Internship Report

Performance And Credit Rating Analysis For Eastern Bank Limited (Ebl).

(Prepared to fulfill the partial requirement of MBA Program)

SUBMITTED TO:

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Submission Date: 10th September, 2022

Letter of Transmittal

10th September, 2022

Md. Shahbub Alam

Lecturer, Department of Business Administration

Faculty of Business, Sonargaon University (SU)

Subject: Submission of Internship Report on **Performance and Credit Rating Analysis for Eastern Bank Limited (Ebl).**

Dear Sir,

It is my great pleasure to submit the report on "Performance and Credit Rating Analysis for Eastern

Bank Limited (Ebl)." as a part of my Internship program. I have closely observed different departments operations of the Branch of Eastern Bank Limited (Ebl). in my internship period.

I enjoyed preparing this report, which enriched my practical knowledge of the theoretical concept. I tried to reflect the practical operational aspects of the Bank, which is complementary to the theoretical lessons. I am very much glad that you have given me the opportunity to prepare this report for you and hope that this report will meet the standards of your judgment.

Sincerely yours,

.....

Alve Dhar
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Declaration

I, Alve Dhar, hereby declare that the report of internship titled “Performance and Credit Rating Analysis for Eastern Bank Limited (Ebl)” is prepared by me after completion of three months’ work in Eastern Bank Limited (Ebl).

I also would like to confirm that, the report is prepared exclusively for academic purpose not for any other purposes.

……

Alve Dhar
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Supervisor's Certificate

TO WHOM IT MAY CONCERN

This is to certify that the internship report on **"Performance and Credit Rating Analysis for Eastern Bank Limited (Ebl)"** for the degree of Master of Business Administration (MBA) from Islamic University carried out by **Name: Alve Dhar, University ID: MBA2103024002**, under my supervision. I have fully monitored her effort in the process of completing this report.

I, hereby, acknowledge his work & wish her all the success.

…….

Md. Shahbub Alam

Lecturer, Department of Business Administration

Faculty of Business, Sonargaon University (SU),

Acknowledgement

At first I want to express my thanks to the Almighty for giving me the chance to complete the internship report.

Then I would like to express my sincere gratitude and cordial thanks to our most respected teacher Lecturer, Department of Business Administration, Faculty of Business, Sonargaon University (SU), for his constant supervision and valuable instruction and helpful advice during the internship and report writing. His direction and necessary comments, criticism and kind patience greatly helped me to carry on the task of preparing the report. It would never be possible to give it final shape without his encouragement.

Moreover, I am very much grateful to the officials of Eastern Bank Ltd (EBL), Gulshan Branch. Making of this report would be difficult without the cooperation of some officials of Southeast Bank Ltd. So my heartiest appreciation goes to those officials.

Finally, I would like to Sonargaon University (SU) & Specially Faculty of Business for giving me an opportunity to complete my MBA degree and give me a scope to gather practical experience and enrich my knowledge.

……

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Executive Summary

Eastern Bank Ltd. (EBL) began its journey in 1992 with a vision to become the bank of choice and to be the most valuable financial brand in Bangladesh. Over the years EBL has established itself as a leading private commercial bank in the country with undisputed leadership in Corporate Banking and a strong Consumer and SME growth engines. EBL's ambition is to be the number one financial services provider, creating lasting value for its clientele, shareholder, and employees and above all for the community it operates in.

The topic of my report is "**Performance and Credit Rating Analysis for Eastern Bank Limited (Ebl)**". My focus of the report is basically Eastern Bank's financial performance analysis and comparison with other two banks such as BRAC Bank Ltd & City Bank Ltd.

At first I focused on the background of Eastern Bank Ltd. Then I tried to give brief idea about Eastern Bank Ltd the Consumer banking division, Corporate banking division and SME division. Then I tried to mention what I have done in my project part that is performance analysis of Eastern Bank Ltd.

This reports aims to analyzing Eastern Bank Ltd overall performance and a comparative analysis had been done to compare Eastern bank's financial performance with other two private commercial banks which also have good name in recent market.

Chapter: 01
Organization Part

1.1 Background of Eastern Bank Limited

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 Bangladesh and also with a view to safeguard the interest of the depositors of Bank of Credit and Commerce International (BCCI).

The bank has scheduled commercial Bank under private sector established within the ambit of Bank Company Act, 1991 and was incorporated as a Public Limited Company on August 08, 1992. Eastern Bank Limited started commercial banking operations from August 19, 1992. A huge public response has enabled the Bank to keep up the plan of expanding its network. Within a span of twenty-four years the bank has been able to deliver services to its customers through eighty branches. In terms of profitability the bank has outperformed its peer banks.

As a fully licensed commercial bank, Eastern Bank Ltd. is being managed by a highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so is the bank and it repositions itself in the changed market condition.

Eastern Bank Ltd. offers all kinds of Commercial Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, Retail Banking and Consumer Banking right from industry to agriculture, and real state to software.

Eastern Bank Ltd., since its beginning has attached more importance in technology integration. In order to retain competitive edge, investment in technology is always a top agenda and under constant focus. Keeping the network within a reasonable limit, our strategy is to serve the customers through capacity building across multi delivery channels.

1.2 Corporate Vision

To become the most valuable brand in the financial services in Bangladesh creating long-lasting value for our stakeholders and above all for the community we operate in by transforming the way we do business and by delivering sustainable growth.

1.3 Corporate Mission

- We will deliver service excellence to all our customers, both internal and external.
- We will ensure to maximize shareholders' 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.

1.4 Corporate Values

Service Excellence:

We passionately drive customer delight.

We use customer satisfaction to accelerate growth.

We believe in change to bring in timely solution.

Openness:

We share business plan.

We encourage two-way communications.

We recognize achievements, celebrate results.

Trust:

We care for each other.

We share knowledge.

We empower our people.

Commitment:

We know our road-map.

We believe in continuous improvement.

We do our task before we are told.

Integrity:

We say what we believe in.

We respect every relationship.

We are against abuse of information power.

Responsible Corporate Citizen:

We are tax-abiding citizen.

We promote protection of the environment for our children.

We conform to all laws, rules, norms, sentiments and values of the land.

1.5 Strategic Priority

- Deploying flexible business strategy in facing growing challenges in order to remain on sustained growth path.
- Exploring cross-selling opportunities through improved coordination and multi-skill development.
- Ensuring responsible governance through conformity with the laws and by conducting all our activities honestly, responsibly and ethically.
- Creating a corporate culture in which performance is rewarded equitably.
- Pursuing balanced growth through selective lending and by offering value proposition.
- Bringing the attitudes and goals of our people in line with the needs of our clients and the overall economy.
- Leveraging balance sheet management through improved productivity, recovery and cost rationalization.

1.6 Corporate Directory

1.6.1 Name of the Company

Eastern Bank Limited

1.6.2 Legal Form

A public limited company incorporated in Bangladesh on 08 August 1992 to carry out all kinds of banking businesses in and outside Bangladesh. Having taken over the businesses, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (Overseas) Limited as per BCCI Reconstruction Scheme 1992 of Bangladesh Bank, the Bank commenced its operations on 16 August 1992.

1.6.3 Ownership Composition

Shareholding position of EBL by the Directors, General Public & Financial Institutions is presented below:

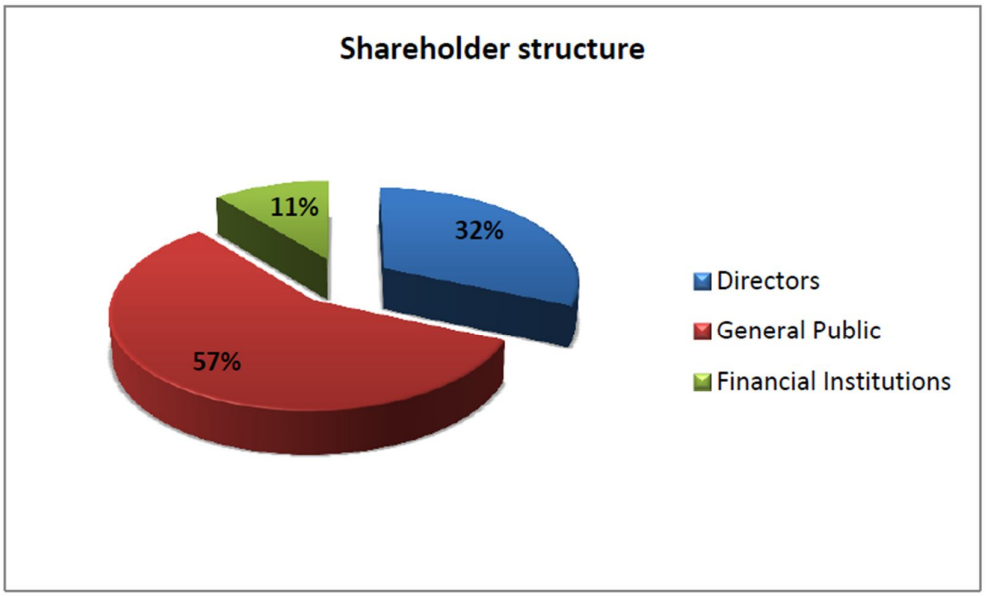


Figure: Shareholder Structure

1.6.4 Composition of the Group EBL

Eastern Bank Limited (Group)	
Bank	**Subsidiaries (fully owned)**
Eastern Bank Limited	EBL Securities Limited (Stock Dealing & Brokerage)
Off-Shore Banking Unit	EBL Investments Limited (Merchant Banking Operations)
Yangon Representative Office	EBL Asset Management Limited (Asset management i.e. managing mutual funds)
	EBL Finance (HK) Limited (First foreign subsidiary doing trade finance and off-shore banking business in Hong Kong)

1.6.5 Core Business

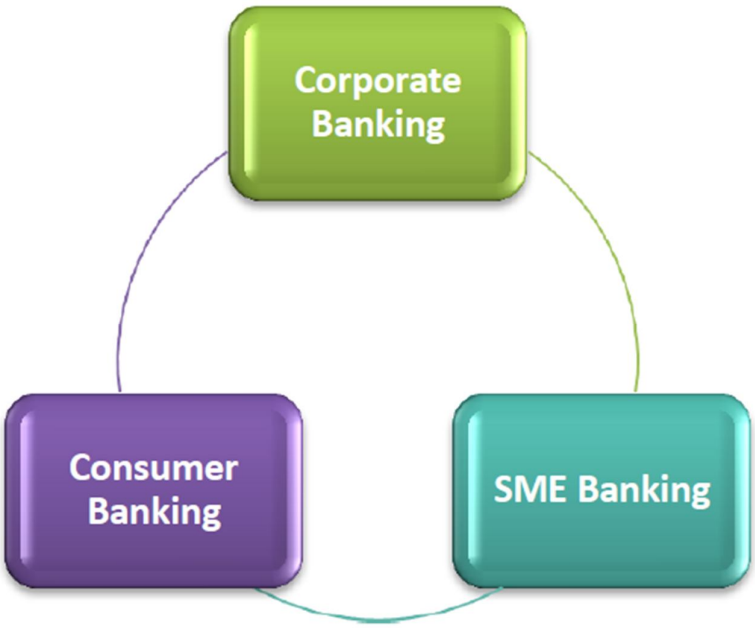
Over the years EBL has established itself as a leading private commercial bank in the country with established leadership in Corporate Banking and growing focus on SME and Consumer businesses. The Bank offers a wide range of depository, loan and card products and a variety of services to cater virtually for every customer segment. The product basket is rich in content featuring different types of Savings and Current Accounts, Term and Continuous Loans, Personal Loans, Debit/Credit Cards, Internet Banking, Sky-banking, Structured Finance, Treasury & Syndication services etc.

