




HALF YEARLY REPORT 2010





We have listened to 250,000 lives
in our journey to become a

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international
organization that
recognizes top
brands worldwide
based on a global
standard.



Eastern Bank Ltd.

Simple Math™

Eastern Bank Ltd.

Date: July 29, 2010

To: The shareholders of EBL

Sub: Half yearly Financial Statements (Unaudited) for the period from January to June 2010.

As per Rule 13 of the Securities and Exchange Rules 1987, we are pleased to present before you the unaudited financial statements of Eastern Bank Limited for the period from 1 January 2010 to 30 June 2010.



Safiar Rahman, FCS

SEVP & Company Secretary

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contents

Message from the Managing Director & CEO	04
Consolidated Balance Sheet (Unaudited)	06
Consolidated Profit and Loss Account (Unaudited)	08
Consolidated Cash Flow Statement (Unaudited)	09
Consolidated Statement of Changes in Equity (Unaudited)	10
Balance Sheet (Unaudited)	12
Profit and Loss Account (Unaudited)	14
Cash Flow Statement (Unaudited)	15
Statement of Changes in Equity (Unaudited)	16
Selected explanatory notes to the financial statements	17
Credit Rating Report	20
Highlights	22
Corporate Directory	23



Message from the Managing Director & CEO

I am happy to share that our business and financial performance remains consistent during first half (Jan-Jun) of 2010 despite after shocks of global meltdown. After hitting the rock bottom, global economy has been recovering in a varying speed across economies. The country's economic growth has been slowing for the last four consecutive years (6.4% in FY 2006-2007 to 5.5% in FY 2009-2010) and is expected to grow by more than 6.0% in FY 2010-2011. Delayed impacts of global recession have hit our economy hardest in the Fiscal Year (FY) 2009-2010. Exports grew only by 2.48% to USD 14.49 billion during July-May of FY 2009-2010 whereas remittance earnings recorded a somewhat moderate growth rising by only 13.25% in the FY 2009-2010 (USD 10.97 billion against USD 9.69 billion in FY 2008-2009) pushing our FX reserve to more than USD 10.00 billion. With lower than expected domestic credit growth (13.3% against target of 15.6%) on the backdrop of subdued investment demand, chronic power shortage and weak infrastructure, banks are having excess liquidity and facing decreasing lending rates environment.

Our revised strategy in the changed economic and business environment produced desired results. Our focused and sustained efforts to enhance asset quality helped contain Non-performing Loan (NPL) Ratio to 2.31% at the period end June 2010

compared to 2.46% at the year end 2009. Our loans grew by 15.77% and deposits grew by 8.34% during this first half of the year. Our capital (Paid up capital and statutory reserve) as prescribed by the central bank (deadline is August 2011), has already crossed BDT 4,000 million mark and reached BDT 4,847.85 million at the end of June 2010.

Our Bank has made an Operating Profit of BDT 2,120.65 million (including Exchange equalization gain of BDT 22.63 million) registering a growth of 43% during the first half 2010 compared to corresponding period last year. Profit after tax (PAT) before consolidation has increased by an impressive 55% to BDT 1,045.21 million in this period (Jan-Jun 2010) whereas consolidated PAT is BDT 1,058.00 million. Half yearly Earning Per Share (EPS) before consolidation, therefore, becomes BDT 35.78 against BDT 23.10 (restated) during same period last year. Our consolidated EPS is BDT 36.22 during the first half 2010.

EBL in its continuous pursuit of expanding reach through cost effective delivery channels has added 5 ATMs, 3 SME centers during this period. As on the close of June 2010 we had 39 branches, 26 SME centers, 60 ATMs and 04 active Kiosks. We have delivered MICR encoded and personalized customer cheque books with security features as per Bangladesh Bank guidelines. This preparation along with technological readiness helped EBL to participate as one of the three Banks in first system integration test for Bangladesh Automated Clearing House (BACH). To ensure seamless processes, we have upgraded our core banking software to UBS from Flexcube which will help us offering innovative products and reliable services to customers.

Recognizing human resources as the most valuable soft factor, EBL has established a competitive and enabling working environment to facilitate employees perform their best. We have, at present, fourteen CDCS (Certified Documentary Credit Specialist) which is the highest in country's banking industry, to provide best trade finance solutions to customers. We have formed "Bank Risk Management Committee (BRMC)" to oversee and monitor our capital adequacy on a sustainable basis in relation to comprehensive risk profile of the bank. We followed "Guidelines on Risk Based Capital Adequacy for Banks" issued by Bangladesh Bank and reported our capital adequacy under new requirement of Basel II. Capital Adequacy Ratio of EBL has remained consistently above the threshold of Minimum Capital Requirement (currently 8%) since we started reporting under Basel II.

Credit Rating of EBL has been upgraded to 'AA' from 'AA-' (in the long term) and reaffirmed at "ST-2" (in the short term) by CRISL on the bases of 2009 audited financials, relevant qualitative factors and positive outlook of future business and performance. Our continued thrust on ensuring un-compromisable control and compliance, progressive marketing and robust IT platform once again helped upgrading our credit rating.

Striking a healthy balance between business growth, profitability, increased regulation and customer expectations has never been more challenging than now. We believe that the level of trust, cooperation and commitment we receive from our customers, regulators, employees and other stakeholders will help EBL face the challenges that are strewn on our growth trajectory.



