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GBA

# Overview of Eastern Bank Limited



Eastern Bank Ltd.

Simple Math™



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July 22, 2003

Mr. M Sayeed Alam  
Lecturer  
Department of BBA

Dear Sir,

It gave me immense pleasure to submit the report "Over View of Eastern Bank Limited". I have enclosed everything of Eastern Bank Limited as precisely as possible. I have tried my best to include all the relevant data & analysis to make the report comprehensive.

As a student of BBA Program, I truly appreciate the opportunities that put forth by my university and have enjoyed working in a real life setting. Please inform me if you need any further clarification or if there is any information you want to know regarding this report.

Hope that, you will enjoy reviewing this report.

Yours Sincerely,

Md. Mujahidul Islam  
ID: 2002-2-10-055

## **ACKNOWLEDGEMENT**

This term paper titled as “Overview of Eastern Bank Limited” has been prepared as a partial fulfillment of the course of BUS499 under the supervision of Mr. M Sayeed Alam.

I would like to acknowledge gratefully to Mr. M Sayeed Alam for giving us the opportunity to complete this report and also for his guidance and cooperation, I would like to thanks to the participants, to whom I consult to prepare the report.

I would like to acknowledge gratefully to Mr. Hasan Mehdi, Manager & Mrs. Novera Ayesha Zaman, Assistant Manager of Brand and Promotion, Eastern Bank Limited who helped a lot to provide me all the data.

## **1.1: Introduction:**

Our private Banks are offering full range of Consumer, Corporate, International Trade, Foreign Exchange, Lease Finance and Capital Market services in Bangladesh. Eastern Bank Limited is the preferred choice in banking for friendly and personalized services, cutting edge technology, tailored solutions for business needs, global reach in trade and commerce and high yield on investments, assuring Excellence in Banking Services. The EBL was formed as a public limited company incorporated in Bangladesh with primary objective to carry on all kinds of banking business in and outside Bangladesh. EBL has also taken over the business, assets, liabilities and losses of previous Bank of Credit & Commerce International (Overseas) Limited, hereinafter called BCCI, branches in Bangladesh with effect from 16<sup>th</sup> August 1992. In the project different sides of this bank is focus to know the overall performance of Eastern Bank Ltd.

## 1.2: Objective of the Study

*i) Objective of the report*

The main objective of the project paper is to make a bridge between the textbook knowledge and real life practices. This will help people to know about the banking sector in Bangladesh. I prepared this project paper with great enthusiasm and interest. While preparing, I gathered valuable experiences.

*ii) To appraise the principal activities of EBL*

The main activities of EBL are with the deposit and investment of their money so that they can earn interest. Foreign exchange is one of their profitable sectors from where EBL earn lot of profit.

*iii) To appraise the Financial performance of EBL*

In the financial part the profit, EPS, Capital Structure, Asset and Equity are discussed in the project.

*iv) To identify the problem of EBL*

In every organization there are some problems in the management side. The bank has to face competition with other banks. Beside EBL, need to open some more branches indifferent districts of Bangladesh so that the people can easily get their services. Therefore, in this study we tried to identify the problems of EBL.

*v) To suggest the remedial measures for the development of EBL*

For the development of the organization, the Bank has taken some steps so that they can make profit from the remedy. For example, EBL is launching some new product to attract the customer like student file and the debit line. We also tried to provide some suggestion for the development of EBL.



### **1.3: Scope & Methodology**

In order to carry out the research study, certain approach and methodology are required to be followed. The following approach and methodology were followed in carrying out the research study:

#### ***Research method:***

At the very beginning, the study or research method is to be set. This will help in carrying out the study in a systematic manner following logical sequence. This often is better explained through a diagram. The very initial task is to develop an information base or database of five years. Analysis and review of database followed by interpretation are set as the research/study method in this case.

#### ***Building Information or Data Base:***

The very first step is to have a desk review to see what kinds of data are readily available and what kinds of data are to be generated. In general, all data come from two kinds of sources. These are 'Primary Sources' and 'Secondary Sources'.

#### ***Information from Primary Sources:***

Primary data in this study have been developed through consultative process. Contact with concerned persons and institutions related with bank, are used as a primary sources of this process. Apart from that, information has been collected through a kind of field survey.

#### ***Information from Secondary Sources:***

Secondary data in this study have been developed through literature survey and very importantly through an Internet search.

***Data Analysis and Review:***

Information thus gathered through primary and secondary sources are reviewed and analyzed for further use such as making interpretations.

***Interpretation:***

After analyses of data interpretations were made accordingly. These interpretations then help to draw conclusions.

## **1.4: Limitations**

While writing this business paper, I have to face lot of limitations and barriers.

1. The first barrier was time to collect all the data of banking activities of EBL and three months are not enough to prepare this project.
2. The second problem was that I faced scarcity of primary source. I have to collect the information from different source, because it is hard for one employee to give all the information at a time.



### **Vision of EBL**

To become the bank of choice by transforming the way EBL do business and developing a truly unique financial institution that delivers superior growth and financial performance and be the most recognizable brand in the financial services in Bangladesh.

### **Mission of EBL**

- EBL will deliver service excellence to all their customers, both internal and external.
- They will constantly challenge their systems, procedures and training to maintain a cohesive and professional team in order to achieve service excellence.
- They will create an enabling environment and embrace a team-based culture where people will excel and ensure to maximize shareholder's value.

## **2.1: Background of EBL**

Eastern bank limited (EBL) commenced its operation on August 16<sup>th</sup>, 1992 under the Bank of Credit & Commerce International (BCCI) Reconstruction Scheme 1992. As per the scheme approved by the Govt. of Bangladesh, EBL took over the entire business, assets & liabilities of the branches of erstwhile BCCI in Bangladesh. Now-a days EBL is one of the fastest growing commercial banks with 22 branch network in Bangladesh. EBL is an Online Bank and the customers of EBL can operate their account in any branch of Bangladesh.

EBL has born from BCCI. In 1976 Bank of Credit & Commerce International (BCCI) started its journey. It had two parts –one was Foreign Exchange Bank and the other was Overseas banking. BCCI started its activities in Bangladesh with Overseas

Banking. At first, BCCI had four branches in Bangladesh at Motijheel, Principal Branch in Dilshusha, Agrabad at Chittagong and at Khulna. But due to some circumstance the Bank has to close. Then Skiekh Al Nahian Zahibin the people of Pakistan at Abudhabi has taken 60% shares of BCCI before closing the bank.

