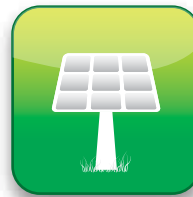


Creating value through innovation

Half yearly report 2012





HALF YEARLY REPORT 2012



July 29, 2012

To: The Shareholders of EBL

Sub: Half yearly Financial Statements (Unaudited) for the period from 01 January to 30 June 2012.

As per Rule 13 of the Securities and Exchange Rules 1987, we are pleased to present before you the unaudited financial statements (consolidated and bank only) of Eastern Bank Limited for the period from 01 January 2012 to 30 June 2012.



Safiar Rahman, FCS
SEVP & Company Secretary

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MANAGING DIRECTOR'S STATEMENT

Volatility in the global economic environment and the stresses and strains emanating from domestic sources continue to put pressure on macro economic management of Bangladesh. Financial sector, being the lifeline to businesses, has been impacted accordingly. Prolonged lackluster performance of capital markets, slow growth of remittance and substantial fall in export in recent months are taking toll on business and financial performance of the banking industry. In the face of all these challenges, EBL continued to maintain a consistent operating and financial performance.



We have made an Operating Profit of BDT 2,927.17 million, registering a growth of 11.65 percent during the first half 2012 compared to corresponding period last year. Higher growth of Net Interest Income (NII) (by 59.71 percent) has largely compensated the negative growth (by 14.26 percent) of 'other operating income' including investment and fees earnings. However, Profit after tax (PAT) before consolidation has suffered a decrease of 21.92 percent to BDT 855.52 million (Consolidated PAT is BDT 882.71 million) during the period mainly due to larger amount of provision made against loans and investment in equity securities. Half yearly Earnings Per Share (EPS) before consolidation, therefore, becomes BDT 1.40 against BDT 1.79 (restated) during the same period last year (Consolidated EPS is BDT 1.44).

Deposits grew (by 13.50 percent) faster than the growth of loans (by 5.71 percent) during the period helping us contain our CDR (Credit to Deposit Ratio) within the prescribed range of Bangladesh Bank (85%). However, despite maintaining quality of the loan portfolio, our Non-performing Loan (NPL) Ratio rose to 2.85 percent (1.91 percent at year end 2011) mainly because of slower loan growth. Capital Adequacy Ratio has remained consistently above the threshold of Minimum Capital Requirement (10% of RWA).

EBL in its continuous pursuit of expanding reach through cost effective delivery channels has added 1 branch, 13 ATMs, 9 SME centers and 3 EBL 365 during the first half 2012. As on the close of June 2012 we have 60 branches, 49 SME centers, 138 ATMs and 26 EBL 365.

As the global economy becomes more and more knowledge-intensive, human capital will be the future point of differentiation between nations. In EBL's journey to excellence, a great achievement has been added. In recognition to EBL's commitment to provide optimum satisfactory services to its customers in terms of quality and reliability within the fastest possible time, Centralized Operations of EBL has achieved Quality Management System (QMS) certificate as per ISO 9001:2008 Standard awarded by Bureau Veritas Certification, under accreditation from The United Kingdom Accreditation Service (UKAS). EBL is the first Bangladeshi Bank to achieve this feat.

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 2011 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.

As we envisage, Bangladesh Bank's recent circular on loan classification, provisioning and rescheduling is expected to put an added pressure on earnings, provision, capital and volume of NPL of the banks. Central Bank's continued stringent monitoring of bank's investment (credit) to non-productive sectors including consumer financing will restrict profitable business growth of the banks. Heightened challenge in deposit mobilization as well as retaining quality borrowers might be faced when 9 newly licensed banks will compete in the same market.

We are optimistic about the future. Throughout our 20-year history, our belief in responsible leadership, our dedication to our clients and the strengths that are embedded in our company—our people, client relationship, product innovation, technology—provide us the foundation that is solid and an ability to thrive regardless of challenges staring at us.



Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheet (Unaudited)

As at 30 June 2012

	Notes	As at 30 Jun '12 Taka	As at 31 Dec '11 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	1,186,156,384	1,095,803,828
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	7,013,498,895 8,199,655,279	4,926,961,943 6,022,765,771
Balances with other Banks and Financial Institutions	4		
In Bangladesh	4.1	5,994,520,406	3,580,408,080
Outside Bangladesh	4.2	2,836,909,314 8,831,429,720	101,735,964 3,682,144,044
Money at call and short notice	5	160,000,000	2,650,000,000
Investments	6		
Government	6.1	9,816,589,755	12,841,220,762
Others	6.2	3,924,688,027 13,741,277,783	4,069,307,226 16,910,527,988
Loans and advances	7		
Loans, Cash Credits, Overdraft etc.	7.1	84,380,694,781	79,428,684,505
Bills discounted and purchased	7.2	1,428,352,743 85,809,047,524	1,629,238,257 81,057,922,762
Fixed assets including land, building, furniture and fixtures	8	4,678,698,209	4,465,566,722
Other assets	9	2,786,182,545	2,527,515,446
Non banking assets	10	246,833,000	247,878,000
TOTAL ASSETS		124,453,124,060	117,564,320,733
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	11	17,530,462,364	21,652,484,276
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	9,553,047,052	7,365,413,484
Savings bank deposits	12.2	13,366,008,519	13,159,045,299
Fixed deposits	12.3	61,727,578,068	53,743,327,289
Bills payable	12.4	612,676,318	814,170,727
Bearer certificates of deposits	12.5	22,250,000 85,281,559,958	22,250,000 75,104,206,799
Other liabilities	13	6,815,529,299	6,215,427,065
TOTAL LIABILITIES		109,627,551,621	102,972,118,140
SHAREHOLDERS' EQUITY			
Share Capital-Paid up capital	14	6,111,797,850	4,527,257,670
Statutory reserve	15	3,551,351,414	3,551,351,414
Dividend equalisation reserve	16	356,040,000	356,040,000
Reserve against pre takeover loss	17	1,554,759,750	1,554,759,750
Pre takeover loss	18	(952,794,813)	(787,204,237)
Asset revaluation reserve	19	2,651,941,750	2,651,941,750
Reserve for amortization of treasury securities (HTM)	20	-	3,793
Reserve for revaluation of treasury securities (HFT)		-	409,033,635
General reserve		160,000,000	160,000,000
Reserve for non banking assets		233,527,796	233,527,796
Foreign currency translation gain/ (loss)	21	(538,201)	15,073,032
Profit & loss account -retained earnings	22	1,159,486,893	1,769,737,547
Equity attributable to equity holders		14,825,572,439	14,441,522,150
Non controlling interest	23	-	150,680,444
TOTAL SHAREHOLDERS' EQUITY		14,825,572,439	14,592,202,594
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		124,453,124,060	117,564,320,734

	Notes	As at 30 Jun '12 Taka	As at 31 Dec '11 Taka
OFF BALANCE SHEET ITEMS			
Contingent liabilities	24		
Acceptance and endorsements	24.1	20,891,929,177	23,317,821,842
Letter of Guarantees	24.2	9,005,973,260	6,725,466,917
Irrevocable Letters of Credit	24.3	16,697,996,291	12,006,716,532
Bills for Collection	24.4	1,689,556,856	1,204,574,500
		<u>48,285,455,584</u>	<u>43,254,579,791</u>
Other memorandum items			
Value of travelers' cheques on hand		-	-
Value of Bangladesh Sanchaya Patra on hand		774,443,100	812,479,100
		<u>774,443,100</u>	<u>812,479,100</u>
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		10,240,279,796	11,445,066,858
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<u>10,240,279,796</u>	<u>11,445,066,858</u>
Claims against the Bank not acknowledged as debt		-	-
TOTAL OFF-BALANCE SHEET ITEMS		<u><u>59,300,178,480</u></u>	<u><u>55,512,125,749</u></u>



Muhammad Maniruzzaman, FCMA
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Dated: Dhaka, 22 July 2012

EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Profit & Loss Account (Unaudited)

For the period ended 30 June 2012

	Notes	01 Jan '12 to 30 Jun '12 Taka	01 Jan '11 to 30 Jun '11 Taka	01 Apr '12 to 30 Jun '12 Taka	01 Apr '11 to 30 Jun '11 Taka
Particulars					
Interest Income	25	6,625,282,499	4,283,750,029	3,404,069,688	2,317,351,496
Less: Interest paid on deposits and borrowings	26	4,136,015,620	2,716,424,637	2,042,035,311	1,472,440,750
Net Interest Income		2,489,266,879	1,567,325,392	1,362,034,377	844,910,746
Income from investments	27	683,109,867	891,364,284	346,131,637	411,407,802
Commission, exchange and brokerage	28	1,109,879,825	1,081,224,104	570,568,450	671,139,356
Other operating income	29	119,642,860	266,198,328	88,158,942	151,983,245
Total operating income		4,401,899,431	3,806,112,108	2,366,893,406	2,079,441,149
Salary & allowances	30	736,774,127	595,849,358	380,310,725	295,744,339
Rent, taxes, insurance, utilities etc.	31	151,036,803	111,710,815	71,729,394	62,529,536
Legal & professional expenses	32	20,173,288	22,289,909	14,571,076	8,796,228
Postage, stamp, telecommunication etc.	33	44,523,619	29,909,217	36,797,185	22,845,759
Stationery, printing, advertisement, etc.	34	96,648,149	90,068,065	60,167,003	52,818,095
Managing Director's salary and allowances	35	6,105,600	5,736,000	3,052,800	2,868,000
Directors' Fees & Expenses	36	1,453,026	1,426,709	762,442	978,826
Charges on loan losses		-	235,033	-	6,438
Repairs, maintenance and depreciation	37	197,977,237	137,348,327	97,184,285	76,685,332
Other office operating expenses	38	178,216,744	137,365,563	104,441,062	87,277,989
Total operating expenses		1,432,908,593	1,131,938,996	769,015,972	610,550,542
Other non operating income		-	-	-	-
Profit before provisions		2,968,990,838	2,674,173,112	1,597,877,434	1,468,890,607
Provision for loans and advances	39				
General provision		169,944,757	246,326,040	166,961,066	128,559,673
Specific provision		320,731,209	157,165,601	125,594,608	92,725,801
Provision against loss on revaluation of shares	40	413,500,086	142,133,120	191,194,197	29,833,307
Total provisions		904,176,052	545,624,761	483,749,871	251,118,781
Profit before tax for the period		2,064,814,786	2,128,548,351	1,114,127,563	1,217,771,826
Provision for tax made for the period		1,182,108,002	996,804,148	661,690,398	578,361,504
Profit after tax for the period		882,706,783	1,131,744,203	452,437,164	639,410,322
Earnings per share (EPS)	41	1.44	1.85	0.74	1.05



