



CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS 2020 (AUDITED)

Eastern Bank Ltd.

REDISCOVERING THE VALUE OF RELATIONSHIP

Independent auditor's report

to the shareholders of Eastern Bank Limited

Report on the consolidated and separate financial statements

Opinion
We have audited the consolidated financial statements of Eastern Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Eastern Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheet as at 31 December 2020, and the consolidated and separate profit and loss account, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank (the "financial statements") give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2020, and of its consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and its consolidated and separate cash flow statement for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), rules & regulations issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By-laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the financial year 2020. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
------------------	--

Measurement of provision for loans and advances

With reference to Note 13.4 to the financial statements, the process for calculating the provision for loans and advances portfolio associated with credit risk is significant and complex. The bank calculates provision for loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments.

We tested the design and operating effectiveness of key controls focusing on the following:
■ Tested the credit appraisal loan disbursement procedures, monitoring and provisioning process;
■ Tested the controls related to provision for loans and advances;

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:
■ Tested the Group and the Bank's general and specific provisions;

■ Assessed quarterly classification ledger of loans and advances (CL);
■ Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information.

■ Assessed covid provision according to BRPD circular.

Assessed the presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

To minimize covid 19 impact, Bangladesh Bank issued BRPD Circular Letter No. 56 and 117 dated 10 December 2020 and 5 January 2021. According to the circular, commercial bank must keep an extra 1% (percent) provision for those borrowers who have availed payment by deferral (PBD) facilities. The calculation of the new provisioning rule will have to be implemented based on the outstanding (deferred payment) loans as at 31 December 2020. The Bank has kept this special provision of BDT 602.39 million as per the circular.

In Bangladesh, non-performing loans have been increasing day by day. Banks need to maintain provision for additional non-performing loans in line with guidelines of the central bank. The Bank identifies impaired loan accounts and calculates required provision manually. Furthermore, management has incentive to maintain lower provision for loan and advances to overstate profit.

Considering these factors, we have considered measurement of provision for loans and advances as significant risk as well as a key audit matter.

At year end of 2020 the Group reported total gross loans and advances of BDT 230.54 billion (2019: BDT 239.09 billion) and in 2020 the Bank reported total gross loans and advances of BDT 228.94 billion (2019: BDT 232.05 billion) whereas at the year end of 2020 the Bank reported total gross loans and advances of BDT 114.42 billion (2019: BDT 94.4 billion) and the Bank reported total provision for loans and advances of BDT 11.18 billion (2019: BDT 9.36 billion).

02. Measurement of deferred tax assets

At the year ended 2020 the Group reported total deferred tax assets of BDT 2.150 billion (2019: BDT 1.875 billion) and deferred tax income of BDT 149.58 million (2019: BDT 64.46 million) and the Bank reported total deferred tax assets of BDT 2.093 billion (2019: BDT 1.875 billion) and deferred tax income of BDT 52.45 million (2019: BDT 64.46 million).

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating the Group and the Bank's future taxable income.

We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.

We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax assets.

Finally assessed the appropriateness and presentation of disclosures against IAS 12: Income Tax.

Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.

See note no 9.10 to 9.18 to the financial statements

Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 (as amended up to date) and the Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group's and Bank's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Banking Companies Act, 1991, and the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1997, we also report that:

- I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereon.
- II. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank.
- III. financial statements of Eastern Bank Limited's subsidiaries namely, EBL Securities Limited, EBL Investments Limited and EBL Asset Management Limited have been audited by ACNABIN Chartered Accountants and EBL Finance HRH Limited has been audited by Kingston C.P.A. Limited, Certified Public Accountants, Hong Kong and have been properly reflected in the consolidated financial statements;
- IV. in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as appeared from our examination of those books;
- V. the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- VI. the expenditures incurred and payments made were for the purpose of the Group's and Bank's business for the year;
- VII. the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- VIII. adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery;
- IX. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- X. the information and explanations required by us have been received and found satisfactory;
- XI. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,800 man hours; and
- XII. capital to risk-weighted assets ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Eastern Bank Limited and its subsidiaries Consolidated Balance Sheet as at 31 December 2020

	Notes	2020	2019
PROPERTY AND ASSETS			
Cash	3	3,218,511,774	3,088,367,831
Cash in hand (including foreign currencies)	3.1	12,480,410,176	16,601,918,975
Balances with Bangladesh Bank and its agent banks (including foreign currencies)	3.2	15,678,921,950	19,690,222,660
Balances with other banks and financial institutions			
In Bangladesh	4.1	12,728,955,557	19,963,271,483
Outside Bangladesh	4.2	664,331,924	4,405,925,232
		13,393,287,481	24,369,196,715
Money at call and short notice			
Investments	5	60,000,000	594,300,000
Government	6.1	50,517,783,115	31,927,457,257
Others	6.2	10,482,216,885	10,328,813,514
		16,016,361,066	42,064,470,771
Loans and advances			
Loans, cash credits, overdraft etc.	7.1	212,083,018,369	218,070,540,410
Bills discounted and purchased	7.2	18,462,037,893	21,024,167,578
		230,545,056,262	239,094,708,008
Fixed assets including land, building, furniture and fixtures			
Other assets	8	7,772,444,970	7,407,132,303
Non banking assets	9	5,916,516,734	4,869,888,925
Prize bonds	6.1	105,576,495	108,736,495
		339,508,366,868	338,200,720,022
TOTAL ASSETS			
		339,508,366,868	338,200,720,022
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11	4,000,000,000	4,500,000,000
Non-convertible subordinated bond	11.1a	40,281,080,617	46,348,235,988
Borrowing from other Banks, FIs, Agents etc.		46,281,080,617	52,846,235,988
Deposits and other accounts			
Current deposits & other accounts, etc.	12.1	27,698,304,935	24,837,018,432
Bills payable	12.2	1,492,231,648	1,131,830,685
Savings bank deposits	12.3	63,784,873,554	50,214,304,541
Fixed deposits	12.4	111,289,608,129	131,735,401,586
Other deposits- special notice (SND) account	12.5	37,030,361,579	32,061,412,240
Bearer certificates of deposits		241,295,379,865	239,979,947,864
Other liabilities	13	22,482,811,081	19,410,743,264
		310,059,271,563	312,238,966,738
SHAREHOLDERS' EQUITY			
Paid-up capital	14	8,117,995,470	8,117,995,470
Statutory reserve	15	8,117,995,470	8,117,995,470
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (Lands and others)	17	3,492,079,880	2,758,085,537
General reserve	18	603,493,370	603,493,370
Actuarial reinsurance gain/(loss)	19	(209,986,563)	(209,986,563)
Foreign currency translation gain/(loss)	19	2,405,658	5,365,748
Surplus in profit and loss account	20	9,267,270,919	4,024,212,587
		29,545,095,305	25,567,486,305
TOTAL SHAREHOLDERS' EQUITY			
		339,508,366,868	338,200,720,022
OFF BALANCE SHEET ITEMS			
Contingent liabilities	21	42,593,184,478	45,008,741,219
Acceptances and endorsements	21.1	27,229,615,956	23,231,243,725
Letters of guarantees	21.2	26,084,696,594	23,139,697,761
Irrevocable letters of credit	21.3	8,032,352,776	7,963,765,179
Bills for collection	21.4	-	-
Other liabilities		103,939,849,804	99,433,447,884
Other commitments			
Documentary credits and short term trade-related transactions	21.5	120,428,481	347,552,793
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		120,428,481	347,552,793
		104,060,278,285	99,781,000,677

These financial statements should be read in conjunction with the annexed notes.

Ali Reza Itekhhar
Managing Director & CEO
Gazi Md. Shakhawat Hossain
Director
Salma Ali
Director
Mir Nasir Hossain
Director
A. Qasem & Co.
Chartered Accountants
Registration No: PF 1015
Enrolment No: 912
DVC No: 2104120912AS840301

Eastern Bank Limited and its subsidiaries Consolidated Profit and Loss Account for the year ended 31 December 2020

	Notes	2020	2019
Particulars		2020	2019
Interest income	22	20,011,368,328	23,583,249,634
Interest paid on deposits and borrowings	23	(13,959,493,313)	(15,306,349,064)
Net interest income		6,051,874,415	8,276,900,572
Income from investments	24	5,101,545,522	2,699,084,429
Fees, commission and brokerage	25	3,067,368,036	3,785,461,173
Other operating income	26	345,885,248	258,386,812
		8,514,798,806	6,742,932,414
Total operating income			
Salary & allowances (excluding those of MD)	27	4,073,299,849	3,895,272,859
Rent, taxes, insurance, utilities etc.	28	440,047,713	615,896,173
Legal & professional expenses	29	64,899,448	118,015,990
Postage, stamp, telecommunication etc.	30	138,968,011	152,322,841
Stationery, printing, advertisement, business promotion etc.	31	294,837,619	358,335,602
Managing Director's salary and allowances (Bank only)	32	26,328,372	24,618,065
Directors' fees & expenses	33	3,179,506	5,144,429
Audit fees	34	2,472,415	2,344,092
Depreciation and repair of bank's assets	35	1,010,715,838	781,598,098
Other operating expenses	36	614,810,771	695,312,413
		6,671,559,742	6,641,861,161
Total operating expenses		6,671,559,742	6,641,861,161
Profit before provisions		7,895,113,479	8,377,971,824
Provision for loans and off-balance sheet exposures:			
Specific provision (net of w/o recovery)	13.4.1	928,245,166	1,254,816,341
General provision for loans & advances		(293,454,371)	174,331,665
Special general provision for Covid-19		602,388,520	-
General provision for off-balance sheet exposures		19,155,553	(117,854,822)
		1,256,594,868	1,311,293,145
Other provision	37	(101,490,592)	723,320,311
Total provisions		1,155,104,276	2,034,613,456
Profit before tax for the year		6,740,009,203	6,343,358,369
Current tax expense for the year	13.3.1	2,709,205,926	3,017,426,997
Deferred tax income (net)	38	(110,577,739)	(693,421,908)
Total provision for taxation		2,598,628,187	2,324,005,089
Profit after tax for the year		4,141,381,016	3,999,353,333
Appropriation	15	-	(737,999,580)
Statutory reserve		-	(737,999,580)
General reserve		-	(737,999,580)
		4,141,381,016	3,252,353,753
Retained earnings carried forward		4,141,381,016	3,252,353,753
Earnings per share (EPS)	39	5.15	4.92

These financial statements should be read in conjunction with the annexed notes.

Ali Reza Itekhhar
Managing Director & CEO
Gazi Md. Shakhawat Hossain
Director
Salma Ali
Director
Mir Nasir Hossain
Director
A. Qasem & Co.
Chartered Accountants
Registration No: PF 1015
Enrolment No: 912
DVC No: 2104120912AS840301

Eastern Bank Limited and its subsidiaries Consolidated Cash Flow Statement for the year ended 31 December 2020

	Notes	2020	2019
A) Cash flows from operating activities			
Interest receipts in cash		18,524,486,123	23,102,781,408
Interest payments		(15,394,039,485)	(14,130,543,008)
Dividend receipts		153,019,086	166,905,205
Fees and commission receipts in cash		2,954,139,616	3,746,487,786
Income from investment (other than dividend received)		4,518,552,742	2,391,733,141
Recoveries on loans previously written off	13.4.1	1,257,939,332	1,325,646,487
Cash payment to employees (including directors)		(4,040,915,412)	(3,834,141,757)
Cash payment to suppliers		(1,228,511,398)	(1,512,903,210)
Income taxes paid		(3,690,357,073)	(1,739,041,304)
Receipts from other operating activities	13.3.2	345,885,248	258,386,812
Payments for other operating activities		(614,810,771)	(695,312,413)
Cash from operating profit before changes in operating assets and liabilities		2,231,207,807	8,389,998,147
Increase/(decrease) in Operating Assets & Liabilities		10,801,116,270	10,801,116,270
Purchase-net of trading securities		(10,558,729,038)	(8,685,063,525)
Loans and advances to customers (other than banks)		10,227,936,138	11,252,330,138
Other assets	40	(694,877,740)	(910,559,581)
Deposits from other Banks	12b.1	(1,786,223,237)	(4,172,637,504)
Deposits from customers (other than banks)		4,289,418,612	4,837,336,146
Liabilities for tax		1,130,728,886	(613,9



CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS 2020 (AUDITED)

Eastern Bank Ltd.

REDISCOVERING THE VALUE OF RELATIONSHIP

Eastern Bank Limited

Profit & Loss Account for the year ended 31 December 2020

Particulars	Notes	2020	2019
Interest Income	22	19,667,413,756	23,163,605,820
Interest paid on deposits and borrowings	23	(13,737,063,652)	(15,004,895,176)
Net Interest Income		5,930,350,104	8,158,710,643
Income from investments	24	5,048,674,967	2,751,634,005
Fees, commission and brokerage	25	2,823,051,316	3,448,216,291
Other operating income	26	331,681,115	238,812,687
Total operating income		14,133,757,502	14,597,373,626
Salary & allowances (excluding those of MD)	27	3,923,591,968	3,739,079,717
Rent, taxes, insurance, utilities etc.	28	430,005,846	598,044,720
Legal & professional expenses	29	63,853,652	117,123,508
Postage, stamp, telecommunication etc.	30	131,767,614	136,968,876
Stationery, printing, advertisement, business promotion etc.	31	292,012,702	353,473,079
Managing Director's salary and allowances	32	26,328,372	24,618,065
Directors' fees & expenses	33	2,717,506	4,956,529
Audit fees	34	1,202,057	1,367,345
Repairs, maintenance and depreciation	35	970,168,499	740,495,162
Other operating expenses	36	599,828,196	671,284,857
Total operating expenses		6,441,476,412	6,387,411,859
Profit before provisions		7,692,281,090	8,209,961,768
Provision for loans and off-balance sheet exposures	13.4.1		
Specific provision (net of w/off recovery)		764,801,333	1,254,816,341
General provision for loans		(293,454,371)	174,331,665
Special general provision for Covid-19		602,388,520	-
General provision for off-balance sheet exposures		19,415,553	(117,854,862)
Total provisions		1,091,151,035	(1,178,291,145)
Profit after tax for the year		6,601,130,055	7,031,670,623
Current tax expense for the year	13.3.1	2,640,680,434	2,912,484,915
Deferred tax income (net)	38	(52,451,737)	(66,461,960)
Total provision for taxation		2,588,228,697	2,848,022,955
Profit after tax for the year		4,102,563,054	4,008,142,126
Appropriation			
Statutory reserve	15	-	(737,999,580)
General reserve		-	(737,999,580)
Retained earnings carried forward		4,102,563,054	3,270,142,546
Earnings per share (EPS)	39	5.05	4.94

These financial statements should be read in conjunction with the annexed notes.

