



Strategy for  
Flexibility

HALF YEARLY REPORT **2015**

# Sustaining Stable Credit Rating



Credit Rating Information and Services Limited (CRISL) reaffirms rating of Eastern Bank Ltd. to “AA” in the long term and “ST-2” in the short term. The rating has been awarded on the basis of an in-depth analysis of the operational and financial performance of the bank. While assessing financial performance of the bank, CRISL used information presented in the financial statements for the year ending December 31, 2014.

**Long Term Rating:** Banks rated in the category 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.

**Short Term Rating:** High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL views that EBL’s creditworthiness is of high quality and believes that the bank will be able to maintain its fundamentals in future, therefore, awards a stable outlook to EBL.





Eastern Bank Ltd.

Simple Math<sup>®</sup>

half yearly report

**2015**

29 July 2015

All Shareholders of Eastern Bank Limited  
Bangladesh Securities and Exchange Commission (BSEC)  
Dhaka Stock Exchange Limited (DSE)  
Chittagong Stock Exchange Limited (CSE)

**Sub: Half Yearly Financial Statements (Unaudited) 2015.**

As per Rule 13 of the Securities and Exchange Rules 1987, we are pleased to present before you the Half Yearly (unaudited) Financial Statements (Group and Bank only) of Eastern Bank Limited (EBL) for the period from 01 January 2015 to 30 June 2015.



**Safiar Rahman, FCS**  
DMD & Company Secretary

**REGISTERED HEAD OFFICE:**

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# Eastern Bank Limited and its subsidiaries

## Consolidated Balance Sheet (Unaudited)

As at 30 June 2015

Figures are in Taka

Particulars	30-06-2015	31-12-2014
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
Cash in hand (including foreign currencies)	1,883,964,010	1,707,006,385
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	8,667,179,221	8,594,833,742
	<b>10,551,143,231</b>	<b>10,301,840,127</b>
<b>Balances with other Banks and Financial Institutions</b>		
In Bangladesh	8,730,089,603	5,811,308,229
Outside Bangladesh	646,171,182	382,916,367
	<b>9,376,260,785</b>	<b>6,194,224,596</b>
<b>Money at call and short notice</b>	990,000,000	1,060,000,000
<b>Investments</b>		
Government	25,690,386,531	21,224,314,333
Others	3,744,453,500	3,695,667,824
	<b>29,434,840,031</b>	<b>24,919,982,157</b>
<b>Loans and advances</b>		
Loans, Cash Credits, Overdraft etc.	114,363,303,152	112,393,132,778
Bills discounted and purchased	14,900,791,111	7,619,210,264
	<b>129,264,094,263</b>	<b>120,012,343,042</b>
<b>Fixed assets including land, building, furniture and fixtures</b>	7,128,167,985	7,096,632,691
<b>Other assets</b>	3,868,560,211	3,666,794,180
<b>Non banking assets</b>	191,733,000	191,733,000
<b>TOTAL ASSETS</b>	<b>190,804,799,505</b>	<b>173,443,549,792</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
Borrowing from other banks, financial institutions and agents	29,743,838,893	26,861,374,492
<b>Deposits and other accounts</b>		
Current deposits & other accounts, etc.	12,491,830,738	10,307,565,783
Savings bank deposits	27,455,489,099	23,982,033,088
Fixed deposits	90,196,301,650	81,398,775,594
Bills payable	1,236,243,765	1,034,027,209
Bearer certificates of deposits	-	-
	<b>131,379,865,253</b>	<b>116,722,401,675</b>
Other liabilities	9,586,550,424	9,625,224,915
<b>TOTAL LIABILITIES</b>	<b>170,710,254,569</b>	<b>153,209,001,082</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital-Paid up capital	6,111,797,850	6,111,797,850
Statutory reserve	6,111,797,850	6,111,797,850
General reserve	130,000,000	130,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve against pre take over loss - BCCI	595,917,231	586,531,031
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)	2,076,822	2,076,822
Reserve for revaluation of treasury securities (HFT)	636,358,803	805,190,521
Foreign currency translation gain	9,091,612	9,963,290
Profit & loss account -retained earnings	2,272,998,053	2,252,684,630
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>20,094,544,936</b>	<b>20,234,548,709</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>190,804,799,505</b>	<b>173,443,549,792</b>

