



**Internship Report
on
Financial Performance Analysis of Southeast Bank Limited**



“Financial Performance Analysis of Southeast Bank Limited”

Submitted To:

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Letter of Transmittal

February 25, 2023

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Assistant Professor

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Subject: **Submission of Internship Report**

It gives me great pleasure to present my internship report on “**Financial Performance Analysis of Southeast Bank Limited**”. This employment is allotted to me to fulfill the incomplete prerequisite of the BBA program. For the successful completion of the report, I have committed to genuine effort. I sincerely appreciate your advice and assistance, without which it would be impossible for me to complete this report. If you have any additional explanation, I'd be delighted to hear from you.

I therefore hope you will approve my internship report.

Yours Sincerely,

Miftha Ul Asif

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Student's Declaration

I hereby declare that the report of internship namely Financial Performance Analysis of Southeast Bank Limited is prepared by me after the completing of 3 (three) months of internship with Southeast Bank Limited and a comprehensive study of the existing activities of Southeast Bank Limited and its implementation. Submitted by me to Daffodil International University, for the degree of Bachelor of Business Administration I also declare that this paper is my original worked and prepared for academic purpose which is a part of BBA and the paper may not be used in actual market scenario.

Miftha Ul Asif

Miftha Ul Asif

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Certification of Supervisor

This is to confirm that Miftha Ul Asif, a finance major at Daffodil International University with the ID: 192-11-6280, completed the internship report on the Financial Performance Analysis of Southeast Bank Limited. successfully and under my supervision. He has done this report as a partial requirement of obtaining the degree of Bachelor of Business Administration.

I hope he has a successful future.

Nusrat Nargis

Nusrat Nargis

Assistant Professor
Department of Business Administration
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Acknowledgment

Most significantly, I would want to express my sincere gratitude to Allah for reviving me and giving me the capacity to complete the report as planned. Numerous people have offered me aid as this article has come to fruition. I'm extremely fortunate to receive sincere guidance and supervision from those experienced people.

Then, I want to express my sincere gratitude to my mentor Nusrat Nargis, an assistant professor in the department of business administration at Daffodil International University, who provided me with the fundamental guideline for structuring the report. It would be impossible for me to complete the report on time without his help. His dedication went much beyond what he was required to do as a teacher.

I also like to thank Southeast Bank Ltd.'s branch manager, who supported me throughout my internship. I also want to express my gratitude to Southeast Bank Ltd.'s entire staff for their comments and support on my internship report.

Finally, I want to express my gratitude to all of the faculty members, administrators, senior brothers and sisters, and classmates who have consistently shown their support for me.

Executive Summary

The purpose of this internship report is to fulfill the requirement of the BBA program. It is a requirement of my course that I interact with an organization in order to gather hypothetical and important information. The purpose of this report is to give the reader a thorough understanding of Southeast Bank Ltd.'s entire financial operations. The purpose of this report is to provide some insight into Southeast Bank Ltd.'s.

I described the context of the study and the report's format in the introduction section. It also includes objectives, scope, constraints, and methods, which includes the data gathering sources. I used both necessary and auxiliary information for data collecting.

Then I spoke about the organizational section, which contains comprehensive details about the corporation, including its corporate goal, vision, product & services, and resources, branch location, and other Southeast Bank Ltd. facilities.

The third section, titled Financial Ratio Analysis, includes definitions of terms, an examination of various bank ratio types, results of Southeast Bank Limited's financial ratios, an explanation of them, and visual representations. Since the financial analysis is a coherent and numerical way to illustrate the overall financial performance of the bank throughout these years, this portion also integrates even and vertical analysis to display the financial performance of Southeast Bank Ltd during the most recent five years of 2017–2021. Last but not least, a few concerns that were discovered when assessing the financial performance are discussed. Following that, a few recommendations are made for the bank's improvement, and if those suggestions are accepted, the manager of Southeast Bank Limited can take appropriate action.

**“Financial Performance Analysis Southeast Bank Limited”
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Chapter: 01

Introduction



1.1 Introduction:

When we hear the word "bank," the first thing that comes to mind is a financial institution that operates only on cash. A country's financial sector can be used to estimate that country's economy. It started as a result of people's needs. A bank provides a client with a resource and contributes to building the nation's middle class.

As the corporate world becomes more serious and multidimensional, the banking industry is constantly considering the development of new products and services along with new client-facing features. Modern banking was created due to changes in financial practices and manner of life. Therefore, banking demands and requests will be more unique and different in each new millennium than they have ever been.

The primary objective of commercial banks, according to the state, is to increase their own profit. Additionally, they claim to direct banking activity for a variety of reasons. The nationalized commercial bank's main goal is to provide social government support in addition to financial gain. Their mission is to travel to all spheres of human existence and provide clients with various forms of support based on their requirements, demands, and requests. Banks provide a variety of services to their clients, including remittance facilities, credit information, financial counseling, a range of obligations, and the ability to tax and advance money to borrowers.

The primary goal of this study is to evaluate the financial performance of Southeast Bank Ltd. SBL, a commercial bank in Bangladesh whose tagline is "A bank with a vision."

As I near the end of my BBA program, I need to amass some useful knowledge to help me transition into the corporate world. Additionally, the bank is the greatest place to gather such useful information, thus I opened an account at the Agargaon Branch of Southeast Bank Limited in Dhaka. I had a wonderful opportunity to gain real experience by working there. I have to give the report that includes Southeast Bank Limited's "Financial Statement Analysis and Performance Evaluation" to you. I have done my best to demonstrate financial performance analysis over the last five years by doing different ratio analysis.

Through the help of my supervisor, I learned about my host during my internship program. I also know how to manage clients, representatives, and potential customers, among other banking procedures. It's safe to say that the trip was exceptional.

1.2 Background of the Study:

For students completing the BBA program at Daffodil International University's faculty of business and entrepreneurship, the internship program is a requirement that must be fulfilled. For an organization that aids in implying both hypothetical and practical information, an internship report must be prepared. After that, the knowledge and ongoing participation in the chosen association let me attempt my subject, Financial Performance Analysis of Southeast Bank Limited.

1.3 Scope of the Study:

The financial performance of Southeast Bank Limited is the primary emphasis of this internship report. This study discusses Southeast Bank limited overall presentation over the course of the past five years. I examined Southeast Bank limited financial statement and general exercises as I worked with their annual report to demonstrate how they interact with clients. This report was developed using my observations from my internship and discussions with association board members, staff members, and clients. I had the amazing opportunity to have in-depth knowledge of all the exercises basically at the time I built up this report.

1.4 Objectives of the Study:

The objectives of this study are listed below-

1. To analyze activities of Southeast Bank Limited.
2. To evaluate the financial performance of Southeast Bank Limited for 2017-2021.
3. To identify different problems of Southeast Bank Limited about financial performance and to provide some recommendations about the financial performance of the company

1.5 Methodology of the Study:

When putting together this study, I used both primary and secondary data. Through my view and a one-on-one discussion with the administration, primary data have been acquired. I

obtained information from them and created this report using the Southeast Bank Limited annual report that I found on their website.

1.5.1 Data collection:

Secondary Data Collection:

- Annual Report of Southeast Bank Ltd.
- Official Website of Southeast Bank Ltd.
- Article, Journal, Newspaper & Publication
- Product brochure of Southeast Bank Ltd.

Data Analysis:

- To analyze the data, MS Excel has been used.