Ali Reza Iftekhhar
Managing Director & CEO

Eastern Bank Limited

Consolidated Balance Sheet (Unaudited)

As at 30 June 2010

PROPERTY AND ASSETS	30 June 2010 Taka	31 December 2009 Taka
Cash		
Cash in hand (including foreign currencies)	572,287,873	481,498,299
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2,737,896,035	2,920,942,423
	3,310,183,909	3,402,440,722
Balances with other Banks and Financial Institutions		
In Bangladesh	8,731,857,161	5,459,255,745
Outside Bangladesh	2,257,878,549	1,319,901,189
	10,989,735,710	6,779,156,934
Money at call and short notice	-	330,000,000
Investments		
Government	6,976,161,110	7,716,875,500
Others	2,500,725,865	1,089,429,806
	9,476,886,975	8,806,305,306
Loans and advances		
Loans, Cash Credits, Overdraft etc.	52,288,625,549	45,643,988,102
Bills discounted and purchased	2,897,409,180	2,023,999,016
	55,186,034,729	47,667,987,118
Fixed assets including land, building, furniture and fixtures	1,818,989,321	1,804,049,534
Other assets	1,019,925,272	832,920,905
Non banking assets	247,878,000	247,878,000
TOTAL ASSETS	82,049,633,916	69,870,738,519
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	15,623,269,900	8,834,586,258
Deposits and other accounts		
Current deposits & other accounts, etc.	6,209,581,701	4,917,155,904
Bills payable	604,542,757	1,192,855,487
Savings bank deposits	11,074,532,976	9,797,294,072
Fixed deposits	35,383,317,158	33,259,986,755
Bearer certificates of deposits	22,250,000	22,250,000
	53,294,224,591	49,189,542,218
Other liabilities	3,954,960,409	3,417,457,625
TOTAL LIABILITIES	72,872,454,900	61,441,586,101
SHAREHOLDERS' EQUITY		
Share Capital		
Paid up capital	2,920,811,400	2,496,420,000
Statutory reserve	1,927,039,732	1,927,039,732
Dividend equalisation reserve	356,040,000	356,040,000
Reserve against pre takeover loss	1,554,759,750	1,554,759,750
Pre takeover loss	(991,773,238)	(997,316,025)
Asset revaluation reserve	913,678,854	913,678,854
Reserve for amortization of treasury securities (HTM)	-	22,956,196
Reserve for revaluation of treasury securities (HFT)	872,030,850	817,840,106
Reserve for building fund	-	60,000,000
General reserve	160,000,000	100,000,000
Reserve for non banking assets	233,527,796	233,527,796
Retained earnings	1,078,535,084	944,206,009
Attributable to equity holders of EBL	9,024,650,228	8,429,152,418
Minority interest	152,528,788	-
TOTAL SHAREHOLDERS' EQUITY	9,177,179,016	8,429,152,418
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	82,049,633,916	69,870,738,519

	30 June 2010 Taka	31 December 2009 Taka
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptance and endorsements (net)	8,415,195,147	7,360,398,666
Irrevocable Letter of Credit (net)	9,531,542,326	6,530,906,897
Letter of Guarantees (net)	2,937,704,256	2,297,184,757
Bills for Collection	513,217,700	495,419,992
	21,397,659,429	16,683,910,312
Other memorandum items		
Value of travelers' cheques on hand	220,980,159	204,622,274
Value of Bangladesh Sanchaya Patra on hand	662,647,100	334,609,100
	883,627,259	539,231,374
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	1,977,277,304	634,555,930
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	1,977,277,304	634,555,930
Claims against the Bank not acknowledged as debt	-	-
TOTAL OFF-BALANCE SHEET ITEMS	24,258,563,992	17,857,697,617



Malick Musfique Reza
EVP & Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited

Consolidated Profit and Loss Account (Unaudited)

For the period ended 30 June 2010

	1 January 2010 to 30 June 2010	1 January 2009 to 30 June 2009	1 April 2010 to 30 June 2010	1 April 2009 to 30 June 2009
	Taka	Taka	Taka	Taka
Interest income	3,391,776,168	3,058,632,377	1,753,220,698	1,530,200,561
Interest expenses	1,965,226,812	2,102,063,583	969,814,485	1,015,921,987
Net Interest Income	1,426,549,356	956,568,795	783,406,213	514,278,574
Income from investments	898,542,977	501,409,901	581,712,729	296,948,020
Commission, exchange and brokerage	535,397,811	387,772,890	350,156,530	186,586,060
Other operating income	148,142,500	314,269,316	31,372,055	202,407,987
Total operating income	3,008,632,644	2,160,020,902	1,746,647,527	1,200,220,641
Salary & allowances	465,856,323	283,910,843	279,611,319	146,249,944
Rent, taxes, insurance, electricity etc.	87,168,982	61,934,871	44,597,205	39,018,498
Legal & professional expenses	14,386,991	7,480,219	8,517,203	5,155,417
Postage, stamp, telecommunication etc.	25,978,808	27,044,508	17,887,351	19,398,355
Stationery, printing, advertisement, etc.	62,877,843	78,557,097	40,478,315	51,774,304
Managing Director's salary and allowances	4,994,400	4,704,000	2,497,200	2,352,000
Directors' fees & expenses	754,572	459,820	482,550	250,550
Auditor's fees	-	-	-	-
Repairs, maintenance and depreciation	131,779,255	82,447,806	85,946,566	55,221,590
Other expenses	98,245,311	132,693,808	26,626,904	79,583,038
Total operating expenses	892,042,486	679,232,973	506,644,614	399,003,696
Other income	27,541,130	-	24,668,877	-
Profit before provision and tax	2,144,131,288	1,480,787,930	1,264,671,790	801,216,945
Provision for loans and advances				
General provision	107,500,000	11,153,638	57,500,000	383,613
Specific provision	91,500,000	130,958,500	75,000,000	78,403,900
	199,000,000	142,112,138	132,500,000	78,787,513
Other provision	740,000	-	740,000	-
Total provision	199,740,000	142,112,138	133,240,000	78,787,513
Profit before tax for the period	1,944,391,288	1,338,675,792	1,131,431,790	722,429,432
Provision for tax	879,772,961	666,495,266	513,687,293	361,539,785
Profit after tax for the period	1,064,618,327	672,180,525	617,744,498	360,889,647
Attributable to:				
Shareholders of EBL	1,058,004,475	672,180,525	612,363,168	360,889,647
Minority interest	6,613,852	-	5,381,330	-
Earning per share (EPS)-Note-2.9	36.22	23.10	20.96	12.40



