

INTERNSHIP REPORT
ON
INVESTMENT MANAGEMENT OF SOUTHEAST BANK LTD

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Date of Submission: September 12, 2022

Letter of Transmittal

September 12, 2022

To

Assistant Professor Nurul Mohammed Zayed

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

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

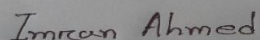
Dear Sir,

I am delighted to submit my report on "Analysis of Investment Southeast Bank Limited " This report is based on three (03) months of work experience at "Southeast Bank Limited." I did my best to make it as worthwhile as possible. Despite the time constraints and extensive knowledge, I have done my best to represent it in the best way possible. Please accept my heartfelt apologies for any misrepresentation.

Please contact me if you have any questions about this report. I hope you will give your honest opinion on the matter and help me out.

Thank you

Sincerely yours



.....
(Imran Ahmed)

Id: 182-11-639

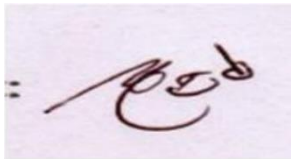
Major in Finance

Department of Business Administration

Daffodil International University

Approval Certificate

Imran Ahmed, ID 182-11-639, a regular student at Daffodil International University (DIU), can vouch for completing the internship report under my supervision, as evidenced by this letter. His main area of study is finance. "Analysis of Investment of Southeast Bank Limited" is the title of his report. After carefully reading the report, I made observed was among the best-written report with every effort to finish the report. There, he has been permitted to permit. I believe that he will be able to advance his professional career with the help of this curriculum. I hope he has a beautiful life.



.....
(Nurul Mohammed Zayed)

Assistant Professor

Department of Business Administration

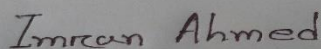
Faculty of Business & Economics

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Student's Declaration

Imran Ahmed, ID 182-11-639, a BBA student, at this moment certifies that I prepared the Internship Program report titled "Analysis of Investment of Southeast Bank Limited" under the guidance of Assistant Professor Nurul Mohammed Zayed of Daffodil International University (DIU) after a three-month internship at the Southeast Bank Limited Ashulia Bazar Branch.

I certify that the given report is original and that no part, or the complete part, of this report has ever been submitted to any institution for any degree or other purpose.



.....
(Imran Ahmed)

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Major in Finance

Bachelor of Business Administration (BBA)

Department of Business Administration

Daffodil International University

Acknowledgment

My internship at Southeast Bank Limited is now over (Ashulia Bazar Branch). I received warm cooperation from every employee of the Bank during this process. Without a few folks, I wouldn't be able to write my internship report.

First and foremost, I want to thank Allah, the Almighty, for providing me with the stamina and talent to create a wholesome and attractive report. The placement committee organized this event of educated value for me, and I would want to thank them for it. I hope this will enable me to advance in my efforts to meet the challenge with Allah. Assistant Professor at Daffodil International University was Nurul Mohammed Zayed (DIU) for their insightful counsel and direction when I was writing my report. He gave me the confidence and freedom to choose the subject, which motivated me to work impromptu.

I express my sincere gratitude to Assistant Vice President, Head of Branch (SEBL) Sheikh Ariful Islam, and other SBL personnel who helped me out sincerely and freely with their time. Even during busy work, they were always very kind in responding to my questions and explaining things. Lastly, if there are any errors in my abstract or printing, please accept my heartfelt apologies to the readers.

Executive Summary

The report's various aspects are displayed in the first chapter, including an Introduction, Origin of The Report, Objectives, Methodology, and Limitations of the study.

The second chapter contains various vital data about SEBL. This chapter provides the Bank's background, mission, vision, special features, product line, organogram, and other necessary information.

The third chapter is a review of the literature. I discussed SEBL's investment management policy, department, objectives, strategies, and importance in this chapter.

The fourth chapter is the most significant. Chapter 4 discusses SEBL's investment management analysis and performance and the Bank's current investment position. There is a detailed description of their investment products so that their management strategy can be better understood.

Before concluding, I offer recommendations for the Bank's improvement in the final chapter.

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Chapter-1

Introduction

1.1 Introduction

As the third most central component of the economy, Bangladesh's banking system plays a crucial role in the country's economy. A financial institution is vital in today's advanced society. It plays a significant role in developing a country's economy and is a remarkable platform for its currency market. It has taken on a significant role in fostering our economic structure in a non-industrial country like Bangladesh. The main goal of banking is to collect extra funds and transfer them to the unit with a cash need. Investment management of Southeast Bank Ltd.: An analysis of the Ashulia Bazar Branch is the focus of my report. Therefore, my main focus is on the credit risk that SEBL executives take to contribute to the overall benefit of the Bank. Advance and advanced speculation exercises play a significant role in banks, especially in the parts of banks. The Bank has made swift, significant adjustments over the long term and has accomplished a lot. Notably, the Bank established numerous branches over Bangladesh. The three-month internship aimed to acquire the specialized knowledge and judgment needed to become an effective financial executive or banker. From April 4, 2022, to July 4, 2022, I was assigned to Southeast Bank Ltd.'s Ashulia Bazar Branch to expand my understanding.

1.2 Background of the Study

The internship program, a crucial component of the BBA degree, is how this report was created. A student in this degree must complete 126 credits overall, with 3 credits as internship requirements. I'm required to participate in a three-month internship program at "Southeast Bank Limited." This will offer my theoretical research a more practical perspective. After the program, I must defend my internship report and submit it to the department. As a result, this report was created to fulfill a BBA degree course requirement. Nurul Mohammed Zayed, an assistant professor in the Department of Business Administration at Daffodil International University, assigned this assignment on "Investment management of Southeast Bank Limited."

1.3 Origin of the Study

This report was started as a course requirement for the BBA degree at Daffodil International University's staff of business investigations. Each understudy in our specialty should complete a 90-day temporary position program as part of this curriculum. Since a practical orientation is a requirement for the BBA program, Daffodil International University sent me to participate in actual bank operations from April 4, 2022, to July 4, 2022.

1.4 Rationale of the Study

To satisfy the internship program's requirements. I was assigned to the branch at Ashulia Bazar Branch by Southeast Bank Ltd.'s Human Resources Division (HRD). I talked with the course instructor, and we decided on the overall subject of the report. "Investment management activities of Southeast Bank Ltd." is the subject of my report.

1.5 Objectives of the study

- **Board Objective**

The study's main objective is to analyze

“Investment management of Southeast Bank Ltd.

- **Specific Objectives**

The following sub-objectives have been carried out to fulfill this specific goal:

- 1) To pinpoint SEBL's investment management procedure.
- 2) To examine SBL's investment Performance.
- 3) To determine SEBL's sector-wise Investment
- 4) To derive few findings and offer suggestions for solutions.

