

An Appraisal of Eastern Bank Limited

Project Work

Course Code: BUS- 498

Prepared for:

Dr. Tanbir Ahmed Chowdhury

Professor and Chairperson

Department of Business Administration

East West University

Prepared by:

Mozammel Hoque

ID: 2004-1-10-094

Department of Business Administration

East West University

Submission Date: April 17, 2008

EAST WEST UNIVERSITY



Letter of Authorization

January 22, 2008

Dr. Tanbir Ahmed Chowdhury
Professor and Chairperson
Department of Business Administration
East West University
43-46 Mohakhali C/A, Dhaka- 1212

To
Mozammel Hoque
ID: 2004-1-10-094

Subject: Letter of Authorization

Dear Student

As the student of Business Administration Department you need to prepare a project report and submit that at the end of the semester. You are authorized to do the project report (BUS- 498) on “**An Appraisal Eastern Bank Limited**”. The report should submit on or before April 17, 2008.

I will appreciate if you prepare the Project Report according to the instruction given. You can contact me for any help or support that you might have during the making of the project report.

Sincerely

(Dr. Tanbir Ahmed Chowdhury)
Professor and Chairperson
Department of Business Administration

Letter of Transmittal

April 17, 2008

Dr. Tanbir Ahmed Chowdhury
Professor and Chairperson
Department of Business Administration
East West University
43-46 Mohakhali C/A, Dhaka- 1212

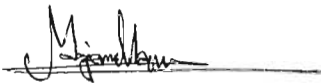
Subject: Submission of the Project Report.

Dear Sir,

Here is my project report on “**An Appraisal Eastern Bank Limited**”. I have prepared my project report on Eastern Bank Limited (EBL) by appraising their activities and performance during the financial period 1997 to 2006. In this report I have presented a brief overview of Eastern Bank Limited, the principal activities of the bank and finally I have analyzed the financial performance of EBL.

The opportunity of conducting this report has increased my knowledge about activities and financial aspects of private bank. In this regard, I am really grateful to you. Thank you.

Yours Sincerely



Mozammel Hoque
ID: 2004-1-10-094
Department of Business Administration
East West University

Acknowledgement

Firstly, I would like to express my deep gratitude to all mighty, Allah for keeping me physically fit and mentally alert to prepare this report.

I would like to express my feelings and great affections with my heartiest appreciation to the most respectable and honorable faculty **Dr. Tanbir Ahmed Chowdhury**, Professor and Chairperson, Department of Business Administration, East West University for his kind cooperation. He has provided me the guideline to complete the report.

I express gratitude to the **East West University** for offering the course **BUS- 498 (Project Work)** and for providing the lab facilities.

Lastly, I also express gratitude to the **Eastern Bank Limited** for providing the valuable information to their annual report and their web site "**www.ebl.com.bd**".

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Executive Summery

The title of the report is “**An Appraisal of Eastern Bank Limited**”. The report is based on five chapters. Each chapter has been discussed with separate issues. The first chapter is for the introduction, objectives, scope and methodology, and limitation of the study. In second chapter I have discussed about banking sector. I tried to focus the origin of the word and definition of bank, different types of channels, and law of banking. As per my report is based on commercial bank so, I also tried to focus commercial banking. In third chapter I have discussed about Eastern Bank Limited (EBL). I tried to focus EBL history, vision, mission, goal, organizational structure, capital structure, branches, employees and its business network. We can have overall idea about EBL through this chapter. In fourth chapter I have discussed about principle activities of EBL. EBL provides lots of service to the consumer and I tried to focus that services. From this chapter we can have idea about overall activities of EBL. In fifth chapter I have discussed about an appraisal of the financial performance of EBL. For analysis the financial performance, I have collected the data from year 1999 to 2006 from the annual report and I used these data for the growth percentage calculation, graphical explanation and for some ratio analysis. From this chapter we can have clear idea about the financial site of Eastern Bank Limited. After that I have found some problems of EBL and I also tried to give some recommendations for that problems. These are the overall parts which I have described in the report.

Chapter-1

INTRODUCTION



1.1: Introduction:

Banking system occupies an important place in a nation's economy because of its intermediary role; it ensures allocation and relocation of resources and keeps up the momentum of economic activities. It plays an important role in the economic development of a country and forms the core at the money market in any country. In a developing country like Bangladesh the banking system as a whole has a vital role to play in the progress of the economic development. Bank plays an important role in the business sector and in the industrialization of a country. Basically the banks take deposits from the customers by giving interest and lend it to the borrowers by taking interest for a specific period. In our country there are Government Banks, Semi-Government Banks and Private Commercial Banks. They are the principal source of credit for millions of individuals and families and many units of government.

To fulfill the BBA program we need to complete a project work. After completing all the courses of BBA program we have to do the project work under any faculty supervisor. As I am interested to do project on the banking sector, so I choose the **Eastern Bank Limited (EBL)**. **Dr. Tanbir Ahmed Chowdhury**, Professor and Chairperson, Department of Business Administration of East West University, who was my honorable faculty supervisor, has assigned me to submit the project report on **“An Appraisal of Eastern Bank Limited”**.

Our private Banks are offering full range of Consumer, Corporate, International Trade, Foreign Exchange, Lease Financing 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 16th August 1992. In the project different sides of this bank is focus to know the overall performance of Eastern Bank Limited.



1.2: Objectives of the Study:

There are some objectives of the study. These are in the following:

- To present an overview of bank.
- To present an overview of Eastern Bank Limited (EBL).
- To present a principal activities of EBL.
- To present financial performance of EBL.
- To identify some problems and suggestion to overcome that problem.

1.3: Scope & Methodology of the Study:

The scope of this project is limited to the overall description of the company, its services, its functions and its performances. In this study I tried to appraise the principal activities and financial performances of Eastern Bank Limited (EBL).

For evaluating the financial performance of EBL, I have collected and analyzed the data of the last ten years. These data has been used for ratio analysis and growth percentage calculation. I have collected data from the annual report and from the web site of EBL.

1.4: Limitations of the Study:

I have faced some limitations what I can not ignore. These are:

- It was very difficult to get the actual information from the annual report; and some of information which are not given to the annual report.
- Large-scale research was not possible due to time constrains.
- Banks don't want to disclose all the information.



Chapter-2

BANK

Chapter objectives:

- **Origin of the word and definition of bank.**
- **Banking channels.**
- **Law of banking.**
- **The rules of commercial bank.**
- **Rule of Bangladesh Bank.**



Chapter Overview

In this chapter I have discussed about banking sector. I tried to focus the origin of the word and definition of bank, different types of channels, and law of banking. As per my report is based on commercial bank so, I also tried to focus commercial bank, the rule of commercial bank and rule of Bangladesh Bank. The main objective of this chapter is to provide a general idea about bank and commercial bank.

2.1: Origin of the Word & Definition of Bank:

The name *bank* derives from the Italian word *banco* "desk/bench", used during the Renaissance by Florentines bankers, who used to make their transactions above a desk covered by a green tablecloth. However, there are traces of banking activity even in ancient times. In fact, the word traces its origins back to the Ancient Roman Empire, where moneylenders would set up their stalls in the middle of enclosed courtyards called *macella* on a long bench called a *bancu*, from which the words *banco* and *bank* are derived. As a moneychanger, the merchant at the *bancu* did not so much invest money as merely convert the foreign currency into the only legal tender in Rome- that of the Imperial Mint.

Banks are among the most important financial institutions in the economy. They are the principal source of credit (loan able funds) for millions of individuals and families and for many units of government such as districts, cities, countries etc. As important as banks are to the economy as a whole and to the local communities they call home, there is still much confusion about what exactly a bank is. A bank can be define in terms of

- 1) the economic function it serves,
- 2) the services it offers its customers, or
- 3) the legal basis for its existence.

Bank is a financial institution which works as an intermediary between **surplus** and **deficit** units, using different financial services to obtain certain goal. So, Bank is a financial intermediary accepting deposits and granting loans and also offers the widest menu of services of any financial institution. If we look at the depository institutions then



we will see that they just offering checking accounts or commercial loans but not both. But bank provides both of them.

2.2: Banking Channels:

Banks offer many different channels to access their banking and other services:

- A branch, banking centre or financial centre is a retail location where a bank or financial institution offers a wide array of face to face service to its customers.
- **ATM** is a computerized telecommunications device that provides a financial institution's customers a method of financial transactions in a public space without the need for a human clerk or bank teller. Most banks now have more ATMs than branches, and ATMs are providing a wider range of services to a wider range of users. For example in Hong Kong, most ATMs enable anyone to deposit cash to any customer of the bank's account by feeding in the notes and entering the account number to be credited. Also, most ATMs enable card holders from other banks to get their account balance and withdraw cash, even if the card is issued by a foreign bank.
- **Mail** is part of the postal system which itself is a system wherein written documents typically enclosed in envelopes, and also small packages containing other matter, are delivered to destinations around the world. This can be used to deposit cheques and to send orders to the bank to pay money to third parties. Banks also normally use mail to deliver periodic account statements to customers.
- **Telephone banking** is a service provided by a financial institution which allows its customers to perform transactions over the telephone.
- **Online banking** is a term used for performing transactions, payments etc. over the Internet through a bank, credit union or building society's secure website



2.3: Law of Banking:

Banking law is based on a contractual analysis of the relationship between the **bank** and the **customer**. The definition of bank is given above, and the definition of customer is any person for whom the bank agrees to conduct an account. The law implies rights and obligations into this relationship as follows:

- The bank account balance is the financial position between the bank and the customer, when the account is in credit, the bank owes the balance to the customer, when the account is overdrawn, and then the customer owes the balance to the bank.
- The bank engages to pay the customer's cheques up to the amount standing to the credit of the customer's account, plus any agreed overdraft limit.
- The bank may not pay from the customer's account without a mandate from the customer, e.g. a cheque drawn by the customer.
- The bank engages to promptly collect the cheques deposited to the customer's account as the customer's agent, and to credit the proceeds to the customer's account.
- The bank has a right to combine the customer's accounts, since each account is just an aspect of the same credit relationship.
- The bank has a lien on cheques deposited to the customer's account, to the extent that the customer is indebted to the bank.
- The bank must not disclose the details of the transactions going through the customer's account unless the customer consents, there is a public duty to disclose, the bank's interests require it, or under compulsion of law.
- The bank must not close a customer's account without reasonable notice to the customer, because cheques are outstanding in the ordinary course of business for several days.

These implied contractual terms may be modified by express agreement between the customer and the bank. The statutes and regulations in force in the jurisdiction may also



modify the above terms and/or create new rights, obligations or limitations relevant to the bank-customer relationship.

2.4: Commercial Bank:

Commercial Bank (CB) is a bank that provides commercial services to the market. On previous time mainly CB banking services to the corporation only not individual. Commercial bank name should be Universal Banking (UB). UB system can provide any types of financial services. There is a difference between CB & UB. CB provides services to corporation but UB can provide any types of service. CB is concentrated only on commercial services. But now a days CB want to change to UB rather than CB.

A commercial bank is a type of financial intermediary and a type of bank. After the Great Depression, the U.S. Congress required that banks only engage in banking activities, whereas investment banks were limited to capital market activities. Since the two no longer have to be under separate ownership, some use the term "commercial bank" to refer to a bank or a division of a bank that mostly deals with deposits and loans from corporations or large businesses. Commercial bank has two possible meanings, these are:

- Commercial bank is the term used for a normal bank to distinguish it from an investment bank.
- Commercial banking can also refer to a bank or a division of a bank that mostly deals with deposits and loans from corporations or large businesses, as opposed to normal individual members of the public (retail banking).

2.5: The Rules of Commercial Bank:

Commercial banks engaged in the following activities:

- processing of payments by way of telegraphic transfer, EFTPOS (Electronic Funds Transfer at Point Of Sale), internet banking or other means
- issuing bank drafts and bank cheques
- accepting money on term deposit
- lending money by way of overdraft, installment loan or otherwise

- providing documentary and standby letter of credit, guarantees, performance bonds, securities underwriting commitments and other forms of off balance sheet exposures
- safekeeping of documents and other items in safe deposit boxes
- currency exchange
- sale, distribution or brokerage, with or without advice, of insurance, unit trusts and similar financial products as a “financial supermarket”

2.6: Rule of Bangladesh Bank:

After the partition of India, the state bank of Pakistan was created in 1948, but the banking actually become popular in 1960s, when the state bank tried to expand the schedule banks. After the independence of Bangladesh all the schedule the presidential order no. 27 in 1972 nationalized banks. The central bank was as the Bangladesh bank under which there were 19/14 branches of schedule banks all over the country.

The nationalization becomes a means, thus in 1980s banks were denationalized and reforms were made for bringing discipline in banking sector. Some restrictions on commercial bank were imposed in 1997.



Chapter-3

An Overview of Eastern Bank Limited

Chapter objectives:

- **Historical background of EBL.**
- **Vision of EBL.**
- **Mission of EBL.**
- **Values of EBL.**
- **Organization Structure of EBL.**
- **Capital Structure of EBL.**
- **Branch Expansion of EBL.**
- **Number of employees of EBL.**



In this chapter I have discussed about Eastern Bank Limited (EBL). I tried to focus EBL's history, vision, mission, goal, organizational structure, capital structure, branches, employees and its business network. We can have overall idea about EBL through this chapter. The main objective of this chapter is to introduce with the EBL.

3.1: Historical Background of EBL:

The emergence of Eastern Bank Limited in the private sector is an important event in the banking industry of Bangladesh. Eastern Bank Limited started its business as a public limited company on August 8, 1992 with the primary objectives to carry on all kinds of banking business in and outside of Bangladesh and also with a view to safeguard the interest of the depositors of erstwhile BCCI (Bank of Credit and Commerce International (Overseas)) under the Reconstruction Scheme, 1992, framed by Bangladesh Bank.