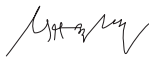
# Eastern Bank Limited and its subsidiaries

## Consolidated Balance Sheet (Unaudited)

As at 30 June 2015

Figures are in Taka

Particulars	30-06-2015	31-12-2014
<b>OFF BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Acceptances and endorsements	32,349,718,769	29,802,563,348
Letters of guarantees	12,765,436,202	9,974,191,339
Irrevocable letters of credit	14,533,193,637	16,329,554,466
Bills for collection	3,899,147,843	5,152,721,657
Other liabilities (bad and loss)	-	-
	<b>63,547,496,451</b>	<b>61,259,030,810</b>
<b>Other contingent liabilities</b>		
Value of travelers' cheques on hand	-	-
Value of WEDB & FCY Bond on hand	-	-
Value of Bangladesh Sanchaya Patra on hand	-	-
	-	-
<b>Other commitments</b>		
Lease rental commitments	-	-
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
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	-	-
	-	-
<b>TOTAL OFF-BALANCE SHEET ITEMS</b>	<b>63,547,496,451</b>	<b>61,259,030,810</b>



**Masudul Hoque Sardar**  
Head of Finance

Dhaka, 27 July 2015



**Ali Reza Iftekhar**  
Managing Director & CEO

# Eastern Bank Limited and its subsidiaries

## Consolidated Profit & Loss Account (Unaudited)

For the period ended 30 June 2015

Figures are in Taka

Particulars	01 January 2015 to 30 June 2015	01 January 2014 to 30 June 2014	01 April 2015 to 30 June 2015	01 April 2014 to 30 June 2014
Interest Income	6,766,680,540	6,621,659,472	3,411,917,443	3,205,744,196
Less: Interest paid on deposits and borrowings	4,966,607,626	4,569,095,691	2,505,803,847	2,163,980,138
<b>Net Interest Income</b>	<b>1,800,072,914</b>	<b>2,052,563,782</b>	<b>906,113,596</b>	<b>1,041,764,059</b>
Income from investments	1,577,747,812	1,458,227,190	714,085,408	720,882,500
Commission, exchange and brokerage	1,483,812,295	1,410,435,447	779,060,128	707,963,954
Other operating income	73,885,239	70,525,085	36,163,409	37,536,587
<b>Total operating income</b>	<b>4,935,518,260</b>	<b>4,991,751,505</b>	<b>2,435,422,541</b>	<b>2,508,147,101</b>
Salary & allowances	1,208,181,462	1,115,314,967	613,717,766	579,386,300
Rent, taxes, insurance, utilities etc.	289,522,925	254,895,729	157,817,606	142,860,219
Legal & professional expenses	38,657,579	24,226,457	27,307,960	14,580,961
Postage, stamp, telecommunication etc.	63,718,820	53,161,812	50,053,544	36,551,661
Stationery, printing, advertisement, etc.	129,543,745	107,487,574	91,421,338	82,588,133
Managing Director's salary and allowances	8,878,000	7,470,000	4,879,000	3,735,000
Directors' fees & expenses	2,285,734	1,685,322	1,287,414	889,454
Auditor's fees	-	-	-	-
Charges on loan losses	-	-	-	-
Repairs, maintenance and depreciation	224,645,663	193,627,180	130,784,695	108,403,429
Other operating expenses	297,199,636	234,651,824	187,114,645	137,987,566
<b>Total operating expenses</b>	<b>2,262,633,566</b>	<b>1,992,520,866</b>	<b>1,264,383,970</b>	<b>1,106,982,724</b>
<b>Profit before provisions</b>	<b>2,672,884,694</b>	<b>2,999,230,639</b>	<b>1,171,038,571</b>	<b>1,401,164,377</b>
Provision for loans and advances				
Specific provision	1,021,405,843	659,073,731	563,572,701	386,833,547
General provision	124,721,882	(1,696,698)	103,276,171	24,481,433
Other Provisions	(461,695,270)	218,615,834	(316,509,351)	224,967,773
<b>Total provisions</b>	<b>684,432,454</b>	<b>875,992,868</b>	<b>350,339,520</b>	<b>636,282,754</b>
<b>Profit before tax for the period</b>	<b>1,988,452,240</b>	<b>2,123,237,771</b>	<b>820,699,051</b>	<b>764,881,623</b>
Provision for tax made for the period	746,371,538	1,175,745,167	212,732,264	537,073,710
<b>Profit after tax for the period</b>	<b>1,242,080,701</b>	<b>947,492,604</b>	<b>607,966,786</b>	<b>227,807,913</b>
<b>Earnings per share (EPS)</b>	<b>2.03</b>	<b>1.55</b>	<b>0.99</b>	<b>0.37</b>



