

Strictly Private & Confidential

INFORMATION MEMORANDUM

5th Non-Convertible Subordinated Floating Rate Bond of BDT 5,000 Million for Southeast Bank Limited



Issuer: Southeast Bank Limited

Corporate Head Office: Eunoos Trade Center
52-53, Dilkusha, C/A (Level - 2, 3, 4 & 16)
Dhaka - 1000, Bangladesh

Trustee: Sena Kalyan Insurance Company Limited

Type of Security: Subordinated Unsecured Floating Rate Bond

Total Face Value: Up to BDT 5,000 Million

Face Value of Each Bond is: BDT 10,000,000

Issue Price of Each Bond is: BDT 10,000,000

Number of Securities: 500

Total Issue Amount: BDT 5,000,000,000

Coupon Rate/discount rate and YTM: Floating

Issue Date of IM: December 27, 2021

Credit Rating Status of the Issue:

Long Term Rating: AA-B, **Outlook:** Stable

“If you have any query about this document, you may consult the issuer and the trustee.”

**Mandated Lead Arranger
Standard Chartered Bank**



ARRANGER'S DISCLAIMER

Southeast Bank Limited (the “**Issuer**”) has authorized Standard Chartered Bank (“**Standard Chartered**” or the “**Arranger**”) to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the “**Transaction**”) and the bond proposed to be issued in the Transaction (the “**Bond**”).

“**Standard Chartered Bank**” means Standard Chartered and any group, subsidiary, associate or affiliate of Standard Chartered and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Bond. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.

ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. The issue of Unsecured Subordinated Floating Rate Bond is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the bond issue to the public in general. Apart from this Information Memorandum, no information memorandum or prospectus has been prepared in connection with the offering of this issue.

This Information Memorandum has been prepared to provide general information about the issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the bond issue. This Information Memorandum does not purport to contain all the information that any potential investor may require. Neither does this Information Memorandum nor any other information supplied in connection with the bond issue is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any bonds. Each potential investor contemplating the purchase of any bonds should make his/her own independent investigation of the financial condition and affairs of the issuer and his/her own appraisal of the creditworthiness of the issuer.

Potential investors should consult their own financial, legal, tax, and other professional advisors as to the risks and investment considerations arising from an investment in the bonds and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

The information relating to the company contained in this Information Memorandum is believed by the issuing company to be accurate in all respects as to the date hereof.

It is the responsibility of potential investors to also ensure that they will sell/transfer these Bonds in strict accordance with this Information Memorandum and other applicable laws. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the issuer during the life of the arrangements contemplated by this Information Memorandum or have any responsibility to advise any investor or potential investor in the bonds of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the issuer.

The contents of this Information Memorandum are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

The person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the issuer till the time the Information Memorandum comes within public domain. Notwithstanding the foregoing, a bondholder may provide this Information Memorandum to a potential investor for the sole purpose of transferring the bonds.

Each person receiving this Information Memorandum acknowledges that:

- Such person has been afforded an opportunity to request and to review and has reviewed and received this Information Memorandum and all additional information considered by an individual to be necessary to verify the accuracy or to supplement the information herein; and
- Such person has not relied on any intermediary that may be associated with the issuance of the bonds in connection with his/her investigation of the accuracy of such information or his/her investment decision.

The issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the issuer. Neither the delivery of this Information Memorandum nor any sale of bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the bonds or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the bonds may be restricted by law in certain jurisdiction. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions.

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LETTER OF AUTHORITY

___ November 2021

Mr. Md. Maroof ur Rahman Mazumder
Executive Director & Head of Capital Markets
Standard Chartered Bank
67, Gulshan Avenue
Gulshan, Dhaka-1212

LETTER OF AUTHORITY

Dear Sir,

We refer to the Subordinated Floating Rate Bond Issue of BDT 5,000 million (the "Bonds") which, you (the Arranger) is arranging at our request, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum"):

Southeast Bank Limited (the "Issuer"), the undersigned, confirms that:

- a) Except as otherwise provided in the Information Memorandum, all the information contained therein relating to the company and its business has been provided to you by us;
- b) We confirm that we are fully responsible for all material statements, facts and opinions in the Information Memorandum.
- c) To the best of our knowledge the Information Memorandum does not omit any fact in the context of the proposed facility although the Information Memorandum does not purport to be all the information which investors may require in order to evaluate the issuer's business.
- d) The forecasts contained in the Information Memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- e) The information (including forecast) in the Information Memorandum fairly represents the basis on which the Issuer and its shareholders are proceeding with the business.

