

An Internship Report
On
Performance Analysis of Southeast Bank Limited





An Internship Report On

Mr. Mahbub Parvez

Associate Professor

Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University (DIU)

Submitted By:

Rezwana Tasnim

MBA Program (Finance)

ID: 201-14-3115

Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University (DIU)

Date of Submission: 13 August, 2021

Letter of Transmittal

August 13, 2021

To

Mr. Mahbub Parvez

Associate Professor

Faculty of Business and Entrepreneurship

Daffodil International University

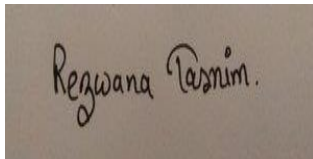
Subject: Submission of Internship Report on “**Performance Analysis of Southeast Bank Limited**”

Dear Sir,

With great respect, I'd like to notify you that my internship at Southeast Bank Limited (SEBL), Dhanmondi Branch, Dhaka-1230, has ended. A performance analysis of Southeast Bank was the subject of my Internship report. At the branch, I was assigned to the general banking department. For me, working in a bank is always an exhilarating experience. I've gained a lot of knowledge about banking. It will, I feel, assist me in advancing my career in the financial field.

I am grateful for this chance to express my heartfelt thanks for your important time and advice.

Sincerely Yours,



Rezwana Tasnim

MBA Program (Finance)

ID: 201-14-3115

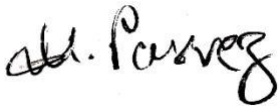
Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University (DIU)

CERTIFICATE OF APPROVAL

This is to certify that, **Rezwana Tasnim** ID #201-14-3115# has successfully completed her 'Internship Program' and prepared a report titled "**Performance Analysis of Southeast Bank Limited**" under my supervision for partial requirement to complete MBA program. She has successfully finished her internship under my direction and supervision. She has given it her all in order to effectively accomplish her allotted task.



Mr. Mahbub Parvez

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University (DIU)

Acknowledgment

At the outset, I'd want to express my sincere gratitude to Almighty Allah for providing me with this opportunity. I am ecstatic to have the opportunity to present my entrance position report. I would like to express my gratitude to a number of people for their assistance, cooperative collaboration, goal setting, and unwavering support, all of which have significantly contributed to my commonsense direction in the bank and learning about various financial faculties, as well as making preparations of the report.

First and foremost, I'd want to express my gratitude to my Almighty, who has blessed me with the ability to successfully complete my temporary employment report.

My temporary work director, Mr. Mahbub Parvez, was also thanked and praised for his illuminating advice, direction, and recommendations, which helped me tremendously to complete the report in a correct manner.

I'm also grateful to the director of South East Bank Ltd for providing me with sensible guidance in the bank so that I could grasp routine financial transactions in their Dhanmondi branch.

As a final note, I'd want to express my gratitude to all of the employees at South East Bank Ltd's Dhanmondi Branch, who made it possible for me to understand the mission.

Executive Summary

Worldwide, the way banks are measured has been rapidly altering due to deregulation of globalization and mechanical progress. Locally and internationally, the banking industry is facing increasing challenges today. To survive in today's highly competitive financial world, banks must develop a suitable budgeting framework and have verifiable skills in the area of human resource management. Southeast Bank Ltd., a second-generation business bank, established a milestone in Bangladesh's financial network. When it comes to product and service quality, the bank strives for the best.

In Dhanmondi Branch, Dhaka, I completed my internship with Southeast Bank Limited (SBL). It is dependent on the outside Exchange exercises of Southeast Bank for my temporary employment report. As a result, I've worked in a few divisions of that part of the business. As a result, I have divided the report into four sections, each of which is bursting with data.

Table of Contents

Contents	Page No.
Title Fly	i
Cover Page	ii
Letter of Transmittal	iii
Certificate of Approval	iv
Acknowledgment	v
Executive Summery	vi
Table of Contents	vii-viii
Chapter-1	
Introduction	
	01-05
1.1 Introduction	02
1.2 Derivation of the Report	02
1.3 Objectives of the Study	03
1.4 Scope of the study	03
1.5 Methodology of the Study	04
1.5.1 Data collection	04
1.6 Limitations of the examination	05
Chapter-2	
Overview of Southeast Bank Limited	
	06-12
2.1 Bank Profile	07
2.2 Organization at a glance	07-08
2.3 Objectives of SEBL	08
2.4 Vision of SEBL	08
2.5 Mission of SEBL	09
2.6 Goals of SEBL	09
2.7 Strategy of SEBL	09-10
2.8 Organization Structure of SEBL	10-11
2.9 SWOT analysis of SEBL	11-12

2.10 Financial Performance	12
Chapter-3	
Financial Performance Analysis	
3.1 Financial Statement	14
3.2 Ratio Analysis	14
3.3 Analyze of Financial Ratio	14
3.4 Financial Performance Analysis	15
3.4.1 Ratio Analysis & Interpretations	15-22
3.4.2 Common Size Analysis & Interpretations	22-24
3.4.3 Trend Analysis & Interpretations	25-27
Chapter-4	
Findings , Recommendations And Conclusions	
4.1 Problem Identifications	29
4.2 Recommendations	29
4.3 Conclusion	30
Bibliography	31

Chapter-1

Introduction

1.1 Introduction

Nearly every day, the banking industry expands its involvement in various financial information. Simultaneously, financial operations are growing faster and more efficient, and the banking sphere is expanding. Day by day, the desire for improved service grows. We may clearly deduce from the word "bank" that perhaps the financial institution works with cash. However, there are several sorts of banks, such as a federal reserve, a commercial bank, a savings bank, an investment bank, an industrial bank, and a cooperative bank, among others. Southeast Bank Ltd. is a commercial bank that will be discussed in this article.

Southeast Bank seems to have a rich and illustrious history. That is a second-generation bank that was founded in 1995 with both the goal of becoming Bangladesh's first bank and contributing considerably to the country's economy. As just a Public Limited Company, it was established on March 12, 1995. The Registry of Joint Stock Companies and Firms also granted a certificate of beginning of operation to the Bank on March 12, 1995. On March 23, 1995, Bangladesh Bank granted the bank a banking license. Mr. M. Saifur Rahman, Honorable Finance Minister, Government of the People's Republic of Bangladesh, was the principal guest at the opening of the Bank and its first branch at 1, Dilkusha Commercial Area, Dhaka, on May 25, 1995. The bank's authorized capital is Taka 2, 500 million. As of December 31, 2005, the company's paid-up capital and reserve were Tk. 2236.84 million. As of December 31, 2005, the Bank employed 913 people, including 76 managers, 683 executives, and 154 other employees.

The Bank is run by a group of capable experts. In the Bank, there is a healthy organizational environment that fosters feelings of dignity, trustworthiness, accountability, and openness among its employees, resulting in constant monitoring of their performance. The Bank's philosophy of ensuring a pleasant work environment has also allowed employees to better benchmark themselves against management standards. Their identity is defined by a dedication to quality and service excellence.

1.2 Derivation of the Report

Except in the case that it is completely backed by occurrences on the ground, no data is completely comprehensive. Whatever the concept of theoretical knowledge is, this isn't achieved without practical difficulties on the ground. This assertion is consistently expressed in the Business Administration test, where on-the-ground expertise is valued as a major activity.

Every Business Administration student is organized with a unique blend of practical and theoretical ideas. I was assigned to seek for after Internship in Southeast Bank Limited,

Dhanmondi Branch, and Dhaka-1230 after completing the MBA to meet the essentials of this Degree.

I've done my best to make the most of this chance to enhance my record-keeping skills. I've arranged this to provide insights into the cause for my insights and awareness pertaining to the issue after thoroughly watching.

1.3 Objectives of the Study:-

The Financial Performance of Southeast Bank Ltd was the focus of my internship. I want to gain some practical understanding about Financial Performance activities by achieving the objectives stated below.

The following are the study's objectives:

- The major objective of the report is to create a comprehensive analysis of financial performances of Southeast Bank Ltd.

Specific Objectives:

1. To know the current financial position of South East Bank Ltd.
2. To know the five years' financial performance of SEBL by calculating and analyzing different types of ratio, common size & trend analysis
3. To identify the complications related to financial performance of SEBL.
4. To suggest some conceivable recommendations to overcome the problem

1.4 Scope of the study

This report was created based on information gathered during the entry-level position. Which will serve as the foundation for this report; I've also gathered data from other segments and parts of the bank. I used Southeast Bank Limited's yearly record from 2016/2017/2018/2019/2020 to provide numerical measures. The pieces of information may be divided into two categories, which are shown below.

