, and the formulation of a Board-approved, time-bound plan to address the provision and capital gaps. The Board considers the "No Dividend" declaration a highly responsible and necessary measure to comply with the central bank's directive and absorb this shortfall, and remains fully committed to restoring dividend payments as the Bank executes its aggressive asset recovery roadmap.

(c) Declaration on Interim Dividend: The Board of Directors issues an unequivocal statement confirming that no bonus share or stock dividend has been declared or distributed as an interim dividend during the 2025 operational year.

QUANTITATIVE DISCLOSURES: PAYOUT TRENDS & UNCLAIMED DIVIDEND MANAGEMENT

- 4.2.2.1 (a) Historical Dividend Trend Analysis: To provide transparent visibility to our investors, the dividend payout ratio and net profit alignment for the recent operational cycles are summarized below:

Financial Year	Net Profit After Tax (BDT)	Cash Dividend	Stock Dividend	Total Dividend	Payout Ratio
2025	Explicitly detailed in FS	Nil	Nil	Nil	0.00%
2024	649,567,131	Nil	Nil	Nil	0.00%
2023	2,058,220,622	10.00%	Nil	10.00%	53.76%

(b) Management of Unpaid/Unclaimed Dividend: In strict compliance with BSEC guidelines, the Bank actively monitors and manages unpaid or unclaimed cash and stock dividends. As per the Bank's policy, unclaimed cash dividends are held in a separate bank account, while uncredited stock dividends (due to inactive BO accounts) are securely preserved in the 'Dividend Suspense Account'. The Bank continually dispatches SMS and email reminders to shareholders to update their BO account details to facilitate seamless distribution.

Governance Disclosure on Holding the AGM

Mercantile Bank PLC (MBPLC) views the Annual General Meeting (AGM) not merely as a statutory compliance exercise, but as the pinnacle of shareholder engagement and corporate transparency. To guarantee the equitable treatment of all shareholders—including minority investors—and to facilitate seamless nationwide and international participation, the Bank successfully hosted its 26th AGM on Sunday, 20 July 2025, utilizing a highly secure, interactive digital platform. The entire process from convening the meeting to the final statutory reporting was executed in flawless compliance with the Bangladesh Secretarial Standards on General Meetings (BSS-2) and Meetings through Electronic Modes (BSS-5).



Stage 1: Pre-Meeting [BSS-2]

Notice Dispatch, Financials Finalization, Record Date Fixation.



Stage 2: AGM Execution [BSS-5]

Digital Voting, Live Q&A, Statutory Auditor Presence.



Stage 3: Post-Meeting [Statutory]

Scrutinizer's Report, BSEC/Exchanges Dissemination, RJSC Filing.

QUALITATIVE DISCLOSURES: PRE-MEETING COMPLIANCES [BSS-2]

(a) Record Date & Notice Period: Following Board authorization, the Bank fixed the "Record Date" as 29 June 2025. In strict adherence to the Companies Act 1994 and BSS-2, the official Notice of the 26th AGM was published in widely circulated national dailies and dispatched to the shareholders precisely 21 (twenty-one) days prior to the meeting date.

(b) Digital Distribution of Annual Report: To promote sustainable, paperless banking and comply with BSEC Notification No. BSEC/CMRRCD/2006-158/Admin/81, the Bank distributed the full Annual Report 2024, along with the Attendance Slip and Proxy Form, directly to the e-mail addresses of the members available in their Beneficiary Owner (BO) accounts maintained with the Depository Participants (CDBL).

(c) Independent Scrutinizer Appointment: To guarantee absolute transparency in the digital voting process, the Board appointed an independent professional (a practicing Chartered Secretary) to act as the official Scrutinizer for the 26th AGM.

QUALITATIVE DISCLOSURES: VIRTUAL AGM EXECUTION [BSS-5]

(a) Dedicated Digital Platform & e-Voting: The AGM was hosted on a dedicated, secure platform (https://mbplc.bdvirtualagm.com). Shareholders accessed the portal using their 16-digit BO ID or Folio Number. The online real-time voting (e-voting) option was officially opened 24 (twenty-four) hours prior to the start of the meeting and remained open until the formal closure of the AGM.

(b) Quorum and Statutory Presence: The Company Secretary ensured that the requisite quorum was maintained continuously throughout the virtual meeting. The Chairman of the Board, the Managing Director, the Chairman of the Audit Committee, and the representatives of the Statutory External Auditors were all present in the virtual meeting to answer queries from the shareholders directly.

(c) Interactive Q&A Session: The platform was designed to allow shareholders to submit their questions and comments electronically both prior to the meeting and live during the session. The Chairman and the MD actively addressed these queries, fulfilling the Board's commitment to continuous, open dialogue.

QUALITATIVE DISCLOSURES: POST-MEETING STATUTORY FILINGS

(a) Outcome Dissemination: Immediately following the conclusion of the 26th AGM, the exact, agenda-wise digital voting outcomes were formally declared. The consolidated voting results and the official Scrutinizer's Report were promptly submitted to the BSEC, the Dhaka Stock Exchange (DSE), and the Chittagong Stock Exchange (CSE).

(b) Record Preservation & Filings: The full audio-visual recording of the virtual AGM was secured and submitted to the regulatory commissions. Furthermore, the approved minutes, the Annual Return, and Form XII were duly filed with the Registrar of Joint Stock Companies & Firms (RJSC) within the mandated regulatory timeline.

QUANTITATIVE DISCLOSURES: PROCEDURAL METRICS

(a) Proxy Protocols: Shareholders entitled to attend and vote were permitted to appoint a proxy. The Bank ensured that all "Proxy Forms" were properly filled, signed, and stamped with a BDT 100.00 revenue stamp, and submitted to the Bank's share department no later than 48 hours before the commencement of the AGM.

(b) Shareholder Engagement Window: Shareholders were granted a dedicated window to submit written queries regarding the Directors' Report and the Audited Financial Statements up to 5 (five) working days before the date of the AGM, ensuring the Management had ample time to prepare comprehensive, data-driven responses.

MANAGEMENT, ETHICS & SHARI'AH FRAMEWORK

Management-Level Committees

While the Board of Directors establishes the overarching risk appetite and strategic vision of Mercantile Bank PLC (MBPLC), it is the Executive Management that translates these directives into daily operational reality. To ensure decentralized yet highly coordinated decision-making, the Bank operates a robust network of Management-Level Committees. These committees act as the critical "Second Line of Defense," providing specialized oversight over liquidity, enterprise risk, sustainable finance, and regulatory compliance, ensuring that no single individual holds unchecked executive authority.

QUALITATIVE DISCLOSURES: CORE EXECUTIVE & RISK COMMITTEES

(a) Senior Management Team (SMT): Serving as the highest executive decision-making body, SMT is chaired by the Managing Director and comprises all Deputy Managing Directors (DMDs) and key divisional heads (including the Chief Financial Officer, Chief Risk Officer, and Chief Operating Officer). SMT evaluates monthly business performance, deposit mobilization, and operational bottlenecks, ensuring that the Board's strategic mandates are executed seamlessly across the branch network.

(b) Asset Liability Committee (ALCO): In a year marked by systemic liquidity constraints, the ALCO played a vital role in 2025. The committee meets regularly to monitor the Bank's balance sheet structure, manage interest rate gaps, and ensure optimal liquidity thresholds are maintained in strict compliance with Bangladesh Bank's Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) mandates.

(c) Executive Risk Management Committee (ERMC): Operating just below the Board's Risk Management Committee (RMC), the ERMC is responsible for the day-to-day identification, measurement, and mitigation of credit, market, and operational risks. Demonstrating relentless vigilance in 2025, the ERMC successfully convened its 183rd meeting during the year. The summary of this meeting, along with the Bank's broader risk mitigation tactics, was formally escalated to the Board's RMC for final supervisory review.

QUALITATIVE DISCLOSURES: SPECIALIZED & SUSTAINABILITY COMMITTEES

To proactively address evolving global standards and regulatory pressures regarding climate change and sustainable business practices, MBPLC has deployed highly specialized operational committees:

(a) Sustainable Finance Committee (SFC): Tasked with integrating ESG factors into the Bank's core lending practices, the SFC oversees the Sustainable Finance Unit (SFU). In 2025, the committee ensured strict adherence to Bangladesh Bank's SFD Circulars, officially reporting its green finance and sustainable disbursement metrics directly to the Deputy Managing Director & Chief Risk Officer (CRO).

(b) Climate Risk Disclosure Working Committee (CRDWC): Recognizing the critical shift toward standardized carbon accounting, MBPLC established the CRDWC. Chaired by the DMD & Chief Financial Officer (CFO), this committee acts as the bridge between raw portfolio data and standardized reporting, ensuring absolute compliance with SFD Circular 01/2025 and technical consistency with PCAF (Partnership for Carbon Accounting Financials) Global Standards.

(c) Auxiliary Operational Committees: To ensure transparent and specialized oversight in routine banking functions, Management relies on several other dedicated committees, most notably the Credit Assessment Committee, the Share Investment Committee (managing capital market exposures), the Basel III Implementation Unit, and the Purchase Committee (ensuring transparency in vendor selection and procurement).

Code of Conduct and Business Ethics

CODE OF CONDUCT AND BUSINESS ETHICS

At Mercantile Bank PLC (MBPLC), corporate governance extends far beyond regulatory checklists; it is deeply embedded in our organizational culture. The Bank operates on the foundational principle of "Uncompromising Integrity," which serves as the opening mandate of our comprehensive Employee Code of Ethics and Business Conduct. We believe that the reputation and continued success of the Bank depend entirely on a shared commitment to ethical behavior. The Board of Directors strictly enforces this culture, ensuring that every strategic decision, client interaction, and internal process reflects the highest standards of transparency, fairness, and accountability.

1. **Integrity & Fair Treatment:** Zero-tolerance for discrimination, favoritism, or abuse of position.
2. **Conflict of Interest:** Strict avoidance of outside employment and personal business conflicts.
3. **Information Security:** Absolute confidentiality of customer data and insider information.
4. **AML & Fraud Prevention:** Rigorous Anti-Money Laundering protocols and Whistle-Blower protections.

QUALITATIVE DISCLOSURES: ETHICAL PRINCIPLES & IMPLEMENTATION

(a) Core Ethical Objectives: The Bank's Code of Conduct is designed to safeguard five critical constituencies:

1. **Customers:** Treating them fairly and protecting their financial interests.
2. **Shareholders:** Providing equitable treatment and absolute protection of their invested assets.
3. **Employees:** Ensuring fair treatment, equal opportunity, and demanding reciprocal integrity.
4. **Communities:** Focusing on bringing the best possible outcomes to the societies we serve.
5. **People:** Proactively contributing to social well-being and national development.

(b) Annual Acknowledgment & Enforcement: To ensure that ethical guidelines do not remain static documents, it is compulsory for all MBPLC employees to read and formally sign the Code of Conduct every year as a binding recurrence to the values enshrined within it. Leaders and managers are explicitly tasked with setting the "tone at the top," diligently enforcing these standards, and taking immediate action if violations occur.

QUALITATIVE DISCLOSURES: CONFLICT OF INTEREST, FRAUD & AML

(a) Conflict of Interest Management: The Board continuously oversees policies to identify and mitigate potential conflicts of interest. Employees and Directors are strictly prohibited from utilizing their positions, or the Bank's confidential information, for personal gain. Furthermore, loan facilities to Directors are highly restricted, and any related-party transactions are executed strictly on an arm's-length basis, reviewed by the Audit Committee, and fully disclosed in the Annual Report.

(b) Misappropriation & Bribery: The Code dictates a zero-tolerance policy for the misappropriation of assets. No employee may convert funds for personal use or assist others in such exploitation. Furthermore, employees are strictly prohibited from accepting gifts, benefits, or preferential facilities from clients or vendors that could influence objective business decisions.

(c) Anti-Money Laundering (AML) / CFT Protocols: MBPLC operates a rigorous AML framework. The Bank strictly adheres to the guidelines issued by the Bangladesh Financial Intelligence Unit (BFIU) and global regulatory bodies to prevent trade-based money laundering and terrorist financing, deploying designated AML Compliance Officers across the network to continuously monitor and report suspicious transactions.

QUALITATIVE DISCLOSURES: WHISTLE-BLOWER PROTECTION & GRIEVANCE MECHANISM

(a) Whistle-Blower Protection Policy: To proactively uncover irregularities, MBPLC maintains an effective Whistle-Blower Policy. Employees are provided with secure, diversified, and accessible channels—including a dedicated reporting hotline—to report suspected fraud, unethical conduct, or regulatory breaches. The Bank absolutely guarantees the protection of the whistleblower's identity and ensures strict protection against any form of retaliation, harassment, or dismissal.

(b) Grievance & Harassment-Free Workplace: Recognizing our employees as our most critical human capital, the Bank operates a dedicated Grievance Resolution Policy and a Women Anti-Harassment Policy to maintain a healthy, gender-responsive work environment. The Human Resources Division actively monitors these channels, and any issues brought to the Bank's attention are treated with the highest level of confidentiality and rapid remediation.

Shari'ah Governance (Taqwa Islamic Banking)

Operating under the brand name "Taqwa," Mercantile Bank PLC's (MBPLC) Islamic Banking division transitioned from a specialized service wing to a foundational pillar of the Bank's corporate identity in 2025. Our governance architecture is anchored in the absolute principle of "Shari'ah First," bridging the gap between classical Islamic jurisprudence and modern financial regulation. A defining milestone of our 2025 Shari'ah governance was the strategic alignment of ethical finance with national development—exemplified by our landmark agreement with the Bangladesh House Building Finance Corporation (BHBFC) to channel Shari'ah-compliant housing finance to rural and peri-urban communities.

- **Regulatory Alignment:** AAOIFI Governance Standard (GS)-1 (Revised 2024) & IFSB-31.
- **Audit Footprint:** 45 Islamic Banking Windows (IBWs) and 02 Dedicated Islamic Banking Branches (IBBs) across Dhaka and Chattogram.
- **Training Mandate:** 24 Hours of mandatory Shari'ah training completed by every Taqwa employee.
- SSC Chairman: Maolana Shah Mohammad Waliullah, CSAA.

QUALITATIVE DISCLOSURES: SHARI'AH SUPERVISORY COMMITTEE (SSC) & FRAMEWORK

(a) SSC Composition and Independence: To guarantee the absolute integrity of our Islamic finance offerings, the Bank maintains an independent Shari'ah Supervisory Committee (SSC) comprised of distinguished Faqih (jurists) specializing in Fiqh-ul-Muamalat (Islamic Commercial Jurisprudence). The Committee is chaired by Maolana Shah Mohammad Waliullah, CSAA, supported by Dr. Muhammad Zakaria (Member Secretary), and esteemed members including Dr. Muhammad Shahjahan Madani, Prof. Dr. Md. Abdul Kadir, Prof. Dr. Md. Shamsul Alam, and Dr. A.Y.M. Nesar Uddin. The Board ensures the SSC operates completely free from managerial influence.

(b) Regulatory Alignment & Product Vetting: The governance framework strictly aligns with the AAOIFI Governance Standard (GS)-1 (Revised 2024) and IFSB-31. In 2025, the SSC actively vetted and approved revised product manuals, notably transitioning toward Shari'ah-compliant benchmark rates based on macro-economic indicators rather than conventional interest-based benchmarks.

(c) Deliberation & Fatwa Protocols: The SSC held regular quarterly review sessions and emergency meetings in 2025 to address market volatility. All decisions (Fatwas) issued by the SSC are strictly binding upon the Bank. Furthermore, a real-time advisory helpdesk was established for branch managers to receive instant Shari'ah clearance for complex corporate investment proposals.

QUALITATIVE DISCLOSURES: OPERATIONAL SEGREGATION & PROFIT DISTRIBUTION

(a) Absolute Fund Segregation: The Bank strictly enforces a "firewall" of Shari'ah integrity. Utilizing advanced sub-ledger modules within the core banking system (T24), Taqwa ensures that Islamic deposits are meticulously segregated from conventional funds. Investments and placements are executed exclusively from Islamic banking deposits, ensuring zero mixing with interest-bearing activities.

(b) Profit Distribution (Mudaraba) Transparency: The profit distribution between the Bank (as Mudarib) and the depositors (Rab-ul-Mal) is executed based on a pre-agreed Profit Sharing Ratio (PSR). Product-wise weightages—determined by factors like tenor, risk level, and payment frequency—were transparently published prior to the beginning of the year, ensuring absolute fairness to our Mudaraba partners.

5.3.3 QUANTITATIVE & QUALITATIVE DISCLOSURES: AUDIT, TATHIR (PURIFICATION), AND TRAINING

(a) Shari'ah Audit & Risk-Based Inspections: In 2025, the Bank executed comprehensive Shari'ah Audits across 02 divisions, achieving maximum audit coverage across all 45 Islamic Banking Windows and 02 Islamic Banking Branches. Adopting a risk-based approach, high-volume investment branches were subjected to unannounced spot-checks. Identified procedural gaps were mandated a strict 30-day rectification window monitored by the ICCD.

(b) Income Purification (Tathir) & Charity Mechanism: MBPLC maintains a zero-tolerance policy for non-compliance. Any incidental or doubtful income generated from late payment penalties or technical errors in contract execution was immediately identified, segregated, and transferred to the MBPLC Foundation. These purified funds were systematically disbursed to Shari'ah-permitted sectors, including educational supplies for orphaned children and small-scale interest-free Qard-e-Hasana for distressed micro-entrepreneurs.

(c) Human Capital & Digital Innovation: Recognizing that human capital is the frontline of compliance, the Bank mandated a minimum of 24 hours of specialized Shari'ah training for every employee operating under the Taqwa wing in 2025. To empower our clients digitally, the dedicated 'Taqwa' module within the MBL Rainbow App was upgraded to feature an automated Zakat Calculator, real-time prayer alerts, and a pioneering "Purification Tracker" providing clients with absolute transparency.

STATUTORY COMPLIANCE
CHECKLISTS & CERTIFICATIONS

Suraiya Parveen & Associates
(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

Report to the Shareholders of
Mercantile Bank PLC on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Mercantile Bank PLC for the year ended on 31st December 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the company is satisfactory.

Dhaka, Dated
May 06, 2026

For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

Office Address: Razzak Plaza (9th Floor) Suite-10G, 383 Tangi Diversion Road (old), 2 Shahid Tajuddin Ahmmed Sarani (New), Moghbazar, Dhaka-1217, Mobile: 01911-421998, 01713-110408, E-mail: suraiyaparveenfcs@gmail.com, musfiquefcs@gmail.com

Compliance with BSEC Corporate Governance Code 2018 (Annexure-C)

This section transitions from our qualitative narrative into the strict, statutory declarations required by the capital market regulators. The following matrix represents Mercantile Bank PLC's (MBPLC) absolute compliance with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) via Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, and its subsequent amendments.

To guarantee absolute transparency to our shareholders, this compliance status has been independently scrutinized, verified, and certified by Suraiya Parveen & Associates, Chartered Secretaries, whose official Certificate of Compliance (Annexure-B) precedes this checklist.

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 and subsequent amended Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 and BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024 as per condition No. 1(5)(xxvii):

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1.	Board of Directors:			
1(1)	Size of the Board of Directors : The total number of members of a company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	√		There are 10 (ten) members in the Board of the Bank as on 31 December 2025.
1(2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s):	√		Duly followed
1(2)(a)(i)	Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;	√		
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause an "Independent director" means a Director			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		Independent directors have submitted declarations about their compliances.
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		Independent directors have submitted declarations about their compliances.
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM):	√		The appointments of independent directors are duly approved in the 26th AGM held on 20.07.2025.
1(2)(c)(i)	Provided that the Board shall appoint independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;			Complied as a Banking Company in accordance with the Bank Companies Act and Directives of Bangladesh Bank.
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		No such situation arisen in the reporting year.
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Condition no. 18 of Companies Act, 1994. Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	√		Prof. Dr. Md. Rezaul Kabir Independent director and Chairman of the Audit Committee in his 2nd tenure. Prof. Mohammad Thoufiqul Islam, PhD Independent director and member of the Audit Committee in his 1st tenure.
1(3)	Qualification of Independent Director :			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		The qualification and background of Independent Directors justify their capabilities to ensure mentioned compliances.
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			Not applicable.
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company; or Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.			Not applicable.
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			Not applicable.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		One of the Independent Directors, Prof. Dr. Md. Rezaul Kabir is a Professor of Institute of Business Administration (IBA), University of Dhaka. The other Independent Director, Prof. Mohammad Thoufiqul Islam, PhD is Professor and Chairman of the Department of Management in the Faculty of Business Studies at the University of Dhaka.
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not applicable.
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		Both the Independent Directors have more than 10 years of working experiences in their respective fields.
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not applicable.
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		The Chairman of the Board and the MD of the Bank are different individuals.
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		The MD of the Bank is not holding any such position in another listed company.
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		All 10 (ten) members of the Board including the Chairperson are non-executive directors.
(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		The Board have clearly defined respective roles and responsibilities of the Chairman and the MD of the Bank.
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		Duly recorded in the minutes.
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	An industry outlook and possible future developments in the industry	√		Disclosed in the Directors' Report part of this Annual Report.
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		Being a bank, Interest Income, Interest Expenses and Profit Margins were discussed.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such situation arisen in the reporting year.
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		Disclosed in the Directors' Report part of this Annual Report.
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			No such situation arisen in the reporting year.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		Disclosed in the Directors' Report part of this Annual Report.
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			No such situation arisen in the reporting year.
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		Disclosed in the Directors' Report part of this Annual Report.
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		Disclosed in this Annual Report.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			No such situation arisen in the reporting year.
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		Disclosed in this Annual Report.
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	a brief resume of the director;	√		Disclosed in this Annual Report.
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		Disclosed in the Annual Report.
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		Board Meetings are conducted regularly and all minutes, required books and records are well maintained and preserved.
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			Bangladesh Bank (BB), the primary regulator of Banks, advised all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. They have also provided the Banks with the code of conduct of Board.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		Duly followed.
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		The positions of MD, CS, CFO, HIAC are appointed by the Board.
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		The positions of MD, CS, CFO, HIAC are filled by different individuals.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time:	√		MD, CS, CFO, HIAC of the Bank are not holding any such position in any other company at the same time.
3(1)(c)(i)	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		The positions of CFO & CS are filled by different individuals.
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		Roles, responsibilities and duties of CFO, the HIAC and the CS are clearly defined by the Board.
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		No such situation arisen in the reporting year.
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board. Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		They do not involve in considering of an agenda item relating to their personal matters.
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		Disclosed in this Annual Report.
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee : For ensuring good governance in the company, the Board shall have at least following sub-committees			
4(i)	Audit Committee; and	√		Audit Committee of the Board of the Directors has been formed as per guidelines of Bangladesh Bank and BSEC.
4(ii)	Nomination and Remuneration Committee.			Bangladesh Bank (BB), the primary regulator of Banks, advised all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB.
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		Audit Committee is established as per BSEC and BB guidelines.
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		The Audit Committee discharges their responsibility as per given guidelines.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		The duties of the Audit Committee are clearly defined in the Guidelines for Audit Committee as per BSEC and BB guidelines.
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		Audit Committee comprises of 04 (Four) members.
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		All the Directors of the Bank except MD are non-executive directors. There are 02 (two) Independent Directors in the Audit Committee and one of them, Prof. Dr. Md. Rezaul Kabir, was the Chairman of the Audit Committee.
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	√		The profiles of the members demonstrate their capabilities as such.
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		No such situation arisen in the reporting year.
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		The CS in practice act as the secretary of the Audit Committee.
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		The quorum of all the meetings of the Audit Committee were duly filled up.
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		Prof. Dr. Md. Rezaul Kabir, is a Professor of Institute of Business Administration (IBA), University of Dhaka an Independent Director, is the Chairman of Audit Committee.
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such situation arisen in the reporting year.
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		Duly recorded.
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		Total 9 (nine) meetings of Audit Committee held in the Year 2025.
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		The quorum of all the meetings of the Audit Committee was duly filled up.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
5(5)	Role of Audit Committee The Audit Committee shall:			
5(5)(a)	Oversee the financial reporting process;	√		The Audit Committee performs as per BSEC and BB guidelines.
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√		No such situation arisen in the reporting year.
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	√		
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		The Audit Committee performs as per BSEC and BB guidelines.
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:	√		The Audit Committee performs as per BSEC and BB guidelines.
5(6)(a)(ii)(a)	report on conflicts of interests			No such situation arisen in the reporting year.
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such situation arisen in the reporting year.
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		Disclosed in this Annual Report.

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
6	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6(4)	Meeting of the NRC			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			Bangladesh Bank (BB), the primary regulator of Banks, instructed all the schedule Banks to follow the Bank Company Act, 1991 and relevant directives of BB. As per BB guidelines, MBPLC., can only form three sub-committees of the Board: Audit Committee (AC), Executive Committee (EC) and Risk Management Committee (RMC). No other Sub-Committee of the Board is permitted by BB. However, BB vide their circular vested the activities related to NRC on the Audit Committee of the Board of Directors.
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;			
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			

Condition No.	Title	Compliance Status (√ has been put in the appropriate column)		Remarks
		Complied	Not complied	
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		Declaration has been provided by External/Statutory auditors.
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		Representative of external or statutory auditors were present in the 26th AGM held in 2025.
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		The address of official website of the Bank is www.mblbd.com and it's already linked with websites of DSE and CSE.
8(2)	The company shall keep the website functional from the date of listing.	√		The website is functional since inception of the Bank.
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		Detailed disclosures required as per listing regulations are available on the "Investors' Relation" part of the website.
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the Chartered Secretaries Act, 2010	√		Disclosed in this Annual Report.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		Approval for Appointment of Corporate Governance compliance Auditor has been taken in the 26th AGM held in 2025.
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Disclosed in this Annual Report.

Compliance with Bangladesh Bank Guidelines

While the BSEC governs capital market compliance, Bangladesh Bank (BB) remains the ultimate prudential regulator for Mercantile Bank PLC (MBPLC). To ensure ironclad institutional governance, Bangladesh Bank has issued a series of comprehensive directives. MBPLC meticulously adheres to these mandates, ensuring our Board dynamics, executive appointments, and risk management architectures reflect the highest standards of the central bank.

The following matrix represents MBPLC's compliance status with the core Corporate Governance guidelines issued by Bangladesh Bank, specifically encompassing BRPD Circular No. 02 (dated 11 February 2024) regarding the formation and responsibilities of the Board, and BRPD Circular No. 05 (dated 27 February 2024) regarding the appointment of the Managing Director & CEO.

PART-I: Formation & Responsibilities of Board of Directors of a Bank Company (BRPD Circular No. 02 Dated 11 February 2024)

Reference	Provision	Compliance Status	Remarks
3	**Formation of Board of Directors:**		
3(a)	The Board of Directors of a bank-company shall consist of shareholder directors, nominated directors on behalf of shareholder institutions, and independent directors. Where it is applicable, alternate directors may also be members of the Board.	√	Complied.
3(b)	The maximum number of directors on the Board shall be 20 (twenty). Out of these 20, the number of independent directors shall not be less than 03 (three) and in case of number of directors on the Board less than 20 (twenty), the minimum number of independent directors shall be 02 (two).	√	Complied. MBPLC has 10 Directors including 02 Independent Directors.
3(c)	Not more than 03 (three) members of the same family can hold the position of director in any bank-company at the same time.	√	Complied.
3(h)	All directors will retire at the first annual general meeting of a bank-company. Subsequently, one-third of the directors, based on seniority, will retire at each annual general meeting. In this case, the provisions described in Article 80 of schedule 1 of the Companies Act, 1994, must be followed...	√	Complied.
4	**Qualifications and Eligibility of a Director:**		
4(a)	The relevant individual must have at least 10 (ten) years of management or business or professional experience; The experience of an individual; gained before the age of 18 (eighteen), shall not be taken into consideration;	√	Complied.
4(b)	The minimum age of the relevant individual shall be 30 (thirty) years;	√	Complied.
4(g)	He/she is not a loan defaulter for any loan taken from any bank/financial institutions in his/her name or in the name of any entities related to him/her;	√	Complied. Confirmed by CIB reports.
4(i)	He/she does not hold the position of external auditor, legal advisor, advisor, consultant, or in any other beneficial position of the same bank-company;	√	Complied.
11	**Board Committees:**		
11	Each bank company's board of directors can form 1 (one) executive committee, 1 (one) audit committee and 1 (one) risk management committee with its members. Apart from these three committees, no permanent or temporary committee or sub-committee can be formed by the board.	√	Complied. MBPLC operates exactly three (3) sub-committees.
11(a)	Executive committee: Executive committee should be formed with the members of the board for the purpose of continuing the urgent and daily/routine works in between the intervals of board meetings.	√	Complied. The EC held 42 meetings in 2025.
11(b)	Audit Committee: The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities...	√	Complied. The BAC independently oversees financials and internal controls.
11(c)	Risk Management Committee: A risk management committee will be formed to play an effective role in mitigating impending risks arising out from strategies and work plans formulated by the Board...	√	Complied. The RMC actively oversees Basel III and stress testing parameters.
12	**Conduct of Meetings of Board and Sub-Committees:**		
12.1(a)	The Board of Directors of the bank shall convene meeting once in each month or more than once if necessary;	√	Complied.
12.1(c)	For active participation and contribution of members in the Board meeting, delivery of the detailed memorandum (to be presented in the meeting) to each member at least 02 (two) days prior to the meeting must be ensured.	√	Complied.

PART-II: Appointment and Responsibilities of Managing Director/Chief Executive Officer (BRPD Circular No. 05 Dated 27 February 2024)

Reference	Provision	Compliance Status	Remarks
02	**Eligibility Criteria for Appointment/ Re-appointment of MD/CEO:**		
2(a)	The individual is not convicted by any criminal court, neither involved in any fraud, financial crime and other illegal activities at present nor in the past;	√	Complied.
2(b)	He/she is not a defaulter for loans taken from any bank/financial institution.	√	Complied.
2(c)	For the appointment as chief executive officer, the concerned person must have 20 (twenty) years of experience in the banking profession as an active officer, including at least 02 (two) years of experience in a post immediately below that of the chief executive officer of a bank.	√	Complied.

Compliance with Bangladesh Secretarial Standards (BSS)

The integrity of a Bank's governance is ultimately proven by the meticulous documentation and legal execution of its board and shareholder meetings. Mercantile Bank PLC (MBPLC) has fully adopted the Bangladesh Secretarial Standards (BSS) formulated by the Institute of Chartered Secretaries of Bangladesh (ICSB) to standardize its diverse secretarial practices.

As independently verified and officially certified by Suraiya Parveen & Associates, Chartered Secretaries, the Bank's Company Secretariat Division flawlessly executed all requirements under BSS-1 through BSS-6 during the 2025 operational year.

BSS-1: Secretarial Standard on Meetings of the Board of Directors

Clause	Particulars	Compliance Status
1	Convening of a Meeting	Complied
2	Frequency of Meetings	Complied
3	Quorum	Complied
4	Attendance at Meetings	Complied
5	Chairman	Complied
6	Passing of Resolution by Circulation	Not Required in 2025
7	Minutes	Complied
8	Attendance in Meetings and their Recording in the Minutes	Complied
9	Preservation of Minutes and Supporting Papers	Complied
10	Disclosure	Complied

BSS-2: Secretarial Standard on General Meetings (AGM/EGM)

Clause	Particulars	Compliance Status
1	Convening of a Meeting	Complied
2	Frequency of Meetings	Complied
3	Quorum	Complied
4	Presence of Directors and Auditors	Complied
5	Chairman	Complied
6	Voting	Complied
7	Proxies	Complied
8	Conduct of Poll	Not Required in 2025
9	Withdrawal of Resolutions	Not Required in 2025
10	Rescinding of Resolutions	Not Required in 2025
11	Modifications to Resolutions	Not Required in 2025

BSS-3: Secretarial Standard on Minutes

Clause	Particulars	Compliance Status
1	Maintenance	Complied
2	Contents	Complied
3	Recording	Complied

BSS-4: Secretarial Standard on Dividend

Clause	Particulars	Compliance Status
1	Declaration of Dividend (Note: "No Dividend" declared for 2025)	Complied
2	Entitlement to Dividend	Complied
3	Payment of Dividend	Complied
4	Unpaid / Unclaimed Dividend Management	Complied

BSS-5: Secretarial Standard on Meetings through Electronic Modes (Virtual Meetings)

Clause	Particulars	Compliance Status
1	Convening Meeting (Applied to 26th Virtual AGM)	Complied
2	Special Cares To Be Taken For Conducting Meeting	Complied

BSS-6: Secretarial Standard on Resolution by Circulation

Clause	Particulars	Compliance Status
1	Authority	Not Required in 2025
2	Procedure	Not Required in 2025
3	Approval	Not Required in 2025
4	Recording	Not Required in 2025
5	Validity	Not Required in 2025

Statutory Auditor Disclosures

The absolute credibility of Mercantile Bank PLC's (MBPLC) financial statements rests entirely upon the uncompromising independence of our external statutory auditors. To eliminate any potential conflict of interest and to guarantee profound professional skepticism, the Board of Directors strictly enforces an "Independence Firewall." This framework ensures that our joint statutory auditors for the 2025 financial year, Basu Banerjee Nath & Co. and Anil Salam Idris & Co., are exclusively focused on statutory audit functions and are legally barred from undertaking any secondary, non-audit, or consultancy services for the Bank.



QUALITATIVE DISCLOSURES: RESTRICTED SERVICES & SHAREHOLDING PARAMETERS

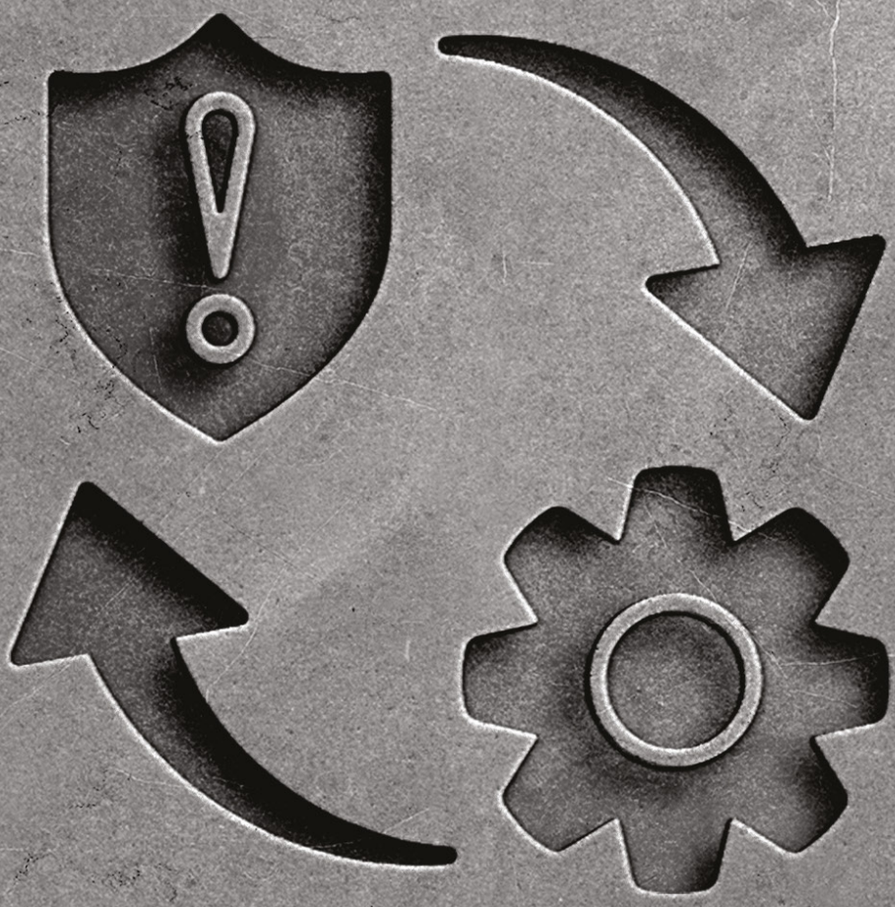
(a) Prohibition of Non-Audit Services: The Board of Directors explicitly declares that the external statutory auditors (Basu Banerjee Nath & Co. and Anil Salam Idris & Co.) were NOT engaged to perform any appraisal or fairness opinions, financial information systems design, book-keeping, broker-dealer services, actuarial services, internal audit services, or any other service determined by the Audit Committee that creates a conflict of interest. Furthermore, to maintain a strict segregation of regulatory duties, the statutory auditors were explicitly prohibited from providing the Corporate Governance Compliance Certification.

(b) Shareholding Restrictions: To prevent any pecuniary alignment with the Bank's performance, MBPLC ensures that no partner, executive, or employee of the external audit firms—including their spouses, children, parents, or immediate family members—possesses any shares in MBPLC during the entire tenure of their audit assignment.

QUALITATIVE DISCLOSURES: SHAREHOLDER ACCOUNTABILITY & CORPORATE GOVERNANCE AUDITOR

(a) Statutory Presence at the AGM: Ensuring direct accountability to our investors, official representatives of the joint statutory external auditors were mandatorily present at the 26th virtual Annual General Meeting (AGM) held in 2025. They remained available throughout the session to answer queries from the shareholders regarding the audit methodology and the financial statements.

(b) Independent Corporate Governance Certification: Because the statutory financial auditors are barred from certifying corporate governance under Condition 7.1(viii), the shareholders appointed a completely separate, independent professional firm—Suraiya Parveen & Associates, Chartered Secretaries—at the 26th AGM to execute the Corporate Governance compliance audit.



RISK MANAGEMENT

REPORT ON RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS

A Risk Management Committee (RMC) of the Board of Directors of the Bank is a dedicated board-level committee responsible for overseeing the Bank's risk appetite, strategy, and management framework. The objective of this committee is to reduce probable risks arising during the implementation of policies and strategies. The RMC ensures that risks—including financial, operational, and strategic—are identified, measured, and mitigated, aligning with corporate objectives. This committee fosters a risk-aware culture, ensuring compliance and safeguarding company assets and reputation. One of the key functions of the committee is to supervise the overall risk management activities of the Bank with a view to establishing an appropriate risk management culture within the Bank.

COMPOSITION OF THE RISK MANAGEMENT COMMITTEE (RMC) OF THE BOARD

As per the Bank Company Act 1991 (amended up to 2023) and Bangladesh Bank's Circulars, the Bank has reformed the 'Board Risk Management Committee'. As of 31 December 2025, the composition of the Committee is as follows:

SL No.	Name	Status with Bank	Status with RMC
1.	Mr. Mohammad Abdul Awal	Director	Chairman
2.	Mr. M. Amanullah	Director	Member
3.	Mr. Md. Abdul Hannan, MP	Director	Member
4.	Mr. M.A. Khan Belal	Director	Member

PARTICIPATION OF NON-MEMBERS

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

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The Terms of Reference for the 'Risk Management Committee (RMC)' of the Board of Directors are guided by the Risk Management Guidelines and associated latest circulars of Bangladesh Bank. Key roles and responsibilities of the RMC of the Bank are furnished below:

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

MEETINGS OF THE COMMITTEE HELD DURING THE YEAR 2025

10 (Ten) meetings of the Board Risk Management Committee were held during the year 2025, details of which are as follows:

Meeting No. & Date	Salient Points
66th BRMC meeting held on January 26, 2025	Detail information regarding Comprehensive Risk Management Report (CRMR) as of December 2024 of the Bank placed before the committee & various risk issues categorically analyzed by the members. The committee advised the management to maintain internal risk limit through diversification of loan portfolio, to increase security coverage and to reduce large loans concentration as well as corporate loans.
	Detail information regarding "Post Import Financing-PIF" as of December 2024 of the Bank was placed before the committee for their kind information. The committee advised the same to place before the Board of Directors for their kind approval and to take initiatives to provide Bangladesh Bank.
	Summary of 171st ERMC meeting was placed before the committee. The members of the committee discussed the key risk issues meticulously and advised the management to take initiatives for risk mitigation in risk related issues.
	Quarterly report of restructured syndicated Term Loan liability of "Jamuna Builders PLC." (Lead arranger & Agent: Janata Bank PLC.) for the quarter ended as on December 2024 was submitted before the committee for their kind perusal.
	Information regarding cash recovery from overdue loan account during 4th quarter (Oct-Dec) 2024 and cash recovery from non-performing loan and written-off loan during January-December, 2024 was placed before the committee for their kind information and guidance.
67th BRMC meeting held on February 27, 2025	Information regarding "Stress Testing Report" as of December 2024 was placed before the committee with a view to discussing the different shock absorbing capacities of the Bank.
	Information regarding "Risk Appetite Statement" for the year of 2025 was presented in the meeting for their kind information. The committee instructed to place the Risk Appetite Statement to the Board of Directors' meeting for their kind approval.
	Information regarding "Review Report on Risk Management Policies and effectiveness of Risk Management Function of Mercantile Bank PLC" as of December 2024 was placed before the committee.
	Information regarding "Sustainable Finance Activities" as of December 2024 quarter was placed before the committee for their kind information and the committee advised to take necessary initiative to provide the same to Bangladesh Bank.
	ERMC reformation proposal was placed before the committee after threadbare discussion; the committee approved the proposal the ERMC Reconstruction.
68th BRMC meeting held on March 25 2025	Monthly Risk Management Report (MRMR) as on February 2025 was placed before the committee for their kind information, where key risk issues like; earning asset position, CMSME and corporate loan portfolio, insignificant cash recovery etc. were identified and discussed.
	Summary of 172nd and 173rd ERMC meeting was placed before the committee. The key risk issues were discussed at length and the members were informed.
	Information regarding fund flow by the borrowers was placed before the committee for their kind information and committee advised respective concerns to take initiatives to closely monitor the fund flow.
69th BRMC meeting held on May 06, 2025	Detail information regarding "Internal Capital Adequacy Assessment Process (ICAAP)" documents, December 2024 under Supervisory Review Process (SRP) i.e. Pillar-2 of Basel III was placed before the committee & risk issues were categorically analyzed by the members. The committee advised to place the same before the Board of Directors for final approval.
	Monthly Risk Management Report as on March 2025 was placed before the committee for their kind information, where key risk issues like increase of corporate loans, yield on advances, cost of deposit, etc. were identified and discussed.
	Information regarding cash recovery from non-performing loans and written-off loans during January-March, 2025 was placed before the committee for their kind information and guidance.
	Information regarding "Sustainable Finance Activities" as of March 2025 was placed before the committee for their kind information and committee advised to take initiatives to provide that to Bangladesh Bank in time.
	Quarterly report of restructured syndicated Term Loan liability of "Jamuna Builders PLC." (Lead arranger & Agent: Janata Bank PLC.) for the quarter ended as of March 2025 was submitted before the committee and the committee advised the same to place before the Board of Directors for their kind information.
	Detail information regarding "Post Import Financing-PIF" as of March 2025 of the Bank was placed before the committee for their kind information. The committee advised the same to place before the Board of Directors for their kind approval and to provide the same to Bangladesh Bank.

Meeting No. & Date	Salient Points
70th BRMC meeting held on June 03, 2025	Information regarding update position about loss branches as of March 31, 2025 was presented before the committee.
	Monthly Risk Management Report as on April 2025 was placed before the committee for their kind information, where key risk issues like increase of corporate loans, increase of no-low cost deposit, rectification of irregularity issues identified by internal/external audit etc. identified and discussed.
	Summaries of 174th and 175th ERMC meetings were placed before the committee. The members of the committee discussed the key risk issues at length and advised the management to take initiatives for risk mitigation in risk related issues.
	Details Audit Report, based on March 31, 2025, of 1) Rahman Jute Mills Pvt. Ltd. 2) Jamuna Jute Industries Ltd. 3) Jamuna Seed Storage Pvt. Ltd. 4) Jamuna Edible Oil Industries Ltd. account of Jamuna Industrial Agro Group a customer of Rajshahi Branch was discussed and recovery process thereto.
	Reformation of Supervisory Review Process (SRP) Team was placed before the Board of Directors for their kind approval.
71st BRMC meeting held on July 15, 2025	Information regarding loan recovery/regularized from non-performing loan and written-off loan during January-June, 2025 was placed before the committee for their kind information and guidance.
	Information regarding pending law during January-June 2025 of the Bank was placed before the committee for their kind approval.
	Information regarding "Stress Testing Report" as of March 2025 was placed before the committee with a view to discussing the different shock absorbing capacity of the Bank.
	Detail information regarding "Prompt Corrective Action (PCA) Framework" and Bank's Position as on December 31, 2024 was presented before the committee for their kind information and necessary guidance.
	Synopsis of 176th and 177th ERMC meetings was placed before the committee. The members of the committee discussed the key risk issues thoroughly and advised the management to take initiatives for risk mitigation in risk related issues.
	Information regarding cash recovery by 3rd Party Debt Collection Agent during January-May, 2025 was presented before the committee for their kind information.
	Quarterly report of restructured syndicated Term Loan liability of "Jamuna Builders PLC." (Lead arranger & Agent: Janata Bank PLC.) for the quarter ended as on June 2025 was submitted before the committee and advised the same to place before the Board of Directors for their kind information.
72nd BRMC meeting held on August 29, 2025	Detail information regarding "Comprehensive Risk Management Report" as of June 2025 of the Bank placed before the committee. The committee discussed risk issues exhaustively and advised the management to take initiatives for risk mitigation in risk related cases.
	Information regarding "Stress Testing Report" as of June2025 was placed before the committee with a view to discussing the different shock absorbing capacities of the Bank.
	Information regarding "Sustainable Finance Activities" as of June 2025 placed before the committee for their kind information and committee advised to take initiatives to provide the same to Bangladesh Bank.
	Detail information regarding ''Post Import Financing-PIF'' as of June 2025 of the Bank placed before the committee for their kind information. The committee advised the same to place before the Board of Directors for their kind approval and take initiatives to provide the same to Bangladesh Bank.
	Summary of 178th ERMC meeting placed before the committee. The members of the committee discussed the key risk issues meticulously and advised the management to take initiatives for risk mitigation in risk related issues.
73rd BRMC meeting held on September 30, 2025	Detailed report of collateral security held against written-off loans was presented before the committee for their kind information and necessary guidance.
	Information regarding top-10 loans limit breach as of June, 2025 was presented before the committee for their kind information and necessary guidance.
	Information regarding comparative analysis regarding service provided by Mercantile Bank PLC. and that provided by peer Bank was placed before the committee for evaluation the service quality.
	Monthly Risk Management Report as on August 2025 was placed before the committee for their kind information, where key risk issues identified and discussed.
	Abstract of 179th ERMC meeting was presented before the committee for their kind information.

