

creating value for a sustainable future



half yearly
report 2013





Eastern Bank Ltd.

Simple Math™

half yearly
report

2013



THE ASIAN BANKER
EXCELLENCE IN
RETAIL FINANCIAL SERVICES
INTERNATIONAL AWARDS 2013
BEST RETAIL BANK, BANGLADESH



WINNER
Global Awards
for Brand Excellence
Godfrey Phillips Ltd.,
Mumbai, India



WINNER
Best Financial
Institution 2010
Dhaka Daily Star Bangladesh
Business Award



WINNER
Asia's Best
Employer Brand
World HRD Congress
Singapore



29 July 2013

To: The Shareholders of Eastern Bank Limited (EBL)

Sub: Half Yearly Financial Statements (Unaudited) from 01 January 2013 to 30 June 2013.

As per Rule 13 of the Securities and Exchange Rules 1987, we are pleased to present before you the Half Yearly (unaudited) Financial Statements (consolidated and bank only) of Eastern Bank Limited from 01 January 2013 to 30 June 2013.



Safiar Rahman, FCS

SEVP & Company Secretary

REGISTERED & HEAD OFFICE

Jiban Bima Bhaban, 10, Dilkusha Commercial Area, Dhaka-1000, Bangladesh.
Telephone: 880-2-9556360, Fax: 880-2-9562364, 9554610
E-mail: info@ebl-bd.com, Swift: EBLDBDDH, Cable: EASTBANK
Web: www.ebl.com.bd

Contents

Managing Director's Statement	4
Consolidated Balance Sheet	6
Consolidated Profit & Loss Account	8
Consolidated Cash Flow Statement	9
Consolidated Statement of Changes in Equity	10
Balance Sheet	12
Profit & Loss Account	14
Cash Flow Statement	15
Statement of Changes in Equity	16
Notes to the financial statements	17
Annexure - A & A1	33
Credit Rating Report	35
Corporate Directory	36



managing director's statement

“Profit after tax (PAT) of the bank has increased by 16.54% during first half of 2013 to BDT 997.01 million compared to corresponding period of last year contributing to an increase of bank’s EPS to BDT 1.63 from BDT 1.40 during the same period last year.”

A slower growth in several key emerging market economies and a prolonged recession in the Euro zone have continued to put pressure on overall economic growth of our country. But, a 10% plus growth in both exports and remittances in first eleven months and 5% plus negative growth of imports in the first ten months of fiscal year 2012-2013 resulted in a comfortable BoP and FX reserve with an inflation rate largely on track (less than 8%). However, a weaker domestic and global demand coupled with political uncertainties on upcoming general election have slowed down entrepreneurial activities and thus affecting business and financial performance of the banks.

Lower demand for credit from private sector businesses contributed to piling up of a huge amount of liquid assets yielding low or insignificant returns and resulting in lower profitability for banks. Private sector credit growth hit a 5-year low in May 2013 mainly due to sluggish

investment trend, political instability and energy crisis. The growth stood at 11.43% against the central bank’s target of 18.3%. The loan-deposit ratio in the overall banking sector declined to 72% in April 2013 against 85% a year back. The excess liquidity coupled with further erosion of asset quality and continued lackluster performance of the capital market have been affecting the overall profitability and asset quality of the banks. In the face of all these challenges, EBL is consistent in its operating and financial performance including asset quality.

We have made an Operating Profit of BDT 2,936.80 million, registering a growth of 2.66% during the first half (H1) of 2013 compared to corresponding period of last year. Net Interest Income (NII) decreased by 1.04% over that of H1, 2012 mainly due to shifting of excess fund caused by higher growth of deposit than credit from placement to investments. Despite negative growth of NII, total operating income increased by 6.74% due to more than

expected growth of investment income by 30.71% and other operating income by 47.17%. And profit after tax (PAT) of the bank has increased by 16.54% to BDT 997.01 million riding mainly on release of provisions made in Q1, 2013 against loss on revaluation of shares. Half yearly Earnings per Share (EPS) before consolidation, therefore, is BDT 1.63 against BDT 1.40 during the same period last year.

Deposits grew (by 10.34%) faster than the growth of loans (by 2.25%) during the same period which helped us contain our CDR (Credit to Deposit Ratio) within 80% range. Our Non-performing loan (NPL) Ratio rose to 5.63% at the end of H1 (3.17% at year-end 2012) mainly because of weak performance of some of the economic sectors we are exposed to and slower growth of loans. However, we are putting our best efforts to bring down the volume of classified loans to contain our NPL ratio within 4% by the end of 2013. Our Capital Adequacy Ratio has remained consistently above the threshold (10% of RWA) of Minimum Capital Requirement (11.48% as on 31 March 2013).

One of our main pillars of sustainable banking is our commitment to delivering best services to our customers. In recognition of our services and products innovation, we were awarded 'The Best Retail Bank in Bangladesh for 2013' by The Asian Banker. To add to its rich tradition of product innovation, EBL has introduced Air mile Reward Program – EBL SkyMiles for the first time in Bangladesh.

Bundled with a world travel privileges, this card offers customers the freedom to travel at any part of the world any time and earn miles for all their purchases through EBL SkyMiles Credit Card.

Credit Rating of EBL has been reaffirmed "AA" (in the long term) and "ST-2" (in the short term) by CRISL on the bases of 2012 audited financials, relevant qualitative factors and positive outlook of future business and performance. Strong capital adequacy, diversified and quality credit portfolio, diversified earnings stream, better profitability, among others, helped retain our credit rating to AA.

We have been growing with the people of this country for more than two decades. We know our roadmap and understand seasonality of challenges imposed by business and socio-political environment. Being a values driven bank we believe in responsible leadership and strong control and compliance culture. Our commitment to our clients and the strengths that are embedded in our company—our people, strategic alliances, client relationship, innovative products and services and technology—will surely continue to imbue us with the confidence and ability to overcome challenges strewn before us.



Ali Reza Iftekhar
Managing Director & CEO

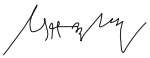
EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheet (Unaudited)

As at 30 June 2013

PROPERTY AND ASSETS	Notes	As at 30 June 2013	As at 31 December 2012
		Taka	Taka
Cash	3		
Cash in hand (including foreign currencies)	3.1	1,151,917,911	1,097,923,927
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	7,033,026,461	9,699,237,183
		8,184,944,372	10,797,161,110
Balances with other Banks and Financial Institutions	4		
In Bangladesh	4.1	6,861,032,804	7,653,914,011
Outside Bangladesh	4.2	391,357,045	1,369,531,149
		7,252,389,849	9,023,445,161
Money at call and short notice	5	860,000,000	100,000,000
Investments	6		
Government	6.1	17,895,933,604	17,789,164,429
Others	6.2	3,752,288,924	3,865,532,147
		21,648,222,529	21,654,696,575
Loans and advances	7		
Loans, Cash Credits, Overdraft etc.	7.1	90,350,666,211	87,537,630,678
Bills discounted and purchased	7.2	8,680,980,127	9,356,540,473
		99,031,646,338	96,894,171,150
Fixed assets including land, building, furniture and fixtures	8	6,054,113,750	5,777,805,402
Other assets	9	3,107,483,630	2,579,426,148
Non banking assets	10	217,733,000	217,733,000
TOTAL ASSETS		146,356,533,469	147,044,438,547
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	11	20,045,646,296	31,158,073,038
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	8,920,150,843	9,806,371,635
Savings bank deposits	12.2	15,387,228,297	14,080,165,001
Fixed deposits	12.3	76,208,521,614	66,659,786,106
Bills payable	12.4	659,637,489	866,317,963
Bearer certificates of deposits		22,250,000	22,250,000
		101,197,788,243	91,434,890,704
Other liabilities	13	8,153,810,457	7,201,928,608
TOTAL LIABILITIES		129,397,244,996	129,794,892,350
SHAREHOLDERS' EQUITY			
Share Capital-Paid up capital	14	6,111,797,850	6,111,797,850
Statutory reserve		4,395,274,232	4,395,274,232
Dividend equalisation reserve	15	356,040,000	356,040,000
Reserve against pre takeover loss		1,554,759,750	1,554,759,750
Pre takeover loss	16	(981,377,876)	(952,794,812)
Asset revaluation reserve		3,689,495,550	3,689,495,550
Reserve for amortization of treasury securities (HTM)		98,740	98,740
Reserve for revaluation of treasury securities (HFT)	17	4,751,780	13,754,631
General reserve		130,000,000	160,000,000
Reserve for non banking assets		204,427,796	204,427,796
Foreign currency translation gain/ (loss)	18	(11,430,930)	(5,418,843)
Profit & loss account -retained earnings	19	1,505,451,582	1,722,111,302
TOTAL SHAREHOLDERS' EQUITY		16,959,288,473	17,249,546,196
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		146,356,533,469	147,044,438,547

	Notes	As at 30 June 2013	As at 31 December 2012
		Taka	Taka
OFF BALANCE SHEET ITEMS			
Contingent liabilities	20		
Acceptance and endorsements	20.1	29,745,102,756	26,450,629,145
Letter of Guarantees	20.2	10,897,600,013	10,054,243,019
Irrevocable Letters of Credit	20.3	15,819,961,088	12,329,127,919
Bills for Collection		5,285,713,888	4,199,088,283
		61,748,377,745	53,033,088,366
Other memorandum items			
Value of travelers' cheques on hand		-	-
Value of Bangladesh Sanchaya Patra on hand		515,436,100	812,479,100
		515,436,100	812,479,100
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		2,953,440,248	11,445,066,858
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		2,953,440,248	11,445,066,858
Claims against the Bank not acknowledged as debt		-	-
TOTAL OFF-BALANCE SHEET ITEMS		65,217,254,093	65,290,634,324



Masudul Hoque Sardar
Head of Finance

Dhaka, 24 July 2013



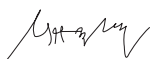
Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Profit & Loss Account (Unaudited)

