



half yearly report
2014



27 July 2014

To: The Shareholders of Eastern Bank Limited (EBL)

Sub: Half Yearly Financial Statements (Unaudited) from 01 January 2014 to 30 June 2014.

As per Rule 13 of the Securities and Exchange Rules 1987, we are pleased to present before you the Half Yearly (unaudited) Financial Statements (consolidated and bank only) of Eastern Bank Limited for the period from 01 January 2014 to 30 June 2014.



Safiar Rahman, FCS
SEVP & Company Secretary

REGISTERED HEAD OFFICE

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Review of the Managing Director & CEO

The Bangladesh banking industry during the first half of 2014 was, by and large, stagnant. The economy was not flowing in a current, so to speak. The investment scenario was not that unfriendly though: the political landscape was not chaotic, there were no serious bottlenecks impeding infrastructure growth, no dearth of lendable funds in banks, and above all there was more than USD 20 billion FX reserve in the country. Still, the lower than expected credit demand from private sectors of the economy is suggestive of the fact that the pre-election uncertainty looms large on the investment sentiments. The external trade (import-export), on the other hand, has been in the growth mood, albeit slower than expected. Remittances, compared to last year, have seen a negative growth.

The banking industry, inflicted with dwindling profitability, deteriorating asset quality and lack of good governance in certain banks, is gasping for air. The challenges staring at the banking industry now are threefold: lower credit demand, deteriorating asset quality and shrinking profitability.

Eastern Bank, as a values driven institution and focusing on sustainability principles, fared well in terms of operation and business performance during the first half of the year. We have made an Operating Profit of BDT 2,986 million (2% higher than that of H1, 2013) in spite of stagnancy in credit growth and 12% decrease in deposits. Profit After Tax (PAT) of the Bank decreased by 4% to BDT 960 million during this period as the provision against loans and other assets increased by 34% mainly because of capital market exposure. Lower credit demand from real business sectors made the banks go for 'play safe policy' and investment in government securities that yield lower return than credit. Therefore, the negative growth of Net Interest Income (NII) of EBL (18% over that of H1, 2013) was more than compensated by a positive growth of investment income (69%) which eventually resulted in a 8% growth of Operating Income. The EPS of the Bank decreased marginally to BDT 1.57 (BDT

1.55 for the Group) during H1, 2014 compared to BDT 1.63 (BDT 1.60 for the Group) of H1, 2013.

Continued lackluster performance of certain economic sectors we are exposed to and stagnancy in credit growth during this H1 pushed our NPL ratio to 4.94% as on June 30, 2014 (3.59% at year-end 2013). We are aware of it and putting our best efforts to bring the NPL ratio down at an acceptable level by the end of the year. Our Capital Adequacy Ratio has remained consistently above the threshold level of Minimum Capital Requirement (10% of RWA) and stood at 12.27% (Solo Basis) as on March End 2014. Upon getting regulatory approvals, we are in the process of raising BDT 2,500 million by issuing Subordinated Debt which will further strengthen our capital base and shock absorption capacity. The Credit Rating of the Bank has been reaffirmed by CRISL to AA in the long term and ST-2 in the short term based on year-end audited financials 2013 and relevant qualitative factors.

Adaptability is the cornerstone of our growth strategy. This has become a buzz word for our everyday parlance. The world is fast changing; the ability to change and adapt to new conditions occurring in the marketplace is the key to surviving in this challenging environment. Our continuous effort to upgrade ourselves technologically, innovate products and services is embedded in our performance culture.

Our recent awards—IFC Global award and The Asian Banker Best Retail Bank award for two consecutive years—tell us that we are on the right track. For us at EBL, winning today is building for tomorrow.



Ali Reza Iftekhar
Managing Director & CEO

Our recent awards—IFC Global award and The Asian Banker Best Retail Bank award for two consecutive years—tell us that we are on the right track. For us at EBL, winning today is building for tomorrow.



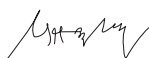
Eastern Bank Limited and its subsidiaries

Consolidated Balance Sheet (Unaudited)

As at 30 June 2014

	Notes	30 June 2014 Taka	31 December 2013 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	1,322,795,477	1,752,685,015
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	6,663,058,030	6,428,136,805
		7,985,853,508	8,180,821,820
Balances with other Banks and Financial Institutions	4		
In Bangladesh	4.1	2,827,022,255	8,432,060,955
Outside Bangladesh	4.2	313,594,612	2,121,282,542
		3,140,616,867	10,553,343,497
Money at call and short notice	5	-	-
Investments	6		
Government	6.1	19,870,427,006	21,659,579,849
Others	6.2	3,638,365,776	4,358,216,416
		23,508,792,782	26,017,796,265
Loans and advances	7		
Loans, Cash Credits, Overdraft etc.	7.1	96,829,061,595	94,617,143,691
Bills discounted and purchased	7.2	7,135,111,267	8,713,673,891
		103,964,172,862	103,330,817,582
Fixed assets including land, building, furniture and fixtures	8	6,978,599,648	6,908,244,828
Other assets	9	3,189,015,294	2,980,600,498
Non banking assets	10	191,733,000	191,733,000
		148,958,783,960	158,163,357,490
TOTAL ASSETS			
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	11	18,123,386,413	14,079,880,398
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	11,277,318,022	9,843,455,920
Savings bank deposits	12.2	20,524,342,627	16,923,994,211
Fixed deposits	12.3	70,399,047,621	89,479,847,553
Bills payable	12.4	650,096,849	789,543,484
Bearer certificates of deposits		-	-
		102,850,805,119	117,036,841,168
Other liabilities	13	9,195,706,546	8,487,815,290
		130,169,898,078	139,604,536,856
TOTAL LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital-Paid up capital	14	6,111,797,850	6,111,797,850
Statutory reserve	15	5,362,423,625	5,362,423,625
General reserve		130,000,000	130,000,000
Dividend equalisation reserve	16	356,040,000	356,040,000
Excess of reserve against pre take over loss	17	581,681,031	581,681,032
Asset revaluation reserve		3,689,495,550	3,689,495,550
Reserve for non banking assets		178,971,165	178,971,165
Reserve for amortization of treasury securities (HTM)		827,635	827,635
Reserve for revaluation of treasury securities (HFT)		563,073,958	59,972,091
Foreign currency translation gain	18	2,894,715	103,896
Profit & loss account -retained earnings	19	1,811,680,354	2,087,507,790
		18,788,885,882	18,558,820,634
TOTAL SHAREHOLDERS' EQUITY		18,788,885,882	18,558,820,634
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		148,958,783,960	158,163,357,490

		30 June 2014	31 December 2013
	Notes	Taka	Taka
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
	20		
Acceptances and endorsements	20.1	27,514,642,230	26,827,594,612
Letters of guarantees	20.2	12,706,845,794	12,515,097,423
Irrevocable letters of credit	20.3	14,039,404,953	15,562,071,032
Bills for collection		4,783,872,660	5,110,318,370
Other liabilities (bad and loss)		-	-
		59,044,765,637	60,015,081,437
Other contingent liabilities			
Value of travelers' cheques on hand		-	-
Value of WEDB & FCY Bond on hand		135,723,875	-
Value of Bangladesh Sanchaya Patra on hand		552,546,100	495,586,100
		688,269,975	495,586,100
Other commitments			
Lease rental commitments		-	-
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		3,960,653,448	5,706,512,611
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		-	-
Other capital commitments		-	-
Other exchange contracts		-	-
Claims against the Bank not acknowledged as debt		3,960,653,448	5,706,512,611
TOTAL OFF-BALANCE SHEET ITEMS		63,693,689,060	66,217,180,148



Masudul Hoque Sardar
Head of Finance

Dhaka, 17 July 2014



Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited and its subsidiaries

Consolidated Profit & Loss Account (Unaudited)

For the period ended 30 June 2014

Particulars	Notes	01 January'14 to 30 June'14	01 January'13 to 30 June'13	01 April'14 to 30 June'14	01 April'13 to 30 June'13
		Taka	Taka	Taka	Taka
Interest Income	21	6,621,659,472	7,288,447,306	3,205,744,196	3,578,350,559
Less: Interest paid on deposits and borrowings	22	4,569,095,691	4,813,650,099	2,163,980,138	2,337,074,514
Net Interest Income		2,052,563,782	2,474,797,207	1,041,764,059	1,241,276,044
Income from investments	23	1,458,227,190	855,177,937	720,882,500	388,407,231
Commission, exchange and brokerage	24	1,410,435,447	1,176,326,433	707,963,954	616,671,365
Other operating income	25	70,525,085	78,432,880	37,536,587	35,540,600
Total operating income		4,991,751,505	4,584,734,457	2,508,147,101	2,281,895,241
Salary & allowances	26	1,115,314,967	826,524,551	579,386,300	427,008,917
Rent, taxes, insurance, utilities etc.	27	254,895,729	209,531,157	142,860,219	93,601,730
Legal & professional expenses	28	24,226,457	22,105,018	14,580,961	13,347,661
Postage, stamp, telecommunication etc.	29	53,161,812	52,021,947	36,551,661	36,277,554
Stationery, printing, advertisement etc.	30	107,487,574	103,715,045	82,588,133	54,555,929
Managing Director's salary and allowances	31	7,470,000	6,512,160	3,735,000	3,256,080
Directors' Fees & Expenses	32	1,685,322	1,687,126	889,454	1,017,115
Auditor's fees		-	91,347	-	91,347
Charges on loan losses		-	-	-	-
Repairs, maintenance and depreciation	33	193,627,180	217,599,895	108,403,429	114,273,200
Other operating expenses	34	234,651,824	211,063,231	137,987,566	124,431,582
Total operating expenses		1,992,520,866	1,650,851,477	1,106,982,724	867,861,116
Profit before provisions		2,999,230,639	2,933,882,980	1,401,164,377	1,414,034,126
Provision for loans and advances	35				
Specific provision		659,073,731	607,539,418	386,833,547	302,987,691
General provision		(1,696,698)	44,812,437	24,481,433	26,877,525
Other Provisions	36	218,615,834	2,953,572	224,967,773	(428,176,598)
Total provisions		875,992,868	655,305,427	636,282,754	(98,311,382)
Profit before tax for the period		2,123,237,771	2,278,577,553	764,881,623	1,512,345,507
Provision for tax made for the period		1,175,745,167	1,302,877,704	537,073,710	685,961,048
Profit after tax for the period		947,492,604	975,699,849	227,807,913	826,384,459
Earnings per share (EPS)	37	1.55	1.60	0.37	1.35



