

Financial Performance Analysis of Southeast Bank Ltd

(A Study at Kazi Nazrul Islam Avenue Branch)

Daffodil International University



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Financial Performance Analysis of Southeast Bank Ltd

(A Study at Kazi Nazrul Islam Avenue Branch)

Submitted to:

Professor Dr. Md. Abul Hossain

Coordinator (MBA program)

Department of Business and Entrepreneurship

Prepared by:

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ID : 162-14-683

MBA Program

(Major in Finance)



Date of Submission: 03/12/2019

Letter of Transmittal

30-11-2019
Professor Dr. Md. Abul Hossain
Coordinator (MBA Program)
Department of Business and Entrepreneurship
Daffodil International University

Subject: Submission of Internship Report on” Financial Performance Analysis of SEBL”.

Dear Sir,

With best respect and honor, I would like to inform you that I have completed my internship report on “Submission of Internship Report on “Financial Performance Analysis of SEBL.”It is an immense pleasure for me to place the same before you.

I have tried my level best to prepare this report and to accumulate relevant and insightful information. It is a great experience for me to work on this topic. I have tried to make the report and comprehensive within the scheduled time and limited resources.

I sincerely hope that this report will help you to evaluate me. I will be obliged to clarify any matter or to provide any further information regarding this report.

Thank you for your kind supervision.

Sincerely Yours



.....
(Khairun Nahar Pali)

ID No: 162-14-683

MBA Program

Major in Finance

Declaration

I, am Khairun Nahar Poly, hereby declare that the presented report of internship entitled “Financial Performance of Analysis” of Southeast Bank Limited is uniquely prepared by me after completion of three months work in Southeast Bank Limited.

I also confirm that, the report prepared only for my academic requirement not for any other purpose. It might not be used with the interest of opposite party of the organization.

A handwritten signature in black ink that reads "Kh. Poly" with a decorative flourish underneath.

(Khairun Nahar Poly)

ID: 162-14-683

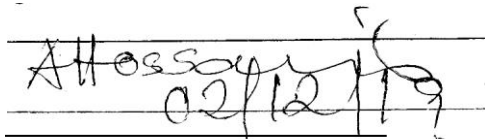
MBA Program

Department of Business and Entrepreneurship

Letter of Approval

This is to certify that Khairun Nahar Poly bearing ID : 162-14-683, student of MBA Program, Daffodil International University, has completed the internship report under my supervision. She has worked with southeast bank limited as an internee and completed the report entitled “Financial Performance of Analysis” of southeast bank limited,-A Study at Kazi Nazrul Islam Avenue Branch” as a partial requirement for obtaining MBA Degree. She has completed the report by herself. She has been permitted to submit the report.

She bears a strong moral character and a very pleasing responsibility. It has indeed been a great pleasure working with her. I wish her all success in life

Handwritten signature of Professor Dr. Md. Abul Hossain, dated 02/12/19.

(Professor Dr. Md. Abul Hossain)

Coordinator (MBA program)

Department of Business and Entrepreneurship

Daffodil International University

Acknowledgement

It was a great pleasure for me to work in Southeast Bank Limited (Kazi Nazrul Islam Avenue Branch) as an intern. I thank all the employees for being friendly and cooperative. I was taught lots of important things throughout my internship career because of their proper attention and cooperation.

My deepest appreciation and special thanks goes to Md. Abdul Naim Executive Vice President & Head Of Branch, Md. Khalid Mujahid Assistant Vice President (Kazi Nazrul Islam Avenue Branch), the Manager Operation of Southeast Bank Ltd. for extending his support in compiling this report.

At last I must mention the wonderful working environment and group commitment of this bank that has enabled me a lot deal to do and observe the banking activities during my internship period of three months. Finally, I convey my sincere thanks to my friends who inspire in different ways to complete the report and the course as well.



(Khairun Nahar Poly)

Id:162-14-683.

Batch:15th

MBA Program

Department of Business and Entrepreneurship

Abstract

In order to provide a student with job exposure and an opportunity of the transition of theoretical knowledge into real life experience, an internship is a must. A better balance between theory & practice can be gained through this program.

The report is a combination of three months' internship program with Southeast Bank Ltd. I acknowledged different banking functions and day-to-day banking operations on my way to complete internship. The objective of this study is to acquire the knowledge about financial activities of Southeast Bank Ltd. To prepare this report both primary and secondary sources of data have been used.

The first section of this report consists of an introductory part which has been developed for the proper execution of the entire report. Part two narrates the company profile including Southeast Bank Ltd's history, their vision, and strategy and products and services. Third part focuses on financial performances of SEBL. This is the main part of the project. Financial statements and analysis of the report are in Part four of the report. The remaining part consists of Findings, recommendations and conclusion.

Finally, I believe that Southeast Bank Ltd would ensure the better services to the people of Bangladesh and they would have much more contribution on development of economy of Bangladesh.

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Chapter: 1

Introduction

1.1 Introduction

Now-a-days, bank and banking actions is indispensable for everyone. Bank show essential part in the bargain life of nation. As a result everyone prerequisites to preserve hint almost bank and banking deeds. While bank does not make treasure but appropriating, orientated and interconnected deeds assist the formula of invention, share, give-and-take and deployment of effects. And viable bank is the statement that preserve character in improvement of evolving countries and both societies and their cash safe through check the afford. It agrees publicly to security do so using some pattern, correct loan for deal tenacity, to do trade together and universally, to feed diverse varieties of posters and use side board skill to safer respected ones. Bank organizes people tradable money in tenacity of stock. As a student of MBA, with the limited self-actualization of the course requirement, I was apportioned to follow internship on **“Financial Performance Analysis”** of Southeast Bank Ltd, Kazi Nazrul Islam Avenue Branch. There are some variances among systems and training. Owing to broad the report, I worked at Kazi Nazrul Islam Avenue branch in Southeast Bank. As a student of Masters of Business Administration (MBA) everyone has to perform a useful placement in any union for achieving the wants of the 12 weeks Internship Platform.