Meeting No. & Date	Salient Points
74th BRMC meeting held on October 30, 2025	Information regarding "Sustainable Finance Activities" as of September 2025 was placed before the committee for their kind information and committee advised to take initiatives to provide the same to Bangladesh Bank.
	Monthly Risk Management Report as on September 2025 was placed before the committee for their kind information, where key risk issues identified and discussed.
	Detail information regarding 'Post Import Financing-PIF' as of September 2025 of the Bank was placed before the committee for their kind information. The committee advised to place that information before the Board of Directors for their kind consent and take initiatives to provide the same to Bangladesh Bank in time.
	Quarterly report of restructured syndicated Term Loan liability of "Jamuna Builders Limited." (Lead arranger & Agent: Janata Bank PLC.) for the quarter ended September 2025 submitted before the committee and advised the same to place before the Board of Directors for their kind information.
	Summary of 180th ERMC meeting was presented before the committee for their kind information.
75th BRMC meeting held on November 26, 2025	Investigation report on transferred of mortgage property with Bank of Hasen Group, a customer of Rajshahi Branch, was placed before the committee for their kind information.
	Information regarding total 49 nos. assets judgment received under section 33(5) and 33(7) of Artha Rin Adalat Ain-2003 was presented before the committee for their guidance.
	Monthly Risk Management Report as on October 2025 was placed before the committee for their kind information, where key risk issues identified and discussed.
	Summary of 181st ERMC meeting was presented before the committee for their kind information.
	Information regarding implementation of Risk Based Supervision (RBS) was presented before the committee for their kind information and guidance.

Mohammad Abdul Awal
Chairman
Risk Management Committee

CHIEF RISK OFFICER'S REVIEW ON RISK MANAGEMENT



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

MERCANTILE BANK REMAINS COMMITTED TO MAINTAINING A ROBUST RISK MANAGEMENT FRAMEWORK THAT SAFEGUARDS STAKEHOLDERS' INTERESTS AS WELL AS SUPPORTS SUSTAINABLE BUSINESS GROWTH AMID A CHALLENGING ECONOMIC ENVIRONMENT.

MACRO ECONOMIC OVERVIEW

The risk landscape in 2025 remained highly vulnerable and complex, shaped by ongoing global economic uncertainties and domestic financial sector challenges. Geopolitical tensions, persistent inflationary pressures, higher global interest rates, supply chain disruptions, and volatility in commodity and energy prices continued to affect economic stability worldwide. These conditions increased market uncertainty and heightened financial and operational risks for banking institutions. The global banking sector faced increasing challenges in managing geopolitical risks, fluctuating economic growth, strict regulatory compliance, accelerating digital transformation, and rising credit risks.

Within this global context, the financial sector in Bangladesh found itself at a critical turning point. Last couple of year, the banking industry faced significant challenges in maintaining asset quality, managing liquidity, strengthening capital adequacy, addressing foreign exchange volatility, strengthening corporate governance and restoring customer confidence. The growing adoption of digital banking and technology-driven, financial services also expanded exposure to cyber security threats, data privacy concerns, and operational disruptions. In addition, environmental and climate-related risks gained greater prominence in 2025. Financial institutions were increasingly expected to assess climate-related exposures, support sustainable financing initiatives, and align their operations with evolving environmental and regulatory expectations.

Against this backdrop, effective risk management remained central to preserving financial stability, protecting stakeholders interests, ensuring regulatory compliance, and supporting sustainable growth. Moreover, the Banking sector also continued to proactively align its risk management practices with evolving regulatory and reporting requirements to enhance future readiness, such as Risk-Based Supervision (RBS); IFRS 9 - Expected Credit Loss (ECL) Framework; Environmental & Social Due Diligence (ESDD) frameworks; and IFRS S1 & IFRS S2 sustainability disclosure standards.

MBPLC'S RISK MANAGEMENT LANDSCAPE

Amid these evolving challenges, Mercantile Bank remains committed to upholding a comprehensive risk management framework that promotes financial stability, protects stakeholders value, supports sustainable business growth, and facilitates the achievement of its strategic objectives. Risk management philosophy of the Bank is anchored in prudent corporate governance, risk-informed decision-making, regulatory compliance, and the proactive identification, assessment, and mitigation of risks across the organization. The Bank has developed an integrated and institution-wide risk culture within the organization, based on a clear understanding of its risk profile and management practices. This culture is reinforced through strategy, policies, leadership practices, effective communication, and continuous training on risk-related responsibilities.

Throughout the year, the Bank has continued to strengthen its risk management practices in alignment with Bangladesh Bank guidelines, Basel III principles, and international best practices. It has continuously reviewed and updated its risk management framework to ensure preparedness against emerging risks and vulnerabilities. The Board of Directors as well as the Board Risk Management Committee (BRMC), provides strategic oversight and guidance. The members of different risk committees are responsible for reviewing, approving and monitoring of transactions related risk exposures. Risk Management Division independently monitors risk exposures and ensures adherence to approved risk appetite, policies, and regulatory requirements. Regular risk assessments, stress testing exercises, portfolio reviews, and early warning mechanisms are conducted to identify emerging risks and facilitate timely corrective actions.

KEY RISK MANAGEMENT EFFORTS

To ensure sustainability, Bank tries to develop its own risk management strategies that allow identifying, assessing, and mitigating these challenges. Mercantile Bank believe that 'Risk' as well as 'Risk Management' both is an ongoing process and changing on regular basis. During the year 2025, the Bank undertook several initiatives to strengthen its risk management capabilities.

Mercantile Bank remains committed to maintaining adequate capital with buffers under Pillar-1 of Basel III accord and liquidity reserves to withstand adverse economic conditions. The Bank regularly reviews Internal Capital Adequacy Assessment Process (ICAAP) under Pillar-2 of Basel III accord and stress testing exercises to evaluate capital resilience under various scenarios.

The Bank continued to enhance its credit underwriting standards and portfolio monitoring processes. To address the challenges related to credit risk, Bank maintains a comprehensive credit risk management framework established by the Board of Directors. The framework includes a clearly defined 'Risk Appetite Statement (RAS), Management Action Triggers (MAT), Single Borrower Exposure Limits, Environmental Risk Ratings, and Collateral Security requirements. To mitigate concentration risks and to ensure long-term stability, the Bank is actively pivoting its credit growth toward resilient, granular SME and Retail segments. The Bank also maintains both general and specific provisions against unclassified and classified loans, as well as off-balance-sheet exposures, in line with regulatory requirements to absorb potential losses.

Owing to constant liquidity constraints throughout the year, MBPLC adopted a highly defensive and conservative liquidity posture. The Bank strategized to optimize the deposit mix and strategically shifted excess liquidity into government treasury instruments that yielded an exceptionally resilient liquidity profile. Given prevailing market uncertainties, Bank closely monitored interest rate movements, liquidity positions, and foreign exchange exposures. Stress testing and scenario analyses were regularly conducted to assess the impact of adverse market developments. Bank employs various methods for prudential liquidity management, including regular review of LCR, NSFR, Leverage Ratio and GAP analysis. At the end of 2025, the Liquidity Coverage Ratio (LCR) stood at a remarkable 243.45% and Net Stable Funding Ratio (NSFR) reached at 109.24%, complying with the 100% regulatory minimum. These massive liquidity buffers serve as ultimate safeguard against unpredictable market volatility.

To strengthen its operational risk management practices, Bank have several specialized divisions, including the RMD, ICC Division, AML & CFT Division, Information Security and Governance Division, Credit Division, robust MIS Division and Centralized Operations Division. These dedicated Divisions support effective governance, regulatory compliance, and stronger internal control mechanisms across the organization. The primary objective of the Bank is to manage operational risk in a cost-effective manner keeping exposure within the limits defined by its risk appetite. As a result of these efforts, no incidents of internal or external fraud occurred during 2025.

As digital transformation accelerates, Bank continued to invest on information security infrastructure, cyber security monitoring, disaster recovery capabilities, and business continuity management. To manage ICT risk, Bank has deployed a comprehensive, 360-degree security architecture across its digital ecosystem. Regular vulnerability assessments, employee awareness programs, and cyber security drills were conducted to strengthen operational resilience against evolving threats. Demonstrating uncompromising commitment to global information security standards, the Bank operates a Tier-3 Data Center and maintains ISO 27001:2022 and PCI-DSS certifications.

Bank has developed its own Recovery Plan for the year 2025 on stress scenarios that presents a comprehensive and forward-looking strategy to restore financial soundness and institutional viability under conditions of severe stress. The plan is reviewed and maintained by senior management under the oversight of the Board of Directors.

To foster a risk-aware culture, the Bank held rigorous committee meetings and training sessions throughout the year. Mercantile Bank Training Institute conducted extensive training programs on various risk issues over the year. Besides, Bank organized a day-long 'Annual Risk Conference 2025' to foster a strong risk-aware culture and enhance the risk management knowledge of employees.

RBS, IFRS AND REGULATORY ALIGNMENT COURSES

Proactive regulatory alignment remains a cornerstone of the Bank's risk philosophy. With the advent of new regulatory paradigm, Mercantile Bank always aspires to adopt that with utmost commitment. Bank successfully advanced its alignment with the Risk Based Supervision (RBS) program during the year and successfully completed the pilot program for implementation of RBS according to Bangladesh Bank directions. Bank established an RBS Coordination Committee and a dedicated Working Committee to ensure smooth implementation of RBS within the Bank, where Risk Management Division providing overall coordination and secretarial support for all RBS related activities.

Recognizing the critical shift towards global accounting standards, the Bank is progressing in line with the regulatory roadmap for the full implementation of the Expected Credit Loss (ECL) framework under IFRS 9. The Bank successfully completed the trainings and capacity building phases for the ECL methodology by the end of 2025, remaining fully on track for the mandatory IFRS-9 implementation roadmap up to 2027.

In Parallel, Bank has activated a comprehensive capacity-building roadmap to fully adopt the International Sustainability Standards Board (ISSB) frameworks—specifically IFRS S1 and IFRS S2—focusing on mandatory disclosures of Scope 1, Scope 2, and Scope 3 (financed) greenhouse gas emissions. This strategic alignment firmly embeds decarbonization and climate-resilience into long-term capital allocation and risk modeling strategy.

WAY FORWARD...

Looking ahead, the Bank's risk management outlook for 2026 remains focused on cautious stabilization, with strategic priority given to strengthen corporate governance frameworks, diversify the loan portfolio, improve asset quality, strengthen cash recovery, digital transformation, enhance adequate capital, liquidity management, and maintaining a resilient risk management culture, rather than pursuing aggressive expansion. However, to enhance resilience and to support sustainable growth in 2026, the Bank aims to build a resilient, forward-thinking, and customer-focused institution.



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

RISK MANAGEMENT REPORT 2025

OVERVIEW:

In 2025, the banking sector in Bangladesh operated within a highly complex risk environment shaped by structural reforms, elevated non-performing loans (NPLs), persistent liquidity pressures, and a tightening regulatory framework under the evolving macroeconomic regime. During the year, the Bank undertook significant balance sheet consolidation initiatives, prioritizing transparent NPL recognition, accelerated cash recovery, stronger liquidity buffers, and rapid digital transformation to establish a more resilient and sustainable foundation for future growth.

The Bank maintained a comprehensive Risk Management framework comprising robust policies, governance mechanisms, operational processes, and organization-wide awareness initiatives to proactively identify, assess, monitor, and mitigate emerging risks. Supported by strong Board oversight and aligned with evolving regulatory and business requirements, the framework remained closely integrated with the Bank's broader value creation strategy, emphasizing sound governance, compliance with international standards, customer-centric operations, and robust information security practices. During the year, the Bank further strengthened its risk culture by embedding risk awareness across all levels of the organization while accelerating the adoption of centralized, real-time digital platforms to enhance operational efficiency, strengthen security architecture, and reduce operational risks across its banking operations.

KEY INITIATIVES BY MBPLC IN 2025

To address the evolving risk landscape, MBPLC proactively strengthened its risk management environment through the following initiatives:

- Reviewing and updating core guidelines, including 'Asset-Liability Management (ALM)', 'Treasury Operation and Foreign Exchange Risk Management', and 'Money Laundering (ML) and Terrorist Financing (TF)'.
- Developing a comprehensive Recovery Plan for 2025 under stressed scenarios.
- Periodically conducting stress testing on Capital and reviewing Risk-Based Capital Adequacy.
- Preparing and analyzing the Internal Capital Adequacy Assessment Process (ICAAP) Documents.
- Arranging the MBPLC Annual Risk Conference 2025 to build risk awareness across all operational levels.
- Ensuring transparent disclosure and proactive engagement with the Prompt Corrective Action (PCA) Framework.
- Periodically reviewed Risk Appetite Statement (RAS) to accept or to avoid the aggregate level and types of risk in order to achieve annual business target.
- Periodically assessment the Leverage Ratio (LR), Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) for prudential liquidity management.

Our Risk Culture: The Core Pillars of MBPLC



FORWARD THINKING & SHARED ACCOUNTABILITY

Proactively identifying vulnerabilities. while ensuring every employee manages risks within their field.



BALANCING RISK AND REWARD

Ensuring all business decisions remain consistent with Board-approved strategies and risk appetite.



ROBUST CONTROL ENVIRONMENT

Maintaining resilient systems to protect stakeholders and ensure operational stability.

THE THREE LINES OF DEFENSE

Structuring oversight through business ownership, specialist monitoring, and independent internal audits.

INSTITUTIONAL RISK AWARENESS

Building culture through annual risk conferences and training for hundreds of participants.

REGULATORY EXCELLENCE

Maintaining capital and liquidity parameters significantly above Bangladesh Bank's required minimums.

GOVERNANCE AND STRATEGIC RESILIENCE

MBPLC's 2025 governnance compliance performance against regulatory safety buffers

LIQUIDITY COVERAGE RATIO (LCR)	LEVERAGE RATIO	CAPITAL TO RISK-WEIGHTED ASSETS
243.45%	5.32%	12.52%
(Highly Liquid)	(Complied)	(Complied)
Regulatory Limit: > 100.00%	Regulatory Limit: 3.75%	Regulatory Limit: 12.50%

Mercantile Bank PLC treats risk management as a strategic priority, embedding it into the bank's daily operations and value creation model. By fostering a "risk-aware" culture, the bank ensures that every employee, from frontline staff to the Board of Directors, proactively identifies and manages vulnerabilities to protect stakeholder interests.

RISK GOVERNANCE & THE THREE LINES OF DEFENSE

MBPLC's risk governance ensures that risk management is embedded across all levels of daily decision-making. The Board of Directors holds ultimate responsibility, delegating execution oversight to the Board Risk Management Committee (BRMC). To ensure clear accountability and independent oversight, MBPLC strictly adheres to the internationally recognized Three Lines of Defense (3LoD) model:



Defense Line	Core Philosophy	Responsibilities & Key Actors at MBPLC
First Line (Risk Ownership)	Take and manage risk responsibly.	**Actors:** Business Units, Branch Managers, Treasury, Corporate, SME, and Retail Frontlines. **Role:** Identifying, assessing, and mitigating risks at the point of origin during day-to-day operations while adhering to Bank policies.
Second Line (Risk Oversight)	Monitor, guide, and challenge.	**Actors:** Risk Management Division, AML & CFT Division, Credit Division, ICCD (Compliance Units), Information Security. **Role:** Establishing risk frameworks, monitoring RAS limits, challenging the first line, and ensuring strict regulatory compliance.
Third Line (Independent Assurance)	Evaluate and assure.	**Actors:** Internal Control & Compliance Division (Audit Unit) reporting to the Board Audit Committee. **Role:** Providing independent, objective assurance to the Board on the effectiveness and integrity of the entire risk framework.

RISK APPETITE & REGULATORY COMPLIANCE DASHBOARD

MBPLC manages its business responsibly by operating strictly within its Board-approved Risk Appetite Statement (RAS). In 2025, amidst industry-wide liquidity crises, MBPLC showcased immense resilience, maintaining capital and liquidity parameters well above regulatory minimums:

Key Risk Indicators (KRI)	Regulatory Limit	MBPLC Actual (2025)	Compliance Status
Capital to Risk-Weighted Assets (CRAR)	> 12.50%	12.52%	Complied
Liquidity Coverage Ratio (LCR)	> 100.00%	243.45%	Complied (Highly Liquid)
Net Stable Funding Ratio (NSFR)	> 100.00%	109.24%	Complied
Leverage Ratio	> 3.75%	5.32%	Complied
Advance Deposit (AD) Ratio	< 87.00%	72.89%	Complied
Cash Reserve Ratio (CRR)	> 4.00%	6.46%	Complied
Statutory Liquidity Ratio (SLR)	> 13.00%	36.34%	Complied
Capital Market Exposure	< 25.00%	12.47%	Complied

RISK REPORTING AND COMPLIANCE STATUS:

Report	Frequency
Monthly Risk Management Report (MRMR)	Monthly
Minimum Capital Requirement under Pillar-1 of Basel III	Quarterly
Stress Testing	Quarterly
Information regarding to Prompt Corrective Action (PCA) Framework	Quarterly
Comprehensive Risk Management Report (CRMR)	Half-Yearly
Review Report on Risk Management Policies and Effectiveness of Risk Management Functions Bank	Annually
Risk Appetite Statement	Annually
Internal Capital Adequacy Assessment Report (ICAAP) under Pillar-2 of Basel III	Annually
Market Discipline under Pillar-3 of Basel III	Annually
Recovery Plan on Stress Scenario	Annually

RISK MANAGEMENT TOOLS & ENABLERS

MBPLC's enterprise-wide risk management framework is applied through the following key tools:

- **Policies and Limits:** Formulated with consideration of industry standards and regulatory mandates, establishing clear boundaries to manage risk-taking activities (e.g., Single Borrower Exposure Limits, Management Action Triggers).
- **Guidelines, Processes & Standards:** Documented on an enterprise-wide basis to ensure the Bank possesses comprehensive insights into clients, products, and markets.
- **Forward-Looking Exercises:** Regular stress testing programs are carried out against adverse scenarios to estimate potential impacts on capital and liquidity, leading to appropriate crisis response planning.

RISK TAXONOMY: CATEGORIZING OUR EXPOSURES

To ensure sustainable growth, MBPLC systematically evaluates its exposure to both financial and non-financial risks, categorized as follows:

- **Quantitative Risks:** Credit risk, Market risk, Liquidity risk, Strategic risk.
- **Qualitative Risks:** Operational risk, Reputational risk, ML/TF risk, Environmental & Social risk.
- **Emerging Risks:** Cybersecurity threats, Foreign exchange volatility, and Macroeconomic shifts.

PRINCIPAL RISKS & MITIGATION HEAT MAP

To ensure sustainable growth, MBPLC systematically evaluates its exposure to both financial and non-financial risks.

Risk Category	2025 Context & Potential Impact	Strategic Mitigation & Actions Taken
Credit Risk	Sector-wide stress led to a transition in asset quality. Total classified loans stood at BDT 43,420.65 million.	• Ensured adherence to the Risk Appetite Statement (RAS) • Portfolio diversification • Aggressive recovery drives. • Imposed strict Single Borrower Exposure Limits and Management Action Triggers (MAT). • Environmental Risk Ratings

Risk Category	2025 Context & Potential Impact	Strategic Mitigation & Actions Taken
Market Risk	Fluctuations in market prices and interest rates. A 1% adverse change in interest rate impacted NII by BDT (455.72) million.	• Active utilization of Value-at-Risk (VaR), Stress Testing, and Mark-to-Market (MTM) valuations by ALCO.
Liquidity Risk	Industry-wide liquidity shortages prompted deposit withdrawals across weaker banks.	• Maintained massive liquid asset buffers (LCR of 243.45%). • Conducted regular GAP analysis to prevent asset-liability mismatches.
Operational Risk	Losses from human error, failed internal processes, or external fraud.	• Centralized operations to reduce manual intervention. • Zero incidents of internal or external fraud recorded in 2025. • Conducted internal audit on 78 Branches, 10 Upashakhas and 5 Divisions
ML/TF Risk	Regulatory penalties and reputational damage due to misuse of banking channels.	• Submitted 452,398 CTRs, 222 STRs, and 81 SARs to BFIU. • Trained 180 officials extensively on AML & CFT frameworks.

CREDIT RISK & NPL RECOVERY FRAMEWORK

Given the challenging macroeconomic environment, effective Credit Risk and Non-Performing Loan (NPL) management was the Board's top priority in 2025. Through recovery and write-offs, MBPLC improved its NPL ratio from 17.25% (2024) to 15.19% (2025).

Non Performing Loan Status (BDT in million)

Status of classifications	YTD'25	YTD'24
SS	640.62	479.47
DF	2,544.69	600.56
Bad and Loss	40,235.35	50,681.66
Total NPL	43,420.65	51,761.70
Total loans and advances	285,935.57	300,025.11
NPL Ratio	15.19%	17.25%

MBPLC NPL Recovery Framework: To drive cash recovery, the Recovery Division utilizes a structured, three-stage escalation process:

1. **Initial Stage (Early Warning):** Telephonic follow-ups, SMS/ Email reminders, single/group borrower visits, and guarantor engagement.
2. **Mid Stage (Restructuring & Pressure):** Issuance of facility call-up letters, exercise of the right of lien, re-valuation of collateral, and negotiation for compromise settlement or legitimate rescheduling.
3. **Final Stage (Legal Action):** Legal notices, filing Artha Rin Adalat suits, obtaining warrants of arrest (ARA suit), and executing property attachment under sections 33(5) & 33(7).

Within 01 January, 2025 to 31 December, 2025, Central Law Divison (CLD) of Mercantile Bank PLC. filed total 64 Artha Rin Suit involving total suit value of Tk. 1467.54 Crore. Besides, CLD filed 29 Artha Execution suits involving total Tk. 295.09 Crore suit value. On the other hand, CLD filed total 384 Cases under Negotiable Instrument (NI) Act, 1881 involving total suit value of Tk. 1668.26 Crore. Total 166 number of cases were filed against the Bank before Honourable High Court Division and Appellate Division and 03 cases were filed by the Bank thereon. Total 2042 cases were pending before different courts as on 31.12.2025.

ICT & CYBER SECURITY RISK MANAGEMENT

As MBPLC accelerates its digital transformation via the Rainbow app and online platforms, mitigating cyber threats is paramount. The Bank has implemented comprehensive 360-degree security architecture:

- **Infrastructure & Certifications:** MBPLC operates a Tier-3 Data Center ensuring high availability and maintains ISO 27001:2022 and PCI-DSS certifications.
- **Proactive Defense:** Regular internal and external Vulnerability Assessment and Penetration Testing (VA-PT) activities are conducted to identify, assess, and remediate security vulnerabilities, strengthening the overall cybersecurity posture of MBPLC.
- **Access Control:** MBPLC has deployed Privileged Access Management (PAM) and Multi-Factor Authentication (MFA) solutions to strengthen access controls, safeguard critical systems, and reduce the risk of unauthorized access.
- **Security Operations Center (SOC):** MBPLC is in the implementation phase of establishing a centralized 24/7 Security Operations Center (SOC) to continuously monitor security incidents and reduce detection and response times.

CLIMATE & ESG RISK READINESS

Recognizing that climate change poses both physical risks (extreme weather impacting collateral) and transition risks (shifts to a low-carbon economy), MBPLC is actively integrating Environmental, Social, and Governance (ESG) metrics into its risk framework.

- **Environmental & Social Due Diligence (ESDD):** All corporate and SME credit proposals undergo rigorous ESDD screening aligned with Bangladesh Bank and IFC standards.

- **IFRS S1 & S2 Roadmap:** MBPLC has initiated capacity building to fully adopt the International Sustainability Standards Board (ISSB) frameworks by 2027, focusing on mandatory disclosures of Scope 1, 2, and 3 (financed) greenhouse gas emissions.

Climate-related Metrics	2025 (tCO2e)	Target / Mitigation
Scope 1 Emissions	472.96	Transitioning branches to solar / energy efficiency.
Scope 2 Emissions	5,836.20	Optimizing Data Center and Head Office power usage.
Financed Emissions (Scope 3)	1,326,890.21	Restricting credit to highly polluting sectors (e.g., traditional brick kilns).

STRATEGIC RISK FRAMEWORKS & BASEL III ALIGNMENT

MBPLC is proactively aligning with incoming, tighter regulatory standards to ensure future readiness:

- **IFRS-9 & ECL Framework:** MBPLC successfully completed the Training and Capacity Building phase (Phase 4) for the Expected Credit Loss (ECL) methodology by the end of 2025, remaining fully on track for the 2027 full implementation deadline.
- **Risk-Based Supervision (RBS):** The Bank successfully completed the 3rd phase of Bangladesh Bank's RBS pilot program, establishing a dedicated RBS Coordination Committee to transition from compliance-based to proactive, risk-based supervision.
- **Stress Testing:** Under quarterly sensitivity analyses, MBPLC consistently demonstrates the capacity to absorb minor to moderate systemic shocks while remaining solvent.
- **Recovery Plan 2025:** A Board-approved plan is in place outlining credible, executable options to restore capital and liquidity under severe stress scenarios without external financial bailouts.

RISK AWARENESS & MEETINGS

A robust risk management system relies entirely on the people executing it. Bank has an integrated and institution-wide risk culture, based on a full understanding of the risks it faces and how they are managed. Bank has developed its risk culture through strategy, policies, examples, communication, and training of staff regarding their responsibilities for risk. It shapes daily decision-making from leadership to staff; ensuring risk management is embedded in operations. Every employee of the bank has aware of his or her responsibility regarding risk management. This culture is essential for maintaining the Bank's safety, soundness, reputation, and franchise value. To foster a risk-aware culture, the Bank held rigorous committee meetings and training sessions throughout the year:

KEY RISK COMMITTEE MEETINGS IN 2025

Board Risk Management Committee (BRMC)	Executive Risk Management Committee (ERMC)	Credit Risk Management Committee (CRMC)	Asset-Liability Management Committee (ALCO)	Supervisory Review Process (SRP) Team	RBS Coordination Committee
10	12	144	13	6	4
Meetings	Meetings	Meetings	Meetings	Meetings	Meetings

Risk Awareness and Training Program:

Mercantile Bank Training Institute conducted extensive training programs on various risk issues over the year. These efforts are crucial for fostering a strong risk culture and mitigating risks arising from human factors and non-compliance.

Core Risk Area	No. of Course	No. of participant
Risk Awareness Program	3	132
ICAAP Documents under Basel III	3	126
Awareness Training on Information & Cyber Security	4	192
Prevention of Money Laundering and Combating Financing against Terrorism	5	180
Internal Audit Findings and Compliance with Bangladesh Bank Guidelines, Practice & Implementation	1	40
Prevention of Fraud and Forgeries with case study	2	74
Sustainable and Green Financing in Banking Sector	2	76
Preparation of Credit Appraisal Form (CAF)	1	44
Cash Management: Detection & Disposal of Forged & Mutilated Notes	1	38
Customer Service & Complaint Management: Bangladesh Bank Guideline	1	40
BACPS, BEFTN & RTGS Operation System	3	132
Training on MBPLC. Digital Banking Platform [in Zoom]	2	175
Driving Reporting Excellence: A Practical Training for Trade Officials to Ensure Efficient and Flawless Reporting in Bangladesh Bank's OIMS & OEMS Dashboard	1	43

Annual Risk Conference 2025:

On November 15, 2025, MBPLC organized a day-long Annual Risk Conference at its Head Office. Attended by 450 participants including Board Members, Senior Management, Branch Managers, and Bangladesh Bank officials the conference facilitated critical dialogues on regulatory expectations, AML/CFT compliance, and institutional resilience.



OUTLOOK AND STRATEGIC PRIORITIES FOR 2026

Looking ahead to 2026, MBPLCs risk management strategy will prioritize cautious stabilization, structural governance reform, and asset quality strengthening over aggressive portfolio expansion. Key priorities include:

1. **Asset Quality Stabilization & Portfolio Diversification:** Deepening recovery efforts and pivoting portfolio growth toward resilient, granular SME and Retail segments.
2. **Digital Resilience:** Expanding AI-driven risk assessment tools, automating AML/CFT transaction monitoring, and fortifying cyber defense mechanisms.
3. **Capital & Liquidity Maintenance:** Sustaining adequate capital levels in strict compliance with Basel III accords while optimizing the currently massive liquidity buffer (LCR 243.45%) for safe, profitable yields.
4. **Sustainability Integration:** Proactively managing climate-related financial risks in alignment with national environmental regulations and the phased rollout of IFRS S1/S2 standards.
5. **Centralized Operation:** Centralizing operational processes and adopting advanced digital solutions to reduce operational risk and enhance customer experience.

DISCLOSURES ON RISK BASED CAPITAL (BASEL III)

BACKGROUND & OVERVIEW OF PILLAR 3

The Basel III framework, developed by the Basel Committee on Banking Supervision (BCBS), is designed to enhance the regulation, supervision, and risk management of the banking sector. The reform measures aim to improve the sector's ability to absorb shocks arising from financial and economic stress, thereby reducing the risk of spillover from the financial sector to the real economy.

Market Disclosures under the Basel III Accords (Pillar 3) are a key component of this framework. They are designed to boost market discipline by requiring banks to publish transparent, comprehensive data on capital adequacy, risk exposures, and risk management practices. This framework brings together all regulatory requirements into a single, cohesive document, allowing market participants to evaluate the Bank's financial health and compare risk metrics consistently across institutions. It provides detailed disclosures on the fundamental drivers of Risk-Weighted Assets (RWA), capital composition, leverage ratios, liquidity metrics, equity exposures, interest rate risk in the banking book, and other key business parameters.

The 3 Pillars of Basel III: Banking Stability Framework



PILLAR I

Minimum Capital Requirements (MCR)

Mandates that banks maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) to cover credit, market, and operational risks.



PILLAR II

Supervisory Review Process (ICAAP)

Requires banks to perform an Internal Capital Adequacy Assessment Process to ensure they hold sufficient capital for all material risks.

PILLAR III

Market Discipline (Transparency)

Forces mandatory public disclosures of capital structure and risk exposures to allow the market to assess a bank's financial health.

CONSISTENCY AND VALIDATION

MBPLC operates under a formal disclosure framework approved by its Board of Directors, incorporating both qualitative and quantitative disclosures in strict compliance with the 'Revised Guidelines on Risk Based Capital Adequacy (RBCA)' issued by Bangladesh Bank.

The quantitative disclosures in this report are based on the Bank's audited financial statements as of December 31, 2025. Data is highly verifiable and consistent with the publicly accessible financial statements available on the Bank's official website. This comprehensive disclosure is updated annually and hosted under a dedicated link titled "Disclosures on Risk Based Capital (Basel III)" on the Bank's official website (www.mblbd.com).

APPROACHES TO CAPITAL CALCULATION

In accordance with Bangladesh Bank's Basel III guidelines, MBPLC applies the following approaches for its risk-weighted asset (RWA) and capital calculations:

- **Credit Risk:** Standardized Approach
- **Market Risk:** Standardized Approach
- **Operational Risk:** Basic Indicator Approach

DISCLOSURE FRAMEWORK

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

A. SCOPE OF APPLICATION

QUALITATIVE DISCLOSURES

(a) The name of the corporate entity in the group to which the guidelines applies.

Mercantile Bank PLC. (MBPLC)

(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).

(i) The Basel III framework applies to MBPLC on both a 'Solo' (Bank-only) and 'Consolidated' (Group) basis. To provide a comprehensive view of the Bank's risk profile, the assets, liabilities, revenues, and expenses of the subsidiaries are combined with those of the parent company, eliminating intercompany transactions.

Entities fully consolidated within this risk framework include:

- **Mercantile Bank Securities Limited (MBSL):** Licensed by BSEC as a stock dealer and broker, facilitating trading in securities and providing margin loan facilities.
- **Mercantile Exchange House (UK) Limited:** A wholly-owned subsidiary incorporated in England and Wales offering secure remittance services.
- **MBL Asset Management Limited:** Operating under BSEC rules, focusing on mutual fund and portfolio management.

(ii) and (iii) are Not Applicable for MBPLC.

(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

There are no significant restrictions or other major impediments on the transfer of funds or regulatory capital within the group.

QUANTITATIVE DISCLOSURES

(d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

Not applicable for Mercantile Bank.

B. CAPITAL STRUCTURE

QUALITATIVE DISCLOSURES

(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET-1, Additional Tier-1 and Tier-2.

Under the Basel III framework, the regulatory capital of MBPLC comprises two primary tiers aimed at ensuring both going-concern and gone-concern stability:

Tier-1 Capital (Going-Concern Capital): This is the core measure of the Bank's financial strength, consisting primarily of Common Equity Tier-1 (CET-1) Capital (comprising Fully Paid-up Capital, Statutory Reserve, General Reserve, Retained Earnings, Dividend Equalization Account) and Additional Tier-1 (AT-1) Capital (Perpetual Bonds).

Tier-2 Capital (Gone-Concern Capital): This serves as supplementary capital, encompassing general provisions and subordinated debt, providing an additional buffer to absorb losses in the unlikely event of liquidation.

QUANTITATIVE DISCLOSURES

(a) The amount of Regulatory Capital with separate disclosure of CET-1 Capital, AT-1 Capitals, Total Tier-1 Capital and Tier-2 Capital (both solo and consolidated)

(b) Regulatory Adjustments/Deductions from Capital

(c) Total Eligible Capital

(BDT in Crore)

Particulars	Solo	Consolidated
Common Equity Tier-1 (CET-1) Capital	2,511.40	2,555.41
Less: Regulatory Adjustments (Shortfall in provisions required against investment in Quoted shares)	(13.18)	(13.18)
Total Common Equity Tier-1 (CET-1) Capital	2,498.22	2,542.23
Additional Tier-1 (AT-1) Capital (MBL Perpetual Bond)	363.00	363.00
Total Tier-1 Capital (CET-1 + AT-1)	2,861.22	2,905.23
General Provision	741.93	741.93
Subordinated Debt	0.00	0.00
Less: Regulatory Adjustments from Tier-2 Capital	(0.00)	(0.00)
Total Tier-2 Capital (Supplementary Capital)	741.93	741.93
Total Eligible Regulatory Capital (Tier-1 + Tier-2)	3,603.15	3,647.16

Disclosure:

Bangladesh bank has granted regulatory forbearance vide their directives (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.

C. CAPITAL ADEQUACY

QUALITATIVE DISCLOSURES

(a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.

MBPLC assesses the adequacy of its capital to support current and future activities by adopting the Standardized Approach for computing Capital Charge for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The Total Risk Weighted Assets (RWA) of the Bank are determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum CRAR ratio (10% as of December 31, 2025), and then adding these figures to the sum of risk-weighted assets for Credit Risk. The resulting Total RWA serves as the denominator, with the total Eligible Regulatory Capital as the numerator, to derive the Capital to Risk Weighted Assets Ratio (CRAR).

QUANTITATIVE DISCLOSURES

(BDT in Crore)

Particulars	Solo	Consolidated
(b) Capital requirement for Credit Risk	2,451.88	2,471.90
(c) Capital requirement for Market Risk	129.94	141.93
(d) Capital requirement for Operational Risk	296.04	300.94
Total Minimum Capital Requirement (MCR)	2877.86	2,914.77
(e) Individual Capital Ratio		
Capital to Risk-weighted Asset Ratio (CRAR)	12.52%	12.51%
Common Equity Tier-1 (CET-1) to RWA	8.68%	8.72%
Tier-1 Capital to RWA	9.94%	9.97%
Tier-2 Capital to RWA	2.58%	2.55%
(f) Capital Conservation Buffer (2.50% of RWA)	719.47	728.69
(g) Available Capital under Pillar 2 Requirement	725.29	732.38

D. CREDIT RISK

QUALITATIVE DISCLOSURES

(a) The general qualitative disclosure requirement with respect to credit risk, including:

(i) Definitions of past due and impaired (for accounting purposes)

In accordance with Bangladesh Bank directives, MBPLC classifies all loans and advances into four broad categories: Continuous Loan, Demand Loan, Fixed Term Loan, and Short-Term Agricultural & Micro Credit.

As per BRPD Circular no. 15 dated November 27, 2024 all categories of loans, entire loan will be classified depending on the period of past due or overdue a stipulated below:

CL Categories		Period of past due or overdue
Unclassified	Standard-0 (STD-0)	No past due or overdue
	Standard-1 (STD-1)	≥ 1 day but < 1 month
	Standard-2 (STD-2)	≥ 1 month but < 2 months
	Special Mention Account (SMA)	≥ 2 months but < 3 months
Classified	Sub-Standard (SS)	≥ 3 months but < 6 months
	Doubtful (DF)	≥ 6 months but < 12 months
	Bad/Loss (B/L)	≥ 12 months

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

As per Bangladesh Bank's guideline and BRPD circular no. 15 dated November 27, 2024, BRPD circular letter no. 29 dated December 21, 2025 and BRPD circular no. 06 dated April 25, 2023, MBPLC maintains General and Specific provision in the following way:

A. General Provision

Classification	CMSME Rate (%)	Other than CMSME Rate (%)
STD-0, STD-1,STD-2	0.5%	1%
SMA	0.5%	5%
Off-Balance Sheet exposures	1%	1%

B. Specific Provision

Classification	Rate (%)
SS	20%
DF	50%
B/L	100%

(iii) Discussion of the bank's credit risk management policy.

The Bank's credit risk management framework is governed by the Board-approved Credit Policy. It emphasizes portfolio diversification (specifically targeting Retail and SME segments), rigorous pre-sanction due diligence, strict adherence to Single Borrower Exposure Limits, and an active post-disbursement monitoring mechanism to safeguard asset quality.

QUANTITATIVE DISCLOSURES

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

(BDT in Crore)

Major types of Credit Exposure	Outstanding
Continuous loan	6,210.19
Demand loan	4,636.64
Term loan	17,737.38
Short term agri-credit and micro credit	9.34
Total	**28,593.56**

(c) Geographical distribution of exposure, broken down in significant areas by major types of credit exposure

(BDT in Crore)

Areas	Outstanding
Dhaka Division	19,944.30
Chattogram Division	4,807.57
Rajshahi Division	1,571.51
Sylhet Division	188.02
Khulna Division	818.79
Rangpur Division	509.95
Barisal Division	310.74
Mymensingh Division	442.68
Total	**28,593.56**

(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure

(BDT in Crore)

Industry	Outstanding
Education (School/College, University, Research institute)	57.44
Health	61.60
Agriculture	456.67
Commodities (Sugar/ Edible Oil/ Wheat/ Rice/ Dal/ Peas/ Maize etc), Food & Beverage	2,687.47
Trade Finance	3,937.23
Transport	135.82
Shipping	102.96
Textile (Excluding IDBP)	1,798.79
Textile (IDBP)	45.12
Readymade Garments (RMG) [excluding IDBP]	4,528.58
Readymade Garments (RMG) [IDBP]	8.93
Tele Communication	57.79
IT & Computer/Trade	24.75
Power & Fuel	936.81
Real Estate	860.04
Cement	141.08
Chemicals	830.39
Leather & Leather Products	686.55
Plastic & Plastic Products	40.29
Electrical & Electronic Goods	453.16
Paper & Packaging	724.28
Jute & Jute Products	546.52
Ceramics (Table ware, Sanitary ware, Tiles etc.)	143.80
Iron & Steel	2,816.15
Engineering & Construction	1,142.40
Contractor Finance	527.28
Capital Market Intermediaries	151.13
Backward Linkage	346.18
Consumer & Retail Products	910.04
NBFI	845.05
Service (Hotel, Restaurant, Travelling, Tickets, etc.)	319.37
Others	2,269.61
Loan against Non-banking Assets	0.29
Total	**28,593.56**

(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure

(BDT in Crore)

Particulars	Outstanding
Repayable on Demand	5,611.31
Not more than 3 (three) months	2,877.36
More than 3 (three) Months but not more than 1 (one) year	4,834.90
More than 1 (one) year but not more than 5 (five) years	7,982.49
More than 5 (five) years	7,287.50
Total	**28,593.56**

(f) By major industry and counter party type:

(i) Amount of impaired loans

Impaired loans	Outstanding
SS	64.06
DF	254.47
BL	4,023.54
Total	**4,342.07**

(ii) Specific and General provisions

As per Bangladesh Bank's guidelines, the specific and general provisions maintained as of December 31, 2025, are summarized below:

Particulars	BDT in Crore
General Provision (including SMA & OBU)	605.21
Specific Provision (SS, DF, Bad/Loss)	645.71
Provision for Off-balance Sheet Exposurer	136.72
Total	**1,387.64**

(iii) Charges for specific allowances and charge-offs during the periods

During 2025, the Bank maintained provisions on unclassified, classified, and off-balance sheet exposures in accordance with Bangladesh Bank guidelines:

Particulars	BDT in Crore
Provision against Un Classified Loans	(206.26)
Provision against Classified Loans	563.74
Other Provision (Off Balance Sheet Items)	4.53
Total	**362.01**

(g) Gross non-performing assets (NPAs)

(i) Gross non-performing assets

Particulars	BDT in Crore
Gross non-performing assets (NPA)	4,342.07

(ii) Non-performing Assets (NPAs) to Outstanding Loans & Advances

Particulars	
Non-performing Assets (NPAs) to Outstanding Loans & Advances	15.19%

(iii) Movement of Non Performing Assets

Particulars	BDT in Crore
Opening balance	5,176.17
Increase/(decrease)	(834.10)
Closing Balance	**4,342.07**

(iv) Movement of specific provisions for NPAs

Particulars	BDT in Crore
Opening balance	1,144.51
Fully Provided Debts written off	(1,151.93)
Recoveries of amount from pre-written off	17.48
Special Provision for the year	71.64
Provisions made during the period	563.74
Write-back of excess provisions	-
Special provision against NBA	0.27
Closing Balance	645.71

E. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

QUALITATIVE DISCLOSURES

(a) The general qualitative disclosure requirement with respect to equity risk, including:

(i) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons.

MBPLC holds equity investments primarily for two strategic purposes: realizing capital gains and dividend income (trading book) and serving long-term strategic or relationship-based objectives (banking book).

(ii) Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in the practices.

Equity investments are categorized into Quoted Securities—traded in secondary markets and held in the trading book—and Unquoted Securities, which are not publicly traded and are classified under the banking book. Quoted securities are initially recorded at cost. Unquoted shares are valued at cost or book value, whichever is lower.

QUANTITATIVE DISCLOSURES

(BDT in Crore)

Particulars	Solo	Consolidated
b) Value disclosed in the balance sheet of investment, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.		
• Quoted shares	114.16	248.30
• Un Quoted shares	112.49	112.49
(c) The cumulative realized gain (losses) arising from sales and liquidations in the reporting periods.		
• Realized gain (losses) from equity investments	0.08	0.68
(d) Total unrealized gains (losses)	15.37	(49.34)
• Total latent revaluation gains (losses)	0.00	0.00
• Any amount of the above included in tier 2 Capital	0.00	0.00
(e) Market value of investment in equities as on December 31, 2025	129.53	204.78
• Specific Risk- Capital Requirement is 10% of the said value	12.95	20.48
Market value of investment in equities as on December 31, 2025	129.53	204.78
General Risk- Capital Requirement is 10% of the said value	12.95	20.48

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

QUALITATIVE DISCLOSURES

(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.

Interest Rate Risk in the Banking Book (IRRBB) fundamentally arises from mismatches between the future yield generated by a Bank's assets and the corresponding funding costs of its liabilities. The Assets Liability Committee (ALCO) at MBPLC is responsible for continuously monitoring interest rate movements. MBPLC assesses its interest rate risk using the Duration Gap approach.

QUALITATIVE DISCLOSURES

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant)

Increase of Interest Rate will affect the Bank in the following ways:

(BDT in Crore)

Particulars	Minor Shock	Moderate Shock	Major Shock
Magnitude of Shock	1%	2%	3%
Duration Gap (Years)	1.05	1.05	1.05
Total Regulatory Capital	3,603.15	3,603.15	3,603.15
Risk Weighted Assets	28,778.65	28,778.65	28,778.65
CRAR	12.52%	12.52%	12.52%
Revised Capital (After Shock)	3,126.13	2,649.11	2,172.09
Revised RWA	27,493.24	27,493.24	27,493.24
Revised CRAR (%)	11.37%	9.64%	7.90%

G. MARKET RISK

QUALITATIVE DISCLOSURES

(a) Views of Board of Directors (BOD) on trading/investment activities including methods used to measure Market risk; Market Risk Management system; Policies and processes for mitigating market risk.

Views of Board of Directors (BOD) on trading/investment activities:

Market Risk encompasses the potential losses arising from adverse fluctuations in key market variables—such as interest rates, exchange rates, and equity prices—impacting both on- and off-balance sheet positions. The Board of Directors places a strong emphasis on maintaining a diversified and secure investment portfolio.

Methods used to measure Market Risk:

MBPLC uses the Standardized (rule-based) Approach to calculate market risk capital charges. Total market risk capital charge is the sum of specific and general risk components for interest rate and equity positions, plus the general risk components for foreign exchange and commodity exposures.

Market Risk Management system:

The Market Risk Management system is primarily overseen by the Treasury and International Divisions, with active support from the Asset Liability Committee (ALCO) and the Asset Liability Management (ALM) Desk.

Policies and processes for mitigating Market Risk:

The Bank's market risk mitigation policies and processes are formally established and approved by the Board of Directors. The Board thoroughly approves all market risk policies, sets threshold limits, and actively monitors trading activities to ensure comprehensive risk

mitigation. These policies cover critical areas such as Loan Deposit Ratio, Wholesale Borrowing Guidelines, Medium-Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, and compliance with local regulations. The Asset Liability Management Committee (ALCO) and the Treasury Division employ advanced tools, including Mark-to-Market (MTM) valuations, Value-at-Risk (VaR), and Stress Testing. Foreign exchange risk arises from earnings volatility due to exchange rate fluctuations or adverse market positions has managed jointly by the Treasury and International Division. The Treasury Back Office operates independently from the Front Office, ensuring separation of duties by verifying deals, monitoring limits, and sourcing market rates independently to prevent conflicts of interest and enhance internal controls.

QUALITATIVE DISCLOSURES

(b) Capital requirement for Interest Rate Risk, Equity Position Risk, Foreign Exchange Risk and Commodity Risk :

(BDT in Crore)

Particulars	Solo	Consolidated
Interest Rate Risk	72.41	72.41
Equity Position Risk	25.91	37.89
Foreign Exchange Risk	31.63	31.63
Commodity Risk	-	-
Total Capital Requirement for Market Risk	**129.95**	**141.93**

H. OPERATIONAL RISK

QUALITATIVE DISCLOSURES

(a) Views of BOD on system to reduce Operational Risk including Performance gap of executives and staffs; Potential external events; Policies and processes for mitigating operational risk; Approach for calculating capital charge for operational risk.

Views of BOD on system to reduce Operational Risk:

The Board of Directors places strong emphasis on minimizing operational risk through a robust governance framework and the 'Three Lines of Defense' model. MBPLC has developed a comprehensive operational risk management framework that focuses on the continuous identification, assessment, monitoring, and mitigation of risks arising from internal/external fraud, cyber security threats, and operational disruptions. All relevant policies, including those related to Internal Control, Compliance, and Board Audit, are formally approved by the Board. The Audit Committee directly supervises the internal control and compliance functions to proactively identify and address lapses or irregularities that may pose significant operational risks.

Performance gap of executives and staffs:

The Board is committed to offering competitive and attractive remuneration to its executives and staff. The bank's recruitment policy focuses on hiring fresh graduates from reputable universities and developing their skills through comprehensive training programs to build high-quality talent. Its strong reputation as a leading institution boosts employee morale.

