Internship Report on
Financial Performance Analysis of
Southeast Bank PLC

Submitted by

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FACULTY OF BUSINESS AND ENTREPRENEURSHIP

DAFFODIL INTERNATIONAL UNIVERSITY

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Letter of Transmittal

19th May, 2024

To

MR. ANOWAR ULLAH

Assistant Professor,

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship report on "Financial Performance Analysis of Southeast Bank PLC."

Dear Sir,

With due respect and humility state it is my pleasure to submit this Internship Report on **"Financial Performance Analysis of Southeast Bank PLC"** to you. While preparing this report, I tried my best to follow the instructions that you have given me. This report is prepared for the fulfillment of the requirements of the BBA Program. This Internship Report has been an extremely challenging, interesting, and rewarding experience for me. I would like to express my deepest gratitude to you for providing me with such an opportunity.

I shall be highly encouraged if you are kind enough to receive this report. Thank you for your consideration and collaboration.

Sincerely yours,

Ani

EkramunNaharAni

ID: 201-11-998

Batch: 55th

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Declaration

I,EkramunNaharAni, hereby declare that the internship report titled **“Financial Performance Analysis of Southeast Bank PLC’’**A Study on Southeast Bank PLC is individually prepared by me after completing the 03 Months((90Days)’ internship at Southeast Bank PLC, AshuliaBazar Branch, Dhaka and a comprehensive study on the Financial Performance Analysis of SEBPLC. Nothing in this report is duplicated and no information is used which is highly confidential of SEBPLC and the information in this report is not against the law of the country.

I would like also to declare that the report is prepared exclusively for academic purposes and not for any other reason.

Sincerely,

Ani

EkramunNaharAni

ID: 201-11-998

Program: BBA

Major: Accounting

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Letter of Approval

This to certify that EkramunNaharAni, ID: 201-11-998 a student of Daffodil International University of BBA program has completed the internship report titled **"Financial Performance Analysis of Southeast Bank PLC"**, under my supervision. Her internship placement was at **"Southeast Bank PLC, AshuliaBazar Branch"**. I am pleased to state that she has worked hard in preparing this report and she has been able to present a good picture of the concerned organization. The data and findings presented in the report seem to be authentic

I wish her every success in life.

19.05.2024

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MR. ANOWAR ULLAH

Assistant Professor,

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Dedicated to

Beloved Parents

&

Teacher

ACKNOWLEDGEMENT

At the very beginning, I would like to express my humble gratitude to the "Almighty ‘for giving me strength and Knowledge to prepare this internship report completely.

At the same time, I would also like to thank everyone who helped me to give my report a complete structure; whether directly or indirectly for their gracious fellowship and inspiration.

I impart my deepest appreciation to my honorable supervisor Mr. Anwar Ullah assistant professor, Department of Business Administration, Daffodil international University; who directed me in the right path for the completion of this whole journey.

His whole-hearted supervision and guidance encouraged me a lot to prepare this report properly.

I would like to express my thanks to Adnan Saimon, assistant bank manager of Southeast Bank PLC, Ashulia Bazar Branch Dhaka for his kind and generous support, I became capable of passing three months long internship Course on southeast Bank, PLC as an internee.

I owe a great deal of gratitude to the specialists at Southeast Bank PLC whose insightful conversations significantly enhanced my task. Equally important are the amazing employees at Southeast Bank PLC, as well as our friends and classmates who provided invaluable one-on-one support and guidance. I am thankful to all contributors, even those unknown to us. I acknowledge my responsibility for the times I overlooked their advice. Lastly, I express profound thanks to my parents whose support enabled me to complete both my BBA program and the three-month internship.

Executive Summary

This internship report is prepared for the BBA program of Daffodil International University. The internship program and this report are integral components of the Business Administration courses. This report was prepared during my three-month internship at SEBLPLC Bank.

This report is an attempt to know how the theories can be applied to practical situations. The entire report is based on the experiences gathered throughout the internship program. And also, for preparing this report I have tried to gather information from "Annual report of SEBLPLC, 2021" and official website of SEBPLC, https://www.southeastbank.com.bd/.

During three months internship I gathered experiences that has given a clear idea about activities and operational strategies of Southeast Bank PLC. I learnt some banking strategies during that time. I had to collaborate with the clients of that bank. I worked perfectly on some banking portions including - writing cheque books, communicating with the clients, opening fixed deposits and sometimes worked in managing and distributing cash.

In this report, I have tried to show the financial analysis of SEBLPLC of five years (2017-2021). It is consisting of four chapters. Chapter one contains the "Introduction" which gives a primary idea of this report. Chapter two is named as "Profile of Southeast Bank", where I have tried to include information of this bank briefly. Chapter three is considered as the heart of this report named as “Activists and performances of SEBPLC". And the last chapter is “Findings, recommendations and conclusion" with which report has given stability. Finally, composition of these four chapters have made it possible to accomplish this internship report

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CHAPTER 01

Introduction

1.1Introduction:

Any Banking system or bank related organizations basically stand over the theory of finance and financial analysis. Financial analysis can be the term card in this regard. Evaluation and analysis of 'money' 'currency ' and capital assets' creates the path of finance. Financial analysis indicates stability, solvency in the banking system. Financial information which is published in a well-defined manner and data recorded formally are called financial statements. The financial statement can basically hold 4 segments. This are-

1. Balance sheet: In indicate financial position, company's credibility and, maintenance of equity among owners.

2. Income statement: It upholds the report of profit and loss, comprehensive income as well as expense.

3. Statement of equity: It indicates how equity are changing

4. Cash flow: It upholds flow of cash, is begin invested and activated on financing activities.

Now, it’s time to talk about South bank PLC. It. is a well -known bank in Bangladesh under private sector, which is organized totally commercial supervision. As per the statements of our Customer’s, they have appreciated the service quality, certainly well-mannered way.

In this report, we will try to understand how south east bank is running (both financially and commercially). For analyzing these different tools, methods, aids, income statement etc. have been used. After all, distinct information will come out, whether the bank is trending to the right or wrong path.

1.2 Background of the study:

It is imperative to apply theoretical knowledge gained from academic courses, as a surplus of theoretical understanding alone may prove ineffective without practical application in real-life situations. To derive substantial benefits from theoretical knowledge, students must engage in practical applications, often facilitated through internship programs. These programs hold significant importance in providing students with hands-on experience in real-world business activities, allowing them to gain insights into organizational functioning and develop analytical skills. Internships act as a bridge between theoretical learning and practical application, ensuring that students not only grasp academic concepts but also acquire the skills needed to succeed in professional settings.

1.3 Origin of the report:

As part of my Bachelor of Business Administration program requirements, I completed an internship at Southeast Bank PLC. Under the guidance of Md. Anwar Ullah, Assistant Professor at the Faculty of Business & Entrepreneurship, Daffodil International University, and Md. HumayunKabir, Manager of Operation & First Assistant Vice President at Southeast Bank PLC, I conducted a study on the financial performance of Southeast Bank PLC. The internship aimed to provide students with real-world experience in a practical environment, allowing them to gain valuable insights and skills.

1.4 Scope of the report:

The research illustrates effective methods for maximizing benefits and acquiring practical skills in financial performance management from SEBPLC. Relationships can evolve into a significant subject, aiding in identifying issues within Southeast Bank, PLC, which could assist in resolving present and future challenges' hope and believe that this course will extremely beneficial to me and my future.

Source: Annual Report of Southeast Bank Limited2021

1.5 Objective of the report:

1. The primary objective of this report is to conduct a comprehensive analysis of the financial performance of Southeast Bank PLC.

2. Specific objectives include gaining an understanding of the tools utilized for financial performance analysis, assessing Southeast Bank PLC's financial performance, identifying any deficiencies or shortcomings, and offering recommendations based on the findings.

1.6 Methodology:

The report relies on both secondary sources such as reports, texts, websites, and journals, as well as primary sources obtained through interviews with bank personnel facilitated by the bank's employers.

Secondary sources:

1. The official website of Southeast Bank Limited can be rephrased as: "The website authorized by Southeast Bank Limited."

2. A paraphrased version of "Annual report of Southeast Bank (2017-2021)" could be: "The yearly documentation provided by Southeast Bank Limited spanning from 2017 to 2021."

3. Reports relevant to the investigation provided by the authorities can be rephrased as: "Reports pertinent to the inquiry issued by the authorities."

4. Various reports and articles concerning the study can be rephrased as: "Diverse documents and writings pertinent to the research."

1.7 Limitations of the Studies:

The report preparation process encountered some limitations. These are stated below:

1. Due to time constraints, conducting a large-scale investigation for the research was not feasible within the limited timeframe.

2. Gathering pertinent data and information proved challenging due to the confidentiality protocols within the organization.

CHAPTER 02

Profile of Southeast Bank

2.1 Description of Southeast bank:

Southeast Bank PLC, established in 1995, has pursued the ambitious goal of becoming a leading banking institution in the country, with a focus on driving national economic growth.

Founded by prominent business figures and industrialists, including Mr. AlamgirKabir, FCA, the bank is led by a skilled management team fostering a culture of trust, discipline, and collaboration.

Noteworthy is its dedication to gender equality, exemplifying its commitment to diversity and inclusivity. With a reputation for quality service and excellence, Southeast Bank aims to be a pioneer in the banking sector, contributing significantly to the nation's economic advancement.

2.2 Story of Southeast:

Southeast Bank PLC, established on March 12, 1995, as a private commercial bank under the Bank Company Act of 1991 and incorporated as a public limited company under the Company Act of 1994, swiftly positioned itself as a dynamic and contemporary financial institution in Bangladesh. It promptly obtained a certificate of business start-up from the Registrar of Joint Stock Companies and Firms, enabling it to commence operations in the private sector.

Following the issuance of banking products by Bangladesh Bank on March 23, 1995, Southeast Bank PLC was granted a license, marking a significant milestone in its establishment. On the 25th of the same year, M. Saifur Rahman, Former Minister of Finance of Bangladesh, inaugurated the bank's inaugural branch at 1 Dilkusha Commercial Area in Dhaka. Over the past 28 years, Southeast Bank has demonstrated remarkable success and adherence to Bangladesh Bank's capital adequacy standards. Presently, the bank operates an extensive network comprising 135 branches, 22 sub-branches, and 62 agent banking outlets, contributing to inclusive and sustainable economic development nationwide.