1.2 Background of the Report

The main neutral of MBA program is to build expert authorities for the business sector in Bangladesh specially in banking division. I am very eager for accomplishment the prospect to finish my concrete placement at the Southeast Bank Ltd. The report **“Financial Performance Analysis”** of Southeast Bank Ltd” is prepared by myself under the supervision and guidance of my honorable Dr. Md. Abul Hossain, Business Administration, Daffodil International University and Md. Khalid Mujahid (AVP), Southeast Bank Ltd. (Kazi Nazrul Islam Avenue branch) in order to meet the requirement of the Internship program of MBA.

1.3 Objectives of the Study

There are mainly two objectives behind the preparation of this report such as broad objectives and general objectives. These are discussed as under:

a) Broad Objective

The major objective of the report is to make an in-depth analysis of financial performances of Southeast Bank Ltd.

b) General Object

- I. To analysis financial performance of SEBL.
- II. To know the financial trend of SEBL, focusing the four years financial performance.
- III. To give some recommendations.

1.4 Scope of the study

In arrange to keep the quickness of improvement now arrays must participate in the fairapartment bothhomegrowninstitute as well as external ones. The presentation of the organizational structure and policy of southeast bank LTD. An infrastructure of the organization has been detailed and looks into the potential.

- I. Recent presentation of SEBL in expressions of deposit, investment and imported interchange.
- II. To consider the banks present monetarist flows implemented by SEBL.
- III. To attain concrete skill almost common financed deeds by concerning such variety of platform.
- IV. To form qualified importer in the heaping zone as well as any glory in cases society.

1.5 Methodology of the report

The following methodologies have been used to accomplish this report:

Research design:The research has been conducted based on exploratory research method.

Data source:The data required for this study were collected from both the primary and secondary sources.

1.6Secondary Data sources:

- a) Annual report of southeast Bank limited.
- b) Files and documents of the branch.
- c) Journal and relevant books and performance sheets provided by SEBL.
- d) Official website of Southeast bank limited and goggle search.
- e) <http://www.southeastbank.com.php>

Data collection method: I have emphasized on my observation for data collection during my working days in the branch. I also conducted interview with the SEBL officers and clients to get more information at the time of their leisure.

Data analysis:Qualitative analysis has been performed to prepare this report. It includes qualitative description of Financial Performance Analysis of SEBL. Data has been presented through required comprehensive explanation, graphs, tables, and charts.

Chapter: 2

Company Profile

2.1 Historical Background of Southeast Bank Ltd (SEBL)

Southeast bank Limited is one of the listed commercial bank in the private sector which establishes under Bank Company Act, 1991 and merging as a public limited company under Company Act, 1994 on March 12, 1995. Southeast Bank was started its journey by leading business personalities and eminent industrialists of the country with stakes in various segments of the national economy. To provide the national economy grow, they established the Bank with a vision to bring competent and professional banking service to the business community and people of Bangladesh. Mr. Alamgir Kabir, FCA, a professional Chartered Accountant is the incumbent Chairman of the Bank is. Mr. Shahid Hossain is the Bank's Managing Director who is a young and charming banker of the country with 30 years.

2.2 Objectives of SEBL

- a. Sound investments.
- b. Meet capital satisfactoriness.
- c. Satisfies work force.
- d. Focus on income of fee-base.
- e. Suitable management technology adaptation.

2.3 Mission of SEBL

- a. Worth the economic amenity through the up-to-date equipment.
- b. Will be the best purchaser check.
- c. Improved progress approach.
- d. Great typical professional.
- e. Safe assurance and national economy growth.

2.4 Vision of SEBL

Stands as a pioneer funding association and fund expressively to the domestic bargain.

2.5 Goals of SEBL

- a. Becomes the most beloved commercial bank.
- b. Provides best level of satisfaction to customers.
- c. Improves shareholders investments and optimize return.

2.6 Strategy of SEBL

SEBL observe to resulting primary selling with clients

- a. Provide proper management to all customers, depositors and borrowers without any hesitation.
- b. Deal in a transparent manner with all customer with no hidden cost.
- c. Provide free suggestion to client.
- d. Quickly receive complains from customer.
- e. provides very competitive return to all depositors on their investment.