Potential external events:

No potential external events that could significantly impact operational risk have been detected at the time of reporting the capital accord.

Policies and processes for mitigating operational risk:

To address these risks, the bank has implemented an Operational Risk Management Framework aimed at establishing a robust and well-controlled operational environment.

Approach for calculating capital charge for operational risk:

MBPLC applies the Basic Indicator Approach for calculating the capital charge for Operational Risk. Under this method, the capital charge is set at 15% of the average positive annual gross income over the previous three years.

QUALITATIVE DISCLOSURES

(b) Capital requirement for Operational Risk:

(BDT in Crore)

Particulars	Solo	Consolidated
Capital requirements for Operational Risk	296.04	300.94

I. LIQUIDITY RATIO

QUALITATIVE DISCLOSURES

(a) Views of BOD on system to reduce Liquidity Risk including Methods used to measure Liquidity Risk; Liquidity Risk Management System; Policies and processes for mitigating Liquidity Risk.

Views of BOD on system to reduce Liquidity Risk:

The Board of Directors of Mercantile Bank PLC places strong emphasis on minimizing liquidity risk. This is achieved through strict adherence to regulatory requirements, including the ongoing maintenance of the Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR). In line with Basel III guidelines, the bank also diligently maintains the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), under the direct supervision of the Board.

Methods used to measure Liquidity Risk:

MBPLC employs several methods to measure liquidity risk, including regular GAP analysis to identify mismatches between assets and liabilities across defined time buckets (e.g., 0–30 days, 31–90 days, etc.). These analyses are presented in monthly ALCO papers and guide strategic decisions to mitigate liquidity risk. Additionally, cash flow forecasting is used to assess potential future mismatches, further strengthening the bank's liquidity risk management framework.

Liquidity Risk Management System:

As part of its liquidity risk management framework, MBPLC has a Board-approved Liquidity Contingency Plan outlining strategic actions to address potential liquidity crises. In compliance with Bangladesh Bank's ALM guidelines, the plan is reviewed annually and re-approved by the Board of Directors of the Bank.

Policies and processes for mitigating Liquidity Risk:

The Bank operates under comprehensive, Board-approved liquidity risk mitigation policies, which are also subject to annual review and approval.

QUALITATIVE DISCLOSURES

(b) Liquidity Coverage Ratio (LCR) & Net Stable Funding Ratio (NSFR)

	(BDT in Crore)
Liquidity Coverage Ratio (LCR)	243.45%
Net Stable Funding Ratio (NSFR)	109.24%
Stock of High quality liquid assets	13,681.43
Total net cash outflows over the next 30 calendar days	5,619.81
Available amount of stable funding	37,189.70
Required amount of stable funding	34,042.69

J. LEVERAGE RATIO

QUALITATIVE DISCLOSURES

(a) Views of BOD on system to reduce excessive leverage including Policies and processes for managing excessive on and off-balance sheet leverage; Approach for calculating exposure.

Views of BOD on system to reduce excessive leverage:

To prevent the build-up of excessive on- and off-balance sheet leverage, the Board of Directors rigorously monitors the Bank's Leverage Ratio. By maintaining a strong Tier-1 capital base against total unweighted exposures, MBPLC ensures that its asset growth is sustainably funded and not overly reliant on debt.

Policies and processes for managing excessive on and off-balance sheet leverage:

The leverage ratio functions as a non-risk-based safeguard, acting as a critical backstop to the risk-based capital framework and helping to contain excessive leverage. It serves two key purposes: preventing the undue accumulation of leverage and reinforcing risk-based requirements through a straightforward, transparent metric. In line with Basel III, banks are required to maintain a minimum Tier 1 leverage ratio of 3.75% on both solo and consolidated bases. MBPLC strictly complies with all regulatory requirements related to capital adequacy, liquidity, commitments, ADR, MCO, large exposures, and broader risk management practices. These measures collectively ensure that the inherent leverage of the banking model is managed prudently and in alignment with the standards set by Bangladesh Bank.

Approach for calculating exposure:

The Leverage Ratio is calculated in strict compliance with Bangladesh Bank's RBCA guidelines, dividing the Tier-1 Capital by the total on-balance sheet and off-balance sheet exposures (after necessary regulatory adjustments).

QUALITATIVE DISCLOSURES

		(BDT in Crore)
Particulars	**Solo**	**Consolidated**
Leverage Ratio	5.32%	5.38%
On balance sheet exposure	47,143.04	47,451.97
Off balance sheet exposure	6,609.70	6,609.70
Total exposure (After deduction from On and Off balance sheet exposure)	53,739.56	54,048.49

K. REMUNERATION

QUALITATIVE DISCLOSURES

(a) Information relating to the bodies that oversee remuneration.

The Human Resources Division (HRD), under the direct supervision of the Managing Director and the Board's oversight, manages the Bank's remuneration policy. The remuneration policy is periodically approved by the Board of Directors or its Executive Committee. The HRD comprises 11 officials—4 executives and 7 officers, including the Divisional Head.

(b) Information relating to the design and structure of remuneration processes.

MBPLC utilizes a uniform, performance-driven remuneration structure aimed at ensuring pay equity and aligning rewards with employee performance. The Board of Directors approves the pay scales, which include Basic Pay, House Rent, Medical and Conveyance Allowances, Utility, and Leave Fare Assistance. Employees are also entitled to financial benefits upon retirement.

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes.

Key remuneration risks evaluated by the Bank include national economic conditions, bank performance, peer market benchmarks, employee turnover, and retention strategies.

(d) Description of the ways in which the bank seeks to link performance with levels of remuneration.

All officials are evaluated through Key Performance Indicators (KPIs) to link performance directly with levels of remuneration.

(e) Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance.

The bank maintains a flexible compensation system emphasizing long-term employee growth. Key benefits include Provident Fund, Gratuity, and Welfare Funds, along with 6 months' maternity leave and up to 3 years of study leave for higher education.

(f) Description of the different forms of variable remuneration.

Variable remuneration aims to foster a high-performance culture. Forms include annual increments, fair promotions, bonuses, travel allowances, executive car loans, housing loan schemes, and performance-based rewards.

QUALITATIVE DISCLOSURES

(g) Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.

Meetings regarding overseeing the remuneration are held on a need basis.

(h) (i)Number of employees having received a variable remuneration award during the financial year.

224 employees received variable remuneration awards during the financial year 2025.

(ii) Number and total amount of guaranteed bonuses awarded during the financial year.

'2 Festival Bonuses' and 'Nababarsha Vata' were awarded during the financial year 2025.

(iii) Number and total amount of sign-on awards made during the financial year.

Nil

(iv) Number and total amount of severance payments made during the financial year.

Nil

(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year.

Nil

(j) Breakdown of amount of remuneration awards for the financial year to show:

(i) Fixed and variable: Breakdown of amount of remuneration awards for the financial year 2025 -

(BDT in Crore)

Basic salary	195.87
Allowances	159.25
Bonus	33.59
Provision for Gratuity	50.00
Provident fund contribution	19.18
Total	**457.89**

(ii) Deferred and non-deferred: Nil

(iii) Different forms used (cash, shares and share linked instruments, other forms): Bank Account Transfer

(k) Quantitative information about employees' exposure to implicit (eg fluctuations in the value of shares or performance units) and explicit adjustments (eg claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:

(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments: Nil

(ii)Total amount of reductions during the financial year due to ex post explicit adjustments: Nil

(iii)Total amount of reductions during the financial year due to ex post implicit adjustments: Nil

MANAGEMENT OF NON-PERFORMING LOANS (NPL)

INDUSTRY OVERVIEW & REGULATORY CONTEXT

In 2025, the banking sector of Bangladesh navigated a transformative period characterized by stringent regulatory recalibration and complex macroeconomic dynamics. The industry operated against a backdrop of global economic uncertainties, fluctuating foreign exchange reserves, and persistent inflationary pressures. In response to these systemic challenges, the regulatory authorities initiated a profound structural reform aimed at restoring the health and transparency of the financial sector. A central pillar of this reform was the alignment of loan classification and distressed asset recognition with stringent international best practices, a necessary transition that brought the industry's underlying asset quality into sharper focus. At the forefront of this regulatory overhaul is Bangladesh Bank's decisive mandate to systematically reduce the burden of classified loans across the industry.

Mercantile Bank PLC (MBPLC) views this rigorous regulatory environment not as a constraint, but as a vital economic imperative. Our NPL management strategy is deeply aligned with the broader macroeconomic objective of bolstering financial sector resilience. By treating the reduction of distressed assets as a core institutional priority during our "Year of Consolidation," MBPLC is actively protecting depositor wealth, optimizing capital allocation, and ensuring that funds are recycled back into productive, real-economy sectors. This disciplined alignment with the central bank's vision fundamentally supports the nation's economic growth trajectory while fortifying the Bank against future systemic shocks.

NPL POSITION OF MBPLC: 2025 PERFORMANCE REVIEW

ASSET QUALITY IMPROVEMENT

Mercantile Bank PLC (MBPLC) concluded the 2025 financial year with a Gross Non-Performing Loan (NPL) ratio of 15.19%. This represents a significant 206-basis-point drop from the 17.25% recorded at the close of 2024. While the aggregate volume of Total Classified Loans (Gross NPL) stood at BDT 43,420.65 million, this downward trajectory in the NPL ratio affirms the effectiveness of the Bank's prudent recovery drives, significant loan write-offs, and strategic portfolio recalibration, especially when viewed against the backdrop of stricter loan classification parameters mandated by Bangladesh Bank.

FINANCIAL SAFEGUARDS AND PRUDENT PROVISIONING

Navigating a complex macroeconomic reality requires robust loss-absorption capacity. Despite the challenging credit environment and the deliberate moderation of our total loan portfolio to prioritize asset quality, MBPLC maintained a highly conservative approach to safeguarding its financial stability. At the end of 2025, the Bank maintained a specific loan loss provision of BDT 6,457.13 million. This disciplined provisioning ensures the Bank is well-insulated against potential credit shocks, protecting the core equity base and long-term depositor wealth.

5-YEAR HISTORICAL NPL TRAJECTORY (2021–2025)

The following table illustrates the 7-year historical evolution of the Bank's credit portfolio, demonstrating our transparent recognition of distressed assets and the subsequent measurable improvements achieved during the 2025 "Year of Consolidation":

Year	Total Loans Outstanding (BDT)	NPL Amount (BDT)	NPL Ratio (%)	Specific Provision (BDT)
2025	285,932,652,090	43,420,652,704	15.19%	6,457,130,408
2024	300,022,184,259	51,761,697,816	17.25%	11,447,801,215
2023	284,828,061,494	17,313,346,921	6.08%	6,398,124,387
2022	280,890,533,240	19,928,629,556	7.09%	8,062,791,433
2021	266,766,599,619	12,112,505,104	4.54%	5,131,598,567

CORE DIRECTING PRINCIPLES FOR NPL MANAGEMENT

To systematically navigate the challenges of distressed assets and ensure the long-term health of our credit portfolio, MBPLC's NPL management philosophy is anchored in four foundational directing principles. These principles govern our approach to risk mitigation and recovery across the organization:

- **Proactive Strategy and Early Identification:** Rather than waiting for a loan to officially reach default status, our strategy emphasizes early detection. We proactively identify and address loans that exhibit early signs of deterioration to prevent them from becoming non-performing. By triggering immediate action and engagement as soon as payments are missed, the Bank effectively halts the accumulation of distressed assets and protects the portfolio's integrity.
- **Robust Data-Driven Monitoring:** Absolute transparency is maintained through the comprehensive monitoring and reporting of our entire NPL portfolio. The Bank leverages advanced, IT and Management Information System (MIS)-supported processes to rigorously track recovery progress and analyze data quality, ensuring that management has the real-time visibility required to drive effective resolution.
- **Tailored Restructuring and Forbearance:** Recognizing the complex economic realities our clients may face, we prioritize customized solutions for cooperative borrowers. By offering tailored restructuring, structured repayment plans, or targeted forbearance measures, we strive to find the best possible outcomes for all stakeholders before resorting to definitive foreclosure.
- Effective Collateral Management: In scenarios where compromise settlements fail and liquidation becomes a necessary course of action, our focus shifts to the fair valuation of underlying collaterals. We ensure that resources are recovered through swift, orderly liquidation processes, maintaining strict compliance with both our internal policies and external regulatory mandates to maximize recovery yields.

KEY NPL MANAGEMENT STRATEGIES EXECUTED IN 2025

To translate our foundational risk philosophies into measurable recovery outcomes during the "Year of Consolidation," MBPLC executed a series of highly targeted, on-the-ground management strategies throughout 2025:

- **Early Warning Systems (EWS):** Central to our proactive approach was the rigorous deployment of Early Warning Systems (EWS) to identify high-risk debtors at the earliest signs of financial stress. This early identification allowed the Bank to trigger, allow, or require quick, proactive actions to address vulnerabilities before loans deteriorated into non-performing status.
- **Customer Engagement:** Recognizing that recovery is often most successful through collaboration, the Bank initiated structured, solution-oriented dialogues with distressed yet cooperative borrowers. This active engagement was instrumental in facilitating resolutions through mutually beneficial loan restructuring and compromise settlements.
- **Restructuring and Rescheduling:** To support viable businesses facing temporary cash-flow disruptions, the Bank demonstrated strategic flexibility. This approach allowed debtors the breathing room to repay their obligations while the Bank effectively managed NPL classification, frequently utilizing practical mechanisms such as a 2% down payment to successfully regularize accounts.
- **Credit Allocation Dispersion:** To safeguard the future health of our credit portfolio and avoid the accumulation of new distressed assets, MBPLC strictly enforced a strategy of credit allocation dispersion. Rather than focusing on a single area, the Bank deliberately spread its new loan exposures across diverse, resilient economic sectors, including manufacturing, services, and agriculture, thereby mitigating concentration risks.
- **Legal & Structural Reforms:** When cooperative resolutions were no longer viable, the Bank transitioned swiftly to strict enforcement. In 2025, our strategies included the implementation of fast-track courts and the strengthening of our internal legal frameworks to significantly speed up the recovery of defaulted loans and protect depositor wealth.

AGGRESSIVE RESOLUTION & LEGAL ENFORCEMENT FRAMEWORK

BALANCE SHEET CLEAN-UP

To effectively manage the non-performing portfolio, the Recovery Division (RD) executed a decisive resolution framework in 2025. Acknowledging the necessity of a clean balance sheet for sustainable future growth, MBPLC executed the write-off amounting to BDT 20,750.89 million. This action firmly cleansed the balance sheet of legacy bad debt, significantly reducing the drag on capital and enabling the Bank to focus its recovery resources on viable, salvageable assets.

THE 3-STAGE ESCALATION PROCESS

To drive robust cash recovery and ensure systematic follow-up on distressed accounts, the Recovery Division utilizes a highly structured, three-stage escalation workflow:

- **Stage 1 (Initial / Early Warning):** The process begins with immediate telephonic follow-ups, SMS/Email reminders, single or group borrower visits, and active guarantor engagement to prevent further deterioration of the account.
- **Stage 2 (Mid-Stage / Restructuring & Pressure):** If initial efforts fail, the Bank escalates to the issuance of facility call-up letters, exercises the right of lien, conducts re-valuation of collateral, and enters negotiations for compromise settlements or legitimate rescheduling.
- **Stage 3 (Final Stage / Legal Action):** When cooperative resolutions are no longer viable, the Bank issues formal legal notices, files Artha Rin Adalat (ARA) suits, obtains warrants of arrest, and executes property attachments under statutory sections 33(5) & 33(7) of the Artha Rin Adalat Act.

ZERO-TOLERANCE LEGAL ACTION & 2025 LAWSUIT PERFORMANCE

The Bank maintains an uncompromising, zero-tolerance stance against chronic and willful defaulters. Demonstrating this firm commitment to credit discipline, MBPLC escalated recovery mechanisms to definitive legal enforcement in 2025. By aggressively expediting Artha Rin Adalat suits, securing warrants of arrest, and enforcing the attachment and auction of properties, the Central Law Division (CLD) is actively defending depositor wealth.

To transparently reflect our legal enforcement progress during the year, our lawsuit and recovery data is presented below:

- **Total Lawsuits Filed:** Total 2042 number of cases were pending before different District and Sessions Court and Supreme Court of Bangladesh (High Court Division/Appellate Division) as on 31 December, 2025. Within January, 2025 to December, 2025, 64 Artha Rin Suits and 29 Artha Execution Cases were filed involving total suit value of BDT 1762.63 Crore and 384 cases were filed under NI Act which involved total BDT 1668.26.
- **Judgments Secured**: The Bank successfully obtained decree in our favour in 18 Artha Rin Suits and 22 Artha Execution Cases. Besides, the Bank also obtained judgment in 422 NI Act cases.
- **Warrants of Arrest:** 148 arrest warrants were issued against defaulter borrowers, out of which 15 warrants were successfully executed with the assistance of law enforcement agencies.
- **Court-Driven Realization:** Payment orders and cash realizations directly facilitated through court proceedings amounted to BDT 160.47 Crore.
- **Supreme Court Proceedings:** Up to December, 2025 total 265 writ petitions, criminal cases, and appeals remain under active review before the Supreme Court of Bangladesh, closely monitored by our dedicated in-house legal officers. Within January, 2025 to December, 2025 the Bank filed 3 cases before (High Court Division/Appellate Division). On the other hand, 166 cases were filed against the Bank before (High Court Division/Appellate Division). We have successfully disposed of total 135 cases which were filed by/against the Bank.
- **Certificate owned Properties:** Within December, 2025, 09 properties were obtained by the Bank under Section 33(7) and 06 properties were obtained by the Bank under Section 33(5) of the Artha Rin Adalat Ain, 2003 to recover outstanding dues. Total number of properties obtained by the Bank under Section 33(7) stands 48 and properties obtained under Section 33(5) stands 38 at the end of December, 2025.

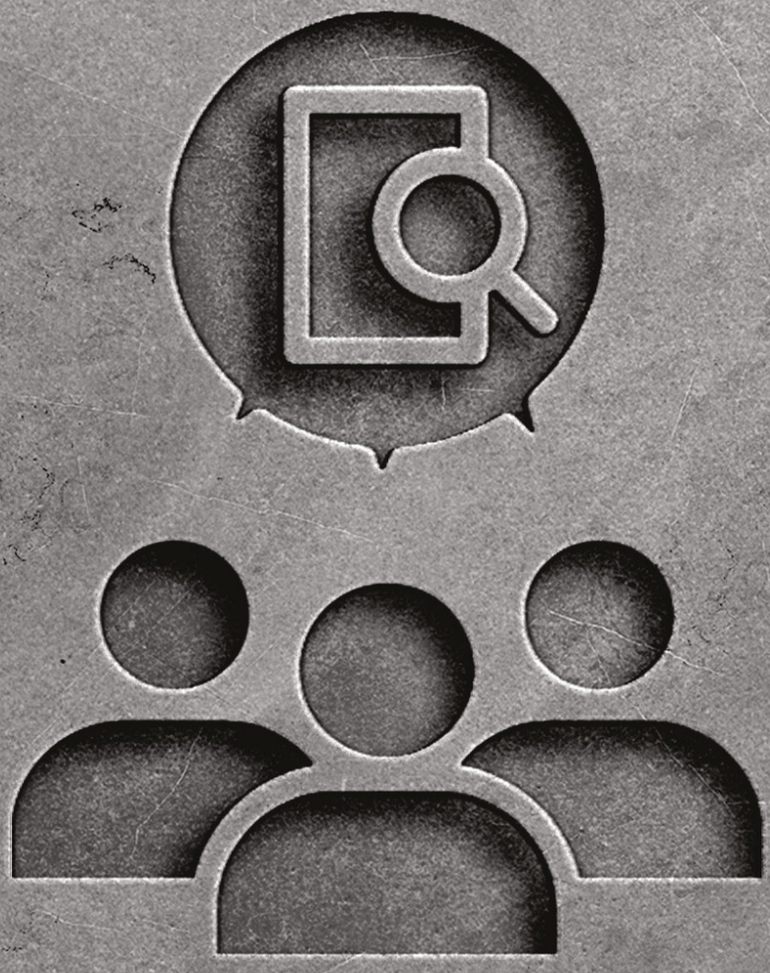
WAY FORWARD & STRATEGIC PRIORITIES FOR 2026

PORTFOLIO PIVOT AND DIVERSIFICATION

Looking ahead to 2026, MBPLC's credit and NPL management strategy will pivot definitively toward cautious stabilization and structural portfolio rebalancing. To mitigate concentration risks and prevent the future accumulation of distressed assets, the Bank is deliberately shifting its credit growth away from high-risk, large-scale corporate exposures. Instead, strategic capital allocation will be redirected toward more resilient, granular Small and Medium Enterprises (SME), agriculture, and Retail segments. This strategic diversification, coupled with our tightened credit underwriting standards, will stabilize asset quality and protect the Bank from future macroeconomic and sector-specific shocks.

TECHNOLOGICAL RESILIENCE AND ADVANCED MONITORING

To enhance proactive risk supervision and recovery efficiency, MBPLC will heavily prioritize technological resilience in the coming year. The Bank is set to deploy advanced data analytics and advanced risk assessment tools to detect early vulnerabilities in the loan book. Furthermore, we are initiating a comprehensive upgrade of our recovery Management Information System (MIS) infrastructure. The deployment of these sophisticated recovery dashboards will significantly improve the real-time tracking of NPLs, the progress of complex legal proceedings, realization targets, and recovery agent performance across our entire branch network.



MANAGEMENT DISCUSSION & ANALYSIS

CHIEF FINANCIAL OFFICER'S ANALYSIS

2025 WAS A YEAR IN WHICH SEVERAL OPERATING FUNDAMENTALS OF THE BANK MOVED IN CONSTRUCTIVE DIRECTIONS, SET AGAINST AN INDUSTRY ENVIRONMENT OF CONSIDERABLE COMPLEXITY. THE FIGURES SPEAK BOTH TO THE WORK THAT HAS BEEN COMPLETED AND TO THE WORK THAT THE YEARS AHEAD WILL CONTINUE TO REQUIRE.

THE OPERATING BACKDROP — GLOBAL, DOMESTIC AND SECTORAL

The global economy continued through 2025 to absorb the cumulative effects of recent disruptions. The COVID-19 pandemic of 2020 affected activity, supply chains and consumption patterns across the world, and the recovery from it remained uneven through subsequent years. The Russia–Ukraine conflict, which began in early 2022, then introduced a further set of pressures — lifting food and energy prices, dislocating trade flows, and prompting central banks across the major economies into one of the more pronounced monetary-tightening cycles of recent decades. Global growth in 2025 settled at approximately 3.3% on the IMF's estimate, with disinflation progressing unevenly and policy rates moderating more gradually than markets had earlier anticipated. Geopolitical tensions and the continued recalibration of global trade arrangements remained relevant features of the operating conditions facing emerging-market banks through the year.



Tapash Chandra Paul, PhD
Deputy Managing Director & CFO

Bangladesh's own economy entered 2025 in a phase of adjustment. The combined effects of imported inflation, currency movement, and the foreign-exchange reserve position through 2022–2024 had called for progressively tighter monetary and fiscal management. The political transition that followed the August 2024 movement added a further dimension to the adjustment, and the country entered the early months of 2025 in a position that called for measured institutional management. Through the year, GDP growth in FY2025 settled at 3.49%, reflecting the tighter conditions and the absorption of the reform programme. Inflation closed December at 8.49% point-to-point. Bangladesh Bank maintained a contractionary stance through the year, while exchange-rate stabilisation, the recovery of foreign-exchange reserves to more comfortable levels, and continued remittance inflows together supported an external position that was firmer at year-end than at the start.

The banking sector itself moved through a period of meaningful supervisory and structural recalibration. The successive adoption of revised loan-classification standards aligned with international practice, the recalibration of recognition norms across the industry, and the migration of classified exposure that had previously been categorised differently together produced a system-wide reset of reported asset quality. Private-sector credit growth moderated to among the slower readings of recent years. Deposit competition intensified as customers across the country reassessed where their savings were placed. Bangladesh Bank introduced the Risk-Based Supervision framework, advanced the phased adoption of IFRS 9 / Expected Credit Loss accounting, and brought the Bank Resolution Ordinance 2025 and the Deposit Protection Ordinance 2025 into force. The framework within which Bangladesh's banks now operate has been meaningfully updated, and institutions that have approached this transition with discipline are those whose foundations had been built carefully over earlier years.

It is against this layered context — the global developments of recent years, the domestic adjustment that followed the August 2024 movement, and the sectoral recalibration of 2025 — that the financial position of Mercantile Bank PLC. for the year is best read. What follows examines how the Bank's own results responded to these conditions, where the figures point to constructive movement, and where the work of further strengthening will continue.

PERFORMANCE AGAINST THE BACKDROP

2025 was a year in which several operating fundamentals of the bank moved in constructive directions, set against an industry environment of considerable complexity. the figures speak both to the work that has been completed and to the work that the years ahead will continue to require.

The financial position of Mercantile Bank PLC. for the year ended 31 December 2025 recorded a net profit after tax of BDT 119.99 crore. The deposit base expanded by approximately BDT 3,706 crore to BDT 37,978.75 crore. The non-performing loan ratio improved by 206 basis points to 15.19%, in a year when the sectoral trajectory moved in a different direction. Common Equity Tier-I capital strengthened by 55 basis points to 8.68% through retained earnings.

These developments are constructive. What follows reads them analytically and identifies both what the figures suggest about the Bank's underlying trajectory and where the work of further strengthening will continue.

KEY FINANCIAL HIGHLIGHTS (BDT MILLION)

Particulars	Dec 31, 2025	Dec 31, 2024	Change (%)
Total Assets	477,887.53	444,690.30	7.47%
Total Deposits	379,787.53	342,724.25	10.81%
Total Loans & Advances	285,935.57	300,025.11	(4.70%)
Total Shareholders' Equity	26,465.41	25,810.06	2.54%
Net Profit After Tax	1,199.87	631.22	90.10%

KEY PERFORMANCE RATIOS

Ratio	Dec 31, 2025	Dec 31, 2024
Earnings per Share (EPS)	BDT 1.08	BDT 0.57
Net Asset Value per Share (NAVPS)	BDT 23.92	BDT 23.32
Net Operating Cash Flow per Share (NOCFPS)	BDT 5.94	BDT 17.80
Cost-to-Income Ratio	58.13%	60.06%
Capital to Risk-Weighted Asset Ratio (CRAR)	12.52%	13.07%

EARNINGS COMPOSITION

The earnings picture of 2025 reflects a shift in composition. Net interest income — the traditional contributor to bank earnings — compressed under rate-cycle pressure, while non-interest income emerged as the more meaningful contributor to the year's revenue position. The drivers behind that shift, and the analytical context for reading them, are taken up below.

- **Net Interest Income (BDT 19.86 crore):** Net interest income closed the year materially lower than in the prior year. The compression was the result of the year's specific rate-cycle conditions, in which the marginal cost of deposit and wholesale funding rose meaningfully across the sector while the repricing of the asset book progressed on a different timeline. A portion of accrued interest on classified accounts is also held in interest suspense and is reflected in NII only upon recovery — a balance that is expected to release into reported income as recoveries advance.

- **Non-Interest Income:** Non-interest income contributed meaningfully to the year's revenue position, with investment income as the largest single contributor and the other components moving in line with broader market conditions.

- **Investment Income (BDT 934.84 crore, +26.27%):** Investment income reflected the redeployment of liquidity into Bangladesh Government Treasury Bills and Bonds at risk-adjusted yields appropriate to the year's conditions. Three considerations converged: a deposit inflow that called for productive deployment; a credit-demand environment offering limited opportunities at risk-adjusted spreads comparable to sovereign yields; and a policy environment in which longer-duration Treasury Bonds were a reasonable use of liquidity. The treasury function carried this work with discipline, contributing both recurring accrual income and trading gains over the course of the year.

- **Commission, Exchange and Brokerage (BDT 279.79 crore):** This line moderated through the year, primarily on account of softer trade-finance activity and a more stable currency environment. With import volumes lower year on year, fee and commission income moved in line with activity levels, and exchange gains normalised as the Taka–USD relationship steadied. As trade-cycle conditions normalise through 2026, the line is positioned to rebuild gradually.

- **Other Operating Income (BDT 154.97 crore):** The year-on-year movement in this stream reflects the absence of certain one-off gains booked in the prior year together with lower trade-related charges aligned to moderated import activity. Card business and digital channel revenues continued to contribute steadily and remain streams of growing relevance as digital adoption deepens.

REVENUE STREAM (BDT MILLION)

Revenue Component	Jan-Dec 2025	Jan-Dec 2024	Change (%)
Interest Income on Loans & Advances	27,474.55	23,210.97	18.37%
Interest Expense on Deposits & Borrowings	27,275.96	22,632.60	20.52%
Net Interest Income (NII)	198.59	578.37	(65.66%)
Investment Income	9,348.40	7,403.88	26.26%
Commission, Exchange & Brokerage	2,797.92	3,920.70	(28.64%)
Other Operating Income	1,549.66	2,203.39	(29.67%)
Total Operating Income	**13,894.57**	**14,106.33**	**(1.50%)**

EXPENSE MANAGEMENT

The expense side of the year reflected measured cost containment alongside a continued, prudent provisioning posture. Both outcomes reflect the Bank's continuing commitment to operating discipline and to the careful build-out of balance-sheet strength.

- **Operating Expenses (BDT 807.76 crore, –4.67%):** A reduction in operating expenses in a year of double-digit inflation is one of the more notable outcomes on the cost side. The discipline was earned without compromising capability — training and risk infrastructure were all protected through the year. Sustained automation, and the careful redirection of spend toward strategic priorities together contributed to the reduction. The cost-to-income ratio improved as a result and continues to trend in a constructive direction.
- **Provisions (BDT 394.71 crore):** The Bank's provisioning posture through the year remained disciplined and prudent, aligned with the supervisory framework as it has evolved. Provisions were charged in accordance with the regulatory classification standards in force. The Bank's approach to provisioning will continue to be governed with prudence.

EXPENSE ANALYSIS (BDT MILLION)

Expense Component	Jan-Dec 2025	Jan-Dec 2024	Change (%)
Salaries and Allowances	4,061.47	4,150.86	(2.15%)
Rent, Taxes, Insurance, Electricity etc.	740.28	773.52	(4.30%)
Stationery, Printings, Advertisements etc.	529.47	473.55	11.81%
Depreciation and Repair of Assets	717.54	750.77	(4.43%)
Other Operating Expenses	2,028.86	2,324.24	(12.71%)
Total Operating Expenses	**8,077.62**	**8,472.94**	**(4.67%)**
Total Provisions	**3,947.08**	**4,352.17**	**(9.31%)**

BALANCE SHEET ANALYSIS

Deposit Franchise — The Foundation Strengthening

In 2025, the Bank's deposit base grew by 10.81% to BDT 37,978.75 crore — an expansion of approximately BDT 3,706 crore over the year — in a period when depositors across the country were carefully reassessing where their savings were placed. The composition of the growth is informative. Scheme deposits grew 51.66% to BDT 8,446.76 crore and now represent 22.24% of total deposits (compared with 16.25% in the prior year); fixed deposits grew 13.53% to BDT 14,333.37 crore; savings deposits grew 11.73% to BDT 4,115.24 crore. A longer-duration, more stable deposit book contributes meaningfully to the structural character of the Bank's funding base.

The Investment-Portfolio

Investment income was the line that most materially shaped the 2025 revenue position. The 43.50% expansion of the investment book to BDT 12,785.36 crore reflected a considered redeployment of the liquidity that the year's deposit expansion made available, against a credit-demand environment that offered limited opportunities at risk-adjusted spreads comparable to sovereign yields. Within the resulting portfolio, held-for-trading securities expanded 75.20% to BDT 4,120.37 crore — the segment that contributed BDT 205.11 crore of mark-to-market and realised trading gains — while held-to-maturity securities expanded 29.05% to BDT 6,766.94 crore at coupon levels appropriate to the year. As policy rates moderate through 2026 and credit demand recovers, the relative attractiveness of investment versus credit deployment will shift, and the Bank's earning-asset mix will rebalance accordingly.

Asset Quality — Movement and Continuing Work

The asset-quality numbers reflect measured movement, while also identifying the work that continues. The non-performing loan ratio improved by 206 basis points from 17.25% to 15.19%. Classified loans declined by 16.11% to BDT 4,342.07 crore. During the year, BDT 2,075.09 crore of fully-provided legacy classified exposure was written off the books — cumulative write-offs since inception now reach BDT 3,266.88 crore — with the Bank continuing active legal recovery (lawsuits remain in place for BDT 2,010.01 crore of the year's write-offs alone).

Other elements of the position are equally relevant. The Special Mention Account book stood at BDT 2,939.70 crore at year-end (compared with BDT 201.53 crore at the prior year-end) — reflecting the migration of accounts that warrant heightened watchlist attention. Interest suspense of BDT 2,740.78 crore represents unrealised interest income held against classified accounts and recognised only on recovery. Both balances are expected to be worked down through 2026 and beyond, through the combined effect of active recovery, structured workout, and the classification standards that the revised supervisory framework now requires.

The trajectory in the numbers is constructive, and the work of further strengthening continues with measured discipline.

CAPITAL AND LIQUIDITY — A COMPLIANT BASE

The Bank's Capital to Risk-Weighted Asset Ratio (CRAR) closed at 12.52%, against the regulatory minimum of 12.50% inclusive of the conservation buffer. Total regulatory capital stood at BDT 3,603.15 crore (Tier-I: BDT 2,861.22 crore; Tier-II: BDT 741.93 crore) against risk-weighted assets of BDT 28,778.65 crore. The headline ratio sits in compliant territory, with the analytical position requiring careful framing.

Within the capital structure, Common Equity Tier-I — the highest-quality form of bank capital — strengthened by 55 basis points to 8.68% from 8.13%, reflecting retained earnings flowing into Tier-I. This is the form of capital building that contributes to durable, internally-generated balance-sheet strength. The countervailing movement is that Tier-II capital declined as general provisions held within Tier-II were utilised to absorb the BDT 2,075.09 crore of legacy write-offs during the year — an accounting effect of cleansing legacy exposure off the books, rather than a deterioration of underlying capital quality. The aggregate CRAR consequently sits just above the regulatory minimum, and the rebuilding of the buffer over the period 2026–2028 is a key balance-sheet priority of the Bank. The rebuild path is clear — retained earnings into Tier-I capital, optimisation of risk-weighted assets through deliberate origination toward lower-risk-weighted segments, and, where appropriate, the careful use of capital instruments aligned to prevailing market conditions.

Liquidity remained ample through the year. CRR and SLR were maintained with comfortable surpluses on both conventional and Islamic banking books. The Advance-Deposit Ratio moderated to 72.89% from 82.53% — below the regulatory ceiling and providing meaningful headroom for selective credit expansion as the asset-quality work progresses. Cash and balance with Bangladesh Bank rose 45.74% to BDT 2,909.45 crore, supporting both regulatory liquidity requirements and operational flexibility.

GROUP PERFORMANCE — A DIVERSIFIED CONTRIBUTION

The three subsidiaries each contributed to consolidated 2025 performance. Consolidated net profit after tax was BDT 122.64 crore (2024: BDT 64.96 crore), consolidated EPS was BDT 1.10, and consolidated NAV per share was BDT 24.35. MBL Asset Management Limited recorded 31.75% profit growth to BDT 0.83 crore. Mercantile Exchange House (UK) Limited recorded 19.35% profit growth to BDT 0.74 crore. Mercantile Bank Securities Limited returned BDT 0.38 crore in a year of subdued capital-market conditions. Together, the subsidiaries reflect the diversified character of the Group's commercial offering.

STRATEGIC DIRECTION FOR 2026 — DISCIPLINED CONTINUATION OF THE COURSE

The 2026 financial strategy continues the work begun in 2025. Six priorities, ordered by their contribution to balance-sheet strengthening, guide the financial agenda for the year ahead:

- **Continued asset-quality improvement:** Intensified recovery on suits-filed exposure, structured workout for accounts where commercial viability is preserved, and disciplined annual provisioning aligned to the revised classification framework.
- **Capital buffer rebuild:** Channel retained earnings into Tier-I capital, optimise risk-weighted assets through deliberate origination toward lower-risk-weighted segments, and rebuild the buffer above the regulatory CRAR floor over the period 2026–2028.
- **Margin restoration:** Restore net interest margin as policy rates moderate, through deposit-cost optimisation, low-cost CASA mobilisation, and disciplined asset repricing as the rate cycle unwinds.
- **Non-interest income diversification:** Build out trade-finance fee streams as the trade cycle normalises, deepen card-business income, expand digital fee revenues, and sustain the treasury-income contribution at a level appropriate to the prevailing policy environment.
- **Operating discipline:** Continue the cost discipline of 2025 through automation, process redesign, and selective network optimisation.
- **IFRS 9 and Risk-Based Supervision readiness:** Continue the data architecture, modelling work, and process build-out required for Expected Credit Loss adoption and Risk-Based Supervision, in active consultation with Bangladesh Bank.

Altogether, these six priorities represent the disciplined continuation of a course of action that produced constructive movement in 2025 and that will guide the Bank's financial agenda through 2026 and beyond. The financial strengthening of Mercantile Bank PLC. is a multi-year programme being executed with care, with patience, and with the analytical rigour the position requires.



Tapash Chandra Paul, PhD
Deputy Managing Director & CFO

MANAGEMENT DISCUSSION & ANALYSIS BY SEGMENTS

CORPORATE BANKING DIVISION (CBD)

Leadership Overview: A Strategic Paradigm Shift

The Corporate Banking Division (CBD) remains the central pillar of Mercantile Bank PLC's lending activities, representing 81.78% of the total loan portfolio as of December 31, 2025. However, 2025 marked a definitive paradigm shift in our corporate strategy. Navigating a landscape of global economic volatility and domestic liquidity tightening, the Bank deliberately transitioned away from aggressive balance-sheet expansion toward a highly resilient, centralized, and risk-optimized business model.

Corporate Business Dashboard (2025)

- **Total Corporate Portfolio:** BDT 233,838.00 Million
- **Total Corporate Revenue:** BDT 21,883.62 Million
- **Fresh Disbursements (Funded & Non-Funded):** BDT 78,931.10 Million
- **Active Corporate Desk:**
  - 1,420 Proposals Processed
  - 443 Clients On-boarded
  - 18 Dedicated RMs

A. 2025 PORTFOLIO METRICS & SECTORAL SYNERGY

In alignment with our strategic intent to optimize capital allocation and shift exposure toward the SME and Retail segments, the corporate portfolio was prudently contracted from BDT 246,535.40 million in 2024 to BDT 233,838.00 million in 2025.

Despite this consolidation, our portfolio remains strategically diversified across high-impact, export-oriented industrial sectors that drive the real economy. At the end of 2025, the sectoral concentration of our Bank in industrial sector is BDT 177,156.40 million, major sectors are as below:

- Ready-Made Garments (RMG): 19.11% (BDT 44,689.50 million)
- Food and Allied Industries: 10.15% (BDT 23,724.70 million)
- Textiles: 7.16% (BDT 16,744.10 million)

B. OPERATIONAL MILESTONES: THE CENTRALIZATION DRIVE

A landmark achievement in our 2025 operational roadmap was the aggressive centralization of credit operations. By systematically consolidating corporate portfolios from our decentralized branch network into a unified CBD structure at the Head Office, we established a single, highly governed point of service for large corporate clients.

Furthermore, to support vital regional economic hubs while maintaining centralized governance, MBPLC successfully operationalized a dedicated Corporate Banking Hub in Chattogram. This high-touch relationship model ensures that every credit facility remains strictly aligned with the Bank's risk appetite and environmental, social, and governance (ESG) standards.

C. RISKS & CHALLENGES

The banking industry faced a highly complex operating landscape in 2025, characterized by macroeconomic volatility, persistent inflationary pressures, and foreign exchange fluctuations. Currency depreciation and a contractionary monetary policy tightened systemic liquidity, exerting significant headwinds on large-scale industrial output and corporate repayment capacities. To mitigate these pressures, CBD rigorously enforced Single Borrower Exposure Limits and closely monitored supply-chain disruptions impacting our manufacturing clientele.

D. STRATEGIC OUTLOOK FOR 2026: CAPITAL OPTIMIZATION & ASSET QUALITY

Moving into 2026, the Corporate Banking Division is committed to completing its full centralization process. Our strategic mandate is defined by three core priorities:

1. **Downsizing Large-Scale Exposures:** We will actively execute our plan to reduce corporate concentration risk by reallocating capital to the SME and Retail segments. Growth will be channeled strictly into high-potential, import-substituting, and export-oriented sectors, with priority given to Healthcare, Leather, Information Technology, Construction, and RMG.

2. **Aggressive Asset Remediation:** To fundamentally strengthen the balance sheet, CBD is collaborating heavily with the Special Asset Management Department (SAMD). We will utilize automated "Recall Systems" for continuous monitoring and heavily deploy Alternative Dispute Resolution (ADR) mechanisms to expedite the recovery and regularization of distressed assets.

3. **Pivot to Non-Funded Income:** To minimize funded exposure while maintaining strong corporate relationships, the division will aggressively prioritize trade finance, guarantees, and export business facilitation, thereby boosting fee-based, non-funded revenue streams.

SME BANKING (CMSME)

Leadership Overview: Engineering Grassroots Economic Resilience

Cottage, Micro, Small, and Medium Enterprises (CMSME) are the bedrock of Bangladesh's densely populated economy, serving as the primary engine for employment generation, poverty alleviation, and inclusive growth. At Mercantile Bank PLC (MBPLC), our SME Financing Division acts as the frontline catalyst for this sector, providing need-based, compliant capital to entrepreneurs nationwide. In 2025, despite severe macroeconomic tightening, we remained steadfast in our commitment to small businesses, recognizing that supporting the CMSME sector is not just a regulatory mandate, but a strategic pillar of our institutional sustainability and national economic resilience.

- **Total CMSME Portfolio**
  BDT 38,190.50 Million
- **Portfolio Contribution**
  13.35% of the Bank's Total Loans
- **Fresh Sanctions/Disbursements:**
  BDT 14,102.20 Million
- **Operational Scale:**
  - 9,344 Proposals Processed
  - 3,476 New Files
  - ~6,700 Active Customers

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

Consequent upon the prudent initiatives of the Board and Management, the outstanding portfolio of CMSME loans demonstrated resilient growth, reaching BDT 38,190.50 million by the end of December 2025. This constitutes a robust, diversified exposure accounting for 13.35% of the Bank's total loan book.

The Division processed an impressive 9,344 credit proposals during the year, resulting in fresh loan sanctions amounting to BDT 14,102.20 million. Furthermore, by strategically aligning with Bangladesh Bank's thrust sectors, MBPLC effectively managed five major refinance agreements, successfully securing BDT 1,030.60 million in refinancing claims from the central bank and the SME Foundation to support low-cost credit delivery.

B. OPERATIONAL MILESTONES: CAPACITY BUILDING & WOMEN'S EMPOWERMENT

2025 was marked by significant milestones in customer engagement and institutional capacity building:

- Women's Empowerment: The Bank continued to champion female entrepreneurship, with our dedicated women's deposit scheme, MBL NariSanchayaProkolpo, surging 48.4% to BDT 446.49 million. Furthermore, the Bank maintained a dedicated CMSME women entrepreneur loan portfolio serving 495 customers with an outstanding balance of BDT 1464.09 million.
- Strategic Partnerships (SICIP): MBPLC actively conducted specialized training programs under the Skills for Industry Competitiveness and Innovation Program (SICIP), a high-profile initiative jointly organized by the Asian Development Bank (ADB), Bangladesh Bank, and MBPLC.
- Market Outreach: To promote brand awareness and directly engage prospective clients, the Bank actively participated in the National SME Commodity Fair 2025 in Dhaka and conducted over 135 direct CMSME customer visits across various regional hubs.

C. RISKS & CHALLENGES

The CMSME sector was particularly susceptible to the high inflation and increased borrowing costs that characterized 2025. These macroeconomic factors severely impacted the working capital cycles and purchasing power of micro-entrepreneurs. For the Bank, managing a highly granular, geographically dispersed portfolio of small-ticket, often unsecured loans required intense monitoring to prevent credit deterioration and contain Non-Performing Loans (NPLs).

Strategic Outlook for 2026: Decentralization & Cluster Focus

Moving into 2026, the SME Financing Division has engineered a highly targeted strategy to expand its portfolio while rigorously mitigating credit risks:

1. **Targeted Portfolio Allocation:** In strict alignment with Bangladesh Bank directives, we have set our target to deploy 25.50% of our total loan disbursements toward the CMSME sector.
2. **Risk Mitigation via Guarantees:** To protect asset quality on unsecured financing, the Bank will aggressively utilize the central bank's Credit Guarantee Scheme, securing provisional benefits and effectively derisking the small-business portfolio.
3. **Mandatory Women's Inclusion:** The Bank will enforce a strict, branch-level mandate: Every single branch must train at least 3 Women Entrepreneurs and disburse a loan to at least 1 woman, ensuring verifiable, grassroots financial inclusion across our entire network.
4. **Geographic Decentralization & Cluster Financing:** We will strategically shift the CMSME portfolio concentration from urban centers to rural and suburban areas. This geographic decentralization will be heavily supported by "Cluster Financing" models and a renewed emphasis on Start-Up Loans for young entrepreneurs.

AGRICULTURE CREDIT & FINANCIAL INCLUSION

Leadership Overview: Financing Food Security and Rural Prosperity

At Mercantile Bank PLC (MBPLC), we recognize that the agricultural sector and the unbanked rural population are foundational to Bangladesh's macroeconomic stability and food security. Since formalizing our dedicated Agriculture Credit Division in 2010 and Financial Inclusion Department in 2016, we have championed a mandate that goes beyond conventional banking. By deploying a robust multi-channel delivery ecosystem—encompassing direct farmer financing, contract farming, Agent Banking channels, and strategic MFI/NGO partnerships—we ensure that low-cost, regulated capital reaches the deepest rural margins of the economy.

- **Total Agri Outstanding (CY 2025)**
  Tk. 453.48 Crore (BDT 4,534.80 Million)
- **FY 2024-25 Disbursement**
  Tk. 540.21 Crore
- **Financial Inclusion Portfolio**
  Tk. 7.66 Crore | 568 Active Clients
- **Asset Quality Milestone**
  - Classified Agri Loans dramatically reduced to Tk. 6.08 Crore (down from Tk. 11.04 Crore in 2024).

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

Navigating a year marked by high input costs and climate vulnerabilities, MBPLC successfully executed its rural credit mandates while significantly improving portfolio health:

- Agricultural Credit: For the calendar year ending December 31, 2025, the total outstanding agricultural loan portfolio stood at Tk. 453.48 Crore. During the fiscal year 2024-2025, the Bank disbursed Tk. 540.21 Crore to the agricultural sector against a central bank target of Tk. 658.00 Crore.
- Financial Inclusion (FIS): The dedicated Financial Inclusion Department successfully expanded its reach, serving 568 marginalized clients with a total portfolio of Tk. 7.66 Crore by year-end.
- Asset Quality Improvement: Through rigorous monitoring and proactive recovery efforts, the division achieved a remarkable reduction in Non-Performing Loans (NPLs). Classified agricultural

loans dropped from Tk. 11.04 Crore in 2024 to just Tk. 6.08 Crore in 2025.

