

An Analysis of the Financial Performance of Southeast Bank Limited



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An Analysis of the Financial Performance of Southeast Bank Limited

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Letter of Transmittal

October 16, 2022

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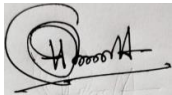
Subject: **Submission of Internship Report.**

Dear Sir,

This is to inform you that I have completed my internship report topic “An Analysis of the Financial Performance 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



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Approval Certificate

This is to certify that the internship report entitled An Analysis of the Financial Performance of Southeast Bank Limited is prepared by Nahidur Rahman, ID# 191-11-6082, as a requirement of BBA Program under the Department of Business Administration and the Faculty of Business and Entrepreneurship at Daffodil international University.

The report is recommended for submission and acceptance.

I wish him every success in life.



Professor Dr. Mohammed Masum Iqbal

Department of Business Administration

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Acknowledgment

In the name of Allah, the beneficent the merciful. 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. The special thanks to my helpful supervisor Professor Dr. Mohammed Masum Iqbal, 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

The report has been prepared to fulfill the requirement of BBA program. Which is mandatory to be involve with company for the gin theoretical and practical experience. This report is “An Analysis of the Financial Performance of Southeast Bank Limited”. Southeast bank is an economic institution and service-oriented organization. Its main aim to earn profit by the exchange of money and other instruments. Southeast bank as a commercial bank to perform two functions service and profit. Banks have four parts for the operations such as general banking, accounts and general service, loan, and advance and foreign exchange. Bank collect deposit from the customers and to invest this money into the different project and different financial security for the reducing risk and getting more profit. Southeast bank is the one of the larges leading commercial bank in our country.

Financial statement analysis is the most valuable elements for any kind of organization. I try to find out overall financial position by the ratio analysis problem and give some possible recommendation. Southeast bank limited financial position fluctuate from 2017- 2021. Southeast bank limited liquidity position is not good. Liquidity ratio was below one which is not good position for the bank. Operating efficiency ratio Total Asset Turnover, Equity Turnover, Current Asset Turnover, and Fixed Asset Turnover decrease year to year. ROA and ROE both decrease from last some years. Huge operating expense of this bank and net profit margin was some position which is not good for the southeast bank limited.

Southeast bank can take decision based on financial statement analyze of the bank. External user can use it to understand overall health of the organization. Southeast banks need to focus on liquidity ratio because it's included with current obligations. Ratio analysis to provide information about performance and financial health of the bank by using current financial statements. Some ways to analyze financial performance analysis methods are common size analysis, trend analysis and the ratio analysis. Finally, this report helps to get practical knowledge about research in my practical life. This research motivates to make my dream as a researcher in my favorite area.

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Chapter: 01

Introduction

1.1 Introduction

Southeast Bank Limited is the one of the largest banking service providers in Bangladesh. Southeast bank is the private bank. This bank to play rule in our economy and business relevant field. In our country southeast bank one of the providers of modern banking service. Southeast bank limited was established in 1995. This bank to contribute for the growth of our national economy. Southeast Bank is run by a team of efficient professionals. Southeast bank limited are more careful about generate an environment for the believe of their consumers. This organization to motivate their employees for achieving the organizational goal. This bank committed with their customers for the best quality and better service by the modern technologies. Southeast banks provide different corporate culture and work environment for the agents. In this bank lots of employee work for achieve the organizational objectives. This bank also highly encourages for the women. Southeast bank limited to helps poor and meritorious students by the scholarship. We know that all banks accept challenge and calculate traditional banking system. This bank gives different types of loan for the customers such as account opening, clearing, export- import, locker, and loan offering. Southeast bank limited are very conscious about loan bank did not accept highly risky loan.

1.1.1 Background of the study:

As a student for the Bachelor of Business Administration (BBA) degree from Daffodil International University (DIU). I have completed internship from Southeast Bank Limited and prepare report topic is “Financial Performance Analysis of Southeast Bank Limited” by using annual report of Southeast bank Limited from 2017-2021.

1.1.2 Scope of the study:

This study to roofing general activities and evaluating financial performance analysis of Southeast Bank Limited in Bangladesh.

1.1.3 Objective of the study:

General Objective:

- To understand the overall financial performance of Southeast Bank Ltd.

Specific Objective:

- To understand the current financial position of the southeast bank limited.
- To understand the comparative financial position of Southeast Bank in last 5 years.
- To identify the key findings (Issues) based on the current & historic financial performance of Southeast Bank Ltd.
- To suggest possible recommendations based on the findings.