Masudul Hoque Sardar
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited and its subsidiaries

Consolidated Cash Flows Statement (Unaudited)

For the period ended 30 June 2014

Particulars	01 January'14 to 30 June'14	01 January'13 to 30 June'13
	Taka	Taka
A) Cash flows from operating activities		
Interest received	5,935,893,206	7,082,639,360
Interest paid	(4,796,221,197)	(5,424,401,967)
Dividend received	29,952,425	17,484,736
Fees and commission received	1,410,435,447	1,176,326,433
Income from investment	1,428,274,765	837,693,201
Recovery of loans previously written off	21,189,203	32,339,790
Cash paid to employees (including directors)	(1,124,470,289)	(834,723,837)
Cash paid to suppliers	(439,771,573)	(387,373,167)
Income taxes paid	(1,299,021,223)	(1,188,676,642)
Received from other operating activities	70,525,085	46,093,090
Paid for other operating activities	(310,789,639)	(227,540,924)
<i>Operating cash flow before changes in operating assets and liabilities</i>	925,996,212	1,129,860,073
<i>Increase/(decrease) in Operating Assets & Liabilities</i>		
Changes in trading securities	(44,682,522)	(8,140,366,149)
Loans and advances to customers	52,410,984	(1,988,833,370)
Other assets	(208,414,796)	(528,057,481)
Recovery/(payment) from BCCI assets	-	28,583,064
Deposits from other Banks	1,524,163,288	4,931,580,637
Deposits from customers (other than banks)	(15,505,075,157)	5,442,068,769
Other liability/tax	123,276,056	(114,201,062)
Other liability/provision	(897,182,071)	(655,305,427)
Other liabilities	707,155,854	951,881,848
Net Cash received /used from operating activities	(13,322,352,151)	1,057,210,901
B) Cash flows from investing activities		
Changes in non-trading securities	3,058,559,273	8,138,031,344
Purchase of property, plant and equipment	(188,511,185)	(477,529,897)
Sales proceeds of fixed assets	667,000	8,000
Net cash received /used in investing activities	2,870,715,088	7,660,509,447
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	4,065,507,341	(11,112,426,741)
Dividend paid (cash dividend)	(1,222,359,570)	(1,222,359,570)
Net cash received /used from financing activities	2,843,147,771	(12,334,786,311)
D) Net (decrease) / increase in cash (A+B+C)	(7,608,489,292)	(3,617,065,962)
E) Effects of exchange rate changes on cash and cash equivalents	1,830,348	(6,012,087)
F) Opening cash and cash-equivalents	18,736,894,818	19,924,110,070
G) Closing cash and cash-equivalents (D+E)*	11,130,235,874	16,301,032,021
*Closing cash and cash-equivalents		
Cash In hand (including foreign currencies)	1,322,795,477	1,151,917,911
Balances with Bangladesh Bank and its agent bank (s)	6,663,058,030	7,033,026,461
Balances with other Banks and Financial Institutions	3,140,616,867	7,252,389,849
Money at call and short notice	-	860,000,000
Prize bonds	3,765,500	3,697,800
	11,130,235,874	16,301,032,021



Masudul Hoque Sardar
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Dhaka, 17 July 2014

Eastern Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2014

Figures in Taka

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve against pre takeover loss	Asset revaluation reserve	Reserve for non banking assets	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Foreign currency translation gain / (loss)	Retained earnings	Total
Balance as on 1 January 2014	6,111,797,850	5,362,423,625	130,000,000	356,040,000	581,681,032	3,689,495,550	178,971,165	827,635	59,972,091	103,896	2,087,507,790	18,558,820,634
Foreign currency transaction adjustment for RE	-	-	-	-	-	-	-	-	-	-	(960,471)	(960,471)
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	947,492,604	947,492,604
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	(1,222,359,570)	(1,222,359,570)
Adjustment of revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	503,101,867	-	-	503,101,867
Currency translation difference	-	-	-	-	-	-	-	-	-	2,790,819	-	2,790,819
Balance as at 30 June 2014	6,111,797,850	5,362,423,625	130,000,000	356,040,000	581,681,032	3,689,495,550	178,971,165	827,635	563,073,958	2,894,715	1,811,680,354	18,788,885,882
Balance as at 30 June 2013	6,111,797,850	4,395,274,232	130,000,000	356,040,000	573,381,874	3,689,495,550	204,427,796	98,740	4,751,780	(11,430,930)	1,505,451,582	16,959,288,473



Masudul Hoque Sardar
Head of Finance

Dhaka, 17 July 2014



Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited and its subsidiaries

Consolidated Liquidity Statement (Unaudited)

(Asset and Liability Maturity Analysis)

As at 30 June 2014

Figures in Taka

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	7,985,853,508	-	-	-	-	7,985,853,508
Balances with other banks and financial institutions	891,628,594	1,050,000,000	1,198,988,273	-	-	3,140,616,867
Money at call and short notice	-	-	-	-	-	-
Investments	309,699,385	105,293,982	4,270,745,764	11,957,302,012	6,865,751,640	23,508,792,782
Loans and advances	11,516,424,141	18,432,342,777	41,996,567,574	29,326,987,682	2,691,850,688	103,964,172,862
Fixed assets including land, building, furniture and fixtures	12,180,220	24,360,439	114,572,294	497,886,505	6,329,600,190	6,978,599,648
Other assets	761,687,906	213,937,698	-	1,153,884,356	1,059,505,334	3,189,015,294
Non-banking assets	-	-	179,989,000	11,744,000	-	191,733,000
Total Assets	21,477,473,752	19,825,934,896	47,760,862,905	42,947,804,556	16,946,707,851	148,958,783,960
Liabilities						
Borrowing from other banks, financial institutions and agents	4,729,308,273	4,396,339,811	6,896,141,385	984,236,325	1,117,360,618	18,123,386,413
Deposits and other accounts	15,921,717,020	19,736,094,788	31,447,464,682	33,472,227,009	2,273,301,620	102,850,805,119
Provisions & other liabilities	678,902,694	669,418,027	199,975,662	6,075,205,617	1,572,204,546	9,195,706,546
Total Liabilities	21,329,927,987	24,801,852,627	38,543,581,729	40,531,668,951	4,962,866,784	130,169,898,078
Net Liquidity Gap	147,545,765	(4,975,917,731)	9,217,281,176	2,416,135,605	11,983,841,067	18,788,885,882
Cumulative Net Liquidity Gap	147,545,765	(4,828,371,966)	4,388,909,210	6,805,044,815	18,788,885,882	-

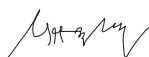
Eastern Bank Limited

Balance Sheet (Unaudited)

As at 30 June 2014

	Notes	30 June 2014 Taka	31 December 2013 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	1,322,729,708	1,752,660,726
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	6,663,058,030	6,428,136,805
		7,985,787,738	8,180,797,531
Balances with other Banks and Financial Institutions	4		
In Bangladesh	4.1	2,390,931,370	8,012,554,438
Outside Bangladesh	4.2	864,276,573	2,390,509,831
		3,255,207,943	10,403,064,269
Money at call and short notice	5	-	-
Investments	6		
Government	6.1	19,870,427,006	21,659,579,849
Others	6.2	3,466,494,609	4,244,004,844
		23,336,921,615	25,903,584,693
Loans and advances	7		
Loans, Cash Credits, Overdraft etc.	7.1	96,237,363,556	94,491,939,790
Bills discounted and purchased	7.2	6,538,177,914	8,418,279,159
		102,775,541,470	102,910,218,949
Fixed assets including land, building, furniture and fixtures	8	6,968,699,014	6,897,393,729
Other assets	9	3,708,747,881	3,394,841,686
Non banking assets	10	191,733,000	191,733,000
TOTAL ASSETS		148,222,638,661	157,881,633,857
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	11	17,673,288,839	14,079,880,398
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	11,325,416,490	9,877,524,621
Savings bank deposits	12.2	20,524,342,627	16,923,994,211
Fixed deposits	12.3	70,462,015,029	89,510,645,864
Bills payable	12.4	650,096,849	789,543,484
Bearer certificates of deposits		-	-
		102,961,870,995	117,101,708,180
Other liabilities	13	8,896,725,218	8,249,547,103
TOTAL LIABILITIES		129,531,885,052	139,431,135,681
SHAREHOLDERS' EQUITY			
Share Capital-Paid up capital	14	6,111,797,850	6,111,797,850
Statutory reserve	15	5,362,423,625	5,362,423,625
General reserve		130,000,000	130,000,000
Dividend equalisation reserve	16	356,040,000	356,040,000
Excess of reserve against pre take over loss	17	581,681,031	581,681,032
Asset revaluation reserve		3,689,495,550	3,689,495,550
Reserve for non banking assets		178,971,165	178,971,165
Reserve for amortization of treasury securities (HTM)		827,635	827,635
Reserve for revaluation of treasury securities (HFT)		563,073,958	59,972,091
Foreign currency translation gain/(loss)	18	(101,457)	(781,214)
Profit & loss account -retained earnings	19	1,716,544,253	1,980,070,442
		18,690,753,609	18,450,498,176
TOTAL SHAREHOLDERS' EQUITY		18,690,753,609	18,450,498,176
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		148,222,638,661	157,881,633,857