Southeast Bank was established by prominent business figures and leading industrialists who had significant investments across various sectors of the country's economy. Presently, Mr. AlamgirKabir, FCA, a seasoned Chartered Accountant, assumes the role of Chairman. The bank's board comprises distinguished individuals with expertise in industry, finance, and operations, totaling 12 members, including 2 independent Directors alongside the Managing Director. Mr. NuruddinMd. SadequeHussain, the current Managing Director, is a highly respected and innovative banker in the country, boasting 32 years of extensive experience in the banking sector

2.3 Points to be recorded:

- Legal status - Public Limited Company
- Established - 1995
- Incorporated - 12th March, 1995
- Activity started- 13th march 1995
- Islamic Banking system started- 30th March, 1983
- Founder Chairman - AlamgirKabir
- Managing Director - Makamal Hossain
- Number of branches- 135 branches and 18 sub branches
- Capital - 200 million USD
- Employees - 1311
- Interest income- 25.13B
- Interest expense - 17.10 B
- Corporate address - Southeast Bank, PLC, Head office, Investors Relation Department Eunoos Trade Centre (Level-2) 52-53, Dilkhusha C/A -1000
- Website - www.southeastbank.com.bd

2.4 Board of Directors

1. Chairman - MrAlamgirKabir
2. Vice chairman - Mr. Md. Akikur Rahman
3. Director - Mrs. DulumaAhamed

4. Director - Mrs. JusnaAraKashem
5. Director (Nominee of Insurance Bay Leasing Ltd. Investment) - Mr. ManiuzZaman khan
6. Director - Mr. Nasir Uddin Ahmed
7. Director - Mr. Md. Rafiqul Islam
8. Director (Nominee of single click IT solution Ltd) - Ms. Anju man Ara Shahidp

2.5 <u>Organizational Structure:</u>

In our SEBPLC, we have several departments, typical of banks in Bangladesh.

We have basically -

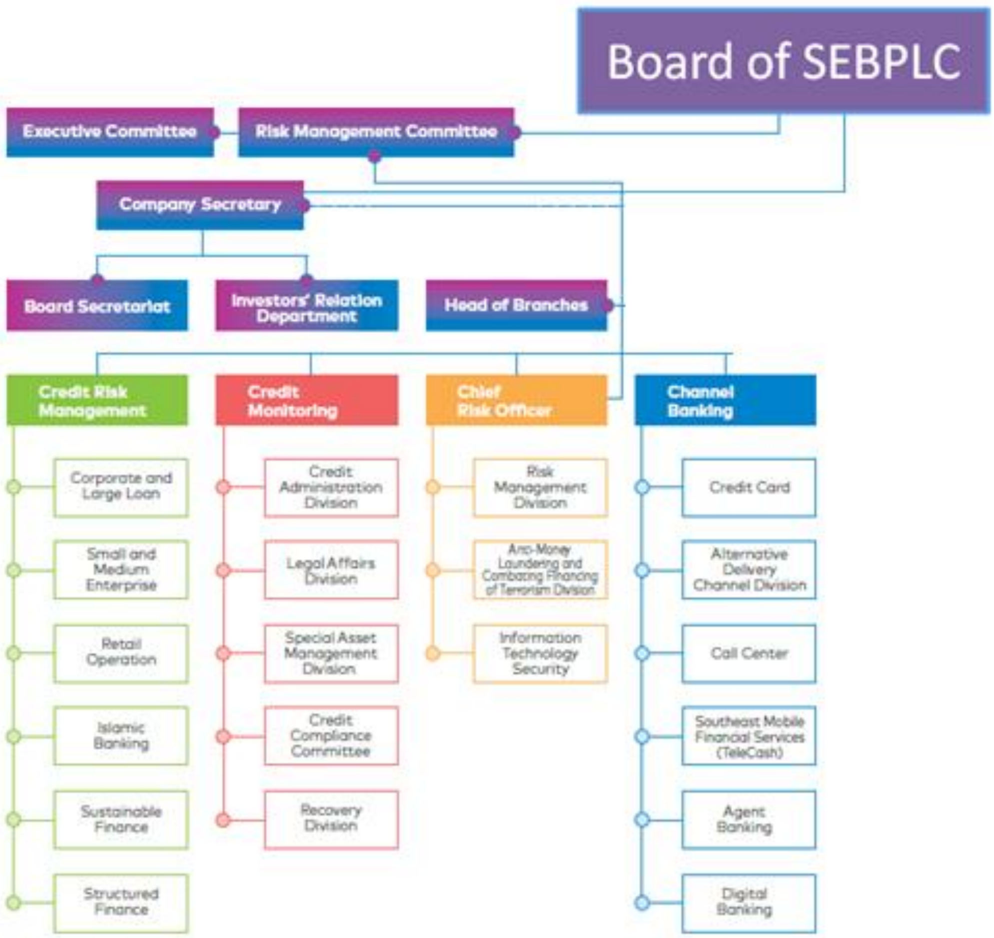
- Finance department,
- Human resource department,
- Accounts Department,
- General Banking logistics department
- Marketing Department.

Typically, our SEBPLC Ashulia Branch exhibits three distinct structural variations.

- Top Level Management
- Mid-Level Management
- Third Level Management. (During my internship at the SEBPLC Ashulia Branch, I had the fortunate opportunity to experience comprehensive and autonomous work, primarily focused on customer support, amidst a team of 10 employees and 7 messengers. Now, let's create a diagram to simplify this intricate scenario.)

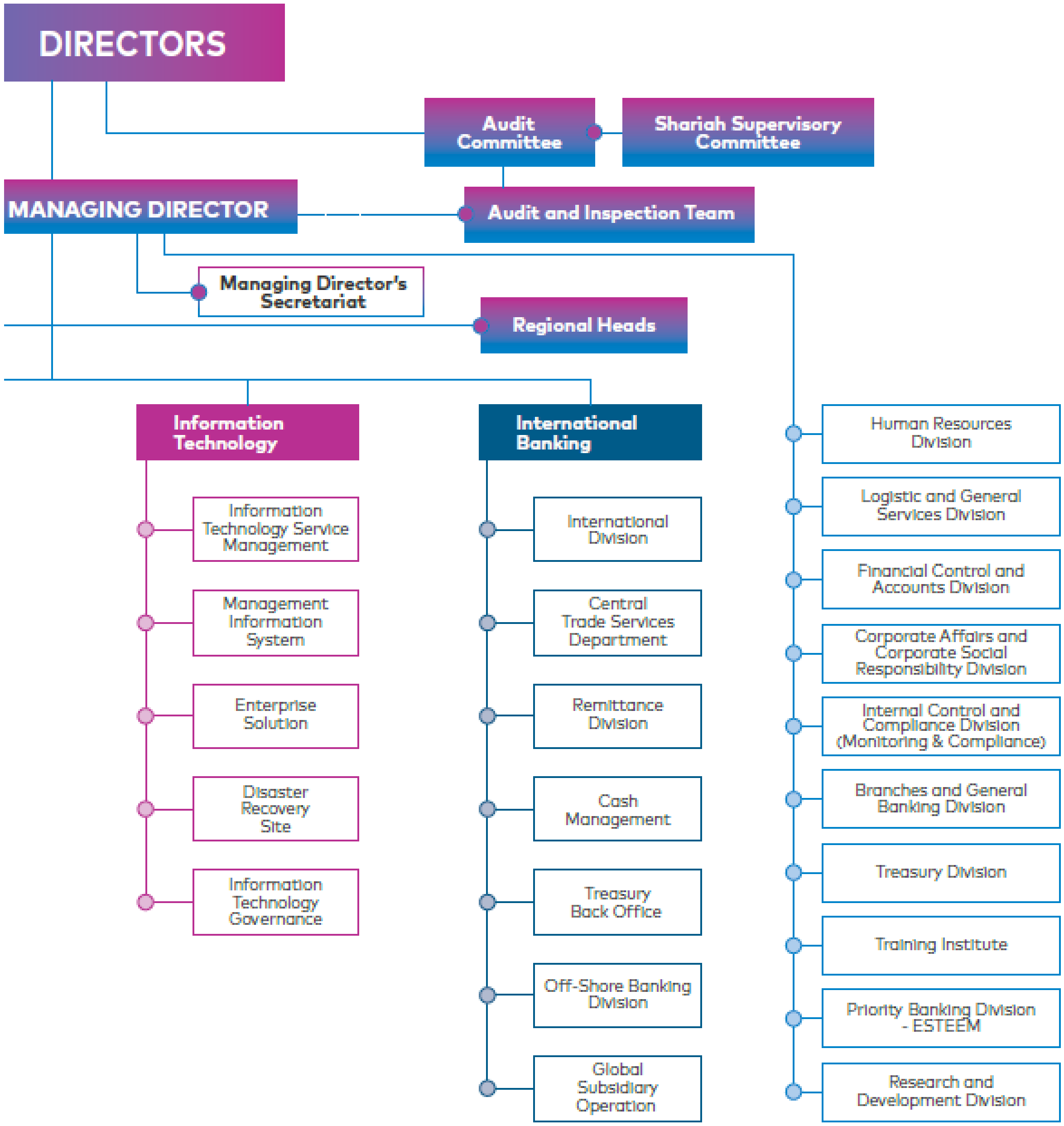
Organization Chart:

- ❖ Board of SEBPLC



Source: Website of SEBPLC

❖ Directors of SEBPLC:



Source: Website of SEBPLC

2.6 Mission of Southeast Bank:

Mission is known as the main target of the company. Southeast bank is very much concerned about their mission.

1. Delivering superior service efficiently is paramount to Southeast Bank.

2. Securing swift and effective customer service is a top priority for Southeast Bank.

3. Providing a banking system with competitive pricing is a core focus for Southeast Bank

4. Maintain equity and equality among stakeholder

5. Deal with social problems

2.7 Vision of Southeast Bank:

The vision of Southeast Bank Limited PLC is to become the largest profitable bank in Bangladesh, contributing to the country's economic development, and to establish itself as a leading bank in the South Asian region.