In 1991, when BCCI had collapsed internationally, the operation of this bank had been closed Bangladesh. After a long discussion with the BCCI employees and taking into consideration the depositors' interest, Bangladesh Bank then gave permission to form a bank named Eastern Bank Limited which would take over all the assets, cash and liabilities of erstwhile BCCI in Bangladesh, with effect from 16th August 1992. So, it can be said that EBL is a successor of BCCI.

EBL started its business as a scheduled bank with only four branches, which included Principal Branch, Dhaka; Motijheel Branch, Dhaka; Agrabad Branch, Chittagong and Khulna Branch. EBL started its business with a motto to grow as a leader in the banking arena of Bangladesh through better counseling and efficient service to clients. EBL resumed its operational activities initially with an authorized capital of Tk. 1000 million, divided into 10 million shares of Tk. 100 each and paid up capital of Tk. 310 million. The initial shareholders were the NCBs, various govt. agencies, and some of the depositors who had agreed to accept shares in the new bank in lieu of their deposits. The first Board of Directors of EBL constituted under govt. supervision, consisted of 7 directors from



various business and professions. Eastern bank Limited was under govt. control until the end of 2000 and therefore, there were lots of deficiencies in the Bank's management. In 2001, the board of directors brought in new professional management from various foreign banks who have been trying to modernize the bank ever since.

Eastern Bank Limited started the year 2006 with Paid-up Capital stood at Tk. 828 million and the authorized capital at Tk. 3300 million. At present, EBL is one of the fastest growing commercial banks in the country & the largest capital based bank in Bangladesh. It has 25 branches scattered all over the major cities of the country in major business areas.

3.2: Vision of EBL:

To become the bank of choice by transforming the way we 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.

3.3: Missions of EBL:

There are some missions of EBL. These are in the below:

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



3.4: Values of EBL:

There are some values of EBL. These are in the below:

- Openness
- Trust
- Commitment
- Integrity
- Service excellence
- Responsible Corporate Citizen

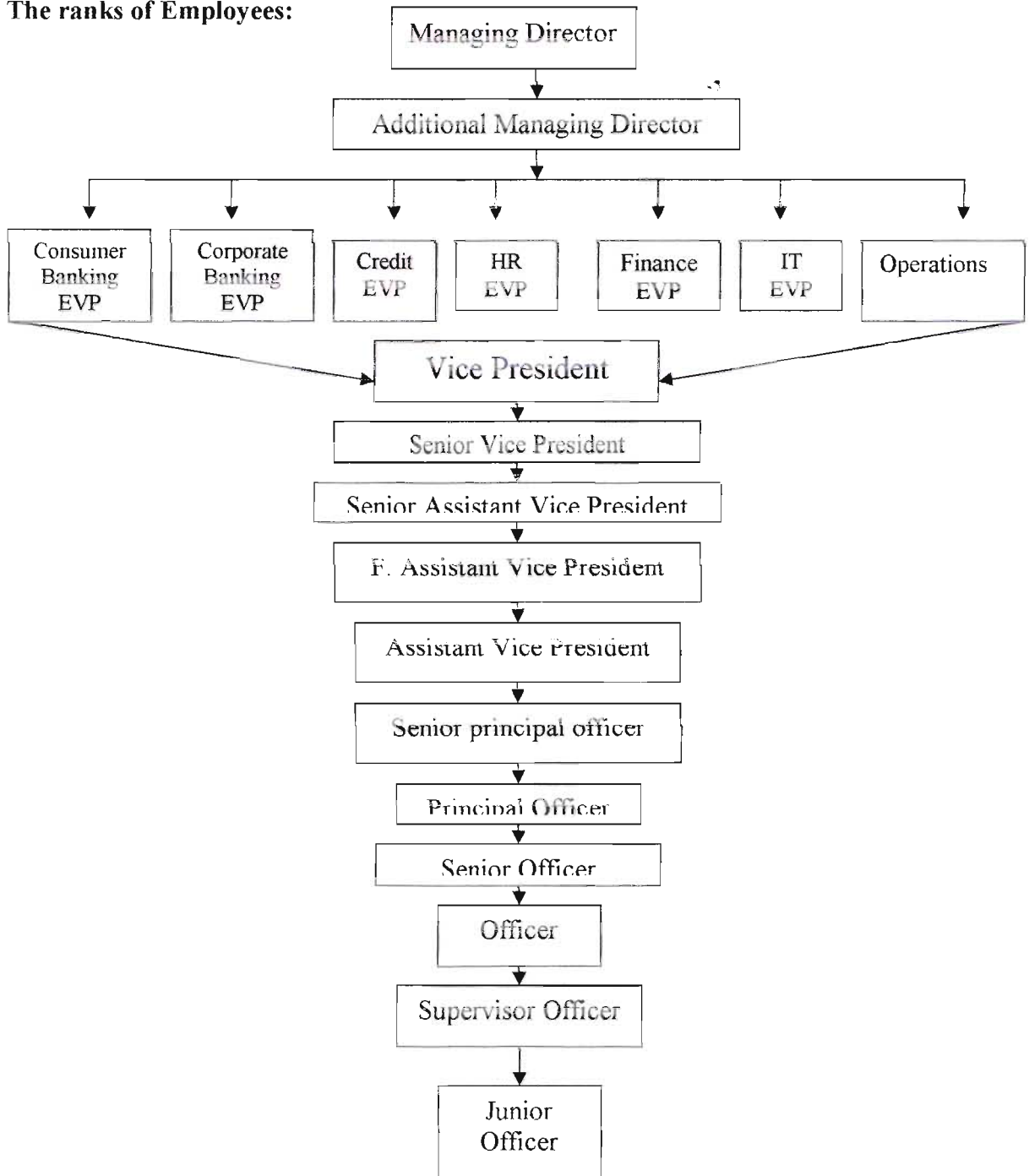
3.5: Organization Structure of EBL:

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. These departments are:

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

In the following page there is a structure for the organization:

The ranks of Employees:



3.6: Capital Structure of EBL:

Table no-3.1: Capital Structure of EBL
(In million BDT)

Year	Authorized Capital	Paid Up Capital	Growth % of Paid Up Capital
1997	1000	600	-
1998	1000	600	0
1999	1000	600	0
2000	1000	600	0
2001	1000	720	20
2002	1000	720	0
2003	1000	828	15
2004	1000	828	0
2005	3300	828	0
2006	3300	828	0

Source: Annual Report of EBL (1997 to 2006)

From the table we can see that from year 1997 to 2004 authorized capital was same. The amount of authorized capital was Tk. 1000 million. But from year 2005 to year 2006 authorized capital became Tk. 3300 million. On the other hand paid up capital was not same. It differs from time to time. The highest growth percentage of paid up capital was 20% in year 2001.

The growth percentages of paid up capital of EBL are shown in the following graph:

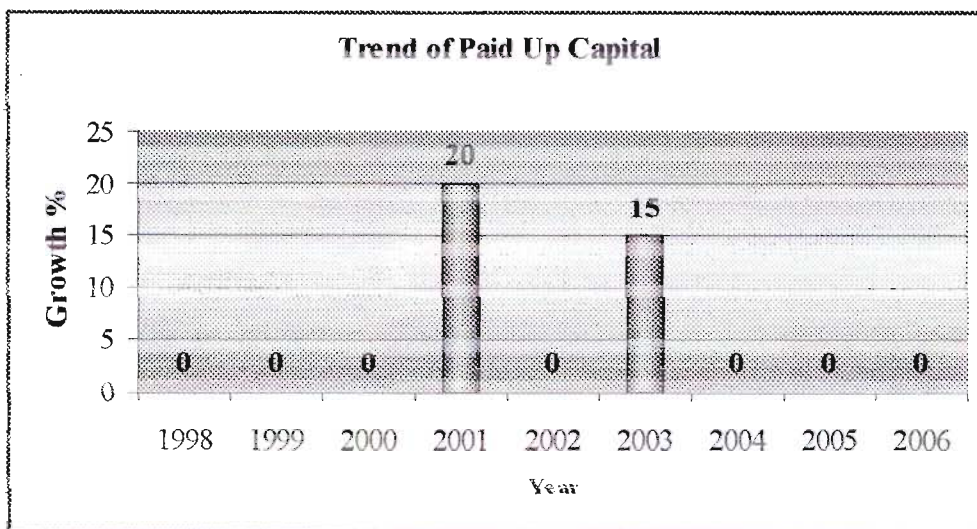


Figure-3.1: growth % of paid up capital



3.7: Branches Expansion of EBL:

Table no-3.2: Branch expansion of EBL

Year	No. of Branches	Growth %
1997	21	-
1998	21	0
1999	21	0
2000	21	0
2001	22	4.76
2002	22	0
2003	22	0
2004	22	0
2005	22	0
2006	25	13.64

Source: Annual Report of EBL (1997 to 2006)

We can see from the table that the number of branches increases in the year of 2001 and the year of 2006. The growth percentages of the number of branches of EBL are shown in the following graph:

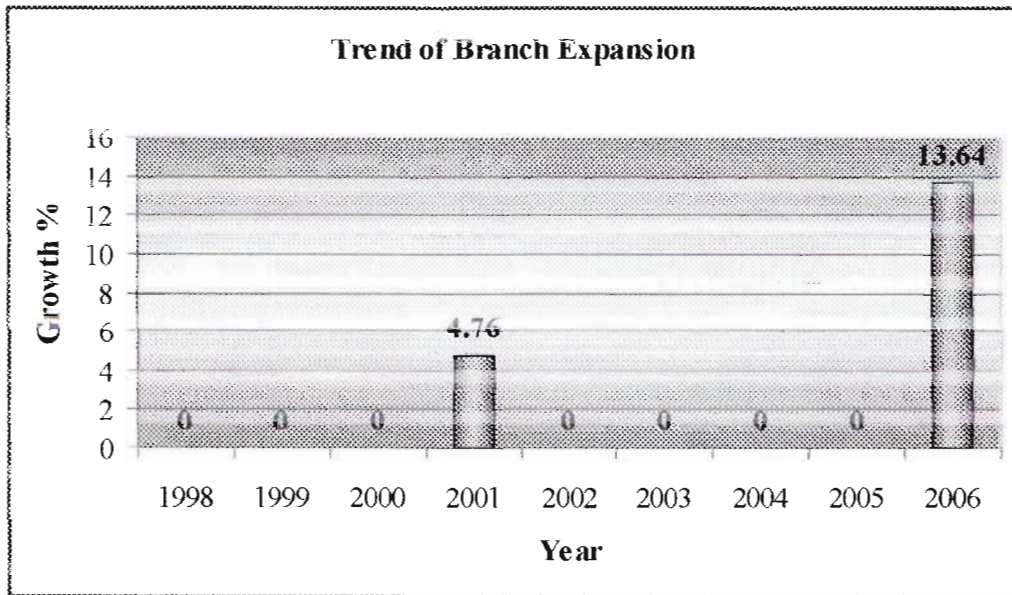
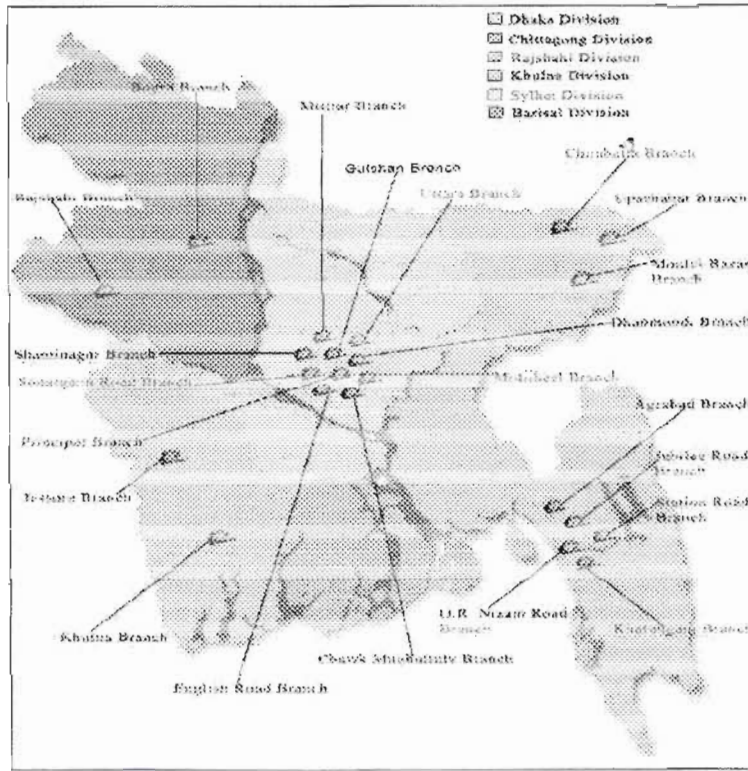


Figure-3.2: Trends of branch expansion of EBL

EBL operates through a network of 25 branches around the country. 12 of those branches are located in Dhaka, 5 in Chittagong and 4 in Sylhet, 2 in Khulna and 2 in Rajshahi.