		30 June 2014	31 December 2013
	Notes	Taka	Taka
OFF BALANCE SHEET ITEMS			
Contingent liabilities	20		
Acceptances and endorsements	20.1	27,514,642,230	26,827,594,612
Letters of guarantees	20.2	12,706,845,794	12,515,097,423
Irrevocable letters of credit	20.3	14,039,404,953	15,562,071,032
Bills for collection		4,783,872,660	5,110,318,370
Other liabilities (bad and loss)		-	-
		59,044,765,637	60,015,081,437
Other contingent liabilities			
Value of travelers' cheques on hand		-	-
Value of WEDB & FCY Bond on hand		135,723,875	-
Value of Bangladesh Sanchaya Patra on hand		552,546,100	495,586,100
		688,269,975	495,586,100
Other commitments			
Lease rental commitments		-	-
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		3,960,653,448	5,706,512,611
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and forward foreign exchange rate contracts		-	-
Other capital commitments		-	-
Other exchange contracts		-	-
Claims against the Bank not acknowledged as debt		3,960,653,448	5,706,512,611
TOTAL OFF-BALANCE SHEET ITEMS		63,693,689,060	66,217,180,148



Masudul Hoque Sardar
Head of Finance

Dhaka, 17 July 2014



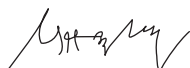
Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited

Profit & Loss Account (Unaudited)

For the period ended 30 June 2014

Particulars	Notes	01 January'14 to 30 June'14	01 January'13 to 30 June'13	01 April'14 to 30 June'14	01 April'13 to 30 June'13
		Taka	Taka	Taka	Taka
Interest Income	21	6,570,120,875	7,258,855,644	3,178,261,014	3,560,788,259
Less: Interest paid on deposits and borrowings	22	4,567,293,973	4,824,528,101	2,162,009,532	2,341,475,454
Net Interest Income		2,002,826,902	2,434,327,543	1,016,251,482	1,219,312,805
Income from investments	23	1,508,666,971	892,953,443	780,231,667	426,183,277
Commission, exchange and brokerage	24	1,354,991,093	1,154,006,787	682,685,303	603,782,138
Other operating income	25	70,525,085	78,053,815	37,536,587	35,359,766
Total operating income		4,937,010,052	4,559,341,588	2,516,705,040	2,284,637,986
Salary & allowances	26	1,095,004,999	815,517,200	568,830,463	420,147,258
Rent, taxes, insurance, utilities etc.	27	247,442,216	201,425,803	138,971,851	87,169,172
Legal & professional expenses	28	24,218,957	22,102,518	14,580,961	13,345,161
Postage, stamp, telecommunication etc.	29	50,045,859	51,387,716	34,934,644	35,646,718
Stationery, printing, advertisement etc.	30	106,909,477	103,271,284	82,297,250	54,153,843
Managing Director's salary and allowances	31	7,470,000	6,512,160	3,735,000	3,256,080
Directors' Fees & Expenses	32	1,631,322	1,658,926	835,454	997,915
Auditor's fees		-	-	-	-
Charges on loan losses		-	-	-	-
Repairs, maintenance and depreciation	33	190,757,430	214,211,970	106,889,356	112,012,432
Other operating expenses	34	227,507,447	206,450,240	134,642,849	121,531,468
Total operating expenses		1,950,987,708	1,622,537,816	1,085,717,829	848,260,046
Profit before provisions		2,986,022,344	2,936,803,771	1,430,987,211	1,436,377,940
Provision for loans and advances	35				
Specific provision		659,073,731	607,539,418	386,833,547	302,987,691
General provision		(1,696,698)	44,812,437	24,481,433	26,877,525
Other Provisions	36	216,979,450	-	216,979,450	(431,130,170)
Total provisions		874,356,484	652,351,855	628,294,431	(101,264,954)
Profit before tax for the period		2,111,665,860	2,284,451,916	802,692,780	1,537,642,894
Provision for tax made for the period		1,151,872,007	1,287,442,436	525,433,711	677,809,413
Profit after tax for the period		959,793,853	997,009,480	277,259,069	859,833,481
Earnings per share (EPS)	37	1.57	1.63	0.45	1.41



Masudul Hoque Sardar
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Eastern Bank Limited

Cash Flows Statement (Unaudited)

For the period ended 30 June 2014

Particulars	01 January'14 to 30 June'14	01 January'13 to 30 June'13
	Taka	Taka
A) Cash flows from operating activities		
Interest received	5,885,525,451	7,053,047,698
Interest paid	(4,800,691,383)	(5,435,279,969)
Dividend received	27,056,163	17,413,915
Fees and commission received	1,354,991,093	1,154,006,787
Income from investment	1,481,610,808	875,539,528
Recovery of loans previously written off	21,189,203	32,339,790
Cash paid to employees (including directors)	(1,104,106,321)	(823,688,286)
Cash paid to suppliers	(428,616,510)	(378,187,320)
Income taxes paid	(1,299,021,223)	(1,166,680,661)
Received from other operating activities	70,525,085	78,053,815
Paid for other operating activities	(302,679,887)	(221,444,311)
Operating cash flow before changes in operating assets and liabilities	905,782,480	1,185,120,985
Increase/(decrease) in Operating Assets & Liabilities		
Changes in trading securities	12,241,672	(8,082,862,595)
Loans and advances to customers (other than banks)	819,272,902	(2,024,254,003)
Other assets	(263,906,295)	(461,966,707)
Recovery/(payment) from BCCI assets	-	28,583,064
Deposits from other Banks	1,524,163,288	4,931,580,637
Deposits from customers (other than banks)	(15,452,604,389)	5,167,923,182
Other liability/tax	147,149,216	(120,761,775)
Other liability/provision	(895,545,687)	(684,691,645)
Other liabilities	647,178,116	950,651,255
Net Cash received /used from operating activities	(12,556,268,697)	889,322,398
B) Cash flows from investing activities		
Changes in non-trading securities	3,058,559,273	8,138,031,344
Purchase of property, plant and equipment	(187,557,276)	(474,258,953)
Sales proceeds of fixed assets	667,000	8,000
Investment in Subsidiary-EBL Securities Limited	-	(100,000,000)
Investment in Subsidiary-EBL Hk (Finance) Limited	-	(3,993,853)
Investment in Subsidiary-EBL Asset Management Limited	(49,999,900)	-
Net cash received /used in investing activities	2,821,669,097	7,559,786,539
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	3,615,409,767	(11,112,426,742)
Dividend paid (cash dividend)	(1,222,359,570)	(1,222,359,570)
Net cash received /used from financing activities	2,393,050,197	(12,334,786,312)
D) Net (decrease) / increase in cash (A+B+C)	(7,341,549,404)	(3,885,677,375)
E) Effects of exchange rate changes on cash and cash equivalents	(280,715)	(5,520,408)
F) Opening cash and cash-equivalents	18,586,591,300	19,887,110,087
G) Closing cash and cash-equivalents (D+E)*	11,244,761,181	15,995,912,304
*Closing cash and cash-equivalents		
Cash In hand (including foreign currencies)	1,322,729,708	1,151,890,924
Balances with Bangladesh Bank and its agent bank (s)	6,663,058,030	7,033,026,461
Balances with other Banks and Financial Institutions	3,255,207,943	6,947,297,118
Money at call and short notice	-	860,000,000
Prize bonds	3,765,500	3,697,800
	11,244,761,181	15,995,912,304



Masudul Hoque Sardar
Head of Finance



Ali Reza Iftekhar
Managing Director & CEO

Dhaka, 17 July 2014

Eastern Bank Limited

Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2014

Figures in Taka

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve against pre takeover loss	Asset revaluation reserve	Reserve for non banking assets	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Foreign currency translation gain / (loss)	Retained earnings	Total
Balance as on 1 January 2014	6,111,797,850	5,362,423,625	130,000,000	356,040,000	581,681,032	3,689,495,550	178,971,165	827,635	59,972,091	(781,214)	1,980,070,442	18,450,498,176
Foreign currency transaction adjustment for RE	-	-	-	-	-	-	-	-	-	-	(960,471)	(960,471)
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	959,793,853	959,793,853
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	(1,222,359,570)	(1,222,359,570)
Adjustment of revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	503,101,867	-	-	503,101,867
Currency translation difference	-	-	-	-	-	-	-	-	-	679,757	-	679,757
Balance as at 30 June 2014	6,111,797,850	5,362,423,625	130,000,000	356,040,000	581,681,032	3,689,495,550	178,971,165	827,635	563,073,958	(101,457)	1,716,544,254	18,690,753,609
Balance as at 30 June 2013	6,111,797,850	4,395,274,232	130,000,000	356,040,000	573,381,874	3,689,495,550	204,427,796	98,740	4,751,780	(10,939,251)	1,386,554,489	16,840,883,060



Masudul Hoque Sardar
Head of Finance

Dhaka, 17 July 2014



Ali Reza Iftekhhar
Managing Director & CEO

Eastern Bank Limited
Liquidity Statement (Unaudited)
(Asset and Liability Maturity Analysis)
As at 30 June 2014

Figures in Taka

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	7,985,787,739	-	-	-	-	7,985,787,739
Balances with other banks and financial institutions	1,265,207,943	1,050,000,000	940,000,000	-	-	3,255,207,943
Money at call and short notice	-	-	-	-	-	-
Investments	309,699,385	105,293,982	4,098,874,597	11,957,302,012	6,865,751,640	23,336,921,615
Loans and advances	11,397,561,002	18,075,753,359	41,283,388,739	29,326,987,682	2,691,850,688	102,775,541,470
Fixed assets including land, building, furniture and fixtures	12,180,220	24,360,439	109,621,977	492,936,188	6,329,600,190	6,968,699,014
Other assets	885,824,666	248,804,383	-	1,341,939,679	1,232,179,152	3,708,747,881
Non-banking assets	-	-	179,989,000	11,744,000	-	191,733,000
Total Assets	21,856,260,953	19,504,212,163	46,611,874,313	43,130,909,562	17,119,381,670	148,222,638,662
Liabilities						
Borrowing from other banks, financial institutions and agents	4,729,308,273	4,396,339,811	6,446,043,811	984,236,325	1,117,360,618	17,673,288,839
Deposits and other accounts	15,977,249,958	19,791,627,726	31,447,464,682	33,472,227,009	2,273,301,620	102,961,870,995
Provisions & other liabilities	656,822,413	647,646,221	193,537,575	5,877,648,033	1,521,070,976	8,896,725,218
Total Liabilities	21,363,380,644	24,835,613,758	38,087,046,068	40,334,111,367	4,911,733,214	129,531,885,052
Net Liquidity Gap	492,880,309	(5,331,401,595)	8,524,828,245	2,796,798,195	12,207,648,456	18,690,753,610
Cumulative Net Liquidity Gap	492,880,309	(4,838,521,285)	3,686,306,959	6,483,105,154	18,690,753,610	-