1.6.6 Network Coverage

Consumer Banking customers are served through a network of 85 Branches, 214 ATMs, 72 Bills Pay Machines and 15 priority centers countrywide. The bank has its presence in major cities/towns in the country SME Banking customers are served through 57 SME centers located across the country.

1.7 Divisions of Eastern Bank Ltd

Businesses of the bank are broadly segmented into three divisions:



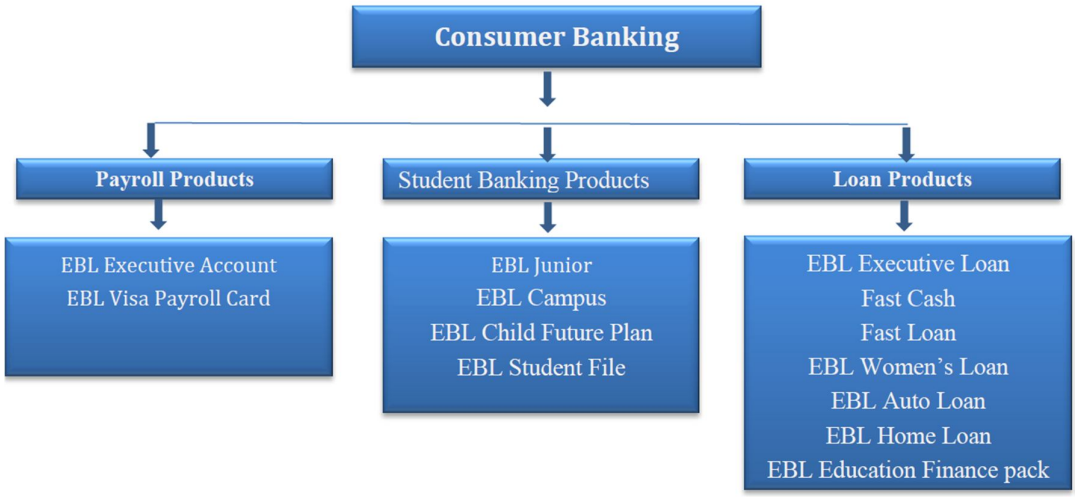
The Corporate banking division has 11 relationship units; 7 of them are stationed in suitable business location in Dhaka and the rest 4 are in Chittagong. To facilitate and support business units they have three product-specific solution based units i.e. Structured Finance Unit (SFU), Transaction Banking (TB) and Product & Portfolio Support Unit (PPSU).

Transaction Banking is supported by 3 particular Units I.e. Cash Management Unit (CMU), Trade Sales Unit (TSU) and Financial Institutions (FI) Unit. EBL Corporate Banking is geographically centralized in Dhaka and Chittagong, but it uses nationwide EBL branches, correspondent banks and affiliated networks worldwide to serve the large corporate banking clients of the country.

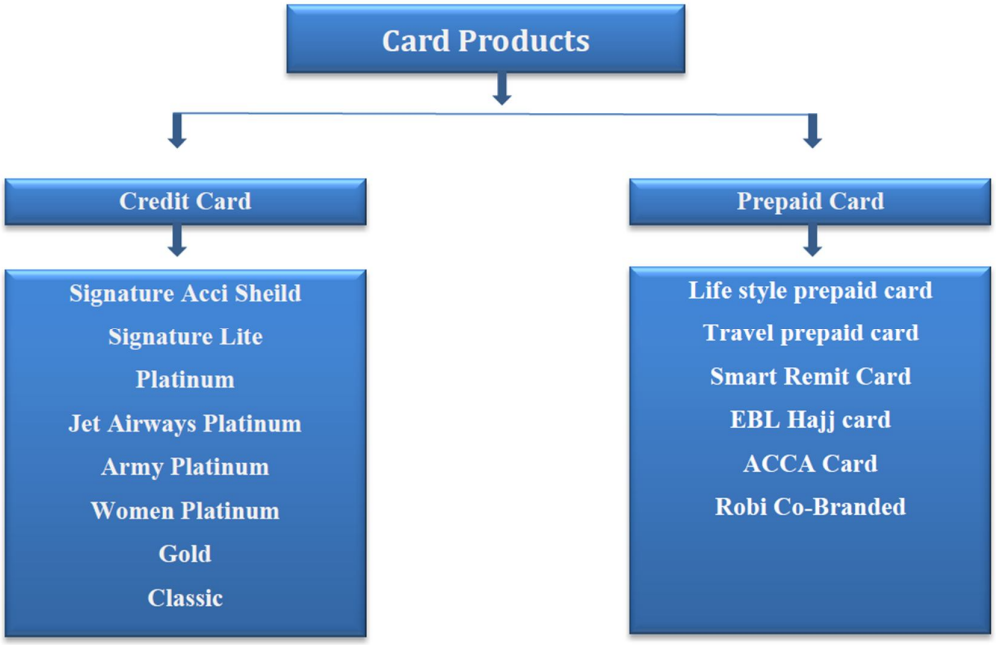
1.8 Products Basket & Service Propositions

Consumer banking consists of deposits & loan products. These are describing below:





1.8.1 Card Products



1.8.2 Card Facilities

Skymiles Reward Program: A reward program bundled with a world of travel privileges. Customers can earn miles against their card purchases on their EBL Signature & Platinum Credit Cards.

EBL Zip: An equal monthly installment plan allowing cardholders to convert their high volume retail purchase transactions at partner outlets into an installment scheme without any interest.

HIPO: EMI plan for EBL credit cardholders, which can be issued from the unused balance of credit card as Pay order, EBL to EBL Account transfer, or transfer to other bank's Accounts through EFTN.

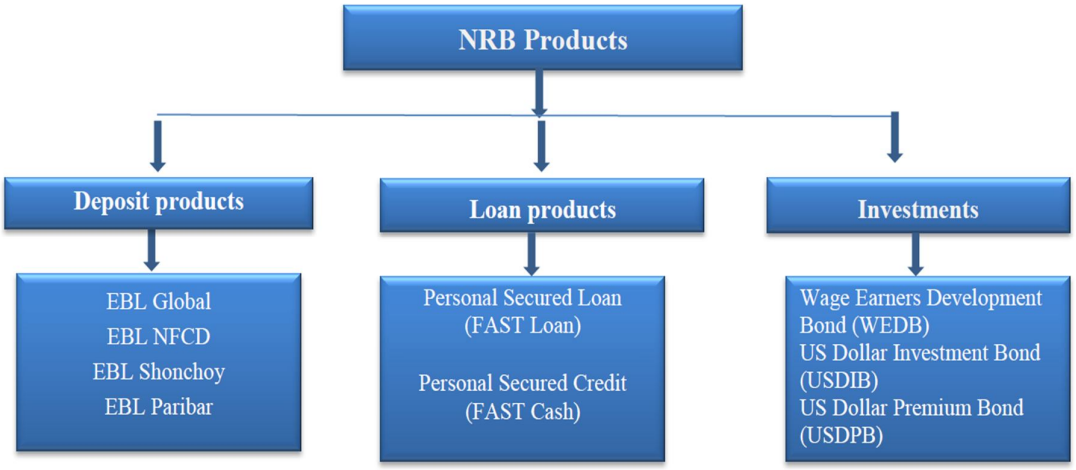
Debit EMI: Debit cardholders are offered EMI facility for the first time ever in Bangladesh. Through a linked fixed deposit with their Current Account or Savings Account can enjoy high volume purchase at select merchant outlets and payback in installments of 3 to 12 months

EBL CAS: Consumer Authentication service aimed for securing customer's e-commerce transactions by authenticating customer's identity prior to authorization process, adding a powerful layer of protection against fraud.

EBL Acquiring: EBL is providing acquiring services to the merchants. With EBL POS, merchants can offer acceptance of VISA and MasterCard debit, credit and prepaid cards issued locally and globally to customers. Furthermore, EBL POS machines facilitate acceptance of both magnetic strip and EMV chip cards.

1.8.3 NRB Products

Matribhumi is a tailor-made product and service propositions for the NRBs which includes:



1.8.4 Digital Banking & Payments

SKYBANKING: SKYBANKING, a complete mobile app based banking service accessible through smart phone or tab from anywhere anytime is designed to provide the customers with all the basic banking services such as checking account information or credit card details, paying utility bills, transferring fund and mobile top-up, accessing product information, priority banking, benefit partner list, ZIP partner list, EBL location, message center, contacting EBL and many more.

Internet Banking: Distance, time or location is no longer any issue for EBL customers as EBL offers 24-hour banking service through its Internet Banking facility. Bundled with features like utility bill payments, instant mobile top-up, fund transfer (even in other bank accounts) and many other banking services, EBL Internet Banking Service allows ultimate convenience to the customers.