1.6 Methodology of the Study

A crucial component of the study is its methodology. It is constructed in a way that corresponds to accomplishing the study's goals. It involves creating samples, obtaining data from different sources, gathering, analyzing, etc. A preliminary study was conducted. The technique for this study was observation and the occasional conversation with bank executives. Beyond the internship, I spoke with a range of bank customers. The internship has been discussed with the Bank's top management to provide additional clarity. Along with the internship, Southeast Bank Limited's numerous papers have also been helpful.

Secondary Sources:

- (i) Southeast Bank Ltd.'s Annual Reports (2016-2020)
- (ii) The Southeast Bank Ltd.'s files and folders
- (iii) Memos and Circulars from Southeast Bank Ltd.
- (iv) A daily journal I keep myself, detailing my practical tasks,
- (v) Several Bank publications
- (vi) websites.

1.7 Limitations of the study:

There are several restrictions listed below:

- Coronavirus is one of the critical issues. Due to the Coronavirus, I could not work at the Bank every day, and I had to be there three days a week. Therefore, there is a time constraint.
- A three-month time limit on the collection of information was another restriction.
- A shortage of pertinent books and journals.
- The branch is too busy for the survey to be conducted using a questionnaire.
- Inadequacies in the data needed for the investigation.
- The staff at SEBL are so busy with their important work that they seldom have time to talk to anyone.

A vast spectrum of management information systems exists. However, there isn't even a dedicated MIS division inside the branch. Due to the limited material, I could not concentrate on MIS practices in local banks.

Chapter-2

Company Profile

2.1 Profile of SEBL

A rapid second-generation bank is Southeast Bank Ltd. Since its founding in 1995, SEBL has been doing numerous banking jobs at a consistent growth rate. The Bank's philosophy, "A Bank with Version," demonstrates its validity, dependability, and mental fortitude to keep up with overall power and advancement.

2.2 Outline of Southeast Bank Ltd.

Name	Southeast Bank Ltd
Head office	Eunos Trade center, 52-53 Dilkusha C/A
Date of incorporation	March 12
Principal Activity	Commercial Banking
Number of Branches	133
Chairman	Mr.Alamgir Kabir Chowdhury
Telephone No.	(8802)9550081,9567271-2
Website	www.southeastbank.com.bd

2.3 History of SEBL

Southeast Bank Limited was established under the Bank Company Act, 1991, and consolidated as a public Ltd organization under the Organizations Act, 1994, on March 12, 1995. It is one of the significant business banks in the private sector. On May 25, 1995, the Bank started offering commercial banking services. In this short time, it successfully established itself as a reform-minded and active financial institution in the nation. From small business owners to large exchanges business and mechanical combinations, including the top corporate borrowers, the business community had generally awakened the Bank. These borrowers were compelled to start their initial exchange development of work and their activities.

The public authority of Bangladesh has granted SEBL permission to operate as a scheduled business bank in the private sector by the plan for the development of banking and monetary administrations and offices in Bangladesh. The Bank of its operation made astonishing progress and met the capital sufficiency requirement of Bangladesh Bank in a concise period—at most 20 years. As can be seen from the financial summary over the last 25 years, it has been rapidly growing as one of the leaders of the new era of banks in the private sector of business and benefit.

The Bank tries to carry out its fair share of civic duties, and the Bank hopes to expand and raise shareholders' earnings per share through such actions. Southeast Bank Ltd. commits to maximizing client satisfaction through services and fostering long-lasting customer trust relationships.

2.3.1 Vision of SEBL

In any firm, managers and executives must concur on the fundamental vision of the long-term goal. Additionally, a clear vision offers a better foundation for encouraging a detailed Mission justification. Therefore, it's crucial for every business that wants to advance quickly to establish a vision statement. Southeast Bank also established its vision statement to achieve its lengthy goal and target. Its goal is to distinguish itself as a leading banking institution in Bangladesh and significantly contribute to the national economy.

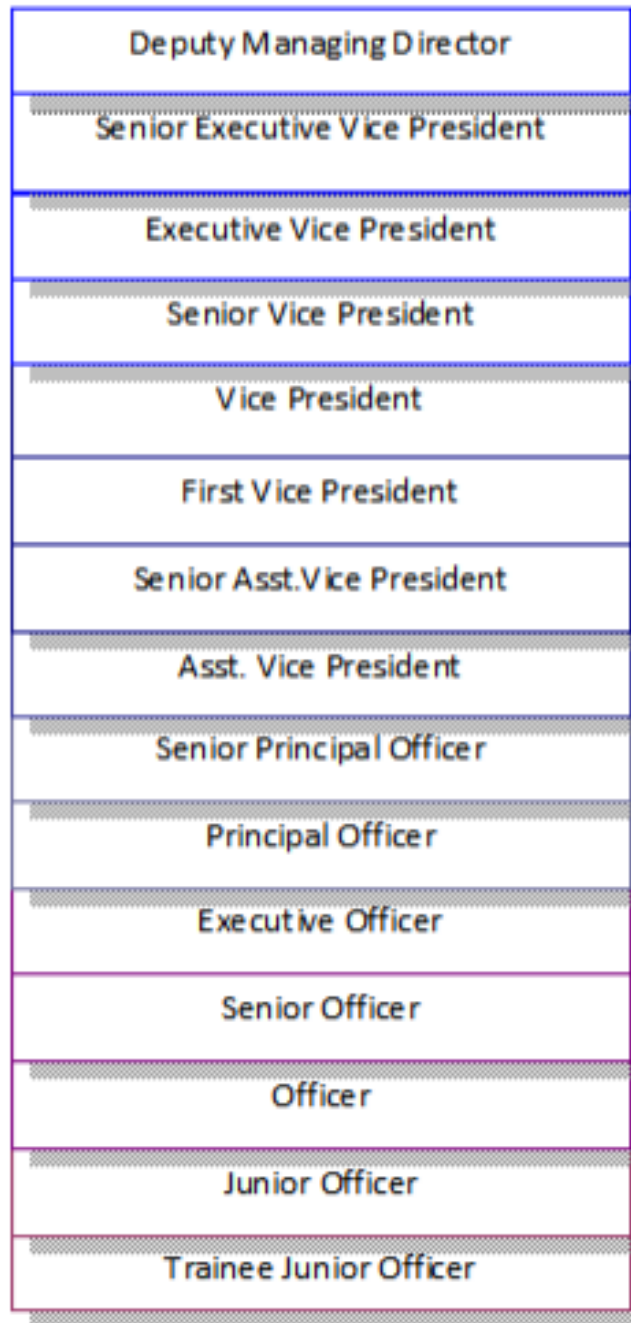
2.3.2 Mission of SEBL

A corporate mission will make the formation of needs, processes, plans, and work tasks possible and aid in our vision of the truth. Southeast Bank is quite concerned about its primary objective must be identified by the chief and resolved through the statement of purpose.

Following is an explanation of the Bank's mission:

- To deliver high-quality financial services, establish high-quality methods.
- Customer support that is prompt and accurate.
- Their growth strategy must be balanced.
- Uphold the highest standards of business ethics and preserve a positive workplace culture.
- Keep up the return and level of quality for the shareholders.
- Attractive pricing for a cutting-edge banking system.
- A solid desire to see the nation's economy thrive and society prosper.

