



Course Title: Internship

Report Title: *Green Banking system of Eastern Bank Limited*

Submitted to

Mr. Shawkat Kamal

Assistant Professor

BRAC Business School

BRAC University

Submitted by

Sheikh Nadimuzzaman

ID No: 10164031

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ACKNOWLEDGEMENT

I would like to avail this opportunity to express my sincere gratitude and respect to my revered course instructor, Mr. Shawkat Kamal, Assistant Professor, BRAC Business School ,BRAC University for granting me this rare opportunity to work under their direct supervision. It is his untiring effort, invaluable suggestions and constant guidance throughout the research period that inspired me to gain the level of understanding of the subject that enabled me to present this report.

Sincere thanks goes to Mr. Abdul Malek, Senior Manager-Account Service, Service Delivery-Dhaka, Operations Division, Eastern Bank Ltd., for his utmost and sincere co-operation with the necessary information he provided. I am particularly grateful to all of him for all the time he has spared me out of his busy schedule.

I am solely indebted to my parents and to my family for their patience and efforts that helped me to be what I am today. Lastly, I would like to pay my utmost respect to the Almighty Allah, for granting me this wonderful opportunity to work and to live.

Mr. Shawkat Kamal

Assistant Professor

BRAC Business School

BRAC University

March 27, 2013

Dear Sir,

Submission of Internship Report

In accordance with the course requirement, I, **Sheikh Nadimuzzaman**, hereby submit the Term Paper on **Green Banking of EBL – Eastern Bank Ltd.** The Paper includes- Background of the Bank, the competitive strategies undertaken by the Green banking of Eastern Bank Ltd. and analysis of those strategies with corresponding recommendations.

I consider myself to be privileged to get the opportunity to do this report. This would certainly encourage me to develop innovative ideas and help me to understand the impact of proper efficient strategies on green banking as well as on the bank.

Thank you.

Sincerely yours,

Sheikh Nadimuzzaman

ID No. 10164031, MBA (regular program)

BRAC Business School (BBS)

BRAC University

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EXECUTIVE SUMMARY



Green banking is the practice of making bank transactions or paying bills with paperless and Internet. Thanks to technology, and the Internet in particular, we no longer have to leave the house. We can shop Green, communicate Green, and now, we can even do our banking Green. Green banking allows us to make deposits, withdrawals and pay bills all with the click of a mouse. It doesn't get much more convenient than that the benefits are many.

For the Green banking customer, the convenience factor rates high. No longer does a person have to wait for the bank statement to arrive in the mail to check account balances. One can check the balance every day just by logging onto one's account. In addition to checking balances and transactions, one can catch discrepancies in the account right away and deal with them swiftly. The best part is that this can be done anywhere! As long as one has Internet access, one can practice Green banking.

Since bills are paid Green, the necessity of writing checks, affixing postage and posting the payment in the mail is eliminated. Once the amount is entered and the payee is checked off, the funds are automatically deducted from the payer's choice of account. Since the cost to the bank is minimal, the cost to the consumer, in many cases, is also minimal. While there is usually a fee for Green banking, it can be extremely low. Those who partake in Green banking all agree it's worth every penny. Not having to spend all Saturday morning standing in a crowded bank line is justification for most. It can even pay for itself since costs like postage and ATM fees are reduced.

Green banking also eliminates paper waste, which is a plus not only for those who have to handle all the paper work, but also for the environment. Security is always an issue with Internet transactions. Although information is encrypted, and the chances of your account being hacked are slim, it happens. Banks pay big bucks to install high tech firewalls. Chances are your money is in good hands.

You're also missing the personal service. No smiling teller or representative hands you receipt. Instead, except for what's printed into your account, all the paperwork is up to you. Always print copies of important transactions. If you have to deposit cash or checks, you'll still have to spend time at the ATM. unless payment to you is directly deposited; this is one thing you'll always have to handle manually. Still, the benefits far outweigh the risks. The convenience of Green banking is a perk well worth the cost. What would you rather do, stand in a long line on a weekend morning or handle your transactions in the comfort of your own home.

Internet banking" refers to systems that enable bank customers to access accounts and general information on bank products and services through a personal computer (PC) or other intelligent device. Internet banking products and services can include wholesale products for corporate customers as well as retail and fiduciary products for consumers. Ultimately, the products and services obtained through Internet banking may mirror products and services offered through other bank delivery channels. Some example of wholesale products and services include:

- **Cash management**
- **Wire transfer**
- **Automated clearinghouse (ACH) transactions**
- **Bill presentment and payment**
- **Balance inquiry**
- **Funds transfer**
- **Downloading transaction information**
- **Bill presentment and payment**
- **Loan applications**
- **Investment activity**

There is a sea change in the media world. While most consumers see the news papers, the same magazines and listen to the same radio programs, behind this bland public exterior there is a seething world of innovation, acquisition, global partnership and divorces, births and deaths all of it most readily interpreted as the inevitable result of the technological revolution that is in the process of merging telephones, computers, televisions in to a single all singing, all dancing magic kit that will, very possible, change all of our lives more than we can imagine some day

There are 2 ways you can respond to this 1 is to panic, which may mean simply curling up in a corner and wishing that it would all go away. The other is to embrace the new religion with messianic fervor and go out to proclaim the millennium. I welcome you to the new emerging world of the Info-High-Way, destined to redefine the world of communications.

LIST OF ABBREVIATION AND ACRONYMS

■ EBL:	Eastern Bank Limited.
■ CSD:	Customer Service Department.
■ I.P.O:	Initial Public Offering
■ MIS:	Management Information System
■ BOD:	Board of Directors
■ PABSOB:	Private Association of Boarding Schools of Bangladesh
■ CEO:	Chief Executive Officer
■ BIDC:	Bangladesh Industrial Development Corporation
■ HR:	Human Resource
■ FBCCI:	Federation of Bangladesh Chamber of Commerce and Industries
■ GM:	General Manager
■ FD:	Fixed Deposit
■ CA:	Current Account
■ CC:	Call Account
■ OD:	Over draft
■ PG:	Prime Gold Saving Account
■ PS:	Prime Saving Account
■ BOA:	Bank of Asia
■ SCT:	Smart Card Technology
■ ATM:	Automated Teller Machine
■ DGM:	Deputy General Manager
■ SWIFT:	Society for Worldwide Interbank Financial Telecommunication

Origin of the report

I have prepared this report on basis of **Green Banking System of EASTERN BANK**. I have done this report for the course requirement of **MGT-601**. I did the report from my bank. My course instructor **Shawkat Kamal** has assigned this report. I choose **The Eastern Bank Limited** for survey. I collected information about **Green Banking System of EASTERNBANK**. I have collected the employee's opinion about **Green Banking System**. I have successfully done this report only for co-operating with other.

Background of the report

The MBA program is designed to focus on theoretical and professional development of people open to take up business as a profession as well as service as a career. Money and Banking course is designed with an excellent combination of theoretical and practical aspects. This course introduces us with new product development aspects in relation to marketing dynamic. It also helps us to learn about the concept such as description of money, bank like commercial banking, central bank, also its service of bank and one of the most important side of banking service is **Green banking**. The concept of banking will examined in the context of the global market within which business operates as well as the impact of technology in the modern business environment. I am assigned to prepare a report of **Green banking**. I have tried my level best to present my experience of the organization and their questionnaires answer in this report.





Objectives of the study

The aim of our study was to know the Green Banking System of any organization as a partial requirement of the course. Therefore, to obtain this aim I set the following objectives of studies.






BROAD OBJECTIVE

To Know the Green Banking System of EASTERNBANK LIMITED.

SPECIFIC OBJECTIVES

-  To find out the present scenario of Green banking practice in Bangladesh.
-  To find out the strength and weakness of Green banking services.
-  To find out how it's performed through the internet.
-  To find out what are the benefit of Green banking.

Scope of the study

-  A healthy banking system is essential for any economy striving to achieve good growth and yet remain stable in an increasingly global business environment. The Eastern banking system, with one of the largest banking networks, has witnessed a series of reforms over the past few years like the deregulation of interest rates, dilution of the government stake in public sector banks (PSBs), and the increased participation of private sector banks. The growth of Green banking services sector has been a key development on the market front. Bangladeshi banks (both public and private) have not only been keen to tap the domestic market but also to compete in the global market place.
-  Studying the increasing business scope of the bank.
-  Market segmentation to find the potential customers for the bank.
-  Customers' perception on the various products of the bank.
-  The corporate sector has stepped up its demand for Green services its expansion plans; there has also been a growth in Green banking.

Methodology and SOURCES of Data

In this part, I describe the research methods followed in this study. I used Primary data with the help of secondary data for this research. I try to make study informative, analytical, useful and interesting.

Primary data:

I collected our data from EASTERN BANK LIMITED (EBL) home. It is famous & Ill known in the country. I collected data from internal website & colleagues of EBL. I asked them some questions with a list of issues. Collecting data directly from the practical field is called primary source of data. The methods that were used to collect the primary data are as follows:

- ◆ Discussion with officials of the Eastern bank of Head office.
- ◆ Face to face conversation with colleagues.

Secondary data:

The secondary data has been collected from different publication of different banks. To clarify different conceptual matters, Internet and different articles published in the journals & magazines have been used. The Secondary Sources are:

- ◆ Book.
- ◆ Internet.
- ◆ Our course instructor.
- ◆ Different company annual report leaflet, article etc.
- ◆ Annual Reports of the individual banks.
- ◆ Newsletter of the regarding banks.
- ◆ Other published documents of concerned banks.