1.1.3 Methodology of the study:

Nature of the Study:

The nature of this study is descriptive and exploratory type that enables the researchers to describe the phenomena as reported by the researchers' informant.

Sources of Data:

The data used to complete internship report has been collected from the secondary source of data.

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.

Target population and sample size:

Here the banking industries private bank of Bangladesh has been worked s population. Currently there are 43 private commercial banks in Bangladesh, we are working with one bank as a sample. We are using the bank details information as a sample from the website which we are using as a reference.

Method of Data Collection:

- Practical work desk.
- Personal communication with respective officers.
- Annual reports of the southeast bank limited, and websites
- Oral histories of the bank

Main analysis of the internship report:

- ✓ Ratios Analysis
- ✓ 3 Factor DuPont Analysis
- ✓ Common Size Analysis
- ✓ Trend Analysis

1.1.5 Limitations of the study:

- Time limitation
- Confidential data is not available which is another barrier.
- Faced problem to get the information about the service and policy information.
- By doing secondary research, it's not possible to get all the information about the internal organizational activities.

- Problems identifies very complex based on three months' work experience.
- Organization website is not update.
- Necessary information not available.
- Information collect was difficult.
- Employees are so much busy.

Chapter: 02

Company Overview and theoretical analysis

2.1 Company Overview:

Southeast bank is the largest bank and service provider of Bangladesh. Southeast bank has lots of contribution for the economic sector and business sector in our country. Southeast bank was established in 1995. This bank has specific vision and mission. Southeast bank limited also have rule in our gross domestic product. This bank achieves customer trust by creating environment. In this bank all employees are committed for achieving organizational objectives. This bank has lots of female employee because this bank also highly encourages for the women employee. Southeast bank committed for the best quality service for the consumers with update technologies. Southeast bank limited also provide scholarship for the poor and meritorious students. This bank is very conscious about loans. This bank did not accept any risky loan.

Product & Services of SEBL:**General Banking:**

- ❖ Accounts Opening
- ❖ Account Maintaining
- ❖ Account Closing
- ❖ Bank draft
- ❖ Demand draft
- ❖ Issuing pay order

Foreign Exchange:

- ❖ Letter of credit
- ❖ L/C Application
- ❖ Security of documents
- ❖ Operations of documentary letters of credit
- ❖ Parties to letter of credit

Investment Service:

- ❖ Investment Scheme for doctors
- ❖ Small Transport Scheme
- ❖ Small Business Investment Scheme
- ❖ Housing Investment Scheme
- ❖ Car Loan Scheme
- ❖ Education Savings scheme
- ❖ Marriage Savings Scheme
- ❖ Pension Savings Scheme

2.2 Financial Performance Analysis:

Financial performance analysis is a tool for calculating organizational financial position. Because financial performance analysis can identify the problem and organization can take actions for the problems. Financial performance analysis is very necessary for both investor and company. As a result, organization can take actions about how will continue in future.

2.2.1 Ratio Analysis:

Ratio analysis is very important for the investor and organization. Because ratio analysis to create relationship with financial liquid. This formula to identify the organizational position like liquidity ratio, operating ratio etc. Ratio analysis find out result about company cash, profit and solvency. Different types of users use this method as a result user can identify the problem and company can take action. In this report common ratio analysis for evaluating financial performance of Southeast Bank limited from 2017- 2021.

2.2.2 Liquidity ratio:

We know that liquidity ratio is the another thinks which to calculate organizational ability. Liquidity ratio relationship with company current obligations without increasing capital. Liquidity ratios show the cash amount of the organization, this amount is used as an ability to meet short- term obligations. Organization can take actions for the future operation by using liquidity ratio. If this ratio is bad position this time company cannot survive into the market.

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

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

2.2.3 Operating Efficiency Ratio:

- Total Asset Turnover: $\frac{Net\ Sales}{Total\ Assets}$
- Equity Turnover: $\frac{Net\ Sales}{Total\ Equity}$
- Current Asset Turnover: $\frac{Net\ Sales}{Current\ Asset}$
- Fixed Asset Turnover: $\frac{Net\ Sales}{Total\ Fixed\ Asset}$

2.2.4 Profitability Ratio:

We know that profitability ratio is the necessary think for the investor and organization. Which relationship with profit and solvency. If profit level is high this time this is good for the organization. If profit is low this time organization will face problem for the operation and will face solvency. An investor to analysis this ratio before invests his money. Profitability ratio means ability to earn by using investment capital.

