



EASTERN BANK LIMITED AND ITS SUBSIDIARIES Consolidated Balance Sheet (Unaudited) As at 31 March 2014		
	31-03-2014	31-12-2013
	Taka	Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	1,484,499,735	1,752,685,015
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	7,184,772,860	6,428,136,805
	8,669,272,595	8,180,821,820
Balances with other Banks and Financial Institutions		
In Bangladesh	9,319,661,931	8,432,060,955
Outside Bangladesh	381,361,841	2,121,282,542
	9,701,023,775	10,553,343,497
Money at call and short notice		
	-	-
Investments		
Government	18,735,449,761	21,659,579,849
Others	3,795,978,507	4,358,216,416
	22,531,428,268	26,017,796,265
Loans and advances		
Loans, Cash Credits, Overdraft etc.	92,412,678,026	94,617,143,691
Bills discounted and purchased	7,889,431,854	8,713,673,891
	100,302,109,880	103,330,817,582
Fixed assets including land, building, furniture and fixtures		
	6,903,749,876	6,908,244,828
Other assets		
	3,154,521,172	2,980,600,498
Non banking assets		
	191,733,000	191,733,000
	151,453,838,566	158,163,357,490
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	22,309,753,539	14,079,880,398
Deposits and other accounts		
Current deposits & other accounts, etc.	10,718,314,163	9,843,455,920
Savings bank deposits	18,128,162,572	16,923,994,211
Fixed deposits	71,204,991,861	89,479,847,553
Bills payable	780,036,201	789,543,484
Bearer certificates of deposits	-	-
	100,831,504,797	117,036,841,168
Other liabilities	9,968,203,773	8,487,815,290
	133,109,462,109	139,604,536,856
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	6,111,797,850	6,111,797,850
Statutory reserve	5,362,423,625	5,362,423,625
General reserve	130,000,000	130,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve against pre take over loss	581,681,032	581,681,032
Asset revaluation reserve	3,689,495,550	3,689,495,550
Reserve for non banking assets	178,971,165	178,971,165
Reserve for amortization of treasury securities (HTM)	827,635	827,635
Reserve for revaluation of treasury securities (HFT)	348,163,985	59,972,091
Foreign currency translation gain/(loss)	142,709	103,896
Profit & loss account -retained earnings	1,584,832,907	2,087,507,790
	18,344,376,457	18,558,820,634
TOTAL SHAREHOLDERS' EQUITY		
	151,453,838,566	158,163,357,490
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	26,875,802,809	26,827,594,612
Letters of guarantees	11,250,929,382	12,515,097,423
Irrevocable letters of credit	15,641,736,587	15,562,071,032
Bills for collection	4,791,295,889	5,110,318,370
Other liabilities (bad and loss)	-	-
	58,559,764,667	60,015,081,437
Other contingent liabilities		
Value of travelers' cheques on hand	-	-
Value of Bangladesh Sanchaya Patra on hand	479,396,100	495,586,100
	479,396,100	495,586,100
Other commitments		
Lease rental commitments	-	-
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	5,059,089,727	5,706,512,611
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Spot and forward foreign exchange rate contracts	-	-
Other capital commitments	-	-
Other exchange contracts	-	-
Claims against the Bank not acknowledged as debt	5,059,089,727	5,706,512,611
	64,098,250,494	66,217,180,148