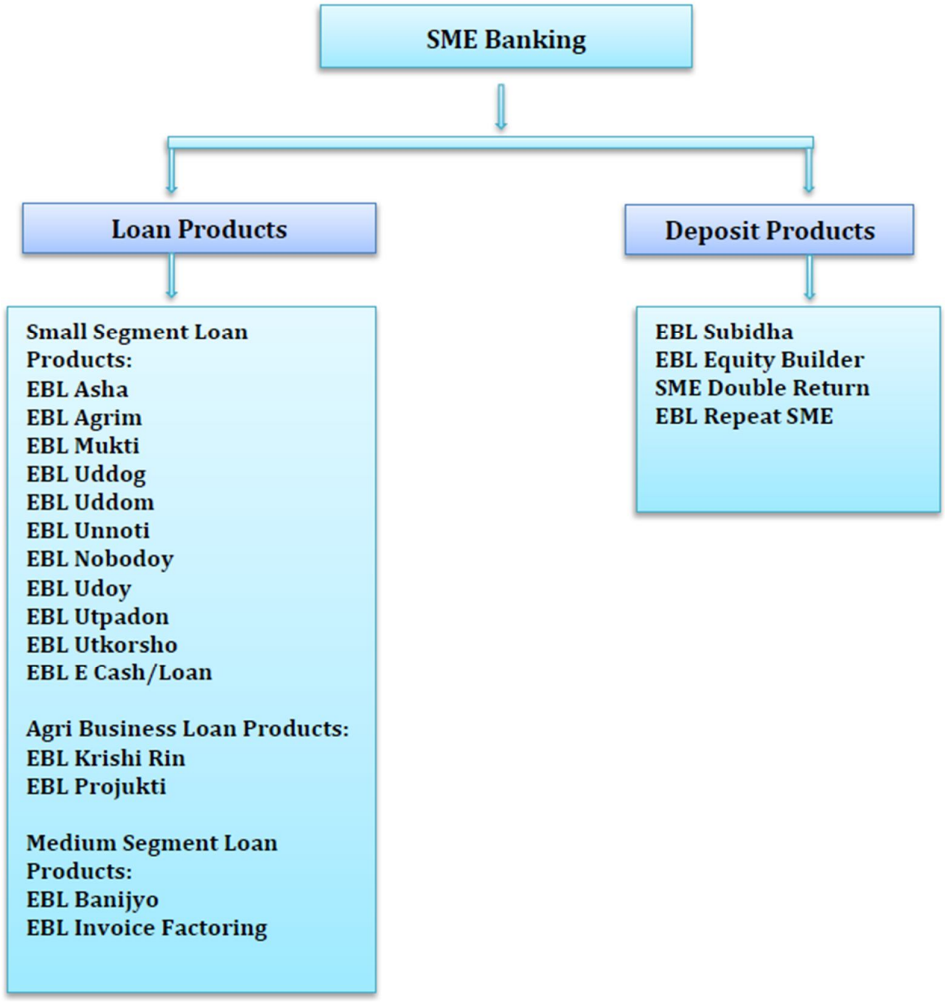
EBL 365: Having a nationwide network of 197 ATMs (branded as EBL 365) open for 24X7 and 365 days a year, EBL makes its customers feel never far away from the bank.

EBL Dropbox: EBL has 72 Cash Deposit Machines (branded as EBL Dropbox) in its fleet making it the second largest bank with the widest network of Cash Deposit Machines in the country allowing the customers to pay bills and deposit cash & cheque, which are collected and settled twice a day. EBL is the only local bank to offer this service.

EBL Contact Center with Phone Banking facility: Equipped with state of the art technology and full set of IVR services, EBL Contact Centre acts as the „one stop solution" for various kinds of banking services to its valued customers on 24X7X365 basis over the phone. Just a call to 16230 or 8332232 fulfills a lot of banking needs. EBL SMS Banking & SMS Alert Service EBL SMS banking provides its customers with access to EBL products & services while SMS Alert Service sends instant notifications to the customers" mobile phones for any usage of their respective account or credit card.

1.8.5 SME Banking

SME banking consists of loan products and deposits products. These are describing below:



1.9 Corporate Banking:

Eastern Bank Limited is the leader in offering customized corporate banking products, services and solutions to its valued clients including large local corporate, multinational, Development organizations, Financial Institutions, Non-bank Financial Institutions and public corporations. We serve more than 2,000 clients- including many of the industry leaders- through our dedicated relationship teams, industry

specialists and product experts. EBL Corporate Banking is committed to deliver the full spectrum of banking solutions, from simple transactional products to complex structured finance that eventually helps the customer to achieve their financial goal.

1.9.1 Cash Management Solutions

These solutions aim at managing client's business liquidity effectively and efficiently through extending extensive range of products and services. Some common deposit products like Current Deposit, Short Notice Deposit, Fixed Deposit, High Performance Account etc. are offered to corporate customers.

I. **EBL Cheq Pro:** EBL Cheq Pro is very user-friendly software which facilitates the preparation, printing, recording and reconciliation of Eastern Bank Limited Cheques and generates different kinds of MIS.

II. **Nationwide Collection Services (NCS):** Nationwide Collection Services (NCS) is formulated to facilitate collecting daily funds through EBL own branch network and corresponding bank network and crediting the same to the single collection account maintained with EBL which will facilitate large corporate by providing faster funds availability in a cost-effective manner.

III. **Payment Transfer Services (PTS):** Eastern Bank's Payment Transfer Service (PTS) is formulated to facilitate organizations to transfer funds to their respective Branch Offices through EBL own branches and also through Bangladesh Electronic Fund Transfer Network (BEFTN) across the country which facilitates the corporate clients by providing faster fund transfer solution in a cost-effective manner.

IV. **Cash Pick-up & Delivery Service:** Cash Pick-up & Delivery Service is designed for cash pick-up from the designated EBL branch and to be delivered in the office premises of the client and the service provided through enlisted security company of the Bank.

1.9.2 Working Capital Solutions:

Provides flexible financing to smooth and improve cash flow, full range of Working Capital products can help customers to meet day-to-day financial obligations and fund business growth. Working capital solutions comprise full range of Trade solutions. Trade solution is designed to enhance trading status and to help achieving client's domestic and international trade objectives:

I. **Funded Facilities**

Import Loan: Post import facility against L/C.

Demand Loan: To meet cash requirement from time to time (local purchase/duty/tax etc.)

Manufacturers Demand Loan: Facilitating the manufacturers with low cost working capital Loan.

Overdraft: To meet day to day overhead expenses.

Time Loan: To meet short term requirement/ post import against Machinery LC etc.

Packing Credit: To meet fund requirement of the exporters to make export items.

Local Documentary Bill Purchased (LDBP): To purchase/ discount against Local L/C.

Foreign Documentary Bill Purchased (FDBP): To purchase/ discount/negotiate export documents against Sight/ Usance Export L/C.

EDF Loan: To finance LC under Export Development Fund

J. **Non Funded Facilities:**

Letter of Credit (Cash/Back to Back):

Sight LC: To import locally/from abroad on sight basis.

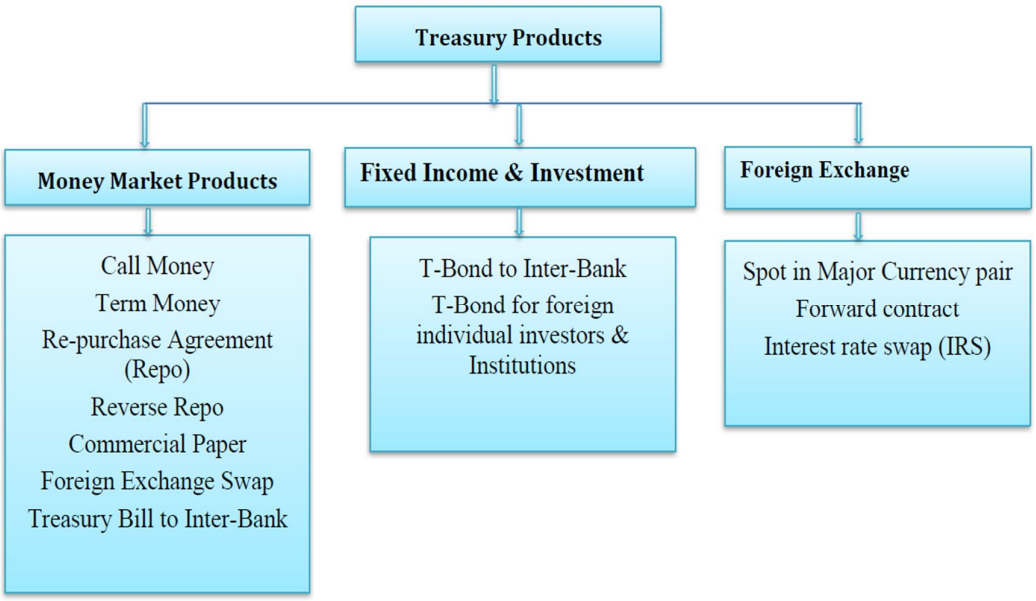
Usance/ Deferred LC: To import locally/ from abroad on usance/deferred basis.

Structured LC/OBU: Usance LC with sight payment arrangement to beneficiary after shipment by EBL Offshore Banking Unit or correspondent Bank.

Guarantee (Open Ended/close Ended):

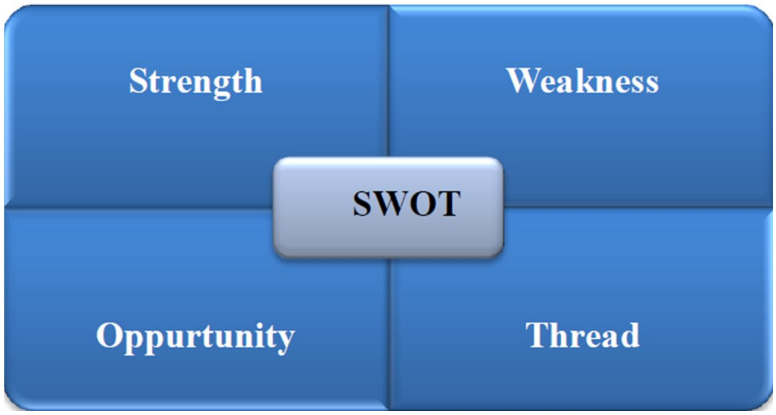
- Performance Guarantee
- Bid Bond
- Advance payment Guarantee
- Retention Bond
- Security Bond

1.10 Treasury Products



1.11 SWOT analysis of Eastern Bank Ltd

A SWOT analysis is "a technique for matching organizational strengths and weaknesses with environmental opportunities and threats to determine the organization's right niche". SWOT analysis is an important tool for evaluating the company's Strengths, Weaknesses, Opportunities and Threats. It helps the organization to identify how to evaluate its performance and scan the macro environment, which in turn would help organization to navigate in the turbulent ocean of competition. With this tool, we will be able to determine, though not perfectly, since we are not internal members of this organization, the internal strengths and weaknesses of EBL as well as the opportunities and challenges that the changing external environment provides.



Strengths:

- Eastern Bank has a strong financial back-up on the industry. Ample source of finance means it is in a better position to serve the market with its products & also it has the financial resources to grow its business.
- Eastern Bank Limited is providing diversified product and services to the market.
- It has a huge manpower and network all over the Bangladesh that helps Eastern Bank to knock at the door of some customers which were out of banking touch.
- Launched Own Managed Cards Software and Production System.
- Awarded „Super brand" by super brands Inc. for the period 2009-2011

Weaknesses:

- Lack of Bank Branches and ATM Booths.
- Higher interest than some other commercial private bank in Bangladesh is another weak point of Eastern Bank Ltd.
- Lack of Capital.
- Lower growth rate.

Opportunities:

- Emerging economies.
- The credit Card Sector.

Threats:

- Rival Banks are growing faster.
- The existing software is not that much capable to catch the run according to its position.