EBL branches location in Bangladesh map

3.8: Number of Employees of EBL:

Table no-3.3: Number of employees of EBL

Year	No. of Employees	Growth %
1997	548	-
1998	625	14.05
1999	629	0.64
2000	652	3.66
2001	492	-21.28
2002	484	-1.63
2003	495	2.27
2004	522	5.45
2005	536	2.68
2006	612	14.18

Source: Annual Report of EBL (1997 to 2006)

We can see from the table that the numbers of Employees differ time to time. The employees' growth has decreased In case of year 2001 and year 2002. Without these two

years the employees' growth rate was good. The growth percentages of the number of employees of EBL are shown in the following graph:

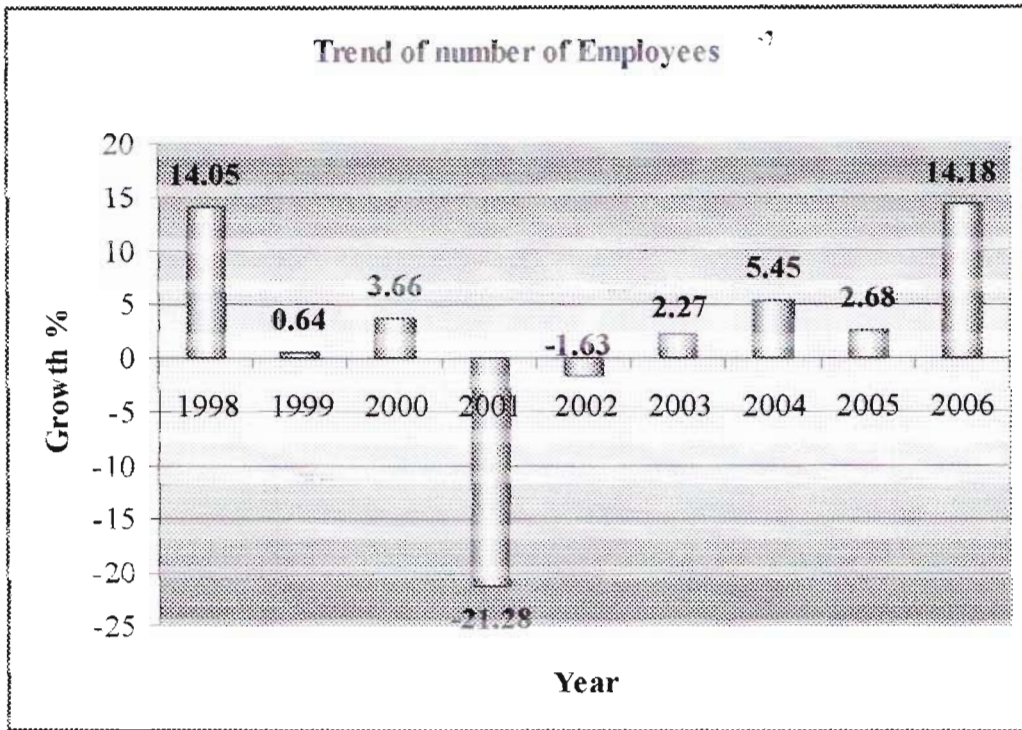


Figure-3.3: Trends of number of employees' of EBL



Chapter-4

Principle Activities of EBL

Chapter Objectives:

- **Deposit schemes**
- **Credit schemes**
- **Consumer banking products of EBL**
- **SME banking products of EBL**
- **Internet banking**
- **Corporate banking**
- **Corporate social responsibilities, activities & entertainment**



Chapter Overview

In this chapter I have discussed about principle activities of EBL. EBL provides lots of service to the consumer. I tried to focus deposit schemes, credit schemes, EBL consumer banking products, EBL SME (small medium enterprise) banking product, internet banking, corporate banking and corporate social responsibilities activities & entertainment. From this chapter we can have idea about overall activities of EBL.

4.1: 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.

Types of Deposit:

- **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 25 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 customer keeps minimum balance of Tk. 20,000.00 in the account then they will have 7% interest daily on that amount.
- **Saving Account:** It has very competitive interest rate. Interest rate is 8% and need to keep minimum balance Tk. 15,000.00 and the interest is given at monthly.
- **Savings Insurance Account (SIA):** EBL SIA account not only pay you interest at the prevailing market rate; it also provides valuable insurance coverage for corresponding to your deposit amount. This is how SIA differs from other usual saving account.



“EBL Consumer Banking Products”

There are many banking product are provided by the EBL to fulfill the consumer needs and demand. EBL provides many services under three different types of products. These consumer banking products are describing in the following:

4.3: Loan Products:

1) EBL Jibandhara Loan

Features:

There are some features under this loan. These are in the following:

- Loan Amount ranges from BDT 50,000 to BDT 1,000,000 (or 12 times of gross salary, whichever is lower).
- Repayment tenure of 12, 24, 36, 48 or 60 months.
- Payment 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, Maximum 60 Years
- Professional Experience:
Salaried Executives : 1 year of experience
Self employed Professionals: 2 years of experience
- Minimum monthly income:
Salaried Executives : minimum BDT 15,000 / month
Self employed Professionals: minimum BDT 20,000 / month



Equal Monthly Installments sample:

Loan Amount	No. of installments		
	12	24	36
50,000	4,513	2,425	1,734
100,000	9,026	4,849	3,467
150,000	13,539	7,273	5,200

* Conditions apply

3) EBL Fast Cash:

Features:

- Revolving credit facility
- Pre-determined amount of credit from your current account
- Interest charged only for the amount you have drawn
- Interest charged on quarterly basis
- Repayment at anytime during the stipulated period
- Option of renewal at your request

Eligibility:

- Any individual having an FD or other securities like Wage Earner's Bond, ICB unit certificate etc is eligible to apply

4) EBL Fast Loan:

EBL Fast Loan is for consumer personal short term loan facility from Eastern Bank Limited. With this, consumer can always have your choice to determine the repayment term. This is fast way to meet consumer financial needs.

Features:

- 100% cash secured loan
- Repayment tenure of 12, 24, or 36 months
- Competitive interest rates
- Early full and final settlement allowed
- Shortest possible processing time



Eligibility:

- Any individual having an FD or other securities like Wage Earner's Bond, ICB unit certificate etc is eligible to apply

5) EBL Executive Loan:**Features:**

- Loan amount ranging from minimum BDT 50,000 to maximum BDT 1,000,000 or 6 times of gross salary, whichever is lower (in case of govt. officials, the loan amount starts from BDT 30,000)
- Repayment tenure of 12,24 or 36 months
- Early full and final settlement allowed

Eligibility:

- Any Salaried Executive can apply for the loan
- Age : Minimum 23 years, Maximum 60 Years
- Professional Experience:
5 years of experience with minimum 2 years of continuous employment with current employer
- Minimum monthly income:
BDT Tk. 15,000 for Executives of any private organization
BDT Tk. 10,000 for government officials

Equal Monthly Installments sample:

Loan Amount	No. of installments		
	12	24	36
50,000	4,513	2,425	1,734
100,000	9,026	4,849	3,467
200,000	18,052	9,698	6,934
300,000	27,078	14,546	10,400
500,000	45,130	24,244	17,333
750,000	67,694	36,365	25,999
1,000,000	90,259	48,487	34,666

* Conditions apply

6) EBL Auto Loan:

Features:

- Loan amount ranges from BDT 350,000 to BDT 2,000,000 (up to 100% for brand new car and 70% for reconditional car)
- Competitive interest rates
- Repayment tenure of 12,24,36,48 or 60 months
- You have the option of pre-paying your loan after a minimum of 6 months of loan disbursement
- Early full and final settlement allowed

Eligibility:

- Age : Minimum 22 years, Maximum 60 Years
- Professional Experience:
Salaried Executives: 3 year of experience
Self employed Professional: 2 years practice
Business: 2 years experience
- Minimum monthly income:
Minimum monthly income: BDT Tk. 30,000/month

Equal Monthly Installments sample:

Loan Amount	No. of installments				
	12	24	36	48	60
350,000	31,426	16,805	11,963	9,565	8,144
500,000	44,894	24,007	17,089	13,664	11,635
750,000	67,341	36,010	25,634	20,495	17,452
1,000,000	89,788	48,013	34,178	27,327	23,269
1,500,000	134,681	72,020	51,267	40,990	34,903
2,000,000	179,575	96,026	68,356	46,537	46,537

* Conditions apply

** Customer will bear the insurance charge



7) Education Finance Pack:

Like planting seeds in fertile soil, giving children the best education now will help them grow to reach their full potential. Many families choose to send children abroad for higher education because they believe this will cultivate their child's unique skills and talents in a supportive and nurturing environment. And while the cost of this may seem daunting, the benefits will last a lifetime.

EBL developed the Education Finance Pack with three types of loan facilities so that consumer can select matching your need. EBL Education Loan covers the entire cost of consumer child's education help to send consumer children for higher education abroad.

EduLoan Unsecured – Education Loan without Security Deposit

- EMI based loan facility
- Maximum loan amount BDT 10,00,000 or 10 times of Gross Monthly Income of the applicant
- Loan amount up to 80% of the summation of admission fee, tuition fee, semester fee, other fees as stated by the educational institutions, living/lodging expenses and traveling expense. Total expense estimation needs to be submitted by the applicant with supporting documents.
- Processing fee – 1.5% of the Loan amount
- Repayment tenor : 12 – 60 months
- Advance / partial pre payment is allowed
- Interest Rate: 18%
- Student File services available
- Disbursement:

Study in Bangladesh: Initial admission fee & initial semester/tuition fee to be remitted directly to the institutions through Pay Order.

Study Abroad: Initial admission and initial semester/tuition to be remitted abroad through EBL Smart Student File. Payment for traveling expenses to be reimbursed through Pay Order favoring the travel agent.

EduLoan Secured - Education Loan with Security Deposit

- Loan amount is 95% of the security deposit



- Advance / partial pre payment is allowed
- Interest against utilization only
- Processing fee – 1% of the Loan amount or Tk. 2,000, whichever is higher
- Within same day processing
- No personal guarantee required
- Interest Rate: FD+3%
- Student File services available

4.4: Deposit Products:

1) EBL Interesting Account:

Features:

- Interest calculated on daily balance
- Interest is credited to your account every month
- Competitive interest rate
- Unlimited cash withdrawal
- Available in all EBL Branches
- No extra terms and conditions

Eligibility:

- Minimum Age: 18 years
- Citizen of Bangladesh

2) EBL Campus “Campus Account”:

EBL Campus - first time in Bangladesh a tailor made banking pack for students.

Campus Account: Under “EBL Campus”, yet another wonderful product that directly takes consumer into the rewarding world of general banking. It’s very own, very special savings account with no hidden charges or restrictions, while giving consumer very attractive interest on daily balance, also provide a super-smart plastic card.

Features:

- Interest bearing deposit account
- Interest calculated on the basis of daily balance
- No hidden charges or restrictions apply with regard to interest payment

- No standing in bank branch queues for withdrawal of money
- Leads you into the smart ... modern world of electronic banking- ATMs, POS terminals, Kiosks etc.

Eligibility:

- You need to be a student
- Minimum age 18 years
- Valid identification document (generally student ID Card) required for opening the account

3) EBL High Performance Accounting:

Features:

- Interest calculated on a daily balance
- Minimum balance required: BDT 20,000
- Unlimited cash withdrawal
- Highest interest rate compared to other similar accounts
- Available in all branches of EBL
- No extra terms and conditions apply
- Interest is paid twice a year

Eligibility:

- Minimum age: 18 years
- Citizen of Bangladesh

4) EBL Repeat:

- Under this scheme, minimum principal amount is Tk. 100,000 (Taka One Lac Only). There is no maximum principal amount limit. Accounts in multiple of Tk. 100,000 (Taka One Lac Only) can be opened.
- EBL repeat must be kept for a term of 1 year (12 Months)/ 2 Years (24 Months) / 3 years (36 Months).
- EBL Repeat can be opened by EBL Account Holders only.
- All payments, principal & interest, shall be paid to the above specified EBL Account only.

In case of premature closure, interest will be paid as per the following table:

Product	No Interest	Interest Rate
EBL Repeat – 1 Year	In encashed before 3 Months on interest will be paid	If encashed after 3 months, interest will be as per prevailing savings account rate
EBL Repeat – 2 Years & 3 Years	If encashed before 6 months, no interest will be paid	If encashed after 6 months, interest will be as per prevailing saving account rate

- In case of early encashment for any of the above tenor, prepaid interest in FD rate will be adjusted from “EBL Repeat” principal amount.
- Depositor has to pay income tax or any other tax the government may fix from time to time, as applicable.
- A system-generated advice will be provided to the depositor which is non – transferable.
- If there is any loan in the name of the depositor(s) with EBL, then EBL shall have the right to adjust the loan amount from the deposit, which has been deposited by the Account Holder under the scheme of EBL Repeat.
- EBL Repeat Account Holders may take OD facility against EBL Repeat account (maximum 90% of the value).
- Unless prior written notice is received by the Bank, the Bank will automatically renew the deposit for the same period on the maturity date at the prevailing rate of interest.
- As per present deposit rate, EBL Repeat monthly interest are:

Deposit Amount	Tenor	Monthly Interest (before tax) per Tk. 1,00,000
Tk. 100,000 or Multiple	1 Year	Tk. 895.83
Tk. 100,000 or Multiple	2 Years	Tk. 979.16
Tk. 100,000 or Multiple	3 Years	Tk. 895.83

Note: In case of other Repeat principal value, multiple of Tk. 1 Lac, will follow the monthly interest as specified in this table



- EBL reserves the right to change/alter/ratify the terms and conditions mentioned here at anytime without prior notice.

5) Confidence:

- The name of the scheme is “EBL Confidence”
- Any citizen of Bangladesh can open this account. This account can be opened in the name of an individual only.
- Under the scheme account(s) can be opened for a period of 3 (36 Monthly Installments) / 5 (60 Monthly Installments) / 7 (84 monthly installments) / 10 (120 Monthly Installments) years in any denomination at multiple of Tk. 500.00 per month but not exceeding Tk. 20,000.00 per month.
- Depositor can choose any denomination of deposit per month at the time of opening the scheme, which cannot be changed later on.
- The rates of interest are: for 3 years: 9.00% per annum; for 5 years: 9.50% per annum; for 7 years: 10.00% per annum; for 10 years: 10.50% per annum.
- Any benefit from EBL confidence mat come under purview of Income Tax of any other levy as decided by the government of Bangladesh.
- Monthly installments will be automatically realized from the Customer’s Personal EVL account linked with EBL Confidence.
- Deduction of the monthly installments will start from the day of opening EBL Confidence and all subsequent installments will be deducted on the same day of following months. Sufficing available/cleared fund must be kept in the linked account on or within next three days of due date to collect the deposits.
- If sufficient balance (full value of installment) is not available in the corresponding account for realizing monthly installment in time, Account Holder will have to pay @ 2% on the installment arrear(s) as penalty.
- In the event of failure to pay monthly installment(s) on or within next three days of the due date, it will be the sole responsibility of the EBL confidence Account Holder to settle the arrear installment(s) before or along with the next deposit due through a written instruction to EBL.