- 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 calculating return on equity (ROE). Dupont analysis is piece by piece. An investor can identify which factor influence to change return on equity (ROE). Dupont analysis is the substitute way to calculating ROE.

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:

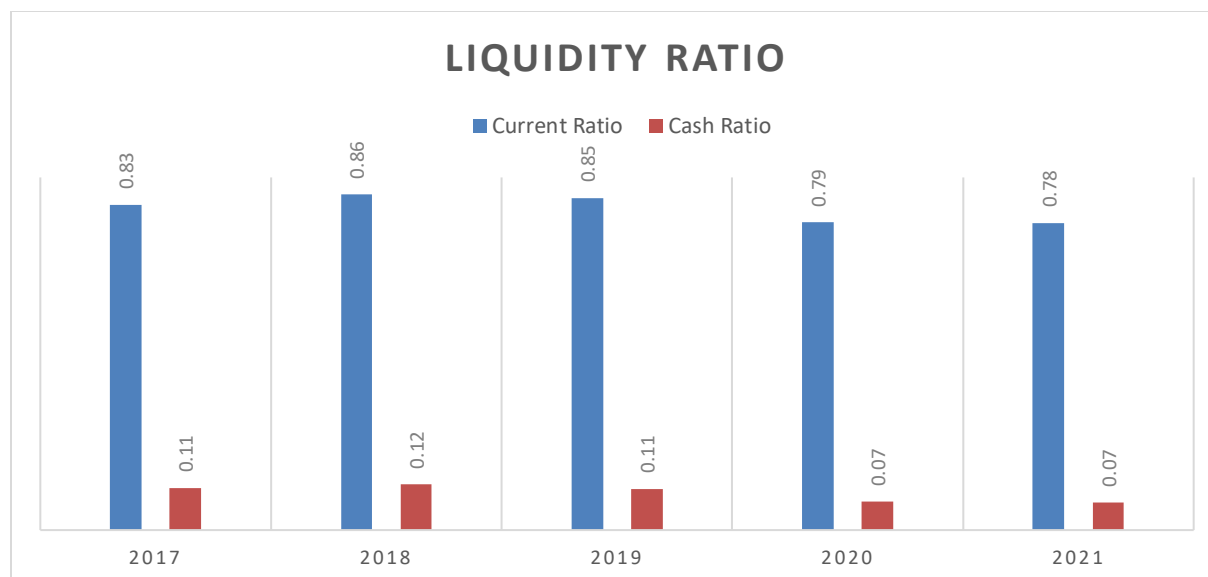
Trend analysis is a technique for the analysis, which to predict outlook about stock price movements based on present situation. Trend analysis provide idea based on history and what will happen in the future. We know that trend analysis is the horizontal analysis. In involves computing trend percent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

Chapter: 03

Financial Performance of Southeast Bank Ltd.