Chapter: 02

Project Part

2.1 Introduction

Banking Industry is one of the most promising industries of our country. The importance of the sector revealed through its contribution in the economic growth of the country. This sector accelerates economic growth through mobilizing funds from surplus unit to the deficit unit. Banking Industry is moving towards rapid changes due to technological innovation and diversified needs of its customers. As the pace of globalization competition in banking sector is increasing very fast. Banks are becoming more customers oriented and offer High Tech customized products to its target market to hold the market. Our central bank always keeps monitoring banks performances. Individual banks also need to assess their own performance to satisfy the parties those are related to its growth.

2.2 Origin of the Report

This internship report on Mercantile Bank Ltd. is prepared to fulfill the partial requirement of the internship program as full credit subject of the M.B.A. program of BRAC University. I have chosen to do my internship report titled **"Performance Evaluation of Eastern Bank Limited"** It will increase the knowledge to know the corporate world and will tend to apply theoretical knowledge in the practical life.

2.3 Problem Statement

This paper will begin by putting light on the Performance evaluation of the bank and continues to focus on overview of Eastern Bank Ltd. Therefore, the intention is to find out the significant factor of financial performance of the bank. This paper features the above mentioned elements depicted by different graphs, tables, and charts in order to provide the reader with ease of understanding.

2.4 Objective of the study

The objective of the study as follows:

- To present an overview of Eastern Bank Limited.
- To present the principal activities of Eastern Bank Limited.

- To evaluate the performance of Eastern Bank Limited.
- To identify the problems of Eastern Bank Limited.
- To suggest remedial measures of development of Eastern Bank Limited.

2.5 Methodology

Both primary data and secondary data will be used in this report.

2.5.1 Primary data sources

- Primary data will be gathered by Focus group meetings.
- Direct observations are another important way to aid myself in learning more about the topic.

2.5.2 Secondary data sources

- Official Website of Eastern Bank Ltd.
- Annual Report of Eastern Bank Ltd.
- Some brochures and related articles of Eastern Bank Ltd.

2.6 Scope

This study is focused on the overall performance of Eastern Bank Ltd. This includes their financial condition, how they maintain it, and how they operate their different major business activities. This study also covers the bank's history and performance mechanism.

2.7 Limitations

In every program or activities, one has to face numerous constraints. The constraints that have been during the preparation of this report are:

1. Time is a big constraint for my research. I had to go under my day to day job responsibility that I was supposed to do so. So I could get few more time to spend in collecting data for preparing my internship report.

2. Data insufficiency limitation is the main constraint in the development of the report.
3. This report did not include the whole financial position of Eastern Bank Ltd. it is a part.

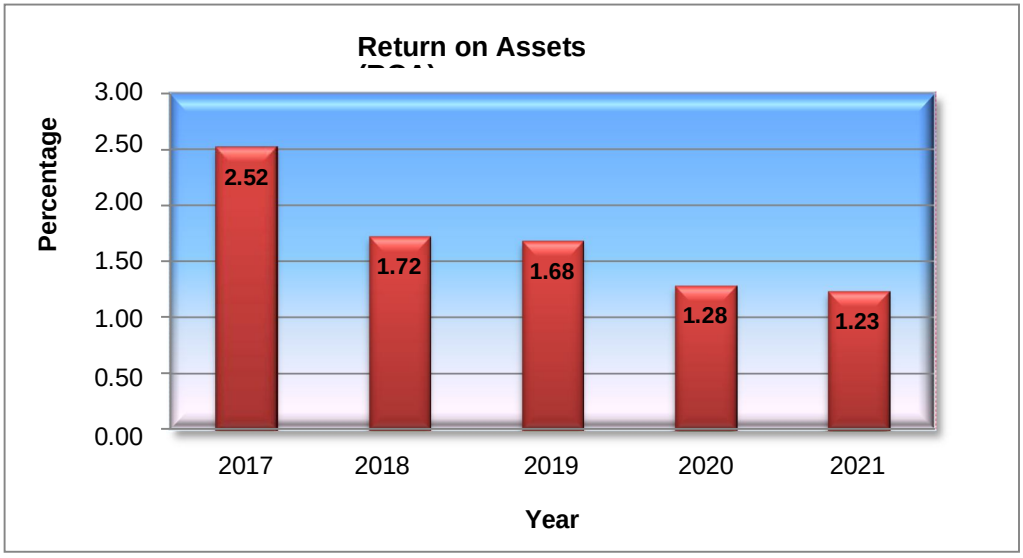
2.8 Financial Performance Analysis of Eastern Bank Ltd

The objective of this report is evaluating Eastern Bank Limited's financial performance. So that here discusses recent year's financial ratio of Eastern Bank Ltd.

The Return on assets (ROA):

The return on assets (ROA) percentage shows how profitable a company's assets are in generating revenue. The formula for

Return on Assets = Net Income/ Total Assets

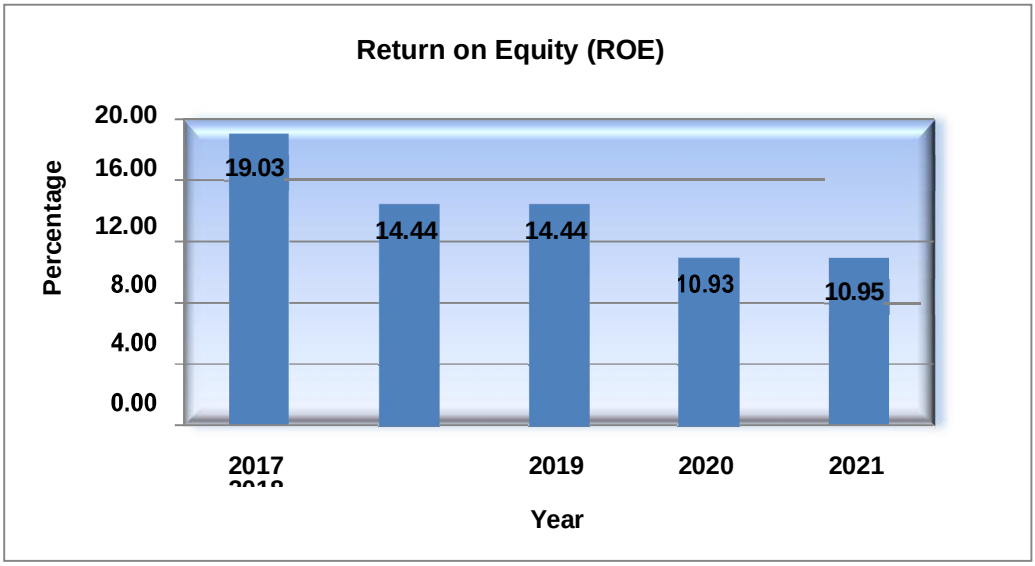


Higher the percentage of return is higher the efficiency of assets. In 2017 the ROA was 2.52% and then it was decreased gradually. We know that the higher return on assets is, the better, because the company is earning more money on asst.

Return on Equity (ROE):

This ratio indicates how profitable a company is by comparing its net income to its average shareholders' equity. The return on equity ratio (ROE) measures how much the shareholders earned for their investment in the company.

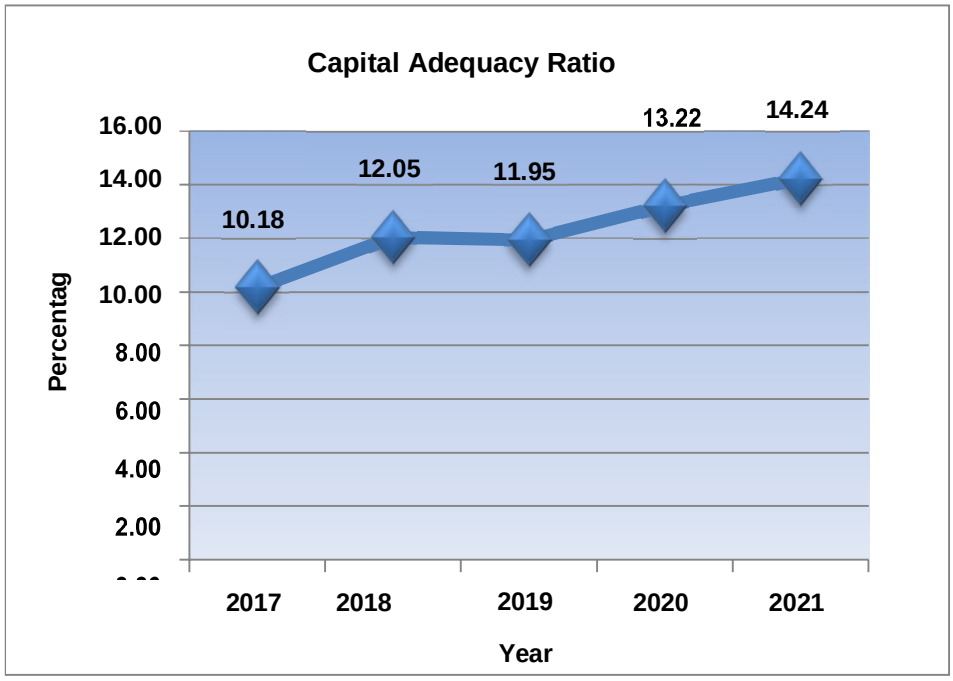
Return on Equity = Net Income/Shareholder's Equity



The higher the ratio percentage, the more efficient management is in utilizing its equity base and the better return is to investors. In 2017 the ROE was 19.03% and then it was decreased gradually. So we can say that Eastern Bank Ltd could not offer profitable investments to the equity holders.

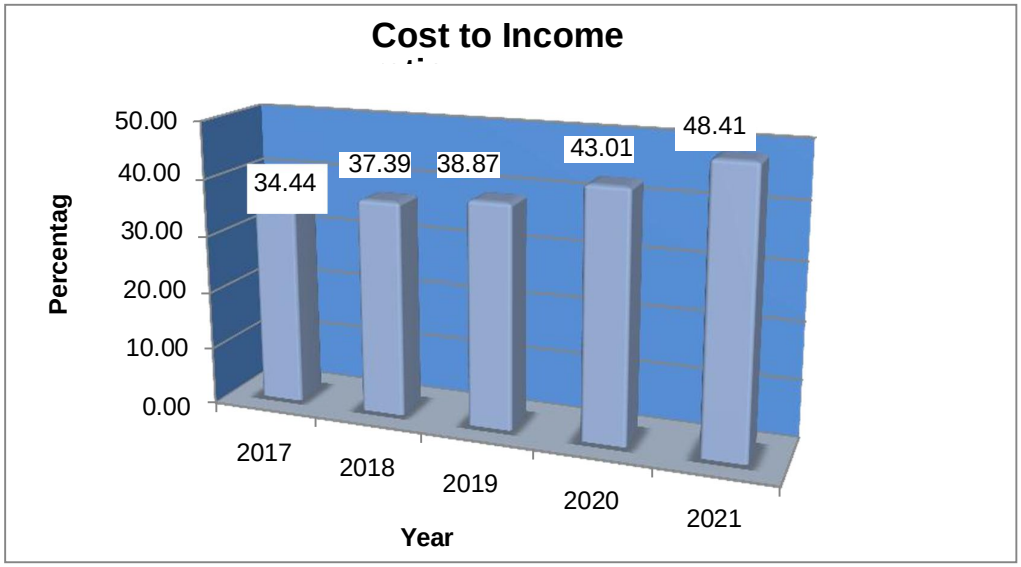
Capital Adequacy Ratio (CAR):

Capital Adequacy focuses on the total risk weighted capital intended to protect the depositors from the potential shocks or losses that bank might be incurred. It helps to absorb major financial risks. The standard of capital adequacy ratio is 10%. EBL"s capital adequacy ratio is more than 10% which means banks financial management is expert and efficient.