Eastern Bank Limited and its subsidiaries

Notes to the financial statements

as at and for the half year ended 30 June 2014

1 Activities of the Bank

1.1 Incorporated in Bangladesh, Eastern Bank Limited (“the Bank”) was formed as a public limited company with primary objective to carry out all kind of banking businesses inside and outside Bangladesh. The Bank took over the businesses, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (Overseas) Limited (hereinafter called BCCI) as they stood after reduction or adjustments in accordance with the provisions of the Bank of Credit & Commerce International (Overseas) Limited (Reconstruction) Scheme, 1992. The Bank commenced operations from 16 August 1992 with 4 branches and at present it has 72 branches across major cities in 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 extends funded and non-funded facilities 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

The Bank has four fully owned subsidiaries among which three of them has been in operations. These are: EBL Securities Ltd, a securities brokerage firm, ‘EBL Investments Limited’, a merchant bank and ‘EBL Finance (HK) Limited’, a foreign subsidiary for trade finance & offshore banking business in Hong Kong.

The subscription of another fully owned subsidiary i.e. EBL Asset Management Company Ltd. has been completed in June ‘14 but full fledged operations will start after getting relevant license from BSEC.

2 Basis of Preparation and Significant Accounting Policies

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared under the historical cost convention except land (which gets revalued fulfilling BB & BSEC requirements) and Govt treasury bills/bonds held for trading (which are measured at fair value) and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the “First Schedule” (section 38) of the Bank Companies Act 1991 (amendment up to 2013), BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange’s listing regulations and other laws and rules applicable in Bangladesh. In case the requirement of provisions and Circulars issued by Bangladesh Bank differs 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’ 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 amortization concept.
- Zero Coupon Bond at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 “Property Plant & Equipment.” and BSEC notification SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013.

2.3 Use of estimates and judgements

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

Significant accounting policies

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

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

2.4 Basis of consolidation

Subsidiaries (investees) are entities controlled by the parent (investor). Control exists when the investor has the power over the investee that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with this investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

The consolidated financial statements incorporate the financial statements of the Bank and those of its subsidiaries 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 are eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

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

2.5 Functional and presentation currency

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

2.6 Investments

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

Investments are stated as per following bases:

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

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

REPO and Reverse REPO

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.

Investment in Subsidiaries

Investment in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with BAS 27 'Consolidated and Separate Financial Statements' and BFRS 3 'Business Combination'. Impairment of investment in subsidiaries is made as per the provision of BAS 36 'Impairment of Assets'.

2.7. Loans and advances

Loans and advances are stated at gross amount. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no. 14, dated 23 September 2012 and BRPD Circular no. 19, dated 27 December 2012.

Heads	Rates
General provision on:	
Unclassified (including SMA) general loans and advances	1%
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHs/MBs/SDs against Shares etc.	2%
Unclassified (including SMA) loans for housing finance and on loans for professionals	2%
Unclassified consumer financing other than housing finance and loans for professionals	5%
Short term agri credit and micro credit	5%
Off balance sheet exposures	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%

2.8 Fixed assets and depreciation

Recognition and measurement:

- i. Fixed assets except land are stated at cost less accumulated depreciation as per BAS-16 'Property, Plant and Equipment'. Acquisition cost of an asset comprises the purchase price and any directly attributable cost of bringing the asset to working condition for its intended use. Lands are recognized at cost at the time of acquisition and subsequently measured at revalued amounts which is the fair value at the time of revaluation done by independent valuers and any surplus on revaluation is shown as equity component until the disposal of the asset.
- ii. Depreciation is charged on all fixed assets (except land) on the basis of estimated useful lives as determined by the management. In all cases depreciation is calculated on the straight line method. Depreciation of the assets is charged from the month of acquisition (for full month) and no depreciation is charged for the month when the assets are disposed.
- iii. Repairs and maintenance are charged to profit and loss account as expense when incurred.
- iv. Capital work-in-progress/ Building under construction:
Building under construction is recognised under Fixed Assets as per BAS 16- 'Property, Plant & Equipment' as Capital work in-progress until the construction work is completed and the asset is ready for intended use. Depreciation of the asset will be charged from the date of its intended use.
- v. Derecognition of fixed assets

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is to be recorded in profit or loss account when the item is derecognized.

vi. Intangible assets

Intangible asset is an identifiable non-monetary asset lacking physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with BAS 38: 'Intangible Assets'.

Subsequent expenditure on intangible asset of the Group is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

2.9 Other assets

Other assets include investment in subsidiaries, Membership of DSE & CSE, advance for operating and capital expenditure, stocks of stationary and stamps, security deposits to government agencies etc. Income & Non-income-generating other assets item(s) have been shown separately in the relevant notes to the financial statements, as per BRPD Circular No. 14 dated 25 June 2003.

2.10 Non-banking assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property. The bank was awarded absolute ownership on few mortgaged properties (mostly land) through the verdict of honorable court under section 33(7) of the 'Artharin Adalat Act 2003'. The value of the properties has been recognized in the financial statements as non-earning assets on the basis of third party valuation report. Value of the assets received in addition to the loan outstanding has been kept as reserve against non-banking assets.

2.11 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest bearing borrowings which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

2.12 Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

2.13 Other liabilities

Other liabilities comprise items such as provision for loans and off balance sheet exposures, investments & other assets, tax provision, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and Bangladesh Financial Reporting Standards (BFRS).

i. Provision for loans and advances & investments in capital market

Provisions for unclassified/classified loans & advances and for diminution of value of investment in the capital market are made on the basis of quarter end review by the management and instructions contained in BRPD Circular no. 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and DOS Circular No. 04 dated 24 November 2011 respectively.

ii. Provision for other assets & nostro accounts

Provision for other assets is made as per the guidelines mentioned (100% provision is required on other assets which are outstanding for one year and above) in the BRPD Circular No. 14 dated 25 June 2001. Provision for unsettled transactions in nostro accounts is made 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.

iii. Provision for liabilities and accrued expenses

Provisions for other liabilities and accrued expenses are recognized in the financial statements as per BAS 37, 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.

2.14 Contingent liabilities

Contingent liabilities which include certain Acceptances, LGs and LCs are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank. Disclosure on contingent liabilities have been made on the face of balance sheet under "Off-balance Sheet Items" as per the guidelines of BRPD Circular No. 14 dated 25 June 2003.

2.15 Statutory reserve

In compliance with the provision of Section 24 of Bank Companies Act 1991, the bank transfers at least 20% of its profit before tax to 'Statutory Reserve Fund' each year until the sum of statutory reserve and share premium equals to the paid up capital of the bank. Therefore, quarterly appropriation for Statutory reserve has not been made in the balance sheet.

2.16 Revenue Recognition

Revenue during the period is recognised following all conditions of revenue recognition as prescribed in BAS - 18 'Revenue'.

i. Interest income

Interest on unclassified loans and advances is accounted for as income on accrual basis, interest on classified loans and advances is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD 14 dated 23 September 2012 & BRPD 19 dated 27 December 2012 of Bangladesh Bank.

ii. Fees and commission income

Fees and commission income arises on services provided by the Bank and recognized as and when received basis. Commission charged to customers on LCs, LGs and Acceptance are credited to income at the time of effecting the transactions.

iii. Interest income from investments

Interest income on investments in Government and other securities, debentures and bonds is accounted for on accrual basis. Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

iv. Income from Exchange

Exchange income includes all gain and losses from day to day foreign currency transactions, conversions and revaluation of Non Monetary items.

v. Interest paid on borrowings and deposits

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

vi. Management and other expenses

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

vii. Taxes

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss account except to the extent that it relates to a business combination or items recognized directly in equity.

Current tax

Provision for current income tax has been made on taxable income of the Bank @ 42.5% (0% on gain on trading of govt. securities, 10% on capital gain of from shares traded in Secondary Market and 20% on dividend income) as prescribed in the Income Tax Ordinance 1984 and recent Finance Act 2014.

Deferred tax

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

2.17 Others

i. Retirement/post-employment 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'.

ii. Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature have also been presented separately unless they are immaterial in accordance with BAS 1 'Presentation of Financial Statements'.

iii. Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

iv. Events after the reporting period

All the material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per BAS 10 'Events after the Reporting Period'.

2.18 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 2014 as per BAS- 33 'Earnings Per Share'. Diluted earnings per share was not required to calculate as there was no dilution possibilities during the period.

2.19 Cash Flows Statement

Cash Flows Statement is prepared in accordance with Bangladesh Accounting Standard (BAS) 7 'Cash Flows 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.

2.20 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.

2.21 General

Reporting Period

The reporting period of these financial statements of the Group and the bank cover from 1 January 2014 to 30 June 2014.

Review of the Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of EBL in its 61 meeting held on 17 July 2014 and was subsequently approved by the Board in its 536 meeting held on the same date.