Masudul Hoque Sardar
Head of Finance
Dhaka, 08 May 2014

Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED AND ITS SUBSIDIARIES Consolidated Profit & Loss Account (Unaudited) For the first quarter ended 31 March 2014		
	01 January 2014 to 31 March 2014	01 January 2013 to 31 March 2013
	Taka	Taka
Particulars		
Interest Income	3,415,915,276	3,710,096,747
Less: Interest paid on deposits and borrowings	2,405,115,553	2,476,575,585
Net Interest Income	1,010,799,723	1,233,521,162
Income from investments	737,344,690	466,770,706
Fees, commission and brokerage	702,471,493	559,655,068
Other operating income	32,988,498	33,806,254
Total operating income	2,483,604,404	2,293,753,190
Salary & allowances	535,928,667	399,515,634
Rent, taxes, insurance, utilities etc.	115,503,799	115,929,427
Legal & professional expenses	9,645,496	8,757,357
Postage, stamp, telecommunication etc.	14,239,800	15,744,393
Stationery, printing, advertisement, etc.	33,419,277	49,159,116
Managing Director's salary and allowances	3,735,000	3,256,080
Directors' Fees & Expenses	795,868	670,011
Repairs, maintenance and depreciation	84,125,814	103,326,695
Other operating expenses	88,144,422	86,631,649
Total operating expenses	885,538,143	782,990,362
Other non operating income	-	-
Profit before provisions	1,598,066,261	1,510,762,828
Provision for loans and advances	-	-
General provision	(26,178,131)	17,934,912
Specific provision	272,240,184	295,465,701
Provision for diminution of value of shares (net)	(6,351,939)	431,130,170
Total provisions	239,710,114	744,530,783
Profit before tax for the period	1,358,356,147	766,232,045
Provision for tax made for the period	638,671,457	616,916,656
Profit after tax for the period	719,684,690	149,315,389
Earnings per share (EPS)	1.18	0.24
Signatures		
Masudul Hoque Sardar Head of Finance		Ali Reza Iftekhar Managing Director & CEO
Dhaka, 08 May 2014		
EASTERN BANK LIMITED AND ITS SUBSIDIARIES Consolidated Cash Flow Statement (Unaudited) For the first quarter ended 31 March 2014		
	01 January 2014 to 31 March 2014	01 January 2013 to 31 March 2013
	Taka	Taka
A) Cash flows from operating activities		
Interest received	2,712,212,356	3,312,287,448
Interest paid	(2,892,681,201)	(2,269,003,635)
Dividend received	47,126,403	4,029,608
Fees and commission received	702,471,493	559,655,068
Income from investment	690,218,286	423,741,099
Recovery of loans previously written off	4,823,408	9,086,026
Cash paid to employees (including directors)	(540,459,536)	(403,441,725)
Cash paid to suppliers	(256,934,186)	(189,590,292)
Income taxes paid	(603,412,007)	(485,414,522)
Received from other operating activities	32,988,498	33,806,254
Paid for other operating activities	(30,065,415)	(133,546,881)
Operating cash flow before changes in operating assets and liabilities	(133,711,900)	861,608,447
<i>Increase/(decrease) in Operating Assets & Liabilities</i>		
Changes in trading securities	1,341,558,273	(5,626,345,697)
Loans and advances to customers (other than banks)	3,732,410,622	2,542,877,229
Other assets	(173,920,675)	(321,965,127)
Deposits from other Banks	(183,960,429)	4,041,979
Deposits from customers (other than banks)	(15,596,866,569)	(1,000,556,167)
Recovery from/ Payment against BCCI assets	-	28,632,546
Liability for tax	(35,259,451)	(131,502,134)
Liabilities for provision	(244,533,522)	(753,616,809)
Other liabilities	1,543,444,757	2,307,965,799
Net Cash received from operating activities	(9,750,838,893)	(2,088,859,935)
B) Cash flows from investing activities		
Changes in non-trading securities	2,434,797,018	8,326,384,259
Purchase of property, plant and equipment	(54,010,105)	(71,466,936)
Sales proceeds of fixed assets	426,049	-
Acquisition of non controlling interest	-	(7,036,473)
Net cash used in investing activities	2,381,212,962	8,247,880,850
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	8,229,873,141	(6,096,458,419)
Dividend paid (cash dividend)	(1,222,359,570)	(1,222,359,570)
Net cash received from financing activities	7,007,513,571	(7,318,817,989)
D) Net (decrease) / increase in cash (A+B+C)	(362,112,362)	(1,159,797,074)
E) Effects of exchange rate changes on cash and cash equivalents	38,813	(5,122,399)
F) Opening cash and cash-equivalents	18,734,821,269	19,924,110,070
G) Closing cash and cash-equivalents (D+E+F)*	18,374,821,269	18,759,190,597
*Closing cash and cash-equivalents		
Cash in hand (including foreign currencies)	1,484,499,735	1,230,988,546
Balances with Bangladesh Bank and its agent bank (s)	7,184,772,860	7,630,348,318
Balances with other Banks and Financial Institutions	9,701,023,774	9,214,421,533
Money at call and short notice	-	680,000,000
Prize bonds	4,524,900	3,432,200
	18,374,821,269	18,759,190,597