Cost to income Ratio:

It shows a company's costs in relation to its income. To get the ratio, divide the operating costs (administrative and fixed costs, such as salaries and property expenses, but not bad debts that have been written off) by operating income. The ratio gives investors a clear view of how efficiently the firm is being run – the lower it is, the more profitable the bank will be. Changes in the ratio can also highlight potential problems: if the ratio rises from one period to the next, it means that costs are rising at a higher rate than income, which could suggest that the company has taken its eye off the ball in the drive to attract more business.



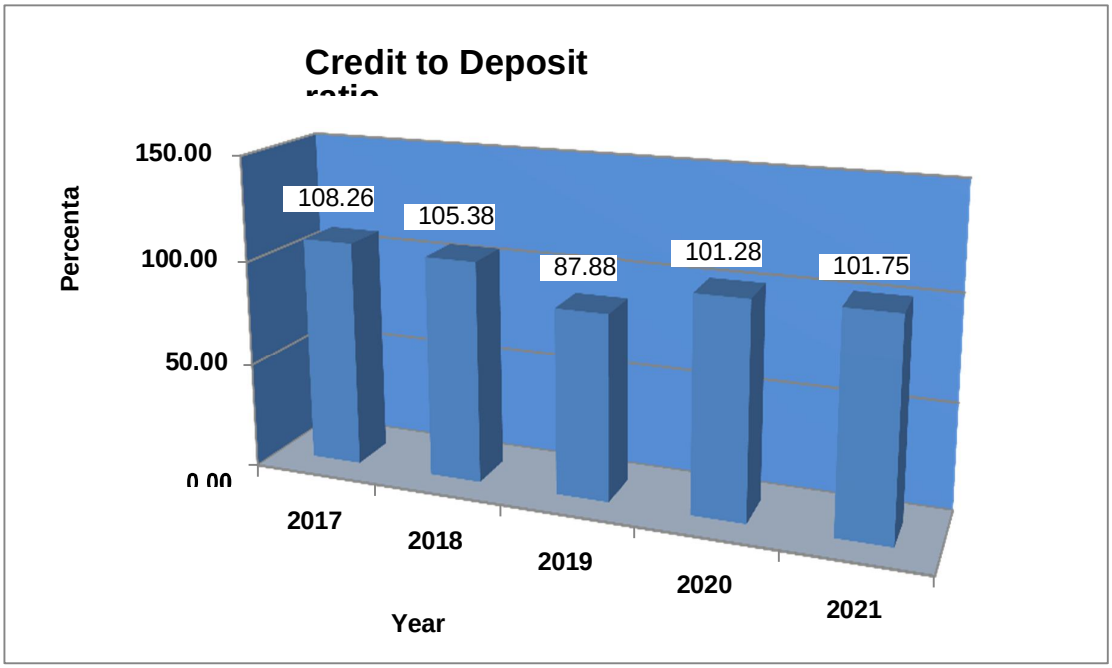
In 2021 the ratio was 48.41% which was highest comparing to previous years that means the Eastern Bank Ltd was not that much profitable in that year.

Credit to deposit Ratio:

The loan-to-deposit ratio (LTD) is a commonly used statistic for assessing a bank's liquidity by dividing the bank's total loans by its total deposits. This number is expressed as a percentage.

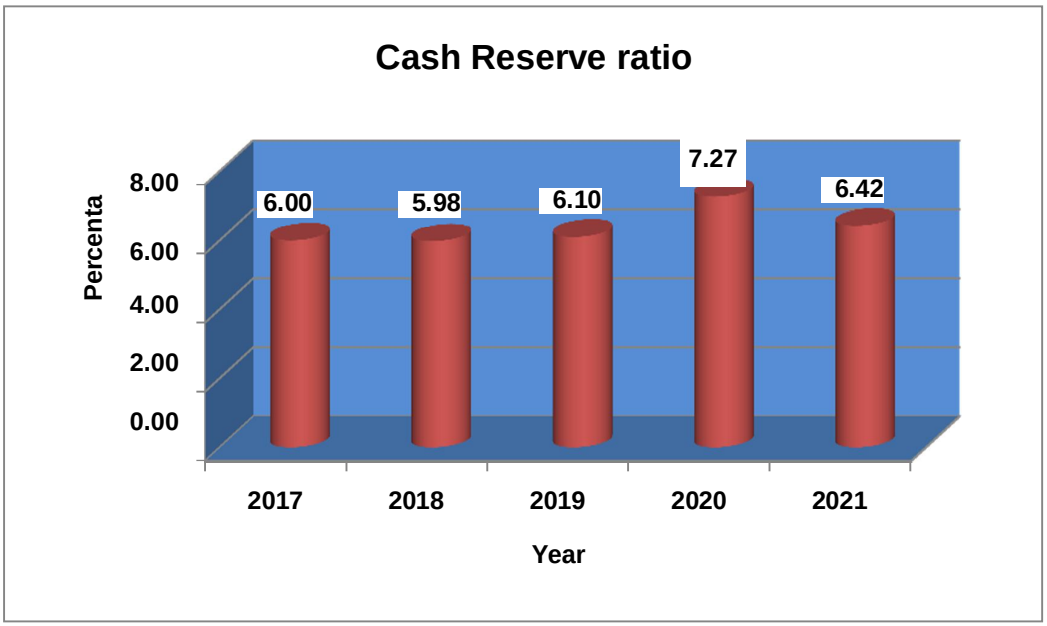
Loan to Deposit Ratio = Loans/Deposits

In 2017 LTD was 108.26% and it was decreased gradually. In 2021 is was 101.75% and in 2019 it was 87.88%. If the ratio is too high, it means that the bank may not have enough liquidity to cover any unforeseen fund requirements, and conversely, if the ratio is too low, the bank may not be earning as much as it could be.



Cash reserve Ratio

Cash Reserve Ratio (CRR) is a specified minimum fraction of the total deposits of customers, which commercial banks have to hold as reserves either in cash or as deposits with the central bank. CRR is set according to the guidelines of the central bank of a country.

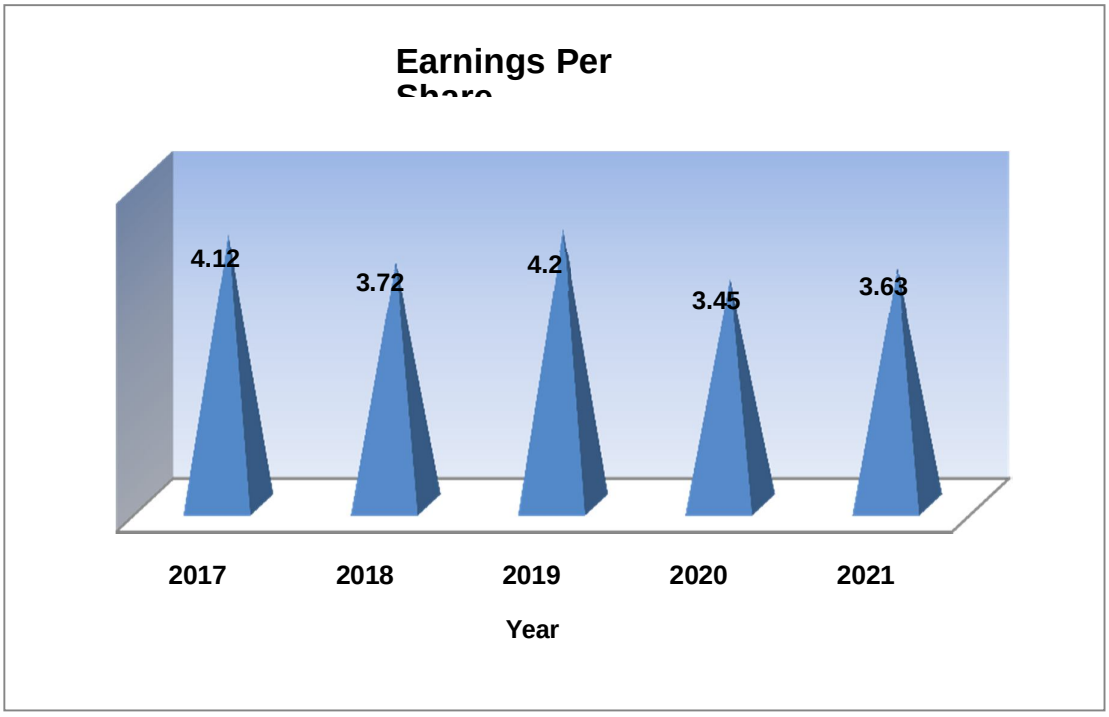


Earnings per Share

Earnings per share (EPS) is the portion of a company's profit that is allocated to each outstanding share of common stock, serving as an indicator of the company's profitability.

EPS = (net income – dividends on preferred stock) / average outstanding common shares

In 2017 the EPS was 4.12 tk which is good news for EBL common shareholders but after that it decreased. Finally, in 2021 the EPS was 3.63 tk that means the shareholders‟ have earned 3.63 tk per share.

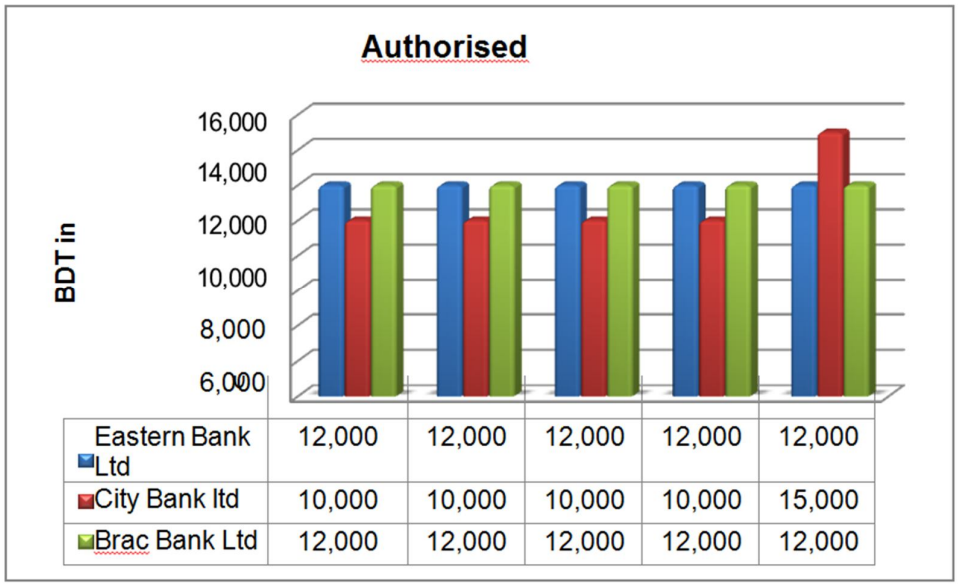


2.9 Comparative Analysis with two others Bank

The objective of this report is evaluating Eastern Bank Limited's financial performance comparing with other commercial banks of Bangladesh. The peer group selected for comparing includes the best performing commercials banks such as BRAC Bank Ltd, City Bank Ltd. Throughout the report Eastern Bank and peer groups are analyzed based on some key financial terms like authorized capital, paid up capital, total assets, total equity, investment, loans & advances etc.