Particulars	Note	Group		Bank	
		30 Jun'14	31 Dec'13	30 Jun'14	31 Dec'13
		Taka	Taka	Taka	Taka
3 Cash					
Cash in hand (including foreign currencies)	3.1	1,322,795,477	1,752,685,015	1,322,729,708	1,752,660,726
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	3.2	6,663,058,030	6,428,136,805	6,663,058,030	6,428,136,805
		7,985,853,508	8,180,821,820	7,985,787,739	8,180,797,531
3.1 Cash in hand (including foreign currencies)					
Local currency	3.1.1	1,279,043,121	1,701,142,811	1,278,977,352	1,701,118,522
Foreign currencies		43,752,356	51,542,204	43,752,356	51,542,204
		1,322,795,477	1,752,685,015	1,322,729,708	1,752,660,726
3.1.1 Local currency		1,278,977,352	1,701,118,522	1,278,977,352	1,701,118,522
With Bank		65,769	24,289	-	-
With Subsidiaries		1,279,043,121	1,701,142,811	1,278,977,352	1,701,118,522
3.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)					
Bangladesh Bank					
Local currency		6,489,356,720	5,974,501,836	6,489,356,720	5,974,501,836
Foreign currencies		(219,862,227)	98,759,263	(219,862,227)	98,759,263
		6,269,494,493	6,073,261,099	6,269,494,493	6,073,261,099
Sonali Bank (as an agent of Bangladesh Bank)-local currency		393,563,537	354,875,706	393,563,537	354,875,706
		6,663,058,030	6,428,136,805	6,663,058,030	6,428,136,805
4 Balances with other banks and financial institutions					
Balance in Bangladesh	4.1	2,827,022,255	8,432,060,955	2,390,931,370	8,012,554,438
Balance outside Bangladesh	4.2	313,594,612	2,121,282,542	864,276,573	2,390,509,831
		3,140,616,867	10,553,343,497	3,255,207,943	10,403,064,269
4.1 Balance in Bangladesh					
In Current Deposit Accounts with Banks		270,202,604	289,005,206	93,099,449	82,668,584
Non Banking Financial Institutions		-	-	-	-
		270,202,604	289,005,206	93,099,449	82,668,584
Less: Inter Company Elimination		(543)	(34,067,605)	-	-
		270,202,061	254,937,601	93,099,449	82,668,584
In Special Notice Deposit Accounts with Banks		80,799,329	160,685,304	17,831,921	149,885,897
Non Banking Financial Institutions		(11,719,336)	-	-	-
		69,079,993	160,685,304	17,831,921	149,885,897
Less: Inter Company Elimination		(51,248,072)	(10,799,407)	-	-
		17,831,921	149,885,897	17,831,921	149,885,897
In Fixed Deposit Accounts with banks and NBFIs					
Banks		7,436,012,957	5,304,048,730	7,356,754,711	5,036,811,230
Non Banking Financial Institutions		2,259,730,027	7,680,000,000	2,080,000,000	7,680,000,000
		2,538,988,273	12,984,048,730	9,436,754,711	12,716,811,230
Less: Inter Company Elimination		(7,156,754,711)	(4,956,811,273)	(7,156,754,711)	(4,936,811,273)
		9,695,742,984	8,027,237,457	2,280,000,000	7,779,999,957
		2,827,022,255	8,432,060,955	2,390,931,370	8,012,554,438

Particulars	Note	Group		Bank	
		30 Jun'14	31 Dec'13	30 Jun'14	31 Dec'13
		Taka	Taka	Taka	Taka
4.2 Balance outside Bangladesh					
In Deposit account (non-interest bearing)		300,982,905	2,121,282,542	209,697,441	2,075,622,331
Term Placement		654,579,132	314,887,500	654,579,132	314,887,500
		955,562,037	2,436,170,042	864,276,573	2,390,509,831
Less: Inter Company Elimination		(641,967,425)	(314,887,500)	-	-
		313,594,612	2,121,282,542	864,276,573	2,390,509,831
5 Money at call and short notice					
Banks		-	-	-	-
Non Banking Financial Institutions		-	-	-	-
		-	-	-	-
6 Investments					
Government	6.1	19,870,427,006	21,659,579,849	19,870,427,006	21,659,579,849
Others	6.2	3,638,365,776	4,358,216,416	3,466,494,609	4,244,004,844
		23,508,792,782	26,017,796,265	23,336,921,615	25,903,584,693
6.1 Government (Investment in Govt. securities)					
Treasury bills	6.1.1	509,649,016	3,149,805,825	509,649,016	3,149,805,825
Treasury Bonds	6.1.2	19,357,012,490	16,511,699,916	19,357,012,490	16,511,699,916
Bangladesh Bank bills		-	1,995,344,608	-	1,995,344,608
Prize Bonds		3,765,500	2,729,500	3,765,500	2,729,500
		19,870,427,006	21,659,579,849	19,870,427,006	21,659,579,849
6.1.1 Treasury Bills					
91 Days GT Bills		-	125,700,979	-	125,700,979
182 Days GT Bills		-	309,306,247	-	309,306,247
364 Days GT Bills		509,649,016	2,714,798,599	509,649,016	2,714,798,599
		509,649,016	3,149,805,825	509,649,016	3,149,805,825
6.1.2 Treasury Bonds					
2 Years Treasury bonds		158,169,315	158,169,315	158,169,315	158,169,315
5 Years Treasury bonds		7,579,185,709	8,531,852,595	7,579,185,709	8,531,852,595
10 Years Treasury bonds		10,535,085,862	7,356,337,850	10,535,085,862	7,356,337,850
15 Years Treasury bonds		819,288,792	269,646,780	819,288,792	269,646,780
20 Years Treasury bonds		265,282,813	195,693,376	265,282,813	195,693,376
		19,357,012,490	16,511,699,916	19,357,012,490	16,511,699,916
6.2 Others (Investment in other securities)					
Debentures		20,000,000	25,000,000	20,000,000	25,000,000
Corporate bond		100,000,000	220,000,000	100,000,000	220,000,000
Ordinary Shares (Quoted and Unquoted)		3,518,365,776	3,603,216,416	3,346,494,609	3,489,004,844
Preference Shares		-	510,000,000	-	510,000,000
		3,638,365,776	4,358,216,416	3,466,494,609	4,244,004,844
7 Loans and advances					
Loans, cash credits, overdrafts, etc.	7.1	96,829,061,595	94,617,143,691	96,237,363,556	94,491,939,790
Bills purchased and discounted	7.2	7,135,111,267	8,713,673,891	6,538,177,914	8,418,279,159
		103,964,172,863	103,330,817,582	102,775,541,470	102,910,218,949
7.1 Loans, cash credits, overdrafts etc.					
<i>Inside Bangladesh</i>					
Loans - general		80,759,249,670	77,758,246,488	80,759,249,670	77,758,246,488
Cash credit		146,256,663	177,960,444	146,256,663	177,960,444
Overdraft		16,416,312,607	17,521,264,355	15,331,857,222	16,555,732,858
		97,321,818,941	95,457,471,287	96,237,363,556	94,491,939,790

Particulars	Note	Group		Bank	
		30 Jun'14	31 Dec'13	30 Jun'14	31 Dec'13
		Taka	Taka	Taka	Taka
Less: Inter Company Elimination		(492,757,345)	(840,327,596)	-	-
<i>Outside Bangladesh</i>		96,829,061,595	94,617,143,691	96,237,363,556	94,491,939,790
Loans, cash credits, overdrafts etc.		-	-	-	-
		96,829,061,595	94,617,143,691	96,237,363,556	94,491,939,790

7.2 Bills purchased and discounted

Inside Bangladesh

Local bills /documents

6,482,607,064 8,298,018,874 6,482,607,064 8,298,018,874

Foreign bills /documents

55,570,850 415,655,017 55,570,850 120,260,285

6,538,177,914 8,713,673,891 6,538,177,914 8,418,279,159

Outside Bangladesh

Loans, cash credits, overdrafts etc.

596,933,353 - - -

7,135,111,267 8,713,673,891 6,538,177,914 8,418,279,159

7.a Classified and unclassified loans & advances

Unclassified

Standard (Including Staff Loan)

96,868,960,627 98,753,606,859 95,680,329,234 98,333,008,225

Special Mention Accounts (SMA)

2,016,989,197 879,979,651 2,016,989,197 879,979,651

98,885,949,824 99,633,586,510 97,697,318,431 99,212,987,876

Classified

Sub-standard

1,271,688,064 479,766,825 1,271,688,064 479,766,825

Doubtful

402,442,557 193,344,322 402,442,557 193,344,322

Bad/Loss

3,404,092,417 3,024,119,925 3,404,092,417 3,024,119,925

5,078,223,038 3,697,231,072 5,078,223,038 3,697,231,072

103,964,172,863 103,330,817,582 102,775,541,470 102,910,218,949

Percentage of Classified Loans & Advances (NPL)

4.88% 3.58% 4.94% 3.59%

8 Fixed assets including land, building, furniture and fixtures

Cost

Freehold Land and Land Development

5,178,917,918 5,177,928,478 5,178,917,918 5,177,928,478

Buildings on Freehold land

730,841,590 730,841,590 730,841,590 730,841,590

Building under construction (Corporate Head Office)

462,328,368 379,904,613 462,328,368 379,904,613

Machinery and Equipment

589,127,504 552,527,072 584,385,532 547,945,392

Computer and Network Equipments

421,931,614 370,737,255 417,289,291 366,150,351

Furniture and fixtures

350,706,767 339,350,436 341,839,798 330,678,401

Vehicles

109,356,884 110,041,599 108,014,579 108,699,294

Leased Assets (Finance Lease)

90,084,859 90,084,859 90,084,859 90,084,859

Software

225,189,226 220,752,558 222,327,541 217,890,577

Total Cost

8,158,484,730 7,972,168,460 8,136,029,476 7,950,123,555

Accumulated depreciation

(1,179,885,082) (1,063,923,631) (1,167,330,462) (1,052,729,826)

Written Down Value

6,978,599,648 6,908,244,829 6,968,699,014 6,897,393,729

Detail of these are in Annexure-A & A1.