3.1 Liquidity Ratio

Liquidity Ratio					
<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

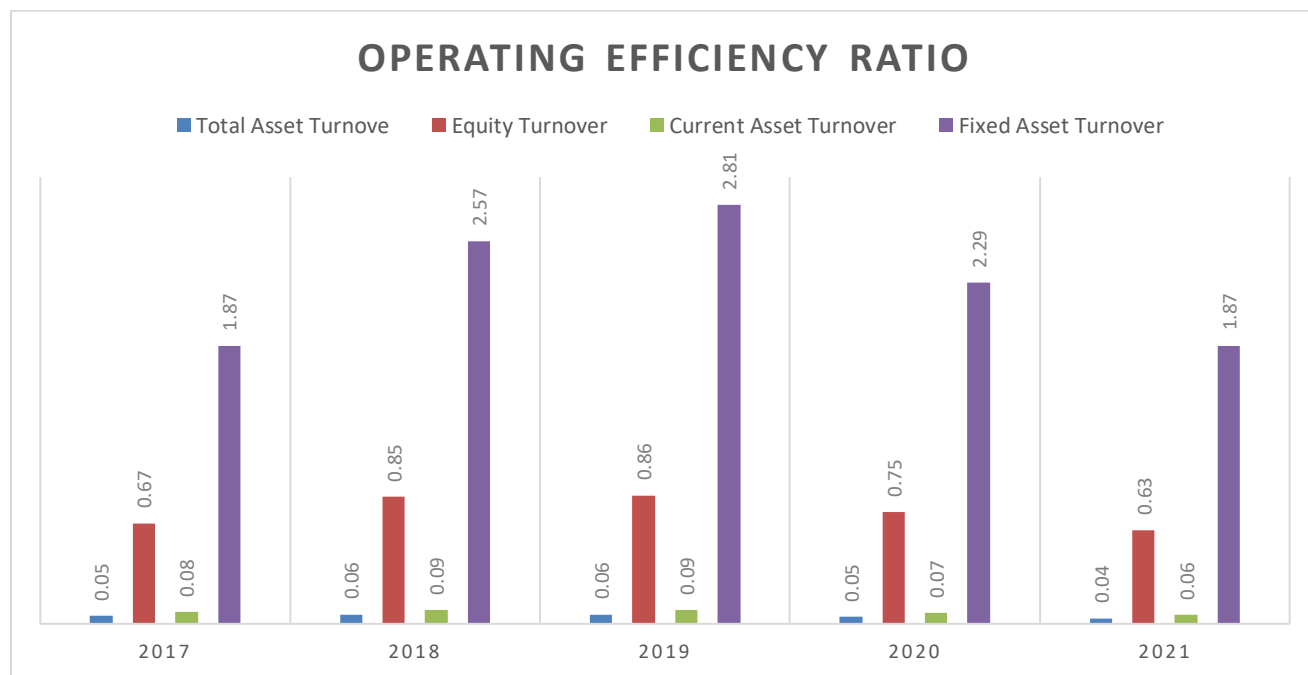


Interpretation: We know that liquidity ratio relationship with current debt. Liquidity ratio show the ability of the company meet current debt. Current ratio is apart of liquidity ratio which measure a firm has enough resource to meet short-term debt. Current ratio of southeast bank limited was 0.83 & 0.86 in 2017 to 2018. Rest of the year decrease from 1019-2021. Cash ratio increases 2018 from 2017 than again decrease but last two years was 0.07.

3.2 Operating Efficiency Ratio

Operating Efficiency Ratio					
<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
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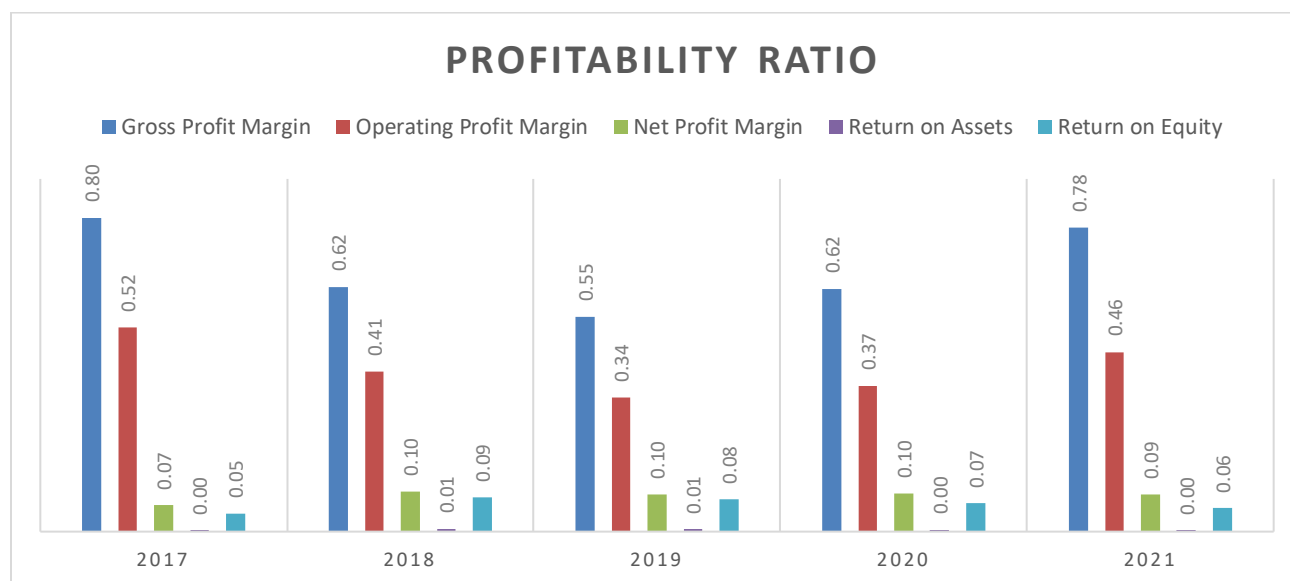


Interpretation: The operating efficiency ratio identify the efficiency of a company management comparing by the operating expense of a company net sales. Total asset turnover of southeast bank limited 2017 was 0.05 and 2018 & 2019 was 0.06 than again decrease. Equity turnover decrease from 2019-2021 but 2018 was increase. Current assets turnover decrease and fixed asset turnover increased in 2018 and 2019 was 2.57 & 2.81 after 2019 again decrease.

