Eastern Bank Ltd.

Quarterly Financial Statements (Unaudited)
Third Quarter 2017

Eastern Bank Limited and Its Subsidiaries
Consolidated Balance Sheet (Unaudited)
As at 30 September 2017

	30-09-2017 Taka	31-12-2016 Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	2,437,958,302	2,035,038,421
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	11,706,671,721	10,164,025,705
	14,144,630,023	**12,199,064,126**
Balances with other Banks and Financial Institutions		
In Bangladesh	8,483,894,591	9,799,656,546
Outside Bangladesh	290,840,483	826,202,789
	8,774,735,074	**10,625,859,335**
Money at call and short notice	-	100,000,000
Investments		
Government	18,360,134,893	18,320,613,148
Others	6,631,607,503	4,619,215,993
	24,991,742,396	**22,939,829,141**
Loans and advances		
Loans, Cash Credits, Overdraft etc.	152,246,732,738	137,473,558,900
Bills discounted and purchased	24,563,211,650	18,897,775,910
	176,809,944,388	**156,371,334,810**
Fixed assets including land, building, furniture and fixtures	5,977,107,542	5,954,156,754
Other assets	4,734,144,638	4,032,882,402
Non banking assets	134,016,495	154,050,500
TOTAL ASSETS	**235,566,320,557**	**212,377,177,068**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Borrowing from other banks, financial institutions and agents	48,929,696,085	39,369,685,979
Deposits and other accounts		
Current deposits & other accounts, etc.	16,467,178,320	16,651,527,406
Savings bank deposits	41,602,634,509	38,426,476,123
Fixed deposits	91,973,826,917	84,330,111,292
Bills payable	710,822,086	797,002,510
	150,754,461,833	**140,205,117,331**
Other liabilities	13,984,673,582	11,970,564,023
TOTAL LIABILITIES	**213,668,831,500**	**191,545,367,333**
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	7,379,995,890	7,028,567,520
Statutory reserve	6,991,700,268	6,991,700,268
General reserve	130,000,000	130,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve over pre take over loss - BCCI	642,857,893	617,792,231
Asset revaluation reserve	2,534,874,738	2,534,874,738
Reserve for non banking assets	121,671,165	141,288,665
Reserve for amortization of treasury securities (HTM)	6,193,150	6,200,987
Reserve for revaluation of treasury securities (HFT)	157,277	12,145,508
Foreign currency translation difference	4,549,448	657,505
Profit & loss account -retained earnings	3,729,449,228	3,012,542,314
TOTAL SHAREHOLDERS' EQUITY	21,897,489,057	20,831,809,735
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**235,566,320,557**	**212,377,177,068**
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	34,953,416,100	32,666,382,402
Letters of guarantees	16,279,664,118	15,905,357,265
Irrevocable letters of credit	24,199,825,168	17,720,419,522
Bills for collection	5,914,052,360	5,836,991,295
Other contingent liabilities	-	-
	81,346,957,747	**72,129,150,484**
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	2,562,801,200	3,447,156,360
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Claims against the Bank not acknowledged as debt	2,562,801,200	3,447,156,360
TOTAL OFF-BALANCE SHEET ITEMS	**83,909,758,947**	**75,576,306,844**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 October 2017

Eastern Bank Limited and Its Subsidiaries
Consolidated Profit & Loss Account (Unaudited)
For the period ended 30 September 2017