Muhammad Maniruzzaman, FCMA
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Dated: Dhaka, 22 July 2012

EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated Cash Flow Statement (unaudited)

For the period ended 30 June 2012

	01 Jan '12 30 Jun '12 Taka	01 Jan '11 31 Dec '11 Taka
A) Cash flows from operating activities		
Interest received	6,333,096,460	4,189,525,554
Interest paid	(4,312,397,257)	(2,457,365,695)
Dividend received	18,534,339	25,191,989
Fees and commission received	1,109,879,825	1,081,224,104
Income from investment	664,575,528	866,172,294
Recovery of loans previously written off	66,511,387	205,481,219
Cash paid to employees (including directors)	(744,332,753)	(603,012,067)
Cash paid to suppliers	(312,381,859)	(253,978,006)
Income taxes paid	(841,750,624)	(722,902,105)
Received from other operating activities	53,131,473	60,717,109
Paid for other operating activities	(278,896,333)	(199,446,823)
Operating cash flow before changes in operating assets and liabilities	1,755,970,186	2,191,607,573
Increase/(decrease) in Operating Assets & Liabilities		
Changes in trading securities	1,927,111,301	(2,655,947,688)
Loans and advances to customers	(4,458,938,724)	(10,127,907,037)
Other assets	(256,013,690)	(579,880,657)
Recovery from BCCI assets	(165,590,574)	201,283,000
Deposits from other Banks	3,892,900	496,000,764
Deposits from customers (other than banks)	10,250,584,823	14,984,009,884
Other liability/tax	(340,357,379)	(273,902,042)
Other liability/provision	(904,176,052)	(545,624,761)
Other liabilities	699,652,179	(9,751,809)
Foreign currency translation gain/(loss)	(15,611,232)	-
Fair value adjustment	91,582,747	-
Net Cash received from operating activities	8,587,813,611	3,679,887,227
B) Cash flows from investing activities		
Changes in non-trading securities	834,356,677	(505,264,667)
Purchase of property, plant and equipment	(314,087,149)	(118,321,666)
Sales proceeds of fixed assets	3,658,013	3,854,043
Investment -Others	(1,608,409)	-
Non controlling Interest	(150,680,444)	-
Net cash used in investing activities	371,638,686	(619,732,290)
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	(4,122,021,912)	2,570,813,237
Dividend paid (cash dividend)	-	-
Net cash received from financing activities	(4,122,021,912)	2,570,813,237
D) Net (decrease) / increase in cash (A+B+C)	4,837,430,385	5,630,968,174
E) Opening cash and cash-equivalents	12,357,018,215	8,371,841,291
F) Closing cash and cash-equivalents (D+E)*	17,194,448,600	14,002,809,465
*Closing cash and cash-equivalents		
Cash In hand (including foreign currencies)	1,186,156,384	831,186,402
Balances with Bangladesh Bank and its agent bank (s)	7,013,498,895	4,189,138,085
Balances with other Banks and Financial Institutions	8,831,429,720	8,869,227,877
Money at call and short notice	160,000,000	110,000,000
Prize bonds	3,363,600	3,257,100
	17,194,448,600	14,002,809,465



Muhammad Maniruzzaman, FCMA
Head of Finance

Dated: Dhaka, 22 July 2012



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 2012

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	Non controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance on 1 January 2012	4,527,257,670	3,551,351,414	356,040,000	1,554,759,750	(787,204,238)	2,651,941,750	3,793	409,033,635	160,000,000	233,527,796	15,073,031	1,769,737,547	150,680,444	14,592,202,592
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	-	882,706,783	-	882,706,783
Bonus share issued	1,584,540,180	-	-	-	-	-	-	-	-	-	-	(1,584,540,180)	-	-
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	(409,033,635)	-	-	-	-	-	(409,033,635)
Adjustment of HTM securities	-	-	-	-	-	-	(3,793)	-	-	-	-	-	-	(3,793)
Recovery of pre-takeover loss	-	-	-	-	(165,590,574)	-	-	-	-	-	-	-	-	(165,590,574)
Currency translation difference	-	-	-	-	-	-	-	-	-	-	(15,611,232)	-	-	(15,611,232)
Fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	91,582,747	-	91,582,747
Non controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(150,680,444)	(150,680,444)
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	-	14,825,572,439
Balance as at 30 June 2011	4,527,257,670	2,725,521,942	356,040,000	1,554,759,750	(787,855,238)	2,651,941,750	-	738,405,403	160,000,000	233,527,796	-	1,182,989,248	162,573,717	13,505,162,038



Muhammad Maniruzzaman, FCMA
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Dated: Dhaka, 22 July 2012



Brand Value Proposition

Sustainability

Setting Standards
Mobilising 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 2012

	Notes	As at 30 Jun '12 Taka	As at 31 Dec '11 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	1,186,149,748	1,095,795,193
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	7,013,498,895	4,926,961,943
		8,199,648,643	6,022,757,136
Balances with other Banks and Financial Institutions	4		
In Bangladesh	4.1	5,984,430,934	3,429,581,406
Outside Bangladesh	4.2	2,836,909,314	101,735,964
		8,821,340,249	3,531,317,370
Money at call and short notice	5	160,000,000	2,650,000,000
Investments	6		
Government	6.1	9,816,589,755	12,841,220,762
Others	6.2	3,924,666,104	4,068,970,503
		13,741,255,860	16,910,191,265
Loans and advances	7		
Loans, Cash Credits, Overdraft etc.	7.1	85,013,765,212	80,144,671,921
Bills discounted and purchased	7.2	1,428,352,743	1,629,238,257
		86,442,117,955	81,773,910,178
Fixed assets including land, building, furniture and fixtures	8	4,667,793,118	4,453,286,336
Other assets	9	2,263,370,035	1,991,379,197
Non banking assets	10	246,833,000	247,878,000
TOTAL ASSETS		124,542,358,859	117,580,719,483
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	11	17,530,462,364	21,652,484,276
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	9,553,047,052	7,365,413,484
Savings bank deposits	12.2	13,366,008,519	13,159,045,299
Fixed deposits	12.3	62,067,256,477	54,075,610,120
Bills payable	12.4	612,676,318	814,170,727
Bearer certificates of deposits	12.5	22,250,000	22,250,000
		85,621,238,366	75,436,489,630
Other liabilities	13	6,718,329,686	6,084,694,107
TOTAL LIABILITIES		109,870,030,417	103,173,668,013
SHAREHOLDERS' EQUITY			
Share Capital-Paid up capital	14	6,111,797,850	4,527,257,670
Statutory reserve	15	3,551,351,414	3,551,351,414
Dividend equalisation reserve	16	356,040,000	356,040,000
Reserve against pre takeover loss	17	1,554,759,750	1,554,759,750
Pre takeover loss	18	(952,794,813)	(787,204,238)
Asset revaluation reserve	19	2,651,941,750	2,651,941,750
Reserve for amortization of treasury securities (HTM)	20	-	3,793
Reserve for revaluation of treasury securities (HFT)		-	409,033,635
General reserve		160,000,000	160,000,000
Reserve for non banking assets		233,527,796	233,527,796
Foreign currency translation gain/ (loss)	21	(538,201)	15,073,032
Profit & loss account -retained earnings	22	1,006,242,897	1,735,266,867
TOTAL SHAREHOLDERS' EQUITY		14,672,328,442	14,407,051,469
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		124,542,358,859	117,580,719,483

	Notes	As at 30 Jun '12 Taka	As at 31 Dec '11 Taka
OFF BALANCE SHEET ITEMS			
Contingent liabilities	24		
Acceptance and endorsements	24.1	20,891,929,177	23,317,821,842
Letter of Guarantees	24.2	9,005,973,260	6,725,466,917
Irrevocable Letters of Credit	24.3	16,697,996,291	12,006,716,532
Bills for Collection	24.4	1,689,556,856	1,204,574,500
		48,285,455,584	43,254,579,791
Other memorandum items			
Value of travelers' cheques on hand		-	-
Value of Bangladesh Sanchaya Patra on hand		774,443,100	812,479,100
		774,443,100	812,479,100
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		10,240,279,796	11,445,066,858
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		10,240,279,796	11,445,066,858
Claims against the Bank not acknowledged as debt		-	-
TOTAL OFF-BALANCE SHEET ITEMS		59,300,178,480	55,512,125,749