For the period ended 30 June 2013

Particulars	Notes	01 January 2013 to 30 June 2013	01 January 2012 to 30 June 2012	01 April 2013 to 30 June 2013	01 April 2012 to 30 June 2012
		Taka	Taka	Taka	Taka
Interest Income	21	7,288,447,306	6,625,282,498	3,578,350,559	3,404,069,688
Less: Interest paid on deposits and borrowings	22	4,813,650,099	4,136,015,620	2,337,074,514	2,042,035,311
Net Interest Income		2,474,797,207	2,489,266,878	1,241,276,044	1,362,034,377
Income from investments	23	855,177,937	683,109,867	388,407,231	346,131,637
Commission, exchange and brokerage	24	1,176,326,433	1,109,879,826	616,671,365	570,568,450
Other operating income	25	78,432,880	53,131,473	35,540,600	88,158,942
Total operating income		4,584,734,457	4,335,388,044	2,281,895,241	2,366,893,406
Salary & allowances	26	826,524,551	736,774,127	427,008,917	380,310,725
Rent, taxes, insurance, utilities etc.	27	209,531,157	151,036,803	93,601,730	71,729,394
Legal & professional expenses	28	22,105,018	20,173,288	13,347,661	14,571,076
Postage, stamp, telecommunication etc.	29	52,021,947	44,523,619	36,277,554	36,797,185
Stationery, printing, advertisement, etc.	30	103,715,045	96,648,149	54,555,929	60,167,003
Managing Director's salary and allowances	31	6,512,160	6,105,600	3,256,080	3,052,800
Directors' Fees & Expenses	32	1,687,126	1,453,026	1,017,115	762,442
Auditor's fees		91,347	-	91,347	-
Charges on loan losses		-	-	-	-
Repairs, maintenance and depreciation	33	217,599,895	197,977,237	114,273,200	97,184,285
Other operating expenses	34	211,063,231	178,216,744	124,431,582	104,441,062
Total operating expenses		1,650,851,477	1,432,908,593	867,861,116	769,015,972
Profit before provisions		2,933,882,980	2,902,479,450	1,414,034,126	1,597,877,434
Provision for loans and advances	35				
Specific provision		607,539,418	254,219,822	302,987,691	125,594,608
General provision		44,812,437	169,944,757	26,877,525	166,961,066
Other Provisions	36	2,953,572	413,500,086	(428,176,598)	191,194,197
Total provisions		655,305,427	837,664,665	(98,311,382)	483,749,871
Profit before tax for the period		2,278,577,553	2,064,814,785	1,512,345,507	1,114,127,563
Provision for tax made for the period		1,302,877,704	1,182,108,002	685,961,048	661,690,398
Profit after tax for the period		975,699,849	882,706,783	826,384,459	452,437,165
Earnings per share (EPS)	37	1.60	1.44	1.35	0.74



Masudul Hoque Sardar
Head of Finance

Dhaka, 24 July 2013

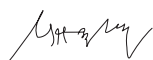


Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Cash Flow Statement (Unaudited)
For the period ended 30 June 2013

	01 January 2013 to 30 June 2013	01 January 2012 to 30 June 2012
	Taka	Taka
A) Cash flows from operating activities		
Interest received	7,082,639,360	6,333,096,460
Interest paid	(5,424,401,967)	(4,312,397,257)
Dividend received	17,484,736	18,534,339
Fees and commission received	1,176,326,433	1,109,879,825
Income from investment	837,693,201	664,575,528
Recovery of loans previously written off	32,339,790	66,511,387
Cash paid to employees (including directors)	(834,723,837)	(744,332,753)
Cash paid to suppliers	(387,373,167)	(312,381,859)
Income taxes paid	(1,188,676,642)	(841,750,624)
Received from other operating activities	46,093,090	53,131,473
Paid for other operating activities	(227,540,924)	(278,896,333)
Operating cash flow before changes in operating assets and liabilities	1,129,860,074	1,755,970,186
Increase/(decrease) in Operating Assets & Liabilities		
Changes in trading securities	(8,140,366,149)	1,927,111,301
Loans and advances to customers	(1,988,833,370)	(4,458,938,724)
Other assets	(528,057,481)	(256,013,690)
Recovery/(payment) from BCCI assets	28,583,064	(165,590,574)
Deposits from other Banks	4,931,580,637	3,892,900
Deposits from customers (other than banks)	5,442,068,769	10,250,584,823
Other liability/tax	(114,201,062)	(340,357,379)
Other liability/provision	(655,305,427)	(904,176,052)
Other liabilities	951,881,848	699,359,307
Foreign currency translation gain/(loss)	(6,012,087)	(15,611,232)
Fair value adjustment	-	91,582,747
Net Cash received from operating activities	1,051,198,815	8,587,813,612
B) Cash flows from investing activities		
Changes in non-trading securities	8,138,031,344	834,356,677
Purchase of property, plant and equipment	(477,529,897)	(314,087,150)
Sales proceeds of fixed assets	8,000	3,658,013
Investment -Others	-	(1,608,409)
Non controlling Interest	-	(150,680,444)
Net cash used in investing activities	7,660,509,447	371,638,686
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	(11,112,426,741)	(4,122,021,912)
Dividend paid (cash dividend)	(1,222,359,570)	-
Net cash received from financing activities	(12,334,786,311)	(4,122,021,912)
D) Net (decrease) / increase in cash (A+B+C)	(3,623,078,049)	4,837,430,385
E) Opening cash and cash-equivalents	19,924,110,070	12,357,018,215
F) Closing cash and cash-equivalents (D+E)*	16,301,032,021	17,194,448,600
*Closing cash and cash-equivalents		
Cash In hand (including foreign currencies)	1,151,917,911	1,186,156,384
Balances with Bangladesh Bank and its agent bank (s)	7,033,026,461	7,013,498,895
Balances with other Banks and Financial Institutions	7,252,389,849	8,831,429,720
Money at call and short notice	860,000,000	160,000,000
Prize bonds	3,697,800	3,363,600
	16,301,032,021	17,194,448,600



Masudul Hoque Sardar
Head of Finance

Dhaka, 24 July 2013



Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2013

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Reserve against pre takeover loss	Pre take over loss	Asset revaluation reserve	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	General reserve	Reserve for non banking assets	Foreign exchange translation gain/(loss)	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 1 January 2013	6,111,797,850	4,395,274,232	356,040,000	1,554,759,750	(952,794,812)	3,689,495,550	98,740	13,754,631	160,000,000	204,427,796	(5,418,843)	1,722,111,302	17,249,546,196
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	-	-	975,699,849
Transfer to retained earnings from general reserve	-	-	-	-	-	-	-	-	(30,000,000)	-	-	30,000,000	-
Dividend paid in cash	-	-	-	-	-	-	-	-	-	-	-	(1,222,359,570)	(1,222,359,570)
Adjustment of revaluation of HFT securities	-	-	-	-	-	-	-	(9,002,851)	-	-	-	-	(9,002,851)
Recovery of pre-takeover loss	-	-	-	-	(28,583,064)	-	-	-	-	-	-	-	(28,583,064)
Currency translation difference	-	-	-	-	-	-	-	-	-	-	(6,012,087)	-	(6,012,087)
Balance as at 30 June 2013	6,111,797,850	4,395,274,232	356,040,000	1,554,759,750	(981,377,876)	3,689,495,550	98,740	4,751,780	130,000,000	204,427,796	(11,430,930)	1,505,451,582	16,959,288,473
Balance as at 30 June 2012	6,111,797,850	3,551,351,414	356,040,000	1,554,759,750	(952,794,812)	2,651,941,750	-	-	160,000,000	233,527,796	(538,201)	1,159,486,893	14,825,572,440

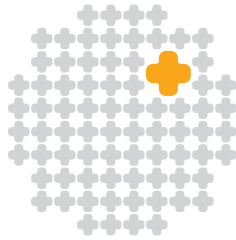


Masudul Hoque Sardar
Head of Finance

Dhaka, 24 July 2013



Ali Reza Iftekhar
Managing Director & CEO



our brand value proposition

Sustainability

Setting Standards
Mobilizing Capital

Innovation

Embracing changes
Devising Solutions

Impact

Promoting Green Banking
Creating Lasting Value

Commitment

Initiating Co-Creation
Building Social Capital

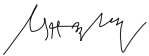
EASTERN BANK LIMITED

Balance Sheet (Unaudited)

As at 30 June 2013

PROPERTY AND ASSETS	Notes	As at 30 June 2013	As at 31 December 2012
		Taka	Taka
Cash	3		
Cash in hand (including foreign currencies)	3.1	1,151,890,924	1,097,919,688
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	7,033,026,461	9,699,237,183
		8,184,917,385	10,797,156,871
Balances with other Banks and Financial Institutions	4		
In Bangladesh	4.1	6,555,638,168	7,616,918,267
Outside Bangladesh	4.2	391,658,950	1,369,531,149
		6,947,297,118	8,986,449,417
Money at call and short notice	5	860,000,000	100,000,000
Investments	6		
Government	6.1	17,895,933,604	17,789,164,429
Others	6.2	3,694,763,447	3,865,510,224
		21,590,697,052	21,654,674,652
Loans and advances	7		
Loans, Cash Credits, Overdraft etc.	7.1	90,213,105,723	87,363,196,058
Bills discounted and purchased	7.2	8,679,526,628	9,356,540,473
		98,892,632,351	96,719,736,531
Fixed assets including land, building, furniture and fixtures	8	6,043,292,874	5,768,259,820
Other assets	9	3,470,284,585	2,904,324,025
Non banking assets	10	217,733,000	217,733,000
TOTAL ASSETS		146,206,854,367	147,148,334,316
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	11	20,045,646,296	31,158,073,038
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	8,920,150,843	9,806,371,635
Savings bank deposits	12.2	15,387,228,297	14,080,165,001
Fixed deposits	12.3	76,280,453,779	67,005,863,858
Bills payable	12.4	659,637,489	866,317,963
Bearer certificates of deposits		22,250,000	22,250,000
		101,269,720,408	91,780,968,457
Other liabilities	13	8,050,604,604	7,099,953,349
TOTAL LIABILITIES		129,365,971,308	130,038,994,844
SHAREHOLDERS' EQUITY			
Share Capital-Paid up capital	14	6,111,797,850	6,111,797,850
Statutory reserve		4,395,274,232	4,395,274,232
Dividend equalisation reserve	15	356,040,000	356,040,000
Reserve against pre takeover loss		1,554,759,750	1,554,759,750
Pre takeover loss	16	(981,377,876)	(952,794,812)
Asset revaluation reserve		3,689,495,550	3,689,495,550
Reserve for amortization of treasury securities (HTM)		98,740	98,740
Reserve for revaluation of treasury securities (HFT)	17	4,751,780	13,754,631
General reserve		130,000,000	160,000,000
Reserve for non banking assets		204,427,796	204,427,796
Foreign currency translation gain/ (loss)	18	(10,939,251)	(5,418,843)
Profit & loss account -retained earnings	19	1,386,554,489	1,581,904,578
TOTAL SHAREHOLDERS' EQUITY		16,840,883,059	17,109,339,473
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		146,206,854,367	147,148,334,316

