

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



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# **Internship Report**

## **on**

# **Financial Performance Analysis of Southeast Bank**



## **Limited**

**Submitted To:**

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Date of Submission: October 06, 2022

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## Letter of Transmittal

October 06, 2022

Dr. Syed Mizanur Rahman  
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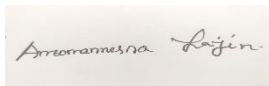
Subject: **Submission of Internship Report.**

Dear Sir,

This is to inform you that I have completed my internship report topic “Financial Performance Analysis of Southeast Bank Limited” which has been prepared as a requirement for the completion of the BBA program of the Department of Business Administration, Daffodil International University. I have tried my best to make this report a comprehensive and informative one. I hope you will appreciate my endeavor and find the report up to your expectation.

It has to be mentioned further than without your advice and cooperation it would not be possible for me to complete this report. I shall be gratified to answer any sort of queries you think necessary regarding this report.

Sincerely



Anzomannessa Tajin

ID: 191-11-6124 (Major in Finance)  
Department of Business Administration  
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## Approval Certificate

This is certify that **Anzomannessa Tajin ID# 191-11-6124, BBA (Finance)**, is a regular student of Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. She has successfully completed his thesis report on “**Financial Performance Analysis of Southeast Bank Limited**” and has prepared this report under my direct supervision. This research paper is worthy of fulfilling the partial requirements of BBA program. I also declare that the study has been prepared for academic purposes only and this paper may not be used in actual market scenario.

I have gone through the internship report and found it a beautifully written. He has completed the report by himself. I wish him every success in life.



---

**Dr. Syed Mizanur Rahman**

Professor

Department of Business Administration

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## **Acknowledgment**

First of all, I am grateful to The Almighty for giving me patience and courage to complete this paper. This paper would not have been possible without the guidance and the help of several individuals who in one way or another contributed and extended their valuable assistance in the preparation and completion of this study.

I started this internship report and finally it has been completed. I would like to express deepest gratitude to my honorable supervisor Dr. Syed Mizanur Rahman, Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University.

I would like to express my gratitude towards my supervisor and experienced in online of observe impact of firm's profitability on stock price return for kind encouragement which has helped me in completion of this thesis report. This report is an essential part of BBA program as one cannot gather educational knowledge and experience without observing & doing work at chosen this topic.

I would like to express my special gratefulness and thanks to all online platform for finding anything so easily. This report makes me realized the value of working as a new experience from online platform.

## **Abstract**

This internship report is an analysis of financial performance of the Southeast Bank Limited from 2017 to 2021. This report will provide information about organization liquidity ratio, operating ratio, and profitability. The main purpose of the report is to analyze financial performance of Southeast Bank Limited and identify some pointed and provide some possible recommendation. In this analysis, bank ratios are- liquidity ratio, operating ratio, profitability ratio, common size and trend analysis. My recommendation is described in recommendation part. Organization needs to change old trend of banking system to innovative system by the structural and updated technologies. As a commercial bank should give emphasize on welfare of the country and economic development with various social services. A proper utilization of human resource and assets of the company can overcome through various strategies. Organization needs to provide good solution and training segment for the unskilled workers. Finally, this report helps to get practical knowledge about research in my internship period. This research motivates to make my dream as a researcher in my favorite area.

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# Chapter 1

## Introduction

## 1.1 Introduction:

Southeast Bank Limited is the largest and biggest banking service provider institution in Bangladesh. We know that southeast bank limited is the private bank and it play rule in economic and business sectors. Southeast bank ltd. is the modern banking organization in our country. Southeast bank limited was founded in 1995 with a dream and vision to contribute the growth of national economy. Southeast Bank is run by a team of efficient professionals. This bank creates & generates an environment for the trust for their customers. This bank tries to motivate all of employee in the bank to work together for achieving objectives of the bank. Southeast bank limited also committed for the quality and wonderful services for all types of customers with latest technologies. Southeast Bank takes pride for bringing women into the banking profession in a significant number for gender equality. Southeast bank limited has unique corporate culture and working environment. Southeast bank limited also helps poor and meritorious students by the scholarship. This bank has lots of employees and targets to highly encourage the women employees. All commercial banks are trying to take challenge and evaluate traditional banking system. Southeast bank limited gives offer for the different types of loan and service. As like as account opening, clearing, export- import, locker, and loan offering. Loan facilities are- time loan, team loan, customer loan, demand loan. Customer take loan based on purpose. Some customers take personal loan, someone take for purchase car, house or business related. Customer wants to good environment, good behavior, and service from the employees. Southeast bank did not accept risky load. This bank analyses about loan before providing loan. If customer does not able to repay the loan than bank decided, they did not provide loan for the customer.

### 1.1.1 Background of the study:

As a prerequisite for the Bachelor of Business Administration (BBA) degree from Daffodil International University (DIU), I have finished internship report and prepared report titled “ Financial Performance Analysis of Southeast Bank Ltd.” by using the previous financial statements of the following organization.

### 1.1.2 Scope of the study:

The scope of the study is to cover general activities and financial performance analysis of Southeast Bank Limited in Bangladesh.

Major analysis of this report:

- ✓ Industry analysis by the Porter’s 5 forces model
- ✓ Ratio Analysis
- ✓ 3 Factor DuPont Analysis
- ✓ Common Size Analysis
- ✓ Trend Analysis

### 1.1.3 Objective of the study:

To analysis of the financial statements of Southeast bank Limited in Bangladesh and focus of its overall financial position.

- To analyze and evaluate the financial performance of Southeast Bank Ltd.
- To identify the problems related to the financial performance of Southeast Bank ltd.
- To make some recommendations to solve the problems.

### 1.1.4 Methodology of the study:

Source of data:

Primary source:

1. Discuss with officials’ employees of the Southeast Bank ltd.
2. Face to face conversation
3. Communication with consumers.

Secondary source:

1. Annual report of southeast bank limited (2017-2021)
2. Internet and website (<https://www.southeastbank.com.bd/>)
3. Related books study

4. Product brochure of SEBL.

**Analysis of the data:**

- ❖ MS Excel used for the data analysis.