1.6 Limitations of the Study:

Having able to work with Southeast Bank Limited was a fantastic opportunity for me. I have acquired theoretical and practical knowledge over the course of the internship program's first quarter-year, which has helped me learn how to adjust to a professional workplace. But there are also a few limitations that I had to work around when organizing my internship report. These issues and restrictions include:

- Three months is not long enough to learn all about any branch's activity.
- The Study Company's technology cannot be used on a single workstation.
- the branch is very busy, so staff have less time to teach the trainee
- Access to current data that is relevant to the inquiry inadequate report-writing skills.

Chapter: 02

About Southeast Bank Limited



2.1 Profile of Southeast Bank Limited:

A second-generation bank, Southeast Bank Limited was founded in 1995 with the goal of providing effective and professional financial services to Bangladesh's citizens and business community. It seeks to make a substantial impact on the expansion of the national economy.

2.2 Mission, Vision & Objective of Southeast Bank Limited:

2.2.1 Mission:

- High-quality financial services with state-of-the-art technology.
- Excellence in customer service and promptness in customer service.
- Sustainable growth approach
- High Stand for ethics in the workplace
- Commitment to Corporate Social Responsibility.
- Innovative Banking at a competitive Price

2.2.2 Vision:

Being the top banking organization in Bangladesh and making a substantial contribution to the national economy.

2.2.3 Objective:

With the slogan of "A bank with a vision," Southeast Bank has some objectives to serve the nation. Some of the major objectives are given below:

- Keeping a great resources portfolio to accomplish solid and reasonable returns and to consistently fabricate investors' worth.
- recruiting experts with a solid foundation and knowledge
- Promoting innovations that reduce operational risks and improve the application of best practices inside the company.

- Creating innovative products and services that direct our attention toward customers and market segments.
- Practicing expert risk management criteria after each of the six primary risks to the financial sector, green banking, and the environment.
- Maintaining the Bank's reputation as a customer-friendly bank by providing efficient and timely customer support and item improvement with the ultimate goal of developing a long-lasting, fruitful relationship with our clients
- Keeping up sufficient capital following hazard craving of the Bank.
- As part of our Corporate Social Responsibility (CSR), we provide assistance to underprivileged students, distribute warm clothing to those impacted by the cold, assist those who are unable to pay their bills, and contribute to various relief funds. By contributing to the public exchequer ideal, we also benefit the entire public.
- Extending financial services to those who are not banked in exchange for money in order to address their financial needs.

2.3 Corporate Information:

Features	Values
Name of the Company	Southeast Bank Limited
Chairman	Alamgir Kabir FCA
CEO & Managing Director	M Kamal Hossain
Legal Status	Public Limited Company
Registered Office	Eunoos Trade Center,52-53 Dilkusha,C/A, Dhaka-1000, Bangladesh
Authorized Capital	BDT 15,000 million
Paid Up Capital	BDT 11,599.42 million
Face Value Per Share	BDT 10 Per Share
Shareholding Pattern	100% Share Owned by Government of Bangladesh
Phone	(88-02) 9571115, 7160866, 9555466, 7173793
Website	www.southeastbank.com.bd

2.4 Product & Service of Southeast Bank Limited:

To its customers, Southeast Bank Limited provides a variety of goods and services. With a strong focus on social and economic advancement in Bangladesh, Southeast Bank offers services in both corporate and retail banking. This bank offers short-term capital advances and moderate exposure to long-term credit. Thus, in addition to rural banking, this bank also provides small business activity and special credit. In contrast, Southeast Bank provides to swap money, customer accounts, and venture capital as part of its corporate banking services. Retail banking also offers a variety of shop plans, such as deposit schemes, and settlement conveniences, such as remittance.

2.4.1 Product of Southeast Bank Limited

Deposit:

- Current Deposit
- Savings Deposit
- Special Notice Deposit
- Fixed Deposit Schemes

Loan & Advance:

- Loan Against Export Bills
- Working Capital Loan
- Packing Credit
- Overdraft
- Import Loan
- Export Loan
- Project Finance

2.4.2 Service of Southeast Bank Limited:

E-Service:

- ATM Automated Branch Banking
- SME Banking
- Bill Payment Service
- Foreign Trade
- Foreign Remittance
- SWIFT Service

- E-Statement Service
- SMS Alert Service

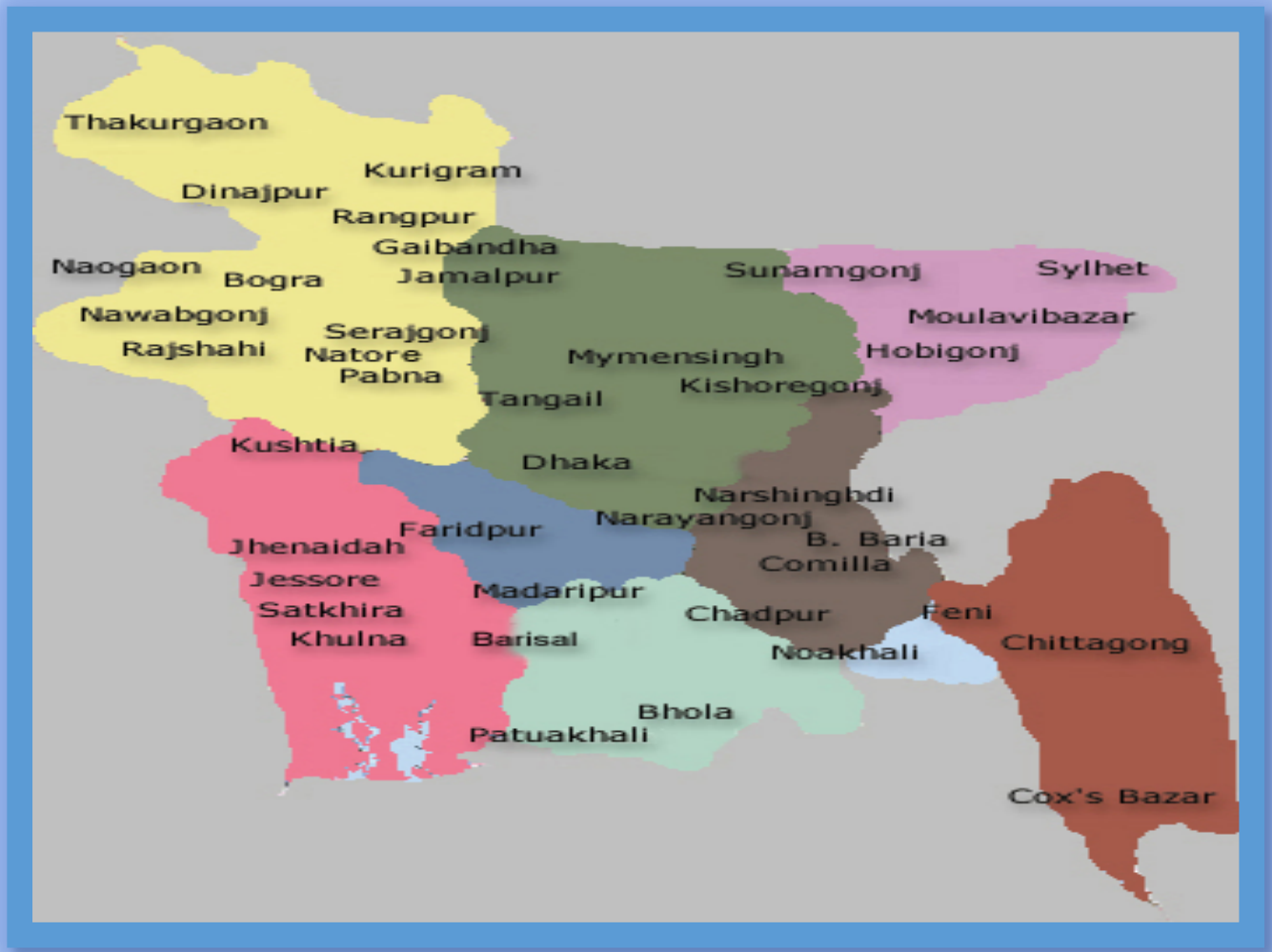
Modern Banking:

- Online Banking
- SB PIN
- SBL Mobile Apps
- Instant Banking

2.5 Board of directors:

Name	Position
Alamgir Kabir, FCA	Chairman
Mr. Shahid Hossain	Managing Director
M Kamal Hossain	Director
Dr.Quazi Mesbuhdddin Ahmed	Director
Mr.Syed Sajedul Karim	Director
Mr. Md.Akikur Rahman	Director
Mrs.Rehena Rahman	Director

2.6 Branch Location of Southeast Bank Limited:



2.7 Organizational Structure of Southeast Bank Limited:



2.8 Award & Achievements:

The bank has received praise for its excellent performance both nationally and internationally. Additionally, it won a lot of accolades on both the domestic and international levels. The following are some of these:

Top Ten Remittance Award 2020: Southeast Bank Limited has been awarded the Top Ten Remittance Award 2020.

Silver Award” for Corporate Governance Excellence: Southeast Bank Limited has been awarded Silver Award in the "5th ICSB National Award for Corporate Governance Excellence, 2017" in the Banking Companies Category by The Institute of Chartered Secretaries of Bangladesh (ICSB).

Country's 4th highest Taxpayer in the Banking category: Southeast Bank Limited has been awarded as the country's 4th highest Income Tax Payer in the Banking Category for the assessment year 2017-2018. M. A. Mannan, MP, State Minister, Ministry of Finance and Planning handed over the Crest and Tax Card to M. Kamal Hossain, Managing Director, Southeast Bank Limited at the best taxpayer reception ceremony on November 12, 2018.

1st position in “ICMAB Best Corporate Award-2015: Southeast Bank awarded 1st position in “ICMAB Best Corporate Award-2015 on October 26, 2016.

Awarded 1st Runner Up by South Asian Federation of Accountants (SAFA) for Best Presented Annual Report-2016: Southeast bank Awarded 1st Runner Up by South Asian Federation of Accountants (SAFA) for Best Presented Annual Report-2016 in the Private Sector Banking Category on January 01, 2018.

Won Joint 2nd Runner Up Award in SAARC Anniversary Award: Southeast Bank Won Joint 2nd Runner Up Award in SAARC Anniversary Award for Corporate Governance on January 01, 2018.

Awarded “Tax Card & Trophy” as the 4th highest Tax Payer: Southeast Bank Awarded “Tax Card & Trophy” as the 4th highest Tax Payer of the Country in the Banking Sector on November 12, 2018.

Southeast Bank awarded “First Position” for “Corporate Governance Disclosures: Southeast Bank Limited has been awarded “First Position” under the category of “Corporate Governance Disclosures” and “Joint Second Position” under the category of “Private Sector Banks” in Bangladesh.

Chapter: 03

Financial Performance Analysis of Southeast Bank Limited. (2017-2021)



3.1 Ratio Analysis:

By comparing the results and the data from the prior year, ratio analysis is a numerical tool that is used to analyze an organization's presentation in relation to its competitors and determine its liquidity, operational effectiveness, risk, and productivity. A better understanding of the financial situation and operation of a business concern is provided by the analysis and translation of various bookkeeping proportions.

Types of Ratios are:

1. Liquidity Ratio
2. Operating Efficiency Ratios
3. Efficiency or Activity Ratio
4. Profitability Ratio
5. Financial Risk/Leverage Ratios

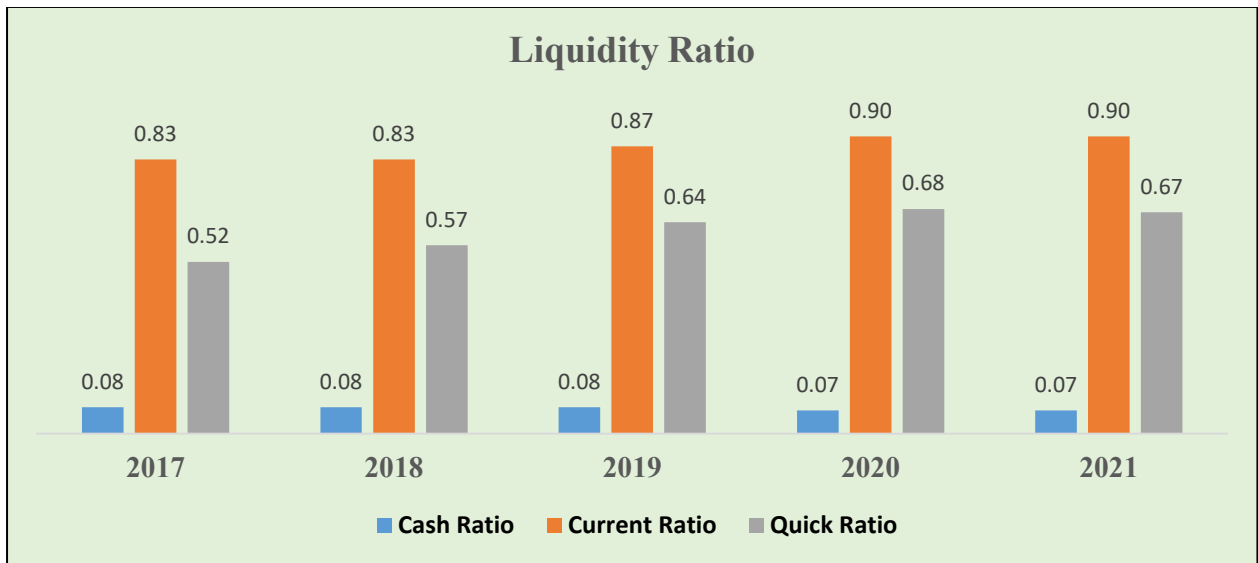
3.1.1 Liquidity Ratio:

The capacity of an organization to cover its immediate financial needs is known as liquidity. The timing of cash inflows and withdrawals is crucial, as are expectations for future performance. An analysis of a company's liquidity aims to determine its financial requirements. A company won't likely endure very long if it can't meet its current responsibilities. From this angle, none of the other analytical metrics are meaningful. Accounting measurements assume that the company will continue to run, but our research must continuously evaluate if this assumption is accurate utilizing liquidity metrics.

This section describes the key ratios relevant to assessing liquidity ratio:

- Cash Ratio
- Current Ratio
- Quick Ratio

Liquidity Ratio					
Particular	2017	2018	2019	2020	2021
Cash Ratio	0.08	0.08	0.08	0.07	0.07
Current Ratio	0.83	0.83	0.87	0.90	0.90
Quick Ratio	0.52	0.57	0.64	0.68	0.67



Interpretation: Southeast Bank Limited cash ratio is decreasing in last two year. If the company's cash ratio is less than 1, it indicates that it lacks the marketable securities and cash necessary to cover its present liabilities. The current ratio is a liquidity ratio that measures a company's ability to cover obligations that are due in the next year or less. On the other hand, if we look at the current ratio of South East Bank which is also lees than 1 which indicates a bad position in financial health. At last, the quick ratio indicates that South East Bank Limited is in bad position cause their ratio is less than 1 and in 2018,2019 is just closer to 1 which does not meet the standard ratio.