Masudul Hoque Sardar
Head of Finance
Dhaka, 08 May 2014

Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED Balance Sheet (Unaudited) As at 31 March 2014		
	31-03-2014	31-12-2013
	Taka	Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	1,484,453,881	1,752,660,726
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	7,184,772,860	6,428,136,805
	8,669,226,741	8,180,797,531
Balances with other Banks and Financial Institutions		
In Bangladesh	8,829,709,210	8,012,554,438
Outside Bangladesh	762,442,081	2,390,509,831
	9,592,151,291	10,403,064,269
Money at call and short notice		
	-	-
Investments		
Government	18,735,449,761	21,659,579,849
Others	3,624,572,217	4,244,004,844
	22,360,021,978	25,903,584,693
Loans and advances		
Loans, Cash Credits, Overdraft etc.	92,279,099,960	94,941,939,790
Bills discounted and purchased	7,460,143,703	8,148,279,159
	99,739,243,663	102,910,218,949
Fixed assets including land, building, furniture and fixtures	6,893,792,077	6,897,393,729
Other assets	3,635,095,232	3,394,841,686
Non banking assets	191,733,000	191,733,000
	151,081,263,982	157,881,633,857
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	22,309,753,539	14,079,880,398
Deposits and other accounts		
Current deposits & other accounts, etc.	10,765,576,142	9,877,524,621
Bills payable	780,036,201	789,543,484
Savings bank deposits	18,128,162,572	16,923,994,211
Fixed deposits	71,213,107,730	89,510,645,864
Bearer certificates of deposits	-	-
	100,886,882,645	117,101,708,180
Other liabilities	9,685,998,222	8,249,547,103
	132,882,634,406	139,431,135,681
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	6,111,797,850	6,111,797,850
Statutory reserve	5,362,423,625	5,362,423,625
General reserve	130,000,000	130,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve against pre take over loss	581,681,032	581,681,032
Asset revaluation reserve	3,689,495,550	3,689,495,550
Reserve for non banking assets	178,971,165	178,971,165
Reserve for amortization of treasury securities (HTM)	827,635	827,635
Reserve for revaluation of treasury securities (HFT)	348,163,985	59,972,091
Foreign currency translation gain	(1,016,918)	(781,214)
Profit & loss account -retained earnings	1,440,245,564	1,980,070,442
	18,198,629,576	18,450,498,176
TOTAL SHAREHOLDERS' EQUITY		
	151,081,263,982	157,881,633,857
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	26,875,802,809	26,827,594,612
Letters of guarantees	11,250,929,382	12,515,097,423
Irrevocable letters of credit	15,641,736,586	15,562,071,032
Bills for collection	4,791,295,889	5,110,318,370
Other liabilities (bad and loss)	-	-
	58,559,764,667	60,015,081,437
Other contingent liabilities		
Value of travelers' cheques on hand	-	-
Value of Bangladesh Sanchaya Patra on hand	479,396,100	495,586,100
	479,396,100	495,586,100
Other commitments		
Lease rental commitments	-	-
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	5,059,089,727	5,706,512,611
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Spot and forward foreign exchange rate contracts	-	-
Other capital commitments	-	-
Other exchange contracts	-	-
Claims against the Bank not acknowledged as debt	5,059,089,727	5,706,512,611
	64,098,250,494	66,217,180,148

Masudul Hoque Sardar
Head of Finance
Dhaka, 08 May 2014

Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED AND ITS SUBSIDIARIES Consolidated Statement of Changes in Equity (Unaudited) For the first quarter ended 31 March 2014												
Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve against pre take over loss	Asset revaluation reserve	Reserve for non banking assets	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Foreign currency translation gain / (loss)	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 1 January 2014	6,111,797,850	5,362,423,625	130,000,000									



Eastern Bank Ltd.