SEBL follows the following principles in dealing with Shareholders

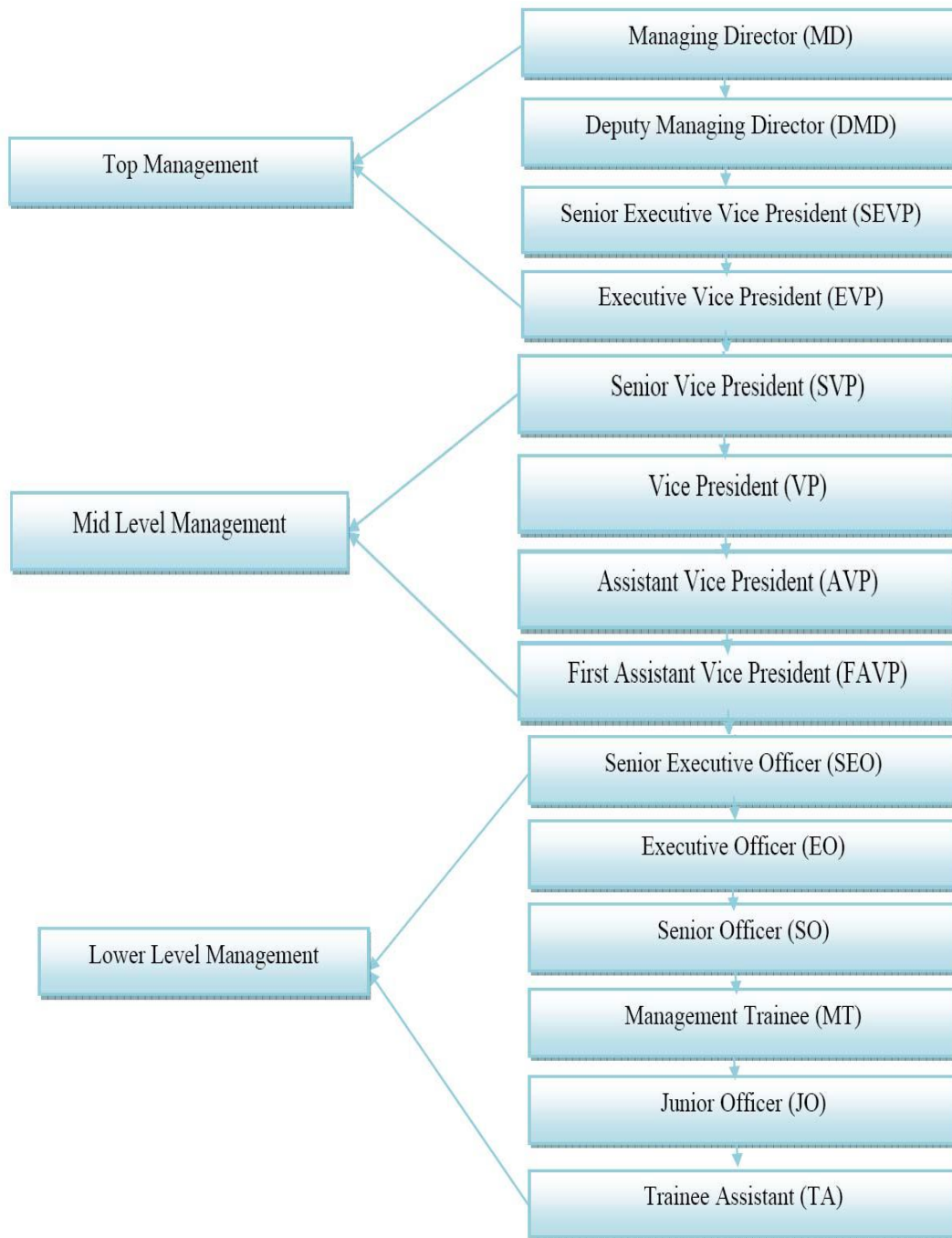
- a. Confession of share evidence and facilitated them suitable investment judgments.
- b. Even share programme and compensation of worth surplus.
- c. Discussion through stakeholders and instrument of suggestion for advance.

SEBL track the ensuing in production with their official

- a. Translucent in authority.
- b. Timely compliance as requirements of manager.
- c. SEBL monitors the followings in assembly with their supervisors.
- d. Has a culture of timely compliance as per regulatory requirements.
- e. SEBL gives their suggestions and orders great value.

2.7 Organization Structure of SEBL

Around 14 ranks in the panel. I confidential them hooked on 3 slices. Bestsupervision, Mid level managing and Juniorflatmanaging. The organizational building is set under:



2.8 Financial Performance

Inlendskillmeasured to chancetime to timejob of commercedistresses and developedsyndicates.

a. Structures and Profits

- I. Calmcertification.
- II. QuickTreating.
- III. Severalsubdivisionfundingservices.
- IV. Single&Universalfrontierskill for the shopper.

b. Eligibility

- I. A practicalprofessionalitem for sponsoring
- II. practicabilityexplosion
- III. AllowSubmission
- IV. Groups of papersconstructed on fundingwants
- V. Costs and duties

Chapter:3
Literature Review of
Financial Performance
Analysis

3.1 Financial Statements

Financial statements are historical documents. They sum up what has happened during a particular period. However, most users of financial statements are concerned with what will occur in the future. In addition to stockholders and creditors, managers are also vitally concerned with the financial ratios discussed in this chapter. First, the ratios provide indicators of how well the company and its business units are performing. Some of these ratios might be used in a balanced scorecard approach as discussed in an earlier chapter.

Financial statements are generally refers to two basic statements:

- a) Balance sheet
- b) Income statement

a) Balance sheet

The balance sheet shows the financial situation of the firm at a given point of time. It provides a picture that may be regarded as a still picture. Balance sheet is a summary of
$$\text{Total assets} = \text{Total liabilities} + \text{Owner's equity} .$$

b) Income statement

The income statement reflects the performance of the firm over a period of time. Income statement is a review of a firm's business revenues and expenses over a particular period, finale with net income or pasting for the period.

3.2 Horizontal Analysis

Horizontal analysis is a financial statements of over the time. A financial report provide items over a period time, compares income statements or balance sheets for following years to description trends or example.

3.2.1 Horizontal Analysis Example (Basic)

Let us suppose that we are provided with the Income Statement data of company ABC.

Details	2012 (In US \$)	2011 (In US \$)	Amount	Percentage
Sales	35,00,000	31,00,000	4,00,000	12.90%
(-) Cost of Goods Sold	(25,00,000)	(22,00,000)	300,000	13.64%
Gross Profit	10,00,000	900,000	100,000	11.11%
General Expenses	170,000	130,000	40,000	30.77%
Selling Expenses	230,000	250,000	(20,000)	(8%)
Total Operating Expenses	(400,000)	(380,000)	20,000	5.26%
Operating Income	600,000	520,000	80,000	9.62%
Interest Expenses	(80,000)	(80,000)	–	–
Profit Before Income Tax	520,000	440,000	80,000	18.18%
Income Tax	(175,000)	(150,000)	25,000	16.67%
Net Income	345,000	290,000	55,000	18.97%

So this is the easy example, where we have divided our approach into two parts. First we found the exact difference between the two years.