**Masudul Hoque Sardar**

Head of Finance

Dhaka, 27 July 2015



**Ali Reza Iftekhar**

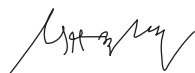
Managing Director & CEO



**Eastern Bank Limited and its subsidiaries**  
**Consolidated Cash Flows Statement (Unaudited)**  
For the period ended 30 June 2015

Figures are in Taka

Particulars	01 January 2015 to 30 June 2015	01 January 2014 to 30 June 2014
<b>A) Cash flows from operating activities</b>		
Interest received	6,297,151,710	5,935,893,206
Interest paid	(5,017,089,644)	(4,796,221,197)
Dividend received	16,194,565	29,952,425
Fees and commission received	1,483,812,295	1,410,435,447
Income from investment	1,561,553,247	1,428,274,765
Recovery of loans previously written off	41,057,399	21,189,203
Cash paid to employees (including directors)	(1,367,438,975)	(1,124,470,289)
Cash paid to suppliers	(521,443,070)	(439,771,573)
Income taxes paid	(830,315,403)	(1,299,021,223)
Received from other operating activities	73,885,239	70,525,085
Paid for other operating activities	(387,346,535)	(310,789,639)
<b>Operating cash flow before changes in operating assets and liabilities</b>	<b>1,350,020,829</b>	<b>925,996,212</b>
<b>Increase/(decrease) in Operating Assets &amp; Liabilities</b>		
Changes in trading securities	(4,366,452,397)	(44,682,522)
Loans and advances to customers	(8,813,442,855)	52,410,984
Other assets	(201,766,031)	(208,414,796)
Recovery from BCCI assets	9,386,200	-
Deposits from other Banks	386,404,040	1,524,163,288
Deposits from customers (other than banks)	14,395,003,257	(15,505,075,157)
Other liability/tax	83,943,865	123,276,056
Other liability/provision	(725,489,854)	(897,182,071)
Other liabilities	109,419,288	707,155,854
<b>Net Cash received from/used in operating activities</b>	<b>2,227,026,342</b>	<b>(13,322,352,152)</b>
<b>B) Cash flows from investing activities</b>		
Changes in non-trading securities	(286,081,432)	3,058,559,273
Purchase/sale of property, plant and equipment	(166,034,059)	(187,844,185)
<b>Net cash used in/received from investing activities</b>	<b>(452,115,491)</b>	<b>2,870,715,088</b>
<b>C) Cash flows from financing activities</b>		
Borrowings from other banks, financial institutions and agents	309,002,699	4,065,507,341
Received from issue of loan capital and debt securities	2,500,000,000	-
Dividend paid (cash dividend)	(1,222,359,570)	(1,222,359,570)
<b>Net cash received from financing activities</b>	<b>1,586,643,129</b>	<b>2,843,147,771</b>
<b>D) Net (decrease) / increase in cash (A+B+C)</b>	<b>3,361,553,980</b>	<b>(7,608,489,293)</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>(279,387)</b>	<b>1,830,348</b>
<b>F) Opening cash and cash-equivalents</b>	<b>17,559,887,622</b>	<b>18,736,894,818</b>
<b>G) Closing cash and cash-equivalents (D+E)*</b>	<b>20,921,162,215</b>	<b>11,130,235,874</b>
<b>*Closing cash and cash-equivalents</b>		
Cash in hand (including foreign currencies)	1,883,964,010	1,322,795,477
Balances with Bangladesh Bank and its agent bank (s)	8,667,179,221	6,663,058,030
Balances with other Banks and Financial Institutions	9,376,260,785	3,140,616,867
Money at call and short notice	990,000,000	-
Prize bonds	3,758,200	3,765,500
	<b>20,921,162,215</b>	<b>11,130,235,874</b>