**1.1.5 Limitations of the study:**

- Organization website is not update.
- Necessary information missing.
- Information collect was complex from employees.
- Understanding some procedures and policies was difficult.
- Company did not share internal data.
- Employees are so much busy, as a result it was complex form.

Chapter 02  
Company Overview and  
Theoretical Analysis

## **2.1 Company Overview:**

Southeast bank is the one of the biggest banking service providers in Bangladesh. This bank also play rule in economic and business sectors. This bank was founded in 1995 with a mission and vision. This bank has lots of contributions in our GDP. This bank creates & generates an environment for the trust for their customers. This bank tries to motivate all of employee in the bank to work together for achieving objectives of the bank. In this bank, employees work with unique corporate culture and work environment. Southeast bank limited also committed for the quality and wonderful services for all types of customers with latest technologies. This bank has lots of employees work in bank and this bank also highly encourage for the women employees. Southeast bank limited also helps poor and meritorious students by the scholarship. This bank analyses about loan before providing loan. If customer is not able to repay the loan than bank decided, they did not provide loan for the customers.

## **2.2 Financial Performance Analysis:**

Financial performance analysis is a role of measure organizational performance and to identify problems and take care about these problems. MS Excel is used for the financial performance analysis by sing data. We know that financial performance analysis is very important for the consumer and organization. Because organization can act how company will perform in the future. This performance analysis will cover the most common types of financial performance analysis.

### 2.2.1 Ratio Analysis:

We know that ratio analysis is the necessary think which to create relationship with financial variables. This method is used to identify the company financial position about li liquidity ratio, operating ratio, profitability ratio. Ratio analysis also provides valuable information about company profitability, liquidity, operational efficiency, and solvency. Different types of user use this method as a result user can identify the problem and company can tack action. In this report common ratio analysis for evaluating financial performance of Southeast Bank limited from 2017 to 2021.

Ratios names are given below:

- ✓ Liquidity Ratio
- ✓ Operating Efficiency Ratio
- ✓ Profitability Ratio
- ✓ 3 Factor Dupont Analysis

### 2.2.2 Liquidity ratio:

Liquidity ratio is the important think which to identify the ability to pay current obligations without raising capital. Liquidity ratios show the cash amount of the organization, this amount is used as a ability to meet short- term obligations. By using this ratio organization take actions about future continue. If liquidity position is bad this time organization cannot continue their operation into the market in future.

$$\text{➤ Current Ratio: } \frac{\text{Current Asset}}{\text{Current Liability}}$$

$$\text{➤ Cash Ratio: } \frac{\text{Cash \& Cash Equivalents}}{\text{Current Liability}}$$

### 2.2.3 Operating EfficiencyRatio:

$$\text{➤ Total Asset Turnover: } \frac{\text{NetSales}}{\text{Total Assets}}$$

$$\text{➤ Equity Turnover: } \frac{\text{NetSales}}{\text{Total Equity}}$$

- Current Asset Turnover:  $\frac{NetSales}{Current Asset}$
- Fixed Asset Turnover:  $\frac{NetSales}{Total Fixed Asset}$

### 2.2.4 Profitability Ratio:

Profitability ratio is a method which to measure company earnings and cash flow relevant information. Profitability ratio analysis is the fundamental analysis. An investor is to analysis this ratio before invests his money. Profitability ratio means ability to earn by using investment capital. We know that profit relationship with solvency. If organization cannot earn profit this time company will solvent. Profitability ratio to show that how company can achieve well profit from their operation into the market.

- Gross Profit Margin:  $\frac{Gross Profit}{Sales}$
- Operating Profit Margin:  $\frac{Operating Profit}{Sales}$
- Net Profit Margin:  $\frac{Net Profit}{Sales}$
- Return on Assets:  $\frac{Net Income}{Total Asset}$
- Return on Equity:  $\frac{Net Income}{Common Equity}$

### 2.3 Dupont Analysis:

Dupont analysis is used for evaluating Return on Equity (ROE). This analysis is to determine which factor to change ROE. We know that some financial activities are included with Roe, hare investor



to identify what factor affecting return on equity. Dupont analysis is the optional way to evaluating return on equity. An investor can find out about company strength and weakness.

## 2.4 Common size analysis:

Common size analysis is a method to evaluate individual financial statement items or a group of items on term of specific based amount. Common size analysis is required common-size statements. I have prepared common-size income statements and common-size balance sheets for five years.

## 2.5 Trend analysis:

Trend analysis is a technique for the analysis, which to predict outlook about stock price movements based on present situation. Trend analysis provides idea based on history and what will happen in the future. We know that trend analysis is the horizontal analysis. In involves computing trend percent for a series of financial numbers and is a variation on the use of percentage changes. In trend analysis, base period refers only on successive period, not the previous period of analysis period.

## 2.6 Industry analysis:

Industry analysis is the method for an entrepreneur. This method helps to understanding both organizational opportunities and threats. This analysis provides idea about present and future scenario of the industry. This study for the specific industry for finding outlook based on past trends. Businesses use industry analysis to help them understand how companies, including their own, compete within an industry. Industry analysis gives a company an idea of where they stand within their industry.

### **2.6.1 Threat of new Entry:**

The threat of new entry is high because banking service not a small business. Here, lots of capital and lots of employee needs at the beginning the new business. We know that banking industry continue their activities with people's money, at the beginning will be difficult to achieve customer trust, and difficult to startup.

### **2.6.2 Bargaining power of suppliers:**

Capital is the first important think for any bank and there has four major suppliers of capital. 1. Deposits of Customer. 2. Loans & mortgages. 3. Mortgage-backed securities. 4. Borrowing from other institutions. Bank can be making sure necessary resources. The power of the suppliers is fluctuated with medium to high.