- For example, Changing in Sales = $(35,00,000 - 31,00,000) = 400,000$
- We found the percentage change = $400,000/31,00,000 * 100 = 12.9$

3.3 Vertical Analysis

Vertical is the relative that analysis of financial statement where have each line item. It is also useful for trend analysis. This method allows analysts to see the compositions of the different categories of financial statements.

Example:

An example of the vertical analysis of balance sheet and income statement is given below:

Comparative balance sheet with vertical analysis:

Comparative Balance Sheet

December 31 , 2009 & 2008

	2009 Amount (\$)	2009 Percent	2008 Amount (\$)	2008 Percent
Assets:	650,000	51.57%	633,000	47.86%
Current assets				
Long-term investments	100,000	7.93%	167,500	12.67%
Plant assets	455,500	36.13%	467,000	35.3%
Intangible assets	55,000	4.4%	55,000	4.2%
Total assets	12,60,500	100.0%	13,22,500	100.0%
Liabilities:	220,000	17.45%	253,000	19.13%
Current liabilities				
Long-term liabilities	120,000	9.52%	210,000	15.88%
Total liabilities	340,000	26.97%	463,000	35.0%
Stockholders' equity:	155,000	12.3%	155,000	11.7%
Preferred 6% stock				
Common stock	520,000	41.3%	520,000	39.3%
Retained earnings	180,500	14.32%	175,500	13.3%
Total stock	832,500	66.1%	795,500	60.2%

holder's equity				
Total liabilities and stockholder's equity	12,60,500	100.0%	13,22,500	100.0%

Current assets:

2009: $(650,000 / 12,60,500) \times 100 = 51.57\%$

2008: $(633,000 / 13,22,500) \times 100 = 47.86\%$

Comparative income statement with vertical analysis:

Comparative Income Statement

For the year ended December 31,2009 and 2008

	2009 Ammount(\$)	Percent	2008 Amount (\$)	Percent
Sales	1,598,000	100.0%	1,220,000	100.0%
Cost of goods sold	1,053,000	65.9%	828,000	67.9%
Gross profit on sales	465,000	29.1%	385,000	31.6%
Selling expenses	195,000	12.2%	157,000	12.87%
General expenses	114,000	7.13%	107,400	8.80%
Total operating expenses	309,000	19.34%	264,400	21.67%
Operating income	165,000	10.33%	145,600	11.93%
Other income	9,500	0.6%	12,000	0.9%
	174,500	10.9%	157,600	12.9%
Other expenses	7,000	0.4%	15,000	1.2%
Income before tax	167,500	10.5%	142,600	11.7%
Income tax	75,500	4.7%	68,100	5.58%
Net income	92,000	5.75%	74,500	6.10%

Cost of goods sold:

2009: $(1,053,000/1,598,000) \times 100 = 65.9\%$

2008: $(828,000/1220,000) \times 100 = 67.9\%$

For example , company X and company Y belong to same industry . Company Y is a large company , company X sales and gross profit are \$ 150,000 and \$ 73,000 correspondingly whereas company Y sales and gross profit are \$1500,000 and \$ 730,000 respectively. Vertical analysis is conducted and sales figure is used as base and gross profit percentage of 30% both companies :

**Company X and Y
Comparative Income Statement
For the year ended.....**

	Company X	Company X	Company Y	Company Y
Sales	150,000	100%	1500,000	100%
Cost of Goods Sold	77,000	51.33%	770,000	51.33%
	73,000	48.67%	730,000	48.67%

3.4Ratio Analysis

Ratio analysis is evaluated number of issues such as its liquidity , efficiency of operations, it also be used to estimate the future ratio performance.

3.5 Financial Ratio Analysis

Financial ratio analysis are the most common tools used to analyze a business sector . These ratios are easy to understand and simple to calculate .It also be used to different companies and industries.It helps to relationship between financial statement accounts ,investors, internal company, creditors how understand well a business areas need to improvement.

3.6 Solvency Ratio

Solvency ratios are very essential measuring to judging financial sector of a business ,its ability to debt apart from regular obligations. Solvency ratio used the company'scashflow in sufficient to meet short term and long term liabilities. solvency ratios are:

- a. Debt fraction
- b. Fixed charge coverage ratio
- c. Equity multiplier

Chapter: 4

Financial Performance of SEBL

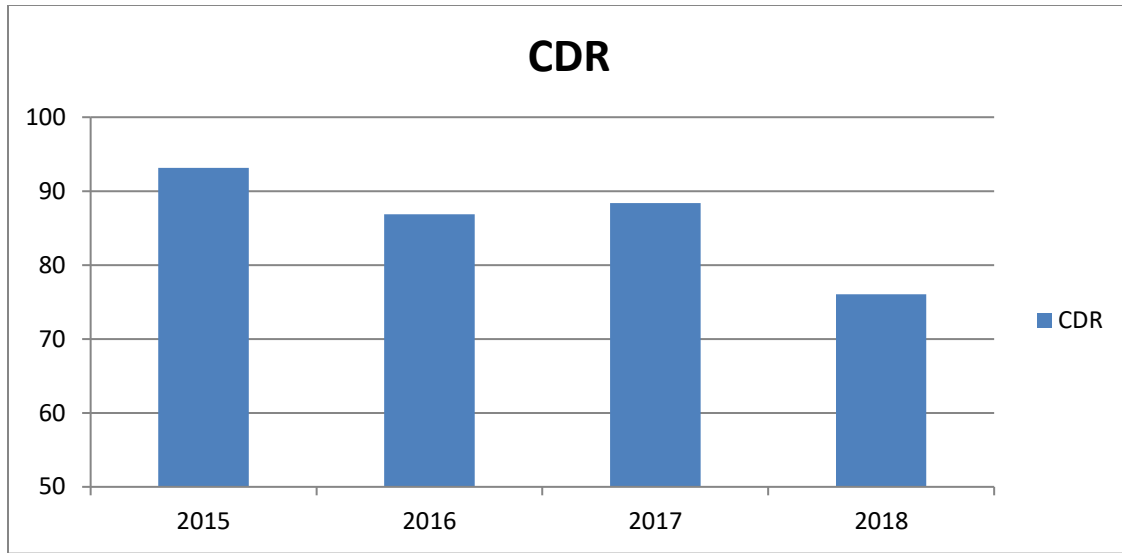
The analysis of financial performance for the last four years of SEBL bank limited is given below