Capital:

Authorized Capital is the maximum amount of share capital that the bank is authorized by its Memorandum and Article of Association to issue to shareholders. Here in 2021 the Eastern Bank Ltd authorized capital was BDT 12,000 million, City Bank BDT 15,000 million, BRAC Bank Ltd BDT 12,000 million.

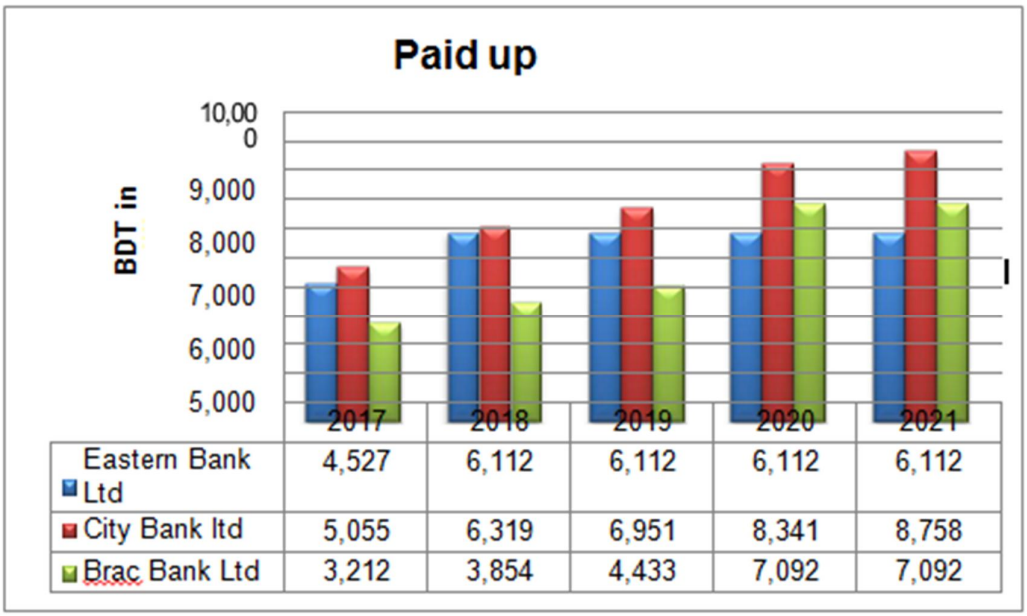


Eastern Bank Ltd	12,000	12,000	12,000	12,000	12,000
City Bank ltd	10,000	10,000	10,000	10,000	15,000
Brac Bank Ltd	12,000	12,000	12,000	12,000	12,000

Paid up Capital:

Paid up share capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders‟ meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

In 2017 the paid up capital of Eastern bank was BDT 4, 527 million whereas City Bank Ltd was BDT 5,055 million and the BRAC Bank Ltd. was BDT 3,212million. It was stated in the graph that in 2021, overall paid up capital was comparatively increased than in 2017. However, in 2021 the City Bank Ltd. has the highest paid up capital (BDT 8,758Million) and then the BRAC Bank Ltd (BDT 7,092 million) and Eastern Bank Ltd. (BDT 6,112 million) respectively.

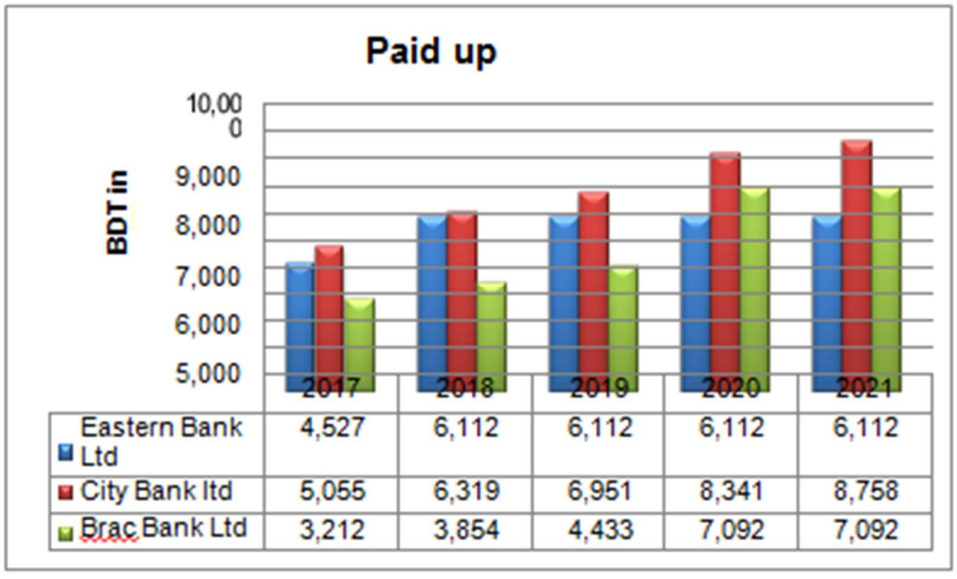


	2017	2018	2019	2020	2021
Eastern Bank Ltd	4,527	6,112	6,112	6,112	6,112
City Bank ltd	5,055	6,319	6,951	8,341	8,758
Brac Bank Ltd	3,212	3,854	4,433	7,092	7,092

Paid up Capital:

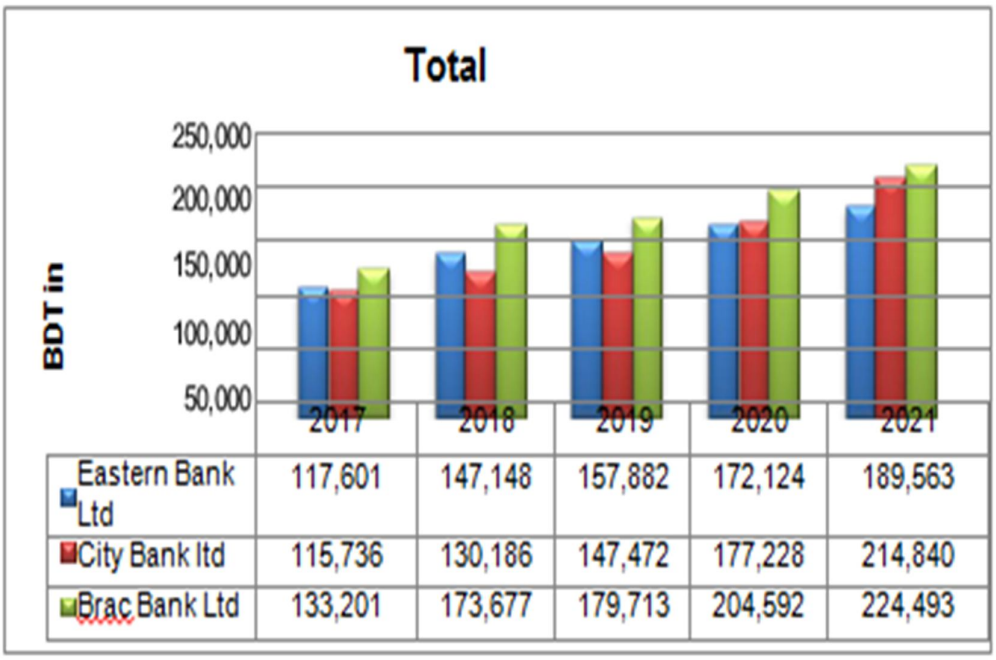
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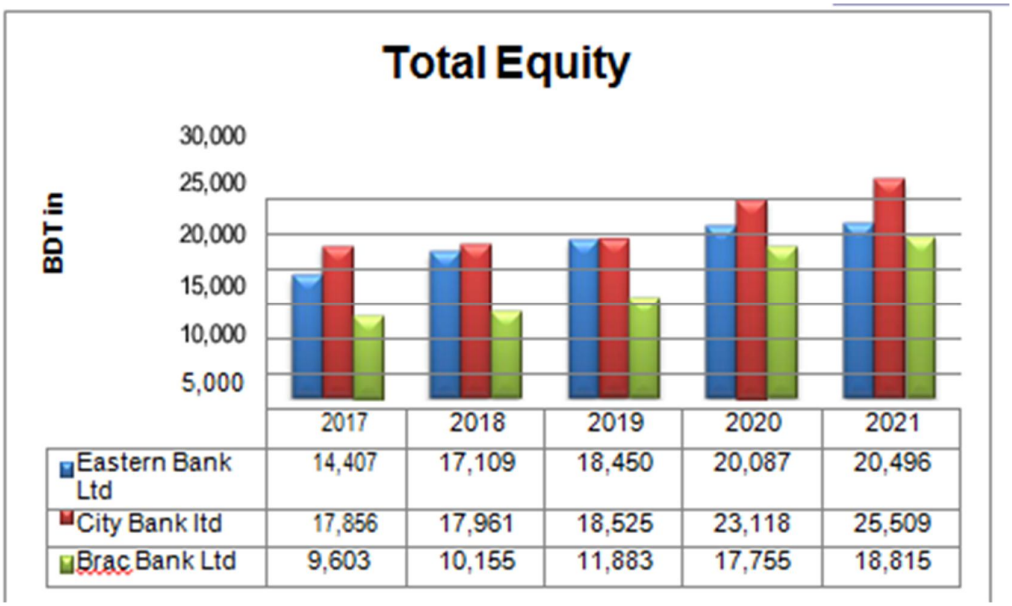
Total Assets:

In 2017 the Total Assets of Eastern bank was BDT 117,601million whereas City Bank Ltd was BDT 115,736 million and the BRAC Bank Ltd. was BDT 133,201 million. It was stated in the graph that in 2021, overall assets were comparatively increased than in 2017. However, in 2021 the BRAC Bank Ltd. has the highest paid up capital (BDT 224,493 Million) and then the City Bank Ltd (BDT 214,840million) and Eastern Bank Ltd. (BDT 189,563 million) respectively.