Essential Sources: Primary information of data assumes are those data what we get from the Practical experiences.

- Work in various divisions under general banking
- Discussion with the workers and supervisor.
- Direct discussion with client

Optional Sources: Secondary wellsprings of information means are these information what we grow from the promptly available. For example, given under:

- Annual reports of southeast bank
- Monthly Reports
- Published Documents
- Relevant books, diaries related with general banking

1.5 Methodology of the Study

The research is exploratory research in nature.

1.5.1 Data collection

From subject selection to a specific report presentation, the investigation necessitates a methodical approach. The visual approach was used in this investigation to gather pieces of knowledge & comprehension about SEBL's monetary display. To carry out the study, information sources were identified and acquired, and important focuses were discovered. They were then organized, broken down, decoded, and shown in a foundational style. This is the basic technique process that was used in the research, which is listed below.

Sources of data:

The information utilized to create this study was gathered from both primary and secondary sources.

Primary Sources:

- Discussion with representatives of SEBL.
- Face to face conversation with the respective officer of the branch
- Exposure on the different desk of the bank
- Person to person conversation with customers.

Secondary Sources:

- The web site of SEBL (<http://www.SEBLbd.com/>).
- SEBL Annual report 2016-2020.
- Product brochure of SEBL.
- Lanka Bd (<http://lankabd.com>)

- Data Analysis:**
- Data analysis & report writing

1.6 Limitations of the examination

There were some limitations in completing the report with rich resources. Some of the crucial Limitations are-

1. A multi-year period of time is insufficient to uncover all of the financial activities of each branch.
2. In addition, a single workstation cannot be used to evaluate the financial structure.
3. It is quite difficult to acquire all of the true data from varied work force in order to meet their action need.
4. For example, banks have a policy of avoiding disclosing personal information or data.
5. Only a few of exercises could be seen because several financial sectors were not covered in everyone's courses.
6. As a result of scant evidence, assumptions were occasionally accepted. A few mistakes are possible due to this.

Chapter-2

Overview of Southeast Bank Limited

2.1 Bank Profile

Southeast Bank Limited is a private commercial bank that was established under the Bank Company Act of 1991 and became a Public Limited Company on March 12, 1995, it under Companies Act of 1994. On May 25, 1995, the Bank began conducting cash exercises. Despite its limited capacity to focus time, the Bank has been successful in establishing itself as an advanced and powerful revenue organization in the country. The bank was widely praised more by business community, from small businesses to big suppliers and mechanical companies, including top-of-the-line corporate borrowers, because of its forward-thinking business viewpoint and creative budgetary strategies. As a result, in such a short amount of time, it has been able to establish a strong reputation and credibility as both a Bank with Vision in the state's cash management sector.

It has grown rapidly as one of the forerunners of the new generation banks in the private sector in terms of business and efficiency, as seen by expenditure patterns during the last 14 years.

2.2 Organization at a glance

FEATURES	VALUES
Name	Southeast Bank Limited
Genesis	Southeast Bank Limited was established in 1995 with a dream and a vision to become a pioneer banking institution of the country and contribute significantly to the growth of the national economy. The Bank was established by leading business personalities and eminent industrialists of the country with stakes in various segments of the national economy. The incumbent Chairman of the Bank is Mr. Alamgir Kabir, FCA, a professional Chartered Accountant. Southeast Bank is run by a team of efficient professionals. They create and generate an environment of trust and discipline that encourages and motivates everyone in the Bank to work together for achieving the objectives of the Bank.
Registered Address	Euros Trade Centre, 52-53, Dilkusha C/A (Level 2,3,4,6 & 16), Dhaka-1000, Bangladesh.
Legal Status	Public Limited Company
Chairman	Alamgir Kabir, FCA

Managing Director	M. Kamal Hossain
Company Secretary	Muhammad Shahjahan
Date of Incorporation	12 March 1995
Company Registration No	C-27985 (1831)/95
Authorized Capital	BDT 6.00 billion
Paid up Capital	BDT 5.50 billion
Number of Employees	2,616
Phone	+88 02 9571115, 9576415, 9555466 & 9578324
Fax	+88 02 9550093, 9550094 & 9550086
SWIFT	SEBDBDDHXXX
Website	www.southeastbank.com.bd
E-mail	info@southeastbank.com.bd

Sources: https://www.jb.com.bd/about_us/bank_at_a_glance

2.3 Objectives of SEBL

- Wide-ranging investments.
- Meet capital adequacy.
- Satisfies work force.
- Focus on income of fee-base.
- Appropriate management technology revision.

2.4 Vision of SEBL

The initial concept is adopted by the most important bosses and executives of any organization with the actual goal of agreeing on a solid battle, which is attained through time. To carry on cause for mounting a whole mission, a powerful viewpoint is examined. As a result, the vision clarity is essential. It is utilized to achieve their long-term goals. With there plan is to continue as an inventor while maintaining a cash affiliation and contributing to the nationwide spending plan. As a pioneering fundraising organization, it contributes vociferously to the home market.

2.5 Mission of SEBL

A company mission will assist us in translating our vision into reality and will serve as the foundation for our needs, processes, strategies, and work tasks. Southeast Bank seems particularly concerned with its fundamental aim, which must be revealed by the supervision and resolved via the statement of purpose. The bank's goal is stated as follows:

- Create incredible techniques to provide excellent financial management.
- Client service that is quick and exact.
- Their strategic plan was well-balanced.
- Maintain another exclusive assumption of business morality & keep a good working condition.
- Protect the investor's worth and arrival.
- The innovative financial structure at an affordable price.
- Deep promise for society and the national economy's development.
- Have a desirable and high-quality human resource.

SEBL is particularly concerned about their work since, in addition to the mission description, numerous assessments amongst chiefs will be exposed.

2.6 Goals of SEBL

- Establishes itself as the most popular commercial bank.
- Provides the highest degree of client satisfaction.
- Increases the value of shareholders' investments as well as maximizes profits.

2.7 Strategy of SEBL

- SEBL keeps track of the major selling results with clients.
- Provide prompt and professional service to every customer, depositors, and borrowers.
- Deal including all customers in such a transparent and cost-effective way.
- Offer the client free advice.
- Respond promptly to consumer complaints.
- Offers all depositors a highly competitive return on their money.

SEBL follows the following principles in dealing with Shareholders

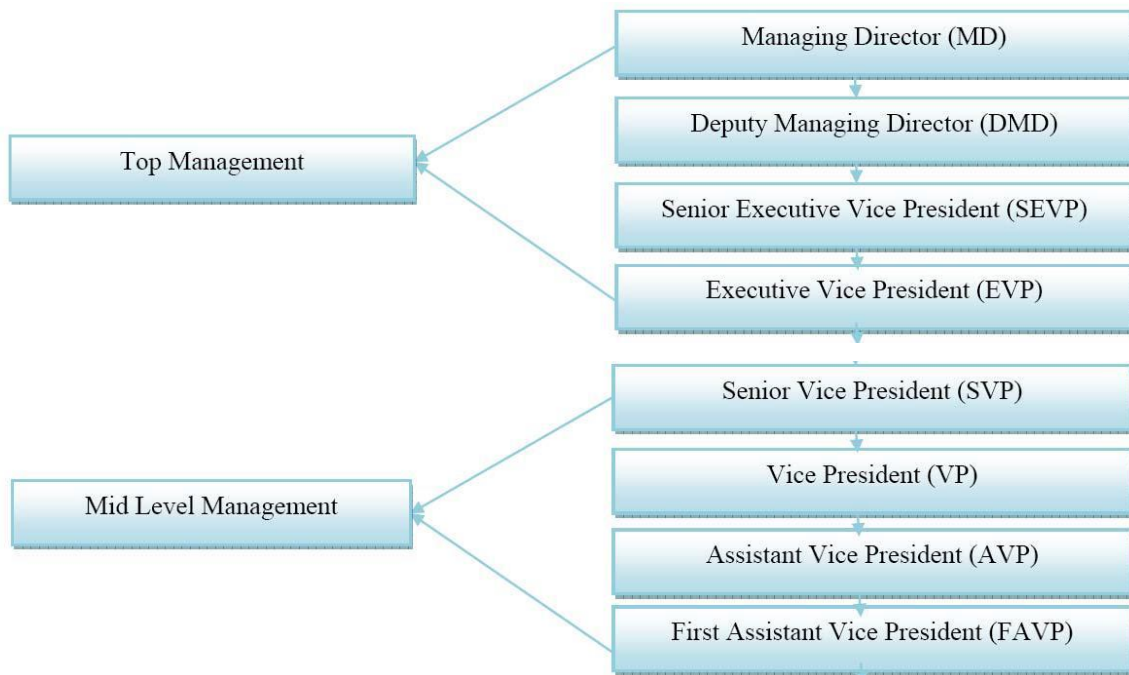
- Confession of joint evidence that aided them in making appropriate investment decisions.
- A fair portion has been programmed, as well as recompense for deserving surplus.
- Stakeholder interactions and a recommendation tool for the future.