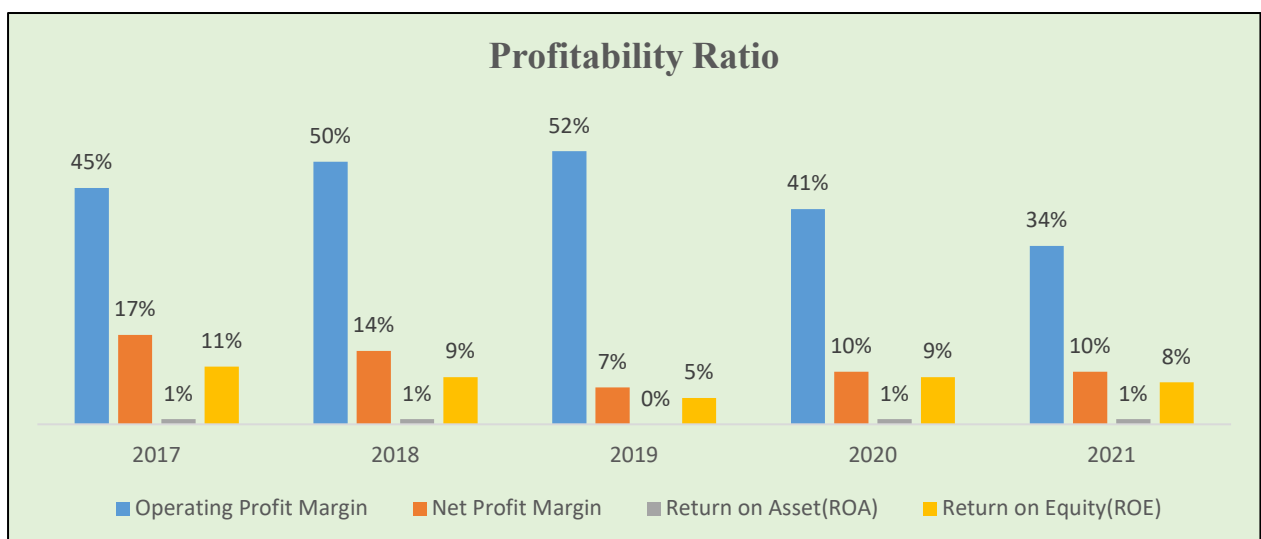
3.1.2 Profitability Ratios:

A company's productivity ratio describes its ability to produce pay over a specific time period that is related to income, balance sheet assets, operating costs, and investors' value. It evaluates how effectively a company uses its resources to provide incentives and benefits to investors. The inferred benefit is the income that remains after all associated expenses have been paid.

Types of Profitability ratio:

- Gross Profit Margin
- Operating Profit Margin
- Net Profit Margin
- Return on Assets
- Return on Equity

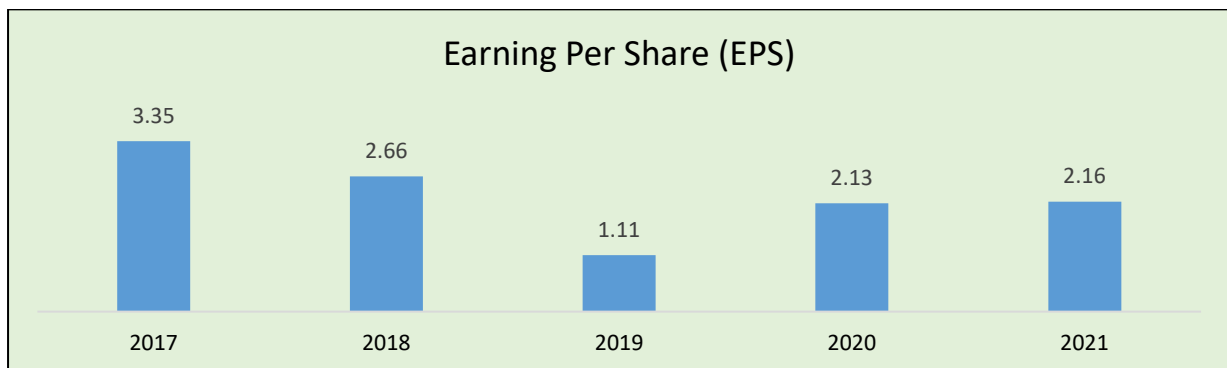
Profitability Ratio					
Particular	2017	2018	2019	2020	2021
Operating Profit Margin	45%	50%	52%	41%	34%
Net Profit Margin	17%	14%	7%	10%	10%
Return on Asset (ROA)	1%	1%	0%	1%	1%
Return on Equity (ROE)	11%	9%	5%	9%	8%



Interpretation: The ROE ratio of South East Bank Limited was 11% in 2017, but it fell to 9% in 2018. But following that, it declined dramatically in 2019, even if ROE increased in 2020. 2021 saw a 1% decrease which don't indicates a good position. The graph demonstrates how the ROA ratio changed between 2017 and 2021. SBL had the greatest ROA in 2017 due to the effective use of its asset to generate revenue. The ratio was the same in 2018 but was zero in 2019. However, it remained at (1%) in 2020 and 2021, which is a disappointing outcome. It shows that the bank is not making the best use of its asset to make Revenue. Although it varied from year to year, the operating profit margin ratio of South East Bank Limited reached its greatest level in 2019.

3.1.3 Earning Per Share:

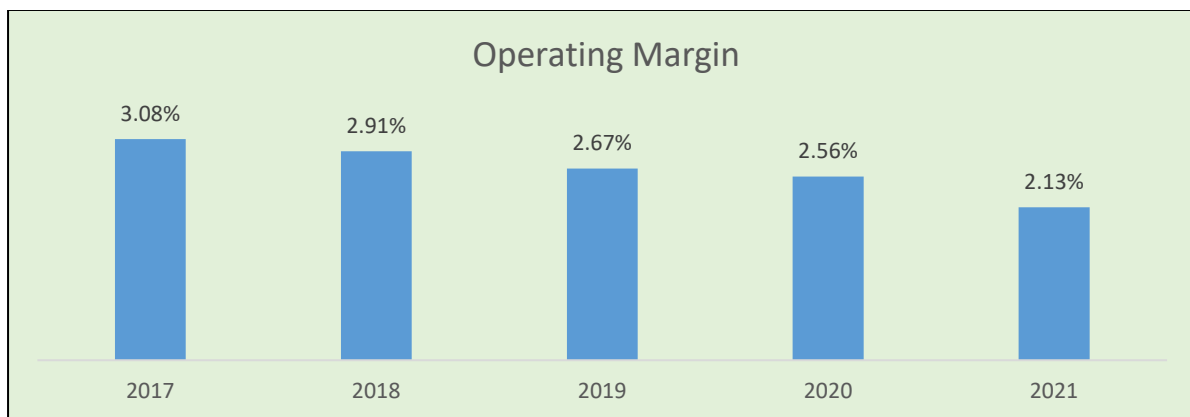
Earnings Per Share (EPS)					
Particular	2017	2018	2019	2020	2021
Earnings Per Share (EPS)	3.35	2.66	1.11	2.13	2.16



Interpretation: The graph shows that between 2017 and 2021, the bank's EPS fluctuated. SBL's EPS was 3.35 in 2017; in 2018, it was 2.66. But with time, the bank lost its ability to make revenue, which resulted in a low EPS of 1.11 in 2019. That suggests that the bank was unable to produce profits for each of its stocks.

