Eastern Bank Ltd.

HALF YEARLY

Financial Statements 2018 (Unaudited)

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Balance Sheet (Unaudited)
as at 30 June 2018

Figures in Taka

	30-06-2018	31-12-2017
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	2,853,897,132	2,024,742,407
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	10,440,556,591	12,296,507,177
	13,294,453,724	**14,321,249,584**
Balances with other Banks and Financial Institutions		
In Bangladesh	18,501,635,778	10,743,290,183
Outside Bangladesh	893,785,667	1,733,092,624
	19,395,421,445	**12,476,382,807**
Money at call and short notice	2,330,000,000	-
Investments		
Government	22,658,090,354	19,480,497,640
Others	7,595,723,265	6,625,500,985
	30,253,813,619	**26,105,998,625**
Loans and advances		
Loans, Cash Credits, Overdraft etc.	183,764,419,283	165,691,389,665
Bills discounted and purchased	26,964,269,180	25,993,145,776
	210,728,688,463	**191,684,535,441**
Fixed assets including land, building, furniture and fixtures	6,790,080,511	5,957,095,835
Other assets	4,238,671,162	5,620,486,753
Non banking assets	134,016,495	134,016,495
TOTAL ASSETS	**287,165,145,419**	**256,299,765,540**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Borrowing from other banks, financial institutions and agents	54,475,393,103	52,447,284,352
Deposits and other accounts		
Current deposits & other accounts, etc.	19,235,254,398	16,993,725,421
Savings bank deposits	43,375,225,285	41,894,304,551
Fixed deposits	129,206,082,547	107,224,667,689
Bills payable	4,033,799,834	845,849,963
Bearer certificates of deposits	-	-
	195,850,362,064	**166,958,547,624**
Other liabilities	15,252,216,078	15,017,731,534
TOTAL LIABILITIES	**265,577,971,245**	**234,423,563,510**
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	7,379,995,890	7,379,995,890
Statutory reserve	7,379,995,890	7,379,995,890
General reserve	603,493,370	130,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve over pre take over loss - BCCI	-	642,857,893
Asset revaluation reserve	2,534,874,738	2,534,874,738
Reserve for non banking assets	121,671,165	121,671,165
Reserve for amortization of treasury securities (HTM)	9,868,996	9,964,360
Reserve for revaluation of treasury securities (HFT)	1,472,847	1,465,284
Foreign currency translation difference	8,568,811	14,110,435
Profit & loss account -retained earnings	3,191,192,467	3,305,226,375
TOTAL SHAREHOLDERS' EQUITY	**21,587,174,175**	**21,876,202,030**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**287,165,145,419**	**256,299,765,540**
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	57,061,321,179	37,313,068,570
Letters of guarantees	25,173,586,829	18,139,419,275
Irrevocable letters of credit	23,153,783,565	38,108,685,882
Bills for collection	8,035,474,020	7,055,462,385
Other contingent liabilities	-	-
	113,424,165,593	**100,616,636,112**
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	1,929,318,480	661,600,000
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Claims against the Bank not acknowledged as debt	1,929,318,480	661,600,000
TOTAL OFF-BALANCE SHEET ITEMS	**115,353,484,073**	**101,278,236,112**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 July 2018

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Profit & Loss Account (Unaudited)
for the period ended 30 June 2018