The Issuer does not however make any express of implied representation of warranty as to the fairness, accuracy; or completeness of the information (including statements of opinion) or forecasts. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the bond documents and no representations or warranties other than those specially set forth on the bond documents shall be deemed to be given to any party.

We hereby request and authorize you to distribute this Information Memorandum to prospective investors who may subscribe the Bonds. We understand that as per local practice, no confidentiality agreement will be signed between the Arranger and the prospective participants (including their relevant staff members and board of directors) to whom the Information Memorandum shall be placed and we confirm our consent to the distribution of "Information Memorandum" and other relevant documents to prospective investors distributed in this manner.

Yours sincerely,
Sd/-

M. Kamal Hossain
Managing Director

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3. REPORTS TO THE ELIGIBLE INVESTORS

Issuer has obtained information regarding Bangladesh and its economics from various publications made by the government of Bangladesh and other sources. Although, the Issuer believes that its sources are reliable, but there is no scope for the Issuer to make verification of information independently by any independent sources. Issuer has obtained information about the Trustee i.e. Sena Kalyan Insurance Company Limited from the Trustee and Issuer does not accept any responsibility for the information contained in the section entitled “The Trustee.” Issuer also does not accept any responsibility for the information contained in the section entitled “Credit Rating.” We are not making any representation to you concerning the accuracy or completeness of the information contained in the section “The Trustee” or in the section “Credit Rating.”

The distribution of this Information Memorandum and the Offering is restricted only in Bangladesh. It is not intended or made to offer or sale of the Bonds in any other jurisdiction. The offerings will not be offered to the public at large in Bangladesh, or outside Bangladesh.

We may withdraw this offering at any time, and we reserve the right to reject any offer to purchase the Bonds in whole or in part and to sell to any prospective investor less than the full amount of the Bonds sought by such investor.

We have obtained approval of the Bangladesh Securities and Exchange Commission for issue of Bonds and the distribution of this Information Memorandum through letter No. BSEC/CI/DS-178/2021/650 dated December 27, 2021 and the Bangladesh Bank has given its approval through letter No. BRPD(BS)661/14B(P)/2021-11179 dated December 01, 2021.

4. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Risk management

Risk is defined by Issuer as risk of potential losses or foregone profits that can be triggered by internal and external factors. Therefore, the objectives of risk management are identification of potential risks in our operations and transactions, in our assets, liabilities, income, cost and off-balance sheet exposures and independent measurement and assessment of such risks and taking timely and adequate measures to manage and mitigate such risks within a risk-return framework. A summarized position of various inherent and potential risks, The Issuer is facing, while conducting its business and operations and steps taken by the Bank to effectively manage and mitigate such risks by management of Issuer.

a) Interest Rate Risk:

Interest rate risk represents exposures to instruments whose values vary with the level or volatility of interest rates. These instruments include, but are not limited to loans, debt securities, certain trading related assets, deposit and borrowings.

Management Perception

Southeast Bank's goal is to manage interest rate sensitivity so that movements in interest rates do not significantly adversely affect earnings. Our ALM activities include an overall interest rate risk management strategy to manage fluctuations in earnings that are caused by interest rate volatility. ALM activities include monitoring interest rate profile, sensitivity of bank's earning under different interest rate scenarios, product pricing decisions including deposit pricing strategies.

b) Exchange Rate Risk:

Foreign exchange risk represents exposures to changes in the values of current holdings and future cash flows denominated in currencies other than the Bangladeshi Taka. The types of instruments exposed to this risk include foreign currency denominated loans, future cash flows in foreign currencies arising from inward remittance, proceeds from export.

