Eastern Bank Ltd.

Quarterly Financial Statements (Unaudited)
First Quarter 2017

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Balance Sheet (Unaudited)
as at 31 March 2017

	31-03-2017	31-12-2016
	Taka	Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	2,268,773,235	2,035,038,421
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	10,307,853,731	10,164,025,705
	12,576,626,966	**12,199,064,126**
Balances with other Banks and Financial Institutions		
In Bangladesh	9,002,433,741	9,799,656,546
Outside Bangladesh	394,426,909	826,202,789
	9,396,860,651	**10,625,859,335**
Money at call and short notice	-	100,000,000
Investments		
Government	18,306,885,194	18,320,613,148
Others	5,102,279,769	4,619,215,993
	23,409,164,963	**22,939,829,141**
Loans and advances		
Loans, Cash Credits, Overdraft etc.	139,920,397,220	137,473,558,900
Bills discounted and purchased	21,622,936,332	18,897,775,910
	161,543,333,552	**156,371,334,810**
Fixed assets including land, building, furniture and fixtures	5,926,588,108	5,954,156,754
Other assets	4,302,100,288	4,032,882,402
Non banking assets	154,050,500	154,050,500
TOTAL ASSETS	**217,308,725,028**	**212,377,177,068**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	41,942,115,943	39,369,685,979
Deposits and other accounts		
Current deposits & other accounts, etc.	18,472,981,881	16,651,527,406
Bills payable	666,518,380	797,002,510
Savings bank deposits	40,189,829,354	38,426,476,123
Fixed deposits	82,156,339,117	84,330,111,292
Bearer certificates of deposits	-	-
	141,485,668,732	**140,205,117,331**
Other liabilities	12,099,881,708	11,970,564,023
TOTAL LIABILITIES	**195,527,666,383**	**191,545,367,333**
SHAREHOLDERS' EQUITY		
Paid-up capital	7,028,567,520	7,028,567,520
Statutory reserve	6,991,700,268	6,991,700,268
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve over pre take-over loss-BCCI	627,798,431	617,792,231
Asset revaluation reserve	2,534,874,738	2,534,874,738
Reserve for amortization of treasury securities (HTM)	6,193,150	6,200,987
Reserve for revaluation of treasury securities (HFT)	4,418,584	12,145,508
General reserve	130,000,000	130,000,000
Reserve against non banking assets	141,288,665	141,288,665
Foreign currency translation difference	6,751,295	657,505
Surplus in profit and loss account	3,953,425,992	3,012,542,313
TOTAL SHAREHOLDERS' EQUITY	**21,781,058,645**	**20,831,809,735**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**217,308,725,028**	**212,377,177,068**
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	34,556,410,043	32,666,382,402
Letters of guarantees	15,647,402,283	15,905,357,265
Irrevocable letters of credit	18,078,484,418	17,720,419,522
Bills for collection	6,340,246,310	5,836,991,295
Other contingent liabilities	-	-
	74,622,543,054	**72,129,150,484**
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	3,453,694,500	3,447,156,360
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	3,453,694,500	3,447,156,360
TOTAL OFF-BALANCE SHEET ITEMS	**78,076,237,554**	**75,576,306,844**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 11 May 2017

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Profit & Loss Account (Unaudited)
for the first quarter ended 31 March 2017

Particulars	01 January 2017 to 31 March 2017	01 January 2016 to 31 March 2016
	Taka	Taka
Interest income	3,415,793,307	3,397,374,284
Less: Interest paid on deposits and borrowings	1,975,061,570	2,151,652,537
Net interest income	**1,440,731,737**	**1,245,721,747**
Income from investments	881,818,794	1,310,695,048
Fees, commission and brokerage	802,951,834	653,908,591
Other operating income	38,419,019	37,802,553
	1,723,189,647	2,002,406,192
Total operating income	**3,163,921,384**	**3,248,127,939**
Salary & allowances (except those of MD)	723,620,352	642,465,981
Rent, taxes, insurance, utilities etc.	170,905,149	149,093,412
Legal & professional expenses	21,252,391	23,132,829
Postage, stamp, telecommunication etc.	30,061,938	31,114,011
Stationery, printing, advertisement etc.	61,417,615	61,746,368
Managing Director's salary and allowances (Bank only)	4,500,000	4,289,400
Directors' Fees & Expenses	1,146,956	447,173
Audit fees	-	-
Depreciation and repair of bank's assets	112,797,286	137,160,375
Other operating expenses	115,693,780	117,491,124
Total operating expenses	**1,241,395,467**	**1,166,940,673**
Profit before provisions	**1,922,525,918**	**2,081,187,266**
Provision for loans and off-balance sheet exposures:		
Specific provision (net off w/off recovery)	382,100,472	417,411,211
General provision	70,511,327	109,142,250
	452,611,799	526,553,460
Other provision	(75,464,432)	55,894,057
Total provisions	**377,147,367**	**582,447,517**
Profit before tax for the period	**1,545,378,551**	**1,498,739,750**
Provision for tax made for the period	672,054,787	641,610,805
Deferred tax income (net)	(67,559,914)	(5,993,714)
Total tax provision	**604,494,873**	**635,617,091**
Profit after tax for the period	**940,883,678**	**863,122,659**
Appropriation		
Statutory reserve	-	-
General reserve	-	-
	-	-
Retained earnings carried forward	**940,883,678**	**863,122,659**
Earnings per share (EPS)	**1.34**	**1.23**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 11 May 2017