Then in 1992 the Bangladesh Government has takeover the BCCI's 20% shares, 40% by the banks of Bangladesh and 40% to the publics who are the shareholders of this Bank.

EBL is committed to focus all its energy on our customers. They want to create a customer mania culture. EBL believes that creating satisfied customers is not enough – They want the customers to be their raving fans. For that, EBL urge all of their employees to go the extra mile to create customers who would brag about them. It is sure this Service Excellence Guidebook will help EBL pave the way leading to the destination.

## **2.2: Aims of EBL**

Eastern Bank LTD is never too late to build a customer-focused company. It is all about setting the sights on the right target and then starting to take the customers seriously enough. These days, nobody has to convince anybody that the customer is king. Competition is everywhere. People are realizing that their organizations will go nowhere without the loyalty and commitment of their customer. Profit is nothing but the applause by taking care of the customers.

At EBL, wants to become the bank of choice for the customers. Therefore, this very vision of theirs tells that they want to grow as a customer-focused company by treating the customers the right way. They want to create fans for EBL – i.e. the customers who brag about the way the bank treat the customer- EBL have to:

1. Determine what kind of experience EBL wants their customers to have
2. Listen to what the customers want and see if it makes the sense to include the suggestions in their vision
3. Implement a standard customer service guideline that empowers the employees, specially the front line people, to own it with passion

In short, Eastern Bank Ltd's aim is to achieve the culture change in the Bank concerning their understanding about customer service excellence. EBL wants to be a bank where they not only listen and respond to the voice of the customers, but also obsessed to go the extra mile to make the customers loyal and happy.

EBL is committed to be customer maniacs and they will be so by building, inspiring and aligning teams around the realization of four pillars of EBL model of Service Excellence. They are:

- Premises
- People
- Customer interaction
- Documentary communication

In the other words, whatever they do or commit to do, whatever they communicate verbally or in writing, and whichever way they present their premises and themselves to the customers must be graceful, and appropriate and pleasing –all three at the same time.



### **2.3: Transformation to new platform:**

EBL started its journey from a meager information technology platform. The branches were operating in a standalone/decentralized environment using local software where limitations were in abundance. It was limited from the delivery channels perspective for providing the customers with maximum benefits in terms of banking products and services. The most private banks in Bangladesh generally have been less competitive with their MNC bank counter parts. The sense of customer support and service at these private banks, literally, were not up to the par with what the customers came to

expect from these MNC banks. So, for obvious reasons privates started loosing businesses to these MNC banks.

- **Success Story**
- **Benefits from Changes**
- **EBL Banking Benefits**

Eastern Bank Limited Bangladesh Provides Online banking services, E-commerce Banking, EBPP Services, E-Banking Facility, E commerce Transaction, E-commerce Banking could be provided effectively. All the branches of Eastern Bank Ltd will come under one online Banking network so that clients will enjoy the Online banking services in Bangladesh. Eastern bank Ltd will help to enjoy Online banking service in Bangladesh.

#### ***a) The success story:***

EBL management consisting of dynamic bankers from foreign banks working environment could assess the benefits out of Information Technology [IT] in utilizing it to the maximum through their experience.

Their guideline and streamlined decision making has played a pivotal role in the implementation process of **Flexcube** software in the branches.

EBL is the pioneer Bank in laying foundation to the world class banking software in Bangladesh. No other private Banks in Bangladesh could implement foreign banking software with success in the past.

The concerned IT resources worked relentlessly over the months and played a significant role behind the successful implementation of Flexcube banking software in EBL branches.

***b) EBL Banking Benefits:***

Flexcube banking software automated in all branches of EBL has the adaptability for incorporating the delivery channels like, Internet Banking, Tele-Banking, ATM/POS,

Home Banking, Wireless Access Protocol, Call Centre are all superb services which a customer can avail in due course.

EBL's collection of hardware is highly sophisticated as no other banks in Bangladesh has availed this in recent times. The combination of hardware will help consolidate the backbone for the plethora of services provided to the customers by the Bank for the years to come. Moreover, EBL, country wise bade farewell to the lackluster range of hardware which were in use over the years.

- Anywhere 24 hours X 7 days banking
- Internet banking, Tele banking and ATM/POS
- One Stop Shop for all your banking need
- Significantly reduced time in banking transactions
- Sophisticated Customer Information at the fingertips and can be provided anytime
- Online Inter-branch Transfer
- Any Branch Pay Order System
- Digital Signature/Photo image while transacting
- Display Customers Balance, Transactions, Statements online
- Automatic Sweep in & out
- Locker Service Availability

- EBL 5 to 9 Extended Service
- Bill payment
  - Utility Services Bill
  - Tuition Fees
  - Mobile Phone Bills
- Versatile Products availability
- Fast Cash
- Fast Loan
- Auto Loan
- Consumer Loans
- High Performance Account
- Savings Insurance Account
- Monthly Income Plan
- Monthly Deposit Plan
- Student file
- Cool account
- Life style card

***c) Benefits from Changes:***

EBL wanted to stand up in the crowd. For moving out of the ramshackle, EBL management under the dynamic leadership of the honorable Directors of the Board switched over to a centralized platform using a world renowned banking software which was the #1 most popular software in the world for the year 2003. The result has been incredible. We list a few of the benefits of centralization here.

***At a glance - Benefits from Changes***

Standalone systems => Centralized system

Branch Banking => Anywhere Banking

Anywhere Banking => EOD at Data Centre

Telegraphic Transfers => Online Inter-branch transfer

Hold accounts => Online Inter-branch transfer

Poor 'Control' reports => Improved 'Control' reports

Information on paper => Information in CIF

On Card Signature/Pix => Digital Signature/Pix

No Funds Management => Automatic Sweep-in/Out

## 2.4: Corporate Information

### 2.4.1: Branch

EBL was operating through a network of 22 branches within the country. Last, one was Shantinagar Branch opened on 20 February 2001. Eastern Bank LTD's management firmly believed in the concept of examining the merits and demerits before opening any new branch justifiably. The branches of EBL are at:

#### Dhaka Division

- Principal Office –Dilskusha C/A, Jiban Bima Bhaban
- Gulshan
- Dhanmondi
- Motijheel
- Chawk Mughultuly
- Shantinagar
- Mirpur
- English Road
- Sonargaon Road
- Uttara

#### Chittagong Division

- Agrabad
- Khatunganj
- Jubilee Road
- Station Road
- O.R. Nizam Road

#### Sylhet

- Sylhet Upashhar
- Chouhatta

#### Others

- Khulna
- Rajshahi
- Jossore
- Bogra

#### **2.4.2: Booth**

There are booths of EBL at 11 different places so that the customers can easily get the service of the Bank.