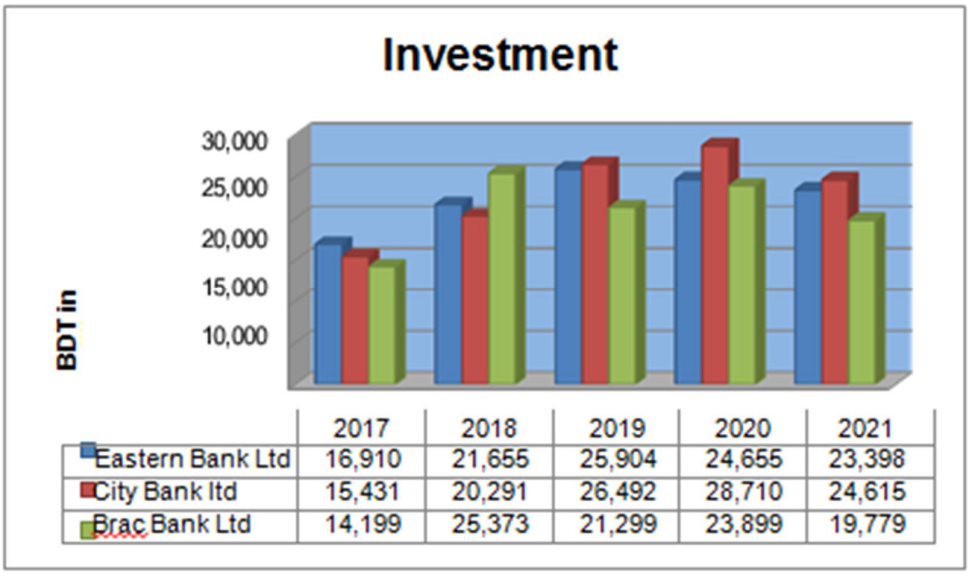
Total Equity:

In 2017 the Total Equity of Eastern bank was BDT 14,407 million whereas City Bank Ltd was BDT 17,856 million and the BRAC Bank Ltd. was BDT 9,603 million. It was stated in the graph that in 2021, overall equity was comparatively increased than in 2017. However, in 2021 the City Bank Ltd. has the highest paid up capital (BDT 25,509Million) and then the Eastern Bank Ltd (BDT 20,496 million) and City Bank Ltd. (BDT 18,815 million) respectively.



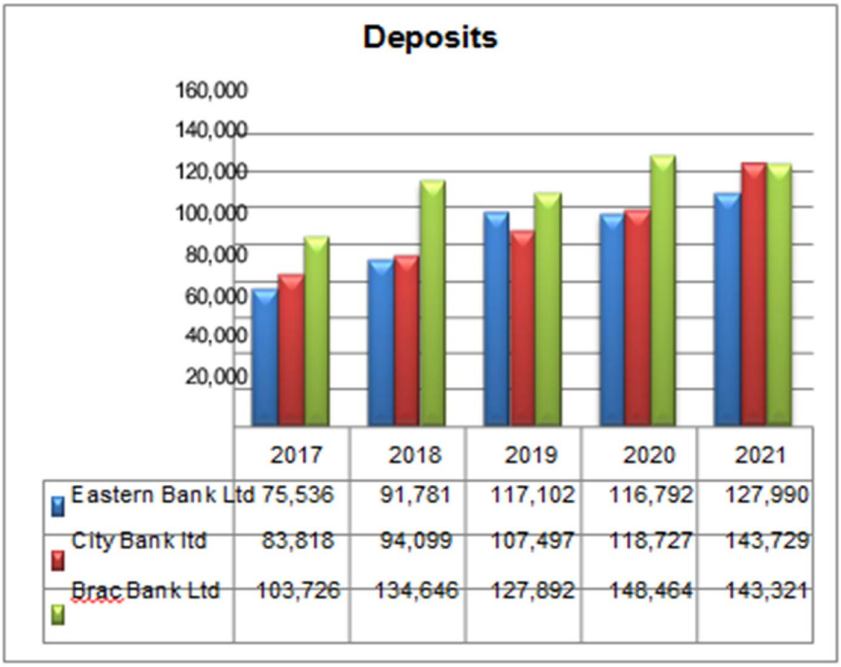
Investment:

In 2017 to 2021 the investment of EBL has been increased from BDT 16,910 Million to BDT 23,398 million where as in 2020 the City Bank and Brac Bank ltd investment was increased compared to 2017 but in 2021 both bank's investment decreased.



Deposits:

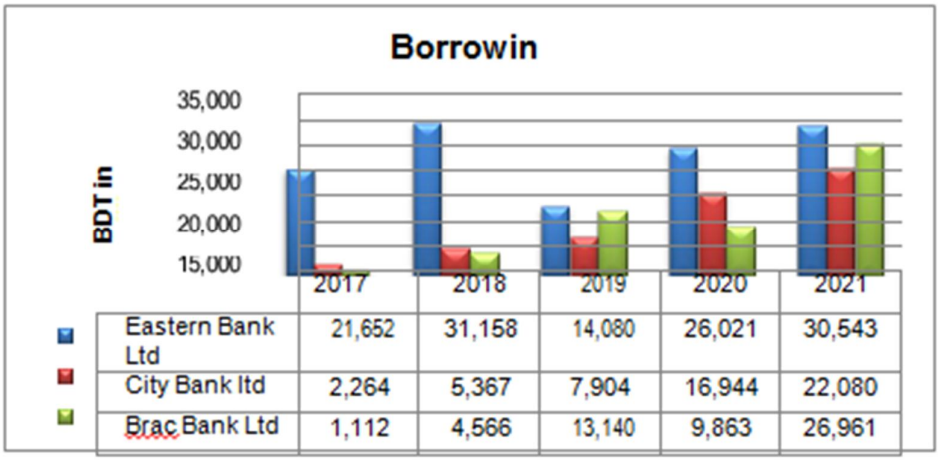
From 2018 to 2020 deposits of City Bank and BRAC Bank Ltd. were nearly same which are lower than Eastern Bank Ltd. However, Overall deposits of Eastern Bank decreased in 2021 compare to 2020. Whereas deposits of City Bank ltd. were gradually increased from 2017 to 2021.



	2017	2018	2019	2020	2021
Eastern Bank Ltd	75,536	91,781	117,102	116,792	127,990
City Bank ltd	83,818	94,099	107,497	118,727	143,729
Brac Bank Ltd	103,726	134,646	127,892	148,464	143,321

Borrowing:

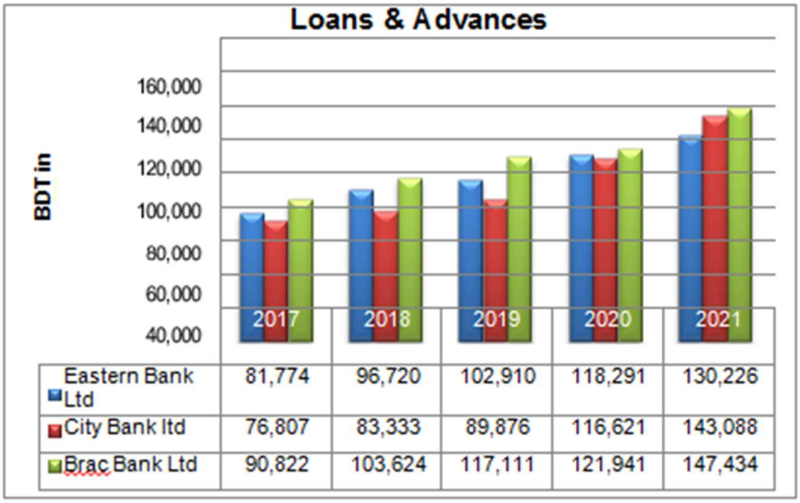
From the graph it can be said that there were some ups and downs in borrowing of Eastern Bank from 2017 to 2021. Whereas the City Bank and Brac Bank's amount of borrowing was gradually increased However, Eastern Bank was the highest borrowing Bank than other two banks.



	2017	2018	2019	2020	2021
Eastern Bank Ltd	21,652	31,158	14,080	26,021	30,543
City Bank ltd	2,264	5,367	7,904	16,944	22,080
Brac Bank Ltd	1,112	4,566	13,140	9,863	26,961

Loans & Advances:

From the graph it can be said that there were some ups and downs in borrowing of Eastern Bank from 2017 to 2021. Whereas the City Bank and BRAC Bank's amount of borrowing was gradually increased However, Eastern Bank was the highest borrowing Bank than other two banks.



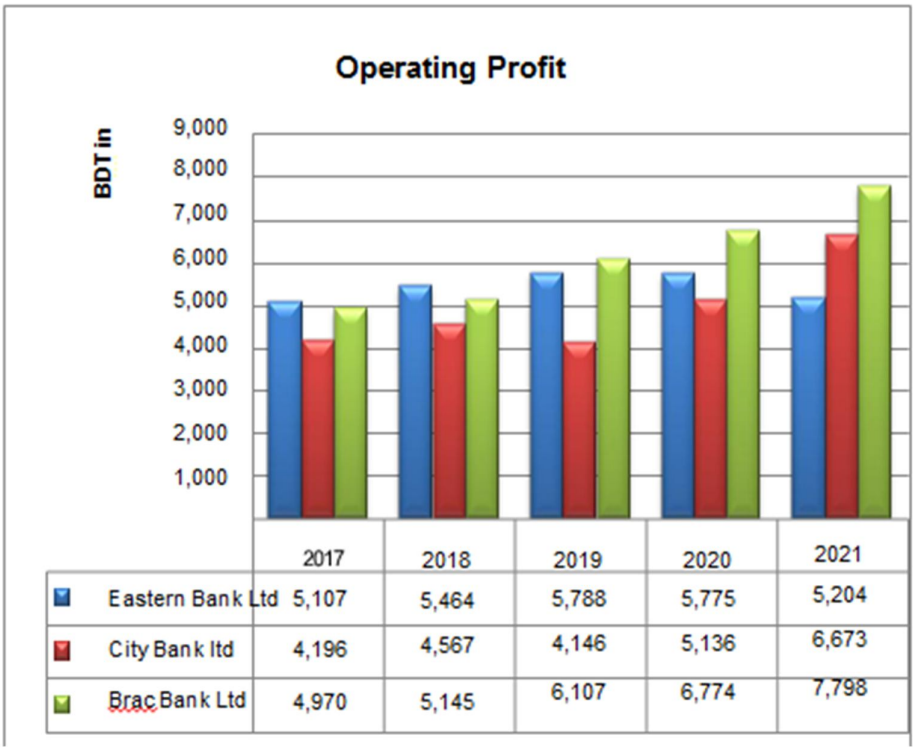
	2017	2018	2019	2020	2021
Eastern Bank Ltd	81,774	96,720	102,910	118,291	130,226
City Bank ltd	76,807	83,333	89,876	116,621	143,088
Brac Bank Ltd	90,822	103,624	117,111	121,941	147,434

Operating Profit:

Operating profit is a measure of income that tells investors how much of revenue will eventually become profit for a company.