B. OPERATIONAL MILESTONES: REFINANCE & STIMULUS EXECUTION

To buffer the rural economy from inflationary shocks and support national self-sufficiency, MBPLC actively capitalized on Bangladesh Bank's specialized refinance windows:

- 10/50/100 Taka Account Holders: The Bank achieved a 100% success rate against its internal target, disbursing exactly Tk. 6.00 Crore under the Bangladesh Bank's Tk. 750.00 Crore refinance scheme designed specifically for marginal farmers, low-income professionals, and school banking account holders.
- Import-Substitute Stimulus: The Bank successfully channeled Tk. 0.90 Crore under the central bank's Tk. 1,000.00 Crore specialized refinance scheme aimed at increasing the domestic production of wheat and maize.

C. RISKS & CHALLENGES

Lending at the grassroots level presents distinct structural risks. In 2025, the sector was severely pressured by the decreasing availability of cultivable land due to rapid urbanization and the escalating costs of core agricultural inputs (fertilizer, fuel, and machinery) at the farmer's level. For the Bank, the primary operational challenges remained the accurate selection of prospective, unbanked customers and ensuring the timely recovery of funds across remote, geographically dispersed margins without the safety net of traditional collateral.

D. STRATEGIC OUTLOOK FOR 2026: IMPORT SUBSTITUTION & FASTER DEPLOYMENT

Entering 2026, MBPLC has identified clear strategic gaps and formulated a highly focused business strategy to accelerate rural credit delivery and ensure food security:

1. **Accelerated FY 2025-2026 Disbursement:** Against the current fiscal year target of Tk. 690.00 Crore, the Bank has already disbursed Tk. 238.10 Crore (up to December 31, 2025). The division is aggressively targeting the fulfillment of the remaining balance by June 2026 through the faster execution of revolving sanctions and the rapid clearance of pipeline proposals.
2. **Import-Substitute Crop Financing:** To align with national macroeconomic priorities, credit deployment will be heavily concentrated on import-substituting agricultural products. Priority funding will be directed toward the cultivation of dal (pulses), oilseeds, maize, and spices, reducing the country's reliance on foreign currency imports.
3. **Scaling Financial Inclusion:** The Bank will continue to expand its footprint under the Tk. 750.00 Crore scheme for 10/50/100 Taka account holders, aiming to significantly scale up the number of active inclusive clients in 2026.

RETAIL BANKING

Leadership Overview: Securing Stable Funding & Personal Financial Empowerment

The Retail Banking Division is a cornerstone of Mercantile Bank PLC (MBPLC), primarily tasked with mobilizing granular, individual deposits from a highly diversified customer base. These deposits serve as the most stable and low-cost funding source for the Bank, acting as a critical buffer against systemic liquidity shocks. Concurrently, the division plays an essential role in personal financial empowerment, delivering tailored financial products—such as home loans, personal loans, and auto loans—that elevate the living standards of our customers.

- **Total Retail Deposits**
  BDT 1,90,430.00 Million (48.34% of Total Bank Deposits)
- **Deposit Growth in the year 2025**
  BDT 35,030.00 Million
- **New CASA Accounts**
  1,08,969
- **Total Retail Loan Portfolio**
  BDT 8,054.50Million (2.81% of Total Loans)
- **Asset Quality**
  Classified Loan (CL) Ratio maintained at a highly resilient 5.25%

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

In a year characterized by tight systemic liquidity, MBPLC's Retail Banking achieved a record milestone in deposit mobilization. Retail deposits surged by BDT 35030 million to reach BDT 190430 million, effectively constituting 48.34% of the Bank's total deposit base. This massive liability generation was driven by the execution of successful deposit campaigns that exceeded 117% of their set targets. Furthermore, the division successfully opened 1,08,969 new Current Account Savings Accounts (CASA), significantly improving the Bank's cost of funds.

On the asset side, the retail loan portfolio stood at BDT 8054.50 million, representing 2.81% of the total loan book. During the year, fresh retail loan approvals amounted to BDT 3026.13 million. Most notably, the division demonstrated exceptional underwriting discipline, maintaining a Classified Loan (CL) ratio of just 5.25%—a testament to pristine asset quality within the consumer segment.

B. OPERATIONAL MILESTONES: DIGITALIZATION & PROCESS ENHANCEMENT

To scale retail operations efficiently without proportionally increasing operational expenditures, the division rolled out several critical technological and procedural upgrades in 2025:

- Priority Banking Services: Launched Priority Banking Services "Mercantile Priority Zenith" and opened 1st every priority lounge under Satmasjid Road Branch. As of 31-12-2025 we have booked total 63 number of priority customers with deposit balance Tk 96.77 crore;
- Payroll Banking & Marketing Initiatives: Signed payroll banking agreement with Saturi Ltd, Persona Beauty Care, Gramsico,Porcelina andsales campaign organized at Bashudhara R/A and Kakrail;
- Policy Enhancements: Reviewed and modified deposit products MasikMunafa&AparajitaMasikMunafa [introduced auto renewal facility], MSP [allowed to open 3,000, 3,500, 4,000, & 4,500 denomination] and allowed Tk 50,000 & multiple deposit facility in all term deposit products which was Tk 100,000 & multiple earlier;
- Process Automation & Operational Efficiency:
  - Implemented centralized SOD approval and disbursement processes.
  - Developed two real-time system-generated MIS reports namely:
    - "Cost of Retail Deposit"; and
    - "Retail Balance Sheet"

C. RISKS & CHALLENGES

The retail segment navigated severe macroeconomic pressures throughout the year. Elevated inflation, high interest rates, and foreign exchange volatility collectively dampened consumer purchasing power and muted the demand for consumer credit. Consequently, the Bank's retail loan penetration remains at 2.81%, which is well below the industry average of 8.62%. While this represents a challenge in credit expansion, it simultaneously highlights a massive, untapped market potential for MBPLC's retail lending.

Strategic Outlook for 2026: Wealth Management & Targeted Sales

To unlock growth in the retail lending segment and further strengthen the deposit base in a cost-effective manner, the Retail Banking Division has outlined a highly targeted strategy for 2026:

1. Integrated Software "Target Flow":Launch of "Target Flow" software for automated assessment and allocation of CASA, Deposit, and Loan targets for branches from Head Office.

2. Strengthen Recovery Framework: Establishment of a Central Collection Unit for Retail Loans to strengthen recovery and collection efficiency.

3. Strategic Product Launch: Launch of new retail lending products:
   - Secured Term Loan (STL); and
   - Secured Overdraft against Treasury Bond.

CARD & ALTERNATIVE DELIVERY CHANNELS (ADC)

Leadership Overview: Scaling the Digital Payments Ecosystem

Mercantile Bank PLC's Card & ADC Division continues its robust trajectory of innovation, operational excellence, and sustainable growth. Building upon the foundational milestone of achieving principal membership with Mastercard, the Division aggressively expanded its proprietary product portfolio, strengthened its acquiring capabilities, and engineered customer-centric digital payment solutions throughout 2025. Acting as a primary catalyst for the Bank's digital transformation strategy, the division successfully drove financial inclusion and service efficiency, supported by a continuously expanding self-service infrastructure comprising 200 ATMs and 11 Cash Recycling Machines (CRMs) nationwide.

- **Total Active Cardholders**
  420,977 (Credit: 25,454 | Debit: 390,565 | Prepaid: 4,958)
- **Total Card Advances**
  BDT 104.63 Crore
- **Operating Profit**
  BDT 18.05 Crore
- **Acquiring & Network Expansion**
  6,000 New Credit Cards Issued
  70 New Merchants Onboarded

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

The Card & ADC Division recorded an exceptionally strong financial and operational year. Defying broader economic pressures, the total cardholder base surged to 420,977 in 2025 (up from 387,259 in 2024). Total card advances climbed to BDT 104.63 Crore, representing a significant portfolio expansion against the previous year's BDT 85.10 Crore.

This disciplined execution and portfolio growth translated directly to the bottom line, with the division's operating profit growing to BDT 18.05 Crore. Business expansion was driven by the successful issuance of approximately 6,000 new credit cards and the steady strengthening of the acceptance ecosystem with the onboarding of 70 new merchants.

B. OPERATIONAL MILESTONES: PRODUCT INNOVATION & STRATEGIC SPONSORSHIPS

In 2025, the Division executed several landmark initiatives to enhance product leadership:

- Mastercard Product Rollout: Leveraging its principal membership, the Bank launched six new Mastercard-branded products, including Titanium and World Credit Cards, the Titanium Global Debit Card, Priority Zenith Debit Card, standard Debit Card, and Prepaid Card. This comprehensive suite enabled broader demographic coverage and significantly improved cross-selling capabilities.

- Network Sponsorships: Demonstrating its leadership within the broader financial ecosystem, MBPLC successfully sponsored an Associate Membership of Visa Worldwide Pte. Limited (AP) for Citizens Bank PLC.

C. RISKS & CHALLENGES

The Division operates in a highly competitive and rapidly evolving digital payments landscape. Core challenges in 2025 included navigating changing customer payment behaviors, confronting industry-wide pricing pressures, and sustaining high-velocity growth while strictly maintaining operational efficiency and mitigating cybersecurity threats.

Strategic Outlook for 2026: TakaPay & Niche Co-Branding

Moving into 2026, the Division's strategy is heavily anchored on ecosystem expansion, innovation, and strategic partnerships. Key initiatives include:

1. Proprietary Innovations: The highly anticipated launch of the national TakaPay switch and the introduction of a specialized Mastercard Prepaid Health Card. The Bank will also aggressively penetrate the commercial space by rolling out SME-focused debit and credit cards.

2. Targeted Co-Branding: MBPLC will launch exclusive co-branded card programs with prominent institutions, including the Noakhali Club, Purbachal Club, Dhaka Shooting Club, and IUBAT.

3. B2B Sponsorships & Targets: The Division plans to sponsor LankaBangla Finance PLC for an Affiliate Membership with Mastercard. Internally, the business has set firm operational targets to issue 10,000 new cards and onboard 100 new merchants over the upcoming fiscal cycle.

TREASURY DIVISION

Leadership Overview: The Backbone of Bank-Wide Profitability

In 2025, amidst a highly volatile macroeconomic landscape characterized by severe liquidity constraints and foreign exchange pressures, the Treasury Division emerged as the ultimate stabilizing force for Mercantile Bank PLC (MBPLC). Tasked with managing the Bank's fund mobilization, cash flows, and Asset-Liability Management (ALM), the division executed a highly disciplined strategy in the money market, foreign exchange (Forex), and Fixed Income Securities (G-Sec). By balancing the need for adequate statutory liquidity with opportunistic, high-yield investments, the Treasury Division successfully shielded the Bank's balance sheet from interest rate shocks while driving an unprecedented level of institutional profitability.

- **Operating Profit:**
  BDT 427.96 Crore
- **Contribution to Total Bank Profit**
  73.57% (Highest single-division contributor)
- **Total Government Securities (G-Sec) Portfolio**
  BDT 119,757.55 Million
- **Fixed Income Revenue Growth**
  35.85%

A. 2025 PORTFOLIO MATRIX & FINANCIAL PERFORMANCE

The Treasury Division recorded an extraordinary financial year, acting as the primary engine for the Bank's earnings. The division contributed BDT 427.96 Crore to the Bank's operating profit, representing a massive 73.57% of MBPLC's total institutional profit.

This exceptional performance was heavily driven by the Fixed Income desk, which capitalized on the consistent upward trend in government security yields throughout the year, resulting in a 35.85% increase in fixed income revenue. The Bank strategically expanded its Government Securities portfolio (Treasury Bonds and Bills) to BDT 119,757.55 million (up from BDT 80,605.54 million in 2024), generating a significant gain and interest income.

Furthermore, ALM initiatives successfully optimized the deposit mix. By strategically repricing liabilities, High-Cost Deposits stands at57.71%, while No-Cost Deposits stands at13.72% and Low-Cost Deposits stands at28.57%.

B. OPERATIONAL MILESTONES: FOREX NAVIGATION & RISK GOVERNANCE

In 2025, the Division executed several landmark market operations and governance enhancements:

- Navigate a market-based exchange-rate framework, the Forex Desk successfully navigated Bangladesh bank's implementation of market-based exchange-rate policy along with full exchange-rate flexibility & manage currency devaluation (stabilizing around BDT 122-122.75/USD). By taking a balanced approach to export-import-remittance flows, the division ensured significant profitability from foreign exchange operations without breaching regulatory exposure limits.
- Independent Risk Control: To ensure absolute regulatory compliance and mitigate market risk, the Treasury Back Office and Treasury Mid Office operated entirely independently from the Front Office. This segregation of duties ensured that all deals were independently verified and that all foreign exchange reserves and approved securities were meticulously revalued using Mark-to-Market (MTM) mechanisms as per central bank guidelines.

C. RISKS & CHALLENGES

The operating environment in 2025 was exceptionally challenging. The industry faced persistent inflation, a depletion of national forex reserves, and a contractionary monetary policy implemented by Bangladesh Bank. Increased government borrowing to finance the budget deficit, coupled with high demand for commercial loans, severely strained local currency liquidity. Consequently, systemic liquidity tightened rapidly, driving call money rates to peak levels, with the Bank's average borrowing rate hitting 9.26% during market stress periods.

Strategic Outlook for 2026: Yield Optimization & Liquidity Buffers

Entering 2026, the Treasury Division will prioritize agile fund deployment and strict market risk control to sustain its high-profit trajectory. The strategic mandate includes:

1. Liquidity Buffer Optimization: Deepening the focus on rigorous Asset-Liability Management (ALM) to optimize the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), ensuring the Bank remains insulated from sudden withdrawal shocks or interbank liquidity crunches.

2. G-Sec Yield Maximization: Continuing to secure profitable yields from Government Securities by actively participating in the primary market and executing opportunistic secondary market trading (Open Market Operations).

3. Dynamic Forex Management: Leveraging enhanced market intelligence to manage currency mismatches and maximize exchange income while strictly maintaining regulatory Net Open Position (NOP) limits.

INTERNATIONAL DIVISION

Leadership Overview: Facilitating Global Trade & Connectivity

The International Division is the critical enabler of Mercantile Bank PLC's cross-border financial ecosystem, overseeing trade finance, remittance, and foreign exchange operations across the Authorized Dealer (AD) branch network and the Centralized Trade Processing Centre (CTPC). By managing vital relationships with global correspondent banks and multilateral institutions, the division ensures that MBPLC's international transactions strictly adhere to both Bangladesh Bank guidelines and complex global trade standards.

- **Total LCs Issued**
  36,318
- **Foreign vs. Local LCs**
  Foreign LCs: 20,606 | Local LCs: 15,712
- **Global Reach (RMA):**
  604 Foreign Correspondent Relationships
- **Forex Infrastructure**
  30 Nostro Accounts maintained across 08 Currencies

A. 2025 PORTFOLIO METRICS & TRADE PERFORMANCE

Despite severe global economic headwinds and local currency liquidity pressures, the International Division maintained a highly active trade portfolio. In 2025, the Bank successfully facilitated the issuance of 36,318 Letters of Credit (LCs). Demonstrating strong cross-border commercial activity, 20,606 of these were Foreign LCs, while 15,712 were Local LCs. To support this massive transaction volume, the Bank actively leveraged its robust global network, maintaining 604 Relationship Management Applications (RMAs) and operating 30 Nostro accounts in 8 major currencies.

B. OPERATIONAL MILESTONES: DIGITALIZATION & GLOBAL RECOGNITION

2025 was a landmark year for technological integration and international compliance within the division:

- ISO 20022 Migration: MBPLC successfully went live with the new global SWIFT ISO 20022 MX messaging standards (pacs.008 & pacs.009) on September 28, 2025, meeting the strict deadlines set by SMUBG and Bangladesh Bank. On the very first day, an impressive 91% of payment messages were transmitted in the new MX format, reaching 100% in subsequent days.

- Global Quality Award: The Bank's operational precision was internationally recognized when it received the "2025 U.S. Dollar Clearing Elite Quality Recognition Award" from J.P. Morgan Chase Bank, USA, for achieving an outstanding Best-in-Class MT202 Straight-Through Processing (STP) rate of 99.86%.

- Blockchain "Green LC": Embracing next-generation trade finance, MBPLC successfully participated in a Proof of Concept (PoC) for the "Green LC," executing the Bank's first Inland LC on a locally developed, blockchain-based digital platform.
- Capacity Building: The division published the updated "Foreign Trade Manual - Version 2.00" and conducted specialized training programs on the Bangladesh Bank Dashboard for both bank officials and export customers.

Strategic Outlook for 2026: Network Resilience & Trade Centralization

Moving into 2026, the International Division is executing a highly focused strategy to expand its market share and safeguard foreign trade operations:

1. Correspondent Network Expansion: The Bank will aggressively expand its correspondent banking network worldwide while strengthening existing key relationships to effectively navigate the turbulent geopolitical environment.
2. Multilateral Credit Lines: To support clients with competitive funding, the division will prioritize the renewal and expansion of credit limits with Multilateral Development Banks, including the ADB and the International Islamic Trade Finance Corporation (ITFC), specifically to arrange discounting and confirmation of UPAS LCs at highly attractive pricing.
3. Full Trade Centralization: Building on the momentum of 2025, the division will continue to support the full-scale centralization of trade operations under the CTPC to optimize compliance oversight and improve processing turnaround times.

OFFSHORE BANKING UNIT (OBU)

Leadership Overview: Facilitating Global Capital & EPZ Financing

Mercantile Bank PLC. operates two dedicated Offshore Banking Units (the Principal OBU at Head Office in Dhaka, and the Agrabad OBU in Chattogram) under the regulatory framework of Bangladesh Bank. Operating independently with separate books of accounts, the Offshore Banking Division (OBD) serves as a critical conduit for foreign currency-denominated services. The division provides specialized trade finance (UPAS, export bill discounting), term loans, and deposit products to industrial enterprises, fully foreign-owned units in EPZs, EZs, and Hi-Tech Parks, as well as non-resident clients. By offering distinct advantages—such as tax-exempt interest income, competitive deposit returns, and the free repatriation of funds—OBD significantly bolsters the Bank's foreign exchange earnings through lower-cost funding and high-volume trade financing.

- **Total Funded Exposure (Loans & Advances)**
  USD 56.70 Million (BDT 6,934.43 Million)
- **Total Non-Funded Exposure (Import Commitments)**
  USD 17.09 Million (BDT 2,089.85 Million)
- **Profit Before Provision:**
  USD 3.28 Million (BDT 400.55 Million)
- **Total OBU Deposits**
  USD 0.60 Million (BDT 73.34 Million)

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

During 2025, the Offshore Banking Division maintained steady growth momentum and high asset quality despite global and domestic economic volatility. Total funded exposure was prudently consolidated to USD 56.70 million (BDT 6,934.43 million). Concurrently, to support the cross-border trade requirements of our corporate clientele, non-funded exposures (Corporate Import Commitments under contract) increased to USD 17.09 million (BDT 2,089.85 million), up from USD 14.94 million in the previous year.

Financially, the division demonstrated strong operational efficiency, generating total interest income of USD 4.45 million and achieving a highly resilient Profit Before Provision of USD 3.28 million (BDT 400.55 million).

B. OPERATIONAL MILESTONES: CORPORATE SYNERGIES & ASSET QUALITY

The division's core operational focus in 2025 was the expansion of its trade finance portfolio while rigorously maintaining asset quality. OBD successfully strengthened its relationships with major business conglomerates that command significant export and import volumes. Furthermore, the division ensured strict adherence to the newly enacted Offshore Banking Act 2024, maintaining seamless compliance while scaling up discounting facilities for direct and deemed export bills.

C. RISKS & CHALLENGES

The offshore banking segment navigated substantial macroeconomic challenges in 2025. The most prominent headwinds were severe foreign currency liquidity constraints driven by geopolitical tensions, combined with limited local market depth. Additionally, exchange rate fluctuations and a traditionally narrow client base restricted aggressive deposit mobilization and lending growth across the industry.

Strategic Outlook for 2026: Digital Onboarding & Low-Cost Credit Lines

To overcome liquidity constraints and leverage new regulatory opportunities, the Offshore Banking Division has charted a highly proactive strategy for 2026:

1. Launch of Digital Onboarding:To aggressively procure foreign currency deposits, OBD will roll out a dedicated Online Account Opening Platform. This will enable seamless, remote onboarding for Non-Resident Bangladeshis (NRBs) and foreign investors, irrespective of their physical location.
2. Low-Cost Multilateral Funding: The division will actively explore and secure low-cost foreign credit lines from multilateral institutions and correspondent banks to improve funding efficiency and pricing competitiveness.
3. Product Diversification: To add direct value to OBU account holders, the Bank plans to introduce international debit and prepaid cards issued directly against OBU foreign currency accounts, enhancing transactional convenience for offshore clients.

DIGITAL BANKING & INNOVATION DEPARTMENT

Leadership Overview: Engineering a Cashless, Paperless Future

The Digital Banking and Innovation Department (DBID) has emerged as the central execution engine for Mercantile Bank PLC's (MBPLC) technological transformation journey. By designing and deploying advanced digital service delivery platforms—most notably the MBL Rainbow App and a centralized e-KYC ecosystem—the department drives operational efficiency, customer empowerment, and widespread financial inclusion. With a sharp focus on continuous innovation, DBID advances both customer-facing applications and back-office digital capabilities, ensuring the Bank's operations remain highly scalable, secure, and environmentally sustainable.

- **MBL Rainbow Performance**
  2,262,000 Transactions | Volume: BDT 5,160 Crore
- **Online Platform Adoption**
  125,000 Active Digital Customers
- **Financial Impact**
  23% Rise in Departmental Income | 46% Increase in Cumulative Profit
- **Paperless Banking (Green ESG Impact)**
  >2,000,000 Cheque Leaves Saved
  >40,000 Deposit Slips Saved

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

The year 2025 marked a period of exponential digital acceleration for MBPLC, culminating in exceptional bottom-line contributions. The department engineered a 23% rise in operating income and a massive 46% increase in cumulative profit, proving the immense commercial viability of the Bank's digital transition.

The Bank's flagship digital platform, MBL Rainbow, processed 2,262,000 transactions amounting to a total volume of BDT 5,160 Crore. Active customer engagement deepened significantly, with 125,000 customers now utilizing the online platform. Furthermore, our mobile financial services (MyCash) sustained a robust user base of 746,638 customers, supported by 82,426 agent outlets, facilitating BDT 9,654 million in total mobile transactions.

B. OPERATIONAL MILESTONES: E-KYC & ECOSYSTEM INTEGRATION

DBID executed several landmark technological integrations throughout 2025 to enrich the digital banking ecosystem:

- e-KYC& Rapid Onboarding: The Bank's digital e-KYC platform was successfully rolled out across all 152 branches and 44 sub-branches. This biometric (fingerprint-matching) infrastructure enabled over 31,000 digital account openings bank-wide, with 7,418 accounts opened directly through the centralized e-KYC interface.
- Green Banking Execution: Championing the Bank's ESG mandates, DBID's paperless banking initiatives successfully eliminated the need for over 2,000,000 paper cheque leaves and 40,000 credit card deposit slips, drastically reducing the Bank's carbon footprint and printing expenditures.
- Platform Enhancements: The Bank introduced high-utility features including Push-Pull SMS, QR-based payments, automated FDR and DPS openings, online statement services, and card digitization. Furthermore, the platform achieved real-time integrations with the National Payment Switch Bangladesh (NPSB) and bKash, while successfully launching digital salary disbursements tailored for the RMG sector.

C. RISKS & CHALLENGES

The digital banking landscape is characterized by rapid technological obsolescence and escalating cybersecurity threats. Expanding the digital footprint naturally increases exposure to data privacy risks and sophisticated cyber-attacks. Additionally, meeting the continually evolving expectations of a tech-savvy demographic requires relentless capital investment in platform enhancement. However, these challenges are outweighed by the immense opportunities to reduce systemic operational costs, generate new fee-based income streams, and drive grassroots financial inclusion.

Strategic Outlook for 2026: Hyper-Scale & Ecosystem Dominance

Entering 2026, DBID is focused on hyper-scaling its user base and establishing a localized, frictionless digital payment ecosystem. The strategic roadmap includes:

1. Aggressive Customer Acquisition: The department has set a firm target to onboard over 230,000 new digital customers to the platform.
2. Unifying the Network: A major operational priority will be the seamless digital integration of the MBL Rainbow App with the Bank's Agent Banking System to maximize rural outreach and transaction fluidity.
3. New Revenue Horizons: DBID will form strategic partnerships with new merchant networks to create localized digital payment ecosystems. The launch of 'Online Certificates' and enhanced digital service suites are projected to drive fresh revenue generation via transaction fees, platform usage, and digital commissions.
4. Escalating Green Banking Targets: Building on the momentum of 2025, the department aims to save an unprecedented 2,500,000 cheque leaves and 60,000 deposit slips in the upcoming year.

TAQWA ISLAMIC BANKING

Leadership Overview: Elevating Ethical Finance & National Development

In 2025, Taqwa Islamic Banking transitioned from a specialized service wing into a foundational pillar of Mercantile Bank PLC's (MBPLC) corporate identity. Operating through 45 dedicated Islamic Banking Windows (IBWs) and 2 full-fledged Islamic Banking Branch (IBB) in Dilkusha, the division adheres strictly to the principle of "Shari'ah First." A defining milestone of the year was the deepening of our public-private synergies. Recognizing that ethical banking must serve the national interest, MBPLC entered into a landmark agreement with the Bangladesh House Building Finance Corporation (BHBFC) to act as a primary conduit for the "Rural &Peri-Urban Housing Finance Project (2nd Phase)." By aligning our Islamic finance mechanisms with national development goals, Taqwa is actively facilitating the fundamental right to shelter through a Shari'ah-compliant lens.

- **Total Deposit Portfolio**
  BDT 2,789.79 Crore (Massive 148% YoY Growth)
- **Total General Investment**
  BDT 938.51 Crore (10% YoY Growth)
- **Trade Finance (Import/Export)**
  Import: BDT 638.00 Crore | Export: BDT 210.64 Crore
- **Network Footprint**
  - 45 Islamic Windows
  - 2 Full-fledged Branch
  - Agent Banking Integration

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

Navigating a complex domestic market characterized by evolving liquidity dynamics, Taqwa achieved record-breaking inflows in 2025. The deposit portfolio (Mudaraba and Al-Wadia) surged by an unprecedented 148% to reach BDT 2,789.79 Crore (up from BDT 1,123.59 Crore in 2024), underscoring immense public trust in the Bank's ethical framework. Concurrently, the General Investment portfolio grew by 10% to BDT 938.51 Crore, with a deliberate focus on asset-backed productive sector lending via Diminishing Musharaka and Hire Purchase Shirkatul Melk (HPSM).

Financially, 2025 was a year of strict adherence to the Mudaraba weightage framework. To ensure absolute Shari'ah integrity and prioritize depositor returns in a high-rate environment, the Bank distributed the vast majority of its investment income directly to Mudaraba depositors. Consequently, the division reported a highly transparent retained loss of BDT 17.40 Crore for the year—a strategic and conscious recalibration prioritizing long-term customer trust, ethical profit-sharing, and deposit acquisition over immediate short-term divisional margins.

C. OPERATIONAL MILESTONES: PRODUCT INNOVATION & DIGITAL FRONTIERS

To meet the diverse lifestyle and business needs of the Muslim-majority demographic, Taqwa introduced several highly innovative, Shari'ah-compliant solutions in 2025:

- New Deposit Ecosystems: Successfully launched the TaqwaUmrahSanchayProkolpo (TUSP), utilizing a tiered profit-sharing ratio to help pilgrims systematically build their corpus. Furthermore, the TaqwaMudaraba Payroll Account gained significant market momentum among private corporations seeking Shari'ah-based salary solutions.
- Ethical Retail Cards: The Taqwa Islamic Banking Credit Card, rooted in the Ujrah (fee-based) concept and eliminating interest-based penalties, saw a remarkable 30% rise in adoption.
- MBL Rainbow Integration: The Bank revolutionized the user experience by embedding a dedicated 'Taqwa' module within the MBL Rainbow App, featuring an automated Zakat Calculator, real-time prayer alerts, and a first-of-its-kind "Purification Tracker" providing transparency on how Islamic funds are utilized.

D. RISKS, SHARI'AH GOVERNANCE & CAPACITY BUILDING

At MBPLC, Shari'ah compliance is treated as a sacred trust, not merely a regulatory checkbox. In 2025, the Shari'ah Supervisory Committee (SSC), under the distinguished leadership of Moulana Shah Muhammad Waliullah (CSAA), maintained rigorous, independent oversight.

- Income Purification: Guided by a zero-tolerance policy, any doubtful income identified during routine Shari'ah audits was immediately isolated and channeled to the MBPLC Foundation for humanitarian and charitable causes.
- Human Capital: Under the "Efficiency is our Strength" initiative, the Bank hosted advanced certification programs, notably the "Knowledge Sharing on Shari'ah Banking" symposium led by industry veteran Mr. Abdul AwalSarker (Former Executive Director, Bangladesh Bank), ensuring all officers are technically and spiritually aligned with Islamic finance principles.

Strategic Outlook for 2026: Green Sukuk& Micro-Enterprise

Looking toward 2026, Taqwa Islamic Banking is poised to pioneer next-generation ethical finance in Bangladesh. The strategic roadmap includes:

1. Leading the Green Transition: Taqwa aims to pioneer the "Green Sukuk" market in Bangladesh, linking Islamic capital markets directly with sustainable, ESG-compliant infrastructure projects.
2. Islamic Microfinance: To empower the "missing middle," the division will deploy Islamic Microfinance solutions, providing ethical, non-interest capital to small and rural entrepreneurs.
3. Hajj &Umrah Ecosystem: The Bank will heavily focus on expanding financial and banking support to boost Hajj and Umrah services in direct collaboration with the Ministry of Religious Affairs (MORA).
4. Islamic Treasury: An independent Islamic Treasury Management framework has been formulated to actively participate in the upcoming Islamic Interbank Money Market policy set by Bangladesh Bank.

AGENT BANKING DIVISION

Leadership Overview: Engineering Grassroots Financial Inclusion

Mercantile Bank PLC's Agent Banking Division serves as the primary conduit for the Bank's financial inclusion mandate. Established to bridge the urban-rural economic divide, the division brings formal, technology-driven banking services directly to the doorsteps of the unbanked and underbanked populations. By operating through a highly scalable, low-cost delivery channel, the division successfully mobilizes rural deposits, facilitates seamless cross-border remittance disbursements, and integrates geographically dispersed communities into the national digital payment ecosystem.

- **Total Agent Outlets**
  188 (Covering all 8 Divisions and 50 Districts)
- **Customer Base**
  72,459 Accounts (16% YoY Growth)
- **Total Deposit Portfolio**
  BDT 752.17 Million (13% YoY Growth)
- **Inward Remittance Channeled**
  BDT 652.59 Million (12% YoY Growth)

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

In 2025, the Agent Banking Division recorded outstanding organic growth across all core performance indicators, defying broader macroeconomic inflationary pressures.

The division successfully expanded its customer base to 72,459 active accounts, representing a robust 16% growth from the 62,594 accounts recorded in the previous year. This accelerated customer acquisition drove the cumulative deposit volume to BDT 752.17 million, reflecting a 13% year-on-year growth. Furthermore, cementing its role as a critical lifeline for rural households, the network successfully processed and disbursed BDT 652.59 million in foreign inward remittances, a 12% increase from 2024.

B. OPERATIONAL MILESTONES: COMMUNITY ENGAGEMENT & LITERACY

To foster trust and accelerate the adoption of formal banking channels among rural demographics, the division executed extensive, on-ground community engagement initiatives throughout 2025:

- Targeted Outreach: The Bank successfully organized numerous "UthanBoithok" (Customer Engagement Programs) and formal Customer Meets to directly interact with rural demographics.
- Financial Literacy Drives: Recognizing that awareness is the precursor to inclusion, the division hosted specialized "Financial Literacy Days" and conducted physical training sessions across the network to educate marginalized communities on savings, secure digital payments, and safe remittance channels.

C. RISKS & CHALLENGES

Operating at the deepest margins of the financial system presents unique structural challenges. In 2025, the division actively navigated intense competition from Mobile Financial Service (MFS) providers and other commercial banks. Furthermore, a lack of widespread financial literacy and limited cybersecurity awareness among rural customers required continuous, resource-intensive educational

interventions. However, the rapid expansion of digital banking technologies and the growing demand for convenient, doorstep banking products present massive, untapped opportunities for the division to capture local market share.

Strategic Outlook for 2026: Accelerated-Growth & Islamic Integration

Moving into 2026, the Agent Banking Division has engineered an aggressive, multi-faceted expansion strategy. The management has set the following absolute targets for the upcoming fiscal cycle:

1. Network Expansion (Target 250 Outlets): The Bank will inaugurate 62 new, high-quality Agent Outlets, pushing the total national footprint to 250 outlets.
2. Islamic Banking Integration: In a major strategic pivot to capture the faith-based rural economy, the Bank will formally introduce Islamic Banking Services across its agent banking network.
3. Deposit & Customer Acquisition: The division has set firm targets to scale the active customer base to over 90,000 accounts and aggressively double the cumulative deposit portfolio to BDT 1,500.00 million.
4. Remittance Leadership: Capitalizing on the expanded network, the division aims to disburse over BDT 800.00 million in cross-border remittances throughout the calendar year.

PERFORMANCE REVIEW OF SUBSIDIARIES

LEADERSHIP OVERVIEW: SYNERGISTIC GROWTH AND REVENUE DIVERSIFICATION

Mercantile Bank PLC. (MBPLC) operates not just as a standalone commercial bank, but as a comprehensive financial group. Our subsidiaries continue to play a pivotal role in delivering on the Bank's long-term strategic objectives. Through targeted operations in capital markets, asset management, and cross-border remittances, these entities serve as strategic extensions of the Bank.

Collectively, they enable specialized service delivery, expand our market footprint into niche demographics, and drive crucial revenue diversification. In 2025, despite a highly volatile capital market and challenging global economic conditions, our subsidiaries demonstrated remarkable operational resilience, underscoring the agility and strength of MBPLC's consolidated business model.

A. THE CURRENT SUBSIDIARY PORTFOLIO

As of December 31, 2025, MBPLC actively manages three subsidiary companies, integrating their specialized capabilities into our broader corporate ecosystem:

1. Mercantile Bank Securities Limited (MBSL): Acting as a premier stock brokerage firm, MBSL facilitates trading in securities listed on both the Dhaka and Chattogram Stock Exchanges, providing essential margin loan facilities and dealership services to retail and institutional clients.

2. MBL Asset Management Limited (MBL AML): Functioning as the Group's wealth and asset management wing, MBL AML specializes in mutual fund management, discretionary and non-discretionary portfolio management, and high-level corporate advisory services.

3. Mercantile Exchange House (UK) Limited (MEHUK): A fully-owned subsidiary incorporated in England and Wales, MEHUK serves as a fast, secure, and compliant remittance conduit specifically dedicated to serving the Bangladeshi expatriate community in the United Kingdom.

B. CONSOLIDATED FINANCIAL IMPACT (2025)

In strict adherence to IFRS 10: Consolidated Financial Statements and IAS 27: Separate Financial Statements, the financial performance of these entities is fully integrated into the Group's reporting.

The synergistic value of our subsidiaries is immediately evident in the Bank's bottom line. While MBPLC reported a standalone Net Profit After Tax (PAT) of BDT 1,199.87 million in 2025, the successful integration of our subsidiary operations elevated the Consolidated Net Profit After Tax to BDT 1,226.38 million. This consolidated strength ensures optimized risk-adjusted returns for our shareholders and a fortified Group balance sheet.

Looking Ahead: The Next Phase of Institutional Expansion MBPLC is expanding its institutional footprint to the digital banking frontier. Looking beyond our current subsidiaries, the Bank has strategically positioned itself for future market leadership:

- **Digi10 Bank PLC:** MBPLC (holding a 10% shareholding stake) has officially obtained a Letter of Intent (LOI) to commence Digital Banking Operations under a consortium framework, positioning us at the forefront of the nation's cashless transition.

- **MBL MyCash Limited:** To elevate our Mobile Financial Services (MFS) and capture a wider unbanked demographic, the process of transforming our existing Mobile Banking Division into a separate, dedicated subsidiary company is currently in the final stages of regulatory approval.

MERCANTILE BANK SECURITIES LIMITED (MBSL)

Leadership Overview: Internal Fortification amidst Market Volatility

Mercantile Bank Securities Limited (MBSL), the premier capital market subsidiary of Mercantile Bank PLC., sustained its strategic footprint in Bangladesh's capital market through a year defined by operational resilience and targeted consolidation. Recognized as one of the Top 20 brokerage houses of 2025, MBSL played a strong role in educating investors through its regular, nationwide investor awareness programs.

In Fiscal Year 2025, MBSL successfully navigated a highly volatile market landscape. While the downward trend of the broader market index naturally impacted transaction volumes, the company strategically utilized this period as a phase of "internal fortification," prioritizing disciplined expense management, structural stability, and rigorous strengthening of regulatory compliance frameworks.





















BOARD OF DIRECTORS & LEADERSHIP

1. **A.S.M. Feroz Alam**
   Chairman
2. **Md. Ikhtier Khan Prince**
   Vice-Chairman
3. **M. Amanullah**
   Director
4. **Ms. Bilkis Begum**
   Director
5. **Ms. Israt Jahan**
   Director
6. **Rakim Reza Rousseau**
   Director
7. **Subrota Narayan Roy**
   Director
8. **Md. Anwar Hossain**
   Director
9. **Ms. Farida Begum**
   Director
10. **Md. Raquibul Islam Russeau**
    Chief Executive Officer (CEO)



Total Assets
BDT 7,037.83 Million



Total Operating Income
BDT 271.37 Million



Active Client Base
6,787 Accounts



Network Footprint
07 Operating Locations
(6 Branches and 1
Extension Office)

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

During 2025, MBSL maintained a robust operational scale, serving approximately 6,787 active accounts. The company generated a total operating income of BDT 271.37million, driven by brokerage commissions and interest income from margin loans.

However, the persistent bearish trend of the capital market indices exerted pressure on overall profitability. Consequently, the company recorded a 35.08% decrease in operating profit, reporting an income from operations of BDT 259.60million. Despite this contraction, the balance sheet remains exceptionally strong, with Total Assets standing at BDT 7,037.83 million and a paid-up capital of BDT 3,600.00 million.

B. OPERATIONAL MILESTONES: CAPABILITY & COMPLIANCE

Rather than pursuing aggressive, high-risk margin lending in a declining market, MBSL focused on structural enhancements in 2025:

- Regulatory & Process Fortification: The company heavily upgraded its back-office operations and compliance protocols to strictly adhere to the evolving directives of the Bangladesh Securities and Exchange Commission (BSEC).
- Human Capital Development: MBSL elevated employee proficiency through specialized, continuous training programs, ensuring the workforce is fully equipped to handle next-generation trading technologies.

C. RISKS & CHALLENGES

The core challenges for MBSL in 2025 were entirely macroeconomic. Severe liquidity tightening in the banking sector, rising interest rates on risk-free government securities, and broader economic uncertainties collectively drained institutional and retail liquidity from the equity markets. Managing the margin loan portfolio (BDT 4,492.55 million) against eroding client equity required intense daily surveillance and proactive risk management to prevent capital shortfalls.

Strategic Outlook for 2026: Digital Transformation & Market Expansion

Moving forward, MBSL is transitioning from its foundational fortification phase to launch an ambitious growth mandate for 2026. The strategic roadmap is anchored on three core pillars:

1. Market Share Acquisition: The company has set a definitive target to capture a 4% total market share and achieve a 20% expansion of its active client base in the upcoming year.
2. Digital-First Trading (OMS): This growth trajectory will be underpinned by a landmark digital transformation—headlined by the deployment of a proprietary Order Management System (OMS) and a robust, full-fledged online trading platform, enabling clients to execute trades seamlessly from any location.
3. Network Optimization: The digital-first approach will be complemented by the strategic optimization of the physical network, ensuring that MBSL remains highly accessible and a dominant force in the evolving capital market landscape.

MBL ASSET MANAGEMENT LIMITED (MBL AML)

Leadership Overview: Scaling Wealth Management and Corporate Advisory

MBL Asset Management Limited (MBL AML), a subsidiary of Mercantile Bank PLC., operates as the Group's dedicated wealth management and corporate advisory wing. Having obtained its full-fledged asset management license from the Bangladesh Securities and Exchange Commission (BSEC) in 2020, the company provides high-standard professional services to both institutional and individual clients. By specializing in mutual fund management, discretionary portfolio management, and capital market operations, MBL AML plays a strategic role in diversifying the Bank's revenue streams and deepening its footprint within the broader financial ecosystem.



























BOARD OF DIRECTORS & LEADERSHIP

1. **Tahrin Aman**
   Chairman
2. **Shamim Ahmed**
   Vice Chairman
3. **Rakim Reza Rousseau**
   Director
4. **Shimon Inamori**
   Director
5. **Nafisa Saima**
   Director
6. **Shamsul Alam**
   Director
7. **Ahmed Hossain**
   Director
8. **Jahanara Irin**
   Director
9. **Md. Rushaed Ahsan**
   Director
10. **Shahriar Arefin Alam**
    Director
11. **Bakhtier Khan**
    Director
12. **Tapash Chandra Paul, PhD**
    Director
13. **Md. Forhad Hossain**
    Director

Total Assets
BDT 120.76 Million

Net Profit After Tax (NPAT)
BDT 8.28 Million

Flagship Product
Mercantile Bank Unit Fund
(Approved Size: BDT 500.00 million)

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

During 2025, MBL AML maintained a highly resilient and optimized balance sheet, with Total Assets standing firmly at BDT 120.76 million. Despite macroeconomic pressures affecting the broader capital markets, the company successfully generated a Net Profit After Tax (NPAT) of BDT 8.28 million, representing a marked improvement from the previous operational cycles. This robust profitability enabled the company to distribute a substantial cash dividend of BDT 6.50 million for the year 2024 to its shareholders, reflecting its commitment to consistent value creation.

B. OPERATIONAL MILESTONES: CORPORATE ADVISORY & MUTUAL FUND MANAGEMENT

The 2025 operational year was defined by significant expansion in the company's fee-based advisory and fund management portfolios:

- Mutual Fund Management: The company successfully continued the management of its flagship mutual fund, the Mercantile Bank Unit Fund (an approved BDT 500.00 million fund), generating steady management fees calculated against the fund's weekly average Net Asset Value (NAV).
- Corporate Advisory Expansion: Leveraging its institutional expertise, MBL AML successfully expanded its advisory footprint. The company secured high-profile corporate advisory mandates, notably providing services to PMJ Asset Management Limited. Furthermore, under the BSEC guidelines, the company actively provided Securities Custodian Services on behalf of Mercantile Bank PLC., generating consistent monthly advisory revenue.

C. RISKS, CHALLENGES & BSEC COMPLIANCE

Operating as a fiduciary entity requires absolute regulatory adherence. In 2025, MBL AML's primary challenge was navigating equity market volatility while rigorously adhering to the strict mandates of the BSEC (Mutual Fund) Rules, 2001 and the BSEC (Risk-Based Capital Adequacy) Rules, 2019. The company successfully mitigated capital risks by ensuring it continuously maintained the mandatory required amount of Liquid Capital (LC) and overall financial resources necessary to support its operational scope, fully satisfying BSEC regulatory audits.

Strategic Outlook for 2026: AUM Growth & Digital Transition

Entering 2026, MBL AML is strategically positioned to aggressively scale its Assets Under Management (AUM) and corporate influence. The strategic roadmap is anchored on the following core pillars:

1. Fund Size Expansion: The Company aims to substantially increase the fund size of the Mercantile Bank Unit Fund by attracting high-net-worth individuals (HNWIs) and institutional investors.
2. Corporate Advisory Leadership: MBL AML will aggressively drive revenue growth by expanding its Corporate Advisory and Discretionary Portfolio Management services to external corporate entities.
3. Digital Transformation: To enhance client engagement and operational efficiency, the company will execute a full-scale digital transformation of its asset management services, leveraging advanced technology platforms to deliver seamless, real-time portfolio reporting to its clients.

MERCANTILE EXCHANGE HOUSE (UK) LIMITED (MEHUK)

Leadership Overview: A Strategic Turnaround in Global Remittance

Mercantile Exchange House (UK) Limited (MEHUK), a fully-owned subsidiary of Mercantile Bank PLC., serves as a vital cross-border link for the Bangladeshi expatriate community in the United Kingdom. Operating from its headquarters at 108 Whitechapel Road, London, MEHUK is registered as a Small Payment Institution (SPI) authorized by the Financial Conduct Authority (FCA) and strictly supervised by HM Revenue & Customs (HMRC) for Anti-Money Laundering (AML) compliance. In 2025, the company successfully executed a massive financial turnaround, reaffirming its position as a trusted, compliant, and highly efficient remittance conduit.











BOARD OF DIRECTORS & LEADERSHIP

1. **M. Amanullah**
   Chairman
2. **A. S. M. Feroz Alam**
   Director
3. **Mati Ul Hasan**
   Director
4. **Abul Kalam Azad**
   Director
5. **Nur Zohirul Islam**
   Director

Net Profit
GBP 75,680

Total Net Assets
GBP 53,086

Net Asset Growth
334.95

Regulatory Status
FCA Authorized Small Payment Institution (SPI)

A. 2025 PORTFOLIO METRICS & FINANCIAL PERFORMANCE

Fiscal year 2025 was a defining period for MEHUK. Following a period of strategic recalibration, the subsidiary delivered a highly successful turnaround, posting a net profit of GBP 75,680 for the year. This operational efficiency translated directly into a fortified balance sheet. The company recorded a remarkable 334.95 increase in Net Assets, closing the year with total net assets standing firmly at GBP 53,086 (recovering from a net liability position in previous cycles).

B. OPERATIONAL MILESTONES: TECHNOLOGY & PARTNERSHIPS

To achieve this turnaround, MEHUK focused heavily on market integrity and operational scale:

- Strategic Partnerships: The company leveraged technological innovation and formed strategic partnerships with reputable local UK businesses to expand its market reach and establish localized service points for superior customer convenience.
- Compliance Excellence: Operating in one of the world's most stringent regulatory environments, MEHUK flawlessly maintained its operational mandates under the UK Payment Services Regulations 2017, and HMRC anti-money laundering protocols.

C. RISKS & CHALLENGES

Operating as a foreign subsidiary in the UK remittance market presents distinct structural challenges. In 2025, MEHUK actively navigated intense market competition from global fintechs and mobile-first remittance providers. Furthermore, managing the operational risk associated with strict, evolving UK AML directives and mitigating the financial impacts of GBP-BDT exchange rate volatility required continuous, resource-intensive monitoring by the Board and Management.