#### **2.4.3: The Mini Banking of EBL (kiosk)**

On 27<sup>th</sup> March, 2006 Eastern Bank has opened a mini bank of 24 hours in three places for the customer. There the customer can open account, withdrawal money from the ATM machine. There will be always two Executive officers in the mini bank to help the customers. They will do their job by shifting duty

#### **2.4.4: Management Team**

The EBL Management Team comprises of a group of nine people and each of them comes with an international working background and is committed in leveraging their experiences to take EBL to greater heights by ensuring top line revenues with dynamic capabilities.

This Management Team is unique in being able to envision the need of the business by bringing in a mixture of advanced technology solutions know-how and revamping the organizational make- up for maximum profitability.

Other than the CEO, the remaining Management Team Members each head a function:

- Consumer Banking
- Corporate Banking
- Credit
- Finance
- Human Resources
- Information Technology
- Operations





This mix of people is persistent to provide unparalleled service to its customers, come up with timely and innovative products and services and to enhance the capabilities of its people while emphasizing on the latest technology. This they believe will take the Bank to a leadership position in the country.

This team is to drive the business to maximize the operational excellence and efficiency through acquisition of talent, developing systems, processes and people and through blending in of these to let customers revel in with fulfillment and permanency.

#### **2.4.5: Employee**

Eastern Bank is a commercial Bank. It uses online Banking procedure, so that the customers can get quick service. For better service to the customers EBL hires qualified and skill employees. At present there are 1021 employees in EBL.

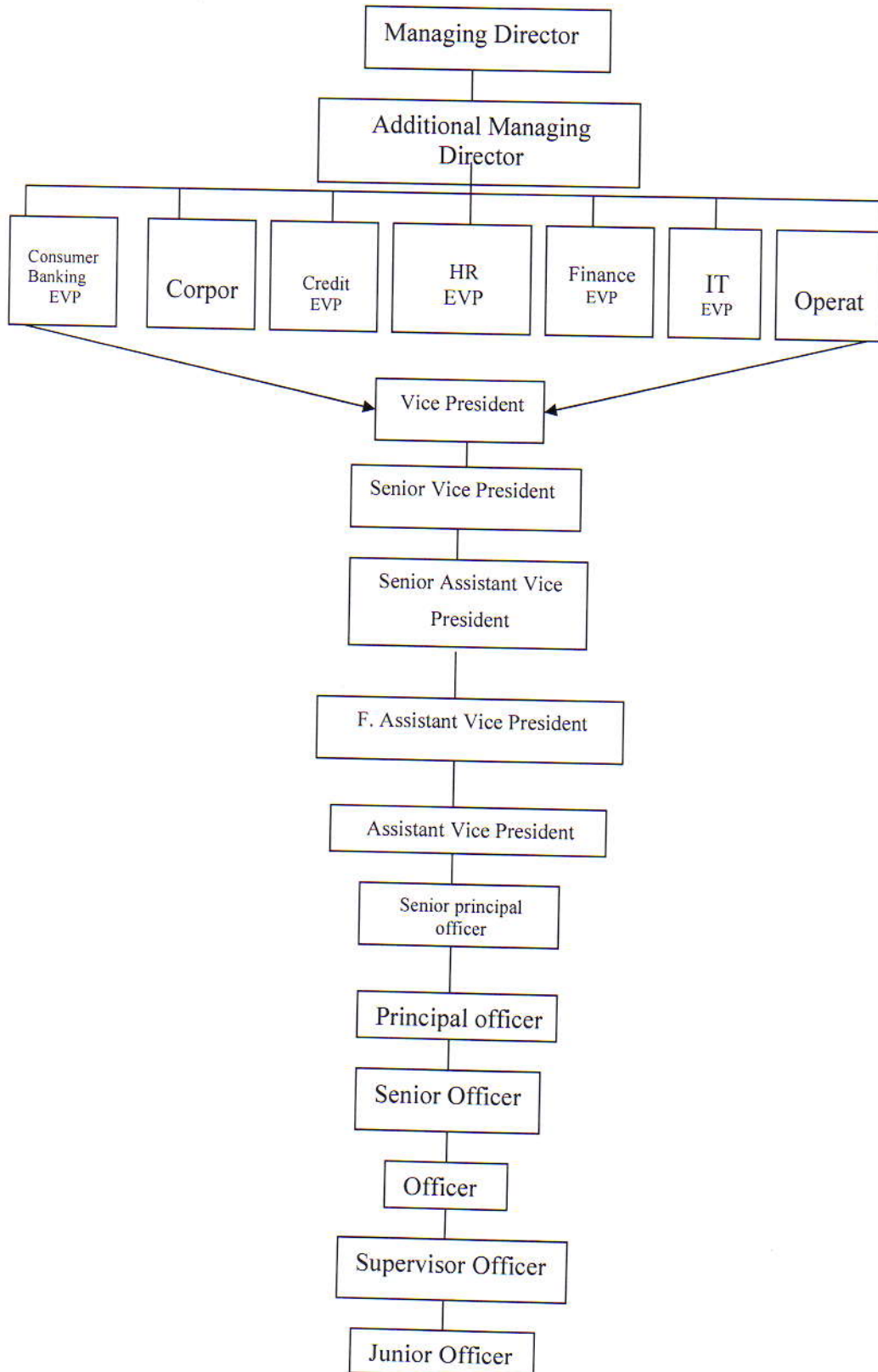
#### **2.4.6: Organizational Structure**

EBL's organizational structure is oracle. There are different department and these department are manage by Management Team to envision the need of the business by bringing in a mixture of advanced technology solutions know-how and revamping the organizational make- up for maximum profitability.

The departments are:

- Consumer Banking
- Corporate Banking
- Credit
- Finance
- Human Resources
- Information Technology
- Operations

### 2.4.7: The Rank of the Employees



### **3.1: Deposit Schemes:**

EBL deals with the day to day financial wants of the consumer clients. Consumer banking products are designed keeping in mind the financial necessities and affordability of the clients. The new IT platform of EBL has enabled its Consumer Banking to offer world class and comprehensive range of financial products and service.