	Notes	As at 30 June 2013 Taka	As at 31 December 2012 Taka
OFF BALANCE SHEET ITEMS			
Contingent liabilities	20		
Acceptance and endorsements	20.1	29,745,102,756	26,450,629,145
Letter of Guarantees	20.2	10,897,600,013	10,054,243,019
Irrevocable Letters of Credit	20.3	15,819,961,088	12,329,127,919
Bills for Collection		5,285,713,888	4,199,088,283
		61,748,377,745	53,033,088,366
Other memorandum items			
Value of travelers' cheques on hand		-	-
Value of Bangladesh Sanchaya Patra on hand		515,436,100	812,479,100
		515,436,100	812,479,100
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		2,953,440,248	11,445,066,858
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		2,953,440,248	11,445,066,858
Claims against the Bank not acknowledged as debt		-	-
TOTAL OFF-BALANCE SHEET ITEMS		65,217,254,093	65,290,634,324



Masudul Hoque Sardar
Head of Finance

Dhaka, 24 July 2013



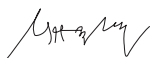
Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED

Profit & Loss Account (Unaudited)

For the period ended 30 June 2013

Particulars	Notes	01 January 2013 to 30 June 2013	01 January 2012 to 30 June 2012	01 April 2013 to 30 June 2013	01 April 2012 to 30 June 2012
		Taka	Taka	Taka	Taka
Interest Income	21	7,258,855,644	6,608,355,753	3,560,788,259	3,401,396,198
Less: Interest paid on deposits and borrowings	22	4,824,528,101	4,148,390,931	2,341,475,454	2,054,410,622
Net Interest Income		2,434,327,543	2,459,964,823	1,219,312,805	1,346,985,576
Income from investments	23	892,953,443	683,173,179	426,183,277	346,131,637
Commission, exchange and brokerage	24	1,154,006,787	1,075,201,633	603,782,138	550,390,836
Other operating income	25	78,053,815	53,036,673	35,359,766	88,096,642
Total operating income		4,559,341,588	4,271,376,307	2,284,637,986	2,331,604,692
Salary & allowances	26	815,517,200	728,316,752	420,147,258	375,937,391
Rent, taxes, insurance, utilities etc.	27	201,425,803	146,069,906	87,169,172	68,184,909
Legal & professional expenses	28	22,102,518	19,883,948	13,345,161	14,309,826
Postage, stamp, telecommunication etc.	29	51,387,716	44,523,619	35,646,718	36,797,185
Stationery, printing, advertisement, etc.	30	103,271,284	96,545,547	54,153,843	60,246,885
Managing Director's salary and allowances	31	6,512,160	6,105,600	3,256,080	3,052,800
Directors' Fees & Expenses	32	1,658,926	1,432,026	997,915	750,442
Auditor's fees		-	-	-	-
Charges on loan losses		-	-	-	-
Repairs, maintenance and depreciation	33	214,211,970	195,970,752	112,012,432	96,502,759
Other operating expenses	34	206,450,240	171,864,490	121,531,468	100,609,472
Total operating expenses		1,622,537,816	1,410,712,640	848,260,046	756,391,669
Profit before provisions		2,936,803,771	2,860,663,667	1,436,377,939	1,575,213,023
Provision for loans and advances	35				
Specific provision		607,539,418	254,219,822	302,987,691	125,594,608
General provision		44,812,437	169,944,757	26,877,525	166,961,066
Other Provisions	36	-	413,500,086	(431,130,170)	191,194,197
Total provisions		652,351,855	837,664,665	(101,264,954)	483,749,871
Profit before tax for the period		2,284,451,916	2,022,999,002	1,537,642,893	1,091,463,152
Provision for tax made for the period		1,287,442,436	1,167,482,791	677,809,413	654,663,326
Profit after tax for the period		997,009,480	855,516,211	859,833,480	436,799,826
Earnings per share (EPS)	37	1.63	1.40	1.41	0.71



Masudul Hoque Sardar
Head of Finance

Dhaka, 24 July 2013

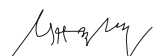


Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED

Cash Flow Statement (Unaudited)
For the period ended 30 June 2013

	01 January 2013 to 30 June 2013	01 January 2012 to 30 June 2012
	Taka	Taka
A) Cash flows from operating activities		
Interest received	7,053,047,698	6,316,169,715
Interest paid	(5,435,279,969)	(4,324,772,568)
Dividend received	17,413,915	18,534,339
Fees and commission received	1,154,006,787	1,075,201,633
Income from investment	875,539,528	664,638,840
Recovery of loans previously written off	32,339,790	66,511,387
Cash paid to employees (including directors)	(823,688,286)	(735,854,378)
Cash paid to suppliers	(378,187,320)	(307,023,020)
Income taxes paid	(1,166,680,661)	(839,357,543)
Received from other operating activities	78,053,815	53,036,673
Paid for other operating activities	(221,444,311)	(271,991,198)
Operating cash flow before changes in operating assets and liabilities	1,185,120,985	1,715,093,879
Increase/(decrease) in Operating Assets & Liabilities		
Changes in trading securities	(8,082,862,595)	1,926,796,501
Loans and advances to customers	(2,024,254,003)	(4,376,021,739)
Other assets	(461,966,707)	(5,437,429)
Recovery from BCCI assets	28,583,064	(165,590,574)
Deposits from other Banks	4,931,580,637	3,892,900
Deposits from customers (other than banks)	5,167,923,182	10,257,980,401
Other liability/tax	(120,761,775)	(328,125,249)
Other liability/provision	(684,691,645)	(904,176,052)
Other liabilities	950,651,255	732,892,652
Foreign currency translation gain /(loss)	(5,520,408)	(15,611,232)
Net Cash received from operating activities	883,801,989	8,841,694,057
B) Cash flows from investing activities		
Changes in non-trading securities	8,138,031,344	834,356,677
Purchase of property, plant and equipment	(474,258,953)	(314,008,839)
Sales proceeds of fixed assets	8,000	3,658,013
Investment in Subsidiary-EBL Securities Limited	(100,000,000)	(263,900,000)
Investment in Subsidiary-EBL Finance (HK) Limited	(3,993,853)	(1,608,409)
Net cash used in investing activities	7,559,786,539	258,497,441
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	(11,112,426,742)	(4,122,021,912)
Dividend paid (cash dividend)	(1,222,359,570)	-
Received from issue of right share	-	-
Net cash received from financing activities	(12,334,786,312)	(4,122,021,912)
D) Net (decrease) / increase in cash (A+B+C)	(3,891,197,783)	4,978,169,586
E) Opening cash and cash-equivalents	19,887,110,087	12,206,182,906
F) Closing cash and cash-equivalents (D+E)*	15,995,912,304	17,184,352,492
*Closing cash and cash-equivalents		
Cash In hand (including foreign currencies)	1,151,890,924	1,186,149,748
Balances with Bangladesh Bank and its agent bank (s)	7,033,026,461	7,013,498,895
Balances with other Banks and Financial Institutions	6,947,297,118	8,821,340,249
Money at call and short notice	860,000,000	160,000,000
Prize bonds	3,697,800	3,363,600
	15,995,912,304	17,184,352,492



Masudul Hoque Sardar
Head of Finance

Dhaka, 24 July 2013

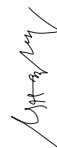


Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED

Statement of Changes in Equity (Unaudited)
For the period ended June 30, 2013

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Reserve against pre takeover loss	Pre take over loss	Asset revaluation reserve	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	General reserve	Reserve for non banking assets	Foreign exchange translation gain/(loss)	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance on 1 January 2013	6,111,797,850	4,395,274,232	356,040,000	1,554,759,750	(952,794,812)	3,689,495,550	98,740	13,754,631	160,000,000	204,427,796	(5,418,843)	1,581,904,578	17,109,339,472
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	-	997,009,480	997,009,480
Transfer to retained earnings from general reserve	-	-	-	-	-	-	-	-	(30,000,000)	-	-	30,000,000	-
Dividend paid in cash	-	-	-	-	-	-	-	-	-	-	-	(1,222,359,570)	(1,222,359,570)
Adjustment of revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	(9,002,851)	-	-	-	-	(9,002,851)
Recovery of pre-takeover loss	-	-	-	-	(28,583,064)	-	-	-	-	-	-	-	(28,583,064)
Currency translation difference	-	-	-	-	-	-	-	-	-	-	(5,520,408)	-	(5,520,408)
Balance as at 30 June 2013	6,111,797,850	4,395,274,232	356,040,000	1,554,759,750	(981,377,876)	3,689,495,550	98,740	4,751,780	130,000,000	204,427,796	(10,939,251)	1,386,554,489	16,840,883,059
Balance as at 30 June 2012	6,111,797,858	3,551,351,414	356,040,000	1,554,759,750	(952,794,812)	2,651,941,750	-	-	160,000,000	233,527,796	(538,201)	1,006,242,897	14,672,328,452



Masudul Hoque Sardar
Head of Finance

Dhaka, 24 July 2013



Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited and its subsidiaries

Notes to the Financial Statements

as at and for the period ended 30 June 2013

1 The Bank and its activities

- 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 (hereinafter called BCCI) 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 and on the reporting date it had 67 branches all over Bangladesh. 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 and deposits) and services, personal and commercial banking, trade services, cash management, treasury, securities and custodial services.

