



Eastern Bank Ltd.

Quarterly Financial Statements (Unaudited) First Quarter 2013

EASTERN BANK LIMITED AND ITS SUBSIDIARIES Consolidated Balance Sheet (Unaudited) As at 31 March 2013

	As at 31 March 2013	As at 31 December 2012
PROPERTY AND ASSETS	Taka	Taka
Cash		
Cash in hand (including foreign currencies)	1,230,988,546	1,097,923,927
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	7,630,348,318	9,699,237,183
	8,861,336,864	10,797,161,110
Balances with other Banks and Financial Institutions		
In Bangladesh	8,181,396,801	7,653,914,011
Outside Bangladesh	1,033,024,732	1,369,531,149
	9,214,421,533	9,023,445,160
Money at call and short notice	680,000,000	100,000,000
Investments		
Government	15,114,129,030	17,789,164,429
Others	3,828,633,120	3,865,532,147
	18,942,762,150	21,654,696,576
Loans and advances		
Loans, Cash Credits, Overdraft etc.	88,425,694,190	87,537,630,678
Bills discounted and purchased	6,266,143,939	9,356,540,473
	94,691,838,129	96,894,171,151
Fixed assets including land, building, furniture and fixtures	5,792,860,876	5,777,805,402
Other assets	2,908,427,748	2,579,426,148
Non banking assets	217,733,000	217,733,000
TOTAL ASSETS	141,309,380,300	147,044,438,547
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	25,061,614,617	31,158,073,038
Deposits and other accounts		
Current deposits & other accounts, etc.	10,519,360,673	9,806,371,635
Savings bank deposits	14,914,554,269	14,080,165,001
Fixed deposits	64,597,011,565	66,659,786,106
Bills payable	552,074,743	866,317,963
Bearer certificates of deposits	22,250,000	22,250,000
	90,605,251,250	91,434,890,705
Other liabilities	9,550,591,625	7,201,928,608
TOTAL LIABILITIES	125,217,457,492	129,794,892,351
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	6,111,797,850	6,111,797,850
Statutory reserve	4,395,274,232	4,395,274,232
General reserve	130,000,000	160,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Reserve against pre takeover loss	1,554,759,750	1,554,759,750
Pre takeover loss	(981,427,358)	(952,794,812)
Asset revaluation reserve	3,689,495,550	3,689,495,550
Reserve for amortization of treasury securities (HTM)	98,740	98,740
Reserve for revaluation of treasury securities (HFT)	1,930,368	13,754,631
Reserve for non banking assets	204,427,796	204,427,796
Foreign currency translation (loss)	(10,541,242)	(5,418,843)
Retained earnings	640,067,122	1,722,111,302
Attributable to equity holders	16,091,922,808	17,249,546,196
Non controlling interest	-	-
TOTAL SHAREHOLDERS' EQUITY	16,091,922,808	17,249,546,196
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	141,309,380,300	147,044,438,547
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	23,279,582,932	26,450,629,146
Irrevocable Letters of Credit	17,519,630,061	12,329,127,919
Letter of Guarantees	10,699,868,400	10,054,243,019
Bills for Collection	4,646,322,723	4,199,088,283
	56,145,404,116	53,033,088,367
Other contingent liabilities		
Value of Bangladesh Sanchaya Patra on hand	656,718,100	661,328,100
Total contingent liabilities	656,718,100	661,328,100
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	6,195,651,674	6,657,310,819
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	6,195,651,674	6,657,310,819
Claims against the Bank not acknowledged as debt	-	-
TOTAL OFF-BALANCE SHEET ITEMS	62,997,773,890	60,351,727,286

Muhammad Maniruzzaman, FCMA
Head of Finance

Dhaka, 08 May 2013

Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED AND ITS SUBSIDIARIES Consolidated Profit & Loss Account (Unaudited) For the first quarter ended 31 March 2013