#### **3.1.1: Type of Deposits:**

- Current Account
- High Performance Account
- Saving Account
- Savings Insurance Account
- Monthly Income Plan
- Monthly Deposit Plan
- Fixed deposit and Short term Deposit

#### **3.1.2: Growth of Deposit Schemes**

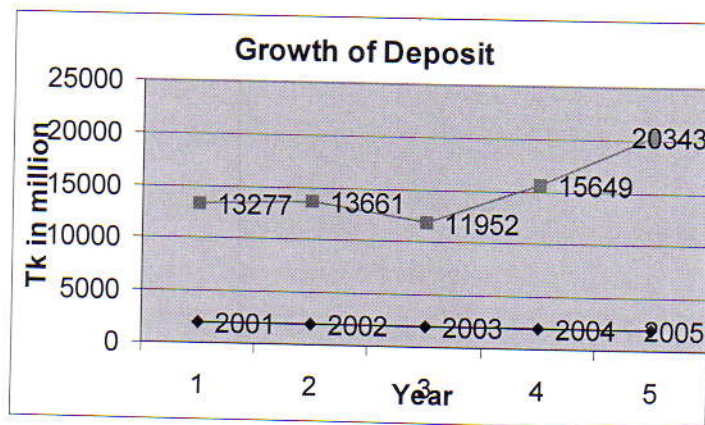
The Bank, as a policy, discouraged high-cost term deposits and focused on reducing cost of funds by raising low-cost deposits. Rates of interest on deposit products were realigned five times in 2004 in response to internal as well as external market condition. In absence of alternative market for liquidity, deposit marketing serves as the lifeline of the bank's credit expansion. In 2004 the industry deposit growth was 13.8% while EBL's deposit grew by 31% to taka 15,649 million as opposed to taka 11,952 million of 2003. As on Dec 2004, 78% of the total deposit s portfolio was time deposit and the balance 22% was demand deposit. In 2005 the deposit is 20,343 million and the growth rate is 30%.

**Deposit Mobilization:**

**Table: 1:** Growth rate of Deposit

Year	TK in Million	Growth in %
2001	13277	7.30%
2002	13661	3.00%
2003	11952	2.30%
2004	15649	31.00%
2005	20343	30.0%
	Average Growth % =	14.80%

**Analysis:** In each year EBL is achieving profit from their deposit products. there are ups and down in the growth rate of the deposits. From 2004 the profit target of EBL is about 30% each year.



**Figure: 1 :** Growth of Deposit



### **3.1.3: Features of different types of Deposits:**

#### ***Current Account:***

EBL Current Account is a non-interest bearing account suitable for both corporate and consumer clients. It allows unlimited cash withdrawal facility for customers from any of the 22 EBL branches across the country. There is a minimum balance requirement of Tk. 1000.00 for maintaining a current account.

#### ***High Performance Account:***

No restriction on number of transaction and it is Daily interest product. If the customers keep minimum balance of 20000 in the account then they will have 7% interest daily on that amount.

#### **Requirement:**

Must be the citizen of Bangladesh

Must be 18 years

Customer must appoint a Nominee

#### ***Saving Account:***

It has very competitive interest rate. This account can be opened at any minimum balance but the interest rate off 8% is given on the minimum balance of 15000tk and the interest is given at monthly.

The requirements are same for the saving that is in HPA.

#### ***EBL Savings Insurance Account (SIA):***

EBL SIA works in a very simple way. All you have to do is to keep a minimum balance for at least one year according to the class of deposit you choose. You can

withdraw from this account - at any time - any amount that is above the required minimum balance under your chosen deposit class.

EBL SIA not only pays you interest at the prevailing market rates; it also provides valuable insurance coverage for free corresponding to your deposit amount. This is how SIA differs from other usual savings account

During the time of opening the SIA, your age should be between 18-59 years, and you should be a citizen of Bangladesh, and in good health. EBL will bear the insurance premium cost for life insurance coverage for a minimum of Tk. 50,000/- & maximum Tk. 1,000,000/- (depending on your chosen class of deposit) and insurance will be provided by American Life Insurance Company (ALICO), one of the largest international life insurance companies in the world.

***General information of Savings Insurance Account (SIA):***

Must be a Bangladeshi citizen

Age 18-59 years.

Must be in good health

Must keep minimum balance ( According to customers chosen SIA deposit Class) for a period of one year

Customer must appoint a Nominee

Interest will be paid @ savings bank account on SIA Deposits

Free Life Insurance coverage through ALICO

Auto renewal after one year unless advised otherwise by the customer (Subject to renewal of Master Policy between EBL and ALICO)

Withdrawal facility of any amount that is more than the minimum balance requirement

Account access from any EBL Branch

***Deposit Classes and Insurance Coverage under SIA:***

Deposit class	Deposit Amount	Insurance Coverage (In the event of Normal death)	Insurance Coverage (In the event of Accidental Death)
I	50000	50000	100000
II	100000	100000	200000
III	200000	200000	400000
IV	500000	500000	1000000

***Monthly Income Plan***

Booking for three months and get the interest on monthly basis. The interest rate is 10% monthly. Before that, the customers have to open an account because after maturity the amount will be transfer to the account.

***Monthly Deposit Plan***

It is the plan of monthly deposit for the customers. But before that the customers have to open an account, which will be linked with MDP. The fund of the installment will be going to transfer from the account.

***Fixed deposit And Short term deposit:***

It is very flexible in terms of tenor with very competitive interest rate. The customers have to open an account to keep the money as fixed deposit. The interest rate is:

**Table: 2: Rate of FDR**

Period	Rate
1 month	11%
3 months	12%
6 months	12.25%
1 year	12.50%

There are two types of systems: 1) After the maturity the interest is transfer to the account and the principal is again renew for the desired period the customer wants.

2) the other one is after the maturity the principal and the interest is again renew for the desired period.

At the time of encashment 10% commission is deducted from the amount.

## **3.2: Credit Schemes**

Eastern Bank Limited has different type of products in their credit schemes. It earns profit from the interest given by the customers who take the loan from the bank. Credit or investment is an important section of the bank from where they can earn their profit for the bank yearly targets.