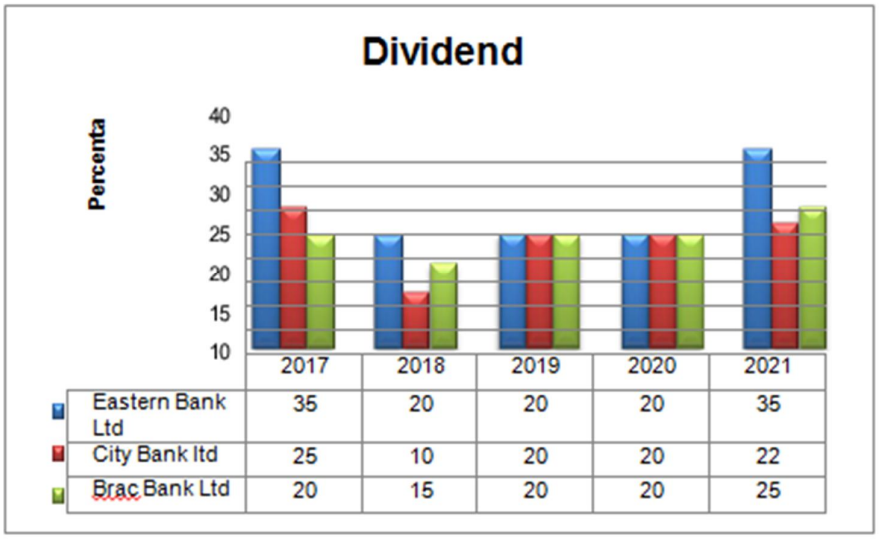
Operating Profit = Operating Revenue - COGS - Operating Expenses - Depreciation and Amortization

Operating profit is important because it is an indirect measure of efficiency. The higher the operating profit, the more profitable a company's core business is. In 2019 the operating profit was highest among last five years. In recent year BRAC Bank has highest operating profit in compare to all three banks.



Dividend:

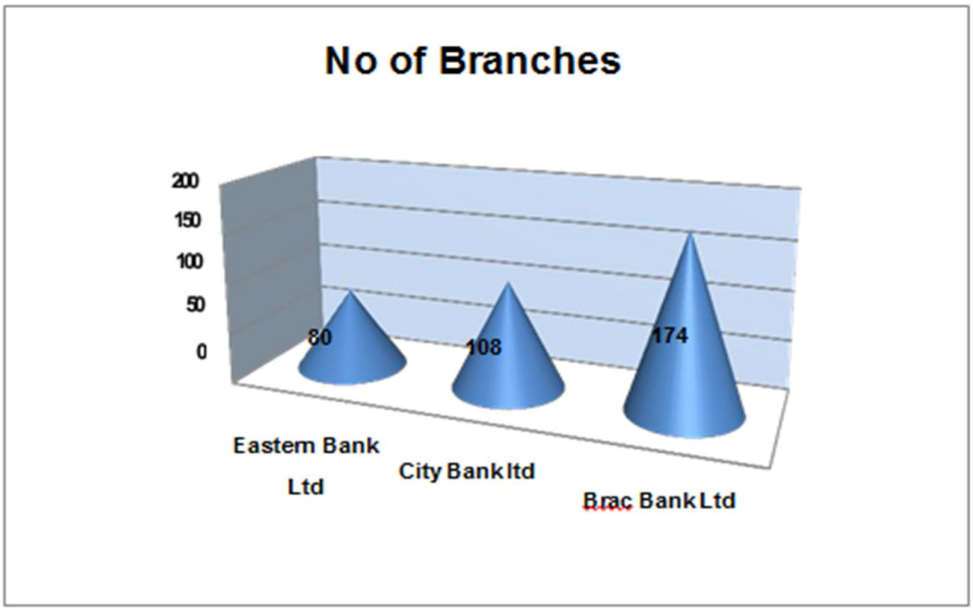
A dividend is a payment made by a company to its shareholders, usually as a distribution of profits. When a corporation earns a profit or surplus. A corporation may retain a portion of its earnings and pay the remainder as a dividend. A dividend is allocated as a fixed amount per share, with shareholders receiving a dividend in proportion to their shareholding.



From this graph we see that in 2017 among three banks EBL paid highest dividend 35% then City Bank ltd 25% after that BRAC Bank. But in 2021 the EBL paid 35% and City Bank dividend rate decreased but BRAC Bank's dividend rate increased in the recent year.

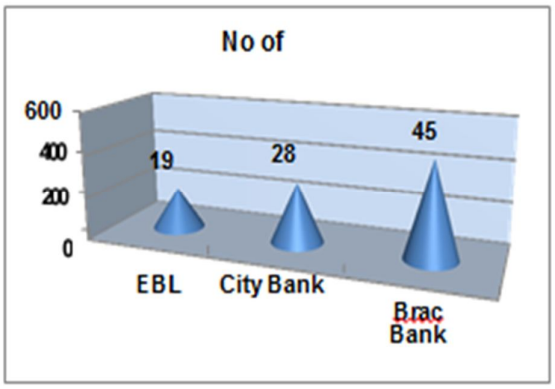
No of Branches:

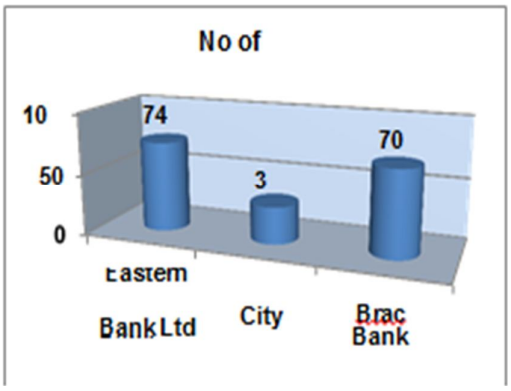
In 2021 the BRAC Bank ltd has highest no of branches among three banks. EBL has only 80 branches and City Bank Ltd has 108 branches all over the country.



No of ATM & BPM:

In 2015 BRAC Bank Ltd has highest ATM booths after that City Bank ltd and Eastern Bank Ltd. But Eastern Bank has highest bills pay machine compare to other two banks.





Credit Rating Analysis of EBL:

Moody's announces completion of a periodic review of ratings of Eastern Bank Limited Global Credit Research - 31 Mar 2021Singapore, March 31, 2021 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Eastern Bank Limited and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review discussion held on 22 March 2021 in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology (ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion. This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. Key rating considerations are summarized below: Eastern Bank Limited's (EBL) long-term local- and foreign-currency deposit ratings of B1 are one notch higher than the bank's Baseline Credit Assessment of b2, based on Moody's assessment that the Government of Bangladesh (Ba3) will support the bank in times of need. The assessment incorporates the bank's modest market shares in terms of deposits, balanced against the government's track record of providing support to distressed banks. The BCA of b2 reflects EBL's track record of relatively good asset quality; its moderate capitalization; robust earnings that is somewhat constrained by lending interest rate cap; and its modest deposit franchise. This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period. The principal methodology used for this review was Banks Methodology published in November 2019. And Along with the Global Rating Company. Local credit rating CRISL has been upgraded from AA to AA+

Chapter: 03

Findings, Recommendations & Conclusion

3.1 Findings & Analysis

In terms of financial state, it is difficult to get the exact picture of the company as the banks are established in different times and are well performing in different sector. The financial data are important to judge a company's overall performance therefore here the following concluding statements are assumptions of how the picture might be. This comparison is very limited in nature as few important financial details have been focused.

We see that Eastern Bank Ltd has BDT 12,000 million authorized capital though City Bank Ltd has highest authorized capital in 2021 among three banks. Regarding investment Eastern Bank ltd has 2nd highest amount in 2021.

Profitability show a company's overall efficiency and performance. In recent year BRAC Bank has highest operating profit in compare to all three banks. EBL has lower operating profit which means that bank's core business is less profitable than others bank. Eastern Bank Ltd paid highest dividend among three banks in recent years. This bank has lowest no of branches and ATM booths but highest bills payment machine.

If we look only Eastern Bank Ltd‟ FY- 2021 the ROA and ROE is lower rather than previous years that means bank did not earn more money on its assets and could not offer a profitable investment to the equity holders. The cost to income ratio also high that means the bank did not efficiently run the business. The EBL shareholders‟ earned 3.63 tk per share which is lower than previous period except 2020.

3.2 Recommendations

- There are a lot of banks now in Bangladesh and customers now have lots of options. So a bank should do everything possible for them to do to retain its customers.

- In the branches of EBL there should be more number of service stations for withdrawing and depositing money so that it reduces the customer waiting time.

- There should be more efficient capital management and investment analysts appointed so that idle money does not remain in the bank.

- They should frequently keep their conscious observation to monitor that the ATM machines in all the booths are usable and adequate cash is there.

- They should increase their ATM booths substantially in order to compete with its competitors.

- EBL should increase the space in the branch offices as their client size is increasing day by day and also introduce new branches in various places of the country for expansion.

- In order to remain as the market leading company they should emphasize much on retain the existing customer base and also should try to attract new customers.

- Some customers said that the service charges of Eastern Bank Ltd are comparatively higher than other bank so it should be reduced if possible. Otherwise it can be a threat for the bank in future.

3.3 Conclusion

Eastern Bank is one of the pioneer p private ate banks in the country. It is one of the front line banks due to its specialized and sophisticated banking services rendered to its customers. In order to remain competitive in the market it constantly looks for ways and means to improve productivity. Use of information technology remains its mainstay. EBL is playing significant role in various field of economy such as industry, agriculture, trade and commerce, transportation and many other fields. It is playing a crucial role in human resource development and in creating new employment opportunities. It is also undertaking various welfare activities for the betterment of the society.

According to the study the performance of this bank is satisfactory. In this study to evaluate the financial performance of this bank various financial parameters were considered and Eastern Bank was found as a fast growing bank and simultaneously performing well in almost all the areas. To keep with this pace of growth and improvement they now should more vigilant on what their customers want and should be more vigilant while giving loans to the clients in order to reduce the defaulter rate.

The reliability of the customers on EBL is increased promptly day by day. In EBL all the staffs are performing sands serving the customers untiringly. EBL keeps itself busy to serve the society, to improve the lifestyle of the people, to develop the business environment.

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- Company information - BRACBANK. (2000). Retrieved January 18, 2022, from http://www.cse.com.bd/companyDetails.php?scriptCode=BRACBANK

Annual Report

I. Eastern Bank Ltd – Annual Report 2017-2021
II. BRAC Bank Limited - Annual Report 2017-2021

City Bank. - Annual Report 2017-2021