1.2 Offshore banking unit

Offshore Banking Unit (OBU) is a separate business unit of Eastern Bank Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained permission for OBU operations vide Bangladesh Bank's letter no. BRPD(P)744/(89)/2004-303 dated 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 floor), Dhaka.

1.3 Subsidiaries of the Bank

As on the reporting date, Eastern Bank Limited 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 (License obtained during the period) 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

Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group and the financial statements of the Bank as at and for the period ended 30 June 2013 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 Companies Act 1991, as amended by the 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."
- Acquired assets and liabilities of subsidiary (EBL Securities Ltd.) are recognized at their acquisition date fair value as per BFRS-3.

2.3 Functional and presentation currency

These consolidated financial statements of the Group and the 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.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements of the Group and the financial statements of the Bank in conformity with BFRSs require 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 recognised in the period in which the estimate is revised and in any future period affected.

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.

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

2.5 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 incorporate the financial statements of Eastern Bank Limited and the financial statements of subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.
- The financial statements are consolidated with those of the Bank following Bangladesh Accounting Standards (BAS) 27 & Bangladesh Financial Reporting Standards (BFRS) 3. Intra-group balances and transactions, and any income and expenses arising from intra-group transactions are eliminated while preparing the consolidated financial statements.

2.6 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into respective functional currencies (BDT for Main Operations, USD for OBU and HKD for Hong Kong subsidiary) at the standard mid rate of exchange ruling at the date of transactions as per BAS 21 "The Effects of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currencies at standard mid rate of exchange prevailing on that date. Foreign exchange differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) of the Bank's monetary items are recorded in the Profit and Loss Account.

Foreign currency Translations

Assets and liabilities of foreign currency are reported into presentation currency using period end standard mid rate of exchange as per BAS 21 "The Effects of changes in Foreign Exchange Rates". Incomes and expenses are translated using monthly average rate of standard mid rate of exchange. The cumulative difference of the exchange is reported under equity as foreign exchange gain/(loss).

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with Bangladesh Accounting Standard (BAS) 7 "Statement of Cash Flows" 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.

2.8 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

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

2.9 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand and ATM, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and on short notice and prize bond.

2.10 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 accredited, using the effective or historical yield method. Accounting treatment of government treasury securities (categorized as HFT and/or HTM) is given following Bangladesh Bank BRPD Circular no. 05 dated 26 May 2008 and subsequent clarifications.

Held to Maturity (HTM)

Investments which are intended to be held to maturity are classified as “Held to Maturity”. These are measured at amortised cost each year by taking into account any discount or premium on acquisition. Any increase or decrease in value of such investments is booked to equity.

Held for Trading (HFT)

Investments primarily held for selling or trading are classified in this category. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognised in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.

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 Account but no unrealised 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.

REPO and Reverse REPO

Since 1 September 2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. In case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts 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.

2.11 Loans, advances and provisions

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 instructions contained in BRPD Circular no. 14, dated 23 September 2012, BRPD Circular no. 19, dated 27 December 2012 and BRPD Circular no. 05, dated 29 May 2013:

Heads	Rates
General provision on unclassified (Standard or SMA) loans & advances and off-balance sheet exposures:	
General loans and advances	1%
Small and medium enterprise financing	0.25%
Loans to BHs/MBs/SDs against Shares etc.	2%
Loans for housing finance and loans for professionals	2%
Consumer financing other than housing financing and loans for professionals	5%
Short term agri credit and micro credit	5%
Off-balance sheet exposure	1%
Specific provision on:	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/loss loans and advances	100%
Substandard short term agri credit and micro credit	5%
Doubtful short term agri credit and micro credit	5%

2.12 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. Land is recognised 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 valuer and any surplus on revaluation is shown under equity until the disposal of the asset.
- ii. Depreciation is charged at the rates stated below 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. Depreciation rates used for each type of fixed assets are as follows:

Particulars of fixed assets	Rate of depreciation/ amortisation p.a.	Estimated useful lives (Years)
Buildings	2.50%	40
Furniture and Fixtures	10.00%	10
Machineries and equipment	20.00%	5
Computers	33.33%	3
Stabilisers and UPS	33.33%	3
Vehicles	20.00%	5
Software	20.00%	5

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

2.13 Intangible Assets:

Intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognised if it is probable that the 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 BAS 38: "Intangible Assets". Subsequent expenditure on intangible asset is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. Software is amortised using the straight line method over the estimated useful life of 5 (five) years commencing from the month when the application software is made available for use.

2.14 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest bearing/ non-interest bearing borrowings.

2.15 Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing savings deposits, special notice deposits and fixed deposits.

2.16 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable, interest suspense and accrued expenses.

2.17 Revenue recognition

Revenue during the period has been recognised following Bangladesh Accounting Standards (BAS) 18 "Revenue Recognition".

2.17.1 Interest income

Interest on unclassified loans and advances have been accounted for as income on accrual basis, interest on classified loans and advances have been credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction of Bangladesh Bank.

2.17.2 Fees and commission income

Fees and commission income arises on services provided by the Bank and recognised as and when received. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.17.3 Dividend income

Dividend income from investments is recognised at the time when it is declared, ascertained and right to receive the payment is established.

2.17.4 Investment Income

Interest income on investments in Government and other securities, debentures and bonds is accounted for on accrual basis.

2.18 Interest paid on borrowings and deposits

Interest paid on borrowings and deposits are calculated on 360 days (except for some treasury instruments which are calculated on 364 days basis) in a year and recognised on accrual basis.

2.19 Management and other expenses

Expenses incurred by the Bank are recognised on actual and accrual basis.

2.20 Taxes

a. Current tax

Provision for current income tax has been made on total income of the Bank at the prevailing rate @ 42.5% (0% on gain of govt securities, 10% on capital gains & 20 % on dividend income) as prescribed in Income Tax Ordinance 1984 and recent Finance Act 2013.

b. Deferred tax

Deferred tax is calculated on taxable/deductible temporary differences between tax base amount and carrying amount of assets and liabilities as required by Bangladesh Accounting Standard (BAS) 12 "Income Taxes" and BRPD Circular no. 11 dated 12 December 2011.

2.21 Retirement benefits

The retirement benefits accrued for the employees of the Bank during the reporting period have been accounted for in accordance with the provisions of BAS 19 "Employee Benefits". The retirement benefit schemes operated by the Bank are outlined below:

a) Gratuity

- i) The Bank operates a funded gratuity scheme approved by the National Board of Revenue with effect from 1 January 1997. The Gratuity Fund has been managed separately from those of EBL by "EBL Employees Gratuity Fund Trust" and any investment decision out of this fund is also made by this Trust. The benefit is paid to the eligible employees i.e. who have completed minimum 7 (seven) years of continuous service at the time of separation from the Bank. As per policy of the Bank, eligible employees are provided with the benefit equal to the latest monthly basic salary multiplied by varied rates as per service length.
- ii) Provision for gratuity is made monthly on the basis of actuarial valuation made once in three years, or immediately after any major change in the salary structure that could impact provisions. Last actuarial valuation was done based on information of September 2012. As per this valuation, from 1 October 2012 a contribution of 17.20% of basic payroll is contributed to the fund by the Bank each year until the next actuarial review is carried out.

b) Provident fund

The Bank operates a contributory provident fund for its permanent employees funded by both the employees and the Bank equally; employees contribute 10% of basic salary and the Bank contributes an equal amount. This fund is managed by a separate trustee board of "EBL Employees Provident Fund Trust" and any investment decision out of this fund is made separately from those of the Bank. This fund has received approval from the National Board of Revenue on 31 July 1997.

c) Superannuation fund

The Bank operates a superannuation fund approved by the National Board of Revenue with effect from 20 November 1999 and governed by the trust deed of "EBL Employees Superannuation Fund Trust". As per the trust deed, benefit is payable to the employees of the Bank as per their ranks, grades and length of service with the Bank. The Bank conducted an actuarial valuation of the fund on September 2012. The actuary recommended a contribution of Tk. 73,450,000 to the fund to offset the past service liability. In addition, 1% of total admissible benefit is being contributed into the fund until the next actuarial valuation.

d) Workers profit participation fund (WPPF)

As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies falling within the scope of WPPF are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank was not required to make provision for WPPF as Bank was not within the scope of WPPF. As such the Bank did not make any provision during the period for WPPF.

2.22 Provision and accrued expenses

In compliance with BAS-37, provisions 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.

2.23 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off balance sheet items. As per BRPD Circular no.14, dated 23 September 2012, the bank is required to maintain provision @ 1% against certain off-balance sheet exposures.

2.24 Provision for nostro accounts

The Bank maintains provision for nostro accounts in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005.

2.25 Earnings per share

The bank presents basic earnings per share (EPS) data for its ordinary share and no Diluted EPS was required to calculate as there were not dilution possibilities during the period. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the bank by the weighted average number of ordinary shares outstanding during the period.

**2.26 General
Reporting Period**

The reporting period of these financial statements of the Group and the Bank cover from 1 January 2013 to 30 June 2013.

Review of the Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of EBL in its 49th meeting held on 25 July 2013 and was subsequently approved by the Board in its 514th meeting held on the same date.