Source: Annual Report of SEBPLC 2020

2.8 Core ingredients of Southeast Bank:

These things are three: -

1. Core value

- Integrity
- Respect
- Fairness
- Harmony
- Team Spirit
- Courtesy
- Commitment
- Service Excellence
- Insight and Spirit
- Enthusiasm for work
- Business Ethics

2. Core Strength

- Effective Internal Control
- Proper Risk Management
- Quality Customer Service
- Unique Corporate Culture
- Strong Asset Base
- Professionally Strong Board of Directors
- Strong Capital Base
- Transparent and Quick Decision Making
- Efficient Team of Performers
- Satisfied Customers

3. Core competencies

- Determination
- Zeal for Improvement
- Reliability
- Knowledge
- Experience and Expertise
- Customer Orientation and Focus
- Transparency

2.9 Customer service of South east bank PLC:

Customer satisfaction is paramount for progress in banking services, as customers are regarded as the cornerstone of the market. Without their investment, operations within the organization cannot function effectively, and all departments are interconnected and reliant on customer interaction.

To expand our market share and stay competitive, we consistently prioritize delivering exceptional service to our customers. Despite the inherent complexity of the banking system, we strive to simplify the experience for our customers. While rules, compliance, and policies may seem straightforward to them, we recognize the intricate nature of these aspects from our perspective.

Each individual is accountable for fulfilling their respective responsibilities, whether they belong to the customer support or customer service Departments. During my internship, I was not assigned significant tasks, primarily focusing on customer support duties. Nonetheless, there were occasions when I also assisted with customer service responsibilities. Typically, customer support functions as a subset of customer service within the broader framework of general banking operations. It's commonplace for interns entering a bank to start off on equal footing as any other individual. During my internship, the emphasis was on learning the corporate culture and etiquette, primarily within the customer support domain.

a) How to conduct oneself as a well-mannered employee

b) How to effectively engage in positive or negative verbal interactions

c)Maintaining punctuality during office hours, SEBL customers express satisfaction with our services, attributing our effective marketing efforts to their positive experiences. Our commitment to delivering superior service has led our customers to serve as advocates for our brand within the country.

Our customers at SEBL are satisfied with the quality of our services, contributing to our strong marketing presence across the country. The exceptional service we offer leads our customers to serve as effective promoters of our brand.

2.10 Trend and Growth of Southeast Bank:

As of January 2022, Southeast Bank Limited has been actively expanding its operations and strengthening its position in the Bangladesh market. The bank's growth strategy has centered on initiatives like increasing its branch network, introducing new and innovative banking products and services, and harnessing technology to enhance operational efficiency and improve customer satisfaction.

Moreover, Southeast Bank has been forward-thinking in responding to evolving trends in the banking sector, including the adoption of digital banking solutions, to meet changing customer demands and maintain competitiveness. In essence, Southeast Bank Limited has demonstrated consistent growth and agility in adapting to market shifts and customer preferences. For the latest and most accurate updates on Southeast Bank's performance and trajectory, referring to the bank's latest financial reports and updates from credible financial institutions is advised.

2.11 Product and service of Southeast Bank PLC:

Our products and services are

1. General Banking

- Account opening
- Account closing
- Cash Department
- Issuing Pay order
- Bank Drafts
- Opening Demand Deport
- Loan
- Islamic Banking
- Foreign Trade
- SME service
- Swift Banking
- Locker service

- ATM service
- Instant Banking
- Mobile Financial service
- Bill pay service
- School Banking
- Saving Fast
- Roya saving

2. General Account

- Saving Account
- Current Account
- Fixed Deposit Account
- Monthly Saving scheme
- Anaya Account (Female)
- Esteem Account
- short Notice Deposit
- pension Savings Account

3. Islamic Bank Account

- Mudaraba Saving Account
- Al Wadiah current Account
- Mudaraba Special Notice Deposit
- Mudaraba Term Deposit Receipt
- Mudara Pension saving scheme
- Mudaraba short Notice Deposit

- Mudaraba Monthly saving scheme
- Mudaraba Millionaire Deposit Scheme

4. <u>Value added Service</u>

- Call center (7×24)
- Internet Banking Service
- Student file
- Passport Endorsement
- Southeast Bank Express account
- Mobile Banking Service
- Locker service
- Senior citizen Scheme

5. <u>Card service</u>

- southeast Debit Card
- Southeast credit Card
- Southeast Travel Card
- Southeast Hajj Card
- Southeast prepaid card
- Southeast Express card
- Southeast personalized Debit card
- Southeast Baton Card

6. <u>Retail banking service</u>

- Personal Loan
- Home Loan

- Car Loan

7. Loan Products

- Southeast Agri.Loan
- Southeast Shopan
- Southeast Shopnil
- Southeast Shuprova
- Southeast shikhar

8. Corporate Loan

- Work order Finance
- Trade Finance
- Working Capital Finance
- Loan to NBFI
- Export Finance

CHAPTER03

Activities and performance of finance

3.1Financial analysis:

The viability, accountability, stabling and profitability of a business or project is called financial analysis. This procedure frequently results in the reallocation of resources within a company or specific internal functions. The main data source for financial analysis involves examining a company's financial statements. Analysts use these records to compute ratios, identify trends, and draw comparisons with analogous data from comparable firms.
The possible outcomes of financial analysis are:

1. Deciding whether to invest in a business and determining the optimal price per share involves evaluating various factors such as the company's financial health, growth prospects, industry trends, competition, and management team.

2. Deciding whether to invest internally in an asset or working capital, and determining the best way to finance it, requires a careful analysis of the company's current financial position, cash flow projections, and strategic goals. It involves weighing the benefits and risks of investing in different areas of the business and considering various financing options such as using existing cash reserves, taking out loans, or issuing equity.

Financial analysis plays a vital role for business managers, providing valuable insights into profitability, cash flows, and other critical financial aspects, guiding informed decision-making. The themes are-

1. Horizontal analysis
2. Common size analysis
3. Financial ratio analysis

3.2. Horizontal analysis or trend analysis:

Horizontal analysis can be termed as a type of financial Analysis through which the performance of a company can be determined and also it can be evaluated that how the company is running, its ups and downs even. Examining financial statements over multiple years allows for the identification of patterns in earnings, assets, and liabilities. This process entails closely examining the fluctuations in the values of each element within a financial statement from one period to another. Now for five years (from 2017-

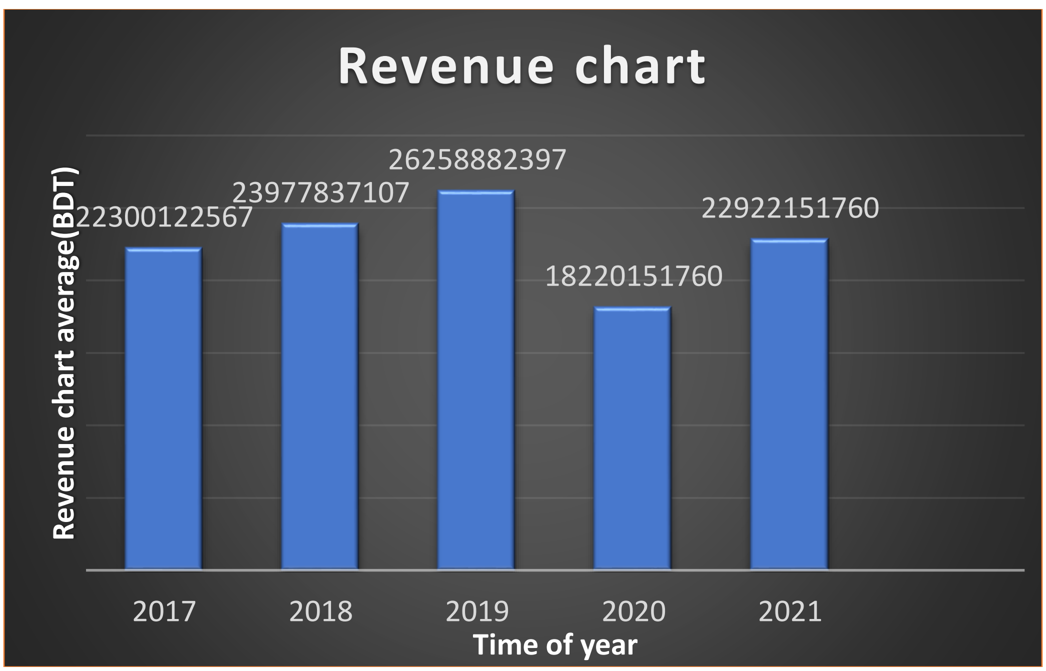
2021) horizontal analysis of different sectors and its outcomes are mentioned below. The portions of analysis will be-
1. Interest income
2. Shareholders' Equity.
3. Profit after Tax
4. Total assets
5. Operating profit

3.2.1. Revenue chart

Revenue chart of SEBPLC from 2017 to 2021 is given below (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Revenue or interest income	2,230,01,22,567	2,397,78,37,107	2,625,88,82,397	1,822,01,51,760	2,292,21,51,760
Increase or decrease		167,77,14,540	228,10,45,290	-803,87,30,637	470,20,00,000

Table-1: Revenue chart



Graph-1: Revenue chart

Interpretation:

In the graph it can clearly be noticed that from (2017 to 2021) SEBPLC has gone through different ups and downs. During 2017 or the base year revenue was 2,230,01,22,567 in BDT. And the next year it increased up to 7.52% which was a good growth. In the later year it also increased to 9.51%. But SEBPLC got a shock in the next year during the COVID pandemic and in that year 2020 and the revenue decreased massively. But hopefully in the next year in 2021 it increased.