**Masudul Hoque Sardar**  
Head of Finance



**Ali Reza Iftekhar**  
Managing Director & CEO

Dhaka, 27 July 2015

## Eastern Bank Limited and its subsidiaries

### Consolidated Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2015

Figures are in Taka

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve against pre takeover loss - BCCI	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 at 1 January 2015	6,111,797,850	6,111,797,850	130,000,000	356,040,000	586,531,031	3,689,495,550	178,971,165	2,076,822	805,190,521	9,963,290	2,252,684,630	20,234,548,709
Foreign currency transaction adjustment for RE	-	-	-	-	-	-	-	-	-	-	592,291	592,291
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	1,242,080,701	1,242,080,701
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	(1,222,359,570)	(1,222,359,570)
Recovery of pre-takeover loss	-	-	-	-	9,386,200	-	-	-	-	-	-	9,386,200
Adjustment of revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	(168,831,718)	-	-	(168,831,718)
Currency translation difference	-	-	-	-	-	-	-	-	-	(871,678)	-	(871,678)
<b>Balance as at 30 June 2015</b>	<b>6,111,797,850</b>	<b>6,111,797,850</b>	<b>130,000,000</b>	<b>356,040,000</b>	<b>595,917,231</b>	<b>3,689,495,550</b>	<b>178,971,165</b>	<b>2,076,822</b>	<b>636,358,803</b>	<b>9,091,612</b>	<b>2,272,998,053</b>	<b>20,094,544,936</b>
<b>Balance as at 30 June 2014</b>	<b>6,111,797,850</b>	<b>5,362,423,625</b>	<b>130,000,000</b>	<b>356,040,000</b>	<b>581,681,032</b>	<b>3,689,495,550</b>	<b>178,971,165</b>	<b>827,635</b>	<b>563,073,958</b>	<b>2,894,715</b>	<b>1,811,680,354</b>	<b>18,788,885,882</b>