Particulars	01 January 2013 to 31 March 2013	01 January 2012 to 31 March 2012
	Taka	Taka
Interest Income	3,710,096,747	3,221,212,811
Less: Interest paid on deposits and borrowings	2,476,575,585	2,093,980,309
Net Interest Income	1,233,521,162	1,127,232,502
Income from investments	466,770,706	336,978,230
Fees, commission, exchange and brokerage	559,655,068	539,311,375
Other operating income	42,892,280	31,483,918
Total operating income	2,302,839,216	2,035,006,025
Salary & allowances	399,515,634	356,463,402
Rent, taxes, insurance, utilities etc.	115,929,427	79,307,409
Legal & professional expenses	8,757,357	5,602,212
Postage, stamp, telecommunication etc.	15,744,393	7,726,434
Stationery, printing, advertisement etc.	49,159,116	36,481,146
Managing Director's salary and allowances	3,256,080	3,052,800
Directors' fees & expenses	670,011	690,584
Charges on loan losses	-	-
Repairs, maintenance and depreciation	103,326,695	100,792,952
Other operating expenses	86,631,649	73,775,682
Total operating expenses	782,990,361	663,892,621
Other non operating income	-	-
Profit before provisions	1,519,848,855	1,371,113,404
Provision for loans and advances		
General provision	17,934,912	2,983,691
Specific provision	304,551,727	195,136,601
	322,486,639	198,120,292
Provision for diminution of value of shares	431,130,170	222,305,889
Total provisions	753,616,809	420,426,181
Profit before tax for the period	766,232,045	950,687,223
Provision for tax made for the period	616,916,656	520,417,604
Profit after tax for the period	149,315,389	430,269,619
Attributable to Shareholders of EBL	149,315,389	427,073,330
Non controlling interest	-	3,196,289
Earnings per share (EPS)	0.24	0.70

Muhammad Maniruzzaman, FCMA
Head of Finance

Dhaka, 08 May 2013

Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED AND ITS SUBSIDIARIES Consolidated Cash Flow Statement (unaudited) For the first quarter ended 31 March 2013

	01 January 2013 to 31 March 2013	01 January 2012 to 31 March 2012
	Taka	Taka
A) Cash flows from operating activities		
Interest received	3,470,258,884	3,040,873,423
Interest paid	(2,269,003,635)	(1,790,718,147)
Dividend received	4,029,608	2,615,464
Fees and commission received	559,655,068	539,311,375
Income from investment	423,741,099	334,362,766
Recovery of loans previously written off	9,086,026	-
Cash paid to employees (including directors)	(403,441,725)	(360,206,786)
Cash paid to suppliers	(189,590,292)	(129,117,202)
Income taxes paid	485,414,522	335,127,554
Received from other operating activities	33,806,254	31,483,918
Paid for other operating activities	(133,546,881)	(127,122,931)
Operating cash flow before changes in operating assets and liabilities	1,990,408,927	1,876,609,434
Increase/(decrease) in Operating Assets & Liabilities		
Changes in trading securities	(5,626,345,697)	3,150,987,027
Loans and advances to other banks	-	-
Loans and advances to customers (other than banks)	2,384,905,793	1,729,132,456
Other assets	(321,965,127)	(6,466,417)
Recovery from BCCI assets	28,632,546	167,045,575
Deposits from other banks	4,041,979	1,503,683,999
Deposits from customers (other than banks)	(1,000,556,167)	2,987,225,280
Other liability/tax	(1,102,331,178)	(855,545,158)
Other liability/provision	(753,616,809)	(420,426,181)
Other liabilities	2,307,965,799	130,103,056
Net Cash received from operating activities	(2,088,859,935)	10,262,349,071
B) Cash flows from investing activities		
Changes in non-trading securities	8,326,384,259	4,996,207
Purchase of property, plant and equipment	(71,466,936)	(109,089,450)
Sales proceeds from property, plant and equipment	-	3,492,227
Investment in Subsidiary-EBL Finance (HK) Limited	(7,036,473)	-
Net cash used in investing activities	8,247,880,850	(100,601,016)
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	(6,096,458,419)	(7,990,637,744)
Dividend paid (cash dividend)	(1,222,359,570)	-
Net cash received from financing activities	(7,318,817,989)	(7,990,637,744)
D) Net (decrease) / increase in cash (A+B+C)	(1,159,797,074)	2,171,110,311
E) Effects of exchange rate changes on cash and cash-equivalent	(5,122,399)	(15,455,916)
F) Opening cash and cash-equivalents	19,924,110,070	12,357,018,215
G) Closing cash and cash-equivalents (D+E+F)*	18,759,190,597	14,512,672,610
*Closing cash and cash-equivalents		
Cash in hand (including foreign currencies)	1,230,988,546	1,282,658,790
Balances with Bangladesh Bank and its agent bank (s)	7,630,348,318	6,038,128,534
Balances with other Banks and Financial Institutions	9,214,421,533	5,859,727,090
Money at call and short notice	680,000,000	1,330,000,000
Prize bonds	3,432,200	2,158,200
	18,759,190,597	14,512,672,610