Note	Consolidated		Bank	
	30-Jun-13	31-Dec-12	30-Jun-13	31-Dec-12
	Taka	Taka	Taka	Taka
3 Cash				
Cash in hand (including foreign currencies)	3.1 1,151,917,911	1,097,923,927	1,151,890,924	1,097,919,688
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	3.2 7,033,026,461	9,699,237,183	7,033,026,461	9,699,237,183
	8,184,944,372	10,797,161,110	8,184,917,385	10,797,156,871
3.1 Cash in hand (including foreign currencies)				
Local currency	1,134,173,605	1,049,473,290	1,134,146,618	1,049,469,051
Foreign currencies	17,744,306	48,450,636	17,744,306	48,450,636
	1,151,917,911	1,097,923,927	1,151,890,924	1,097,919,688
3.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)				
Bangladesh Bank				
Local currency	5,645,377,458	5,277,706,872	5,645,377,458	5,277,706,872
Foreign currencies	1,122,162,378	4,159,306,976	1,122,162,378	4,159,306,976
	6,767,539,836	9,437,013,849	6,767,539,836	9,437,013,849
Sonali Bank (as an agent of Bangladesh Bank)- local currency	265,486,625	262,223,334	265,486,625	262,223,334
	7,033,026,461	9,699,237,183	7,033,026,461	9,699,237,183
4 Balances with other banks and financial institutions				
Balance in Bangladesh	4.1 6,861,032,804	7,653,914,011	6,555,638,168	7,616,918,267
Balance outside Bangladesh	4.2 391,357,045	1,369,531,149	391,658,950	1,369,531,149
	7,252,389,849	9,023,445,161	6,947,297,118	8,986,449,417
4.1 Balance in Bangladesh				
In Current Accounts	171,379,797	171,761,324	100,985,161	134,765,580
In Special Notice Deposit Accounts	72,254,191	134,404,187	72,254,191	134,404,187
In Fixed Deposit Accounts	6,617,398,816	7,347,748,500	6,382,398,816	7,347,748,500
	6,861,032,804	7,653,914,011	6,555,638,168	7,616,918,267
4.2 Balance outside Bangladesh				
In Deposit account (non-interest bearing)	391,357,045	1,258,842,862	387,771,435	1,258,842,862
In Term Placement	-	110,688,287	3,887,515	110,688,287
	391,357,045	1,369,531,149	391,658,950	1,369,531,149
5 Money at call and short notice				
With Banking Companies				
Premier Bank Limited	150,000,000	-	150,000,000	-
Commercial Bank of Ceylon	180,000,000	-	180,000,000	-
	330,000,000	-	330,000,000	-
With Non Banking Financial Institutions				
DBH Finance Corporation	50,000,000	-	50,000,000	-
Bangladesh Industrial Finance Co.Ltd.	-	100,000,000	-	100,000,000
Far East Finance and Investment Limited	150,000,000	-	150,000,000	-
Industrial Promotion and Development Co.of BD.Ltd (IPDC)	80,000,000	-	80,000,000	-
Bay Leasing & Investment Limited	100,000,000	-	100,000,000	-
Lanka Bangla Finance Limited	150,000,000	-	150,000,000	-
	530,000,000	100,000,000	530,000,000	100,000,000
	860,000,000	100,000,000	860,000,000	100,000,000

Note	Consolidated		Bank	
	30-Jun-13	31-Dec-12	30-Jun-13	31-Dec-12
	Taka	Taka	Taka	Taka
6 Investments				
Government	17,895,933,604	17,789,164,429	17,895,933,604	17,789,164,429
Others	3,752,288,924	3,865,532,147	3,694,763,447	3,865,510,224
	21,648,222,529	21,654,696,575	21,590,697,052	21,654,674,652
6.1 Government (Investment in Govt. securities)				
Treasury bills	6,763,049,179	8,661,553,310	6,763,049,179	8,661,553,310
Treasury Bonds	11,129,186,626	9,124,107,319	11,129,186,626	9,124,107,319
Prize Bonds	3,697,800	3,503,800	3,697,800	3,503,800
	17,895,933,604	17,789,164,429	17,895,933,604	17,789,164,429
6.1.1 Treasury Bills				
91 Days GT Bills	850,539,502	8,113,377,269	850,539,502	8,113,377,269
182 Days GT Bills	4,600,062,003	342,123,974	4,600,062,003	342,123,974
364 Days GT Bills	1,312,447,673	206,052,067	1,312,447,673	206,052,067
	6,763,049,179	8,661,553,310	6,763,049,179	8,661,553,310
6.1.2 Treasury Bonds				
2 Years Treasury bonds	38,972,666	-	38,972,666	-
5 Years Treasury bonds	4,890,618,914	4,223,702,032	4,890,618,914	4,223,702,032
10 Years Treasury bonds	5,959,463,819	4,730,856,392	5,959,463,819	4,730,856,392
15 Years Treasury bonds	119,166,212	93,069,675	119,166,212	93,069,675
20 Years Treasury bonds	120,965,014	76,479,220	120,965,014	76,479,220
	11,129,186,626	9,124,107,319	11,129,186,626	9,124,107,319
6.2 Others (Investment in other securities)				
Debentures	32,000,000	37,000,000	32,000,000	37,000,000
Corporate bond	220,000,000	280,000,000	220,000,000	280,000,000
Ordinary Shares (Quoted and Unquoted)	3,500,288,924	3,548,532,147	3,442,763,447	3,548,510,224
	3,752,288,924	3,865,532,147	3,694,763,447	3,865,510,224
7 Loans and advances				
Loans, cash credits, overdrafts, etc.	90,350,666,211	87,537,630,678	90,213,105,723	87,363,196,058
Bills purchased and discounted	8,680,980,127	9,356,540,473	8,679,526,628	9,356,540,473
	99,031,646,338	96,894,171,150	98,892,632,351	96,719,736,531
7.1 Loans, cash credits, overdrafts etc.				
Inside Bangladesh				
Loans - general	81,349,559,293	71,890,919,875	81,349,559,293	71,890,919,875
Cash credit	162,865,966	274,168,567	162,865,966	274,168,567
Overdraft	8,838,240,951	15,372,542,236	8,700,680,463	15,198,107,617
Outside Bangladesh				
Loans, cash credits, overdrafts etc.	-	-	-	-
	90,350,666,211	87,537,630,678	90,213,105,723	87,363,196,058
7.2 Bills purchased and discounted				
Inside Bangladesh				
Local bills /documents	8,573,722,623	9,264,184,670	8,573,722,623	9,264,184,670
Foreign bills /documents	105,804,005	92,355,802	105,804,005	92,355,802
Outside Bangladesh				
Loans, cash credits, overdrafts etc.	1,453,499	-	-	-
	8,680,980,127	9,356,540,473	8,679,526,628	9,356,540,473

Note	Consolidated		Bank	
	30-Jun-13	31-Dec-12	30-Jun-13	31-Dec-12
	Taka	Taka	Taka	Taka

7.a Classified, unclassified, doubtful and bad loans & advances

Unclassified

Standard (Including Staff Loan)	92,240,682,747	93,180,467,881	92,101,668,760	93,006,033,261
Special Mention Accounts (SMA)	1,222,699,369	642,928,794	1,222,699,369	642,928,794
	93,463,382,116	93,823,396,675	93,324,368,128	93,648,962,055
Sub-standard	1,995,354,401	263,721,106	1,995,354,401	263,721,106
Doubtful	433,482,786	593,082,222	433,482,786	593,082,222
Bad/Loss	3,139,427,035	2,213,971,147	3,139,427,035	2,213,971,147
Classified	5,568,264,222	3,070,774,476	5,568,264,222	3,070,774,476
	99,031,646,338	96,894,171,151	98,892,632,350	96,719,736,531

8 Fixed assets including land, building, furniture and fixtures

Cost

Freehold Land and Land Development	4,642,904,338	4,636,946,781	4,642,904,338	4,636,946,781
Buildings on Freehold land	730,841,590	462,801,908	730,841,590	462,801,908
Machinery and Equipment	526,985,052	484,137,953	522,026,277	479,640,206
Computer and Network Equipments	361,132,654	327,100,189	357,741,305	323,986,704
Furniture and fixtures	330,176,883	309,541,096	322,088,755	303,253,667
Vehicles	106,663,621	106,586,251	105,321,316	105,243,946
Leased Assets (Finance Lease)	90,084,859	90,084,859	90,084,859	90,084,859
Software	219,536,211	200,453,714	216,929,231	198,441,734
Total Cost	7,008,325,208	6,617,652,752	6,987,937,671	6,600,399,806
Accumulated depreciation	(954,211,458)	(839,847,350)	(944,644,797)	(832,139,986)
Written Down Value	6,054,113,750	5,777,805,402	6,043,292,874	5,768,259,820

Detail of these are in Annexure-A & A1.

9 Other assets

Income generating

Investment in subsidiary-EBL Securities Limited	-	-	867,400,000	767,400,000
Investment in subsidiary-EBL Investments Limited	-	-	299,999,900	299,999,900
Investment in subsidiary-EBL Finance (HK) Limited	-	7,240,655	11,234,508	7,240,655
DSE Membership fees	553,800,000	553,800,000	-	-
CSE Membership fees	201,500,000	201,500,000	-	-

Non- Income generating

Receivable from EBL Securities Limited	-	-	6,146,268	47,097,400
Receivable from EBL Finance (HK) Limited	-	-	335,375	-
Other assets of subsidiaries	416,124	34,299,423	-	-
Stock of stationery & Stamps on hand	15,887,621	17,882,454	15,887,621	17,882,454
Suspense account	5,406,360	5,120,648	5,406,360	5,120,648
Building under construction (for corporate office)	289,836,067	201,326,929	289,836,067	201,326,929
Security deposits-Govt. agencies	2,257,801	2,257,801	2,257,801	2,257,801
Interest and dividend receivables	489,965,221	473,930,637	485,181,332	473,930,637
Sundry Receivables	194,447,231	108,604,461	137,090,296	108,604,461
Advance rent	301,251,423	300,001,498	298,366,079	300,001,498
Advances and prepayments	673,313,155	263,195,223	671,740,352	263,195,223
Deferred tax assets/(liability)	376,486,990	376,486,990	376,486,990	376,486,990
Bangladesh Bank clearing account	-	22,788,981	-	22,788,981
Prepaid expenses - Offshore Banking Unit	2,915,636	10,990,449	2,915,636	10,990,449
	3,107,483,630	2,579,426,148	3,470,284,585	2,904,324,025