Figures are in Taka

Particulars	01 January 2017 to 30 September 2017	01 January 2016 to 30 September 2016	01 July 2017 to 30 September 2017	01 July 2016 to 30 September 2016
Interest Income	10,601,936,544	10,196,368,266	3,682,338,105	3,399,541,428
Less: Interest paid on deposits and borrowings	6,227,420,554	6,095,682,987	2,209,757,787	1,959,383,842
Net Interest Income	**4,374,515,990**	**4,100,685,280**	**1,472,580,318**	**1,440,157,586**
Income from investments	2,474,681,342	2,880,818,150	762,679,015	431,462,074
Commission, exchange and brokerage	2,451,648,845	1,877,582,346	747,444,875	550,279,522
Other operating income	172,638,115	152,441,104	82,104,816	74,360,046
	5,098,968,302	**4,910,841,600**	**1,592,228,706**	**1,056,101,642**
Total operating income	**9,473,484,292**	**9,011,526,879**	**3,064,809,024**	**2,496,259,228**
Salary & allowances (excluding those of MD)	2,209,615,729	2,002,388,873	736,768,869	687,670,550
Rent, taxes, insurance, utilities etc.	554,703,159	484,796,209	192,157,446	174,797,854
Legal & professional expenses	96,565,786	74,688,377	37,726,194	20,226,662
Postage, stamp, telecommunication etc.	104,002,661	100,138,824	36,069,729	34,570,488
Stationery, printing, advertisement, BP, etc.	242,791,175	216,753,442	89,082,803	77,130,203
Managing Director's salary and allowances (Bank only)	15,720,646	14,913,194	5,720,646	5,366,394
Directors' Fees & Expenses	3,222,661	2,681,689	1,023,064	921,903
Repairs, maintenance and depreciation	366,585,608	379,760,791	117,803,238	112,880,445
Other operating expenses	472,068,234	418,043,357	165,129,264	113,317,692
Total operating expenses	**4,065,275,659**	**3,694,164,755**	**1,381,481,253**	**1,226,882,191**
Profit before provisions	**5,408,208,633**	**5,317,362,124**	**1,683,327,771**	**1,269,377,037**
Provision for loans and off-balance sheet exposure:				
General provision (loans and OBS exposures)	134,717,858	256,490,010	(141,851,798)	(40,645,817)
Specific provision (net off w/off recovery)	1,243,563,449	1,356,119,021	450,674,292	450,397,939
Other Provisions	(69,891,747)	(63,229,165)	888,097	(137,632,218)
Total provisions	**1,308,389,560**	**1,549,379,867**	**309,710,591**	**272,119,904**
Profit before tax for the period	**4,099,819,073**	**3,767,982,257**	**1,373,617,180**	**997,257,133**
Current tax expense	1,783,037,154	1,749,884,171	682,849,952	598,243,770
Deferred tax (income)-net	(149,007,237)	(111,180,175)	(69,704,157)	(99,645,031)
Provision for tax made for the period	**1,634,029,917**	**1,638,703,996**	**613,145,795**	**498,598,739**
Profit after tax for the period	**2,465,789,156**	**2,129,278,261**	**760,471,385**	**498,658,394**
Earnings per share (EPS)	**3.34**	**2.89**	**1.03**	**0.68**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 October 2017

Eastern Bank Limited and Its Subsidiaries
Consolidated Cash Flow Statement (Unaudited)
For the period ended 30 September 2017

