

Report On  
CAMELS Rating and Overview of Eastern Bank Limited

By

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16304019

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements  
for the degree of Bachelor of Business Administration

BRAC Business School  
BRAC University  
May 2021

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## Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

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**Azmayeen Azfar Chowdhury**  
16304019

**Supervisor's Full Name & Signature:**

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**Sohana Wadud Ahmad**  
Lecturer, BRAC Business School  
BRAC University

## Letter of Transmittal

Ms. Sohana Wadud Ahmad  
Lecturer,  
BRAC Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship report

Dear Madam,

It is my privilege to present the report on CAMELS Rating and overview of Eastern Bank Limited to which I was named at your request.

I've done my best to conclude the study with the most important information and recommendations in the most concise and detailed way possible.

I am confident that the study will meet your expectations

Sincerely yours,

---

Azmayeen Azfar Chowdhury

16304019

BRAC Business School

BRAC University

Date: May 15<sup>th</sup> 2021

## Non-Disclosure Agreement

This agreement is made and entered into by and between Eastern Bank Limited and the undersigned student at BRAC University, Azmayeen Azfar Chowdhury.

### Confidentiality agreement

1. The three parties agree that the internship report, whether in draft or final form, is not a confidential document and because of that the student, employer, or faculty advisor can share the internship report with others.
2. The three parties accept that all records and details sent by the employer to the student during the internship remain the company's resources, other than that the faculty supervisor and the student will not regard them as classified material until the company directly requests it.
3. If the material gathered during the internship is in the public domain, the three parties are not forbidden from releasing it.

**Supervisor's Full Name & Signature:**

**Faculty's Full Name & Signature:**

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**Mesbah Uddin Ahmed**  
Chittagong Area Head  
Eastern Bank Limited

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**Sohana Wadud Ahmad**  
Lecturer, BRAC Business School  
BRAC University

**Student's Full Name & Signature:**

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**Azmayeen Azfar Chowdhury**  
BRAC Business School  
BRAC University

## Acknowledgement

To start, I'd like to express my heartfelt gratitude to Almighty Allah for providing me the strength and calmness necessary to complete my BBA courses and prepare this report on time.

Throughout my internship, I was fortunate to receive generous assistance from a variety of sources, which I would like to acknowledge here with profound appreciation and enjoyment.

First and foremost, I want to express my gratitude to my advisor, Ms. Sohana Wadud Ahmad, a BRAC Business School faculty member. From the start of this internship report, she allowed me to openly pass on her valuable time. Her advice, inspiration, and feedback gave me the requisite insight into the research challenge and opened the way for a successful completion of the report in a limited amount of time.

Mr. Mesbah Uddin Ahmed, Chittagong Branch Area Head, Retail & SME Banking, deserves special mention. I'm also grateful to all of the Agrabad Branch's other department heads, officials, and office workers for their earnest cooperation and assistance in providing me with this opportunity and always assisting and supporting me in producing a standard paper.

## Executive Summary

Consumer Banking is now one of the most important core business segments of every competitive bank since it works with a large number of consumers and is the primary source of considerable income. Consumer banking is gaining traction as a result of the innovative financial products and services it provides. Furthermore, all banks are attempting to aggressively develop their consumer or retail banking divisions. The consumer deposit and lending product line, client base, and supplementary consumer banking products such as debit card and credit card are the major spirit of consumer banking. In terms of people's lifestyles, consumer banks may play a significant influence because they deal with people's entire lives as well as financial solutions.

The consumer deposit and lending product line, client base, and supplementary consumer banking products such as debit card and credit card are the major spirit of consumer banking. In terms of people's lifestyles, consumer banks may play a significant influence because they deal with people's entire lives as well as financial solutions. Total analysis is divided into three chapters in this report. While chapter one displays the study's introduction, scope, and limitations, chapter two provides an overview of EBL, including its history, vision, goal, and major business segments. In chapter three, the CAMELS rating of Eastern Bank Limited was shown.

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## List of Acronyms

PPG	Product Policy Guideline
CIB	Credit Information Bureau
DBR	Debt to Burden Ratio
WCR	Working Capital Reflection
DLA	Delegation Lending Authority
CPV	Contact Point Verification
NIA	Negotiable Instrument Act
NOC	No Objection Certificate



# **Chapter 1: Overview of Internship**

## **1.1 Student Information**

I Azmayeen Azfar Chowdhury of BRAC Business School (ID:16304019) completed all course of the department following the regulations and policies of BRAC University with dedication and prosperity. Finally, I perused finance as my concentration as I was fascinated about the contents and knowledge of the financial world. It gives me immense pleasure to call myself a finance graduate from BRAC University. I would like thank all the faculty members of Business School and other departments as well for giving me such an amazing learning environment and helping me learn so much about academics and the practical world.

During the course of my academic career, I also managed to accrue nearly 1.2 years of work experience. I had the privilege of working for Future Track as a Business Development Executive in my free time, where I learned valuable professional skills and was responsible for my team and meeting company target. I have also contributed my time on a clothing start-up for 2 years and have learned the importance of efficiency and quality management. In both my academic and professional life, I have been consistently praised as diligent by my professors and peers. Whether working on academic, extracurricular, or professional projects, I apply proven communication, leadership and multitasking skills, which I hope to leverage into the professional world.

## **1.2 Internship Information**

### **1.2.1 Company Name, Department, Division, Address**

I have been appointed by Eastern Bank Limited, one of the largest and most successful commercial banks in Bangladesh. I was appointed at the Credit Risk Administration under Retail and SME Banking Department at the Chittagong head office located in 33 Agrabad C/A, Chittagong.

### **1.2.2 Company Supervisor Information**

I am very grateful to have Mr. Mesbah Uddin Ahmed as my company supervisor. He is the Chittagong Branch Area of Retail and SME Banking, Mr. Mesbah is working with EBL for more than 8 years. Previously he was the Branch Manager of Eastern Bank and later got promoted to the Chittagong Area Head. He has also worked with BRAC Bank and Mashreq Bank during his professional career. Working beside his was of great help, Mr. Mesbah was a very humble human being with a very energetic personality. He helped me ice break with every department, introducing me to every other member of the Eastern Bank team.



## 1.3 Internship Outcomes

Prior to my graduation, consider the employment options and combining theory with practice. Examine the interests and aptitude in the chosen topic of study. Learn to value employees and their role in the economy. Learning spreadsheet-based data manipulation, formulae, and fundamental modeling approaches. Learn how venture capital works and the duties of a venture capital firm's personnel. Most important part of the internship was developing ties with those who can function as advisers or mentors and extending the network to include additional students who share similar interests further, creating a network of potential entrepreneurs and technical experts.

### 1.3.1 Student's Contribution

Assisting Branch Relationship Officers in organizing and filing out customer paperwork. Moreover, analyzing the loan proposal with the help of the Retail Risk Department's Financial Analyst. Examining the client's financial statements and detecting fraudulent transactions. Making Charged Documents admissible in the Department of Credit Administration. Updating the authorized loan application's excel sheet. Filling up the sanction letters by following the guidelines of Bangladesh Bank. Making the Letter of Credit documents admissible. Organizing the documents and filling out the requisite information on the LC documents.