- If any monthly installment remains unpaid for four consecutive months, the account will be closed automatically.
- In case of premature closure of the account Tk. 300 (Taka three Hundred Only) will be charged as closing charge.
- In case of premature closure, the following will be applicable;
 - a) Less than 1 year: self deposited amount without interest;
 - b) More than 1 year but less than 3 years: self deposited amount plus interest @ prevailing savings account interest rate;
 - c) More than 3 years but less than 5 years: matured value of 3 years plus interest @ prevailing savings account interest rate on self deposited amount for fraction period;
 - d) More than 5 years but less than 7 years: matured value of 5 years plus interest @ prevailing savings Account interest rate on self deposited amount for fraction period;
 - e) More than 7 years but less than 10 years: matured value of 7 years plus interest @ prevailing savings account interest rate on self deposited amount for fraction period.

If there is any loan in the name of the depositor with EBL, then EBL holds the right to adjust the loan amount from the deposit which has been deposited by the by the EBL confidence Account Holder for deposit under the scheme of EBL Confidence.

EBL Confidence depositor(s) can take 90% OD facility against deposited amount at bank's prevailing lending rate after at least two years of this scheme.

These terms and conditions shall be governed by and construed in accordance with the laws of Bangladesh and the customer and the Bank is hereby irrevocably submit to the non-exclusive jurisdiction of the Courts of Bangladesh.



EBL reserved the right to change/alter/ratify the terms and conditions at any time without prior notice.

Maturity Value Table				
Installment Amount	3 years	5 years	7 years	10 years
Tk. 500	Tk. 20,730	Tk. 38,513	Tk. 60,979	Tk. 1,06,329
Tk. 1,000	Tk. 41,461	Tk. 77,027	Tk. 1,21,958	Tk. 2,12,659
Tk. 2,000	Tk. 82,922	Tk. 1,54,054	Tk. 2,43,916	Tk. 4,25,318
Tk. 5,000	Tk. 2,07,306	Tk. 3,85,136	Tk. 6,09,791	Tk. 10,63,297
Tk. 10,000	Tk. 4,14,613	Tk. 7,70,272	Tk. 12,19,583	Tk. 21,26,594
Tk. 20,000	Tk. 8,29,227	Tk. 15,40,545	Tk. 24,39,166	Tk. 42,53,188

Note: In case of there installment, multiple of Tk. 500 & Tk. 1,000, will follow the matured value as specified in this table. For example, if installment is Tk. 2,5000 for 3 years tenor maturity value will be Tk. 20,730 X 5 times (Tk. 2,500/500) and if installment is Tk. 7,000 for 3 years tenor maturity value will be Tk 41,461 X 7 times (Tk. 7,000/1000).

4.5: Card Products:

1) Simple Credit Cards

EBL World of Credit Cards

Introducing EBL SIMPLE Credit Cards. The first of its advantage, a complete Credit Card with every benefit possible, and still offering consumer something extra. At work or leisure, experience the convenience of a Card that does everything with style and honesty.

When consumer become a member of EBL SIMPLE Card Services family, consumer become a part of an exclusive club – entitled to first class financial advice, priority treatment and a growing range of courtesy services.



We understand the value of your money. That is why EBL aim to give consumer the highest benefit at a minimum cost. Choose the card type that matches consumer requirement and experience the difference.

“Experience EBL Credit Cards. Experience SIMPLE”



Features at a glance:

One time Fee, Lifetime Free: Owning a Credit Card is a basic right of a Qualified Financial Services Consumer – and there is no strong reason to pay fee every year for that right.

At EBL, we have shown respect to this concept. To avail EBL Credit Card services, consumer need to pay the Issuance/Joining/Subscription/ Annual Fee only once. After that there is no annual fee for consumer as long as consumer transact at least 18 times in a whole year.

It is a lifetime Card. As per market standard, an average cardholder uses his/her card almost 24 times annually. So, without doing anything extra - consumer can have the free renewal option – for the following year.

Balance Transfer: EBL are happy to introduce Balance Transfer for the first time in Bangladesh.

If you have Other Bank Credit Card(s), you have the option to transfer your current outstanding balance at a much cheaper rate to your EBL Credit Card. This saves your money, time and gives you the convenience to manage all your expenses from one point.



EBL want to be your lifetime partner. That is why EBL care about your current outstanding amount. EBL are offering Balance Transfer (BT) @22% per annum. The standard market interest average of Bank Credit Card is 30%, EBL are offering you to switch your cards @8% less interest.

Card Cheque: Through EBL Credit Card you can enjoy a full-fledged cheque book facility. You can make payment (account payee only) to any person or organization of your choice. This cheque book is useful with situation where you cannot use your credit card (e.g. tuition fees, rent, etc). EBL are offering the FIRST CHEQUEBOOK FREE. There is a charge for subsequent Cheque books.

Worldwide Acceptance: EBL Credit Card is accepted at over 5,000 VISA merchant outlets around the country and over 24 million VISA outlets worldwide. You can use this Card for a wide range of products and services such as hotels, restaurants, airline & travel agents, shopping malls and departmental stores, hospitals and diagnostic centers, jewelers, electronics & computer shops, leather goods and shoe stores, mobile phone and internet service providers, fuel station and what not! This number is progressively on the rise. No matter wherever you are – with EBL Credit Cards, you will always have the purchase power.

Immediate Cash Advance: With an EBL Credit Card in your wallet, you will not be strapped for cash ever again. You can withdraw cash up to 50% of your total credit limit 24-hours a day from any EBL ATM; or any VISA participating member bank ATMs across the country; or from any VISA ATMs worldwide. You do not need to worry of carrying cash anywhere – not even on a foreign trip when there is no one to give you hard cash at time of need. EBL Credit Cards shall always be with you.

Supplementary Card: EBL Credit Card gives you the opportunity to share the benefits of your card with your dear ones by providing you supplementary cards. Being a primary cardholder, you have the option to set a spending limit for each of your supplementary cards. This is perfect for you if you are thinking of giving your Children their pocket money in a controlled way. You can easily set-up their spending limit and also have an



eye on their spending behavior. All transactions on your supplementary card will separately be shown on your monthly statement.

Risk Assurance Program: Risk Assurance Program is a Double Benefit Insurance Plan for the EBL Credit Cardholders. The entire dues on the credit card in the event of death or permanent total disability of EBL credit cardholder will be waived and the cardholder or his/her family will receive equal amount to meet immediate expenses – under Risk Assurance Program. Very nominal charge will be applicable for this coverage. Cardholders can decide to cancel this program by sending a letter to us at any time.

Great Discounts: We have collaborated with hundreds of vendors for giving the EBL Credit Card users a hefty discount on their products and services. The great discounts in turn allows you either to save money or shop more with the same amount you are spending now. Less or more – choice is yours. Spending was never been so great.

Shopper's Guide: EBL Credit Card provides you a list of shops and outlets where using the card will entitle you to receive certain discount. EBL have chosen a large number of shops and retail outlets for the purpose. The printed guide comes with every details (i.e. shop name, address, discount value etc.) thus making your life easier.

Easy Installment Program: Easy Installment Program of EBL Credit Card allows the cardholder to convert any retail transaction into an easy installment plan. You can purchase any high value product or service and make payments in equal monthly installments (EMIs). The program will be available shortly and EBL will notify you as soon as our network partners increase. Tentative program launching date January 1, 2008.

Auto Debit Facility: If you have an account with any Eastern Bank branch, you have the option of making the payment of your monthly credit statement (either the minimum amount due or the total amount due) directly through your bank account.

Convenient Payment Option: When you receive your bill, you need not pay the entire bill amount. You have the flexibility of selecting any of the following payment options:



1. Pay the total amount due.
2. Pay only the minimum amount due (5% of your total outstanding or BDT 500 whichever is higher for local card and for Dual card 5% of your total outstanding or USD 10 whichever is higher) and the balance can be carried forward to subsequent statements.
3. Pay any amount ranging from the minimum amount due to the total amount due.

You can plan your payments conveniently, without creating any extra pressure on your finances.

SMail Service: EBL cardholders can receive monthly statements via e-mail, completely free of cost. This is a fast, reliable and efficient service, which will minimize your paperwork and maximize convenience. Your Statement Mails or SMails can be delivered to more than one e-mail address (up to a maximum of three e-mail addresses). All you need to do is just filling up the form and EBL will do the rest. It's all smile with SMail.

Photocard with Signature: Your EBL Credit Card has your photograph and signature digitally imprinted on the Card. This provides you extra security at any of the merchant establishments. In fact, it can be used as a proof of identification, in the interest of your own security.

Global Emergency Assistance Service: When you travel abroad, please remember that you have the option of using the Global Emergency Assistance Services provided by VISA for our cardholders. These can be availed for:

1. Reporting lost/stolen credit cards,
2. requesting for an emergency card replacement,
3. Emergency cash advance &
4. Miscellaneous enquiries.

The toll free telephone numbers for accessing these emergency assistance Help lines are available in local telephone directories/yellow pages and other local listings in each country.



EBL Mobile Alert: EBL Mobile Alert is a very simple, powerful and convenient way to know your Credit Card statement details instantly without any postal delays. As soon as you become an EBL Credit Cardholder, you automatically join in the EBL Mobile Alert service and get faster, reliable access to your Monthly Statement. Mobile alerts from EBL provide you with information on your EBL Credit Card even when you are on the move. You would now no longer miss a payment or exhaust your credit limit without a warning. Once your statement is generated, EBL will notify you about the balance status with payment information. Life has never been so easier.

EBL Rewards Program: A special bonus plan that allows you to earn points every time you use your Card, Every Tk. 50 that you spend earns you 1 point. The redemption of reward points can be done against the products, services in the rewards catalogue. The enrollment is free. EBL are preparing the rewards listing and shall mail you the catalogue with program details as soon as it is launched.

Self-set Limit: EBL Credit Card is the only Card that allows you to pre-define your own credit limits. You can request for a limit lower than what you are eligible for. You can even preset the monthly spending limits on the Supplementary Cards. Any transactions over the specified 'Spend Limit' will be declined. This monthly spending limit can be reset every billing cycle by just calling the EBL 24-hour Cards Center and place your request with the Customer Service Executive. Your spend limit will be changed on-line and come in to force from the next billing cycle.

Limited Lost Card Liability: In case the Card is lost or stolen, call the EBL 24-hour Cards Center and report the loss of your Card. A new Card will be sent to you within 72 hours of reporting this loss. You are protected from any financial liability arising out of transactions done on your missing Card, from the time you report the loss to us.

24-hour Cards Center: The EBL 24-hour Cards Center is equipped with a state-of-the-art system that ensures your queries being handled efficiently and promptly. For any card-related query or information, all you need to do is dial 9571760 or 9571775 Ext. 120/130



Fees & Charges (excluding VAT, all in BDT):

PARTICULARS	LOCAL CLASSIC	LOCAL GOLD	DUAL CLASSIC	DUAL GOLD
Card Issuance Fee	1,300	2,500	1,300	2,500
Renewal Fee - Base Card*	NIL	NIL	NIL	NIL
Card Issuance Fee - Supplementary Card	1,300	2,500	1,300	2,500
Renewal Fee - Any Supplementary Card*	NIL	NIL	NIL	NIL
Card Replacement Fee	150	300	200	400
PIN Replacement Fee	150	300	200	400
Finance Charge on all Transactions (per month)	2.50%	2.50%	2.50%	2.50%
Balance Transfer Interest (per month)	1.83%	1.83%	1.83%	1.83%
Interest on Excess of Limit Amount (per month)	2.92%	2.92%	2.92%	2.92%
Late Payment Fee (BDT)	300	500	300	500
Late Payment Fee (\$)	X	X	\$ 10	\$ 15
Cash Advance Fee (BDT – whichever higher)	3% or 100	3% or 100	3% or 100	3% or 100
Cash Advance Fee (\$)	X	X	3%	3%
Balance Transfer Fee	1%	1%	1%	1%
Duplicate Statement Fee (BDT)	50	50	50	50
Returned Cheque Fee (BDT)	200	200	200	200
Outstation Cheque Collection Fee (BDT)	250	250	250	250
Sales Voucher Retrieval Fee	200	200	200	200
Certificate Fee	200	200	200	200
Expired Card Printing Charge/Plastic Fee Every 2 Years, if the card is in zero renewal mode	100	100	100	100
Risk Assurance Fee (BDT)	0.35%	0.35%	0.35%	0.35%
First Card Cheque Book – 12 Leaves	Free	Free	Free	Free
Card Cheque Book Fee 12 leaves (BDT)	150	150	150	150
Card Cheque Book Fee 25 leaves (BDT)	250	250	250	250
Card Cheque Processing Fee (BDT)	1%	1%	1%	1%
Statement by Email - SMail Service	Free	Free	Free	Free

Subject to minimum 18 transactions in a year
15% VAT applicable on all fees and charges



2) **EBL Campus life Style Card:**

EBL Campus - fist time in Bangladesh a tailor made banking pack for students.

LifeStyle Card - Under “EBL Campus” it’s another brilliant offering- a solid, internationally branded prepaid card that suits the lifestyle of students. The best way to not only make a fashion statement, but also to control your spending all in style. Reload and use only when you need to.