4.1. Credit Deposit Ratio

This percentage is in what way considerable a array imparts available of the bonds it has mobilised. It directs in what way considerable of a array's core resources are being charity for lending, the main banking activity. The CDR of the SEBL bank in the last 4 years is given in the following graph.

Credit Deposit Ratio = (Total Loan and Advance / Total Deposit) * 100

(Amount in Millions)	2015	2016	2017	2018
Loans and Advances	116057	138848	160890	153589
Deposits	124574	159816	182053	201907
CDR	93.16	86.88	88.38	76.07



Graph: Credit Deposit Ratios

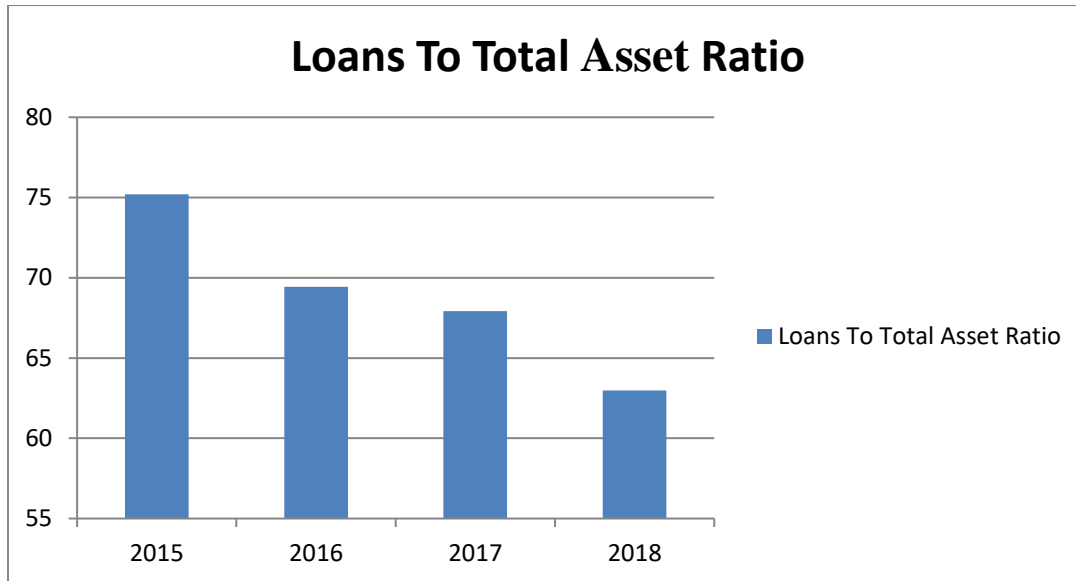
From the figure above it is found that in 2015 SEBLs credit deposit ratio was 93.16% and below 90% in 2016 & 2017. However, the trend of CDR of SEBL bank is quite steady in 2015 to 2017 but it turns a huge move in 2018 is at 76.07. Above 90.00% indicates liquidity crunch of the bank. Below 90.00% indicates its strong liquidity condition.

4.2 Loans To Total Asset Ratio

The loans to assets ratio measures the total loans excellent as a percentage as of total assets. The higher this ratio indicates a bank is loaned up and its liquidity is low. The higher the ratio, the more risky a bank may be to higher defaults.

Loans to Total Asset = (Loans/Total Asset)*100

(Amounts in Millions)	2015	2016	2017	2018
Loans	116057	138848	160890	153589
Total Asset	154342	199950	236833	243869
Loans to Total Asset	75.19	69.44	67.93	62.98



Graph: Loans to Total Asset Ratio

From the Figure above it is found that in 2015 SEBLs was in maximum 75.19% loan to total asset ratio . Year by year this bank try to reduce the percentage like in 2016 it was 69.44 and then in 2018 it was 62.98. This gave an downward inclination of the loans to total asset ratio and therefore a upward trend for liquidity .