### **3.2.1: Types of Credit schemes**

- Fast Cash
- Fast Loan
- Auto Loan
- Executive Loan
- Jiban Dhara Loan
- Consumer Loan
- Loan for Professional
- Debit line

### **3.2.2: Growth of Loan & Advances:**

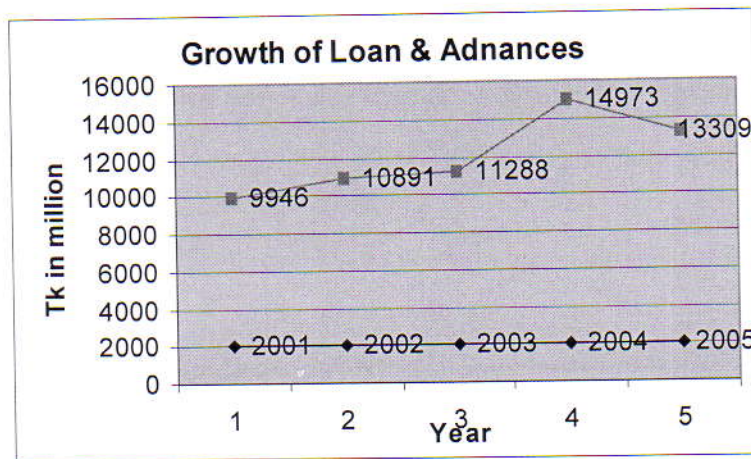
The Bank introduced various new loan monitoring standards, credit approval guidelines to ensure greater control that ensure better management of client relationship. In 2004 the EBL's loan & advance portfolio grew by 36% to taka 14973 million.



**Table: 4: Growth of Investment**

Year	Tk in million	Growth in %
2001	9946	22.17%
2002	10891	9.50%
2003	11288	3.65%
2004	14973	36.00%
2005	13309	32.00%
	Average Growth in %	20.66%

**Analysis:** From the investment sector, the Bank also earns profit each year. There are increases and decrease in the growth of profit from the credit schemes.



**Figure: 2: Growth of Investment**

### 3.2.3: Features of different Products

#### ***EBL Fast Loan :***

Fast loan is a short term loan facility from EBL. This loan is fully secured against cash security (EBL FDR, ICB Unit certificates etc.). EBL Fast Loan has convenient repayment period ranging from 12/24/36 EMI's. EBL FastLoan is priced at competitive rates and loan is sanctioned within 24 hours of application

#### **General information of EBL FastLoan:**

1. Simple documentation to avail FastLoan



2. You must be a Bangladeshi citizen.
3. Over 18 years of age
4. You must be an Account Holder of EBL
5. Minimum loan amount is TK 50,000/-
6. Maximum loan amount is TK 5,000,000/-
7. EBL FDR interest rate + 2.75%: For others securities 11.00% per annum
8. Loan is sanctioned within 24 hours of application
9. Flexible loan tenure ranging from minimum one year to maximum three years
10. Easy repayment by Equal Monthly Installments (EMI)
11. Automatic EMI deduction
12. Up to 90% loan facility of the offered security
13. Account access from any EBL branch

**Accepted Securities:**

- EBL Fixed Deposit Receipts (FDR)
- ICB Unit Certificates

Wage Earners Development Bonds

***EBL Fast Cash :***

EBL Fast Cash is a revolving credit facility. Fast Cash allows the customer to draw up to a predetermined amount of credit from their Current Account. Customers will only be charged interest for the amount they draw. The minimum limit for EBL Fast Cash is Tk. 50,000.00

**General information of EBL FastCash:**

1. Simple documentation to avail FastCash
2. You must be a Bangladeshi citizen
3. Over 18 years of age
4. You must be an Account Holder of EBL
5. Minimum overdraft limit is TK 50,000/-
6. Maximum overdraft limit is TK 5,000,000/-
7. EBL FDR interest rate + 2.75%: For others securities 11.00% per annum
8. Interest is charged only on the withdrawn amount

9. Loan is sanctioned within 24 hours of application
10. Up to 90% loan facility of the offered security
11. Loan tenure is one year, which is renewable
12. Account access from any EBL branch

**Accepted Securities:**

- EBL Fixed Deposit Receipts (FDR)
- ICB Unit Certificates
- Wage Earners Development Bonds

***Auto Loan:***

EBL Auto Loan is here to help you purchase your dream car. It's easy and flexible repayment schedule erase your worries about the burden of a loan. Our Auto loan Scheme will allow you to avail credit up to 75% of the car value. You need to be a Bangladeshi national between the age of 25-55, working in a reputed multinational/ local firm or involved in a reputed business.

The maximum repayment period for EBL Auto Loan is 4 years. You can choose 12, 24, 36 or 48 equated monthly installments (EMI) to repay the loan.

***EBL Executive Loan:***

EBL Executive Loan is any purpose EMI (equated monthly installment) based credit facility for salaried executives.

No Cash Security No Down payments No Price Quotation/ Invoice required

Amount: Maximum 6 times gross monthly salary

- Tk. 50,000/- to 10,00,000/- for Salary A/C holders and lien of Terminal Benefits

- Tk. 50,000/- to 6,00,000/- for Salary A/C holders.
- Tk. 50,000/- to 5,00,000/- for loan against Post-dated cheques and 1 Personal Guarantee.

**Interest rate:**

- 13.25% for Salary A/C holders and lien of Terminal Benefits
- 14.5% for Salary A/C holders
- 15% for loan against Post-dated cheques and 1 Personal Guarantee

**Tenor:** 12, 24 or 36 months

**Eligibility:**

**Age:** Between 25 to 52 years

**Job experience:** Minimum 4 years of which at least 1 year with current employer.

**Income:** Minimum Tk. 15,000/-per month for private organization and Tk. 10,000/- for government employees

***EBL Jibandhara Loan:***

EBL Jibandhara Loan helps the people to get rid from the daily monotony, decorating the home, securing the child's future by sending her overseas for studies, and so many other things.

**Features:**

- Loan amount ranges from BDT 50,000 to BDT 100000
- Repayment tenure of 12,24,36,48,or 60 months
- Prepayment option available starting after minimum 6 months of disbursement of loan
- Early full and final settlement allowed
- No security required
- No hidden charges

**Eligibility:**

- Age minimum 22 years and maximum 60 years
- Professional experience:

Salaried Executives: 1 year of experience

Self employed Professional: 2 years of experience

- Minimum monthly income:

Salaried Executives: minimum BDT 15000/ month

Self employed Professional: minimum BDT 20000/month

### ***EBL Utshab Loan:***

EBL offers the Utshab loan on every festivals of our country. The validity of this loan is from Eid ul Fitre to Eid ul Azha. EBL 's Utshab Loan with the sole intention of helping the people meeting their festival related needs.