Malick Musfique Reza
EVP & Head of Finance



Ali Reza Iftikhar
Managing Director & CEO

Eastern Bank Limited

Consolidated Cash Flow Statement (Unaudited)

For the period ended 30 June 2010

	1 January 2010 to 30 June 2010	1 January 2009 to 30 June 2009
	Taka	Taka
A. Cashflows from operating activities		
Interest received in cash	3,306,415,654	3,058,632,377
Interest payment	(1,879,449,730)	(2,102,063,583)
Dividend received	16,084,917	10,676,542
Fees and commission received in cash	535,397,811	387,772,890
Cash paid to employees	(470,850,723)	(288,614,843)
Cash paid to suppliers	(190,412,624)	(175,016,695)
Income from investment	882,458,060	490,733,359
Income taxes paid	(879,772,961)	(665,175,124)
Recovery of loans previously written off	34,229,604	12,144,215
Received from other operating activities	113,912,895	302,125,101
Paid for other operating activities	(230,779,139)	(215,601,434)
Operating profit before changes in operating assets and liabilities	1,237,233,766	815,612,805
Increase/(decrease) in operating assets and liabilities		
Changes in trading securities	773,566,338	(1,228,353,314)
Loans and advances to customers (other than banks)	(7,432,687,097)	(3,354,971,340)
Other assets	(187,004,367)	(460,241,569)
Deposit from other banks	-	6,127,487
Deposit from customers (other than banks)	4,607,218,022	2,980,681,509
Trading liabilities [B/P]	(588,312,730)	(174,900,864)
Recovery from BCCI assets	5,542,787	16,375,388
Other liabilities	483,677,719	138,978,721
	(2,337,999,329)	(2,076,303,982)
Net cash received from operating activities	(1,100,765,563)	(1,260,691,177)
B. Cash flows from investing activities		
Changes in non-trading securities	-	-
Net proceeds/(payments) for sale/purchase of T-bills	-	-
Purchase of property, plant and equipment	(14,939,787)	(28,660,917)
Sale proceeds of fixed assets	-	-
Investment- Others	(1,383,754,928)	(511,534,072)
Net cash used in investing activities	(1,398,694,715)	(540,194,989)
C. Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	6,788,683,642	1,452,524,870
Dividend paid in cash	(499,284,000)	-
Right share issued	-	693,450,000
Net cash received from financing activities	6,289,399,642	2,145,974,870
D. Net (decrease)/increase in cash (A+B+C)	3,789,939,363	345,088,704
E. Effects of changes in exchange rates	-	(1,176)
F. Opening cash and cash equivalents	10,513,933,056	7,639,958,252
G. Closing cash and cash equivalents (D+E+F)*	14,303,872,418	7,985,045,780
* Closing cash and cash equivalents		
Cash in hand (including foreign currencies)	572,287,873	364,993,587
Balance with Bangladesh Bank & its agent banks	2,737,896,035	3,731,906,371
Balance with other banks and financial institutions	10,989,735,710	3,541,033,022
Money at call and short notice	-	344,993,700
Prize bonds	3,952,800	2,119,100
	14,303,872,418	7,985,045,780



Malick Musfique Reza
EVP & Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited

Consolidated Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2010

	Paid up capital	Statutory reserve	Dividend equalisation reserve	Reserve against pre take over 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	Retained earnings	Minority interest	TOTAL
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 1 January 2010	2,496,420,000	1,927,039,732	356,040,000	1,554,759,750	(997,316,025)	913,678,854	27,956,196	817,840,106	160,000,000	233,527,796	944,206,011	-	8,429,152,418
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	1,058,004,475	-	1,058,004,475
Bonus share issued	424,391,400	-	-	-	-	-	-	-	-	-	(424,391,400)	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(499,284,000)	-	(499,284,000)
Reserve for revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	54,190,744	-	-	-	-	54,190,744
Adjustment on maturity of HTM securities	-	-	-	-	-	-	(22,956,196)	-	-	-	-	-	(22,956,196)
Recovery of pre-takeover loss	-	-	-	-	5,542,787	-	-	-	-	-	-	-	5,542,787
Minority interest	-	-	-	-	-	-	-	-	-	-	-	152,528,788	152,528,788
Balance as at 30 June 2010	2,920,811,400	1,927,039,732	356,040,000	1,554,759,750	(991,773,238)	913,678,854	-	872,030,850	160,000,000	233,527,796	1,078,535,084	152,528,788	9,177,179,016
Balance as at 30 June 2009	2,496,420,000	1,386,900,000	356,040,000	1,554,759,750	(1,003,388,229)	405,015,050	26,212,662	303,768,528	160,000,000	-	701,983,416	-	6,387,711,176


Malik Musfique Reza
 EVP & Head of Finance



Ali Reza Iftekhhar
 Managing Director & CEO



ইবিএল
হোম লোন

ইবিএল
কনজুমার
ব্যাংকিং



সময়ের সবচেয়ে সশ্রুয়ী রেট! আপনি কি আগ্রহী?