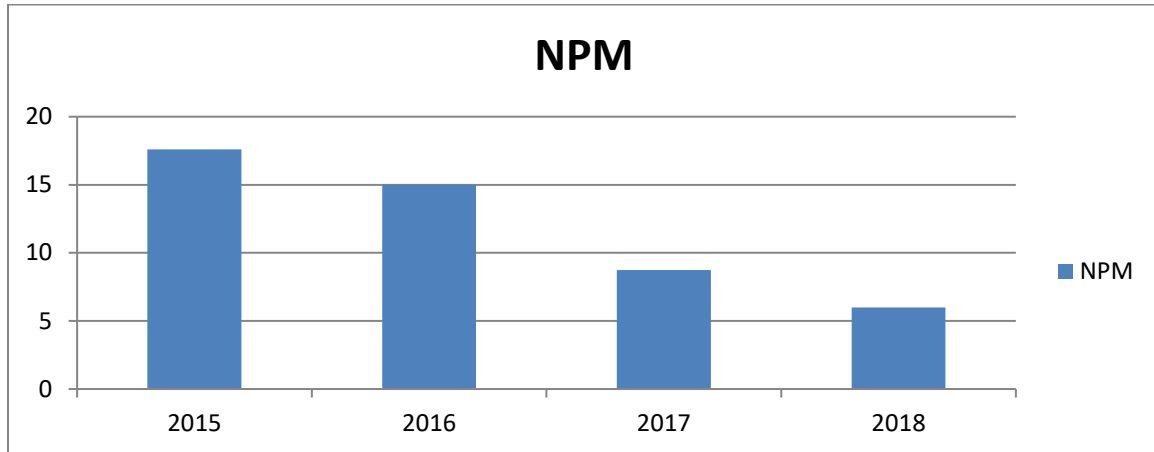
4.3 The Net Profit Margins

Clearly, the side is the section of income lasting after all functional expenses, interest, taxes and chosen routine dividends (but not public stock dividend) have been removed from a business's total income .It signifies the percentage of transactions that is absent over after all related overheads drink been familiar the four ages bank material as shadows :

$$\text{Net Profit Margin} = (\text{Net Profit After tax} / \text{Revenue}) * 100$$

(Amounts in Millions)	2015	2016	2017	2018

Net Profit After tax	3102	3634	2699	1829
Revenue	17620	24207	30902	30562
NPM	17.60%	15.01%	8.73%	5.98%



Graph: Net Profit Margins

The graph shows SEBL performance compared to previous years going downward . In 2015 NPM was 17.6% in 2016 it was 15.01% in 2017 it was 8.73% and in 2018it was 5.98%.The highest in 2015 with 17.6% growth. Net profit margin going down due to increase operating cost and some other .

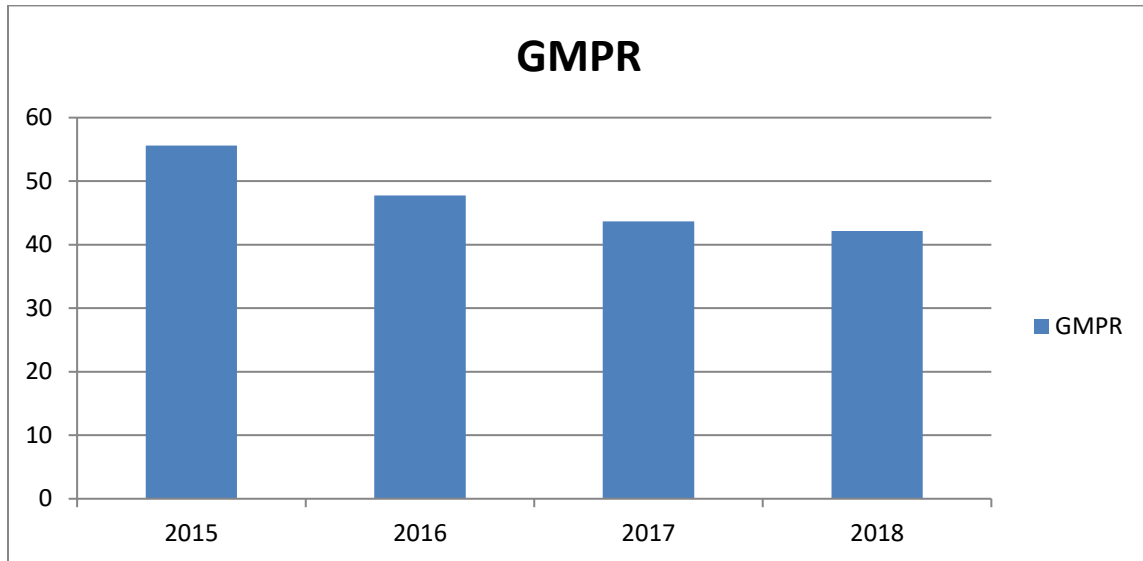
4.4 Gross profit margin Ratio

Gross profit margin ratio is the percentage of gross profit relative to the income earned during a time. Gross profit margin ratio is also known as gross margin and GP margin ratio . It is a accepted tool to estimate the prepared performance of the business.

Gross Profit Margin Ratio=< Math> \frac{\text{Gross profit (Revenue - Cost of goods sold)}}{\text{Revenue}} * 100

(Amounts in Millions)	2015	2016	2017	2018
Gross profit (Revenue-Cost of goods sold)	9795	11559	13492	12883

Revenue	17620	24207	30902	30562
Gross Profit Margin Ratio	55.59%	47.75%	43.66%	42.15%



Graph:Gross Profit Margin Ratios

normally a higher gross profit margin is attractive as it suggest a greater potential for earning larger profits . In case of southeast bank the trend of gross profit margin ratio going downward day by day . In 2015 it was 55.59% in 2016 it was 47.75% in 2017it decrease more 43.66% and 2018 it was 42.15% for achieving greater profit SEBL bank must need to think about to increase gross profit margin ratio.