Muhammad Maniruzzaman, FCMA
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Dated: Dhaka, 22 July 2012

EASTERN BANK LIMITED

Profit & Loss Account (Unaudited)

For the period ended 30 June 2012

	Notes	01 Jan '12 to 30 Jun '12 Taka	01 Jan '11 to 30 Jun '11 Taka	01 Apr '12 to 30 Jun '12 Taka	01 Apr '11 to 30 Jun '11 Taka
Particulars					
Interest Income	25	6,608,355,753	4,225,704,113	3,401,396,198	2,285,716,195
Less: Interest paid on deposits and borrowings	26	4,148,390,931	2,685,441,487	2,054,410,622	1,454,257,984
Net Interest Income		2,459,964,822	1,540,262,626	1,346,985,576	831,458,211
Income from investments	27	683,173,179	890,250,614	346,131,637	410,294,132
Commission, exchange and brokerage	28	1,075,201,633	1,035,170,601	550,390,836	648,561,978
Other operating income	29	119,548,060	264,953,728	88,096,642	152,223,145
Total operating income		4,337,887,695	3,730,637,569	2,331,604,692	2,042,537,466
Salary & allowances	30	728,316,752	588,938,025	375,937,391	292,089,695
Rent, taxes, insurance, utilities etc.	31	146,069,906	108,450,915	68,184,909	61,158,707
Legal & professional expenses	32	19,883,948	22,281,909	14,309,826	14,826,630
Postage, stamp, telecommunication etc.	33	44,523,619	29,826,630	36,797,185	22,815,993
Stationery, printing, advertisement, etc.	34	96,545,547	89,917,614	60,246,885	52,721,575
Managing Director's salary and allowances	35	6,105,600	5,736,000	3,052,800	2,868,000
Directors' Fees & Expenses	36	1,432,026	1,408,709	750,442	960,826
Charges on loan losses		-	235,033	-	6,438
Repairs, maintenance and depreciation	37	195,970,752	135,184,881	96,502,759	75,246,220
Other office operating expenses	38	171,864,490	126,988,886	100,609,472	78,184,435
Total operating expenses		1,410,712,640	1,108,968,603	756,391,669	600,878,520
Other non operating income		-	-	-	-
Profit before provisions		2,927,175,055	2,621,668,966	1,575,213,023	1,441,658,946
Provision for loans and advances	39				
General provision		169,944,757	246,326,040	166,961,066	128,559,673
Specific provision		320,731,209	157,165,601	125,594,608	92,725,801
Provision against loss on revaluation of shares	40	413,500,086	142,133,120	191,194,197	29,833,307
Total provisions		904,176,052	545,624,761	483,749,871	251,118,781
Profit before tax for the period		2,022,999,002	2,076,044,205	1,091,463,151	1,190,540,165
Provision for tax made for the period		1,167,482,791	980,376,434	654,663,326	570,239,522
Profit after tax for the period		855,516,211	1,095,667,771	436,799,825	620,300,643
Earnings per share (EPS)	41	1.40	1.79	0.71	1.01



Muhammad Maniruzzaman, FCMA
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Dated: Dhaka, 22 July 2012

EASTERN BANK LIMITED

Cash Flow Statement (unaudited)

For the period ended 30 June 2012

	01 Jan '12 30 Jun '12 Taka	01 Jan '11 31 Dec '11 Taka
A) Cash flows from operating activities		
Interest received	6,316,169,715	4,131,479,639
Interest paid	(4,324,772,568)	(2,426,382,545)
Dividend received	18,534,339	25,191,989
Fees and commission received	1,075,201,633	1,035,170,601
Income from investment	664,638,840	865,058,624
Recovery of loans previously written off	66,511,387	205,481,219
Cash paid to employees (including directors)	(735,854,378)	(596,082,734)
Cash paid to suppliers	(307,023,020)	(250,477,068)
Income taxes paid	(839,357,543)	(717,289,255)
Received from other operating activities	53,036,673	59,472,509
Paid for other operating activities	(271,991,198)	(186,906,701)
<i>Operating cash flow before changes in operating assets and liabilities</i>	<u>1,715,093,879</u>	<u>2,144,716,278</u>
<i>Increase/(decrease) in Operating Assets & Liabilities</i>		
Changes in trading securities	1,926,796,501	(2,655,943,448)
Loans and advances to customers	(4,376,021,739)	(10,742,666,701)
Other assets	(5,437,429)	(167,932,406)
Recovery from BCCI assets	(165,590,574)	201,283,000
Deposits from other Banks	3,892,900	496,000,764
Deposits from customers (other than banks)	10,257,980,401	14,992,162,339
Other liability/tax	(328,125,249)	(263,087,179)
Other liability/provision	(904,176,052)	(545,624,761)
Other liabilities	732,892,652	153,429,550
Foreign currency translation gain	(15,611,232)	-
Net Cash received from operating activities	<u>8,841,694,057</u>	<u>3,612,337,435</u>
B) Cash flows from investing activities		
Changes in non-trading securities	834,356,677	(505,264,667)
Purchase of property, plant and equipment	(314,008,839)	(118,071,639)
Sales proceeds of fixed assets	3,658,013	3,854,043
Investment in Subsidiary-EBL Securities Limited	(263,900,000)	-
Investment in Subsidiary-EBL Finance (Hk) Limited	(1,608,409)	-
Net cash used in investing activities	<u>258,497,441</u>	<u>(619,482,264)</u>
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	(4,122,021,912)	2,570,813,237
Dividend paid (cash dividend)	-	-
Net cash received from financing activities	<u>(4,122,021,912)</u>	<u>2,570,813,237</u>
D) Net (decrease) / increase in cash (A+B+C)	4,978,169,586	5,563,668,408
E) Opening cash and cash-equivalents	12,206,182,906	8,238,097,105
F) Closing cash and cash-equivalents (D+E)*	<u>17,184,352,492</u>	<u>13,801,765,513</u>
*Closing cash and cash-equivalents		
Cash In hand (including foreign currencies)	1,186,149,748	830,998,874
Balances with Bangladesh Bank and its agent bank (s)	7,013,498,895	4,189,138,085
Balances with other Banks and Financial Institutions	8,821,340,249	8,668,371,454
Money at call and short notice	160,000,000	110,000,000
Prize bonds	3,363,600	3,257,100
	<u>17,184,352,492</u>	<u>13,801,765,513</u>



Muhammad Maniruzzaman, FCMA
Head of Finance

Dated: Dhaka, 22 July 2012



Ali Reza Iftekhhar
Managing Director & CEO

EASTERN BANK LIMITED

Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2012

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Reserve against pre-takeover loss	Pre-takeover 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 2012	4,527,257,670	3,551,351,414	356,040,000	1,554,759,750	(787,204,238)	2,651,941,750	3,793	409,033,635	160,000,000	233,527,796	15,073,031	1,735,266,868	14,407,051,469
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	-	855,516,211	855,516,211
Bonus share issued	1,584,540,180	-	-	-	-	-	-	-	-	-	-	(1,584,540,180)	-
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	(409,033,635)	-	-	-	-	(409,033,635)
Adjustment of HTM securities	-	-	-	-	-	-	(3,793)	-	-	-	-	-	(3,793)
Recovery of pre-takeover loss	-	-	-	-	(165,590,574)	-	-	-	-	-	-	-	(165,590,574)
Fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-	-	-	-	(15,611,232)	-	(15,611,232)
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)	1,006,242,897	14,672,328,442
Balance as at 30 June 2011	4,527,257,670	2,725,521,942	356,040,000	1,554,759,750	(787,855,238)	2,651,941,750	-	738,405,403	160,000,000	233,527,796	-	1,136,059,695	13,295,658,768


 Muhammad Maniruzzaman, FCMA
 Head of Finance


 Ali Reza Iftekhar
 Managing Director & CEO

Dated: Dhaka, 22 July 2012

NOTES TO THE FINANCIAL STATEMENTS

as at and for the half year ended 30 June 2012

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, hereinafter called "the Scheme". The Bank commenced operations from 16 August 1992 with 4 branches and at reporting date it had 60 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 two of them were consolidated. These are: EBL Securities Ltd, a securities brokerage firm and 'EBL Investments Limited', a company established to do merchant banking operations (Required license is yet to get from SEC).

Rest two fully owned subsidiaries i.e. EBL Asset Management Company Ltd. and EBL Finance (HK) Ltd. have been incorporated but subscription and commencement of businesses are 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 2012 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)' at present value using marking to market concept 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."

2.3 Functional and presentation currency

These consolidated financial statements of the Group and the financial statements of the Bank are presented in Taka which is the Group's and the Bank's functional currency except OBU where functional currency is US Dollar (USD). All financial information presented in Taka 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 reclassified and 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 unrealised income and expenses arising from intra-group transactions are eliminated in 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 and USD for OBU) 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 of the Bank 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 in equity as foreign exchange gain /(loss).

2.7 Reporting period

These financial statements of the Bank and its subsidiaries cover from 1 January 2012 to 30 June 2012.

2.8 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.

2.9 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.

2.10 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.

2.11 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 or/and 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 at each year end 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.