Figures in Taka

Particulars	01 January 2018 to 30 June 2018	01 January 2017 to 30 June 2017	01 April 2018 to 30 June 2018	01 April 2017 to 30 June 2017
Interest Income	9,653,267,097	6,919,598,439	5,171,826,041	3,503,805,132
Less: Interest paid on deposits and borrowings	5,991,851,328	4,017,662,768	3,259,225,488	2,042,601,198
Net Interest Income	**3,661,415,769**	**2,901,935,672**	**1,912,600,553**	**1,461,203,934**
Income from investments	1,030,912,967	1,712,002,327	502,608,430	830,183,533
Commission, exchange and brokerage	1,742,405,802	1,704,203,970	830,803,112	901,252,136
Other operating income	104,909,978	90,533,299	57,750,986	52,114,280
	2,878,228,746	3,506,739,597	1,391,162,527	1,783,549,949
Total operating income	**6,539,644,516**	**6,408,675,268**	**3,303,763,081**	**3,244,753,883**
Salary & allowances (excluding those of MD)	1,646,129,418	1,472,846,860	833,691,022	749,226,508
Rent, taxes, insurance, utilities etc.	407,517,530	362,545,713	210,921,831	191,640,564
Legal & professional expenses	36,287,470	58,839,592	21,437,020	37,587,201
Postage, stamp, telecommunication etc.	65,965,380	67,932,932	35,093,566	37,870,994
Stationery, printing, advertisement, BP, etc.	165,018,293	153,708,372	88,128,747	92,290,757
Managing Director's salary and allowances (Bank only)	10,760,000	10,000,000	5,930,000	5,500,000
Directors' Fees & Expenses	2,221,318	2,199,597	1,281,604	1,052,641
Repairs, maintenance and depreciation	247,667,334	248,782,371	139,317,056	135,985,085
Other operating expenses	345,433,994	306,938,970	147,614,400	191,245,190
Total operating expenses	**2,927,000,737**	**2,683,794,406**	**1,483,415,246**	**1,442,398,940**
Profit before provisions	**3,612,643,779**	**3,724,880,862**	**1,820,347,835**	**1,802,354,943**
Provision for loans and off-balance sheet exposure:				
General provision (loans and OBS exposures)	279,368,585	276,569,656	66,072,328	206,058,329
Specific provision (net off w/off recovery)	465,437,094	792,889,157	468,896,994	410,788,685
Other Provisions	617,518,896	(70,592,464)	70,469,764	4,871,968
Total provisions	**1,362,324,575**	**998,866,349**	**605,439,086**	**621,718,982**
Profit before tax for the period	**2,250,319,204**	**2,726,014,513**	**1,214,908,749**	**1,180,635,961**
Current tax expense	1,103,143,615	1,100,187,202	405,761,671	428,132,415
Deferred tax (income)-net	(201,583,271)	(79,303,080)	(31,583,271)	(11,743,166)
Provision for tax made for the period	**901,560,344**	**1,020,884,122**	**374,178,400**	**416,389,249**
Profit after tax for the period	**1,348,758,860**	**1,705,130,391**	**840,730,349**	**764,246,712**
Earnings per share (EPS)	**1.83**	**2.31**	**1.14**	**1.04**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 July 2018

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Cash Flow Statement (Unaudited)
for the period ended 30 June 2018

Figures in Taka

Particulars	01 January 2018 to 30 June 2018	01 January 2017 to 30 June 2017
A) Cash flows from operating activities		
Interest receipts in cash	9,381,324,986	6,715,658,096
Interest paid	(5,915,029,072)	(4,614,286,928)
Dividend receipts	70,138,341	81,098,859
Fees and commission receipts in cash	1,742,405,802	1,704,203,970
Income from investment (other than dividend received)	1,046,875,270	1,614,886,376
Recovery of loans previously written off	201,503,484	299,032,358
Cash paid to employees (including directors)	(1,924,321,971)	(1,735,524,429)
Cash paid to suppliers	(801,028,544)	(763,720,583)
Income taxes paid	(1,049,799,799)	(997,869,059)
Received from other operating activities	104,909,978	90,533,299
Paid for other operating activities	(345,433,994)	(306,938,970)
Operating cash flow before changes in operating assets and liabilities	2,511,544,480	2,087,072,990
Increase/(decrease) in Operating Assets & Liabilities		
(Purchase) of trading securities	(5,036,614,093)	(477,411,455)
Loans and advances to customers	(18,956,186,989)	(14,391,054,988)
Other assets	1,479,691,026	(452,284,641)
(Payment)/recovery of BCCI assets	(169,364,523)	22,094,841
Deposits from other Banks	214,707,706	(240,310,348)
Deposits from customers (other than banks)	28,645,491,158	14,794,665,361
Liability for tax	148,239,455	(23,015,063)
Liabilities for provision	(1,563,828,058)	(1,297,898,707)
Other liabilities	454,489,099	1,438,062,982
Operating cash flow from operating assets and liabilities	**5,216,624,781**	**(627,152,018)**
Net Cash received from operating activities	**7,728,169,261**	**1,459,920,972**
B) Cash flows from investing activities		
Sale/(Purchase) of non-trading securities	887,279,997	(1,768,147,355)
(Purchase) of property, plant and equipment	(954,412,139)	(172,666,605)
Net cash used in investing activities	**(67,132,142)**	**(1,940,813,960)**
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	2,028,108,751	3,542,214,333
Dividend paid (cash dividend)	(1,475,999,178)	(1,405,713,504)
Net cash received from financing activities	***552,109,573***	**2,136,500,829**
D) Net (decrease) / increase in cash (A+B+C)	**8,213,146,692**	**1,655,607,840**
E) Effects of exchange rate changes on cash and cash equivalents	7,664,787	11,506,185
F) Opening cash and cash-equivalents	26,801,358,391	22,927,408,561
G) Closing cash and cash-equivalents (D+E)*	**35,022,169,870**	**24,594,522,586**
***Closing cash and cash-equivalents**		
Cash In hand (including foreign currencies)	2,853,897,132	3,077,458,713
Balances with Bangladesh Bank and its agent bank (s)	10,440,556,591	11,015,897,523
Balances with other Banks and Financial Institutions	19,395,421,445	10,197,102,850
Money at call and short notice	2,330,000,000	300,000,000
Prize bonds	2,294,700	4,063,500
	35,022,169,870	**24,594,522,586**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 July 2018