**Masudul Hoque Sardar**  
Head of Finance



**Ali Reza Iftekhar**  
Managing Director & CEO

Dhaka, 27 July 2015

# Eastern Bank Limited

## Balance Sheet (Unaudited)

As at 30 June 2015

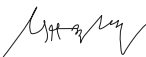
Figures are in Taka

Particulars	30-06-2015	31-12-2014
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
Cash in hand (including foreign currencies)	1,883,765,795	1,706,937,953
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	8,667,179,221	8,594,833,742
	<b>10,550,945,016</b>	<b>10,301,771,695</b>
<b>Balances with other Banks and Financial Institutions</b>		
In Bangladesh	8,449,221,467	5,349,573,125
Outside Bangladesh	2,569,896,534	1,034,533,216
	<b>11,019,118,001</b>	<b>6,384,106,341</b>
<b>Money at call and short notice</b>	990,000,000	1,060,000,000
<b>Investments</b>		
Government	25,690,386,531	21,224,314,333
Others	3,283,684,342	3,430,622,784
	<b>28,974,070,873</b>	<b>24,654,937,117</b>
<b>Loans and advances</b>		
Loans, Cash Credits, Overdraft etc.	112,632,395,725	111,438,313,688
Bills discounted and purchased	12,882,749,930	6,853,032,495
	<b>125,515,145,655</b>	<b>118,291,346,183</b>
Fixed assets including land, building, furniture and fixtures	7,116,744,658	7,086,875,736
Other assets	4,879,866,233	4,153,360,814
Non banking assets	191,733,000	191,733,000
<b>TOTAL ASSETS</b>	<b>189,237,623,435</b>	<b>172,124,130,885</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
Borrowing from other banks, financial institutions and agents	28,641,226,234	26,020,637,050
<b>Deposits and other accounts</b>		
Current deposits & other accounts, etc.	12,491,830,738	10,314,018,874
Savings bank deposits	27,467,915,301	23,982,033,088
Fixed deposits	90,268,175,888	81,461,596,944
Bills payable	1,236,243,765	1,034,027,209
Bearer certificates of deposits	-	-
	<b>131,464,165,693</b>	<b>116,791,676,115</b>
Other liabilities	9,232,055,897	9,224,966,318
<b>TOTAL LIABILITIES</b>	<b>169,337,447,824</b>	<b>152,037,279,483</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital-Paid up capital	6,111,797,850	6,111,797,850
Statutory reserve	6,111,797,850	6,111,797,850
General reserve	130,000,000	130,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Excess of reserve against pre take over loss - BCCI	595,917,231	586,531,031
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)	2,076,822	2,076,822
Reserve for revaluation of treasury securities (HFT)	636,358,803	805,190,521
Foreign currency translation gain/(loss)	(14,603)	1,062,706
Profit & loss account -retained earnings	2,087,734,943	2,113,887,907
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>19,900,175,611</b>	<b>20,086,851,402</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>189,237,623,435</b>	<b>172,124,130,885</b>

**Eastern Bank Limited**  
**Balance Sheet (Unaudited)**  
As at 30 June 2015

Figures are in Taka

Particulars	30-06-2015	31-12-2014
<b>OFF BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Acceptances and endorsements	32,349,718,769	29,802,563,348
Letters of guarantees	12,765,436,202	9,974,191,339
Irrevocable letters of credit	14,533,193,637	16,329,554,466
Bills for collection	3,899,147,843	5,152,721,657
Other liabilities (bad and loss)	-	-
	<b>63,547,496,451</b>	<b>61,259,030,810</b>
<b>Other contingent liabilities</b>		
Value of travelers' cheques on hand	-	-
Value of WEDB & FCY Bond on hand	-	-
Value of Bangladesh Sanchaya Patra on hand	-	-
	-	-
<b>Other commitments</b>		
Lease rental commitments	-	-
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
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	-	-
<b>TOTAL OFF-BALANCE SHEET ITEMS</b>	<b>63,547,496,451</b>	<b>61,259,030,810</b>



**Masudul Hoque Sardar**  
Head of Finance



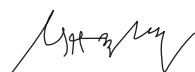
**Ali Reza Iftekhar**  
Managing Director & CEO