### **2.6.3 Bargaining power of Buyers:**

Bargaining power of buyer is low in our country. Maximum non-banking institutes with different types of quantity & interest. To try and convince customers to switch to their bank they will often lower the price of switching, though most people still prefer to stick with their current bank. So, Customers cannot accept another offer easily by the others organization.

### **2.6.4 Threat of Substitute:**

Threat of substitute is high for the banking sector. In our country banking service are available with other options, as a result consume can accept another option .The industry does not suffer any real threat of substitutes as far as deposits or withdrawals; however, insurances, mutual funds, and fixed income securities are some of the many banking services that are also offered by banking companies.

### **2.6.5 Rivalry among the existing competitors:**

We know that banking sector is highly competitive. So, the threat of rivalry among the existing competitors is high. The banking competition is often a race to determine which bank can offer

both the best and fastest services but has caused banks to experience a lower ROA (Return on Assets).

**Chapter 03**  
**Financial Performance of Southeast**  
**Bank limited.**

### 3.1 Liquidity Ratio

<b>Liquidity Ratio</b>					
<i>Particular</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Current Ratio	0.83	0.86	0.85	0.79	0.78
Cash Ratio	0.11	0.12	0.11	0.07	0.07

Table 1: Liquidity Ratio

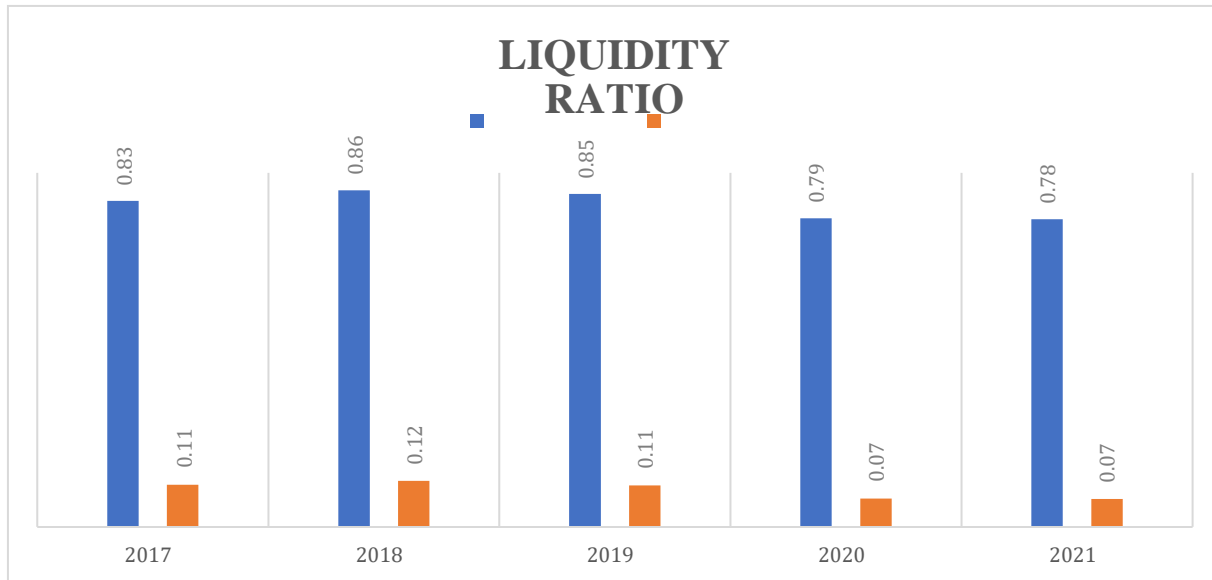


Figure 1: Liquidity Ratio

**Interpretation:** In accounting, the term liquidity to identify the ability of an organization to meet its financial obligations. The current is the value of marketable securities and cash, divided by the company's current liabilities. Current ratio of southeast bank limited first two years 2017, 2018 was 0.83 & 0.86 but last three years decrease current ratio that is very bad for the organization. Cash ratio is fluctuating from 2017- 2021 that is not good for the bank.

### 3.2 Operating Efficiency Ratio

<b>Operating Efficiency Ratio</b>					
<i>Particular</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Total Asset Turnover	0.05	0.06	0.06	0.05	0.04
Equity Turnover	0.67	0.85	0.86	0.75	0.63
Current Asset Turnover	0.08	0.09	0.09	0.07	0.06
Fixed Asset Turnover	1.87	2.57	2.81	2.29	1.87