2.4 Organizational Structure: (Operational network organogram)

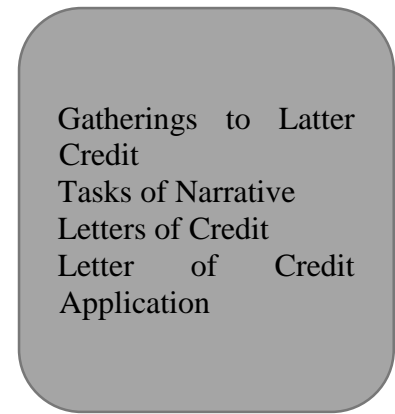


2.5 Products & Services of SEBL

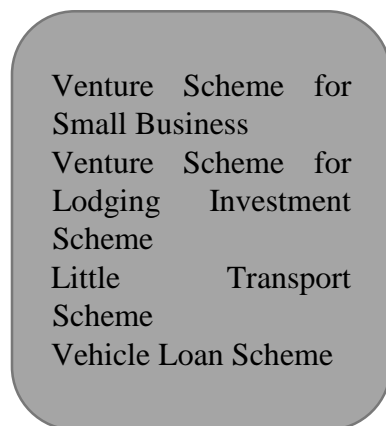
General Banking



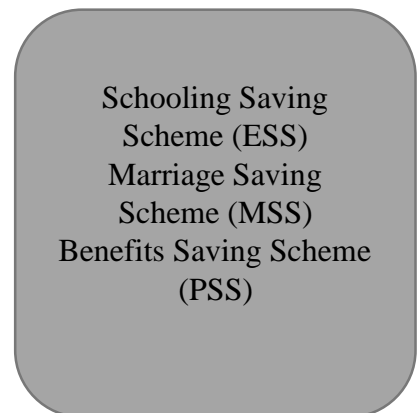
Foreign Exchange



Investment Service Service



Other Saving



2.6 Performance of Southeast Bank Limited

Getting and loaning are two components of banking. However, compared to the absolute volume of exchanges, relatively little of their own money is used in the other business, where activity should be capital-based. The primary purpose of capital and hold accounts is to provide extensive protection against losses on investments and advances. A private commercial bank, SEBL began operating in the commercial banking sector on November 18, 1985. The Bank has successfully attained the status of a forward-thinking and active financial institution in Bangladesh.

2.6.1 Foreign Exchanges

Foreign exchange refers to converting rights to abundance in one country's currency into rights to abundance in another country's currency. When we talk about foreign exchange in banking, we refer to how a bank converts one country's currency into another. The international office is an unfamiliar trade division, and the Bangladesh Bank grants permission to banks to manage uncharted trade. These banks are referred to as authorized suppliers. If the branch is a recognized vendor in a foreign exchange market, it may transport foreign trade from a neighboring nation to other countries.

In SEBL, there are 3 different types of foreign exchange:

- 1) **Import**
- 2) **Export**
- 3) **Remittance**

1. Import:

A person needs to be an importer to import. According to the 1950 Import and Fare Control Act, the shipper receives enlistment from the workplace. Worldwide, buyers and sellers are unknown to one another. Therefore, a product seller continuously seeks assurance to deliver his shipped goods, and Bank provides a promise to the exporter that it will pay.

2. Export:

Bangladesh's goods and services to foreigners, financial experts, and the government are referred to as trade. The 1950 Import and Fare Control Act governs the nation's fare exchange. An exporter must follow a few conventions before the dispatch of goods. The ERC needs to have been repaired annually. The ERC number is merged on different files relating to messages, EXP structures, and other structures.

3. Foreign Remittance:

This Bank has authorized this vendor to haggle in Bangladeshi foreign commerce. For unfamiliar trade, the Bank should also provide some forms of help to the consumers, and this office does so. The fundamental focus of this office is the establishment of new exchanges, both internal and outward, starting with one nation and moving on to the next. In such a transaction, the unknown monetary standards mimic other things offered for sale or trade, with the buyer bearing the cost in their local currency and the real delicate.

2.7 Core Values:

- Rectitude
- Honor
- Justice
- Similarity
- Team Spirit
- Courtesy
- Commitment
- Service Virtue
- Enthusiasm for Work
- Business Ethics

2.8 Core Strengths:

- Expertly crafted Board of Directors
- A solid capital base
- Quick and transparent decision making
- Effective Performer Group
- Contented Customers
- Efficient internal control
- Appropriate Risk Management
- Emphasis on Diversification
- Excellent Customer Service
- Distinctive Corporate Culture

2.9 Core Competencies:

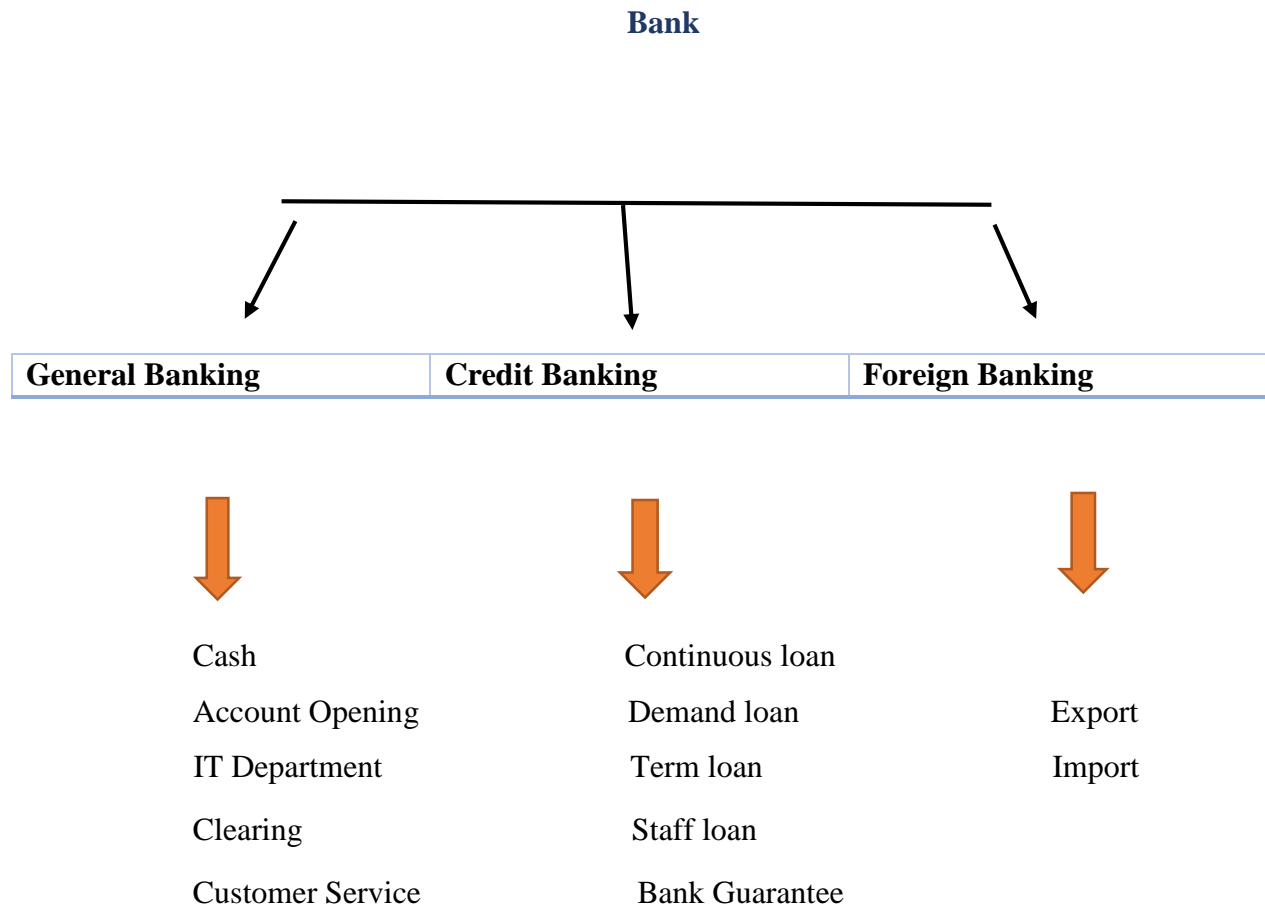
- Knowledge
- Experience and Expertise
- Customer Orientation and Focus Transparency
- Tenacity Drive for Improvement
- Use of Controlled Growth Strategies
- Reliability