EASTERN BANK LIMITED
Balance Sheet (Unaudited)
as at 30 June 2018

Figures in Taka

	30-06-2018	31-12-2017
	Taka	Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	2,853,631,210	2,024,510,392
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	10,440,556,591	12,296,507,177
	13,294,187,802	**14,321,017,569**
Balances with other Banks and Financial Institutions		
In Bangladesh	17,978,003,037	10,251,404,987
Outside Bangladesh	7,040,405,196	7,579,806,712
	25,018,408,233	**17,831,211,699**
Money at call and short notice	2,330,000,000	-
Investments		
Government	22,658,090,354	19,480,497,640
Others	5,347,961,588	4,880,446,475
	28,006,051,942	**24,360,944,115**
Loans and advances		
Loans, Cash Credits, Overdraft etc.	182,169,400,284	163,974,017,428
Bills discounted and purchased	20,587,265,962	20,053,283,403
	202,756,666,246	**184,027,300,831**
Fixed assets including land, building, furniture and fixtures	6,758,421,344	5,922,614,795
Other assets	6,108,282,491	6,768,197,976
Non banking assets	134,016,495	134,016,495
TOTAL ASSETS	**284,406,034,554**	**253,365,303,480**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Borrowing from other banks, financial institutions and agents	52,473,106,667	50,997,691,603
Deposits and other accounts		
Current deposits & other accounts, etc.	19,264,468,770	17,113,543,041
Savings bank deposits	43,375,225,285	41,894,304,551
Fixed deposits	129,355,309,586	107,494,497,467
Bills payable	4,033,799,834	845,849,963
Bearer certificates of deposits	-	-
	196,028,803,475	**167,348,195,022**
Other liabilities	14,384,765,089	13,433,851,255
TOTAL LIABILITIES	**262,886,675,231**	**231,779,737,880**
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	7,379,995,890	7,379,995,890
Statutory reserve	7,379,995,890	7,379,995,890
General reserve	603,493,370	130,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve over pre take over loss - BCCI	-	642,857,893
Asset revaluation reserve	2,534,874,738	2,534,874,738
Reserve for non banking assets	121,671,165	121,671,165
Reserve for amortization of treasury securities (HTM)	9,868,996	9,964,360
Reserve for revaluation of treasury securities (HFT)	1,472,847	1,465,284
Foreign currency translation difference	1,051,947	9,127,461
Profit & loss account -retained earnings	3,130,894,478	3,019,572,918
TOTAL SHAREHOLDERS' EQUITY	**21,519,359,322**	**21,585,565,599**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**284,406,034,554**	**253,365,303,480**
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	57,061,321,179	37,313,068,570
Letters of guarantees	25,173,586,829	18,139,419,275
Irrevocable letters of credit	23,153,783,565	38,108,685,882
Bills for collection	8,035,474,020	7,055,462,385
Other contingent liabilities	-	-
	113,424,165,593	**100,616,636,112**
Other commitments		
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	1,929,318,480	661,600,000
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Claims against the Bank not acknowledged as debt	1,929,318,480	661,600,000
TOTAL OFF-BALANCE SHEET ITEMS	**115,353,484,073**	**101,278,236,112**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 25 July 2018