Table 2: Operating Efficiency Ratio

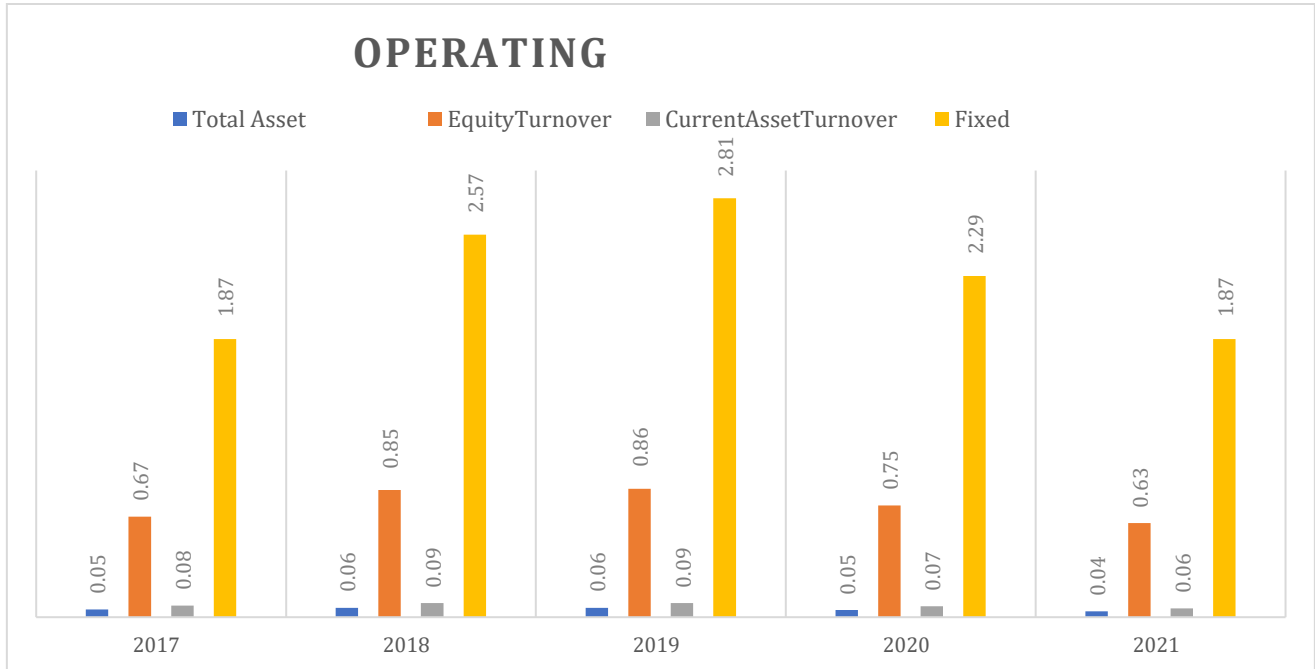


Figure 2: Operating Efficiency Ratio

**Interpretation:** We know that asset turnover is important think for the company. Asset turnover is calculated through total income dividing by total assets. Southeast bank limited total assets turnover 2017 was 0.05 and 2018 to 2019 was same position 0.06 other years decrease. Equity turnover increases 2018 & 2019 than again decreases. Current assets turnover was same position in 2018 & 2019. Fixed assets turnover is fluctuating from 2017-2021.

### 3.3 Profitability Ratio

<b>Profitability Ratio</b>					
<i>Particular</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Gross Profit Margin	0.80	0.62	0.55	0.62	0.78
Operating Profit Margin	0.52	0.41	0.34	0.37	0.46
Net Profit Margin	0.07	0.10	0.10	0.10	0.09
Return on Assets	0.00	0.01	0.01	0.00	0.00
Return on Equity	0.05	0.09	0.08	0.07	0.06

Table 3: Profitability Ratio

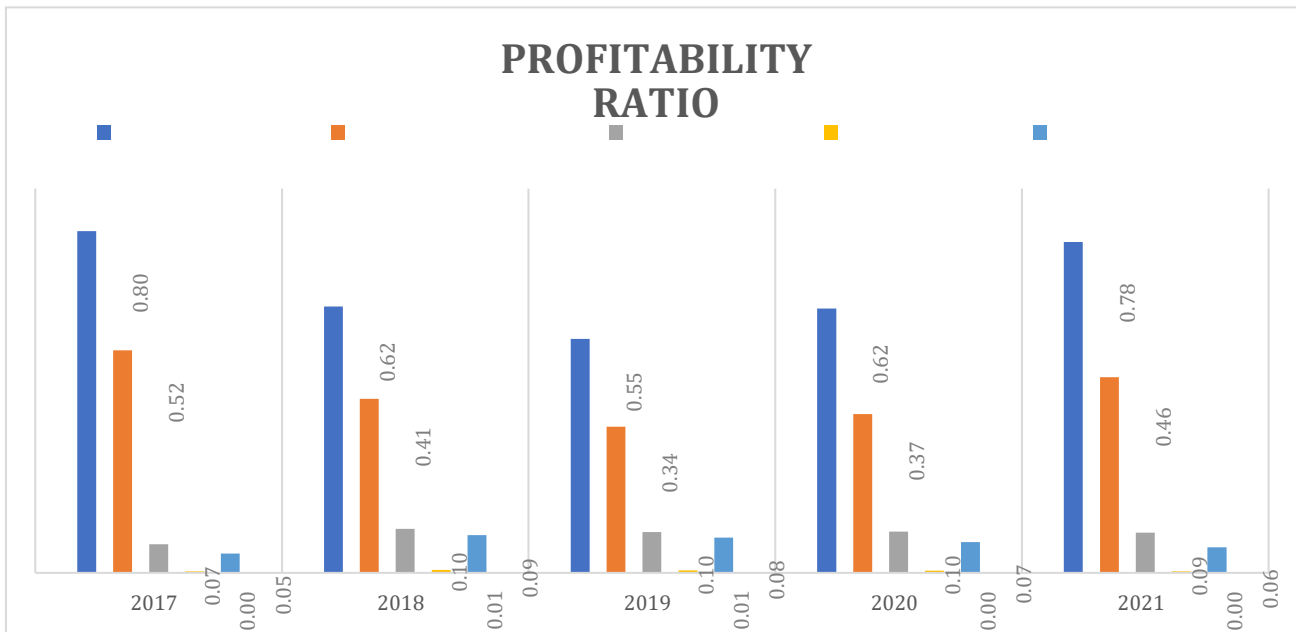


Figure 3: Profitability Ratio

**Interpretation:** We know that profitability ratio relationship with solvency. Organization continues their operation for the better profit. Gross profit margin of southeast bank limited 2017 was 0.80 and 2018, 2019 decrease gross profit margin. Operating profit margin increasing from 2019-2021. Net profit margin of southeast bank limited was (0.10) same position from 2018-2020 and 2021 decrease net profit. Return on assets very bad position and return on equity continuously fluctuating.

### 3.4 3 Factor Dupont Analysis

<b>3 Factor Dupont Analysis</b>					
<i>Particular</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
NPM	0.07	0.10	0.10	0.10	0.09
TAT	0.05	0.06	0.06	0.05	0.04
EM	13.14	13.57	13.85	15.66	16.54
ROE	4.53%	8.80%	8.22%	7.24%	6%

Table 4: Factor Dupont Analysis



**Interpretation:** Dupont analysis to identify which factor affecting return on equity. We can see that total asset turnover are more affecting for the change of return on equity. Southeast bank limited return on equity increases in 2018 from 4.53% to 8.80% rest of the years ROE decrease.