Signed as per our annexed report of same date

Ali Reza Ittekkar
Managing Director & CEO

Gazi Md. Shakhawat Hossain
Director

A. Qasem & Co.
Chartered Accountants
Registration No: PF 1015

Mir Nasir Hossain
Director

Mohammed Hamidul Islam
Partner
Enrollment No: 912
DVC No: 2104120912AS840301

Cash Flow Statement for the year ended 31 December 2020

Particulars	Notes	2020	2019
A) Cash flows from operating activities			
Interest receipts in cash		18,243,372,721	22,578,916,030
Interest payments		(15,172,791,349)	(13,827,167,931)
Dividend receipts		138,078,576	254,384,533
Fees and commission receipts in cash		2,709,822,896	3,409,242,904
Income from investment (other than dividend)		4,480,622,697	2,356,803,389
Recovery on loans previously written off	13.4.1	725,599,332	635,666,487
Cash payment to employees (including directors)		(3,912,637,846)	(3,674,574,810)
Cash payment to suppliers		(1,201,000,079)	(1,452,167,776)
Income taxes paid	13.3.2	(3,584,048,614)	(1,683,595,759)
Receipts from other operating activities		331,681,115	238,812,687
Payments for other operating activities		(599,828,196)	(671,284,857)
Cash generated from operating activities before changes in operating assets and liabilities		2,159,031,292	8,165,034,897
Increase/(decrease) in Operating Assets & Liabilities			
(Purchase)/sale of trading securities		(10,760,662,458)	(8,598,344,096)
Loans and advances to customers (other than banks)		4,785,116,138	(22,371,888,375)
Other assets	40	(558,391,547)	(867,873,731)
Deposits from other Banks	12.b.1	(1,786,223,237)	(4,172,637,504)
Deposits from customers (other than banks)		5,167,605,028	43,548,178,422
Liability for tax		995,819,917	(564,427,197)
Liabilities for provision		(1,727,248,670)	(2,589,463,173)
Other liabilities	41	2,701,535,895	5,373,686,014
Cash generated from operating assets and liabilities		(1,182,400,955)	9,757,230,360
Net Cash from operating activities		976,630,337	17,922,265,257
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities		(12,655,811,043)	(3,387,266,595)
(Purchase-net) of property, plant and equipment		(1,048,655,020)	(1,206,371,630)
Net cash (used in) investing activities		(13,704,466,063)	(4,593,638,225)
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents		(6,534,399,079)	4,088,886,409
Dividend paid (cash dividend)		(1,217,699,321)	(1,475,999,178)
Net cash (used in) / received from financing activities		(7,752,098,400)	2,612,887,231
D) Net increase in cash and cash equivalents (A+B-C)		(20,479,934,129)	15,941,514,263
E) Effects of exchange rate changes on cash and cash equivalents		(778,204)	4,092,885
F) Opening cash and cash-equivalents		49,245,781,566	33,300,174,418
G) Closing cash and cash-equivalents (D+E+F)		28,765,069,234	49,245,781,566
*Cash and cash-equivalents consists of:			
Cash in hand (including foreign currencies)	3.1	3,218,381,880	3,088,303,685
Balances with Bangladesh Bank and its agent bank (s)	3.2	12,480,410,176	16,601,918,975
Balances with other Banks and Financial Institutions	4	13,003,147,677	28,956,894,306
Money at call and short notice	5	60,000,000	594,300,000
Prize bonds	6.1	3,129,500	4,364,600
Total		28,765,069,234	49,245,781,566

These financial statements should be read in conjunction with the annexed notes.

Signed as per our annexed report of same date

Ali Reza Ittekkar
Managing Director & CEO

Gazi Md. Shakhawat Hossain
Director

A. Qasem & Co.
Chartered Accountants
Registration No: PF 1015

Mir Nasir Hossain
Director

Mohammed Hamidul Islam
Partner
Enrollment No: 912
DVC No: 2104120912AS840301

Statement of Changes in Equity for the year ended 31 December 2020

Particulars	Balance as at 1 January 2020	Change during the year	Balance as at 31 December 2020
Share capital	1,000,000,000	-	1,000,000,000
Reserves	3,270,142,546	4,102,563,055	7,372,705,601
Retained earnings carried forward	3,270,142,546	4,102,563,055	7,372,705,601
Total	4,270,142,546	4,102,563,055	8,372,705,601

Liquidity Statement (Asset and Liability Maturity Analysis) as at 31 December 2020

Particulars	Assets	Liabilities
Cash in hand (including balances with Bangladesh Bank and its agent bank)	15,498,792,056	15,498,792,056
Balances with other banks and financial institutions	7,437,126,677	7,437,126,677
Money at call and short notice	60,000,000	60,000,000
Investments	5,002,855,500	5,002,855,500
Loans and advances	26,335,371,073	26,335,371,073
Fixed assets including land, building, furniture and fixtures	38,514,251	38,514,251
Other assets	16,973,522	16,973,522
Non-banking assets	54,889,304,279	54,889,304,279
Total Assets	93,117,937,089	93,117,937,089
Borrowing from other banks, financial institutions and agents	10,950,712,467	10,950,712,467
Deposits and other accounts	37,671,313,742	37,671,313,742
Provisions and other liabilities	29,070,315,742	29,070,315,742
Trade and other liabilities	107,258,578	107,258,578
Total Liabilities	184,950,620,529	184,950,620,529
Net Liquidity Gap	(91,832,683,440)	(91,832,683,440)
Cumulative Net-Liquidity Gap	(91,832,683,440)	(91,832,683,440)

Notes to the financial statements as at and for the year ended 31 December 2020

1 The Bank and its activities

1.1 Eastern Bank Limited was incorporated in Bangladesh as a public limited company to carry out all kinds of banking business in and outside Bangladesh. The bank took over the business, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (Overseas) Limited (hereinafter referred to as BCCI) as they stood after reduction of adjustments in accordance with the provisions of the BCCI (Reconstruction) Scheme, 1992. The Bank commenced operations from 16 August 1992 and at present it has 85 branches, 5 sub-branches and 29 agent banking outlets across Bangladesh. The shares of the Bank is listed with both Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited. The registered office of the Bank is located at 100 Gulshan Avenue, Dhaka-1212, Bangladesh.

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

1.2 Offshore Banking Operation (OBO)

EBL has one Offshore Banking Unit (OBU or the Unit) which runs through a separate desk under control and supervision of the Offshore Banking Division/Operation (OBO). The unit and all activities of the division are governed under the permission by Bangladesh Bank vide letter no. BRPD/P/74/89/2004-303 dated 25 January 2004 and subsequent approvals for continuation by Bangladesh Bank vide letter no. BRPD/P/74/89/2005-254 & 255 dated 25 February 2005 in line with the offshore banking policy issued by Bangladesh Bank vide BRPD circular no. 02 dated 25 February 2019 and amendments therein. The activities of the unit is to provide both funded and non-funded facilities and to accept savings/current term deposits in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned enterprises (Type 'A') in EPZs, PEZs, EZs and Hi-Tech Parks, etc. Besides, OBU offers short term loan facility to the Type 'B' industrial enterprises in EPZs, PEZs, EZs and Hi-Tech Parks. In addition, OBU discounts/purchases accepted usage/deferred bills against import from abroad and accepted usage/deferred export bills against direct and deemed exports of products produced in Bangladesh of persons resident in Bangladesh. Offshore Banking conducts banking business activities in foreign currencies.

The unit commenced its operations on 19 May 2004 and its office is located at 100 Gulshan Avenue, Dhaka-1212.

Representative office and agent banking operation of the Bank

Representative Office:

The bank has two Representative Offices (ROs) abroad, one in Myanmar named EBL Yangon Representative Office (YRO) and another one in China named EBL Guangzhou Representative Office (GRO), which were established in 2014 and 2019 respectively with a view to extend its trade business by providing banking and business information to the business people of these countries. Registered office of YRO is at Room (2B/2C), 1st Floor, Rose Condominium, No. 182/194, Botataung Pagoda Road, Pazundaung Township, Yangon, Myanmar; and GRO is at Unit G, 22 Floor, Jianhe Centre, No. 111 Tiyyuk Road, Tianhe District, Guangzhou, Guangdong Province, China.

Agent Banking Outlet:

The bank has started agent banking operation in 2018 with a view to reach unbanked population particularly in the geographically dispersed area and offer banking services to potential customers who are currently out of traditional banking periphery. EBL has launched this banking service with 2 outlets in 2018, which is now 29 across the country with thousands of new customers. This service includes offering all types of deposit accounts and other banking transactions including bill payments, inward foreign remittance payment, fund transfer etc.

1.3 Subsidiaries of the Bank

The Bank has four fully owned subsidiaries as on the reporting date. These are EBL Securities Limited, EBL Investments Limited, EBL Finance (HK) Limited and EBL Asset Management Limited. All subsidiaries of the Bank have been incorporated in Bangladesh except for EBL Finance (HK) Limited which is incorporated in Hong Kong.

EBL Securities Limited

EBL Securities Limited (EBL-SEL), a securities brokerage firm acquired in two phases, is a public limited company having TREC's (Trading Right Entitlement Certificate) and ordinary shares of both the bourses i.e. Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited. The principal activities of this subsidiary are buying, selling and settling of securities on behalf of investors and its own portfolio. Registered office of EBL-SEL is located at Jiban Bima Bhaban, 10 Dilkusha CA, Dhaka - 1000, Bangladesh.

EBL Investments Limited

EBL Investments Limited (EBL-IL) was incorporated on 30 December 2009. EBL-IL obtained license from Bangladesh Securities & Exchange Commission (BSEC) on January 2013 and started full-fledged operations of merchant banking, portfolio management, underwriting, etc. from June 2013. Registered office of EBL-IL is located at Jiban Bima Bhaban, 10 Dilkusha CA, Dhaka - 1000, Bangladesh.

EBL Finance (HK) Limited

EBL Finance (HK) Limited, the first foreign subsidiary of EBL, was incorporated on 28 November 2011 with Hong Kong (HK) authority. This subsidiary started its full-fledged business operations i.e. offshore trade finance, advising, documents collection etc. in Hong Kong during 2013 after obtaining all the required licenses from Bangladesh and HK authority. Registered office of EBL Finance (HK) Limited is Unit 1201, 12th Floor, Albion Plaza, 2-6 Granville Road, Tsimshatsui, Hong Kong.

EBL Asset Management Limited

EBL Asset Management Limited (EBL-AML) was incorporated on 9 January 2011 to carry out asset management business, capital market operation, equity investment etc. EBL-AML obtained license from Bangladesh Securities & Exchange Commission (BSEC) on 25 May 2017 to run full-fledged business operations. Registered office of EBL-AML is located at Bangladesh Shipping Corporation (BSC) Tower, 2-3 Rajuk Avenue (4th Floor), Motijheel C/A, Dhaka - 1000, Bangladesh.

2 Basis of preparation and significant accounting policies

Basis of preparation

Separate and consolidated financial statements

The separate financial statements of the Bank as at and for the year ended 31 December 2020 comprise those of Domestic Banking (main operation including representative offices) and Offshore Banking operations, and the consolidated financial statements of the group comprise those of the Bank (parent company) and its subsidiaries (together referred to as 'the group' and individually referred to as 'group entities/representatives').

There was no significant change in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

2.1 Statement of compliance

The consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Financial Reporting Council (FRC) under the Financial Reporting Act, 2015 (FRA) and the requirements of the Banking Companies Act, 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Banking Companies Act, 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ from those of IFRSs, the requirements of the Banking Companies Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

IFRSs As per IAS 1 Presentation of financial statements, financial statements shall comprise a statement of financial position as at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period, notes comprising significant accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement and certain disclosures therein) are guided by the First Schedule (section 38) of the Banking Companies Act 1991 (as amended up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

ii Investments in Equity Instruments (Shares, Mutual funds, etc.)

IFRSs: As per requirements of IFRS 9 Financial instruments, all equity investments (shares and mutual funds) are to be measured at fair value with value changes recognised in statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in other comprehensive income (OCI). If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognised in profit or loss account.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted and unquoted shares are revalued on the basis of year end market price and Net Assets Value (NAV) of listed audited balance sheet respectively. As per instruction of another DOS circular letter No. 3 dated 12 March 2015, investment in mutual fund (closed end) is revalued 'at lower cost and (higher of market value and 85% of NAV). As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs.

The Bank reviews its investment in shares & mutual funds at each quarter end on mark-to-market basis and has maintained a cumulative provision of BDT 686.9 million as of 2020 as per BB instructions (note 13.8).

iii Revaluation gain/loss on government securities

IFRSs: As per IFRS 9 Financial instruments, treasury bills (T-bills)/treasury bonds (T-bonds) are measured at fair value through other comprehensive income where gains or losses shall be recognised in other comprehensive income (OCI), except for impairment gains or losses and foreign exchange gains and losses. The loss allowance arising from impairment shall be recognised in OCI and shall not reduce the carrying amount of financial assets in the financial position. Interest calculated using the effective interest method shall be recognised in profit or loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation gain/loss is charged to profit and loss account, mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as Held for Trading (HFT) is charged to profit and loss account, but any unrealised trading gain on such revaluation is recognised to revaluation reserve account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method but income/gain is recognised through equity.

The Bank recognised revaluation loss of BDT 378.57 million and amortisation expense of BDT 128.29 million in profit and loss account in 2020 against its government treasury securities categorised as HFT and HTM respectively. Unrealised loss of BDT 817.13 million arising from revaluation of HFT securities and BDT 202.22 million arising from amortisation gain of HTM securities have been booked in equity as reserve in compliance with Bangladesh Bank guidelines (note 17.0.2 & 17.0.3).

iv Provision on loans and advances

IFRSs: As per IFRS 9 Financial instruments, loans and advances shall be recognised and measured at amortised cost (net of any write down for impairment). When any objective evidence of impairment (a loss allowance for expected credit losses) exists for such financial assets, impairment assessment should be undertaken individually or portfolio basis (when assets are not individually significant).