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity (Unaudited)
for the period ended 30 June 2018

Figures in Taka

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve over 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 difference	Retained earnings	Total equity
Balance as at 1 January 2018	7,379,995,890	7,379,995,890	130,000,000	356,040,000	642,857,893	2,534,874,738	121,671,165	9,964,360	1,465,284	14,110,435	3,305,226,375	21,876,202,030
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	1,348,758,860	1,348,758,860
Cash dividend Paid	-	-	-	-	-	-	-	-	-	-	(1,475,999,178)	(1,475,999,178)
Transfer of residual balance of BCCI reserve to General Reserve	-	-	473,493,370	-	-	-	-	-	-	-	-	473,493,370
Adjustment of BCCI Reserve	-	-	-		(642,857,893)	-	-	-	-	-	-	(642,857,893)
Adjustment of reserve for amortization of treasury securities (HTM)	-	-	-	-	-	-	-	(95,364)	-	-	-	(95,364)
Adjustment of reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	7,563	-	-	7,563
Adjustment for FCY RE balance	-	-	-	-	-	-	-	-	-	-	13,206,411	13,206,411
Currency translation difference	-	-	-	-	-	-	-	-	-	(5,541,624)	-	(5,541,624)
Balance as at 30 June 2018	**7,379,995,890**	**7,379,995,890**	**603,493,370**	**356,040,000**	**-**	**2,534,874,738**	**121,671,165**	**9,868,996**	**1,472,847**	**8,568,811**	**3,191,192,469**	**21,587,174,175**
Balance as at 30 June 2017	**7,379,995,890**	**6,991,700,268**	**130,000,000**	**356,040,000**	**639,887,072**	**2,534,874,738**	**121,671,165**	**6,193,150**	**48,633**	**3,883,248**	**2,968,811,275**	**21,133,105,438**

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

Dhaka, 25 July 2018

Eastern Bank Ltd.

HALF YEARLY

Financial Statements 2018 (Unaudited)

EASTERN BANK LIMITED
Profit & Loss Account (Unaudited)
for the period ended 30 June 2018

Figures in Taka

Particulars	01 January 2018 to 30 June 2018	01 January 2017 to 30 June 2017	01 April 2018 to 30 June 2018	01 April 2017 to 30 June 2017
Interest Income	9,454,943,310	6,835,933,140	5,068,747,434	3,470,100,862
Less: Interest paid on deposits and borrowings	5,881,226,041	4,001,730,735	3,192,826,937	2,033,085,321
Net Interest Income	**3,573,717,269**	**2,834,202,406**	**1,875,920,497**	**1,437,015,541**
Income from investments	1,049,638,852	1,656,233,304	532,287,519	966,334,002
Commission, exchange and brokerage	1,590,709,442	1,462,000,431	752,505,597	792,831,076
Other operating income	95,224,849	83,576,182	48,075,856	45,157,163
	2,735,573,143	3,201,809,918	1,332,868,972	1,804,322,241
Total operating income	**6,309,290,412**	**6,036,012,323**	**3,208,789,469**	**3,241,337,782**
Salary & allowances (excluding those of MD)	1,585,443,384	1,424,445,863	803,364,057	723,059,196
Rent, taxes, insurance, utilities etc.	393,330,904	348,689,599	203,835,299	183,124,237
Legal & professional expenses	36,060,486	58,203,592	21,351,856	37,231,094
Postage, stamp, telecommunication etc.	61,558,728	64,160,050	32,979,188	35,847,183
Stationery, printing, advertisement, BP, etc.	161,324,827	149,929,884	85,878,538	89,772,604
Managing Director's salary and allowances (Bank only)	10,760,000	10,000,000	5,930,000	5,500,000
Directors' Fees & Expenses	2,071,818	2,050,097	1,195,354	983,641
Repairs, maintenance and depreciation	241,821,103	243,325,028	136,291,200	133,635,724
Other operating expenses	332,583,290	300,428,205	141,416,770	188,663,492
Total operating expenses	**2,824,954,540**	**2,601,232,317**	**1,432,242,262**	**1,397,817,171**
Profit before provisions	**3,484,335,872**	**3,434,780,006**	**1,776,547,207**	**1,843,520,611**
Provision for loans and off-balance sheet exposure:				
General provision (loans and OBS exposures)	279,368,585	276,569,656	66,072,328	206,058,329
Specific provision (net off w/off recovery)	465,437,094	792,889,157	468,896,994	410,788,685
Other Provisions	314,276,066	(76,363,682)	80,881,846	-
Total provisions	**1,059,081,745**	**993,095,131**	**615,851,168**	**616,847,014**
Profit before tax for the period	**2,425,254,127**	**2,441,684,875**	**1,160,696,039**	**1,226,673,597**
Current tax expense	1,052,723,934	991,186,130	379,988,334	372,744,653
Deferred tax (income)-net	(201,583,271)	(79,303,080)	(31,583,271)	(11,743,166)
Provision for tax made for the period	**851,140,663**	**911,883,050**	**348,405,063**	**361,001,487**
Profit after tax for the period	**1,574,113,465**	**1,529,801,825**	**812,290,977**	**865,672,110**
Earnings per share (EPS)	**2.13**	**2.07**	**1.10**	**1.17**

