Eastern Bank Ltd.

Quarterly Financial Statements (Unaudited)
Third Quarter 2018

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

Figures in Taka

	30-09-2018	31-12-2017
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	2,679,824,561	2,024,742,407
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	13,408,188,844	12,296,507,177
	16,088,013,406	**14,321,249,584**
Balances with other Banks and Financial Institutions		
In Bangladesh	12,606,473,202	10,743,290,183
Outside Bangladesh	1,491,739,303	1,733,092,624
	14,098,212,505	**12,476,382,807**
Money at call and short notice	-	-
Investments		
Government	23,792,612,117	19,480,497,640
Others	7,639,820,388	6,625,500,985
	31,432,432,505	**26,105,998,625**
Loans and advances		
Loans, Cash Credits, Overdraft etc.	186,541,098,477	165,691,389,665
Bills discounted and purchased	24,484,737,952	25,993,145,776
	211,025,836,430	**191,684,535,441**
Fixed assets including land, building, furniture and fixtures	6,814,685,867	5,957,095,835
Other assets	4,189,057,722	5,620,486,753
Non banking assets	134,016,495	134,016,495
TOTAL ASSETS	**283,782,254,931**	**256,299,765,540**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Borrowing from other banks, financial institutions and agents	54,836,772,632	52,447,284,352
Deposits and other accounts		
Current deposits & other accounts, etc.	20,198,401,096	16,993,725,421
Savings bank deposits	44,032,786,463	41,894,304,551
Fixed deposits	125,856,591,236	107,224,667,689
Bills payable	805,379,936	845,849,963
	190,893,158,731	**166,958,547,624**
Other liabilities	15,690,291,906	15,017,731,534
TOTAL LIABILITIES	**261,420,223,269**	**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)	4,294,654	9,964,360
Reserve for revaluation of treasury securities (HFT)	2,482,734	1,465,284
Foreign currency translation difference	8,879,245	14,110,435
Profit & loss account -retained earnings	3,970,303,975	3,305,226,375
TOTAL SHAREHOLDERS' EQUITY	**22,362,031,662**	**21,876,202,030**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**283,782,254,931**	**256,299,765,540**
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	53,267,850,660	37,313,068,570
Letters of guarantees	26,185,606,775	18,139,419,275
Irrevocable letters of credit	29,827,293,637	38,108,685,882
Bills for collection	6,759,459,362	7,055,462,385
Other contingent liabilities	-	-
	116,040,210,433	**100,616,636,112**
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	641,121,922	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	641,121,922	661,600,000
TOTAL OFF-BALANCE SHEET ITEMS	**116,681,332,356**	**101,278,236,112**

Head of Finance | Company Secretary | Managing Director & CEO

Director

Chairman

Dhaka, 27 October 2018

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

Figures in Taka

Particulars	01 January 2018 to 30 Sept. 2018	01 January 2017 to 30 Sept. 2017	01 July 2018 to 30 Sept. 2018	01 July 2017 to 30 Sept. 2017
Interest Income	15,046,792,552	10,601,936,544	5,393,525,455	3,682,338,105
Less: Interest paid on deposits and borrowings	9,290,250,063	6,227,420,554	3,298,398,735	2,209,757,787
Net Interest Income	**5,756,542,490**	**4,374,515,990**	**2,095,126,721**	**1,472,580,318**
Income from investments	1,560,239,958	2,474,681,342	529,326,991	762,679,015
Commission, exchange and brokerage	2,490,930,810	2,451,648,845	748,525,008	747,444,875
Other operating income	158,006,145	172,638,115	53,096,167	82,104,816
	4,209,176,913	5,098,968,302	1,330,948,166	1,592,228,706
Total operating income	**9,965,719,402**	**9,473,484,292**	**3,426,074,886**	**3,064,809,024**
Salary & allowances (excluding those of MD)	2,450,969,630	2,209,615,729	804,840,212	736,768,869
Rent, taxes, insurance, utilities etc.	606,404,483	554,703,159	198,886,953	192,157,446
Legal & professional expenses	56,513,889	96,565,786	20,226,419	37,726,194
Postage, stamp, telecommunication etc.	105,969,839	104,002,661	40,004,459	36,069,729
Stationery, printing, advertisement, BP, etc.	246,271,231	242,791,175	81,252,938	89,082,803
Managing Director's salary and allowances (Bank only)	16,822,710	15,720,646	6,062,710	5,720,646
Directors' Fees & Expenses	3,504,302	3,222,661	1,282,984	1,023,064
Repairs, maintenance and depreciation	378,459,589	366,585,609	130,792,255	117,803,238
Other operating expenses	479,577,073	472,068,234	134,143,079	165,129,264
Total operating expenses	**4,344,492,746**	**4,065,275,660**	**1,417,492,009**	**1,381,481,253**
Profit before provisions	**5,621,226,657**	**5,408,208,632**	**2,008,582,878**	**1,683,327,771**
Provision for loans and off-balance sheet exposure:				
General provision (loans and OBS exposures)	251,395,089	134,717,858	(27,973,496)	(141,851,798)
Specific provision (net off w/off recovery)	1,061,179,684	1,243,563,449	595,742,590	450,674,292
Other Provisions	568,298,604	(69,891,747)	(49,220,292)	888,097
Total provisions	**1,880,873,378**	**1,308,389,560**	**518,548,803**	**309,710,591**
Profit before tax for the period	**3,740,353,279**	**4,099,819,072**	**1,490,034,075**	**1,373,617,180**
Current tax expense	1,864,960,687	1,783,037,154	761,817,072	682,849,952
Deferred tax (income)-net	(252,478,776)	(149,007,237)	(50,895,505)	(69,704,157)
Provision for tax made for the period	**1,612,481,912**	**1,634,029,917**	**710,921,568**	**613,145,795**
Profit after tax for the period	**2,127,871,367**	**2,465,789,155**	**779,112,507**	**760,471,385**
Earnings per share (EPS)	**2.88**	**3.34**	**1.06**	**1.03**