3.3 Profitability Ratio

Profitability Ratio					
<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



Interpretation: Profitability ratio is an accounting ratio that to determining the financial performance of business at the end of an accounting period. All of organization do operation for achieving the profit. Southeast bank limited gross profit margin decreases from 2017- 2019 and last two years organization try to recovery by reducing cost of goods sold. Operating profit margin 2018 was 0.41 and 2019 again decrease 0.34 and rest of the year increase from 2019. Net profit of the southeast bank 2017 was 0.07 and 2018-2020 was fixed point 0.10, 2021 again decrease net profit. Return on assets and return on equity decrease year to year.

3.4 3 Factor Dupont Analysis

3 Factor Dupont Analysis					
<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%

Interpretation: 3 factor Dupont analysis is the three-step formula by simply multiplying the three parts and finding return on equity (ROE). By the Dupont analysis we can easily identify which factor affecting in return on equity. Net profit margin and total asset turnover more affecting in return on equity. Return on equity of southeast bank limited increased in 2018 and last three years decrease.

3.5 Common Size Analysis

3.5.1 Common Size Analysis of Balance Sheet:

Southeast Bank Ltd.										
Balance Sheet										
Common Size Analysis										
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%
LIABILITIES AND CAPITAL										
Liabilities										
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-wadeeah current accounts and other accounts	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%	465,497.75	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%

3.5.2 Common Size of Income Statement

Southeast Bank Ltd. Income Statement Common Size Analysis										
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%

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 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:

Southeast Bank Ltd.										
Balance Sheet										
Trend Analysis										
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%
LIABILITIES AND CAPITAL										
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-wadeeah current accounts and other accounts	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%

3.6.2 Trend Analysis of Income Statement:

Southeast Bank Ltd.										
Income Statement										
Trend Analysis										
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%

Interpretation: Trend analysis is a technique for the analysis, which to predict outlook about stock price movements based on present situation. Trend analysis provide 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, Identify some findings which fully from internship report. These findings are given below:

- Liquidity ratio of the southeast bank limited are not satisfied position because liquidity ratio fall based on previous years.
- Asset's turnover randomly decrease last some years for the lack of proper utilization of assets.
- Southeast bank limited Operating expense is huge which affect in net profit.
- As per my analysis, I saw that net profit reduce in 2021 for the huge operating expenses and cost of goods sold.
- Return on assets and return on equity are not satisfied level because ROA & ROE decrease year to year.
- Lack of ATM booth customers cannot get service after closing the bank.

4.2 Recommendation for the southeast Bank ltd.

To provide recommendation for the organization it is very difficult for me. To identify the finding and give related recommendation it is very complicative based on three months' work experience. Lots of expertise who have better understanding than me. Some recommendation given below which organization can be improve. However, recommendation is given below:

- ❖ Southeast bank limited need to improve liquidity ratio because liquidity ratio indicates organizational capacity to meet current debt. If organization face this problem, bank will be face crisis for the operation in future.

- ❖ Asset turnover an indicator of efficiency organization should take care about it by the proper utilization of assets in future. Southeast bank should proper utilization of assets and getting more profit.
- ❖ Organization needs to concern about reducing operating expense. Because high operating expenses to reduce net profit. The bank should introduce faster working process with better computers and operating systems.
- ❖ Southeast bank should try to improve profit level by reducing expenses and rising service satisfactory level. If customer is more satisfied this time customer will continue more transactions.
- ❖ Southeast bank limited need to pay attention about ROA & ROE.
- ❖ To provide ATM facility for the customers which will run banking transactions.

4.3 Conclusion:

The Southeast bank limited is not only commercial bank in our country. This bank was founded in 1981. Southeast bank has lots of general function like other bank.in this report I try to discuss about general activity and financial performance analysis by using data from 2017-2021. By using this ratio liquidity ratio, operating and profitability ratio and find out performance. Southeast banks have lots of employees and unique working environment for the activity. This bank to collect deposit from consumer and invest based in portfolio and provide benefit for the customers. A person can find out organization strength, weakness, and company opportunity by using financial performance analysis. Southeast bank limited can see outlook by the performance analysis and this bank 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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