## 3.5 Common Size Analysis

### 3.5.1 Common Size Analysis of Balance Sheet:

<b>Southeast Bank Ltd. Balance Sheet Common Size Analysis</b>										
Particular	2017	%	2018	%	2019	%	2020	%	2021	%
Cash In hand (including foreign currencies)	3,010.98	0.89%	3,598.85	0.94%	3,664.88	0.87%	3,474.37	0.75%	4,113.64	0.83%
Balance with Bangladesh Bank (including foreign currencies)	17,968.15	5.30%	17,916.58	4.70%	18,954.91	4.49%	17,956.90	3.86%	12,304.89	2.48%
Balance with other banks and financial institutions		0.00%		0.00%		0.00%		0.00%		0.00%
In Bangladesh	3,196.88	0.94%	3,984.79	1.04%	5,568.59	1.32%	2,108.72	0.45%	2,235.39	0.45%
Outside Bangladesh	1,082.73	0.32%	2,449.64	0.64%	1,903.70	0.45%	2,550.53	0.55%	2,157.67	0.44%
Money at call and on short notice	3,643.95	1.07%	6,897.10	1.81%	4,739.53	1.12%	2,208.91	0.47%	8,530.10	1.72%
Investments		0.00%		0.00%		0.00%		0.00%		0.00%
Government	50,204.80	14.80%	50,963.04	13.36%	62,409.76	14.78%	83,226.36	17.89%	98,941.00	19.95%
Others	12,706.24	3.74%	14,646.51	3.84%	14,900.28	3.53%	13,847.53	2.98%	14,511.58	2.93%
Loans and advances/investments	234,316.72	69.06%	267,671.63	70.15%	296,752.96	70.27%	322,251.46	69.26%	336,329.37	67.83%
Loans, cash credit, overdrafts etc./investments	223,657.50	65.92%	255,400.66	66.93%	278,757.95	66.01%	307,752.52	66.14%	324,324.47	65.41%
Bills purchased and discounted	10,659.21	3.14%	12,270.97	3.22%	17,995.01	4.26%	14,498.94	3.12%	12,004.91	2.42%
Fixed assets including premises, furniture and fixtures	9,321.80	2.75%	9,337.30	2.45%	9,333.66	2.21%	9,714.97	2.09%	10,130.42	2.04%
Other assets	3,835.80	1.13%	4,110.24	1.08%	4,084.43	0.97%	7,953.65	1.71%	6,587.88	1.33%
Non - banking assets		0.00%		0.00%		0.00%		0.00%		0.00%
Total assets	339,288.05	100.00%	381,575.68	100.00%	422,312.71	100.00%	465,293.41	100.00%	495,841.96	100.00%
<b>LIABILITIES AND CAPITAL</b>										
<b>Liabilities</b>										
Borrowings from other banks, financial institutions and agents										
Other borrowings	26,936.48	7.94%	18,897.68	4.95%	13,701.40	3.24%	11,211.70	2.41%	10,181.65	2.05%
Subordinated bond	11,000.00	3.24%	13,600.00	3.56%	10,200.00	2.42%	11,800.00	2.54%	7,400.00	1.49%
Deposits and other accounts		0.00%		0.00%		0.00%		0.00%		0.00%
Current/Al-wadeeahcurrent accountsandotheraccounts	35,511.53	10.47%	40,472.07	10.61%	48,260.61	11.43%	66,850.58	14.37%	76,810.51	15.49%
Bills payable	4,933.77	1.45%	4,494.55	1.18%	4,095.29	0.97%	3,940.33	0.85%	3,267.00	0.66%
Savings bank/Mudaraba savings bank deposits	23,896.58	7.04%	27,259.92	7.14%	30,416.85	7.20%	38,060.94	8.18%	43,073.01	8.69%
Fixed deposits/Mudaraba fixed deposits	205,486.20	60.56%	226,108.26	59.26%	246,477.52	58.36%	250,684.08	53.88%	253,550.25	51.14%
Total Deposit	269,828.08	79.53%	298,334.79	78.18%	329,250.27	77.96%	359,535.93	77.27%	376,700.77	75.97%
Other liabilities	26,044.63	7.68%	32,102.46	8.41%	37,144.69	8.80%	43,545.83	9.36%	51,207.00	10.33%
Total liabilities	295,872.71	87.20%	330,437.25	86.60%	366,394.96	86.76%	435,579.44	93.61%	465,497.55	93.88%
Capital/shareholders' equity		0.00%		0.00%		0.00%		0.00%		0.00%
Paid up capital	9,169.50	2.70%	10,544.93	2.76%	11,599.42	2.75%	11,889.41	2.56%	11,889.41	2.40%
Statutory reserve	9,170.00	2.70%	10,094.15	2.65%	10,969.43	2.60%	11,580.48	2.49%	11,889.41	2.40%
Revaluation reserve	4,534.24	1.34%	4,360.80	1.14%	4,248.27	1.01%	4,672.53	1.00%	4,334.03	0.87%
Other reserve	247.65	0.07%	247.65	0.06%	247.65	0.06%	247.65	0.05%	247.65	0.05%
Foreign currency translation reserve	-14.14	0.00%	-28.92	-0.01%	-8.78	0.00%	-1.91	0.00%	-9.72	0.00%

Retained earnings	2,716.40	0.80%	2,898.04	0.76%	3,443.47	0.82%	1,315.62	0.28%	1,636.56	0.33%
Total shareholders' equity	25,823.65	7.61%	28,116.66	7.37%	30,499.46	7.22%	29,703.77	6.38%	29,987.33	6.05%
Non-controlling interest	10.05	0.00%	10.07	0.00%	10.07	0.00%	10.2	0.00%	10.38	0.00%
Total liabilities and shareholders' equity	339,288.05	100.00%	381,575.68	100.00%	422,312.71	100.00%	465,293.41	100.00%	495,841.96	100.00%