Head of Finance | Company Secretary | Managing Director & CEO

Director

Chairman

Dhaka, 27 October 2018

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

Figures in Taka

Particulars	01 January 2018 to 30 September 2018	01 January 2017 to 30 September 2017
A) Cash flows from operating activities		
Interest receipts in cash	14,635,575,525	10,224,745,690
Interest paid	(8,126,485,003)	(6,322,666,319)
Dividend receipts	89,191,927	91,284,349
Fees and commission receipts in cash	2,490,930,810	2,451,648,845
Income from investment (other than dividend received)	1,521,990,421	2,316,484,739
Recovery of loans previously written off	294,275,613	299,032,358
Cash paid to employees (including directors)	(2,735,452,060)	(2,479,280,972)
Cash paid to suppliers	(1,210,133,071)	(1,171,255,243)
Income taxes paid	(1,221,057,675)	(1,594,283,018)
Received from other operating activities	158,006,145	172,638,115
Paid for other operating activities	(479,577,073)	(472,068,234)
Operating cash flow before changes in operating assets and liabilities	5,417,265,557	3,516,280,311
Increase/(decrease) in Operating Assets & Liabilities		
Sale/(purchase) of trading securities	1,253,164,177	(129,850,701)
Loans and advances to customers	(19,007,922,834)	(20,098,166,641)
Non banking assets	-	416,505
Other assets	1,458,325,514	(597,602,065)
Recovery from BCCI assets	(169,364,523)	25,065,662
Deposits from other Banks	8,393,048,087	(171,329,279)
Deposits from customers (other than banks)	14,477,236,470	10,811,369,124
Liability for tax	(391,424,237)	(39,746,898)
Liabilities for provision	(2,175,148,991)	(1,607,421,919)
Other liabilities	837,277,281	2,269,381,917
Operating cash flow from operating assets and liabilities	4,675,190,946	(9,537,884,295)
Net Cash received from/ used in operating activities	**10,092,456,503**	**(6,021,603,984)**
B) Cash flows from investing activities		
(Purchase)/sale of non-trading securities	(6,585,034,613)	(1,932,696,425)
(Purchase)/sale of property, plant and equipment	(1,041,075,991)	(216,343,934)
Net cash (used in) investing activities	**(7,626,110,604)**	**(2,149,040,359)**
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	2,389,488,280	9,560,010,106
Dividend paid (cash dividend)	(1,475,999,178)	(1,405,713,504)
Net cash received from financing activities	**913,489,102**	**8,154,296,602**
D) Net (decrease) / increase in cash (A+B+C)	**3,379,835,001**	**(16,347,740)**
E) Effects of exchange rate changes on cash and cash equivalents	7,974,217	12,151,576
F) Opening cash and cash-equivalents	26,801,358,391	22,927,408,561
G) Closing cash and cash-equivalents (D+E)*	**30,189,167,610**	**22,923,212,397**
***Closing cash and cash-equivalents**		
Cash In hand (including foreign currencies)	2,679,824,561	2,437,958,302
Balances with Bangladesh Bank and its agent bank (s)	13,408,188,844	11,706,671,721
Balances with other Banks and Financial Institutions	14,098,212,505	8,774,735,074
Prize bonds	2,941,700	3,847,300
	30,189,167,610	**22,923,212,397**