### 1.3.2 Benefits to student

Working in a dynamic professional setting allowed me to gain realistic banking experience. Understanding the conditions and guidelines that are linked to loan applications and what are the conditions that have to be met in order for a loan to be approved. The process of loan approval and disbursement. Awareness of the Product Policy Guidelines (PPG) that Eastern Bank Follows. Working with EBL enabled me to learn that there are new challenges and opportunities every day, all you need is to remain focused and trust your instincts. Having a taste of professional work culture is very important, it teaches discipline and how to communicate with your networks. I have met various new people with different perspective which allowed me to look at things different and more professionally.

### **1.3.3 Problems**

Working in an organization like EBL brought a lot of positive changes in my life but the only problem I can identify is working during the pandemic. It was very difficult to maintain the safety proximity as it's a bank and customers will visit it on a regular basis according to their needs. Though the bank provided a lot of precautionary tools and limit the banking hours to reduce the influx it was still risky to go to the office and work.

### **1.3.4 Recommendations**

I would respectfully recommend Eastern Bank Limited to give the employees a proper job description so that they know what their task is and give a training or an overview of the job responsibilities. Many in the organization has shared that on the first day at work they were just given the position and they had no clue what they are advised to do. Therefore, a proper job description and a training on how to work would be a recommendation I would suggest. Apart from that, the management practices are very holistic and everyone is very friendly and keen to help in the organization.

## 2.1: Introduction

This internship report is completed at Eastern Bank Limited (EBL), one of the largest and most reputed private commercial banks in Bangladesh. During my internship period, I am really grateful that Ms. Sohana Wadud Ahmad, Lecturer of BRAC Business School was assigned as my supervisor from BRAC University. I am working in the Chittagong Head Office, Agrabad Branch assigned at Credit Risk Administration under the Retail & SME Banking division. Daily operations customer support, which includes opening various types of accounts, retaining records, tracking activity profiles, exchanging cheques, providing pay orders, applying for loan/card services, retaining clearing cheques, cash deposits and withdrawals, and so on, are among the division's key responsibilities. I started my internship after the first wave of disastrous COVID-19 and during that time our economy was in a very critical situation and the government has proposed a stimulus package of BDT 100,000 crore to stabilize the economy. Eastern Bank Limited worked with various loan files who were affected during this pandemic and based on their bank reflection and business category loans were being disbursed at a lower interest rate. The stimulus package also gave them a credit line extension which enabled the clients not to pay the installments for the first six months. On the trade operations lenders were also getting finances from the Export Development Funds (EDF) through the Bangladesh Bank to help export oriented companies to bounce back from the COVID-19 crisis.

## Objective

The main focus of this study is to give a general overview of the Retail & SME Banking Division of Eastern Bank Limited. The specific objectives of the internship report include:

### General Objective:

Aiming to develop practical knowledge about the work cultures and environment of the professional corporate world and incorporate the academic learnings in the world of pursuit.

### Project Objective:

- Overview of the company
- Management practices
- Marketing practices
- Financial Performance
- Operations Management
- Industry competitive analysis

## Methodology

The first step in conducting this study was to identify the issue and choose a subject. This was accomplished with the support of my honorable faculty Ms. Sohana Wadud Ahmad and the EBL supervisor Mr. Mesbah Uddin Ahmed. The project's specific goals were then defined. The required data for the project's completion was defined based on these objectives. Following that the internal sources were used to structure the report and both primary and secondary sources were used in this report.

The management and employees were the sources of the primary data. Every department I have contributed myself were responsible on giving me specific information regarding the report. Secondary data was gathered from a variety of publications, websites, and other EBL records. After the data was collected, it was analyzed to determine the effects.

## Scope of Study

This internship report is based on the CAMELS rating and Overview of Eastern Bank Limited during the COVID-19 crisis in Bangladesh.

During my internship period I have gathered first-hand experience about the overall Retail and SME Banking Division. The report's first section provides an overview of Eastern Bank Ltd and its operations. The majority of the material in this section comes from internal sources and a website. The second section will provide an analysis of the CAMELS rating and the contributions to the COVID-19 crisis in Bangladesh.

I am grateful to the Eastern Bank team for helping me gathering information and statistics and creating such an amazing learning environment for me in the workplace.

## Limitations

First and foremost, the internship program was during one of the most disastrous time of the world. Fighting with the pandemic situation and following the set of directives we had to continue the internship. Banks were instructed with rooster duty on every department. Being an intern, it was a very difficult situation as all of the team members or employees were not available at once. Apart from the COVID-19 situation Eastern Bank Limited was a very welcoming and a very good learning environment for a fresh graduate like me.



## 2.2 Overview of the Company

### 2.2.1 History and Background

Eastern Bank Limited's entry into the private sector is a pivotal moment in Bangladesh's banking industry. Eastern Bank Limited began operations as a public limited company on August 8, 1992, with the primary goals of conducting all types of banking activity in and outside of Bangladesh. EBL has taken over the business, assets, liabilities, and losses of previous bank of credit & commerce international (Overseas) limited, hereinafter referred to as BCCI, branches in Bangladesh, with effect from August 16, 1992. As BCCI went bankrupt on a global scale in 1991, the bank's operations in Bangladesh were shut down. Following a lengthy conversation with BCCI employees and acknowledgement of depositors' interests, Bangladesh Bank offered the opportunity to form Eastern Bank Limited. EBL began as a scheduled bank with just four branches. The Principal Branch in Dhaka, the Motijheel Branch in Dhaka, the Agrabad Branch in Chittagong, and the Khulna Branch. EBL began its operations with the aim of becoming a pioneer in Bangladesh's banking industry by providing quality counseling and effective service to customers.

### 2.2.2 Vision

EBL Ltd.'s mission is to build a sustainable and socially responsible business model focused on Industries and Sectors with Growth Potential, thus assisting partners in the development of enlightened, stable, sustainable, and poverty-free Bangladesh, Eastern Bank Limited aims to spread their wings throughout the country.

## 2.2.3 Achievements of the Organization

### Internet Banking

EBL established a standard in the banking industry by offering online banking for the first time in Bangladesh. The Internet banking application caters to the demands of the bank's small, individual, and corporate account holders. This application offers a complete variety of financial services, allowing customers to satisfy the majority of their financial needs through the Internet. Banking Operations and Inquiries, Fund Transfers and Payments, Utility Bill Payment, Deposits, Loans, Inquiries, and other services are all available through net.

### Kiosk

EBL introduced Kiosk in March 2006, and it essentially offers micro branch banking facilities such as 24-hour ATM service, bill payment for consumers, and online banking. At the moment, 194 ATMs are operational and ready to service consumers 24 hours a day, seven days a week. Some direct sales people are also assigned to kiosks to handle business sourcing.