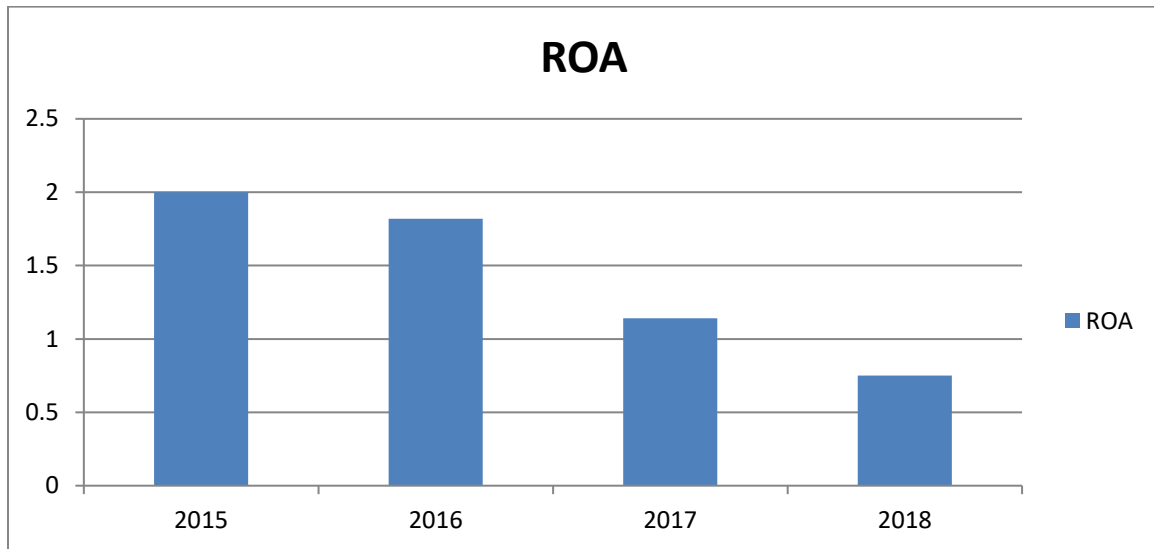
4.5 Return on Assets :

Arrival on resources is a commercialfraction that appearances the measurement of return a syndicategrosses in relative to its inclusiveassets. It is regularlydefinite as net salary dividend by full assets . Remainingsalary is consequent from the revenueannouncement of the syndicate and is the return aftar dues.

$$\text{Return on Aseets} = (\text{Net Profit Aftar Tax} / \text{Total Asset}) * 100$$

(Amounts in Millions)	2015	2016	2017	2018
Net profit after tax	3102	3634	2699	1829

Total Asset	154342	199950	236833	243869
ROA	2%	1.82%	1.14%	0.75%



Graph:Return on Assets

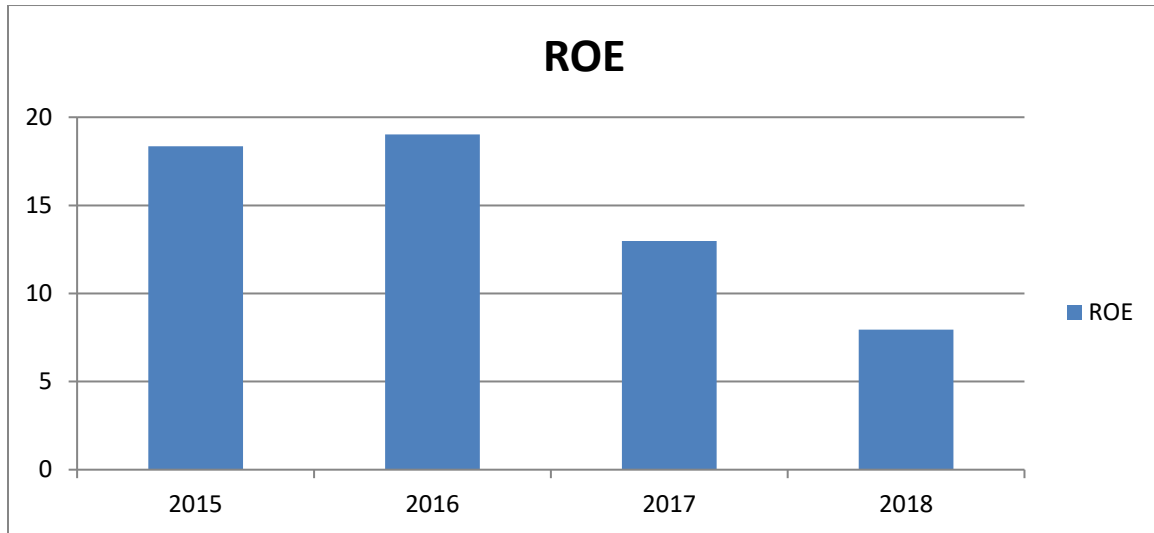
From the above graph it can be said that SEBL may loss its efficiency year by year . Form early 2015 to 2018 ROA decreasing day by day.2015 it was 2% and 2016 and 2017 it was 1.82% and 1.14% in 2018 it was .75% .

4.6 Return On Equity Analysis

Return on equity is the amount of net income returned as a percentage of shareholders equity. It is a strong measure of how well the organization of a company creates significance for its shareholders. The number can be misleading; however, as an raise value of ROE is at risk to measures and making the stock more risky.

$$\text{Return on Equity} = (\text{Net Profit after tax} / \text{Equity}) * 100$$

(Amounts in Millions)	2015	2016	2017	2018
Net profit after tax	3102	3634	2699	1829
Equity	16908	19095	20787	23030
ROE	18.35%	19.03%	12.98%	7.94%