Head of Finance | Company Secretary | Managing Director & CEO

Director

Chairman

Dhaka, 27 October 2018

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

Figures in Taka

	30-09-2018	31-12-2017
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	2,679,638,160	2,024,510,392
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	13,408,188,844	12,296,507,177
	16,087,827,005	**14,321,017,569**
Balances with other Banks and Financial Institutions		
In Bangladesh	11,846,682,270	10,251,404,987
Outside Bangladesh	7,539,971,436	7,579,806,712
	19,386,653,705	**17,831,211,699**
Money at call and short notice	-	-
Investments		
Government	23,792,612,117	19,480,497,640
Others	5,366,247,454	4,880,446,475
	29,158,859,571	**24,360,944,115**
Loans and advances		
Loans, Cash Credits, Overdraft etc.	184,755,991,533	163,974,017,428
Bills discounted and purchased	18,153,388,489	20,053,283,403
	202,909,380,022	**184,027,300,831**
Fixed assets including land, building, furniture and fixtures	6,772,454,697	5,922,614,795
Other assets	5,937,266,014	6,768,197,976
Non banking assets	134,016,495	134,016,495
TOTAL ASSETS	**280,386,457,510**	**253,365,303,480**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Borrowing from other banks, financial institutions and agents	52,511,650,455	50,997,691,603
Deposits and other accounts		
Current deposits & other accounts, etc.	20,218,910,382	17,113,543,041
Savings bank deposits	44,032,786,463	41,894,304,551
Fixed deposits	125,932,778,502	107,494,497,467
Bills payable	805,379,936	845,849,963
	190,989,855,283	**167,348,195,022**
Other liabilities	14,640,668,450	13,433,851,255
TOTAL LIABILITIES	**258,142,174,188**	**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)	4,294,654	9,964,360
Reserve for revaluation of treasury securities (HFT)	2,482,734	1,465,284
Foreign currency translation difference	1,214,609	9,127,461
Profit & loss account -retained earnings	3,860,220,272	3,019,572,918
TOTAL SHAREHOLDERS' EQUITY	**22,244,283,322**	**21,585,565,599**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**280,386,457,510**	**253,365,303,479**
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	53,267,850,660	37,313,068,570
Letters of guarantees	26,185,606,775	18,139,419,275
Irrevocable letters of credit	29,827,293,637	38,108,685,882
Bills for collection	6,759,459,362	7,055,462,385
Other contingent liabilities	-	-
	116,040,210,433	**100,616,636,112**
Other commitments		
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	641,121,922	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	641,121,922	661,600,000
TOTAL OFF-BALANCE SHEET ITEMS	**116,681,332,356**	**101,278,236,112**

Head of Finance | Company Secretary | Managing Director & CEO

Director

Chairman

Dhaka, 27 October 2018

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity (Unaudited)
for the period ended 30 September 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 after tax for the period	-	-	-	-	-	-	-	-	-	-	2,127,871,367	2,127,871,367
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)	-	-	-	-	-	-	-	(5,669,706)	-	-	-	(5,669,706)
Adjustment of reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	1,017,450	-	-	1,017,450
Adjustment for FCY RE balance	-	-	-	-	-	-	-	-	-	-	13,205,412	13,205,412
Currency translation difference	-	-	-	-	-	-	-	-	-	(5,231,190)	-	(5,231,190)
Balance as at 30 September 2018	**7,379,995,890**	**7,379,995,890**	**603,493,370**	**356,040,000**	**-**	**2,534,874,738**	**121,671,165**	**4,294,654**	**2,482,734**	**8,879,245**	**3,970,303,976**	**22,362,031,662**
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**

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

Dhaka, 27 October 2018

Eastern Bank Ltd.