3.2.2. Shareholders 'equity:

Shareholders' equity chart of SEBPLC from 2017 to 2021 is given below (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Shareholder's Equity	27,32,23,90,333	2,811,66,57,718	3,049,94,61,908	2,970,37,64,724	3,075,55,58,172
Increase or decrease		79,42,67,385	238,28,04,190	105,17,92,448	28,35,67,481

Table-2: Shareholders' equity

Graph-2: Shareholders' equity

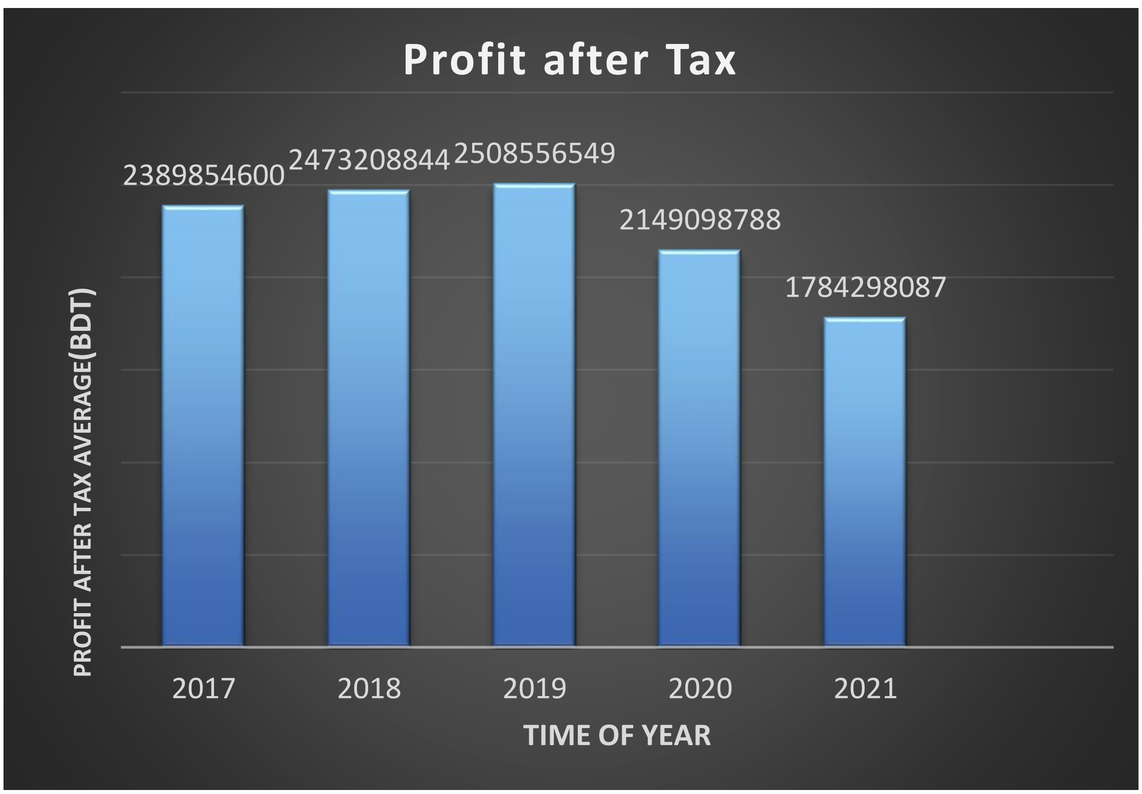
Interpretation:
For the five years during (2017 to 2021) shareholders' equity of SEBPLC has tried to show through horizontal analysis. During the base year 2017 shareholders' equity was 27,322,390,333 in BDT. And it increased up to 2.90% and became 28,116,657,718 in the year 2018. And in 2019 it increased up to 8.47% (still was in increasing rate). But unfortunately, during the pandemic period it decreased 2.61%. And later after that period it surprisingly increased up to 3.54 % which is really appreciable for the company.

3.2 3. <u>Profit after-tax</u>:

Profit and tax chart of SEBPLC from 2017 to 2021 is given below (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Profit after Tax	238,98,54,600	247,32,08,844	250,85,56,549	214,90,98,788	1,784,29,88,087
Increase or decrease		8,33,54,244	3,53,47,705	-35,94,57,761	-36,48,00,701

Table-3: Profit and Tax



Graph-3: Profit and Tax

Interpretation:

During the base year 2017 the amount of profit and tax was 238,98,54,600in BDT. And it increased up to 3.48% during 2018. And also, in 2019 it was still increasing at a rate that was 1.43% and amount was 250,85,56,549 in BDT. But during Covid-19 pandemic it decreased massively 14.33% and 16.97% respectively during 2020 and 2021. But it is better to hope the company will move forward after handling that pandemic situation.

3.2.4. Total assets:

Total assets chart of SEBPLC from 2017 to 2021 is given below (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Total assets	4,258,90,12,534	3,815,75,67,888	4,223,12,71,499	4,652,93,40,859	4,958,41,95,956
Increase or decrease		443,14,44,646	407,37,03,611	429,80,69,360	305,48,55,096

Table-4: Total assets

Graph-4: Total assets

Interpretation:
In the chart of total assets, it can be totally observed that during every year it has increased even after including Covid pandemic period. From the base year (2017 to 2018) total assets alarmingly decreased up to 10.41%. And in 2019 it increased at 10.68%. In the later year 2020 it almost touched the pick period and was 10.77%. And finally, in 2021 the total assets increased 6.56% comparatively less than previous years but still in increasing rate. It is a good sign for a company to increase the total assets

3.2.5. Operating profit:

Operating profit chart of SEBPLC from 2017 to 2021 is given below (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Operating Profit	854,65,64,311	978,29,95,122	898,28,79,309	826,45,55,898	867,11,21,884
Increase or decrease		123,64,30,811	-80,00,15,813	-71,84,23,320	4,06,56,585

Table-5: Operating profit

Graph-5: Operating profit

Interpretation:
From (2017 to 2021) a five-year chart of operating profit has shown on the report. Simply, it has gone through massive ups and downs. During the pandemic periods 2019 and 2020 it has decreased in the highest amount. From the base year to 2018 it has increased up to 14.46% which is considered as good outgrowth. But respectively in 2019 and 2020 it decreased to 8.18% and 8%, which is really bad for the company's progression. But after that sudden pandemic period, it has increased to 4.92%

3.3. Common size analysis

The interpretation of a financial statement which includes expressing each item as a percentage is called common size analysis of financial statements. If the amount of line items is divided by base items; the formula of common size analysis can be obtained. For showing its two dimensions during 2017 to 2021, I chose two criteria.

A. Common size balance sheet.
B. Common size income statement

3.3.1. Common size balance sheet:

A common size balance sheet is a financial statement where each item is represented as a percentage of the total assets. This method facilitates standardized comparisons of asset, liability, and equity components, aiding in analyzing and comparing financial statements over time or across companies of different sizes. Its purpose is to offer insights into the composition and proportion of balance sheet elements, enhancing financial analysis and comparability. By using this it becomes easier to compare various sizes and changes of a company.
Now, in this report, I have tried to show common size balance sheet of SEBPLC from 2017 to 2021.

Particulars	2017	2018	2019	2020	2021
PROPERTY AND ASSETS:					
Cash	5.60%	5.64%	5.36%	4.6%	4.88%
Balance with other banks and financial institutions	1.70%	1.69%	1.77%	1.00%	1.32%

Money at call and on short notice	1.69%	1.81%	1.12%	0.47%	1.00%
Investments	17.70%	17.19%	18.31%	20.86%	20.91%
Loans and advances/investments	70.32%	70.15%	70.27%	69.25%	67.91%
Fixed assets including premises, furniture and fixtures	2.00%	2.45%	2.21%	2.09%	2.25%
Other assets	0.99%	1.08%	0.97%	1.71%	1.73%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
LIABILITIES AND CAPITAL:					
Borrowings from other banks, financial institutions and agents	6.05%	6.03%	5.66%	6.98%	6.77%
Deposits and other accounts	80.00%	78.18%	77.96%	77.27%	78.66%
Other Liabilities	8.92%	8.41%	9.15%	9.36%	8.22%
Total Liabilities	94.97%	92.63%	92.78%	93.95%	93.65%
Total shareholders' equity	5.02%	7.37%	7.22%	6.38%	6.34%
Non-controlling interest	0.0023%	0.00260%	0.0024%	0.0021%	0.0025%
Total Liabilities and shareholders' equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Table-6: Common size balance sheet:

Interpretation:

The table shows the common size balance sheet of SEBPLC, where the property and assets have stated in the 1st portion. In this part a comprehensive study says that investment was 17.70% in 2017 where it became 20.91% during 2021; that indicates more efforts towards work by the bank. Again, Liquid cash was 5.60% during 2017 and was 4.88% during 2021; which is not too appreciable.

And in the second portion liabilities and capital have been stated. Here the total liabilities were 94.97% and 93.65% during 2017 and 2021, respectively. The less the total liabilities than assets, the better for the company. Again, shareholders equity is always desirable at higher amount. And this chart says that company is growing upward by

showing a good sign in shareholders' equity as it was 6.34% during 2021, which was larger in amount than that of 2017.
Overall it can be said that the bank is trying hard to fulfill a desired standard of working

3.3.2: Common size income statement:

The Common-Size Income Statement is a financial technique that presents each element as a proportion of total revenues, simplifying comparisons and evaluations of companies in the same sector. It's extensively utilized in financial analysis to compare companies in similar or different industries, and to assess changes over time within a single company. In essence, it portrays each account as a percentage of total sales, making it a widely recognized tool for comparing financial statements across different companies.
Now, in this report, I will show the common size income statement of 2017 to 2021.