2.12 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 BCD Circular no.12, dated 4 September 1995, BRPD Circular no. 16 dated, 6 December 1998, BRPD Circular no. 9, dated 14 May 2001, BRPD Circular no. 02, dated 15 February 2005, BRPD Circular no. 05, dated 27 April 2005 and BRPD Circular no. 32, dated 27 October 2010:

Heads	Rates
General provision on:	
Unclassified general loans and advances	1%
Unclassified small and medium enterprise	1%
Loans to BHs/MBs/SDs against Shares etc.	2%
Unclassified loans for housing finance and on loans for professionals	2%
Unclassified consumer financing other than housing financing and loans for professionals	5%
Short term agri credit and micro credit	5%
Special mention account	5%
Contingent assets	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%

2.13 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 as equity component 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 fixed asset policy of the Bank. 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 from 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.

2.14 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include 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 Non controlling interest

Non controlling interest is that portion of the profit or loss and net assets of the subsidiaries (EBL Securities Limited) attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Parent (Eastern Bank Limited).

2.18 Revenue recognition

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

2.18.1 Interest income

Interest on unclassified (excluding Special Mention Account or SMA) loans and advances have been accounted for as income on accrual basis, interest on classified loans and advances (including SMA) 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.

2.18.2 Fees and commission income

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

2.18.3 Dividend income

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

2.18.4 Interest income from investments

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

2.18.5 Interest paid on borrowings and deposits

Interest paid on borrowings and deposits are calculated on 360 days in a year and recognised on accrual basis.

2.18.6 Management and other expenses

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

2.19 Taxes

a. Current tax: Provision for current income tax has been made on total income of the Bank at the prevailing rate @ 42.5% (10% on capital gains & 20 % on dividend income) as prescribed in Income Tax Ordinance 1984 and recent Finance Act 2012.

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.

2.20 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 Benefit". 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 one latest basic salary multiplied by number of years completed, and in case of ten or more years complete service benefit will be equal to one and half month of latest basic salary multiplied by number of years completed.

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 November 2010. As per this valuation, from 1 December 2010 a contribution of 15.68% 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 that of the Bank's funds. 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 in 2009. The actuary recommended a contribution of Tk. 30,856,000 to the fund to offset the past service liability. In addition, 1.16% 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.

2.21 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.

2.22 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, off-balance sheet items have been disclosed under contingent liabilities. As per BRPD Circular no.10, dated 18 September 2007, the bank is required to maintain provision @ 1% against off-balance sheet exposures.

2.23 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.

2.24 Earnings per share

The bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Notes	Group		Bank	
		30 Jun '12 Taka	31 Dec '11 Taka	30 Jun '12 Taka	31 Dec '11 Taka
3 Cash					
Cash in hand (including foreign currencies)	3.1	1,186,156,384	1,095,803,828	1,186,149,748	1,095,795,193
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	3.2	7,013,498,895	4,926,961,943	7,013,498,895	4,926,961,943
		<u>8,199,655,279</u>	<u>6,022,765,771</u>	<u>8,199,648,643</u>	<u>6,022,757,136</u>
3.1 Cash in hand (including foreign currencies)					
Local currency	3.1.1	1,131,486,267	1,050,771,715	1,131,479,631	1,050,763,080
Foreign currencies		54,670,117	45,032,113	54,670,117	45,032,113
		<u>1,186,156,384</u>	<u>1,095,803,828</u>	<u>1,186,149,748</u>	<u>1,095,795,193</u>
3.1.1 Local currency					
With Bank		1,131,479,631	1,050,763,080	1,131,479,631	1,050,763,080
With Subsidiaries		6,636	8,635	-	-
		<u>1,131,486,267</u>	<u>1,050,771,715</u>	<u>1,131,479,631</u>	<u>1,050,763,080</u>
3.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)					
Bangladesh Bank					
Local currency		4,781,884,974	4,941,407,669	4,781,884,974	4,941,407,669
Foreign currencies		2,060,209,144	(210,630,192)	2,060,209,144	(210,630,192)
		6,842,094,119	4,730,777,477	6,842,094,119	4,730,777,477
Sonali Bank (as an agent of Bangladesh Bank)-local currency					
		171,404,776	196,184,466	171,404,776	196,184,466
		<u>7,013,498,895</u>	<u>4,926,961,943</u>	<u>7,013,498,895</u>	<u>4,926,961,943</u>
4 Balances with other banks and financial institutions					
Balance in Bangladesh	4.1	5,994,520,405	3,580,408,080	5,984,430,934	3,429,581,406
Balance outside Bangladesh	4.2	2,836,909,314	101,735,964	2,836,909,314	101,735,964
		<u>8,831,429,720</u>	<u>3,682,144,044</u>	<u>8,821,340,249</u>	<u>3,531,317,370</u>
4.1 Balance in Bangladesh					
In Current Accounts		134,181,490	192,057,312	134,181,490	192,057,312
In Special Notice Deposit Accounts		116,196,644	147,524,093	116,196,644	147,524,093
In Fixed Deposit Accounts		4,425,000,000	3,090,000,000	4,425,000,000	3,090,000,000
In Fixed Deposit Accounts- OBU		1,309,052,800	-	1,309,052,800	-
		<u>5,984,430,934</u>	<u>3,429,581,406</u>	<u>5,984,430,934</u>	<u>3,429,581,406</u>
Bank balances of subsidiaries	4.1.1	10,089,471	150,826,674	-	-
		<u>5,994,520,405</u>	<u>3,580,408,080</u>	<u>5,984,430,934</u>	<u>3,429,581,406</u>
4.1.1 A) Bank balances of subsidiaries					
Bank balances of subsidiaries with other banks					
<i>With</i>					
Al-Arafa Islami Bank Limited		10,089,471	150,826,674		
		<u>10,089,471</u>	<u>150,826,674</u>		
B) Balance of Subsidiaries with EBL					
EBL Securities Limited		420,769	580,599		
EBL Investments Limited		339,257,640	327,394,563		
		<u>339,678,409</u>	<u>327,975,162</u>		

	Notes	Group		Bank	
		30 Jun '12 Taka	31 Dec '11 Taka	30 Jun '12 Taka	31 Dec '11 Taka
4.2 Balance outside Bangladesh					
In Deposit account (non-interest bearing)		2,748,018,099	101,735,964	2,748,018,099	101,735,964
In Deposit account (non-interest bearing)-OBU		88,891,216	-	88,891,216	-
		<u>2,836,909,314</u>	<u>101,735,964</u>	<u>2,836,909,314</u>	<u>101,735,964</u>
5 Money at call and short notice					
With Banking Companies					
Jamuna Bank Limited		-	1,500,000,000	-	1,500,000,000
Citibank NA		70,000,000	-	70,000,000	-
Prime Bank Limited		-	400,000,000	-	400,000,000
		<u>70,000,000</u>	<u>1,900,000,000</u>	<u>70,000,000</u>	<u>1,900,000,000</u>
With Non Banking Financial Institutions					
Peoples Leasing and Financial Services Limited		-	700,000,000	-	700,000,000
Union Capital Limited		90,000,000	-	90,000,000	-
Lanka Bangla Finance Limited		-	50,000,000	-	50,000,000
		<u>90,000,000</u>	<u>750,000,000</u>	<u>90,000,000</u>	<u>750,000,000</u>
		<u>160,000,000</u>	<u>2,650,000,000</u>	<u>160,000,000</u>	<u>2,650,000,000</u>
6 Investments					
Government	6.1	9,816,589,755	12,841,220,762	9,816,589,755	12,841,220,762
Others	6.2	3,924,688,027	4,069,307,226	3,924,666,104	4,068,970,503
		<u>13,741,277,783</u>	<u>16,910,527,988</u>	<u>13,741,255,860</u>	<u>16,910,191,265</u>
6.1 Government (Investment in Govt. securities)					
Treasury bills	6.1.1	1,729,889,576	-	1,729,889,576	-
Treasury Bonds	6.1.2	8,083,336,579	12,839,112,362	8,083,336,579	12,839,112,362
Prize Bonds		3,363,600	2,108,400	3,363,600	2,108,400
		<u>9,816,589,755</u>	<u>12,841,220,762</u>	<u>9,816,589,755</u>	<u>12,841,220,762</u>
6.1.1 Treasury Bills					
91 Days GT Bills		302,378,757	-	302,378,757	-
182 Days GT Bills		844,701,477	-	844,701,477	-
364 Days GT Bills		582,809,342	-	582,809,342	-
		<u>1,729,889,576</u>	<u>-</u>	<u>1,729,889,576</u>	<u>-</u>
6.1.2 Treasury Bonds					
5 Years Treasury bonds		2,057,321,965	3,674,851,673	2,057,321,965	3,674,851,673
10 Years Treasury bonds		5,677,831,912	9,164,260,689	5,677,831,912	9,164,260,689
15 Years Treasury bonds		301,732,327	-	301,732,327	-
20 Years Treasury bonds		46,450,375	-	46,450,375	-
		<u>8,083,336,579</u>	<u>12,839,112,362</u>	<u>8,083,336,579</u>	<u>12,839,112,362</u>
6.2 Others (Investment in other securities)					
Debentures		49,000,000	54,000,000	49,000,000	54,000,000
Corporate bond		340,000,000	340,000,000	340,000,000	340,000,000
Ordinary Shares (Quoted and Unquoted)		3,525,688,027	3,655,307,226	3,525,666,104	3,654,970,503
Preference Shares		10,000,000	20,000,000	10,000,000	20,000,000
		<u>3,924,688,027</u>	<u>4,069,307,226</u>	<u>3,924,666,104</u>	<u>4,068,970,503</u>