Bangladesh Bank: As per Bangladesh Bank instructions vide different circulars, a general provision @ 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) and special general provision for Covid-19 @ 1% on PBD (Payment by deferral) facilitated accounts, should be maintained regardless of objective evidence of impairment. And specific provision for sub-standard/doubtful/bad-loans should be made at 5%, 20%, 50% and 100% respectively on loans net of eligible securities (if any). Also, a general provision @ 0.5% - 1% should be provided for certain off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

The Bank charged to its profit and loss account a general provision of BDT 328.35 million (including special general provision of BDT 402.35 million against PBD accounts, release of BDT 293.45 million against unclassified loans & advances, and charge of BDT 19.41 million for off-balance sheet exposures) in 2020 (note 13.4.1).

v Other comprehensive income and appropriation of profit

IFRSs: As per IAS 1 Presentation of financial statements, other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income (OCI) statement. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank: The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income nor are the elements of other comprehensive income allowed to be included in a single other comprehensive income (OCI) statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

vi Financial instruments - presentation and disclosure

As per BB guidelines, in certain cases financial instruments are categorised, recognised, measured and presented differently from those prescribed in IFRS 9 Financial instruments - disclosure and IFRS 9 Financial instruments. As such disclosures and presentation requirements of IFRS 7 and IFRS 9 cannot be fully made in these financial statements.

vii REPO transactions

IFRSs: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralised borrowing and the underlying asset continues to be recognised in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per Bangladesh Bank circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognised in the seller's book and recognised in the buyer's book.

viii Financial guarantees

IFRSs: As per IFRS 9 Financial instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debt fails to make payment when due in accordance with the terms of the instrument. Financial guarantee liabilities are recognised initially at their fair value and is amortised over the life of the instrument. Any such liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit (LC) & letter of guarantee (LG) should be included in off-balance sheet items. No liability is recognised for such guarantee except the cash margin. However, a general provision @ 0.5% - 1% is provided against such guarantee.

ix Cash and cash equivalents

IFRSs: Cash and cash equivalent items should be reported as cash item as per IAS 7 Statement of cash flows.

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills/T-bonds, prize bonds are not prescribed to be shown as cash and cash equivalents; rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

x Non-banking assets

IFRSs: No indication of non-banking assets is found in any IAS/IFRSs.

Bangladesh Bank: As per Banking Regulation and Policy Department (BRPD) of Bangladesh Bank circular no. 14 dated 25 June 2003, there exists a face item named non-banking assets.

xii Cash flow statement

IFRSs: Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

Bangladesh Bank: As per Banking Regulation and Policy Department (BRPD) of Bangladesh Bank circular no. 14 dated 25 June 2003, cash flow statement is to be prepared following a mixture of direct and indirect method.

xiii Balance with Bangladesh Bank (cash reserve requirement)

IFRSs: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7 Statement of cash flows.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

xiv Off-balance sheet items

IFRSs: No concept of off-balance sheet items in any IFRS/IAS/IFRIC, so nothing to disclose as off-balance sheet items

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off-balance sheet items i.e. letter of credit (LC), letter of guarantee (LG), acceptance should be disclosed separately on the face of the balance sheet.

xv Presentation of loans and advance net of provision

IFRSs: Loans and advances shall be presented at amortised cost net of any write down for impairment (expected credit losses that result from financial assets) and ordinary losses or losses on the life of the financial instrument.

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

xvi Recognition of interest in suspense

IFRSs: Loans and advances to customers are generally classified as non-derivative financial assets measured at amortised cost as per IFRS



CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS 2020 (AUDITED)

Eastern Bank Ltd

REDISCOVERING THE VALUE OF RELATIONSHIP

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with IAS 7 Statement of cash flows and under the guideline of Banking Regulations & Policy Department (BRPD) of Bangladesh Bank circular no. 14 dated 25 June 2003. The statement shows the structure of changes in cash and cash equivalents during the financial year.

2.8 Reporting period

These financial statements of the Group, the Bank and its subsidiaries cover 01 (One) calendar year from 01 January to 31 December.

2.9 Liquidity statement

The liquidity statement has been prepared mainly on the basis of remaining maturity grouping of assets and liabilities as at the close of the year as per following bases:

Particulars	Basis of use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioural trend.
Investments	Residual maturity term.
Loans and advances	Repayment/maturity schedule and behavioural trend (non-maturity products).
Fixed assets	Useful life.
Other assets	Realisation/amortisation basis.
Borrowings from other banks and financial institutions	Maturity/repayment term.
Deposits and other accounts	Maturity and behavioural trend (non-maturity products).
Other long term liability	Maturity term.
Provision and other liability	Settlement/adjustment schedule basis.

2.10 Significant accounting policies

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

Accounting policies of subsidiaries

The financial statements of subsidiaries which are included in the consolidated financial statements of the Group have been prepared using uniform accounting policies of the Bank (the Parent) for transactions and other events of similar nature unless there is any instruction by regulators. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances.

A. Assets and liabilities of their valuation

i) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, at vault and at ATM, unrestricted balances held with Bangladesh Bank and its agent banks, balance with other banks and financial institutions, money at call and on short notice and prize bonds which are not ordinarily susceptible to change in value.

Amount withdrawn/transferred by customers after year-end process are properly addressed, reconciled and adjusted with ATM balance and Customers deposit to reflect the actual balance of ATM and deposits as of the reporting date.

ii) Investments

All investments are initially recognised at cost, including acquisition charges associated with the investment. Investments classified as government/Bangladesh Bank treasury securities (category as HTM or HPT) are subsequently measured as per DOS circular no. 5 dated 26 May 2008 and subsequent clarifications on 28 January 2009. Investments classified as non-government treasury securities are subsequently measured either at cost or market value less any recoverable cost. Details are given below:

Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as Held to Maturity (HTM). These are measured at amortised cost at year-end by taking into account any premium or discount on acquisition. Premiums are amortised and discounts are accreted, using the effective or historical yield. Any increase in value of securities is booked to equity but decrease to profit and loss account. Income is recognised to profit and loss account on earned basis as per BB guideline.

Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked-to-market on weekly basis. Any decrease in revaluation of securities is recognised to profit and loss account, but any increase of value of securities is booked to revaluation reserve account as per BB DOS circular no. 5 dated 28 January 2009. Income is recognised to profit and loss account on earned basis as per BB guideline.

REPO and reverse REPO

The Bank has been recording transactions of REPO and reverse REPO following DOS circular no. 4 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing (treasury bill) securities, the Bank assigns the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

Investments – Initial recognition and subsequent measurement at a glance

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds - Held For Trading (HFT)	Cost	Fair value	Revaluation loss to profit and loss account, but gain to revaluation reserve account.
Govt. T-bills/T-bonds - Held To Maturity (HTM)	Cost	Amortised cost	Increase in value of securities is booked to equity as amortization gain, but decrease to profit and loss account.
Debtenture/bond	Cost	Cost	At realizable value. Unrealised loss to profit and loss account.
Shares (quoted) *	Cost	Lower of cost or market value (portfolio basis)	Provision for revaluation loss (net of gain) is charged to profit and loss account but no unrealised gain booking.
Shares (unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Provision for unrealised loss to profit and loss account but no unrealised gain booking.
Mutual fund (closed-end) *	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Prize bonds	Cost	Cost	None

* Provision for shares against unrealised loss (gain net of) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2013 of Bangladesh Bank.

Investment in subsidiaries

Investment in subsidiaries are accounted for under the cost method of accounting in accordance with IAS 27 Consolidated and separate financial statements. IFRS 9 Business combination and IFRS 10 Consolidated financial statements. Impairment of investment in subsidiaries is made as per the provision of IAS 36 Impairment of Assets. The bank has done impairment assessment of its investment in the largest subsidiary company EBL Securities Limited by external auditor in addition to the statutory auditor. As value in use (using discounted cash flow method) is higher than carrying value of investment, no impairment is required to be recognised as on balance sheet date.

iii) Loans, advances and provisions

Loans and advances (initial recognition):

Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date on which they are originated. The group has not designated any loans and advances upon initial recognition as at fair value through profit and loss account or other comprehensive income. After initial recognition, loans, advances and interest receivables are subsequently measured at amortised cost using effective interest rate (EIR) over the relevant periods. The amortised cost of the financial asset is the amount at which the asset is measured at initial recognition less principal repayments, using EIR method. The EIR is the rate that exactly discounts estimated future cash receipts (estimates cash flows considering all contractual terms of the instrument but not future credit losses) during the expected life of the financial instrument.

Loans and advances (provisioning):

General provisions @ 0.25% to 2% under different categories on unclassified loans (standard/SMA) and @ 0.5% to 1% on certain off-balance-sheet exposures, and specific provisions @ 5%, 20%, 50% & 100% on classified (substandard/doubtful/bad-loss) and some reclassified loans are made on the basis of quarter end review by the management and in compliance with BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 8 dated 2 August 2015, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular letter no. 1 dated 03 January 2018, BRPD circular no. 01 dated 20 February 2018, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018 and BRPD circular no. 03 dated 21 April 2019, BRPD circular no. 16 dated 21 July 2020, BRPD circular no. 17 dated 28 September 2020, BRPD circular letter no. 52 dated 20 October 2020 and BRPD circular letter no. 56 dated 10 December 2020. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Banking Companies Act 1991 (as amended up to date), instead of netting off with loans.

Heads	Rates of provision
General provision on:	
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHS/MS/DS against shares etc.	2%
Unclassified (including SMA) loans for housing finance	1%
Unclassified consumer financing including credit card (other than housing finance)	2%
Unclassified (including SMA) other loans and advances	1%
Short term agri credit and micro credit	1%
Special General Provision Covid-19 (on PBD facilitated accounts)	1%
Off-balance sheet exposures (excluding Bills for collection)	0%-1%
Specific provision on:	
Substandard loans other than short term agri credit, micro credit and CMSME	20%
Doubtful loans other than short term agri credit, micro credit and CMSME	50%
Substandard & doubtful loans short term agri credit and micro credit	5%
Substandard loans CMSME	5%
Doubtful loans CMSME	20%
Bad/Loss loans and advances	100%

Loans and advances (write-off):

Loans and advance are written off to the extent that there is no realistic prospect of recovery in the proximate future, classified as bad/ loss for 3 years at a stretch, and adequate provision is maintained as per BRPD circular no. 01 dated 6 February 2019. No loans and advances are written off partially and without prior approval of the board of directors in compliance with the said circular. At each reporting period end, the bank assesses loans and advances to be written off as per Bank's own process in compliance with BB guideline. However, no loan was written off in the year 2019 and 2020. Details of loans and advances written off are given in the note 7.b.12.a.iii) and 7.b.14 in the financial statements.

Loans and advances (recovery from written off):

The bank puts continuous effort for recovery from written off loans and advances in compliance with Section 28ka of the Banking Companies Act 1991 (as amended up to date) and BRPD circular no. 01 dated 6 February 2019. The Bank takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of the bank. However, recovery including any legal cost against written off loans and advances are recognised in profit and loss account as earned and on settlement basis. In 2020, the bank recorded BDT 725.76 million from recovery against written off loans and advances in profit and loss account netting off with specific provision. Details of recovery are given in note 7.b.12.a.iii) and 7.b.13.

iv) Fixed assets (other than lease items)

The group applies the accounting requirements of IAS 16 Property, plant and equipment for its own assets which are held for current and future use in the business and are expected to be used for more than one year.

Recognition and measurement

Fixed assets except land are stated at cost less accumulated depreciation as per IAS 16. Land is recognised at cost at the time of acquisition and subsequently measured at revalued amounts which are the fair value at the time of revaluation done by independent valuer and any surplus on revaluation is shown as equity component until the asset is disposed off. The cost of an item of fixed assets is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

The cost of an item of fixed assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs

Subsequent costs are capitalised only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognised. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

Depreciation

Depreciation is charged at the rates stated below on all the items of fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation is charged on capital work in progress until the usage of the assets.

The rates and useful lives at which fixed assets are depreciated for current and comparative years are given below:

Category	Estimated useful lives (Years)	Rate of depreciation/ amortisation per annum
Building	40	2.50%
Furniture and Fixture	10	10.00%
Machinery and equipment	5	20.00%
Electromechanical equipment	20	5.00%
Digital banking equipment	8	12.50%
Computer and network equipment	5	20.00%
Vehicles	5	20.00%
Software	5	20.00%

Repairs and maintenance are charged to profit and loss account as expense when incurred.

Capital work in progress

Cost incurred for software development, licensing and implementation, hardware up-gradation and related other cost incurred as capital expenditures are recognised as capital work in progress as per IAS 16, until the development or implementation work is completed and the asset is ready for intended use. This asset is stated at cost and depreciation/amortisation of the asset is charged from the date of its intended use.

Recognition of fixed assets

The carrying amount of an item of fixed assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is to be recorded in profit or loss when the item is derecognised.

Details of fixed assets are presented in note 8 and Annexure - A of these financial statements.

Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. The Group classifies its intangible assets as per IAS 38 Intangible assets which comprises the value of all licensed computer software including core banking software of the Bank, cards management software, cheque processing software (i.e. BEFTN), software of subsidiaries and other integrated customised software for call centre, ATM service, Finance and HR operations (i.e. FMS, FAR, HRMS, FMS, etc).

Recognition, subsequent expenditure and measurement

The Group recognises an intangible asset if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38 Intangible Assets. The Group does not have any intangible assets with indefinite useful lives. Subsequent expenditure on intangible asset of the Group is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates; otherwise is charged as expense when incurred. Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use. Gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceed and the carrying amount of that intangible asset and are recognised in profit and loss account.

Core banking software of EBL

The core banking software used by EBL (not by subsidiaries) represents the value of application software licensed for the use of the Bank. The value of the software is carried at cost less accumulated amortisation. Initial cost comprises license fees paid at the time of purchase and other directly attributable costs incurred for customising the software for its intended use. The value of the software is amortised using the straight line method over the estimated useful life of 5 (five) years commencing from the month at which the application of the software is made available for use.

iv) Leases

As per IFRS 16 Leases, the bank has made recognition, measurement and disclosure in the financial statements-2020 both as Lessee and Lessor from the date of commencement or 01 January 2019 (date of initial application), whichever is later.

Bank as lessee:

The bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the bank consider the contract as a lease contract.

The bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognises lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the bank considers the lease period as short term in line with the recognition threshold of ROU assets as per FA policy of the bank. In case of low value, the bank, on lease-by-lease basis, elected a single threshold on the basis of materiality level of Bank's total capital BDT 33,144 million. The reason behind considering the materiality level is that the bank operates many ATM booths, sub-branches with short and single contracts; recording of which as ROU assets would inflate the balance sheet both in assets and liabilities. Moreover, frequent changes of those establishments would create misreporting as well as complexity in recording.

Right-of-use assets (ROU):

The bank recognises the right-of-use assets (ROU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term, or remaining period of the lease term.

The bank assessed all lease contracts live in 2020 and recognised as ROU of assets of all leases, except short term and low value of assets as per the Bank's own policy set as per IAS 16 and IFRS 16. As lessee under IFRS 16 has been first time adopted by the bank, the bank followed modified retrospective approach of adoption with the date of initial application of 01 January 2019. However, in 2020, the bank reassessed all ROU of assets recorded in 2019 and new lease contracts made on or later from 01 January 2020. The ROU assets are presented in the note 8.0 of these financial statements.

Lease Liabilities (Bank as a lessee):

At the commencement of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial direct cost), amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. In 2020, the bank reassessed all lease payment of existing contracts for remaining period considering a cut-off date i.e. 01 January 2020. The lease liabilities are presented in the note 13.11 of these financial statements.

Bank as a lessor:

Leases where the bank does not transfer substantially all of the risk and benefit of ownership of an asset are classified as operating assets. Rental income is recorded as earned based on the contractual term of the lease. However, the Bank did not hold any such assets in 2020.

Recognition of consideration made under contract in exchange of use of rental premises/assets:

As per IFRS 16, when consideration is made by the bank under contract in exchange of use of rental premises or assets for a period not exceeding a period of twelve months, and/or, the present value of the obligation plus initial payment under contract does not exceed the threshold of the bank, and substantially all the risk and benefit of ownership of those rental premises/assets does not transfer to the bank, then the bank considers the payment (other than advance payment) as rental expense under IFRS 15 Revenue from contracts with customers.

Therefore, in 2020, EBL recognised those payment against contracts that do not qualify as lease item under IFRS 16 as rental expense which is presented in note 28 of the financial statements for the year ended 31 December 2020. These are short term and low value contracts for ATM booths, godown and small/ sub-branch premises that do not meet the materiality threshold for recognition of lease assets.

vii) Other assets

As per BRPD circular no. 14 dated 25 June 2003, other assets/items have been shown separately as 'income generating and non-income generating' in the relevant notes to the financial statements. Other assets include investment in subsidiaries, TREC of DSE & CSE, advance for revenue and capital expenditure, stocks of stationary and stamps, security deposits to government agencies, other receivables etc.

viii) Non-banking assets

Non-banking assets were acquired due to failure of borrowers to repay the loan on time taken against mortgaged properties. The Bank was awarded absolute ownership on few mortgaged properties (mostly land) through the verdict of the honourable court under section 33 (7) of the Arbitration Adalat Act 2003. The value of the properties has been recognised in the financial statements on the basis of third party valuation and reported as non-earning assets. Value of the assets received in addition to the loan outstanding has been kept as reserve against non-banking assets. Party wise details (including possession date) of the properties are separately presented in note 10 and Annexure - D1.

ix) Impairment of assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 Impairment of assets. At the end of each reporting period, the Bank and its subsidiaries review the carrying value of financial and non-financial assets (other than investment in subsidiaries) and assess whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the bank and the subsidiaries make an estimate of the recoverable amount of the asset. The carrying value of the asset is reduced to its recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognised in the profit and loss account. However, impairment of any financial assets is guided by relevant Bangladesh Bank circulars/instructions and IFRS 9.

B. Liabilities and provisions

i) Borrowing from other banks, financial institutions and agents

Borrowing from other banks, financial institutions and agents include interest bearing borrowings which are stated in the financial statements at principal amount. However, interest payable on such borrowings are reported under other liabilities.

ii) Debt securities (subordinated debt)

The Bank issued 7-year non-convertible floating rate subordinated debts in two phases mainly to increase Tier-2 capital having received approval from Bangladesh Bank and BSEC. Principal amount outstanding against the debt is reported under long term borrowing and interest payable of which is reported under other liabilities. Details of subordinated debt is given in note 11.1.a of the financial statements.

iii) Deposits and other accounts

Customer deposits include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counterparties.

iv) Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognised as per the guidelines of Bangladesh Bank and International Financial Reporting Standards.

v) Dividend payments

Dividend is recognised only when the shareholders' right to receive payment is established. Final dividend is recognised when it is approved by the shareholders in AGM. However, the proposed dividend for the year 2020 has not been recognised as a liability in the balance sheet in accordance with IAS 10 Events after the reporting period. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

vi) Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter-end review by the management and in compliance with BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 3 dated 21 April 2019, BRPD circular no. 16 dated 21 July 2020, BRPD circular no. 17 dated 28 September 2020, BRPD circular letter no. 52 dated 20 October 2020 and BRPD circular letter no. 56 dated 10 December 2020. Details of provisioning are stated in note 13.4 of these financial statements.

vii) Provision against investment in capital market

Provision for diminution of value of quoted shares and mutual funds (closed-end) has been made on portfolio basis (gain net off) as per DOS circular no. 4 dated 24 November 2011 and DOS circular letter no. 3 dated 21 March 2015 and applied under other liabilities. For unquoted shares provision has been made on the basis of available net assets value (NAV) or recoverable value (whichever is lower) of shares. As on the reporting date, the Bank does not hold any open-end mutual fund. Details are stated in note 13.8 of these financial statements.

viii) Provision for off-balance sheet exposures

In compliance with BRPD circular no. 14 dated 23 September 2012 and related earlier circulars, the Bank has been maintaining provision @ 0% to 1% against off-balance sheet exposures (mainly contingent assets/liabilities).

ix) Provision for other assets

Provision for other assets is made following BRPD circular no. 14 dated 25 June 2003. Full provision is kept on other assets which are outstanding for one year or more or classified as Bad/Loss.

x) Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEFD circular no. FEFD (FEMO)/01/2005-677 dated 13 September 2005 of Bangladesh Bank. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

xi) Provision for liabilities and accrued expenses

In compliance with IAS 37 Provisions, contingent liabilities and contingent assets, provisions for other liabilities and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

xii) Retirement/post-employment benefits

The Bank contributes to a defined contribution plan (Provident Fund) and two defined benefit plans (gratuity fund and superannuation fund) in compliance with the provisions of IAS 19 Employee benefits. These local subsidiaries i.e. EBLSL, EBLIL & EBLAMJ of the Bank have also been maintaining provident fund and gratuity fund under separate trustee boards.

Defined contribution plans

Post-employment benefit plans under which rate of contributions into the plan is fixed. Any payment out of the plan to eligible outgoing members is based on the size of the 'fund' that comprises cumulative contributions made into the scheme and investment returns on scheme assets. The Group maintains one funded defined contribution plan i.e. provident fund for its employees under a trustee board.

Provident fund

The Bank operates a contributory provident fund (recognised by National Board of Revenue or NBR on 31 July 1997) for its permanent employees funded by the employees (10% of basic salary) and the Bank equally. The Bank contribution is made each month and recorded under salary and allowances. This fund is managed by a separate trustee board i.e. EBL Employees Provident Fund Trust and any investment decision out of this fund is made separately by that independent Board of Trustees. Organisation of the Bank also operate separate contributory provident funds for its permanent employees funded by both the employees and organisation equally.

Amount charged in profit and loss account as expense on defined contribution plan of the group is detailed in note 27 of these financial statements.

Defined benefit plans

Post-employment benefit plans those define the amount that outgoing members will receive from the plans on separation on the bases of length of service and salary levels.

Contributions are made by the Bank into the scheme based on actuarial valuation. The Bank has an obligation to make up any shortfall in the plan, thereby bearing the risk of the plan under performing. The Bank maintains two defined benefit plans i.e. gratuity fund and superannuation fund for its employees under two separate trustee boards. Three local subsidiaries EBLSL, EBLIL & EBLAMJ also maintain a funded defined benefit plan i.e. 'Gratuity fund' under separate trustee boards.

Gratuity fund

The Bank operates a funded gratuity scheme recognised by NBR with effect from 1 January 1997. This fund is managed separately by EBL Employees Gratuity Fund Trust and any investment decision out of this fund is also made by this Board of Trustees. The benefit is paid on separation to the eligible employees i.e. who have completed at least 5 (five) years of continuous service. As per the Bank's policy, eligible employees are provided with the benefit equal to the latest monthly basic salary multiplied by applicable rates that varies as per service length.

Contribution to gratuity fund is made monthly on the basis of actuarial valuation



CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS 2020 (AUDITED)

Eastern Bank Ltd.

REDISCOVERING THE VALUE OF RELATIONSHIP

Information regarding the results of each reportable segment is included in Annexure - E. Performance is measured based on segment revenue and profit, as included in the internal management reports that are reviewed by the management committee of the Bank. Segment profit is used to measure performance as management believes that such information is relevant in evaluating the results of certain segments.

ii) Risk management and other related matters
Financial Institutions are in the business of taking calculative risk and it is important how a bank decides on its risk appetite. EBL firmly believes that robust risk management is the core function that makes its business sustainable. The risk management systems in place at the Bank are discussed below:

a) Credit risk
 Credit risk is the risk of loss that may occur from the default of any counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. Board of Directors is the apex body for credit approval of the Bank. However, they delegate authority to the Managing Director & CEO or other officers of the Credit Risk Management (CRM) Division. The Board also sets credit policies to the management for setting procedures, which together has structured the CRM framework in the bank. The Credit Policy Manual (CPM) contains the core principles for identifying, measuring, approving and managing credit risk in the bank. The policy covers corporate, retail, Small and Medium Enterprise (SME) segments. Policies and procedures together have structured and standardized credit risk process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers industry/business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

Management, at least once in a quarter, reviews credit exposures and portfolio performance of corporate and SME (M) under a clearly set out 'early alert' policy. If early alerts are raised, account plans are then re-evaluated; remedial account risks are proactively and monitored. Remedial action includes, but not limited to exposure reduction, security enhancement, exit of relationship or immediate movement of our Special Asset Management Division (SAMM).
 The bank follows the criteria for loan classification and provisioning requirement as stipulated in the BRPD Circular no.14 dated 23 September 2012, BRPD circular no.8 dated 2 August 2015, BRPD circular no.12 dated 20 August 2017, BRPD circular no.15 dated 27 September 2017, BRPD circular no.1 dated 03 January 2018, BRPD circular no.03 dated 20 February 2018, BRPD circular no.07 dated 21 June 2018, BRPD circular no.13 dated 18 October 2018 and BRPD Circular No. 03 dated 21 April 2019. BRPD circular no.16 dated 22 July 2020, BRPD circular letter no.52 dated 20 October 2020, BRPD circular no.17 dated 28 September 2020, BRPD circular letter no.56 dated 10 December 2020. The bank has maintained adequate provision against impaired loans including under IFRS 9 and IAS 39 and other facilities following relevant circulars of Bangladesh Bank. Details of which are stated in note 13.4 to the financial statements.

b) Liquidity risk
 Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk, being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.
 ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, Bank prepares structural liquidity profile of term deposit, cash flow modelling and contingency funding plan on monthly basis, which are analysed in ALCO meeting to ensure liquidity at the level acceptable to the Bank and regulators.

c) Market risk
 Risk Management Division (RMD) is responsible for overall monitoring, control and reporting of market risk. Treasury mid office of RMD is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk management perspective and exposures of the bank are monitored by RMD and periodically reported to Executive Risk Management Committee (ERMC). Market risk can be subdivided into three categories depending on risk factors: interest rate risk, foreign exchange risk, and equity price risk.

d) Interest rate risk
 Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:
 - Net interest income
 - The market value of trading accounts (and other instruments accounted for by market value), and
 - Other interest sensitive income and expenses.
 To manage interest rate risk, ALCO regularly monitors various ratios and parameters. The Bank deploys several analysis techniques (e.g. rate sensitive gap analysis, duration gap analysis) to measure interest rate risk, its impact on net interest income and takes insight about course of actions.

e) Foreign exchange risk
 Foreign exchange risk is the risk that a bank's financial performance or position will be affected by fluctuations in the exchange rates between currencies and implied volatility on foreign exchange options. Bank makes import payment and outward remittance in its outflow, whereas it receives foreign currencies as export receipts and inward remittance. Exchange rate risk arises at a particular day, these inflow-outflows don't match and bank runs its position long/short from these customer driven activities. Bank also faces foreign exchange risk if it sources its funding in one currency by converting fund from another currency. Currently, the Bank is facing such transaction exposure in foreign currency for its off-shore banking unit. But these transactions exposure is always hedged.
 The Bank computes VaR (Value at Risk) on its foreign exchange position arising from customer driven foreign exchange transactions at 95% confidence level on daily basis. The Bank maintains various nostro accounts in order to conduct operations in different currencies. The position maintained by the Bank at the end of the day is within the stipulated limit prescribed by the Bangladesh Bank.

f) Equity price risk
 Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans whereas the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares.
 Mark to Market is the tool bank applies for maintaining provision against losses arisen from changes in market price of securities. As on 31 December 2020, the Bank sets aside BDT 687 million charging its profit and loss account over the periods to cover unrealized loss against quoted and unquoted securities. EBL is also computing Equity VaR (Value at Risk) on its equity exposure at 95% and 99% confidence level.

g) Operational risk
 Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk.
 Risk Management Division (RMD) enriched the scope of risk matrix/KRI for Operational Risk compiling both quantitative and qualitative parameters as well as regulatory requirements in the Bank's risk management. This department collects required information from different sources in different frequencies from monthly to yearly interval. Based on source data RMD plots the results in the risk matrix and escalate the critical and high risk issues to MANCOM, ERM and RMC of the Board for guidance and to implement mitigation measures.

