



EASTERN BANK LIMITED

Quarterly Financial Statements (Unaudited)

Third Quarter 2011



EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheet (Unaudited)

As at 30 September 2011

	As at 30 September 2011	As at 31 December 2010
	Taka	Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	867,671,122	725,180,656
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4,061,201,374	2,956,146,840
	<u>4,928,872,496</u>	<u>3,681,327,496</u>
Balances with other Banks and Financial Institutions		
In Bangladesh	4,780,923,030	3,641,444,356
Outside Bangladesh	337,346,062	1,045,968,539
	<u>5,118,269,092</u>	<u>4,687,412,895</u>
Money at call and short notice	20,000,000	-
Investments		
Government	8,464,329,776	6,828,141,845
Others	4,213,344,390	2,999,055,228
	<u>12,677,674,166</u>	<u>9,827,197,073</u>
Loans and advances		
Loans, Cash Credits, Overdraft etc.	69,501,547,695	54,498,712,055
Bills discounted and purchased	7,117,922,664	4,108,373,638
	<u>76,619,470,359</u>	<u>58,607,085,693</u>
Fixed assets including land, building, furniture and fixtures	3,966,735,689	3,626,121,162
Other assets	2,154,369,907	1,811,553,862
Non banking assets	247,878,000	247,878,000
	<u>105,733,269,709</u>	<u>82,488,576,181</u>
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	11,671,804,959	9,213,075,020
Deposits and other accounts		
Current deposits & other accounts, etc.	10,674,629,598	5,519,912,500
Savings bank deposits	12,484,771,196	12,853,595,212
Fixed deposits	51,175,364,662	36,630,144,417
Bills payable	621,592,674	1,079,503,680
Bearer certificates of deposits	22,250,000	22,250,000
	<u>74,978,608,130</u>	<u>56,105,405,809</u>
Other liabilities	5,064,687,748	4,913,113,952
TOTAL LIABILITIES	<u>91,715,100,837</u>	<u>70,231,594,781</u>
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	4,527,257,670	2,920,811,400
Statutory reserve	2,725,521,942	2,725,521,942
Dividend equalisation reserve	356,040,000	356,040,000
Reserve against pre takeover loss	1,554,759,750	1,554,759,750
Pre takeover loss	(787,855,238)	(989,138,238)
Asset revaluation reserve	2,651,941,750	2,651,941,750
Reserve for revaluation of treasury securities (HFT)	742,775,515	823,251,968
General reserve	160,000,000	160,000,000
Reserve for non banking assets	233,527,796	233,527,796
Profit & loss account-retained earnings	1,685,000,953	1,669,294,774
Equity attributable to equity holders	13,848,970,138	12,106,011,142
Non controlling interest	169,198,735	150,970,258
TOTAL SHAREHOLDERS' EQUITY	<u>14,018,168,873</u>	<u>12,256,981,400</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>105,733,269,709</u>	<u>82,488,576,181</u>
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptance and endorsements (net)	21,486,423,238	10,153,867,598
Irrevocable Letters of Credit (net)	15,262,522,764	13,197,919,990
Letter of Guarantees (net)	5,738,423,747	3,757,852,285
Bills for Collection	411,165,110	813,048,004
	<u>42,898,534,859</u>	<u>27,922,687,877</u>
Other memorandum items		
Value of travelers' cheques on hand	-	-
Value of Bangladesh Sanchaya Patra on hand	766,291,100	627,819,100
	<u>766,291,100</u>	<u>627,819,100</u>
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	5,674,456,768	1,866,913,593
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	<u>5,674,456,768</u>	<u>1,866,913,593</u>
Claims against the Bank not acknowledged as debt	-	-
TOTAL OFF-BALANCE SHEET ITEMS	<u>49,339,282,727</u>	<u>30,417,420,570</u>


Malick Musfique Reza
EVP & Head of Finance


Ali Reza Iftekhar
Managing Director & CEO

Dated: Dhaka, 24 October, 2011.