	Notes	Group		Bank	
		30 Jun '12 Taka	31 Dec '11 Taka	30 Jun '12 Taka	31 Dec '11 Taka
7 Loans and advances					
Loans, cash credits, overdrafts, etc.	7.1	84,380,694,781	79,428,684,505	85,013,765,212	80,144,671,921
Bills purchased and discounted	7.2	1,428,352,743	1,629,238,257	1,428,352,743	1,629,238,257
		<u>85,809,047,524</u>	<u>81,057,922,762</u>	<u>86,442,117,955</u>	<u>81,773,910,178</u>
7.1 Loans, cash credits, overdrafts etc.					
<i>Inside Bangladesh</i>					
Loans - general		63,062,092,092	61,132,081,180	63,695,162,523	61,132,081,180
Cash credit		6,068,018,482	5,080,307,059	6,068,018,482	5,080,307,059
Overdraft		9,130,802,238	7,297,149,788	9,130,802,238	8,013,137,204
<i>Outside Bangladesh</i>					
Loans, cash credits, overdrafts etc.-OBU		6,119,781,969	5,919,146,478	6,119,781,969	5,919,146,478
		<u>84,380,694,781</u>	<u>79,428,684,505</u>	<u>85,013,765,212</u>	<u>80,144,671,921</u>
7.2 Bills purchased and discounted					
<i>Inside Bangladesh</i>					
Local bills		1,379,657,502	1,135,046,524	1,379,657,502	1,135,046,524
Foreign bills /documents		48,695,241	72,278,666	48,695,241	72,278,666
<i>Outside Bangladesh</i>					
Loans, cash credits, overdrafts etc.-OBU		-	421,913,067	-	421,913,067
		<u>1,428,352,743</u>	<u>1,629,238,257</u>	<u>1,428,352,743</u>	<u>1,629,238,257</u>
7.a Classified, unclassified, doubtful and bad loans & advances					
<i>Unclassified</i>					
Standard (Including Staff Loan)		81,715,662,243	78,649,554,548	82,348,732,674	79,365,541,964
Special Mention Accounts (SMA)		1,627,984,687	847,776,094	1,627,984,687	847,776,094
		<u>83,343,646,930</u>	<u>79,497,330,642</u>	<u>83,976,717,361</u>	<u>80,213,318,058</u>
<i>Sub-standard</i>		588,516,613	418,551,016	588,516,613	418,551,016
Doubtful		883,534,913	172,180,972	883,534,913	172,180,972
Bad/Loss		993,349,068	969,860,132	993,349,068	969,860,132
Classified		<u>2,465,400,594</u>	<u>1,560,592,120</u>	<u>2,465,400,594</u>	<u>1,560,592,120</u>
		<u>85,809,047,524</u>	<u>81,057,922,762</u>	<u>86,442,117,955</u>	<u>81,773,910,178</u>
8 Fixed assets including land, building, furniture and fixtures					
Cost					
Freehold Land and Land Development		3,598,055,404	3,594,373,470	3,598,055,404	3,594,373,470
Buildings on Freehold land		462,801,908	307,099,220	462,801,908	307,099,220
Machinery and Equipment		444,298,027	386,801,750	439,800,280	382,304,002
Computer and Network Equipments		296,705,640	293,222,115	293,604,155	290,120,630
Furniture and fixtures		292,893,565	270,666,951	286,606,137	264,379,523
Vehicles		105,515,451	96,986,201	104,173,146	95,643,896
Leased Assets (Finance Lease)		90,084,859	90,084,859	90,084,859	90,084,859
Software		127,237,647	92,527,305	125,225,667	90,515,325
Total Cost		<u>5,417,592,500</u>	<u>5,131,761,871</u>	<u>5,400,351,555</u>	<u>5,114,520,925</u>
Accumulated depreciation		(738,894,291)	(666,195,149)	(732,558,437)	(661,236,389)
Written Down Value		<u>4,678,698,209</u>	<u>4,465,566,722</u>	<u>4,667,793,118</u>	<u>4,453,286,336</u>

Detail of these are in Annexure-A.

	Notes	Group		Bank	
		30 Jun '12 Taka	31 Dec '11 Taka	30 Jun '12 Taka	31 Dec '11 Taka
9 Other assets					
Income generating					
Investment in subsidiary-EBL Securities Ltd.		-	-	479,900,000	216,000,000
Investment in subsidiary-EBL Investments Ltd.		-	-	299,999,900	299,999,900
Investment in subsidiary-EBL Finance (HK) Ltd.		1,608,409	-	1,608,409	-
Non - Income generating					
Receivable from EBL Securities Ltd.		-	-	5,076,400	37,996,186
Fair value of DSE license Fee*		553,796,400	349,000,000	-	-
Other assets of subsidiary		748,599,842	741,132,334	-	-
Stock of stationery & Stamps on hand		19,436,548	17,805,946	19,436,548	17,805,945
Advance to staff for expenses		4,651,230	311,549	4,651,230	311,549
Suspense account		7,642,044	7,719,869	7,642,044	7,719,869
Advance paid for development of land and building		75,188,632	31,298,489	75,188,632	31,298,489
Security deposits-Govt. agencies		2,386,825	1,921,825	1,921,825	1,921,825
Interest and dividend receivables		466,857,876	365,562,525	466,671,326	365,562,525
Sundry Receivables		129,489,468	219,053,295	129,489,468	219,053,295
Advance rent		262,452,632	252,920,861	257,844,352	252,920,861
Advance to vendors and other prepayments		368,326,417	394,130,404	368,193,679	394,130,404
Deferred tax assets/(liability)		134,625,371	134,625,371	134,625,371	134,625,371
Bangladesh Bank clearing account		1,997,822	1,822,390	1,997,822	1,822,390
Prepaid expenses - OBU		9,123,029	10,210,588	9,123,029	10,210,588
		<u>2,786,182,545</u>	<u>2,527,515,446</u>	<u>2,263,370,035</u>	<u>1,991,379,197</u>

* The Bank acquired rest 40% share of EBL Securities Ltd during this period. As per valuation done by ACNABIN, Chartered Accountant, the market value of DSE membership license stood at Tk 861 million as of June 30, 2011. However, following conservative approach, EBL accounted for only 40% of the fair value i.e Tk 344.40 million and refrained from booking any revaluation gain of 60% share acquired earlier .

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 recorded at Tk. 247,878,000 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-banking assets	246,833,000	247,878,000	246,833,000	247,878,000
	<u>246,833,000</u>	<u>247,878,000</u>	<u>246,833,000</u>	<u>247,878,000</u>

11 Borrowings from other banks, financial institutions and agents

Balance inside Bangladesh	11.1	13,241,160,746	18,071,505,841	13,241,160,746	18,071,505,841
Balance outside Bangladesh	11.2	4,289,301,618	3,580,978,435	4,289,301,618	3,580,978,435
		<u>17,530,462,364</u>	<u>21,652,484,276</u>	<u>17,530,462,364</u>	<u>21,652,484,276</u>
Balance inside Bangladesh					
Payable on demand		5,782,185,910	2,840,000,000	5,782,185,910	2,840,000,000
Term Borrowings		1,507,455,484	9,450,000,000	1,507,455,484	9,450,000,000
Other borrowings		5,951,519,352	5,781,505,841	5,951,519,352	5,781,505,841
		<u>13,241,160,746</u>	<u>18,071,505,841</u>	<u>13,241,160,746</u>	<u>18,071,505,841</u>
Balance outside Bangladesh					
Non interest bearing Nostro accounts		198,511,618	233,073,073	198,511,618	233,073,073
Interest bearing account of OBU		4,090,790,000	3,347,905,362	4,090,790,000	3,347,905,362
		<u>4,289,301,618</u>	<u>3,580,978,435</u>	<u>4,289,301,618</u>	<u>3,580,978,435</u>