History of the Bank

EASTERN BANK LIMITED (EBL) is a unique success story of cooperation, commitment and joint efforts of the government of Bangladesh and Bangladesh Bank, who worked together to formulate the bank on August 1992, and in the same month it started its operation.

The Bank was incorporated with the assets and liabilities of erstwhile Bank of Credit & Commerce International (BCCI) in Bangladesh. The government's endeavor was to safeguard the depositors' interest of the failed bank. The government became the main sponsor of the bank mobilized the financial institutions in Bangladesh to inject equity to start **EASTERN BANK LIMITED**. As a sponsor their role was to stabilize the new bank which started with 85% nonperforming loans. Their mission was to ensure that the bank from its future profit creates reserve of similar amount of bad loans that they inherited. This mission was completed in 2000 when the bank had a healthy balance sheet and good prospect of future earnings. That is when the government decided to disinvest their 20% holding in the bank.

The bank has now established its strong footprint in the banking industry of the country with enhanced HR capacity, IT platform with state of the art system, flawless processes, superior business ethics, strong control and compliance and developed strategic partnership with various local and multinational agencies / institutions to offer innovative products and international standard financial services to our valued customers.

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.

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.

Company Milestones

August 8, 1992	Date of incorporation.
August 16, 1992	Date of commencement of banking operations.
March 20, 1993	Listed with Dhaka Stock Exchange Ltd.
November 12, 1998	First dividend declared for income year 1997.
January 19, 2002	Centralization of Trade Services.
July 17, 2003	First online banking operations across all the branches.
January 25, 2004	Obtained permission from Bangladesh Bank for Offshore Banking Unit, Bangladesh.
May 19, 2004	Commencement of operation of Offshore Banking Unit, Bangladesh.
September 11, 2004	Listed with Chittagong Stock Exchange Ltd.
June 27, 2005	Authorized share capital increased to BDT 3.3 billion.
November 30, 2005	Became partner bank of IFC under Global Trade Finance Program (GTFP) to support EBL handle complex trade transactions.
March 5, 2006	Centralization of liability product processing functions at Service Delivery.
June 6, 2006	Launching of SME Banking Division.
November 09, 2006	Signed agreement with ADB to become ADB's partner bank under their Trade Finance Facilitation Program (TFFP) supporting guarantee and revolving credit facility.
July 1, 2007	Launched Own Managed Cards Software and Production System.
May 25, 2008	First 'Right Issue' declared @ 2:1 at par.
February 13, 2009	Commencement of Investment Banking Operations.
April 19, 2009	Registration of EBL 1st Mutual Fund with Securities and Exchange Commission.
April 26, 2009	Launched Priority Banking for premium customer segment.
April 2009	Awarded 'Superbrand' by Superbrands Inc. for the period 2009-2011.
November 2009	EBL was awarded 3rd position for Annual Report 2008 in the 'Best Published Accounts' by ICAB and conferred a 'Certificate of Merit' award for 'Best Presented Accounts and Corporate Governance Disclosures Awards 2008' by SAFA.

Eastern Bank Limited: Achievements

EBL believes in relationship building and focuses on sustainable and long term growth – both for the bank, its clients and the community it operates in. Despite the constant threat of the global economic recession and its subsequent effect on the Bangladesh market in 2010, EBL's Profit After Tax grew by 66.70 % last year. The Non Performing Loan Ratio dropped to 1.99% from 2.46%. The same year, Earning per Share (EPS) had increased by around 70% and Cost to Income ratio is 32.10% which is one of the lowest in the industry. And in 2010 the bank's Credit Rating increased to AA from AA-, which was A+ in the year before.

EBL knows its target customers and as such offers new products and services to cater to their contemporary taste and need. In the past couple of years the Bank came up with several exciting products and service propositions: Some of them are a first in Bangladesh. Priority Banking, Travel related products, life insurance covered DPS, Platinum Credit Card, SME Debit Card to name a few. EBL is one of the first banks in Bangladesh to launch Mobile-based remittance service marking a new era of banking services among the unbanked population of the country. EBL SME Banking holds a strong foothold in the market and offers several specialized financial solutions for the entrepreneurs. EBL introduced Invoice Factoring for the first time in Bangladesh and has dedicated Women Entrepreneur Cell to cater to the banking needs of the particular segment. On the corporate banking front, EBL is a market leader in Syndication deals which demonstrates the bank's financial capacity and strength. In the last five years EBL has closed syndication deals worth more than Tk. 1500 crore. EBL received its biggest recognition when country's national flag carrier Biman Bangladesh Airlines mandated pre-delivery purchase deal to Eastern Bank Ltd. for two Boeing 777-300ER. In the Bangladesh banking history EBL is the first local bank to handle such a mega project. In 2009 EBL launched Investment Banking wing, which contributed significantly in the EBL revenue stream in the very first year of its operation.

The Institute of Chartered Accountants of Bangladesh (ICAB) recognized Annual Report of Eastern Bank Limited (EBL) as one of the best published reports in 2009. EBL was awarded the 2nd prize at 10th ICAB National Awards for the Best Published Accounts and Reports. EBL is also a recipient of 'Certificate of Merit' in the Best Presented Accounts Award 2009 by South Asian Federation of Accountants (SAFA).

EBL has also been awarded by IFC as the Most Active GTFP Issuing Bank in South Asia 2009-2010 and the Most Active Issuing Bank in Agribusiness Sector in South Asia 2010-2011.

Last year our Annual Report got the 3rd prize at the ICAB National Awards in the same category and was conferred 'Certificate of Merit' by SAFA.

EBL's sincere efforts are well-appreciated by all and have gotten recognitions from local and international institutions like Institute of Chartered Accountants in Bangladesh, Superbrands Inc., South Asian Federation of Accountants. In EBL's journey to excellence, a great achievement has been added. Centralised Trade Operations of EBL has achieved Quality Management Systems Certificate as per ISO 9001:2008 standard. EBL is the first Bangladeshi Bank to achieve this recognition for its commitment to quality delivery. The crowning glory of EBL's commitment to perform with passion has been winning the Best Financial Institution 2010, the most coveted award of the country at the DHL-Daily Star Bangladesh Business Award 2010. As we are striving to achieve international standards in all our products and services, international recognition is natural to follow. The Global Brand Congress just held in Mumbai conferred EBL Global Awards for Brand Excellence in the 'Best Banking and Financial Services' category.

The Brand color

We use green, blue and yellow colors in our logo. These three colors have distinct inherent meanings which are:

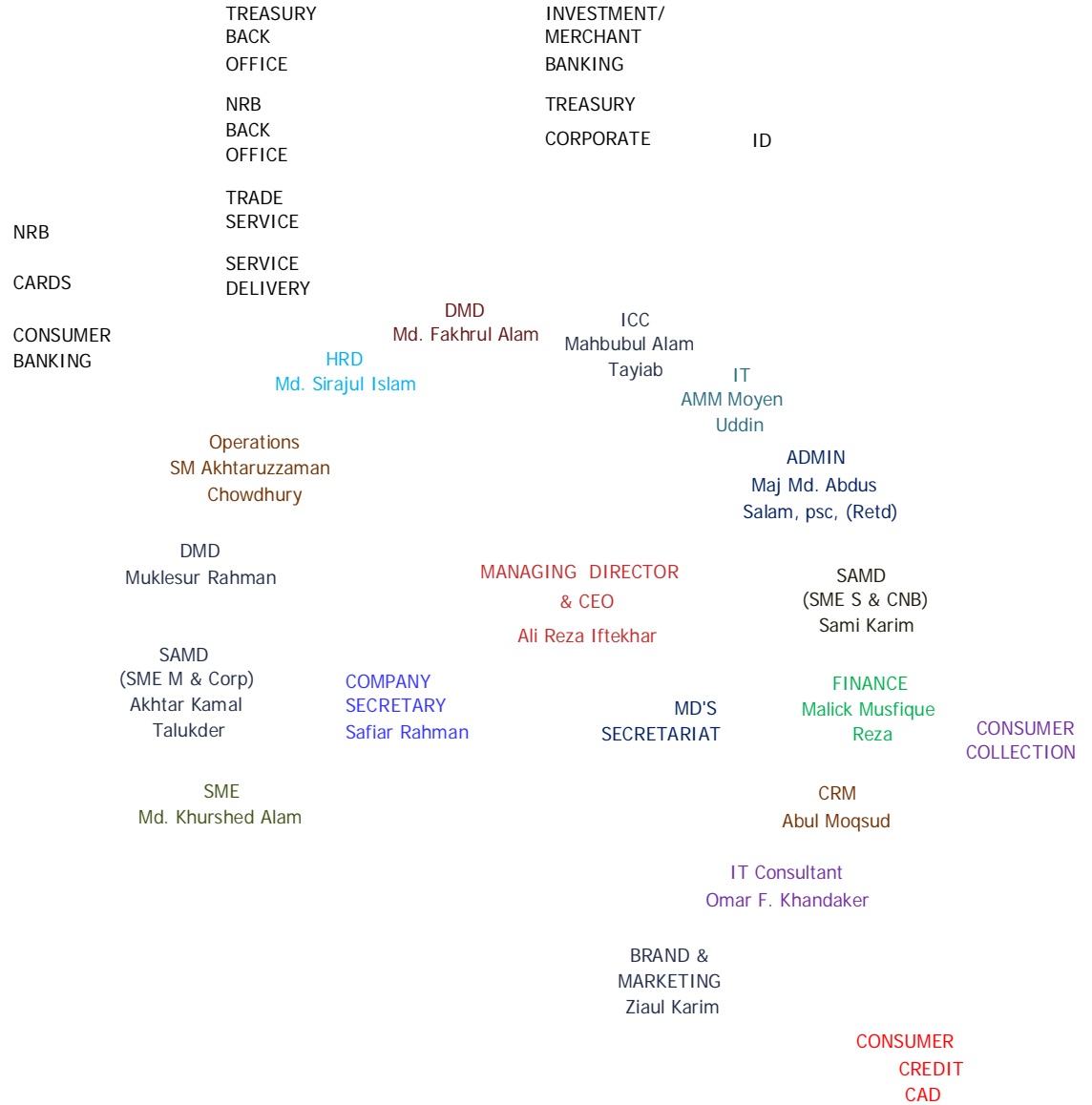
Green- The vibrant green of mother earth