### Flexcube

It is an Internet banking service that provides Corporate, Consumer, and Investment Banking products to bank customers through the Internet. Our Online Banking module provides a safe, dependable, and adaptable web banking solution. It is built on a repeatable component structure that meets industry requirements. The banking platform, designed expressly to capitalize on the possibilities of the web, provides a modular solution covering Consumer, Corporate, and

Commercial Banking. Members will be able to transfer cash, check their balance, get a cheque book, and pay utility bills online, among other things.

## **ZIP**

EBL ZIP is a non-interest generating equal installment plan that enables credit cards to transform retail purchases made at approved outlets into an installment scheme. The consumer repays the money over a period extending from three to twenty-four months, with no interest.

## **EBL Sky banking**

Sky banking is an application that EBL launched in 2016. The application made banking services more efficient and effective in terms of rapid client care. Its plan is to combine mobile and internet banking so that users and account holders can transfer money through that mobile application. Customers will be able to conveniently view their account statements, download statements, drop cheque requisitions, discover the closest branches and ATM locations, different offers from the EBL, fund transfer, and many other services using this Sky Banking Application. It has been a major milestone in the banking industry of Bangladesh.

## 2.3. Management Practices

In EBL, as in any other firm, the senior management takes all critical decisions. As the uppermost level of organizational structure, the board of directors plays an essential role in policy creation. The board of directors is uninvolved in the day-to-day operations of the bank. This responsibility has been entrusted to the management committee. The board is primarily responsible for establishing the policy and guidelines of the company

The day-to-day operations of the bank are overseen by the Chief Executive Officer (CEO), who is aided by three Executive Vice Presidents (EVPs). The CEO has direct supervision over the Human Resources Department, the MDs Secretariat, and the Audit and Compliance Department. The three EVPs are responsible for Operations, Credit, and Corporate Banking, in that order. The senior executives oversee and advise mid and lower-level personnel on the jobs and tasks they must complete. Eastern Bank Ltd.'s management believes that workers are members of a team who actively contribute to the achievement of the organization's goals. The chief executive gives general support and guidance to managers and staff, but delegated responsibility to the lower level of management.

### **2.3.1 Operations**

All policy formation and subsequent implementation takes place at the Head Office. Corporate Banking Division, Credit Division, Consumer Banking Division, Trade Services Division, International Division, Finance and Accounts Division, Human Resources Division, Information Technology Division, and Audit and Compliance Division are its nine key divisions.

### **2.3.2 Hiring Process**

EBL makes every effort to go through a thorough recruiting and selection procedure. They are eager to locate the ideal individual for the perfect role for their approximately 86 branches around the country. This demanding procedure includes an employment examination administered by the Institute of Business Administration (IBA), stringent reference checks, performance simulation tests, and many other elements. Applicants must be able to overcome all of the obstacles.

For a significant period of time, a large number of contractual workers of the bank's total workers are given the chance to demonstrate their performance, skill, ability, and knowledge. If they function well, they may be made permanent in the future.

### 2.3.3 Branches

EBL has a network of 86 branches around the country. 36 of the branches are in Dhaka, 27 in Chittagong, 7 in Sylhet, and the remaining 16 in other commercially significant cities (Comilla, Khulna, Bogra, Rajshahi, Rangpur, Barishal & Jessore). EBL's head office is situated in Dhaka 100 Gulshan Avenue Dhaka-1212, Bangladesh which was before in Motijheel but later the company shifted to the heart of Gulshan Avenue.

## 2.4 Marketing Practices

EBL's consumer banking mission is to assist individual customers at every stage of their lives. CNB is regarded as the bank's front-line officials who interact with consumers. These activities are carried out by the 86 branches. Previously, these branches were responsible for a wide range of commercial activities, such as credit card processing, trade service, and consumer service.

Retail banking products are created with the client's financial needs and accessibility in mind. EBL's new IT platform has allowed its Consumer Banking to provide a world-class and wide variety of financial products and services. These have been designed to meet the clients' banking needs, with experienced Relationship Managers reaching out to customers to ensure that the task is completed in a methodical manner within the client's time frame. EBL, on the other hand, has opted to focus more on consumer banking and is establishing contemporary delivery channels such as ATMs, tele-banking, online banking, and debit cards.

## 2.4.1 Products offered by EBL

### SME Loans

#### EBL ASHA

Any loan for commercial purposes ranging from Tk.2,00,000 to Tk.15,00,000 (Repeat loan from Tk.2,00,000 to Tk.15,00,000). The loan must be repaid in equal monthly installments. It is also repayable within three to thirty-six months (Repeat loan repayable within 48 months).

#### EBL AGRIM

Loan made to accommodate seasonal demand. The loan facility ranges from Tk.200,000 to Tk.950,000. There is no need for collateral, and the loan term ranges from 4 to 6 months. Partial and early payments are permitted; no additional fees are necessary.

#### EBL MUKTI

Women entrepreneurs or women-led businesses can apply for credit ranging from BDT 5 lac to BDT 50 lac. This loan does not necessitate the use of any collateral. The interest rate is 10% per year and the loan is repayable in 6-60 months.

#### EBL NOBODOY

This loan is mostly for agricultural enterprises. The loan amount must be between Tk.2,00,000 and Tk.1,00,000 in value. The interest rate is 10% per year and is repayable over a maximum of 60 months. There is no need for security up to 10 lac, however 50 percent of the loan amount in the form of an FD is required for amounts beyond 10 lac.



### **EBL UDOY**

Loan for a leather goods manufacturer. The loan amount ranges from Tk1.00 lakh to Tk10.00 lac. The annual interest rate is 9%. Loan terms range from 6 to 36 months, with no collateral required.

### **EBL KRISHI RIN**

Individual Farmers/Share Croppers who are directly involved in crop production are eligible for a loan. The loan limit is set at a minimum of Tk.10,000 and a maximum of Tk.1,50,000. Loans can be granted on a one-time or recurring basis, with no collateral required and no loan processing charge.

### **EBL UTKORSHO**

Loans with no collateral ranging from Tk.20,00,000 to Tk.2,00,00,000. Closing the loan facility (EMI based). For BDT less than 1 crore, the maximum period is 4 years, while for BDT 1 crore and beyond, the maximum period is 5 years. Loan for operating capital, the acquisition of fixed assets, and other commercial purposes

### **EBL UTPADON**

Loan package for any profitable company organization. The loan amount ranges from Tk.5,000 to Tk.3,00,000. A term loan and an overdraft are combined. 2–5-year medium-term loan (Including 1 year grace period). Loan for 5-8 years with a long repayment time (including 2 years grace period). Appropriate working capital for one year (annually renewable up to five years) with a competitive interest rate and loan usage flexibility

### **EBL PROJUKTI**

Individual Farmers may apply for a loan to purchase agricultural machinery. The loan limit is set at a minimum of Tk.10,000 and a maximum of Tk.1,50,000. There is no need for collateral and the interest rate is competitive.

### **EBL E-CASH/LOAN**

Overdraft/Term Loan with Cash Collateral. Loan amount ranging from Tk.50,000 to Tk.100,000 and E-Cash: For a period of one year, a revolving facility is available.