Head of Finance | Company Secretary | Managing Director & CEO

Director

Chairman

Dhaka, 25 July 2018

EASTERN BANK LIMITED
Cash Flow Statement (Unaudited)
for the period ended 30 June 2018

Figures in Taka

Particulars	01 January 2018 to 30 June 2018	01 January 2017 to 30 June 2017
A) Cash flows from operating activities		
Interest receipts in cash	9,201,363,996	6,637,134,296
Interest paid	(5,829,998,266)	(4,598,354,895)
Dividend receipts	362,210,972	176,242,968
Fees and commission receipts in cash	1,590,709,442	1,462,000,431
Income from investment (other than dividend received)	773,528,524	1,463,973,245
Recovery of loans previously written off	201,503,484	299,032,358
Cash paid to employees (including directors)	(1,850,986,603)	(1,680,990,460)
Cash paid to suppliers	(777,018,604)	(739,990,347)
Income taxes paid	(1,084,943,125)	(989,756,655)
Received from other operating activities	95,224,849	83,576,182
Paid for other operating activities	(332,583,290)	(300,428,205)
Operating cash flow before changes in operating assets and liabilities	2,349,011,378	1,812,438,918
Increase/(decrease) in Operating Assets & Liabilities		
(Purchase) of trading securities	(4,523,763,955)	(177,237,376)
Loans and advances to customers	(18,659,762,179)	(13,777,756,050)
Other assets	757,790,920	(635,963,678)
(Payment)/recovery of BCCI assets	(169,364,523)	22,094,841
Deposits from other Banks	214,707,706	(240,310,348)
Deposits from customers (other than banks)	28,434,285,171	14,806,455,780
Liability for tax	233,802,462	77,873,605
Liabilities for provision	(1,260,585,228)	(1,292,127,489)
Other liabilities	1,184,013,036	1,488,365,317
Operating cash flow from operating assets and liabilities	**6,211,123,410**	**271,394,602**
Net Cash received from operating activities	**8,560,134,788**	**2,083,833,520**
B) Cash flows from investing activities		
(Purchase)/sale of non-trading securities	877,137,027	(1,761,147,355)
(Purchase)/sale of property, plant and equipment	(952,883,993)	(157,823,867)
Net cash used in investing activities	**(75,746,966)**	**(1,918,971,222)**
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	1,475,415,064	3,217,542,344
Dividend paid (cash dividend)	(1,475,999,178)	(1,405,713,504)
Net cash received from financing activities	**(584,114)**	**1,811,828,840**
D) Net (decrease) / increase in cash (A+B+C)	**8,483,803,708**	**1,976,691,134**
E) Effects of exchange rate changes on cash and cash equivalents	5,131,759	9,026,650
F) Opening cash and cash-equivalents	32,155,955,268	25,873,743,899
G) Closing cash and cash-equivalents (D+E)*	**40,644,890,735**	**27,859,461,683**
***Closing cash and cash-equivalents**		
Cash In hand (including foreign currencies)	2,853,631,210	3,077,233,076
Balances with Bangladesh Bank and its agent bank (s)	10,440,556,591	11,015,897,523
Balances with other Banks and Financial Institutions	25,018,408,233	13,462,267,584
Money at call and short notice	2,330,000,000	300,000,000
Prize bonds	2,294,700	4,063,500
	40,644,890,735	**27,859,461,683**

Head of Finance | Company Secretary | Managing Director & CEO

Director

Chairman

Dhaka, 25 July 2018

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Selected Explanatory Notes
as at and for the period ended 01 January 2018 to 30 June 2018

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 which has been in full fledged business operations. These are: EBL Securities Ltd, a securities borkerage firm, 'EBL Investments Limited', a merchant bank , 'EBL Finance (HK) Limited', a foreign subsidiary for trade finance & offshore banking business in Hong Kong, and 'EBL Asset Management Limited', an asset management for fund management, capital market operation, equity investment etc.