Figures are in Taka

	Particulars	01 January 2017 to 30 September 2017	01 January 2016 to 30 September 2016
A)	**Cash flows from operating activities**		
	Interest receipts in cash	10,224,745,690	10,946,194,180
	Interest paid	(6,322,666,319)	(6,402,632,162)
	Dividend receipts	91,284,349	94,971,051
	Fees and commission receipts in cash	2,451,648,845	2,027,534,375
	Income from investment (other than dividend received)	2,316,484,739	3,044,747,421
	Recovery of loans previously written off	299,032,358	247,892,401
	Cash paid to employees (including directors)	(2,479,280,972)	(2,211,797,185)
	Cash paid to suppliers	(1,171,255,243)	(1,035,008,374)
	Income taxes paid	(1,594,283,018)	(676,468,470)
	Received from other operating activities	172,638,115	152,441,104
	Paid for other operating activities	(472,068,234)	(595,849,008)
	Operating cash flow before changes in operating assets and liabilities	**3,516,280,309**	**5,592,025,334**
	Increase/(decrease) in Operating Assets & Liabilities		
	Sale/(purchase) of trading securities	(129,850,701)	(1,530,307,281)
	Loans and advances to customers	(20,098,166,641)	(13,765,117,600)
	Non banking assets	416,505	-
	Other assets	(597,602,065)	(1,459,736,443)
	Recovery from BCCI assets	25,065,662	-
	Deposits from other Banks	(171,329,279)	(160,135,802)
	Deposits from customers (other than banks)	10,811,369,124	7,102,446,602
	Liability for tax	(39,746,898)	(962,235,526)
	Liabilities for provision	(1,607,421,919)	(1,797,272,268)
	Other liabilities	2,269,381,917	1,991,771,608
	Operating cash flow from operating assets and liabilities	**(9,537,884,293)**	**(10,580,586,710)**
	Net Cash used in operating activities	**(6,021,603,984)**	**(4,988,561,376)**
B)	**Cash flows from investing activities**		
	(Purchase)/sale of non-trading securities	(1,932,696,425)	(656,300,988)
	(Purchase)/sale of property, plant and equipment	(216,343,934)	(237,591,560)
	Net cash used in investing activities	**(2,149,040,359)**	**(893,892,548)**
C)	**Cash flows from financing activities**		
	Borrowings from other banks, financial institutions and agents	9,560,010,106	4,034,737,528
	Dividend paid (cash dividend)	(1,405,713,504)	(1,222,359,570)
	Net cash received from financing activities	**8,154,296,602**	**2,812,377,958**
D)	**Net (decrease) / increase in cash (A+B+C)**	(16,347,740)	(3,070,075,965)
E)	**Effects of exchange rate changes on cash and cash equivalents**	12,151,576	(11,836,527)
F)	**Opening cash and cash-equivalents**	22,927,408,561	22,424,784,489
G)	**Closing cash and cash-equivalents (D+E)***	**22,923,212,397**	**19,342,871,997**
	***Closing cash and cash-equivalents**		
	Cash In hand (including foreign currencies)	2,437,958,302	2,158,234,783
	Balances with Bangladesh Bank and its agent bank (s)	11,706,671,721	8,905,723,492
	Balances with other Banks and Financial Institutions	8,774,735,074	5,860,646,522
	Money at call and short notice	-	2,414,000,000
	Prize bonds	3,847,300	4,267,200
		22,923,212,397	**19,342,871,997**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 October 2017

Eastern Bank Limited
Balance Sheet (Unaudited)
As at 30 September 2017

	30-09-2017 Taka	31-12-2016 Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	2,437,773,999	2,034,945,887
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	11,706,671,721	10,164,025,705
	14,144,445,720	**12,198,971,592**
Balances with other Banks and Financial Institutions		
In Bangladesh	7,951,233,424	9,021,366,991
Outside Bangladesh	6,010,355,537	4,550,920,216
	13,961,588,961	**13,572,287,207**
Money at call and short notice	-	100,000,000
Investments		
Government	18,360,134,893	18,320,613,148
Others	4,738,851,976	3,128,020,635
	23,098,986,869	**21,448,633,783**
Loans and advances		
Loans, Cash Credits, Overdraft etc.	150,792,724,525	137,051,246,091
Bills discounted and purchased	18,691,621,476	15,032,441,445
	169,484,346,000	**152,083,687,536**
Fixed assets including land, building, furniture and fixtures	5,946,226,061	5,940,093,948
Other assets	6,820,871,443	5,687,733,590
Non banking assets	134,016,495	154,050,500
TOTAL ASSETS	**233,590,481,551**	**211,185,458,156**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Borrowing from other banks, financial institutions and agents	47,761,506,623	39,061,159,749
Deposits and other accounts		
Current deposits & other accounts, etc.	16,533,463,977	16,659,952,664
Savings bank deposits	41,602,634,509	38,426,476,123
Fixed deposits	92,147,386,080	84,400,727,353
Bills payable	710,822,086	797,002,510
	150,994,306,653	**140,284,158,650**
Other liabilities	13,356,852,621	11,268,497,352
TOTAL LIABILITIES	**212,112,665,897**	**190,613,815,751**
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	7,379,995,890	7,028,567,520
Statutory reserve	6,991,700,268	6,991,700,268
General reserve	130,000,000	130,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve over pre take over loss - BCCI	642,857,893	617,792,231
Asset revaluation reserve	2,534,874,738	2,534,874,738
Reserve for non banking assets	121,671,165	141,288,665
Reserve for amortization of treasury securities (HTM)	6,193,150	6,200,987
Reserve for revaluation of treasury securities (HFT)	157,277	12,145,508
Foreign currency translation difference	2,209,775	1,125,580
Profit & loss account -retained earnings	3,312,115,498	2,751,906,907
TOTAL SHAREHOLDERS' EQUITY	**21,477,815,654**	**20,571,642,404**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**233,590,481,551**	**211,185,458,156**
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	34,953,416,100	32,666,382,402
Letters of guarantees	16,279,664,118	15,905,357,265
Irrevocable letters of credit	24,199,825,168	17,720,419,522
Bills for collection	5,914,052,360	5,836,991,295
Other contingent liabilities	-	-
	81,346,957,747	**72,129,150,484**
Other commitments		
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	2,562,801,200	3,447,156,360
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Claims against the Bank not acknowledged as debt	2,562,801,200	3,447,156,360
TOTAL OFF-BALANCE SHEET ITEMS	**83,909,758,947**	**75,576,306,844**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 October 2017