### **Features:**

- Loan amount ranging from minimum BT 50000 to maximum BDT 150000
- Repayment tenure of 12, 24, or 36 months
- Absolute no processing fees
- Special dis count in interest rate

### **Eligibility**

- Age: minimum 22 years to 60 years.
- Professional Experience:
  - Salaried Executives: 1 year of experience with minimum 6 months employment with current employer.
  - Self employed Professionals: 1 year' ptactice in the profession
  - Businessmen: 2 year's involvement in curent business
- Minimum monthly income:
  - Salaried Executives: minimum BDT 15000/month
  - Self employed Professional and Business : minimum BDT 20000/month

### ***Consumer Loan:***

EBL Consumer Loan is aimed at solving your personal financial needs. Its flexible nature allow you to improve your home, office and life style. Our Consumer loan Scheme will allow you to avail credit up to 75% of the price of the item you want to buy.

As a loan customer you get to use our online banking services as well. The maximum repayment period for EBL Consumer Loan is 3 years. You can choose 12, 24 or 36 equated monthly installments (EMI) to repay the loan. Our interest rates are competitive in the market.

### ***Loan for Professionals:***

EBL Loan for Professionals is meant for the development of your professional life. With a little financial help under EBL's Loan for Professionals Scheme you can add value to your profession.

If you are a self-employed Doctor, Engineer, Architect, Lawyer, Computer Professional or a Chartered Account, you can buy or import equipment, tools, customized products for use in your chamber. The purchase of the item is expected to directly contribute to the advancement of your professional/ business solution

You need to be a Bangladeshi national between the age of 25-60 working in the above mentioned field for at least five years.

### ***Debit Line:***

Customer like debit card for cash withdrawal & swiping purpose. Offering small overdraft facility in debit card has become a popular product worldwide. Debit line is an unsecured and revolving credit facility for any legitimate purpose. Bank would finance against gross monthly income of the any credit worthy executives and professionals. To meet life style needs of the credit worthy individual and to capitalize the vast market gap of personal overdraft, this product is a suitable unsecured consumer-lending product.

### **Features:**

- Revolving OD facility with Debit Card
- Convenient & cheaper way to pay off credit car/loan outstanding of other banks
- Rate of interest on credit card is 30% p.a but rate of interest on Debit Line would be 20% p.a
- No EMI based repayment which is flexible for the clients
- 24 hours cash access
- 100% cash withdrawal limit.

**Target Customer:**

- Salaried Executives of Priority Organization & Corporate Organization
- Self Employed Doctor, engineer and architect

**3.2.4: Performance of different types of loans 2004:**

**Table: 5:** *Loans and advances classified into the following broad categories:*

• Loans	13,601,247,946
• Cash Credit	935,061,694
• Overdraft	382,683,639
• Bill Discounted and purchased	50,308,281
• Offshore banking unit (Loan)	US\$ 65,092.05
<b>Total:</b>	Tk14, 973,255,401



### 3.2.5: Profit from the Loan Products:

**Table: 6:** Profit of the financial years

Years	Profit Amount
2003 - 2004	94 crore
2004 - 2005	113 crore
Increased 1.28%	

**Analysis:** Each year EBL make profit from their investment section. The financial year of 2003-2004 the profit is 94 crore and in 2004-2005 the profit is 113 crore. therefor the profit increased 1.28%

### 3.3: Foreign Exchange Activities

In the year 2004, foreign exchange & foreign trade business continued to play a significant role in the overall business of the bank. The bank established a strong network of foreign correspondents covering most of the business centers around the world.

The bank handled total foreign exchange business of taka 20,143 million. Out of which import LC value was of Taka 24,414 million and the export volume of the Bank was Taka 8,303 million. The Bank also handled significant amount of guarantee business totaling Taka 946 million.

Major export items where Banks foreign trade activities involved were in ready made garments, shrimps, tea, jute goods, leather goods and non-traditional items. Import remained confined mainly to consumer goods, old vessels for scrapping, industrial raw material, fabrics and accessories of garment industries etc.

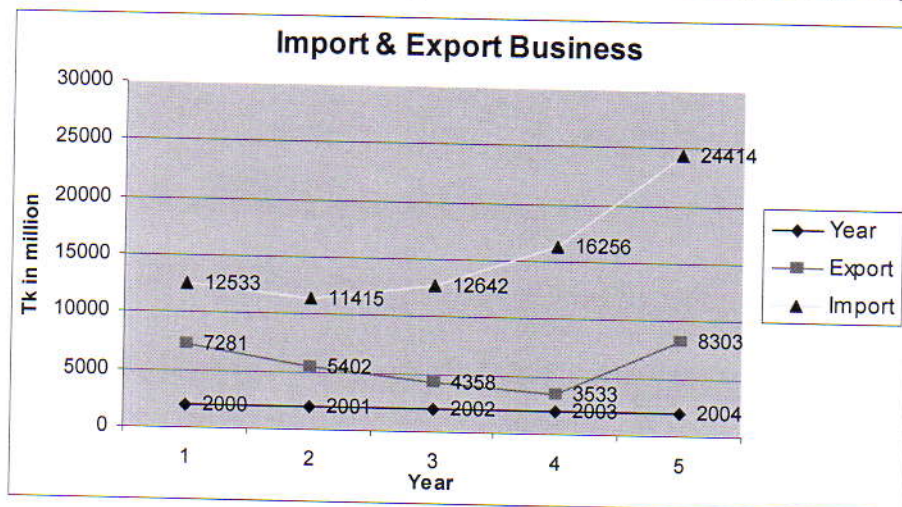


In 2004 the Bank signed new corresponding relationship which lead to total number of relationship to 61.

**Table:7: Import & Export** Tk in million

	2004	2003
<b>Import</b>	24,414	16,256
<b>Export</b>	8,303	3,533
<b>Remittance</b>	946	354

Beside all these, EBL give the facilities of Money Gram and Habib Express so that the customers can easily get the money who are the senders of foreign currency.