স্বল্প-মেয়াদে অনেক কিছুই আকর্ষণীয় মনে হতে পারে, কিন্তু আমরা চাই হোম লোনের ক্ষেত্রে আপনি হবেন দূরদর্শী। আর তাই দীর্ঘ মেয়াদে ইন্টারেস্ট হিসেব করলে ইবিএল হোম লোন সবচেয়ে সশ্রুয়ী। অ্যাপার্টমেন্ট কেনা, বাড়ি তৈরি, বাড়ি-বাড়ানো অথবা বাড়ি পুনঃনির্মাণের জন্য ইবিএল আপনাকে দিচ্ছে সুবিধাজনক হোম লোন সময়ের সবচেয়ে সশ্রুয়ী রেট ১০.৫%-এ। বেই কোন হিডেন কস্ট। বেই ফাইন প্রিন্ট।

বিস্তারিত জানতে কল করুন: ০১৯ ৯৬০৯ ১৫৩৩, ০১৬ ১৫৬৬ ৫৫৪৪। শও প্রযোজ্য



Eastern Bank Limited

Balance Sheet (Unaudited)

As at 30 June 2010

PROPERTY AND ASSETS	30 June 2010 Taka	31 December 2009 Taka
Cash		
Cash in hand (including foreign currencies)	572,283,073	481,498,299
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2,737,896,035	2,920,942,423
	3,310,179,109	3,402,440,722
Balances with other Banks and Financial Institutions		
In Bangladesh	8,334,881,855	5,459,255,745
Outside Bangladesh	2,257,878,549	1,319,901,189
	10,592,760,404	6,779,156,934
Money at call and short notice	-	330,000,000
Investments		
Government	6,976,161,110	7,716,875,500
Others	2,500,725,865	1,089,429,806
	9,476,886,975	8,806,305,306
Loans and advances		
Loans, Cash Credits, Overdraft etc.	52,288,625,549	45,643,988,102
Bills discounted and purchased	2,897,409,180	2,023,999,016
	55,186,034,729	47,667,987,118
Fixed assets including land, building, furniture and fixtures	1,809,343,990	1,804,049,534
Other assets	960,962,750	832,920,905
Non banking assets	247,878,000	247,878,000
TOTAL ASSETS	81,584,045,956	69,870,738,519
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	15,623,269,900	8,834,586,258
Deposits and other accounts		
Current deposits & other accounts, etc.	6,209,581,701	4,917,155,904
Bills payable	604,542,757	1,192,855,487
Savings bank deposits	11,074,532,976	9,797,294,072
Fixed deposits	35,383,317,158	33,259,986,755
Bearer certificates of deposits	22,250,000	22,250,000
	53,294,224,591	49,189,542,218
Other liabilities	3,654,694,267	3,417,457,625
TOTAL LIABILITIES	72,572,188,758	61,441,586,101
SHAREHOLDERS' EQUITY		
Share Capital		
Paid up capital	2,920,811,400	2,496,420,000
Statutory reserve	1,927,039,732	1,927,039,732
Dividend equalisation reserve	356,040,000	356,040,000
Reserve against pre takeover loss	1,554,759,750	1,554,759,750
Pre takeover loss	(991,773,238)	(997,316,025)
Asset revaluation reserve	913,678,854	913,678,854
Reserve for amortization of treasury securities (HTM)	-	22,956,196
Reserve for revaluation of treasury securities (HFT)	872,030,850	817,840,106
Reserve for building fund	-	60,000,000
General reserve	160,000,000	100,000,000
Reserve for non banking assets	233,527,796	233,527,796
Retained earnings	1,065,742,054	944,206,009
TOTAL SHAREHOLDERS' EQUITY	9,011,857,198	8,429,152,418
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	81,584,045,956	69,870,738,519

	30 June 2010 Taka	31 December 2009 Taka
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptance and endorsements (net)	8,415,195,147	7,360,398,666
Irrevocable Letter of Credit (net)	9,531,542,326	6,530,906,897
Letter of Guarantees (net)	2,937,704,256	2,297,184,757
Bills for Collection	513,217,700	495,419,992
	21,397,659,429	16,683,910,312
Other memorandum items		
Value of travelers' cheques on hand	220,980,159	204,622,274
Value of Bangladesh Sanchaya Patra on hand	662,647,100	334,609,100
	883,627,259	539,231,374
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	1,977,277,304	634,555,930
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	1,977,277,304	634,555,930
Claims against the Bank not acknowledged as debt	-	-
TOTAL OFF-BALANCE SHEET ITEMS	24,258,563,992	17,857,697,617


Malick Musfique Reza
EVP & Head of Finance


Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited

Profit and Loss Account (Unaudited)

For the period ended 30 June 2010

	1 January 2010 to 30 June 2010	1 January 2009 to 30 June 2009	1 April 2010 to 30 June 2010	1 April 2009 to 30 June 2009
	Taka	Taka	Taka	Taka
Interest income	3,391,776,168	3,058,632,377	1,753,220,698	1,530,200,561
Interest expenses	1,964,177,812	2,102,063,583	968,765,485	1,015,921,987
Net Interest Income	1,427,598,356	956,568,795	784,455,213	514,278,574
Income from investments	898,542,977	501,409,901	581,712,729	296,948,020
Commission, exchange and brokerage	504,940,626	387,772,890	325,546,228	186,586,060
Other operating income	148,142,500	314,269,316	31,372,055	202,407,987
Total operating income	2,979,224,459	2,160,020,902	1,723,086,225	1,200,220,641
Salary & allowances	464,133,743	283,910,843	278,162,139	146,249,944
Rent, taxes, insurance, electricity etc.	86,488,982	61,934,871	44,009,323	39,018,498
Legal & professional expenses	11,260,609	7,480,219	6,056,719	5,155,417
Postage, stamp, telecommunication etc.	25,978,808	27,044,508	17,912,351	19,398,355
Stationery, printing, advertisement, etc.	62,703,534	78,557,097	40,340,072	51,774,304
Managing Director's salary and allowances	4,994,400	4,704,000	2,497,200	2,352,000
Directors' fees & expenses	754,572	459,820	552,550	250,550
Auditor's fees	-	-	-	-
Repairs, maintenance and depreciation	131,657,804	82,447,806	85,919,078	55,221,590
Other expenses	93,226,524	132,693,808	22,555,089	79,583,038
Total operating expenses	881,198,977	679,232,973	498,004,522	399,003,696
Other income	22,628,988	-	22,628,988	-
Profit before provision and tax	2,120,654,471	1,480,787,930	1,247,710,692	801,216,945
Provision for loans and advances				
General provision	107,500,000	11,153,638	57,500,000	383,613
Specific provision	91,500,000	130,958,500	75,000,000	78,403,900
	199,000,000	142,112,138	132,500,000	78,787,513
Other provision	740,000	-	740,000	-
Total provision	199,740,000	142,112,138	133,240,000	78,787,513
Profit before tax for the period	1,920,914,471	1,338,675,792	1,114,470,692	722,429,432
Provision for tax	875,703,027	666,495,266	510,179,521	361,539,785
Profit after tax for the period	1,045,211,444	672,180,525	604,291,171	360,889,647
Earning per share (EPS)-Note-2.9	35.78	23.10	20.69	12.40