2.10 Commitment to Clients:

Offer help types with a high level of polished competence and use modern innovation to create long-term relationships based on mutual trust. A speedy and accurate client wants a response. Share the traits and emotions they experience as our clients grow, Provide items and organization for constant Evaluation, and Make sure the resources our clients place in our trust are prosperous and secure.

2.11 Duties and Responsibilities of SEBL employees by the chart:

They have several significant obligations. Displaying a graph



SOUTHEAST BANK MOTTO:

“A BANK WITH VISION”

Chapter-3

Theoretical Aspects of Investment

3.1 Deposit

A deposit assessment considers how non-development deposits will behave over the long term and provides the explicit foundational results needed to assess and manage financing cost and liquidity risk precisely.

3.2 Types of Bank deposit accounts in Bangladesh:

Their deposits are mainly divided into two groups:

- a Demand Deposit
- b Time Deposit

3.2.1. Demand deposit:

Because the total accounts payable on demand is known as a demand store account. SEBL identifies demand stores by dispatching—

- (i) Savings Bank Account.
- (ii) Current Deposit Account.
- (iii) Foreign currency Account.

3.2.2 Time Deposit:

Period shop refers to a deposit due at a specific time or after giving notice. SEBL recognizes time stores by—

- (i) Fixed Deposit Receipt (FDR)
- (ii) Short Term Deposit (STD)
- (iii) Schemes Deposit

3.3 Credit

Credit refers to the advances and advances that a bank makes to its customers or borrowers in financial jargon. A person who has provided the requisite security to a bank can obtain a partially settled credit through bank credit.

3.3.1 Credit Risk

According to <http://www.bis.org>, July 1999, credit risk is simply the possibility that a bank borrower or counterparty would fail to fulfill its commitments by agreed-upon terms. The possible lousy luck results from a borrower's failure to fulfill its obligations by agreed-upon terms. One of the most established and essential risk categories that banks, as financial intermediaries, consider is credit risk (Broll et al., 2002).

3.4 Investment

By the term "investment," the board alludes to a process for acquiring and disposing of portfolio property over the short or long term. In addition, it can include obligations and administrations related to finance, planning, and assessment. By donating stock or receiving cash, venture banks assist businesses and governments in raising financing. Additionally, they act as brokers and mediators in mergers and acquisitions. Venture investors are needed by businesses in various industries to handle financial arrangements while they are generally engaged.

3.5 Types of Investment

- Growth Investment
- Shares
- Property
- Defensive Investment
- Cash
- Fixed Interest

3.5.1 Growth Investment: Long-term investors who are prepared and able to tolerate market ups and downs might choose growth investments.

3.5.2 Shares: Offers are seen as a speculative development investment because they can help increase the value of your particular endeavor over the long term.

If you possess offers, you may also get compensated from earnings, a significant portion of the return a business pays its investors.

Naturally, the value of offers may also be lower than the price you pay. Costs can fluctuate daily, and shares are typically best suited to long-term investors willing to weather these good and bad periods.

3.5.3 Property:

Property is also seen as a development project because the price of homes and other property types can increase significantly throughout a medium- to long-term timeframe.

Nevertheless, the property risks loss and might decrease in value, just like offers.

It is possible to give directly by buying a property and indirectly through a property venture reserve.

3.5.4 Defensive investments:

These are considered lesser risk than development projects because they are more focused on consistently producing pay rather than development.

3.5.5 cash:

Regular financial balances, extravagantly expensive investment accounts, and term stores are all examples of money speculation. Of all the speculation kinds, they often offer the lowest possible returns. Even though they don't provide a means of capital growth, they can nonetheless deliver an average salary and play a significant role in ensuring wealth and reducing risk in a portfolio of bets.

3.5.6 Fixed interest:

As a result, securities are essential when governments or organizations obtain money from financial backers and give them a pace of revenue, which are the most prevalent type of fixed revenue speculations.

Since they typically offer smaller potential profits and lower levels of risk than offers or property, bonds are also seen as a conservative investment.

3.6 Investment Management Process:

A cycle includes the stages of looking into, rebalancing, and dismantling the resources and buying and selling them.

- 1) Evaluate your objectives and circumstances.
- 2) Establish long-term investing goals.
- 3) Determine your asset allocation strategy.
- 4) Determine your investment strategy.
- 5) Create your portfolio.
- 6) Report, Rebalance, and Evaluate Progress