Management Perception

Southeast Bank Limited has managed foreign currency risk by keeping the net open position (NOP) within the limit. Moreover, hedging instrument like currency SWAP is also used to mitigate the currency risk.

c) Non-repayment Risk (credit risk):

Credit risk is the risk of loss that may occur from the failure of any counter party to make required payments in accordance with agreed terms and conditions and/or deterioration of creditworthiness.

Management Perception

Southeast Bank carries out Credit Risk Management functions through a number of processes to maintain a healthy loan/credit portfolio. The Bank minimizes the overall risk level through maintaining a diversified credit portfolio with balanced mix of different sectoral distribution within the prevailing economic condition of the country. The credit risk management activities are governed by the

established credit risk framework of the Bank supported by Credit Policy Guideline that encompasses credit approval processes for all business segments along with the guidelines for post disbursement monitoring and finally recovery of disbursed loans.

An in-depth credit appraisal, Credit Risk Grading of prospective borrower, analysis of information obtained from Credit Information Bureau (CIB) etc. are carried out at pre-sanction stage. In order to mitigate non-repayment risk, collateral security and guarantee are obtained. A systematic loan monitoring process is followed for each loan at the post-disbursement stage.

d) Prepayment, call or refunding risk:

The risk associated with the early unscheduled return of principal on a fixed-income security.

Management Perception

Since there is no option for prepayment, call or refunding, this risk is not associated with this particular bond.

e) Security Risk:

The risk associated with the default of the collateral used to guarantee repayment of a debt.

Management Perception

Since this is a subordinated or unsecured bond, i.e. it is not backed by any asset; this particular risk is not applicable here.

f) Liquidity Risk:

Liquidity risk arises from the potential inability to meet the contractual and contingent financial obligations, on or off-balance sheet, as they come due.

Management Perception

Our primary liquidity management objective is to provide adequate funding for our business throughout market cycles, including periods of financial stress. To achieve the objective, we analyze and monitor our liquidity risk, maintaining excess liquidity and access diverse funding sources including our stable deposit base. To manage liquidity risk more efficiently SEBL has Board approved Liquidity Contingency Plan which set different liquidity risk tolerance levels. The ALCO committee monitors our liquidity position and reviews the impact of strategies decisions on our liquidity.

g) Management Risk:

Management Risk is the risk associated with ineffective, destructive or underperforming management, which hurts shareholders and the company or fund being managed.

Management Perception

SEBL is one of the leading banking institutions in Bangladesh with a track record of consistent performance achieved through effective leadership and corporate governance. It has a sound management system that is not only efficient but also dynamic in taking relevant decision to make the organization more effective and results oriented. The bank has taken a holistic approach to establish an interactive system where strategic business objectives are cascaded downwards while business information is escalated upwards enabling senior management to execute its management and supervisory function appropriately. Therefore, with a strong leadership on the back, management risks are not a matter of concern or a vital risk factor for the bank.

h)Operational Risk:

Operational Risk is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, error, fraud & forgeries, surprises, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Failure to understand and manage the Operational Risks may greatly increase the possibility that some risks will go unrecognized and uncontrolled.

Management Perception

Southeast Bank Ltd (SEBL), in accordance with the guidance notes of Bangladesh Bank, has established an effective and integrated risk management framework that consist of six core factors, i.e. Credit Risks; Asset and Liability/Balance Sheet Risks; Foreign Exchange Risks; Internal Control & Compliance Risks; Money Laundering Risks and Information & Communication Technology Risk. An appropriate and effective internal control environment is also in place to ensure that the Bank is managed and controlled in a sound and prudent manner. To mitigate the Operational Risk of the Bank:

- (i) Board of Directors of the Bank is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the Bank is appropriately and effectively managed and controlled.
- (ii) Bank Management proactively discharges their responsibilities and supervises the activities of the Bank to manage and operate the Bank in a sound and prudent manner.
- (iii) SEBL has adopted/established adequate policies and operational & monitoring procedures.
- (iv) SEBL has established an effective management information system to support the organizational and procedural controls in order to soundly and prudently manage the exposure to risk of the Bank.
- (v) SEBL has established an independent audit/inspection mechanism to monitor the effectiveness of the organizational and procedural controls of the Bank.