Note	Consolidated		Bank		
	30-Jun-13	31-Dec-12	30-Jun-13	31-Dec-12	
	Taka	Taka	Taka	Taka	
10	Non-banking assets				
Eastern Bank Limited was awarded absolute ownership on few mortgaged properties through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003. These were initially recorded at BDT 247,878,000 (carrying value of which was BDT 217,733,000 as on the reporting date) as non banking assets as per valuation report submitted by professional valuation firm and recording of transactions were certified by external auditors KPMG Rahman Rahman Huq. Value of the assets received in addition to the loan outstanding has been kept as reserve against non banking assets.					
Non-earning assets					
	217,733,000	217,733,000	217,733,000	217,733,000	
	217,733,000	217,733,000	217,733,000	217,733,000	
11	Borrowings from other banks, financial institutions and agents				
Balance inside Bangladesh	11.1	14,283,581,271	26,919,994,509	14,283,581,271	26,919,994,509
Balance outside Bangladesh	11.2	5,762,065,025	4,238,078,529	5,762,065,025	4,238,078,529
		20,045,646,296	31,158,073,038	20,045,646,296	31,158,073,038
11.1	Balance inside Bangladesh				
Payable on demand		3,100,000,000	9,310,000,000	3,100,000,000	9,310,000,000
Term Borrowings		2,761,538,895	6,059,362,563	2,761,538,895	6,059,362,563
Other borrowings (refinance, revolving, ALS etc.)		8,422,042,376	11,550,631,946	8,422,042,376	11,550,631,946
		14,283,581,271	26,919,994,509	14,283,581,271	26,919,994,509
11.2	Balance outside Bangladesh				
Non interest bearing nostro accounts		241,793,725	6,033,829	241,793,725	6,033,829
Interest bearing account		5,520,271,300	4,232,044,700	5,520,271,300	4,232,044,700
		5,762,065,025	4,238,078,529	5,762,065,025	4,238,078,529
12	Deposits and other accounts				
Current deposits and other accounts, etc.	12.1	8,920,150,843	9,806,371,635	8,920,150,843	9,806,371,635
Savings bank deposits	12.2	15,387,228,297	14,080,165,001	15,387,228,297	14,080,165,001
Fixed deposits	12.3	76,208,521,614	66,659,786,106	76,280,453,779	67,005,863,858
Bills payable	12.4	659,637,489	866,317,963	659,637,489	866,317,963
Bearer certificates of deposits		22,250,000	22,250,000	22,250,000	22,250,000
		101,197,788,243	91,434,890,704	101,269,720,408	91,780,968,457
12.1	Current deposits and other accounts				
Current deposits		3,338,381,899	3,534,079,850	3,338,381,899	3,534,079,850
Deposit margin on facilities (LC, LG, Acceptance etc.)		4,027,609,428	4,231,818,746	4,027,609,428	4,231,818,746
Sundry Deposits (Margin on LC, LG, Acceptance etc.)		10,788,242	10,779,828	10,788,242	10,779,828
Matured Deposits		200,000	200,000	200,000	200,000
Interest Accrued on Deposits		1,542,571,967	2,028,604,027	1,542,571,967	2,028,604,027
Current deposit-offshore banking unit		599,307	889,185	599,307	889,185
		8,920,150,843	9,806,371,635	8,920,150,843	9,806,371,635
12.2	Savings bank deposits				
EBL saving deposits account		3,942,007,025	3,849,789,558	3,942,007,025	3,849,789,558
High performance deposit account - retail		5,191,686,914	4,909,407,572	5,191,686,914	4,909,407,572
Scheme deposits		2,467,779,598	2,158,897,969	2,467,779,598	2,158,897,969
Unclaimed savings deposit		1,861,586	1,861,586	1,861,586	1,861,586
Other savings deposits		3,783,893,175	3,160,208,315	3,783,893,175	3,160,208,315
		15,387,228,297	14,080,165,001	15,387,228,297	14,080,165,001
12.3	Fixed deposits				
Special notice deposits (SND) account		23,540,423,820	16,031,808,188	23,571,487,096	16,377,885,940
Term deposits account		52,338,427,141	50,273,847,889	52,379,296,030	50,273,847,889
RFCD account		1,958,505	1,128,474	1,958,505	1,128,474
NFCD account		327,712,148	353,001,555	327,712,148	353,001,555
Term deposit - Offshore banking unit		-	-	-	-
		76,208,521,614	66,659,786,106	76,280,453,779	67,005,863,858

Note	Consolidated		Bank	
	30-Jun-13	31-Dec-12	30-Jun-13	31-Dec-12
	Taka	Taka	Taka	Taka
12.4 Bills payable				
Local currency	654,009,807	862,948,656	654,009,807	862,948,656
Foreign currency	5,627,682	3,369,306	5,627,682	3,369,306
	659,637,489	866,317,963	659,637,489	866,317,963
13 Other liabilities				
Privileged creditors	197,547,876	313,858,624	189,639,548	313,858,624
Acquirer liabilities	214,644,714	110,425,213	214,644,714	110,425,213
Sundry creditors	145,982,387	158,912,998	144,874,586	158,912,998
Security deposit	17,787,818	18,256,912	17,787,818	18,256,912
Current tax liability/(assets)	1,481,203,029	1,367,000,453	1,470,219,987	1,349,456,697
Provision for loans and advances- other than OBU	3,456,526,670	2,857,162,569	3,456,526,670	2,857,162,570
Provision for loans and advances - OBU	85,485,130	92,805,394	85,485,130	92,805,394
Interest suspense account	726,212,954	665,254,434	726,212,954	665,254,434
Provision for other assets	21,463,790	21,463,790	21,463,790	21,463,790
Provision for loss on revaluation of shares (net)	727,299,801	724,346,229	724,346,229	724,346,229
Advance interest/commission received	36,806,182	30,902,907	36,806,182	30,902,907
Expenses payable	198,671,678	223,545,831	119,864,341	223,545,831
Interest payable on borrowing including OBU	46,076,063	131,683,819	46,076,063	131,683,819
Inter branch and inter system accounts	710,535	266,802	710,535	266,802
Advance export proceeds	473,170,720	235,510,785	473,170,720	235,510,785
Miscellaneous payable	302,567,232	166,002,875	302,567,219	166,002,875
Other liabilities-offshore banking unit	20,208,119	97,469	20,208,119	97,469
Other liabilities of subsidiaries	1,445,760	84,431,504	-	-
	8,153,810,457	7,201,928,608	8,050,604,604	7,099,953,349
14 Share Capital				
A) Authorized capital				
1,200,000,000 ordinary shares of Tk 10 each	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000
B) Issued, subscribed and fully paid up capital				
Issued against cash	1,293,450,000	1,293,450,000	1,293,450,000	1,293,450,000
Issued against bonus share	4,818,347,850	4,818,347,850	4,818,347,850	4,818,347,850
	6,111,797,850	6,111,797,850	6,111,797,850	6,111,797,850
15 Dividend equalization reserve				
According to BRPD Circular No. 18 dated 20 October 2002, in case of declaring cash dividend more than 20%, a sum equal to the amount of dividend in excess of 20% shall have to be transferred to Dividend Equalization Reserve.				
16 Pre-take over loss				
Assets and liabilities of erstwhile BCCI which were not previously considered while calculating 'Pre-take over loss' and were reported with similar class of assets and liabilities of EBL, have been bundled with 'Pre-take over loss' during 2008 with retrospective effect in 2007.				
Opening balance	(952,794,812)	(952,794,812)	(952,794,812)	(952,794,812)
Payment /Recovery during the period	(28,583,064)	-	(28,583,064)	-
Closing balance	(981,377,876)	(952,794,812)	(981,377,876)	(952,794,812)
17 Reserve for revaluation of treasury securities (HFT)				
Opening balance	13,754,631	409,033,635	13,754,631	409,033,635
Addition during the period	161,392,627	47,110,062	161,392,627	47,110,062
Adjustment made during the period	(170,395,478)	(442,389,066)	(170,395,478)	(442,389,066)
	4,751,780	13,754,631	4,751,780	13,754,631

Note	Consolidated		Bank	
	30-Jun-13	31-Dec-12	30-Jun-13	31-Dec-12
	Taka	Taka	Taka	Taka

18 Foreign currency translation gain/(loss)

Assets and liabilities of Offshore have been converted into Taka using period end standard mid rate of exchange of the Bank @ USD 1 = BDT 77.7503 & HKD 1 = BDT 10.0904 as at 30 June 2013. Incomes and expenses are translated using monthly average rate of standard mid rate of exchange (USD 1 = BDT 78.4473 & HKD 1 = 10.1497). The net cumulative amount of the exchange differences has been presented separately as an equity component.

19 Profit and loss account/Retained Earnings

Opening balance	1,722,111,302	1,769,737,547	1,581,904,578	1,735,266,866
Profit for the period	975,699,848	2,392,730,023	958,009,480	2,235,100,710
Transfer to statutory reserve	-	(843,922,818)	-	(843,922,818)
Transfer from general reserve	30,000,000	-	30,000,000	-
Bonus share issued	-	(1,584,540,180)	-	(1,584,540,180)
Cash dividend paid	(1,222,359,570)	-	(1,222,359,570)	-
Adjustment of non controlling interest	-	(11,893,270)	-	-
Dividend received from subsidiary	-	-	39,000,000	40,000,000
Closing balance	1,505,451,582	1,722,111,302	1,386,554,489	1,581,904,578

20 Contingent liabilities

Acceptance and endorsements	20.1	29,745,102,756	26,450,629,145	29,745,102,756	26,450,629,145
Letters of guarantee	20.2	10,897,600,013	10,054,243,019	10,897,600,013	10,054,243,019
Irrevocable letters of credit	20.3	15,819,961,088	12,329,127,919	15,819,961,088	12,329,127,919
Bills for collection		5,285,713,888	4,199,088,283	5,285,713,888	4,199,088,283
		61,748,377,745	53,033,088,366	61,748,377,745	53,033,088,366

20.1 Acceptance and endorsements

Acceptances	7,681,212,486	7,135,006,250	7,681,212,486	7,135,006,250
Acceptances-Usance LC-Cash	22,041,389,098	19,294,568,246	22,041,389,098	19,294,568,246
	29,722,601,584	26,429,574,496	29,722,601,584	26,429,574,496
Acceptances-OBUs	22,501,172	21,054,649	22,501,172	21,054,649
	29,745,102,756	26,450,629,145	29,745,102,756	26,450,629,145