Malick Musfique Reza
EVP & Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited

Cash Flow Statement (Unaudited)

For the period ended 30 June 2010

	1 January 2010 to 30 June 2010	1 January 2009 to 30 June 2009
	Taka	Taka
A. Cashflows from operating activities		
Interest received in cash	3,306,415,654	3,058,632,377
Interest payment	(1,878,400,730)	(2,102,063,583)
Dividend received	16,084,917	10,676,542
Fees and commission received in cash	504,940,626	387,772,890
Cash paid to employees	(469,128,143)	(288,614,843)
Cash paid to suppliers	(186,431,933)	(175,016,695)
Income from investment	882,458,060	490,733,359
Income taxes paid	(875,703,027)	(665,175,124)
Recovery of loans previously written off	34,229,604	12,144,215
Received from other operating activities	113,912,895	302,125,101
Paid for other operating activities	(225,638,901)	(215,601,434)
Operating profit before changes in operating assets and liabilities	1,222,739,024	815,612,805
Increase/(decrease) in operating assets and liabilities		
Changes in trading securities	773,566,338	(1,228,353,314)
Loans and advances to customers (other than banks)	(7,432,687,097)	(3,354,971,340)
Other assets	(128,041,845)	(460,241,569)
Deposit from other banks	-	6,127,487
Deposit from customers (other than banks)	4,607,218,022	2,980,681,509
Trading liabilities [B/P]	(588,312,730)	(174,900,864)
Recovery from BCCI assets	5,542,787	16,375,388
Other liabilities	37,496,642	138,978,721
	(2,725,217,884)	(2,076,303,982)
Net cash received from operating activities	(1,502,478,860)	(1,260,691,177)
B. Cash flows from investing activities		
Changes in non-trading securities	-	-
Net proceeds/(payments) for sale/purchase of T-bills	-	-
Purchase of property, plant and equipment	(5,294,456)	(28,660,917)
Sale proceeds of fixed assets	-	-
Investment- Others	(1,388,667,070)	(511,534,072)
Net cash used in investing activities	(1,393,961,526)	(540,194,989)
C. Cash flows from financing activities		
Borrowing from other banks, financial institutions and agents	6,788,683,642	1,452,524,870
Dividend paid in cash	(499,284,000)	-
Right share issued	-	693,450,000
Net cash received from financing activities	6,289,399,642	2,145,974,870
D. Net (decrease)/increase in cash (A+B+C)	3,392,959,256	345,088,704
E. Effects of exchange rate changes on cash & cash equivalents	-	(1,176)
F. Opening cash and cash equivalents	10,513,933,056	7,639,958,252
G. Closing cash and cash equivalents (D+E+F)*	13,906,892,312	7,985,045,780
* Closing cash and cash equivalents		
Cash in hand (including foreign currencies)	572,283,073	364,993,587
Balance with Bangladesh Bank & its agent banks	2,737,896,035	3,731,906,371
Balance with other banks and financial institutions	10,592,760,404	3,541,033,022
Money at call and short notice	-	344,993,700
Prize bonds	3,952,800	2,119,100
	13,906,892,312	7,985,045,780


Malick Musfique Reza
 EVP & Head of Finance


Ali Reza Iftekhar
 Managing Director & CEO

Eastern Bank Limited

Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2010

	Paid up capital	Statutory reserve	Dividend equalisation reserve	Reserve against pre take over loss	Pre take over loss	Asset revaluation reserve	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HTF)	General reserve	Reserve for non banking assets	Retained earnings	TOTAL
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 1 January 2010	2,496,420,000	1,977,039,732	356,040,000	1,554,759,750	(997,316,025)	913,678,854	22,956,196	817,840,106	160,000,000	233,527,796	944,206,011	8,429,152,418
Net profit after tax for the period	-	-	-	-	-	-	-	-	-	-	1,045,211,444	1,045,211,444
Bonus share issued	424,391,400	-	-	-	-	-	-	-	-	-	(424,391,400)	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(499,284,000)	(499,284,000)
Reserve for revaluation of treasury securities (HTF)	-	-	-	-	-	-	-	54,190,744	-	-	-	54,190,744
Adjustment on maturity of HTM securities	-	-	-	-	-	-	(22,956,196)	-	-	-	-	(22,956,196)
Recovery of pre-takeover loss	-	-	-	-	5,542,787	-	-	-	-	-	-	5,542,787
Balance as at 30 June 2010	2,920,811,400	1,977,039,732	356,040,000	1,554,759,750	(991,773,238)	913,678,854	-	872,030,850	160,000,000	233,527,796	1,065,742,055	9,011,857,198
Balance as at 30 June 2009	2,496,420,000	1,386,900,000	356,040,000	1,554,759,750	(1,003,388,229)	405,015,050	26,212,662	303,768,528	160,000,000	-	701,983,416	6,387,711,176


Malik Musfique Reza
 EVP & Head of Finance


Ali Reza Iftekhar
 Managing Director & CEO

Selected explanatory notes to the financial statements

As at and for the period ended 30 June 2010

1 Activities of the Bank

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

2 Significant Accounting Policies and bases of preparation

2.1 Statement of compliance

The financial statements of the Bank as at and for the period ended 30 June 2010 have been prepared under the historical cost convention except investments and in accordance with the "First Schedule" (section 38) of the Bank Companies Act 1991, relevant Bangladesh Bank circulars, Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong stock Exchanges Listing Regulations and other laws and rules applicable in Bangladesh.