3.7 The Role of Investment:

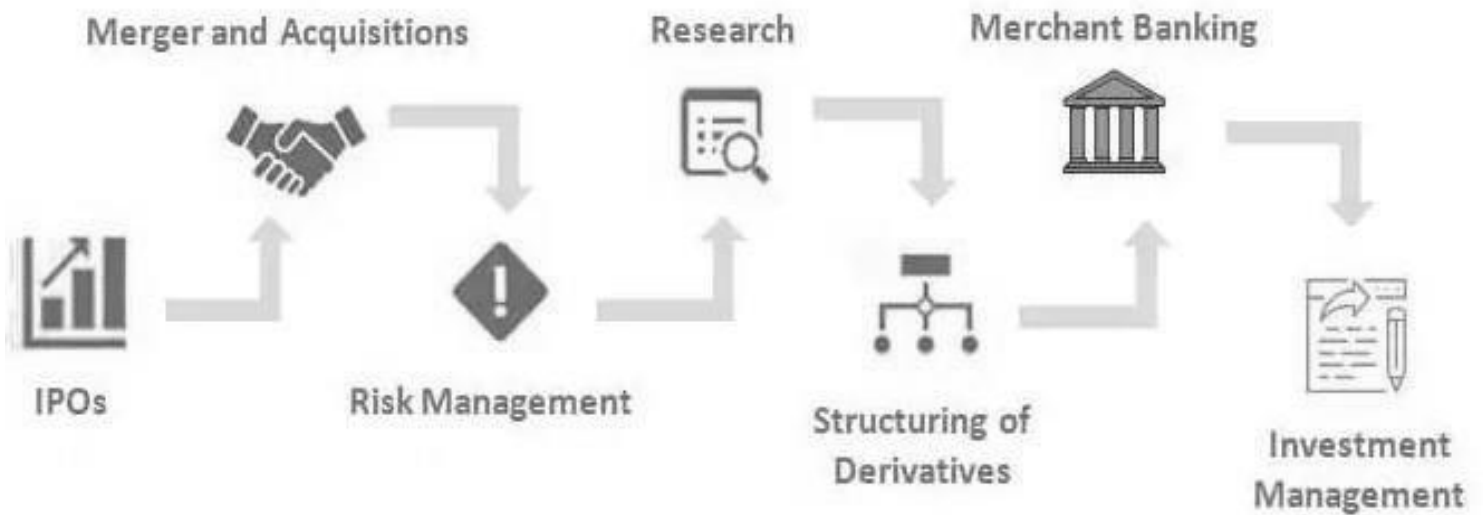
The financial backer and investment banks act as a scaffold between large initiatives. Their primary responsibilities are to advise businesses and governments on how to best deal with their financial problems and to help them obtain finance, whether it comes from stock contributions, bond offerings, or subsidiary goods.

3.8 Investment Banking functions:

Investment banks act as a middleman between financial backers and guarantors to assist their customers in collecting their money through obligation and value offerings. Investment banking has seven functions.

1. IPOs
2. Merge & Acquisitions
3. Risk Management
4. Research
5. Structuring of Derivatives
6. Merchant Banking
7. Investment Management

Flow chart of Investment Banking Functions:



3.9 Risk management Process:

SEBL has established its risk culture in continuous contact with the National Bank, which is maintained on a cyclical basis. Each cycle can logically benefit from authoritative elevation by providing executives with a more prominent understanding of hazards and their effects. It is a series of procedures that, when implemented, enable continuous improvement in dynamic performance.

3.10 Steps of Risk Management process in Bank:

Hazard the executive is a dynamic cycle that includes political, social, financial, and design considerations and profound risk assessments that identify potential threats to develop, analyze, and compare administrative options and choose the best response to mitigate those threats.

- ❖ Identification
- ❖ Assessment
- ❖ Potential Risk Treatments
- ❖ Create The Plan
- ❖ Implementation
- ❖ Review And Evaluation of The Plan

3.10.1 Establish the context:

Establishing the context entails organizing the procedure and defining the exercise's boundaries, the aims and identities of the stakeholders, the criteria used to evaluate risk, and a framework for the procedure's identification and analysis.

3.10.2 Identification:

Identifying possible risks comes after setting the context. The organization, the market in which it operates, the legal, social, economic, political, and climatic environments in which it conducts business, its financial strengths and weaknesses, its susceptibility to unforeseen misfortunes, the assembling procedures, and the administrative frameworks and business system by which it operates are all things that we need to know.

3.10.3 Assessment:

If a hazard has been identified, it is important to assess it in light of the event's chance and the disaster's potential severity.

These sums may not be easy to estimate due to the value of a destroyed construction or may be challenging to know due to the likelihood of an impossibility occurring. The main challenge in risk assessment is choosing the rate of occurrence because measurable data on a wide variety of previous incidents is not readily available.

It is frequently tough to gauge the severe outcomes (sway) for insignificant resources. Another topic that needs attention is resource valuation.

3.10.4 Expected Risk Treatment:

If hazards have been identified and assessed, all mitigation strategies fit into at least one of these four key categories:

- Risk Transfer
- Risk avoidance
- Risk-retention
- Risk Control

3.10.5 Create The Plan:

An effective risk management strategy should include a schedule for control execution and responsible parties.

Even though risk management is an old idea, it is still measured quite well. Model: Installing and operating antivirus software can reduce a PC's observed high risk of infection.

3.10.6 Implementation:

Follow all risk-reduction strategies in the strategy.

Purchase insurance policies for the risks that you have determined to transfer to the insurer, eliminate all risks that can be eliminated without jeopardizing the entity's aim, minimize others, and keep the remaining risks.

3.10.7 Review and Evaluation of the Plan:

Practice, experience and actual loss results will require modifications to the strategy and additional data to enable new decisions to deal with the risk.

The risk analysis results and the executive's strategy should be updated periodically. Behind this, there are two primary justifications;

- 1) To determine whether the previously chosen security controls are still appropriate and effective.
- 2) To assess potential changes in the business environment's risk level. Information hazards, for instance, are a fantastic illustration of how the corporate environment is evolving quickly.

Chapter-4

Performance Analysis of Investment

4.1 Speculation pay

In contrast to the BDT 5,129.75 million earned the year before, Bank received BDT 5,288.98 million in adventure compensation in 2019. Adventure pay included earnings on safe bonds and bills, capital growth, gains from revaluations, agreements of offers, and dividends from shares.

4.2 Loan and Advance of SBL

It has demonstrated its true strength when a group can respond to the environment's challenges and turn them into advantages. Despite the trend of lowering financing costs, interest rates for private area credit have generally stayed low despite our success in moving forward at an upbeat pace.

Southeast Bank Limited (SEBL) offers loans and advances that follow accepted business practices and investments that adhere to Islamic Sharia. SEBL had the option to use its core competencies to ensure consistency with administrative requirements for avoiding the risk of openness to a single borrower, focus on significant advances, and achieve greatness in credit activity such as risk management, yield openness, residency, pledges, security valuation, and so forth. SEBL was engaged in ongoing research into various spheres of credit movement.