Strategic Outlook for 2026: Expansion & Ecosystem Integration

Building on the significant momentum of the 334.95 net asset turnaround, MEHUK has entered 2026 with a robust strategic focus on revenue growth and business expansion. The strategic roadmap includes:

1. Aggressive Client Acquisition: Utilizing its strengthened net asset base of GBP 53,086, MEHUK aims to aggressively grow its client portfolio by combining its established UK market presence with the direct institutional support of the MBPLC representative office in London.
2. Innovation & Engagement: The company is committed to introducing a diversified suite of services and creative financial solutions designed to attract new market segments and deepen engagement with the existing expatriate customer base.
3. Long-Term Financial Stability: By maintaining strict regulatory compliance and utilizing its positive asset turnaround, MEHUK is perfectly positioned to achieve sustained, long-term financial stability for the MBPLC Group.



SUSTAINABILITY ANALYSIS

SUSTAINABILITY & CLIMATE REPORT 2025

STRATEGIC OVERVIEW & LEADERSHIP

THE SUSTAINABLE BANK: NAVIGATING THE TRANSITION

At Mercantile Bank PLC. (MBPLC), sustainability is not merely an ancillary compliance exercise—it is a core strategic imperative embedded into our Enterprise Risk Management (ERM) and corporate growth philosophy. As a systemic financial intermediary in Bangladesh, we recognize our dual responsibility: mitigating the climate risks inherent in our portfolio and aggressively mobilizing capital to finance the nation's transition toward a low-carbon, climate-resilient economy.

The Triple Bottom Line & Our "8R" Philosophy We measure our institutional success through the **Triple Bottom Line (3P) Framework: People, Planet, and Profit.** To operationalize this framework across our 153 branches and 188 Agent Banking Outlets, MBPLC has pioneered the proprietary "**8R Approach to Sustainability**". This cyclical model dictates our resource consumption, waste management, and ethical financing decisions:

1. **Refuse:** Rejecting investments in highly polluting or unethical sectors.
2. **Refine:** Continuously improving our Environmental & Social Due Diligence (ESDD).
3. **Renew:** Championing renewable energy and energy-efficient technologies.
4. **Responsibility:** Cultivating an enterprise-wide culture of ESG accountability.
5. **Reduce:** Minimizing our direct operational carbon footprint.
6. **Reuse:** Extending the lifecycle of our physical and technological assets.
7. **Recycle:** Implementing robust electronic and paper waste management protocols.
8. **Respond:** Reacting proactively to the evolving needs of our stakeholders and climate-vulnerable communities.

2025 SUSTAINABILITY HIGHLIGHTS

PEOPLE

Social & Ethical Impact

CSR & Disaster Relief Investment:

BDT 242.40

Million

Workplace Diversity:

25.21%

Total Female Employees

PLANET

Climate Footprint

Operational Emissions (Scope 1 & 2):

6,309.16

tCO2e

Financed Emissions (Scope 3):

1,326,890.21

tCO2e

PROFIT

Sustainable Governance

Global Framework Integration:

Inaugural disclosure under

IFRS S1 & S2

Standards

Strategic Commitment:

Net Zero by 2050

LEADERSHIP PERSPECTIVES



MESSAGE FROM THE MANAGING DIRECTOR ON CLIMATE ACTION

> Sustainability remains a core strategic priority for MBPLC, as we endeavour to foster inclusive growth and shared prosperity across the markets in which we operate.

It is my privilege to present the Sustainability & Climate Report 2025. This year marks a watershed moment in our corporate reporting history. Recognizing the escalating systemic risks posed by climate change, we have voluntarily adopted the IFRS S1 and IFRS S2 frameworks for our climate-related financial disclosures. This rigorous transition moves us beyond traditional Corporate Social Responsibility (CSR) and directly integrates Environmental, Social, and Governance (ESG) metrics into our core financial strategy.

We have established a comprehensive baseline for our operational and financed emissions, reaffirming our commitment to align with the Paris Agreement and target Net Zero emissions by 2050. Through strategic capital allocation, robust governance, and unwavering stakeholder engagement, MBPLC is resolutely focused on financing a greener, more resilient Bangladesh.

Mati Ul Hasan
Managing Director



MESSAGE FROM THE CHAIRMAN OF THE CLIMATE RISK DISCLOSURE WORKING COMMITTEE (CRDWC)

The transition to a low-carbon economy presents a compelling opportunity for value creation. In 2025, the Sustainable Finance Committee focused on tightening our risk parameters while expanding our advisory support for corporate clients navigating transition risks (such as the upcoming global carbon pricing mechanisms).

By embedding the Environmental and Social Risk Management (ESRM) guidelines directly into our credit appraisal workflows, we ensure that every BDT disbursed contributes positively to our Triple Bottom Line. Looking ahead, the Sustainable Finance Unit (SFU) remains dedicated to mobilizing green capital, fostering innovation, and delivering measurable, long-term impact for our communities and investors.

> Driving sustainable progress and transformation for the future

Tapash Chandra Paul, PhD
Deputy Managing Director & CFO

REPORT PARAMETERS & OUR APPROACH TO SUSTAINABILITY

To ensure absolute transparency, comparability, and data fidelity, this report has been constructed in strict accordance with the world's leading sustainability reporting frameworks.

REPORTING PARAMETERS MATRIX

	DISCLOSURE PARAMETER	STRATEGIC DETAILS
	**Reporting Period**	January 1, 2025, to December 31, 2025 (Published in the 2025 Annual Report cycle).
	**Reporting Frameworks**	• GRI Standards: Core Option. • IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information. • IFRS S2: Climate-related Disclosures. • Bangladesh Bank: Sustainable Finance Department (SFD) Directives.
	**Scope & Boundaries**	Captures the economic, environmental, and social impacts of MBPLC's direct operational footprint (Head Office, 153 Branches, 188 Agent Outlets) and its financed portfolio.
	**External Assurance**	Subject to rigorous Management Review, Internal Audit validation, and final approval by the Board Risk Management Committee (BRMC).
	**Feedback Mechanism**	We welcome stakeholder feedback. Please direct comments to the Climate Risk Disclosure Working Committee (CRDWC) via the Bank's official corporate channels.

STAKEHOLDER & IMPACT ALIGNMENT

STAKEHOLDER'S ENGAGEMENT

At MBPLC, we recognize that sustainable value creation is impossible in a vacuum. As a systemic financial institution, our decisions have far-reaching impacts on the economy, society, and the environment. We proactively identify, assess, and engage with our stakeholders through a structured framework to understand their material concerns, utilizing these insights to refine our strategic direction and resource allocation.

STAKEHOLDER MATERIALITY MATRIX

- **High Influence / High Interest (Core Focus):** Shareholders & Investors, Regulators, Customers.
- **High Influence / Low Interest (Keep Satisfied):** Institutional Business Partners.
- **Low Influence / High Interest (Keep Informed):** Local Communities, Employees.
- **Low Influence / Low Interest (Monitor):** General Public, Media.

STAKEHOLDER ENGAGEMENT & VALUE CREATION TABLE

Stakeholder Group	Engagement Platforms	Key Concerns & Expectations	MBPLC's Strategic Response & Value Created
1. Shareholders & Investors(22,810 Shareholders)	• Annual General Meeting (AGM) • Financial & Non-financial reporting • Media briefings	• Sustainable expansion of earnings and ROE • Transparent corporate governance • Robust climate risk management	• Delivered resilient financial performance with a sustainable dividend policy. • Executed historic balance sheet clean-up and transparent IFRS S1/S2 disclosures.
2. Customers (1.24+ Million)	• 153 Branches & 188 Agent Outlets • 24/7 Call Center (16225) • MBL Rainbow (Digital App)	• Data privacy and cybersecurity • Affordable, seamless digital banking • Sustainable financing solutions	• Disbursed BDT 18,522.42 Million in Green & Sustainable projects. • Enhanced customer experience through centralized, secure digital processing.
3. Employees (2,610 Employees)	• Internal Townhalls& Circulars • Training & Capacity Workshops • Grievance Management Cell	• Safe, inclusive, and meritocratic workplace • Career development pathways • Fair compensation and well-being	• Maintained a diverse workforce with 25.21% female representation. • Conducted specialized training on ESG and technical capacity building.
4. Government & Regulators	• Regulatory reporting and returns • Consultations and on-site visits • Compliance workshops	• Strict adherence to financial regulations • Timely tax and VAT payments • Support for national economic policies	• Contributed BDT 8,262.67 Million to the National Exchequer. • Achieved 100% compliance with Bangladesh Bank's Sustainable Finance directives.
5. Communities & Suppliers	• Mercantile Bank Foundation • Supplier performance assessments • NGO partnerships	• Disaster relief and climate resilience • Financial inclusion for rural areas • Ethical and transparent procurement	• Invested BDT 242.40 Million in CSR, prioritizing healthcare, education, and disaster management. • Expanded rural reach through 188 Agent Banking outlets.

STRATEGIC ALIGNMENT WITH THE UN SDGS & RESOURCE ALLOCATION

In alignment with Bangladesh's national commitment as a signatory to the United Nations Sustainable Development Goals (SDGs) and guided by the principles of the UN Global Compact, MBPLC believes that sustainable finance is the most powerful catalyst for economic, social, and environmental progress.

In 2025, we actively directed our capital and resources to maximize measurable impacts across core SDGs.

MBPLC SDG BUILDER & FINANCIAL MAPPING

Primary SDGs Targeted	MBPLC Resource Allocation (2025)	Key Impact Areas & Initiatives
	BDT 512.50 Million (Green Finance)	• Financing for utility-scale Renewable Energy and Solar projects. • Investments in Energy/Resource Efficiency and LEED-certified green apparel factories. • Implementation of Effluent Treatment Plants (ETP) to reduce industrial pollution.
	BDT 4916.20Million(Sustainable Agriculture)	• Credit disbursement for sustainable crops, smart irrigation, and agro-processing. • Funding for climate-resilient fisheries, livestock, and poultry farming. • Support for modern grain storage to ensure national food security.
	BDT 11367.60Million (Sustainable CMSME)	• Directed vital capital into Cottage, Micro, Small, and Medium Enterprises (CMSME) to stimulate grassroots job creation. • Empowered women entrepreneurs with dedicated, low-cost financing frameworks.
	BDT 1213.62Million (Other Sustainability-Linked)	• Financing sustainable industrial manufacturing and green supply chain initiatives. • Investments in infrastructure development supporting safe, resilient, and sustainable urban environments.

ESG PERFORMANCE INDEX AND STRATEGIC PRIORITIES FOR 2026

As MBPLC transitions from compliance-driven sustainability towards strategic climate leadership, our roadmap for 2026 and beyond is anchored in measurable, data-driven targets. The Board Risk Management Committee (BRMC) and Sustainable Finance Committee (SFC) have established the following strategic ESG priorities to future-proof the Bank's portfolio:

EXPANDING THE CLIMATE DATA BASELINE (GHG QUANTIFICATION)

Building upon our inaugural PCAF-aligned carbon accounting in 2025, MBPLC has set a strategic target to quantify Greenhouse Gas (GHG) emissions across **100% of our total funded loan portfolio** by the end of 2026. This expansion will specifically target SME and mid-market commercial segments, significantly enhancing our Scope 3 (Financed Emissions) data quality.

UNIVERSAL APPLICATION OF ENVIRONMENTAL & SOCIAL DUE DILIGENCE (ESDD)

To aggressively mitigate transition and physical climate risks, the Bank is upgrading its credit appraisal architecture. By 2026, MBPLC will mandate the expansion of comprehensive Environmental & Social Due Diligence (ESDD) to **all eligible corporate and SME credit portfolios**, irrespective of the loan ticket size, moving beyond minimum regulatory thresholds.

STRENGTHENING THE GREEN ASSET RATIO (GAR)

Recognizing that 68% of our financed emissions currently originate from the carbon-intensive Textiles, Metal & Mining, and commodity cluster, diversifying our portfolio is a core institutional priority. The Sustainable Finance Unit (SFU) will pursue high-impact green syndications and climate-adaptation projects to systematically increase the Bank's Green Asset Ratio (GAR) and achieve a 25% absolute reduction in portfolio carbon intensity by 2030.

FINANCIAL & REGULATORY DISCLOSURES

MBPLC SUSTAINABLE FINANCE (SF) ANALYSIS REPORT-2025

EXECUTIVE SUMMARY & REGULATORY CONTEXT

During the year, Bangladesh Bank instituted a fundamental revision to the classification criteria for Sustainable Finance (SF) through the issuance of SFD Circular No. 1 (dated 13 January 2026). As an institution committed to strict regulatory compliance and global best practices, MBPLC immediately applied the updated criteria from 2025 onward.

This revision reflects a change in regulatory classification parameters and does not constitute a change in our core accounting policy.

Consequently, the Bank's reported Sustainable Finance portfolio for 2025 shows a significant statistical decrease compared to the prior period. It is critical for our stakeholders and investors to note that **this decline is primarily attributable to the revised regulatory exclusion framework rather than an actual contraction in our sustainable lending activities.**

KEY FIGURES & PORTFOLIO MOVEMENT (REPORTED BASIS)

Under the raw, unadjusted reporting metrics mandated by the new circular, the portfolio witnessed a sharp statistical contraction:

Key Portfolio Indicators	Amount (BDT in Million)
2024 SF Portfolio (Under Old Criteria)	173,966.26
2025 SF Portfolio (Under New Criteria)	12,258.32
Reported Year-over-Year (YoY) Change	92.95% Decrease

Note: The year-on-year movement is not directly comparable due to the revised SF classification criteria introduced by Bangladesh Bank.)

RECONCILIATION BRIDGE

RECONCILIATION & BRIDGE ANALYSIS

To provide an accurate, transparent, and decision-useful comparison for our investors, the following bridge analysis strips out the regulatory exclusions to reveal the true baseline portfolio performance:

Description	Amount (BDT in Million)
SF Portfolio (2024 – Old Criteria)	173,966.26
Less: Exclusions under new criteria	(141,558.95)
Add: Inclusions under new criteria	0.00
SF Portfolio (2024 – Adjusted Comparable Basis)	32,407.31
SF Portfolio (2025 – New Reported Basis)	12,258.32

LIKE-FOR-LIKE ANALYSIS & STRATEGIC INSIGHT

On a true "like-for-like" basis—excluding the BDT 141,558.95 million in regulatory exclusions—the SF portfolio declined from BDT 32,407.31 Million (adjusted 2024) to BDT 12,258.32 Million in 2025. This **62.17% decrease** reflects the underlying business movement, driven by the Bank's broader strategic decision to consolidate its loan book and prioritize asset quality amidst tight macroeconomic liquidity conditions.

COMPARATIVE SECTORAL DASHBOARD

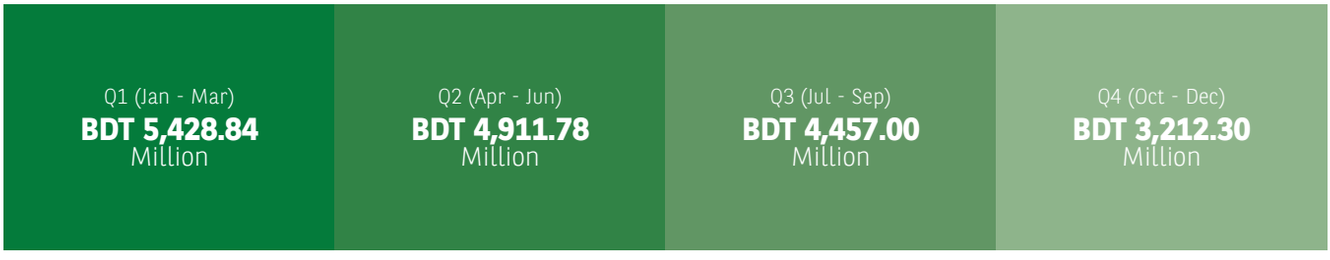
COMPARATIVE STATEMENT OF DATA: SECTORAL BREAKDOWN

MBPLC strictly channels its sustainable finance into high-impact sectors. The following table provides a granular comparative breakdown of the portfolio between 2024 and 2025 across Green Finance and other Sustainability-Linked sectors:

Sl.	Sectors / Categories	2025 Actual(BDT in Million)	2024 Actual(BDT in Million)
A	**TOTAL GREEN FINANCEPORTFOLIO**	**2,083.17**	**4,453.42**
B	**SUSTAINABLE LINKED FINANCE (Excl. Green)PORTFOLIO**		
1	Sustainable Agriculture	4,566.72	5,748.92
2	Sustainable CMSME	2,966.05	12,363.55
3	Other Sustainability-Linked Finance	2,642.38	9,841.42
	Sub-Total (Sustainable Linked Finance)	10,175.15	27,953.89
	GRAND TOTAL SUSTAINABLE FINANCE (A+B)	12,258.32	32,407.31
C	**MISCELLANEOUS SEGREGATION**		
1	Women-owned SME	9.53	48.02
2	Workplace Safety Purpose	0.00	17.00

QUARTERLY SUSTAINABLE FINANCE DISBURSEMENT TREND (2025)

Despite the tightening classification criteria, the Sustainable Finance Unit (SFU) maintained a robust pipeline of impact-driven disbursements throughout the year, injecting a total of **BDT 18,009.92 Million** into the green economy:



SUSTAINABLE FINANCE COMMITTEE (SFC) COMPOSITION

To ensure the effective execution of our green finance strategy, MBPLC operates a dedicated Sustainable Finance Committee (SFC). The committee is composed of 6 cross-functional experts led by Mr. Shah Md. Sohel Khurshid, DMD & Chief Credit Officer (CCO), responsible for designing, reviewing, and administering the Bank's sustainable policies.

Sl.	Designation	Position
1	Deputy Managing Director & CAMLCO	Chairman
2	Deputy Managing Director, CCO and Head of SFU	Member Secretary
3	Deputy Managing Director and Chief Financial Officer	Member
4	Head of Risk Management Division	Member
5	Head of Management Information Systems Division	Member
6	Head of Credit Administration Division	Member
7	CTO and Head of Information Technology	Member
8	Head of International Division	Member
9	Head of HR Operations	Member
10	Head of Internal Control and Compliance Division	Member
11	Head of Corporate Banking Division	Member
12	Head of Islamic Banking Division	Member
13	Head of SME Financing Division	Member
14	Head of Agriculture Credit Division	Member
15	Head of Retail Banking Division	Member

CONTRIBUTION TO THE NATIONAL EXCHEQUER

FOSTERING ECONOMIC SUSTAINABILITY AND NATIONAL DEVELOPMENT

At Mercantile Bank PLC (MBPLC), we firmly believe that our responsibility as a systemic financial institution extends beyond generating shareholder returns; it involves acting as a catalyst for the nation's macroeconomic growth. We view our tax contributions not merely as a statutory compliance obligation, but as a fundamental pillar of our economic sustainability framework and our commitment to national development.

In 2025, despite navigating a challenging macroeconomic landscape characterized by tight liquidity and inflationary pressures, MBPLC maintained its unwavering commitment to fiscal transparency and corporate responsibility.

EXCHEQUER CONTRIBUTION CALL-OUT

TOTAL CONTRIBUTION IN 2025:

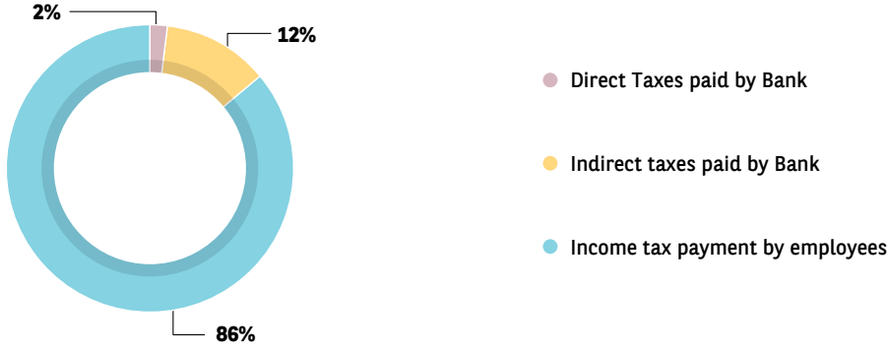
During the financial year 2025, MBPLC successfully and seamlessly deposited a total of BDT 8262.67Million to the National Exchequer.

BREAKDOWN OF CONTRIBUTIONS:

BDT in Million

Particulars	31.12.2025	31.12.2024
Income Tax Payment on Bank's earnings	1011.09	938.17
Income Tax, Vat and Excise duty deducted at source from various payment and services by the bank	7135.81	6621.40
Income tax payment by the employees	115.77	122.99
Total Payment	**8262.67**	**7682.55**

COMPOSITION OF CONTRIBUTIONS TO THE NATIONAL EXCHEQUER IN 2025



Strategic Impact and Value Creation: By ensuring the timely, accurate, and transparent disbursement of these funds, MBPLC directly empowers the Government of Bangladesh's fiscal capacity. This contribution plays a crucial role in funding nationwide infrastructure development, expanding healthcare access, and financing critical climate-resilience projects across vulnerable regions—thereby directly reinforcing our overarching commitments to the United Nations Sustainable Development Goals (SDGs).

IFRS S1 & S2 CLIMATE DISCLOSURES - THE 4 PILLARS

IFRS S1 & S2 DISCLOSURES - PILLAR 1: GOVERNANCE

FIDUCIARY STEWARDSHIP AND CLIMATE ACCOUNTABILITY

At Mercantile Bank PLC (MBPLC), we recognize that effective climate risk management begins at the highest level of leadership. To protect enterprise value and ensure full compliance with the newly adopted IFRS S1 and IFRS S2 standards, the Bank has integrated sustainability and climate-related risks directly into its core corporate governance architecture.

Our climate governance is structured around a highly disciplined, 3-Tier oversight model, ensuring that strategic commitments translate into measurable operational execution.

THE 3-TIER CLIMATE OVERSIGHT MODEL

TIER 1: BOARD STEWARDSHIP (BOARD RISK MANAGEMENT COMMITTEE - BRMC)

The Board of Directors maintains ultimate fiduciary accountability for climate-related financial impacts. Oversight is strictly exercised via the BRMC, which ensures long-term institutional stability. The BRMC evaluates climate stress-testing outcomes and approves capital buffer allocations under the Internal Capital Adequacy Assessment Process (ICAAP) framework.

TIER 2: STRATEGIC OVERSIGHT (SUSTAINABLE FINANCE COMMITTEE - SFC)

Operating directly under the Board's guidance, the SFC is tasked with overseeing MBPLC's comprehensive sustainable finance strategy, policies, and enterprise-wide implementation. The committee ensures that all business units are aligned with the Bank's transition goals and regulatory expectations.

TIER 3: OPERATIONAL EXECUTION (SUSTAINABLE FINANCE UNIT - SFU)

The SFU serves as the operational engine of our climate strategy. Acting as the central Policy Maker and Report Custodian, the SFU leads the daily implementation of green financing, enforces Environmental & Social Due Diligence (ESDD), and ensures flawless regulatory reporting.

THE CLIMATE RISK DISCLOSURE WORKING COMMITTEE (CRDWC) MANDATE

To specifically address the highly technical requirements of IFRS S1 and S2 disclosures, MBPLC established the Climate Risk Disclosure Working Committee (CRDWC). Chaired by the Deputy Managing Director & Chief Financial Officer (CFO), the CRDWC is the critical mechanism that bridges the gap between raw operational data and standardized institutional carbon accounting.

CRDWC MANDATE MATRIX

Core Mandate Pillar	Strategic Responsibilities & Execution
Policy Oversight	Directing the Bank's strategy to align funded activities with the Paris Agreement goal of limiting global warming to 1.5°C.
Compliance Assurance	Ensuring 100% adherence to Bangladesh Bank's SFD Circular 01/2025 and maintaining absolute technical consistency with the PCAF Global Standard.
Technical Lead(Office of the CFO)	Identifying, assessing, measuring, and managing sustainability-related financial risks, while mapping financial exposure to exact carbon equivalents.
Audit Lineage & Data(IT & Credit Division)	Maintaining a highly secure, traceable data unit to capture raw materials data, borrower financials, and portfolio metrics, ensuring the integrity required for external audit assurance.

IFRS S1 & S2 DISCLOSURES - PILLAR 2: STRATEGY & SCENARIO ANALYSIS

STRATEGIC RESILIENCE AND DECARBONIZATION PATHWAYS

At Mercantile Bank PLC (MBPLC), we acknowledge that the transition to a low-carbon economy will fundamentally reshape the financial landscape. To ensure long-term value preservation, the Bank utilizes quantitative scenario analysis to assess the resilience of its business model against both physical climate hazards and transitional market shifts, as mandated by Bangladesh Bank.

CLIMATE SCENARIO ANALYSIS & VULNERABILITY MAPPING

To rigorously evaluate potential impacts on our portfolio and clients, MBPLC conducts specific, localized scenario modeling:

SCENARIO 1: REGULATORY TRANSITION RISK MODELING

The Shock Scenario

We modeled the potential financial impact of a stringent global carbon pricing mechanism, utilizing a proxy carbon tax of $75 per tCO2e.

Portfolio Focus

This stress test specifically evaluated borrower solvency and debt-servicing capacity within our highly exposed Textiles and Heavy Manufacturing sectors projected out to the year 2030.

Strategic Takeaway

The analysis confirms that carbon concentration is highly skewed towards the manufacturing value chain, necessitating targeted intervention to protect asset quality from future regulatory carbon penalties.

SCENARIO 2: PHYSICAL HAZARD COLLATERAL RISK

The Shock Scenario

We assessed the potential devaluation of immovable property collateral pledged against our loan book due to acute and chronic climate events.

Geographic Focus

The modeling specifically targeted assets located in vulnerable coastal regions, evaluating the depreciation impacts of high-intensity tidal surges, recurrent floods, and permanent soil salinity hazards.

STRATEGIC FOCUS RADAR

SUSTAINABILITY AND CLIMATE STRATEGY: KEY FOCUS AREAS

To proactively address these modeled risks, MBPLC has embedded the following strategic focus areas into its core business planning:



STRATEGIC DECARBONIZATION PATHWAY TIMELINE

STRATEGIC DECARBONIZATION PATHWAY (OUR TARGETS)

Based on the outcomes of our scenario analyses, the Board of Directors has approved a phased, highly quantifiable decarbonization timeline to systematically derisk the portfolio and support the national Net Zero agenda:

Horizon	Implementation Timeline & Strategic Target
Short-Term (FY 2026)	100% PCAF Coverage: Expanding our Partnership for Carbon Accounting Financials (PCAF) analysis to encompass 100% of the funded loan portfolio, explicitly including the SME, Retail, and Consumer Mortgage segments.
Medium-Term (FY 2027)	Client Empowerment: Launching the dedicated Sectoral Transition Advisory Program. This initiative will actively facilitate and fund the Net Zero transitions for our high-impact, carbon-intensive corporate borrowers.
Long-Term (FY 2030)	Intensity Reduction: Targeting a 25% absolute reduction in our overall portfolio carbon intensity (measured in tCO2e / BDT Crore) measured strictly against our verified 2025 baseline.

IFRS S1 & S2 DISCLOSURES - PILLAR 3: RISK MANAGEMENT

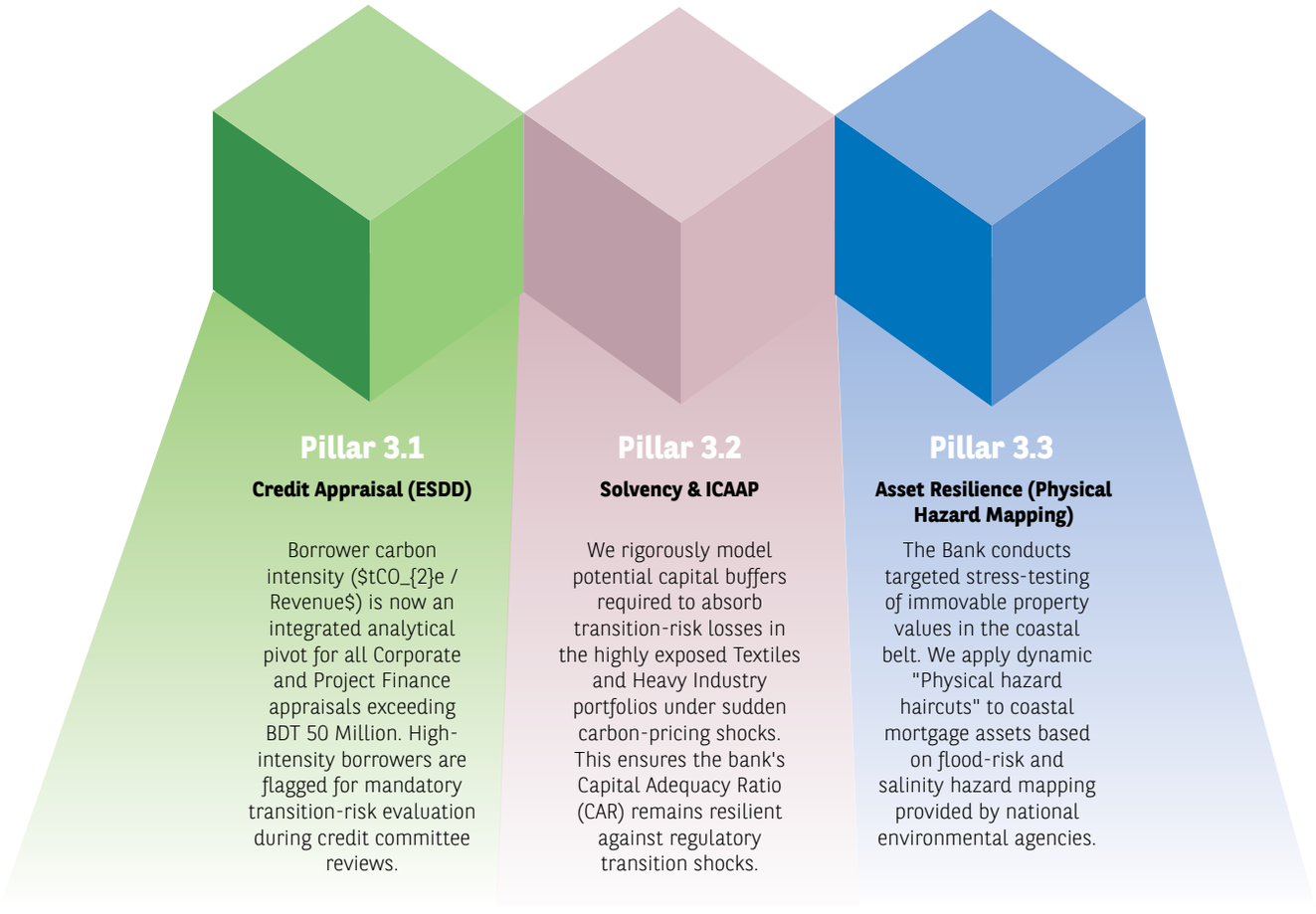
THE CLIMATE RISK INTEGRATION ENGINE

At Mercantile Bank PLC (MBPLC), climate risk is no longer treated merely as a thematic sustainability reporting element; it has been completely technicalized and embedded into our overarching Enterprise Risk Management (ERM) framework. This deep integration ensures that qualitative environmental hazards seamlessly transition into quantifiable financial risk components, enabling proactive portfolio defense.

THE CORE RISK INTEGRATION PIVOTS

To operationalize this transition, the Bank has mandated three core risk-integration pivots across its credit and asset management lifecycles:

PILLAR 3 INTEGRATION DASHBOARD (Designer Note: Present this as three distinct, modern horizontal cards or blocks (Pillar 3.1, 3.2, 3.3) exactly as shown in the source document).



Pillar 3.1

Credit Appraisal (ESDD)

Borrower carbon intensity ($tCO_{2}e / Revenue$) is now an integrated analytical pivot for all Corporate and Project Finance appraisals exceeding BDT 50 Million. High-intensity borrowers are flagged for mandatory transition-risk evaluation during credit committee reviews.

Pillar 3.2

Solvency & ICAAP

We rigorously model potential capital buffers required to absorb transition-risk losses in the highly exposed Textiles and Heavy Industry portfolios under sudden carbon-pricing shocks. This ensures the bank's Capital Adequacy Ratio (CAR) remains resilient against regulatory transition shocks.

Pillar 3.3

Asset Resilience (Physical Hazard Mapping)

The Bank conducts targeted stress-testing of immovable property values in the coastal belt. We apply dynamic "Physical hazard haircuts" to coastal mortgage assets based on flood-risk and salinity hazard mapping provided by national environmental agencies.

CLIMATE RISK MANAGEMENT PROCESS FLOW

COMPREHENSIVE CLIMATE-RELATED FINANCIAL RISK MANAGEMENT PROCESS

To effectively identify, evaluate, and mitigate these exposures, MBPLC employs a structured, 5-step Climate Risk Management lifecycle:

Step 1: Risk Recognition

- **Physical Risk**
  Identifying the impact of climate change and extreme weather events (e.g., cyclones, floods) on physical assets, operations, and broader financial performance.
- Recognizing risks stemming from shifts in policy, environmental regulation, technology, and evolving market preferences.
- **Sustainability Risk**
  Identifying external stakeholder pressures and localized environmental, social, or governance challenges.

Step 2: Risk Evaluation & Measurement

- **Scenario Analysis**
  Estimating potential financial losses under differing climate pathways (e.g., high-emission vs. low-carbon transition scenarios).
- **Credit Risk Impact Assessment**
  Quantifying exactly how climate risks may affect a borrower's repayment capacity and ultimately the loan default probability.
- **Stress Testing**
  Testing portfolio resilience against acute extreme weather events or sudden regulatory shifts, such as carbon pricing.
- **Risk Scoring Models**
  Assigning quantitative risk scores to specific economic sectors or individual clients based on their ESG and climate exposure levels.

Step 3: Risk Ranking & Escalation

- **Risk Classification & Ranking**
  Classifying identified risks based on severity (Low, Medium, High, Critical) and ranking them by their financial, operational, and strategic significance.
- **Escalation Triggers**
  Establishing strict quantitative thresholds dictating when specific climate risks must be escalated to higher management (e.g., ERMC or BRMC).

Step 4: Risk Surveillance & Reporting

- **Continuous Monitoring & Data Collection**
  Tracking climate risks on an ongoing basis across all portfolios by gathering relevant financial and non-financial risk indicators from both internal core systems and external environmental sources.
- **Reporting & Compliance**
  Ensuring absolute compliance with IFRS S1 & S2 frameworks and Bangladesh Bank regulatory reporting mandates.

Step 5: Risk Mitigation & Opportunity Assessment

- **ESG Integration into Policies**
  Permanently embedding sustainability considerations into credit, investment, and operational policies.
- **Operational Adjustments**
  Improving internal efficiency and reducing the direct environmental footprint of MBPLC's daily business operations.
- **Green Finance & Product Innovation**
  Utilizing risk insights to uncover new business opportunities. This includes the aggressive adoption of green financing and the development of innovative financial products such as green loans, ESG-linked financing, and transition finance mechanisms.

IFRS S1 & S2 DISCLOSURES - PILLAR 4: METRICS & TARGETS

QUANTIFYING OUR CLIMATE LIABILITY

To effectively manage climate-related risks and capitalize on sustainable opportunities, Mercantile Bank PLC (MBPLC) utilizes globally defined metrics and targets. Pillar 4 translates our strategic climate commitments into highly quantifiable, auditable data. We continuously monitor these metrics to ensure strict alignment with our Net Zero 2050 trajectory and the regulatory mandates of the Bangladesh Bank.

An entity is required to disclose its absolute gross Greenhouse Gas (GHG) emissions generated during the reporting period, expressed in metric tonnes of CO2 equivalent (tCO_2e).

OPERATIONAL CARBON FOOTPRINT (SCOPE 1 & SCOPE 2 BASELINE)

MBPLC has precisely measured its internal emissions originating from the Head Office, 153branches, and the Bank-owned transport fleet. Our operational carbon accounting is governed by the principles of the **GHG Protocol** (developed by WRI and WBCSD) and the **Bangladesh National Grid Emission Factor (BD GEF 2025)**.

The fundamental calculation engine utilized is: $GHG Emissions = Activity Data \times Emission Factors$

OPERATIONAL EMISSIONS DASHBOARD (FY 2025)

Scope & Emission Source	IFRS S2 Reference	Quantity (Activity Data)	Applied Emission Rate	Protocol / Source	Result (tCO_2e)
SCOPE 1: Direct Internal Emissions					
Stationary Combustion(Backup Generator Fuel - Diesel)	S2 IE1-IE5	84,082.47 Liters	2.91 kg/L	GHG Protocol	244.68
Mobile Combustion(Official Fleet Fuel - Octane)	S2 IE1-IE5	99,685.09 Liters	2.29 kg/L	GHG Protocol	228.28
Total Scope 1 Emissions					**472.96**
SCOPE 2: Indirect Internal Emissions					
Electricity Consumption(Head Office, Branches & ATMs)	S2 B23-25	9,413.23 MWh	0.62 t/MWh	BD GEF 2025	5,836.20
Total Scope 2 Emissions					**5,836.20**
TOTAL GROSS OPERATIONAL FOOTPRINT (SCOPE 1 + 2)					**6,309.16**

Strategic Analytical Insight: The 2025 operational footprint of 6,309.16 tCO_2e reflects a deliberate reduction in internal emissions compared to previous cycles. The Bank's Scope 2 emissions (which account for the vast majority of our internal footprint at 5,836.20 tCO_2e) are being actively mitigated by optimizing our centralized Data Center power usage and accelerating the transition of physical branches and ATM booths to rooftop solar power. Similarly, the Bank has restricted the unnecessary use of octane-fueled official vehicles, keeping Scope 1 mobile combustion highly controlled at 228.28 tCO_2e.

FINANCED EMISSIONS (SCOPE 3) - BASIS OF CALCULATION

METHODOLOGICAL TRANSPARENCY & PCAF ALIGNMENT

For a systemic financial institution like MBPLC, Scope 3 (Financed Emissions - Category 15) constitutes over 99% of our aggregate climate liability. To rigorously quantify the Greenhouse Gas (GHG) emissions originating from our lending and investment portfolios, the Bank has formally adopted the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting & Reporting Standard (Part A, 2022).

By moving away from arbitrary estimates to a globally standardized, revenue-based calculation engine, we ensure high comparability, accountability, and transparency in our financial reporting.

PCAF IMPLEMENTATION LOGIC MATRIX

THE CALCULATION ENGINE: STRATEGIC IMPLEMENTATION BASELINE

For the FY2025 assessment, MBPLC utilized the PCAF "Emerging Economies" database to estimate emissions across our core corporate portfolios:

PCAF Framework Item	Business Loans and Unlisted Equity	Project Finance
Primary Methodology	Option 3a (Economic activity-based emissions)	Option 3a (Economic activity-based emissions)
Activity Variable	Revenue (EXIOBASE Revenue Baseline)	Revenue (EXIOBASE Revenue Baseline)
Geographic Proxy	Asia Pacific (India) Emission Factors applied (due to current unavailability of Bangladesh-specific data).	Asia Pacific (India) Emission Factors applied.
Data Fidelity Strategy	Targeted and achieved a verified Data Quality Score (DQS) of 4.0, utilizing verified borrower financials.	Targeted and achieved a verified Data Quality Score (DQS) of 4.0.

Fallback Mechanism	Option 3b (Asset-based proxy & DQS 5.0) deployed exclusively for clients with negative turnover.	N/A
Normalization Engine	MEUR Normalized. Financials converted at an official revaluation rate of 143.9845 BDT/EUR.	MEUR Normalized at a revaluation rate of 143.9845 BDT/EUR.
Emission Factor Source	PCAF Standardized Intensity Database (2019).	PCAF Standardized Intensity Database (2019).

DATA QUALITY SCORE (DQS) HIERARCHY TABLE

DATA QUALITY SCORE (DQS) NARRATION

The Data Quality Score (DQS) is a mandatory PCAF metric designed to ensure absolute transparency regarding the accuracy of reported climate footprints. Scores range from 1 (highest quality, verified emissions) to 5 (lowest quality, economic estimates).

MBPLC set a stringent institutional target for our inaugural reporting and successfully achieved a highly verified DQS of 4.0 across our analyzed portfolio.

THE PCAF DQS HIERARCHY AT MBPLC:

- **Score 1 (Option 1 - Reported Emissions):**
  - 1a: Attribution Factor and verified emissions (extracted from Audited Sustainability Reports) are known.
  - 1b: Attribution Factor and unverified calculated emissions are known.
- **Score 2 & 3 (Option 2 - Physical Activity-Based):**
  - 2a: Attribution Factor known; emissions calculated using primary physical energy consumption data.
  - 2b: Attribution Factor known; emissions calculated using primary physical production data.
- **Score 4 (Option 3 - Economic Activity-Based - MBPLC Baseline):**
  - 3a: Attribution Factor and emission factors for the sector per unit of revenue are known. (MBPLC achieved this level by mapping verified borrower revenues against EXIOBASE parameters).
- **Score 5 (Option 3 - Fallback Mechanism):**
  - 3b: Loan outstanding and emission factors per unit of asset are known.
  - 3c: Loan outstanding, emission factors per unit of revenue, and asset turnover ratios are known.

TOTAL FINANCED EMISSIONS (SCOPE 3) BREAKDOWN & SECTORAL CONCENTRATION

Portfolio Coverage and Total Climate Liability Following the rigorous application of the PCAF Option 3a methodology, MBPLC successfully mapped the carbon footprint of 78.90% of its eligible funded portfolio (excluding immaterial segments like Retail, Cards, and Micro-Agriculture).

The total analyzed exposure stood at BDT 22,591.61 Crore, generating a total financed emission footprint of 1,326,890.21 tCO_2e.

CONSOLIDATED FINANCED EMISSIONS DASHBOARD(Designer Note: Present this as a premium, structured financial table. Highlight the "Total Financed Emissions" row in bold Bank colors).

MBPLC TOTAL FINANCED EMISSIONS (CATEGORY 15) FY2025

Asset Class Analyzed	Total Exposure (BDT in Crore)	Attributed Scope 1 tCO_2e	Attributed Scope 2 tCO_2e	Attributed Scope 3 tCO_2e	Total Emissions(S1+S2+S3)
Business Loans & Unlisted Equity	21,795.97	397,059.51	185,318.11	676,568.00	1,258,945.63
Project Finance	795.64	2,119.84	8,766.58	57,058.16	67,944.58
Total Analyzed Portfolio (78.90%)	22,591.61	399,179.35	194,084.69	733,626.16	1,326,890.21

SECTORAL DEEP-DIVE: IDENTIFYING TRANSITION RISK CONCENTRATION

To actively manage the transition risks associated with a low-carbon economy, the Bank segments its financed emissions by industry (GICS code).

SECTORAL CONCENTRATION HEATMAP & PIE CHART

Top 3 Carbon Contributors (FY 2025): The granular PCAF analysis revealed that over 68% of the Bank's entire financed climate liability is concentrated within just three heavy manufacturing and export-oriented clusters:



Textiles, Apparel & Luxury (28.8% of Emissions)

Total Exposure: BDT 7,194.62 Crore (Business Loans + Project Finance) Total Emissions: 382,115.14 tCO_2e



Metals & Mining (27.9% of Emissions)

Total Exposure: BDT 2,652.56 Crore Total Emissions: 370,857.32 tCO_2e



Food Products (11.4% of Emissions)

Total Exposure: BDT 2,447.88 Crore (Business Loans + Project Finance) Total Emissions: 151,113.44 tCO_2e

Strategic Analytical Insight:"The multi-approach analysis confirms that carbon concentration is highly skewed towards the manufacturing value chain. Our strategic pivot for FY2026 involves launching the 'Transition Technical Assistance' initiative for these high-exposure borrowers to mitigate the systematic credit risk associated with emerging global carbon pricing mechanisms."

TOTAL INSTITUTIONAL CLIMATE LIABILITY (FY2025) & STATEMENT OF COMPLIANCE

By aggregating our internal operational footprint (Scope 1 & 2) with our financed footprint (Scope 3), MBPLC's total absolute Greenhouse Gas (GHG) emission for the financial year 2025 stands at 1,333,199.37 tCO_2e. A year-on-year comparative analysis confirms a strategic reduction against the 2024 baseline (1,462,412.23 tCO_2e), reflecting the Bank's continued commitment to building a resilient, low-carbon portfolio.

COMPREHENSIVE SECTORAL GHG INVENTORY (GICS FRAMEWORK)

To provide institutional investors with absolute transparency regarding sector-specific climate liabilities, MBPLC maps its financed emissions strictly against the Global Industry Classification Standard (GICS). The following tables present the exhaustive PCAF Category 15 analysis across both Business Loans and Project Finance asset classes.

ANNEXURE-1: FINANCED EMISSIONS (CATEGORY 15) FY2025ASSET CLASS: BUSINESS LOANS AND UNLISTED EQUITY

GICS Code	Industry Description	Scope 1 tCO_2e	Scope 2 tCO_2e	Scope 3 tCO_2e	Total S1-S3 tCO_2e	Exposure (BDT in Cr)
151010	Chemicals	8,305.11	1,927.08	25,077.67	35,309.87	374.45
151020	Construction Materials	53,237.66	19,526.27	12,832.06	85,595.98	141.19
151030	Containers & Packaging	260.24	662.01	2,571.39	3,493.64	56.06
151040	Metals & Mining	272,027.76	2,254.96	96,574.60	370,857.32	2,652.56
151050	Paper & Forest Products	1,910.91	4,409.81	17,877.07	24,197.79	560.84
201010	Marine & Defense	3.54	54.21	248.67	306.42	272.37
201030	Construction & Engineering	233.53	729.93	9,434.03	10,397.48	545.88
201040	Electrical Equipment	1,894.15	11,982.03	30,133.40	44,009.58	800.94
201050	Industrial Conglomerates	2,528.80	33.90	14,368.76	16,931.46	689.91
201060	Machinery	2.04	31.29	143.52	176.85	74.35
201070	Trading Companies & Dist.	3,153.81	1,012.23	15,560.72	19,726.77	1,881.55
202010	Commercial Serv. & Supplies	1,472.10	7,795.14	31,098.09	40,365.34	470.36
202020	Professional Services	5.44	9.86	69.66	84.95	39.14
203010	Air Freight & Logistics	3.02	1.38	39.99	44.39	3.05
203030	Marine Transportation	2,509.74	687.13	1,293.00	4,489.87	169.15
203040	Road & Rail	622.08	119.28	443.86	1,185.22	6.29
252010	Household Durables	291.17	24.78	410.54	726.48	75.33
252020	Leisure Products	332.09	28.26	468.23	828.58	4.74
252030	Textiles, Apparel & Luxury	28,026.98	98,381.61	248,528.48	374,937.06	7,021.32
253010	Hotels, Restaurants & Leisure	33.19	59.04	565.11	657.34	265.58
253020	Diversified Consumer Svc	30.66	56.42	327.70	414.78	61.81
255030	Multiline Retail	109.11	343.40	631.30	1,083.82	136.94
255040	Specialty Retail	8.47	20.51	865.35	894.32	13.41
301010	Food & Staples Retailing	243.61	766.68	1,409.45	2,419.74	51.87
302010	Beverages	1,958.85	1,604.41	13,160.80	16,724.06	103.32
302020	Food Products	5,218.26	25,075.36	97,874.16	128,167.79	2,287.84
302030	Tobacco	31.41	274.49	1,649.54	1,955.44	56.89
303010	Household Products	41.99	0.65	124.30	166.94	2.33
351020	Health Care Providers	30.64	51.32	405.48	487.45	32.54

GICS Code	Industry Description	Scope 1 tCO_2e	Scope 2 tCO_2e	Scope 3 tCO_2e	Total S1-S3 tCO_2e	Exposure (BDT in Cr)
352020	Pharmaceuticals	6,057.52	93.61	17,933.05	24,084.19	282.43
402020	Consumer Finance	42.90	309.23	674.46	1,026.60	828.12
402030	Capital Markets	9.55	16.26	567.72	593.53	168.60
403010	Insurance	83.38	340.42	556.42	980.21	123.27
451020	IT Services	1.00	0.94	65.38	67.32	5.22
452020	Technology Hardware	12.68	3,302.76	9,361.87	12,677.31	174.20
501010	Diversified Telecom	40.98	326.55	367.51	735.04	56.09
502010	Media	0.11	2.73	32.14	34.98	6.03
551020	Gas Utilities	4,647.00	2,884.48	10,616.30	18,147.78	337.02
551050	Ind. Power Producers	1,452.91	0.00	11,982.02	13,434.93	145.70
601020	Real Estate Mgmt & Dev	185.12	117.69	224.20	527.01	817.28
Total	**Sub-Total**	**397,059.51**	**185,318.11**	**676,568.00**	**1,258,945.63**	**21,795.97**

(Note: Data strictly reflects the FY2025 PCAF Category 15 Option 3a methodology.)

