



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

Particulars	01 January 2017 to 31 March 2017	01 January 2016 to 31 March 2016
	Taka	Taka
Interest Income	3,365,832,279	3,353,529,887
Less: Interest paid on deposits and borrowings	1,968,645,414	2,134,673,255
Net Interest Income	1,397,186,864	1,218,856,632
Income from investments	689,899,302	1,294,410,481
Fees, commission and brokerage	669,169,355	606,935,423
Other operating income	38,419,019	37,802,553
Total operating income	2,794,674,540	3,158,005,089
Salary & allowances (except those of MD)	701,386,667	626,333,853
Rent, taxes, insurance, utilities etc.	165,565,362	144,604,275
Legal & professional expenses	20,972,498	23,059,089
Postage, stamp, telecommunication etc.	28,312,867	29,815,040
Stationery, printing, advertisement etc.	60,157,280	61,248,064
Managing Director's salary and allowances (Bank only)	4,500,000	4,289,400
Directors' Fees & Expenses	1,066,456	398,873
Audit fees	-	-
Depreciation and repair of bank's assets	109,689,304	135,385,831
Other operating expenses	111,764,713	115,228,738
Total operating expenses	1,203,415,147	1,140,363,164
Profit before provisions	1,591,259,393	2,017,641,926
Provision for loans and off-balance sheet exposures		
Specific provision (net of w/off recovery)	382,100,472	417,411,211
General provision	70,511,327	109,142,250
	452,611,799	526,553,461
Other provisions	(76,363,682)	31,236,248
Total provisions	376,248,117	557,789,709
Profit before tax for the period	1,215,011,276	1,459,852,217
Provision for tax made for the period	618,441,477	627,532,973
Deferred tax income (net)	(67,559,914)	(5,993,714)
Total tax provision	550,881,563	621,539,259
Profit after tax for the period	664,129,713	838,312,958
Appropriation		
Statutory reserve	-	-
General reserve	-	-
	-	-
Retained earnings carried forward	664,129,713	838,312,958
Earnings per share (EPS) (restated)	0.94	1.19

Head of Finance

Company Secretary

Managing Director & CEO

Head of Finance

Company Secretary

Managing Director & CEO

Director

Chairman

Dhaka, 11 May 2017

Director

Chairman

Dhaka, 11 May 2017

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

Particulars	01 January 2017 to 31 March 2017	01 January 2016 to 31 March 2016
	Taka	Taka
A) Cash flows from operating activities		
Interest received	3,253,259,401	4,181,732,430
Interest paid	(1,518,641,158)	(1,781,723,306)
Dividend received	151,570,072	15,268,077
Fees and commission received	669,169,355	657,990,437
Income from investment (other than dividend received)	473,866,091	1,512,616,968
Recovery of loans previously written off	129,422,535	23,333,036
Cash paid to employees (including directors)	(950,271,639)	(631,044,001)
Cash paid to suppliers	(322,526,044)	(326,042,521)
Income taxes paid	567,456,124	(221,481,869)
Received from other operating activities	38,419,019	37,802,553
Paid for other operating activities	(111,764,713)	(168,902,671)
Operating cash flow before changes in operating assets and liabilities	2,379,959,043	3,299,549,133
Increase/(decrease) in Operating Assets & Liabilities		
Sale of trading securities	334,723,455	(1,570,006,618)
Loans and advances to customers (other than banks)	(3,732,890,221)	(4,859,773,983)
Other assets	(50,173,788)	(1,170,892,910)
Deposits from other Banks	67,154,834	660,015,367
Deposits from customers (other than banks)	804,471,761	(413,111,037)
Recovery from/(Payment against) BCCI assets	10,006,200	-
Liability for tax	(1,118,337,687)	(400,057,390)
Liabilities for provision	(505,670,652)	(581,122,744)
Other liabilities	550,087,498	1,399,034,011
Net Cash (used in) operating activities	(1,260,669,557)	(3,636,366,171)
B) Cash flows from investing activities		
(Purchase)/Sale of non-trading securities	(770,808,796)	205,239,218
(Purchase)/sale of property, plant and equipment	(35,494,544)	(50,681,738)
Net cash (used in) / received from investing activities	(806,303,340)	154,557,480
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	2,522,821,687	2,009,455,686
Net cash received from financing activities	2,522,821,687	2,009,455,686
D) Net (decrease) / increase in cash (A+B+C)	455,848,790	(1,472,353,005)
E) Effects of exchange rate changes on cash and cash equivalents	4,926,946	(357,364)
F) Opening cash and cash-equivalents	25,873,743,899	24,640,180,161
G) Closing cash and cash-equivalents (D+E+F)*	26,334,519,635	23,167,469,794
*Closing cash and cash-equivalents		
Cash in hand (including foreign currencies)	2,268,730,185	1,859,270,524
Balances with Bangladesh Bank and its agent bank (s)	10,307,853,731	9,558,970,237
Balances with other Banks and Financial Institutions	13,754,381,619	11,744,206,733
Money at call and short notice	-	-
Prize bonds	3,554,100	5,022,300
	26,334,519,635	23,167,469,794

EASTERN BANK LIMITED AND ITS SUBSIDIARIES Selected explanatory notes as at and for first quarter ended 31 March 2017