h) Monitoring activities and corrective measures
 Operational risks are analyzed through the review of various control tools like Departmental Control Function Check List (DFCL), Quarterly Operations Report (QOR), Loan Documentation Check List (LDCL), and Self-Assessment Anti-Fraud Internal Control Check list etc. The effectiveness of these control mechanisms are also evaluated through the self-assessment process for detecting high risk areas and mitigating the identified risks. The effectiveness of the Bank's internal control is monitored on an ongoing basis. High risk areas are identified, monitored and implemented as part of daily activities.
 Monitoring department under Internal Control & Compliance Division (ICCC) is primarily responsible for risk identification, assessment of effectiveness of internal control system, and risk mitigation including reporting of unresolved operational risk issues to the higher authority. All the tools used for monitoring are guided by regulatory guidelines and internal policies and circulars.

i) Prevention of money laundering and terrorist financing
 Bank undertakes a series of activities in assessing, monitoring and disclosing risk related transactions done by customers with 'zero-tolerance' on issues like Anti-Money Laundering (AML) and Combating Financing of Terrorist (CFT). The Bank has established a control framework for strict compliance with all regulatory directives issued from Bangladesh Financial Intelligence Unit with regard to AML & CFT. For prevention of Money Laundering and Terrorist Financing, the Bank has formed Central Compliance Committee (CCC) to ensure collective participation of different departments in comprehensive AML and CFT program. Under direction of the CCC and Chief Anti-Money Laundering Officer (CAMLO), AML Department implements different programs across the bank. Moreover, Branch AML Compliance Officers (BAMCOs) and Department AML Compliance Officers (DAMCOs) are nominated to ensure monitoring at root level. Apart from this, EBL has on-boarded an automated sanction screening and transaction monitoring software (AML System Velocity) to establish a robust monitoring system. Currently, eight sanction lists (UN, OFAC SDN, OFAC non-SDN, EU, UK, Canadian, Australian and a local sanction list), are incorporated in the system for sanction screening. In transaction monitoring module, 60 transaction monitoring rules and 58 transaction monitoring reports are incorporated to identify suspicious/unusual transactions.

j) Information and communication technology risk
 EBL adheres to the ICT Security policies and procedures in line with ICT Security guideline of Bangladesh Bank. EBL has been certified by international accreditation certification on data security i.e. Payment Card Industry Data Security Standard (PCI DSS) in 2016 and maintaining the compliance since then. In the year 2020, EBL achieved ISO 27001:2013 Standard Certification for consecutive 2nd years as recognition of maintaining confidentiality, integrity and availability of IT systems and data in quality manner. To prevent attack from Cyber criminals/fraudsters, EBL ICT division has established standard physical and logical security measures for all sensitive IT infrastructures (e.g. Data Centre, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). Besides, EBL has standard logical security measures like access control system, intrusion detection, access log and periodic security assessment for all systems. To better monitor security incidents EBL has implemented SIEM (Security Information & Event Management) solution. Vulnerability assessment exercises, both internally and externally, are conducted regularly to identify security weakness and establish control for mitigation. EBL has Business Continuity Management (BCM) to manage any manmade or natural incident/disaster. IT Security team has also taken initiatives to create awareness about cybersecurity among all EBL employees and customers through retail and corporate channels. We have separate information system audit to identify control gaps and improve continuously.

k) Internal audit
 The Bank has an independent and functional internal audit department to perform risk based audit on various business and operational areas of the Bank on continuous basis. Audit rating is determined on the basis of audit policy and guidelines as approved by the board. The objective of internal audit is to examine and evaluate whether the process of risk management, internal control and governance are adequate and functioning properly. The objective also includes advising and recommending to higher management for improvements in internal control and risk management system. The Audit Committee of Board regularly reviews the internal audit reports as well as monitor progress of previous findings. However, the Head of Audit being part of internal control & compliance, reports to and is responsible to the audit committee of the Board.

l) Prevention of fraud
 The bank has a Board approved policy titled EBL Fraud and Theft Risk Prevention and Management Policy to minimize the incidence and impact of fraud. Incidence of fraud or theft has become one of the inherent risks in banking business but can very well be avoided or minimized by creating a highly regulated environment and harnessing a culture and value of transparency, accountability, trust and teamwork. With this endeavor to encourage all employees to report harassment unethical or illegal conduct of employees to appropriate authorities in a confidential manner without any fear of harassment, a 'Speak Up Policy' has been approved by the Board.

2A 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 audited financial statements as at and for the year ended 31 December 2019. The following ratings have been awarded:

Particulars	Periods	Date of rating	Long term	Short term
Entity rating	January to December 2019	22 June 2020	AA+	ST-1
Entity rating	January to December 2018	26 June 2019	AA+	ST-1
Entity rating	January to December 2017	28 June 2018	AA+	ST-2

2B Compliance with International Financial Reporting Standards (IFRS)
 The Bank has complied with following IFRSs & IASs as adopted by the Financial Reporting Council (FRC) during the preparation of financial statements as at and for the year ended 31 December 2020.

Name of IFRSs/IASs	IFRSs/IASs	No.	Status
Presentation of Financial Statements	IAS	1	Applied
Inventories	IAS	2	N/A
Statement of Cash Flows	IAS	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Applied
Events after the Reporting Period	IAS	10	Applied
Income Taxes	IAS	12	Applied
Property, Plant and Equipment	IAS	16	Applied
Employee Benefits	IAS	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS	20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS	21	Applied
Borrowing Costs	IAS	23	N/A
Related Party Disclosures	IAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	N/A
Separate Financial Statements	IAS	27	Applied
Investments in Associates	IAS	28	N/A
Interests in Joint Ventures	IAS	31	N/A
Earnings per share	IAS	33	Applied
Interim Financial Reporting	IAS	34	Applied
Impairment of Assets	IAS	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	Applied
Intangible Assets	IAS	38	Applied
Financial Instruments: Recognition and Measurement	IAS	39	Applied (for Hedge Accounting)
Investment Property	IAS	40	N/A
Agriculture	IAS	41	N/A
First-time Adoption of International Financial Reporting Standards	IFRS	1	Applied
Share-based Payment	IFRS	2	N/A
Business Combinations	IFRS	3	Applied
Insurance Contracts	IFRS	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	Applied
Exploration for and Evaluation of Mineral Resources	IFRS	6	N/A
Financial Instruments: Disclosures	IFRS	7	Applied
Operating Segments	IFRS	8	Applied
Financial Instruments	IFRS	9	Applied
Consolidated Financial Statements	IFRS	10	Applied
Joint Arrangements	IFRS	11	N/A
Disclosure of Interests in Other Entities	IFRS	12	Applied
Fair Value Measurement	IFRS	13	Applied
Regulatory Deferral Accounts	IFRS	14	N/A
Revenue from Contracts with Customers	IFRS	15	Applied
Leases	IFRS	16	Applied

* Subject to departure described in note 2.1
 N/A - Not Applicable

2B Standards issued but not yet effective
 A number of new standards and amendments to standards are effective for annual periods beginning on or after 01 January 2020 and earlier application is permitted. However, the Bank has not applied the following new standards in preparing these financial statements:

IFRS 17 Insurance Contracts
Summary of the requirements
 The standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts. Amended in 2016, the new IFRS will replace the existing guidance in IFRS 4 Insurance Contracts. The standard is effective for annual periods beginning on or after 01 January 2021. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before the date of initial application of IFRS 17.

Possible impact on financial statements
 The Bank is assessing the potential impact on its financial statements resulting from the application of IFRS 17.

2C Audit Committee disclosures
 Please refer to Report of the Audit Committee for details disclosures on audit committee presented in other information in the annual report.

2.11 Approval of Financial Statements
 These financial statements were reviewed by the audit committee of the Board of the Bank in its 131 meeting held on 12 April 2021 and was subsequently approved by the Board in its 132 meeting held on the same date.

Notes	Consolidated		Bank	
	2020	2019	2020	2019
3 Cash				
Cash in hand (including foreign currencies)	3.1	3,218,511,774	3,088,367,831	3,218,381,880
Balance with Bangladesh Bank and its agent Banks (including foreign currencies)	3.2	12,480,410,176	16,601,918,975	12,480,410,176
		15,698,921,950	19,690,286,806	15,698,792,056
		19,690,286,806	15,698,792,056	19,690,222,640
3.1 Cash in hand (including foreign currencies)				
Local currency	3.1.1	3,164,891,158	3,039,840,720	3,164,761,264
Foreign currencies		53,620,616	48,527,111	53,620,616
		3,218,511,774	3,088,367,831	3,218,381,880
3.1.1 Local currency				
With Bank		3,164,761,264	3,039,776,574	3,164,761,264
With Subsidiaries		12,894	64,146	-
		3,164,891,158	3,039,840,720	3,164,761,264
3.2 Balance with Bangladesh Bank and its agent Banks (including foreign currencies)				
Bangladesh Bank				
Local currency		11,333,598,151	13,896,913,623	11,333,598,151
Foreign currencies		833,804,998	2,371,704,071	833,804,998
		12,167,403,149	16,268,617,694	12,167,403,149
Sonal Bank (An agent of Bangladesh Bank) - local currency		313,007,027	333,301,281	313,007,027
		12,480,410,176	16,601,918,975	12,480,410,176

3.a Cash Reserve Ratio (CRR):
 Pursuant to section 33 of Bank Company Act, 1991 (amended upto 2018), MPD circular no. 03 dated 09 April 2020 and BRPD circular letter no. 31 dated 18 June 2020 issued by Bangladesh Bank, EBL has been maintaining CRR @ 3.5% and 1.5% on daily basis, and @ 4.0% and 2.0% on bi-weekly basis for DBO and OBO respectively. For 2019, CRR was maintained for DBO @ 5% and 5.5% on daily and bi-weekly basis respectively as per MPD circular No. 01 dated 03 April 2018 and DOS circular letter no. 26 dated 19 August 2019. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2020 is maintained on the basis of weekly ATDTL of October 2020). Reserve maintained by the bank as at 31 December is as follows:

	DBO	OBO	Solo-2020	Solo-2019
Average total demand and time liabilities of October (excluding inter-bank deposit)	238,508,243,400	17,051,252,800	255,559,496,200	255,306,804,400
Required reserve (for DBO 3.50% & OBO 1.50% of ATDTL (For 2019: DBO 5% of ATDTL)	8,347,788,519	255,768,792	8,603,557,311	12,745,340,220
Actual reserve held with Bangladesh Bank*			11,653,908,501	14,366,004,280
Surplus			3,050,351,190	1,620,664,060

Bi-weekly basis:
 The bank maintained excess cash reserve of BDT 3,515.86 million in the last fortnight of 2020 (BDT 507.90 million in the same period 2019) calculated by summing up excess cash reserve maintained over required CRR on daily basis.

3.b Statutory Liquidity Ratio (SLR):
 Pursuant to section 33 of Bank Company Act, 1991 (amended upto 2018), DOS circular letter no. 26 dated 19 August 2019 issued by Bangladesh Bank, EBL has been maintaining SLR @ 13% for DBO & OBO on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2020 is based on weekly ATDTL of October 2020). Reserve maintained by the bank as at 31 December is as follows:

	DBO	OBO	Solo-2020	Solo-2019
Required reserve (13% of ATDTL)	31,006,071,642	2,216,662,864	33,222,734,506	33,189,884,572
Actual reserve held (Note 3.c)			35,818,595,219	35,469,022,641
Surplus			22,811,520,613	2,279,138,069

3.c Actual reserve held
 Excess cash reserve (note 3.c.1)
 Cash held
 Balance with Sonali Bank
 Unencumbered approved securities (HFT)
 Unencumbered approved securities (HTM)

3.c.1 Excess cash reserve:
 Balance with Bangladesh Bank*
 Less: Required cash reserve on bi-weekly average basis (for DBO 4% & OBO 2% of ATDTL of ATDTL for 2019)
 Excess of cash reserve as on the reporting date
 *As per Bangladesh Bank Local & Foreign Currency Statement.

	DBO	OBO	Solo-2020	Solo-2019
Required reserve (13% of ATDTL)	31,006,071,642	2,216,662,864	33,222,734,506	33,189,884,572
Actual reserve held (Note 3.c)			35,818,595,219	35,469,022,641
Surplus			22,811,520,613	2,279,138,069

4 Balances with other banks and financial institutions
 Balance in Bangladesh
 Balance outside Bangladesh

	DBO	OBO	Solo-2020	Solo-2019
Balance in Bangladesh	4.1	12,728,955,557	19,963,271,483	12,444,848,375
Balance outside Bangladesh	4.2	664,331,924	4,405,925,232	558,299,302
		13,393,287,481	24,369,196,715	13,003,147,677

4.1 Balance in Bangladesh
In Current Deposit Accounts with:
 Banks
 Non-Bank Financial Institutions (NBFIs)
 Less: Inter company elimination (with deposit account)

Banks	665,305,609	188,159,141	82,188,486	81,348,463
Non-Bank Financial Institutions (NBFIs)	665,305,609	188,159,141	82,188,486	81,348,463
Less: Inter company elimination (with deposit account)	(575,770,684)	(99,404,947)	-	-
	89,534,925	88,754,194	82,188,486	81,348,463

In Special Notice Deposit Accounts with:
 Banks
 NBFIs
 Less: Inter company elimination (with deposit account)

Banks	3,291,770,054	736,772,959	2,719,137,889	5,900,450
NBFIs	3,291,770,054	736,772,959	2,719,137,889	5,900,450
Less: Inter company elimination (with deposit account)	(295,871,421)	(84,755,671)	-	-
	2,995,898,633	652,017,288	2,719,137,889	5,900,450

In Fixed Deposit/Placement Accounts with:
 Banks
 NBFIs
 Less: Inter unit/company elimination (with borrowings)

Banks	13,674,557,227	18,407,491,061	13,674,557,227	18,407,491,061
NBFIs	4,977,500,000	7,922,500,000	4,977,500,000	7,922,500,000
Less: Inter unit/company elimination (with borrowings)	(18,672,057,227)	(26,329,991,061)	(18,672,057,227)	(26,329,991,061)
	9,643,522,000	19,222,500,000	9,643,522,000	19,222,500,000

4.2 Balance outside Bangladesh
 In Deposit account (non-interest bearing) with
 AB Bank Limited, India
 Al-Rajhi Bank, KSA
 Bank of Bhutan, Bhutan
 Bank of China, China
 Bank of Tokyo-Mitsubishi, Japan
 Citibank NA, USA
 Commerz Bank AG, Germany
 Habib American Bank, USA
 HDFC Bank Limited, Hongkong
 ICICI Bank Limited, India
 ICICI Bank Limited, Hongkong
 JP Morgan Chase Bank, NA, London
 JP Morgan Chase Bank, NA, Sydney
 JP Morgan Chase Bank, USA
 JP Morgan Chase Bank, Germany
 Mashreqbank, USA
 Moshreqbank, China
 Mashreqbank, UAE
 Nepal Bholghosh Bank Limited, Nepal
 NIB Bank Limited, Pakistan
 Nordea Bank, Norway
 Standard Chartered Bank, Sri Lanka
 Standard Chartered Bank, India
 Standard Chartered Bank, USA
 Standard Chartered Bank, Singapore
 Standard Chartered Bank, Germany
 Wachovia Bank, NA, USA
 Zuercher Kantonal Bank, Zurich, Switzerland

AB Bank Limited, India	5,429,341	1,284,487	5,429,341	1,284,487
Al-Rajhi Bank, KSA	3,470,999	860,581	3,470,999	860,58



CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS 2020 (AUDITED)

Eastern Bank Ltd.