Muhammad Maniruzzaman, FCMA
Head of Finance

Dhaka, 08 May 2013

Ali Reza Iftekhar
Managing Director & CEO

EASTERN BANK LIMITED Balance Sheet (Unaudited) As at 31 March 2013

	As at 31 March 2013	As at 31 December 2012
PROPERTY AND ASSETS	Taka	Taka
Cash		
Cash in hand (including foreign currencies)	1,230,978,239	1,097,919,688
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	7,630,348,318	9,699,237,183
	8,861,326,557	10,797,156,871
Balances with other Banks and Financial Institutions		
In Bangladesh	8,136,229,538	7,616,918,267
Outside Bangladesh	1,033,024,732	1,369,531,149
	9,169,254,270	8,986,449,416
Money at call and short notice	680,000,000	100,000,000
Investments		
Government	15,114,129,030	17,789,164,429
Others	3,828,611,197	3,865,510,224
	18,942,740,227	21,654,674,653
Loans and advances		
Loans, Cash Credits, Overdraft etc.	88,220,899,217	87,363,196,058
Bills discounted and purchased	6,266,143,939	9,356,540,473
	94,487,043,156	96,719,736,531
Fixed assets including land, building, furniture and fixtures	5,783,900,338	5,768,259,820
Other assets	3,294,132,691	2,904,324,025
Non banking assets	217,733,000	217,733,000
TOTAL ASSETS	141,436,130,239	147,148,334,316
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	25,061,614,617	31,158,073,038
Deposits and other accounts		
Current deposits & other accounts, etc.	10,519,360,672	9,806,371,635
Savings bank deposits	14,914,554,269	14,080,165,001
Fixed deposits	64,942,397,551	67,005,863,858
Bills payable	552,074,743	866,317,963
Bearer certificates of deposits	22,250,000	22,250,000
	90,950,637,235	91,780,968,457
Other liabilities	9,445,301,693	7,099,953,349
TOTAL LIABILITIES	125,457,553,545	130,038,994,844
SHAREHOLDERS' EQUITY		
Share Capital-Paid up capital	6,111,797,850	6,111,797,850
Statutory reserve	4,395,274,232	4,395,274,232
General reserve	130,000,000	160,000,000
Dividend equalisation reserve	356,040,000	356,040,000
Reserve against pre takeover loss	1,554,759,750	1,554,759,750
Pre takeover loss	(981,427,358)	(952,794,812)
Asset revaluation reserve	3,689,495,550	3,689,495,550
Reserve for amortization of treasury securities (HTM)	98,740	98,740
Reserve for revaluation of treasury securities (HFT)	1,930,368	13,754,631
Reserve for non banking assets	204,427,796	204,427,796
Foreign currency translation (loss)	(10,541,242)	(5,418,843)
Retained earnings	526,212,008	1,581,904,578
TOTAL SHAREHOLDERS' EQUITY	15,978,576,694	17,109,339,472
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	141,436,130,239	147,148,334,316
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	23,279,582,932	26,450,629,146
Irrevocable Letters of Credit	17,519,630,061	12,329,127,919
Letter of Guarantees	10,699,868,400	10,054,243,019
Bills for Collection	4,646,322,723	4,199,088,283
	56,145,404,116	53,033,088,367
Other contingent liabilities		
Value of Bangladesh Sanchaya Patra on hand	656,718,100	661,328,100
Total contingent liabilities	656,718,100	661,328,100
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	6,195,651,674	6,657,310,819
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	6,195,651,674	6,657,310,819
Claims against the Bank not acknowledged as debt	-	-



Eastern Bank Ltd.