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Cash Flow Statement (Unaudited)
for the first quarter ended 31 March 2017

Particulars	01 January 2016 to 31 March 2016	01 January 2015 to 31 March 2015
	Taka	Taka
A) Cash flows from operating activities		
Interest received	3,310,708,697	4,214,538,234
Interest paid	(1,525,057,313)	(1,798,702,588)
Dividend received	18,997,777	17,508,427
Fees and commission received	802,951,834	708,978,773
Income from investment (other than dividend received)	798,357,878	1,526,661,185
Recovery of loans previously written off	129,422,535	23,333,036
Cash paid to employees (including directors)	(978,990,730)	(648,802,429)
Cash paid to suppliers	(331,882,795)	(332,974,557)
Income taxes paid	572,483,805	(221,481,869)
Received from other operating activities	38,419,019	37,802,553
Paid for other operating activities	(115,693,780)	(175,180,225)
Operating cash flow before changes in operating assets and liabilities	2,719,716,927	3,351,680,540
Increase/(decrease) in Operating Assets & Liabilities		
Sale of trading securities	294,807,212	(1,576,431,630)
Loans and advances to customers (other than banks)	(5,063,247,649)	(4,045,605,978)
Other assets	(208,421,230)	(1,234,050,147)
Deposits from other Banks	67,154,834	660,015,367
Deposits from customers (other than banks)	792,628,537	(412,696,174)
Recovery from/(Payment against) BCCI assets	10,006,200	-
Liability for tax	(1,176,978,678)	(414,135,222)
Liabilities for provision	(506,569,902)	(605,780,553)
Other liabilities	349,804,880	1,527,955,802
Net Cash (used in) operating activities	**(2,721,098,869)**	**(2,749,047,996)**
B) Cash flows from investing activities		
(Purchase)/Sale of non-trading securities	(770,808,796)	225,239,218
(Purchase)/sale of property, plant and equipment	(36,982,938)	(51,097,427)
Net cash (used in)/received from investing activities	**(807,791,734)**	**174,141,791**
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	2,572,429,963	1,364,433,330
Net cash received from financing activities	**2,572,429,963**	**1,364,433,330**
D) Net (decrease) / increase in cash (A+B+C)	**(956,460,640)**	**(1,210,472,875)**
E) Effects of exchange rate changes on cash and cash equivalents	6,093,795	(779,973)
F) Opening cash and cash-equivalents	22,927,408,561	22,424,784,489
G) Closing cash and cash-equivalents (D+E+F)*	**21,977,041,716**	**21,213,531,641**
***Closing cash and cash-equivalents**		
Cash in hand (including foreign currencies)	2,268,773,235	1,859,319,177
Balances with Bangladesh Bank and its agent bank (s)	10,307,853,731	9,558,970,237
Balances with other Banks and Financial Institutions	9,396,860,650	9,790,219,927
Money at call and short notice	-	-
Prize bonds	3,554,100	5,022,300
	21,977,041,716	**21,213,531,641**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 11 May 2017

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Selected Explanatory Notes
as at and for the first quarter ended 31 March 2017

1 Activities of the Bank

The principal activities of the Bank are to provide a comprehensive range of financial products (loans & deposits), personal and commercial banking, trade services, cash management, treasury, securities and custody services.

The Bank does have a separate Off shore Banking Unit (OBU) which started its operation on 19 May 2004. The activities of the unit is to give loans (on and off -balance sheet exposures) and take deposits only in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned EPZ companies etc.

Subsidiaries of the Bank

The Bank has four fully owned subsidiaries among which three of them has been in operations. These are: EBL Securities Ltd, a securities borkerage firm, 'EBL Investments Limited', a merchant bank and 'EBL Finance (HK) Limited', a foreign subsidiary for trade finance & offshore banking business in Hong Kong.

The subscription of another fully owned subsidiary i.e. EBL Asset Management Company Limited, was completed in 2015 but full fledged business operation of this company will start after getting license from BSEC.