3.1.4 Net Bank Operating Margin:

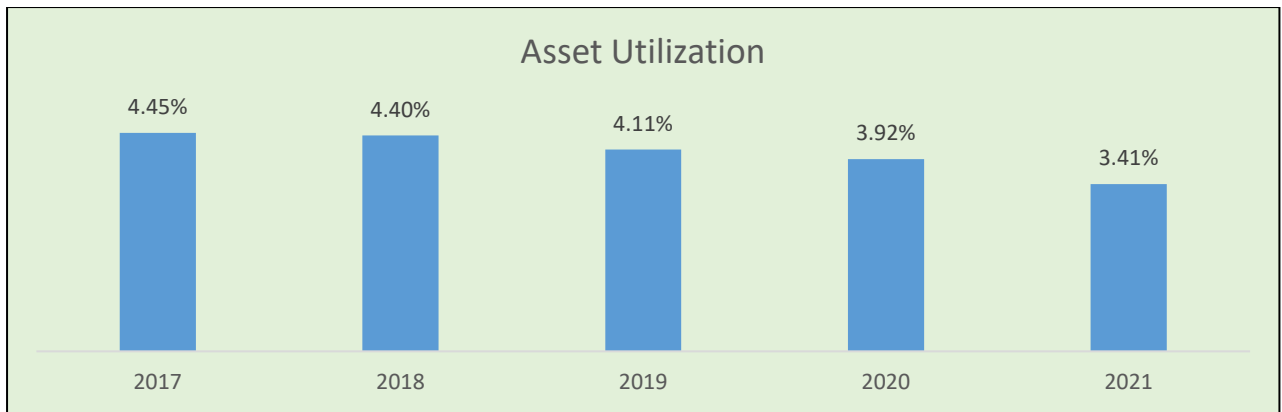
Net bank Operating Margin					
Particular	2017	2018	2019	2020	2021
Operating Margin	3.08%	2.91%	2.67%	2.56%	2.13%



Interpretation: The company's profitability is shown by the operating margin ratio. The higher the proportion is, the more the organization is making income from every taka of deals. Here we can see that the margin in year 2017 was about 3% which mean South East Bank is earning 3% after paying all the operating expenses which relatively low where the standard is at least 50%. If we look at the other years like 2018 to 2021 the margin was like the same as 2017 which is in average 3% which doesn't mean that the bank is not profitable but they are earning relatively very low, which also indicates a bad health of their financial condition.

3.1.5 Asset Utilization:

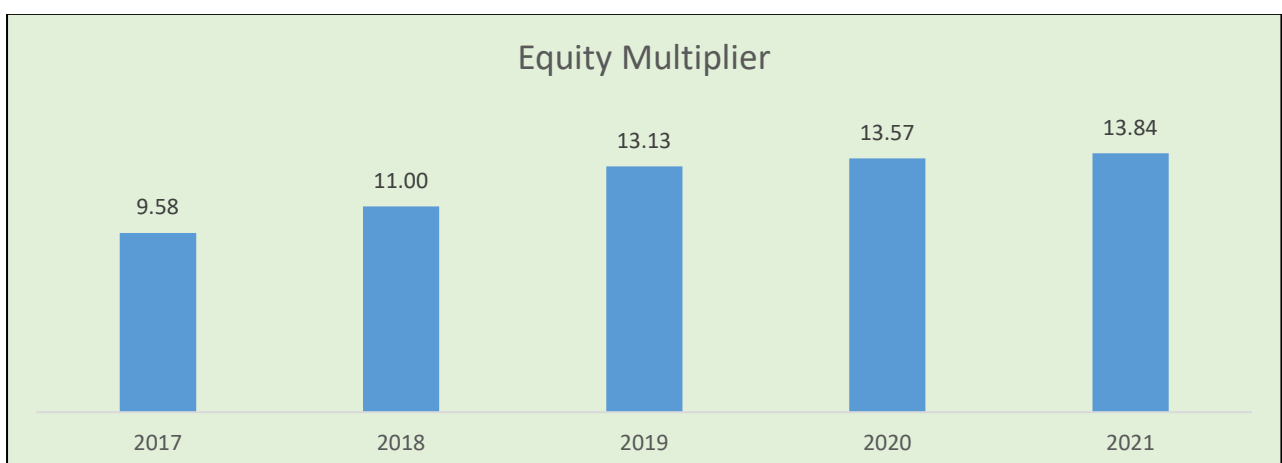
Asset Utilization					
Particular	2017	2018	2019	2020	2021
Asset Utilization	4.45%	4.40%	4.11%	3.92%	3.41%



Interpretation: The graph demonstrates that Southeast Bank Limited utilized its asset effectively in 2017 and had a higher AU of 4.4 percent. By effectively using its asset, it earns adequate sales revenue, but it decreased in between 2018 and 2021, which is not a good indicator for the bank because it means that its assets weren't used effectively to produce enough profit.

3.1.6 Equity Multiplier:

Equity Multiplier					
Particular	2017	2018	2019	2020	2021
Equity Multiplier	9.58	11.00	13.13	13.57	13.84

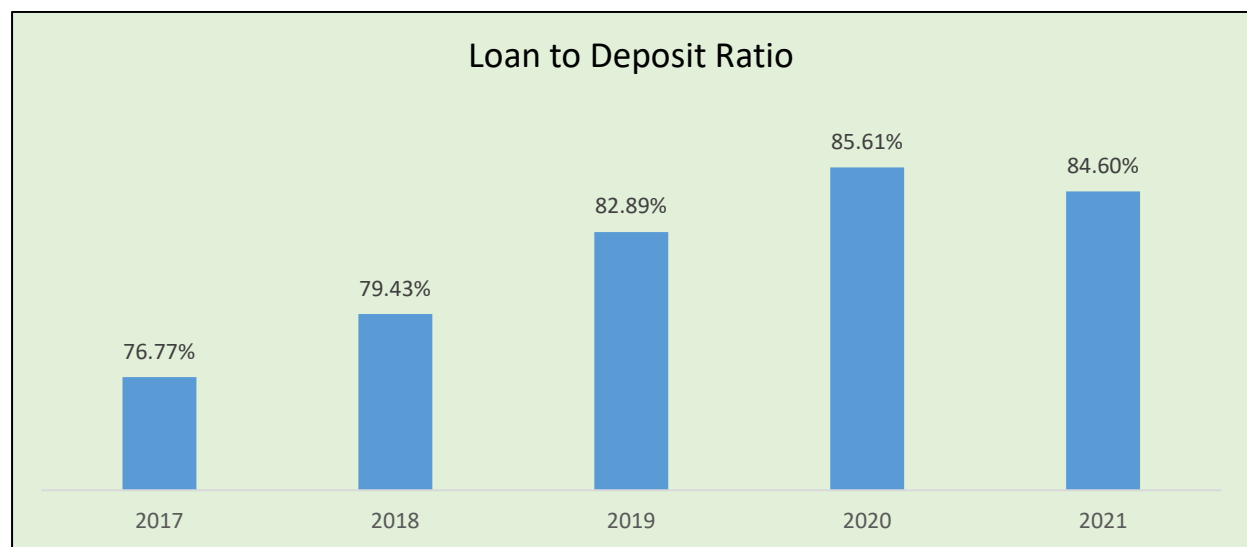


Interpretation: One indicator of a company's financial leverage, or the sum of loans it has taken out to pay for the acquisition of assets, is the equity multiplier. The equity multiplier ratio in 2017 was in favorable which was 9.58 that means the company is having TK.9.58 debt

against Tk.1. If we look at other years except 2017, we can easily see that the company is having high ratio which indicates they have more debt which is in average TK14 which is so much high for the company, it reflects a bad position in financial good health.