Quarterly Financial Statements (Unaudited)
First Quarter 2013

EASTERN BANK LIMITED Profit & Loss Account (Unaudited) For the first quarter ended 31 March 2013

Particulars	01 January	01 January
	2013 to 31 March 2013	2012 to 31 March 2012
	Taka	Taka
Interest Income	3,698,067,385	3,206,959,555
Less: Interest paid on deposits and borrowings	2,483,052,647	2,093,980,309
Net Interest Income	1,215,014,738	1,112,979,246
Income from investments	466,770,166	337,041,542
Fees, commission, exchange and brokerage	550,224,649	524,810,797
Other operating income	42,694,049	31,451,418
Total operating income	2,274,703,601	2,006,283,003
Salary & allowances	395,369,942	352,379,361
Rent, taxes, insurance, utilities etc.	114,256,631	77,884,997
Legal & professional expenses	8,757,357	5,574,122
Postage, stamp, telecommunication etc.	15,740,998	7,726,434
Stationery, printing, advertisement etc.	49,117,441	36,298,662
Managing Director's salary and allowances	3,256,080	3,052,800
Directors' fees & expenses	661,011	681,584
Charges on loan losses	-	-
Repairs, maintenance and depreciation	102,199,538	99,467,993
Other operating expenses	84,918,772	71,255,018
Total operating expenses	774,277,769	654,320,971
Other non operating income	-	-
Profit before provisions	1,500,425,832	1,351,962,032
Provision for loans and advances		
General provision	17,934,912	2,983,691
Specific provision	304,551,727	195,136,601
	322,486,639	198,120,292
Provision for diminution of value of shares	431,130,170	222,305,889
Total provisions	753,616,809	420,426,181
Profit before tax for the period	746,809,023	931,535,851
Provision for tax made for the period	609,633,023	512,819,465
Profit after tax for the period	137,176,000	418,716,386
Earnings per share (EPS)	0.22	0.69

Muhammad Maniruzzaman, FCMA
Head of Finance

Ali Reza Iftakhar
Managing Director & CEO

Dhaka, 08 May 2013

EASTERN BANK LIMITED Cash Flow Statement (unaudited) For the first quarter ended 31 March 2013

Particulars	01 January	01 January
	2013 to 31 March 2013	2012 to 31 March 2012
	Taka	Taka
A) Cash flows from operating activities		
Interest received	3,458,229,522	3,026,620,167
Interest paid	(2,275,480,697)	(1,790,718,147)
Dividend received	4,029,608	2,615,376
Fees and commission received	550,224,649	524,810,797
Income from investment	423,740,559	334,426,166
Recovery of loans previously written off	9,086,026	-
Cash paid to employees (including directors)	(399,287,033)	(356,113,745)
Cash paid to suppliers	(187,872,427)	(127,484,216)
Income taxes paid	482,805,610	335,127,554
Received from other operating activities	33,608,023	31,451,418
Paid for other operating activities	(131,414,982)	(123,964,957)
Operating cash flow before changes in operating assets and liabilities	1,967,668,858	1,856,770,413
Increase/(decrease) in Operating Assets & Liabilities		
Changes in trading securities	(5,626,345,697)	3,150,672,227
Loans and advances to other banks	-	-
Loans and advances to customers (other than banks)	2,415,266,146	1,776,340,111
Other assets	(343,772,193)	(23,986,016)
Recovery from BCCI assets	28,632,546	167,045,575
Deposits from other Banks	4,041,979	1,503,683,999
Deposits from customers (other than banks)	(1,001,247,934)	2,987,402,324
Other liability/tax	(1,092,438,633)	(847,947,018)
Other liability/provision	(753,616,809)	(420,426,181)
Other liabilities	2,304,651,126	144,548,975
Net Cash received from operating activities	(2,097,160,611)	10,294,104,409
B) Cash flows from investing activities		
Changes in non-trading securities	8,326,384,259	4,996,207
Purchase of property, plant and equipment	(71,343,846)	(108,572,551)
Sales proceeds of fixed assets	-	3,492,227
Investment in Subsidiary-EBL Finance (HK) Limited	(7,036,473)	-
Net cash used in investing activities	8,248,003,940	(100,084,117)
C) Cash flows from financing activities		
Borrowings from other banks, financial institutions and agents	(6,096,458,420)	(7,990,637,741)
Dividend paid (cash dividend)	(1,222,359,570)	-
Net cash received from financing activities	(7,318,817,990)	(7,990,637,741)
D) Net (decrease) / increase in cash (A+B+C)	(1,167,974,661)	2,203,382,551
E) Effects of exchange rate changes on cash and cash-equivalent	(5,122,399)	(15,455,916)
F) Opening cash and cash-equivalents	19,887,110,087	12,206,182,905
G) Closing cash and cash-equivalents (D+E+F)*	18,714,013,027	14,394,109,540
*Closing cash and cash-equivalents		
Cash in hand (including foreign currencies)	1,230,978,239	1,282,652,153
Balances with Bangladesh Bank and its agent bank (s)	7,630,348,318	6,038,128,530
Balances with other Banks and Financial Institutions	9,169,254,270	5,741,170,657
Money at call and short notice	680,000,000	1,330,000,000
Prize bonds	3,432,200	2,158,200
	18,714,013,027	14,394,109,540