Particulars	2017	2018	2019	2020	2021
Revenue/Interest income/profit on investments	100.00%	100.00%	100.00%	100.00%	100.00%
(-) Interest paid/profit shared on deposits and borrowings etc./ Cost of sales	-77.43%	-78.31%	-83.79%	-88.85%	-86.06%
Gross Profit/Net interest income/net profit on investments	22.57%	21.69%	16.21%	11.15%	13.92%
(+) Operating income	39.33%	40.71%	38.59%	50.74%	40.33%
(-) Operating expenses	-23.60%	-21.60%	-20.59%	-22.96%	-19.16%
Operating profit	38.30%	40.80%	34.21%	37.14%	31.33%
(-) Total Provision	-20.01%	-21.33%	-17.44%	-22.96%	-19.16%
Total profit before taxation	18.29%	19.47%	16.77%	14.18%	12.17%
(-) Provision for taxation	-8.66%	-9.16%	-7.22%	-4.52%	-4.37%
Net profit after taxation	9.63%	10.31%	9.55%	9.66%	7.8%

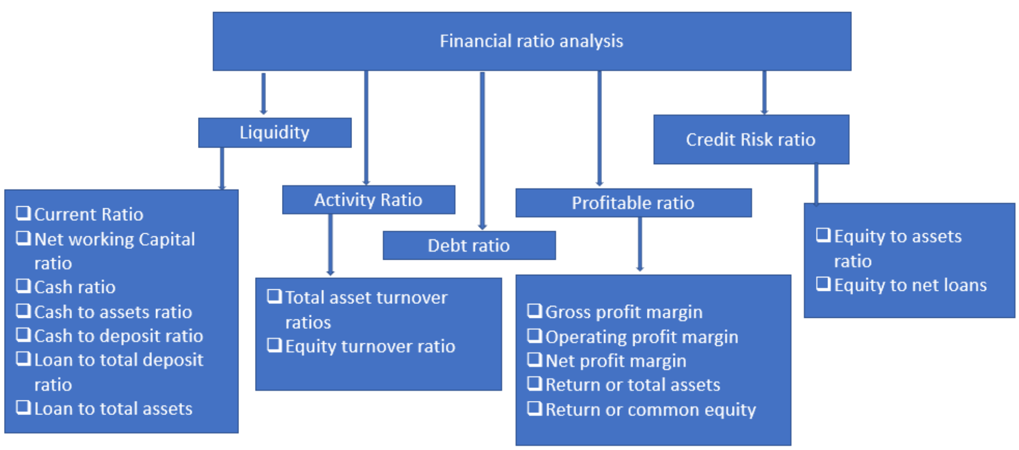
Table-7: Common size income statement

Interpretation:

The table shows the income statements of SEBPLC at a glance through which one can easily understand how the bank is running. In case of gross profit, it was in descending order from 2017 to 2020. In 2017 it was highest that was, 22.57% and in 2020 it was in the lowest stage at 11.15%. And in the year 2021 it increased from the previous year to 13.92%.
In case of operating profit, it was highest in 2018 at 40.80%, was lowest in the year 2021 at 31.33% which shows poor performance of the bank. And the next profit after taxation was highest in the year 2018 at 10.31%.and was lowest in the year 2021 at 7.81%. From the chart, overall can be explained as 2018 was the best year of the company among the five years

3.3.3: Financial ratio analysis:

Financial Ratio Analysis is a robust method for examining and contrasting the connections among various elements of financial data. Any business can utilize information from its income statement and balance sheet to compute financial ratios. This analytical approach entails assessing various facets of a company's operational and financial health, such as efficiency, liquidity, profitability, and solvency. There are numerous types of ratios, each fulfilling a distinct role. The following ratios, along with explanations, provide a thorough understanding of the company's financial position.



Flow chart of financial ratio analysis: 03

3.3.1. Liquidity ratio

The measurements of short-term liabilities of a company when can be expressed in terms of ratios is called liquidity ratio. The major key points of liquidity ratio are seven types. With formula these are explained below:

A. Current ratio:

To find the company's liquidity current ratio is a useful measure mental tool. It actually expresses company's current assets compared to company's total liabilities.

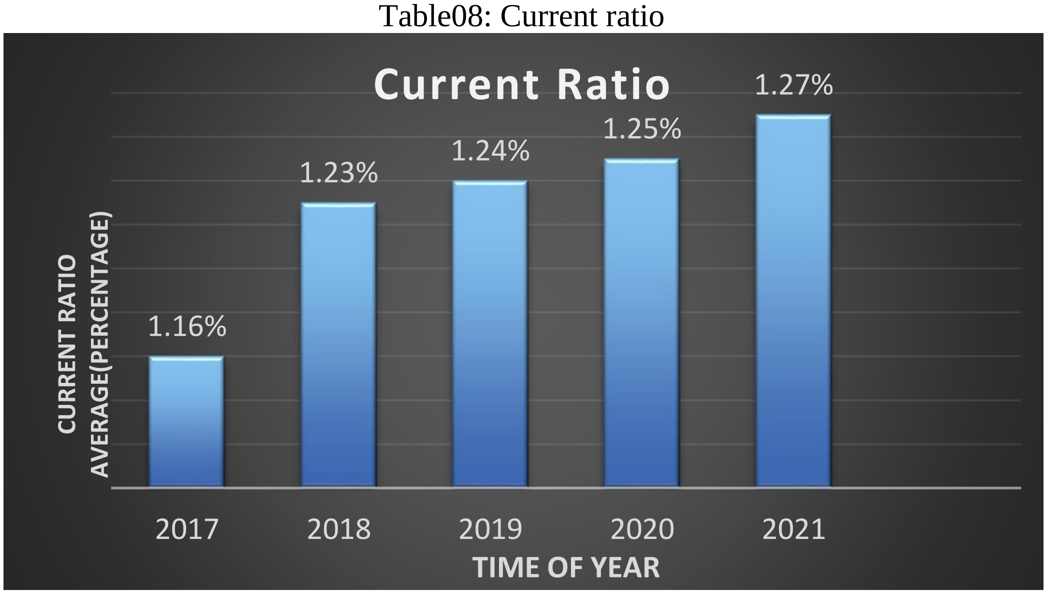
$$\text{Current ratio}=\frac{\text{Current assets}}{\text{Current liabilities}}$$

Current ratio:

From 2017 to 2021 we will analyze the Current financial ratio of SEBPLC (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Current Assets	3,503,43,98,639	3,681,28,14,194	4,088,94,62,615	4,476,24,78,312	4,791,23,65,450
Current Liabilities	3,005,12,46,798	2,983,34,79,458	3,292,50,27,394	3,595,35,93,168	3,767,00,76,564
Current ratio	1.16	1.23	1.24	1.25	1.27

Table08: Current ratio



Graph08: Current ratio

Interpretation:

The graph shows the 5 years long current ratio of SEBPLC. The average current ratio of those five years was 1.23. (Uddin et al, 2018) And the ratio of current assets and liabilities was highest in the year 2021 that was 1.27. And it was lowest in the prior year 2017 at 1.16, which was good for the company. But as during 2021 the ratio has increased, that doesn't owe a good condition for the company.

B.Net working capital ratio:

Difference between current assets and current liabilities of a company is called working capital. It is the largest way of calculation which includes all assets and liabilities.

Working Capital= Current assets - Current liabilities

Net Working Capital Ratio= $= \frac{\text{Net working capital}}{\text{Net Assets}}$

C.Cash ratio:

The cash ratio is a measure of a company's liquidity, showing the proportion of its total assets and cash equivalents to its current liabilities. It gauges the firm's ability to cover its short-term debts with readily accessible cash or easily sellable securities. Investors commonly use this data to gauge their willingness to lend money to the company.

Cash Ratio $= \frac{\text{Cash}}{\text{Current liabilities}}$

In this portion we will try to show the current ratio and cash ratio of Southeast bank, PLC.

Cash ratio:

From 2017 to 2021 we will analyses the Cash financial ratio of SEBPLC (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Cash	20546124579	21515427671	22619791377	21431265142	16418537006
Current Liabilities	29,946,31,24,579	29,832,05,86,377	32,925,02,73,941	35,953,59,31,681	37,670,07,65,640
Current ratio	0.069	0.072	0.069	0.060	0.044

Table09: Cash ratio

Graph09: Cash ratio

Interpretation:

The following graph shows the cash ratio financial Analysis of Southeast bank, PLC. it shows random ups and downs of cash ratio. From 2017 to 2018 it increased from 0.069 to 0.072. And mentionable that in 2018 it was the largest cash ratio. And after 2018 it gradually decreased every year up to 2021. And in 2021 it was in the lowest cash ratio that was 0.044. (Corporate Finance Institute, 2023). The low cash ratio is a discredit for the company. The standard cash ratio is 0.5 (Corporate Finance Institute, 2023)

D. Cash to assets ratio:

The Cash to Assets Ratio indicates the portion of a company's assets that consists of cash and short-term investments, as shown in the most recent Balance Sheet. This measure is predominantly used in evaluating funds and investment trusts.

Cash to Assets Ratio $=\frac{\text{Cash}}{\text{Total assets}}$

E.Cash to deposits ratio:

It indicates how much of a bank lends are used. It shows the mobility of the bank. The Cash to Deposits ratio evaluates the percentage of a bank's total cash and equivalents compared to its overall customer deposits.

Cash to Deposits Ratio $= \frac{\text{Cash}}{\text{Total Deposits}}$

F.Loan to deposits Ratio:

The loan-to-deposit ratio (LDR) is a metric used to assess a bank's liquidity by comparing its total loans to total deposits over a specific period, typically expressed as a percentage. A high ratio suggests potential liquidity challenges, while a low ratio may indicate limited earnings potential for the bank.

Loan to Total Deposits ratio $= \frac{\text{Total Loans}}{\text{Total Deposits}}$

G.Loan to assets ratio:

The loan-to-deposit ratio (LDR) is used to assess a bank's liquidity by comparing its total loans to total deposits, typically represented as a percentage. A high ratio indicates a potential lack of funds to cover unexpected needs, posing liquidity risks. Conversely, a low ratio may suggest limited profit potential for the bank.

Loan to Total Asset ratio = $\frac{\text{Total Loans}}{\text{Total Assets}}$

3.3.2. Activity ratio:

Activity ratios gauge the efficiency of a business by evaluating how effectively it converts inventories into sales and cash, and utilizes fixed assets and working capital. These metrics provide insights into the company's operational performance and its capacity to generate revenue and cash flow from its resources.

It is basically of two types.

A. Total Asset Turnover Ratios

The fixed assets turnover ratio assesses how well a company utilizes its fixed assets to generate revenue. A higher ratio signals better asset utilization and efficiency, while a lower ratio may indicate inefficiencies or management issues within the company. Increasing turnover ratios imply improved asset utilization, while decreasing ratios may highlight challenges in utilizing assets effectively.