REDISCOVERING THE VALUE OF RELATIONSHIP

Notes	Consolidated		Bank	
	2020	2019	2020	2019
11.1.a	6,000,000,000	6,500,000,000	6,000,000,000	6,500,000,000
	26,605,986,748	23,969,646,034	26,605,986,748	23,969,646,034
	28,855,081,536	25,997,093,814	28,860,390,048	23,969,646,034
11.1.a Non-Convertible Subordinated Bond				
The Bank with due approval from Bangladesh Bank and BSEC issued 7-year unsecured and non-convertible, 1st Subordinated Bond of BDT 2,500 million in 2015 and 2nd Subordinated Bond of BDT 5,000 million in 2019 through private placement to enhance Tier-II capital. These Bonds are redeemable at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% per year. Coupon rates of the two instruments are variable with a floor and ceiling rate. These two instruments have been rated and awarded AA and AA2 by CRISIL and CRAB respectively in the long term. Although these are recognized component of Tier-II capital, the outstanding amount of these Bonds is shown as borrowing as per BB guidelines/instruction. Following is the list of subscribers to these Bonds on current outstanding basis:				
EBL 1st Subordinated Bond:				
Agrani Bank Limited	80,000,000	120,000,000	80,000,000	120,000,000
Brac Bank Limited	40,000,000	60,000,000	40,000,000	60,000,000
Janata Bank Limited	100,000,000	150,000,000	100,000,000	150,000,000
Mentacite Bank Limited	100,000,000	150,000,000	100,000,000	150,000,000
One Bank Limited	240,000,000	360,000,000	240,000,000	360,000,000
Rupali Bank Limited	240,000,000	360,000,000	240,000,000	360,000,000
Sonali Bank Limited	200,000,000	300,000,000	200,000,000	300,000,000
	1,000,000,000	1,500,000,000	1,000,000,000	1,500,000,000
EBL 2nd Subordinated Bond:				
Sadharan Bima Corporation	50,000,000	50,000,000	50,000,000	50,000,000
Pubali Bank Limited	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Janata Bank Limited	500,000,000	500,000,000	500,000,000	500,000,000
National Life Insurance Co. Limited	500,000,000	500,000,000	500,000,000	500,000,000
Sonali Bank Limited	500,000,000	500,000,000	500,000,000	500,000,000
Agrani Bank Limited	2,250,000,000	2,250,000,000	2,250,000,000	2,250,000,000
Thakura Bank Limited	200,000,000	200,000,000	200,000,000	200,000,000
	6,000,000,000	6,000,000,000	6,000,000,000	6,500,000,000
11.2 Borrowing from - Outside Bangladesh				
Non-interest bearing				
Citibank NA, USA	210,594,830	-	210,594,830	-
JP Morgan AG, USA	121,359,906	-	121,359,906	-
Standard Chartered Bank, USA	665,831,473	-	665,831,473	-
Wachovia Bank NA, USA	14,670,310	-	14,670,310	-
	1,012,456,519	-	1,012,456,519	-
Interest bearing:				
Abu Dhabi Commercial Bank, UAE	-	4,242,215,372	-	4,242,215,372
Asian Development Bank (ADB)	897,893,999	1,298,470,588	897,893,999	1,298,470,588
Bank of Montreal, Canada	-	498,704,311	-	498,704,311
Commerzbank, Frankfurt	-	2,176,144,957	-	2,176,144,957
Deutsche Investitions-und Entwicklungsgesellschaft MBH (DEG)	4,748,861,600	2,716,800,000	4,748,861,600	2,716,800,000
DBS Bank, Singapore	-	3,334,392,035	-	3,334,392,035
HDFC Bank, Mumbai	848,011,000	1,642,815,000	848,011,000	1,642,815,000
ICICI Bank, India	-	1,141,173,157	-	1,141,173,157
International Finance Corporation (IFC)	-	136,164,301	-	136,164,301
International Islamic Trade Finance Corporation (IIFC), KSA	-	175,110,027	-	175,110,027
JP Morgan Chase, Singapore	1,366,993,732	-	1,366,993,732	-
Korea Development Bank, Singapore	2,797,048,041	3,077,119,161	2,797,048,041	3,077,119,161
National Bank of Ras Al-Khaimah, KSA	-	1,257,702,722	-	1,257,702,722
OPEC Fund for International Development (OFID), Austria	2,120,027,500	2,122,500,000	2,120,027,500	2,122,500,000
OEBS, Development Bank, Austria	1,626,022,000	-	1,626,022,000	-
PROPARCO, France	462,551,458	771,818,184	462,551,458	771,818,184
Standard Chartered Bank, Singapore	12,877,943	2,260,012,361	12,877,943	2,260,012,361
Wells Fargo, USA	1,463,255,289	-	1,463,255,289	-
	16,413,542,562	26,851,142,174	16,413,542,562	26,851,142,174
	17,425,999,081	28,851,142,174	17,425,999,081	28,851,142,174
11.1.a Remaining maturity grouping of Borrowings				
Payable				
On demand	1,994,491,488	705,527,736	-	128,079,956
In not more than one month	4,427,195,755	7,216,878,501	5,392,449,886	7,216,878,501
In more than one month but not more than three months	13,041,203,385	15,226,306,606	10,950,712,647	15,226,306,606
In more than three months but not more than one year	10,459,742,873	18,593,409,209	14,207,182,739	17,143,409,209
In more than one year but not more than five years	14,383,975,141	8,620,542,698	12,078,242,881	8,620,542,698
In more than five years	1,974,251,975	2,485,571,239	1,657,780,956	2,485,571,239
	46,281,080,617	52,848,235,988	46,286,389,129	50,820,788,208
As on the reporting date, the bank had no Bearer certificates of deposits.				
12.a Group entity-wise consolidated deposits and other accounts:				
Eastern Bank Limited (Parent)	242,357,774,879	240,164,128,102		
Subsidiary Companies				
EBL (106,235,014)	106,235,014	106,235,014		
Total	242,357,774,879	240,164,128,102		
12.b Current deposits and other accounts				
Current deposits	17,705,775,055	14,870,014,217	18,281,545,739	14,969,419,164
Margin on facilities (LC, LG, Acceptance etc.)	7,342,052,213	6,128,743,553	7,342,052,213	6,128,743,553
Interest accrued on deposits	2,650,477,668	3,838,260,662	2,650,477,668	3,838,260,662
	27,698,304,935	24,837,018,432	28,274,075,619	24,936,423,379
12.2 Bills payable				
Payment order issued	1,487,310,693	1,126,909,709	1,487,310,693	1,126,909,709
Demand draft issued	4,920,976	4,920,976	4,920,976	4,920,976
	1,492,231,669	1,131,830,685	1,492,231,669	1,131,830,685
12.3 Savings bank deposits				
Transactional deposit accounts	52,452,738,036	39,910,578,841	52,452,738,036	39,910,578,841
Scheme deposit accounts	11,332,135,518	10,303,725,700	11,332,135,518	10,303,725,700
	63,784,873,554	50,214,304,541	63,784,873,554	50,214,304,541
12.3.a Scheme deposit accounts:				
EBL confidence account	5,611,737,099	5,290,943,082	5,611,737,099	5,290,943,082
EBL child future plan account	884,495,328	721,403,624	884,495,328	721,403,624
EBL millionaire scheme account	3,085,513,939	3,092,099,933	3,085,513,939	3,092,099,933
EBL millionaire scheme women account	281,440,191	91,188,959	281,440,191	91,188,959
EBL aspire account	48,666,535	28,624,862	48,666,535	28,624,862
EBL kotigonj account	563,331,723	34,846,505	563,331,723	34,846,505
EBL multiplier account	60,640,384	487,419,229	60,640,384	487,419,229
Retail equity builder account	196,090,319	21,799,506	196,090,319	21,799,506
	11,332,135,518	10,303,725,700	11,332,135,518	10,303,725,700
12.4 Fixed deposits				
Term deposit account	111,213,240,539	131,652,336,865	111,213,240,539	131,652,336,865
RFC account	4,576,074	5,287,808	4,576,074	5,287,808
NFCD account	71,791,516	77,776,914	71,791,516	77,776,914
	111,289,608,129	131,735,401,586	111,289,608,129	131,735,401,586
12.b Deposit concentration				
Deposit from banks	770,743,979	2,556,967,216	770,743,979	2,556,967,216
Deposit from other than banks	240,524,635,885	237,423,000,268	240,524,635,885	237,423,000,268
	241,295,379,865	239,979,967,484	241,295,379,865	240,164,128,102
12.1.a Deposit from banks				
Bangladesh Development Bank Limited	130	803,475	130	803,475
Community Bank Bangladesh Limited	18,603,660	1,818,749,324	18,603,660	1,818,749,324
Janata Bank Limited	12,738,812	1,636,393	12,738,812	1,636,393
Janata Bank Limited	39,152	39,977	39,152	39,977
Meghas Bank Limited	2,794,475	489,151	2,794,475	489,151
Midland Bank Limited	3,099,572	3,089,114	3,099,572	3,089,114
Mudhumoti Bank Limited	102,014,400	6,035,183	102,014,400	6,035,183
National Bank Limited	156,555	156,576	156,555	156,576
NCC Bank Limited	526,501	525,286	526,501	525,286
NRB Bank Limited	43,900,173	47,850,909	43,900,173	47,850,909
NRB Commercial Bank Limited	3,134,530	35,878,657	3,134,530	35,878,657
One Bank Limited	555,942	553,070	555,942	553,070
Shimanto Bank Limited	495,494,999	638,221,028	495,494,999	638,221,028
Southeast Bank Limited	24,486	25,430	24,486	25,430
SBAC Bank Limited	87,640,960	2,913,512	87,640,960	2,913,512
Standard Bank Limited	134	131	134	131
	770,743,979	2,556,967,216	770,743,979	2,556,967,216
12.c Deposits on the basis of significant concentration:				
12.1 Sector - wise concentration of Deposits and other accounts				
Government sector	4,553,626,030	3,851,753,266	4,553,626,030	3,851,753,266
Other public sector	9,707,323,557	12,349,280,029	9,707,323,557	12,349,280,029
Private sector	227,034,428	223,758,934,189	228,098,825,292	223,943,094,807
	241,295,379,865	239,979,967,484	242,357,774,879	240,164,128,102
12.2 Business segment - wise concentration of Deposits and other accounts				
Corporate banking	57,458,693,263	62,920,837,358	58,721,088,277	63,104,997,976
Offshore banking	256,695,118	322,291,809	256,695,118	322,291,809
Retail and SME (S) banking	181,887,759,816	175,605,007,632	181,887,759,816	175,605,007,632
Others- Bills Payables	1,492,331,668	1,151,830,485	1,492,331,668	1,151,830,485
	241,295,379,865	239,979,967,484	242,357,774,879	240,164,128,102
12.3 Residual maturity grouping of Deposits				
Payable:				
On demand	124,494,573	153,709,792	124,494,573	153,709,792
Within one month	54,950	1,606,439,641	54,950	1,606,439,641
In more than one month but less than six months	1,436,087	207,304,581	1,436,087	207,304,581
In more than six months but less than one year	1,347,612	7,119,114	1,347,612	7,119,114
In more than one year but within five years	643,412,757	582,362,226	643,412,757	582,362,226
In more than five years but within ten years	-	-	-	-
	770,743,979	2,556,935,354	770,743,979	2,556,935,354
From other than banks				
On demand	12,081,569,137	13,089,445,074	12,081,569,137	13,089,445,074
Within one month	16,288,424,397	16,258,645,936	16,864,195,081	16,296,509,359
In more than one month but less than three months	37,593,353,104	40,868,984,433	37,669,209,897	40,869,315,922
In more than three months but less than one year	60,547,792,987	65,442,376,083	60,958,560,526	65,442,376,083
In more than one year but within five years	1,822,037,648	1,152,912,890	1,822,037,648	1,152,912,890
In more than five years but within ten years	240,524,635,885	237,423,000,268	240,524,635,885	237,423,000,268
	241,295,379,865	239,979,967,484	242,357,774,879	240,164,128,102
Unclaimed deposit aging 10 years or more				
	9,238,075	6,420,902	9,238,075	6,420,902

Notes	Consolidated		Bank	
	2020	2019	2020	2019
13	696,520,198	593,300,694	696,520,198	593,300,694
	1,308,342,901	954,182,205	1,308,342,901	954,182,205
	1,146,465,841	75,286,		



CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS 2020 (AUDITED)

Eastern Bank Ltd.

REDISCOVERING THE VALUE OF RELATIONSHIP



Capital to risk weighted assets ratio (CRAR)

	Minimum requirement		Consolidated		Solo	
	2020	2019	2020	2019	2020	2019
On Tier-1 capital to RWA	6.00%	6.00%	10.68%	9.90%	10.78%	9.99%
Capital to RWA ratio (CRAR)	Against standard of minimum 10% with capital conservation buffer 2.50%	Against standard of minimum 10% with capital conservation buffer 2.50%	15.03%	14.55%	15.23%	14.74%

Amount in BDT

	Notes	Consolidated		Bank	
		2020	2019	2020	2019
15 Statutory Reserve					
Opening balance		8,117,995,470	7,379,995,890	8,117,995,470	7,379,995,890
Transferred from profit during the year		-	737,999,580	-	737,999,580
Closing balance		8,117,995,470	8,117,995,470	8,117,995,470	8,117,995,470

16 Dividend equalization reserve

*As per BRPD Circular No. 18 dated 20 October 2002. Banks are required to transfer an equal amount of net profit (amount by which cash dividend exceeds 20%) to Dividend Equalization Account while paying cash dividend in excess of 20%. This is treated as 'Core Capital' of the Bank.