Quarterly Financial Statements (Unaudited)
Third Quarter 2018

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

Figures in Taka

Particulars	01 January 2018 to 30 Sept. 2018	01 January 2017 to 30 Sept. 2017	01 July 2018 to 30 Sept. 2018	01 July 2017 to 30 Sept. 2017
Interest Income	14,735,846,426	10,478,902,202	5,280,903,116	3,642,969,062
Less: Interest paid on deposits and borrowings	9,104,100,617	6,187,510,097	3,222,874,576	2,185,779,363
Net Interest Income	**5,631,745,810**	**4,291,392,105**	**2,058,028,541**	**1,457,189,699**
Income from investments	1,569,368,960	2,484,112,169	519,730,108	827,878,865
Commission, exchange and brokerage	2,239,559,441	2,121,713,182	648,849,999	659,712,751
Other operating income	142,502,076	125,269,520	47,277,227	41,693,338
	3,951,430,476	4,731,094,871	1,215,857,333	1,529,284,954
Total operating income	**9,583,176,286**	**9,022,486,976**	**3,273,885,874**	**2,986,474,653**
Salary & allowances (excluding those of MD)	2,353,720,788	2,129,646,484	768,277,404	705,200,621
Rent, taxes, insurance, utilities etc.	584,793,014	535,601,992	191,462,110	186,912,393
Legal & professional expenses	56,077,052	95,157,136	20,016,566	36,953,544
Postage, stamp, telecommunication etc.	100,121,064	98,206,291	38,562,336	34,046,241
Stationery, printing, advertisement, BP, etc.	241,072,194	237,897,210	79,747,367	87,967,326
Managing Director's salary and allowances (Bank only)	16,822,710	15,720,646	6,062,710	5,720,646
Directors' Fees & Expenses	3,268,552	3,015,661	1,196,734	965,564
Repairs, maintenance and depreciation	369,517,738	357,770,140	127,696,635	114,445,112
Other operating expenses	461,208,035	459,831,018	128,624,745	159,402,813
Total operating expenses	**4,186,601,147**	**3,932,846,578**	**1,361,646,607**	**1,331,614,260**
Profit before provisions	**5,396,575,139**	**5,089,640,398**	**1,912,239,267**	**1,654,860,393**
Provision for loans and off-balance sheet exposure:				
General provision (loans and OBS exposures)	251,395,089	134,717,858	(27,973,496)	(141,851,798)
Specific provision (net off w/off recovery)	1,061,179,684	1,243,563,449	595,742,590	450,674,292
Other Provisions	241,280,232	(76,551,062)	(72,995,834)	(187,380)
Total provisions	**1,553,855,006**	**1,301,730,245**	**494,773,261**	**308,635,114**
Profit before tax for the period	**3,842,720,133**	**3,787,910,153**	**1,417,466,006**	**1,346,225,279**
Current tax expense	1,791,759,651	1,627,847,172	739,035,717	636,661,042
Deferred tax (income)-net	(252,478,776)	(149,007,237)	(50,895,505)	(69,704,157)
Provision for tax made for the period	**1,539,280,875**	**1,478,839,935**	**688,140,212**	**566,956,885**
Profit after tax for the period	**2,303,439,258**	**2,309,070,218**	**729,325,794**	**779,268,394**
Earnings per share (EPS)	**3.12**	**3.13**	**0.99**	**1.06**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 27 October 2018

EASTERN BANK LIMITED
Cash Flow Statement (Unaudited)
or the period ended 30 September 2018