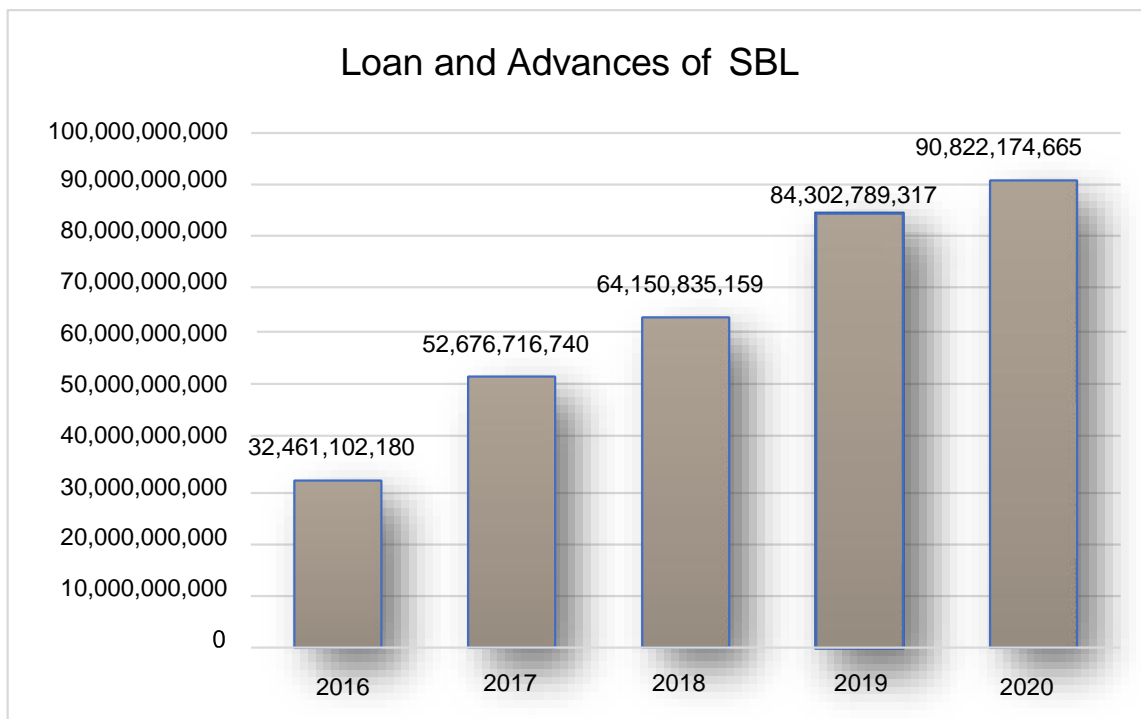


Table 4.1: Loan and Advance of Southeast Bank Limited

The overall loans and advances made by SEBL annually are likewise rising yearly. A total of TK 32,461,102,180 in loans were made in 2016. Tok. 52,676,716,740 was added to it in 2017. The amount was Tk. 84,302,789,317 in 2019, and it will be Tk. 90,822,174,665 in 2020. The graph shows that their total loans and advances are rising due to SEBL's alluring and adaptable loan packages.

4. 3 Return on Equity throughout the previous 5 years:

YEAR	PERCENTAGE OF ROE
2020	8.56%
2019	9.17%
2018	4.46%
2017	9.06%
2016	1.86%

Table of ROE for the Last 5 years

4.4 Deposits:

With a combination of stores with enormous costs and stores with irrelevant costs, SEBL has expanded its shop base with various items. The strong hypothesis portfolio's main ally has been its retail base. As part of its primary strategy, SEBL has focused on immaterial expense and no-cost stores to gain an edge in interest spread while maintaining awareness of its liquidity profile and considering the relationship's specific needs and financial sufficiency. The Bank has figured out a technique to cultivate a solid store base with legitimate costs for the leaders to get high ground in the industry through its dynamic retail and corporate gathering. As of December 31, 2020, the Bank's total inventory remained at BDT 329,250.27 million, which contrasted with BDT 298,334.79 million in 2019. As of December 31, 2020, the Bank's store mix was as follows:

Particulars	BDT in Million	Share in Total Deposits
a) Current and Other Deposits	48,260.61	14.66%
b) Savings Bank/Mudaraba Savings Bank Deposits	30,416.85	9.24%
c) Special Notice Deposits / Mudaraba Special Notice Deposits	34,377.30	10.44%
d) Fixed and Scheme Deposits or Term Deposits	212,100.22	64.42%
e) Bill Payable Accounts	4,095.29	1.24%
Total	329,250.27	100%

4.5 Investment Scenario:

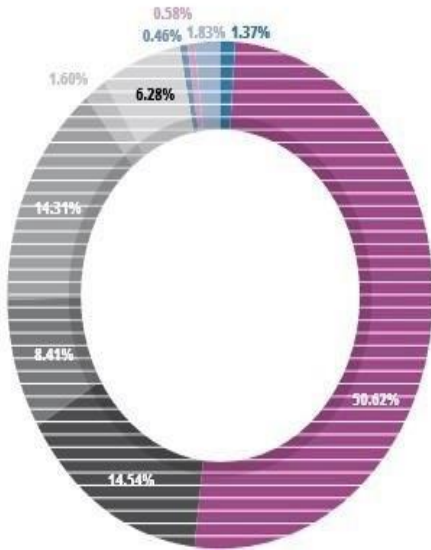
In contrast to the previous year, SEBL's venture arrangement totaled BDT 65,609.55 million instead of BDT 77,310.04 million. Treasury Bills, Treasury Bonds, Price Bonds, Subordinated Bonds provided by Banks, Corporate Bonds, and Shares of Listed and Unlisted Companies make up most of the SEBL's all-encompassing speculative arrangement.

4.6 Sector-wise Loans of Southeast Bank Limited:

Particulars	2020	Ratio
Agriculture and Fishery	1187.47	1.37%
Jute and Jute Goods	980.00	4%
Transport, Storage & Communication	345.66	1.41%
Industrial manufacturing	132.50	50.62%
Ship Breaking	119.35	.49%
Textile and Readymade Garments	2035.92	8.32%
Food and Allied Industry	280.00	1.14%
Construction and Engineering	106.91	.44%
Pharmaceuticals and Chemicals	151.79	.62%
Leather	383.87	1.57%
Power & Energy	904.68	3.70%
Profession and Service	160.51	.66%
House Service	335.82	1.37%
Wholesale/ Retail	2730.01	11.15%
Personal Loan	2908.47	11.89%
Others	11849.72	48.39%
Total	24480.18	100%

4.7 Sector Wise Investment of Southeast Bank Ltd:

Sectore wise Investment



Agriculture	1.37%
Industrial Manufacturing	50.62%
Industrial Services	14.54%
Export Financing	8.41%
Commercial Loans	14.31%
Consumer Credit	1.60%
Off-Shore Loans	6.28%
Finance to NBFIs	0.46%
Loan to Capital Market	0.58%
Miscellaneous	1.83%