ANNEXURE-2: FINANCED EMISSIONS (CATEGORY 15) FY2025ASSET CLASS: PROJECT FINANCE

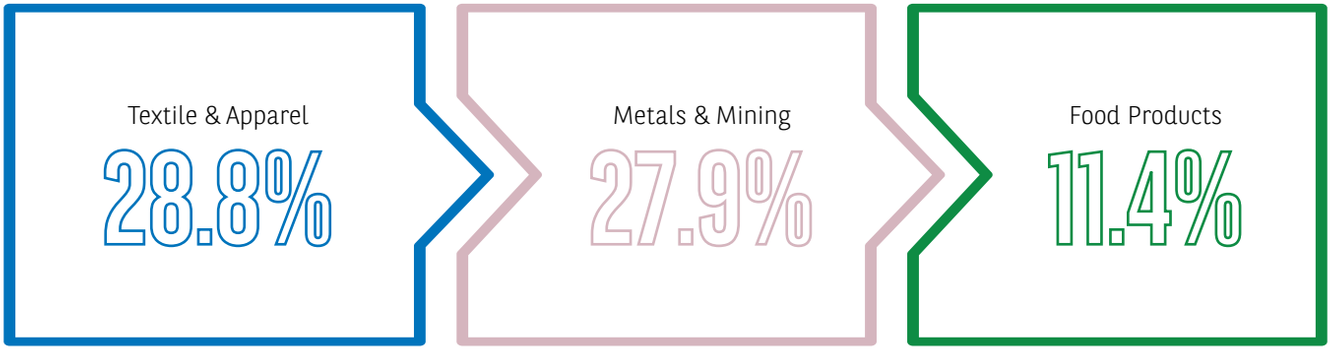
GICS Code	Industry Description	Scope 1 tCO_2e	Scope 2 tCO_2e	Scope 3 tCO_2e	Total S1-S3 tCO_2e	Exposure (BDT in Cr)
151020	Construction Materials	0.00	0.00	0.00	0.00	16.69
202010	Commercial Serv. & Supplies	12.36	5.63	163.65	181.64	10.40
252030	Textiles, Apparel & Luxury	457.18	1,151.75	5,569.14	7,178.08	173.30
302020	Food Products	533.21	7,609.20	14,803.24	22,945.65	160.04
551050	Ind. Power Producers	1,117.09	0.00	36,522.13	37,639.21	435.21
Total	**Sub-Total**	**2,119.84**	**8,766.58**	**57,058.16**	**67,944.58**	**795.64**

(Note: Data strictly reflects the FY2025 PCAF Category 15 Option 3a methodology.)

TOP CONTRIBUTORS DASHBOARD

TOP 3 CARBON CONTRIBUTORS: STRATEGIC SUMMARY

When consolidating both Business Loans and Project Finance, the PCAF analysis confirms that MBPLC's transition risk is highly concentrated. The top three highest-emitting sectors collectively account for over 68% of the Bank's entire financed climate liability:



Strategic Response:"The multi-approach analysis confirms that carbon concentration is highly skewed towards the manufacturing value chain. Our strategic pivot for FY2026 involves launching the 'Transition Technical Assistance' initiative for these high-exposure borrowers to mitigate the systematic credit risk associated with a transition to a low-carbon economy."

STATEMENT OF COMPLIANCE

Mercantile Bank PLC declares that this integrated institutional Disclosure Report for FY2025 has been prepared in strict accordance with the mandatory requirements of the Bangladesh Bank SFD Circular 01/2025. Furthermore, all climate-related metrics have been quantified in absolute alignment with the global financed emissions measurement methodologies developed by the Partnership for Carbon Accounting Financials (PCAF) and the disclosure framework of IFRS S2.

PART 5: SOCIAL RESPONSIBILITY & COMPLIANCE

CORPORATE SOCIAL RESPONSIBILITY (CSR) & MERCANTILE BANK FOUNDATION

STRATEGIC PHILOSOPHY: PURPOSE BEYOND PROFIT

At Mercantile Bank PLC (MBPLC), we firmly believe that the true measure of a systemic financial institution's success extends far beyond its balance sheet and core financial performance. Our corporate ethos is fundamentally anchored in the "Triple Bottom Line" (3P) framework—prioritizing People, Planet, and Profit. This philosophy dictates that our economic value creation must be inextricably linked with the social and environmental upliftment of the communities in which we operate.

MBPLC performs its Corporate Social Responsibilities (CSR) and other voluntary, charitable activities in strict adherence to the guidelines of Bangladesh Bank and overarching regulatory frameworks designed for the welfare of society.

In alignment with the United Nations Sustainable Development Goals (SDGs), the Bank has strategically modernized its CSR initiatives. We are actively transitioning away from traditional, ad-hoc charitable giving towards sustainable, scalable, and impact-driven social investments. This paradigm shift ensures that our social expenditures act as a long-term catalyst for community resilience, inclusive growth, and environmental stewardship, thereby creating shared prosperity that outlasts any single financial year.

THE MERCANTILE BANK FOUNDATION: THE EXECUTION ENGINE

OPERATIONAL TRANSPARENCY AND GOVERNANCE COMPLIANCE

Since its inception in 2000, the Mercantile Bank Foundation (MBF) has served as the Bank's dedicated philanthropic arm and the primary operational vehicle for executing our community investments.

By centralizing our Corporate Social Responsibility (CSR) initiatives through the Foundation, MBPLC ensures strict, structural compliance with Bangladesh Bank's CSR governance guidelines. This framework guarantees that community investments are channeled efficiently, transparently, and objectively. Most importantly, it keeps philanthropic activities operationally distinct, ensuring that social fund allocations remain free from undue administrative or Board-level intervention—a critical compliance metric monitored by the central bank.

For over 25 years, the Foundation has successfully transitioned our social initiatives from ad-hoc charity to organized, standardized, and sustainable programs designed to break the cycle of poverty. Today, the MBF acts as a vital bridge, promoting continuous and constructive dialogue between the Bank and the marginalized communities we serve.

FOUNDATION MANDATE CALL-OUTS

CORE MANDATE & OBJECTIVES OF THE FOUNDATION

The Mercantile Bank Foundation meticulously directs its resources to achieve the following highly targeted socioeconomic objectives:

1 **Poverty Alleviation & Disaster Rehabilitation**

Delivering immediate monetary and logistical assistance for the rehabilitation of individuals affected by natural disasters, while actively funding initiatives to help unemployed youth become self-sufficient.

2 **Educational Empowerment**

Promoting educational and scientific advancement by establishing institutions and providing critical scholarships to poor, highly deserving students.

3 **Healthcare Access**

Funding the establishment of hospitals and clinics to support the national health sector, alongside providing direct financial endowments to ailing, impoverished patients.

4 **Social Welfare & Cultural Patronage**

Assisting orphans and mentally challenged children, providing financial support to poor fathers for their daughters' marriages, and formally recognizing scholars, writers, and artists for their outstanding contributions to Bengali literature and culture.

CSR FINANCIAL OVERVIEW & STRATEGIC ALLOCATION (2025)

TARGETED CAPITAL DEPLOYMENT FOR SOCIAL EQUITY

In 2025, despite navigating a complex macroeconomic environment, MBPLC reinforced its commitment to social equity and community resilience. During the year, the Bank strategically deployed a total of BDT 242.40 Million towards high-impact Corporate Social Responsibility (CSR) initiatives.

Rather than dispersing these funds arbitrarily, the Mercantile Bank Foundation meticulously allocated the capital across four highly targeted thematic sectors, ensuring maximum alignment with national development priorities and the UN SDGs.

CSR EXPENDITURE DASHBOARD

Strategic CSR Sectors	2025 Allocation (BDT in Million)	% of Total Portfolio
Education	2.00	0.83%
Health	3.70	1.52%
Environment & Climate Change Mitigation	1.00	0.42%
Disaster Management & Other Sectors	235.70	97.23%
Total CSR Expenditure	**242.40**	**100%**

REGULATORY COMPLIANCE CALL-OUTS

Bangladesh Bank Compliance Mandates Achieved: To ensure inclusive, grassroots development, Bangladesh Bank enforces strict qualitative parameters regarding how financial institutions distribute their CSR funds. In 2025, MBPLC proudly reported 100% compliance with these directives:

- Rural & Marginalized Allocation Target: MBPLC successfully fulfilled the regulatory mandate requiring that a minimum of 25% of total CSR expenditure must be directed to rural and marginalized areas. By heavily financing agricultural communities and flood-affected remote regions, the Bank ensured that its social capital reached the most vulnerable demographics.
- Transparent Disclosure: All CSR activities have been fully disclosed in this Annual Report and across official print/ electronic media channels, ensuring complete institutional transparency.

THEMATIC IMPACT CARDS

CORE IMPACT PILLARS: THEMATIC BREAKDOWN OF 2025 SOCIAL INVESTMENTS

To translate our BDT 242.40 Million social investment budget into measurable grassroots impact, the Mercantile Bank Foundation executed programs across four external thematic pillars and one internal corporate pillar.

PILLAR 1: CLIMATE RESILIENCE & DISASTER RELIEF (BDT 235.70 MILLION)

Accounting for an overwhelming 97.23% of our total CSR portfolio, disaster management remains our most critical social intervention. Recognizing the severe vulnerability of Bangladesh to climate hazards, MBPLC aggressively mobilized emergency funds to protect at-risk populations.

- Flood Relief & Rehabilitation: The Bank executed extensive, on-ground flood relief operations to support destitute communities in heavily affected coastal and rural belts (including major relief distribution in Bauphal, Patuakhali).
- Emergency Winter Support: To protect marginalized demographics from severe seasonal vulnerabilities, the Foundation successfully procured and distributed winter blankets across remote regions, directly shielding the rural poor from extreme cold snaps.
- Anti-Discrimination Movement Support: The Bank also allocated BDT 2.00 Million to assist families of those martyred or critically injured during the national anti-discrimination movement.

PILLAR 2: COMMUNITY HEALTH & MEDICAL ASSISTANCE (BDT 3.70 MILLION)

We recognize that the imbalance between household income and rising healthcare costs frequently pushes vulnerable families below the poverty line. In 2025, MBPLC deployed BDT 3.70 Million to fund essential medical services and provide direct financial assistance to underprivileged, ailing patients suffering from severe diseases, ensuring they received life-saving interventions.

PILLAR 3: EDUCATIONAL EMPOWERMENT & INCLUSION (BDT 2.00 MILLION)

Education is the most powerful catalyst for breaking the cycle of generational poverty. The Bank invested BDT 2.00 Million to fund scholarships for poor, highly deserving students. Furthermore, prioritizing inclusive education, the Bank provided dedicated financial grants to the Society for the Welfare of Autistic Children (SWAC) to support neurodivergent learners.

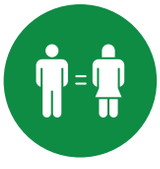
PILLAR 4: ENVIRONMENTAL PROTECTION & INFRASTRUCTURE (BDT 1.00 MILLION)

To support national infrastructure and promote sustainable workplace environments, the Bank allocated BDT 1.00 Million toward specialized projects, including funding the establishment of a modern Day Care Center at the Bangladesh Economic Zones Authority (BEZA) office.

IN-HOUSE CSR COMPLIANCE CHECKLIST

INTERNAL SOCIAL RESPONSIBILITY (IN-HOUSE CSR)

MBPLC firmly believes that sustainable social impact must begin within our own organization. In strict adherence to the Bangladesh Bank Sustainable Finance Department (SFD) guidelines for "In-House CSR Activities," the Bank maintains a robust, equitable, and highly supportive workplace environment:



Championing Gender Diversity (25.21% Female Workforce)

The central bank mandates a minimum 20% female representation in the workplace. MBPLC has comfortably exceeded this regulatory benchmark, proudly maintaining a highly diverse workforce where 25.21% of our total employees are women.



Employee Welfare & Education

The Bank actively funds scholarships for the children of our employees, ensuring their access to premium educational opportunities.



Healthcare for Dependents

We provide comprehensive medical facilities and emergency health support not just for our staff, but extended to their dependents.



Workplace Safety & Daycare

MBPLC enforces a strict zero-tolerance anti-harassment policy, ensures rigorous physical safety measures across all 153 branches, and actively facilitates Daycare Center access for working parents

COMPONENTS OF SUSTAINABLE FINANCE RATING (BANGLADESH BANK CHECKLIST)

INSTITUTIONAL COMPLIANCE AND REGULATORY ALIGNMENT

To promote a resilient and deeply compliant financial sector, the Sustainable Finance Department (SFD) of Bangladesh Bank evaluates commercial banks against a strict matrix of quantitative targets and qualitative governance checklists.

Mercantile Bank PLC (MBPLC) views this rating mechanism not merely as a regulatory requirement, but as a critical benchmark for validating our institutional ESG maturity. The following disclosures present our 2025 performance across these mandated parameters.

SUSTAINABLE FINANCE INDICATORS: QUANTITATIVE COMPONENTS

The Bank strategically allocates specialized funding to critical social and environmental sectors. The table below outlines our direct quantitative contributions across specified regulatory categories:

SF INDICATORS DATA TABLE

(BDT in Crore)

SL	SF Disbursement Components	2025 Actual	2024 Actual	2023 Actual
1	Education	0.20	0.23	2.63
2	Health	0.37	11.31	14.92
3	Utilization of Climate Risk Fund (CRF) Grant	0.10	0.021	4.04
4	Cultural Welfare	-	0.025	-
5	Others	23.57	29.99	29.61

SUSTAINABLE FINANCE INDICATORS: QUALITATIVE COMPLIANCE CHECKLIST

Bangladesh Bank mandates a 13-point qualitative assessment to evaluate the Board and Management's active integration of sustainability into daily operations. MBPLC demonstrates an exceptionally strong compliance posture across these governance metrics:

SFD COMPLIANCE TICK-BOX MATRIX

SL	Regulatory Factor Assessed	Compliance Status
1	Any decision taken by the BoD in Sustainable Finance (SF)?	Yes
2	Any decision taken by the BoD in Green Finance (GF)?	Yes
3	Any decision taken by the BoD in Green Banking activities other than GF?	Yes
4	Any decision taken by the Risk Management Committee (BRMC) of BoD in SF?	Yes
5	MIS for Environmental & Social Risk Management (ESRM) established?	Yes
6	MIS for Sustainable Finance (SF) established?	Yes
7	MIS for Climate Risk Fund (CRF) established?	No
8	Review the SF policies/strategies as per ICC guidelines of BB?	Yes
9	Steps taken for capacity building of employees?	Yes
10	Steps taken for awareness building of customers?	Yes
11	Does the institution's website contain a specific section separated for SF/Banking related issues?	Yes
12	Does the institution's annual report contain a specific section separated for SF/Banking related issues?	Yes
13	Reporting to SFD/Compliance with time-to-time SFD instructions in due time?	Yes

CSR GOVERNANCE: QUALITATIVE COMPONENTS

Transparency in philanthropy is a core regulatory expectation. MBPLC strictly segregates its CSR fund management to prevent conflicts of interest and ensure equitable social investments.

SL	CSR Governance Factor	Compliance Status
1	Due Diligence checklist utilized for CSR projects?	Yes
2	Any undue intervention by the BoD for CSR approval?	No(Compliant)
3	Penalty imposed for non-compliance of CSR issues?	No(Compliant)
4	Minimum (20%) women employees in the workplace?	Yes(Achieved 25.21%)
5	Separate transportation facilities for women employees?	No

CORE BANKING SUSTAINABILITY & GREEN REFINANCE INTEGRATION

To optimize the cost of funds for green projects and pass on lower interest rates to sustainable borrowers, MBPLC aggressively utilizes the Green Transformation Fund (GTF) and other refinancing windows provided by the central bank.

GREEN REFINANCE DASHBOARD

GREEN TRANSFORMATION FUND (GTF) UTILIZATION (2025 ACTUAL):

- BDT Component: 499.80 Million

Refinance Penetration: In 2025, the annual percentage of refinance taken against total eligible disbursements stood at an impressive 100% (compared to 90% in 2024 and 100% in 2023), demonstrating our highly efficient capital recycling strategy for sustainable credit delivery.



FINANCIAL STATEMENTS

DECLARATION BY MANAGING DIRECTOR & CFO ON FINANCIAL STATEMENTS

Date: 30 April 2026

The Board of Directors
Mercantile Bank PLC.
61, Dilkusha C/A
Dhaka–1000

Subject: **Declaration on Financial Statements for the year ended 31 December 2025.**

Dear Sirs,

Pursuant to condition 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we hereby declare that:

1. The Financial Statements of Mercantile Bank PLC for the year ended 31 December 2025 have been prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in Bangladesh, and any departure therefrom has been adequately disclosed.

2. The estimates and judgments related to the Financial Statements were made on a prudent and reasonable basis, in order for the Financial Statements to reveal a true and fair view.

3. The form and substance of transactions and the Bank's state of affairs have been reasonably and fairly presented in its Financial Statements.

4. To ensure the above, the Bank has taken proper and adequate care in installing a system of internal control and maintenance of accounting records.

5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Bank were consistently followed.

6. The management's use of the going-concern basis of accounting in preparing the Financial Statements is appropriate, and there exists no material uncertainty related to events or conditions that may cast significant doubt upon the Bank's ability to continue as a going concern.

In this regard, we also certify that:

1. We have reviewed the Financial Statements for the year ended 31 December 2025 and, to the best of our knowledge and belief:

    a) These statements do not contain any materially untrue statement, omit any material fact, or contain statements that might be misleading;

    b) These statements collectively present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards and applicable laws.

2. To the best of our knowledge and belief, there were no transactions entered into by the Bank during the year which are fraudulent, illegal, or in violation of the Code of Conduct for the Bank's Board of Directors or its members.

Sincerely yours,



Mati Ul Hasan
Managing Director



Tapash Chandra Paul, PhD
Deputy Managing Director & CFO

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INDEPENDENT AUDITORS' 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 28,593.56 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.	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:

Risk	Our response to the risk
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 Bank'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 Bank 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.	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 effectiveness of key controls over recognition and measurement of interest on loans, advances/ investments focusing on the following. • We performed test of operating effectiveness 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.	

Risk	Our response to the risk
3. 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.	
4. Recognition and subsequent measurement of IFRS-16 Leases	
Risk	**Our response to the risk**
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	
5. Valuation of Investment in governments and other securities	
Risk	**Our response to the risk**
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 Bank 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	
6. Carrying Value of Investments in Subsidiaries by the Bank	
Risk	**Our response to the risk**
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).	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

Risk	Our response to the risk
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.	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 and 9 to the financial statements	
7. Legal and Regulatory Matters	
Risk	**Our response to the risk**
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.
8. IT Systems and Controls	
Risk	**Our response to the risk**
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment; the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.	We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. 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.	
9. Internal Control System	
Risk	**Our response to the risk**
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.	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.

Risk	Our response to the risk
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.	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

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

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**

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2025

	Notes	Amount in BDT	
		Dec-25	Dec-24
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

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

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
Coupon 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 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 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**

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2025

	Notes	Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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				Surplus	Total	Non Controlling Interest	Grand Total
					Dividend Equalization Fund	Adjustment for Approved Securities	Revaluation Surplus for Fixed Assets/Other	Net Balance of Other Reserve	Profit/(loss)			
	A	B	C	D	E	F	G	H=(E+F+G)	I	J = (A+ B+ C+ D+ H+I)	K	L=(J+K)
Balance as at 1 January 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**

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

BALANCE SHEET (CONTINUED)

As at 31 December 2025

	Notes	Amount in BDT	
		Dec-25	Dec-24
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

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

MERCANTILE BANK PLC.

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	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
		13,695,978,712	**13,527,966,842**
Total operating income		**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	-	-
Coupon 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**

MERCANTILE BANK PLC. AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2025

	Notes	Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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				Surplus profit/ (loss)	Total
					Dividend Equalization Fund	Adjustment for Approved Securities	Revaluation surplus for Fixed assets/ Other	Net balance of other reserve		
	A	B	C	D	E	F	G	H=E+F+G	I	J= A+ B+ C+ D+ H+ I
Balance as at 1 January 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 approved securities (HTM)	-	-	-	-	-	-	-	-	-	-
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 recognised			-	-			-	-	-	-
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**

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 BRPD 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.

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	Referred Note No:
Financial Investments	Fair Value	IAS-32, IFRS-7, IFRS-9, IFRS-13	2.2.2
Freehold Land	Stated at Revalued Amount	IAS 16, IFRS-13	16.00 (C)

No adjustment has been made for inflationary factors affecting the financial statements. The accounting policies referred in IAS 8 unless it contradicts with local laws and regulations have been consistently followed by the bank, as appropriate.

2.1.4 Basis of Consolidation

The Consolidated Financial Statements include the financial statements of Mercantile Bank PLC., Off-shore Banking Units and its subsidiaries- Mercantile Bank Securities Limited, MBL Asset Management Limited and Mercantile Bank Exchange House (UK) Limited, prepared as at and for the 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.

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
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

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, 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 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

Name of the IAS	IAS No	Status
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;

a-i) Cash Reserve Ratio (CRR): 4% of average demand and time liabilities:		
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**
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**

		Amount in BDT	
		Dec-25	Dec-24
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**

			Amount in BDT	
			Dec-25	Dec-24
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**			
	Total Short-Notice Deposits accounts B (I+II+III)		90,483,519	382,890,374
	Total Current accounts & Short-Notice Deposit (A+B)		**196,270,581**	**781,392,803**
			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**
4.2	**Outside Bangladesh (Nostro accounts)**			
	Conventional banking	**Currency / Rate(Dec'25)**		
	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**

		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**

		Amount in BDT	
		Dec-25	Dec-24
	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.

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**

		Amount in BDT	
		Dec-25	Dec-24
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

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**

		Amount in BDT	
		Dec-25	Dec-24
	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)

(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

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**

		Figures in Lac	
		Dec-25	Dec-24
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

	Figures in Lac	
	Dec-25	Dec-24
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**

		Amount in BDT	
		Dec-25	Dec-24
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		Dec-24	
	Mix %	Outstanding	Mix %	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**
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 Amount (BDT)
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**

Status of loans and advances/investments	Outstanding Amount	Base for Provision	Provision % Amount (BDT)	Provision Amount (BDT)
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**

		Amount in BDT	
		Dec-25	Dec-24
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

	Amount in BDT	
	Dec-25	Dec-24
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**

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**

		Amount in BDT	
		Dec-25	Dec-24
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)		Total (BDT)	Branch
		Funded	Non-Funded		
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**

		Amount in BDT	
		Dec-25	Dec-24
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

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:

SL	Name of Parties	Asset detsils	Entitlement Date	Market Value	Market Value
1	Global Business Associates, Banani Branch	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., Banani Branch	a) RM of 17.50 decimal land along with Semipacca building under Mouza Loar Shahara, PS. Dhaka Cantonment, Dist. Dhaka. Previously owned by Md. Ali Azam Khan, Solaiman Khan, Khorshed Alam Khan, mrs. Kohonoor Akhter, Rasheda Begum, Sheuli Akhter and Fatema Begum at present Mercantile Bank PLC. b) RM of 170.50 decimal land at Dist. Madaripur, PS. – Shibchar, Mouza Shamail. Previously owned by Shamimul Islam Siraj and shariar Farid at present Mercantile Bank PLC. c) RM of 375.00 decimal land at Dist. Madaripur, PS Shibchar, Mouza- Choto Chowdhurir Bill and Shamail. Previously owned by Sheba Fish Feeds Limited represented by Anwarul Haq, Md. Ashraful Islam Taluqder, Shahariar Farid and Shamimul Islam Siraj at present Mercantile Bank Limited. Mutation only 170.50 decimal completed	05-Aug-13	4,262,500	4,262,500

SL	Name of Parties	Asset detsils	Entitlement Date	Market Value	Market Value
3	Dohar Seed Company, Prop.: Md. Advocate Abdus Sobhan, Kawran Bazar Branch	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, Main Branch	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, Moghbazar Branch	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, Rajshahi Branch	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, Rangpur Branch	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, Agrabad Branch	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	-
				1,010,150,332	**45,081,332**

		Amount in BDT	
		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**

		Amount in BDT	
		Dec-25	Dec-24
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 agents: 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**

			Amount in BDT	
			Dec-25	Dec-24
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**
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**

		Amount in BDT	
		Dec-25	Dec-24
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

		Amount in BDT	
		Dec-25	Dec-24
	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**

			Amount in BDT	
			Dec-25	Dec-24
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**
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**

		Amount in BDT	
		Dec-25	Dec-24
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.

		Amount in BDT	
		Dec-25	Dec-24
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**
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)**

		Amount in BDT	
		Dec-25	Dec-24
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 (@37.5%)
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)**

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**

		Amount in BDT	
		Dec-25	Dec-24
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**
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**

		Amount in BDT	
		Dec-25	Dec-24
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	Dec-24	Dec-25	Dec-24
	No. of Shares		(%)	
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%**

	Amount in BDT	
	Dec-25	**Dec-24**

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

Tier – I Capital (Going Concern Capital)		
a) Common Equity Tier I (CET-I)		
Paid up Capital	11,065,754,350	11,065,754,350
Statutory Reserve	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%**

	Dec-25		Dec-24	
Capital Requirement	**% Required**	**% Held**	**% Required**	**% 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%**

	Amount in BDT	
	Dec-25	**Dec-24**

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

		Amount in BDT	
		Dec-25	Dec-24
	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**

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	-	-

* The Bank was awarded absolute ownership on few mortgaged properties through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003. These were recorded as non banking assets. (Shown as Annexure- D1)

	Total Other reserves (A+B+C+D)	**1,380,011,747**	**1,549,787,112**

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**

		Amount in BDT	
		Dec-25	Dec-24
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**

		Amount in BDT	
		Dec-25	Dec-24
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**

		Amount in BDT	
		Dec-25	Dec-24
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**		
	Forex FWD Buy & Sell	-	-
		-	-
	Total OFF-BALANCE SHEET ITEMS	**184,174,443,922**	**208,251,532,801**

		Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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**
	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**

		Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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**

		Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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**

		Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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**		
	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.

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

		Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
	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**

		Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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**

		Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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**

		Amount in BDT	
		Dec-25	De-24
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**
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**

		Amount in BDT	
		Jan-25 to Dec-25	Jan-24 to Dec-24
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)/2009-2706 dated 29.07.2009, vide letter no. BRPD(P-3)/745(44)/2019-8030 dated 09.10.2019.

Nature of contract	Name of Director & related by	Remarks
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), Sponsor Director & Vice Chairman 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.

Nature of contract	Name of Director & related by	Remarks
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, MP (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.

Nature of contract	Name of Director & related by	Remarks
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. A.K.M Shaheed Reza, Sponsor and Ex-Director of the Bank, Mr. Shawket Reza (brother of Dr. A.K.M Shaheed Reza), Mrs. Zobeda Begum (wife of Dr. A.K.M Shaheed Reza), & Mrs. Nahid Reza (wife of Mr. Shawket Reza)	The lease agreement was approved by Bangladesh Bank vide its letter no. BRPD(P-3)/745(44)/2018-1685 dated 05.03.2018.
Lease agreement with Mr. Md. Abdul Aziz Power of Atorny Holder of Mr. M. Amanullah, Sponsor 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 Nil Cash and Nil 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

FIXED ASSETS SCHEDULE AS AT 31 DECEMBER 2025

Annexure-A (Solo)

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 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 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	
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**

NAME OF THE DIRECTORS AND THEIR INTEREST IN THE BANK AND OTHER DIFFERENT ENTITIES

Annexure-B

SL No.	Name and address	Designation	No. of Shares held in Bank		Name of Firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Position (as proprietor, partner, director, managing agent, guarantor, employee etc.)	Nature and Value of interest in the firm/ companies in which interested
			31.12.2025	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	Managing Director	32.00%
					2. Holiday Travels Limited	Director	35.00%
					3. Mercantile Bank Securities Limited	Sponsor	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	Proprietor	100.00%
					2. FARS Holding & Associates Limited	Managing Director	25.00%
					3. FARS Hotels & Resorts Limited	Managing Director	25.00%
					4. Mercantile Bank Securities Limited	Sponsor	0.056%
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	Chairman	90.00%
					2. Reu Fashion Limited	Chairman	50.00%
					3. Murad Apparels Limited	Chairman	70.00%
					4. Unnayan Engineers & Associates	Proprietor	100.00%
					5. Unnayan Housing Limited	Managing Director	50.00%
					6. Pan Pacific Hospital Limited	Director	5.00%
					7. Eastern University	Director	---
					8. Hina Hotel Limited	Managing Director	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	Chairman	50%
					2. Shamrat Cold Storage Limited	Managing Director	50%
					3. Shamrat Commercial Company Limited	Managing Director	50%
					4. Shandhya Hotel (Residential)	Proprietor	100%
					5. Shamrat Shipping Lines	Proprietor	100%
					6. Shamrat Commercial Enterprise	Proprietor	100%
					7. B.M.S Travels	Proprietor	100%
					8. Prince Trade International	Proprietor	100%
					9. Shamrat Agro Limited	Chairman	35%
					10. Shamrat Feed Limited	Chairman	35%
					11. B.S.P. Corporation	Proprietor	100%
					12. Zamzam LP Gas Limited	Managing Director	40%
					13. Mercantile Bank Securities Limited	Sponsor	0.056%
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	Managing Director	18%
					2. Express Insurance Limited	Sponsor	2.76%

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
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	Chairman	0.056%
					2. Saheda Gafur Ibrahim General Hospital	Founder Chairman	---
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	Chairman	20.00%
					2. Mousumi Network Limited	Chairman	25.00%
					3. Dayton Holdings Limited	Chairman	90.00%
					4. Mercantile Bank Securities Limited	Sponsor Director	0.056%
					5. Arena Securities Limited	Director	10.00%
					6. Notun Vision Limited	Director	10.00%
09	**ALHAJ MOSHARREF HOSSAIN** 1/1 Folder Street, Wari, Dhaka.	Director	26,486,392	26,486,392	1. Iqbal & Sons	Partner	50.00%
					2. Iqbal & Sons C.N.G Complex Ltd.	Managing Director	50.00%
					3. Toka Ink (BD) Limited	Director	5.00%
10	**PROF. MOHAMMAD THOUFIQUL ISLAM, PhD** Chairman & Professor, Department of Management, University of Dhaka, Dhaka-1000.	Independent Director	---	---	---	---	---

INVESTMENT IN SHARES/SECURITIES

As at 31 December 2025

Annexure-C

A.(i) Quoted Company (shares)

Amount in Taka

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	MBL1ST 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**

INVESTMENT IN SHARES/SECURITIES

A(iv): Quoted Company Investment under SFCM

SL	Name of the Company	Type of Shares	Face Value	No of Shares	Avg. cost	Total cost	Closing price 31.12.2025	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**

ADJUSTMENT FOR APPROVED SECURITIES HTM

As at 31 December 2025

Annexure-D

As per Bangladesh Bank's DOS Circular Letter # 5 dated May 26, 2008 all Government Securities holding by scheduled banks with effect from July 1, 2008 must be segregated into HTM (Held to Maturity) and HFT (Held for Trading). HTM securities are to be amortized at the end of each year and any increase/decrease due to such amortization is to be adjusted in the changes in equity system. HFT securities are to revalued weekly as per Mark to Market method. Any increase/decrease due to such valuation (Mark to Market) can not be taken into Profit & Loss account untill sale or maturity rather the same is to be transferred to Reserve for Revaluation Accounts .

Market Adjustment on Approved Securities HTM

	(Amount in BDT)
Balance as on Januray 1, 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.)

MERCANTILE BANK PLC.

CERTIFICATE OBTAINED BY MERCANTILE BANK PLC. UNDER SECTION 33(7) OF ARTHA RIN ADALAT AIN, 2003.

Non-banking assets:

As at 31.12.2025

Annexure-D1

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. Mutation only 170.50 decimal completed.	05-Aug-13	4,262,500	Physical possession of the property under Bank's control
3	Kawran Bazar Branch	Dohar Seed Company,Prop.: Md. Advocate Abdus Sobhan	RM (3rd party) of land 16.25 Decimal at Bhatara, Gulshan, Dhaka.	25-Nov-08	3,939,394	Physical possession of the property under Bank's control
4	Main Branch	Shahinoor Enterprise, Prop: Mr. Md. Mojibur Rahman	a) 2.56 Katha Land with semi pucca building at Badda; b) 10 Katha Land at Badda.	20-Jul-06	3,400,800	Physical possession of the property under Bank's control
5	MoghBazar Branch	Dr. Akhtar Hossain	6.66 out of 7.00 decimal land with 04 Nos. floor spaces (Ground floor, 1st floor, 4th floor & 5th floor) out of 10.50 decimal land with 06 storied building at Mouza-Chotto Balimeher, Savar, Dhaka	16-Nov-14	10,833,638	Physical possession of the property under Bank's control
6	Rajshahi Branch	M/S Sayed Traders	RM of 261.75 decimal land (256.5 decimal land at Mouza-Bagdhani, PS-Poba, Dist.-Rajshahi and 5.25 decimal land at Mouza-Nowhata, PS-Poba, Dist.-Rajshahi)	24-May-15	11,860,000	Physical possession of the property under Bank's control
7	Rangpur Branch	M/S. Rabeya Chaul Kol	94.09 decimal vacant land at JL# 73, Khatian# CS: 101, 272, SA: 98, 328, RS: 195, Mutation- 937, Plot# CS & SA- 1006,1041, 1031, RS- 1415, 1429, Mouza- Khordo Rasulpur, Upazilla- Sadullahpur, District- Gaibandha.	06-Apr-23	7,725,000	Physical possession of the property under Bank's control
8	Agrabad Branch	Khawaja Garib e Newaj Enterprise	1) 5.00 decimal land at P.S. Patiya, then Bandar, at present Karnafully, Mouza-Isanagar, Chattogram. 2) 3.00 decimal land at P.S. Patiya, Then Bandar, at present Karnafully, Mouza-Charlakhia, Chattogram.	21-Nov-22	2,560,000	Physical possession of the property under Bank's control
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**	

MATURITY ANALYSIS OF OTHER ASSETS

As at 31.12.2025

Annexure-E

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**

HIGHLIGHTS OF MERCANTILE BANK PLC.

Annexure-F

(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

AS THE REGULATORY REQUIREMENTS DIFFER WITH THE STANDARDS, RELEVANT DISCLOSURES HAVE BEEN MADE IN ACCORDANCE WITH BANGLADESH BANK'S REQUIREMENTS

As at 31 December 2025

Annexure - F.1

SL.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	As per IFRS 9, an entity shall recognize an impairment allowance on loans/ investments based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans /investments at an amount equal to the lifetime expected credit losses if the credit risk on these loan/ investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which forward- is looking. For those loan/ investments for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months' expected credit losses that may result from default events on loan/ investments that are possible within 12 months after reporting date.	Bangladesh Bank has mandated that all scheduled banks in Bangladesh adopt an IFRS 9 Expected Credit Loss (ECL)-based impairment framework by 2027. This regulatory transition aims to ensure consistency in provisioning, credit risk assessment, and financial reporting across the banking sector, shifting from the traditional incurred loss model to a forward-looking, probability-weighted ECL approach. In this regard, Bangladesh Bank has issued the guidance through BRPD-1 Circular No# 06 dated 08 March 2026, applicable to all scheduled banks in Bangladesh, in line with the Bank Company Act 1991 and Financial Reporting Act 2015. Implementation will be phased: • Funded and non-funded credit facilities must comply by January 2028 and • Other financial instruments (e.g. investment securities) must comply by January 2029. This transition marks a significant advancement from the existing rule-based model and aligns Bangladesh with international practices followed in IFRS-adopting jurisdictions. Currently, as per the existing regulatory framework, banks are required to maintain general provisions ranging from 0.25% to 2% on unclassified loans (standard/SMA), and specific provisions at 20%, 50%, and 100% for sub-standard, doubtful, and bad/loss loans respectively, net of eligible securities, except for CMSME, agricultural, and micro-credits. Additionally, general provisions of 0.5% to 1% are mandated for certain off-balance sheet exposures. These provisioning requirements are based on a rule-based approach and do not fully align with the principles of IFRS 9, which emphasizes a risk-based, forward-looking assessment of credit losses.	In separate Financial Statements, an amount of BDT 3620.03 million has been charged as incremental provision for loans and advances/ Investment, All so as at 31 December 2025, accumulated provision for leases, loans and advances stands at BDT 15,243.52 million. In consolidated Financial Statements, the incremental provision amount is BDT 3666.49 million.

SL.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	As per requirements of IFRS 9: Financial Instruments, classification and measurement of investments in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year- end is taken to profit and loss account or other comprehensive income respectively	In accordance with Bangladesh Bank's BRPD Circular No. 14 dated 25 June 2003, investments are revalued at year-end as follows: Quoted Shares: Valued at market price on the stock exchange(s). Unquoted Shares: Valued at the book value based on the latest audited financial statements. Additionally, as per DOS Circular Letter No. 3 dated 12 March 2015, investments in closed-end mutual funds are revalued at the lower of cost and the higher of market value and 85% of Net Asset Value (NAV). Provisions are made for any diminution in value of investments on a portfolio basis; otherwise, investments are recognized at cost. Bangladesh Bank has mandated that all scheduled banks in Bangladesh adopt an IFRS 9 Expected Credit Loss (ECL)-based impairment framework by 2027. This regulatory transition aims to ensure consistency in provisioning, credit risk assessment, and financial reporting across the banking sector, shifting from the traditional incurred loss model to a forward-looking, probability-weighted ECL approach. In this regard, Bangladesh Bank has issued the guidance through BRPD-1 Circular No# 06 dated 08 March 2026, applicable to all scheduled banks in Bangladesh, in line with the Bank Company Act 1991 and Financial Reporting Act 2015. Implementation will be phased: • Funded and non-funded credit facilities must comply by January 2028 and • Other financial instruments (e.g. investment securities) must comply by January 2029. This transition marks a significant advancement from the existing rule-based model and aligns Bangladesh with international practices followed in IFRS-adopting jurisdictions.	During this year, total market value of all shares investment of MBPLC. Is less than the cost price. As on December 31, 2025 there was BDT 39.88 million unrealized loss has been account for in profit and loss account.
3	Presentation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	As per 'IAS 7- Statement of Cash Flows' The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.	Financial Statements for 2025 and corresponding year of 2024 have been prepared as per guidelines as per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

SL.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
4	Presentation of "Revaluation gain/loss on government securities	IFRS 9 " Financial Instruments "	As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Where securities are measured 'at fair value through other comprehensive income' then gains or losses shall be recognised in other comprehensive income (OCI), except for impairment gains or losses and foreign exchange gains and losses. The loss allowance arise from impairment shall be recognised in OCI and shall not reduce the carrying amount of financial assets in the Financial Position. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account	In accordance with Bangladesh Bank's DOS Circular No. 05 dated 26 May 2008 and subsequent clarification via DOS Circular Letter No. 05 dated 28 January 2009, the valuation of government securities is as follows: Held for Trading (HFT) Securities: Revalued weekly using the Mark-to-Market method. Unrealised losses are charged to the profit and loss account, while unrealised gains are transferred to the revaluation reserve within equity. Held to Maturity (HTM) Securities: Measured at amortised cost. Amortisation gains or losses are recognised in the revaluation reserve, and interest income, including amortisation of discounts or premiums, is recognised in the profit and loss account. Bangladesh Bank has mandated that all scheduled banks in Bangladesh adopt an IFRS 9 Expected Credit Loss (ECL)-based impairment framework by 2027. This regulatory transition aims to ensure consistency in provisioning, credit risk assessment, and financial reporting across the banking sector, shifting from the traditional incurred loss model to a forward-looking, probability-weighted ECL approach. In this regard, Bangladesh Bank has issued the guidance through BRPD-1 Circular No# 06 dated 08 March 2026, applicable to all scheduled banks in Bangladesh, in line with the Bank Company Act 1991 and Financial Reporting Act 2015. Implementation will be phased: • Funded and non-funded credit facilities must comply by January 2028 and • Other financial instruments (e.g. investment securities) must comply by January 2029. This transition marks a significant advancement from the existing rule-based model and aligns Bangladesh with international practices followed in IFRS-adopting jurisdictions.	During this year, total market adjustment on Approved Securities HTM is BDT 36.28 Million has been account for in Balance Sheet.
5	Other Comprehensive income	IAS 1" Presentation of Financial Statements"	As per IAS 1: Presentation of Financial Statements" other comprehensive income is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by Bank. The templates of financial statements issued by Bangladesh Bank do not include other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However elements of OCI,if any ,are shown in the statements of changes in equity	Financial statements for 2025 and corresponding year of 2024 have been prepared as per guideline (As per BRPD circular no. 14 dated 25 June 2003) of Bangladesh Bank. There is no financial impact for this departure in the financial statements. Circular

MERCANTILE BANK PLC.

SEGMENT REPORTING

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standarads (BFRS) 8 " Operating Segment"
As at 31.12.2025

Amount in Taka

Particulars	Notes	Mercantile Bank PLC.					Mercantile Bank PLC. and its Subsidiaries			Consolidated (Before Inter company)	Inter company transaction	Total Consolidated
		Inside Bangladesh					Inside Bangladesh		Outside Bangladesh			
		Conventional Banking	Islamic Banking	Off Banking Unit (OBU)	Inter company	Total	MBSL	MBL Asset Management Ltd.	UK			
Property and Assets												
Cash in hand	3	**28,170,351,524**	**924,184,585**	**-**	**-**	**29,094,536,109**	**47,129**	**39**	**-**	**29,094,583,277**	**-**	**29,094,583,277**
Cash in hand (Including foreign currencies)	3.1	4,092,162,162	71,503,818	-	-	4,163,665,980	47,129	39	-	4,163,713,148	-	4,163,713,148
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)	3.2	24,078,189,361	852,680,767	-	-	24,930,870,128	-	-	-	24,930,870,128	-	24,930,870,128
Balance with other banks and financial institutions	4	**15,707,489,275**	**151,046**	**91,655,916**	**-**	**15,799,296,237**	**150,763,363**	**3,681,488**	**35,376,687**	**15,989,117,775**	**(126,969,874)**	**15,862,147,900**
In Bangladesh	4.1	1,768,605,593	151,046	90,483,519	-	1,859,240,158	150,763,363	3,681,488	-	2,013,685,009	(126,969,874)	1,886,715,135
Outside Bangladesh	4.2	13,938,883,682		1,172,397	-	13,940,056,079	-	-	35,376,687	13,975,432,766		13,975,432,766
Money at call and short notice	5	**3,471,054,000**	**-**	**-**		**3,471,054,000**	**-**	**-**	**-**	**3,471,054,000**	**-**	**3,471,054,000**
Investments	6	**119,323,655,736**	**8,529,930,000**	**-**	**-**	**127,853,585,736**	**1,935,152,848**	**109,648,970**	**-**	**129,898,387,555**	**(10,000,000)**	**129,888,387,555**
Government	6.4	111,227,624,460	8,529,930,000	-		119,757,554,460	-	-	-	9,757,554,460	-	119,757,554,460
Others	6.5	8,096,031,276	-			8,096,031,276	1,935,152,848	109,648,970	-	10,140,833,095	(10,000,000)	10,130,833,095
Loans and Advances/investments	7	**269,615,986,446**	**9,385,157,639**	**6,934,429,989**	**-**	**285,935,574,074**	**4,492,759,774**		**-**	**290,428,333,848**	**(323,776,640)**	**290,104,557,208**
Loans, Cash Credit, Overdraft etc/investments	7.A	266,922,705,311	9,364,363,685	1,881,506,654		278,168,575,650	4,492,759,774	-	-	82,661,335,424	(323,776,640)	282,337,558,784
Bills Purchased and Discounted	7.B	2,693,281,135	20,793,954	5,052,923,335		7,766,998,424	-	-	-	7,766,998,424	-	7,766,998,424
Fixed assets including premises, furniture and fixtures	8	3,118,887,685	12,201,719	-		3,131,089,404	108,088,273	211,660	5,215,587	3,244,604,924	-	3,244,604,924
Other assets	9	6,131,352,756	9,231,004,395	189,740,778	(3,959,855,566)	11,592,242,363	351,025,091	7,213,688	13,040,289	11,963,521,431	(3,662,166,844)	8,301,354,587
Non- banking assets	10	1,010,150,332	-	-		1,010,150,332		-	-	1,010,150,332	-	1,010,150,332
Total Property and Assets		**446,548,927,753**	**28,082,629,384**	**7,215,826,683**	**(3,959,855,566)**	**477,887,528,253**	**7,037,836,478**	**120,755,846**	**53,632,563**	**485,099,753,140**	**(4,122,913,358)**	**480,976,839,782**

MERCANTILE BANK PLC.