### **EBL INVOICE FACTORING**

Invoice discounting is a method of financing receivables. The maximum amount is BDT 5 crore, and the interest rate is 13% per year, or as set by the bank's ALCO from time to time.

### **EBL BANNIJYO**

A credit facility of up to BDT 35,000,000 is available to any legal import firm. LC facility with no margin There is no need for a mortgage on the land or building, and the post-import facility is available for up to 6 months.

### **EBL GREEN CREDIT**

Possibilities for energy conservation or the use of renewable energy. Assess the suitability of technical solutions. Analyze the technical and economic feasibility of new initiatives.

### **EBL CASH CREDIT**

Working capital can be used for any authorized business purpose. Loan amounts ranging from BDT 3,000,000 to BDT 50,000,000, with a one-year cash credit (OD) revolving facility.

### **EBL UDDIPAN**

For acquiring, constructing, remodeling, and face-lifting commercial space, as well as developing/constructing worker sheds/houses for rental or personal usage as an office, factory, showroom, go-down, and so on. The loan amount ranges between BDT 1,000,000 to BDT 150,000,000.

### **EBL BUSINESS SOLUTION**

Any lawful commercial objective or corporate development. The loan amount ranges from BDT 1,000,000 to BDT 50,000,000, with a loan term of up to 60 months.

### **EBL BUSINESS WONDER**

Any lawful commercial objective or corporate development. The loan amount ranges between BDT 2,000,000 to BDT 30,000,000. Loan terms ranging from 24 to 60 months

## Retail Loan (Personal)

### EBL Assure

EBL Assure is a lifestyle loan product for any lawful purpose that includes life insurance coverage.

### EBL Executive Loan

EBL Executive Lending is an unsecured, term loan instrument (based on EMI) for any valid purpose. A bank would lend money against the monthly salary of any creditworthy individual in order to help him or her meet his or her financial obligations.

### EBL Women's Loan

EBL Women's Lending is an unsecured EMI-based loan option for paid and professional female staff for any lawful purpose.

## **Retail Loan (Mortgage)**

### **EBL Home Loan**

EBL House Lending is a term loan option (based on EMI) for creditworthy individuals to realize the goal of owning a nice home. Any creditworthy individual might be financed by a bank based on his or her monthly salary.

### **EBL Home Credit**

EBL Home Credit is a term loan product (based on EMI) for creditworthy persons to use for building and refurbishment.

### **EBL MORTGAGE LOAN PAYMENT PROTECTION**

EBL Mortgage loan payment protection is a renewing loan facility (EMI based) with life insurance safeguard for financially stable persons in order to meet the purpose of purchasing a sweet home.

## Secured Loan

### EBL Fast Cash

Eastern Bank Limited's EBL Fast Cash is a revolving credit facility. You may satisfy your immediate cash needs with EBL Fast Cash without having to encash your fixed deposit or other instruments.

### EBL Fast Loan

EBL FAST Lending is a completely secured and Term (EMI Based) loan option that may be used for any valid purpose. If permitted by corporate policy, the bank will finance against the client's EBL FD or other bank/NBFI FD or other security.

## 2.4.2 Brand Value

Eastern Bank's promise, 'Simple Math,' is indeed much more than a marketing slogan or promotional strap line; it describes how the bank does business. EBL seeks to live its brand promise of quality, relevant customer solutions, and accountability to all stakeholders via continual delivery of the promise. As the strapline suggests, EBL provides simplicity in all of its banking services and products. From goods and services to procedures, EBL strives to keep the message's essence, simplicity, in mind. EBL firmly believes in investing in human capital, and as such, people are considered as the company's most precious asset.

## 2.4.3 Consumer Positioning

EBL placed a number of roadside billboards, one after the other, to promote their bank. They were among the first banks to employ this technique to promote banking, and it has paid off handsomely, as EBL has become one of the top commercial local banks in Bangladesh. When it comes to advertisements, EBL has frequently used youngsters as models. Especially the children in their promotional activities. This has created a huge emotional impact on clients and the service users of the company, and therefore they have faith in this organization.

## 2.5 Financial Performance

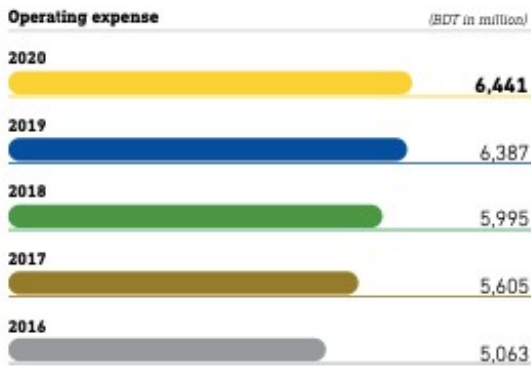


Figure 1 Operating Expense

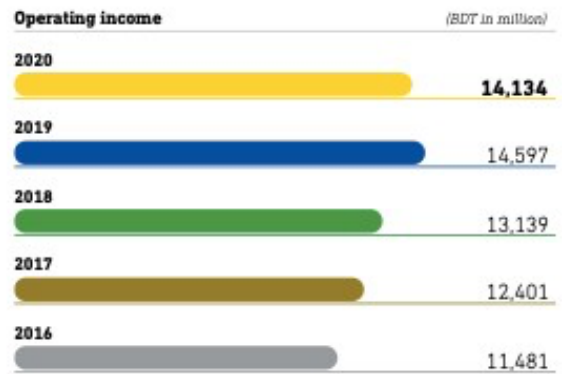


Figure 2 Operating Income

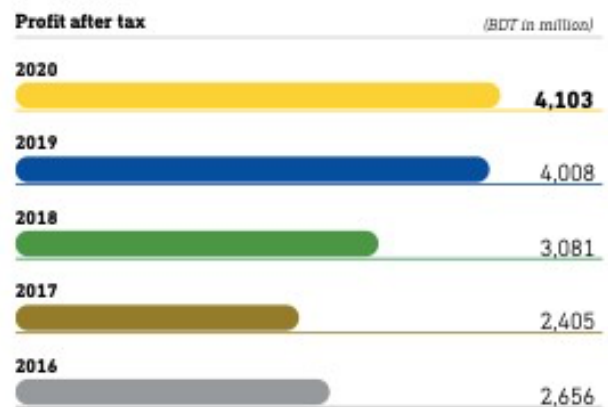
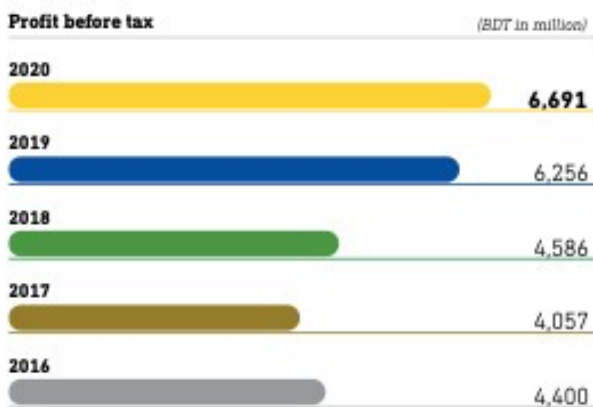


Figure 3 Profit Before and After Tax

Over the last five years the company's operating expenses were the highest in the year of 2020, and the operating income was also on the highest quartile compared to the previous years. Profit before and after tax were also the highest compared to the previous years.