Muhammad Maniruzzaman, FCMA
Head of Finance

Ali Reza Iftakhar
Managing Director & CEO

Dhaka, 08 May 2013

EASTERN BANK LIMITED Statement of Changes in Equity (Unaudited) For the first quarter ended 31 March 2013

Particulars	Paid up capital		Statutory reserve	General reserve	Dividend equalisation reserve	Reserve against pre takeover loss	Pre take over loss	Asset revaluation reserve	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Reserve for non banking assets	Foreign currency translation gain/(loss)	Retained earnings	Total
	Taka	Taka												
Balance as on 1 January 2013	6,111,797,850	4,395,274,232	160,000,000	356,040,000	1,554,759,750	(952,794,812)	3,689,495,550	98,740	13,754,631	204,427,796	(5,418,843)	1,581,904,578	17,109,339,472	
Net profit for the period after tax	-	-	-	-	-	-	-	-	-	-	-	-	137,176,000	137,176,000
Transfer to retained earnings from general reserve	-	-	(30,000,000)	-	-	-	-	-	-	-	-	-	30,000,000	-
Dividend paid in cash	-	-	-	-	-	-	-	-	-	-	-	-	(1,222,359,570)	(1,222,359,570)
Adjustment of revaluation of HFT securities	-	-	-	-	-	-	-	-	(11,824,263)	-	-	-	-	(11,824,263)
Adjustment of pre-takeover loss	-	-	-	-	-	(28,632,545)	-	-	-	-	-	-	-	(28,632,545)
Currency translation difference	-	-	-	-	-	-	-	-	-	-	(5,122,399)	-	-	(5,122,399)
Balance as at 31 March 2013	6,111,797,850	4,395,274,232	130,000,000	356,040,000	1,554,759,750	(981,427,358)	3,689,495,550	98,740	1,930,368	204,427,796	(10,541,242)	526,721,008	15,978,576,694	
Balance as at 31 March 2012	6,111,797,850	3,551,351,414	160,000,000	356,040,000	1,554,759,750	(954,249,813)	2,651,941,750	-	-	233,527,796	(382,885)	569,443,074	14,234,228,936	

Muhammad Maniruzzaman, FCMA
Head of Finance

Ali Reza Iftakhar
Managing Director & CEO

Dhaka, 08 May 2013

EASTERN BANK LIMITED Selected explanatory notes as at and for the first quarter ended 31 March 2013

1 Activities of the Bank

Incorporated in Bangladesh, Eastern Bank Limited was formed as a public limited company with primary objective to carry out all kind of banking businesses inside and outside Bangladesh. The Bank took over the businesses, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (Overseas) Limited (hereinafter called BCCI) with effect from 16 August 1992 as they stood after reduction or adjustments in accordance with the provisions of the Bank of Credit & Commerce International (Overseas) Limited (Reconstruction) Scheme, 1992. The Bank commenced operations from 16 August 1992 with 4 branches and at reporting date it had 67 branches all over Bangladesh. Shares of the Bank is listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The registered office of the Bank is located at Jiban Bima Bhaban, 10 Dilkusha C/A, Dhaka-1000.