Eastern Bank Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity (Unaudited)
For the period ended 30 September 2017

Figures are in Taka

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve against pre takeover loss-BCCI	Asset revaluation reserve	Reserve for non banking assets	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Foreign currency translation gain / (loss)	Retained earnings	Total
Balance as at 1 January 2017	7,028,567,520	6,991,700,268	130,000,000	356,040,000	617,792,231	2,534,874,738	141,288,665	6,200,987	12,145,508	657,505	3,012,542,313	20,831,809,735
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	2,465,789,156	2,465,789,156
Bonus share issued	351,428,370	-	-	-	-	-	-	-	-	-	(351,428,370)	-
Cash dividend Paid	-	-	-	-	-	-	-	-	-	-	(1,405,713,504)	(1,405,713,504)
Recovery of pre-takeover loss	-	-	-		25,065,662	-	-	-	-	-	-	25,065,662
Adjustment of resrve for NBA							(19,617,500)	-	-	-	-	(19,617,500)
Adjustment of reserve for amortization of treasury securities (HTM)	-	-	-	-	-	-	-	(7,837)	-	-	-	(7,837)
Adjustment of reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	(11,988,232)	-	-	(11,988,232)
Adjustment for FCY RE balance	-	-	-	-	-	-	-	-	-	-	8,259,633	8,259,633
Currency translation difference	-	-	-	-	-	-	-	-	-	3,891,943	-	3,891,943
Balance as at 30 September 2017	**7,379,995,890**	**6,991,700,268**	**130,000,000**	**356,040,000**	**642,857,893**	**2,534,874,738**	**121,671,165**	**6,193,150**	**157,276**	**4,549,448**	**3,729,449,228**	**21,897,489,057**
Balance as at 30 September 2016	**7,028,567,520**	**6,111,797,850**	**130,000,000**	**356,040,000**	**617,792,231**	**2,534,874,738**	**141,288,665**	**2,764,446**	**12,844,248**	**(727,666)**	**3,305,159,850**	**20,240,401,881**

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

Dhaka, 25 October 2017

nymphea | www.nymphea-bd.com

Eastern Bank Ltd.

Quarterly Financial Statements (Unaudited)
Third Quarter 2017

Eastern Bank Limited
Profit & Loss Account (Unaudited)
For the period ended 30 September 2017