Blue- A blue sky full of possibilities

Yellow - A Yellow rising sun of hope




EBL ORGANOGRAM



Branches and departments of Head office:

 Head Office Departments	 Branch Offices (Dhaka)	 Branch Offices (Chittagong)	
<ul style="list-style-type: none"> • Chairman • MD Secretariat • Secretary's Department • Treasury • Corporate Banking (Head Office) • Corporate Banking (Gulshan) • Corporate Banking (Chittagong) • Consumer Banking • Consumer Finance Center • Consumer Credit Administration • Cards Division • Non Resident Business Unit (NRB) • VC Sales Team (Dhaka) • VC Sales Team (Chittagong) • Brand & Communication • Alternative Distribution Channel • Small & Medium Enterprise (SME) • Credit Risk Management • Risk Management Unit • Credit Administration (Dhaka) • Credit Administration (Chittagong) • Operations • Trade Services (Dhaka) • Trade Services (Chittagong) • Service Delivery (Dhaka) • Service Delivery (Chittagong) • Service Delivery (Sylhet) 	<ul style="list-style-type: none"> • Azimpur Branch • Banani Branch • Banasree Branch • Bashundhara Branch • Board Bazar Branch • Chawk Mughultuly Branch • Dakshin Khan Branch • DEPZ Branch • Dhanmondi Branch • Dohar Branch • English Road Branch • Faridpur Branch • Gulshan Branch • Keraniganj Branch • Mirpur Branch • Mirpur Darussalam Road Branch • Moghbazar Branch • Motijheel Branch • Narayangonj Branch • Nawabgonj Branch • Principal Branch • Progoti Sarani Branch • Satmosjid Road Branch • Savar Branch • Shantinagar Branch • Shyamoli Branch • Sonargaon Road Branch • Tangail Branch • Uttara Branch • Uttara Garibe Newaj Branch • Wari Branch 	<ul style="list-style-type: none"> • Agrabad Branch • Bhatiari Branch • CEPZ Branch • Chandgaon Branch • Choumuhoni Branch • Cox's Bazar Branch • Haliashahar Branch • Hathazari Branch • Jubilee Road Branch • Khatunganj Branch • Majdee Branch • Mehedibag Branch • Nazirhat Branch • Iohagora Branch • OR Nizam Road Branch • Panchlaish Branch • Raozan Branch • Sirajuddowla Road Branch • Station Road Branch 	
			 Branch Offices (Khulna)
			<ul style="list-style-type: none"> • Jessore Branch • Khulna Branch
		 Branch Offices (Sylhet)	 Branch Offices (Rajshahi)
		<ul style="list-style-type: none"> • Brammonbaria Branch • Bishwanath Branch • Chouhatta Branch • Moulvi Bazar 	<ul style="list-style-type: none"> • Bogra Branch • Rajshahi Branch

	<ul style="list-style-type: none"> • Treasury & Investment Banking Support • Off-Shore Banking Unit • Regulatory Reporting and Reconciliation 		<ul style="list-style-type: none"> • Branch • Upashahar Branch 		
			SME Branches		Branch Offices (Rangpur)
	<ul style="list-style-type: none"> • IT Division • IT Consultant • IT Division (Chittagong) • IT Division (Sylhet) • Administration • Internal Control & Compliance • Special Asset Management • Finance and Accounts • Human Resources Department • Others 		<ul style="list-style-type: none"> • Comilla Branch • Keranigonj SME Branch • Mymensing SME Branch • Madhabdi Branch • Bhairab SME Branch • Feni SME Branch • Naryangonj SME Branch 		

EBL Brand Value Proposition

Sustainability

Setting Standards

Mobilizing Capital

Innovation

Embracing changes

Devising Solutions

Impact

Promoting Green Banking

Creating Lasting Value

Commitment

Initiating Co-Creation

Building Social Capital



Report on Corporate Governance

Conceptual Framework

Corporate governance (CG) is the system of principles, policies, procedures and clearly defined responsibilities and accountabilities used by stakeholders to overcome the conflicts of interest inherent in the corporate form. Corporate in today's business world is subject to a variety of conflicts of interest due to its inherent complexities in forms and structures. So, two major objectives of corporate governance can be:

- To eliminate or mitigate conflicts of interest particularly those between management and shareholders.
- To ensure that the assets of the company are used efficiently and productively and in the best interests of its shareholders and other stakeholders.

From the view point of conflicts of interest, two relationships (between management and shareholders and directors and shareholders) are the primary focus of most of the systems of corporate governance. Board of directors is a critical component of the check and balance system that lies at the heart of corporate governance system. Board members owe a duty to make decisions based on what ultimately is best for the long-term interests of the shareholders. In order to do this effectively, Board members need a combination of three things: independence, experience and resources.

Corporate Governance Practices at EBL

Eastern Bank Limited was incorporated in Bangladesh on 08 August 1992 and commenced banking operations on 16 August 1992. As a Bangladesh-incorporated bank, the Bank is guided in its corporate governance practices mainly by two regulatory bodies: Bangladesh Bank (Central Bank of Bangladesh) and Securities and Exchange Commission (SEC).

However, the Bank's corporate governance philosophy encompasses not only regulatory and legal requirements but also various internal rules, policies, procedures and practices based on the best practices of local and global banks. At EBL we attach a simple meaning to 'Corporate Governance' which is 'Due diligence' in observing responsibilities by Board as well as by management to safeguard interest of key stakeholders i.e. depositors, shareholders, employees and the society at large. Two very important pillars of a good corporate

governance structure are "Transparency" and "Accountability" backed by strong Internal Control and Compliance Structure and MIS capabilities.

Structure of the Board

According to Clauses 94 of the Articles of Association of Eastern Bank Limited and as the Bank Company (Amendment) Ordinance 2007 has become infructuous by the Hon'ble High Court Division of Bangladesh & SEC CG Notification No 1.1 dated 20 February 2006, the Board of Directors of Eastern Bank Limited is Currently constituted with 11 directors among whom 10 (ten) are Non executive directors including the Chairman and 1 (one) is Managing Director (Ex-Officio). Regarding the Independent (Non-shareholder) Directors as guided by SEC CG guidelines (No. 1.2), we report that there is one Independent Director in the present Board of Directors of EBL. The Board also appointed two Directors from among the Depositors as per Rule 2008 of Bangladesh Bank during the year 2008.



FIVE YEAR'S PROGRESSION (BANK ONLY)

PARTICULARS	2011	2010	2009	2008	BDT Million 2007
BALANCE SHEET METRICES					
Authorised capital	12,000	12,000	3,300	3,300	3,300
Paid up capital	4,527	2,921	2,496	1,387	1,035
Shareholders' equity	14,407	12,084	8,429	4,733	3,829
Deposits	75,536	56,425	49,190	41,573	30,092
Loans and advances	81,774	58,607	47,668	39,662	30,962
Credit to deposit ratio (Gross)	108.26%	103.87%	96.91%	95.40%	102.89%
Credit to deposit ratio - Gross (excluding OBU loans)	99.86%	95.09%	93.78%	94.84%	102.67%
Investments	16,910	9,827	8,806	5,325	3,457
Fixed Assets	4,453	3,614	1,804	1,246	871
Interest bearing assets	104,572	71,759	62,125	46,831	34,706
Total assets	117,581	82,098	69,871	54,598	40,204
Borrowings	21,652	9,257	8,835	4,948	3,793
INCOME STATEMENT METRICES					
Net interest income (excluding Investment Income)	3,314	2,973	2,317	1,551	1,312
Investments Income	1,970	2,050	955	863	507
Non-interest income (Excluding investment income)	2,508	1,437	1,358	1,290	1,003
Operating Revenue	7,793	6,461	4,630	3,704	2,822
Operating Profit (Profit before provision and tax)	5,107	4,410	2,980	2,386	1,870
Provision for loans, investment and other assets	978	417	280	455	585
Profit before tax	4,129	3,992	2,701	1,931	1,286
Profit After Tax (PAT)	2,521	2,425	1,455	798	419
CAPITAL METRICES					
Risk weighted assets (RWA) [Basel II for 2011, 2010 & 2009, Basel I for others]	130,351	104,440	73,316	41,315	30,687
Core capital (Tier 1)	10,966	8,375	6,441	4,271	3,395
Supplementary capital (Tier 2)	3,071	2,912	1,875	981	755
Additional supplementary capital (Tier 3)	-	-	-	-	-
Total Capital / Regulatory capital (Tier 1, 2 and 3)	14,038	11,287	8,317	5,252	4,151
Statutory capital (Paid up capital and statutory reserve)	8,079	5,646	4,423	2,774	2,070
Capital adequacy ratio (Regulatory capital/RWA) [Basel II for 2011, 2010 & 2009 Basel I for others]-Solo Basis	10.77%	10.81%	11.34%	12.71%	13.53%
Core capital (Tier 1) to RWA	8.41%	8.02%	8.79%	10.34%	11.07%
RWA to total assets [Basel II for 2011, 2010 & 2009, Basel I for others]	110.86%	127.21%	104.93%	75.67%	76.33%
CREDIT QUALITY					
Non performing/classified loans (NPLs)	1,561	1,169	1,172	1,309	1,334
Specific Provision	866	611	756	692	660
General Provision	1,541	1,107	876	727	516
NPL to total loans and advance	1.91%	1.99%	2.46%	3.30%	4.31%
TRADE BUSINESS METRICES					
Export	58,589	39,633	34,548	35,555	26,673
Import (LC)	100,639	70,665	54,370	62,203	45,298
Guarantee	4,497	2,727	1,319	2,170	1,201