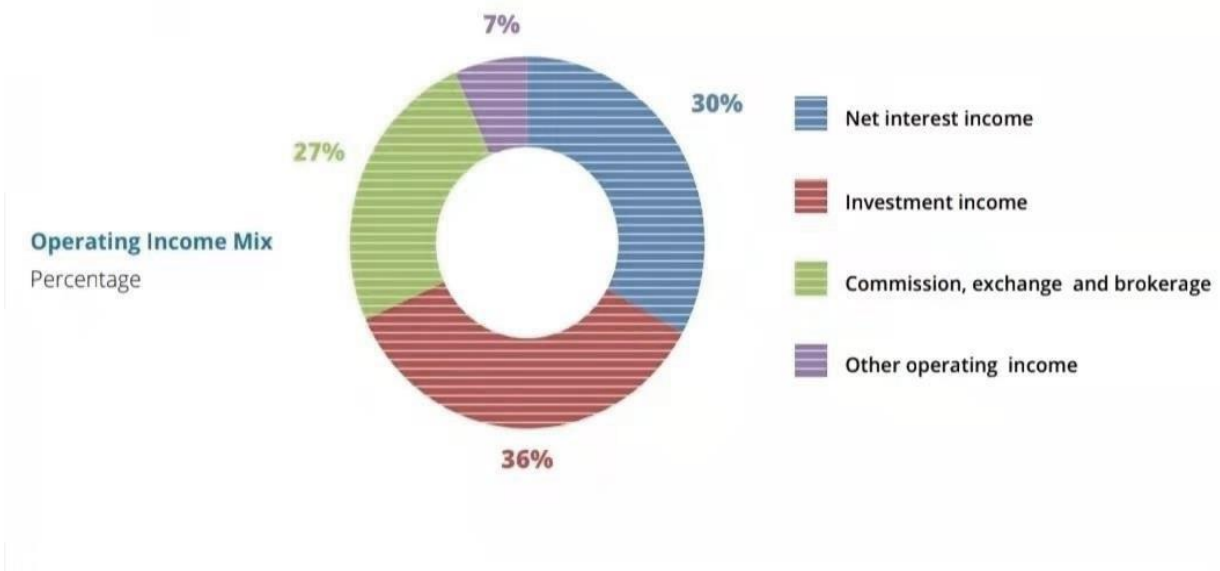
Only 1.37% of investments were made in agriculture in 2020, a relatively low ratio. The most significant investment of SEBL is made in industrial manufacturing, which is found on the other side. Additionally, other sectors include artificial administrations (14.54%), export subsidies (8.41%), business credits (14.31%), and miscellaneous (1.83%).

4.8 Working Income throughout the previous 5 years:

The Bank's operating compensation remained at BDT 14,390.72 million at the end of 2020, down from BDT 14,961.92 million in 2019. The following information outlines the Bank's operating compensation over the next five (5) years:

Year	Operating Income (BDT in Million)
2020	14,390.72
2019	14,961.92
2018	13,933.04
2017	12,852.45
2016	11,604.39

Despite being impacted by several sector issues, our mid-level financial activities have produced fantastic results in 2020.



Net Interest Income

In contrast to the previous year's net revenue pay of BDT 23,977.84 million, the Bank's net revenue for 2020 was BDT 26,258.88 million. The primary beneficiary of the compensation from loans and advances is still them, and their percentage is 30% of net Income.

Investment Income

Bank's compensation from hypotheses in 2020 was BDT 5,288.98 million, which differed from BDT 5,129.75 million in the prior year. Hypothesis pay includes revenue from bonds and vault bills, capital growth, revaluation security, profit from offer agreements, and share benefit. The rate is 36%.

Commission, Exchange, and Brokerage

The commission, exchange, and brokerage percentage is 27%, the second-lowest operating investment for the 2020 year compared to the previous month.

Other operating Income

From BDT 3,652.78 million each in 2019, commission, exchange, and business benefits increased to BDT 3,859.61 million in 2020. The rate of 7% is meager and increases other compensation through business and trade-related cost-based activities.

4.10 SME Investment sector and growth:

The SME sector has always been important to Bangladesh's development, and Southeast Bank will continue to work with them as they develop a strong portfolio. As of December 31, 2020, the Bank's notable SME advance was BDT 102,998.41 million as opposed to BDT 73769.60 million as of December 31, 2019, representing a growth of 39.62%. Our expansion of finance for small and micro businesses has been historic. We have invested more in this sector since we believe that it is tough for smaller SMEs to obtain funding, and as a result, we see positive results in this area's development. In this area, we have fared better than expected regarding credit creation.

Year	Target	Achievement
2015	25000	30877
2016	27500	35349
2017	30000	40000
2018	40000	37419
2019	55000	58920
2020	75000	102998

Table: SME investment sector & growth

4.11 Classification status of credit portfolio of Southeast Bank Limited:

According to Bangladesh Bank's arrangement, Southeast Bank adheres to the credit characterizations' guiding principles and standards. One of Southeast Bank's primary business requirements is controlling non-performing loans by maintaining access to high-quality resources. Although the overall amount of NPLs is increasing in the banking sector, Southeast Bank has successfully maintained its group credit to a healthy level, amounting to BDT 14,375.29 million as of December 31, 2020, 4.87% of all out advances and advances. The following describes the Bank's unclassified and arranged credits as on December 31, 2020:

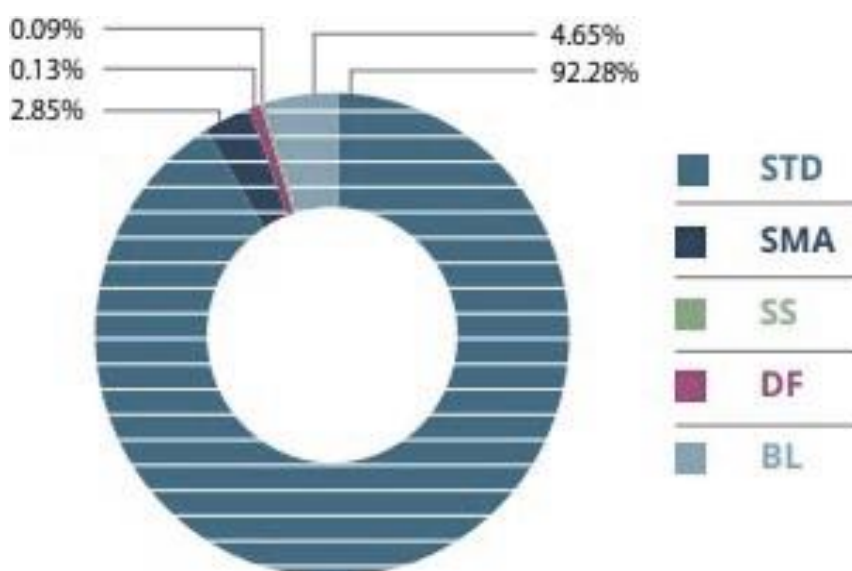
Status	BDT in Amount (Million)	Percentage
Unclassified Loan		
Standard	272,243.24	92.28%
Special mention Account	8,396.58	2.85%
Sub Total	280,639.82	95.13%
Classified Loan		
Sub-Standard	375.57	0.13%
Doubtful	270.81	0.09%
Bad/Loss	13,728.91	4.65%
Sub Total	14,375.29	4.87%
Grand Total	295,015.11	100.00%

Table: Classification status of Southeast Bank Ltd.