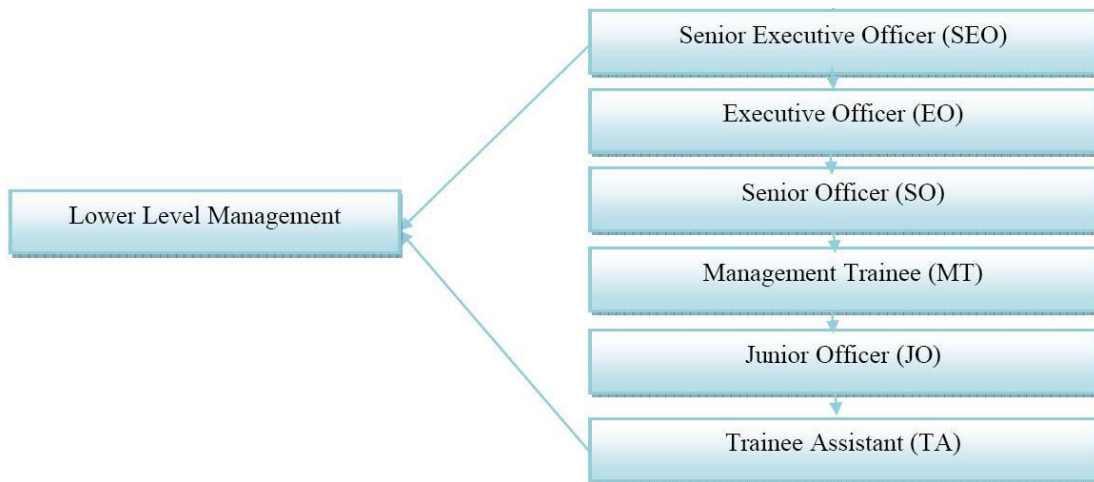
SEBL track the ensuing in production with their official

- Having a hazy authority.
- Adherence to the manager's requirements on a timely basis.
- SEBL works with the supervisors to keep an eye upon on following items throughout assembly.
- Has a culture of adhering to regulatory regulations in a timely manner.
- SEBL places a high importance on their recommendations and orders.

2.8 Organization Structure of SEBL

Throughout the panel, there are approximately 14 ranks. I had them hooked on three slices. Top management, mid-level management, and lower level management are all available. The structure of the organization is as follows:





2.9 SWOT ANALYSIS OF SEBL

This following table can also be used to quickly view above that the factors.

SWOT analysis, or assessing a company's resource strengths and weaknesses as well as opportunities and threats, gave a good summary of whether a company's business situation is genuinely healthy or unhealthy. The core premise of SWOT analysis is also that strategy-making activities should attempt to produce a good match between a business's resource capabilities as well as its external environment. To comprehend or anticipate the essentials of a firm, a keen awareness of its resources and capabilities and weaknesses, market possibilities, and external risks to its prospective well-being is required. To comprehend or forecast Southeast Bank Limited's fundamentals. I'm going to do a SWOT analysis on Southeast Bank Limited right now.

Strength

- It's all about Customer Loyalty.
- As a private bank, SEBL has the largest number of branches in the country.
- Behaves in a friendly manner toward the employer.
- Attractive cohesion.
- Appropriate employer direction.
- The employer is capable of doing any task under duress.
- If an employee has an issue, top management (AVP, VP) is aware of it.

Weakness

- SEBL still not in online operation.
- SEBL does not have enough ATM booth.

Opportunity

- Numerous depositors have contributed funds.
- SBEL is rated well by Bangladesh Bank.

Threat

- The introduction of new banks that pay higher interest rates on deposits.
- Bank introduces a brand-new product
- New foreign bank's arrival
- Situations in the political sphere

The bank's potential is usually determined by its Strengths and Opportunities. SEBL also has certain weaknesses and threats, but they are actively taking steps to eliminate them. SEBL began automating their everyday banking operations, and the majority of its branches are now ready to go digital. There are a number of ATMs that SEBL has set up at several strategic sites. For fear of such a new bank, SEBL currently offers the very same interest rate on deposits that the new banks do as a deterrent. New products launched by SEBL will assist it competing with new banks and attract new customers. This means that SEBL has a lot of room for growth, both in terms of strengths and weaknesses. SEBL has already taken steps to mitigate its weaknesses and external threats.

2.10 Financial Performance

Business distresses or syndicates are exacerbated by lending competence, which is proportional to chance from time-to-time.

The Relationship between Structures and Profits

- Calm certification is the first step.
- Quick-Treatment Methods
- Various sub-division financing services are available.
- The shopper's single and universal frontier talent

Eligibility for participation

- The sponsorship of a practical, professional item
- The eruption of practicability
- Lists of papers based on funding requirements
- Fees and charges

Chapter-3

Financial Performance Analysis

3.1 Financial Statements

Financial statements are documentation from the past. They provide a summary of what has occurred during a given time period. As a result, the majority of people who read financial accounts are anxious about what may happen in the future. Besides creditors and investors, financial parameters described in this report are also of critical importance to management. A first benefit is that they serve as a gauge of how much the firm and its organizational units are doing. An earlier chapter explored using some of these ratios in a balanced scorecard method. There are two basic financial statements:

- a) The income statement and
- b) The balance sheet.

Balance sheet

As indicated by the balance sheet, the company's financial condition at a specific moment in time. Still pictures can be obtained from it. In a balance sheet, total assets are equal to total liabilities plus owner equity.

Income statement

In the income statement, you can see how the business has fared over time. When reviewing a company's revenues and costs over just a period of time, the income statement concludes with the net income for the period.

3.2 Ratio Analysis

Ratio analysis evaluates a number of factors, including liquidity and operational efficiency, and may also be often used predict future ratio performance.

3.3 Analyze of Financial Ratio

Analyzing financial ratios is one of the most popular methods of evaluating a company sector. In addition, these ratios are straightforward to grasp and compute. It may be used to a variety of organizations and sectors as well. Financial statement accounts, shareholders, internal company, and creditors may be better understood with the aid of this tool.

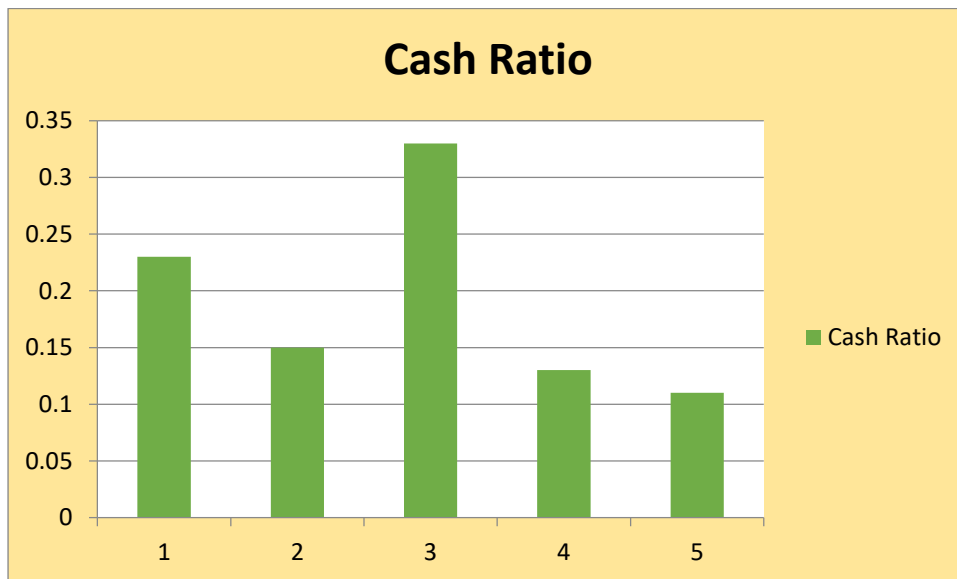
3.4 Financial Performance Analysis (Ratio Analysis)

❖ **Cash Ratio**

❖ When referring to a company's ability to repay short-term debt commitments with cash and cash equivalents, the cash ratio, or cash asset ratio, is a liquidity indicator.