2.2 Functional and presentation currency

These financial statements are presented in Taka which is Bank's functional currency except Off Shore Banking Unit where functional currency is the US Dollar (USD). The USD figures of Off shore Banking Unit have been translated into Taka using conversion rate of 1 USD=69.4410 Taka (standard mid rate).

2.3 Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates.

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

2.4 Basis of consolidation

Eastern Bank Limited has purchased 60% shares of 'LRK Securities Limited' and formed another subsidiary 'EBL Investments Limited' with 99% shares.

While consolidating above subsidiaries with the Bank's financial statements, the procedures of Bangladesh Accounting Standard (BAS) 27 'Consolidated and Separate Financial Statements' have been followed.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.5 Investments

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

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, gain to Revaluation Reserve through profit and loss.
Govt. T-bills/bonds (HTM)	Cost	Amortised cost	Increase or decrease in value to equity.
Debenture/Bond	Face value	None	None
Shares	Cost	Lower of cost or market value	Loss to profit and loss but no unrealized gain booking.
Prize bond	Cost	None	None

Selected explanatory notes to the financial statements

As at and for the period ended 30 June 2010

2.6 Loans and advances

Loans and advances are stated at gross amount. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities.

2.7 Fixed assets and depreciation

Fixed assets 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.

2.8 Revenue Recognition

The revenue during the year is recognised following all conditions of revenue recognition as prescribed by BAS - 18 "Revenue".

2.9 Earning per share

Earning 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 2010 as per BAS- 33 "Earnings Per Share". Adjustment factor 1.37 (calculation as per BAS-33 is given below) for right share issue in 22 January 2009 is used. Bonus share issued during 2010 has been treated as if they had been in issue from the beginning of 2009 as per BAS-33. Diluted earning per share was not required to calculate as there were no dilution possibilities during the year.

	Tk
A Fair/market value value per share before right exercise *	509
B Theoretical ex-rights value per share **	373
C Adjustment factor (A/B)	1.37

*Average trading price of EBL shares at 22 January 2009 at Dhaka Stock Exchange.

** Fair value of all outstanding shares before the exercise of rights(a)+total amount received from exercise of right(b)
Number of shares outstanding before exercise+number of shares issued in the exercise

	No. of shares	Fair value	Exercise price	Total (Tk)
(a)	13,869,000	509.25	-	7,062,788,250
(b)	6,934,500	-	100.00	693,450,000
D Weighted average number of shares			30 June-10	31 Dec-09
	[13,869,000x1.37x(22/365)]+[20,803,500x(343/365)]		-	20,691,393
Bonus issued in 2009			-	4,160,700
Number of shares in 2010 before bonus issued			24,964,200	-
Bonus issued in 2010			4,243,914	4,243,914
Weighted average number of shares			29,208,114	29,096,007
E Earning per share			30 June-10	30 June-09
Profit attributable to the shareholders of EBL for the period (before consolidation)			1,045,211,444	672,180,525
Profit attributable to the shareholders of EBL for the period (after consolidation)			1,058,004,475	672,180,525
Weighted average number of shares			29,208,114	29,096,007
Earnings per share (EPS)-before consolidation			35.78	23.10
Earnings per share (EPS)-after consolidation			36.22	23.10

Selected explanatory notes to the financial statements

As at and for the period ended 30 June 2010

2.10 Cash Flow Statement

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

2.11 Statement of Changes in Equity

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

2.12 General

Corresponding period's figures have been rearranged wherever necessary to conform to current period's presentation.

Credit Rating Report

Rating	Long Term	Short Term
2009	AA	ST-2
2008	AA-	ST-2

AA
CREDIT
RATING OF
EBL
UPGRADED

CRISL upgraded the long term rating (entity rating) of Eastern Bank Limited to “AA” from “AA-” and reaffirmed short term rating “ST- 2” based on 2009 performance.

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.



Simple Math.
It worked for us, again.

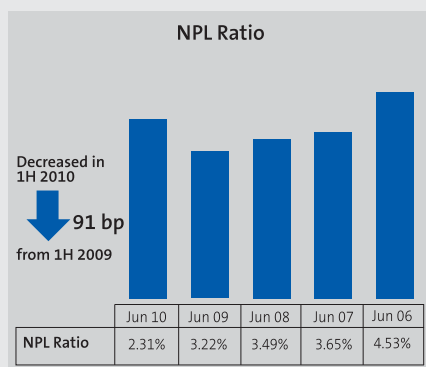
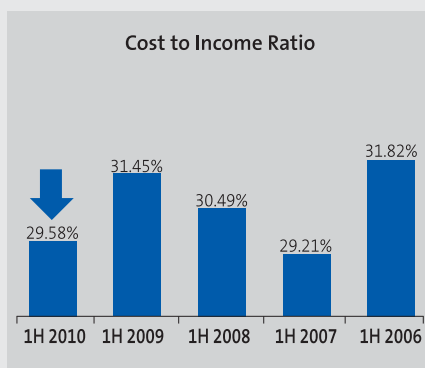
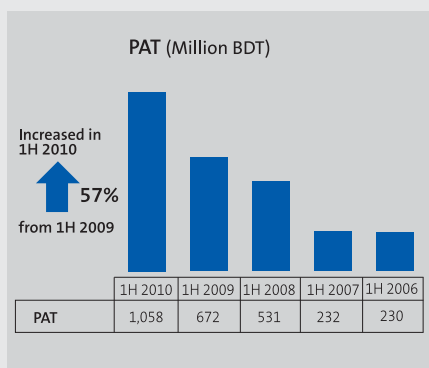
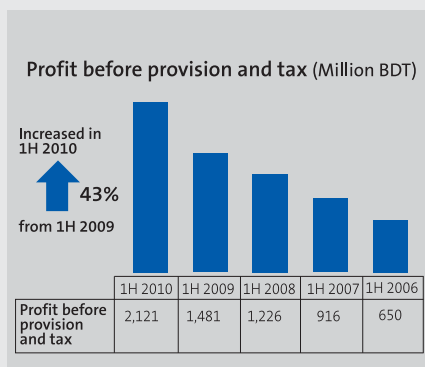
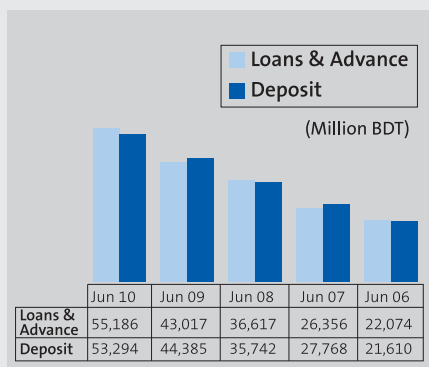
ICAB National Awards for Best Published Accounts & Reports 2008