PARTICULARS	BDT Million				
	2011	2010	2009	2008	2007
EFFICIENCY/PRODUCTIVITY RATIOS					
Return on average equity (ROE)	19.03%	23.64%	22.10%	18.64%	11.73%
Return on average assets (PAT/average assets)	2.52%	3.19%	2.34%	1.68%	1.10%
Cost to income ratio (Operating expense/Total Revenue)	34.46%	32.10%	35.62%	35.60%	33.72%
Yield on advance (average)	13.40%	12.75%	13.69%	13.90%	13.76%
Cost of deposits (average)	8.40%	6.74%	8.55%	8.66%	8.05%
Net interest margin ratio (NII/Interest bearing assets)	3.76%	4.44%	4.25%	3.80%	3.89%
Operating profit per employee	4.21	4.53	3.39	3.13	2.71
Operating profit per branch	86.57	89.99	76.41	70.16	66.80
SHARE-DISTRIBUTION METRICES					
Earnings per share (EPS) in BDT	5.57	5.36	5.00	3.45	3.02
(Face value of Tk 10 per share considered for every year)					
Price earning ratio (times)	11.82	24.16	12.89	17.07	26.44
Market value per share (BDT) as on close of the year at DSE	65.80	129.40	64.43	58.93	107.08
(Face value Tk 10 per share considered for every year)					
Net assets (book value) per share in BDT	31.82	41.37	33.76	34.12	36.99
(Face value of Tk 10 per share considered for every year)					
Dividend (%)	35	55	37	20	34
Cash (%)	-	-	20	-	-
Stock (%) [proposed for 2011]	35	55	17	20	34
Market capitalization (at close of year)	29,789	37,795	16,083	817	1,108
Market price to net assets ratio (times)	2.07	3.13	1.91	1.73	2.89
OTHER INFORMATION (ACTUAL FIGURE)					
No of branches	59	49	39	34	28
No of employees	1,214	973	878	763	690
No of deposit accounts	218,239	194,351	176,080	159,445	110,321
No of Loan Accounts	88,375	65,656	35,125	34,324	21,474
No of foreign correspondents	660	644	665	876	838
ATMs	125	74	55	36	19
EBL 365	23	5	5	5	5
SME Centers	40	33	23	18	16
No. of Bills pay Machine	27	10	8	5	5



EBL Banking Systems

is a service provided by many banks, thrifts, and credit unions that allows customer to conduct banking transactions over the internet using a personal computer, mobile, telephone, or handheld computer (such as a "personal digital assistant"). Connected to a computer or connected to the internet. Denoting either a real time operation that is accomplished by a dialogue a humane operator and a computer system, or a system based on such operation. Base on internet service there are mainly two category bank in the world those are

 Off-line banking

 On-line banking

Off-line baking

Not connected to an internet. Denoting computer equipment that is not useable, either because it is not connected to a computer or the system has been forbidden to use it. And we also said. Banking activities without any connectivity with Green.

On-line baking

Green banking refers to an offer to an office or department that is directly linked with a computer or computer center. Practically every banking service has a computer link. Additionally, the expansion of home/office banking provides customer with Green facilities to obtain up-to-date balances, transfer sums of money to and from different account and transfer to different persons.

Real time Green banking/truly Green banking

In real time Green banking, the following task can be solved

1. Electronically fund transfer, from a/c to other a/c
2. Banking transaction can be seen currently in bank account
3. Transaction without going to bank branch

Electronically fund transfer, from a/c to other a/c

"Funds Transfer" means the series of transactions beginning with the issue of originator's payment instruction to the sending bank and completed by acceptance of payment instruction by the beneficiary's bank for the purpose of making payment to the beneficiary of the instruction.

Banking transaction can be seen currently in bank account

Transaction without going to bank branch

No need of walking up to the bank branch, every time you need to do your banking. As you can do a lot of it Green. From paying your bills to transferring funds, booking your rail/air tickets, shopping, sending a money order and doing lots more





On-line banking is a service provided by many banks, thrifts, and credit unions that allows customer to conduct banking transactions over the internet using a personal computer, mobile, telephone, or handheld computer, there are types of internet banking those are-

 Electronic Banking/E-Banking

 Internet Banking/Cyber banking/Virtual banking/I-banking

Electronic Banking/E-Banking

Electronic banking is the facility to operate a bank account a bank by remote instructions using a computer and telephone line. The facility is largely made use of by business firms, while individual customers usually make use of telephone for banking arrangements. The following way electronic banking is giving its services to the clients:








-  Automated depositing and withdrawing
-  Transfer money from one bank to another bank
-  Electronically utility bills payment
-  Solving intra bank and inter banking transaction

Internet Banking/Cyber banking/Virtual banking/I-banking

Customer needs an internet access service. As an internet banking customer, he will be giving a specific user ID and a confident password. The customer can then view his account balance green. To ensure that customer's personal data cannot be accessed by anyone but them, all reporting information has been secured using Version and Secure Sockets Layer (SSL)

Internet banking of EBL

Internet banking applicant addresses the needs of small, individual and corporate account holders of the bank. This application provides a comprehensive range of banking services that enable the customer to meet most of their banking requirement over the Net. One over the internet can do those things

-  Account operation and inquiries
-  Fund transfer and payment
-  Utility bill payment
-  Deposit
-  Loans
-  Inquiries and other services
-  Session summary

DESCRIPTION OF PRODUCT AND SERVICES OFFERED BY EBL

The services offered by EBL are discussed below

Services of EBL

The EBL concentrates the following categories of banking services-

- General banking,
- Retail banking
- Loans and Advances,
 - SME (Small & Medium Enterprises)
 - Corporate
- International Trade and Foreign Exchange,
 - Export
 - Import
 - Remittance
- Green Banking Services,
- Debit Card and Dual Currency Credit Card Facilities.

Retail Banking

One of the most remarkable success stories of last 50 years' Banking Industry globally has been the conceptualization and innovative execution of banking with individual customers, their friends and families. The industry has termed it as Retail Banking or Personal Banking or Consumer Banking. The Eastern Bank Ltd. recently has started its journey in Retail Banking. More than 800 staffs have been trained so far on the vital concepts of service excellence and sales. In the product side ATM fleet has been launched, Debit card has been issued, SMS Banking has been offered, 3 new deposit products have come, workers' foreign remittance business has been launched, new many billboards have come up and our communications in media has increased, manifold in the endeavor to build a Retail Banking brand namely **"City Retail Happiness Counts"**.

SME Banking

Considering the potential growth and demand situation the Eastern Bank Limited has extended credit facilities to small and medium enterprises through SME Banking in the year 2006 and 2007. A separate division has established in the Head Office with collaboration of all branches to process and handle loans under SME for attaining a organized several training program for development of adequate human resources.

Corporate and investment Banking

As part of its commitment to provide global quality service, the Eastern Bank Ltd, one of the largest local Banks, has launched its Corporate & Investment Banking Division recently. This shift, from branch banking model to business driven matrix, is the first step of the bank's plan to revitalize its way of doing business in 2009. The C&I Division will comprise of a number of relationship teams centered in Eastern and Chittagong to provide who will act as one stop contact point for the customers of the bank. This model has been successfully globally to provide better service and create increased customer satisfaction. The relationship teams have been staffed mainly through internal quality resources. The C&I relationship teams have already taken over the existing large accounts and servicing the customers to their satisfaction. The C&I have also booked blue-chip customers like Grameen Phone, Epylion group, Banglalink, Ericsson, Meghna Group, Esquire Group, Nandan etc. Recently Total new

booking in last few months is more than BDT 3,000 million. The C&I Division will also have product team's i.e. structured finance, Islamic finance, leasing, cash management who will meet the specialized product needs of the corporate customers. The time ahead is going to be very challenging for C&I. The major challenges shall be to increase the quality of the portfolio keeping in mind the business targets with timely formation and support from other departments i.e. centralized credit administration, operations.