9 Other assets

Income generating

Investment in subsidiary-EBL Securities Ltd.

- - 867,400,000 867,400,000

Investment in subsidiary-EBL Investments Ltd.

- - 299,999,900 299,999,900

Investment in subsidiary-EBL Finance (HK) Ltd.

- - 14,779,352 14,779,352

Investment in subsidiary-EBL Asset Management Ltd.

- - 49,999,900 -

DSE Membership fees

553,800,000 553,800,000 - -

Particulars	Note	Group		Bank	
		30 Jun'14	31 Dec'13	30 Jun'14	31 Dec'13
		Taka	Taka	Taka	Taka
CSE Membership fees		201,500,000	201,500,000	-	-
Non- Income generating					
Receivable from EBL Securities Limited		-	-	2,724,400	5,612,917
Receivable from EBL Finance (HK) Limited		-	-	3,796,388	-
Receivable from EBL Asset Management Ltd		-	-	137,705	-
Other assets of subsidiaries		20,052,806	17,300,375	-	-
Stock of stationery & Stamps on hand		16,095,689	18,353,415	16,095,689	18,353,415
Suspense account		5,264,916	5,266,159	5,264,916	5,266,159
Security deposits-Govt. agencies		2,257,801	2,457,801	2,257,801	2,257,801
Interest and dividend receivables		803,275,086	755,949,181	869,728,977	758,801,887
Sundry Receivables		236,880,974	333,964,153	236,880,974	333,964,153
Advance rent		325,777,372	225,645,517	325,777,372	225,645,517
Advances and prepayments		325,719,306	167,972,554	315,513,163	164,369,242
Deferred tax assets/(liability)		698,391,343	698,391,343	698,391,343	698,391,343
		3,189,015,294	2,980,600,498	3,708,747,881	3,394,841,686

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. 191,733,000 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

191,733,000	191,733,000	191,733,000	191,733,000
191,733,000	191,733,000	191,733,000	191,733,000

11 Borrowings from other banks, financial institutions and agents

Balance inside Bangladesh	11.1	15,152,082,933	8,420,239,834	14,701,985,359	8,420,239,834
Balance outside Bangladesh	11.2	2,971,303,480	5,659,640,564	2,971,303,480	5,659,640,564
		18,123,386,413	14,079,880,398	17,673,288,839	14,079,880,398

11.1 Balance inside Bangladesh

Payable on demand	2,512,854,919	840,327,596	1,570,000,000	-
Term borrowings	1,745,000,000	5,313,155,023	1,745,000,000	5,313,155,023
Other borrowings	18,903,757,578	8,043,896,084	18,903,757,578	8,043,896,084
	23,161,612,497	14,197,378,703	22,218,757,578	13,357,051,107
Less: Inter company elimination	(8,009,529,565)	(5,777,138,869)	(7,516,772,220)	(4,936,811,273)
	15,152,082,933	8,420,239,834	14,701,985,359	8,420,239,834

11.2 Balance outside Bangladesh

Non interest bearing nostro accounts	98,993,480	139,390,564	98,993,480	139,390,564
Interest bearing account	2,872,310,000	5,520,250,000	2,872,310,000	5,520,250,000
	2,971,303,480	5,659,640,564	2,971,303,480	5,659,640,564

12 Deposits and other accounts

Current deposits and other accounts, etc.	12.1	11,277,318,022	9,843,455,920	11,325,416,490	9,877,524,621
Savings bank deposits	12.2	20,524,342,627	16,923,994,211	20,524,342,627	16,923,994,211
Fixed deposits	12.3	70,399,047,621	89,479,847,553	70,462,015,029	89,510,645,864
Bills payable	12.4	650,096,849	789,543,484	650,096,849	789,543,484
Bearer certificates of deposits		-	-	-	-
		102,850,805,119	117,036,841,168	102,961,870,995	117,101,708,180

Particulars	Note	Group		Bank	
		30 Jun'14	31 Dec'13	30 Jun'14	31 Dec'13
		Taka	Taka	Taka	Taka
12.1 Current deposits and other accounts					
Current deposits		4,265,883,172	4,624,020,832	4,313,981,640	4,658,089,533
Deposit margin on facilities (LC, LG, Acceptance etc.)		5,638,860,341	3,640,356,218	5,638,860,341	3,640,356,218
Sundry Deposits (Matured BCD, Foreign correspondence Charges etc)		33,038,242	33,038,242	33,038,242	33,038,242
Matured Deposits		150,000	200,000	150,000	200,000
Interest Accrued on Deposits		1,339,386,268	1,545,840,628	1,339,386,268	1,545,840,628
		11,277,318,022	9,843,455,920	11,325,416,490	9,877,524,621
12.2 Savings bank deposits					
EBL saving deposits account		3,988,867,201	3,969,396,799	3,988,867,201	3,969,396,799
High performance deposit account - retail		5,301,867,919	5,126,404,193	5,301,867,919	5,126,404,193
Scheme deposits		3,513,949,842	2,912,381,586	3,513,949,842	2,912,381,586
Other savings deposits		7,717,796,079	4,913,950,047	7,717,796,079	4,913,950,047
Unclaimed savings deposit		1,861,586	1,861,586	1,861,586	1,861,586
		20,524,342,627	16,923,994,211	20,524,342,627	16,923,994,211
12.3 Fixed deposits					
Special notice deposits (SND) account		12,245,173,564	31,561,726,862	12,256,892,900	31,561,726,862
Term deposits account		57,998,067,739	57,598,468,492	57,998,067,739	57,598,468,492
RFCD & NFCD account		207,054,390	350,450,510	207,054,390	350,450,510
		70,450,295,693	89,510,645,864	70,462,015,029	89,510,645,864
Less: Inter company elimination		(51,248,072)	(30,798,311)	-	-
		70,399,047,621	89,479,847,553	70,462,015,029	89,510,645,864
12.4 Bills payable					
Local currency		634,502,634	784,529,183	634,502,634	784,529,183
Foreign currency		15,594,216	5,014,301	15,594,216	5,014,301
		650,096,849	789,543,484	650,096,849	789,543,484
13 Other liabilities					
Privileged creditors		170,032,820	326,317,939	170,032,820	326,317,939
Acquirer liabilities		163,363,403	140,446,893	163,363,403	140,446,893
Sundry creditors		180,959,014	162,963,981	180,959,014	162,963,981
Security deposit		17,512,750	17,539,750	17,512,750	17,539,750
Current tax liability/(assets)		1,333,814,569	1,480,961,079	1,328,782,072	1,475,061,768
Provision for loans and advances- other than Offshore		3,994,721,379	3,476,553,016	3,973,775,322	3,476,553,017
Provision for loans and advances - Offshore		121,251,910	97,013,933	121,251,910	97,013,933
Interest suspense account		862,288,101	672,910,943	827,548,060	672,910,943
Provision for other assets		70,336,100	68,802,170	70,336,100	47,856,113
Provision for loss on revaluation of shares (net)		1,092,951,729	874,335,895	1,077,025,546	860,046,096
Advance interest/commission received		14,706,945	20,378,400	14,706,945	20,378,400
Expenses payable		343,744,156	317,020,422	191,513,848	317,020,422
Interest payable on borrowing including Offshore		90,077,029	105,847,548	90,077,029	105,847,548
Inter branch and inter system accounts		10,335	40,703	10,335	40,703
Advance export proceeds		283,971,170	356,956,828	283,971,170	356,956,828
Miscellaneous payable		453,675,836	172,581,260	385,477,865	172,581,260
Other liabilities-offshore banking unit		381,031	11,507	381,031	11,507
Other liabilities of subsidiaries		1,908,271	197,133,021	-	-
		9,195,706,546	8,487,815,289	8,896,725,218	8,249,547,103

Particulars	Note	Group		Bank	
		30 Jun'14	31 Dec'13	30 Jun'14	31 Dec'13
		Taka	Taka	Taka	Taka
14 Share Capital					
A) Authorized capital					
1,200,000,000 ordinary shares of Tk10 each		<u>12,000,000,000</u>	<u>12,000,000,000</u>	<u>12,000,000,000</u>	<u>12,000,000,000</u>
B) Issued, subscribed and fully paid up capital					
Issued against cash	129,345,000	1,293,450,000	1,293,450,000	1,293,450,000	1,293,450,000
Issued against bonus share	481,834,785	4,818,347,850	4,818,347,850	4,818,347,850	4,818,347,850
	<u>611,179,785</u>	<u>6,111,797,850</u>	<u>6,111,797,850</u>	<u>6,111,797,850</u>	<u>6,111,797,850</u>
15 Statutory Reserve					
Opening balance		5,362,423,625	4,395,274,232	5,362,423,625	4,395,274,232
Transferred from profit during the year		-	967,149,393	-	967,149,393
Closing balance		<u>5,362,423,625</u>	<u>5,362,423,625</u>	<u>5,362,423,625</u>	<u>5,362,423,625</u>
16 Dividend equalization reserve					
According to BRPD Circular No. 18 dated 20 October 2002, in case of declaring cash dividend more than 20%, a sum equal to the amount of dividend in excess of 20% shall have to be transferred to Dividend Equalization Reserve.					
17 Excess of reserve against pre take over loss					
Reserve against Pre-takeover loss		1,554,759,750	1,554,759,750	1,554,759,750	1,554,759,750
Pre-take over loss		(973,078,718)	(973,078,718)	(973,078,718)	(973,078,718)
		<u>581,681,032</u>	<u>581,681,032</u>	<u>581,681,032</u>	<u>581,681,032</u>
18 Foreign currency translation gain/(loss)					
Assets and liabilities of Offshore have been converted into Taka using period end standard mid rate of exchange of the Bank @ USD 1 = BDT 77.63 & HKD 1= BDT 10.0762 as at 30 June 2014. Incomes and expenses are translated using monthly average rate of standard mid rate of exchange (USD 1= BDT 77.6902 & HKD 1=10.0641). The net cumulative amount of the exchange differences has been presented separately as an equity component.					
19 Profit and loss account/Retained Earnings					
Opening balance		2,087,507,790	1,722,111,302	1,980,070,441	1,581,904,575
Profit for the Period		947,492,604	2,535,094,458	959,793,852	2,567,863,832
Transfer to statutory reserve		-	(967,149,394)	-	(967,149,394)
Transfer from General Reserve		-	30,000,000	-	30,000,000
Cash Dividend		(1,222,359,570)	(1,222,359,570)	(1,222,359,570)	(1,222,359,570)
FX adjustment for OBU RE		(960,470)	(10,189,003)	(960,470)	(10,189,003)
Closing balance		<u>1,811,680,355</u>	<u>2,087,507,790</u>	<u>1,716,544,254</u>	<u>1,980,070,441</u>
20 Contingent liabilities					
Acceptance and endorsements	20.1	27,514,642,230	26,827,594,612	27,514,642,230	26,827,594,612
Letters of guarantee	22.2	12,706,845,794	12,515,097,423	12,706,845,794	12,515,097,423
Irrevocable letters of credit	20.3	14,039,404,953	15,562,071,032	14,039,404,953	15,562,071,032
Bills for collection		4,783,872,660	5,110,318,371	4,783,872,660	5,110,318,371
		<u>59,044,765,637</u>	<u>60,015,081,437</u>	<u>59,044,765,637</u>	<u>60,015,081,437</u>
20.1 Acceptance and endorsements					
Acceptances		7,447,682,899	8,513,585,832	7,447,682,899	8,513,585,832
Acceptances-Usance LC-Cash		19,672,253,925	18,297,887,144	19,672,253,925	18,297,887,144
		<u>27,119,936,824</u>	<u>26,811,472,976</u>	<u>27,119,936,824</u>	<u>26,811,472,976</u>
Acceptances-OBU		394,705,406	16,121,636	394,705,406	16,121,636
		<u>27,514,642,230</u>	<u>26,827,594,612</u>	<u>27,514,642,230</u>	<u>26,827,594,612</u>