Dhaka, 27 July 2015

**Eastern Bank Limited**  
**Profit & Loss Account (Unaudited)**  
For the period ended 30 June 2015

Figures are in Taka

Particulars	01 January 2015 to 30 June 2015	01 January 2014 to 30 June 2014	01 April 2015 to 30 June 2015	01 April 2014 to 30 June 2014
Interest Income	6,630,449,503	6,570,120,875	3,321,276,245	3,178,261,014
Less: Interest paid on deposits and borrowings	4,889,193,153	4,567,293,973	2,455,786,943	2,162,009,532
<b>Net Interest Income</b>	<b>1,741,256,350</b>	<b>2,002,826,902</b>	<b>865,489,302</b>	<b>1,016,251,482</b>
Income from investments	1,591,139,775	1,508,666,971	740,456,821	780,231,667
Commission, exchange and brokerage	1,405,976,336	1,354,991,093	731,157,338	682,685,303
Other operating income	73,110,337	70,525,085	36,163,409	37,536,587
<b>Total operating income</b>	<b>4,811,482,798</b>	<b>4,937,010,052</b>	<b>2,373,266,870</b>	<b>2,516,705,040</b>
Salary & allowances	1,179,659,032	1,095,004,999	599,072,371	568,830,463
Rent, taxes, insurance, utilities etc.	280,594,361	247,442,216	153,183,510	138,971,851
Legal & professional expenses	38,385,991	24,218,957	27,104,730	14,580,961
Postage, stamp, telecommunication etc.	61,425,831	50,045,859	48,709,152	34,934,644
Stationery, printing, advertisement, etc.	128,499,424	106,909,477	90,958,988	82,297,250
Managing Director's salary and allowances	8,878,000	7,470,000	4,879,000	3,735,000
Directors' fees & expenses	2,199,484	1,631,322	1,287,414	835,454
Auditor's fees	-	-	-	-
Charges on loan losses	-	-	-	-
Repairs, maintenance and depreciation	221,564,119	190,757,430	129,020,104	106,889,356
Other operating expenses	287,597,358	227,507,447	180,834,249	134,642,849
<b>Total operating expenses</b>	<b>2,208,803,602</b>	<b>1,950,987,708</b>	<b>1,235,049,520</b>	<b>1,085,717,829</b>
<b>Profit before provisions</b>	<b>2,602,679,196</b>	<b>2,986,022,344</b>	<b>1,138,217,350</b>	<b>1,430,987,211</b>
Provision for loans and advances				
Specific provision	1,021,405,843	659,073,731	563,572,701	386,833,547
General provision	124,721,882	(1,696,698)	103,276,171	24,481,433
Other Provisions	(453,717,836)	216,979,450	(304,258,848)	216,979,450
<b>Total provisions</b>	<b>692,409,888</b>	<b>874,356,484</b>	<b>362,590,023</b>	<b>628,294,431</b>
Profit before tax for the period	<b>1,910,269,308</b>	<b>2,111,665,860</b>	<b>775,627,327</b>	<b>802,692,780</b>
Provision for tax made for the period	714,654,990	1,151,872,007	191,950,696	525,433,711
<b>Profit after tax for the period</b>	<b>1,195,614,317</b>	<b>959,793,853</b>	<b>583,676,630</b>	<b>277,259,069</b>
<b>Earnings per share (EPS)</b>	<b>1.96</b>	<b>1.57</b>	<b>0.95</b>	<b>0.45</b>



**Masudul Hoque Sardar**  
Head of Finance

Dhaka, 27 July 2015



**Ali Reza Iftekhar**  
Managing Director & CEO

**Eastern Bank Limited**  
**Cash Flows Statement (Unaudited)**  
For the period ended 30 June 2015

Figures are in Taka

Particulars	01 January 2015 to 30 June 2015	01 January 2014 to 30 June 2014
<b>A) Cash flows from operating activities</b>		
Interest received	6,174,916,923	5,885,525,451
Interest paid	(4,928,981,061)	(4,800,691,383)
Dividend received	3,566,384	27,056,163
Fees and commission received	1,405,976,336	1,354,991,093
Income from investment	1,587,573,391	1,481,610,808
Recovery of loans previously written off	41,057,399	21,189,203
Cash paid to employees (including directors)	(1,334,076,621)	(1,104,106,321)
Cash paid to suppliers	(508,905,608)	(428,616,510)
Income taxes paid	(809,966,202)	(1,299,021,223)
Received from other operating activities	73,110,337	70,525,085
Paid for other operating activities	(376,742,974)	(302,679,887)
<b>Operating cash flow before changes in operating assets and liabilities</b>	<b>1,327,528,305</b>	<b>905,782,479</b>
<b>Increase/(decrease) in Operating Assets &amp; Liabilities</b>		
Changes in trading securities	(4,170,008,279)	12,241,672
Loans and advances to customers (other than banks)	(6,799,487,355)	819,272,902
Other assets	(226,505,419)	(263,906,295)
Recovery from BCCI assets	9,386,200	-
Deposits from other Banks	386,404,040	1,524,163,288
Deposits from customers (other than banks)	14,399,335,146	(15,452,604,389)
Other liability/tax	95,311,212	147,149,216
Other liability/provision	(733,467,288)	(895,545,687)
Other liabilities	150,429,684	647,178,116
<b>Net Cash received from/used in operating activities</b>	<b>4,438,926,245</b>	<b>(12,556,268,698)</b>
<b>B) Cash flows from investing activities</b>		
Changes in non-trading securities	(286,801,432)	3,058,559,273
Purchase/sale of property, plant and equipment	(162,287,426)	(186,890,276)
Investment in Subsidiary-EBL Securities Limited	(500,000,000)	-
Investment in Subsidiary-EBL Asset Management Ltd.	-	(49,999,900)
<b>Net cash used in/received from investing activities</b>	<b>(949,088,858)</b>	<b>2,821,669,097</b>
<b>C) Cash flows from financing activities</b>		
Borrowings from other banks, financial institutions and agents	47,127,482	3,615,409,767
Received from issue of loan capital and debt securities	2,500,000,000	-
Dividend paid (cash dividend)	(1,222,359,570)	(1,222,359,570)
<b>Net cash received from financing activities</b>	<b>1,324,767,912</b>	<b>2,393,050,197</b>
<b>D) Net (decrease) / increase in cash (A+B+C)</b>	<b>4,814,605,298</b>	<b>(7,341,549,404)</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	(485,018)	(280,715)
<b>F) Opening cash and cash-equivalents</b>	17,749,700,936	18,586,591,300
<b>G) Closing cash and cash-equivalents (D+E)*</b>	<b>22,563,821,216</b>	<b>11,244,761,181</b>
<b>*Closing cash and cash-equivalents</b>		
Cash in hand (including foreign currencies)	1,883,765,795	1,322,729,708
Balances with Bangladesh Bank and its agent bank (s)	8,667,179,221	6,663,058,030
Balances with other Banks and Financial Institutions	11,019,118,001	3,255,207,943
Money at call and short notice	990,000,000	-
Prize bonds	3,758,200	3,765,500
	<b>22,563,821,216</b>	<b>11,244,761,181</b>