❖ Cash Ratio : Cash or Cash equivalents/ Current liabilities

Particular	2016	2017	2018	2019	2020
Cash Ratio	0.23	0.15	0.33	0.13	0.11



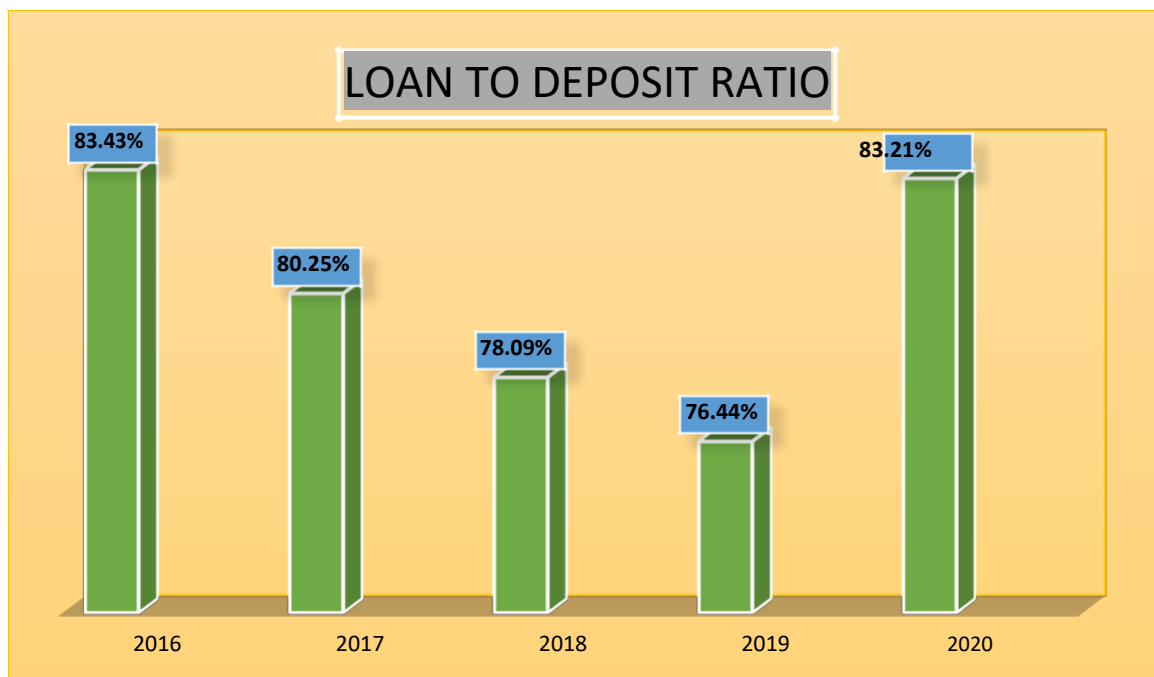
Interpretation: The cash ratio or cash coverage ratio is a liquidity ratio that measures a firm's ability to pay off its current liabilities with only cash and cash equivalents. The condition of cash ratio of this company is better in 2018 as this year they have the most cash to meet current liability. In 2020 the ratio was decreased & it was 0.11, because of pandemic situation.

❖ **Loan to Deposit Ratio**

❖ As a result, the loan-to-deposit ratio is the ratio of total bank loans divided by total bank deposits. A bank's capacity to repay depositors' withdrawals by depending on loans as a source of liquidity can be gauged by the Loan to Deposit Ratio.

❖ Loan Deposit Ratio: $\frac{\text{Total Number of Bank Loans}}{\text{Total funds raised by the bank}}$

Particular	2016	2017	2018	2019	2020
Loan to Deposit Ratio	83.43%	80.25%	78.09%	76.44%	83.21%



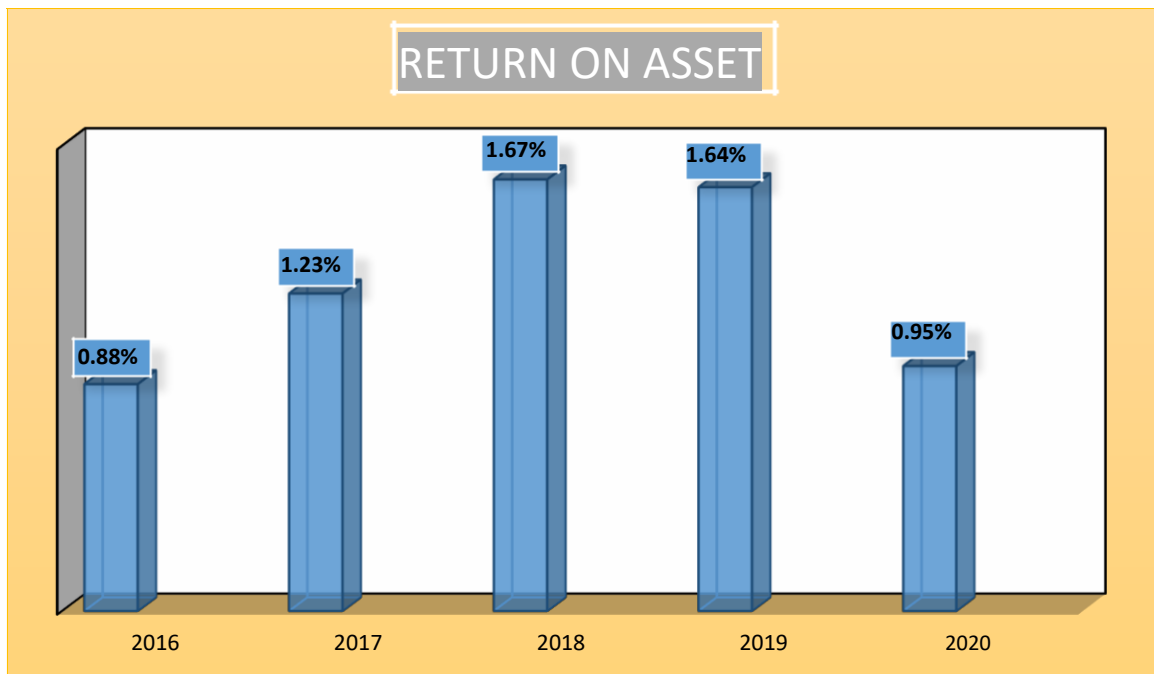
Interpretation: This ratio indicates us how much money the bank has on hand in terms of loans and deposits. SEBL grew by 83.43 percent in 2016 and 78.09 percent in 2018. In other words, SEBL's loan to deposit ratio is steadily increasing, and the bank's growth rate is also encouraging.

❖ **Return on Asset**

❖ Calculating return on assets is as simple as multiplying net income by the total average assets of a business. In the end, it is converted into a percentage. Net profit can be originated at the bottom of a company's income statement, and assets are found on its balance sheet.