Dual Currency Credit Card

Today's customer wants services and information to be provided at all times and places. This has become possible by ATMs and POS terminals and helped banks in achieving "**Anytime, Anywhere Banking**". Therefore there is a need for an automated system that will connect the branches through green to provide better services to the customers. The most modern technology based bank product for making hassle free financial transactions and drawing of cash money all over the world is given by Credit Card. The Eastern Bank Ltd is the first among domestic banks to introduce a unique dual currency **CITYCARD** under the logo of **VISA International** in Bangladesh. After obtaining principal membership of VISA on 19th February, 2003 the bank is pleasing its commitment to be a leader as card issuer in the arena. Tremendous responses are there from the market for this plastic money. Up to March, 2010 the number of CITYCARD is 20,215.

Computerization and Green Service

With computerization the bank had gone another step ahead towards providing pragmatic, safe and prompt banking services. All 83 branches including Islamic Banking Branch are brought under computerization net. Bank has implemented green real time banking through an agreement with **Info sys Technologies Limited** for supply of world reputed banking software "**FINACLE**". Within March, 2010 real time banking facilities have been introduced in 37 branches of the EBL. Under this system, Client will be able to do the following type of transactions:

- ◆ Easy to withdraw or deposit from any green branch
- ◆ Fund transfer with one click, no need TT/DD.
- ◆ Customer can easily tell which payments have cleared

Islamic Banking

The Eastern Bank Limited started its Islamic Banking operation by opening its first Islamic Banking Branch at, Motijheel, Dhaka. The salient features of Islamic Banking are as follows:

- ◆ To conduct all its activities as per Islamic Shariah.
- ◆ To conduct its monetary matters free of interest.
- ◆ To establish banker-customer relationship on the basis of partnership.
- ◆ To follow Islamic principle in all its investment port-folio.
- ◆ To develop living standard of the poor incoming group.
- ◆ To render excellent services to the clients cordially.
- ◆ To conduct welfare related activities to the people.

SWIFT Banking

The Eastern Bank Limited is one of the first few Bangladeshi Banks who has become member of **SWIFT** (Society for Worldwide Inter-bank Financial Telecommunication) in 1983. SWIFT is members owned co-operative, which provides a fast and accurate communication network for financial transactions such as Letters of Credit, Fund transfer etc. By becoming a member of SWIFT, the bank has opened up possibilities for uninterrupted connectivity with over 5,700 user institutions in 150 countries around the world.

FUNCTIONAL DIVISIONS OF EBL

The Bank accomplishes its functions through different functional divisions/ departments. The divisions/departments along with their major functions are listed below:

■ **Financial Division**

Financial planning, budget preparation and monitoring

- ◆ Payment of salary

- ◆ Controlling inter-branch transaction
- ◆ Disbursement of bills
- ◆ Preparation of financial reports and annual reports
- ◆ Preparation/Review of returns and statements
- ◆ Maintenance of Provident Fund, Gratuity, Superannuation Fund
- ◆ Reconciliation

Credit and risk management

- Loan administration
- Loan disbursement
- Project evaluation
- Processing and approving credit proposals of the branches
- Documentation, CIB (Credit Information Bureau) report etc
- Arranging different credit facilities
- Providing related statements to the Bangladesh Bank and other departments

Branches Control & Inspection Division

- Controlling different functions of the branches and search for location for expansion
- Conducting internal audit and inspection both regularly and suddenly
- Ensuring compliance with Bangladesh Bank (BB), monitoring BB's inspection and external audit reports

Retail Division

- ATM card, Credit and system operation and maintenance
- SWIFT operation
- Credit Card Operation (Proposed)
- Customer and vendor relationship

Loan & Advances Products:

Corporate Loan

■ **Loan on Trading (Import-Export based)**

- ◆ Loan Against Trust Receipt (LTR)
- ◆ Loan Against Import Merchandize
- ◆ Loan Against Packing Credit
- ◆ Loan Against Cash Incentive
- ◆ Payment Against Document cash
- ◆ Payment Against Document Force
- ◆ Local Discounted Bill for Purchase(LDBP)
- ◆ Loan Against Foreign Bill (FDBP)

■ **Syndicate Loan**

■ **Term Loan**

■ **Secured Over Draft (SOD)**

■ **Over Draft (OD)**

■ **Transport Loan**

■ Coverage

- ◆ Auto Loan
- ◆ House Finance
- ◆ Senior Citizen Support
- ◆ Marriage Loan
- ◆ Consumer Durable Loan
- ◆ Education Support
- ◆ Medical Support

■ Personal Credit Scheme

- ◆ Purchase of miscellaneous household appliances.
- ◆ Purchase of Personal Computers.
- ◆ Purchase of refrigerators.

- ◆ Purchase of audio-video equipment.
- ◆ Purchase of Furniture.
- ◆ House renovation.
- ◆ Office renovation.
- ◆ Purchase of Office equipment/accessories.
- ◆ Marriages in the family.
- ◆ Advance rent payment.

■ Staff Loan

- ◆ Staff House Building Loan
- ◆ Staff Car Loan
- ◆ Staff Loan against Provident Fund

■ Another Product

- ◆ Debit/ ATM Card
- ◆ Credit Card (VISA & Master Card)

■ New Products

- ◆ Tele Banking
- ◆ Priority Banking

SWOT Analysis of The Eastern Bank Limited

Every organization is composed of some internal strengths and weaknesses and also has some external opportunities and threats in its whole life cycle. This following will briefly introduce the customer to The Eastern Bank Limited's internal strengths and weaknesses, and external opportunities and threats.

Strengths

- Stable source of fund
- Strong Liquidity position
- Concentrated market

- Wide network of branches
- Experienced top management
- Diversified product line

Weaknesses

- Deposit is lower than advance.
- Officer has limited experience and training
- Small market share in Banking-business
- Long-term credit is not sufficient
- Relatively high overhead expense
- Problem in Delivery.

Opportunities

- Favorable regularity environment
- Private sector development
- Credit card business
- SME and Agro based industry loan
- Can increase the advertising of the Bank
- Green Banking business

Threats

- Deposit as well as quality assets
- Market pressure for lowering the interest rate
- Shrinkage in export, import and guarantee
- Poor business due to economic slump and war
- Frequency in Currency Devaluation
- Emergence of Competitors
- Govt. pressures to reduce interest rate

Introduction of Green banking

We are aware that global warming is an issue that calls for a global response. The rapid change in climate will be too great to allow many eco-systems to suitably adapt, since the change have direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that business also take responsibility in safeguarding the planet. Green finance as a part of Green Banking makes great contribution to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general. Green banking is a component of the global initiative by a group of stakeholders to save environment. The state of environment in Bangladesh is rapidly deteriorating. The key areas of environmental degradation cover air pollution, water pollution and scarcity, encroachment of rivers, improper disposal of industrial medical and house-hold waste, deforestation, loss of open space and loss of biodiversity. In addition, Bangladesh is one of the most climate change vulnerable countries. In line with global development and response to the environmental degradation, financial sector in Bangladesh should play important roles as one of the key stake holders. In response to the above, urgent measures are required by stake holders for sustainable development and thereby save the planet. Banks hold a unique position in an economic system that can affect production, business and other economic activities through their financing activities and thus may contribute to pollute environment. Moreover, energy and water efficiency and waste reduction are of high concern for many big banks. Green banks or environmentally responsible banks do not only improve their own standards but also affect socially responsible behavior of other business.

Bangladesh Bank's Earlier Initiatives

BB is well aware of the environmental degradation situation as mentioned above and has already given time to time directions to all scheduled banks. Commercial Banks are now required to ensure necessary measures to protect environmental pollution while financing a new project or providing working capital to the existing enterprises. Banks have been advised to facilitate their clients with utmost care in opening Letter of Credit (L/C) for installation of Effluent Treatment Plant(ETP) in the industrial units. Banks have been advised to finance in Solar Energy, Bio-gas, ETP and Hybrid Hoffman Kiln (HHK) in brick field under refinance programme of BB. A comprehensive guidelines on Corporate Social Responsibility (CSR) has been issued where banks have been asked to concentrate hard on linking CSR at their highest corporate level for ingraining environmentally and socially responsible practices

and engaging with borrowers in scrutiny of the environmental and social impacts. Banks have been brought under the purview of E-commerce with a view to providing the customers with online-banking facilities covering payments of utility bills, money transfer and transactions in local currency through internet as well. Considering the adverse effects of Climate Change, banks have been advised to be cautious about the adverse impact of natural calamities and encourage the farmers to cultivate salinity resistant crops in the salty areas, water resistant crops in the water locked and flood prone areas, drought resistant crops in the drought prone areas, using surface water instead of underground water for irrigation and also using organic fertilizer, insecticides by natural means instead of using chemical fertilizer and pesticides.

Adopting Green Banking Policy:

Now it is the high time for the banks to adopt a comprehensive Green Banking Policy in a formal and structured manner in line with global norms so as to protect environmental degradation and ensure sustainable banking practices. With a view to developing green banking practices in the country, an indicative Green Banking Policy and Strategy framework has been developed for the banks in the following manner:

Green Banking Policy needs to be covered through time frame work which will be segregated into 3 phases.

1. Phase-I

Banks are to develop green banking policies and show general commitment on environment through in-house performance. The time lining for the actions to be taken under Phase-I should not exceed December 31, 2011.