3.1.7 Loan to Deposit Ratio:

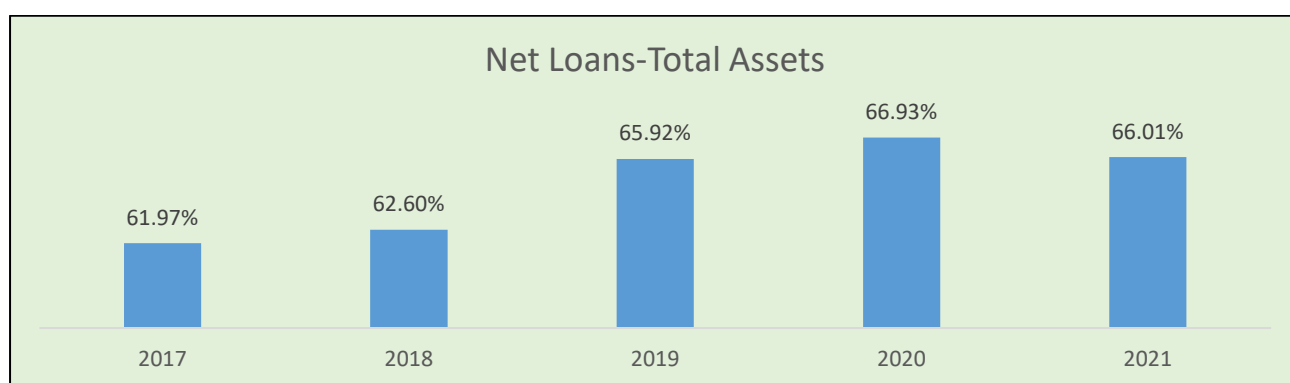
Loan to Deposit Ratio					
Particular	2017	2018	2019	2020	2021
Loan to Deposit Ratio	76.77%	79.43%	82.89%	85.61%	84.60%



Interpretation: The loan-to-deposit ratio compares a bank's total loans to its total deposits for the same time period in order to determine how liquid the bank is. It was 76.77% in 2017, and it rose to 79.43% in 2018. The ratio then dramatically grew, reaching an enormous 2021 value of 84.66%. Since the ratio was high in 2021 compared to previous years, the bank had less liquidity to handle emergencies.

3.1.8 Net Loans- Total Asset:

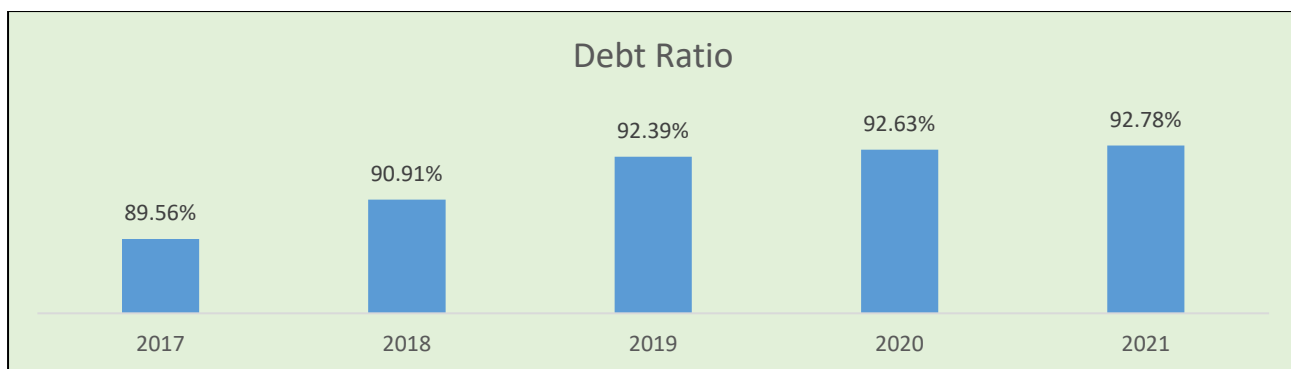
Net Loans-Total Assets					
Particular	2017	2018	2019	2020	2021
Net Loans-Total Assets	61.97%	62.60%	65.92%	66.93%	66.01%



Interpretation: The graphs show that from 2017 to 2021, Southeast Bank Limited's net loans to total assets ratio was high. That doesn't good sign for the bank. Due to the high ratio, the bank has a greater risk of default. The likelihood of default increases as the ratio rises. Because the ratio was high in 2020 compared to past years, the bank had less cash to cover its emergency expenses.

3.1.9 Debt Ratio:

Debt Ratio					
Particular	2017	2018	2019	2020	2021
Debt Ratio	89.56%	90.91%	92.39%	92.63%	92.78%



Interpretation: A company has more debt than assets if the debt-to-asset ratio is greater than 100%. So, the lower the ratio is the greater the company's performance. Here, we can see the in the year 2017 the ratio is 89.56% which is lower 100% which indicates a sound health of their financial performance but if we look at the other year the ratio is under 100% but they are so close to 100% which is a tough position. By seeing these ratios, we can say that South East Bank Limited is maintaining their Dept Ratio with the standard but they should maintain a lower debt ratio for a better financial position.

3.2 Common Size of Income Statement & Balance Sheet:

Southeast Bank Ltd

Balance Sheet

As on December 31, (2017-2021)

Particular	2017	2018	2019	2020	2021
Cash	6.14%	6.11%	6.18%	5.64%	5.36%
In hand (Including foreign currencies)	0.73%	0.83%	0.89%	0.94%	0.87%
Balances with Bangladesh bank and Sonali bank (Including foreign currencies)	5.41%	5.28%	5.30%	4.70%	4.49%
Balance with other banks and financial institution	1.30%	1.39%	1.26%	1.69%	1.77%
In Bangladesh	0.84%	0.98%	0.94%	1.04%	1.32%
Outside Bangladesh	0.46%	0.41%	0.32%	0.64%	0.45%
Money at call and short notice	0.35%	1.46%	1.07%	1.81%	1.12%
Investment in shares & securities	22.56%	21.16%	18.54%	17.19%	18.31%

Government	20.18%	18.61%	14.80%	13.36%	14.78%
Others	2.38%	2.55%	3.74%	3.84%	3.53%
Loans, cash credits, overdrafts/General Investments	61.97%	62.60%	65.92%	66.93%	66.01%
Bills discounted and purchased	2.81%	3.15%	3.14%	3.22%	4.26%
Total	64.77%	65.75%	69.06%	70.15%	70.27%
Land, building, furniture and fixtures (Including leased assets)	3.02%	3.07%	2.75%	2.45%	2.21%
Other assets	1.85%	1.06%	1.13%	1.08%	0.97%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
Borrowings from other banks, financial institutions and agents	3.24%	5.79%	5.61%	6.51%	6.10%
Current /Al-Wadeeah current and other deposit accounts	9.93%	11.42%	11.33%	11.45%	12.32%
Bills payable	91.00%	2.47%	1.57%	1.27%	1.05%
Savings deposits/Mudaraba Savings Deposits	7.89%	7.43%	7.62%	7.71%	7.76%
Mudaraba/ Term and Fixed deposits	71.39%	65.38%	65.56%	63.97%	62.91%
Total Deposits	90.12%	86.70%	86.08%	84.41%	84.03%
Other liabilities	6.64%	7.51%	8.31%	9.08%	9.87%
Total liabilities	100.00%	100.00%	100.00%	100.00%	100.00%
Capital /Shareholders' Equity:	99.97%	99.96%	99.96%	99.96%	99.97%
Paid up capital	33.69%	34.56%	35.49%	37.49%	38.02%
Statutory reserve	32.69%	34.56%	35.50%	35.89%	35.95%
Revaluation Reserve on govt. securities	21.93%	17.95%	17.55%	15.50%	13.92%
Foreign Currency Translation Gain	-0.10%	-0.09%	-0.05%	-10.00%	-0.03%
Retained earnings	10.85%	12.05%	10.51%	10.30%	11.29%
Other Reserve	0.91%	0.93%	0.96%	0.88%	0.81%
Minority Interest	0.03%	0.04%	0.04%	0.04%	0.03%
Total Equity	100.00%	100.00%	100.00%	100.00%	100.00%
Total liabilities and shareholders' equity	100.00%	100.00%	100.00%	100.00%	100.00%

Interpretation: Total current asset is showing a fluctuating trend but the cash item is increasing & decreasing from 2017 to 2021 relative to overall assets. Above the chart investment increasing from 2018 to 2019 and the rate increasing from 2% to 4%. The company should manage its liabilities. If the company can manage its liabilities, the net profit after tax will be automatically increase.