20.2 Letters of guarantees

Directors	192,900	980,260	192,900	980,260
Government	471,498,127	484,095,727	471,498,127	484,095,727
Banks and other financial institutions	4,611,430,501	4,167,611,023	4,611,430,501	4,167,611,023
Others (Customers etc.)	5,814,478,485	5,401,556,009	5,814,478,485	5,401,556,009
	10,897,600,013	10,054,243,019	10,897,600,013	10,054,243,019
Letter of guarantee- OBU	-	-	-	-
	10,897,600,013	10,054,243,019	10,897,600,013	10,054,243,019

20.3 Irrevocable letters of credit

Letter of credit	15,777,071,573	12,267,399,551	15,777,071,573	12,267,399,551
Letter of credit-OBUs	42,889,515	61,728,368	42,889,515	61,728,368
	15,819,961,088	12,329,127,919	15,819,961,088	12,329,127,919

Note	Consolidated		Bank	
	Jan - Jun 2013	Jan - Jun 2012	Jan - Jun 2013	Jan - Jun 2012
	Taka	Taka	Taka	Taka
21 Interest income				
Interest on advances	6,475,411,650	5,733,636,581	6,453,172,607	5,716,709,836
Interest on money at call and short notice	66,400,992	206,305,297	66,400,992	206,305,297
Interest on placement with other Banks and FIs	528,139,036	502,325,420	520,786,417	502,325,420
Interest on foreign currency balances	2,526,808	1,456,827	2,526,808	1,456,827
Interest income-offshore banking unit	215,968,820	181,558,373	215,968,820	181,558,373
	7,288,447,306	6,625,282,498	7,258,855,644	6,608,355,753
22 Interest paid on deposits and borrowings				
Interest on deposits	4,063,996,084	3,536,549,181	4,074,874,086	3,548,924,492
Interest on borrowings from Banks and FIs	414,595,005	373,965,593	414,595,005	373,965,593
Interest on borrowings from Bangladesh Bank	185,574,688	111,001,993	185,574,688	111,001,993
Interest on REPO	38,505,941	56,372,488	38,505,941	56,372,488
Interest paid on deposits and borrowings-offshore banking unit	110,978,382	58,126,366	110,978,382	58,126,366
	4,813,650,099	4,136,015,620	4,824,528,101	4,148,390,931
23 Income from Investments				
Dividend on shares				
Ordinary shares	17,484,736	17,184,964	17,413,915	17,184,964
Preference shares	-	1,349,375	-	1,349,375
	17,484,736	18,534,339	17,413,915	18,534,339
Dividend from EBL Investments Ltd.	-	-	39,000,000	-
Interest on Reverse REPO	17,362,603	171,788,744	17,362,603	171,788,744
Interest on debentures	188,973	1,469,383	188,973	1,469,383
Interest on Treasury Bills	124,002,310	-	124,002,310	-
Interest on Bonds- Treasury	801,669,874	385,631,180	801,669,874	385,631,180
Interest on Bonds- Corporate	17,827,222	22,699,444	17,827,222	22,699,444
Gain from trading in Govt. securities (net off)	33,655,886	227,187,323	33,655,886	227,187,323
Gain/ (loss) on revaluation/amortization of treasury securities (HFT/HTM)*	(181,859,076)	(109,128,144)	(181,859,076)	(109,128,144)
Gain/ (loss) on shares traded in secondary market	24,845,409	(35,072,400)	23,691,736	(35,009,088)
	855,177,937	683,109,867	892,953,443	683,173,179
*As per instruction/circular of Bangladesh Bank (DOS circular Letter No 05 dated 26 May 2008).				
24 Commission, exchange and brokerage				
Fees and commission	866,182,815	758,608,809	844,556,942	723,930,616
Exchange gain net off exchange losses	304,759,449	346,805,536	304,752,607	346,805,536
Brokerage	-	-	-	-
Commission, exchange and brokerage-offshore	5,384,170	4,465,480	4,697,238	4,465,480
	1,176,326,433	1,109,879,826	1,154,006,787	1,075,201,633
25 Other operating income				
Rebate earnings	28,355,395	20,673,330	28,355,395	20,673,330
Postage charges recovered	7,626,042	5,535,748	7,601,683	5,535,748
Service charges related to trade operations	25,487,066	13,782,629	25,487,066	13,782,629
Swift & Telex charges	3,581,666	3,705,664	3,581,666	3,705,664
Locker rent	5,316,280	3,652,000	5,316,280	3,652,000
Gain on sale of fixed assets	7,999	3,932,614	7,999	3,932,614
Miscellaneous income	7,443,362	1,488,242	7,124,031	1,393,442
Other operating income-offshore	615,070	361,245	579,695	361,245
	78,432,880	53,131,473	78,053,815	53,036,673

Note	Consolidated		Bank	
	Jan - Jun 2013	Jan - Jun 2012	Jan - Jun 2013	Jan - Jun 2012
	Taka	Taka	Taka	Taka
26 Salary and allowances				
Basic salary	303,586,961	264,988,974	292,579,610	261,606,024
Other salary & allowances	436,738,366	401,121,486	436,738,366	396,047,061
Festival bonus	934,530	729,438	934,530	729,438
Bank's contribution to provident fund	27,499,319	24,916,547	27,499,319	24,916,547
Contribution to gratuity fund	51,022,976	41,975,723	51,022,976	41,975,723
Contribution to superannuation fund	6,742,399	3,041,959	6,742,399	3,041,959
	826,524,551	736,774,127	815,517,200	728,316,752
27 Rent, Taxes, Insurance, Utilities etc.				
Rent, rates and taxes	141,438,999	99,308,608	134,682,733	95,744,698
Insurance premium	41,070,887	28,711,168	40,185,437	27,834,300
Utilities (excluding telecommunication)	27,021,271	23,017,027	26,557,632	22,490,908
	209,531,157	151,036,803	201,425,803	146,069,906
28 Legal and professional expenses				
Legal expenses	14,529,573	12,947,740	14,527,073	12,658,400
Other professional expenses	7,575,445	7,225,548	7,575,445	7,225,548
	22,105,018	20,173,288	22,102,518	19,883,948
29 Postage, Stamp, Telecommunication etc.				
Telecommunication -office	11,054,079	8,521,874	11,045,071	8,521,874
LAN, WAN and SWIFT charges	30,124,818	26,382,696	29,518,368	26,382,696
Postage and courier charges	10,546,780	9,462,789	10,536,680	9,462,789
Stamp & court fees	296,270	156,260	287,597	156,260
	52,021,947	44,523,619	51,387,716	44,523,619
30 Stationery, Printing, Advertisement, etc.				
Printing and stationery	42,210,182	32,514,563	41,896,160	32,427,868
Publicity and advertisement	61,504,863	64,133,586	61,375,124	64,117,679
	103,715,045	96,648,149	103,271,284	96,545,547
31 Managing Director's Salary and Allowances				
Basic salary	4,065,600	3,696,000	4,065,600	3,696,000
Allowances	2,040,000	2,040,000	2,040,000	2,040,000
Bonus	-	-	-	-
Bank's contribution to provident fund	406,560	369,600	406,560	369,600
	6,512,160	6,105,600	6,512,160	6,105,600
32 Directors' Fees				
Meeting attendance fees	600,200	546,000	590,000	525,000
Other expenses	1,086,926	907,026	1,068,926	907,026
	1,687,126	1,453,026	1,658,926	1,432,026
33 Repairs, maintenance and depreciation				
Depreciation: (Annexure 'A & A1')				
Buildings	6,343,446	4,163,127	6,343,446	4,163,127
Machineries and equipments	25,009,528	47,473,179	24,612,442	47,129,297
Computer and Network Equipments	47,556,079	21,205,213	47,236,429	20,896,927
Vehicles	7,204,164	6,956,735	7,103,491	6,856,063
Furniture and fixtures	16,067,989	14,010,522	15,176,997	13,538,966
Software	12,241,403	3,410,562	12,090,505	3,259,664
	114,422,609	97,219,338	112,563,310	95,844,044

Note	Consolidated		Bank	
	Jan - Jun 2013	Jan - Jun 2012	Jan - Jun 2013	Jan - Jun 2012
	Taka	Taka	Taka	Taka
Repairs and maintenance				
Office equipments	25,123,159	17,201,265	25,004,410	17,201,265
Vehicles	3,566,426	4,533,375	3,566,426	4,533,375
Furniture and fixtures	12,492,843	4,027,421	12,409,917	4,027,421
Rented premises- general	20,826,328	26,323,592	19,604,316	26,323,592
Rented premises-lighting	10,172,834	17,702,704	10,172,834	17,702,704
Software maintenance expense	30,995,697	30,969,542	30,890,758	30,338,351
	103,177,286	100,757,899	101,648,660	100,126,708
Total	217,599,895	197,977,237	214,211,970	195,970,752
34 Other operating expenses				
Card expenses	50,621,544	34,055,419	50,621,544	34,055,419
Business travelling expenses	11,711,931	13,103,869	11,596,349	13,103,869
Bank charges	7,389,654	5,798,299	7,350,436	5,798,299
Donation	4,036,923	3,402,610	4,036,923	3,402,610
Fees and subscriptions	3,731,026	2,683,007	3,341,394	2,683,007
Books, periodicals and publications	467,215	920,770	464,860	920,770
Car & generator expenses (Fuel, drivers salary, fitness etc.)	13,528,342	15,343,786	13,528,342	15,343,786
Recruitment and training expenses	7,273,861	13,668,772	7,242,861	13,668,772
Entertainment & recreation	30,941,510	21,217,065	30,623,612	20,901,187
Uniform and liveries	959,940	1,656,030	959,940	1,656,030
Office securities	52,187,313	34,363,850	52,019,988	34,242,525
Sales & agency commission (DST, student file)	8,980,366	11,456,138	8,825,366	11,385,138
AGM expenses	3,276,594	2,253,299	3,276,594	2,253,299
Miscellaneous expenses	4,851,423	6,257,716	1,589,752	491,975
Deffered revenue charges	133,310	78,310	-	-
Account Maintenance & Processing fees - OBU	10,972,278	11,957,804	10,972,278	11,957,804
	211,063,231	178,216,744	206,450,240	171,864,490
35 Provision for loans & advances				
Specific provision	639,879,208	320,731,209	639,879,208	320,731,209
Less: Recovery from written off loans	(32,339,790)	(66,511,387)	(32,339,790)	(66,511,387)
	607,539,418	254,219,822	607,539,418	254,219,822
General provision	44,812,437	169,944,757	44,812,437	169,944,757
	652,351,855	424,164,579	652,351,855	424,164,579
36 Other provision				
Provision against other assets	-	-	-	-
Loss on revaluation of shares	2,953,572	413,500,086	-	413,500,086
	2,953,572	413,500,086	-	413,500,086

37 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 June 2013 as per BAS- 33 "Earnings Per Share". No bonus share has been issued during 2013 for 2012.