Total Asset Turnover Ratios $= \frac{\text{Sales or Revenue}}{\text{Total Assets}}$

Now, using this financial ratio method (Total assets Turnover Ratios) the evaluation of Southeast bank, PLC is given below (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Sales or Revenue	2,230,01,22,567	2,397,78,37,107	2,625,88,82,397	1,822,01,51,760	2,292,21,51,760
Total assets	42,589,01,25,345	3,815,75,67,880	4,223,12,714,993	46,529,34,08,597	49,584,19,59,565
Total assets turnover ratio	5.23%	6.28%	6.22%	4.78%	4.62%

Table10: Total Asset Turnover Ratios

Graph10: Total Asset Turnover Ratios

Interpretation:

The graph shows the total asset turnover ratio of SEBPLC from 2017 to 2021. In 2017 it was 5.23% and increased in 2018. In 2018 it was 6.28% which was in the highest range. In 2019 and 2020 it decreased gradually to 6.22% and 4.78 % (*Go Cardless, 2022*) respectively. Finally, in the 2021 it showed no up gradation and was 4.62% which still expresses the degradation of the company. It can be said that the overall total assets of SEBPLC is not up to good mark.

B. Equity Turnover Ratio:

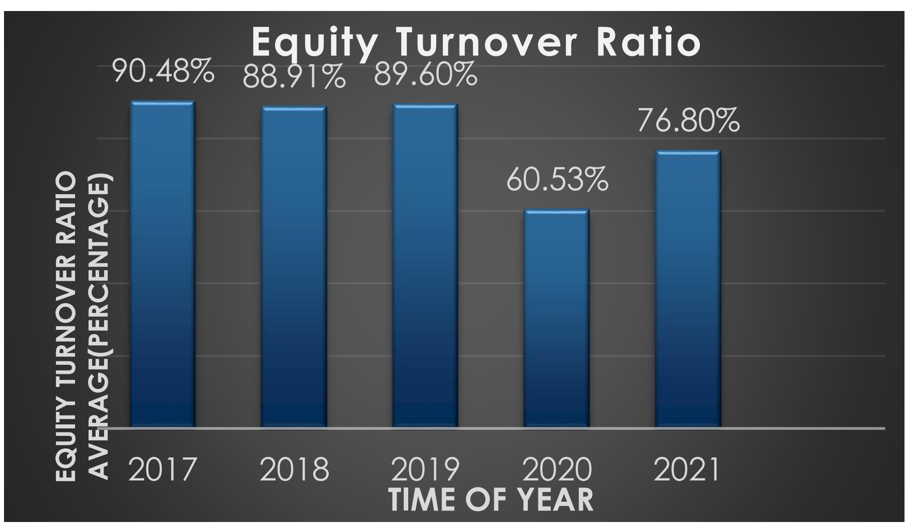
Equity Turnover is a metric used to evaluate a company's efficiency in utilizing shareholders' capital by comparing net revenue with average shareholders' equity. It indicates how effectively a company is deploying the capital provided by equity holders.

$$\textbf{Equity Turnover Ratios} = \frac{\text{Net Revenue}}{\text{Average shareholders' equity}}$$

Now Using this method (Equity Turnover ratio), we will try to analyses financial condition of SEBPLC from 2017 to 2021(Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Sales or Revenue	2,230,01,22,567	2,397,78,37,107	2,625,88,82,397	1,822,01,51,760	2,292,21,51,760
Average share holder equity	2,464,51,79,123	2,697,01,52,240	2,930,80,59,813	3,010,16,13,816	2,984,55,49,465
Equity turnover ratio	90.48%	88.91%	89.60%	60.53%	76.80%

Table11: Equity Turnover Ratio



Graph11: Equity Turnover Ratio

Interpretation -

In the chart the equity turnover ratio of Southeast bank, PLC has been shown clearly. From the following chart we can see that the equity turnover ratio has gradually decreased from 2017 to 2021. In 2017 it was 90.48% which was in the highest form. In the year 2018 it was 88.91% which decreased from the following year 2017(SEGAL, 2023). And it became 89.60%, 60.53% and 76.80% during the years 2019, 2020 and 2021 respectively.

3.3.3. Debt Ratio

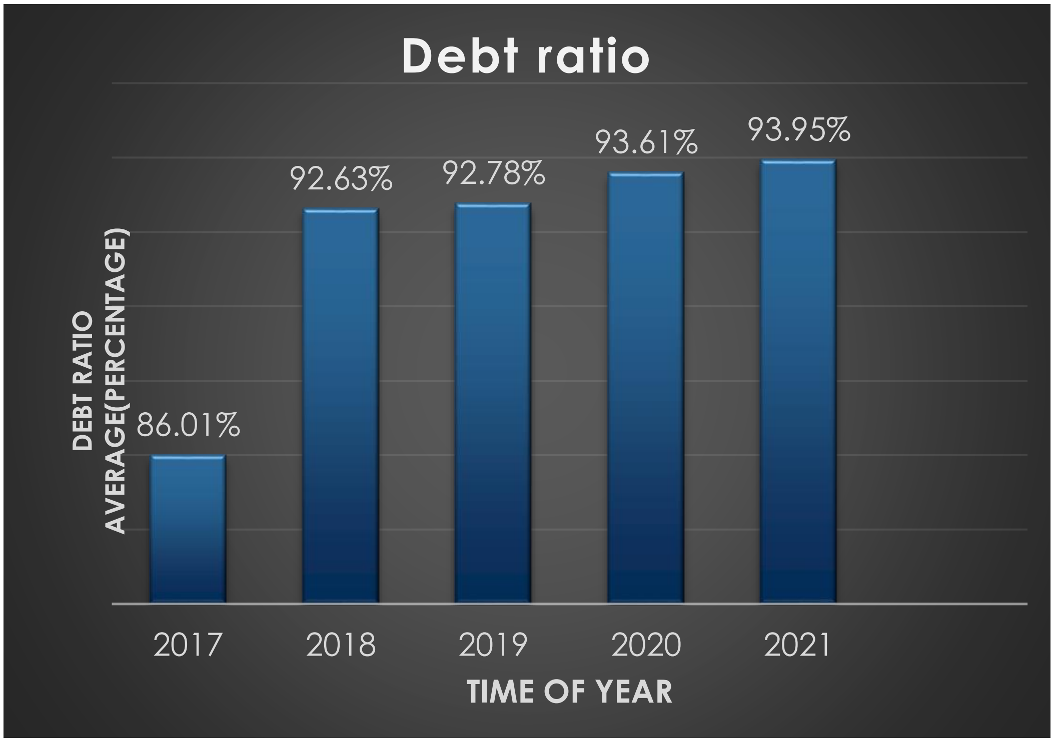
The debt ratio of a company indicates its reliance on loans relative to its assets, with a higher ratio suggesting more significant debt financing. It's computed by dividing total liabilities by total assets, providing insights into the financial health of individuals, businesses, or governments. Investors and lenders often analyses this ratio from financial statements to assess creditworthiness, similar to other accounting metrics.

Debt Ratio $= \frac{\text{Total liabilities}}{\text{Total Assets}} x100$

In this study, we will show the debt ratio of 2017 to 2021 of SEBPLC. And using that we will analyses the financial condition of Southeast bank, PLC (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Total Liabilities	3,663,49,56,780	3,534,48,95,065	3,918,03,18,046	4,355,79,44,136	4,658,44,24,779
Total Assets	4,258,90,12,534	3,815,75,67,888	4,223,12,71,493	4,652,93,40,859	4,958,41,95,956
Debit ratio	86.01%	92.63%	92.78%	93.61%	93.95%

Table12: Debt Ratio



Graph12: Debt Ratio

Interpretation:

From the following table and chart, we can see that the debt ratio of Southeast bank can be calculated by dividing the total liabilities by total assets. In 2017 it was in the lowest range that is 86.01 % (Indeed Career Guide, 2023) and it increased from 2018 to 2021 gradually. It became 92.63%, 92.78%, 93.61% and 93.95% respectively in the years 2018, 2019, 2020 and 2021. So, it can be said the bank is growing in an outstanding way and it was highest in the year 2021.

3.3.4. <u>Profitable ratio:</u>

Profitability ratios gauge a company's performance by evaluating the revenue it generates relative to its operational activities. Essentially, these metrics measure how effectively a firm turns its expenses and costs into profits during a given period.

There are following types of profitable ratios. This are-

A. Gross Profit Margin

Gross profit margin, an analytical measure, is calculated by subtracting the cost of goods sold from a company's net sales and is commonly presented as a percentage of net sales. It represents the profit earned before deducting selling, general, and administrative expenses, which are factored into the firm's net profit margin.

$$\textbf{Gross Profit Margin} = \frac{\text{Gross Profits}}{\text{Sales or Revenue}}$$

C. Operating Profit Margin

The operating margin ratio, or return on sales ratio, depicts the proportion of operating income to revenue, showcasing profitability as a percentage.

$$\textbf{Operating Profit Margin} = \frac{\text{Operating Profits}}{\text{Sales or Revenue}}$$

C.Net profit margin

The net profit margin is a measure that indicates the percentage of revenue a company retains as net income after accounting for all expenses

$$\textbf{Net Profit Margin} = \frac{\text{Net Income After Tax}}{\text{Total operating revenues}}$$

D. Return on Total Assets

Return on assets (ROA) is profitability metric indicating how effectively a company utilizes its average total assets to generate annual net income, with a higher ROA reflecting superior performance in asset utilization and income generation.

$$\textbf{Return on Total Assets (ROA)} = \frac{\text{Net Income After Tax}}{\text{Total Assets}}$$

E. Return on Common Equity

Return on equity (ROE) or return on capital is a metric that calculates a business's net income for a specific year relative to its stockholders' equity during that period. It gauges the profitability of shareholders' investments by expressing net income as a percentage of shareholder equity.

$$\textbf{Return on Equity} = \frac{\text{Net Income After Tax}}{\text{Stockholders Equity}}$$

In this portion we will show the graph of **gross profit margin** and **net profit margin** of Southeast bank, PLC ranging from the year 2017 to 2021. And thus, we will get a distinct idea of financial analysis.