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

1.2 Subsidiaries of the Bank

As on the reporting date, Eastern Bank Limited had four fully owned subsidiaries among which financial statements of two of them were consolidated. These are: 'EBL Securities Ltd', a securities brokerage firm and 'EBL Investments Limited', a company established to do merchant banking operations.

Rest two fully owned subsidiaries i.e. EBL Finance (HK) Ltd. and EBL Asset Management Company Ltd. have been incorporated but yet to make the subscription and commencement of business.

2 Significant Accounting Policies and bases of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group and the financial statements of the Bank as at and for the period ended 31 March 2013 have been prepared under the historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the "First Schedule" (section 38) of the Bank Companies Act 1991, as amended by the BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh. In case the requirement of provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

2.2 Functional and presentation currency

The financial statements of the Group and the Bank are presented in Taka which is the functional currency of the Group/Bank except Off-shore Banking Unit (OBU) where the functional currency is US Dollar (USD). All financial information presented in Taka has been rounded to the nearest integer, except when otherwise indicated.

2.3 Use of estimates and judgements

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

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

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.

Certain corresponding figures in the financial statements have been reclassified and rearranged for comparative purpose to conform to the current period's presentation.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.

Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept.

Land is recognised at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 "Property Plant & Equipment."

2.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and the financial statements of the two subsidiaries from the date that control commences by the bank and until the date that control ceases. The financial statements of such subsidiaries are incorporated on a line by line basis with the Group and the investments held by the bank is eliminated against the corresponding share capital of those subsidiaries following BAS 27 & BFRS 3.

All intra-group transactions, balances, incomes and expenses are eliminated fully in preparing the consolidated financial statements.

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 accredited, using the effective or historical yield method. Accounting treatment of government treasury securities (categorized as HFT or/and HTM) is made following Bangladesh Bank BRPD circular letter no 05, dated 26-05-2008 and its subsequent clarifications/amendments.

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 *	Cost	Lower of cost or market value	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.

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 account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instruction contained in BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 19 dated 27 December 2012.

2.8 Fixed assets and depreciation

- 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.
- Depreciation is charged on all fixed assets using straight line method throughout the estimated useful lives as determined as per fixed asset policy of the Bank. Charges commence from the month of acquisition (for full month) and cease at the month of disposal of the same.

2.9 Revenue Recognition

The revenue during the period is recognised following conditions of revenue recognition as prescribed by BAS - 18 "Revenue", and as per instruction contained in BRPD 14 dated 23 September 2012, BRPD 19 dated 27 December 2012 of Bangladesh Bank.

2.10 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 31 March 2013 as per BAS-33 "Earnings Per Share". No bonus share has been issued during 2013 for 2012. Diluted earnings per share was not required to calculate as there were no dilution possibilities during the period.

A Weighted average number of shares :	31-Mar-13	31-Mar-12
Number of shares in 2012 before bonus share issued	-	452,725,767
Bonus share issued in 2012	-	158,454,018
Number of shares in 2013 before bonus share issued	611,179,785	-
Bonus share issued in 2013	-	-
Weighted average number of shares outstanding	611,179,785	611,179,785
B Earnings Per Share (EPS) :		
Profit attributable to the shareholders of EBL (Bank)	137,176,000	418,716,386
Profit attributable to the shareholders of EBL (Consolidated)	149,315,389	427,073,330
Weighted average number of shares (A)	611,179,785	611,179,785
Earnings per share (EPS) - (Bank)	0.22	0.69
Earnings per share (EPS) - (Consolidated)	0.24	0.70

2.11 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.

2.12 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.

2.13 General

Reporting Period

The reporting period of these financial statements of the Group and the bank cover from 1 January 2013 to 31 March 2013.

Review of the Financial Statements

The financial statements were reviewed by the Audit Committee of EBL in its 47 meeting held on 08 May 2013 and subsequently approved by the Board in its 507 meeting held on same date.