EBL is proud to have been adjudged by the Institute of Chartered Accountants of Bangladesh (ICAB) as the recipient of the Third Prize for the Year 2008 under Financial Sector - Banking category for Best Published Accounts & Annual Reports.

After SAFA Awards, it is another great recognition for us. We thank all our stakeholders for their continuous support towards upholding the ethos of our bank - Transparency, Accountability & Governance.



Highlights



Corporate Directory

BOARD OF DIRECTORS

Chairman

Mohd. Noor Ali

Directors

Mir Nasir Hossain

Md. Showkat Ali Chowdhury

A. M. Shaukat Ali

Aneela Haque

Gazi Md. Shakhawat Hossain

Asif Mahmood

Meah Mohammed Abdur Rahim

Ormaan Rafay Nizam

Ali Reza Iftekhar (Ex-officio)

Company Secretary

Safiar Rahman

MANAGEMENT COMMITTEE

Ali Reza Iftekhar

Managing Director & CEO

Md. Fakhru Alam

DMD (Corporate, Treasury & Investment Banking)

Mamoon Mahmood Shah

DMD (Consumer & SME Banking)

Muklesur Rahman

DMD (Operations)

Syed Rafiqul Haq

SEVP & Area Head, Corporate Banking, Dhaka.

Mahbubul Alam Tayiab

SEVP & Head of Internal Control & Compliance

Safiar Rahman

SEVP & Company Secretary

Malick Musfique Reza

EVP & Head of Finance

Abul Moqsud

EVP & Head of Credit Risk Management

Md. Sirajul Islam

EVP & Head of Human Resources

A. M. M. Moyen Uddin

EVP & Head of Information Technology

Akhtar Kamal Talukder

EVP & Head of Special Asset Mgt. (Corporate)

Sami Karim

EVP & Head of Special Asset Mgt. (SME)

Omar Farooq Khandaker

IT Consultant

Head of Finance

Malick Musfique Reza

Head of Internal Control & Compliance

Mahbubul Alam Tayiab

Auditors

Rahman Rahman Huq

Chartered Accountants

Legal Advisor

Sadat, Sarwat & Associates and

Sadia Rowshan Jahan

Registered Office

Jiban Bima Bhaban

10, Dilkusha C/A

Dhaka-1000, Bangladesh

Tel: 880-2-9556360

Telex: 642951, 642482EBLD BJ

Fax: 880-2-9562364, 9554610

E-mail: info@ebl-bd.com

SWIFT: EBLDBDDH

Cable: EASTBANK

Web: www.ebl.com.bd

BRANCHES, SME CENTERS, STUDENT CENTERS

Dhaka Division

Banani Branch/ Student Center/ SME Center
House 78, Road 11, Block D, Banani, Dhaka
Tel: 02 9862669, 9862572, 9860476
Fax: 02 9862903, Email: banani@ebl-bd.com

Banasree Branch
Plot 10, Block C, Banasree Main Road
Rampura, Dhaka
Tel: 04476651951, 04476651952, 04476651953

Bashundhara Branch
Plot 15, Block A, Bashundhara R/A, Dhaka 1219
Tel: 02 8845391-2, Fax: 02 8845390
Email: bashundhara@ebl-bd.com

Board Bazar Branch/ SME Center
Omar Ali Plaza, House 1, Block C, Board Bazar,
Gazipur, Tel: 02 9293895-6
Fax: 02 9293897, Email: boardbazar@ebl-bd.com

Chawk Mughultuly Branch/ SME Center
1st Floor, 150 Chawk Mughultuly, Dhaka
Tel: 02 7314364, 7314369, Fax: 02 7314369
Email: chawkmughultuly@ebl-bd.com

Dhanmondi Branch/ Student Center
House 21, Road 8, Dhanmondi R/A, Dhaka
Tel: 02 9126141, 9146235, 9114145
Fax: 02 9114145, Email: dhanmondi@ebl-bd.com

English Road Branch/ SME Center
68 North South Road
(Shahid Sayed Nazrul Islam Sharani), Dhaka
Tel: 02 7125269, 7116019, Fax: 02 7122413
Email: englishroad@ebl-bd.com

Gulshan Branch
Concord Richmond, 68 Gulshan Avenue, Plot 8A
Block CES (F) Gulshan 1, Dhaka
Tel: 02 9897703, 9897594, 8827254, 8827101-2
Fax: 02 9897703, Email: gulshan@ebl-bd.com

Keraniganj Branch/ SME Center
Jahanara Plaza, Bondh Dakpara, Jinjira
Keraniganj, Dhaka, Tel: 02 7762236-7
Fax: 02 7762238, Email: keraniganj@ebl-bd.com