	Notes	Group		Bank	
		30 Jun '12 Taka	31 Dec '11 Taka	30 Jun '12 Taka	31 Dec '11 Taka
12 Deposits and other accounts					
Current deposits and other accounts, etc.	12.1	9,553,047,052	7,365,413,484	9,553,047,052	7,365,413,484
Savings bank deposits	12.2	13,366,008,519	13,159,045,299	13,366,008,519	13,159,045,299
Fixed deposits	12.3	61,727,578,068	53,743,327,289	62,067,256,477	54,075,610,120
Bills payable	12.4	612,676,318	814,170,727	612,676,318	814,170,727
Bearer certificates of deposits	12.5	22,250,000	22,250,000	22,250,000	22,250,000
		85,281,559,958	75,104,206,799	85,621,238,366	75,436,489,630
12.1 Current deposits and other accounts					
Current deposits		3,023,049,988	2,623,124,529	3,023,049,988	2,623,124,529
Sundry Deposits (Margin on LC, LG, Acceptance etc.)		4,949,936,657	2,926,786,724	4,949,936,657	2,926,786,724
Matured Deposits		4,000,000	4,012,802	4,000,000	4,012,802
Interest Accrued on Deposits		1,575,680,694	1,709,025,398	1,575,680,694	1,709,025,398
Current deposit-OBU		379,713	102,464,031	379,713	102,464,031
		9,553,047,052	7,365,413,484	9,553,047,052	7,365,413,484
12.2 Savings bank deposits					
Saving deposits account		3,914,677,296	3,961,111,213	3,914,677,296	3,961,111,213
High performance deposit - retail		5,107,089,754	5,258,287,928	5,107,089,754	5,258,287,928
EBL campus account		9,451,776	5,896,122	9,451,776	5,896,122
EBL interesting account		1,936,696,093	1,880,686,825	1,936,696,093	1,880,686,825
EBL confidence account		1,602,304,580	1,338,036,367	1,602,304,580	1,338,036,367
Salary deposit account		151,396,924	170,871,215	151,396,924	170,871,215
Monthly deposit plan (MDP) account		4,730,883	118,667,424	4,730,883	118,667,424
EBL sonchoy account		46,474,078	51,883,717	46,474,078	51,883,717
EBL paribar account		119,170,275	11,695,685	119,170,275	11,695,685
EBL secure account		246,185,734	212,095,606	246,185,734	212,095,606
EBL global account		86,418,054	74,026,486	86,418,054	74,026,486
EBL global GBP account		4,606,144	6,816,619	4,606,144	6,816,619
EBL RFCD account		47,005,561	34,577,939	47,005,561	34,577,939
EBL junior Account		57,496,553	21,385,067	57,496,553	21,385,067
SME equity builder account		27,807,708	11,145,500	27,807,708	11,145,500
EBL Easy Account		18,429	-	18,429	-
EBL Child Future Plan		2,617,089	-	2,617,089	-
Unclaimed savings deposit		1,861,586	1,861,586	1,861,586	1,861,586
		13,366,008,519	13,159,045,299	13,366,008,519	13,159,045,299
12.3 Fixed deposits					
Special notice deposits (SND) account		16,357,084,945	9,555,432,225	16,696,763,353	9,887,715,056
Term deposits account		45,349,164,610	43,081,502,286	45,349,164,610	43,081,502,286
Matured term deposits		12,714	12,802	12,714	12,802
Resident foreign currency deposit (RFCD) account		1,466,245	623,764	1,466,245	623,764
Non resident foreign currency deposit (NFCD) account		19,849,555	43,855,112	19,849,555	43,855,112
Term deposits account- OBU		-	1,061,901,100	-	1,061,901,100
		61,727,578,068	53,743,327,289	62,067,256,477	54,075,610,120
12.4 Bills payable					
Local currency		610,887,283	810,631,373	610,887,283	810,631,373
Foreign currency		1,789,035	3,539,354	1,789,035	3,539,354
		612,676,318	814,170,727	612,676,318	814,170,727

12.5 Issuance of Bearer Certificate of Deposits has been stopped as per BRPD circular No. 09 dated 20 October 2002.

	Notes	Group		Bank	
		30 Jun '12 Taka	31 Dec '11 Taka	30 Jun '12 Taka	31 Dec '11 Taka
13 Other liabilities					
Privileged creditors		187,372,042	202,929,150	187,236,648	202,862,900
Acquirer liabilities		339,181,986	230,261,579	339,181,986	230,261,579
Sundry creditors		73,925,551	127,523,115	72,835,875	127,523,117
Security deposit		18,699,158	18,669,666	18,699,158	18,669,666
Current tax liability / (assets)		1,382,706,916	1,305,487,103	1,361,481,093	1,284,069,310
Provision for loans and advances		2,697,290,963	2,343,573,973	2,697,290,963	2,343,573,973
Interest Payable on Borrowings		66,515,248	99,257,073	66,515,248	99,257,073
Interest suspense account		494,546,935	352,951,006	494,546,935	352,951,006
Provision for other assets		8,313,675	8,313,675	8,313,675	8,313,675
Provision for loss on revaluation of shares		659,507,087	273,322,488	659,507,087	273,322,488
Advance interest/commission received		39,335,621	28,119,144	39,335,621	28,119,144
Expenses payable		87,204,048	222,978,070	86,262,360	222,978,067
Inter branch and inter system accounts		458,885	488,604	458,885	488,604
Advance export proceeds		93,587,148	540,406,862	93,587,148	540,406,862
Miscellaneous payable		288,890,709	206,123,307	288,890,709	206,123,307
Conversion balance		275,453	148,614	275,453	148,614
Other liabilities- OBU		303,910,841	145,624,722	303,910,841	145,624,722
Other liabilities of subsidiaries		73,807,032	109,248,914	-	-
		<u>6,815,529,299</u>	<u>6,215,427,065</u>	<u>6,718,329,686</u>	<u>6,084,694,107</u>

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 3,233,807,670 4,818,347,850 3,233,807,670

6,111,797,850 4,527,257,670 6,111,797,850 4,527,257,670

*During 2012 total 158,454,018 number of shares are issued as stock dividend.

15 Statutory Reserve

Opening balance

3,551,351,414 2,725,521,942 3,551,351,414 2,725,521,942

Transferred from profit during the period

- 825,829,472 - 825,829,472

Closing balance

3,551,351,414 3,551,351,414 3,551,351,414 3,551,351,414

16 Dividend equalization reserve

Opening balance

356,040,000 356,040,000 356,040,000 356,040,000

Transferred from profit during the period

- - - -

Closing balance

356,040,000 356,040,000 356,040,000 356,040,000

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.

17 Reserve against Pre-takeover loss

Opening balance

1,554,759,750 1,554,759,750 1,554,759,750 1,554,759,750

Adjustment during the period

- - - -

Closing balance

1,554,759,750 1,554,759,750 1,554,759,750 1,554,759,750

	Notes	Group		Bank	
		30 Jun '12 Taka	31 Dec '11 Taka	30 Jun '12 Taka	31 Dec '11 Taka
18 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		(787,204,238)	(989,138,238)	(787,204,238)	(989,138,238)
Recoveries/(payments) during the period		(165,590,574)	201,934,000	(165,590,574)	201,934,000
Closing balance		<u>(952,794,812)</u>	<u>(787,204,237)</u>	<u>(952,794,812)</u>	<u>(787,204,238)</u>
19 Assets revaluation reserve					
Opening balance		2,651,941,750	2,651,941,750	2,651,941,750	2,651,941,750
Addition during the period		-	-	-	-
		<u>2,651,941,750</u>	<u>2,651,941,750</u>	<u>2,651,941,750</u>	<u>2,651,941,750</u>
20 Treasury bill amortization reserve (HTM)					
Opening balance		3,793	-	3,793	-
Addition during the period		-	3,793	-	3,793
Adjustment made during the period		(3,793)	-	(3,793)	-
		<u>-</u>	<u>3,793</u>	<u>-</u>	<u>3,793</u>
21 Foreign currency translation gain/(loss)					
Assets and liabilities of OBU have been converted into Taka using period end standard mid rate of exchange of the Bank @ USD 1 = BDT 81.8158 (2011: BDT 81.6847) as at 30 June 2012. Incomes and expenses are translated using monthly average rate of standard mid rate of exchange (USD 1= BDT 82.2955). The cumulative amount of the exchange differences has been presented separately as equity component.					
22 Profit and loss account/Retained Earnings					
Opening balance		1,769,737,547	1,669,294,774	1,735,266,867	1,646,838,196
Profit for the period		882,706,783	2,532,718,515	855,516,211	2,520,704,413
Transfer to statutory reserve		-	(825,829,472)	-	(825,829,472)
Bonus share issued		(1,584,540,180)	(1,606,446,270)	(1,584,540,180)	(1,606,446,270)
Fair value adjustment		91,582,747	-	-	-
Closing balance		<u>1,159,486,893</u>	<u>1,769,737,547</u>	<u>1,006,242,896</u>	<u>1,735,266,867</u>
23 Non-controlling interest					
A) Non-controlling Interest-EBL Securities Ltd		-	150,680,336		
B) Non-controlling Interest-EBL Investments Ltd		-	108		
		<u>-</u>	<u>150,680,444</u>		

On April 24, 2012 EBL acquired remaining 40% shares of EBL Securities Ltd after getting approval from Bangladesh Bank. So, while consolidating financial statements of both the fully owned subsidiaries (EBL Securities Ltd & EBL Investments Ltd) with that of EBL, no non-controlling interest was resulted and reported.