❖ Return on Asset: $\frac{\text{Net income}}{\text{Total Assets}}$

Particular	2016	2017	2018	2019	2020
ROA	0.88%	1.23%	1.67%	1.64%	0.95%



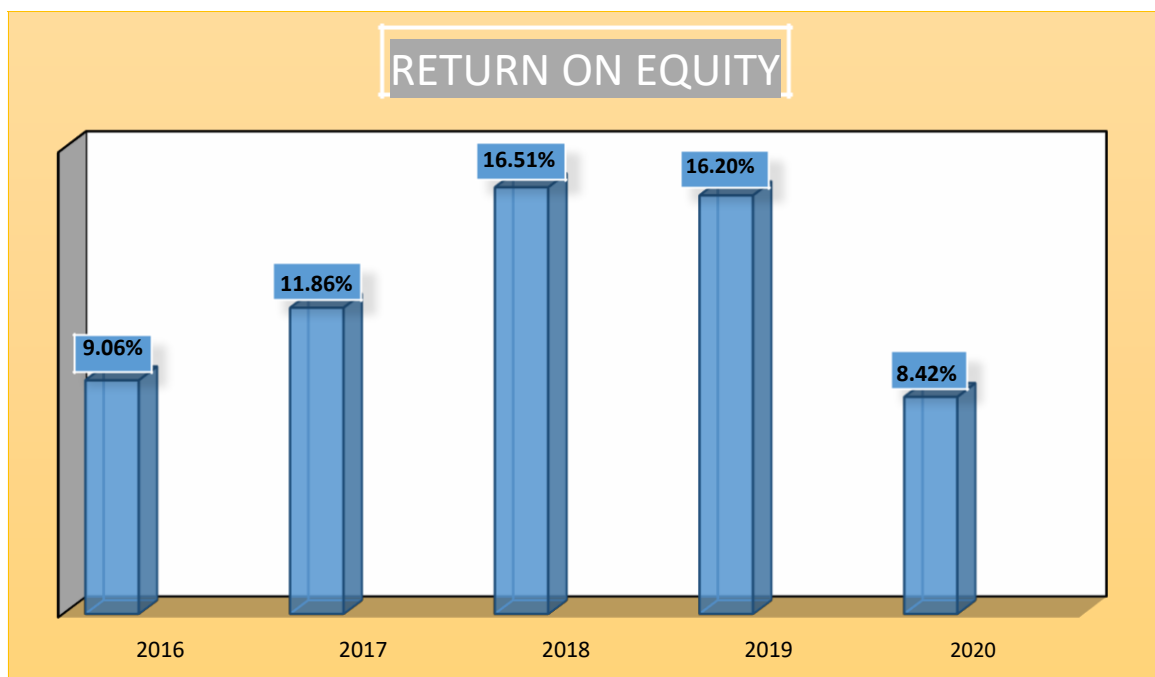
Interpretation: Return on Asset means that a company makes the best use of its assets in order to maximize profit at a higher level. Because the return on asset in 2016 was higher than in previous years, the current return on asset is low. The company is unable to make good use of its asset. After 2016, ROA is expected to improve in 2020. As a result, the epidemic is a favorable indicator.

❖ **Return on Equity**

❖ The return on equity (ROE) ratio expresses how much profit the corporation can earn from your money.

❖ ROE Ratio = Net Income/ Shareholder's Equity.

Particular	2016	2017	2018	2019	2020
ROE	9.06%	11.86%	16.51%	16.20%	8.42%



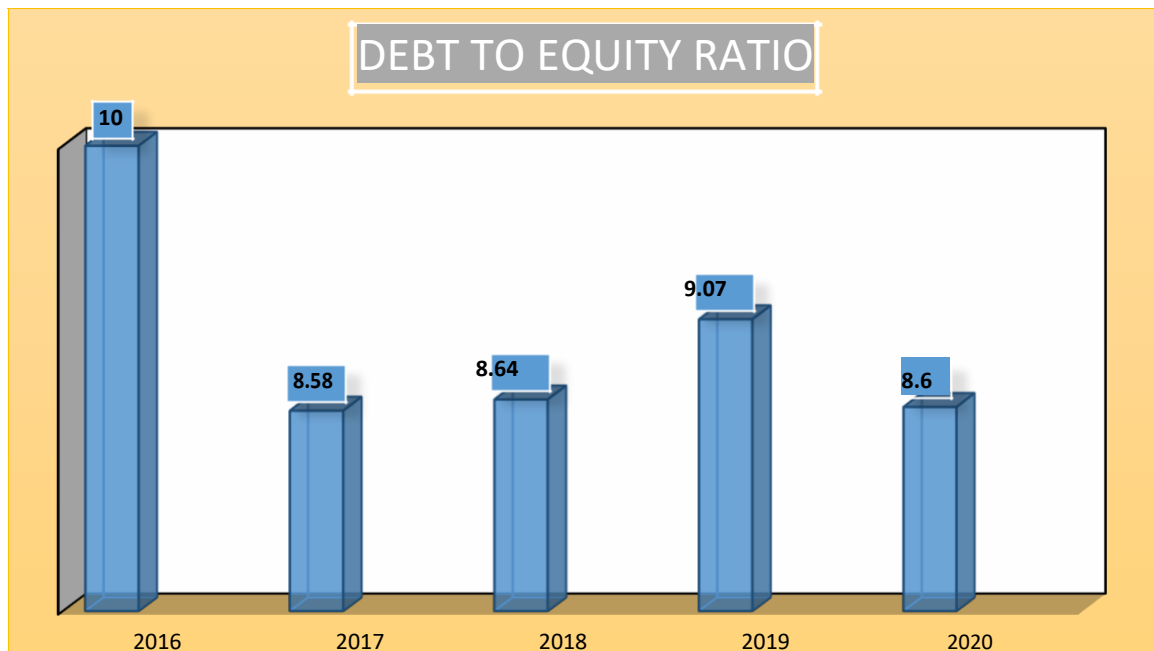
Interpretation: The return on equity in 2016 is higher than in previous years. Return on equity is expected to be 8.42 percent in 2020, down from 16.20 percent in 2019. This indicates that in the recent era, the firm has been unable to acquire capital by utilizing its stockholders.

❖ **Debt to Equity Ratio**

❖ A company's financial leverage is measured using the debt-to-equity (D/E) ratio, which is computed by dividing the total liabilities by the total shareholder equity.

❖ Debt to Equity= Total Liabilities / Total Shareholders' Equity

Particular	2016	2017	2018	2019	2020
Debt to Equity Ratio	10.00	8.58	8.64	9.07	8.60



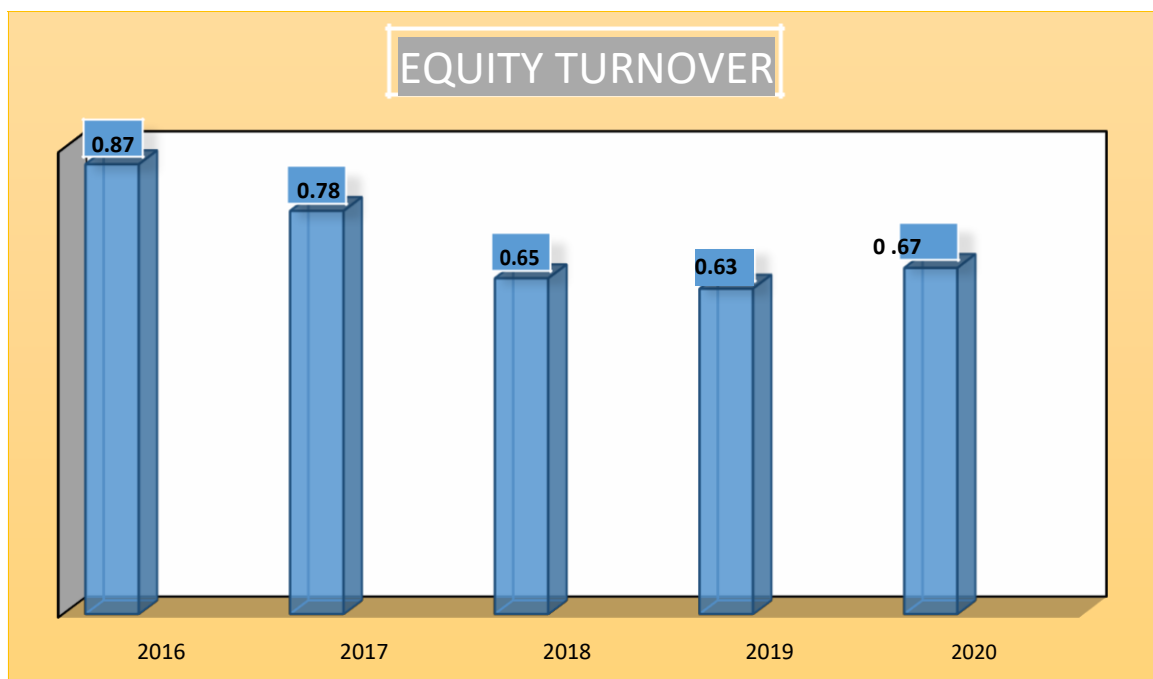
Interpretation: In certain cases, a high debt-to-equity ratio has resulted in a high level of risk. In 2016, the Southeast took a greater risk than in previous years. The ratio was 8.58, 8.64, and 8.60 in 2017, 2018, and 2020, respectively. After 2016, the debt-to-equity ratio in 2019 was greater than the previous year.