Southeast Bank Ltd

Income Statement

As on December 31, (2017-2021)

Particulars	2017	2018	2019	2020	2021
Interest income	100.00%	100.00%	100.00%	100.00%	100.00%
Interest paid on deposits and borrowings	82.36%	75.21%	76.85%	78.31%	83.79%
Net interest income	17.64%	24.79%	23.15%	21.69%	16.21%
Income from investments	28.99%	29.93%	32.01%	21.39%	20.14%
Commission, exchange and brokerage Income	15.51%	17.10%	19.90%	15.23%	14.70%
Other operating income	3.08%	3.90%	5.01%	4.08%	3.75%
Total operating income	65.21%	75.73%	80.07%	62.40%	54.80%
Rent, Taxes, Insurance, Electricity etc.	3.70%	4.72%	5.35%	4.30%	4.13%
Salaries and allowances	8.00%	10.26%	10.81%	8.45%	8.28%
Legal Expenses	0.01%	0.00%	0.01%	0.01%	0.01%
Postage, Stamps, Telecommunication etc.	0.83%	0.98%	1.01%	0.76%	0.66%
Stationery, Printing, Advertisement etc.	0.63%	0.78%	0.86%	0.96%	0.63%
Directors' Fees and Expenses	0.01%	0.02%	0.02%	0.01%	0.01%
Salary and allowances paid to Managing director/Chief Executive	0.05%	0.07%	0.06%	0.04%	0.04%
Auditors' Fee	0.01%	0.01%	0.01%	0.01%	0.01%
Depreciation and Repairs to Bank's Assets	1.91%	2.38%	2.62%	1.99%	2.04%
Other Expenses	4.91%	6.41%	7.24%	5.34%	4.78%
Total operating expenses	20.06%	25.63%	27.99%	21.60%	20.59%
Operating Profit	45.15%	50.10%	52.08%	40.80%	34.21%
Profit before provision	45.15%	50.10%	52.08%	40.80%	34.21%
Specific provision (Loan and Advances)	11.46%	13.91%	21.73%	20.75%	16.20%
Diminution in value of investment	1.15%	5.24%	5.81%	-0.50%	1.25%
Others Provision	0.01%	2.15%	1.76%	-0.64%	-1.23%
Total provision	14.14%	18.93%	28.05%	21.33%	17.44%
Profit for the year before taxation	31.01%	31.17%	24.03%	19.47%	16.77%
Current Tax	12.97%	16.44%	16.46%	9.30%	10.05%
Deferred tax	0.79%	0.38%	0.86%	-0.15%	-2.83%
Provision for tax	13.76%	16.82%	17.32%	9.16%	7.22%
Net profit after tax for the year	17.25%	14.35%	6.72%	10.31%	9.55%

3.3 Trend Analysis:

Southeast Bank Ltd

Balance Sheet

As on December 31, (2017-2021)

Particular	2017	2018	2019	2020	2021
In hand (Including foreign currencies)	100.00%	111.49%	131.14%	134.50%	141.40%
Balances with Bangladesh bank and Sonali bank (Including foreign currencies)	100.00%	127.81%	158.20%	189.09%	192.55%
Balance with other banks and financial institution	100.00%	109.29%	127.49%	127.12%	134.49%
In Bangladesh	100.00%	119.28%	126.19%	189.73%	220.34%
Outside Bangladesh	100.00%	98.49%	89.98%	203.57%	158.20%
Money at call and short notice	100.00%	462.54%	394.60%	746.88%	513.24%
Investment in shares & securities	100.00%	104.93%	106.94%	111.53%	131.41%
Government	100.00%	103.19%	95.41%	96.85%	118.60%
Others	100.00%	119.70%	204.66%	235.91%	240.00%
Loans, cash credits, overdrafts/General Investments	100.00%	113.06%	138.44%	158.09%	172.55%
Bills discounted and purchased	100.00%	125.70%	145.58%	167.59%	245.76%
Total	100.00%	113.61%	138.75%	158.50%	175.72%
Land, building, furniture and fixtures (Including leased assets)	100.00%	113.47%	118.22%	118.42%	118.37%
Other assets	100.00%	64.44%	79.69%	85.39%	84.86%
Total assets	100.00%	111.92%	130.14%	146.36%	161.98%
Borrowings from other banks, financial institutions and agents	100.00%	203.41%	232.66%	304.51%	316.28%
Current /Al-Wadeeah current and other deposit accounts	100.00%	130.65%	153.20%	174.60%	208.20%
Bills payable	100.00%	307.86%	231.94%	211.29%	192.52%
Savings deposits/Mudaraba Savings Deposits	100.00%	106.95%	129.73%	147.99%	165.13%
Mudarabba/ Term and Fixed deposits	100.00%	104.04%	123.26%	135.63%	147.85%
Total Deposits	100.00%	109.29%	128.23%	141.77%	156.46%
Other liabilities	100.00%	128.40%	167.88%	206.93%	249.14%
Total liabilities	100.00%	113.60%	134.24%	151.37%	167.79%
Capital /Shareholders" Equity:	100.00%	97.49%	94.92%	103.34%	112.10%
Paid up capital	100.00%	100.00%	100.00%	115.00%	126.50%
Statutory reserve	100.00%	103.06%	103.06%	113.45%	123.29%

Interpretation: In order to ride a trend, such as a bull market run, until data point to a trend reversal, such as a bull-to-bear market, trend analysis attempts to predict the trend. Trend analysis is a type of comparative analysis that entails examining present trends in order to forecast future ones. This can involve attempting to predict if a current market trend, such as increases in one specific market sector, is likely to persist as well as whether a trend in one market area might influence a trend in another. Interpretation: Investment showing a positive trend from 2018 to 2021 which is (104%-131%). Current assets are increasing from 2018 to 2021. So, it has a positive effect to the companies' total

Trend Analysis of Income Statement: A technique for analyzing financial statements known as "horizontal analysis," also known as "trend analysis," shows changes in the amounts of related financial statement items over time. It works well for analyzing trends in various scenarios. The statements for two or more periods are employed in a horizontal analysis. The statement items for all following periods are compared to those of the base period, which is frequently the oldest period. The changes are often shown in dollars and percentages.