**Figure:3: Import & Export Business**

### **Smart Student**

Good education is directly related to future career progression and development. So every one wants to ensure a better future and hence students across the country are opting for studying abroad. Different Banks in the country have captured this opportunity by introducing a different product for students studying outside the country. EBL plans to capture this opportunity and extend its profitability line by offering a proper student file with competitive features and marketing activities. This will serve two objectives:

- a) Value creation: To become the Bank of choice and be the most recognizable brand in the country, creating unique value proposition is a must. Beside this to give the customers the better service is the main purpose to start this product.
- b) Generate Income: This will help in generating income without incurring any cost in following ways:
  - File opening fees
  - File renewal fees
  - Commission fees earning against remittance

**Proposed Branches:** Principal Branch, Shantinagar, Gulshan, Dhanmondi, Agrabad.

**Competition Scenario:** Key players of student file are Standard Chartered, HSBC and newly Brak Bank and Dhaka Bank .Therefore EBL has to face competition on this product.

### **3.4: Miscellaneous Activities:**

#### ***Internet Banking:***

- Utilities bill payment of different utilities companies like City Cell, Grameen Phone, AKTEL, WASA, BTTB etc.
- Fund transfer from one account to another under same CIF.
- Requisition of cheque books
- Instruction for issuance of Pay Order.
- Balance Inquiry, Statement download with many more options thereon.

#### ***EBL VISA Electron Debit Card:***

The first time on-line debit card in the country with access to highest number of ATMs and POS terminals.

This car is link with the account the customer has with the bank. The customer can draw maximum 20000Tk each day. They can use the card at their shopping place also. Beside these the customer can also get some discount if they show the ATM card in the shop.

At present those who use the card of EBL they can get overdraft, one kind of loan which is known as Debit Line and the limit of money is 50000Tk to 100000Tk.

### ***Locker:***

In Every branches of EBL there are lockers facility for the customers. There are three types of lockers small, medium and large. The charges are taken yearly for the account of the customers. The charges are given below:

- Small ----- 1500Tk
- Medium ----- 2000Tk
- Large ----- 3000Tk

### **5.1: Corporate Banking:**

Corporate Banking is an integrated specialized area of the Bank which addresses the diverse financial needs of Corporate Customers.

Local and Foreign Business Houses (Public and Private Limited Companies), NGO's , Associations , Not for profit Organizations , Sole Proprietorship Concerns and Various Government Bodies/Corporations etc are considered to be our Corporate Customers .

Corporate Banking has been established in EBL to cope with the banks strategy to transform into a Business Matrix from the existing Geographical Matrix Modules. Corporate Banking Relationship Teams based in Dhaka and Chittagong are available to understand business and its requirements. They are specialists in developing high quality financial solutions and to assist in achieving business objective. Services provided by Corporate Banking are as follows:

- Structuring of Facilities for Corporate Customers.
- Develops understanding of customer businesses and advises Financial Solutions
- Advisory Services/ Financial Consultancy
- Arrange Loan Syndications

- Developing Relationship between the Clients and the Bank
- Processing credit facility requirements and arranging approvals for credit facilities.
- Handles pricing issues and Wallet Sizing Exercises to maximizes the earnings of the Bank as well as of the Client
- Coordinating service delivery of all EBL distribution channels viz.
- Sales and Service centers, Trade Services, Treasury, Credit issues as required for the customer.
- Provides a one stop service for Credit facilities.
- Ensures Corporate customers' complaints and Service issues are promptly addressed.
- Addresses Credit related issues.
- Coordinates activities of support unit Credit Administration unit which prepares security documentation, security registration, and CIB related issues.
- Coordinates activities of operating departments in obtaining Central Bank approvals where necessary.

## 5.2: Product of Corporate Banking:

SOD	Secured Overdraft
OD	Overdraft
CC (HYPO)	Cash Credit against Hypothecation
CC (PLEDGE)	Cash Credit against Pledge
PC	Packing Credit against Export L/C & Export Order
Demand Loan(Hypo)	Demand Loan against Hypothecation
Demand Loan (Pledge)	Demand Loan against Pledge
Time Loan	Time Loan against Other Security/Collateral/Support
Term Loan	Term Loan
SLC	Sight Letter of Credit
ULC	Usance Letter of Credit
BBLC	Back to Back Letter of Credit

Import Loan (Hypo)	Import Loan against Hypothecation
Import Loan (Pledge)	Import Loan against Imported Merchandise Pledged
LTR	Loan Against Trust Receipt
Acceptance	Acceptance against ULC
LBDP	Local Bill Purchased Documentary
FBPD	Foreign Bill Purchased Documentary
LAFB (CLEAN)	Loan Against Foreign Bill Clean
LAFBD	Loan Against Foreign Bill Documentary
LG	Letter of Guarantee -BB / PG / APG / RB / Pay. Gtee
BCP (Foreign)	Bankers Cheque Purchase (Foreign)
BCP (Local)	Bankers Cheque Purchase (Local)
Fwd FX	Forward Contract

### 6.1: Career with EBL:

To build up an employer image by being able to attract, recruit and retain high potential candidates who will be the current and future leaders of EBL. This will lead the bank to become the "Employer of Choice."

Recruitment and selection is a key HR platform for organizational success and sustenance. It brings in talent while help the internal bright staff to move forward, through the career path. Recruitment takes place when there is:

- New position arising out of new business direction
- Vacancy arising because of resignation/retirement
- Annual Planned Recruitment of fresh graduates

The Bank follows the best practice of 80/20 ratio, meaning that 80 % of management population shall be home grown while 20% may be recruited externally in order to infuse new skills and new thinking. Other than the relevant academic qualifications and experiences EBL emphasizes on the following attributes in a candidate:

- Positive

- People oriented
- Inquisitive
- Analytical
- Numeric
- Computer literate
- Tenacious

For business continuity and development the Bank recruits at three levels:

- Junior Level
- Management Trainee

**Junior Levels:**

On need basis, whenever a vacancy arises. Recruitment at this level is made from the "Drop in Applications" that the bank receives on a regular basis and which are retained in the Application File.

Recruitment at this level are made through a basic job related written test and interview conducted by an Interview Panel.

**Management Trainee:**

On a planned basis to develop a team of young potential fresh graduates to develop them as future leaders of the bank. The numbers are determined every year depending on the change in business, the requirement of people and the turnover of last year. The recruitment is ideally done from recognized Business Institutes and Bangladesh Institute of Bank Management.