The line management of the Bank relies on the following techniques to measure exposures, define procedures to manage these exposures, fixing up limit of individual position to acceptable levels and encourage decision makers to manage the risks in a manner that is consistent with the Bank's goal and objectives:

- (i) Standards setting and financial reporting
- (ii) Position limit and rules setting
- (iii) Setting of investment guidelines and strategies
- (iv) Incentive contracts and compensation (such as, performance-related bonuses and performance-contingent promotions and dismissals)

SEBL has established various Internal Control Cycles or pre-defined Procedures, i.e Compliance Review Work Program (e.g., Departmental Control Function Checklist, Quarterly Operation Report, Loan Documentation Checklist, MANCOM Certificate, Annual Summary Report, Annual Health Report, etc) to ensure efficient and effective internal controls of the Bank. Internal Control and Compliance Division of the Bank with their three units is performing the supervisory and monitoring works to manage the risks. They are enacting their day to day activities with an intention to contribute positively towards strengthening the system of managing the Risk of Internal Control & Compliance of the Bank.

Inspection Teams of ICCD of SEBL and Bangladesh Bank carry out inspection on different Branches and Divisions at Head Office of the Bank and submit report thereof. Necessary remedial

measures/corrective steps are taken on the suggestions/observations made in the said reports. The summary of key points of the reports are also presented and discussed in the meeting of the Audit Committee of the Board of Directors. Appropriate actions are also taken as per the decisions of the Audit Committee for protecting the Bank's interest.

i) Business Risk:

Business risk is the possibility that the bank will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is influenced by a lot of factors, including revenue, costs, competition, business strategies, budget, interest rate and overall economic climate and government regulations.

Management Perception

SEBL has developed a long term business growth plan in accordance with the risk taking capability of the bank. The steering of future profitability is operated through the various management committees and ultimately by the Board of Directors. To counter and mitigate business risk, the following mitigation measures are in place:

- Innovative products and services
- Speedy responses to customer complaints
- Frequent assessment and measurement of the level of *customer satisfaction*
- Tracking actual *performance against targets*
- Assessment of the strengths and weaknesses of current and potential *competitors*
- Regular review of global economic meltdown with its perceived effects and taking remedial measures

j) Industry Risk:

Industry Risk is the possibility that a specific industry will not perform up to the expected level or at par. When problems plague one industry, they affect the individual organization of that particular industry. Industry risk also refers to the risk of increased competition from foreign and domestic sources leading to lower revenues, profit margins, loss of market share etc. which could have an adverse impact on the business, financial condition and result of operation.

Management Perception

SEBL has always been careful in offering Innovative, convenient and cost effective financial products and services which in turn minimizes its industry risk exposure. Since its inception the bank contributes significantly in harnessing deposits by launching different attractive schemes befitting the requirement of different segments of customers. The bank actively encourages feedback from the customers and regard complaints as constructive comments that helps to build customer relationships and improve business. The Bank has also succeeded in diversifying its business portfolio across the thrust sectors of the economy and always takes special care for superior value addition in its services to clientele.

k-1) Market Risk:

Market risk is the risk due to which values of assets and liabilities or revenues may be adversely affected by changes in the market conditions.

Management Perception

This risk is inherent in the financial instruments associated with our operations. Our traditional banking loan and deposit products are non trading positions and are generally reposed at amortized cost for

assets or the amount owed for liabilities. However, these positions are still subject to changes in economic value based on varying market conditions, with one of the primary risks being changed with the levels of interest rates. The risk of adverse changes in the economic value of our non-trading positions arising from changes in interest rates is managed through our ALM activities. Our trading positions are reported at market value with changes reflected in income. Trading positions are subject to various changes in market-based risk factors. The majority of this risk is generated by our activities in the interest rate, foreign exchange and equity. SEBL has maintained capital against all market related instruments under Basel-II.

k-2) Technology-related Risk:

Technology risk is the process of managing the risk associated with implementation of new technology. If a new technology is not compatible with business function of the company, the company may suffer in the long run. Risks surrounding Information Technology, such as network failure, software failure, lack of skills, hacking and viruses and poor system integration causing the potential negative impact on an organization.