Quarterly Financial Statements (Unaudited) First Quarter 2014

EASTERN BANK LIMITED Profit & Loss Account (Unaudited) For the first quarter ended 31 March 2014

Particulars	01 January 2014 to 31 March 2014	01 January 2013 to 31 March 2013
	Taka	Taka
Interest Income	3,391,859,861	3,698,067,385
Less: Interest paid on deposits and borrowings	2,405,284,441	2,483,052,647
Net Interest Income	986,575,420	1,215,014,738
Income from investments	728,435,304	466,770,166
Fees, commission and brokerage	672,305,790	550,224,649
Other operating income	32,988,498	33,608,023
Total operating income	2,420,305,012	2,265,617,576
Salary & allowances	526,174,536	395,369,942
Rent, taxes, insurance, utilities etc.	111,938,654	114,256,631
Legal & professional expenses	9,637,996	8,757,357
Postage, stamp, telecommunication etc.	12,740,864	15,740,998
Stationery, printing, advertisement, etc.	33,132,063	49,117,441
Managing Director's salary and allowances	3,735,000	3,256,080
Directors' Fees & Expenses	795,868	661,011
Repairs, maintenance and depreciation	82,770,137	102,199,538
Other operating expenses	84,344,760	84,918,772
Total operating expenses	865,269,878	774,277,770
Other non operating income	-	-
Profit before provisions	1,555,035,133	1,491,339,806
Provision for loans and advances	-	-
General provision	(26,178,131)	17,934,912
Specific provision	272,240,184	295,465,701
	246,062,053	313,400,613
Provision for diminution of value of shares (net)	-	431,130,170
Total provisions	246,062,053	744,530,783
Profit before tax for the period	1,308,973,080	746,809,023
Provision for tax made for the period	626,438,296	609,633,023
Profit after tax for the period	682,534,784	137,176,000
Earnings per share (EPS)	1.12	0.22

Masudul Hoque Sardar
Head of Finance

Ali Reza Iftekhar
Managing Director & CEO

Dhaka, 08 May 2014

EASTERN BANK LIMITED Cash Flow Statement (Unaudited) For the first quarter ended 31 March 2014

Particulars	01 January 2014 to 31 March 2014	01 January 2013 to 31 March 2013
	Taka	Taka
A) Cash flows from operating activities		
Interest received	2,700,454,802	3,300,258,086
Interest paid	(2,890,826,852)	(2,275,480,697)
Dividend received	13,560,014	4,029,608
Fees and commission received	672,305,790	550,224,649
Income from investment	714,875,290	423,740,559
Recovery of loans previously written off	4,823,408	9,086,026
Cash paid to employees (including directors)	(530,705,405)	(399,287,033)
Cash paid to suppliers	(250,219,714)	(187,872,427)
Income taxes paid	(596,741,504)	(482,805,610)
Received from other operating activities	32,988,498	33,608,023
Paid for other operating activities	(27,203,200)	(131,414,982)
Operating cash flow before changes in operating assets and liabilities	(256,688,873)	844,086,202
Increase/(decrease) in Operating Assets & Liabilities		
Changes in trading securities	1,398,752,991	(5,626,345,697)
Loans and advances to customers (other than banks)	3,862,380,345	2,573,237,582
Other assets	(240,253,546)	(343,772,193)
Deposits from other Banks	(183,960,429)	4,041,979
Deposits from customers (other than banks)	(15,608,378,972)	(1,001,247,934)
Recovery from/ Payment against BCCI assets	-	28,632,546
Liability for tax	(29,696,793)	(126,827,413)
Liabilities for provision	(250,885,461)	(753,616,809)
Other liabilities	1,499,507,393	2,304,651,126
Net Cash received from operating activities	(9,709,223,343)	(2,097,160,610)
B) Cash flows from investing activities		
Changes in non-trading securities	2,434,797,018	8,326,384,259
Purchase of property, plant and equipment	(53,539,909)	(71,343,846)
Investment in Subsidiary-EBL Finance (HK) Limited	-	(7,036,473)
Net cash used in investing activities	2,381,257,109	8,248,003,940
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	8,229,873,141	(6,096,458,420)
Dividend paid (cash dividend)	(1,222,359,570)	(1,222,359,570)
Net cash received from financing activities	7,007,513,571	(7,318,817,990)
D) Net (decrease) / increase in cash (A+B+C)	(320,452,663)	(1,167,974,661)
E) Effects of exchange rate changes on cash and cash equivalents	(235,705)	(5,122,399)
F) Opening cash and cash-equivalents	18,586,591,300	19,887,110,087
G) Closing cash and cash-equivalents (D+E+F)*	18,265,902,932	18,714,013,027
*Closing cash and cash-equivalents		
Cash in hand (including foreign currencies)	1,484,453,881	1,230,978,239
Balances with Bangladesh Bank and its agent bank (s)	7,184,772,860	7,630,348,318
Balances with other Banks and Financial Institutions	9,592,151,291	9,169,254,270
Money at call and short notice	-	680,000,000
Prize bonds	4,524,900	3,432,200
	18,265,902,932	18,714,013,027