1.1 Policy Formulation and Governance

Bank shall formulate and adopt broad environmental or Green Banking policy and strategy approved by their Board of Directors. A high powered Committee comprises of directors from the Board in case of scheduled Bangladeshi Banks and a high powered committee comprises Regional Chief of Global Office and members from the top management including CEO in case of Foreign Banks should be responsible for reviewing the banks environmental policies, strategies and program. Bank shall approve a considerable fund in their annual budget allocation for green banking. Banks are required to establish a separate Green Banking Unit or Cell having the responsibility of designing, evaluating and administering related green banking issues of the bank. A senior executive should be assigned with the

responsibility of heading the unit. The unit will report to the high powered committee time to time.

1.2 Incorporation of Environmental Risk in CRM

Banks shall comply with the instructions stipulated in the detailed guidelines on Environmental Risk Management (ERM) in consideration of a part of the Green Banking Policy. Bank shall incorporate Environmental and Climate Change Risk as part of the existing credit risk methodology prescribed to assess a prospective borrower. This will include integrating environmental risks in the checklists, audit guidelines and reporting formats. All of this will help mainstream Environmental Risk that cover possible sources of Environmental Risk such as Land use, Climate change related events (cyclone, drought), animal diseases/pathogens such as avian influenza, solid waste including waste feed, animal waste, carcasses, sediments, wastewater discharges, hazardous materials, etc will be reviewed under Environmental Due Diligence (EDD) checklists.

1.3 Initiating In-house Environment Management

Banks shall prepare an inventory of the consumption of water, paper, electricity, energy etc. by its offices and branches in different places. Then it should take measures to save electricity, water and paper consumption. A 'Green Office Guide' or at least a set of general instructions should be circulated to the employees for efficient use of electricity, water, paper and reuse of equipments. In place of relying on printed documents, online communication should be extensively used (where possible) for office management and make sure that the printers are defaulted to duplex for double-side printing to save papers. Banks may apply Ecofont in printing to reduce use of ink, use scrap paper as notepads and avoid disposable cups/glasses to become more eco- friendly. Installation of energy efficient electronic equipments and automatic shutdown of computers, fans, lights, air coolers etc. will help reducing electricity consumption. Energy saving bulbs should replace normal bulbs in branches/offices of the banks. Banks should make plan to use solar energy at their premises to save electricity. Bank should take steps to save energy from corporate business travel and encourage employees to purchase energy efficient cars (that consume less fuel) can reduce gas and petroleum consumption.

1.4 Introducing Green finance

Eco friendly business activities and energy efficient industries will be given preference in financing by bank. Environmental infrastructure such as renewable energy project, clean water supply project, wastewater treatment plant, solid & hazardous waste disposal plant, bio-gas plant, bio-fertilizer plant should be encouraged and financed by bank. Consumer loan programs may be applied for promoting environmental practices among clients.

1.5 Creation of Climate Risk Fund

Bank should finance the economic activities of the flood, cyclone and drought prone areas at the regular interest rate without charging additional risk premium. However, banks should assess their environmental risks for financing the sectors in different areas for creating a Climate Change Risk Fund. This will be used in case of emergency. The bank would ensure regular financing flows in these vulnerable areas and sectors. The fund could be created as part of banks' CSR expenses.

1.6 Introducing Green Marketing

Green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. It refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way. Banks should use environmental causes for marketing their services to consumer. Green marketing is expected to help awareness development among common people.

1.7 Online Banking

Online banking is the practice of making bank transactions or paying bills via the Internet on a secure website of the respective bank that allows the customers to make deposits, withdrawals and pay bills. Banks should give more emphasis to make the easiest way to help environment by eliminating paper waste, saving gas and carbon emission, reducing printing costs and postage expenses.

1.8 Supporting Employee Training, Consumer Awareness and Green Event

Employee awareness development and training on environmental and social risk and the relevant issues should be a continuous process as part of the bank's Human Resource Development. Awareness development among consumers and clients would be a continuous job of a bank under its public relation department.

1.9 Disclosure and Reporting of Green Banking Activities

Banks shall report on the initiatives/practices to BB and disclose in their respective websites.

2. Phase-II

The time lining for the actions to be taken under Phase-II should not exceed December 31, 2012.

2.1 Sector Specific Environmental Policies

Banks need to formulate strategies to design specific policies for different environmental sensitive sectors such as Agriculture, Agri-business (Poultry & Dairy), Agro farming, Leather(Tannery), Fisheries, Textile and Apparels, Renewable Energy, Pulp and Paper, Sugar and distilleries, Construction and Housing, Engineering and Basic Metal, Chemicals (Fertilizers, Pesticides and Pharmaceuticals), Rubber and Plastic Industry, Hospital/Clinic, Chemical Trading, Brick Manufacturing, Ship breaking etc.

2.2 Green Strategic Planning

A bank should determine green targets to be attained through strategic planning. Bank should determine a set of achievable targets and strategies, and disclose these in their annual reports and websites for green financing and in-house environment management as well. For in-house environment management, the target areas should cover attaining energy efficiency in the form of the use of renewable energy, reduction of electricity, gas, and petrol consumption, reduction of Green House Gas(GHG) emissions, issuance of e-statements, electronic bill pay, saving papers, environment friendly office buildings etc. For Green Financing, the target areas should cover reducing loans for certain environmentally harmful activities, attaining a particular percentage of environmental loans as percentage of total, introducing eco-friendly financial products etc.

2.3 Setting up Green Branches

A Green Branch should be featured by the provision of the maximum use of natural light, use of renewable energy, use of energy saving bulbs and other equipments, reduced water and electricity use, use of recycled water etc. Such a branch of a bank would be specifically designated as a 'Green Branch'. A Green Branch will be entitled to display a special logo approved by Bangladesh Bank. The criteria for certification of a 'Green Branch' will be circulated by Bangladesh Bank in due course of time.

2.4 Improved In-house Environment Management

Strategy of reuse, recycling of materials and equipments, and source reduction and waste minimization strategy should be part of in-house environmental management in Phase-II. Banks should increasingly rely on virtual meeting through the use of video conferencing in lieu of physical travel which would help saving cost and energy.

2.5 Formulation of Bank Specific Environmental Risk Management Plan and Guidelines

A bank should develop and follow an environmental risk management manual or guidelines in their assessment and monitoring of project and working capital loans. In addition to the compliance of national regulation the bank may set internationally accepted higher environmental standards. In this connection, Green initiatives by a group of banks will not only be effective but will also offer competitive advantage. Bank alliances may prepare standard and guidelines for themselves for improving Green Banking practices.

2.6 Rigorous Programs to Educate Clients

Clients and business houses should be encouraged and influenced to comply with the environmental regulations and undertake resource efficient and environmental activities. Banks should introduce rigorous programs to educate clients.

2.7 Disclosure and Reporting of Green Banking Activities

Banks should start publishing independent Green Banking and Sustainability reports showing past performances, current activities, and future initiatives. Updated and detailed information about banks environmental activities and performances of major clients should be disclosed.

3. Phase-III:

A system of Environmental Management should be in place in a bank before the initiation of the activities of Phase-III. Banks are expected to address the whole eco-system through environment friendly initiatives and introducing innovative products. Standard environmental reporting with external verification should be part of the phase. The time lining for the actions to be taken under Phase-III should not exceed December 31, 2013.

3.1 Designing and Introducing Innovative Products

Alongside avoiding negative impacts on environment through banking activities, banks are expected to introduce environment friendly innovative green products to address the core environmental challenges of the country.

3.2 Reporting in Standard Format with External Verification

Banks should publish independent Green Annual Report following internationally accepted format like Global Reporting Initiatives (GRI) targeting their stakeholders. There should be arrangement for verification of these publications by an independent agency or acceptable third party.

4. Reporting Green Banking Practices on Quarterly Basis

Banks shall report their initiatives/activities under the said program to the Department of Off-site Supervision of Bangladesh Bank on quarterly basis. Banks shall submit their first quarterly report on June 30, 2011 basis within July 15, 2011 and similarly they will be required to continue to submit reports on the subsequent quarters within the next 15 days of the respective quarter end. Banks shall keep their annual report and websites updated with the disclosures on green banking initiatives/activities.

5. The compliant banks practicing Green Banking will have the following preferential treatments:

- (i) BB will award points to banks on Management component while computing CAMELS rating where there will ultimately be a positive impact on overall rating of a bank.
- (ii) BB will declare the names of the Top Ten Banks for their overall performance in green banking activities in the BB websites.
- (iii) BB will actively consider green banking activities/practices of a bank while according permission for opening new bank branch.

Green Banking in the context of EBL

Did you know

Using less paper not only saves forests, it saves water and electricity, reduces landfill, reduces greenhouse pollution and saves your money.

Why go green?

There are some very good reasons for making your office an energy-efficient and environmentally sustainable. Most people are beginning to realize that the goods and services on which we rely come we cannot continue purely extractive practices indefinitely; we will simply run out of "supplies"! the environmental benefits of using energy-efficient equipment are tremendous. By reducing level of each 1000 kilowatt-hour of electricity you save. Additionally, by being eco-conscious numerous, by benefit you can generate for you organization.