**Masudul Hoque Sardar**  
Head of Finance  
Dhaka, 27 July 2015



**Ali Reza Iftekhar**  
Managing Director & CEO

**Eastern Bank Limited**  
**Statement of Changes in Equity (Unaudited)**

For the period ended 30 June 2015

Figures are in Taka

Particulars	Paid up capital	Statutory reserve	General reserve	Dividend equalisation reserve	Excess of reserve against pre takeover loss - BCCI	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 at 1 January 2015	6,111,797,850	6,111,797,850	130,000,000	356,040,000	586,531,031	3,689,495,550	178,971,165	2,076,822	805,190,521	1,062,706	2,113,887,907	20,086,851,402
Foreign currency transaction adjustment for RE	-	-	-	-	-	-	-	-	-	-	592,291	592,291
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	1,195,614,317	1,195,614,317
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	(1,222,359,570)	(1,222,359,570)
Recovery of pre-takeover loss	-	-	-	-	9,386,200	-	-	-	-	-	-	9,386,200
Adjustment of revaluation of treasury securities (HFT)	-	-	-	-	-	-	-	-	(168,831,718)	-	-	(168,831,718)
Currency translation difference	-	-	-	-	-	-	-	-	-	(1,077,309)	-	(1,077,309)
<b>Balance as at 30 June 2015</b>	<b>6,111,797,850</b>	<b>6,111,797,850</b>	<b>130,000,000</b>	<b>356,040,000</b>	<b>595,917,231</b>	<b>3,689,495,550</b>	<b>178,971,165</b>	<b>2,076,822</b>	<b>636,358,803</b>	<b>(14,603)</b>	<b>2,087,734,943</b>	<b>19,900,175,611</b>
<b>Balance as at 30 June 2014</b>	<b>6,111,797,850</b>	<b>5,362,423,625</b>	<b>130,000,000</b>	<b>356,040,000</b>	<b>581,681,032</b>	<b>3,689,495,550</b>	<b>178,971,165</b>	<b>827,635</b>	<b>563,073,958</b>	<b>(101,457)</b>	<b>1,716,544,254</b>	<b>18,690,753,609</b>



**Masudul Hoque Sardar**  
Head of Finance

Dhaka, 27 July 2015



**Ali Reza Iftekhhar**  
Managing Director & CEO

# Eastern Bank Limited and its subsidiaries

## Selected explanatory notes

As at and for the half year ended 30 June 2015

### 1 Activities of the Bank

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

The Bank has a separate Off shore Banking Unit (OBU) which started its operation on 19 May 2004. The activities of the unit is to give loans (on and off -balance sheet exposures) and take deposits only in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned EPZ companies etc.