Particulars	Note	Group		Bank	
		30 Jun'14	31 Dec'13	30 Jun'14	31 Dec'13
		Taka	Taka	Taka	Taka
20.2 Letters of guarantees					
Directors		192,900	192,900	192,900	192,900
Government		561,603,427	471,496,327	561,603,427	471,496,327
Banks and other financial institutions		5,479,460,337	4,180,310,717	5,479,460,337	4,180,310,717
Others (Customers etc.)		6,665,589,129	7,863,097,479	6,665,589,129	7,863,097,479
		12,706,845,794	12,515,097,423	12,706,845,794	12,515,097,423
Letter of guarantee- OBU		-	-	-	-
		12,706,845,794	12,515,097,423	12,706,845,794	12,515,097,423

20.3 Irrevocable letters of credit

Letter of credit	13,820,961,983	15,506,980,309	13,820,961,983	15,506,980,309
Letter of credit-OBU	218,442,970.83	55,090,723	218,442,970	55,090,723
	14,039,404,953	15,562,071,032	14,039,404,953	15,562,071,032

Group		Bank	
Jan - Jun'14	Jan - Jun'13	Jan - Jun'14	Jan - Jun'13
Taka	Taka	Taka	Taka

21 Interest income

Interest on advances	5,902,480,144	6,475,411,650	5,850,941,546	6,453,172,607
Interest on money at call and short notice	22,840,462	66,400,992	22,840,462	66,400,992
Interest on placement with other Banks and FIs	388,385,403	528,139,036	388,385,403	520,786,417
Interest on foreign currency balances	1,057,755	2,526,808	1,057,755	2,526,808
Interest income-offshore banking unit	306,895,708	215,968,820	306,895,708	215,968,820
	6,621,659,472	7,288,447,306	6,570,120,875	7,258,855,644

22 Interest paid on deposits and borrowings

Interest on deposits	4,075,619,796	4,063,996,084	4,073,818,079	4,074,874,086
Interest on borrowings from Banks and FIs	165,275,980	414,595,005	165,275,980	414,595,005
Interest on borrowings from Bangladesh Bank	125,836,082	185,574,688	125,836,082	185,574,688
Interest on REPO	78,191,973	38,505,941	78,191,973	38,505,941
Interest paid on deposits and borrowings-offshore banking unit	124,171,859	110,978,382	124,171,859	110,978,382
	4,569,095,691	4,813,650,100	4,567,293,973	4,824,528,101

23 Income from Investments

Dividend on shares				
Ordinary shares	16,851,751	17,484,736	13,955,489	17,413,915
Preference shares	13,100,674	-	13,100,674	-
	29,952,425	17,484,736	27,056,163	17,413,915
Dividend from EBLSL	-	-	35,000,000	-
Dividend from EBLIL	-	-	30,000,000	39,000,000
Interest on Reverse REPO	7,759,148	17,362,603	7,759,148	17,362,603
Interest on debentures	-	188,973	-	188,973
Interest on Treasury Bills	87,001,251	124,002,310	87,001,251	124,002,310
Interest on Bonds- Treasury	1,238,434,678	801,669,874	1,238,434,678	801,669,874
Interest on Bonds- Corporate	12,244,616	17,827,222	12,244,616	17,827,222
Gain from trading in Govt. securities (net off)	58,321,134	33,655,886	58,321,134	33,655,886

Particulars	Note	Group		Bank	
		Jan - Jun'14	Jan - Jun'13	Jan - Jun'14	Jan - Jun'13
		Taka	Taka	Taka	Taka
Gain/ (loss) on revaluation/amortization of treasury securities (HFT/HTM)*		(51,809,795)	(181,859,076)	(51,809,795)	(181,859,076)
Gain/ (loss) on shares traded in secondary market		76,323,735	24,845,409	64,659,778	23,691,736
		1,458,227,190	855,177,937	1,508,666,971	892,953,443

*As per instruction/circular of Bangladesh Bank (DOS circular Letter No 05 dated 26 May 2008).

24 Commission, exchange and brokerage

Fees and commission	944,990,118	866,182,815	904,903,196	844,556,942
Exchange gain net off exchange losses	409,826,610	304,759,449	409,826,610	304,752,607
Brokerage	-	-	-	-
Commission, exchange and brokerage-offshore	55,618,719	5,384,170	40,261,287	4,697,238
	1,410,435,447	1,176,326,433	1,354,991,093	1,154,006,787

25 Other operating income

Rebate earnings	22,370,281	28,355,395	22,370,281	28,355,395
Postage charges recovered	6,672,562	7,626,042	6,672,562	7,601,683
Service charges related to trade operations	2,808,519	25,487,066	2,808,519	3,581,666
Swift & Telex charges	22,365,798	3,581,666	22,365,798	25,487,066
Locker rent	6,016,775	5,316,280	6,016,775	5,316,280
Gain on sale of fixed assets	569,556	7,999	569,556	7,999
Miscellaneous income	8,153,511	7,443,362	8,153,511	7,124,031
Other operating income-offshore	1,568,084	615,070	1,568,084	579,695
	70,525,085	78,432,880	70,525,085	78,053,815

26 Salary and allowances

Basic salary	353,107,034	303,586,961	341,094,349	292,579,610
Other salary & allowances	559,782,294	436,738,366	551,773,838	436,738,366
Festival bonus	104,292,410	934,530	104,003,583	934,530
Bank's contribution to provident fund	31,935,667	27,499,319	31,935,667	27,499,319
Contribution to gratuity fund	59,455,161	51,022,976	59,455,161	51,022,976
Contribution to superannuation fund	6,742,400	6,742,399	6,742,400	6,742,399
	1,115,314,967	826,524,551	1,095,004,999	815,517,200

27 Rent, Taxes, Insurance, Utilities etc.

Rent, rates and taxes	173,300,707	141,438,999	166,713,497	134,682,733
Insurance premium	46,228,226	41,070,887	46,212,379	40,185,437
Utilities (excluding telecommunication)	35,366,796	27,021,271	34,516,340	26,557,632
	254,895,729	209,531,157	247,442,216	201,425,803

28 Legal and professional expenses

Legal expenses	13,809,021	14,529,573	13,801,521	14,527,073
Other professional expenses	10,417,436	7,575,445	10,417,436	7,575,445
	24,226,457	22,105,018	24,218,957	22,102,518