Table 5: Common Size analysis of Balance Sheet

### 3.5.2 Common Size of Income Statement

<b>Southeast Bank Ltd. Income Statement Common Size Analysis</b>										
Particular	2017	%	2018	%	2019	%	2020	%	2021	%
Operating Income										
Interest income/profit on investments	17,400.55	100.00%	23,977.84	100.00%	26,258.88	100.00%	22,250.50	100.00%	18,922.15	100.00%
Interest paid/profit shared on deposits and borrowings etc.	13,372.86	76.85%	18,777.90	78.31%	22,001.89	83.79%	19,769.08	88.85%	6,000.59	31.71%
Net interest income/net profit on investments	4,027.69	23.15%	5,199.94	21.69%	4,257.00	16.21%	2,481.42	11.15%	2,921.56	15.44%
Investment income	5,570.65	32.01%	5,129.75	21.39%	5,288.98	20.14%	6,750.89	30.34%	6,750.17	35.67%
Commission, exchange and brokerage	3,462.93	19.90%	3,652.78	15.23%	3,859.61	14.70%	3,536.22	15.89%	3,906.49	20.65%
Other operating income	871.78	5.01%	979.45	4.08%	985.14	3.75%	1,002.03	4.50%	1,094.57	5.78%
Total operating income (A)	13,933.04	80.07%	14,961.92	62.40%	14,390.72	54.80%	13,770.56	61.89%	14,672.79	77.54%
Salaries and allowances	1,843.96	10.60%	2,026.52	8.45%	2,175.29	8.28%	2,065.95	9.28%	2,305.49	12.18%
Rent, taxes, insurance, electricity etc.	899.48	5.17%	1,031.57	4.30%	1,083.36	4.13%	877.91	3.95%	895.32	4.73%
Legal expenses	1.83	0.01%	1.3	0.01%	2	0.01%	1.59	0.01%	0.64	0.00%
Postage, stamp, telecommunication etc.	176.22	1.01%	182.35	0.76%	174.55	0.66%	164.21	0.74%	178.74	0.94%
Stationery, printing, advertisements etc.	149.55	0.86%	165.64	0.69%	165.75	0.63%	157.2	0.71%	173.65	0.92%
Managing Director's salary and fees	10.04	0.06%	10.07	0.04%	11.07	0.04%	10.41	0.05%	10.41	0.06%
Directors' fees and expenses	3.79	0.02%	2.93	0.01%	3.47	0.01%	2.69	0.01%	3.56	0.02%
Auditors' fees	1.91	0.01%	1.85	0.01%	1.9	0.01%	1.86	0.01%	3.02	0.02%
Depreciation and repair of bank's assets	455.39	2.62%	476.29	1.99%	534.63	2.04%	786.68	3.54%	964.65	5.10%
Other expenses	1,328.58	7.64%	1,280.40	5.34%	1,255.72	4.78%	1,437.48	6.46%	1,466.18	7.75%
Total operating expenses (B)	4,870.74	27.99%	5,178.92	21.60%	5,407.74	20.59%	5,506.01	24.75%	6,001.66	31.72%
Profit before provision (C=A-B)	9,062.30	52.08%	9,783.00	40.80%	8,982.98	34.21%	8,264.56	37.14%	8,671.12	45.83%
General provision	1,010.61	5.81%	-119.21	-0.50%	328.23	1.25%	4,198.16	18.87%	1,939.92	10.25%
Specific provision	3,781.32	21.73%	4,974.29	20.75%	4,255.03	16.20%	827.47	3.72%	2,796.30	14.78%
Provision for off-balance sheet items	285.5	1.64%	-223.8	-0.93%	-389.1	-1.48%	119.16	0.54%	397.62	2.10%
Provision for diminution in value of investments	-217.21	-1.25%	413.06	1.72%	319.6	1.22%	-117.06	-0.53%	89.62	0.47%
Other provisions	20	0.11%	70	0.29%	65	0.25%	80.96	0.36%	189.63	1.00%
Total provision (D)	4,880.22	28.05%	5,114.34	21.33%	4,578.75	17.44%	5,108.68	22.96%	5,413.10	28.61%
Total profit before taxation (C-D)	4,182.08	24.03%	4,668.66	19.47%	4,404.23	16.77%	3,155.88	14.18%	3,258.03	17.22%
Provision for taxation	3,013.45	17.32%	2,195.45	9.16%	1,895.67	7.22%	1,006.78	4.52%	1,473.73	7.79%
Net profit after taxation	1,168.63	6.72%	2,473.21	10.31%	2,508.56	9.55%	2,149.10	9.66%	1,784.30	9.43%

Table 6: Common size of Income statement

**Interpretation:** The common figure for a common-size balance sheet analysis is total assets. By the accounting equation, this also equals total liabilities and shareholders' equity, making either term interchangeable in the analysis. It is also possible to use total liabilities to indicate where a

company's obligations lie and whether it is being conservative or risky in managing its debts. Cash in hand is fluctuating from 2017-2021. Investment and investment income decrease randomly. Net profit randomly fluctuates from 2017- 2021 and organization total assets increased year to year.