	Notes	Group		Bank	
		30 Jun '12 Taka	31 Dec '11 Taka	30 Jun '12 Taka	31 Dec '11 Taka
24 Contingent liabilities					
Acceptance and endorsements	24.1	20,891,929,177	23,317,821,842	20,891,929,177	23,317,821,842
Letters of guarantee	24.2	9,005,973,260	6,725,466,917	9,005,973,260	6,725,466,917
Irrevocable letters of credit	24.3	16,697,996,291	12,006,716,532	16,697,996,291	12,006,716,532
Bills for collection		1,689,556,856	1,204,574,500	1,689,556,856	1,204,574,500
		<u>48,285,455,584</u>	<u>43,254,579,791</u>	<u>48,285,455,584</u>	<u>43,254,579,791</u>
24.1 Acceptance and endorsements					
Acceptances		6,382,693,529	6,922,822,801	6,382,693,529	6,922,822,801
Acceptances-Usance LC-Cash		14,505,557,346	16,394,794,076	14,505,557,346	16,394,794,076
		<u>20,888,250,875</u>	<u>23,317,616,877</u>	<u>20,888,250,875</u>	<u>23,317,616,877</u>
Acceptances-OBU		3,678,303	204,965	3,678,303	204,965
		<u>20,891,929,177</u>	<u>23,317,821,842</u>	<u>20,891,929,177</u>	<u>23,317,821,842</u>
24.2 Letters of guarantees					
Directors		980,260	1,094,180	980,260	1,094,180
Government		496,617,127	4,996,327	496,617,127	4,996,327
Banks and other financial institutions		3,187,298,748	1,869,355,412	3,187,298,748	1,869,355,412
Others (Customers etc.)		5,321,077,125	4,839,169,594	5,321,077,125	4,839,169,594
		<u>9,005,973,260</u>	<u>6,714,615,513</u>	<u>9,005,973,260</u>	<u>6,714,615,513</u>
Letter of guarantee- OBU		-	10,851,404	-	10,851,404
		<u>9,005,973,260</u>	<u>6,725,466,917</u>	<u>9,005,973,260</u>	<u>6,725,466,917</u>
24.3 Irrevocable letters of credit					
Letter of credit		16,676,608,459	11,977,104,827	16,676,608,459	11,977,104,827
Letter of credit-OBU		21,387,832	29,611,705	21,387,832	29,611,705
		<u>16,697,996,291</u>	<u>12,006,716,532</u>	<u>16,697,996,291</u>	<u>12,006,716,532</u>
		Group		Bank	
		Jan - Jun '12 Taka	Jan - Jun '11 Taka	Jan - Jun '12 Taka	Jan - Jun '11 Taka
25 Interest income					
Interest on advances		5,733,636,581	3,747,219,690	5,716,709,836	3,689,173,775
Interest on money at call and short notice		206,305,297	43,321,184	206,305,297	43,321,184
Interest on placement with other banks and Financial Institutions		502,325,420	385,264,047	502,325,420	385,264,047
Interest on foreign currency balances		1,456,827	3,874,774	1,456,827	3,874,774
Interest income-offshore banking unit		181,558,373	104,070,333	181,558,373	104,070,333
		<u>6,625,282,498</u>	<u>4,283,750,028</u>	<u>6,608,355,753</u>	<u>4,225,704,113</u>
26 Interest paid on deposits and borrowings					
Interest on deposits		3,536,549,181	2,445,497,511	3,548,924,492	2,445,497,511
Interest on borrowings		484,967,586	196,957,911	484,967,586	165,974,762
Interest on REPO		56,372,488	30,365,271	56,372,488	30,365,271
Interest paid on deposits and borrowings-offshore banking unit		58,126,366	43,603,944	58,126,366	43,603,944
		<u>4,136,015,620</u>	<u>2,716,424,637</u>	<u>4,148,390,931</u>	<u>2,685,441,488</u>

	Group		Bank	
	Jan - Jun '12 Taka	Jan - Jun '11 Taka	Jan - Jun '12 Taka	Jan - Jun '11 Taka
27 Income from Investments				
Dividend on shares				
Ordinary shares	17,184,964	23,727,326	17,184,964	22,613,656
Preference shares	1,349,375	2,578,333	1,349,375	2,578,333
	<u>18,534,339</u>	<u>26,305,659</u>	<u>18,534,339</u>	<u>25,191,989</u>
Reverse REPO	171,788,744	45,877,870	171,788,744	45,877,870
Interest on debentures	1,469,383	1,867,534	1,469,383	1,867,534
Gain from trading in Govt. securities	227,187,323	95,793,200	227,187,323	95,793,200
Gain/ (loss) on revaluation of treasury securities (HFT)*	(109,128,144)	(54,867,172)	(109,128,144)	(54,867,172)
Interest on Bonds- Treasury	385,631,180	363,564,345	385,631,180	363,564,345
Interest on Bonds- Corporate	22,699,444	20,883,333	22,699,444	20,883,333
Gain or (loss) on shares traded in secondary market	(35,072,400)	358,086,857	(35,009,088)	358,086,857
Gain or (loss) on Sale of Placement Share	-	33,852,658	-	33,852,658
	<u>683,109,867</u>	<u>891,364,284</u>	<u>683,173,179</u>	<u>890,250,614</u>
*As per instruction/circular of Bangladesh Bank (DOS circular Letter No 05 dated 26 May 2008).				
28 Commission, exchange and brokerage				
Fees and commission	758,608,809	737,769,520	723,930,616	691,716,017
Exchange gain net off exchange losses	346,805,536	342,902,830	346,805,536	342,902,830
Brokerage	-	-	-	-
Commission, exchange and brokerage - OBU	4,465,480	551,754	4,465,480	551,754
	<u>1,109,879,826</u>	<u>1,081,224,104</u>	<u>1,075,201,633</u>	<u>1,035,170,601</u>
29 Other operating income				
Rebate earnings	20,673,330	19,591,031	20,673,330	19,591,031
Telex charges recovered	-	669	-	669
Postage charges recovered	5,535,748	5,456,548	5,535,748	5,456,548
Service charges related to trade operations	13,782,629	4,541,636	13,782,629	4,541,636
Swift charges	3,705,664	14,045,051	3,705,664	14,045,051
Recovery from written off loans	66,511,387	205,481,219	66,511,387	205,481,219
Locker rent	3,652,000	3,397,275	3,652,000	3,397,275
Gain on sale of fixed assets	3,932,614	-	3,932,614	-
Miscellaneous	1,488,242	13,427,550	1,393,442	12,182,950
Other operating income-OBU	361,245	257,349	361,245	257,349
	<u>119,642,860</u>	<u>266,198,328</u>	<u>119,548,060</u>	<u>264,953,728</u>
30 Salary and allowances				
Basic salary	264,988,974	223,887,775	261,606,024	219,740,975
Allowances	401,121,486	313,062,269	396,047,061	310,297,736
Festival bonus	729,438	559,970	729,438	559,970
Performance bonus	-	-	-	-
Bank's contribution to provident fund	24,916,547	19,945,553	24,916,547	19,945,553
Contribution to gratuity fund	41,975,723	34,982,233	41,975,723	34,982,233
Contribution to superannuation fund	3,041,959	3,411,558	3,041,959	3,411,558
	<u>736,774,127</u>	<u>595,849,358</u>	<u>728,316,752</u>	<u>588,938,025</u>

	Group		Bank	
	Jan - Jun '12 Taka	Jan - Jun '11 Taka	Jan - Jun '12 Taka	Jan - Jun '11 Taka
31 Rent, Taxes, Insurance, Utilities etc.				
Rent, rates and taxes	99,308,609	78,394,281	95,744,698	75,536,276
Insurance premium	28,711,168	19,874,031	27,834,300	19,874,031
Utilities	23,017,027	13,442,503	22,490,908	13,040,608
	<u>151,036,804</u>	<u>111,710,815</u>	<u>146,069,906</u>	<u>108,450,915</u>
32 Legal and professional expenses				
Legal expenses	12,947,740	10,571,551	12,658,400	10,563,551
Other professional expenses	7,225,548	11,718,359	7,225,548	11,718,359
	<u>20,173,288</u>	<u>22,289,910</u>	<u>19,883,948</u>	<u>22,281,910</u>
33 Postage, Stamp, Telecommunication etc.				
Telephone -office	8,521,874	7,596,456	8,521,874	7,513,869
LAN, WAN, SWIFT and Telex	26,382,696	15,282,263	26,382,696	15,282,263
Postage and courier	9,462,789	6,925,617	9,462,789	6,925,617
Stamp & court fees	156,260	104,880	156,260	104,880
	<u>44,523,619</u>	<u>29,909,216</u>	<u>44,523,619</u>	<u>29,826,630</u>
34 Stationery, Printing, Advertisement, etc.				
Printing and stationery	32,514,563	28,952,879	32,427,868	28,816,848
Publicity and advertisement	64,133,586	61,115,186	64,117,679	61,100,766
	<u>96,648,149</u>	<u>90,068,065</u>	<u>96,545,547</u>	<u>89,917,614</u>
35 Managing Director's Salary and Allowances				
Basic salary	3,696,000	3,360,000	3,696,000	3,360,000
Allowances	2,040,000	2,040,000	2,040,000	2,040,000
Bonus	-	-	-	-
Bank's contribution to provident fund	369,600	336,000	369,600	336,000
	<u>6,105,600</u>	<u>5,736,000</u>	<u>6,105,600</u>	<u>5,736,000</u>
36 Directors' Fees				
Meeting attendance fees	546,000	558,000	525,000	540,000
Other expenses	907,026	868,709	907,026	868,709
	<u>1,453,026</u>	<u>1,426,709</u>	<u>1,432,026</u>	<u>1,408,709</u>
37 Repairs, maintenance and depreciation				
Depreciation: (Annexure 'A')				
Buildings	4,163,127	277,404	4,163,127	277,404
Machineries and equipments	47,473,179	29,547,527	47,129,297	29,007,269
Computer and Network Equipments	21,205,213	22,209,584	20,896,927	22,209,584
Vehicles	6,956,735	4,498,592	6,856,063	4,397,920
Furniture and fixtures	14,010,522	12,222,610	13,538,966	11,742,329
Software	3,410,562	7,980,992	3,259,664	7,867,594
	<u>97,219,338</u>	<u>76,736,709</u>	<u>95,844,044</u>	<u>75,502,100</u>
Repairs and maintenance				
Office equipments	17,201,265	14,396,830	17,201,265	14,209,750
Vehicles	4,533,375	1,679,230	4,533,375	1,659,230
Furniture and fixtures	4,027,421	9,478,027	4,027,421	9,478,027
Rented premises- general	26,323,592	22,276,714	26,323,592	21,629,139
Rented premises-lighting	17,702,704	8,655,585	17,702,704	8,631,403
Software maintenance expense	30,969,542	4,125,232	30,338,351	4,075,232
	<u>100,757,899</u>	<u>60,611,618</u>	<u>100,126,708</u>	<u>59,682,781</u>
	<u>197,977,237</u>	<u>137,348,327</u>	<u>195,970,752</u>	<u>135,184,881</u>