SEGMENT REPORTING (CONTINUED)

Particulars	Notes	Mercantile Bank PLC.					Mercantile Bank PLC. and its Subsidiaries			Consolidated (Before Inter company)	Inter company transaction	Total Consolidated
		Inside Bangladesh					Inside Bangladesh		Outside Bangladesh			
		Conventional Banking	Islamic Banking	Off Banking Unit (OBU)	Inter company	Total	MBSL	MBL Asset Management Ltd.	UK			
Liabilities and Capital												
Liabilities												
Borrowings from other banks, financial institutions and agents	**11**	**12,103,667,090**	**-**	**6,283,468,166**	**(3,959,855,566)**	**14,427,279,690**	**863,669,941**	**-**	**-**	**15,290,949,631**	**(323,776,640)**	**14,967,172,991**
Subordinated bond	**11.6**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mercantile Bank Perpetual Bond	**11.6**	**3,630,000,000**	**-**	**-**		**3,630,000,000**	**-**	**-**	**-**	**3,630,000,000**	**-**	**3,630,000,000**
Deposits and other accounts	**12**	**352,309,815,372**	**27,404,368,303**	**73,343,768**	**-**	**379,787,527,443**	**107,490,855**		**-**	**379,895,018,298**	**(136,969,874)**	**379,758,048,424**
Current/ Al-wadeeah current accounts and other accounts	12.1	107,125,644,861	512,901,718	73,343,768	-	107,711,890,347	107,490,855	-	-	107,819,381,202	(136,969,874)	107,682,411,328
Bills payable	12.2	3,061,779,050	60,227,196	-		3,122,006,246		-	-	3,122,006,246	-	3,122,006,246
Savings Bank/Mudaraba savings bank deposits	12.3	39,813,898,133	1,338,470,600	-		41,152,368,733		-	-	41,152,368,733	-	41,152,368,733
Fixed deposits/Mudaraba fixed deposits	12.4	117,840,936,783	25,492,768,789	-		143,333,705,572		-	-	143,333,705,572	-	143,333,705,572
Deposit under schemes/Mudaraba deposit schemes	12.5	84,467,556,545	-	-		84,467,556,545		-	-	84,467,556,545	-	84,467,556,545
Other Liabilities	**13**	**51,899,859,057**	**852,356,333**	**825,100,479**		**53,577,315,869**	**2,038,494,036**	**12,222,023**	**44,862,936**	**55,672,894,864**	**-**	**55,672,894,863**
Total Liabilities		**419,943,341,519**	**28,256,724,636**	**7,181,912,413**	**(3,959,855,566)**	**451,422,123,002**	**3,009,654,832**	**12,222,023**	**44,862,936**	**454,488,862,793**	**(460,746,514)**	**454,028,116,279**
Capital/shareholders' equity												
		26,605,586,234	**(174,095,253)**	**33,914,270**	**-**	**26,465,405,251**	**3,978,181,646**	**64,533,823**	**8,769,627**	**30,516,890,347**	**(3,678,968,126)**	**26,837,922,222**
Paid-up capital	14.1	11,065,754,350	-	-		11,065,754,350	3,550,000,000	56,000,000	56,166,844	14,727,921,194	(3,662,166,844)	11,065,754,350
Statutory reserve	15	11,041,529,482	-	-		11,041,529,482	-	-	-	11,041,529,482	-	11,041,529,482
General Reserve	15.1	2,480,000,000	-	-		2,480,000,000	-		-	2,480,000,000	-	2,480,000,000
Other reserve	16	1,380,011,747	-	-		1,380,011,747	43,240,942	-	-	1,423,252,689	-	1,423,252,689
Foreign Currency Transation Gain	16.1	16,846,392	-	248,748		17,095,140	-	-	-	17,095,140	-	17,095,140
Surplus in profit & loss account	17	621,444,263	(174,095,253)	33,665,522	-	481,014,532	384,940,705	8,533,823	(47,397,217)	827,091,842	(16,801,282)	810,290,560
Non Controlling Interest							50,000,000	44,000,000	-	94,000,000	16,801,282	110,801,282
Total shareholders' equity		**26,605,586,234**	**(174,095,253)**	**33,914,270**	**-**	**26,465,405,251**	**4,028,181,646**	**108,533,823**	**8,769,627**	**30,610,890,347**	**(3,662,166,844)**	**26,948,723,504**
Total Liabilities & Shareholders' Equity		**446,548,927,753**	**28,082,629,384**	**7,215,826,683**	**(3,959,855,566)**	**477,887,528,253**	**7,037,836,478**	**120,755,846**	**53,632,563**	**485,099,753,140**	**(4,122,913,358)**	**480,976,839,782**

SEGMENT REPORTING (CONTINUED)

As at 31.12.2025

Amount in Taka

Particulars	Notes	Mercantile Bank PLC.					Mercantile Bank PLC. and its Subsidiaries			Consolidated (Before Inter company)	Inter company transaction	Total Consolidated
		Inside Bangladesh					Inside Bangladesh		Outside Bangladesh			
		Conventional Banking	Islamic Banking	Off Banking Unit (OBU)	Inter company	Total	MBSL	MBL Asset Management Ltd.	UK			
Interest income	20	25,267,887,807	1,663,031,842	543,631,874		27,474,551,523	151,864,279	1,320,398	-	27,627,736,201	-	27,627,736,201
Less: Interest paid on deposits, borrowings etc.	21	25,155,062,601	1,917,249,586	203,647,721		27,275,959,908	104,920,890	-	-	27,380,880,798	-	27,380,880,798
Net interest income		**112,825,206**	**(254,217,744)**	**339,984,153**	**-**	**198,591,615**	**46,943,389**	**1,320,398**	**-**	**246,855,402**	**-**	**246,855,402**
Investment income	22	9,199,536,386	148,866,708	-		9,348,403,094	33,762,145	9,618,675	-	9,391,783,914	-	9,391,783,914
Commission, exchange and brokerage	23	2,694,179,315	32,976,129	70,760,947		2,797,916,391	85,221,299	8,527,816	51,715,336	2,943,380,842	-	2,943,380,842
Other operating income	24	1,535,117,314	9,067,021	5,474,892		1,549,659,227	4,887,804	-	7,220,576	1,561,767,607	-	1,561,767,607
		13,428,833,015	190,909,858	76,235,839	-	13,695,978,712	123,871,248	18,146,491	58,935,912	13,896,932,363	-	13,896,932,363
Total operating income		**13,541,658,221**	**(63,307,886)**	**416,219,992**	**-**	**13,894,570,327**	**170,814,637**	**19,466,889**	**58,935,912**	**14,143,787,765**	**-**	**14,143,787,765**
Salaries and allowances	25	4,004,534,971	45,386,570	11,543,504		4,061,465,045	42,266,378	2,579,819	20,488,549	4,126,799,790	-	4,126,799,790
Rent, taxes, insurances, electricity etc.	26	734,622,134	5,655,739	-		740,277,873	3,149,887	346,150	13,856,449	757,630,359	-	757,630,359
Legal expenses	27	41,800,633	18,230	-		41,818,863	154,655	256,095	486,732	42,716,345	-	42,716,345
Postage, stamps, telecommunication etc.	28	93,198,467	494,021	-		93,692,488	1,792,939	-	236,474	95,721,900	-	95,721,900
Stationery, printings, advertisements etc.	29	522,755,653	6,712,833	-		529,468,486	637,020	66,660	142,114	530,314,280	-	530,314,280
Chief Executive's salary and fees	30	17,500,000		-		17,500,000	-	-	-	17,500,000	-	17,500,000
Directors' fees	31	5,402,500	176,000	-		5,578,500	390,950	214,400	-	6,183,850	-	6,183,850
Auditors' fees	32	1,840,000		-		1,840,000	115,000	91,875	708,929	2,755,804	-	2,755,804
Depreciation and repair to Bank's assets	33	711,464,287	6,078,869	-		717,543,156	4,578,739	102,694	1,204,523	723,429,112	-	723,429,112
Other expenses	34	1,818,043,069	46,265,105	4,124,766		1,868,432,940	23,605,938	1,379,948	14,472,168	1,907,890,993	-	1,907,890,993
Total operating expenses		**7,951,161,712**	**110,787,367**	**15,668,270**	**-**	**8,077,617,349**	**76,691,506**	**5,037,640**	**51,595,939**	**8,210,942,434**	**-**	**8,210,942,434**
Profit/(loss) before provision		**5,590,496,509**	**(174,095,253)**	**400,551,722**	**-**	**5,816,952,978**	**94,123,131**	**14,429,249**	**7,339,973**	**5,932,845,331**	**-**	**5,932,845,331**
Provision for loans and advances including off Balance Sheet items	13.5	3,620,037,933				3,620,037,933	50,000,000	(3,542,820)	-	3,666,495,113	-	3,666,495,113
Other provision	13.2.1 (v)	327,044,317				327,044,317	20,000,000	-	-	347,044,317	-	347,044,317
Total provision		**3,947,082,250**	**-**	**-**	**-**	**3,947,082,250**	**70,000,000**	**(3,542,820)**	**-**	**4,013,539,430**	**-**	**4,013,539,430**
Total profit/(loss) before taxes		**1,643,414,259**	**(174,095,253)**	**400,551,722**	**-**	**1,869,870,728**	**24,123,131**	**10,886,429**	**7,339,973**	**1,919,305,901**	**-**	**1,919,305,901**
Provision for Current tax	13.4.1	713,357,585				713,357,585	20,747,729	(2,609,841)	-	736,715,155	-	736,715,155
Provision for Deferred Tax	13.4.1	(43,357,585)				(43,357,585)	(434,476)	-	-	(43,792,061)	-	(43,792,061)
		670,000,000	**-**	**-**	**-**	**670,000,000**	**20,313,253**	**(2,609,841)**	**-**	**692,923,094**	**-**	**692,923,094**
Net profit after taxation		**973,414,259**	**(174,095,253)**	**400,551,722**	**-**	**1,199,870,728**	**3,809,878**	**8,276,588**	**7,339,973**	**1,226,382,807**	**-**	**1,226,382,807**

MERCANTILE BANK PLC.
OFFSHORE BANKING DIVISION

BALANCE SHEET

As at 31 December 2025

Particulars	Notes	December-2025		December-2024	
		USD	Taka (122.2954)	USD	Taka (120.0000)
Property and Assets:					
Cash:		-	-	-	-
Cash in Hand		-	-	-	-
Balance with Bangladesh Bank					
Balance with other Banks and Financial Institutions					
In Bangladesh	4	739,876.72	90,483,519	3,190,753.12	382,890,374
Outside Bangladesh		9,586.60	1,172,397	16,200.34	1,944,041
Money at Call and Short Notice:					
Investments					
Loans and Advances:					
Loans, Cash Credit, Overdraft etc.	5	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
Bills Purchased & Discounted [EBD & IBD]		41,317,362.18	5,052,923,335	48,757,906.95	5,850,948,834
Total Loans and Advances		**56,702,296.15**	**6,934,429,989**	**65,154,942.16**	**7,818,593,059**
Fixed Assets including premises, furniture and fixtures	6	-	-	-	-
Other Assets	7	1,551,495.62	189,740,777	2,348,960.85	281,875,302
Non-Banking Assets					
Total Assets:		**59,003,255.09**	**7,215,826,682**	**70,710,856.47**	**8,485,302,776**
Liabilities and Capital :					
Liabilities:					
Borrowings from Banks, Financial institutions and Agents	8	51,379,431.82	6,283,468,166	65,914,511.22	7,909,741,346
		-	-	-	-
Deposit and Other Accounts:		-	-	-	-
Current Deposits and Other Accounts	9	34,964.43	4,275,989	5,200.00	624,000
Fixed Deposits		564,634.64	69,052,219	518,391.86	62,207,023
FCAD (Gen)		127.23	15,560	127.23	15,268
Other Liabilities	10	6,746,782.61	825,100,478	4,052,683.14	486,321,977
Total Liabilities		**58,725,940.73**	**7,181,912,412**	**70,490,913.45**	**8,458,909,614**
Capital/Shareholders' Equity:					
Share Capital-Paid up Capital		-	-	-	-
Foreign Currency Translation Difference	11	-	248,748	-	12,377,139
Profit & Loss Account-retained earnigs		277,314.36	33,665,522	219,943.02	14,016,023
Total Liabilities and Shareholders' Equity:		**59,003,255.09**	**7,215,826,682**	**70,710,856.47**	**8,485,302,776**
Off-Balance Sheet Items					
Other Commitments:					
Corporate Import Commitment under Contract	12	**17,088,551.12**	**2,089,851,195**	**14,944,482.57**	**1,793,337,908**

MERCANTILE BANK PLC.
OFFSHORE BANKING DIVISION

PROFIT AND LOSS ACCOUNT

For the Year Ended 31 December 2025

Particulars	Notes	December-2025		December-2024	
		USD	Taka (122.2195)	USD	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	15	578,966.10	70,760,947	197,904.35	22,987,797
Other Operating Income		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		December-2024	
	USD	BDT (122.2954)	USD	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				
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**

	December-2025		December-2024	
	USD	BDT (122.2954)	USD	BDT (120.0000)
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	>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	>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 & 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**

10.1 Particular Provision Build up against A & 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**

		December-2025		December-2024	
		USD	BDT (122.2195)	USD	BDT (116.1561)
13	**Interest Income**				
	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.**				
	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

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		(174,095,253)	204,195,462
Total Shareholders' Equity		**(174,095,253)**	**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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended as on December 31, 2025

		Notes	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**
	*BDT. 33,67,795 and BDT.4,97,620 credited by BB on 29.12.2025 & 30.12.2025 respectively against rent on SUKUK which already reported in CRR balance. That will be reconciled after receiving letter from Bangladesh Bank.			
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**
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**

		Notes	31.12.2025 Taka	31.12.2024 Taka
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**

		Notes	31.12.2025 Taka	31.12.2024 Taka
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 Supervisory Committee'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

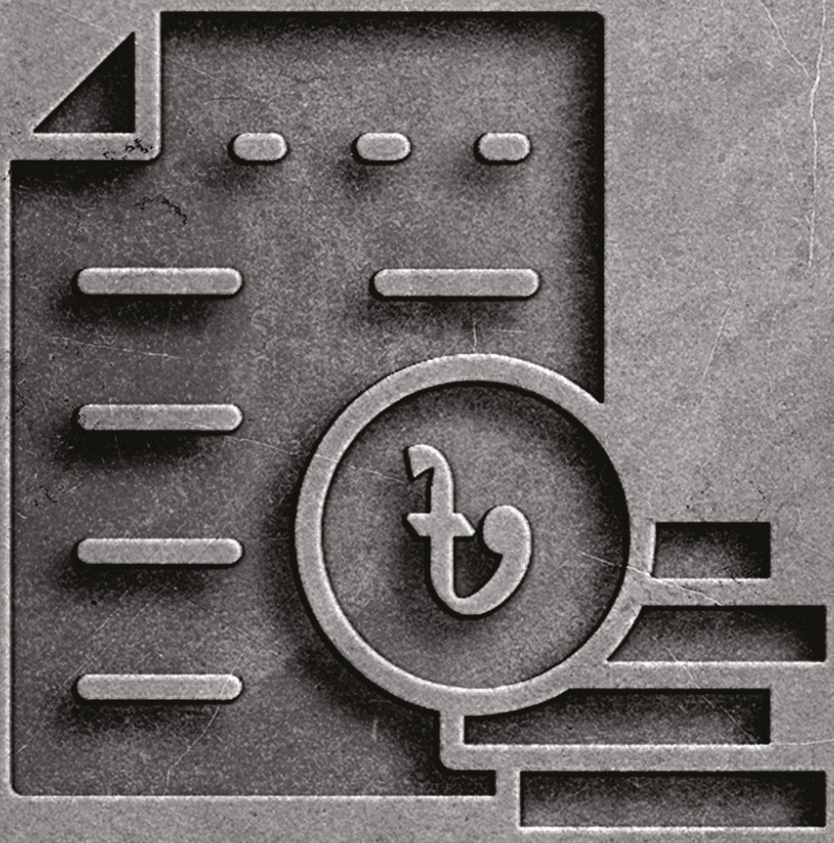
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As on 31 December 2025

Annexure-A

Amount in Taka

Particulars	Cost				Rate %	Depreciation				Written Down Value as on 31.12.2025
	Opening Balance	Addition During the period	Adjustment/ Disposal during the period	Closing Balance		Opening Balance	Charged during the period	Adjustment/ Disposal during the period	Balance as on 31.12.2025	
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**



FINANCIAL STATEMENTS OF SUBSIDIARIES

পিনাকী এণ্ড কোম্পানী
Pinaki & Company
Chartered Accountants

45 2023 Years of Service Since : 1978

REANDA

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

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.

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

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

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.

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

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

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**

MERCANTILE BANK SECURITIES LIMITED

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 **Director** **Director**

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 liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when - The Company has a legal or constructive obligation as a result of past event.

i) it is probable that an outflow of economic benefit will be required to settle the obligation.

ii) a reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the 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 liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

2.08 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the International Financial Reporting Standard (IFRS) 15 "Revenue from Contracts with Customers":

Revenue recognition policy on specific item is described as under:

(i) Brokerage commission is recognized as income when selling or buying order is executed.

(ii) Interest income from margin loan is recognized on accrual basis .Such income is calculated on daily margin loan balance of the respective client. Income is recognized on quarterly basis.

(iii) Interest income from Bank Account is recognized on cash basis.

(iv) Dividend income against investment in securities is recognized when cash dividend receive is established.

(v) Capital gains on sale of marketable securities are recognized when these are realized.

2.09 Cash and Bank Balances

Cash and Bank Balances include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is an insignificant risk of change in the value of the above items.

2.09.1 Investment in Fixed Deposit Receipt (FDR)

Investment in Fixed Deposit Receipt (FDR) Tk. 23,019,572 kept in Peoples Leasing and Financial Service Limited which remained uncollectable due to liquidity crisis of the company and honorable high court has appointed liquidator for liquidation of Peoples Leasing and Financial Service Limited. The honorable high court has also ordered the liquidator to submit report to court. It is under the jurisdiction of honorable high court, Bangladesh Bank, DUDOK and different govt. regulatory agencies.

2.10 Fixed Assets

Fixed assets are recorded at cost and have limited useful lives (except land). All expenses incurred for the purpose of acquiring, installing and bringing the fixed assets into its present location for intended use have to be capitalized and included in the cost of the fixed assets.

Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. The rates of depreciation used on a straight-line method are as follows:

Name Of Assets	Rate of Depreciation
Land and Land Development	-
Building	2.5%
Vehicles	20%
Computer Equipment & Machineries	20%
Furniture & Fixtures	10%

2.11 IFRS 16: Leases

Mercantile Bank Securities Limited has applied IFRS 16: "Leases" using modified retrospective approach where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset. In according to IFRS 16 Leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a 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 liability plus any initial direct costs incurred by the company. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the company measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other liabilities.

2.12 Intangible Assets

Intangible assets represent computer software which has been amortized @ 20% following straight line method.

2.13 Investment in Shares

Investment in quoted shares (or shares held for sale) and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at cost at reporting date. Net of unrealized gain and loss has not been recognized in the Statement of Profit or Loss and Other Comprehensive Income.

2.14 Deferred Tax

Deferred Tax is calculated as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

2.15 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory, etc.

2.16 Advance Income Tax

The amount of advance income tax is mainly deduction at sources by DSE & CSE on daily transactions of broker & dealer operation. Tax deduction on interest income and dividend income are also included here.

2.17 Provision for current Tax

Provision for current tax is made in accordance with the provision of Income Tax Act, 2023 and subsequent amendments made thereto from time to time.

2.18 Provision for expenses

Provision for expenses is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.

2.19 Management' responsibility on financial statements

The management of the company is responsible for the preparation and presentation of these financial statements.

2.20 GENERAL

i) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

ii) Previous year's figures have been re-arranged/re-grouped where necessary to conform to the current year's financial presentation.

iii) Figures in these notes and annexed financial statements have been rounded off to the nearest taka.

Particulars			Amount in Taka	
			31 December 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**
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**

		Amount in Taka	
		31 December 2025	31 December 2024
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 ".		

		Amount in Taka	
		31 December 2025	31 December 2024
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"		

		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**

		Amount in Taka	
		31 December 2025	31 December 2024

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	298,068,019
	298,409,578	**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**

		Amount in Taka	
		31 December 2025	31 December 2024
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.

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.

		Amount in Taka	
		31 December 2025	31 December 2024
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

				Amount in Taka	
				31 December 2025	31 December 2024
	Sl. No.	Name of Shareholders	No. of Shares		
	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 accepted accounting principles in Bangladesh which are payable (within 30 days)			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

		Amount in Taka	
		31 December 2025	31 December 2024
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**

		Amount in Taka	
		01 Jan 2025 to 31 Dec 2025	01 Jan 2024 to 31 Dec 2024
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**
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**

		Amount in Taka	
		01 Jan 2025 to 31 Dec 2025	01 Jan 2024 to 31 Dec 2024
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**

		Amount in Taka	
		01 Jan 2025 to 31 Dec 2025	01 Jan 2024 to 31 Dec 2024
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	**122,249,270**

* 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**

	Amount in Taka	
	01 Jan 2025 to 31 Dec 2025	01 Jan 2024 to 31 Dec 2024
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 3rd 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 securities	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

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**

Particulars	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
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		**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**

পিনাকী এণ্ড কোম্পানী
Pinaki & Company
Chartered Accountants

45 2023 Years of Service Since : 1978

REANDA

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF MBL ASSET MANAGEMENT LIMITED

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.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report the following:

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books; and

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.



Ajit Kumar Paul, FCA
Managing Partner
ICAB Enrollment No.908
FRC Enlistment No.: CA-001-240

Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-113

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

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 Enrollment 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 Enrollment 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**

MBL ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

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**

NOTES TO THE FINANCIAL STATEMENTS

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.

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**

Particulars	Amount in Taka	
	31 December 2025	31 December 2024

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**

Particulars	Amount in Taka	
	01 January 2025 to 31 December 2025	01 January 2024 to 31 December 2024

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**

Particulars		Amount in Taka	
		01 January 2025 to 31 December 2025	01 January 2024 to 31 December 2024
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**

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 MBPLC

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 year 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 year:

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 year 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 year 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

20 January 2026

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2025

	2025 £	2024 £
Turnover	**390,090**	**414,097**
Cost of sales	(62,942)	(62,721)
Gross profit	**327,148**	**351,376**
Staff cost	(128,129)	(135,163)
Depreciation and other amounts written off assets	(4744)	(5,929)
Other charges	(118,595)	(140,690)
Operating (loss)/profit	**75,680**	**69,594**
(Loss)/profit before taxation	**75,680**	**69,594**
Tax on (loss)/profit	-	-
(Loss)/profit for the financial year	**75,680**	**69,594**

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

Registered number: 07456837

BALANCE SHEET

as at 31 December 2025

	Notes	2025 £		2024 £	
Fixed assets					
Tangible assets	3		31,572		36,315
Current assets					
Debtors	4	78,938		78,938	
Cash at cash		-		97,337	
Cash at bank		214,149		19,622	
		293,087		195,897	
Creditors: amounts falling due					
within one year	5	(271,573)		(254,806)	
Net current liabilities			21,514		(58,909)
Net liabilities			**53,086**		**(22,594)**
Capital and reserves					
Called up share capital			340,000		340,000
Profit and loss account			(286,914)		(362,594)
Shareholders' funds			**53,086**		**(22,594)**

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Matiul Hasan
Director
Approved by the board on 20 January 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 2024	340,000	-	-	(432,189)	(92,188)
Loss for the financial year	-	-	-	69,594	69,594
At 31 December 2024	**340,000**	**-**	**-**	**(362,595)**	**(22,594)**
At 1 January 2025	340,000	-	-	(362,595)	(22,594)
Profit for the financial year	-	-	-	75,680	75,680
At 31 December 2025	**340,000**	**-**	**-**	**(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.

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 2025

		2025 Number	2024 Number
2 Employees			
Average number of persons employed by the company		3	5
3 Tangible fixed assets	**Land and buildings £**	**Fixtures,fittings & equipment £**	**Total £**
Cost			
At 1 January 2025	12,598	82,192	94,790
Change for the year	-	-	-
At 31 December 2025	12,598	82,192	94,790
Depreciation			
At 1 January 2025	-	58,474	58,474
Charge for the year		4,744	4,744
At 31 December 2025		63,218	63,218
Net book value			
At 31 December 2025	12,598	18,974	31,572
At 31 December 2024	12,598	23,717	36,315

	2025 £	2024 £
4 Debtors		
Trade debtors (Mercantile exchange UK)	23,864	23,864
Prepayments-Rent deposit	12,500	12,500
Other debtors-USI Commission	9,675	9,675
Sub-tenant rent due	32,899	32,899
Balance in Bank	214,149	116,595
	293,087	195,897
5 Creditors: amounts falling due within one year	**2025 £**	**2024 £**
Dhaka Mercantile bank balance	-	-
Mercantile bank Bangladesh waiting fund from USI	259,620	247,073
PAYE, NI & Pension	2,888	1,618
Clear junction a/c	1,000	6,116
Other Creditors	1,950	-
Accruals, Rent & Accountancy	6,115	-
	271,573	254,806

6 Other

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

	2025 £	2024 £
Sales	390,090	414,098
Cost of sales	(62,942)	(62,722)
Gross profit	**327,148**	**351,376**
Administrative expenses	(251,468)	(281,782)
Other operating income	**-**	**-**
Operating (loss)/profit	**75,680**	**69,594**
(Loss)/profit before tax	**75,680**	**69,594**

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

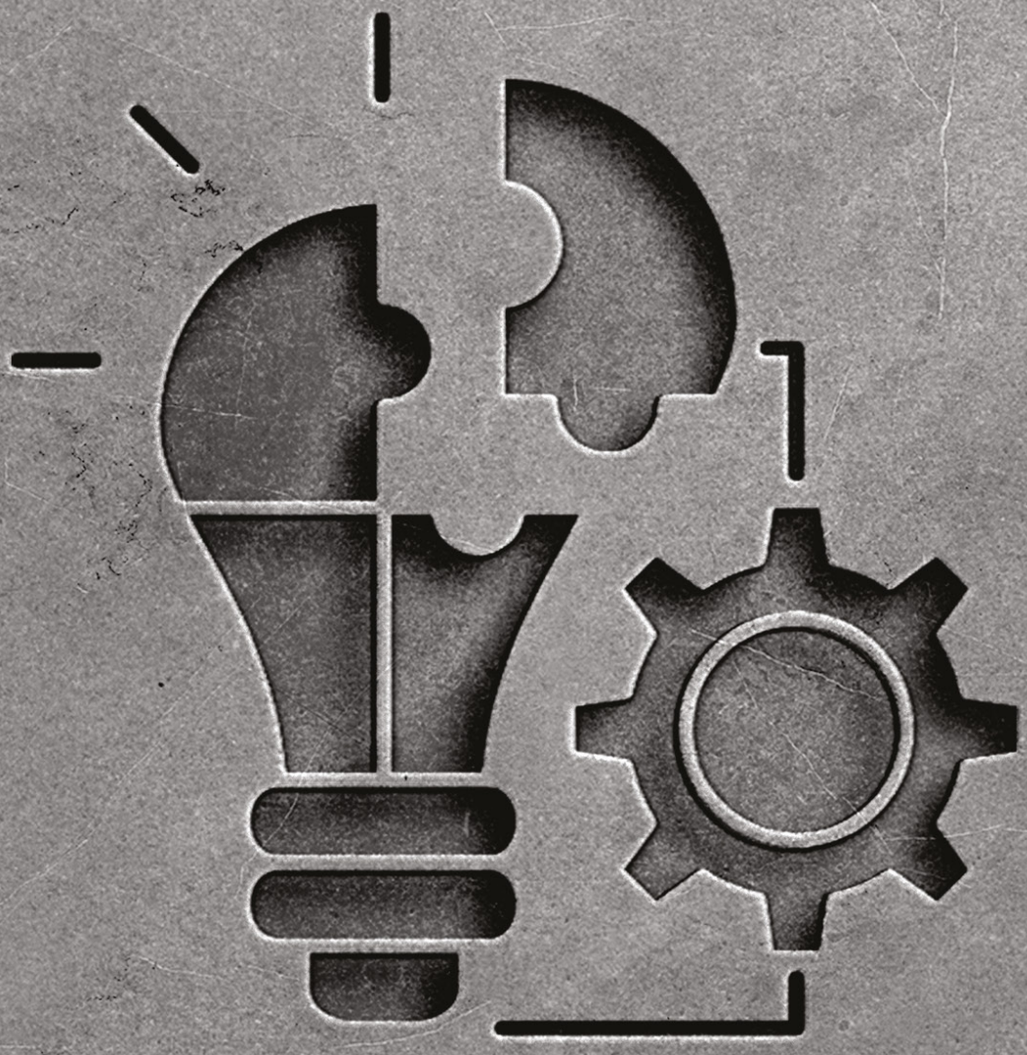
	2025 £	2024 £
Sales		
ATM Commissions	112	191
Exchange Gains through USI money	145,015	117,834
Other operating income	6,355	8,007
Realised by Mercantile Bank BD	78,595	142,386
Rental Income	44,000	7,000
USI Commission	116,013	138,679
	390,090	**414,097**
Cost of sales		
Bank Handling charges	7,315	5,854
Commission-Worldpay	8,323	9,071
G4S Cash handling charge	33,139	21,308
USI money proton fee	14,165	26,488
	62,942	**62,721**
Administrative expenses		
Employee costs:		
Wages and salaries	109,318	126,131
Pensions	2,151	2,635
Employer's NI	6,382	3,036
Staff training and welfare	1,324	441
Travel and subsistence	1,954	2,917
Staff final Settlement	7,000	-
	128,129	**135,163**
Premises costs:		
Rent	57,700	88,371
Rates	7,111	7,111
Water bill	1,166	1,163
Light and heat	13,863	11,052
Cleaning	1183	411
Building Insurance	2420	-
	83,443	**108,111**
General administrative expenses:		
Telephone and internet	1,441	1,081
Postage, stationery and printing	866	1,644
Fees & Subscription	132	-
Link fx fees	5,100	6,000
Bank charge	1,498	799
LEI registration fees	-	-
Exchange differences & charges	-	-
Insurance-Vault	-	2,558
Security cost	-	-
Software	241	112
Repairs and maintenance	2,355	4,406
Waste remove	-	560
Equipment expenses	-	120
Depreciation	4,744	5,929
	16,377	**23,209**

MERCANTILE EXCHANGE HOUSE (UK) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2025
this schedule does not from part of the statement accounts.

	2025 £	2024 £
Accountancy fees	4,320	4,302
Solicitors fees (Provided by Mercantile Ex.)	7,700	7,449
Council penalty	-	-
Consultancy fees-Go compliance	5,060	1,000
HMRC supervision application fee	1,296	-
HMRC/FCA updating	-	980
Advertising (website)	-	210
Marketing expenses	-	-
Business Insurance	2,177	-
Other legal and professional	2,966	1,340
	23,519	**15,299**
	251,468	**281,782**



SUPPLEMENTARY INFORMATION

BRANCH NETWORK

DHAKA REGION

- **ABDULLAHPUR BRANCH**
  Tozumuddin Plaza, Kalakandi Abdullahpur Bus stand,
  South Keraniganj, Dhaka.
  Mobile: 01711142976
  IP; 09678142191 Ext.191101
  HOB: Md. Sana Ullah, FVP

- **AFTAB NAGAR BRANCH**
  Power Grid Bangladesh PLC
  Head Office (2nd Floor), Jahurul Islam City, Avenue-3 DNCC, Aftab Nagar,
  Badda, Dhaka-1212.
  IP: 09678142344, Ext. 101
  Mobile: +88-01713-048869
  HOB: Md. Mamunur Rashid, AVP

- **AGANAGAR BRANCH**
  Choto Masjid Road (Ispahani), Aganagar,
  South Keranigonj, Dhaka-1310
  IP:09678142158
  Mobile: 01730-340794;
  88-02-7763658, 88-02-7763657 Ext.101,
  HOB: Md. Shamsul Alam Siddique, FVP

- **ARAMBAG BRANCH**
  190 Inner Circular Road Motijheel,
  Dhaka-1000
  IP: 09678142343, Ext. 101
  Mobile: +88-01713-013799
  HOB: A K M . Giasuddin Majumder, AVP

- **ASAD GATE BRANCH**
  Dream by Icon, Holding # 2/4 ,Block-A
  Mohammadpur Housing Estate Mirpur Road, Dhaka-1207
  Phone: 0241022459-60, Ext. 101
  Mobile: 01708-454399
  IP: 09678142314
  HOB: Farhana Hosain, VP

- **ASHULIA BRANCH**
  Abid Shoping Complex, Jamgora, Yearpur,
  P.S.- Ashulia, Dhaka.
  Mobile: 01711535948 IP: 09678142115
  Ext. 115101.
  HOB: Md. Kamal Hossain, FVP.

- **ATIBAZAR BRANCH**
  Haji Idu Market, Atibazar, Sakta, P. S. - Keranigonj, Dist- Dhaka.
  Mobile: 01755632916 IP: 09678142187
  Ext. 187101.
  HOB: Moniruzzaman Khan, AVP.

- **BAIPAIL BRANCH**
  Zahir Plaza, Baipail
  North Gazirchat, Shanirvar,
  Dhamsona Union, Ashulia, Savar, Dhaka
  Phone: 09678142309 Ext. 101
  Mobile: 01709 652410,
  HOB: Md. Hasan Towfiqul Arif, AVP

- **BANANI BRANCH**
  Banani DNCC Unique Complex, Holding No.- 44, Kemal Ataturk Avenue, Ward-19, Dhaka North City Corporation, P.S.- Banani, Dhaka.
  Mobile: 01730034866 IP: 09678142106
  Ext. 106101.
  HOB: Md. Atiqur Rahman, VP.

- **BARODI BAZAR BRANCH**
  Barodi Plaza, Mouza & Union - Barodi,
  Sonargaon, Narayanganj
  Phone: 09678142337, Ext. 337101,
  Mobile: 01713-013782
  HOB: Md. Ahaduzzaman, FAVP

- **BHEDARGANJ BRANCH**
  192, High School Road Bhedarganj, Shariatpur
  IP: 09678142345
  Mobile: +88-01713-048879
  HOB: Muhammad Israfil Khan, FAVP

- **BHOJESHWAR BAZAR BRANCH**
  Khan Tower (1st floor), South Matha
  Bhojeshwar Bazar, Naria, Shariatpur
  IP: 09678142138 Ext. 101
  Mobile: 01713-384497
  HOB: Md. Ashraful Islam, PO

- **BHULTA BRANCH**
  Haji A. Aziz Super Market Bhulta,
  Rupganj, Narayanganj
  Phone: 09678142184, Ext.101
  Mobile: 01755-637389
  HOB: Md. Murad Hossain Chowdhury, AVP

- **BIJOYNAGAR BRANCH**
  Akram Centre, Purana Paltan (old)
  212 S.S. Nazrul Islam Sarani (New)
  Dhaka – 1000.
  Phone: 88-02-223353435, 47118741-42,
  Mob; 01335088141
  Ext. 101, IP: 09678142133
  HOB: A T M Monjurul Karim, SVP

- **BOARD BAZAR BRANCH**
  Mansur Super Market (1st & 2nd Floor)
  Board Bazar, Gazipur
  Phone: 09678142110, Ext. 101
  Mobile: 01713-044846
  HOB: Md. Ibrahim Hossain Bhuiyan, AVP

- **DAMUDDYA BRANCH**
  Synthia Plaza, 318 Main Road, Damudya Bazar, Damudya, Shariatpur
  Phone: 09678142166 Ext. 101
  Mobile: 01755-533146
  HOB: Partho Protim Dey, SEO

- **DARUS SALAM ROAD BRANCH**
  Holding-2/A, Darus Salam Road,
  Mirpur-1, Ward no.- 12, Dhaka North City Corporation, P.S.- Mirpur, Dhaka.
  Mobile: 01730328681 IP: 09678142144
  Ext. 144101.
  HOB: Mohammad Shahed Shahriar Sohel, FVP.

- **DEMRA SME/KRISHI BRANCH**
  Matuail New Market Bhaban, Konapara,
  Demra, Dhaka
  Phone: 02-223309466, 02-223309433,
  02-223309030 (PABX-101), IP: 09678142156
  Mobile No.01730 340795
  HOB: Md. Mehboob Hossain Khan, FVP

- **DHANMONDI BRANCH**
  Sima Blossom, House- 03, Road- 16 (New), 27 (Old) Dhanmondi R/A,
  Dhaka -1209
  Phone : 02-41021660-63, Ext. 101
  Mobile : 01713-199827
  HOB: Md. Humayun Kabir, SVP

- **DHOLAIKHAL BRANCH**
  72, Lalmohon Shaha Street,
  Dholaikhal, Dhaka-1100
  IP: 09678142159 Ext-101
  Mobile: 01730 709985
  HOB: Mohammad Zahidul Islam, FVP

- **DONIA BRANCH**
  661, Donia Road,
  Purba Dholaipar Jatrabari, Dhaka
  IP: 09678142305, Ext. 101
  Mobile: 01730-377232
  HOB: Muhammad Abdul Kader, AVP

- **ELEPHANT ROAD BRANCH**
  Osman Plaza, Holding No.- 75, Elephant Road, Ward No.- 52, Dhaka South City Corporation, P.S.- New Market, Dhaka.
  Mobile: 01711562226 IP: 09678142118
  Ext. 118101.
  HOB: Md. Farid Uddin Ahmed Bhuiyan, SVP

- **ENGINEERS' INSTITUTION BRANCH**
  IEB Bhaban,
  8/A, Ramna, Dhaka-1000
  Phone: 02-47110651,
  IP: 09678142142, Ext. 101
  HOB: Syed Ezazur Rahman, VP

- **GAREEB-E-NEWAZ AVENUE BRANCH**
  22, Gareeb-E-Newaz Avenue, Sector# 13,
  Uttara, Dhaka.
  Phone: 02-48964444, Ext. 101
  IP; 09678142306, Mobile: 01709-633757
  HOB: Mirza Yahia Uddin Ahmed, VP

- **GAZIPUR CHOWRASTA BRANCH**
  Shah Jilani Tower, Holding # 34
  Tangail Road, Gazipur Chowrasta, Gazipur Sadar, Gazipur
  Phone: 02-49261245, 49261243,
  IP; 09678142307 Ext. 101
  Mobile: 01709-633758
  HOB: Muhammad Lutful Haider, FVP

- **GORAI BRANCH**
  S. M. Mansion, Hatuvanga Road,
  Gorai, Mirzapur, Tangail
  Phone: 01708-454393
  IP: 09678142322
  HOB: Kishor Ray, AVP

- **GOSHAIRHAT BRANCH**
  Hazi Super Market Mitrasen potti
  Goshairhat, Shariatpur
  Phone: 09678142319, Ext. 101
  Mobile: 01708-454392
  HOB: Younus Miah, PO

- **GOURIPUR BRANCH**
  Razu Plaza, Gouripur, Ashulia, Savar, Dhaka
  IP: 09678142323
  Mobile: 01708-454394
  HOB: Md. Mahmudul Bashar, FVP

- **GREEN ROAD BRANCH**
  151/6, Gazi Tower, Green Road, Dhaka.
  Phone: 222246218(D) 48120754,
  48120743, Ext. 101
  Mobile: 01730-013453
  HOB: Md. Mahfuzul Karim, VP

- **GULSHAN BRANCH**
  Hosna Center, (1st floor), House no. 106
  Gulshan Avenue, Gulshan, Dhaka-1212
  Phone: 02-55068969,
  55068965-66, Ext. 101
  HOB: Farid Ahmed , EVP

- **HEMAYETPUR BRANCH**
  Madany Super Market, Holding No. 46
  Hemayetpur, Savar, Dhaka-1340
  Phone: 02-44065050, IP: 09678142130
  Mobile: 01713-452995
  HOB: Mohammed Samaun Mollah, FAVP

- **IMAMGANJ BRANCH**
  Mohammad Hossain Complex,
  3 Moulovibazar, Chawkbazar,Dhaka-1211
  Phone: 02-57312943, 57312821,
  57312970, Ext. 101, IP; 09678142169
  Mobile: 01755-533142
  HOB: Abu Saleh Md. Ibrahim, FVP

- **INTERNATIONAL AIRPORT ROAD BRANCH**
  Gulbahar Center, Holding # 154
  Int'l Airport Road, Amtali,
  Mahakhali, Dhaka-1212
  IP; 09678142186
  Mobile: 01755-532810
  HOB: Md. Akram Hossain, FVP

- **ISLAMIC BANKING BRANCH**
  Monir Mansion (1st Floor) 18, Dilkusha C/A, Dhaka-1000
  IP: 09678142205-101
  Mobile: 01755-596126
  HOB : Mohammad Golam Kibria, EVP

- **JHITKA BAZAR BRANCH**
  City Plaza, Jhitka Bazar, Harirampur, Manikgonj
  Phone: 02-7729192, Ext. 101
  IP: 09678142198, Ext. 198101
  Mob: 01713-369357
  HOB: Bikash Kumar Biswas, AVP

- **JOYPARA BRANCH**
  K P Plaza, Holding No.- 411,
  Joypara Bazar, Main Road,
  Ward No. 01, Pourashava: Dohar,
  Thana: Dohar, Dist.: Dhaka
  Phone: 09678142105, Ext. 105101
  Mobile: 01711-535949
  HOB: Sheikh Shahjahan , FVP

- **KAWRAN BAZAR BRANCH**
  Dhaka Trade Centre
  99 Kazi Nazrul Islam Avenue,
  Kawran Bazar, Dhaka- 1215
  Phone: 02-55011690,
  IP: 09678142103 Ext.101
  Mobile: 01730 320284
  HOB: Mizanur Rahman, SVP

- **KISHOREGANJ BRANCH**
  573, M M Shopping Complex Gouranga Bazar, Kishoreganj
  IP: 09678142178, Ext. 101
  Mobile: 01755 637381
  HOB: Md. Atiqur Rahman, AVP

- **KONABARI BRANCH**
  Motiur Rahman Plaza, Konabari Bus Stand
  Konabari, Joydevpur, Gazipur
  IP: 09678142128, Ext. 101
  Mobile: 01777 764999
  HOB: Shampad Kumar Chanda, AVP

- **MADANPUR BRANCH**
  Akota Somabay Super Market Madanpur,
  Bandar, Narayanganj.
  Phone: 09678142193 Ext-101
  Mobile: 01777-759525
  HOB: Md. Bashir Ahmed, AVP

- **MADARIPUR BRANCH**
  137 & 138/1, Monohar Putti,
  Puran Bazar, Sadar Thana, Madaripur
  Phone: 02478810885, 02478810898,
  Mobile: 01709-652413
  IP: 09678142311
  HOB: Md. Zakir Hossain, FAVP

- **MAIN BRANCH**
  Mia Amanullah Bhaban,
  63 Dilkusha C/A, Dhaka-1000
  PABX: 02-223382295,
  02-223382958 Ext. 107
  Mobile: 01709-639924
  HOB: Md. Abdul Awal, SEVP

- **MALKHANAGAR BRANCH**
  Bhuiyan Complex, Taltola Bazar,
  Malkhanagar, Sirajdikhan, Munshiganj.
  Mobile: 01829664177 IP: 09678142357
  Ext. 356101.
  HOB: Md. Mahmudul Hasan, PO.

- **MANIKGANJ BRANCH**
  City Center, Holding#16, Manikganj
  Bus Stand, Dhaka-Aricha Mahasarak,
  Manikganj.
  Phone: 02996610329, 02996610370
  Ext. 101
  Mobile: 01701-209786
  HOB: Ardhendu Sen, AVP

- **MIRPUR BRANCH**
  Razia Plaza, 184 Senpara Parbata Begum Rokeya Sarani
  Mirpur-10, Dhaka- 1216
  Phone: 02-48035613, 58052455, Ext. 101
  Mobile: 01730-318186
  HOB: Md. Shahadat Hossain Khan, SVP

- **MOGHBAZAR BRANCH**
  217/A, Noor Bhandari, Dommino Benvenito, Outer Circular Road
  Moghbazar, Ramna, Dhaka.
  Phone: 02-8333017, 8333016,
  48316279, Ext. 101
  IP: 09678142134
  Mobile: +88-01713-068194
  HOB: Lopita Mannan, SVP

- **MOHAKHALI BRANCH**
  Green Delta Aims Tower
  51-52 Mohakhali C/ A, Dhaka-1212
  Phone: 02222291520, 02222260094,
  02222288346 Ext. 101, 02222263215 (D)
  Mobile: 01312 782155
  HOB: Md. Jamal Hossain, SEVP

- **MOLLARHAT BRANCH**
  Ali Mia Molla Super Market, Mollarhat,
  Charkumaria, Shakhipur, Shariatpur,
  Phone: 09678142355, Mobile:
  01755596125
  Md. Hashibul Mukit, PO

- **MOTIJHEEL BRANCH**
  Dhaka Chamber Building, 65-66 Motijheel C/A, Dhaka.
  Mobile: 01713199801 IP: 09678142119
  Ext. 119101.
  HOB: Mohammad Faruque Ahmmed, SVP.

- **MYMENSINGH BRANCH**
  Momen Tower
  65 Choto Bazar, Mymensingh
  IP: 09678142157, Ext. 101
  Mobile: 01730-340791
  HOB: Mohd. Zulfikar Haider, FVP

- **NARAYANGANJ BRANCH**
  H.R. Plaza, 64 (Old), 90 (New),
  Bangabandhu Road, Narayanganj
  City Corporation, P.S.- Narayanganj,
  Narayanganj.
  Mobile: 01713199875 IP: 09678142150
  Ext. 150101.
  HOB: Md. Ikramul Islam Khan, VP.

- **NAWABGANJ BRANCH**
  Sajeda Complex, Vill- Kashimpur, Union - Kolakopa, Upazila: Nawabganj, Dhaka.
  Phone: 09678142334, Ext-101
  Mobile: 01713-013777
  HOB: S.M. Mahiuddin, AVP

- **NAWABPUR ROAD BRANCH**
  NBC Tower,
  24-25, Nawabpur Road, Wari, Dhaka
  Phone: 02223352832, 02223352833,
  Ext. 101 Mobile: 01755-632917
  HOB: Mohammad Shafruzzaman Khan, VP

- **NAYABAZAR BRANCH**
  25/1, Zindabahar 1st lane, Nayabazar,
  Ward No.- 32, Dhaka South City
  Corporation, Dhaka.
  Mobile: 01711535956 IP: 09678142111
  Ext. 111101.
  HOB: Md. Zillur Rahman, VP.

- **NETROKONA BRANCH**
  A Rashid Market, Holding # 0703-00,
  Mukterpara Sarak, Netrokona.
  Phone: 02-996652080 Ext-101
  Mobile: 01701-209780,
  HOB: Md. Rabiul Karim, FAVP

- **NIKUNJA BRANCH**
  DSE Tower (Level 1), Holding # 46, Kobi
  Faruque Sarani, Road # 21,
  Ward # 17,Nikunja-2, Khilkhet,
  Dhaka-1229 IP: 09678142354 Ext-101
  Mobile: 01713044838
  HOB: A.K.M. Hossainuzzaman, AVP

- **PRAGATI SARANI BRANCH**
  Green Orlando, 42/4 - Progati Sarani,
  Ward No.-17, Dhaka North City
  Corporation, P.S.- Badda, Dhaka.
  Mobile: 01755596176 IP: 09678142147
  Ext. 147101.
  HOB: Md. Tanvir Shahid, VP.