## 3.6 Trend Analysis

### 3.6.1 Trend Analysis of Balance Sheet:

<b>Southeast Bank Ltd. Balance Sheet Trend Analysis</b>										
Particular	2017	%	2018	%	2019	%	2020	%	2021	%
Cash In hand (including foreign currencies)	3,010.98	100.00%	3,598.85	119.52%	3,664.88	121.72%	3,474.37	115.39%	4,113.64	136.62%
Balance with Bangladesh Bank (including foreign currencies)	17,968.15	100.00%	17,916.58	99.71%	18,954.91	105.49%	17,956.90	99.94%	12,304.89	68.48%
Balance with other banks and financial institutions										
In Bangladesh	3,196.88	100.00%	3,984.79	124.65%	5,568.59	174.19%	2,108.72	65.96%	2,235.39	69.92%
Outside Bangladesh	1,082.73	100.00%	2,449.64	226.25%	1,903.70	175.82%	2,550.53	235.56%	2,157.67	199.28%
Money at call and on short notice	3,643.95	100.00%	6,897.10	189.28%	4,739.53	130.07%	2,208.91	60.62%	8,530.10	234.09%
Investments										
Government	50,204.80	100.00%	50,963.04	101.51%	62,409.76	124.31%	83,226.36	165.77%	98,941.00	197.07%
Others	12,706.24	100.00%	14,646.51	115.27%	14,900.28	117.27%	13,847.53	108.98%	14,511.58	114.21%
Loans and advances/investments	234,316.72	100.00%	267,671.63	114.23%	296,752.96	126.65%	322,251.46	137.53%	336,329.37	143.54%
Loans, cash credit, overdrafts etc./investments	223,657.50	100.00%	255,400.66	114.19%	278,757.95	124.64%	307,752.52	137.60%	324,324.47	145.01%
Bills purchased and discounted	10,659.21	100.00%	12,270.97	115.12%	17,995.01	168.82%	14,498.94	136.02%	12,004.91	112.62%
Fixed assets including premises, furniture and fixtures	9,321.80	100.00%	9,337.30	100.17%	9,333.66	100.13%	9,714.97	104.22%	10,130.42	108.67%
Other assets	3,835.80	100.00%	4,110.24	107.15%	4,084.43	106.48%	7,953.65	207.35%	6,587.88	171.75%
Non - banking assets										
Total assets	339,288.05	100.00%	381,575.68	112.46%	422,312.71	124.47%	465,293.41	137.14%	495,841.96	146.14%
<b>LIABILITIES AND CAPITAL</b>										
Liabilities										
Borrowings from other banks, financial institutions and agents										
Other borrowings	26,936.48	100.00%	18,897.68	70.16%	13,701.40	50.87%	11,211.70	41.62%	10,181.65	37.80%
Subordinated bond	11,000.00	100.00%	13,600.00	123.64%	10,200.00	92.73%	11,800.00	107.27%	7,400.00	67.27%
Deposits and other accounts										
Current/Al-wadeeahcurrent accountsandotheraccounts	35,511.53	100.00%	40,472.07	113.97%	48,260.61	135.90%	66,850.58	188.25%	76,810.51	216.30%
Bills payable	4,933.77	100.00%	4,494.55	91.10%	4,095.29	83.01%	3,940.33	79.86%	3,267.00	66.22%
Savings bank/Mudaraba savings bank deposits	23,896.58	100.00%	27,259.92	114.07%	30,416.85	127.29%	38,060.94	159.27%	43,073.01	180.25%
Fixed deposits/Mudaraba fixed deposits	205,486.20	100.00%	226,108.26	110.04%	246,477.52	119.95%	250,684.08	122.00%	253,550.25	123.39%
Total Deposit	269,828.08	100.00%	298,334.79	110.56%	329,250.27	122.02%	359,535.93	133.25%	376,700.77	139.61%
Other liabilities	26,044.63	100.00%	32,102.46	123.26%	37,144.69	142.62%	43,545.83	167.20%	51,207.00	196.61%
Total liabilities	295,872.71	100.00%	330,437.25	111.68%	366,394.96	123.84%	435,579.44	147.22%	465,497.75	157.33%

Capital/shareholders' equity										
Paid up capital	9,169.50	100.00%	10,544.93	115.00%	11,599.42	126.50%	11,889.41	129.66%	11,889.41	129.66%
Statutory reserve	9,170.00	100.00%	10,094.15	110.08%	10,969.43	119.62%	11,580.48	126.29%	11,889.41	129.66%
Revaluation reserve	4,534.24	100.00%	4,360.80	96.17%	4,248.27	93.69%	4,672.53	103.05%	4,334.03	95.58%
Other reserve	247.65	100.00%	247.65	100.00%	247.65	100.00%	247.65	100.00%	247.65	100.00%
Foreign currency translation reserve	-14.14	100.00%	-28.92	204.53%	-8.78	62.09%	-1.91	13.51%	-9.72	68.74%
Retained earnings	2,716.40	100.00%	2,898.04	106.69%	3,443.47	126.77%	1,315.62	48.43%	1,636.56	60.25%
Total shareholders' equity	25,823.65	100.00%	28,116.66	108.88%	30,499.46	118.11%	29,703.77	115.03%	29,987.33	116.12%
Non-controlling interest	10.05	100.00%	10.07	100.20%	10.07	100.20%	10.2	101.49%	10.38	103.28%
Total liabilities and shareholders' equity	339,288.05	100.00%	381,575.68	112.46%	422,312.71	124.47%	465,293.41	137.14%	495,841.96	146.14%