Moghbazar Branch/ SME Center
Shafi Complex, 1/A West Moghbazar
New Circular Road Ramna, Dhaka
Tel: 02 9361756, 9360115, Fax: 02 9348570
Email: moghbazar@ebl-bd.com

Motijheel Branch/ SME Center
88 Motijheel C/A, Dhaka
Tel: 02 9559655, 9565073-4, Fax: 02 9565074
Email: motijheel@ebl-bd.com

Mirpur Branch/ SME Center
House 17, Main Road 3, Block A, Section 11
Mirpur, Dhaka, Tel: 02 9008115, 9010478
Fax: 02 9010478, Email: mirpur@ebl-bd.com

Narayangonj Branch/ SME Center
Islam Plaza, 64 BB Road, Narayangonj
Tel: 02 9752512, 9752514
Fax: 02 9752883, Email: narayangonj@ebl-bd.com

Principal Branch/ Student Center
Jiban Bima Bhaban, 10 Dilkusha C/A, Dhaka 1000
Tel: 02 9558392, 9565696, 9571262
Fax: 02 7160747, Email: principal@ebl-bd.com

Satmasjid Road Branch
48 Satmasjid Road (Old 748 Satmasjid Road)
Dhanmondi, Dhaka, Tel: 9144604, 9144603

Savar Branch
'Bristi Villa', E/3 Talabagh, Thana Road, Savar, Dhaka
Tel: 7744757, 7744758, 7744759

Shantinagar Branch/ SME Center
1st Floor, Shan Tower, 24/1 Chamelibagh
Shantinagar, Dhaka
Tel: 02 9346406, 9341110, Fax: 02 9346406
Email: shantinagar@ebl-bd.com

Shyamoli Branch/ SME Center
Plot 16-A/5, Ring Road, Block F
Mohammadpur Housing Estate
Dhaka 1207, Tel: 02 8116015, 9132497, 9133165
Fax: 02 8116329, Email: shamoly@ebl-bd.com

Sonargaon Road Branch/ SME Center
1st Floor, Rahat Tower, 14 Biponon C/A
Sonargaon Link Rd West Bangla Motor, Dhaka
Tel: 02 8613225, 8619866, 8629160
Fax: 02 8613229
Email: sonargaonroad@ebl-bd.com

Uttara Branch/ SME Center
Plot 1A, Road 4, Sector 4, Uttara Model Town
Dhaka, Tel: 02 8915136, 8919051, 8918859
Fax: 02 8918859, Email: uttara@ebl-bd.com

Chittagong Division

Agrabad Branch/ SME Center
33 Agrabad C/A, Chittagong, Tel: 031 720755-9
Fax: 031 710262, Email: agrabad@ebl-bd.com

Chandgaon Branch
House 16, Road 1, Block A, Chittagong 4000
Tel: 031 2571204, Email: chandgaon@ebl-bd.com

Choumuhani Branch
'Kiron Imperial' (1st & 2nd Flr), Holding 1460
Karimpur Road, Choumuhani
Noakhali, Tel: 0321 56497, 0321 56495, 0321 52182

Cox's Bazar Branch/ SME Center
10 Hotel Motel Zone, Kolatali Road, Cox's Bazar
Tel: 0341-51295-7, Email: coxsbbazar@ebl-bd.com

Jubilee Road Branch
Mannan Bhaban, 156 Nur Ahmed Sarak
Jubilee Road Chittagong
Tel: 031 614442, 621480, 2858471
Fax: 031 615594, Email: jubileeroad@ebl-bd.com

Khatunganj Branch
Badsha Market, 173 Khatunganj, Chittagong
Tel: 031 621316, 630229, 635153
Fax: 031 638743, Email: khatunganj@ebl-bd.com

O R Nizam Road Branch
Avenue Centre, 787 CDA Avenue, Chittagong
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Fax: 031 617083, Email: ornizamroad@ebl-bd.com

Panchlaish Branch
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Fax: 031 2552692, Email: panchlaish@ebl-bd.com

Raozan Branch
Bharetohowri Market, Kaptai Road
Chittagong 4346, Tel: 031 2571207
Fax: 031 2571206, Email: raozan@ebl-bd.com

Siraj-ud-doula Road Branch
94 Siraj-ud-doula Road, Dewan Bazar
Chandanpur, Kotoali, Chittagong

Station Road Branch
Asian S R Hotel, 291 Station Road, Chittagong
Tel: 031 621898, 6205199, 636986
Fax: 031 620519, Email: stationroad@ebl-bd.com

Sylhet Division

Bishwanath Branch
Khurshid Ali Shopping Complex, Notun Bazar
Bishwanath Sylhet 3100, Tel: 08224 56005
Fax: 08224 56006, Email: bishwanath@ebl-bd.com

Chouhatta Branch/ SME Center
Firoz Centre, 891/Ka Chouhatta, Sylhet
Tel: 0821 723142, 717545, 721386
Fax: 0821 717545, Email: chouhatta@ebl-bd.com

Moulvi Bazar Branch/ SME Center
1st Floor, 26 Sylhet Trunk Road, Moulvi Bazar
Tel: 0861 52034, 52226, Fax: 0861 52226
Email: moulvibazar@ebl-bd.com

Upasahar Branch
Gas Bhaban, Mehedi Bagh, Sylhet
Tel: 0821 719573, Fax: 0821 719584
Email: upasahar@ebl-bd.com

Khulna Division

Jessore Branch/ SME Center
1st Floor, 25/A R N Road, Jessore
Tel: 0421 64533, 68843
Fax: 0421 68843, Email: jessore@ebl-bd.com

Khulna Branch/ SME Center
Taymun Centre & Properties
181 Khan-A-Sabur Road ShibBari Mor, Khulna
Tel: 041 723506, 721069, 720041-2
Fax: 041 721740, Email: khulna@ebl-bd.com

Rajshahi Division

Bogra Branch/ SME Center
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