	Notes	Group		Bank	
		Jan - Jun '12 Taka	Jan - Jun '11 Taka	Jan - Jun '12 Taka	Jan - Jun '11 Taka
38 Other operating expenses					
Card expenses		34,055,419	19,600,821	34,055,419	19,600,821
Business travelling expenses		13,103,869	8,139,417	13,103,869	8,139,417
Bank charges		5,798,299	11,364,893	5,798,299	11,364,893
Donation		3,402,610	3,485,514	3,402,610	3,485,514
Fees and subscriptions		2,683,007	2,061,199	2,683,007	2,061,199
Books, periodicals and publications		920,770	1,020,690	920,770	1,020,690
Car & generator expenses (Fuel, drivers salary, fitness etc.)		15,343,786	9,366,864	15,343,786	9,366,864
Staff recruitment and training expenses		13,668,772	8,274,409	13,668,772	8,274,409
Entertainment		21,217,065	21,759,670	20,901,187	21,759,670
Uniform and liveries		1,656,030	1,463,444	1,656,030	1,463,444
Office securities		34,363,850	17,550,141	34,242,525	17,550,141
Sales & agency commission (DST, student file)		11,456,138	5,960,081	11,385,138	5,960,081
Dealers' commission-auto loan		27,108	9,000	27,108	9,000
AGM expenses		2,253,299	4,010,494	2,253,299	4,010,494
Miscellaneous write off expenses		940	-	940	-
Share transaction expenses		463,927	8,797,213	463,927	8,797,213
Other expenses-OBU		11,957,804	4,125,037	11,957,804	4,125,037
Other expenses of subsidiaries		5,844,051	10,376,676	-	-
		178,216,744	137,365,563	171,864,490	126,988,886
39 Provision for loans & advances					
General provision		169,944,757	246,326,040	169,944,757	246,326,040
Specific provision		320,731,209	157,165,601	320,731,209	157,165,601
		490,675,967	403,491,641	490,675,967	403,491,641
40 Other provision					
Provision against other assets		-	2,345,283	-	2,345,283
Loss on revaluation of shares		413,500,086	139,787,837	413,500,086	139,787,837
		413,500,086	142,133,120	413,500,086	142,133,120

	Notes	Jan - Jun '12 Taka	Jan - Jun '11 Taka	Apr - Jun '12 Taka	Apr - Jun '11 Taka
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41 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 2012 as per BAS- 33 "Earnings Per Share". Bonus share issued during 2012 has been treated as if they had been in issue from the beginning of 2011 as per BAS-33. Diluted earnings per share was not required to calculate as there were no dilution possibilities during the period.

A Weighted average number of shares :

Number of shares in 2011 before bonus share issued	-	292,081,140	-	292,081,140
Bonus share issued in 2011	-	160,644,627	-	160,644,627
Number of shares in 2012 before bonus share issued	452,725,767	-	452,725,767	-
Bonus share issued in 2012	158,454,018	158,454,018	158,454,018	158,454,018
Weighted average number of shares	<u>611,179,785</u>	<u>611,179,785</u>	<u>611,179,785</u>	<u>611,179,785</u>

B Earnings Per Share (EPS) :

Profit attributable to the shareholders of EBL for the period (after consolidation)	882,706,783	1,131,744,203	452,437,164	639,410,322
Profit attributable to the shareholders of EBL for the period (before consolidation)	855,516,211	1,095,667,771	436,799,825	620,300,643
Weighted average number of shares	611,179,785	611,179,785	611,179,785	611,179,785
Earnings per share (EPS)-after consolidation	1.44	1.85	0.74	1.05
Earnings per share (EPS)-before consolidation	1.40	1.79	0.71	1.01

EASTERN BANK LIMITED AND ITS SUBSIDIARIES

Consolidated schedule of fixed assets

As at 30 June 2012

Annexure - A

Particulars	Cost			Accumulated Depreciation / Amortization				Net book value at 30 June 2012
	Balance on 01 January 2012	Revaluation Reserve	Additions during the period	Disposals during the period	Balance at 30 June 2012	Charge for the period	Disposals during the period	Balance at 30 June 2012
Tangible Assets								
Land	3,594,373,470	-	3,681,934	-	3,598,055,404	-	-	3,598,055,404
Building	307,099,220	-	155,702,688	-	462,801,908	6,993,846	4,163,127	451,644,935
Machinery and Equipment	386,801,750	-	59,806,360	(2,310,083)	444,298,027	218,049,174	(2,308,317)	181,083,991
Computer and Network Equipment	293,222,115	-	18,775,558	(15,292,033)	296,705,640	172,671,023	(15,277,820)	118,107,224
Vehicles	96,986,201	-	14,550,500	(6,021,250)	105,515,451	52,651,496	(6,021,248)	51,928,468
Furniture and fixtures & Leased Assets under Finance Lease	360,751,812	-	23,125,738	(899,124)	382,978,426	191,919,781	(799,313)	205,130,990
Intangible Assets								
Software	92,527,305	-	34,823,917	(113,575)	127,237,647	23,909,905	(113,574)	27,206,893
At 30 June 2012	5,131,761,870	-	310,466,695	(24,636,065)	5,417,592,501	666,195,149	(24,520,272)	738,894,291
At 31 December 2011	4,137,101,825	-	1,001,399,060	(6,739,015)	5,131,761,870	510,980,663	(5,356,841)	666,195,149

EASTERN BANK LIMITED

Schedule of fixed assets

As at 30 June 2012

Particulars	Cost			Accumulated Depreciation / Amortization				Net book value at 30 June 2012
	Balance on 01 January 2012	Revaluation Reserve	Additions during the period	Disposals during the period	Balance at 30 June 2012	Charge for the period	Disposals during the period	Balance at 30 June 2012
Tangible Assets								
Land	3,594,373,470	-	3,681,934	-	3,598,055,404	-	-	3,598,055,404
Building	307,099,220	-	155,702,688	-	462,801,908	6,993,846	4,163,127	451,644,935
Machinery and Equipment	382,304,003	-	59,806,360	(2,310,083)	439,800,280	216,442,129	(2,310,117)	178,538,971
Computer and Network Equipment	290,120,630	-	18,775,558	(15,292,033)	293,604,155	171,944,653	(15,277,820)	116,040,395
Vehicles	95,643,896	-	14,550,500	(6,021,250)	104,173,146	52,111,883	(6,021,248)	51,226,448
Furniture and fixtures & Leased Assets under Finance Lease	354,464,383	-	23,125,738	(899,124)	376,690,997	190,085,971	(799,313)	202,825,624
Intangible Assets								
Software	90,515,325	-	34,823,917	(113,575)	125,225,667	23,657,983	(113,574)	26,804,073
At 30 June 2012	5,114,520,924	-	310,466,695	(24,636,065)	5,400,351,555	661,236,389	(24,522,072)	732,558,437
At 31 December 2011	4,122,908,016	-	998,351,924	(6,739,015)	5,114,520,925	508,510,976	(5,356,841)	661,236,389

CREDIT RATING REPORT



CRISL Credit Rating	2011	2010
Long Term Rating	AA	AA
Short Term Rating	ST-2	ST-2

CRISL reaffirms the rating of Eastern Bank Limited to “AA” in long term and ST-2 in the short term. The above rating has been awarded on the basis of bank’s good fundamentals such as good financial performance and asset quality, good corporate management team, diversified portfolio and earning stream 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 strong liquidity and high certainty of timely payment.

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.

Asif Mahmood

Representing: Aquamarine Distributions Ltd.

Gazi Md. Shakhawat Hossain

Representing: Purnima Construction (Pvt) Ltd.

Meah Mohammed Abdur Rahim

Independent Director/ Director from the Depositors

Ormaan Rafay Nizam

Director from the Depositors

Ali Reza Iftekhar

Managing Director & CEO

Company Secretary

Safiar Rahman, FCS

Executive Committee of the Board

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 of the Board

A. M. Shaukat Ali, Director

A.Q.I. Chowdhury, OBE, Director

Meah Mohammed Abdur Rahim, Director

Asif Mahmood, Director

Gazi Md. Shakhawat Hossain, Director

Secretary: Safiar Rahman, FCS

Chairman

Member

Member

Member

Auditors

Hoda Vasi Chowdhury & Co

Chartered Accountants

Legal Advisors

Sadat, Sarwat & Associates and

Sadia Rowshan Jahan

MANAGEMENT COMMITTEE

Ali Reza Iftekhar

Managing Director & CEO

Muklesur Rahman

DMD (Consumer Banking)

Md. Fakhru Alam

DMD (Corporate Banking & Treasury)

Syed Rafiqul Haq

SEVP & Area Head, Corporate Banking – Dhaka

Safiar Rahman

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

A M M Moyeen Uddin

EVP & Head of IT

Omar F Khandaker

IT Consultant

Md. Khurshed Alam

EVP & Head of SME

Ahsan Zaman Chowdhury

EVP & Area Head, Corporate Banking (Ctg.)

Maj Md. Abdus Salam, psc, (Retd)

SVP & Head of Administration & Security

Ziaul Karim

SVP & Head of Brand & Communication

Lt. Col.(Retd) Kamal Mustaba Ali

Head of Projects, Engineering Division

Muhammad Maniruzzaman, FCMA

VP & Head of Finance

Monjurul Alam

VP & Head of HR

Registered & Head Office:

Jiban Bima Bhaban

10 Dilkusha Commercial Area

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Eastern Bank Ltd.

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