2 Basis of Preparation and Significant Accounting Policies

Basis of preparation, accounting policies and estimates applied in these financial statements for the first quarter ended 31 March 2017 are same as those applied in the audited annual financial statements for the year ended 31 December 2016. Certain selected explanatory notes are given below:

Basis of Preparation

2.01 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Bank as at and for the first quarter ended 31 March 2017 have been prepared under the historical cost convention except land which gets revalued fulfilling BB & BSEC requirements and Govt treasury securities (bills/bonds) classified as held for trading (HFT) which are measured at fair value, and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the "First Schedule" (section 38) of the Bank Company Act 1991 (amendment upto 2013), BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh. In case the requirement of provisions and Circulars issued by Bangladesh Bank differ with those of other regulatory authorities and accounting standards, the provisions and Circulars issued by Bangladesh Bank shall prevail.

2.02 Functional and presentation currency

These consolidated financial statements of the Group and the separate financial statements of the Bank are presented in BDT which is the Group's and the Bank's functional currency except OBU & EBL Finance (HK) Ltd. where functional currency is US Dollar (USD) & Hong Kong Dollar (HKD) respectively. All financial information presented in BDT has been rounded to the nearest integer, except when otherwise indicated.

2.03 Use of estimates and judgements

The preparation of the consolidated financial statements of the Group and the separate financial statements of the Bank in conformity with BFRSs require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Significant accounting policies

The accounting policies set out have been applied consistently to all periods presented in these finacial statements, and have been applied consistently by group entities, except otherwise instructed by the Central Bank as prime regulator.

The financial statements of subsidiaries which are included in Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature.

Certain comparative amounts in these financial statements have been reclassified and rearranged to conform to the current period's presentation.

2.04 Basis of consolidation

Subsidiaries (investees) are entities controlled by the parent (the bank). Control exists when the bank has the power over the subsidiaries that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with this subsidiaries, and the ability to use its power over the subsidiaries to affect the amount of the bank's returns.

The consolidated financial statements incorporate the financial statements of the Bank and those of its subsidiaries from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the bank are eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

Intra-group balances and transactions, and any incomes and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

2.05 Revenue Recognition

The revenue during the period is recognised following all conditions of revenue recognition as prescribed by BAS - 18 'Revenue'

2.06 Cash Flow Statement

Cash Flow Statement is prepared in accordance with Bangladesh Accounting Standard (BAS) 7 'Cash Flow Statement' and under the guideline of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the period.

2.07 Statement of Changes in Equity

Statement of changes in Equity is prepared in accordance with Bangladesh Accounting Standard (BAS) 1 'Presentation of Financial Statements' and relevant guidelines of Bangladesh Bank.

2.08 Earnings per share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on 31 March 2017 as per BAS- 33 "Earnings Per Share". Diluted earnings per share was not required to calculate as there were no dilution possibilities during the period.

2.09 Credit Rating of the Bank

As per BRPD circular no. 6 dated 5 July 2006, the bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements as at and for the year ended 31 December 2015. The following ratings have been awarded:

Periods	Date of Rating	Surveillance Rating		Outlook
		Long Term	Short Term	
January to December 2015	22-Jun-16	AA	ST-2	Stable
January to December 2014	17-Jun-15	AA	ST-2	Stable
January to December 2013	18-Jun-14	AA	ST-2	Stable

2.10 General

Reporting Period

The reporting period of these financial statements of the Group and the Bank cover from 1 January 2017 to 31 March 2017.

Review of the Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of EBL in its 95 meeting held on 11 May 2017 and was subsequently approved by the Board in its 600 meeting held on the same date.

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity (Unaudited)
for the first quarter ended 31 March 2017

Figures are in Taka

Particulars	Paid-up capital	Statutory reserve	Dividend equalisation reserve	Excess of reserve over pre take-over loss-BCCI	Asset revaluation reserve	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	General reserve	Reserve against non banking assets	Foreign currency translation difference	Retained earnings	Total
Balance as on 1 January 2017	7,028,567,520	6,991,700,268	356,040,000	617,792,231	2,534,874,738	6,200,987	12,145,508	130,000,000	141,288,665	657,505	3,012,542,313	20,831,809,735
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	940,883,678	940,883,678
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	(7,726,924)	-	-	-	-	(7,726,924)
Reserve for HTM securities	-	-	-	-	-	(7,837)	-	-	-	-	-	(7,837)
Recovery of pre take-over loss	-	-	-	10,006,200		-	-	-	-	-	-	10,006,200
Currency translation difference	-	-	-	-	-	-	-	-	-	6,093,790	-	6,093,790
Balance as at 31 March 2017	**7,028,567,520**	**6,991,700,268**	**356,040,000**	**627,798,431**	**2,534,874,738**	**6,193,150**	**4,418,584**	**130,000,000**	**141,288,665**	**6,751,295**	**3,953,425,991**	**21,781,058,645**
Balance as at 31 March 2016	**6,111,797,850**	**6,111,797,850**	**356,040,000**	**617,792,231**	**2,534,874,738**	**2,764,446**	**25,842,029**	**130,000,000**	**141,288,665**	**11,743,801**	**4,176,718,573**	**20,220,660,186**

Head of Finance | Company Secretary | Managing Director & CEO | Director | Chairman

Dhaka, 11 May 2017