And rest assured about the safety & security that the VISA logo vouches for!

Features:

- A global branded VISA prepaid card
- Re-loadable
- Round the clock access to large ATM network (over 85 Q-cash & VISA ATMs within Bangladesh) and a large network of POS terminals at different shops
- Discount on purchases available from many retail shops/outlets
- Having a bank account with EBL is not required

Eligibility:

- Minimum age: 18 years

3) **EBL campus cool card:**

EBL Campus - fist time in Bangladesh a tailor made banking pack for students.

Cool Card - Under “EBL Campus”, it’s another fantastic offering- the perfect vehicle for doing away with the hassles of carrying cash around. This VISA Electron Debit Card- specially designed for students- is not just a piece of super- smart plastic, it’s much more. Its freedom, ease, order, safety & style- all put together in a cool, cool fashion!

Features:

- A global branded VISA Electron Debit Card tagged with Campus Accolunt maintained at EBL
- Round the clock access to a large ATM network (over 85 Q-Cash & VISA ATMs within Bangladesh) and a larger network of POS terminals at different shops
- Discount on purchases available from many retail outlets/shops
- Cheaper than EBL VISA Election Debit Card (available for general customers)



Eligibility:

- You need to be a student
- You need to have an EBL Campus Account opened with EBL
- Minimum age: 18 years

“EBL SME Banking Products”

SME means “Small Medium Enterprise”. There are many SME product are provided by the EBL to fulfill the consumer needs and demand. EBL provides many services under SME loan and deposit products. These SME banking products are describing in the following:

4.6: SME Loan Products:

1) EBL Agrim:

Features:

- Partial payment and early payment allowed- no additional fee required
- Single shot payment at maturity but interest will be realized on monthly basis
- Loan tenure 1 month to 6 months
- No collateral security required
- Any legal business purpose, loan facility minimum BDT 200,000 – maximum BDT 950,000

Eligibility:

- Any successful enterprise with minimum two years in same or relevant business can apply for the loan
- Business cash flow to support the proposed loan in one shot
- Necessary documents of business required
- Bank account in the name of the enterprise or entrepreneurs
- Personal guarantee required



2) EBL Uddog:

Features:

- Any legal business purpose, loan minimum BDT 6000,000 – maximum BDT 5,000,000
- Without land/building mortgage
- To be repaid within maximum 60 months.
- Loan repayable in monthly installments
- 50% of the loan amount in the form of fixed deposit is needed.

Eligibility:

- Any successful enterprise minimum one and a half years in same or relevant business can apply for loan.
- Business income to support the proposed loan installment
- Necessary documents of business are required
- Bank account in the name of enterprise or the entrepreneurs.

3) EBL Asha:

Features:

- To be repaid within maximum 24 months (Next loan is repayable within 60 months)
- Any business purpose loan from Tk. 200,000 to Tk. 1,000,000
- No requirement for collateral security
- Loan repayable in equal monthly installment

Eligibility:

- Any sole proprietorship, or private limited companies having minimum 2 years of successful business operation
- Monthly cash flow to support the proposed loan installment
- 2 personal guarantee



4) **EBL Puji:**

Features:

- Any business purpose loan from Tk. 1,000,000 to Tk. 5,000,000
- To be repaid within maximum 36 months (Next loan is repayable within 60 months)
- Collateral security required along with charge on business assets
- Loan repayable in equal monthly installment

Eligibility:

- Any sole proprietorship, partnership, or private limited companies having minimum 3 years of successful business operation
- Monthly cash flow to support the proposed loan installment

5) **EBL Bannijyo:**

Features:

- Credit facility up to BDT 20,000,000 to any legitimate import business
- Nil margin LC facility
- No requirement of land/building mortgage
- Post import facility up to 6 months
- 30%-40% of total limit in the form of FD as collateral required
- Over Draft facility to support day to day general expenses

Eligibility:

- Any legitimate business with three years of operation and at least one year experience in import business
- Necessary import related documents
- Business cash flow to support repayment

4.7: SME Deposit Products:

EBL Shubidha:

Features:

- Minimum account opening amount BDT 100,000
- Minimum deposit requirement for interest earning BDT 100,000
- Daily interest bearing and half-yearly interest paying account
- Free Monthly Statement for the Current Account and Free Half-yearly Statement for the Shubidha Account
- No Ledger Fee if the Shubidha Account average balance is BDT 100,000 or more; incase of amount less than that a semi-annual ledger fee of BDT 300 will be applicable
- 24-hour money withdrawal facility at any VISA ATM
- No Intercity Transaction Fee Up to BDT 10,00,000
- Any EBL Branch Banking Facility
- Internet Banking facility
- Evening banking facility at selected EBL branches - you can deposit and withdraw money from 6 p.m. to 8 p.m. at these branches

Any legitimate business entity - sole proprietorship, partnership or private limited company, with valid trade license and other documents as per Bangladesh Bank requirements, can open EBL Shubidha.



4.8: Internet Banking:

EBL Internet banking application addresses the needs of small, individual and corporate account holders of the bank. This application provides a comprehensive range of banking services that enable the customer to meet most of their banking requirements over the Net.

List of Transactions:

- **Account Operations and Inquiries**
- **Fund Transfers and Payments:** The customer can choose to transfer funds by selecting different mode of transfers. Funds can be transferred between accounts of the corporate, to a third party account or to other banks using prevalent payment systems. The user will be allowed to select source and destination accounts depending upon his rights on the accounts for that corporate. In case of external transfers, the user will be allowed to select the source account and specify the beneficiary details plus any additional payment details. If required, EBL INTERNET BANKING APPLICATION can also support future dated transfers.
- **Utility Bill Payment:** The customer can make Utility Bill Payments to utility companies as set up by the Bank by transferring funds from his/her Savings or checking accounts.
- **Deposits**
- **Loans**
- **Inquiries and other services**
- **Session Summary**



4.9: Corporate Banking:

Corporate banking is an integrated specialized area of the Bank which addresses the diverse financial needs of corporate customer. Local and Foreign Business Houses (Public and Private Limited Companies), NGO's, Associations, Not for profit organizations, Sole Proprietorship Concern 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 Terms 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 Solution.
- Advisory Services/Financial Consultancy
- Arrange Loan Syndication
- Developing Relationship between the Client 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 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' compliments 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.

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 Hypothecation Merchandise Pledged
LTR	Loan Against Trust Receipt
Acceptance	Acceptance against ULC
LBPD	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



4.10: 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 toward 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 17th March 2005 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.



Chapter-5

The Financial Performance of EBL

Chapter Objectives:

- Deposits & other accounts.
- Loans and advances.
- Export.
- Import.
- Guarantee business.
- Operating income.
- Operating expenses.
- Operating profit.
- Total assets.
- Earning per share.
- Dividend per share.
- Return on equity.
- Return on assets.
- Classified loan.
- Capital adequacy ratio.
- Cost to income ratio.



Chapter Overview

In this chapter I have discussed about an appraisal of the financial performance of EBL. For analysis the financial performance, I have collected the data from year 1999 to 2006 from the annual report and I used these data for the growth percentage calculation, graphical explanation and for some ratio analysis. From this chapter we can have clear idea about the financial site of Eastern Bank Limited.



5.1: Deposits and Other Accounts:

Table 5.1: Deposit and Other Accounts
(Figures in million Tk)

Year	Deposits & Other Accounts	Growth %
1997	9,568	-
1998	8,879	-7.2
1999	11,231	26.49
2000	12,375	10.19
2001	13,277	7.29
2002	13,661	2.89
2003	11,952	-12.51
2004	15,649	30.93
2005	19,396	23.94
2006	25,734	32.68

Source: Annual report of EBL from 1997 to 2006

From the table 5.1 it can be stated that the amount of Deposits & Other accounts are gradually increases from the year 1997 to year 2006. In the year 2006 growth percentage of Deposit and Other Accounts was the highest, which was 32.68%. It means that in the year 2006 the deposits and other accounts amount was the highest, which was 25,734 million Tk. So the year 2006 is a beneficial year for EBL. But in the year 2003 and 1998 growth rate was negative, which was -12.51% and -7.2%. But on the other years Growth rate was positive. The trend of deposits and other accounts is shown in the following graph:

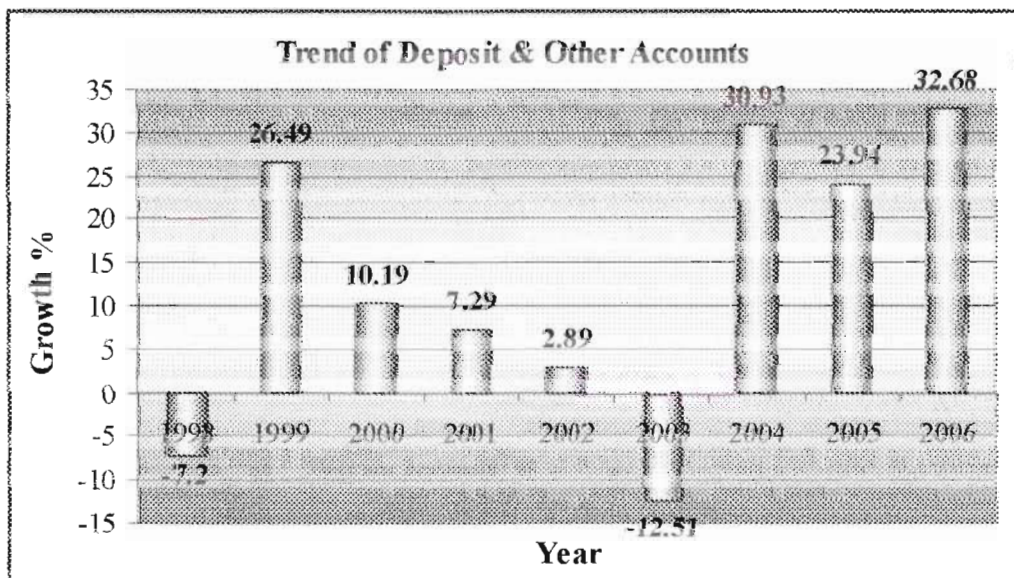


Figure-5.1: Trend of deposits and other accounts



5.2: Loans and Advances:

Table 5.2: Loans and Advances
(Figures in million Tk)

Year	Loans and Advances	Growth %
1997	5,258	-
1998	5,744	9.24
1999	7,902	37.57
2000	8,141	3.02
2001	9,946	22.17
2002	10,891	9.5
2003	11,288	3.65
2004	14,973	32.65
2005	17,758	18.6
2006	26,008	46.46

Source: Annual report of EBL from 1997 to 2006

From the table 5.2 it can be stated that growth percentages of loans and advances are fluctuated from the year 1997 to year 2006. In the year 2006 growth percentage was the highest, which was 46.46%. It means that in the year 2006 the loans and advances amount was the highest, which was 26,008 million Tk. But in the year 2003 growth rate was the lowest, which was 3.65%. The trend of loans and advances is shown in the following graph:

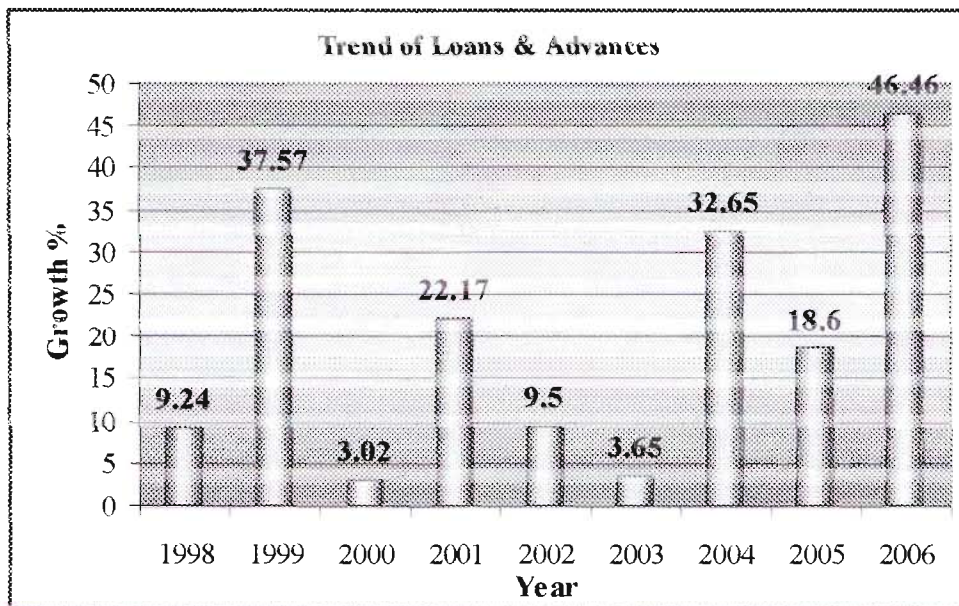


Figure-5.2: Trend of loans and advances



5.3: Export Business:

Table 5.3: Export Operation
(Figures in million Tk)

Year	Export	Growth %
1997	3,426	-
1998	4,822	40.75
1999	5,729	18.81
2000	7,281	27.09
2001	5,402	-25.81
2002	4,358	-19.33
2003	3,533	-18.93
2004	8,303	135.01
2005	13,239	59.45
2006	24,286	83.44

Source: Annual report of EBL from 1997 to 2006

From the table 5.3 it can be stated that the growth rate of export operation was highest in the year of 2004, which was 135.01%. The highest growth rate of export operation is the good sign for EBL because more import and export means more commissions will receive by the bank. But in the year 2001 growth rate was the lowest, which was 25.81%, which is the bad sign for the organization. On the other hand in year 2006 export operation amount was the highest, which is 24,286 million Tk. The trend of export operation is shown in the following graph:

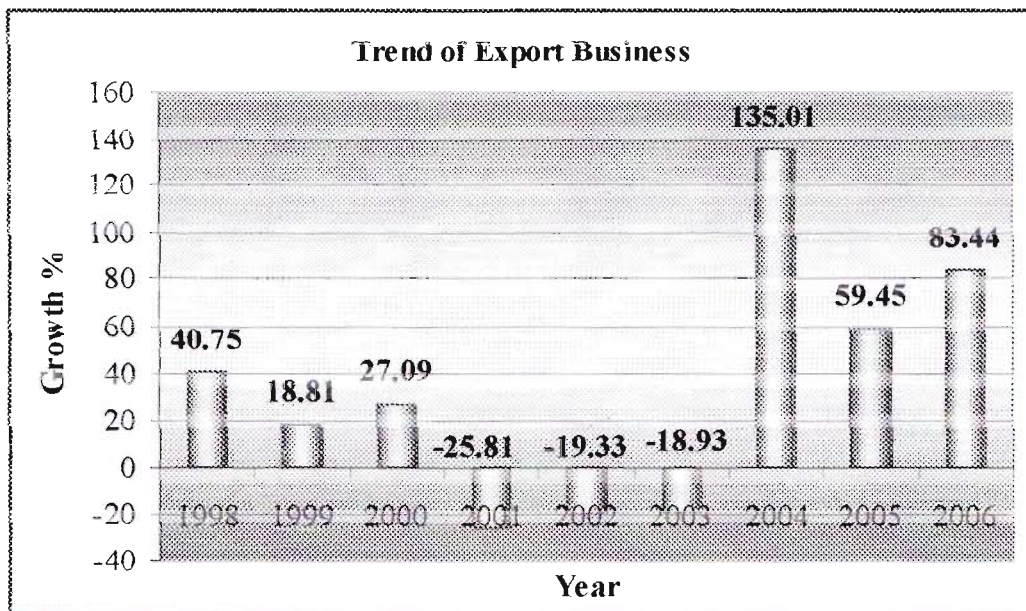


Figure-5.3: Trend of Export Operation

5.5: Guarantee Business:

Table 5.5: Guarantee Business

(Figures in million Tk)

Year	Guarantee Business	Growth %
1997	708	-
1998	742	4.8
1999	1,257	69.41
2000	1,789	42.32
2001	1,054	-41.08
2002	1,183	12.24
2003	354	-70.08
2004	947	167.51
2005	555	-41.39
2006	651	17.3

Source: Annual report of EBL from 1997 to 2006

From the above table 5.5 we can observe that the growth percentage of guarantee business was the highest in the year of 2004, which is 167.51%. And the lowest growth percentage was in the year of 2003, which is -70.08%. In the year 2001, 2003 and 2005 having negative growth rate. Decreasing growth rate of Guarantee business indicate the bad sign for the bank. But on the other years growth rate was good. The trend of guarantee business is shown in the following graph:

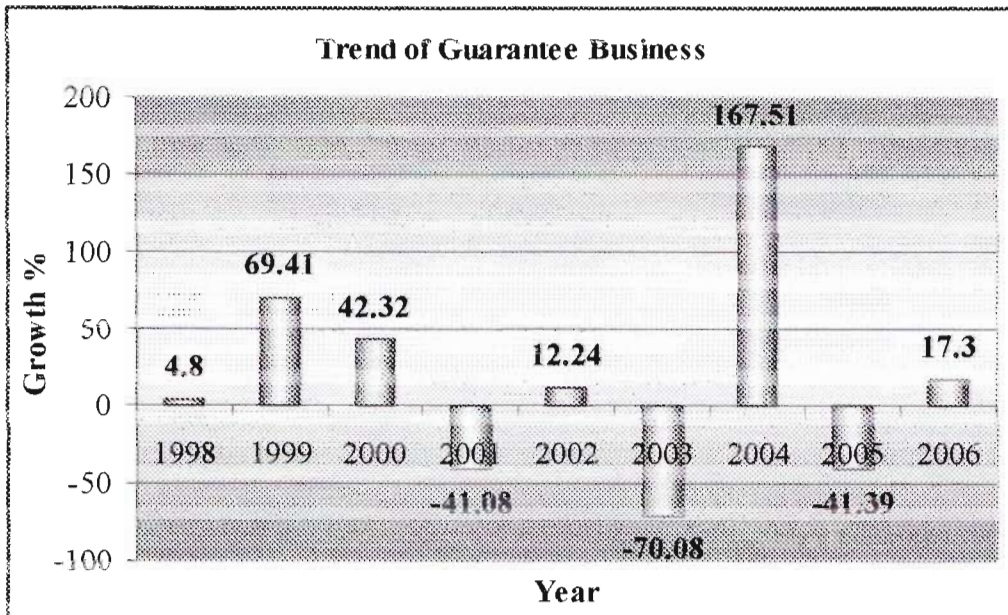


Figure-5.5: Trend of Guarantee Business



5.6: Operating Income:

Table 5.6: Operating Income of EBL_t
(Figures in million Tk)

Year	Operating Income	Growth %
1997	985	-
1998	1,199	21.73
1999	1,611	34.36
2000	1,916	18.93
2001	2,022	5.53
2002	1,986	-1.78
2003	1,985	-0.05
2004	2,241	12.9
2005	2,957	31.95
2006	4,272	44.47

Source: Annual report of EBL from 1997 to 2006

From the above table 5.6 we can observe that the growth percentage of operating income was the highest in the year of 2006, which is 44.47%. And the lowest growth percentage was in the year of 2002, which is -1.78%. Decreasing growth rate of operating income indicate the bad sign for the bank. But on the other years growth rate was good.

The trend of operating income is shown in the following graph:

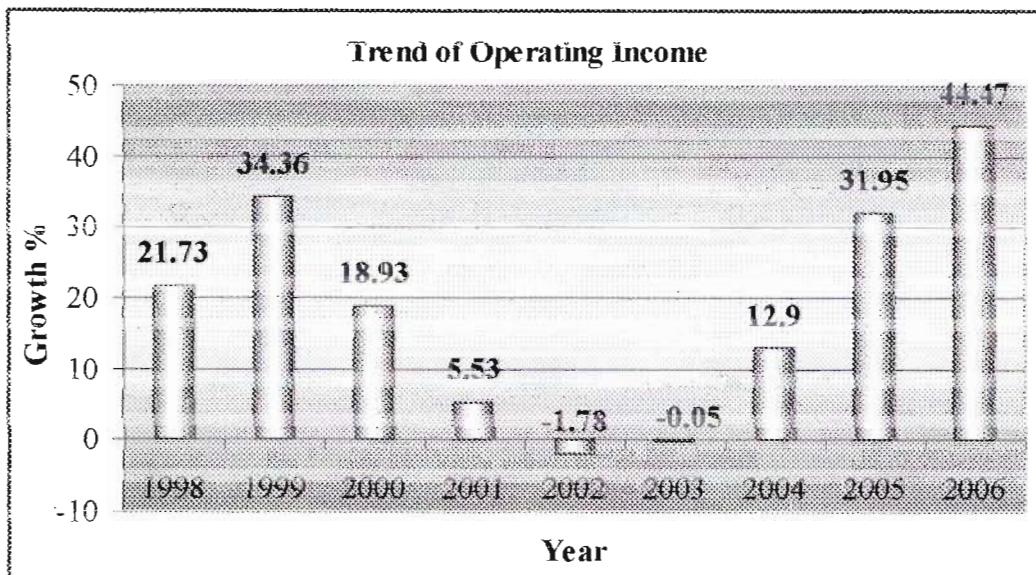


Figure-5.6: Trend of Operating Income



5.7: Operating Expenses:

Table 5.7: Operating Expenses of EBL
(Figures in million Tk)

Year	Operating Expenses	Growth %
1997	629	-
1998	796	26.55
1999	1,030	29.4
2000	1,242	20.58
2001	1,319	6.2
2002	1,255	-4.85
2003	1,226	-2.31
2004	1,349	10.03
2005	1,901	40.92
2006	2,913	53.24

Source: Annual report of EBL from 1997 to 2006

From the above table 5.7 we can observe that the growth percentage of operating expenses was the highest in the year of 2006, which is 53.24%. And the lowest growth percentage was in the year of 2002, which is -4.85%. Less operating expense means good sign for EBL.

The trend of operating expenses is shown in the following graph:

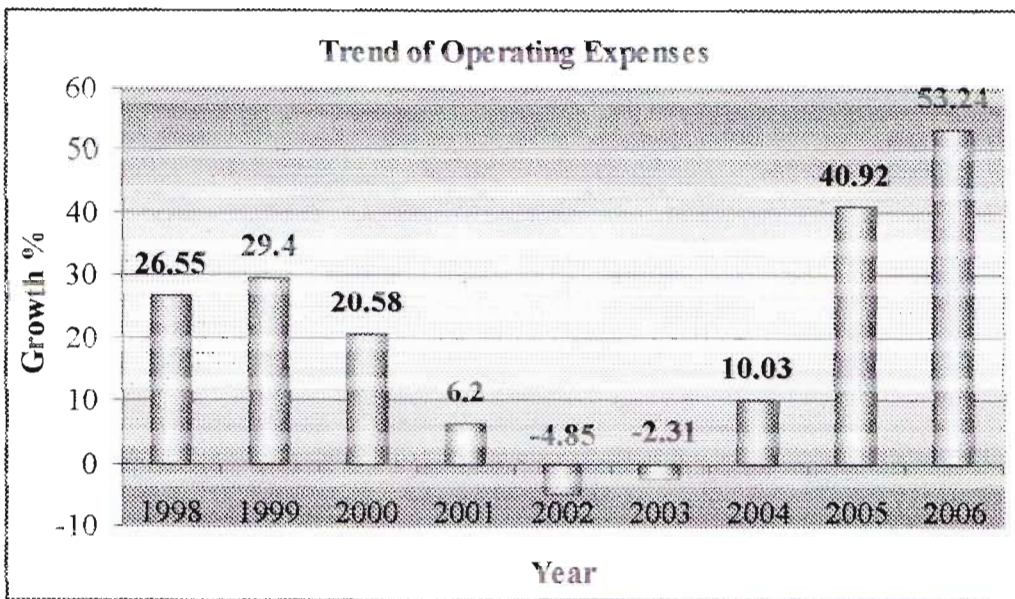


Figure-5.7: Trend of Operating Expenses



5.8: Operating Profit:

Table 5.8: Operating Profit of EBL

(Figures in million Tk)

Year	Operating profit	Growth %
1997	356	-
1998	403	13.2
1999	581	44.17
2000	674	16.01
2001	703	4.3
2002	731	3.98
2003	759	3.83
2004	892	17.52
2005	1,056	18.39
2006	1,358	28.6

Source: Annual report of EBL from 1997 to 2006

From the above table 5.8 we can observe that the growth percentage of operating profit was the highest in the year of 1999, which is 44.17%. And the lowest growth percentage was in the year of 2003, which is 3.83%. And the amount of operating profit has increased from 1997 to the year 2006. If we look at the operating profit of the year 2006 then we can measure the development of EBL. The trend of operating profit is shown in the following graph:

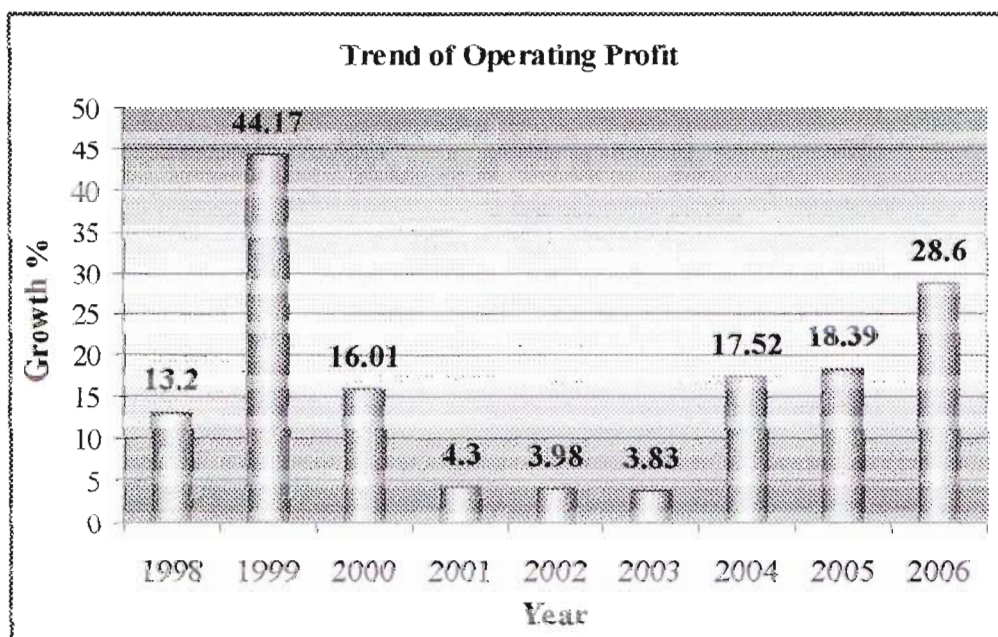


Figure-5.8: Trend of Operating Profit



5.9: Net Profit Before Tax:

Table 5.9: Net Profit before Tax

(Figures in million Tk)

Year	Net Profit Before Tax	Growth %
1997	343	-
1998	373	8.75
1999	409	9.65
2000	475	16.14
2001	553	16.42
2002	631	14.1
2003	638	1.11
2004	851	3.39
2005	967	13.63
2006	1,134	17.27

Source: Annual report of EBL from 1997 to 2006

From the above table 5.9 we can observe that the growth percentage of net profit before tax was the highest in the year of 2006, which is 17.27%. And the lowest growth percentage was in the year of 2003, which is 1.11%. And the amount of net profit before tax has increased from year 1997 to year 2006. If we look at the net profit before tax of the year 2006 then we can measure the development of EBL. The trend of net profit before tax is shown in the following graph:

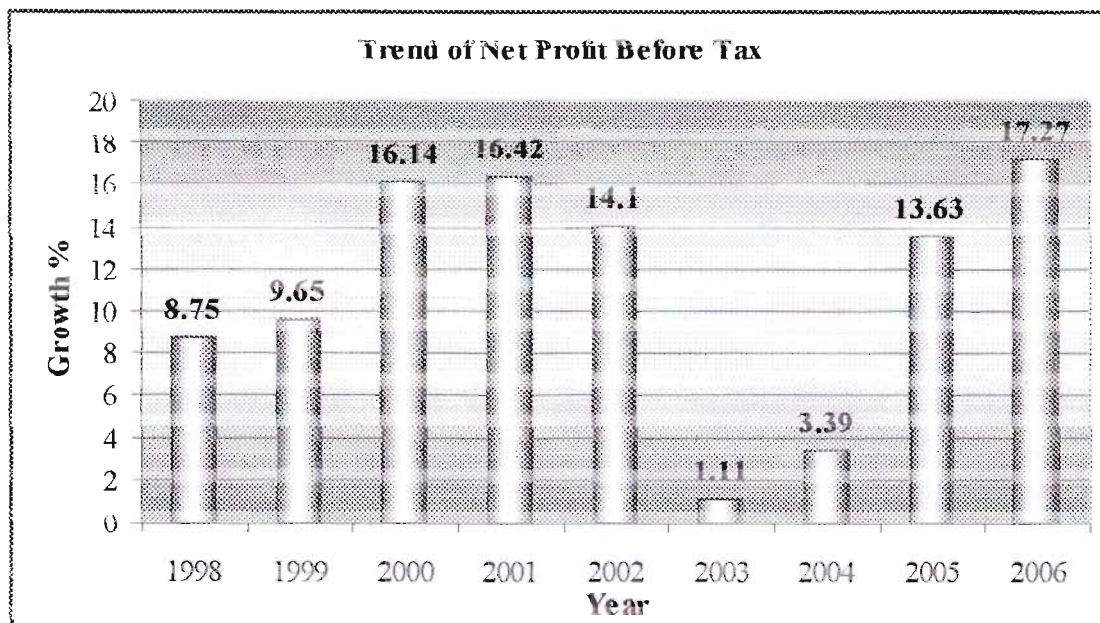


Figure-5.9: Trend of Net Profit Before Tax



5.10: Total Assets:

Table 5.10: Total Assets (Excluding contingent)

(Figures in million Tk)

Year	Total Assets	Growth%
1997	10,186	-
1998	10,973	7.73
1999	14,394	31.18
2000	16,880	17.27
2001	18,284	8.32
2002	18,445	0.88
2003	18,716	1.75
2004	23,048	23.14
2005	27,400	18.88
2006	35,971	31.28

Source: Annual report of EBL from 1997 to 2006

From the above table 5.10 we can observe that during 1997 to 2001 total assets of the bank has increased in every year. The growth percentage of total assets was the highest in the year of 2006 and the lowest was in the year of 2002. The trend of net total assets is shown in the following graph:

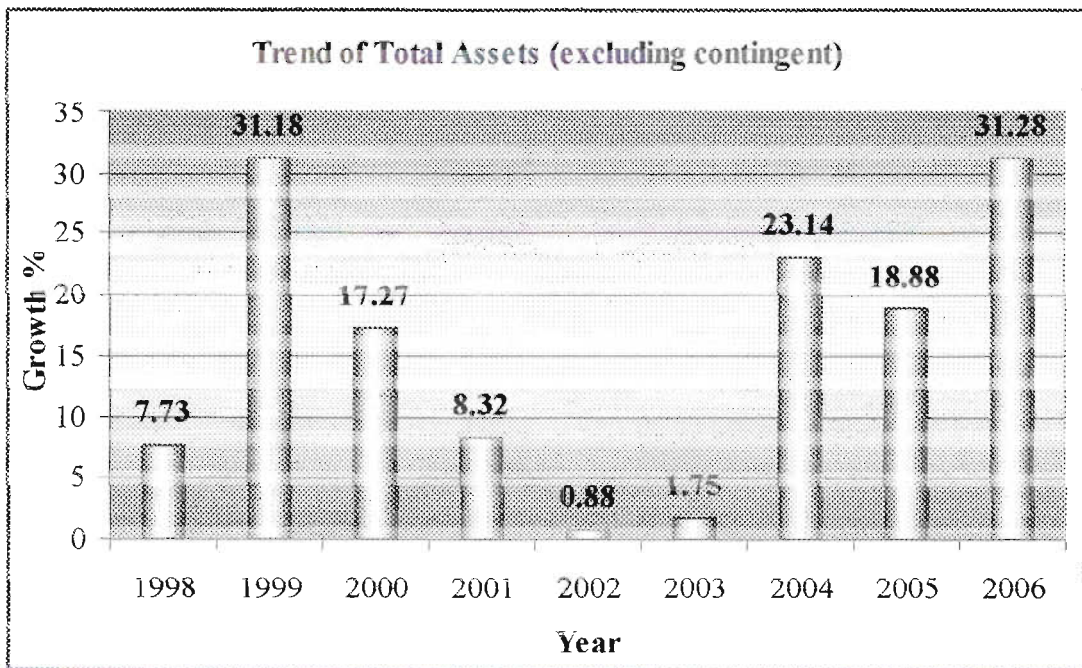


Figure-5.10: Trend of Total Assets



5.11: Earning Per Share:

Table 5.11: Earning Per Share

(Figures in Tk)

Year	Earning Per Share	Growth %
1997	36.37	-
1998	38.48	5.8
1999	37.26	-3.17
2000	40.91	9.8
2001	44.86	9.66
2002	51.49	14.78
2003	43.21	-0.16
2004	58.38	34.95
2005	66	13.05
2006	61.98	-6.09

Source: Annual report of EBL from 1997 to 2006

From the above table 5.11 we can observe that during 1997 to 2006 the trend of earning per share of the bank has increased in most of the year. The growth percentage of earning per share was the highest in the year 2004. But growth percentage was negative in year 1999, 2003 and 2006.

The trend of earning per share is shown in the following graph:

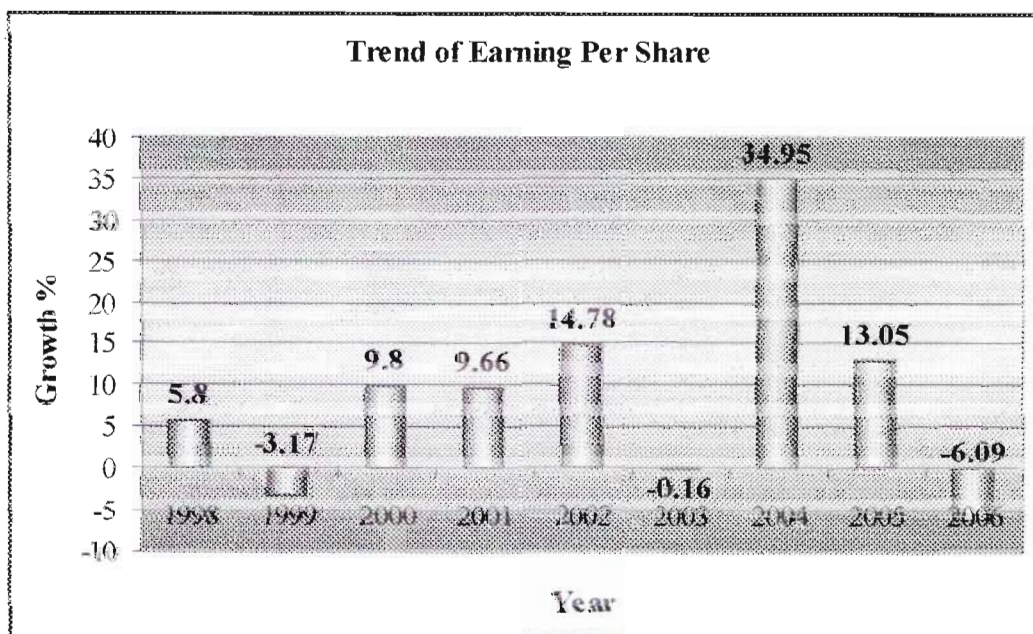


Figure-5.11: Trend of Earning Per Share



Table 5.12: Dividend per Share

(Figures in Tk)

Year	Dividend Per Share	Growth %
1997	10	
1998	10	0
1999	20	100
2000	30	50
2001	30	0
2002	35	16.67
2003	20	-42.86
2004	43	115
2005	40	-6.98
2006	45	12.5

Source: Annual report of EBL from 1997 to 2006

Dividend per share depends on profit. If the profit is high then dividend per share will be high, and if profit is low then dividend per share will be low. From the above table 5.12 we can observe that during 1997 to 2001 the growth of dividend per share has fluctuated. The highest growth rate was in year 1999. That means in year 1999 profit was highest. But in the year 2003 and 2005 growth rate was negative. In year 2006 it has again increased. The trend of dividend per share is shown in the following graph:

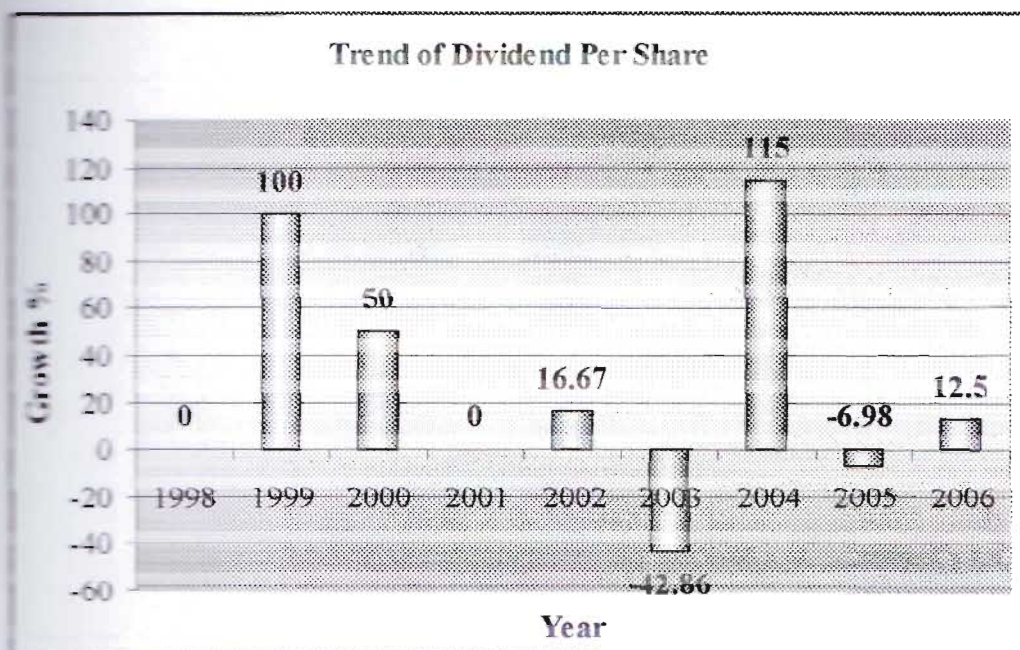


Figure-5.12: Trend of Dividend per Share



5.13: Return on Equity:

Return on equity is the ratio of net income to common equity; it measures the return on common stockholders investment. Calculation of the ROE:

$$\text{ROE} = \text{Net Income} / \text{Total equity capital}$$

The return on equity of EBL is shown in the following table:

Table 5.13: Return on Equity
(Figures in %)

Year	Return on Equity (%)	Growth %
1997	40.36	
1998	29.75	-26.29
1999	19.39	-34.82
2000	15.38	-20.68
2001	16.93	10.08
2002	17.44	3.01
2003	15.33	-12.1
2004	18.44	20.29
2005	19.17	3.96
2006	16.07	-16.17

Source: Annual report of EBL from 1997 to 2006

From the above table 5.13 we can observe that during 1997 to 2006 the trend of return on equity is not in good condition. The highest growth rate is in year 2004, which is 20.29% and the lowest in year 1999, which is -34.82%. So EBL need to be more concern about return on equity. The trend of return on equity is shown in the following graph:

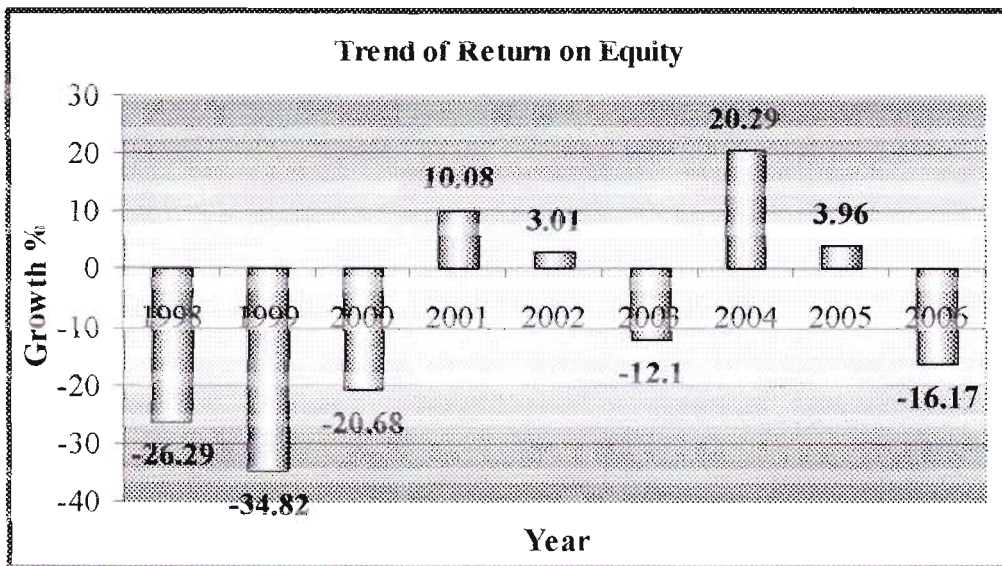


Figure-5.13: Trend of Return on Equity



5.14: Return on Assets:

Return on assets indicates how successfully a firm is using its assets to generate its income. Returns on assets also measure the efficiency of firms' managers' to using its assets. ROA can be calculating by the following formula:

$$\text{ROA} = \text{Net income} / \text{Total assets}$$

So, the calculated ROA EBL is shown in the following table:

Table 5.14: Return on Assets
(Figures in %)

Year	Return on Assets (%)	Growth %
1997	2.4	
1998	2.18	-9.17
1999	1.76	-19.27
2000	1.57	-10.8
2001	1.84	17.2
2002	2.04	10.87
2003	1.94	-4.9
2004	2.32	19.59
2005	2.17	-6.47
2006	1.62	-25.35

Source: Annual report of EBL from 1997 to 2006

From the above table 5.14 we can observe that during 1997 to 2006 the trend of return on assets is not in good condition. The highest growth rate is in year 2004, which is 19.59% and the lowest in year 2006, which is -25.35%. So EBL need to be more concern about return on assets. The trend of return on assets is shown in the following graph:

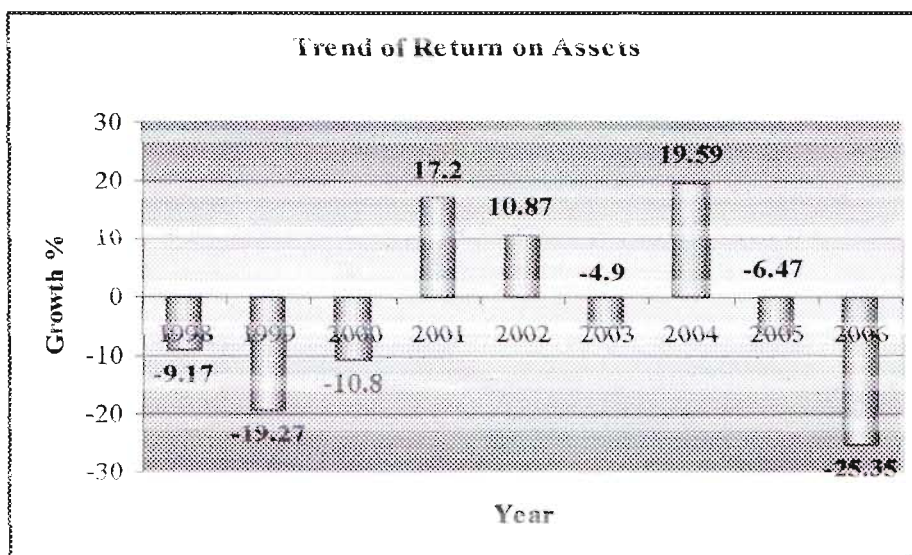


Figure-5.14: Trend of Return on Assets



5.15: Classified Loan:

Table 5.15: Classified Loan

(Figures in %)

Year	Classified Loan (%)	Growth %
1997	6.96	-
1998	6.85	-1.58
1999	8.77	28.03
2000	8.21	-6.39
2001	11.52	40.32
2002	13.46	16.84
2003	13.61	1.11
2004	7.19	-47.17
2005	5.41	-24.76
2006	3.79	-29.94

Source: Annual report of EBL from 1997 to 2006

From the above table 5.15 we can observe that during 1997 to 2006 the trend of classified loan is not in good condition. The highest growth rate is in year 2001, which is 40.32% and the lowest in year 2004, which is -47.17%. And last three years growth rate is negative. So EBL need to be more concern about classified loan.

The trend of classified loan is shown in the following graph:

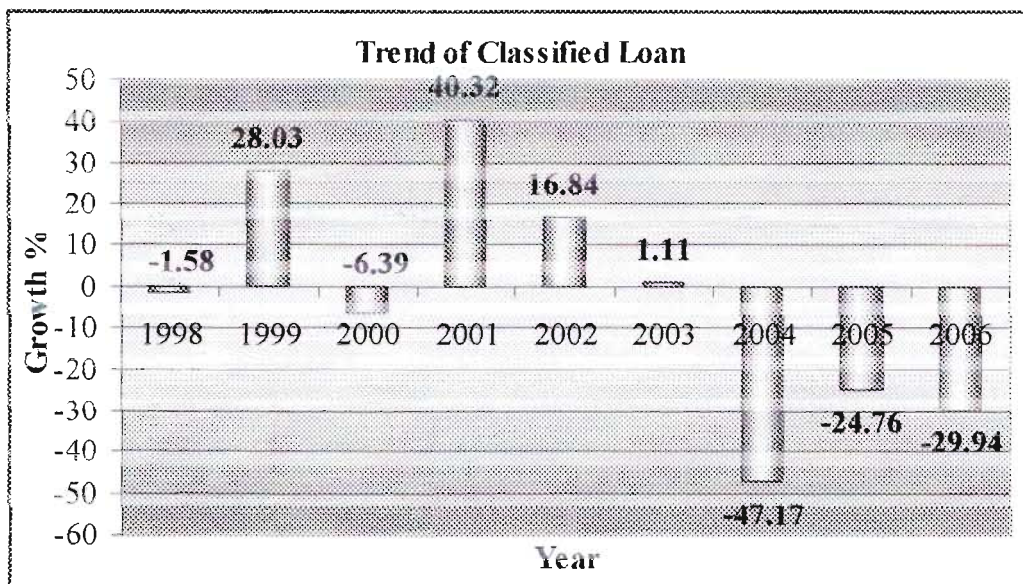


Figure-5.15: Trend of Classified Loan



5.16: Capital Adequacy Ratio:

Table 5.16: Capital Adequacy Ratio
(Figures in %)

Year	Capital Adequacy Ratio (%)	Growth %
1997	12.37	-
1998	16.37	32.34
1999	14.65	-10.51
2000	24.17	64.98
2001	22.49	-6.95
2002	22.32	-0.76
2003	18.27	-18.15
2004	14.82	-18.88
2005	18.76	26.59
2006	14.02	-25.27

Source: Annual report of EBL from 1997 to 2006

From the above table 5.16 we can observe that during 1997 to 2006 the trend of classified loan is not in good condition. The highest growth rate is in year 2000, which is 64.98% and the lowest in year 2006, which is -25.27%. And most of the year's growth rate is negative. So EBL need to be more concern about Capital Adequacy Ratio. The trend of Capital Adequacy Ratio is shown in the following graph:

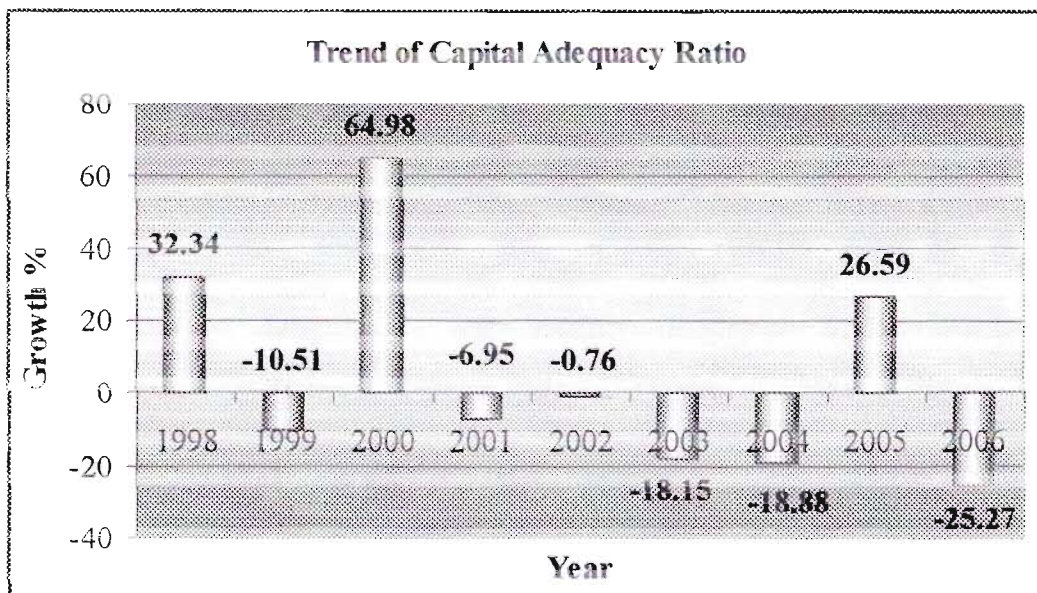


Figure-5.16: Trend of Capital Adequacy Ratio



5.17: Cost to Income Ratio:

Table 5.17: Cost to Income Ratio

(Figures in %)

Year	Cost to Income Ratio (%)	Growth %
1997	29.98	
1998	30.85	2.9
1999	29.47	-4.47
2000	28.74	-2.48
2001	29.3	1.95
2002	27.91	-4.74
2003	28.17	0.93
2004	30.93	9.79
2005	33.66	8.83
2006	35.67	5.97

Source: Annual report of EBL from 1997 to 2006

From the above table 5.17 we can observe that during 1997 to 2006 the trend of cost of income ratio is in good condition. The highest growth rate is in year 2004, which is 9.79% and the lowest in year 2002, which is -4.74%. And most of the year's growth rate is positive.

The trend of cost of income ratio is shown in the following graph:

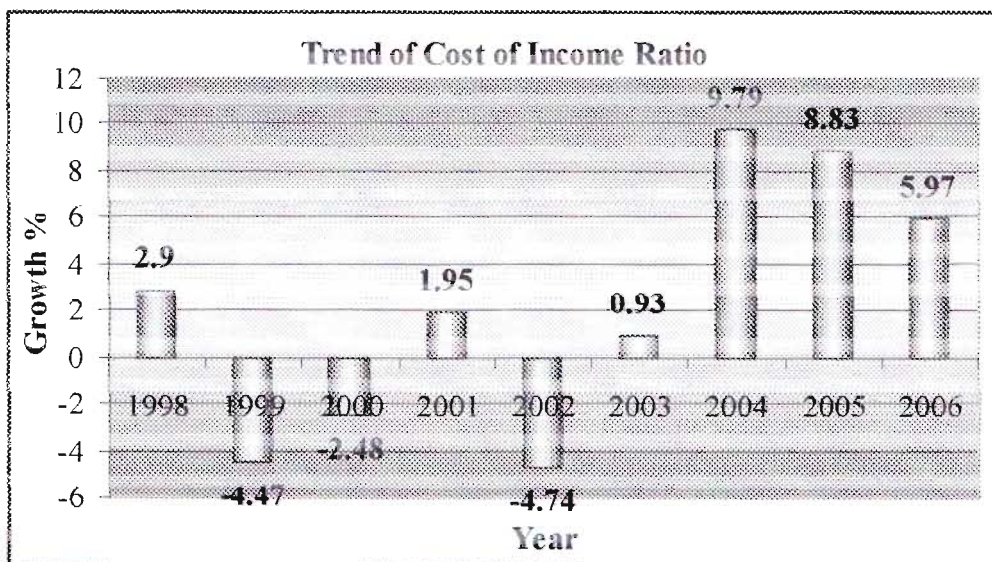


Figure-5.17: Trend of Cost to Income Ratio



Problems of EBL

After analysis of the EBL services and its financial performances I have identified some problems of EBL. These problems are given in the following:

- Eastern Bank Limited is mainly a local bank of Bangladesh. Its main purpose is to provide the services to the customer and to earn profit. But from the analysis I have found that they have twenty five branches in Bangladesh which is not enough at all in the sense of Bangladeshi geographical perspective. And out of twenty five branches most of are located in Dhaka city.
- EBL have lots of products but main problem is that, customer are not that much concern about the EBL services. Customers have lack of knowing about EBL services.
- From the financial part of this project I have found that in recent year EBL have negative growth rate in earning per share and if we look at the last three years growth rate then it is possible to state that the growth rate is going down. So it is bad sign for EBL.
- On the other hand if we look at the Return on equity, return on assets, classified loan and capital adequacy ratio's growth rate then it is also possible to say that their position is not that much better because they are having negative figure which is bad sign for a bank.

Recommendations

As per I have found some problems of EBL then I would like to give some recommendations for that problems. I think if EBL follow these recommendations then they could overcome their problems. These recommendations are in the following:

- On the basis of the geographical perspective of Bangladesh, EBL should expand their branches to different important location of Bangladesh. Through expanding branches, EBL will have more customers, depositors, vendors and will develop great business network.



- EBL need to develop their marketing department activities through which customs could be introduce with the EBL products and EBL could earn more profit from selling their products.
- EBL need to concern about their share and should provide a best management team to monitor the performance of EBL for betterment of share. Through which performance will be better and earning per share will increase.
- EBL also need to concern about Return on equity, return on assets, classified loan and capital adequacy ratio. And it is only possible through the proper way investment by the best management team. So, EBL need to have best management people.

Conclusion

After all the discussion it is possible to state that, EBL is in competitive position from the perspective of Bangladesh banking industry. From the analysis I have found that, EBL have enough ability to become a market leader if they overcome some obstacles. According to their trend of development it is possible to say that, EBL is a very modern facilities provider bank and in future they could be market leader of banking industry in Bangladesh.

EBL take the opportunity to acknowledge the trust and constant support received from the valued shareholders, customers, depositors, vendors and all other business associates. On the other hand it is necessary to mention that EBL developments depend on its employees and from the performances of EBL it can be say that, its employees are very much efficient. With their effort of all employees and the guideline of the management, EBL is now one of the profitable banks in Bangladesh.



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