EBL GREEN BANKING POLICY

Eastern Bank Limited is committed to the needs of its customers employees shareholders, and communities. We believe that our long-term success and existence is directly linked to the health and quality of the natural environment. We endeavor our environmental performance, reduce greenhouse gas emission, carbon footprint, and prevent pollution by adopting as well as promoting renewable resources, resource efficient products, community outreach awareness and education.

Policy Statements

- Eastern Bank Limited and its subsidiaries will comply with all laws and regulation related to environmental protection, green banking and other requirements
- The bank shall consider 'Environmental Risk' as a core risk for its Business and shall develop effective procedures for management of management of environmental and social risks in its lending activities.
- The bank shall support business activities that contribute to the protection and improvement of the environment by providing specialized 'green' product-offered under comparatively more favorable terms and conditional ; specifically in the area of

renewable energy, energy saving , organic farming, biodiversity conservation , green chemistry, green transportation, water and waste management, environmental restoration ,eco-tourism and agri- tourism.

- The bank shall support economic activities of the flood, cyclone ,and drought prone areas with softer terms of business and shall create "Climatic Risk Found" to support contingencies in adverse climatic conditions.
- The bank recognize the environmental burden caused by consumption of resource and release of waste from own business activates and aim to protect the environment through resource recycling as well as efficient use of energy and resources . We are continually minimizing our operational environmental impacts, by monitoring environmental performance; setting improvement targets; and by implementing and evaluating environmental management program that save energy and water, manage waste ,recycle materials, reduce business trips, and promote green procurement and providing wide range of e-banking services.
- The bank shall provide in-house environmental education and support and promotion environmental protection activities of individual directors and employees both during and outside working hour.
- The bank shall support initiatives of third parties i.e. non-profit agencies, organizations or institutions that generate added value by benefiting both human and the environment.

Myths and Realities

- **Myth** turning off computers crashes the hard drive
- **Reality** Switching off computer will have no significant effect on the useful lifetime of the hard disk. In the past larger hard drives were degraded by mechanical stress. today some manufacturers specify a life of 40,000 power cycles for each working day over five year.
- **Myth** screen savers energy
- **Reality** screen savers energy wasters most computers use twice as much energy lighting up the screen as they use for processing. Originally, screen savers were designed to stop screens being burnt by a constant image, but they aren't needed for modern screens. Not only can screens savers use as much energy as a full screens of work, but many require considerable processing energy as well. If you want to save energy you can set you screens saver to 'none' or 'blank screen'

- **Myth** Refilled toner or ink cartridges leak everywhere and make an incredible mess.
- **Reality** As with recycled paper, this problem is avoidable and manufacturers and suppliers should be prepared to guarantee effective performance.
- **Myth** Printing double-sided and/or using recycled paper causes photocopiers to jam and making you use more paper.
- **Reality** Many of us have had these experiences certainly, but they are quite avoidable in modern equipment. When buying new pho photocopiers and printers ensure that manufacturing and suppliers and prepared to guarantee effective performance in these areas. Some copier manufacturers will specify the brands of recycled paper they approve.

Vision and objectives

Since the local and global social agenda moves toward crucial issues such as climate change and environmental sustainability, the Eastern Bank Ltd has put in place policies and expectations that will lead the bank towards the goal of reducing their negative impact on environment. The green banking cell of EBL was established in January 2012 that is awareness in the bank through development and implementation of Eco Efficiency programs. EBL is proud of its commitments towards sustainable operations and striving for continual improvement in environmental management practices. This Green office guide is developed to provide staff of EBL with the ability to embrace environmentally sustainable office environment. This manual details simple guidelines to increases the energy efficiency of the bank; develop water conservation practice; develop sustainable procurement practices; develop a self-assessment monitoring and reposting guide. Ultimately, this manual has been developed to make a difference in office environment by:

- Outlining WHAT YOU SHOULD KNOW about your current environmental management system
- Providing hints and tips for WHAT YOU AND YOUR DEPARTMENT CAN DO to increase office environmental sustainability
- Providing useful statistics and WHERE TO GO for further information.

Introduction

Sitting in an office environment, it is hard to visualize how our activities are impacting on the environment, Issues: such as air pollution, global climate change, deforestation, landfills, water availability, biodiversity, chemical pollution, and soil erosion seem very distant and unrelated to the activities we undertake at work. It is now recognized that climate change and carbon management is a critical issue that must be addressed through innovation and intricate collaboration. However, we all make decisions everyday that contribute to these environmental problems and we all have a responsibility to ensure that our everyday decisions and operations contribute as little as possible to these broader environmental issue.

Governance: In January 2012, EBL Board approved the Green Banking Policy'; and beforehand the bank formed 'Green Banking Cell' hoarded by Deputy Managing Director.

Green Banking Cell		
Name	Designation	Status in Committee
Md. Fakhru Alam	DMD (Corporate, Treasury & Investment Banking)	Chairman
Md. Sirajul Islam	EVP & Head of Human Resources (HR)	Member
Abul Moqsud	EVP & Head of Credit Risk Management (CRM)	Member
A.M.M. Moyen Uddin	EVP & Head of Information Technology (IT)	Member
Md. Khurshed Alam	SVP & Head of Business, SME Banking	Member
Maj Md. Abdus Salam, psc (Retd)	VP & Head of Administration & Security	Member
Ziaul Karim	VP & Head of Brand & Marketing	Member
Md. Manirul Islam	VP & Head of SME Risk, CRM	Member
Mohammad Zobaier Hossain	FAVP & Unit Head (Acting), Corporate Banking Unit 4, Dhaka.	Member
Md. Mustafizur Rahman	FAVP & Head of Projects & Alliance Management, Consumer Banking	Member

Principles

This principal of this guide to be suitably adapted to the operation of respective offices to facilitate reduction in energy use and cost , water use and cost , waste production, and greenhouse gas emissions. ultimately the policies and practices employed in this guide are encouraged to become a part of an individual's natural work routine. This Green Office Guide is a means of increasing staff awareness of the environmental impacts associated with daily work practices and encourage and facilitate environment friendly work alternatives. It is our goal to encourage a sense of ownership within the individual of these environmental policies, where an individual can easily apply similar policies to their home as well as the workplace.

Practices:

The Green Office Guide provides a great way for staff to learn more about environmental issues and what can be done at work to reduce their ecological impact. This guide also provides an opportunity for staff to engage in behavioral management problem solving and work as part of a team to achieve environmental change. A green office self-reporting assessment system has been focused in this guide to provide management with sufficient ways to calculate the effectiveness of green office recommendations, and provide incentives to staff so that the process of saving the environment is not conveyed as a chore.

Reduce Energy Consumption

Light

- Use natural light whenever possible. Ensure windows are clean and encourage staff to open blinds before thinking of switching on lights.
- When installing new lighting, make sure that lights in darker areas, or more remote areas, can be switched on and off independently of other lights.
- Ensure that light switches are clearly labelled.
- Fit presence detector lighting controls in places that are not in constant use (like the toilets, or photocopying room).
- Remember to think of the cost savings of a product by the end of its lifecycle. Energy efficient light bulbs may be more expensive initially, but they will save in the long run.
- Get staff involved by running a "Switch Off" campaign.
- Clean light fittings regularly to ensure they are used to the maximum.

- Replace any existing 50W halogen spotlights with 20W. This gives a similar lighting effect using only 40 per cent of the energy.
- Angle the light correctly. If the light comes from the right direction, less light is needed.

Computer, LCDS, Printers and Photocopiers

- Switch all equipment off when not in use (eg.at night) and program equipment to hibernate when not in use during office hours.
- Making one staff member in your office reasonable for turning off all shared equipment at the end of each day can prove very useful.
- Make sure the standby is set properly. Whether it is automatic or manual, make sure everyone knows how to use it by displaying a notice on or near it.
- Turn your computer screen off when you go to lunch to save further power. A monitor left on overnight wastes enough energy to laser-print 800 pages.
- Don't power your computer system up until you really need it- a personal computer uses about three minutes of running-time. Minimize the number of photocopiers and printers in the office to increase their production time.
- Turn the photocopier off at the power point at the end of the working day and during periods of inactivity.

Air-Conditioning

- Use natural ventilation and fans where possible.
- Set air-conditioner systems to a minimum of 24 c.
- If air-conditioning is used, close all windows and doors to reduce the escape of cool air.
- If the machine has adjustable louvers, adjust them towards the ceiling when cooling, and towards the floor when heating (as cool air falls, hot air rises)
- Switch off air-conditioners after hours.

Water Conservation:

- Use dishwashers only when they are fully loaded, using the economy cycle. scrape rather than rinse before placing items in the dishwasher.
- If boiling the kettle, only use as much water as you personally need.
- Install water-saving heads on kitchen faucets.

- Encourage the landlord to install low-flush toilets and water-saving faucets in the building restrooms.
- Inform cleaning staff of your commitment to water reduction and conservation. Discuss with them ways in which they can look for opportunities to incorporate water conservation into their clearing procedures.
- Notify building maintenance if you find a leak at the faucet, commodes or urinals in the building restrooms.
- If your restroom is equipped with a manual faucet in the sink, make sure you shut the water off while you soap your hands, and then turn it on to rinse them.

Waste Management

The management of waste within an office environment encompasses the issue of replacing office equipment. This notion of office procurement and subsequent waste minimization should include observation of the Five (5) R's:

Rethink

(do I really need to replace this piece of equipment ?)