EASTERN BANK LIMITED

Balance Sheet (Unaudited)

As at 30 September 2011

	As at 30 September 2011	As at 31 December 2010
	Taka	Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	867,659,002	725,168,966
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4,061,201,374	2,956,146,840
	<u>4,928,860,376</u>	<u>3,681,315,806</u>
Balances with other Banks and Financial Institutions		
In Bangladesh	4,677,205,430	3,507,711,860
Outside Bangladesh	337,346,062	1,045,968,539
	<u>5,014,551,492</u>	<u>4,553,680,399</u>
Money at call and short notice	20,000,000	-
Investments		
Government	8,464,329,776	6,828,141,845
Others	4,206,670,557	2,999,055,228
	<u>12,671,000,333</u>	<u>9,827,197,073</u>
Loans and advances		
Loans, Cash Credits, Overdraft etc.	70,230,854,573	54,498,712,055
Bills discounted and purchased	7,117,922,664	4,108,373,638
	<u>77,348,777,237</u>	<u>58,607,085,692</u>
Fixed assets including land, building, furniture and fixtures	3,954,454,196	3,614,398,915
Other assets	1,496,546,257	1,522,035,035
Non banking assets	247,878,000	247,878,000
	<u>105,682,067,892</u>	<u>82,053,590,922</u>
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	11,671,804,959	9,213,075,020
Deposits and other accounts		
Current deposits & other accounts, etc.	10,675,520,137	5,522,402,626
Savings bank deposits	12,484,771,196	12,853,595,212
Fixed deposits	51,496,875,279	36,947,476,998
Bills payable	621,592,674	1,079,503,680
Bearer certificates of deposits	22,250,000	22,250,000
	<u>75,301,009,286</u>	<u>56,425,228,516</u>
Other liabilities	4,920,932,417	4,331,732,822
TOTAL LIABILITIES	<u>91,893,746,662</u>	<u>69,970,036,358</u>
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	4,527,257,670	2,920,811,400
Statutory reserve	2,725,521,942	2,725,521,942
Dividend equalisation reserve	356,040,000	356,040,000
Reserve against pre takeover loss	1,554,759,750	1,554,759,750
Pre takeover loss	(787,855,238)	(989,138,238)
Asset revaluation reserve	2,651,941,750	2,651,941,750
Reserve for revaluation of treasury securities (HFT)	742,775,515	823,251,968
General reserve	160,000,000	160,000,000
Reserve for non banking assets	233,527,796	233,527,796
Profit & loss account-retained earnings	1,624,352,045	1,646,838,196
TOTAL SHAREHOLDERS' EQUITY	<u>13,788,321,230</u>	<u>12,083,554,564</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>105,682,067,892</u>	<u>82,053,590,922</u>
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptance and endorsements (net)	21,486,423,238	10,153,867,598
Irrevocable Letters of Credit (net)	15,262,522,764	13,197,919,990
Letter of Guarantees (net)	5,738,423,747	3,757,852,285
Bills for Collection	411,165,110	813,048,004
	<u>42,898,534,859</u>	<u>27,922,687,877</u>
Other memorandum items		
Value of travelers' cheques on hand	-	-
Value of Bangladesh Sanchaya Patra on hand	766,291,100	627,819,100
	<u>766,291,100</u>	<u>627,819,100</u>
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	5,674,456,768	1,866,913,593
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	<u>5,674,456,768</u>	<u>1,866,913,593</u>
Claims against the Bank not acknowledged as debt	-	-
TOTAL OFF-BALANCE SHEET ITEMS	<u>49,339,282,727</u>	<u>30,417,420,570</u>


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EASTERN BANK LIMITED

Quarterly Financial Statements (Unaudited)

Third Quarter 2011



EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity (Unaudited)