## 2.5.1 Efficiency Ratios

### Return on Equity (ROE):

2020	2019	2018	2017	2016
15.04%	16.52%	13.83%	11.41%	12.44%

Figure 4 ROE

### Return on Asset (ROA):

2020	2019	2018	2017	2016
1.22	1.30	1.15	1.04	1.33

Figure 5 ROA

### Weighted Interest Rate of Loan:

2020	2019	2018	2017	2016
8.22	10.83	10.44	9.47	9.98

Figure 6 Weighted Interest rate of loan

### Cost to Income Ratio

2020	2019	2018	2017	2016
45.58	43.76	45.63	45.20	44.10

Figure 7 Cost to Income ratio

## 2.5.2 Financial Position

In terms of governance, capital sufficiency, profitability and soundness, the banking sector had a hard year in 2019. Despite the increased obstacles, EBL managed its portfolio effectively, ending the year 2019 with a Non-Performing Loan (NPL) of 3.35 percent (2.35 percent in 2018), which is lower than the industry average (9.32 percent). Net interest income (NII), which accounted for 56% of total operating revenue in 2019, grew by 9% over the previous year (interest income increased by 17 percent and interest expense increased by 22 percent) Total tax provision grew by 49 percent in 2019 compared to the previous year, mostly due to a 36 percent rise in earnings before tax and a drop-in tax-deductible expenditure due to no write-off loans in 2019. Finally, the bank's profit after tax (PAT) climbed by BDT 927 million, or 30%, in 2019 over 2018.

### 2.5.3 EBL's Financial Portfolio During Pandemic

Despite all of the challenges posed by the unprecedented Covid-19 epidemic, Eastern Bank Limited (EBL) has been able to move on, preserving stability in its commercial and financial performance during the first half of 2020. Despite the introduction of a new policy, the bank's profit after tax increased by Tk155 crore in this time, owing to cautious balance-sheet management. According to Ali Reza Iftekhar, managing director and chief executive officer (CEO) of Eastern Bank, the Covid-19 outbreak took the whole nation off stride at the start of this year and had a cascading effect on the financial industry. Furthermore, the lending rate restriction has put the banking industry in a difficult position. Most banks' typical income has decreased by 20-35 percent.

EBL is one of the few companies to have received both Payment Card Industry Data Security Standard and ISO 27001 accreditation, EBL was one of the first companies to be rated by Moody's Investors Service, a globally renowned credit rating firm. It praised EBL's efforts in managing liquidity and capital, and in November 2019 gave Eastern Bank a B1 rating. Credit Rating Information and Services Limited assigned EBL an AA+ long-term rating and an ST-1 short-term rating.

## 2.6 Operations Management and Management Information System

The Management Committee (MANCOM) is the top decision-making and policy-making body, comprised of the MD and CEO, as well as the heads of several business and support units. The MANCOM evaluates all parts of the bank's operational hazards, business performance, and charts the future road map on a regular basis.