❖ **Equity Turnover**

❖ Equity turnover is the ratio between the net sales of a company and average equity a company holds over a period of time; this helps in deciding whether the company is creating enough revenues to make sure it worth for the shareholders to hold the equity of the company. It is used to determine if a firm generates enough income to justify the shareholders' investment in its stock.

❖ Equity Turnover Formula = Net Sales / Average Shareholders' Equity

Particular	2016	2017	2018	2019	2020
Equity Turnover	0.87	0.78	0.65	0.63	0.67



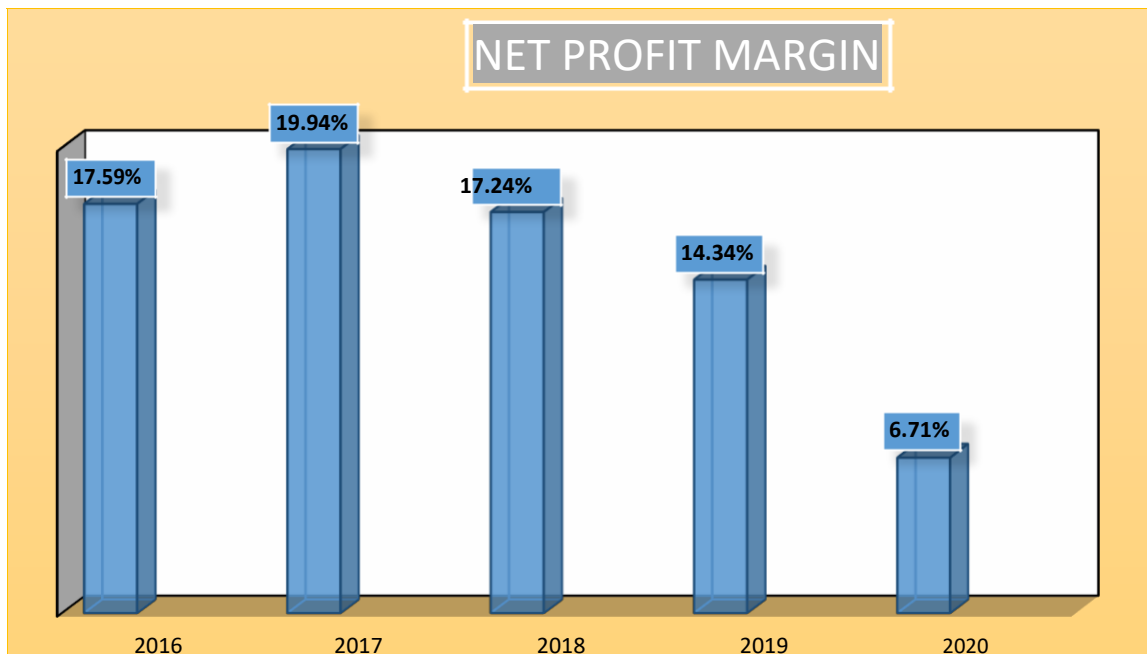
Interpretation: It demonstrates how a corporation may use its shareholders' assets to generate total equity. When share turnover rises, the company's performance improves. As a result, the performance of the 2016 year is better than previous years.

❖ **Net Profit Margin**

❖ A company's net profit margin, often known as the net margin, indicates how much net income or profit is made as a percent of sales / revenue.

❖ $\text{Net Profit Margin} = \text{Net Profit} / \text{Revenue}$

Particular	2016	2017	2018	2019	2020
Net Profit Margin	17.59%	19.94%	17.24%	14.34%	6.71%

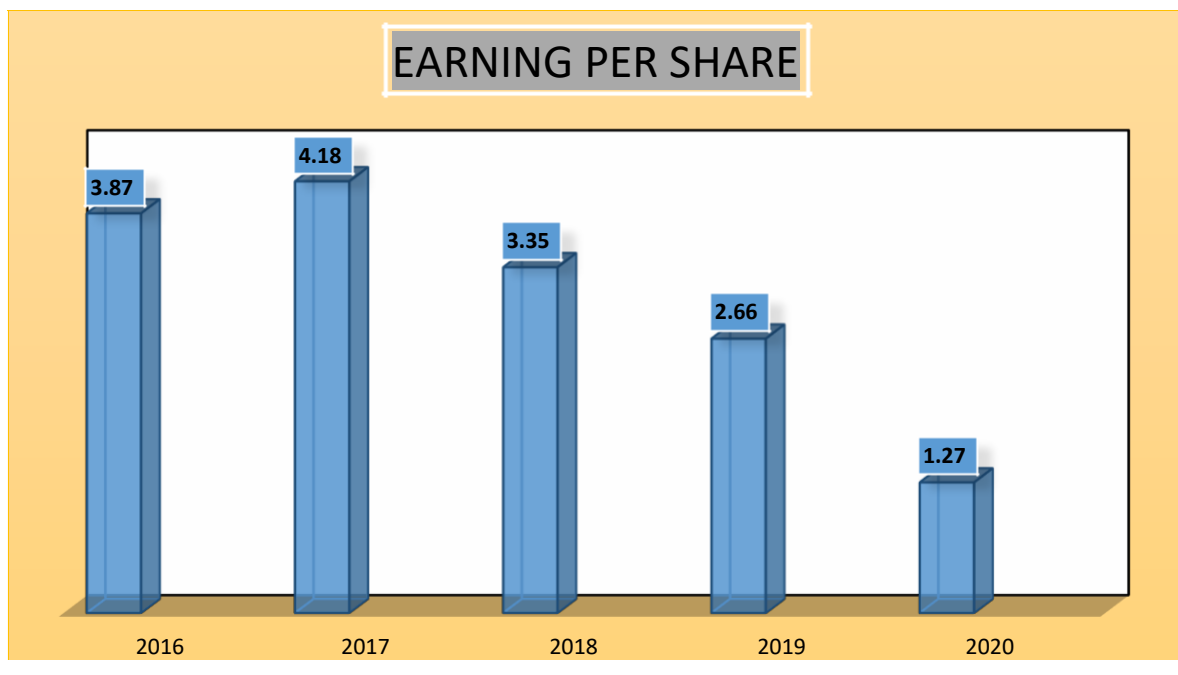


Interpretation: It reveals that SEBL's net profit margin rate in 2016 was 17.59 percent, while the rate in 2020 was 6.71 percent. As a result, SEBL's overseas remittances are steadily improving, and the bank's growth rate is likewise satisfactory. 2017 was a fantastic year. However, the company's recent performance has been poor.

❖ **Earnings per Share**

- ❖ A company's profit is divided by the number of outstanding shares of its common stock to get at its earnings per share (EPS).
- ❖ $EPS = (\text{net income} - \text{preferred dividends}) / \text{average outstanding common shares}$

Particular	2016	2017	2018	2019	2020
EPS	3.87	4.18	3.35	2.66	1.27



Interpretation: Earnings per share of the company Total earnings of a company divided by the number of shares issued. SEBL's earnings per share (EPS) declined from 2017 to 2020. 2016, however, was an improvement over 2017, but by 2020, the EPS will decline. In other words, the company isn't performing as well as it should.

3.5 Common Size Analysis:

This is the relative magnitude of each line item in an examination of the financial statement. It may also be used to analyze trends. Analysts can use this approach to view financial statements in terms of their compositions. To calculate a common-size percentage, divide the amount by the base amount and multiply by 100. Keep in mind that total assets are used as the basis for the balance sheet, and net sales are used as the basis for the income statement. Gross and operational margins are calculated using a common size analysis. According on these measures, investors and finance managers can make forecasts about future revenues.