Figures are in Taka

Particulars	01 January 2017 to 30 September 2017	01 January 2016 to 30 September 2016	01 July 2017 to 30 September 2017	01 July 2016 to 30 September 2016
Interest Income	10,478,902,202	10,100,628,008	3,642,969,062	3,372,310,093
Less: Interest paid on deposits and borrowings	6,187,510,097	6,061,117,004	2,185,779,363	1,950,502,193
Net Interest Income	**4,291,392,105**	**4,039,511,004**	**1,457,189,699**	**1,421,807,900**
Income from investments	2,484,112,169	2,860,349,245	827,878,865	430,291,595
Commission, exchange and brokerage	2,121,713,182	1,769,892,046	659,712,751	532,019,820
Other operating income	125,269,520	117,321,390	41,693,338	39,427,602
	4,731,094,871	**4,747,562,681**	**1,529,284,954**	**1,001,739,017**
Total operating income	**9,022,486,976**	**8,787,073,685**	**2,986,474,653**	**2,423,546,917**
	9,022,486,976			
Salary & allowances (excluding those of MD)	2,129,646,484	1,947,631,433	705,200,621	668,258,684
Rent, taxes, insurance, utilities etc.	535,601,992	470,627,508	186,912,393	169,836,846
Legal & professional expenses	95,157,136	73,944,145	36,953,544	19,688,141
Postage, stamp, telecommunication etc.	98,206,291	95,898,670	34,046,241	33,037,480
Stationery, printing, advertisement, BP, etc.	237,897,210	214,621,934	87,967,326	76,387,019
Managing Director's salary and allowances (Bank only)	15,720,646	14,913,194	5,720,646	5,366,394
Directors' Fees & Expenses	3,015,661	2,550,589	965,564	839,103
Repairs, maintenance and depreciation	357,770,140	375,274,476	114,445,112	111,323,099
Other operating expenses	459,831,018	399,691,837	159,402,813	106,013,571
Total operating expenses	**3,932,846,578**	**3,595,153,785**	**1,331,614,260**	**1,190,750,337**
Profit before provisions	**5,089,640,398**	**5,191,919,900**	**1,654,860,393**	**1,232,796,580**
Provision for loans and off-balance sheet exposure:				
General provision (loans and OBS exposures)	134,717,858	256,490,010	(141,851,798)	(40,645,817)
Specific provision (net off w/off recovery)	1,243,563,449	1,356,119,021	450,674,292	450,397,939
Other Provisions	(76,551,062)	(47,353,504)	(187,380)	(94,734,605)
Total provisions	**1,301,730,245**	**1,565,255,528**	**308,635,114**	**315,017,517**
Profit before tax for the period	**3,787,910,153**	**3,626,664,372**	**1,346,225,279**	**917,779,063**
Current tax expense	1,627,847,172	1,713,361,837	636,661,042	587,000,470
Deferred tax (income)-net	(149,007,237)	(111,180,175)	(69,704,157)	(99,645,031)
Provision for tax made for the period	1,478,839,935	1,602,181,662	566,956,885	487,355,439
Profit after tax for the period	**2,309,070,218**	**2,024,482,710**	**779,268,394**	**430,423,624**
Earnings per share (EPS)	**3.13**	**2.74**	**1.06**	**0.58**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 October 2017

Eastern Bank Limited
Cash Flows Statement (Unaudited)
For the period ended 30 September 2017

Figures are in Taka

	01 January 2017 to 30 September 2017	01 January 2016 to 30 September 2016
A) Cash flows from operating activities		
Interest receipts in cash	10,109,139,571	10,854,661,542
Interest paid	(6,282,755,862)	(6,368,066,179)
Dividend receipts	176,680,336	73,863,798
Fees and commission receipts in cash	2,121,713,182	1,919,844,077
Income from investment (other than dividend received)	2,240,519,578	3,045,385,769
Recovery of loans previously written off	299,032,358	247,892,401
Cash paid to employees (including directors)	(2,392,891,851)	(2,155,330,645)
Cash paid to suppliers	(1,136,905,826)	(1,012,025,573)
Income taxes paid	(1,484,658,815)	(632,847,363)
Received from other operating activities	125,269,520	117,321,390
Paid for other operating activities	(459,831,018)	(577,497,488)
Operating cash flow before changes in operating assets and liabilities	**3,315,311,173**	**5,513,201,730**
Increase/(decrease) in Operating Assets & Liabilities		
Sale/(purchase) of trading securities	264,709,469	(827,815,481)
Loans and advances to customers	(17,083,426,398)	(15,268,440,694)
Non banking assets	416,505	-
Other assets	(1,013,695,035)	(1,543,167,087)
Recovery from BCCI assets	25,065,662	-
Deposits from other Banks	(171,329,279)	(160,135,802)
Deposits from customers (other than banks)	10,972,172,625	7,109,267,539
Liability for tax	5,818,881	(969,334,299)
Liabilities for provision	(1,600,762,604)	(1,813,147,929)
Other liabilities	2,337,414,751	1,910,230,158
Operating cash flow from operating assets and liabilities	**(6,263,615,421)**	**(11,562,543,595)**
Net Cash used in operating activities	**(2,948,304,248)**	**(6,049,341,865)**
B) Cash flows from investing activities		
(Purchase)/sale of non-trading securities	(1,925,696,425)	(647,898,518)
(Purchase)/sale of property, plant and equipment	(193,859,056)	(233,339,889)
Net cash used in investing activities	**(2,119,555,481)**	**(881,238,407)**
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	8,700,346,874	4,591,733,216
Dividend paid (cash dividend)	(1,405,713,504)	(1,222,359,570)
Net cash received from financing activities	**7,294,633,370**	**3,369,373,646**
D) Net (decrease) / increase in cash (A+B+C)	**2,226,773,640**	**(3,561,206,628)**
E) Effects of exchange rate changes on cash and cash equivalents	9,364,442	(375,037)
F) Opening cash and cash-equivalents	25,873,743,899	24,640,180,161
G) Closing cash and cash-equivalents (D+E)*	**28,109,881,981**	**21,078,598,496**
***Closing cash and cash-equivalents**		
Cash In hand (including foreign currencies)	2,437,773,999	2,158,044,398
Balances with Bangladesh Bank and its agent bank (s)	11,706,671,721	8,905,723,492
Balances with other Banks and Financial Institutions	13,961,588,961	7,596,563,406
Money at call and short notice	-	2,414,000,000
Prize bonds	3,847,300	4,267,200
	28,109,881,981	**21,078,598,496**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 October 2017