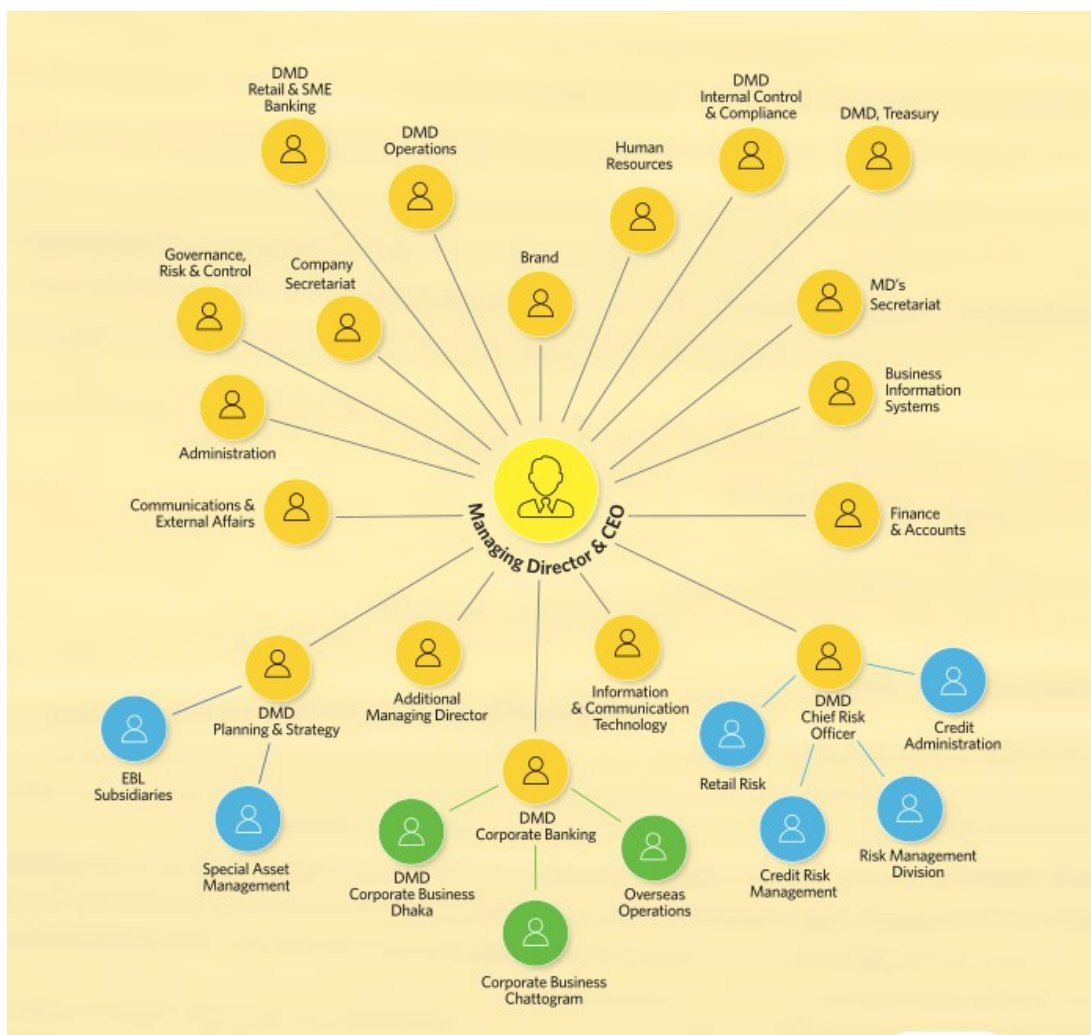


Figure 8 EBL Organogram

## 2.6.1 Risk Management of EBL

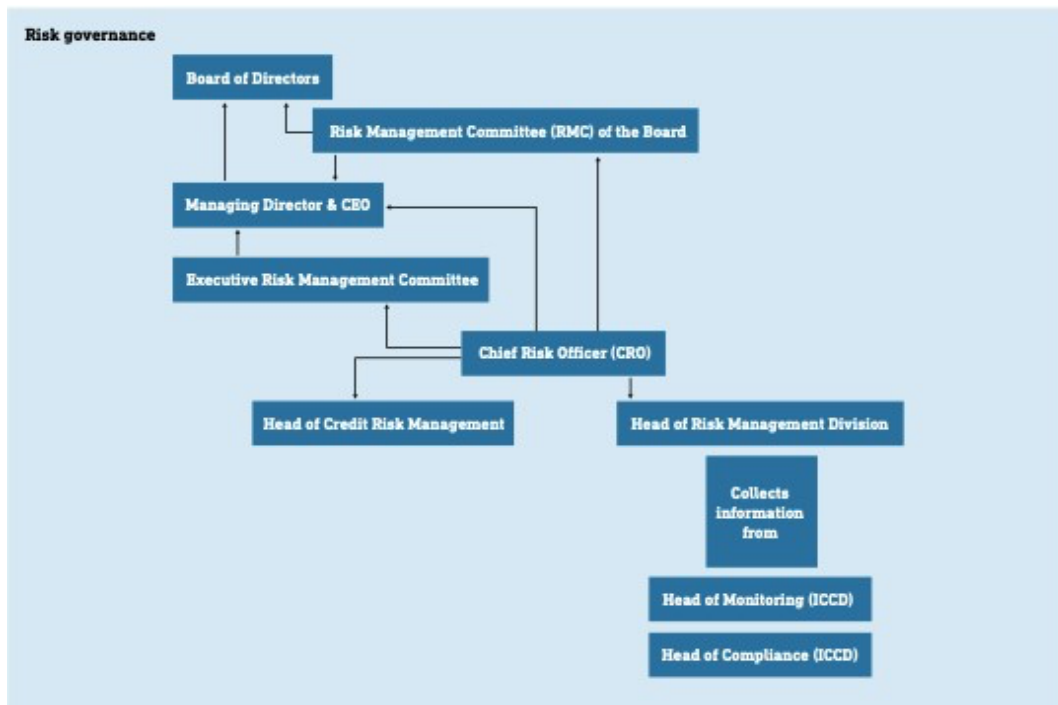
In banking, risk management is viewed as a system for identifying major risks and putting a strategy in place to cope with probable losses. In this case, protecting the bank's assets and reputation is critical to preserving financial and organizational survival. EBL have launched a number of initiatives to assist the clients. Among these measures are loan maturity extensions, credit limit extensions, paperwork deferral extensions, and installment payment pauses. All of these efforts were taken to ensure the customers' business's survival, and as a result, credit risk has been decreased. Ensuring fast tracking of approval process for CMSMEs with consciously taken credit policy exceptions for the greater good. It helps businesses during the COVID-19 epidemic, and EBL met the central bank's aim of creating a stimulus package for CMSMEs.



*Figure 9 Risk Management Framework*

## 2.6.2 Risk Management Committee

Eastern Bank has a strong risk management structure in place. This strategy is intended to maintain the bank's capital basis, reputation, revenue, and profit while not impeding expansion. Management control is the first line of defense in risk management, according to EBL's three lines of defense concept and control the second line of protection is supervisory functions developed by EBL management, and the third line of defense is independent assurance. Each of these three "lines" has a specific purpose within Eastern Bank's broader governance architecture.



*Figure 10 Risk Management Committees*

The Board of Directors of EBL plays a critical role in developing overarching strategies and policies for managing all risks linked with the firm. The Board's Risk Management Committee (RMC) is the ultimate policy-making forum for the bank's risk management.

### 2.6.3 Digitization in the Banking Industry

In 2020, the world around us has altered dramatically. The change from physical to digital banking has been swift. During the pandemic, the increased demand for digital products and services accelerated our digital transition. Customers have become acclimated to this new standard of banking. EBL's digitalization goal is to give comfort and dependability to customers, to create positive customer experiences, and to offer digital services that are faster, more flexible, cost-effective, customized, and secure. However, EBL expanded its attention on cyber security challenges.

EBL have a number of preventative controls in place, including a next generation Firewall, Network Intrusion Prevention System (NIPS), Adaptive Security Appliance (ASA), Endpoint Security, Intrusion Prevention System (IPS)/ Intrusion Detection System (IDS), and so on. EBL's PCI-DSS accreditation for the fifth time in a row recognizes the banks ongoing efforts to reduce vulnerabilities in the cardholder data area, giving the customers peace of mind while using EBL's payment cards. EBL have also implemented a Digital Strategy that prioritizes rebuilding traditional banking procedures into digital processes and modernizing internal technologies to be ready to capitalize on regulatory developments.

## 2.7 Industry and Competitive Analysis

Easter Bank Limited (EBL) is a “Market Follower” according to rivals or market positions. A market follower is a company that is in a strong but not dominating position and is satisfied to stay there. The idea is that by creating techniques similar to those of the market leader, they would achieve a sizable market share while exposing themselves to relatively little risk. Eastern Bank Limited aspires to be the market's most recognized brand. The company is continually on the lookout for opportunities for unit branding or co-branding. For branding purposes, the bank has a vast pool of partnership partners.



## 2.7.1 S. W. O. T Analysis of EBL

### Strength

Online Banking: They operate through their online banking system and communicate with all the 86 branches in the country.

HR Manual: The HR Manual is available to all EBL employees, providing them with a comprehensive grasp of the organization's terms and conditions. This HR Manual is available on EBL's internal website.

Belongingness to the company: EBL personnel have a strong feeling of commitment to the organization, as well as a sense of pride and belonging to EBL.

Duty Doctor: EBL recently engaged a duty doctor to oversee the health and fitness of all workers.

### Weakness

Job description: The job description in EBL has not yet been organized. HR Accounting: EBL has yet to develop HR Accounting, which is a powerful instrument for matching the benefits of each new hire, assessing turnover, and so on.

EBL provides compensation and benefits through two separate software programs called EZHR and Flexcube, both of which are difficult to use and have various limitations.

## Opportunities

MIS: EBL's HRD has built a new MIS, which is being used in different personnel reports.

EBL's HRIS: Human Resources Information System will be expanded very shortly. Pay

Survey: In the year 2016, EBL will conduct a salary survey.

Research & Development: EBL will soon make full use of its learning and development program by developing a library and organizing numerous training modules.

## Threat

Fair Remuneration: EBL's compensation system is not as competitive as the market expects.

Frequent Employee Turnover: As a result, EBL's employee turnover rate is growing day by day.