Table 7: Trend Analysis of Balance Sheet

### 3.6.2 Trend Analysis of Income Statement:

<b>Southeast Bank Ltd. Income Statement Trend Analysis</b>										
Particular	2017	%	2018	%	2019	%	2020	%	2021	%
Interest income/profit on investments	17,400.55	100.00%	23,977.84	137.80%	26,258.88	150.91%	22,250.50	127.87%	18,922.15	108.74%
Interest paid/profit shared on deposits and borrowings etc.	13,372.86	100.00%	18,777.90	140.42%	22,001.89	164.53%	19,769.08	147.83%	6,000.59	44.87%
Net interest income/net profit on investments	4,027.69	100.00%	5,199.94	129.10%	4,257.00	105.69%	2,481.42	61.61%	2,921.56	72.54%
Investment income	5,570.65	100.00%	5,129.75	92.09%	5,288.98	94.94%	6,750.89	121.19%	6,750.17	121.17%
Commission, exchange and brokerage	3,462.93	100.00%	3,652.78	105.48%	3,859.61	111.46%	3,536.22	102.12%	3,906.49	112.81%
Other operating income	871.78	100.00%	979.45	112.35%	985.14	113.00%	1,002.03	114.94%	1,094.57	125.56%
Total operating income (A)	13,933.04	100.00%	14,961.92	107.38%	14,390.72	103.28%	13,770.56	98.83%	14,672.79	105.31%
Salaries and allowances	1,843.96	100.00%	2,026.52	109.90%	2,175.29	117.97%	2,065.95	112.04%	2,305.49	125.03%
Rent, taxes, insurance, electricity etc.	899.48	100.00%	1,031.57	114.69%	1,083.36	120.44%	877.91	97.60%	895.32	99.54%
Legal expenses	1.83	100.00%	1.3	71.04%	2	109.29%	1.59	86.89%	0.64	34.97%
Postage, stamp, telecommunication etc.	176.22	100.00%	182.35	103.48%	174.55	99.05%	164.21	93.18%	178.74	101.43%
Stationery, printing, advertisements etc.	149.55	100.00%	165.64	110.76%	165.75	110.83%	157.2	105.12%	173.65	116.12%
Managing Director's salary and fees	10.04	100.00%	10.07	100.30%	11.07	110.26%	10.41	103.69%	10.41	103.69%
Directors' fees and expenses	3.79	100.00%	2.93	77.31%	3.47	91.56%	2.69	70.98%	3.56	93.93%
Auditors' fees	1.91	100.00%	1.85	96.86%	1.9	99.48%	1.86	97.38%	3.02	158.12%
Depreciation and repair of bank's assets	455.39	100.00%	476.29	104.59%	534.63	117.40%	786.68	172.75%	964.65	211.83%
Other expenses	1,328.58	100.00%	1,280.40	96.37%	1,255.72	94.52%	1,437.48	108.20%	1,466.18	110.36%
Total operating expenses (B)	4,870.74	100.00%	5,178.92	106.33%	5,407.74	111.03%	5,506.01	113.04%	6,001.66	123.22%
Profit before provision (C=A-B)	9,062.30	100.00%	9,783.00	107.95%	8,982.98	99.12%	8,264.56	91.20%	8,671.12	95.68%
General provision	1,010.61	100.00%	-119.21	-11.80%	328.23	32.48%	4,198.16	415.41%	1,939.92	191.96%
Specific provision	3,781.32	100.00%	4,974.29	131.55%	4,255.03	112.53%	827.47	21.88%	2,796.30	73.95%
Provision for off-balance sheet items	285.5	100.00%	-223.8	-78.39%	-389.1	-136.29%	119.16	41.74%	397.62	139.27%
Provision for diminution in value of investments	-217.21	100.00%	413.06	-190.17%	319.6	-147.14%	-117.06	53.89%	89.62	-41.26%
Other provisions	20	100.00%	70	350.00%	65	325.00%	80.96	404.80%	189.63	948.15%
Total provision (D)	4,880.22	100.00%	5,114.34	104.80%	4,578.75	93.82%	5,108.68	104.68%	5,413.10	110.92%
Total profit before taxation (C-D)	4,182.08	100.00%	4,668.66	111.63%	4,404.23	105.31%	3,155.88	75.46%	3,258.03	77.90%
Provision for taxation	3,013.45	100.00%	2,195.45	72.86%	1,895.67	62.91%	1,006.78	33.41%	1,473.73	48.91%
Net profit after taxation	1,168.63	100.00%	2,473.21	211.63%	2,508.56	214.66%	2,149.10	183.90%	1,784.30	152.68%

Table 8: Trend analysis of Income Statement

**Interpretation:** Trend analysis is a technique for the analysis, which to predict outlook about

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stock price movements based on present situation. Trend analysis provides idea based on history and what will happen in the future. We know that trend analysis is the horizontal analysis. Cash in hand increasing from 2017-2021 only 2020 decrease cash in hand level. Investment for the long time has fluctuate year to year and investment income increase which is better for the Southeast bank ltd. Net Profit after tax has increase randomly 2017-2020 which show that organization can huge earn from operations only 2021 net profit fall.

Chapter 04  
Problems, Recommendations  
and Conclusion

## 4.1 Problems Identified:

After completing analysis data, I have got some problems which completely from my personal view. These problems are given below:

- Past three years, Current ratios were not up to the market from 2019-2021.
- Cash ratios of Southeast Bank Limited decreased from 2019-2021.
- Total assets turnover reduced year to year (2019-2021).
- Equity turnover is fluctuating continuously.
- Current asset turnover and fixed assets turnover decreased last some years based on previous year.
- Operating expense is huge of Southeast Bank Ltd.
- As per the analysis, it is seen that Net profit margin decreases in 2021.
- Return on assets and return on equity decreases year to year.

## 4.2 Recommendations for Southeast Bank Limited

To provide recommendation for the organization it is very difficult for me. However, recommendation is given below:

To identify the finding and give related recommendation it is very complicated based on three months' work experience, some recommendations given below which organization can be improve.

- ❖ Southeast Bank Limited needs to improve current ratio because current ratio indicates liquidity position. If company faces this problem company will face crisis in future.
- ❖ Southeast Bank Limited needs to concern about cash ratio, but excess liquidity reduces profitability.

- ❖ Asset turnover an indicator of efficiency organization should take care about it by the proper utilization of assets in future.
- ❖ Organization needs to concern about reducing operating expense.
- ❖ Southeast Bank Limited needs to pay attention about ROA &ROE.
- ❖ To provide ATM facility for the customers which will run in banking transactions.
- ❖ There should be proper incentives for the employees to carry out the banking functions properly. Because motivations, communication with employees are the main tool for proper using human force.

### 4.3 Conclusion:

The Southeast Bank Limited is not only commercial bank in Bangladesh. As a bank, it has many general activities like other bank. This bank established in 1981 in our country. In this report discuss about Southeast Bank Limited general activities and financial overview from 2017-2021 based on liquidity ratio, operating and profitability ratio. To collect core deposits from the customers in urban and rural geography. This deposit bank provides to invest in multiple sectors such as agriculture sector, business sector, industry etc. Without those the bank has a great contribution in the green banking for the protecting our environment with the climate change challenges globally. A person can find out organization strength, weakness, and company opportunity by using financial performance analysis. This analysis is more important for the organization for the future operations. Southeast Bank Limited to maintaining government rules and regulations Southeast bank Limited always best try to contribute on national G.D.P. and G.N.P.

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