Management Perception

Information Technology risk management plays an important role in protecting the Bank's information assets and strengthening the security of the vital component of IT, like Application, Database and Network infrastructure are an ongoing process. In this direction, the bank took a number of initiatives, and these were formulation of ICT Risk Management Policy, regular ICT audit by internal and external auditors, formation of ICT risk management review team, etc. The Bank already implemented Data Center (DC) and Disaster Recovery Site (DRS) with proper Intrusion Prevention System (IPS) and Firewalls and also deployed some solutions to protect its technological assets from different levels of threats from internal and external sites. Moreover, the Bank conducted penetration test and vulnerability scanning of its e-banking system periodically to identify internal and external vulnerabilities and threats and accordingly took necessary measures to mitigate those risks.

l) Risk related to potential or existing Government Regulations:

The Company operates under Companies Act, 1994 the Bank Companies Act-1991, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax (VAT) Act, 1991, Value Added Tax (VAT) Rules, 1991, Customs Act, 1969, Bangladesh Securities and Exchange Rules, 1987 and other related Regulations. The company also obtained license from Bangladesh Bank as a Bank under the Bank Companies Act, 1991. Any noncompliance with regulatory regime may cause the Bank to be a noncompliant one having adverse impact in the reputation of the Bank.

Management Perception

Unless any policy is changed that may negatively and materially affect the industry as a whole, the business of the bank is expected not to be affected significantly. Financial sector in Bangladesh is a sector with considerable local demand for differentiated product lines. Therefore, it is highly unlikely that the Government/Central Bank will initiate any fiscal measure having adverse effect on the growth of the industry.

m) Risk related to potential changes in Global or National Policies:

Changes in the existing global or national policies can have either positive or negative impacts for the Bank. The performance of the Bank would be hindered if the national/global political and economic condition becomes unrestful. Since the risk involved with the potential changes in global or national policies is a macro factor, it is beyond the control of Southeast Bank Limited.

Management Perception

The management of Southeast Bank Limited is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and timely to safeguard its interest. Due to maintaining a diversified portfolio in major sectors in line with the country's growth scenario as well as industrial policy, the Bank will always endeavor to withstand the unexpected changes or any such potential threats. Nevertheless, political stability and a congenial business environment is definitely the best situation in which the Bank will achieve its maximum potential.

5. DETAILED DESCRIPTION AND INFORMATION OF ISSUER'S APPLICATION

Southeast Bank Limited, the issuer, has applied to the Bangladesh Securities and Exchange Commission for approval for issuance of BDT 5,000 Million Floating Rate, Non-Convertible, Unsecured Subordinated Bond. The detailed issue application as per Schedule "A" Part- I of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 has been provided in **Annexure 1**.

6. DETAILS OF THE UTILIZATION OF PROCEEDS

Purpose of Issuance of the Southeast Bank Subordinated Bond:

Southeast Bank has decided to raise capital through issuance of subordinated bonds in order to strengthen its capital base in accordance with Basel III guidelines of Bangladesh Bank.

As on 30 September 2021 Southeast Bank and its Subsidiaries had a total capital of BDT 42,159.78 Million of which BDT 27,337.55 Million was the Common Equity Tier-I Capital and BDT 14,822.24 Million was the Tier-II Capital and the Capital to Risk Weighted Assets (CRAR) of the Bank was BDT 297,899.98 Million.

On a solo Basis Southeast Bank Limited had a total capital of BDT41,841.29 Million of which BDT 27,019.05 Million was the Common Equity Tier-I Capital and BDT 14,822.23 Million was the Tier-II Capital and the Capital to Risk Weighted Assets (CRAR) of the Bank was BDT31,4862.49 Million.

The Issuer has planned to raise BDT 5,000,000,000 to generate liquidity to strengthen its Tier II Capital base. The fund raised through issuing the proposed bonds will provide the Bank additional Capital cushion in light of risk weighted Capital Adequacy Ratio and will help the Bank to grow its loans and advance portfolio and to open new branches. The issuance of the Subordinated bonds will allow the Bank to enhance its capital strength and continue to grow its Balance Sheet.