Masudul Hoque Sardar
Head of Finance

Ali Reza Iftekhar
Managing Director & CEO

Dhaka, 08 May 2014

EASTERN BANK LIMITED AND ITS SUBSIDIARIES Selected explanatory notes as at and for the first quarter ended 31 March 2014

1 Activities of the Bank

1.1 Incorporated in Bangladesh, Eastern Bank Limited ("the Bank") was formed as a public limited company with primary objective to carry out all kind of banking businesses inside and outside Bangladesh. The Bank took over the businesses, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (Overseas) Limited with effect from 16 August 1992 as they stood after reduction or adjustments in accordance with the provisions of the Bank of Credit & Commerce International (Overseas) Limited (Reconstruction) Scheme, 1992. The Bank commenced operations from 16 August 1992 with 4 branches which expanded to 71 branches as on the reporting date. Shares of the Bank is listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The registered office of the Bank is located at Jiban Bima Bhaban, 10 Dilkusha C/A, Dhaka-1000.

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

1.2 Offshore Banking Unit

Off shore Banking Unit (OBU) is a separate business unit of the Bank, governed by the Rules and Guidelines contained in the permission letter no. BRPD(P)744/(89)/2004-303 issued by Bangladesh Bank on 25 January 2004. It gives loans (on and off -balance sheet exposures) and takes deposits only in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned EPZ companies etc. The unit commenced its operation from 19 May 2004 and its office is located at Jiban Bima Bhaban, 10 Dilkusha C/A (1st fl oor), Dhaka.

1.3 Subsidiaries of the Bank

As on the reporting date, the Bank had four fully owned subsidiaries among which financial statements of three of them were consolidated. These are: EBL Securities Ltd, a securities brokerage firm, 'EBL Investments Limited', a merchant bank and 'EBL Finance (HK) Limited', a foreign subsidiary for trade finance & offshore banking business in Hong Kong.

The subscription and commencement of businesses of another fully owned subsidiary i.e. EBL Asset Management Company Ltd. is yet to be completed.

2 Basis of Preparation and Significant Accounting Policies

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Bank as at and for the period ended 31 March 2014 have been prepared under the historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the "First Schedule" (section 38) of the Bank Company Act 1991 (amendment upto 2013), BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh. In case the requirement of provisions and Circulars issued by Bangladesh Bank differ with those of other regulatory authorities and accounting standards, the provisions and Circulars issued by Bangladesh Bank shall prevail.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' are revalued on 'mark to market' basis with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept.
- Land is recognised at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 "Property Plant & Equipment" and BSEC notification SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013.
- Acquired assets and liabilities of subsidiary (EBL Securities Ltd.) are recognized at their acquisition date fair value as per BFRS-3.

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements of the Group and the separate financial statements of the Bank in conformity with BFRSs require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual result may differ from these estimates.

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

Significant accounting policies

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

Certain comparative amounts in these financial statements have been reclassified and rearranged to conform to the current period's presentation.

2.4 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities.

The consolidated financial statements comprise the financial statements of the parent i.e. the Bank and those of its subsidiary companies from the date that when control commences until the date when control ceases. The financial statements of such subsidiaries are incorporated on a line by line basis and the investments held by the Bank is eliminated against the corresponding share capital or equity of subsidiaries in the consolidated financial statements.

Intra-group balances and transactions, and any incomes and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

2.5 Functional and presentation currency

These consolidated financial statements of the Group and the separate financial statements of the Bank are presented in BDT which is the Group's and the Bank's functional currency except OBU & EBL Finance (HK) Ltd. where functional currency is US Dollar (USD) & Hong Kong Dollar (HKD) respectively. All financial information presented in BDT has been rounded to the nearest

integer, except when otherwise indicated.