## 2.7.2 Strength of Competitors

### Standard Chartered Bank:

1. The credit card industry's market leader
2. Equity in a global brand
3. a sizable current consumer base
4. Direct Selling
5. Good corporate relationships with multinational corporations
6. Superiority in technology
7. Banking with Priority

### Hong Kong Shanghai Banking Corporation (HSBC)

1. Competitive consumer banking policy
2. International brand equity
3. Technological excellence
4. Superior Banking

### BRAC Bank

1. Enhanced competitive engagement in retail and SME banking
2. Very big and experienced sales team

## 2.8 Summary and Conclusion

The EBL has gained the reputation of being the best banking operation in Bangladesh. The company is substantially more organized than any other local or international bank operating in Bangladesh. It is adamant about company innovation and progress. This study is intended to describe my three-month experience with EBL. As a young professional, I have dedicated myself to this prestigious company. It gives me tremendous joy to have this experience that will help me in my working life

It has a reputation as a consumer growth partner. With a large number of qualified and experienced employees, EBL is well-positioned to capitalize on any opportunity in the banking business. It is a pioneer in providing numerous innovative goods and services to the country's banking market. Furthermore, in the entire banking industry, it is unrivaled by any other bank due to its extensive branch network dispersed over the country. Working as an Intern at EBL provides personal exposure in consumer banking. The success of consumer banking is heavily reliant on strict rules and regulations, keeping the CNB team focused on their goals and roles, offering a variety of modern products and services to customers, remaining competitive in the market, offering some unique offers to customers, and developing a brand identity. The number of private commercial banks is continuously expanding, and the great and open-door work atmosphere, as well as completely performance-driven career growth opportunities, have attracted many people to become members of EBL. The industry is growing and becoming more competitive by the day. As a result, in order to compete, consumer banking should provide more distinctive products and services at competitive interest rates.

## 2.9 Recommendations

Following the collection of all necessary data and information, as well as meticulous examination of these, certain important concerns have emerged as the report's pertinent conclusions. Based on those findings, several recommendations for several major concerns have been made in order to deliver better quick services, minimize staff turnover, and boost EBL staff retention. EBL should launch new efforts to improve the product range of consumer banking and the consumer bank's brand image. Providing additional facilities for contractual employees: For the last year, the trend of turnover in EBL has been rather significant among contractual employees.

EBL should take every precaution to limit the turnover of contract staff. With the approval of EBL's Management Committee, the aggregated amount paid to contractual staff should be enhanced. Contractual staff and sales teams are involved in regular client contacts and direct sales, EBL should provide frequent training. Reducing the probation time for contractual workers: The term 2 years of contractual employees should be reduced in order to diminish their unhappiness with being hired as permanent workers. It might be decreased from two 2 years to one 1 year, with the option of becoming a permanent employee.

## Chapter 3.1 Introduction

Camels' rating is a rating scale that evaluates a bank's performance in terms of Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, and Sensitivity to market risk. After assessing all ratios, we are now comparing CAMELS ratings depending on its assessment tools. The susceptibility of banks to market risks reflects changes in interest rates and currency rates that influence the banks' financial profitability or capital.

The unified financial institution rating system, abbreviated as CAMEL, was approved by the federal financial institution examination council on November 13, 1979, and the national credit union administration in October 1987. The ratings are based on a company's financial ratio analysis. It has shown to be a useful internal supervisory technique for assessing the soundness of a financial organization by identifying institutions that require special attention or concern The United States. Dang (2011) cites the Uniform Financial Institutions Rating System (1997). In 1993, Bangladesh Bank implemented the CAMEL Rating System as part of the Off-site Supervision System.

## 3.2 Methodology

The initial stage in conducting this study was to identify the problem and select a topic. This was possible thanks to the help of the academic adviser and the EBL supervisor. The particular aims of the project were then specified. Based on these objectives, the data needed to complete the project was defined. Following that, internal sources were used to structure the report, as were both primary and secondary sources.

The core data of the project part was gathered from various financial statements and publications and EBL records and also the management and staff of EBL. Every department to which I contributed was accountable for providing me with particular information on the report.

### 3.3 Findings and Analysis

#### 3.3.1 Capital Adequacy

It assesses a bank's ability to sustain losses resulting from risk assets. It is the ratio of Tier-I and Tier-II capital to the total risk-weighted assets (RWA) TIER-I Capital denotes core capital, which comprises paid-up capital, statutory reserves, capital reserves, and other stated free reserves. TIER-I Capital does not contain equity investments in subsidiaries, intangible assets, losses in the current quarter and those carried forward from past years, and TIER-II Capital consists of concealed reserves and cumulative perpetual preferences. The following ratios measure capital adequacy

- (CAR) It is necessary for a bank to preserve depositor confidence while avoiding bankruptcy. It represents the overall financial state of banks as well as management's capacity to satisfy the requirement for additional capital. The following ratios are used to assess capital sufficiency.
- Debt-Equity Ratio (D/E): This ratio reflects a bank's degree of leverage. It reveals how much of the bank's activity is financed by debt and how much is financed by equity.
- Return on Equity is calculated by dividing average equity with profit after tax

The following are the ratios of Eastern Bank Limited:

	Capital Risk weighted Asset	Leverage Ratio	ROE
<b>2020</b>	15.23%	5.97%	15.04%
<b>2019</b>	14.76%	5.28%	16.52%
<b>2018</b>	12.16%	5.26%	13.83%

Table 1 Capital Adequacy Ratio



### 3.3.2 Asset Quality – CAMELS rating

The quality of assets is a key criterion for determining a bank's strength. The primary goal of monitoring asset quality is to determine the percentage of non-performing assets in total assets.

The ratios required to measure asset quality are as follows:

A percentage of classified loans must be recognized in order to assess the asset quality of banks.

EBL's classified loans percentage is:

Year	Non – Performing Loan to Total Loan
<b>2020</b>	2.72%
<b>2019</b>	3.35%
<b>2018</b>	2.35%

*Table 2 Asset Quality Ratio*

### 3.3.3 Management Efficiency – CAMELS Rating

One critical component of the CAMEL Model is management efficiency. In this sector, the ratio comprises subjective analysis to assess management's efficiency and effectiveness. The ratios used to assess managerial efficiency are defined as follows:

- **Profit per Employee:** This metric displays the profit made per employee. It is calculated by dividing the bank's earnings after tax by the total number of employees. The higher the ratio, the more efficient management. Profit per employee = Profit after tax divided by the number of employees
- **Expense per employee:** With the help of the ratio, we can draw that how much does each employee cost the company in terms of the return they give

Year	Total Profit per Employee	Expense per Employee
2020	2.17%	3.39%
2019	4.3%	3.3%
2018	4.16%	3.41%

Table 3 Management Efficiency Ratio

### 3.3.4 Earning Quality – CAMELS Rating

The quality of earnings is a vital metric that indicates a bank's capacity to profit regularly. It essentially determines a bank's profitability and explains its long-term viability and profits growth. The ratios below explain the quality of revenue generating.