#### 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 and offshore banking business in Hong Kong.

The subscription of another fully owned subsidiary i.e. EBL Asset Management Limited, has been completed in 2014 but full fledged operation of this company is yet to start.

### 2 Basis of Preparation and Significant Accounting Policies

Basis of preparation, accounting policies and estimates applied in these financial statements for the half year ended 30 June 2015 are same as those applied in the audited annual financial statements for the year ended 31 December 2014. Certain selected explanatory notes are given below:

#### Basis of Preparation

##### 2.01 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Bank as at and for the half year ended 30 June 2015 have been prepared under the historical cost convention except land which gets revalued fulfilling BB & BSEC requirements and Govt treasury securities (bills/bonds) classified as held for trading (HFT) which are measured at fair value, and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the "First Schedule" (section 38) of the Bank Company Act 1991 (amendment upto 2013), BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh. In case the requirement of provisions and Circulars issued by Bangladesh Bank differ with those of other regulatory authorities and accounting standards, the provisions and Circulars issued by Bangladesh Bank shall prevail.

##### 2.02 Functional and presentation currency

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

##### 2.03 Use of estimates and judgements

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

##### 2.04 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.

### 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.

The financial statements of subsidiaries which are included in Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature.

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

### 2.05 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 and market value	Loss (net) to Profit & Loss Account but no unrealized gain booking.
Mutual Funds (Closed-end)*	Cost	Lower of cost and (higher of market value and 85% of NAV)	Loss (net) to Profit & Loss Account but no unrealized gain booking.
Shares (Unquoted) *	Cost	Lower of cost and Net Asset Value (NAV)	Loss (net) to Profit & Loss Account but no unrealized gain booking.
Prize bond	Cost	None	None

\* Provision against quoted shares has been made on unrealized loss (gain net off) according to DOS circular no. 4 dated 24 November 2011 and for Mutual Funds (closed -end) as per DOS circular letter no.03 dated 12 March 2015.

### 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'.

### 2.06 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans and contingent assets; specific provisions for classified loans and interest suspense 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, BRPD Circular no. 05 dated 29 May 2013 and BRPD Circular no. 16 dated 18 November 2014.

### 2.07 Fixed assets and depreciation

i. Fixed assets except land are stated at cost less accumulated depreciation as per BAS-16 'Property, Plant and Equipment'. Acquisition cost of an asset comprises the purchase price and any directly attributable cost of bringing the asset to working condition for its intended use. Lands are recognized at cost at the time of acquisition and subsequently measured at revalued amounts which is the fair value at the time of revaluation done by independent valuers and any surplus on revaluation is shown as equity component until the disposal of the asset.

ii. Depreciation is charged on all fixed assets (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 off.

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

#### **Capital work in-progress/ Building under construction:**

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

#### **2.08 Deposits, borrowings and other accounts**

Deposits and other accounts which are initially recognised at the consideration received, are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counterparties. Borrowings from other Banks, FIs and agents are stated in the financial statements at principal amount of the outstanding balance where interest payables are reported under other liabilities.

#### **2.09 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.

#### **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 Revenue Recognition**

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

#### **2.12 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.

#### **2.13 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.

#### **2.14 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.

#### **2.15 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 2015 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.

#### **2.16 General**

##### **Reporting Period**

The reporting period of these financial statements of the Group and the bank cover from 1 January 2015 to 30 June 2015.

##### **Review of the Financial Statements**

These financial statements were reviewed by the Audit Committee of the Board of EBL in its 75 meeting held on 27 July 2015 and was subsequently approved by the Board in its 560 meeting held on the same date.



# HAT-TRICK

We are consistent in everything that we do; even when it comes to winning awards.

EBL is the first bank in Bangladesh to win the Asian Banker **'Best Retail Bank in Bangladesh'** award for three consecutive years, 2013-2014-2015.



# Eastern Bank Limited

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