2.6 Investments

All investments (other than government treasury bills and bonds) 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 and/or HTM) is made following Bangladesh Bank DOS circular letter no 05, dated 26-05-2008 and its subsequent clarifications.

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 & Loss Account, gain to Revaluation Reserve through Profit & Loss Account.
Govt. T-bills/bonds (HTM)	Cost	Amortised cost	Increase or decrease in value to equity.
Debenture/Bond	Face value	None	None
Shares (Quoted) *	Cost	Lower of cost or market value	Loss (net) to Profit & Loss Account but no unrealized gain booking.
Shares (Unquoted) *	Cost	Lower of cost or Net Asset Value (NAV)	Loss (net) to Profit & Loss Account but no unrealized gain booking.
Prize bond	Cost	None	None

* Provision has been made on unrealized loss (gain net off) according to DOS circular no. 4 dated 24 November 2011.

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 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 instructions contained in BRPD Circular no. 14, dated 23 September 2012 and BRPD Circular no. 19, dated 27 December 2012.

2.8 Fixed assets and depreciation

i. 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 measured at revalued amounts which is the fair value at the time of revaluation done by independent valuers and any surplus on revaluation is shown as equity component until the disposal of the asset.

ii. Depreciation is charged on all fixed assets on the basis of estimated useful lives as determined by the management. In all cases depreciation is calculated on the straight line method. Depreciation of the assets is charged from the month of acquisition (for full month) and no depreciation is charged for the month when the assets are disposed.

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

Capital work in-progress/ Building under construction:

Building under construction is recognised under Fixed Assets as per BAS 16- "Property, Plant & Equipment" as **Capital work in-progress** until the construction work is completed and the asset is ready for intended use. Depreciation of the asset will be charged from the date of its intended use.

2.9 Revenue Recognition

The revenue during the period is recognised following all conditions 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 31 March 2014 as per BAS- 33 "Earnings Per Share". Diluted earnings per share was not required to calculate as there were no dilution possibilities during the period.

A Weighted average number of shares :	31-Mar-14	31-Mar-13
Profit after tax for the period (Bank)	682,534,784	137,176,000
Profit after tax for the period (Consolidated)	719,684,690	149,315,389
Weighted average number of shares	611,179,785	611,179,785
Earnings per share (EPS) - (Bank)	1.12	0.22
Earnings per share (EPS) - (Consolidated)	1.18	0.24

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

Reporting Period

The reporting period of these financial statements of the Group and the bank cover from 1 January 2014 to 31 March 2014.

Review of the Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of EBL in its 59 meeting held on 12 May 2014 and was subsequently approved by the Board in its 532 meeting held on the same date.

EASTERN BANK LIMITED Statement of Changes in Equity (Unaudited) For the first quarter ended 31 March 2014

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve against pre take over loss	Asset revaluation reserve	Reserve for non banking assets	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Foreign currency translation gain / (loss)	Retained earnings	Total
Balance as on 1 January 2014	6,111,797,850	5,362,423,625	130,000,000	356,040,000	581,681,032	3,689,495,550	178,971,165	827,635	59,972,091	(781,214)	1,980,070,442	18,450,498,176
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	682,534,784	682,534,784
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	(1,222,359,570)	(1,222,359,570)
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	288,191,894	-	-	-	288,191,894
Currency translation difference	-	-	-	-	-	-	-	-	-	(235,704)	-	(235,704)
Balance as at 31 March 2014	6,111,797,850	5,362,423,625	130,000,000	356,040,000	581,681,032	3,689,495,550	178,971,165	827,635	348,163,985	(1,016,918)	1,440,245,654	18,198,629,576
Balance as at 31 March 2013	6,111,797,850	4,395,274,232	130,000,000	356,040,000	573,332,392	3,689,495,550	204,427,796	98,740	1,930,368	(10,541,242)	526,721,008	15,978,576,694

Masudul Hoque Sardar
Head of Finance

Ali Reza Iftekhar
Managing Director & CEO

Dhaka, 08 May 2014