- **Net Profit to Total Assets:** This ratio represents the return on assets used or the efficiency with which assets are utilized. It is computed by dividing the bank's net earnings by its total assets. The higher the ratio, the greater a bank's future profit potential.
- **Interest Income as a Percentage of Total Income:** Interest income is regarded as the primary source of revenue for banks. The interest revenue to total income ratio demonstrates the bank's capacity to generate money from its lending operation.
- **Net Interest Margin (NIM) as a percentage of total assets** the net interest margin (NIM) is the difference between interest earned and interest expenditure. It's calculated as a proportion of total assets. A wider spread suggests higher earnings in relation to total assets.
- **Earnings per share:** This will indicate how much the company will earn with its single share.

Year	Net Investment Margin	Net Profit Margin	Diversification	Earnings Per Share
<b>2020</b>	7.8%	1.7%	58%	5.05%
<b>2019</b>	20%	1.7%	44%	4.94%
<b>2018</b>	25%	2.19%	42%	4.17%

Table 4 Earning Quality Ratio

### 3.3.5 Liquidity – CAMELS Rating

Liquidity risk is a blight on the bank's image. The bank must take necessary precautions to hedge the liquidity risk while also ensuring that a substantial amount of funds is placed in high return producing securities, so that it may make profit while providing liquidity to depositors.

The liquidity is measured using the ratios shown below.

- Liquid Assets as a percentage of Total Deposits This ratio gauges the liquidity accessible to a bank's depositors. It is computed by dividing liquid assets by total deposits.
- Earning Asset to deposit ratio: The earning asset to total deposit ratio shows if the bank's sources of revenue are sufficient to support its entire deposit.
- Loan to deposit ratio: This is a technique for determining the institution's liquidity by comparing the quantity of loans provided to the number of deposits. Because loans are considered an asset, while deposits are considered a liability to a bank, the ratio should be more than 100 percent, which is only feasible if the number of loans given over time exceeds the number of deposits received.

Year	Total Loan to Deposit	Liquid Asset to Deposit	Earning Asset to Deposit
2020	94%	118%	127%
2019	96%	121%	139%
2018	104%	124%	141%

Table 5 Liquidity Ratio

### 3.3.6 Composite CAMEL Rating

A score of one to five is assigned to each category. One is the highest possible score and signifies that the institution has good performance and risk management processes. Five, on the other hand, is the lowest possible rating. It denotes a high likelihood of bank failure and the necessity for rapid action to stabilize the situation. If an institution's present financial status falls between 1 and 5, it is referred to as insolvent.

Year	C	A	M	E	L	Rating
2020	1.3	1	2	2	2.67	1.79
2019	1.4	1	1.5	1.67	2.33	1.58
2018	1.67	1	1.5	1.33	1.67	1.43

Table 6 Composite CAMEL Rating

Total Composite rating of EBL: 1.6 (Fair)

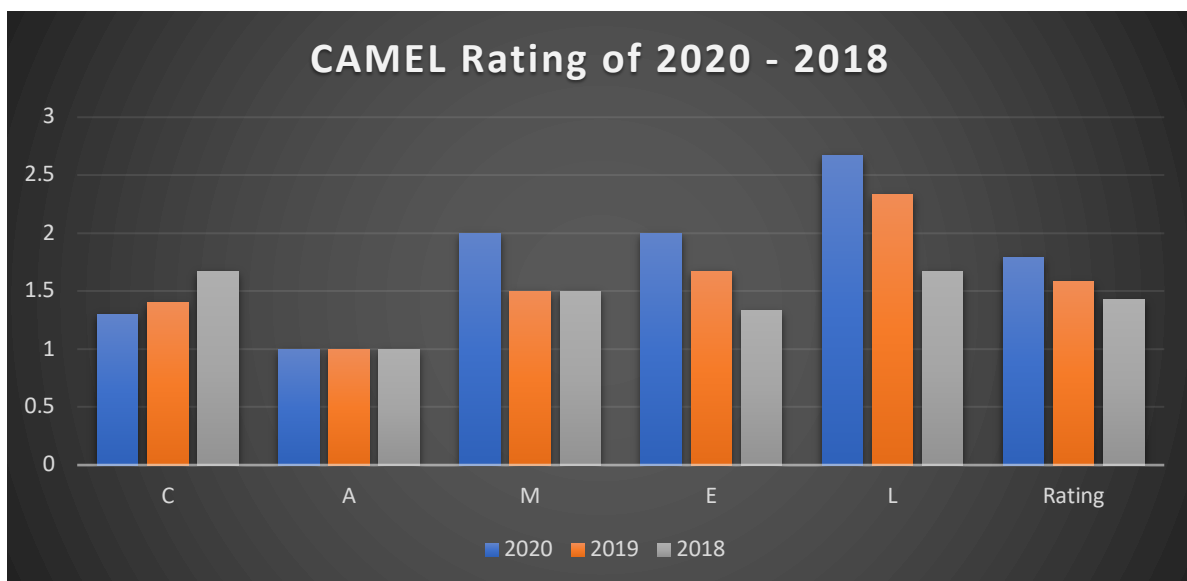


Figure 11 Three years Overview of CAMEL ratings

### 3.4 CAMEL Rating Summary and Conclusion

CAMEL is an actual bank rating scale that many banks use to gauge their efficiency. These ratings are solely provided to the bank's management, not to rival banks or to the general public. The CAMEL rating is a more sophisticated version of the previous “MACRO” grade. The CAMEL rating considers five ratios to administer any financial institution-Capital Adequacy, Assets Quality, Management Efficiency, Earning Record, and Liquidity Position-and rates them from 1 to 5. A grade of 1 is the best overall, while a rating of 5 is the worst.

According to the analysis of the CAMEL Rating we can draw a conclusion that EBL has been maintaining its capital levels very profoundly and meeting all other capital requirements of the banking industry but having trouble with managing its assets. The Asset quality shows that they have a rating of 1 which is very. They need an intervention from the regulatory authority as they have a very poor Management quality rating this may also mean that the bank is going through poor financial problems and needs immediate intervention from the central bank. They have a very good earning rate which proves that they have sufficient income levels and a strong budget planning and lastly, they have a very poor liquidity rating which means that they will not be able to pay their depositors and immediate actions must be taken otherwise the bank may fail.

### 3.5 Recommendations

According to the composite ratings of the CAMELS rating the following can be suggested for Eastern Bank Limited to follow:

- As the Asset Management has a rating of 1 which may indicate overdue of loans, the bank should focus more on the credit worthiness of the clients they are disbursing the loans to and verify their CIB reports properly to avoid discrepancies.
- EBL is also very poor at Management Efficiency and have a rating of 1.67 which adequately poor for an organization like EBL. They require attention form the regulatory authority in this regard.
- Liquidity depends on the interest rate sensitivity and the availability of cash that can be liquidated to cash when the company wants. They are having a very poor liquidity rating which indicates that they may not be able to pay its depositors and the bank may face serious issues in the upcoming period. They must consult with their financial advisors and as well as the central bank regarding this issue.

During the pandemic, Eastern Bank has offered stimulus loans to people whose businesses were affected by the pandemic. The loan had a clause that the clients will not have to pay the installment during the first 4-6 months period as they were affected by pandemic disaster. This was in order to balance the economy but affected organizations that executed the stimulus loans funded by the government, this is also a reason of EBL's poor liquidity position.

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