Particulars	Note	Group		Bank	
		Jan - Jun'14	Jan - Jun'13	Jan - Jun'14	Jan - Jun'13
		Taka	Taka	Taka	Taka
29 Postage, Stamp, Telecommunication etc.					
Telecommunication -office		10,898,687	11,054,079	10,103,982	11,045,071
LAN, WAN and SWIFT charges		27,309,805	30,124,818	26,880,313	29,518,368
Postage and courier charges		12,026,360	10,546,780	10,138,252	10,536,680
Stamp & court fees		2,926,961	296,270	2,923,313	287,597
		53,161,812	52,021,947	50,045,859	51,387,716
30 Stationery, Printing, Advertisement, etc.					
Printing and stationery		38,831,428	42,210,182	38,453,941	41,896,160
Publicity and advertisement		68,656,146	61,504,863	68,455,536	61,375,124
		107,487,574	103,715,045	106,909,477	103,271,284
31 Managing Director's Salary and Allowances					
Basic salary		4,800,000	4,065,600	4,800,000	4,065,600
Allowances		2,190,000	2,040,000	2,190,000	2,040,000
Bonus		-	-	-	-
Bank's contribution to provident fund		480,000	406,560	480,000	406,560
		7,470,000	6,512,160	7,470,000	6,512,160
32 Directors' Fees					
Meeting attendance fees		613,750	600,200	559,750	590,000
Other expenses		1,071,572	1,086,926	1,071,572	1,068,926
		1,685,322	1,687,126	1,631,322	1,658,926
33 Repairs, maintenance and depreciation					
Depreciation: (Annexure 'A')					
Buildings		9,135,523	6,343,446	9,135,523	6,343,446
Machineries and equipments		46,250,500	25,009,528	45,942,769	24,612,442
Computer and Network Equipments		24,815,641	47,556,079	24,311,664	47,236,429
Vehicles		6,222,774	7,204,164	6,122,101	7,103,491
Furniture and fixtures		16,972,152	16,067,989	16,273,116	15,176,997
Software		14,014,472	12,241,403	13,799,824	12,090,505
		117,411,062	114,422,609	115,584,991	112,563,310
Repairs and maintenance					
Office equipments		15,653,179	25,123,159	15,428,829	25,004,410
Vehicles		2,061,339	3,566,426	2,061,339	3,566,426
Furniture and fixtures		7,013,851	12,492,843	7,013,851	12,409,917
Rented premises- general		19,823,445	20,826,328	19,186,991	19,604,316
Rented premises-lighting		6,170,302	10,172,834	6,170,302	10,172,834
Software maintenance expense		25,494,003	30,995,697	25,311,128	30,890,758
		76,216,118	103,177,286	75,172,439	101,648,660
Total		193,627,180	217,599,895	190,757,430	214,211,970
34 Other operating expenses					
Card expenses		62,820,718	50,621,544	62,820,718	50,621,544
Business travelling expenses		18,181,055	11,711,931	17,976,928	11,596,349
Bank charges		4,560,466	7,389,654	4,560,466	7,350,436
Donation		13,041,200	4,036,923	13,041,200	4,036,923
Fees and subscriptions		2,450,751	3,731,026	2,272,212	3,341,394
Books, periodicals and publications		910,385	467,215	904,033	464,860

Particulars	Note	Group		Bank	
		Jan - Jun'14	Jan - Jun'13	Jan - Jun'14	Jan - Jun'13
		Taka	Taka	Taka	Taka
Car & generator expenses (Fuel, drivers salary, fitness etc.)		12,621,588	13,528,342	12,621,588	13,528,342
Recruitment and training expenses		10,402,527	7,273,861	10,120,708	7,242,861
Entertainment & recreation		37,137,656	30,941,510	37,011,434	30,623,612
Uniform and liveries		1,770,539	959,940	1,770,539	959,940
Office securities		45,502,878	52,187,313	45,213,078	52,019,988
Sales & agency commission (DST, student file)		11,550,097	8,980,366	10,862,095	8,825,366
AGM expenses		2,314,833	3,276,594	2,314,833	3,276,594
Miscellaneous expenses		6,269,754	4,851,423	978,548	1,589,752
Deffered revenue charges		78,310	133,310	-	-
Account Maintenance & Processing fees - OBU		5,039,067	10,972,278	5,039,067	10,972,278
		234,651,824	211,063,231	227,507,447	206,450,240

35 Provision for loans & advances

Specific provision	680,262,935	639,879,208	680,262,935	639,879,208
Less: Recovery from written off loans	(21,189,203)	(32,339,790)	(21,189,203)	(32,339,790)
	659,073,731	607,539,418	659,073,731	607,539,418
General provision	(1,696,698)	44,812,437	(1,696,698)	44,812,437
	657,377,034	652,351,855	657,377,034	652,351,855

36 Other provision

Provision against other assets	-	-	-	-
Loss on revaluation of shares	218,615,834	2,953,572	216,979,450	-
	218,615,834	2,953,572	216,979,450	-

37 Earnings per share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 30 June 2014 as per BAS- 33 "Earnings Per Share". Diluted earnings per share was not required to calculate as there were no dilution possibilities during the period.

	Jan-Jun'14	Jan-Jun'13	Apr-Jun'14	Apr-Jun'13
A. Weighted average number of shares :	611,179,785	611,179,785	611,179,785	611,179,785
B. Earnings Per Share (EPS) :				
Profit attributable to the shareholders of EBL for the period (Group)	947,492,604	975,699,849	227,807,913	826,384,459
Profit attributable to the shareholders of EBL for the period (Bank)	959,793,853	997,009,480	277,259,069	859,833,481
Earnings per share (EPS) - Group	1.55	1.60	0.37	1.35
Earnings per share (EPS) - Bank	1.57	1.63	0.45	1.41

Eastern Bank Limited and its subsidiaries

Consolidated schedule of Fixed Assets

as at 30 June 2014

Annexure - A

Figures in Taka

Particulars	Cost			Accumulated Depreciation			Net book value at 30 June '14	
	Balance on 01 January '14	Revaluation Surplus	Additions during the Period	Disposals during the Period	Balance at 30 June '14	Charge for the Period		On disposals during the Period
Tangible assets:								
Land	5,177,928,478	-	989,440	-	5,178,917,918	-	-	5,178,917,918
Building	730,841,590	-	-	-	730,841,590	32,420,970	9,135,523	689,285,097
Building under construction	379,904,613	-	82,423,755	-	462,328,368	-	-	462,328,368
Machinery and Equipment	552,527,072	-	36,958,036	(357,604)	589,127,504	390,914,108	46,250,500	152,138,759
Computer and Network Equipment	370,737,255	-	51,302,229	(107,870)	421,931,614	257,578,608	24,815,641	139,547,792
Vehicles	110,041,599	-	289,220	(973,935)	109,356,884	74,223,653	6,222,774	29,884,391
Furniture and fixtures & Leased Assets under Finance Lease	429,435,295	-	11,922,456	(566,125)	440,791,626	249,472,814	16,972,152	174,636,346
Intangible assets:								
Software	220,752,558	-	4,436,668	-	225,189,226	59,313,478	14,014,472	151,860,977
At 30 June 2014	7,972,168,460	-	188,321,804	(2,005,534)	8,158,484,730	1,063,923,631	117,411,062	6,978,599,648
At 31 December 2013	6,818,979,680	-	1,163,314,630	(10,125,851)	7,972,168,460	839,847,348	234,191,680	6,908,244,829

Eastern Bank Limited

Schedule of Fixed Assets

as at 30 June 2014

Annexure - A1

Figures in Taka

Particulars	Cost				Accumulated Depreciation			Net book value at 30 June '14
	Balance on 01 January '14	Revaluation Surplus	Additions during the Period	Disposals during the Period	Balance at 30 June '14	Charge for the Period	On disposals during the Period	
Tangible assets:								
Land	5,177,928,478	-	989,440	-	5,178,917,918	-	-	5,178,917,918
Building	730,841,590	-	-	-	730,841,590	9,135,522	-	689,285,097
Building under construction	379,904,613	-	82,423,755	-	462,328,368	-	-	462,328,368
Machinery and Equipment	547,945,392	-	36,440,140	-	584,385,532	45,942,768	-	150,420,773
Computer and Network Equipment	366,150,351	-	51,246,810	(107,870)	417,289,291	24,311,663	(10,427)	137,571,532
Vehicles	108,699,294	-	289,220	(973,935)	108,014,579	6,122,100	(973,934)	29,585,064
Furniture and fixtures & Leased Assets under Finance Lease	420,763,260	-	11,161,397	-	431,924,657	16,273,115	-	170,458,884
Intangible assets:								
Software	217,890,577	-	4,436,964	-	222,327,541	13,799,823	-	150,131,378
At 30 June 2014	7,950,123,554	-	186,987,726	(1,081,805)	8,136,029,476	115,584,991	(984,361)	6,968,699,014
At 31 December 2013	6,801,726,734	-	1,158,522,672	(10,125,851)	7,950,123,555	230,702,675	(10,112,835)	6,897,393,729

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

Salina Ali

Representing Borak Real Estate (Pvt) Ltd

Meah Mohammed Abdur Rahim

Independent Director

Mufakkharul Islam Khasru

Representing Namreen Enterprise Ltd

Asif Mahmood

Representing Aquamarine Distributions Ltd

Ormaan Rafay Nizam

Independent Director

Gazi Md. Shakhawat Hossain

Representing Purnima Construction (Pvt) Ltd

Ali Reza Iftekhar

Managing Director & CEO

Company Secretary

Safiar Rahman, FCS

EXECUTIVE COMMITTEE OF THE BOARD

Mir Nasir Hossain	Chairman
Md. Showkat Ali Chowdhury	Member
Salina Ali	Member
Ali Reza Iftekhar	Member
Safiar Rahman, FCS	Secretary

AUDIT COMMITTEE OF THE BOARD

Meah Mohammed Abdur Rahim	Chairman
A.M. Shaukat Ali	Member
Mufakkharul Islam Khasru	Member
Orman Rafay Nizam	Member
Gazi Md. Shakhawat Hossain	Member
Safiar Rahman, FCS	Secretary

RISK MANAGEMENT COMMITTEE OF THE BOARD

Mir Nasir Hossain	Chairman
Asif Mahmood	Member
Gazi Md. Shakhawat Hossain	Member
Safiar Rahman, FCS	Secretary

MANAGEMENT COMMITTEE

Ali Reza Iftekhar

Managing Director & CEO

Hassan O. Rashid

Deputy Managing Director
Corporate & Treasury

Akhtar Kamal Talukder

Deputy Managing Director
Operations & ICCD

Abul Moqsud

Deputy Managing Director
Risk

Safiar Rahman, FCS

Company Secretary

S. M. Akhtaruzzaman Chowdhury

Head of Operations

Sami Karim

Head of SAMD

Ahmed Shaheen

Area Head
Dhaka, Corporate Banking

A M M Moyen Uddin

Head of Information Technology

Md. Khurshed Alam

Head of SME

M. Nazeem A. Choudhury

Head of Consumer Banking

Mehdi Zaman

Head of Treasury

Monjurul Alam

Head of Human Resources

Masudul Hoque Sardar

Head of Finance

AUDITORS

Hoda Vasi Chowdhury & Co.
Chartered Accountants

TAX CONSULTANT

ACNABIN

Chartered Accountants

LEGAL ADVISORS

Sadat, Sarwat & Associates
Sadia Rowshan Jahan

REGISTERED HEAD OFFICE

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