Southeast Bank Ltd

Income Statement

As on December 31, (2017-2021)

Particular	2017	2018	2019	2020	2021
Interest Income	100.00%	95.38%	97.78%	134.75%	147.56%
Interest paid on deposits & Borrowings	100.00%	87.10%	91.24%	128.12%	150.12%
Net Interest Income	100.00%	134.05%	128.33%	165.68%	135.64%
Income From Investments	100.00%	98.74%	107.99%	99.44%	102.53%
Commission, exchange & brokerage Income	100.00%	105.20%	125.49%	132.37%	139.87%

Other operating Income	100.00%	120.93%	159.10%	178.75%	179.79%
Total Operating Income	100.00%	110.76%	120.07%	128.93%	124.01%
Rent, Taxes, Insurance & Electricity etc.	100.00%	121.69%	141.53%	156.71%	164.58%
Salaries & Allowance	100.00%	122.32%	132.10%	142.34%	152.79%
legal Expenses	100.00%	40.21%	122.82%	87.10%	133.96%
Postage, Stamps, Telecommunication Etc.	100.00%	112.98%	119.61%	123.77%	118.47%
Stationery, Printing, Advertisement Etc.	100.00%	117.41%	132.78%	147.08%	147.17%
Directors Fees & Expenses	100.00%	109.87%	142.80%	110.39%	130.84%
Salary & Allowances Paid to Managing Director/Chief Executive	100.00%	126.72%	106.22%	106.58%	117.16%
Auditors Fee	100.00%	153.84%	183.36%	177.63%	183.08%
Depreciation & repairs to the bank's assets	100.00%	118.99%	134.26%	140.43%	157.63%
Other Expenses	100.00%	124.35%	144.07%	146.43%	143.61%
Total Operating Expenses	100.00%	121.82%	136.43%	145.06%	151.47%
Operating Profit	100.00%	105.84%	112.80%	121.77%	111.81%
Profit before provision	100.00%	105.84%	112.80%	121.77%	111.81%
Specific Provision (Loan & Advance)	100.00%	115.75%	185.38%	243.87%	208.60%
General Provision	100.00%	433.56%	492.31%	-58.07%	159.89%
Diminution in value of Investment	100.00%	- 149.77%	-80.60%	153.28%	118.60%
Total Provision	100.00%	127.65%	193.91%	203.21%	181.93%
Profit for the year before taxation	100.00%	95.89%	75.80%	84.62%	79.82%
Current Tax	100.00%	120.90%	124.06%	96.64%	114.38%
Deferred Tax	100.00%	46.41%	107.25%	-25.00%	- 531.70%
Provision For Tax	100.00%	116.64%	123.09%	89.68%	77.44%
Net Profit after Tax for the year	100.00%	79.33%	38.07%	80.58%	81.73%

Interpretation: The Company played a better performance and got positive result. In income statement showing a good trend in interest income from 2018 to 2021. The rate increased 95% to 147% the change is 52%. All the above net profit after tax increased from the previous years.

Chapter: 04

Problems, Recommendation & Conclusion

4.1 Findings of the Report:

It was a new experience for me to work with Southeast Bank Limited. I discovered that a number of financial and operational areas require significant attention after gathering and analyzing the data from Southeast Bank Limited. Some of the analysis' findings are as follows:

- Cash ratio of Southeast Bank Limited is not good all over the year cause the ratios was lower than 1.
- Current ratio of Southeast Bank was also lower than 1 all over the years.
- As well as the quick ratio of Southeast Bank Limited was lower than 1 all over the 5 years.
- The OPM of Southeast Bank Limited was lower in 2021 than any other years.
- Southeast Bank Limited net profit margin was 17%, 14%, 7%, 10%, and 10%, indicating that the bank did not perform well from 2017 to 2021. That means the bank was not able to generate high profit against its sales.
- SBL's ROA fluctuated between 1%, 1%, 0%, 1%, and 1%, It shows that the bank didn't efficiently use its asset to make money.
- The ROE percentage for SBL decreased from 2017 to 2021: it was 11%, 9%, 5%, 9%, and 8%, respectively. Which is not good.
- The EPS of Southeast Bank Limited is not good in 2019.
- The asset utilization ratio is lower all over the year.
- Equity Multiplier Ratio of Southeast Bank Limited was higher all over the year except year 2017.
- Loan to Deposit Ratio was lower in between year 2017-2018.
- Southeast Bank's net loans to total asset were 61.97%, 62.60%, 65.92%, 66.93%, and 66.01% respectively. Due to the high ratio, the bank has a greater risk of default. The probability of default increases as the ratio rises.
- The debt ratio of Southeast Bank limited is lower but very close to 100%.
- Southeast Bank Limited is keeping lower amount of cash against their fixed asset.
- From trend analysis we can see that the shareholder's equity was lower in between 2018 & 2019 than 2017.
- From the trend analysis of income statement, the net profit of Southeast Bank Limited is going downtrend.
- Covid-19 affect the overall performance of Southeast Bank Limited.

4.2 Recommendations for Southeast Bank Limited:

In this section, I'll give some recommendations for Southeast Bank Limited's improvement and improved financial performance based on my academic understanding.

- Southeast Bank Limited needs to keep more cash in hand to cover all their short-term obligations.
- To maintain a good current ratio Southeast Bank Limited, need to keep more current asset against their current liabilities.
- Southeast Bank needs to keep more liquid asset to keep a good quick ratio.
- Improved pricing, more effective marketing, improved management controls, and a more effective use of resources all have the potential to increase the operating margin.
- As the bank's ROE and ROA isn't good so the bank needs to use their cash and asset proficiently.
- Southeast 2021 EPS isn't exactly great, which will result in a low client inclusion rate with the bank. Therefore, they must maintain a constant proportion through increasing benefit.
- Southeast Bank can improve the maintenance to keep up the asset utilization ratio.
- A company's equity multiplier grows larger if its assets increase while its liabilities decrease so Southeast Bank needs to follow that.
- Southeast Bank Limited needs to increase their fixed asset to resolve all the problem like net loan to asset and also debt ratio.
- In order for customers to receive better support and appreciate new services that will change their premium from other banks and provide the bank the choice to buy non-premium pay, Southeast Bank's needs to introduce new products and services to increase the sell.
- The amount of nonperforming advance or loan should be decreased through proper analysis and investigation.
- Net overall revenue of Southeast Bank Limited was low which isn't good for the bank. Southeast Bank Limited has to introduce new goods and services so that customers may receive better support, enjoy new services that will lower their premium from other banks, and the bank will have the choice to purchase non-premium pay.
- The bank has to update its credit records to reduce the likelihood of loan or advance default. Records enable the bank to thoroughly verify information before moving forward with a loan.

4.3 Conclusion:

Southeast Bank Limited has earned the distinction of being Bangladesh's leading financial institution. Comparing the association to several other public business banks in Bangladesh, it is noticeably better organized. It is persistent in its pursuit of industry advancement and improvement. It has served as a supporter of consumer development. Additionally, due to its extensive branch network around the country, it outperforms several other banks in the financial sector generally.

Southeast Bank Limited is not in a good situation right now. However, in a time of competition, if the bank doesn't offer higher standards, which translates to unmatched services, it will be challenging to maintain banking because everyone needs to focus on quality. Southeast Bank Limited has various problems with its credit and advancement division. The ratios of Southeast Bank Limited's liquidity, productivity, proficiency, and leverage are unacceptable and reveal the bank's risky state. Therefore, Southeast Bank Limited must find a solution to the overall problem as soon as is reasonably possible. Additionally, Southeast Bank Limited will be better organized than other local or international banks if it can resolve this type of problem.

Reference:

Annual report of Southeast Bank Limited 2021 to 2017

Website:

- <https://www.southeastbank.com.bd/>
- www.google.com
- www.wikipedia.org
- www.investopedia.com