Common Size Analysis of SEBL:

Southeast Bank Limited
Balance Sheet
As on December 31,2016-2020

Particular	2016	2017	2018	2019	2020
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)	0.83%	0.89%	0.94%	0.87%	0.75%
Balance with Bangladesh Bank	5.28%	5.30%	4.70%	4.49%	3.86%
Balance with other banks and financial institutions	0.00%	0.00%	0.00%	0.00%	0.00%
In Bangladesh	0.98%	0.94%	1.04%	1.32%	0.45%
Outside Bangladesh	0.41%	0.32%	0.64%	0.45%	0.55%
Money at call and on short notice	1.46%	1.07%	1.81%	1.12%	0.47%
Investments	0.00%	0.00%	0.00%	0.00%	0.00%
Government	18.61%	14.80%	13.36%	14.78%	17.89%
Others	2.55%	3.74%	3.84%	3.53%	2.98%
Loans, cash credit, overdrafts/investments	62.60%	65.92%	66.93%	66.01%	66.14%
Bills purchased and discounted	3.15%	3.14%	3.22%	4.26%	3.12%
Fixed assets including premises, furniture and fixtures	3.07%	2.75%	2.45%	2.21%	2.09%
Other assets	1.06%	1.13%	1.08%	0.97%	1.71%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities					
Borrowing from other banks, financial institutions and agents					
Other borrowings	2.95%	3.44%	3.39%	3.74%	4.34%
Subordinated bond	3.20%	2.50%	3.57%	2.78%	3.12%
Deposits and accounts	0.00%	0.00%	0.00%	0.00%	0.00%
Current/Al-wadeeah current accounts and other accounts	12.12%	12.00%	12.25%	13.17%	15.35%
Bills payable	2.62%	1.67%	1.36%	1.12%	0.90%
Savings bank/Mudaraba saving bank deposits	7.88%	8.08%	8.25%	8.30%	8.74%
Fixed deposits/Mudaraba fixed deposits	69.41%	69.45%	68.43%	67.27%	57.55%
Total Deposit	92.03%	91.20%	90.28%	89.86%	82.54%
Other liabilities	7.97%	8.80%	9.72%	10.14%	10.00%
Total liabilities	100.00%	100.00%	100.00%	100.00%	100.00%
Capital/Shareholders equity					
Paid up capital	34.57%	36.64%	37.50%	38.03%	40.03%
Statutory reserve	34.57%	36.65%	35.90%	35.97%	38.99%
Revaluation reserve	17.96%	18.12%	15.51%	13.93%	15.73%
Other reserve	0.93%	0.99%	0.88%	0.81%	0.83%
Foreign currency translation reserve	-0.09%	-0.06%	-0.10%	-0.03%	-0.01%
Retained earnings	12.05%	10.86%	10.31%	11.29%	4.43%
Total Shareholders equity	100.00%	100.00%	100.00%	100.00%	100.00%

Interpretation: An analysis method used by financial managers to examine financial accounts is common size analysis, also known as vertical analysis (Balance sheet & Income statement). A percentage of the base amount for the period is used to assess financial statements. As a consequence of this research, it is possible to better comprehend the financial statement and its influence on the resultant number.

Southeast Bank Limited

Income Statement

As on December 31,2016-2020

Particular	2016	2017	2018	2019	2020
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Operating Income					
Interest income/profit on investment	98.98%	85.48%	145.76%	168.94%	149.72%
Interest paid/profit shared on deposits and borrowings etc.	74.45%	65.69%	114.15%	141.55%	133.02%
Net interest income/net profit on investments	24.54%	19.79%	31.61%	27.39%	16.70%
Investment income	29.62%	27.37%	31.18%	34.03%	45.42%
Commission exchange and brokerage	16.93%	17.01%	22.21%	24.83%	23.79%
Other operating income	3.86%	4.28%	5.95%	6.34%	6.74%
Total operating income (A)	74.95%	68.45%	90.95%	92.59%	92.66%
Salaries and allowances	10.16%	9.06%	12.32%	14.00%	13.90%
Rent, taxes, insurance, electricity etc.	4.67%	4.42%	6.27%	6.97%	5.91%
Legal expenses	0.00%	0.01%	0.01%	0.01%	0.01%
Postage, stamp, telecommunication etc.	0.97%	0.87%	1.11%	1.12%	1.10%
Stationery, printing, advertisements etc.	0.77%	0.73%	1.01%	1.07%	1.06%
Managing Directors salary and fees	0.07%	0.05%	0.06%	0.07%	0.07%
Directors fees and expanses	0.02%	0.02%	0.02%	0.02%	0.02%
Auditors fees	0.01%	0.01%	0.01%	0.01%	0.01%
Depreciation and repair of banks assets	2.35%	2.24%	2.90%	3.44%	5.29%
Other expanses	6.34%	6.53%	7.78%	8.08%	9.67%
Total operating expenses (B)	25.36%	23.93%	31.48%	34.79%	37.05%
Profit before provision (C=A-B)	49.59%	44.52%	59.47%	57.79%	55.61%
General provision	5.19%	4.96%	-0.72%	2.11%	28.25%
Specific provision	13.77%	18.58%	30.24%	27.38%	5.57%
Provision for off-balance sheet items	1.46%	1.40%	-1.36%	-2.50%	0.80%
Provision for diminution value of investments	-2.35%	-1.07%	2.51%	2.06%	-0.79%
Other provisions	0.67%	0.10%	0.43%	0.42%	0.54%
Total provision (D)	18.74%	23.97%	31.09%	29.46%	34.37%
Total profit before taxation (C-D)	30.85%	20.54%	28.38%	28.34%	21.23%
Provision for taxation	16.65%	14.80%	13.35%	12.20%	6.77%
Net profit after taxation	14.20%	5.74%	15.03%	16.14%	14.46%

Interpretation: In net interest income 2020 was better than another year that was 14.46% which was higher than another year. In 2019 Brokerage Commission was 24.83% which was better than the next 4 years. Total operating income was higher in 2020 that was 92.66%. In 2017 it was 68.45% which was lowest among the years. In 2016, 2018, 2019 it was 74.95%, 90.95%, 92.59%. Profit before the provision in 2016-2020 it was 49.59%, 44.52%, 59.47%, 57.79%, 55.61%. As like as profit before provision, profit before tax was 30.85% in 2016 which was the highest profit compared with other years. At last in comprehensive income or loss, 2019 is better than another year. This was not worthy for the company.

Trend Analysis of SEBL:

Southeast Bank Limited

Balance Sheet

As on December 31,2016-2020

Particular	2016	2017	2018	2019	2020
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)	100.00%	123.78%	147.94%	150.66%	142.82%
Balance with Bangladesh Bank	100.00%	116.65%	116.32%	123.06%	116.58%
Balance with other banks and financial institutions					
In Bangladesh	100.00%	111.78%	139.32%	194.70%	73.73%
Outside Bangladesh	100.00%	91.36%	206.70%	160.63%	215.21%
Money at call and on short notice	100.00%	85.31%	161.47%	110.96%	51.71%
Investments					
Government	100.00%	92.46%	93.85%	114.94%	153.27%
Others	100.00%	170.97%	197.08%	200.49%	186.33%
Loans, cash credit, overdrafts/investments	100.00%	122.44%	139.82%	152.61%	168.48%
Bills purchased and discounted	100.00%	115.81%	133.33%	195.52%	157.53%
Fixed assets including premises, furniture and fixtures	100.00%	104.19%	104.36%	104.32%	108.58%
Other assets	100.00%	123.67%	132.52%	131.69%	256.44%
Total assets	100.00%	116.27%	130.77%	144.73%	159.46%
Liabilities					
Borrowing from other banks, financial institutions and agents					
Other borrowings	100.00%	138.12%	152.09%	185.87%	256.36%
Subordinated bond	100.00%	92.50%	147.50%	127.50%	170.00%
Deposits and accounts					
Current/Al-wadeeah current accounts and other accounts	100.00%	117.26%	133.64%	159.35%	220.74%
Bills payable	100.00%	75.34%	68.63%	62.53%	60.17%
Savings bank/Mudaraba saving bank deposits	100.00%	121.30%	138.37%	154.40%	193.20%
Fixed deposits/Mudaraba fixed deposits	100.00%	118.48%	130.37%	142.11%	144.54%
Total Deposit	100.00%	117.33%	129.73%	143.17%	156.34%
Other liabilities	100.00%	130.75%	161.16%	186.48%	218.61%
Total liabilities	100.00%	118.40%	132.23%	146.62%	174.31%
Capital/Shareholders equity					
Paid up capital	100.00%	100.00%	115.00%	126.50%	129.66%
Statutory reserve	100.00%	100.00%	110.08%	119.62%	126.29%
Revaluation reserve	100.00%	95.18%	91.54%	89.18%	98.08%
Other reserve	100.00%	100.00%	100.00%	100.00%	100.00%
Foreign currency translation reserve	100.00%	57.83%	118.28%	35.91%	7.81%
Retained earnings	100.00%	84.97%	90.65%	107.71%	41.15%
Total Shareholders equity	100.00%	94.34%	106.01%	114.99%	111.99%
Non-controlling interest	100.00%	100.50%	100.70%	100.70%	102.00%
Total liabilities and Shareholders equity	100.00%	116.27%	96.50%	144.73%	159.46%
Acceptances and endorsements	100.00%	130.41%	145.74%	110.49%	116.60%
Letters of guarantee	100.00%	105.09%	126.68%	110.69%	113.13%
Irrevocable letters of credit	100.00%	134.41%	110.62%	84.96%	113.06%
Bills to collection	100.00%	127.12%	138.33%	160.27%	176.10%
Other contingent liabilities	100.00%	118.29%	95.86%	98.61%	130.99%
Other Commitments	100.00%	30.00%	0.00%	0.00%	0.00%
Total off-balance sheet items including	100.00%	125.10%	127.74%	108.11%	121.79%