- 1 Activities of the Bank**
The principal activities of the Bank are to provide a comprehensive range of financial products (loans & deposits), personal and commercial banking, trade services, cash management, treasury, securities and custody services.
The Bank does have a separate Off shore Banking Unit (OBU) which started its operation on 19 May 2004. The activities of the unit is to give loans (on and off -balance sheet exposures) and take deposits only in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned EPZ companies etc.
Subsidiaries of the Bank
The Bank has four fully owned subsidiaries among which three of them has been in operations. These are: EBL Securities Ltd, a securities brokerage firm, 'EBL Investments Limited', a merchant bank and 'EBL Finance (HK) Limited', a foreign subsidiary for trade finance & offshore banking business in Hong Kong.
The subscription of another fully owned subsidiary i.e. EBL Asset Management Company Limited, was completed in 2015 but full fledged business operation of this company will start after getting license from BSEC.
- 2 Basis of Preparation and Significant Accounting Policies**
Basis of preparation, accounting policies and estimates applied in these financial statements for the first quarter ended 31 March 2017 are same as those applied in the audited annual financial statements for the year ended 31 December 2016. Certain selected explanatory notes are given below:
Basis of Preparation
2.01 Statement of compliance
The consolidated financial statements of the Group and the separate financial statements of the Bank as at and for the first quarter ended 31 March 2017 have been prepared under the historical cost convention except land which gets revalued fulfilling BB & BSEC requirements and Govt treasury securities (bills/bonds) classified as held for trading (HFT) which are measured at fair value, and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the "First Schedule" (section 38) of the Bank Company Act 1991 (amendment upto 2013), BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh. In case of 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 financial statements, and have been applied consistently by group entities, except otherwise instructed by the Central Bank as prime regulator.
The financial statements of subsidiaries which are included in Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature.
Certain comparative amounts in these financial statements have been reclassified and rearranged to conform to the current period's presentation.
2.04 Basis of consolidation
Subsidiaries (investees) are entities controlled by the parent (the bank). Control exists when the bank has the power over the subsidiaries that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with this subsidiaries, and the ability to use its power over the subsidiaries to affect the amount of the bank's returns.
The consolidated financial statements incorporate the financial statements of the Bank and those of its subsidiaries from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the bank are eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.
Intra-group balances and transactions, and any incomes and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.
2.05 Revenue Recognition
The revenue during the period is recognised following all conditions of revenue recognition as prescribed by BAS - 18 'Revenue'.
2.06 Cash Flow Statement
Cash Flow Statement is prepared in accordance with Bangladesh Accounting Standard (BAS) 7 'Cash Flow Statement' and under the guideline of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the period.
2.07 Statement of Changes in Equity
Statement of changes in Equity is prepared in accordance with Bangladesh Accounting Standard (BAS) 1 'Presentation of Financial Statements' and relevant guidelines of Bangladesh Bank.
2.08 Earnings per share
Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on 31 March 2017 as per BAS - 33 'Earnings Per Share'. Diluted earnings per share was not required to calculate as there were no dilution possibilities during the period.
2.09 Credit Rating of the Bank
As per BRPD circular no. 6 dated 5 July 2006, the bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements as at and for the year ended 31 December 2015. The following ratings have been awarded:

Periods	Date of Rating	Surveillance Rating		Outlook
		Long Term	Short Term	
January to December 2015	22-Jun-16	AA	ST-2	Stable
January to December 2014	17-Jun-15	AA	ST-2	Stable
January to December 2013	18-Jun-14	AA	ST-2	Stable
- 2.10 General Reporting Period**
The reporting period of these financial statements of the Group and the Bank cover from 1 January 2017 to 31 March 2017.
Review of the Financial Statements
These financial statements were reviewed by the Audit Committee of the Board of EBL in its 95 meeting held on 11 May 2017 and was subsequently approved by the Board in its 600 meeting held on the same date.

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

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Excess of reserve over pre take-over loss-BCCI	Asset revaluation reserve	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	General reserve	Reserve against non banking assets	Foreign currency translation difference	Retained earnings	Total
Balance as on 1 January 2017	7,028,567,520	6,991,700,268	356,040,000	617,792,231	2,534,874,738	6,200,987	12,145,508	130,000,000	141,288,665	1,125,580	2,751,906,907	20,571,642,404
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	664,129,713	664,129,713
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	(7,726,924)	-	-	-	-	(7,726,924)
Reserve for HTM securities	-	-	-	-	-	(7,837)	-	-	-	-	-	(7,837)
Recovery of pre-takeover loss	-	-	-	10,006,200	-	-	-	-	-	-	-	10,006,200
Currency translation difference	-	-	-	-	-	-	-	-	-	4,926,943	-	4,926,943
Balance as at 31 March 2017	7,028,567,520	6,991,700,268	356,040,000	627,798,431	2,534,874,738	6,193,150	4,418,584	130,000,000	141,288,665	6,052,523	3,416,036,620	21,242,970,502
Balance as at 31 March 2016	6,111,797,850	6,111,797,850	356,040,000	617,792,231	2,534,874,738	2,764,446	25,842,029	130,000,000	141,288,665	1,362,967	3,951,349,781	19,984,910,556

Head of Finance
Dhaka, 11 May 2017

Company Secretary

Managing Director & CEO

Director

Chairman