Earnings Per Share (EPS) :

	Jan-Jun'13	Jan-Jun'12	Apr-Jun'13	Apr-Jun'12
Profit attributable to the shareholders of EBL for the period (after consolidation)	975,699,849	882,706,783	826,384,459	452,437,165
Profit attributable to the shareholders of EBL for the period (before consolidation)	997,009,480	855,516,211	859,833,480	436,799,826
Weighted average number of shares	611,179,785	611,179,785	611,179,785	611,179,785
Earnings per share (EPS)-after consolidation	1.60	1.44	1.35	0.74
Earnings per share (EPS)-before consolidation	1.63	1.40	1.41	0.71

Eastern Bank Limited and its subsidiaries

Consolidated schedule of Fixed Assets
as at 30 June 2013

Annexure - A

Particulars	Balance on 01 January 2013		Revaluation Surplus		Additions during the year		Disposals during the year		Balance at 30 June 2013		Accumulated Depreciation		Balance at 30 June 2013		Net book value at 30 June 2013	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Charge for the year	Taka	On disposals during the year	Taka	Taka	Taka
Tangible assets:																
Land	4,636,946,781	-	-	5,957,557	-	4,642,904,338	-	-	-	-	-	-	-	-	-	4,642,904,338
Building	462,801,908	-	-	268,039,682	-	730,841,590	-	-	16,942,002	6,343,446	-	23,285,448	-	23,285,448	-	707,556,142
Machinery and Equipment	484,137,953	-	-	42,847,100	-	526,985,052	-	-	296,547,096	25,009,528	-	321,556,624	-	321,556,624	-	205,428,428
Computer and Network Equipment	327,100,189	-	-	34,032,465	-	361,132,654	-	-	215,755,235	47,556,079	-	263,311,314	-	263,311,314	-	97,821,340
Vehicles	106,586,251	-	-	135,870	(58,500)	106,663,621	-	-	59,919,814	7,204,164	(58,500)	67,065,478	-	67,065,478	-	39,598,143
Furniture and fixtures & Leased Assets under Finance Lease	399,625,955	-	-	20,635,790	-	420,261,742	-	-	217,331,564	16,067,989	-	233,399,554	-	233,399,554	-	186,862,189
Intangible assets:																
Software	200,453,714	-	-	19,082,497	-	219,536,211	-	-	33,351,639	12,241,403	-	45,593,042	-	45,593,042	-	173,943,169
At 30 June 2013	6,617,652,752	-	-	390,730,962	(58,500)	7,008,325,208	(58,500)	(58,500)	839,847,350	114,422,609	(58,500)	954,211,458	(58,500)	954,211,458	6,054,113,750	
At 31 December 2012	5,131,761,872	1,037,553,800	477,560,997	(29,223,921)	6,617,652,752	(29,223,921)	6,617,652,752	(29,223,921)	666,195,150	201,964,701	(28,312,502)	839,847,350	(28,312,502)	839,847,350	5,777,805,402	

EASTERN BANK LIMITEDSchedule of Fixed Assets
as at 30 June 2013

Annexure - A1

Particulars	Cost				Accumulated Depreciation				Net book value at 30 June 2013	
	Balance on 01 January 2013	Revaluation Surplus	Additions during the year	Disposals during the year	Balance at 30 June 2013	Balance on 1 January 2013	Charge for the year	On disposals during the year	Balance at 30 June 2013	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Tangible assets:										
Land	4,636,946,781	-	5,957,557	-	4,642,904,338	-	-	-	-	4,642,904,338
Building	462,801,908	-	268,039,682	-	730,841,590	16,942,002	6,343,446	-	23,285,448	707,556,142
Machinery and Equipment	479,640,206	-	42,386,072	-	522,026,277	293,993,108	24,612,442	-	318,605,550	203,420,727
Computer and Network Equipment	323,986,704	-	33,754,601	-	357,741,305	214,675,262	47,236,429	-	261,911,691	95,829,614
Vehicles	105,243,946	-	135,870	(58,500)	105,321,316	59,178,855	7,103,491	(58,500)	66,223,846	39,097,469
Furniture and fixtures & Leased Assets under Finance Lease	393,338,526	-	18,835,090	-	412,173,614	214,552,838	15,176,997	-	229,729,836	182,443,778
Intangible assets:										
Software	198,441,734	-	18,487,497	-	216,929,231	32,797,920	12,090,505	-	44,888,425	172,040,806
At 30 June 2013	6,600,399,806	-	387,596,369	(58,500)	6,987,937,671	832,139,986	112,563,310	(58,500)	944,644,797	6,043,292,874
At 31 December 2012	5,114,520,926	1,037,553,800	477,548,997	(29,223,921)	6,600,399,806	661,234,590	199,217,899	(28,312,502)	832,139,986	5,768,259,820

credit rating report

sustaining a good position is harder than achieving it



CRISL Credit Rating	2012	2011
Long Term Rating	AA	AA
Short Term Rating	ST-2	ST-2

CRISL reaffirms the rating of Eastern Bank Limited to “AA” in the long term and ‘ST-2’ in the short term. This rating has been awarded on the bases of good fundamentals of the bank such as good financial performance and operating efficiency, good capital adequacy, diversified portfolio and earning stream, experienced management team and good market image.

Banks rated in this category (AA) are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The short term rating ST-2 indicates high certainty of timely payment with strong liquidity factors.

corporate directory

BOARD OF DIRECTORS

Chairman

M. Ghaziul Haque

Directors

Mir Nasir Hossain

(Representing Mir Holdings Ltd.)

A. M. Shaukat Ali

Md. Showkat Ali Chowdhury

(Representing Namreen Enterprise Ltd.)

A.Q.I. Chowdhury, OBE

(Representing Namreen Enterprise Ltd)

Salina Ali

(Representing Borak Real Estate (Pvt) Ltd.)

Meah Mohammed Abdur Rahim

(Independent Director & Director from the Depositors)

Asif Mahmood

(Representing Aquamarine Distributions Ltd.)

Ormaan Rafay Nizam

(Independent Director & Director from the Depositors)

Gazi Md. Shakhawat Hossain

(Representing Purnima Construction (Pvt.) Ltd.)

Ali Reza Iftekhar

(Managing Director & CEO)

Company secretary

Safiar Rahman, FCS

EXECUTIVE COMMITTEE

Mir Nasir Hossain, Director

Md. Showkat Ali Chowdhury, Director

Asif Mahmood, Director

Ali Reza Iftekhar, Managing Director & CEO

Secretary: Safiar Rahman, FCS

Chairman

Member

Member

Member

AUDIT COMMITTEE

Meah Mohammed Abdur Rahim

Independent Director

A.M. Shaukat Ali, Director

A.Q.I. Chowdhury, OBE, Director

Asif Mahmood, Director

Gazi Md. Shakhawat Hossain, Director

Secretary: Safiar Rahman, FCS

Chairman

Member

Member

Member

Member

MANAGEMENT COMMITTEE

Ali Reza Iftekhar

Managing Director & CEO

Hassan O. Rashid

DMD (Corporate Banking & Treasury)

Syed Rafiqul Haq

SEVP & Area Head, Corporate Banking – Dhaka

Safiar Rahman, FCS

SEVP & Company Secretary

S M Akhtaruzzaman Chowdhury

SEVP & Head of Operations

Akhter Kamal Talukder

SEVP & Head of ICCD

Sami Karim

SEVP & Head of Special Asset Management

Abul Moqsud

SEVP & Head of CRM

Ahmed Shaheen

SEVP & Head of Structured Finance & Relationship Unit,
Corporate Banking

A M M Moyen Uddin

EVP & Head of IT

Md. Khurshed Alam

EVP & Head of SME

Ahsan Zaman Chowdhury

EVP & Area Head, Corporate Banking (Ctg.)

M. Nazeem A. Choudhury

EVP & Head of Business – CNB

Maj Md. Abdus Salam, psc, (Retd)

SVP & Head of Administration & Security

Ziaul Karim

SVP & Head of Brand & Communication

Mehdi Zaman

SVP & Head of Treasury

Lt. Col.(Retd) Kamal Mustaba Ali

Head of Projects, Engineering Division

Monjurul Alam

VP & Head of HR

Masudul Hoque Sardar

VP & Head of Finance

AUDITORS

Hoda Vasi Chowdhury & Co.

Chartered Accountants

TAX CONSULTANT

ACNABIN

Chartered Accountants

LEGAL ADVISORS

Sadat, Sarwat & Associates

Sadia Rowshan Jahan

REGISTERED & HEAD OFFICE

Jiban Bima Bhavan,

10, Dilkusha Commercial Area,

Dhaka-1000, Bangladesh.

Telephone: 880-2-9556360,

Fax: 880-2-9562364, 9554610

Swift: EBLDBDDH, Cable: EASTBANK

e-mail: info@ebl-bd.com

Web: www.ebl.com.bd



Eastern Bank Ltd.
Jiban Bima Bhaban
10, Dilkusha Commercial Area
Dhaka-1000
PABX: 880-2-9556360