Interpretation: Trend analysis evaluates an organization's financial information over a period of time. Periods may be measured in months, quarters, or year, depending on the circumstances. The goal is to calculate and analyze the amount change and percent change from one period to the next. In total asset 2019 was better to compare with other years. The base year (2016) was 100% & in 2019 it was 150.66% growth. Other year growth also increased compared with the base year but not more than in 2019. In shareholders' Equity 2019 was better to compare with a base year. On the other hand, other years Growth was increased compared with the base year. In current liabilities, 2020 was in very risky position compare with other years. The base year (2016) was 100% & in 2020 it was 59.46% increased other years liabilities also increased compared with the base year but not more than in 2020.

Southeast Bank Limited

Income Statement

As on December 31, 2016-2020

Particular	2016	2017	2018	2019	2020
Operating Income					
Interest income/profit on investment	100.00%	102.52%	141.28%	154.72%	131.10%
Interest paid/profit shared on deposits and borrowings etc.	100.00%	104.76%	147.10%	172.36%	154.87%
Net interest income/net profit on investments	100.00%	95.73%	123.60%	101.18%	58.98%
Investment income	100.00%	109.67%	100.99%	104.12%	132.90%
Commission exchange and brokerage	100.00%	119.29%	125.83%	132.95%	121.81%
Other operating income	100.00%	131.57%	147.82%	148.68%	151.23%
Total operating income (A)	100.00%	108.41%	116.41%	111.97%	107.14%
Salaries and allowances	100.00%	105.89%	116.37%	124.91%	118.63%
Rent, taxes, insurance, electricity etc.	100.00%	112.29%	128.78%	135.24%	109.60%
Legal expenses	100.00%	305.00%	216.67%	333.33%	265.00%
Postage, stamp, telecommunication etc.	100.00%	105.87%	109.55%	104.87%	98.65%
Stationery, printing, advertisements etc.	100.00%	113.10%	125.27%	125.35%	118.88%
Managing Directors salary and fees	100.00%	83.88%	84.13%	92.48%	86.97%
Directors fees and expenses	100.00%	130.24%	100.69%	119.24%	92.44%
Auditors fees	100.00%	119.38%	115.63%	118.75%	116.25%
Depreciation and repair of banks assets	100.00%	112.83%	118.01%	132.47%	194.92%
Other expenses	100.00%	122.18%	117.75%	115.48%	132.20%
Total operating expenses (B)	100.00%	111.99%	119.08%	124.34%	126.60%
Profit before provision (C=A-B)	100.00%	106.57%	115.05%	105.64%	97.19%
General provision	100.00%	113.55%	-13.39%	36.88%	471.70%
Specific provision	100.00%	160.16%	210.69%	180.22%	35.05%
Provision for off-balance sheet items	100.00%	114.43%	-89.70%	-155.95%	47.76%
Provision for diminution value of investments	100.00%	53.82%	-102.34%	-79.19%	29.00%
Other provisions	100.00%	17.28%	60.48%	56.16%	69.95%
Total provision (D)	100.00%	151.91%	159.20%	142.52%	159.02%
Total profit before taxation (C-D)	100.00%	79.05%	88.24%	83.25%	59.65%
Provision for taxation	100.00%	105.53%	76.88%	66.39%	35.26%
Net profit after taxation	100.00%	47.99%	101.57%	103.02%	88.26%

Interpretation: This company's net interest income every year were low growth compared with base year without 2019. In total operating income growth was gradually increase and decrease compared with a base year. Profit before tax was decreased in year 2017 to 2020 which was the very bad condition compared with the base year. In total comprehensive income was decreased in every year which was the very bad condition compared with the base year. It was a bad sign for the company.

Chapter-4

Findings, Recommendations and Conclusions

4.1 Problems Identified:

The findings are as follows-

1. SEBL's cash ratio has been decreasing since 2016 but, In 2018 it was higher than the other years. Considering the liquidity of the bank, it's critical and needs to be addressed.
2. The banks return on assets (ROA) has been decreasing since 2016, but 2017-2019 it was doing better. On the other hand, the condition of 2020 was bad.
3. SEBL's return to equity ratio is increasing in every year from 2016 to 2019, but decrease in 2020. That means the company can't gain capital by using their shareholder's in recent period.
4. The Banks total equity turnover is decreasing in every year. Since equity Turnover ratio is often used as an indicator of the efficiency, the bank should take care of it.
5. Net profit margin is decreasing every year from 2016 to 2020.
6. Earnings per Share of the bank have been decreasing from 2019. In 2020 it was fluctuate a lot.

4.2 Recommendations for SEBL:

Because I just have three months of job experience, it's tough for me to make recommendations, and it would be bold of me to make advice to others who have more knowledge and skill than I have. The organization could, however, improve in a few sectors:

1. Since SEBL's cash ratio has been decreasing and bank facing liquidity problem. In this setting, they take proper steps to manage the liquidity of the bank.
2. The bank should concentrate on the use of its assets in the coming years with the goal that all assets turnover will be increased.
3. Return on assets is the pointer how bank utilize its assets to make returns. The bank needs to focus on increment of ROA.
4. The Bank's net profit margin needs to enhance for sustainability. It's diminishing every year from 2016 to 2020. As net interest margin one of the real indicators of a bank's performance.
5. The bank should concentrate on Cash to Assets with the goal that it will increment.
6. As Return of Equity of the bank has been decreasing 2020. So bank should focus on how to increase the return for its shareholders.

4.3 Conclusion

Southeast Bank Restricted has performed admirably in a few segments, if the financial rundowns and the extents are separated. We get the sense that the present obligations are larger than the current assets if we look at the close-up of the fiscal record. Underground creepy crawly it fluctuated throughout time, as a result of the near to paying verbalization in general. As far as remuneration for hard labor and net profit, they were simply expanded regularly. We know that the venture was in the declining example, but the liabilities were in an increasing example because of the usual size comparison assessment of advantage report items. Fixed assets grew over time whereas cash, the most liquid asset, decreased in value over time. There were excessively large and persistent operating expenditures in the average size pay clarification that resulted in a gradual decline in net advantage. Most of the bank's valuable events were covered by SEBL's enhanced liquidity limits. According to its advantage position, Net revenue, Profit for Resources and Profit for Value were not exceptional and the bank's example was fading. We can observe the scope of the EPS in the graph below. Suffice it to say that SEBL should try their best to maintain their effect extents, since all of them demonstrate that they have a very high impact and, hence, a higher risk. Other than that, they need to raise their capitalization ratio since a large impact may be associated with more risk, and it also reveals the bank's financial weakness. Finally, it might be said that SEBL's general execution was satisfactory.

BIBLIOGRAPHY

1. www.southeastbank.com.bd
2. https://www.southeastbank.com.bd/five_years_performance
3. https://www.southeastbank.com.bd/documents/sbl_annual_report/
4. <https://www.southeastbank.com.bd/>
5. https://www.southeastbank.com.bd/documents/sbl_annual_report/
6. https://www.southeastbank.com.bd/five_years_performance
7. <https://www.bb.org.bd/>
8. <https://www.papercamp.com/>
9. <https://financedocbox.com/>
10. <https://www.investopedia.com/>
11. <http://sharepdfonline.com/>
12. <https://howtoexportimport.com/>
13. <http://www.bbawouldwide.com/>
14. <http://www.southeastbank.com.bd>