17 Assets revaluation reserve (land and other properties)

	Notes	Consolidated		Bank	
		2020	2019	2020	2019
Reserve for revaluation of land properties	17.01	2,476,074,358	2,476,074,358	2,476,074,358	2,476,074,358
Reserve for revaluation of treasury securities (HFT)	17.02	817,134,941	211,787	817,134,941	211,787
Reserve for amortization of treasury securities (HMT)	17.03	20,221,049	99,989,850	20,221,049	99,989,850
Reserve against non-banking assets	17.04	93,231,165	96,391,165	93,231,165	96,391,165
Reserve for fair value of TRFCs to EBL and Shares of DSE and CSE	17.05	85,418,367	85,418,367	-	-
		3,492,079,880	2,758,085,527	3,406,661,513	2,472,667,140

This revaluation reserve is made against land properties only. In reality, buyers bear the tax on behalf of sellers at the time of land registration and taxes paid at the time of land registration are final discharge of tax liability of the seller (Bank). Hence, no deferred tax liability has been recognised on land revaluation reserve of the bank. There is no other material temporary difference in classified assets/liabilities for which deferred tax asset/liability is required to be accounted for in the year.

17.02 Reserve for revaluation of treasury securities (HFT)

	2020	2019	2020	2019
Opening balance	211,787	2,838,449	211,787	2,838,449
Addition during the year	1,793,874,362	166,739,430	1,793,874,362	166,739,430
Adjustment made during the year	(976,951,208)	(169,366,092)	(976,951,208)	(169,366,092)
Closing balance	817,134,941	211,787	817,134,941	211,787

*As per instruction/circular of Bangladesh Bank vide DOS circular letter No 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009.

17.03 Reserve for amortization of treasury securities (HMT)

	2020	2019	2020	2019
Opening balance	99,989,850	7,092,034	99,989,850	7,092,034
Addition during the year	14,358,937	99,035,199	14,358,937	99,035,199
Adjustment made during the year	(94,127,738)	(6,137,383)	(94,127,738)	(6,137,383)
Closing balance	20,221,049	99,989,850	20,221,049	99,989,850

*As per instruction/circular of Bangladesh Bank vide DOS circular letter No 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009.

17.04 Reserve against non-banking assets

	2020	2019	2020	2019
Opening balance	96,391,165	121,671,165	96,391,165	121,671,165
Adjustment made during the year	(3,160,000)	(25,280,000)	(3,160,000)	(25,280,000)
Closing balance	93,231,165	96,391,165	93,231,165	96,391,165

17.05 Reserve for fair value of TRFCs to EBL and Shares of DSE and CSE (held by EBL under Demutualization Scheme)

	2020	2019	2020	2019
Fair value of DSE-TRFC held by EBL	481,427,540	481,427,540	-	-
Fair value of CSE-TRFC held by EBL	201,500,000	201,500,000	-	-
Fair value of Shares of DSE (5,411,329 shares @ BDT 10)	113,909,572	113,909,572	-	-
Fair value of Shares of CSE (4,287,330 shares @ BDT 10)	43,879,755	43,879,755	-	-
	840,716,867	840,716,867	-	-
Less:				
Value of DSE Membership booked earlier	553,798,500	553,798,500	-	-
Value of CSE Membership booked earlier	201,500,000	201,500,000	-	-
	755,298,500	755,298,500	-	-
Actuarial reserve	85,418,367	85,418,367	-	-

18 Actuarial re-measurement gain/(loss) on defined benefit plans

	2020	2019	2020	2019
Opening balance	-	-	-	-
Re-measurement gain/(loss) on defined benefit obligation	(335,978,500)	-	(335,978,500)	-
	(335,978,500)	-	(335,978,500)	-
Less: Adjustment with deferred tax assets	125,991,938	-	125,991,938	-
Closing balance	(209,986,562)	(209,986,562)	(209,986,562)	(209,986,562)

Actuarial re-measurement gain/(loss) results from increase in the present value of the defined benefit obligation (Gratuity Fund and Superannuation Fund) due to changes in actuarial assumptions and experience adjustment which has been shown as equity component as element of OCI as per IAS 19 'Employee Benefits'.

19 Foreign currency translation difference: (gain)/(loss)

Assets and liabilities of EBL Offshore Banking Operation and EBL Finance (HK) Ltd (in consolidation) have been presented into Taka (which is the functional currency of the Bank) using year-end standard mid rate of exchange of the Bank @ USD 1 = BDT 84.8011 and HKD 1 = BDT 10.9704. Yearly incomes and expenses are translated using monthly average exchange rate (USD 1 = BDT 84.8733 & HKD 1 = BDT 10.9561). The net cumulative result of the exchange difference has been presented separately as equity component as per IAS 21 (para 39).

20 Surplus in profit and loss account

	2020	2019	2020	2019
Opening balance	6,002,777,699	4,959,549,553	5,697,244,179	4,637,557,933
Profit for the year	4,180,381,016	3,990,393,331	4,102,563,055	4,008,142,125
Transfer to statutory reserve	-	(737,999,580)	-	(737,999,580)
Bonus share issued	-	(737,999,580)	-	(737,999,580)
Cash dividend paid	(1,217,699,321)	(1,475,999,178)	(1,217,699,321)	(1,475,999,178)
Foreign currency adjustment for offshore	3,412,625	4,833,152	1,599,192	3,542,459
Closing balance	8,969,072,019	6,002,777,699	8,583,707,111	5,697,244,179

21 Contingent liabilities:

	2020	2019	2020	2019
Acceptance and endorsements	21.1	42,593,184,478	45,008,741,219	42,593,184,478
Letters of guarantee	21.2	27,229,416,956	23,321,243,725	27,229,416,956
Irrevocable letters of credit	21.3	26,084,696,594	23,139,697,761	26,084,696,594
Bills for collection	21.4	8,032,352,776	7,963,765,179	8,032,352,776
Forward assets purchased and forward deposits placed (against FCY)	21.5	120,428,481	347,552,793	120,428,481
		104,060,278,286	99,781,000,677	104,060,278,286

21.1 Acceptance and endorsements

	2020	2019	2020	2019
Acceptances (Back to Back)	8,817,799,726	9,282,415,697	8,817,799,726	9,282,415,697
Acceptances (ULC-Cash)	33,609,098,625	34,994,149,697	33,609,098,625	34,994,149,697
	42,426,898,351	44,276,565,394	42,426,898,351	44,276,565,394
Acceptances (ULC-Cash)- Offshore Banking Unit	166,286,127	732,175,825	166,286,127	732,175,825
	42,593,184,478	45,008,741,219	42,593,184,478	45,008,741,219

In favour of BRPD circular letter no 01 dated 03 January 2018, 1% general provision on Letter of Credit issued in favour of Fast Track Power Projects against LOI under BPDIB has been waived. As such, on the reporting date, no general provision on outstanding Acceptance value of BDT 819.26 million issued on account of Past Track Power Projects has been maintained.

21.2 Letters of guarantees

	2020	2019	2020	2019
Directors	192,900	-	192,900	-
Government	513,802,927	514,394,327	513,802,927	514,394,327
Banks and other financial institutions	12,489,452,702	9,747,536,433	12,489,452,702	9,747,536,433
Others (Customers etc.)	14,226,167,427	13,039,310,965	14,226,167,427	13,039,310,965
	27,229,416,956	23,321,243,725	27,229,416,956	23,321,243,725

As per BRPD circular no 13 dated 18 October 2018, 1% general provision has been maintained against Letter of Guarantee, except those against which counter guarantee has been issued by Multilateral Development Banks/International Banks having BR rating grade equivalent 1 to 4 for which a provision 0% - 1% is required to be maintained.

21.3 Irrevocable letters of credit

	2020	2019	2020	2019
Letters of credit - Cash sight	5,970,342,619	4,120,630,652	5,970,342,619	4,120,630,652
Letters of credit - Cash advance	12,080,839,347	10,268,405,671	12,080,839,347	10,268,405,671
Letters of credit - Back to back	7,861,022,607	8,171,964,709	7,861,022,607	8,171,964,709
	25,912,204,573	22,561,003,033	25,912,204,573	22,561,003,033
Letters of credit (Cash sight)-Offshore Banking Unit	51,448,311	116,301,830	51,448,311	116,301,830
Letters of credit (Cash advance)-Offshore Banking Unit	121,043,709	462,392,898	121,043,709	462,392,898
	26,084,696,594	23,139,697,761	26,084,696,594	23,139,697,761

As per BRPD circular letter no 01 dated 03 January 2018, 1% general provision on Letter of Credit issued in favour of Fast Track Power Projects against LOI under BPDIB has been waived.

21.4 Bills for collection

	2020	2019	2020	2019
Foreign Documentary Bills Collection	2,998,233,689	3,158,467,141	2,998,233,689	3,158,467,141
Local Documentary Bills Collection	4,598,513,118	3,902,474,721	4,598,513,118	3,902,474,721
	7,596,746,807	7,060,941,862	7,596,746,807	7,060,941,862
Bills for collection - Offshore Banking Unit	435,605,969	901,623,617	435,605,969	901,623,617
	8,032,352,776	7,963,765,179	8,032,352,776	7,963,765,179

As per BRPD circular no 07 dated 21 June 2018, 1% general provision on Bills for Collection has been waived. As such, no general provision on outstanding Bills for Collection worth BDT 8,032.35 million has been maintained as on the reporting date.

21.5 Forward assets purchased and forward deposits placed (against FCY)

	2020	2019	2020	2019
Forward assets purchased	120,428,481	347,552,793	120,428,481	347,552,793
Forward deposits placed	-	-	-	-
	120,428,481	347,552,793	120,428,481	347,552,793

As per BRPD instruction, 1% general provision on outstanding Forward Assets Purchased worth BDT 120.43 million has been maintained.

22 Interest income

	2020	2019	2020	2019
Interest on loans and advances	19,217,002,936	21,956,591,405	18,612,083,477	21,215,537,730
Interest on money at call and short notice	19,558,828	31,117,985	19,558,828	30,637,387
Interest on placement with banks and financial institutions	1,258,910,739	9,277,859,576	1,243,077,283	9,256,391,854
Interest on foreign currency balances	44,522,833	90,885,501	44,522,833	90,885,501
	20,541,995,036	24,350,154,466	19,921,242,120	23,993,152,451
Less: Inter unit/company elimination	(530,626,708)	(766,884,830)	(253,828,364)	(629,546,631)
	20,011,368,328	23,583,269,636	19,667,413,756	23,363,605,820

23 Interest paid on deposits, borrowings and others

	2020	2019	2020	2019
Interest on deposits	23.01	11,473,800,791	12,660,570,773	11,473,800,791
Interest on borrowings from Banks & FIs	23.02	2,491,691,516	2,711,457,065	1,993,838,225
Interest on borrowings from BB & others	23.03	437,825,267	665,766,277	437,825,267
Interest on lease liabilities		65,048,978	34,763,596	64,473,564
Interest on Margin		676,183	676,183	676,183
Net interest cost (on Gratuity Fund)	23.04	17,234,986	-	17,234,986
Net interest cost (on Superannuation Fund)	23.05	2,843,000	-	2,843,000
		14,490,120,621	16,073,253,894	13,990,892,016
Less: Inter unit/company elimination		(530,626,708)	(766,884,830)	(253,828,364)
		13,959,493,913	15,306,369,064	13,737,063,652

23.01 Interest on deposits

	2020	2019	2020	2019
Interest on Savings and Current Depos				



CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS 2020 (AUDITED)

Eastern Bank Ltd.