For the period ended 30 September 2011

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Reserve against pre takeover loss	Pre take over loss	Asset revaluation reserve	Reserve for revaluation of treasury securities (HFT)	General reserve	Reserve for non banking assets	Retained earnings	Non controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance on 1 January 2011	2,920,811,400	2,725,521,942	356,040,000	1,554,759,750	(989,138,238)	2,651,941,750	823,251,968	160,000,000	233,527,796	1,669,294,773	150,970,258	12,256,981,399
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	1,622,152,449	-	1,622,152,449
Bonus share issued	1,606,446,270	-	-	-	-	-	-	-	-	(1,606,446,270)	-	-
Dividend from subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	(80,476,453)	-	-	-	-	(80,476,453)
Recovery of pre-takeover loss	-	-	-	-	201,283,000	-	-	-	-	-	-	201,283,000
Non controlling Interest	-	-	-	-	-	-	-	-	-	-	18,228,477	18,228,477
Balance as at 30 September 2011	4,527,257,670	2,725,521,942	356,040,000	1,554,759,750	(787,855,238)	2,651,941,750	742,775,515	160,000,000	233,527,796	1,685,000,952	169,198,735	14,018,168,873
Balance as at 30 September 2010	2,920,811,400	1,927,039,732	356,040,000	1,554,759,750	(989,248,238)	913,678,854	812,715,092	160,000,000	233,527,796	1,880,677,733	159,959,660	9,929,961,779

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EASTERN BANK LIMITED

Statement of Changes in Equity (Unaudited)

For the period ended 30 September 2011

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Reserve against pre takeover loss	Pre take over loss	Asset revaluation reserve	Reserve for revaluation of treasury securities (HFT)	General reserve	Reserve for non banking assets	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance on 1 January 2011	2,920,811,400	2,725,521,942	356,040,000	1,554,759,750	(989,138,238)	2,651,941,750	823,251,968	160,000,000	233,527,796	1,646,838,194	12,083,554,562
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	1,583,960,120	1,583,960,120
Bonus share issued	1,606,446,270	-	-	-	-	-	-	-	-	(1,606,446,270)	-
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	(80,476,453)	-	-	-	(80,476,453)
Recovery of pre-takeover loss	-	-	-	-	201,283,000	-	-	-	-	-	201,283,000
Balance as at 30 September 2011	4,527,257,670	2,725,521,942	356,040,000	1,554,759,750	(787,855,238)	2,651,941,750	742,775,515	160,000,000	233,527,796	1,624,352,044	13,788,321,230
Balance as at 30 September 2010	2,920,811,400	1,927,039,732	356,040,000	1,554,759,750	(989,248,238)	913,678,854	812,715,092	160,000,000	233,527,796	1,065,742,055	8,955,066,440

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EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Selected explanatory notes

as at and for the period ended 30 September 2011

1 Activities of the Bank

1.1 The principal activities of Eastern Bank Limited "the Bank" are to provide a comprehensive range of financial products (loans & deposits) and services; personal and commercial banking; trade services; cash management; treasury, securities and custody services.

1.2 Offshore banking unit (OBU) is a separate business unit of EBL governed under the rules and guidelines of Bangladesh Bank. It gives loans (on and off balance sheet exposures) and takes deposits only in freely convertible foreign currencies to and from non-resident persons /institutions, fully foreign owned EPZ companies etc.

1.3 Subsidiaries of the Bank

Eastern Bank Limited acquired 60% shares of 'LRK Securities Limited' a securities brokerage firm and renamed afterwards as 'EBL Securities Limited' upon getting approval from SEC. 'EBL Investments Limited' a fully owned subsidiary of EBL was incorporated on 30 December 2009 to carry out merchant banking operations. 'EBL Asset Management Limited', another fully owned subsidiary was incorporated on 09 January 2011 to carry out asset management operations. However, subscription money was yet to be paid as on the reporting date.

2 Significant Accounting Policies and bases of preparation

2.1 Statement of compliance

The financial statements of the Group and the Bank as at and for the period ended 30 September 2011 have been prepared under the historical cost convention except investment in govt. securities and Land and in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by the BRPD Circular 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards, the Companies Act 1994, the Securities and Exchange Rules 1987 and other relevant laws and rules applicable in Bangladesh.

2.2 Basis of measurement

The financial statements of the Bank have been prepared on the historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain crediting revaluation reserve but loss charged to P & L.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept.
- Lands are recognised at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 "Property Plant & Equipment."

2.3 Basis of consolidation

Financial statements of the subsidiaries are consolidated with those of the Bank following procedures of Bangladesh Accounting Standard (BAS) 27 'Consolidated and Separate Financial Statements'. All intra-group transactions, balances, income and expenses were eliminated on consolidation.