Every year planned recruitment of the Management Trainee (Blooming Leaders) are made through Job Fairs/ contacts with the appropriate academia. The selection procedure involves assessing a persons aptitude, potential and team ability through a formal "Assessment Centre" where the candidates are judged for:

- Ambition
- Meritocracy
- Team; Skill

**Academic Profile:**

- Finance major
- MIS major
- Marketing major
- MBM
- CGPA - 3.0
- Age limit 27

## 6.2: Employee Benefits

The bank reserves the right to vary the rules of employee benefits from time to time.

- Provident Fund & Gratuity:

The Staff Provident Fund Scheme is a voluntary contribution scheme. The employee will be entitled to join the scheme upon completion of the probation period. The employee will be entitled to benefit from the scheme after completion of five years service & payment will be made upon resignation, termination, and retirement. The employee will also be entitled to a gratuity payment equal to one month's basic salary for each year of service after five years upon his/ her resignation, retirement.

- Medical:

Married employees will be entitled to a medical allowance for their respective grade for their spouse & children up to the age of 19. Single employees are entitled to half of the medical allowance for their respective rank. In both cases medical expenses incurred will only be reimbursed when supported by approved medical vouchers.

- Employee Loans:

The employee Loan policy has been established at preferential rates to provide financial assistance to qualified & deserving employees of the bank. The bank's policy shall be reviewed periodically. Employees will be eligible for the bank's subsidized Housing Loan scheme. Car loan & sundry loan Schemes

upon satisfactorily completing the required number of years service & achievement of performance standards. Separate policies are available for employee reference & guidance from HR/ADMIN department. Applications for loans should be sent to HRC through respective Head of departments. The CEO shall approve loan applications.

- Employee Group Insurance:

The bank provides all permanent & contract employees with insurance via the Workmen's compensation policy.

### **6.3: Corporate Social Responsibilities, Activities & Entertainment:**

EBL believes in protecting the environment and its lending program is designed focusing the relevant matters that does not have adverse impact on the environment. EBL is also adapts equal opportunity policy covering gender and race. EBL is committed towards training and development of all of its staffs and during the year a number of training program were both in-house and classroom were conducted. EBL recognized the responsibility for the flood affected people in Bangladesh and as part of that a number of floods donated program was undertaken. EBL employees also volunteered through making cash contribution and physically distributed the relief goods among the flood affected people both in central and in the northern part of the country.

For recreation EBL arrange many entertainment programs for the customers as well as for the employees of the bank. EBL arrange different type of competition for the customer like essay competition for the customer who uses the locker service and as prize they gave diamond jewelry to them. Car sport arranged in 17<sup>th</sup> March for the people who are interested to join in the car race. For the employees they arrange EBL Family Night every year so that the employee can refresh themselves by enjoying in the party.



#### **6.4: a) Problem of EBL**

Eastern Bank Limited is mainly a local Bank of Bangladesh. Its main purpose is to satisfy the customers of their Bank so that they can earn profit from the customers' deposit. For this, EBL has to give high quality service to the customers. Still there are some complaints come from the customers about the service of EBL. As it is online banking sometime there are problems with the server link, as a result the customers have to wait for some minutes in getting the money that they came to withdrawal.

The Bank is offering low interest rate for Fixed deposit, for this many customers do not want to deposit the money in the Bank. On the other hand they are closing the account and taking their money to other banks that are giving high interest rate.

Some employees of other banks are taking away the fund by influencing the customers of EBL to the own Bank.

At present time many commercial and local bank are establishing in Bangladesh. So there are high competitions between them. Directors of EBL are giving high target to the officers of the bank yearly. Sometime it is very hard for the Bank to fulfill the yearly target.

Employee shortage can also bring problem to the bank because on that time the employees can not give proper service to the customers. This happened in Dhanmondi Branch, as there is shortage of employees they could not give good service and many big clients have switch off the bank.

### **b) Suggestion:**

Eastern Bank is a profitable bank as well as customer oriented bank. Therefore it is the responsibility for the management to improve the service of the bank.

The IT section of the bank also has to modify with the help of modern technology.

The server link should be more active so that it could not show the server down symbol on the screen.

At present many Bank is offering high interest rate. However, EBL also has to increase the interest rate in a balance way with its assets.



## **SWOT Analysis of the “Eastern Bank Limited”**

In order to maximize the benefit and formulate strategies for its increased and continued development, it is important to undertake SWOT analysis. The following sections summarize the strengths, weaknesses, opportunities and threats relating to insurance sector.

### **7.1: Strength**

- Quick data retrieval from the software that the EBL used for their banking information.
- Time & effort saving device
- Instant updating of data possible
- On line facilities to end-users.
- Attractive interest rate.
- High quality customer service.

### **7.2: Weakness**

- Shortage of quality & qualified programmers.
- Personal interaction between people decreases.
- Inexperience of users.

### **7.3: Opportunities**

- Increased numbers of clients are showing their interest in deposit and loan section.
- Demand of need-based program increasing & hence job opportunities.

### **7.4: Threats**

In the present world, there are many new Banks are coming in Bangladesh. Therefore, the company has to face lot of competition. As well as their deposit is also decreasing as the customer are diversified. These are the threats for the Eastern Bank Limited.

## Conclusion

EBL operates through a network of twenty two branches around the country, Ten of those branches are located in Dhaka , five in Chittagong, three in greater Sylhet, the rest in other four commercially important cities Khulna, Bogra, Rajshahi & Jessore.

EBL take the opportunity to acknowledge the trust and the constant support received from the valued shareholders, customers, depositors, vendors and all other business associates.

The directors would like to express their sincere thanks to the customers who are dealing with the Bank. The staffs of the EBL are also giving unfailing efforts through the period that helped the bank to sustain growth and help to become a modern bank. With the effort of all employees and the guideline of the Management, EBL is now one of the profitable banks in Bangladesh.



## **Recommendations:**

For a sustained growth of “Eastern Bank Limited” it is recommended that following steps are taken without any further delay:

- Formulate policies of banking sector.
- Ensuring support for its development.
- Formulate a strategy to ensure gradual and sustained development.
- Following strategies, develop an action plan to facilitate the growth.
- Launch awareness, building initiatives on the importance of deposit and investment.
- Develop modern information technology to provide support to the banking sector.
- Ensure resource allocation to undertake the activities indicated above.

## Abbreviation:

BCCI	-	Bangladesh Credit & Commercial International
EBL	-	Eastern Bank Limited
FC	-	Flexecube
MDP	-	Monthly deposit plan
FDR	-	Fixed deposit remedy
HPA	-	High performance account
FDD	-	Foreign demand draft
MIP	-	Monthly Income plan