REDISCOVERING THE VALUE OF RELATIONSHIP

Sl.	Name of the accounts	Status of NBA	Obtained u/s 33(7)(3)(5)	Entitlement Date	Asset Details	Forced Sale Value (BDT in Lac)	Market Value (BDT in Lac)	Legal Status
23	M/s All Traders	Not recognised	U/S 33(7)	1/18/2021	Land Area: 16 decimal, Mouza-Muzunni, P.S- Daulatpur, Dist- Khulna	13.60	16.00	Do
Total NBA obtained u/s 33 (7)						9,303.19	11,659.84	
24	M/s Alif Hossain, Chittagong	Not recognised	U/S 33(5)	10/10/2015	Land Area: 18 decimal, Mouza- Jatrabari, Demra, Dhaka.	140.00	112.00	Physical possession is yet to be completed.
25	M/s Janata Trading, Chittagong	Not recognised	U/S 33(5)	11/1/2011	Land Area: 125.28 Sq Chandgas, Bakolia, Chittagong.	8.50	10.00	Do
26	M/s Nurin Trade International, Gazipur	Not recognised	U/S 33(5)	8/2/2015	Land Area: 2.05 Acre Sreepur, Mouza- Dhanyu, Gazipur.	200.00	248.40	Do
27	M/s Austin & Co. and M/s MR Enterprise	Not recognised	U/S 33(5)	11/16/2015	A) Land Area: 1.40 acres, Mouza- Kathaldia, P.S- Gulshan, Dhaka. B) Land Area: 0.99 acres, Mouza- Kathaldia, P.S- Gulshan, Dhaka. C) Land Area: 0.8031 acres, Mouza Haridia, P.S- Lohajang, Munshiganj.	2,383.17	2,978.97	Physical possession is yet to be completed. First appeal in high court no. 163/2017 pending for hearing.
28	Latif Apparels (Pvt) Ltd. Dhaka	Not recognised	U/S 33(5)	11/17/2015	Land Area: 375 decimal, Mouza Uttarhan, Uttara, Dhaka.	93.60	117.00	2nd execution case no. 266/16/Arising out of 1st Artha Execution Suit No. 71/14, Artha Arthan Suit No. 154/2005) is pending.
29	Sheuly Fashion, Dhaka	Not recognised	U/S 33(5)	3/15/2014	Land Area: 0240 Ajutangsha, Mouza Lalbag, Gour sundar Roy lane, Dhaka.	117.30	146.40	Physical possession is yet to be completed.
30	Hanif Enterprise, Dhaka	Not recognised	U/S 33(5)	9/16/2008	Land Area: 1) 15.20 decimal, Mouza Tekunipara, Panchshil, Chattogram. 2) 20 decimal, Mouza Mirerbag, Keraniganj, Dhaka.	617.80	772.25	Execution Case No. 8/2009 is pending in 3rd Artha Rin Court, Dhaka, filed by National Bank. Misc. case no. 19/20 filed by 12 persons. Last date was fixed on 31.01.2021 for maintainability hearing. Next date yet to fix.
31	Al Hossain (Pvt) Ltd. Dhaka	Not recognised	U/S 33(5)	5/22/2013	Land Area: 10.33 decimal, Mouza- Paikpara, Mirpur, Dhaka.	779.92	974.90	An application was filed on 14.12.2020 to stay the operation of Certificate-Biv in Artha Execution Case No. 336/2005, which is pending.
32	Friends Associates, Chattogram	Not recognised	U/S 33(5)	1/18/2012	Land Area: 20 decimal, Chattogram, Panchshil, Chattogram.	96.00	120.00	Scheduled mortgage property has already been acquired by the Government. A Criminal case (1627/2012) against the Borrower, Guarantors and Beneficiary was filed which is pending for hearing in the court and also an execution case (154/2015) is pending in the Artha Rin Court. [The Ld. Court Convicted Judgment Debtors for a period of 2 months of imprisonment.]
33	M/s Shti Traders, Chattogram	Not recognised	U/S 33(5)	2/2/2010	Land Area: 28 decimal, Mouza- Bandar, Chattogram.	35.00	35.00	Scheduled mortgage property has already been acquired by the Government. A Criminal case (172/2012) against the Borrower, Guarantors and Beneficiary was filed which is pending for hearing in the court and also an execution case (154/2015) is pending in the Artha Rin Court.
34	Talukder Group (Pasi pasu with HSBC)	Not recognised	U/S 33(5)	12-09-2019	Apartment size: 2250 sqft including 1 toned Car Parking space of a 6 (six) storied building located at Plot No. 11, Road No. 07, Sector No. 3, Uttara R/A, Dhaka	182.00	202.50	We have only obtained certificate in respect of a flat situated in Uttara, Dhaka and for the property situated at Jashore, Arth Execution case 96/19 is pending in Artha Rin Adalat, Jashore for disposal. HSBC filed Artha Exe. Case No.48/19 (Artha Rin Suit No.556/15) is pending.
35	Moon light Traders	Not recognised	U/S 33(5)	15-02-2018	1) Land Area: 0.900 (nine hundred) Ajutangsha, Mouza: Sutrapur, Gendaria, Dhaka. 2) Land Area: 2 (two dec.) Mouza: Tekunipara, Dhaka	456.85	571.06	Physical possession is yet to be completed.
36	R/K Agro Products Ltd.	Not recognised	U/S 33(5)	8/7/2018	Land Area: 1) 44.22 decimal, mouza - Paily, Demra, District Dhaka. 2) 41.50 decimal, mouza - Paily, Demra, District Dhaka.	411.46	514.32	The Property was sold at BDT 310.00 lac out of which BDT 93.00 lac was received and rest amount is yet to be received after completion of documentation with registrar. A petition case No. 53/19 filed by borrower is pending in executive Magistrate Court, Dhaka.
37	Liberty Fashion Wears Ltd.	Not recognised	U/S 33(5)	5/29/2019	Land Area: 1) 18.28 decimal, mouza - Senpara Parbata, Mirpur Housing Estate, Sec-2, Plot-9, R-3, District Dhaka. 2) 1467.57 sqft. apartment alongwith 1/2 decimal land at Uttara Model Town, RA#15-7, plot 5, Dhaka. [232 dec land & properties at Zirani, Savar, Dhaka at BDT 55.00 Core EBL got BDT 41.98 and rest BDT 13.02 covered by SJBL]	615.4	769.3	2nd Execution Case No. 12/20 filed on 21-01-2020 for Tk. 115.71 Core. Upon considering our application learned court was pleased to pass order for issuance warrant of arrest. Next date fixed on 09.06.2021 for return of warrant of arrest. SJBL filed Artha Execution Case No.72/19 Artha Rin Suit No. 196/16 is pending.
38	M/s Sidiq Traders	Not recognised	U/S 33(5)	10/9/2019	1) Land Area: 12 decimal, Mouza Bakolia, Bakolia, Chittagong. 2) Land Area: 30 decimal, Mouza South Kattali, Pahartali, Chittagong. 3) Land Area: 23 decimal, Mouza South Kattali, Pahartali, Chittagong. 4) Land Area: 35 decimal, Mouza North Halahabar, Halahabar, Chittagong.	601.54	707.70	Physical possession is yet to be completed.
39	Mohd. Elias Brothers (Pvt) Ltd	Not recognised	U/S 33(5)	4/12/2017	Land Area: 142 decimal, Mouza: Chandgon, Bahaddar, Chittagong.	7,550.00	8,703.20	After obtaining Certificate under section 33(5) of ARA, judgment debtor no. 03 Mr. Nurul Absar filed writ petition no. 13784 of 2017 and got stay order for a period of 06 months. Stay order vacated. Meanwhile, we have submitted a petition for issuance arrest warrant on 23/07/2020 after hearing the ld. court issued show cause notice for 20 days after serving of show cause notice we put the file for issuing warrant. On 13/10/2020 the Ld. Court issued arrest warrant for 06 months civil jail but the judgment debtors got stay order from the Appellate Division against the order of arrest warrant. Next date fixed on 03.03.2021 for submission of stay order and possession application hearing.
40	M/s Baghdad Exim Corp Ltd	Not recognised	U/S 33(5)	2/19/2018	Land Area: 1 Gonda 2 Kora 4.5 Danta Mouza: Madarbari, Bandar, Chittagong.	104.67	130.84	Physical possession is yet to be completed. Writ petition in high court no. 10997/2016 is pending for hearing.
41	S M Amjad Hossain	Not recognised	U/S 33(5)	9/22/2020	1) Land Area: 10 gonda 1 kara 1 kanta 0.5 Danta, Mouza: Bakolia, P.S: Panchshil, Chattogram. 2) Land Area: 246 decimal, Mouza: Chikandani/ Kandoka/Kolgon, P.S: Hathazari, Chattogram.	669.87	805.94	Physical possession is yet to be completed. Civil Rule 47(FM)/2019 (arising out of F.M.KAT No. 570/2019) is pending for hearing.
42	M/s Abdul Kalam	Not recognised	U/S 33(5)	12/14/2020	08 decimal land at Mouza Mujunni, Khulna	12.80	16.00	Physical possession yet to be completed.
Total NBA obtained u/s 33 (5)						14,025.57	16,648.10	
Total NBA obtained u/s 33 (7) & 33 (5)						23,328.76	28,307.94	

Eastern Bank Limited and its subsidiaries

Business segmental profit and loss account for the year ended 31 December 2020

BDT in million

Particulars	Bank (Solo)					Subsidiaries					Bank (Consol)
	DBO	OBU	Solo	EBLSL	EBLFLK	EBLFLK	EBLFLK	EBLFLK	EBLFLK	EBLFLK	
Interest income	18,350	1,285	19,635	372	21	214	14	20,211			20,211
Interest expense	(13,139)	(60)	(13,227)	(372)	(0)	(1)	(0)	(13,228)			(13,228)
Net Interest Income	5,211	1,225	6,438	0	21	213	14	6,983			6,983
Investment income	2,041	11	2,051	163	14	63	2	2,284			2,284
Fee, commission and brokerage	770	2	772	170	1	17	1	960			960
Other operating income	315	14	332	170	1	17	1	623			623
Total operating income	13,881	1,252	15,133	248	45	162	20	16,867			16,867
Salaries and allowances	(3,924)	(430)	(4,354)	(86)	(1)	(1)	(1)	(4,873)			(4,873)
Rent, taxes, insurance, utilities etc.	(430)	(1)	(431)	(6)	(1)	(1)	(1)	(439)			(439)
Legal and professional expenses	(64)	(1)	(65)	(0)	(0)	(0)	(0)	(65)			(65)
Printing, telecommunication etc.	(132)	(1)	(133)	(2)	(0)	(0)	(0)	(135)			(135)
Stationery, printing, advertisement, etc.	(29)	(1)	(30)	(4)	(0)	(0)	(0)	(34)			(34)
Managing Director's salary and allowances	(26)	(1)	(27)	(3)	(0)	(0)	(0)	(30)			(30)
Directors' fees and expenses	(3)	(1)	(4)	(0)	(0)	(0)	(0)	(4)			(4)
Audit fees	(10)	(1)	(11)	(1)	(0)	(0)	(0)	(12)			(12)
Repairs, maintenance and depreciation	(98)	(1)	(99)	(3)	(0)	(0)	(0)	(101)			(101)
Other operating expenses	(881)	(19)	(900)	(8)	(3)	(5)	(1)	(917)			(917)
Total operating expense	6,422	459	6,881	135	25	60	10	7,557			7,557
Profit before provisions	7,459	793	8,252	113	20	102	10	9,310			9,310
Provisions: Provision for loans advances & OBS exposures	(1,044)	(49)	(1,093)	(132)	(32)	(32)	(10)	(1,235)			(1,235)
Other Provisions	(92)	(1)	(93)	(13)	(2)	(2)	(10)	(108)			(108)
Total Provisions	(1,136)	(50)	(1,186)	(145)	(34)	(34)	(20)	(1,334)			(1,334)
Profit after provisions	6,323	743	7,068	(32)	(14)	68	(10)	7,976			7,976
Income tax	(2,888)	(384)	(3,272)	(17)	(9)	(9)	(14)	(3,396)			(3,396)
Profit after tax	3,435	359	3,794	(49)	(5)	59	(24)	4,580			4,580

Business segmental balance sheet as at 31 December 2020

Particulars	Bank (Solo)			Subsidiaries			Bank (Consol)
	DBO	OBU	Solo	EBLSL	EBLFLK	EBLFLK	
Assets							
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	15,699	-	15,699	0.10	0.02	-	15,699
Balances with other banks and financial institutions	20,155	1,877	22,032	382	198	682	23,391
Money at call and short notice	60	-	60	-	-	-	60
Investments	43,949	-	43,949	1,854	113	-	45,916
Loans and advances	203,884	25,060	228,944	3,071	127	3,889	232,951
Fixed assets including land, building, furniture and fixtures	7,711	-	7,711	41	9	8	7,729
Other assets	7,420	44	7,464	1,010	19	2	8,505
Non-banking assets	316,984	26,980	343,964	6,340	466	4,381	351,751
Liabilities							
Borrowings from other banks, financial institutions and agents	27,350	25,965	53,315	3,433	-	3,986	57,284
Deposits and other accounts	242,101	257	242,358	860	146	59	243,299
Provision for other liabilities	20,941	375	21,316	-	-	-	21,691
Total Liabilities	290,392	26,597	316,989	4,293	146	4,045	323,431
Total Shareholders' Equity	28,897	384	29,281	2,047	220	334	30,735
Total Liabilities & Shareholders' Equity	319,289	26,980	346,269	6,340	466	4,381	354,166

Eastern Bank Limited (Solo)

Highlights on the overall Activities / Performance

Sl No	Particulars	2020		2019	
		BDT	BDT	BDT	BDT
1	Fixed up capital	8,117,995,470	8,117,995,470		
2	Total capital (Tier-1 & 2)	33,144,221,423	30,568,648,533		
3	Surplus/(shortage) capital	11,378,832,457	9,824,938,594		
4	Total assets	336,935,588,554	335,163,467,726		
5	Total deposits	242,527,774,879	240,124,102,102		
6	Total loans and advances	228,943,842,895	232,051,034,763		
7	Total contingent liabilities and commitments	104,060,278,285	99,781,000,677		
8	Loans to deposits ratio (total loans/total deposits)	%	94.47	%	96.62
9	% of classified loans against total loans and advances	%	2.72	%	3.28
10	Profit after tax and provisions	BDT	4,580,142,126	BDT	4,008,142,126
11	Loans classified during the year (Gross)	BDT	297,470,002	BDT	4,138,935,944
12	Provision made against classified loans	BDT	3,433,559,987	BDT	4,360,125,047
13	Surplus of provision	BDT	1,768,328,583	BDT	239,925,000
14	Cost of fund (interest expense/simple average borrowing and deposits)	%	4.76	%	5.58
15	Interest bearing assets	BDT	301,684,379,074	BDT	292,905,157,870
16	Non-interest bearing assets	BDT	35,251,209,480	BDT	42,258,309,855
17	Income from investments	BDT	5,048,674,967	BDT	2,751,634,005
18	Return on assets (ROA) (PAT/average assets)	%	1.22	%	1.30
19	Return on investment or ROI (PAT/average equity, long term borrowings and deposit)	%	2.25	%	4.94
20	Earnings per share	BDT	5.05	BDT	5.05
21	Operating profit per share (Net Operating profit/ weighted average number of shares)	BDT	9.48	BDT	10.11
22	Price earning ratio	Times	7.12	Times	6.72

Eastern Bank Limited

Offshore Banking Operation, Bangladesh

Balance Sheet as at 31 December 2020

Notes	2020		2019	
	USD	BDT	USD	BDT
PROPERTY AND ASSETS				
Cash				
In hand (including foreign currencies)				
With Bangladesh Bank (including foreign currencies)				
Balances with other banks and FIs (in current and other accounts)				
3	20,000,000	1,694,022,000	34,630,350	2,940,116,701
Outside Bangladesh	2,135,717	181,111,144	71,544,808	6,074,154,230
	22,135,717	1,877,133,144	106,175,158	9,014,270,931
Money at call and short notice				
Investment				
Loans and Advances				
4	147,208,252	12,483,421,697	133,196,415	11,308,392,602
5	148,303,737	12,576,320,025	142,172,875	12,070,477,080
	295,511,989	25,059,741,722	275,369,490	23,378,869,682
Other Assets				
5	514,201	43,404,845	1,073,123	91,108,104
Non Banking Assets				
TOTAL ASSETS				
	318,161,907	26,980,479,711	382,617,771	32,484,248,718
CAPITAL AND LIABILITIES				
Borrowing from other banks, financial institutions and agents				
6	-	-	-	-
Other Banks and FIs				
6.1	106,447,195	9,028,535,227	49,085,682	4,167,374,362
6.2	199,720,103	16,936,484,403	319,915,720	27,160,844,639
	306,167,297	25,965,019,630	369,001,402	