The amount and percentage for the regular loan in 2019 were 2, 40,083.55 million and 90.53, respectively; however, in 2020, it has increased by 1.75% from the previous year. Similar to that, certain special mention accounts had an amount of 9561.81 million and a percentage of 3.60 in

2019, but in 2020 they decreased by 0.75%. And the total amount of unclassified loans was \$2496.46, with a percentage of 94.13%; nevertheless, in 2020, the percentage increased by 1%.

The substandard loan amount in Classified Loan was \$171.21 with a.06% percentage; however, in 2020, it will rise to.07%. The amount and percentage for the Doubtful Loan in 2019 were 359.64 and.14%, respectively, but in 2020 they decreased by.o5%. The quantity and percentage of the poor loss in 2019 were 15028.00 and 5.67%, respectively; however, in 2020, it increased by 1.02%. The subtotal of categorized loans in 2019 was 15,558.85, and their percentage was 5.87%; however, in 2020, they decreased due to declines in dubious loans and subpar loans.

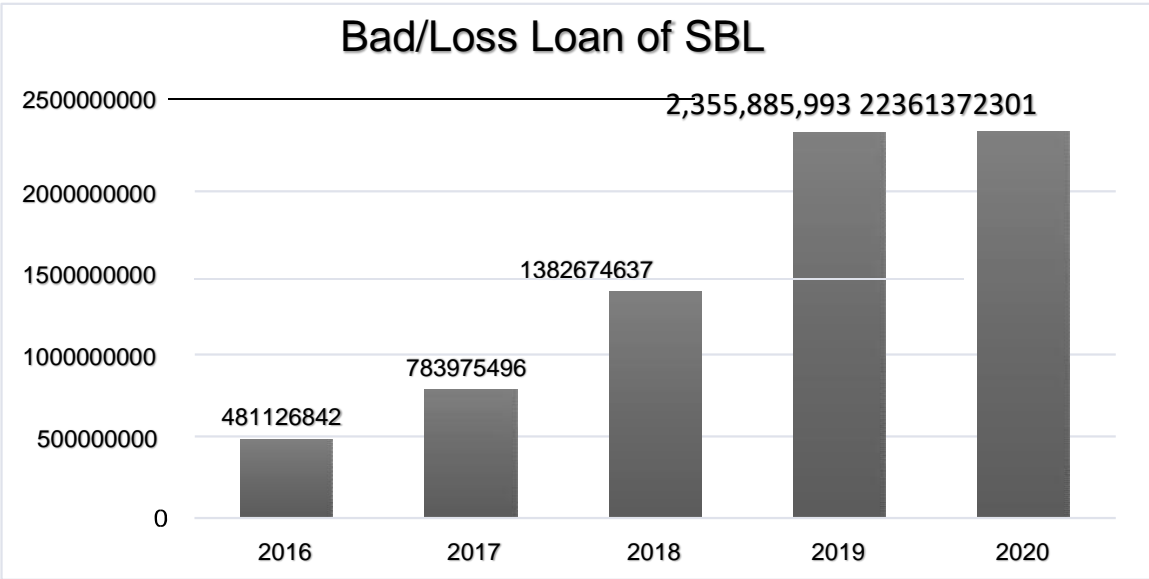


Grouping Status of Credit arrangement of Southeast Bank Ltd in a Graph

4.12 Bad/Loss Loan

Awful/Loss Loans are a particular type of credit, and advances come under this category if it looks that the advance and advance aren't collectible or pointless even after all the security has been used. It takes more than 360 days to recover from this kind of advance. Another example of planned development is this type of loan.

Year	Total Loans and Advances (BDT)	Bad/Loss Loan of Southeast Bank Limited		Percentage of Bad/Loss Loan in Total Loans and Advances
		Amount of Bad/Loss Loan (BDT)	Growth Rate	
2016	32,461,102,180	481,126,842		1.48%
2017	52,676,716,740	783,975,496	63%	1.49%
2018	64,150,835,159	1,382,674,637	76%	2.16%
2019	84,302,789,317	2,355,885,993	70%	2.80%
2020	90,822,174,665	2,361,372,301	0%	2.6%



Chapter-5

Findings, Recommendations & Conclusion

Findings of the Study

1. Loans and advances from the SEBL bank were steadily rising, reaching 90822174665 in 2020—a significant increase over the last four years prior. In the previous year, the loan was increased by 8%.
2. Even though the ratio of SEBL bank loans to deposits increased annually, it reached its lowest point in five years in 2016 to 34.56%.
3. In 2019, the usual loan had a 92.28% APR. 2018 had a conventional loan of 90.53%.
4. The substandard loan fell from 1.99% to 1.91% during 2016 to 2017. However, it rose from 1.91% to 2.35% in 2018 before falling again. The proportion was 0.06% in 2019 but is now 13% higher in 2020.
5. The percentage of doubtful whole loans was progressively rising. The lowest was in 2016 compared to prior years, but the greatest, 1.7%, was in 2018. However, it decreased from 14% in 2019 to 09% in 2020.
6. SEBL's problematic loans are likewise worsening yearly and 2020 saw a significant increase over the previous four years.

Recommendations

Southeast Bank Limited needs to focus on a few areas to advance investment in the board. Which are:

1. The store of credit proportion needs to be increased. SBEL Bank must establish a community that will unsurpassedly monitor the credit chance management framework.
2. As growth rate of deposit and investment increased in recent years, the bank should develop attractive deposit and investment scheme to attract the customers.
3. Standard advance proportion of SBEL bank ought to present and enhance data arrangement and should screen that the guidelines of credit are entirely pursued.
4. For diminishing sub-standard advances SBEL bank can incorporate more redone parameters for the credit endorsement process under the general rule of Bangladesh bank.

Conclusion

Southeast Bank Limited has attained leading financial activity in Bangladesh as a group. The Bank is more organized and distinguished from other banks operating nearby or outside Bangladesh. It is unmovable in its objective to improve and advance business and has a reputation for being a client improvement item. Southeast Bank Limited can take advantage of any opportunity in the financial sector thanks to its substantial pool of trained and experienced human resources. It is a leader in presenting various novel ideas and organizations regarding managing a significant portion of the nation.

Additionally, due to its consistent branch organizing concept across the nation, it is unmatched by some other banks in the generally maintaining cash region. Most of the challenges and strengths of Southeast Bank Limited as a legitimate player in Bangladesh's severe financial sector are sorted out in this research. Since there is fierce competition in this field, Southeast Bank Limited must come up with numerous measures, including product improvement, market gauging, proactive activities undertaken by Southeast Bank Limited, and some sort of solution to the current problems. For any bank, venture management is essential. Southeast Bank Limited, a third-generation bank, has an exceptional credit risk management system that is genuinely exceptional in Bangladesh. To put together this report on a temporary job, I sought to integrate crucial information from my inclusion and various sources. The research was guided using data from Southeast Bank Limited from 2016 to 2020.

References

A. Books

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2. “Investment Analysis by Gareth D. Myles
3. Security Analysis: Principles and Technique by Benjamin Graham