Gross profit margin:

Table, graph and interpretation of SEBPLC of gross profit margin is given below (from 2017 to 2021) (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Gross Profit	426,33,21,700	519,99,39,800	425,69,96,785	248,14,18,685	292,15,63,694
Sales or Revenue	2,230,01,22,567	2,397,78,37,107	2,625,88,82,397	1,822,01,51,760	2,292,21,51,760
Gross profit margin	19.11%	21.69%	16.21%	13.62%	12.74%

Table13: Gross profit margin

Graph13: Gross profit margin

Interpretation

From the gross profit margin table and graph, we can get a distinct idea of the bank's gross profit and about its revenue. In case of SEBPLC, it shows the gross profit margin from 2017 to 2021. It was the highest in the year 2018 and it was 21.69%. But unfortunately, from 2019 it started to get decreased. during the last there years that is

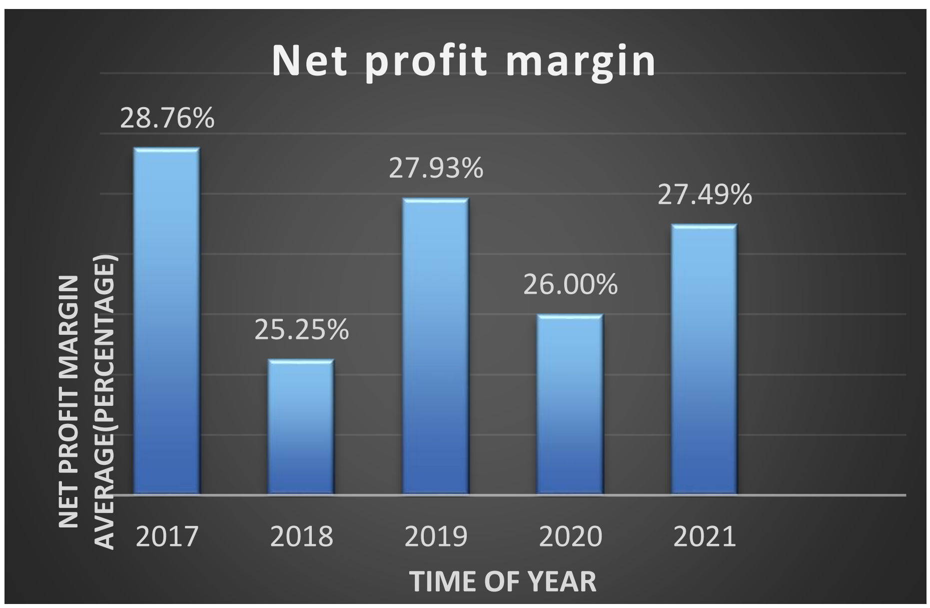
2019, 2020 and 2021 it was 16.21%, 13.62% and 12.74% respectively (Source: BDC, Bank for Canadian entrepreneurs). It is noteworthy that more gross profit margin ratio is good for a company. Though good profit margin may vary from bank to bank, but on an average 20% gross profit margin is considered as good and below 5% gross marginal profit is counted as the poor condition of the company. Average gross profit margin of southeast bank PLC is 16.64%, which holds a standard position of the bank, but must need to be increased.

Net profit margin:

Table, graph and interpretation of SEBPLC of net profit margin is given below (from 2017 to 2021) (Amount in BDT):

Particulars	2017	2018	2019	2020	2021
Net income after Tax	242,51,05,702	247,32,08,844	250,85,56,549	214,90,98,788	238,42,98,087
Operating profit	854,65,64,311	978,29,95,122	898,29,79,309	826,45,55,989	867,11,21,884
Net profit margin	28.76%	25.28%	27.93%	26.00%	27.49%

Table14: Net profit margin



Graph14: Net profit margin

Interpretation:

From the above graph chart, we can see that net income after tax, operating profit and net profit margin are clearly explaining the current financial condition of the company. From

2017 to 2018 it decreased from 28.76% to 25.28%. It was the highest in the year of 2017. Aside from this the bank has gone through continuous ups and downs. In 2020 it was 26.00% which was the lowest. But in 2021 it increased and became 27.49% (MAVERICK, 2022) which is a positive sign. It is mentionable that a company's net profit margin should not be static; it must need to be improving.

3.3.5. Credit Risk Ratio:

Credit risk is the possibility that a borrower might not fulfill their loan obligations, leading to potential losses for the lender due to missed principal and interest payments. Factors such as cash flow issues, interest rate fluctuations, economic changes, business failure, and borrower unwillingness to repay can all contribute to this risk.
Credit risk ratio can be determined in two ways.

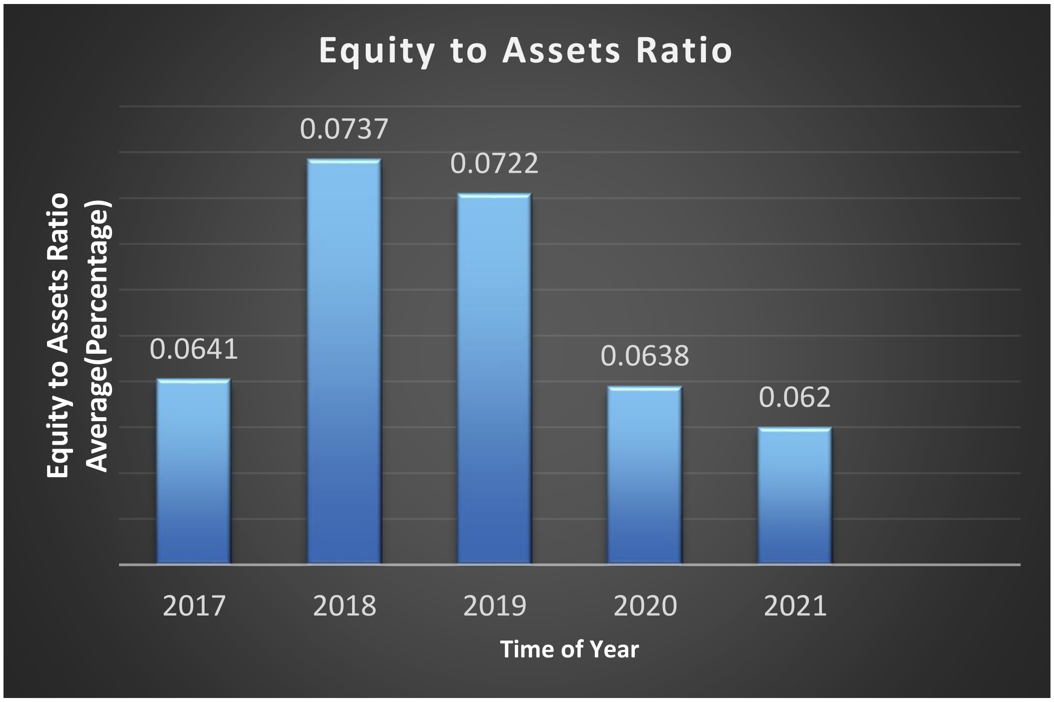
A. Equity to Assets Ratio:

The equity-to-asset ratio gauges the proportion of a company's assets owned by investors without leveraging, highlighting the potential control of debt-holders in bankruptcy. A higher ratio signals lower leverage, showing that more assets are owned by the company and its investors. (Amount in BDT):

$$\textbf{Equity to Asset ratio} = \frac{\text{Total shareholders' equity}}{\text{Total Asset}}$$

Particulars	2017	2018	2019	2020	2021
Total Shareholder equity	27322390333	28116657718	30499461908	29703765,724	3,075,55,58,172
Total assets	42,589,01,25,345	38,157,56,78,880	42,231,27,14,993	46,529,34,08,597	49,584,19,59,565
Equity to asset ratio	0.0641	0.0737	0.0722	0.0638	0.0620

Table15: Equity to Assets Ratio



Graph15: Equity to Assets Ratio

Interpretation: -

Equity to assets ratio is generally used as a good indicator. In the case of SEBPLC, during 2017 it was 0.0641 and increased in the year 2018 and became 0.0737. And significantly it was the largest amount among all those years. But unfortunately, during the Covid-19 pandemic period it gradually started to decrease and became 0.0722 and 0.0638. It was lowest in the year 2021, which indicates the poor condition of the bank. It is supposed that that in 2021 it was the lowest as it was just the next year of corona disaster and financial conditions were badly affected during that time.

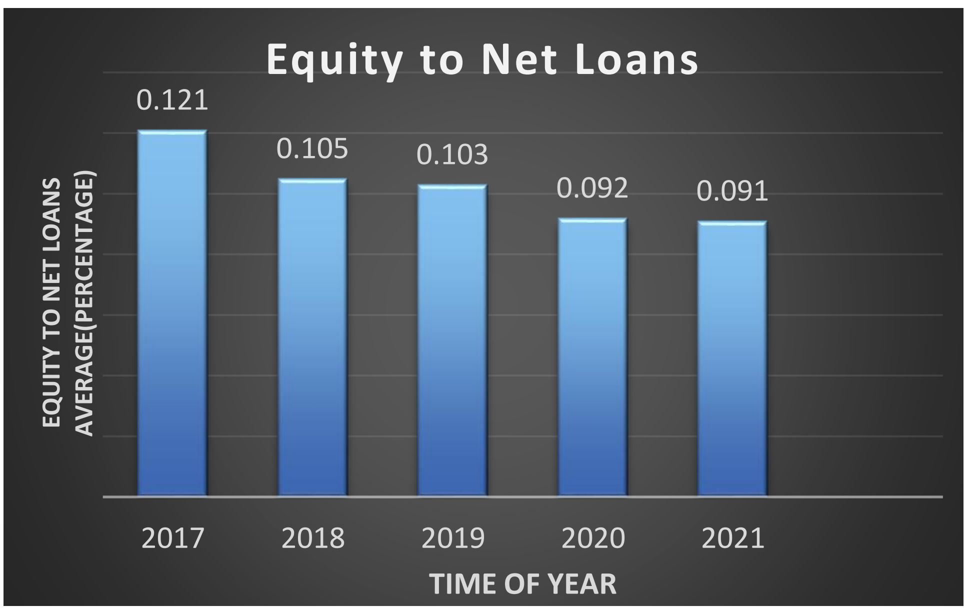
B. Equity to Net Loans:

The Equity to Net Loans ratio commonly referred to as the "risk ratio" or "gearing," analyses the balance between a company's total loans and shareholders' equity, offering a measure of its leverage and capital structure composition (Amount in BDT):

Equity to Net Loans ratio $= \frac{\text{Total shareholders' equity}}{\text{Total Loans}}$

Particulars	2017	2018	2019	2020	2021
Total shareholder equity	2,732,23,90,333	2,811,66,57,718	3,049,94,61,908	2,970,37,65,724	3,075,55,58,172
Total loans	22,557,06,42,093	26,767,16,27,805	29,675,29,63,275	32,225,14,62,180	33,632,93,44,039
Equity to net Loan	0.121	0.105	0.103	0.092	0.091

Table16: Equity to Net Loans



Graph16: Equity to Net Loans

Interpretation:

The chart shows the equity to net loans of the Southeast bank, PLC. During the first three years 2017, 2018 and 2019 it was above 0.1, which is really a good sign for the company. In 2017, 2018 and 2019 it was 0.121, 0.105 and 0.103 respectively. In 2020 and 2021 it decreased and became 0.092 and 0.091 gradually; which need to be recovered.