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 six months period ended 30 June 2018 are same as those applied in the audited annual financial statements for the year ended 31 December 2017. 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 six months period ended 30 June 2018 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 June 2018 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 2017. The following ratings have been awarded:

Periods	Date of Rating	Surveillance Rating		Outlook
		Long Term	Short Term	
January to December 2017	28-Jun-18	AA+	ST-2	Stable
January to December 2016	29-Jun-17	AA+	ST-2	Stable
January to December 2015	22-Jun-16	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 2018 to 30 June 2018.

Review of the Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of EBL in its 107 meeting held on 25 July 2018 and was subsequently approved by the Board in its 628 meeting held on the same date.

Additional disclosure in compliance with BSEC notification dated 20 June 2018

Number of ordinary shares with face value and date of issues:

Number of ordinary shares as on 30 June 2018 was 737,999,589 with a face value BDT 10 per share. However, details history of raising capital and number of shares issued are available in the Annual Report 2017 (Page 52).

Calculation of NAV per share:

Particulars	Group		Bank	
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
Net Assets Value (NAV) in crore	2,158.72	2,187.62	2,151.94	2,158.56
Net Assets Value per share in BDT	29.25	29.64	29.16	29.25

Calculation of NAVPS: $\frac{\text{Net Asset Value}}{\text{No of shares outstanding}}$

Calculation of EPS and NOCFPS:

Particulars	Group		Bank	
	January to June 2018	January to June 2017	January to June 2018	January to June 2017
Earnings Per Share (EPS) in BDT	1.83	2.31	2.13	2.07
Net Operating Cash Flow per share (NOCFPS) in BDT	10.47	1.98	11.60	2.82

Calculation of EPS: $\frac{\text{Profit After Tax}}{\text{No of shares outstanding}}$

Calculation of NOCFPS: $\frac{\text{Net Operating Cash Flow}}{\text{No of shares outstanding}}$

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Statement of Changes in Equity (Unaudited)
for the period ended 30 June 2018

Figures in Taka

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve over 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 difference	Retained earnings	Total equity
Balance as at 1 January 2018	7,379,995,890	7,379,995,890	130,000,000	356,040,000	642,857,893	2,534,874,738	121,671,165	9,964,360	1,465,284	9,127,461	3,019,572,918	21,585,565,599
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	1,574,113,465	1,574,113,465
Cash dividend paid	-	-	-	-	-	-	-	-	-	-	(1,475,999,178)	(1,475,999,178)
Transfer of residual balance of BCCI reserve to General Reserve	-	-	473,493,370	-	-	-	-	-	-	-	-	473,493,370
Adjustment of BCCI Reserve	-	-	-	-	(642,857,893)	-	-	-	-	-	-	(642,857,893)
Adjustment of reserve for amortization of treasury securities (HTM)	-	-	-	-	-	-	-	(95,364)	-	-	-	(95,364)
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	7,563	-	-	7,563
Adjustment for FCY RE balance	-	-	-	-	-	-	-	-	-	-	13,207,274	13,207,274
Currency translation difference	-	-	-	-	-	-	-	-	-	(8,075,514)	-	(8,075,514)
Balance as at 30 June 2018	**7,379,995,890**	**7,379,995,890**	**603,493,370**	**356,040,000**	**-**	**2,534,874,738**	**121,671,165**	**9,868,996**	**1,472,846**	**1,051,947**	**3,130,894,478**	**21,519,359,322**
Balance as at 30 June 2017	**7,379,995,890**	**6,991,700,268**	**130,000,000**	**356,040,000**	**639,887,072**	**2,534,874,738**	**121,671,165**	**6,193,150**	**48,632**	**1,871,981**	**2,532,847,105**	**20,695,130,001**

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

Dhaka, 25 July 2018