Figures in Taka

Particulars	01 January 2018 to 30 September 2018	01 January 2017 to 30 September 2017
A) Cash flows from operating activities		
Interest receipts in cash	14,354,437,052	10,109,139,571
Interest paid	(7,968,713,014)	(6,282,755,862)
Dividend receipts	539,068,530	176,680,336
Fees and commission receipts in cash	2,178,959,441	2,121,713,182
Income from investment (other than dividend received)	1,081,242,819	2,240,519,578
Recovery of loans previously written off	294,275,613	299,032,358
Cash paid to employees (including directors)	(2,627,523,452)	(2,392,891,851)
Cash paid to suppliers	(1,175,601,574)	(1,136,905,826)
Income taxes paid	(1,170,152,629)	(1,484,658,815)
Received from other operating activities	142,502,076	125,269,520
Paid for other operating activities	(461,208,035)	(459,831,018)
Operating cash flow before changes in operating assets and liabilities	5,187,286,825	3,315,311,174
Increase/(decrease) in Operating Assets & Liabilities		
Sale/(purchase) of trading securities	1,806,612,918	264,709,469
Loans and advances to customers	(18,599,190,084)	(17,083,426,398)
Non banking assets	-	416,505
Other assets	939,109,840	(1,013,695,035)
Recovery from BCCI assets	(169,364,523)	25,065,662
Deposits from other Banks	8,393,048,087	(171,329,279)
Deposits from customers (other than banks)	14,184,285,624	10,972,172,625
Liability for tax	(369,128,246)	5,818,881
Liabilities for provision	(1,848,130,619)	(1,600,762,604)
Other liabilities	1,389,467,545	2,337,414,751
Operating cash flow from operating assets and liabilities	5,726,710,542	(6,263,615,423)
Net Cash received from / used in operating activities	**10,913,997,367**	**(2,948,304,249)**
B) Cash flows from investing activities		
(Purchase)/sale of non-trading securities	(6,609,964,928)	(1,925,696,425)
(Purchase)/sale of property, plant and equipment	(1,025,819,389)	(193,859,056)
Net cash used in investing activities	**(7,635,784,317)**	**(2,119,555,481)**
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	1,513,958,852	8,700,346,874
Dividend paid (cash dividend)	(1,475,999,178)	(1,405,713,504)
Net cash received from financing activities	**37,959,674**	**7,294,633,370**
D) Net (decrease) / increase in cash (A+B+C)	**3,316,172,723**	**2,226,773,640**
E) Effects of exchange rate changes on cash and cash equivalents	5,294,419	9,364,442
F) Opening cash and cash-equivalents	32,155,955,268	25,873,743,899
G) Closing cash and cash-equivalents (D+E)*	**35,477,422,410**	**28,109,881,981**
***Closing cash and cash-equivalents**		
Cash In hand (including foreign currencies)	2,679,638,160	2,437,773,999
Balances with Bangladesh Bank and its agent bank (s)	13,408,188,844	11,706,671,721
Balances with other Banks and Financial Institutions	19,386,653,705	13,961,588,961
Prize bonds	2,941,700	3,847,300
	35,477,422,410	**28,109,881,981**

Head of Finance | Company Secretary | Managing Director & CEO

Director | Chairman

Dhaka, 27 October 2018

EASTERN BANK LIMITED AND ITS SUBSIDIARIES
Selected Explanatory Notes
as at and for the period ended from 1 January 2018 to 30 September 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 nine months period ended 30 September 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 nine months period ended 30 September 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 BFRS - 15 'Revenue from Contracts with Customer'.

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 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 September 2018.

Review of the Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of EBL in its 109 meeting held on 27 October 2018 and was subsequently approved by the Board in its 633 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 September 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-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17
Net Assets Value (NAV) in crore	2,236.20	2,187.62	2,224.43	2,158.56
Net Assets Value per share in BDT	30.30	29.64	30.14	29.25

Calculation of NAVPS: Net Asset Value / No of shares outstanding

Calculation of EPS and NOCFPS:

Particulars	Group		Bank	
	January to Sept. 2018	January to Sept. 2017	January to Sept. 2018	January to Sept. 2017
Earnings Per Share (EPS) in BDT	2.88	3.34	3.12	3.13
Net Operating Cash Flow per share (NOCFPS) in BDT	13.68	(8.16)	14.79	(3.99)

Calculation of EPS: Profit After Tax / No of shares outstanding

Calculation of NOCFPS: Net Operating Cash Flow / No of shares outstanding

EASTERN BANK LIMITED
Statement of Changes in Equity (Unaudited)
for the period ended 30 September 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	3,019,572,919	21,585,565,600
Net profit after tax for the period	-	-	-	-	-	-	-	-	-	-	2,303,439,258	2,303,439,258
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)	-	-	-	-	-	-	-	(5,669,706)	-	-	-	(5,669,706)
Adjustment of reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	1,017,450	-	-	1,017,450
Adjustment for FCY RE balance	-	-	-	-	-	-	-	-	-	-	13,207,274	13,207,274
Currency translation difference	-	-	-	-	-	-	-	-	-	(7,912,852)	-	(7,912,852)
Balance as at 30 September 2018	**7,379,995,890**	**7,379,995,890**	**603,493,370**	**356,040,000**	**-**	**2,534,874,738**	**121,671,165**	**4,294,654**	**2,482,733**	**1,214,609**	**3,860,220,272**	**22,244,283,322**
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**	**3,312,115,498**	**21,477,815,654**

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

Dhaka, 27 October 2018