Refuse

(I don't need to replace this equipment so I won't)

Reduce

(May be I only need to replace some this equipment)

Reuse

(there might be someone that could use this equipment ever though it is not what I need any more)

Recycle

(now I will send it off to be recycled because that is all it is good for; or all other avenues have been considered)



Reduce, reuse, and recycle-an, environmental ethos

Reduce

- Email whenever possible.
- Post documents to web sites or shared computer drivers.
- keep mailing lists up-to-date.
- Set your printer default setting to print double-sided purchase office equipment capable of double-sided printing.
- Implement a paper -free electronic database for information storage and communication within your office in order to reduce unnecessary paper use.
- Think of the environment before you print, Do you need a hard copy of the document? would it be possible to read from the computer screen or use electronic means of communication.

Reuse

- Reuse single-sided paper as draft copies or notepaper within the office
- Keep a once used paper box near every printer and copier in your department and educate and encourage you colleagues to use them.
- Reuse folder ,file clip and covers
- Encourage staff to use reusable cups, crockery, and cutler for lunch/tea breaks
- Use water filter or water dispenser for use in the kitchen.
- Encourage the use of reusable water bottles instead of single-use bottles

Recycle

- Used printer toner cartridges can be recycled. toner cartridges contain harmful chemical which should not be placed into our landfills.
- make sure all obsolete computer equipment and printers are decommissioned through your information technology department to ensure the equipment is disposed in an environmentally appropriate way.
- consider donating furniture , office and kitchen equipment to companied that will resell them as refurbished.
- Buy products made form recycled material. Buying recycled goods means less waste ends up in garbage landfills and it also means that less energy will be expended to create new products from raw materials.

Procure Green

Goal of green procurement is the purchase of environmentally sustainable office equipment in a viable way in which offices can reduce electricity demand, save money, and help reduce its direct and indirect impact on the environment through the purchase of energy-efficient products. Green procurement is the purchase of products and services that have a minimal or reduced environmental and human health impact.

Green Banking Success Stories of EBL

Rapid urbanisation and industrialisation help improve the livelihood of the human beings. Simultaneously, it creates strain on natural resources, such as energy, water and food supplies. Our planet's ability to meet the growing demand of urbanites may be depleted if we don't become environment-conscious.

Climate change has become a global concern as it has direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. The key areas of environmental degradation are: air and water pollution, encroachment of rivers, improper disposal of industrial, medical and house-hold waste, deforestation and loss of open space and biodiversity. People across the world now admit that Bangladesh is one of the major victims of climate change.

It may be questioned what is the role of banks in saving the environment. The banking sector being the major stakeholder in industrialisation and development of a country has an important role to protect the environment. Banks may have influenced a factory's production, marketing and other activities that pollute our precious environment and accordingly, banks can set their programmes and policies.

"It is very important to know what I am financing for is sustainable or not. We don't want to do anything one-off like others," says Ali Reza Iftekhar, managing director and chief executive officer of EBL.

EBL's priority as a good corporate citizen is to earn money in a manner that is both socially and ecologically responsible and of course, sustainable.

We are the first among the commercial banks that has signed a participation agreement with the Bangladesh Bank (BB) to finance Tk 290 million worth of projects under the BB's refinance scheme. Under this scheme, EBL has financed a project of Rahimafrooz Renewable Energy Limited (RREL), a concern of Rahimafrooz Group, to set up an 18 megawatt PV solar panel assembly plant. This is the first of its kind loan facility in the country.

FINDINGS

The main vision of Eastern Bank is to become a premier banking institution in Bangladesh. In achieving this mission, Eastern Bank has been successful by increasing green banking service and its revenues, deposit facilities through green base and green branches connection in Bangladesh. Although there are no major problems on green banking at Eastern Bank, some of the problems observed are as follows:

- **Unavailability of ATM Booth:** Our study recover that there is scarcity of ATM booth in all places. It creates high dissatisfaction in customer mind.
- **Shortage of fund in ATM Booth:** Most people complain that there is low money reserve in ATM Booth sometimes they find empty.
- **High service charge:** Green Banking charge is too high and it is still out of reach among the middle class and lower class family.
- **Technological problem:** There are some technological problem such as show empty of own account money, PIN code rejection, Database cannot be support in the system etc.
- **Shortage of Branch:** Branches are not available so especially business people face problems.
- **Securities:** Some people cannot rely on green banking. They feel less security on green Banking.
- **User of green banking:** User are low rather than other bank user on green banking
- **Limited Areas:** This bank provide green banking service in some specific areas.
- **Training and Development:** Employees are not well trained in green banking.

Recommendation

We know that Eastern Bank limited is one of the famous commercial bank in Bangladesh. We find out from our survey they have providing good green services which is give satisfaction and interest for its clients/customers. They gave their clients electronic fund transfer facilities, ATM, Debit card, credit card, pos, bill pay facilities in green etc. But they have also some lacking in green banking process. For removing lacking, they should take following steps in the green banking system-

- **Increase ATM booth:** Spread ATM booth all over the country in important place.
- **Increase booth cash fund:** All time update booth case fund.
- Rises Credit card acceptance in all places.
- Increase customer awareness about green banking of Eastern bank.
- Resolve technological problem by using latest technology.
- Making green banking facilities more easy and suitable for all classes of people.
- Green banking area spread all over the Bangladesh.
- Making Service charge of green banking as low as possible.
- Provide proper training about green banking to the employees.
- **Training and awareness among employees:-**

It is recommended that Eastern Bank of Bangladesh should conduct various training programmes for the employees, so that they will get aware with the terms of internet banking. After such programmes they can create awareness amongst the consumers.

- **Exchange of information on threats and vulnerabilities at appropriate forums:-**

There should be an open end discussion on the threats and vulnerabilities coming across the functioning of internet banking work by the employees in the various official forums and meets.

■ Build an optimal operating model by understanding which activities to retain collaborate and outsource:-

There should be clear sight of operations which needs to outsource to other companies, this will lead to ease in work for employees. Outsourcing operations like, cyber security department, building IT structure on internet.

■ Bank should Create and sustain customer, investor and regulator confidence by adopting international accounting standards :-

■ Adopting international standards adds some more star to the glory of any company, EBL should impose such standards when it comes to internet banking or virtual banking, this will enhance the goodwill of EBL among regulator, customers and invertors.

■ Bank should anticipate and get prepared for regulatory changes:-

Laws regarding IT or cyber laws get change as per the need. EBL should anticipate such kind of changes and get loaded with various plans and actions.

■ Focus on identifying core competence:-

DBI possess some unique characteristics or positive points in it and with the help of them it can become a leader in market. Bank should identify such points and concentrate to flourish them more. This can be done with the help of internet banking, as internet banking of EBL is getting largely accepted by customers.

■ Increasing usage of mobile phones is going to revolutionize the banking culture in near future:-

Mobile banking is also getting popular in the segment of internet banking thus this can add some more steps to progress for EBL. Bank is into the mobile banking but it is providing limited features.

■ More stress should be given on security concern on internet:-

There are some people who are into unethical practices of hacking of accounts of customers. This is nothing but the breach in the security of the EBL on internet.

There should be some measures in order to prevent such practices. IT structure should be unbreakable.



Conclusion

Studying the project we came to know that Internet banking is clearly the way forward for the State Bank of India. It provides comfort to customers at the same time it provides cost cutting to DBI by eliminating physical documentation. Internet banking saves time of bank as well as those of customers.

Study states that green banking provides greater reach to customers. Feedback can be obtained easily as internet is virtual in nature. Customer loyalty can be gain. Personal attention can be given by bank to customer also quality service can be served.

Bank should know that No system is perfect, however a system of such a type will need to be very secure. This is a system which holds account details and customers wealth. If such a system was not trusted and not reliable, then EBL would face serious laws and would lose business.

After studying the SWOC analysis, we came to know various strengths of EBL such as quality customer service, greater reach, customer loyalty, easy access to information, 24 hours access, easy Online applications etc. EBL should put efforts to multiply the number of strengths. In terms of weakness I come to know some of the major weaknesses they are lack of awareness of internet banking among the customers, obsolesce of technology related to security, complicated procedures of availing internet banking facilities, lack of knowledge among the employees of DBI. DBI should concentrate on the weaknesses and reduce them to zero.

In the third segment of SWOC analysis of internet banking we dealt with opportunities like 95 % market of internet market is untapped, EBL's path to become first virtual bank. By encasing such opportunities bank can become the leader in banking sector of Bangladesh. In the last segment I come to know about various challenges which are in front of EBL, like sameness in IT infrastructure within various banks, need of various vendor supports for complex technology, maintaining secured IT infrastructure, alternative mechanism in case of failure of present security system.

The company can take the advantage of the reputation it has created in the market for itself and become more competitive

The recommendations and suggestions given, if adopted will improve the position of the company substantially and optimal profitability coupled with better service and satisfactions for investors may be achieved.



Appendix

- www.ebl.com.bd/
- www.ebl-home.com.bd/
- www.27ebl.com.bd/
- www.bangladesh-bank.org/
- EBL annual report
- Service Excellence Guidelines Book
- EBL MEDI AID Book
- EBL Express Book
- Green Office Guide
- <https://ib.ebl-bd.com/B001/ENULogin.jsp>
- <http://www.ebl.com.bd/student/>
- <http://www.ebl.com.bd/priority/>