CHAPTER 04

Findings, Recommendations and conclusion

4.1. Findings:

Using the financial performance analysis both positive and negative sides of the company (Southeast Bank, PLC) have come forward. The crucial metrics influencing a company's financial health include total assets, total liabilities, shareholder equity, current ratio, quick ratio, debt-to-equity ratio, return on assets (ROA), and return on equity (ROE). While these are key indicators, additional ratios are equally vital as they assess overall company performance. Now the overall findings are given below:

4.1.1 Horizontal analysis:

i. Interest income:

During the five years the bank went through continuous ups and downs. Revenue income became the lowest during Covid-19 pandemic period at -30.61% and became the highest as a recovery after next year in 2021 at 24.85%.

ii. Shareholder's Equity:

On the basis of shareholders equity, it was highest in the year 2019 that was 8.47%. And it increased from the previous year to taka 238,28,04,190 BDT.

iii. Profit after Tax:

From the analysis of profit after tax it can be said that during 2018 it was highest and the rate was 3.48% and was lowest during the year

As per our analysis 2021 at the rate of -16.97%.

iv. Total Assets:

According to an analysis of total assets of SEBPLC, the rate was the highest at 10.68% during the year 2019. And the total assets increased from 2018 to 2019 taka 409,80,69,360 BDT. It was also observed that around all those five years total assets did not decrease.

v. Operating Profit:

The operating profit was highest during the year 2018 at 14.46%. And was lowest the next year 2019 at -8.18%. But hopefully the company again got good remarks during 2019 at a positive rate of 4.92%.

4.1.2 **Common size analysis**:

i. Common size Balance sheet:

Through this analysis we found that the common size balance sheet was basically based on two portions. In the property and assets segment cash was almost in an average range around all those 5 years. But it decreased mostly in covid-19 pandemic period in 2020 at 4.6% and again increased in the next year 2021 at 4.88%. But cash was highest in the year 2018 at 5.64%. Investments were highest after covid-19 period during 2021 at 20.91% and were lowest during 17.19%. Money at call and short notice was highest at 1.81% during 2018 and in 2020 it was lowest at 0.47%. In the second segment, liabilities and capital, deposits and other accounts were highest in 2017 at 80.00%. Mentionable that it was almost around 77% to 78% around all those five years. Total liabilities were again best in 2017 at 94.97% and were lowest during 2018 at 92.63%. Shareholders' equity was best during 2018 at 7.37%.
The results indicate that Southeast Bank PLC has upheld a well-rounded strategy in handling both risk and financial stability concerning its investments and liabilities.

ii. Common size Income Statement:

From the common size income statement analysis, we found that it was one of the key tools for analyzing Southeast Bank in a good way from the year round 2017 to 2021. The gross profit was the highest during the year 2017 at 22.57% and was lowest at the year 2020 at 11.15%. But in the next year surprisingly it increased to 13.92% as the cost of goods decreased to 86.08%. Operating profit was the highest in 2018 at 40.80% and was the lowest after corona period during 2021 at 31.33%. And finally, the net profit after taxation shows that it was in the best form during 2018 at 10.31%. So overall the Southeast Bank, PLC went through complete ups and downs around all those five years.

4.1.3. <u>Financial ratio analysis:</u>

i. Current ratio:

The current ratio of Southeast Bank PLC is showing that it was the highest in the year 2021 at 1.27; where the current assets was 47,912,36,54,500 (BDT) and current liabilities was 37,670,07,65,640 (BDT). And it was the lowest during 2017 at 1.16. That means the company is growing.

ii. Cash Ratio:

In case of cash ratio, it was the highest during 2018 at 0.072 where the cash was taka 21,515,427,671 BDT and current liabilities was 29,832,05,86,377 (BDT). It was almost the same during 2017 and 2019 at 0.069.

iv. Total Assets Turnover Ratio:

Total assets turnover ratio says that it was the highest during 2018 at 6.28% that means the bank was able to significantly use all its assets during that year. Decreasing of total turnover assets ratio is not good sign for the bank.

v. Equity Turnover Ratio:

According to this financial ratio analysis it was in the highest form during 2017 at 91.63% but it surprisingly decreased in the other 4 years. And in 2020 it was in the lowest form at 60.53% where revenue was taka 1,822,01,51,760 BDT. And shareholders' equity was taka3,010,16,13,816 BDT which indicates that the after Covid-19 period was so disastrous.

vi. Debt Ratio:

The debt ratio went through constant ups and downs around all those five years. It was the lowest during 2017 at 86.01% which is considered as good but it was in the highest during 2021 at 93.95% which may probably risky for the company

vii. Gross Profit Margin:

The gross profit dropped significantly the highest during 2020 at 13.62% from the previous year at 16.21%. In the next year, during 2021 it again decreased at 12.74% which indicates poor condition of company that is need to recover soon.

viii. Net Profit Margin:

The net profit margin was the lowest during 2018 at 25.28% and was the highest during 2017 at 28.76%. Around those five years it went through continuous ups and downs. The declining pattern implies difficulties in maintaining profitability, signaling possible financial issues for the company in this timeframe.

ix. Equity to Assets Ratio:

Equity to assets ratio was another important financial analysis to analyses Southeast Bank, PLC. It was the lowest after Covid-19 period at 0.0620 and was the highest during 2018 at 0.0737.

x. Equity to Net Loans Ratio:

This implies a possible reduction in credit risk, yet it prompts inquiries about the bank's lending strategies and the equilibrium between equity and loans. It was the highest during 2017 at 0.131 and was the lowest during 2021 at 0.091, which may the reason of being affected by covid-19 situation.

4.2. Recommendations:

Following a thorough examination of Southeast Bank PLC's financial performance, a set of recommendations can be proposed to tackle identified concerns and improve overall operational efficiency.

1. After analyzing Southeast Bank PLC's financial performance, we can say it would be better for the bank to address identified issues and enhance operational efficiency.

2. Southeast Bank PLC may adopt strategic initiatives aimed at boosting profitability, with an emphasis on broadening its sources of income and exploring fresh avenues for revenue generation.

3. Analyzing the income statement in a common-size format reveals a possible issue with cost management. It might be better for the company to thoroughly examine its cost structure, seeking ways to improve operational efficiency and secure more favorable contracts.

4. The common-size balance sheet highlights variations in Southeast Bank PLC's cash holdings and investments, prompting a need for a thorough assessment of its cash management strategies. It would helpful for the bank to make strategic modifications to uphold adequate liquidity and stability.

5. SEBPLC might adopt cost-effective strategies to improve efficiency. Continuously refining operational expenditures would help them to maintain a favorable Operating Expense to Revenue Ratio.

4.3. Conclusion

At the end, we can say that in Southeast Bank, PLC develops and implements strategies aimed at continuously bolstering shareholder equity. Explore sustainable growth opportunities to fortify equity over the long haul. Regularly evaluate and mitigate credit risk by closely monitoring the Equity to Net Loans Ratio to maintain a balanced approach and mitigate potential losses from loans.

The constraints of the analysis underscore the importance of a comprehensive evaluation, addressing issues like data accuracy, absence of industry benchmarks, and a limited timeframe. A more robust approach is necessary, integrating long-term strategic planning and insights gleaned from the pandemic. This entails implementing measures such as external audits, industry comparisons, and a deeper historical examination to gain a nuanced understanding of the company's financial well-being. Southeast Bank PLC has shown resilience in its post-pandemic recovery, with promising trends in certain sectors suggesting room for improvement. By tackling identified weaknesses and adopting suggested strategies, the company can bolster its financial standing and better navigate future uncertainties

Appendix:

Particulars (Amount in BDT)	2017	2018	2019	2020	2021
Interest Income	2,230,01,22,567	2,397,78,37,107	2,625,88,82,397	1,822,01,51,760	2,292,21,51,760
Gross Profit	426,33,21,700	519,99,39,800	425,69,96,785	248,14,18,685	292,15,63,694
Operating Profit	854,65,64,311	978,29,95,122	898,29,79,309	826,45,55,989	867,11,21,884
Profit after tax	238,98,54,600	247,32,08,844	250,85,56,549	214,90,98,788	178,42,98,087
Current assets	35,034,39,86,390	36,812,81,41,948	40,889,46,26,156	44,762,47,83,127	47,912,36,54,500
Current Liabilities	29,946,31,24,579	29,833,47,94,587	32,925,02,73,941	35,953,59,31,681	37,670,07,65,640
Loans	262,557,06,42,093	26,767,16,27,805	29,675,29,63,275	32,225,14,62,180	33,632,93,44,039
Cash	2,054,61,24,579	2,151,54,27,671	2,261,97,91,377	2,143,12,65,142	1,641,85,37,006
Total Assets	42,589,01,25,345	38,157,56,78,880	42,231,27,14,993	46,529,34,08,597	49,584,19,59,565
Total Liabilities	36,634,95,67,809	35,344,89,50,650	39,180,31,80,468	43,557,94,41,362	46,584,42,47,796
Shareholders' equity	2,732,23,90,333	2,811,66,57,718	3,049,94,61,908	2,970,37,65,724	3,075,55,58,172

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