Graph : Return of Equity

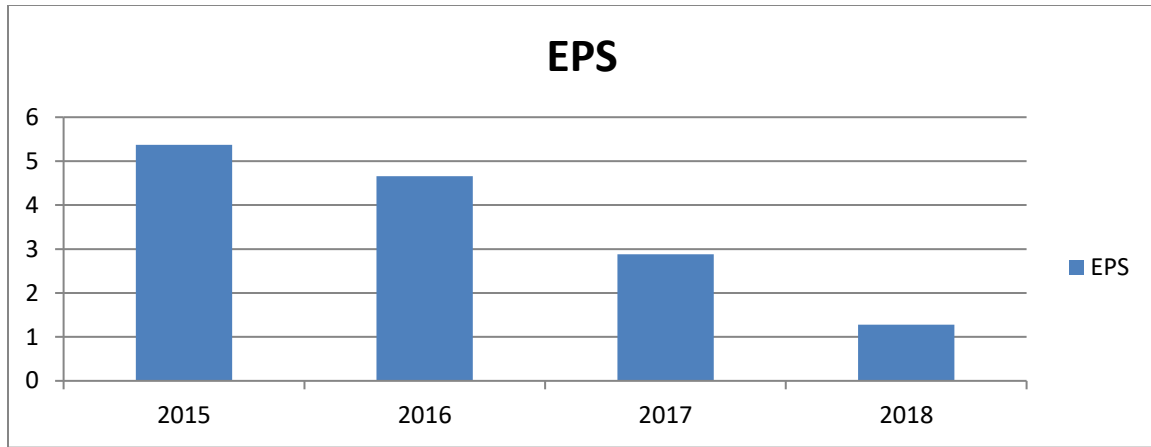
The information shows that SEBL ROE was Much higher in 2016 with then it fall in 2017 with 12.98% and in 2018 it was 7.94% and it was the lowest ROE of SEBL.

4.7 Earning Per Share

“Earnings per share is the portion of a company’s profit allocated to each outstanding share of common stock. Earning per share serves as an indicator of a company’s profitability. The EPS of the SEBL in the last 4 years are as follows:

Earning per Share=(profit-preferred Dividend)/Common Share Outstanding

(Amounts in Millions)	2015	2016	2017	2018
Profit	3102	3634	2699	1829
Common share outstanding	577.64	779.81	935.77	1029.35
EPS	5.37	4.66	2.88	1.78



Graph: Earning per share

The graph shows that the highest payout was made by SEBL in 2015 and after then it goes down its position in the market . In 2015 it was 5.37 and 2018 it was 1.78 .

Chapter: 5
Findings
Recommendations
and Conclusion

5.1 Findings

SEBL is one of the leading commercial private of Bangladesh. However, after doing the analysis I have come to identify some problems. On the basis of those factors I have found some problems of SEBL and those are given below-

- a) Low credit deposit rate found among last four years.
- b) SEBL net profit margin was good in 2015 . 17.60 , and from 2016 it decreasing year by year in 2018 it found 5.98%.
- c) Gross profit of SEBL is also going downward . From 2017 to 2018 it decreases 1.51%.
- d) An increasing trend of ROA indicates that the profitability of the company is improving .Conversely,a decreasing trend means that profitability is weakening. It is found that the ROA decreasing day by day, it was 2% in 2015 and .75% in 2018 because of its high percentage of idle asset and SEBLs high cost of fixed asset .
- e) Return On Equity is an important measure of the profitability of a company .Higher values are generally favorable meaning that the company is efficient in generating income on new investment. However . decreasing trend on ROE for investment decisions is not safe .
- f) As the ROA and ROE is less than last few years, the income is lower than the previous years. And lower income shows poor performance of the bank .
- g) SEBL shows downward ROE in last two consecutive years.

- h) Consecutively last four year SEBLs EPS are following decline trend. Which can be clear signal to investors that SEBL is in trouble and can lead to a decline in the stock price.

5.2. Recommendations

I hope following recommendations will help the bank to get release form its problems which can be short out by making simple changes . However it is not mandatory to take these suggestions but it could change its service quality and other financial position.

- a) If SEBL bank need to maintain the rating A, CDR shoud be 85.00% , so as a category bank as per central banking ranking SEBL has to maximize its CDR 8.93% in this year.
- b) SEBL banks need to increase its sales that mean it needs to increase its loan and advance. As well as it need to minimize its interest expense and other expense .
- c) However, decreasing the gross profit margin temporarily may be beneficial in the long run . If SEBL bank can decrease the cost loan . Then lower interest rate can attract new customers,which may eventually raise profit margins and,which also can raise profit margins in the future.
- d) SEBL need to use maximum level of its idle asset and try to minimize fixed asset cost. As well as SEBL need to find out the ways to increase revenues without increasing asset costs.
- e) SEBL must need to improve its operating efficiency due to improve its ROE.
- f) SEBL need to increase earnings and decrease expense or both for get back the positive trend of EPS.

- g)** Bank should try to increase its net income. For that reason bank should increase its deposits and give loan to earn more.
- h)** Competition is always present in competitive market. SEBL should extend their marketing efforts to popularize their unique product like retail credit.

5.3. Conclusion

Banks have been established in last few years and these banks have made banking sector very competitive. In this competitive world this sector has trenced its wings wide enough to cover any kind of financial services anywhere in this world. The major task for banks, to survive in this competitive environment is by managing its assets and liabilities in an efficient way according to the need of the market. Now the success of a bank totally depends upon the factors such as decision making, efficient and cordial services, Confidence, self-reliance, maximum use of resources and introduction of new financial products. Within a short period of time (more than 16 years) Southeast Bank Limited has shown a great improvement. In my internship period (three months) I have observed different departments of the bank but most of the time I have passed in Financial sector. Within a short duration of time it is not possible to properly work the entire department. However, I have tried to give my best effort to achieve the objectives for the internship program and found out some problems. The bank would grow more smoothly if the problems are solved that I identified. Finally, I want to say that Southeast Bank Limited (kazi Nazrul Islam Avenue Brunch)is always trying to provide its best service for its customer satisfaction. It is playing an important role in the banking and in payment system of Bangladesh. I wish the bank all success prosperity in their field.

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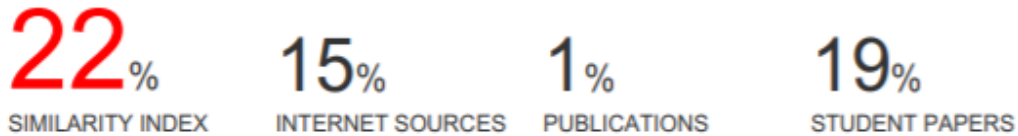
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