2.4 Functional and presentation currency

The consolidated financial statements of the Group and the financial statements of the Bank are presented in Taka which is the Group's and the Bank's functional currency except OBU where functional currency is US Dollar (USD). USD figures of OBU have been converted into BDT using conversion rate of USD 1 = BDT 75.2267, standard mid rate of the closing date.

2.5 Use of estimates and judgements

The preparation of the consolidated financial statements of the Group and the financial statements of the Bank in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

2.6 Investments

All investments (other than government treasury securities) are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discount accreted, using the effective or historical yield method. Accounting treatment of government treasury securities (categorized as HFT or/and HTM) is made following Bangladesh Bank BRPD circular letter no 05, dated 26-05-2008 and its subsequent clarifications/amendments.

Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds (HFT)	Cost	Fair value	Loss to profit and loss account, gain to Revaluation Reserve through profit and loss account.
Govt. T-bills/bonds (HTM)	Cost	Amortised cost	Increase or decrease in value to equity.
Debenture/Bond	Face value	None	None
Shares	Cost	Lower of cost or market value	Loss to profit and loss but no unrealized gain booking.
Prize bond	Cost	None	None

2.7 Loans and advances

Loans and advances are stated at gross amount. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instruction contained in BCD Circular no.12 dated 4 September 1995, BRPD circular no. 16 dated 6 December 1998, BRPD circular no. 9 dated 14 May 2001, BRPD circular no.02 dated 15 February 2005, BRPD circular no. 05 dated 27 April 2005 and BRPD Circular No. 32 dated 27 October 2010.

2.8 Fixed assets and depreciation

Fixed assets except land are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". Acquisition cost of an asset comprises the purchase price and any directly attributable cost of bringing the asset to working condition for its intended use. Lands are recognized at cost at the time of acquisition and subsequently at revalued amounts which is the fair value at the time of revaluation done by an independent valuer and any gain on revaluation is shown as equity component.

Depreciation is charged on all fixed assets using straight line method throughout the estimated useful lives as determined as per fixed asset policy of the Bank. Charges commence from the month of acquisition (for full month) and no depreciation is charged for the month when the assets are disposed off.

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

2.9 Revenue Recognition

The revenue during the period has been recognised following the provisions of revenue recognition as prescribed by BAS - 18 "Revenue".

2.10 Earnings per share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 30 September 2011 as per BAS- 33 "Earnings Per Share". Diluted earnings per share was not required to be calculated as there was no dilution possibilities during the period.

A. Weighted average number of shares :

	Jan-Sep'11	Jan-Sep'10	Jul-Sep'11	Jul-Sep'10
Number of shares in 2010 before bonus share issued	-	249,642,000	-	249,642,000
Bonus share issued in 2010	-	42,439,140	-	42,439,140
Number of shares in 2011 before bonus share issued	292,081,140	-	452,725,767	-
Bonus share issued in 2011	160,644,627	160,644,627	-	160,644,627
Weighted average number of shares	452,725,767	452,725,767	452,725,767	452,725,767

B. Earnings Per Share (EPS) :

	Jan-Sep'11	Jan-Sep'10	Jul-Sep'11	Jul-Sep'10
Profit attributable to the shareholders of EBL for the period (after consolidation)	1,622,152,449	1,860,147,123	502,011,705	802,142,647
Profit attributable to the shareholders of EBL for the period (before consolidation)	1,583,960,120	1,836,207,782	488,292,348	790,996,339
Weighted average number of shares	452,725,767	452,725,767	452,725,767	452,725,767
Earnings per share (EPS)-after consolidation	3.58	4.11	1.11	1.77
Earnings per share (EPS)-before consolidation	3.50	4.06	1.08	1.75

2.11 Cash Flow Statement

Cash Flow Statement is prepared in accordance with Bangladesh Accounting Standard (BAS) 7 "Cash Flow Statement" and under the guideline of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the period.

2.12 Statement of Changes in Equity

Statement of changes in Equity is prepared in accordance with Bangladesh Accounting Standard (BAS) 1 "Presentation of Financial Statements" and relevant guidelines of Bangladesh Bank.

2.13 General

- Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- Previous period's figures have been rearranged, where necessary, in order to conform to current period's presentation.