Eastern Bank Limited and Its subsidiaries
Selected explanatory notes

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.

Subscription of EBL Asset Management Limited was completed in 2015. It has recently got the required registration (Code no. BSEC/Asset Management/2017/28 dated 25 May 2017) from BSEC to run full-fledged business operations.

2 Basis of Preparation and Significant Accounting Policies

Basis of preparation, accounting policies and estimates applied in these financial statements as at and for the third quarter ended 30 September 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 third quarter ended 30 September 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 30 September 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 2016. The following ratings have been awarded:

Periods	Date of Rating	Surveillance Rating		Outlook
		Long Term	Short Term	
January to December 2016	29-Jun-17	AA+	ST-2	Stable
January to December 2015	22-Jun-16	AA	ST-2	Stable
January to December 2014	17-Jun-15	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 30 September 2017.

Review of the Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of EBL in its 99 meeting held on 25 October 2017 and was subsequently approved by the Board in its 610 meeting held on the same date.

Eastern Bank Limited
Statement of Changes in Equity (Unaudited)
For the period ended 30 September 2017

Figures are in Taka

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve against pre takeover loss-BCCI	Asset revaluation reserve	Reserve for non banking assets	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Foreign currency translation gain / (loss)	Retained earnings	Total
Balance as at 1 January 2017	7,028,567,520	6,991,700,268	130,000,000	356,040,000	617,792,231	2,534,874,738	141,288,665	6,200,987	12,145,508	1,125,580	2,751,906,908	20,571,642,405
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	2,309,070,218	2,309,070,218
Bonus share issued	351,428,370	-	-	-	-	-	-	-	-	-	(351,428,370)	-
Cash dividend paid	-	-	-	-	-	-	-	-	-	-	(1,405,713,504)	(1,405,713,504)
Recovery of pre-takeover loss	-	-	-	-	25,065,662	-	-	-	-	-	-	25,065,662
Adjustment of resrve for NBA	-	-	-	-	-	-	(19,617,500)	-	-	-	-	(19,617,500)
Adjustment of reserve for amortization of treasury securities (HTM)	-	-	-	-	-	-	-	(7,837)	-	-	-	(7,837)
Adjustment of reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	(11,988,232)	-	-	(11,988,232)
Adjustment for FCY RE balance	-	-	-	-	-	-	-	-	-	-	8,280,247	8,280,247
Currency translation difference	-	-	-	-	-	-	-	-	-	1,084,195	-	1,084,195
Balance as at 30 September 2017	**7,379,995,890**	**6,991,700,268**	**130,000,000**	**356,040,000**	**642,857,893**	**2,534,874,738**	**121,671,165**	**6,193,150**	**157,275**	**2,209,775**	**3,312,115,497**	**21,477,815,654**
Balance as at 30 September 2016	**7,028,567,520**	**6,111,797,850**	**130,000,000**	**356,040,000**	**617,792,231**	**2,534,874,738**	**141,288,665**	**2,764,446**	**12,844,248**	**(69,622)**	**2,999,805,210**	**19,935,705,285**

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

Dhaka, 25 October 2017

nymphea | www.nymphea-bd.com