- **RAJBARI BRANCH**
  Khorshed Plaza, Holding - 240, College
  Road, Rajbari Municipality, Rajbari
  IP: 09678142340, Ext-101
  Mobile: 01713-013797
  HOB: Ruhidash Paul, AVP

- **RAMPURA BRANCH**
  Ujjal Tower, 362 East Rampura, DIT Road,
  Rampura, Dhaka-1219
  Phone: 02-8333703, Ext-101
  Mobile: 01709-639920
  IP: 09678142172 Ext-101
  HOB: Md. Showkat Hossain, FVP

- **RING ROAD BRANCH**
  Choice A J Golden Tower,
  2/1 Ring Road, Shyamoli, Dhaka-1207
  Phone: 48120896, 9103329,
  48116765 Ext-101
  Mobile: 01730-373896
  IP: 09678142165
  HOB: A.K.M Saifuddin Masuk, VP

- **SATMASJID ROAD BRANCH**
  MBPLC Center, Holding # 82/A,
  Road No. 08/A, Satmasjid Road,
  Dhanmondi R/A, Dhaka,
  Phone: 02-58152729, 02-58153553,
  IP: 09678142123, Ext-101
  Mobile: 01713039792
  HOB: Mohammad Hossain, VP

- **SAKHIPUR BRANCH**
  Sikder Plaza (1st Floor), Kochua Road,
  Sakhipur Bazar, Sakhipur, Tangail
  Phone: 02997755752
  IP: 09678142185, Ext. 101
  Mobile: 01755-587439
  HOB: Shah Md. Mizanur Rahman, FVP

- **SHARIATPUR BRANCH**
  845, Italy Plaza, Shariatpur Sadar Road,
  Palong, Shariatpur
  Phone: 09678142346, Ext. 101
  Mobile: +88-01713-048886
  HOB: Monjour Ahmed, PO

- **SHIMRAIL BRANCH**
  S. M. Tower Holding No: B-11/1
  Siddirganj, Narayangonj
  Phone: 02-7691562-3,
  IP: 09678142318, Ext-101
  Mobile: 01708-454391
  HOB: Md. Mesbaul Faruq, FAVP

- **TEJGAON GULSHAN LINK ROAD BRANCH**
  Impetus Center, Holding # 242/B,
  Bir Uttam Mir Shawkat Ali Road
  (Tejgaon Gulshan Link Road),
  Tejgaon Industrial Area, Dhaka.
  Phone: 09678142327, Ext. 101,
  Mobile: 01701-209784
  HOB: Al Mansur, VP

- **UTTARA BRANCH**
  House- 10/A, Road- 7/D, Sector- 9,
  Uttara Model Town, Uttara, Dhaka -1230
  Phone: 02-48931729, 02-48958177,
  Ext-101
  Mobile: +88-01787-681253
  HOB:Muhammad Amir Hossain Sarker,EVP.

- **VELANAGAR BRANCH**
  Khadiza Mansion, Jailkhana Moor,
  Velanagar, Narsingdi.
  Phone: 02-9452497 Ext-101
  IP: 09678142190 Ext-101
  Mobile: +88-01713-279558
  HOB: Md. Mahbubur Rahman, FVP

CHATTOGRAM REGION

- **A K KHAN MOOR BRANCH**
  827, Anjuman Tower, Zakir Hossain Road,
  A K Khan Moor, Chattogram
  IP: 09678142175,
  Ext-101, Mobile: 01755-533140
  HOB: Nizam Uddin Md. Mamun, AVP

- **ACCESS ROAD BRANCH**
  Amin Tower, Holding # 601/722 Agrabad
  Access Road, Hali Sahar, Chattogram.
  Mobile: 01701-209787
  IP: 09678142332,
  HOB: Md. Ali Akber Akhand, FAVP

- **AGRABAD BRANCH**
  Mishkat Arcade, 21/1 Agrabad C/A,
  Double Morring, Chattogram
  Phone: 02333321772, 02333316421
  IP: 09678142104 Ext-101
  Mobile: 01714 473000
  HOB: Bijoy Kuman Datta, VP

- **BARAIYARHAT BRANCH**
  5, Feroza Saleha Center
  Asian Highway (Shantirhat Road)
  Baraiyarhat Paurashava
  P.S: Jorarganj, Mirsharai Chattogram
  IP: 09678142312 Ext-101
  Mobile: 01709652417,
  HOB: Md. Minhajul Alam, SEO

- **CHATTOGRAM EPZ BRANCH**
  S. A. Tower, Airport Road,
  Mailer Matha, South Halishahar,
  Bandar, Chattogram
  IP: 09678142148, Ext. 101
  Mobile : 01730-318185
  HOB: Moynul Qasem Chowdhory, VP

- **JHILONGJA BRANCH**
  Hotel Sea Palace Ltd.
  Kalatoli Road, Cox's Bazar
  IP: 09678142124, Ext. 101
  Mobile: 01713-103662
  HOB: Md. Rezaul Hoque, FAVP

- **JUBILEE ROAD BRANCH**
  Kamal Chamber (2nd Floor)
  61 Jubilee Road, Kotwali, Chattogram
  IP: 09678142117 Ext. 101
  Mobile: 01711-724874
  HOB: A K M Mohiuddin Mamun, AVP

- **KHATUNGANJ BRANCH**
  599 Ramjoy Mohajan Lane Khatunganj,
  Chattogram
  IP: 09678142112, 02-333356102
  Mobile: 01711-723051
  HOB: Sardar Mohammad Zobayar, VP

- **KHULSHI BRANCH**
  Salam Heights
  71/B/9/382 Zakir Hossain Road,
  South Khulshi, Chattogram.
  IP: 09678142194
  Mobile: 01787-681259
  HOB: Md. Faruk, AVP

- **MADAMBIBIR HAT BRANCH**
  S. A. Complex, Madambibirhat, Bhatiari,
  Khadimpara, P.S.- Sitakunda, Chattogram.
  Mobile: 01730076127 IP: 09678142120
  Ext. 120101.
  HOB: Mohammad Talat Rahman, PO.

- **O R NIZAM ROAD BRANCH**
  191, CDA Avenue Commercial View
  Complex, East Nasirabad, Chattogram
  Phone: 02334450387,
  IP: 09678142125, Ext. 101
  Mobile: 01713-103663
  HOB: Ferdous Rayhan Miaji, FAVP

- **PATHERHAT BRANCH**
  S M Shopping Center,
  Pather Hat, Noapara, Raozan, Chattogram
  IP: 09678142182, Ext. 101
  Mobile: 01755-637384
  IP: 09678142182
  HOB: Md. Meharub Hossain Khan, AVP

- **PATIYA SME/KRISHI BRANCH**
  Rahman Mansion 1284/1 Club Road,
  Patiya, Chattogram
  IP ; 09678142153
  Mobile: 01730-320813
  HOB: Syed Ahsanul Haque Nury, AVP

- **RANGAMATI BRANCH**
  Hotel Green Castle, 1 Pathor Ghata,
  Reserve Bazar, Rangamati-4500
  IP: 09678142160, 0351-61267-68
  Mobile: 01730-709986
  HOB: Shyamal Kanti Barua, FAVP

- **SADARGHAT BRANCH**
  Humayun Heights, 70, Sadarghat Road,
  Sadarghat, Chattogram
  Phone: 02-333353290, 02-333353291,
  02-333353292
  Mobile: 01708-454397
  HOB: Debjani Das, AVP

- **SHEIKH MUJIB ROAD BRANCH**
  304, Sheikh Mujib Road, Chattogram
  Phone: 02333314236,
  02333324126-7, Ext. 101,
  Mobile: 01708-494135
  IP: 09678142141
  HOB: Mr. Ranjit Bahadoor Roy, AVP

CUMILLA - NOAKHALI REGION

- **AMISHAPARA SME/KRISHI BRANCH**
  Mosarraf Plaza, Moddho Bazar,
  Amishapara
  Sonaimuri, Noakhali Phone: 01730-
  320812,
  IP: 09678142152 Ext. 101
  HOB: Mohammed Jahir Uddin, FVP

- **ASHUGANJ BRANCH**
  Aziz Plaza (1st & 2nd Floor), West Bazar,
  Char Chartola, Ashuganj, Brahmanbaria.
  Phone: 08528-74592, Ext. 101
  Mobile: 01755-533145
  HOB: Deba Prashad Das, FAVP

- **BANGLABAZAR BRANCH**
  Baroichatal, Banglabazar,
  Begumganj, Noakhali.
  IP; 09678142161
  Mobile: 01730-709987
  HOB: Mohammad Zia Uddin, AVP

- **BOZRA BAZAR BRANCH**
  Babul Shopping Complex, Islamgonj Bazar,
  Bozra, Sonaimuri, Noakhali.
  Phone: 0321-51376,
  IP; 09678142304 Ext.101
  Mobile: 01713-369358,
  HOB: Alamgir Kabir, SEO

- **CHANDINA BRANCH**
  Alhaj Abdul Hamid Member Market,
  Thana Road, Chandina, Cumilla.
  IP: 09678142347
  Mobile : 01713-048874
  HOB: Mohammad Nasir Uddin, FAVP

- **CHANDPUR BRANCH**
  285,Techno Hannan Complex,
  Hazi Mohasin Road, Sadar, Chandpur.
  Phone: +88 0233 4486511-2
  Mobile: 01713-369354
  HOB: Md. Monir Hossain Khan, FVP

- **CHANDRAGONJ BRANCH**
  Matrichaya Bhaban, Vill- Deopara,
  Afzal Road, Chandragonj Union Parishad,
  Chandragonj, Lakshmipur.
  Phone: 02-334443096, 02-334443097
  Mobile: 01701-209781
  HOB: Nizam Uddin, PO

- **CHHAGALNAIYA BRANCH**
  Sofura Arcade, 1340/1341, College Road,
  Chhagalnaiya Municipality, Feni.
  IP: 09678142341, Ext-341101
  Mobile:01713-013792
  HOB: Md. Bahar Uddin, PO

- **CHITOSHI BAZAR BRANCH**
  Rokeya Super Market, Chitoshi, Chitoshi
  Purbo Union Parisad, Shahrasti, Chandpur.
  IP: 09678142328
  Mobile: 01701-209782
  HOB: Mamun Or Rashid, SEO

- **CHOWMUHANI BRANCH**
  Morshed Alam Complex (2nd Floor),
  Railgate, Chowmuhani,
  Begumganj, Noakhali
  Phone: 02-334492966, 02-334492960
  Mobile: 01713-036991
  HOB: Mahbub Jamil, VP

- **CUMILLA BRANCH**
  1042/945 Jhawtala, Comilla.
  Phone: 02-334405275 & 02-334405276
  IP: 09678142139
  Mobile: 01713-384498,
  HOB: Md Zahidul Alam Chowdhury, FVP

- **DAGONBHUIYAN BRANCH**
  Mizan Tower, 273, Basurhat Road
  Dagonbhuiyan, Feni
  Phone: 02-334475770, 02-334475605,
  Ext.101
  Mobile: 01730-328684
  HOB: Mohammad Zahir Alam, PO

- **FARIDGANJ BRANCH**
  Saima Abdullah Plaza, Chandra Road,
  Faridgonj Bazar,P.S.- Faridgonj, Chandpur.
  Mobile: 01730318187 IP: 09678142149
  Ext. 149101.
  HOB: Gautam Chandra Debnath, FAVP.

- **FENI BRANCH**
  Kazi Plaza, 105, S S Kaisar Road, P.S.-Feni
  Sadar, Feni.
  Mobile: 01713452994 IP: 09678142131
  Ext. 131101.
  HOB: Md. Mizanur Rahman, FVP.

- **HAJIGANJ BRANCH**
  Canada Tower
  Chadpur-Cumilla Highway Road,
  Haziganj, Chadpur
  IP: 09678142348, Ext-101
  Mobile: +88-01713-048876
  HOB: Mohammad Shahidul Alam, PO

- **KABIRHAT BRANCH**
  Fuad Centre, Holding - 37, Hospital Road,
  Kabirhat Municipality, Noakhali
  IP: 09678142336
  Mobile: 01713-013790
  HOB : Mohammad Sharfuddin, PO

- **KANKIRHAT BRANCH**
  R. K. Chowdhury Shopping Complex
  Kankirhat, Senbag, Noakhali
  Mobile: 01708-454390
  HOB: A S M Mohi Uddin, PO

- **KORAIS MUNSHI BAZAR BRANCH**
  Mamun Super Market
  Korais Munshi Bazar, Somaspur
  Dagonbhuiyan, Feni
  Phone: 01787-681254, Ext. 101
  IP: 09678142195
  Mobile: 01787-681252
  HOB: Md Lokman Hossain, FAVP

- **LAKSHMIPUR BRANCH**
  R B Tower, Thana Road, Lakshmipur Sadar,
  Lakshmipur
  Phone: 02-334441389, 02-334441390
  Ext. 101, Mobile: 01713-369352
  HOB: Abul Hasnat Muhammad Zaber,
  FAVP

- **MAIJDEE COURT BRANCH**
  Honey Dew Point, 10 Abdul Malek Ukil
  Sarak, Maijdee Court, Noakhali
  Phone: 0321-71710, 71711 Ext. 101
  Mobile: 01730-709983
  IP; 09678142164
  HOB: Rajon Saha, AVP

- **MANDARI BAZAR BRANCH**
  Kamalur Rahim Super Market, Mandari
  Bazar, Chandragonj, Laxmipur
  IP: 09678142321, Ext. 101
  Mobile: 01708-454396
  HOB: Mohammad Zahirul Islam, FAVP

- **MUNSHIRHAT BRANCH**
  Patwary Tower, Main Road,
  Old Munshirhat, Fulgazi, Feni.
  Mobile: 01701-209789
  IP: 09678142333, Ext-101
  HOB: Md. Ziaul Karim, FAVP

- **RAHIMANAGAR BRANCH**
  Shahjalal Shopping Complex North Union Parishad, Kochua, Chandpur
  IP: 09678142349 Ext-101
  Mobile: 01713-048904
  HOB: Mohammad Shafiqul Islam, PO

- **RAJNAGAR SME/KRISHI BRANCH**
  Balua Chowmuhani, Dhalia, Rajnagar, Feni Sadar, Feni.
  Phone: 0331-73782-3, Ext-101
  Mobile: 01730-340793
  HOB: Zia Uddin Ahmed, PO

- **SAMIR MUNSHIR HAT BRANCH**
  Patowary Market, Samir Munshir Hat,
  6 No. Kabilpur Union Senbug, Noakhali
  Mobile: 01709-652415, 01709-633759
  HOB: Nizam Uddin, FAVP

- **SENBAG BRANCH**
  DK Plaza, Upazila Road Senbag, Noakhali
  IP: 09678142350, Ext.-101
  Mobile: 01713-048870
  HOB: Monirozzaman, PO

- **SUAGANJ BAZAR BRANCH**
  Noor Mansion Puratan Road,
  Suaganj Bazar, Cumilla
  IP: 09678142310 Ext. 101
  Mobile: 01709-652411
  HOB: Mansur Ahmed Mazumder, FAVP

- **SUBARNACHAR BRANCH**
  Haris Chowdhury Bazar
  West Char Jubili, PO+PS: Char Jabbar
  Subarnachar, Noakhali.
  Mobile: 01709-652412, 01709- 652418
  HOB: Nizam Uddin, PO

- **UDOY SHADUR HAT BRANCH**
  Malek Bhaban,Ramanandi, Union-1 No.
  Charmatua, Sadar, Noakhali.
  Phone: 01701-209783,
  IP: 09678142325, Ext-101
  Mobile: 01708-490258
  HOB: Bahar Uddin, PO

NORTH BENGAL REGION

- **BOGURA BRANCH**
  Talukdar Bashar Plaza, Holding No.-5/406, Borogola, Rangpur Road, Ward No.-3, P.S.- Bogura Sadar, Bogura.
  Mobile: 01713044835 IP: 09678142126 Ext. 126101.
  HOB: Md. Ruhul Amin Siddiqui, VP

- **CHAPAINAWABGANJ BRANCH**
  65-67 Jhilim Road (1st & 2nd Floor) Boro Indara More Chapainawabganj Sadar, Chapainawabganj.
  Phone: 88-0781- 51719, 51720,
  IP; 09678142162 Ext. 101
  Mobile: 01730-709982
  HOB: A.S.M. Kamal Hossain, VP

- **DEBIGANJ BRANCH**
  Holding no. 1892, Haque Plaza,
  Debiganj, Panchagarh .
  Phone: 05654-56151, Ext-101
  IP: 09678142174, Ext-101
  Mobile: 01755-533147
  HOB: Abu Ala Md. Mazharul Islam, AVP

- **DINAJPUR BRANCH**
  Dinajpur Plaza, Goneshtola Dinajpur Sadar, Dinajpur
  Phone: 02589922217-8, Ext. 101,
  IP: 09678142145 (Ext-101)
  Mobile: 01730-328682
  HOB: Md. Monjur Hossain, FVP

- **GOBINDAGANJ BRANCH**
  Anowara Super Market,
  Gobindaganj, Gaibandha
  Phone: 05423-75387,75083 Ext. 101,
  IP: 09678142183, Ext-101
  Mobile: 01755-637387
  HOB: Aurup Ratan Roy, FAVP

- **ISHWARDI BRANCH**
  Center Point, Holding# 283/257, Pabna-Ishwardi Main Road, Ishwardi, Pabna
  Phone: 02-588847767-68
  Mobile: 01701-209788
  HOB: Md. Toufiqul Islam, FAVP

- **KALAI BRANCH**
  Samad Talukder Shopping complex
  Holding-0048/01, Joypurhat Mokamtola C&B Road, Kalai Municipality, Joypurhat.
  IP: 09678142342, Ext-342101
  Mobile: 01713-013794
  HOB: Md. Monowar Hossain, FAVP

- **LALMONIRHAT BRANCH**
  Shahan Shopping Complex Holding No: 0369-00, Puran Bazar Lalmonirhat Sadar, Lalmonirhat
  Phone: 02-589986720-21 Ext-101
  Mobile : 01708-454395
  HOB: Md. Nurul Islam Sarker, FAVP

- **NAOGAON BRANCH**
  J.R. Super Market, Old Bus Stand, Main Road, Chakdev, Naogaon
  Phone: 025888-83331 (HOB),
  IP: 09678142108 Ext-101
  Mobile: 01711-419057
  HOB: Md. Hazrat Ali, VP

- **NATORE BRANCH**
  Julekha Complex, Holding No.81,
  Dhaka Road, Alaipur, Natore Sadar, Natore
  Phone: 02-588871740-41, Ext. 101
  Mobile: 01708-454398
  HOB: Md. Shariful Haque, PD

- **NAZIPUR BRANCH**
  Noor Market, Harirampur Nazipur,
  Patnitala, Naogaon
  Phone: 025888-85993-4, Ext. 101
  Mobile: 01755-637386
  HOB: Sarwar Md. Mahdub Murshad, AVP

- **NIAMATPUR BRANCH**
  353 Girls Plaza, 216 Balahore
  Niamatpur Sadar, Naogaon
  IP: 09678-142181, 02588886956-7 Ext. 101
  Mobile: 01755-637385
  HOB : Bimal Chandra Barman, AVP

- **NILPHAMARI BRANCH**
  Bari Plaza, Bara Masjid Road, Nilphamari
  Phone: 0551-62007 Ext. 101
  IP: 09678142173
  Mobile: 01755-533144
  HOB: Md. Rashedul Hasan, FVP

- **PABNA BRANCH**
  Munshi Complex, Hazi Abdul Gani Sarak, Boro Bazar, Pabna
  Phone: 09678142189, Ext. 101
  Mobile: 01755-632918
  HOB: Md. Nazrul Islam, FAVP

- **RAJSHAHI BRANCH**
  Zodiac Plaza, Shaheb Bazar, Zero Point,
  Rajshahi City Corporation, P.S.- Boalia, Rajshahi.
  Mobile: 01711419079 IP: 09678142107 Ext. 107101.
  HOB: Md. Alauddin, VP.

- **RANGPUR BRANCH**
  Press Club Complex Biponi Bitan, Station Road, Rangpur City Corporation,
  P.S.- Kotwali, Rangpur.
  Mobile: 01713201636 IP: 09678142122 Ext. 122101.
  HOB: H. M. A Razzaque, AVP.

- **SAPAHAR BRANCH**
  Saha Mansion, Sapahar Bazar,
  Main Road, Sapahar, Naogaon
  IP: 09678142135
  Mobile: 01713-068096
  HOB: Milon Kumar Sarker, AVP

- **SHEESHA HAT BRANCH**
  Main Road, Sheesha Hat, Porsa, Naogaon
  Phone: 01932-710888, Ext. 101
  Mobile: 01755-533141
  HOB: Md. Abdur Razzaque Mondal, FAVP

- **SIRAJGANJ BRANCH**
  Matam Tower, Holding - 50, S S Road,
  Sirajganj Municipality, Sadar, Sirajganj
  IP: 09678142335, Ext. 101
  Mobile: 01713-013776
  HOB: Md. Mamun-Ur-Rashid, FAVP

- **SYEDPUR BRANCH**
  66, Shaheed Dr. Zohrul Haque Sarak,
  Ward No.-11, Syedpur Pourosobha, PS-
  Syedpur, District- Nilphamary
  IP: 09678142353, Ext. 101
  Mob; 01713-423750
  HOB: Saiyed Habibul Karim, FAVP

- **THAKURGAON BRANCH**
  Afsar Uddin Chowdhury Plaza, Holding
  No.- 1195, College Road, Ashrampara, P.
  S. - Thakurgaon Sadar,Thakurgaon.
  Mobile: 01755533143 IP: 09678142167
  Ext. 167101.
  HOB: Md. Arafat Hasan, AVP.

KHULNA REGION

- **CHUADANGA BRANCH**
  Malik Tower, Holding# 43 & 107
  Borobazar,
  Shahid Abul Kashem Sarak, Chuadanga.
  Phone: 02-477789241
  Mobile: 01755-637380
  HOB: Md. Ishrak Uzzaman, FAVP

- **JASHORE BRANCH**
  A. Ali Complex, 45 R. N. Road, Jashore
  Phone: 02477764364, Ext. 101
  Mobile: 01730-328683
  HOB: Md. Obidullah Al-Motin, AVP

- **JHENAIDAH BRANCH**
  Sultan Market, 31, Huseyn Shaheed
  Suhrawardy Road, Jhenaidah
  Phone: 09678142338
  Mobile: 01713-013781
  HOB: Belal Ahmed Rony, FAVP

- **KHULNA BRANCH**
  Rupsha Plaza, 73, KDA Avenue,
  Sonadanga, Khulna
  Phone: 08-44110700
  Mobile: 01713 400 641
  HOB: Md. Abdul Matin, VP

- **KUSHTIA BRANCH**
  A. Hamid Market, Holding No.- 1, Nawab
  Siraj-ud-Daullah Road, Boro Bazar, P.S.-
  Kushtia Sadar, Kushtia.
  Mobile: 01730709984 IP: 09678142163
  Ext. 163101.
  HOB: Md. Imran Kabir, PO.

- **SATKHIRA BRANCH**
  Haji Market, Holding No.- 345, Shahid
  Kajol Sharani, Ward No.- 8, Satkhira
  Paurashava, P.S.- Satkhira Sadar, Satkhira.
  Mobile: 01713048902 IP: 09678142352.
  HOB: Sk. Abdul Kader, FAVP.

BARISAL REGION

- **BARISHAL BRANCH**
  141 Sadar Road, Barishal-8200
  Phone: 02-478866050-51
  IP; 09678142137 EX.101
  Mobile: 01713-384496
  HOB: Moudud Ahmed, AVP

- **BHOLA BRANCH**
  Karnaphuli Complex, Holding No.-3373,
  Sadar Road, Ward No.-6, Bhola Pourasava,
  P. S. -Bhola Sadar, Bhola.
  Mobile: 01755637382 IP: 09678142177
  Ext. 177101.
  HOB: Md. Mosleh Uddin, AVP.

- **JHALAKATHI BRANCH**
  Al-Marjan, Holding No. -30, Kumarputti,
  Paurashava-Jhalokathi, P. S. - Jhalakathi,
  Jhalakathi.
  Phone: 02-478875911 (Ex-101)
  Mobile: 01777759524.
  HOB: Pankaj Kanti Biswas, FAVP.

- **KALAIYA BRANCH**
  Shimon Plaza Kalaiya Union,
  Bauphal, Patuakhali
  IP: 09678142199
  Mobile : 01713-369359
  HOB: Md. Al-Mamun, FAVP

- **KHEPUPARA BRANCH**
  Society Super Market, Natun Bazar Sarak,
  Khepupara, P.S.- Kolapara, Patuakhali.
  Mobile: 01701209785 IP: 09678142326
  Ext. 326101.
  HOB: Md. Jamal Hossain, PO.

- **MATHBARIA BRANCH**
  Somobay Bank Ltd. Authority Building,
  Holding No- 7-01, Mathbaria Patharghata
  Road, P.S. -Mathbaria, Pirojpur.
  Mobile: 01713013786 IP: 09678142339.
  HOB: Md. Nure Alam, PO.

- **PATUAKHALI BRANCH**
  Ashrab Noor Mansion, Holding No.- 151-
  152, Sadar Road, Natun Bazar, Ward No.-
  6, P.S.- Patuakhali Sadar, Patuakhali.
  Mobile: 01730340790 IP: 09678142154
  Ext. 154101.
  HOB: Md. Faruque Sikder, AVP.

SYLHET REGION

- **BEANIBAZAR BRANCH**
  Zaman Plaza, Pouroshova- Beanibazar,
  P.S.- Beanibazar, Sylhet.
  Phone: 02-996646452-3
  Mobile: 01713384495.
  HOB: Hasan Quedrotul Ferdoush
  Chowdhury, AVP.

- **GOALA BAZAR BRANCH**
  Bhutu Babu Super Market Goala Bazar,
  Osmaninagor Balagonj, Sylhet
  Phone: IP: 09678142351, Ext. 101
  Mobile: 01713-048903
  HOB: Shakawat Hossain Ibne Ahad, FAVP

- **MOULVIBAZAR BRANCH**
  Holding No.- 152/2, Court Road, P.S.-
  Moulvibazar, Moulvibazar.
  Mobile: 01713068126 IP: 09678142132
  Ext. 132101.
  HOB: Md. Badrul Islam, AVP.

- **NABIGONJ SME/ KRISHI BRANCH**
  Skylite Tower, Sherpur Road, Nabigonj,
  Habigonj
  Phone: 08328-56307, Ext. 101
  Mobile: 01730-320814
  HOB: Md. Foyej Uddin Salim, PO

- **SUBIDBAZAR BRANCH**
  16, Prantik, Subid Bazar, Sylhet
  Phone: 02-996632217 (PABX),
  02-996632218 (direct)
  Mobile: 01755-637383
  HOB: Md. Rezaul Haque Chowdhury, VP

- **SUNAMGANJ BRANCH**
  Zaman Complex 52-01 Arpin Nagar,
  (Old Bus Stand) Sunamgonj
  Phone: 0871-61277, 61278, Ext. 101
  IP Phone is # 09678142170
  Mobile: 01755-533148
  HOB: Alomoy Roy, FAVP

- **SYLHET BRANCH**
  Riasot Tower Laldighirpar, Sylhet
  Phone: 02-996634650, Ext. 101
  Mobile: 01711-922810
  HOB: Choudhury Abul Kalam Parvez, VP

UPOSHAKHA

- **ACADEMY ROAD UPOSHAKHA**
  Controlling Branch: Feni Branch Afzal Plaza,
  Holding # 279, Academy Road, Feni,
  IP: 09678142502,
  Mobile: 01737 515656
  Abdul Ahad, PO

- **ALIPUR UPOSHAKHA**
  Khan Bhaban, Alipur Bandar, Union: Latachapli, P.S.: Mohipur, Dist.: Patuakhali.
  Mobile: 01728640962 IP: 09678142548 Ext. 548101.
  In-charge: Mohammad Imam Hossain, EO.

- **BAUNIA UPOSHAKHA**
  Suhita Tower, Badaldi Main Road, Turag, Dhaka.
  Mobile: 01911400355 IP: 09678142509.
  In-charge: Fahim Iqbal, EO.

- **BIROL UPOSHAKHA**
  Controlling Branch: Dinajpur Branch
  Maa Plaza, Narabari Road, Holding: 24, Ward# 04, Birol, Dinajpur.
  IP: 09678142516
  Mobile: 01713 199882
  Md. Mostafizur Rahman, SEO

- **KALISHURI UPOSHAKHA**
  Controlling Branch: Kalaiya Branch
  Moulovi Market, Union: Kalisuri, P.S.: Bauphal, District: Patuakhali.
  IP: 09678142503, 01719084444
  Md. Alomgir Hussain, EO

- **CHATIPATTI UPOSHAKHA**
  Controlling Branch:Cumilla Branch
  Madina Plaza, Holding No. 23-24, Rajgonj Road, Ward -12, Cumilla.
  IP: 09678142505, 01818297165
  Mohammed Moshiur Rahman, SEO

- **GOPALPUR BAZAR UPOSHAKHA**
  Controlling Branch: Amishapara SME/ Krishi Branch, Khan Monjil, Betuabag, Gopalpur, Noakhali
  IP:09678142507
  Mobile: 01815412064
  Nirmal Chandra Mazumder EO

- **DAKPARA UPOSHAKHA**
  Controlling Branch:Aganagar Branch,
  Bonda Dakpara, Zinzira, Keraniganj, Dhaka.
  IP: 09678142504 Ex.102,
  Mobile: 01911391222
  Muhammad Tareq, SEO

- **CHANDRA BAZAR UPASHAKH**
  Controlling Branch: Faridganj Branch
  Abul Bapary Market , Balithuba Poschim Union Porishod, Faridgonj, Chandpur.
  IP: 09678142506
  Chotan Chandra Chowdhury, EO

- **DAKSHIN KHAN UPOSHAKHA**
  Controlling Branch: Uttara Branch
  Sarker, R.E.F Tower Holding: 480,
  Mojammel Haque Road, Dakshin khan, Dhaka
  IP: 09678142508
  Mobile: 01716314477
  S.M. Mamun, SEO

- **SHANTAHAR UPOSHAKHA**
  Controlling Branch: Naogaon Branch
  Alta Syndicate Palace, Holding: 302,
  Naogaon Road, Adamdighi, Bogura
  IP:09678142510
  Mobile: 01719612881
  Md. Belal Hossain Khan, SEO

- **PALLABI UPOSHAKHA**
  Controlling Branch: Mirpur Branch
  Alba Tower, Holding - 2/6, Harun Mollah Road,Pallabi,Dhaka.
  IP: 09678142518
  Mobile: 01732187060
  Md. Ruhul Amin Akungee, PO

- **ERSHADNAGAR UPOSHAKHA**
  Controlling Branch: Board bazar Branch
  4/13, Parkway Trade Centre
  Dhaka- Mymensigh Highway, Gazipur City Corporation,Tongi, Gazipur
  IP: 09678142514
  Mobile: 01676-163332
  Md. Forhad Hossain, SEO

- **FULTOLA UPOSHAKHA**
  Ayesha Tower, Vill: Damodar, Union: Fultola, P.S.: Fultola, Dist.: Khulna.
  Mobile: 01717882700 IP: 09678142547 Ext. 547101.
  In-charge: Md. Rafiqul Islam, SEO.

- **PALASHBARI UPOSHAKHA**
  Controlling Br.: Gobindoganj Branch
  City Business Tower, Kali bari
  Bazar Road, Polash Bari, Gaibandha.
  IP: 09678142513
  Mobile: 01712844082
  Md. Humayon Rashid, SEO

- **SINGRA UPOSHAKHA**
  Controlling Branch: Natore Branch
  Talukder Complex, Holding # 274,
  Singra, Natore.
  IP: 09678142517
  Mobile: 01736408585
  Mizanur Rahaman, EO

- **THAKURGAON ROAD UPASHA**
  Controlling Branch: Thakurgaon Branch
  Kamal Super Market, Holding: 263/02,
  Sugar Mills Gate Road, Thakurgaon, Thakurgaon.
  IP: 09678142515
  Mobile: 01723355317
  Md. Minhaz-E-Elahi, SEO

- **PARBATIPUR UPOSHAKHA**
  Controlling Branch: Syedpur Branch
  Khorshed Mansion, Holding # 1134-1135,
  Notun Bazar, Parbatipur, Dinajpur.
  IP: 09678142512
  Mobile: 01785898736
  Md. Shahriar Hossain, SEO

- **MOHAMMADI HOMES UPASHAKHA**
  Controlling Branch Ring Road Branch
  Malancha, Holding: 02 Mohammadi Homes Main Road, Mohammadpur, Dhaka. IP: 09678142519
  Mobile: 01712248152
  Md. Borhan Uddin, SEO

- **DUPCHANCHIA UPOSHAKHA**
  Controlling Branch: Bogura Branch
  Kamrunnahar Plaza, Holding# 127,
  Dupchanchia, Bogura
  IP: 09678142511
  Mobile: 01711705927
  Tapan Kumar Sarkar, SEO

- **BIR PROTIK SHAHEED ZAKIR HOSSAIN ROAD UPOSHAKHA**
  Controlling Branch: Main Branch
  Holding: 51, Bir Protik Shaheed Zakir Hossain Road (new), 9/i, Motijheel Road (old), Ward No- 09,Dhaka South City Corporation, PS: Motijheel, Dist: Dhaka
  IP-09678142522 Ext-101
  Mithun Saha, SEO

- **MATIKATA UPOSHAKHA**
  Controlling Br.: Banani Branch
  Online Plaza, Holding # 75, Matikata Bazar Road, Dhaka Cantonment, Dhaka
  IP: 09678142528 Ext.101
  Mobile: 01715028021
  Mohammad Mahabub Alam, PO

- **ZIGATOLA UPOSHAKHA**
  Controlling Br.: Satmasjid Road Branch
  "Sultana Castle" Holding No.: 33, Zigatola Old Kachabazar Road, Ward No.: 14,
  Dhaka South City Corporation,
  P.S: Hazaribag, Dist: Dhaka
  Mobile: 01711010363
  IP- 09678142527-101
  Syed Mohammad Asaduzzaman, SEO

- **GHARISHAR BAZAR UPOSHAKHA**
  Controlling Br.: Bhojeshwar Bazar Branch, Shariatpur, Bahir Kushia, Dag No.BRS 706, Khatian No: BRS 410, Mouza: Bahir Kushia, Union: Gharishar, P.S: Naria, Dist.: Shariatpur.
  Mobile: 01712234734,
  IP: 09678142526-101
  Tanvir Hossain, SEO

- **KHILGAON UPASHAKHA**
  Holding: 1414/2/A, Shaheed Baki Sarak, Khilgaon, Dhaka.
  Mobile: 01915476473 IP: 09678142520 Ext. 101.
  In-charge: Syed Rubaeit Jamil, SEO.

- **PATUATULI UPOSHAKHA**
  Controlling Branch: Nayabazar Branch
  "Babuli Islampur Complex", Holding: 1, 2
  Wise Ghat, Road No. 57-58
  Loyal Street, Kotwali, Dist: Dhaka
  Mobile:01819534194
  IP: 09678142523-101
  Omar Kaosar , PO

- **PORT ROAD UPOSHAKHA**
  Controlling Branch: Barishal Branch
  Jim Villa, Holding No.548,
  New Sadar Ghat Road (Port Road),
  Kotwali, Barishal.
  Mobile: 01716280480
  IP: 09678142525-101
  Md. Kamal Hossain, SEO

- **BANASREE UPASHAKHA**
  Controlling Branch: Rampura Branch
  Saudia Joynul, Holding # 22,
  Main Road, Block-G, Banasree, Dhaka
  Mobile: 01908074422
  IP- 09678142521-101
  Md. Selim Sultan, SEO

- **RAJENDRAPUR UPOSHAKHA**
  Controlling Br.: Abdullahpur Branch
  Sheikh Jobed Ali Complex, Rajendrapur,
  Noadda, Tegharia, South Keraniganj,
  Keraniganj, Dhaka
  Mobile: 01705765074
  IP- 09678142530-101
  Md. Nahid Hossain, EO

- **PANCHAGARH UPOSHAKHA**
  Controlling Branch : Debiganj Branch
  Central Plaza, Holding: 1492-02, Cinema
  Hall Road, Panchagarh Municipality,
  Panchagarh
  Mobile: 01762910266, IP:09678142529
  Abu Sayem Md. Asadullah, EO

- **SREEMANGL UPOSHAKHA**
  Controlling Branch : Moulvibazar Branch
  Sabery Tower, Holding No.: 5535, College
  Road, Ward No.: 09, Pourashava & P.S.:
  Sreemangal, Dist.: Moulvibazar.
  Contact No. 09678142542, 01712596509
  Mozir Uddin Ahmed Choudhury, SEO

- **STEEL MILL UPOSHAKHA**
  Controlling Br.: Chattogram EPZ Branch
  Ali Building, Holding: 3164/5362,
  Narikeltola, CEPZ, Sailors Colony,
  Chattogram.
  IP. 09678142536
  Mobile: 01713442458
  Samiul Karim, SEO

- **WARI UPOSHAKHA**
  Controlling Br.: Dholaikhal Branch
  Wari Party Center, Holding No.: 18,
  Raking Street, Wari, Dhaka.
  IP: 09678142534
  Mobile: 01711942339
  Abu Taher Khan, SEO

- **BADDA UPOSHAKHA**
  Controlling Br.: Aftabnagar Branch
  Holding: L-58, Middle Badda,
  Pragati Sarani Road, Badda, Dhaka.
  IP: 09678142531,
  Mobile: 01781355565
  Mahbub Alam, SEO

- **MIRPUR SECTION-6 UPOSHAKHA**
  Controlling Branch:
  Darus Salam Road Branch
  Ariza Lodge, Holding No.: 9/4, Avenue: 5,
  Section: 6, Mirpur, Dhaka-1216.
  IP: 09678142539
  Mobile: 0197-1178866
  Mohammad Rashed Jahan, SEO

- **SHYAMGANJ UPOSHAKHA**
  Controlling Br.: Mymensingh Branch
  Fakir Bhaban, Mailakanda,
  1 no. Mailakanda Union,
  Gouripur,Mymensingh.
  IP: 09678142541,
  Mobile: 01733165696
  Khandaker Mohammad Atiqur Rahman,
  SEO

- **LALBAGH UPOSHAKHA**
  Controlling Br.: Imamganj Branch Holding
  No.: 29, Dhakeshwari Road, Lalbagh,
  Dhaka.
  IP: 09678142533
  Mobile: 01712 824646
  Md. Imtiaj Uddin, SEO

- **SAROJGANJ UPOSHAKHA**
  Controlling Branch : Chuadanga Branch
  Momtaj Super Market, Sarojganj Bazar,
  4 no. Shankarchandra Union,
  Chuadanga Sadar, Chuadanga.
  IP: 09678142540
  Mobile: 01816436818
  Md. Imran Hossan, SEO

- **JATRABARI UPOSHAKHA**
  Controlling Br.: Donia Branch
  Golenur Tower, Holding No.: 116/1,
  North Jatrabari, Road: 17, Shaheed Faruk
  Road, Jatrabari, Dhaka
  IP: 09678142535,
  Mobile: 01738938893
  Md. Nurul Islam, SEO

- **MEHERPUR UPOSHAKHA**
  Controlling Branch: Chuadanga Branch
  Main Road, Kashripara, Meherpur Sadar,
  Meherpur.
  IP: 09678142545
  Jewel Rana, EO

- **MONIPURIPARA UPOSHAKHA**
  Controlling Br.: Asad Gate Branch
  Holding: 27/A, Monipuripara, Sangsad
  Bhanban Avenue, Tejgaon, Dhaka.
  IP: 09612142538
  Mobile: 01712547545
  SK. Md. Abdul Jobbar, SEO

- **NARIA UPOSHAKHA**
  Naria Bazar Jame Masjid Market, Holding
  No.: B-254, Naria-Chakdha-Gharisar
  Road, Ward No.: 1, Pourashava: Naria, P.S.:
  Naria, Dist.: Shariatpur.
  Mobile: 01719595533 IP: 09678142546
  Ext. 546101.
  In-charge: Uttam Kumar Bhattacharya,
  SEO.

- **NAZIRA BAZAR UPOSHAKHA**
  Controlling Branch: Nawabpur Road
  Branch, Abdullah Tower, Holding:
  76,76/1,76/2,
  Road No.76, Kazi Alauddin Road,
  Bangshal, Dhaka
  Mobile: 01711 22 74 89
  IP: 09678142524-101
  Firoz Ahmed, PO

- **JAMIDAR HAT UPOSHAKHA**
  Controlling Br.: Samir Munshir Hat Branch
  Abdul Kader Shopping Complex, Latifpur,
  Rosulpur, Begumganj, Noakhali.
  IP: 09678142532
  Mobile: 01921180878
  Md. Shamim Hossain, EO

- **RAIPURA UPOSHAKHA**
  Controlling Branch: Velanagar Branch
  Raipura Trade Center, Holding No.: 234,
  Thana Sadar Road, Raipura, Narsingdi.
  IP: 09678142537
  Monile: 01713586009
  Mohammad Abdulah –Al- Mamun, EO

- **SINDURPUR UPOSHAKHA**
  Controlling Branch: Koraish Munshi
  Bazar Branch, Sindurpur Adudia
  Rawsanul Ulum Islamia Dakhil Madrasa
  Market,Dagonbhuiyan, Feni.
  IP: 09678142501
  Mobile: 01837410570
  Mohammad Kamal Hasan, EO

- **SONAIMURI UPOSHAKHA**
  Controlling Br.: Chowmuhani Branch
  Sahida Sattar Complex, Holding: 403/747,
  Bank Road, Sonaimuri, Noakhali.
  IP: 09678142543
  Md. Mosharraf Hossain

- **SWARUPKATHI UPOSHAKHA**
  Controlling Br.: Barishal Branch
  Amena Complex, Holding No.: 424,
  Sonali Bank Road, Swarupkathi,
  Nesarabad, Pirojpur,
  IP: 09678142544
  Md. Torikul Islam, EO

REGIONAL OFFICES

- **CHATTOGRAM REGIONAL OFFICE**
  Address: MishkatArcade(1st Floor), 21/A, Agrabad C/A, Chattogram.
  Phone: 02-333329445(D), 02-333316421(P), Ext-102
  IP: 09678142104, Ext- 104112.
  Regional Head: Md. Shaiful Alam Chowdhury, SEVP

- **CUMILLA NOAKHALI REGIONAL OFFICE FENI**
  Address: S.S.K Road, Rajnagar Complex, FeniSadar, Feni - 3900.
  Phone: 0331-63314-15, 01701-209793.
  Regional Head: Mohammad Salah Uddin, VP

- **NORTH BENGAL REGIONAL OFFICE, BOGURA**
  Address: Zamzam Tower, Jaleswaritola, Kalibari Moor, BoguraSadar, Bogura - 5800.
  Phone: 051-71002, 09678142793.
  Regional Head: Abdullah Al Mahmood, VP.

MERCANTILE BANK TRAINING INSTITUTE (MBTI)

- **MBTI**
  Address: Swadesh Tower
  41/6 Purana Paltan, Dhaka-1000.
  Phone: 02-47118277
  Fax: 02-223390096.
  S.M. Salim Uddin, Head of Training & Development

ABBREVIATIONS

ACH	Automated Clearing House
AGM	Annual General Meeting
ALCO	Asset Liability Committee
AML	Anti-Money Laundering
ATM	Automated Teller Machine
BAPLC	Bangladesh Association of Publicly Listed Companies
BB	Bangladesh Bank
BoP	Balance of Payments
BSEC	Bangladesh Securities and Exchange Commission
CAR / CRAR	Capital Adequacy Ratio / Capital to Risk-Weighted Asset Ratio
CASA	Current Account Savings Account
CBS	Core Banking Systems
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CIB	Corporate & Investment Bank / Credit Information Bureau
COO	Chief Operating Officer
CRM	Customer Relationship Management / Cash Recycling Machine
CRO	Chief Risk Officer
CRR	Cash Reserve Ratio
CSR	Corporate Social Responsibility
DFS	Digital Financial Services
DSE	Dhaka Stock Exchange
ECL	Expected Credit Loss
EPS	Earnings Per Share
ESG	Environmental, Social, and Governance
EVA	Economic Value Added
FDI	Foreign Direct Investment
FIU	Financial Intelligence Unit
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPO	Initial Public Offering
IT	Information Technology
KYC	Know Your Customer
LC	Letter of Credit
LCR	Liquidity Coverage Ratio
MD / CEO	Managing Director / Chief Executive Officer
MFS	Mobile Financial Services
MIS	Management Information System
MVA	Market Value Added
NAV	Net Asset Value
NII	Net Interest Income
NIM	Net Interest Margin
NPL	Non-Performing Loan
OBU	Off-shore Banking Unit
P / E Ratio	Price Earnings Ratio
PAT	Profit After Tax
PCA	Prompt Corrective Action
POS	Point of Sale
ROE	Return on Equity
RTGS	Real Time Gross Settlement
RWA	Risk-Weighted Assets
SAMD	Special Asset Management Division
SDG	Sustainable Development Goals
SLR	Statutory Liquidity Ratio
SME	Small and Medium-sized Enterprises
SSC	Shari'ah Supervisory Committee
STR	Suspicious Transaction Report
Tk.	Taka
USD	United States Dollar

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Renewed Certificate

This is to certify that

MECANTILE BANK PLC.

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December, **2026**

Ref. No: **CM-2026/043**

Date of issue : **January 29, 2026**

BAPLC

Secretary General

Note:

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

PROXY FORM

I/we,.....

of.....

being a member of Mercantile Bank PLC., do hereby appoint.....

of.....

as my/our Proxy/Attorney to attend and vote for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on 24 June 2026 at 11:00 a.m. virtually using a digital platform via the link: https://mbplc.bdvirtualagm.com, and at any adjournment thereof.

As witness my hand this .....day of ..... 2026.

Affix Revenue Stamp of BDT 100

Signature of Member

Signature of Proxy

Folio No. .....

BO No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Note:

1. The Proxy Form, duly filled, signed, and stamped with BDT 100, must be sent via email to share@mblbd.com no later than 48 hours before the commencement of the AGM.
2. The signature of the shareholder must match the specimen signature registered with the Company and the Depository Register.

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

ATTENDANCE SLIP

I hereby record my attendance at the 27th Annual General Meeting of the Company being held on 24 June 2026 at 11:00 a.m. virtually using a digital platform via the link: https://mbplc.bdvirtualagm.com.

Name of the member/Proxy.....

Folio No. .....

BO No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

.....
Signature

Scan to view digital version of this Annual Report

বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

61, Dilkusha Commercial Area
Dhaka-1000, Bangladesh
Phone No: 09612955933 (Hunting)
02-223382295
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E-Mail: it@mblbd.com
Website : www.mblbd.com

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