Utilization of Proceeds:

The bonds will qualify as a part of the Bank's Tier II capital and will help maintain healthy capital adequacy ratios in next few years. Besides, the fund will also be used for undertaking general business activities of the Bank, which includes strengthening the loan portfolio of the Bank in Corporate, SME and retail segments.

7. FEATURES OF THE DEBT SECURITY TO BE ISSUED

a. Basic Features of the Instrument

Issuer:	Southeast Bank Limited (SBL)																											
The Issue:	Non-Convertible Floating Rate Subordinated BDT 5,000 Million Bond																											
Mandated Lead Arranger:	Standard Chartered Bank (“SCB”) and also referred to as the “Mandated Lead Arranger” or the “MLA”																											
Arrangement Basis:	Best Efforts / Strictly Non-Underwritten																											
Purpose:	To strengthen Tier II Capital Base																											
Investors:	Local Financial Institutions, Insurance Companies, Funds, Corporate etc and any other eligible investors.																											
Currency:	Bangladeshi Taka (BDT)																											
Face Value:	Up to BDT 5,000 Million																											
Denomination:	Denomination of each lot of Bond is indicated at BDT 10,000,000 Face Value																											
Mode of Placement:	Private Placement 100%																											
Issue Price:	100% at Par																											
Tenor:	7 years from the Issue Date																											
Expected Issue Date:	December 2021 or any other mutually agreeable date																											
Status of Debt:	Subordinated Non-Convertible																											
Security:	Unsecured																											
Form:	Registered																											
Listing:	Unlisted, subject to regulatory approval																											
Credit Rating of the Issue:	Long Term: AA-B Outlook: Stable Emerging Credit Rating Limited																											
Redemption Schedule:	<p>20% of the total bond value to be redeemed at the end of each year starting from 3rd year and the repayment schedule is depicted below:</p> <table border="1"> <thead> <tr> <th>Issue Size (BDT)</th> <th colspan="2">5,000,000,000</th> </tr> <tr> <th>Years</th> <th>Repayment (BDT)</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td>End of 1st year</td> <td>-</td> <td>5,000,000,000</td> </tr> <tr> <td>End of 2nd year</td> <td>-</td> <td>5,000,000,000</td> </tr> <tr> <td>End of 3rd year</td> <td>1,000,000,000</td> <td>4,000,000,000</td> </tr> <tr> <td>End of 4th year</td> <td>1,000,000,000</td> <td>3,000,000,000</td> </tr> <tr> <td>End of 5th year</td> <td>1,000,000,000</td> <td>2,000,000,000</td> </tr> <tr> <td>End of 6th year</td> <td>1,000,000,000</td> <td>1,000,000,000</td> </tr> <tr> <td>End of 7th year</td> <td>1,000,000,000</td> <td>0</td> </tr> </tbody> </table>	Issue Size (BDT)	5,000,000,000		Years	Repayment (BDT)	Balance	End of 1 st year	-	5,000,000,000	End of 2 nd year	-	5,000,000,000	End of 3 rd year	1,000,000,000	4,000,000,000	End of 4 th year	1,000,000,000	3,000,000,000	End of 5 th year	1,000,000,000	2,000,000,000	End of 6 th year	1,000,000,000	1,000,000,000	End of 7 th year	1,000,000,000	0
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End of 6 th year	1,000,000,000	1,000,000,000																										
End of 7 th year	1,000,000,000	0																										
Trustee:	Sena Kalyan Insurance Company Limited																											
Coupon Rate:	To Be Determined as a sum of Benchmark Rate & Margin; However, during the tenor the yield [benchmark + margin] will be floored at 7.00% and capped at (benchmark + margin) 9.00%.																											
Benchmark Rate:	Benchmark Rate: The Benchmark rate shall be determined by following method:																											

	<p>Average of most recent month's published fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islami banks and Foreign Banks). The issuer's 6 months tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. This will be fixed semi-annually.</p> <p>The Benchmark rate will be fixed by the Trustee semi-annually on ("Interest Reset Date") the immediately preceding business day of the issuance and afterwards semi-annually throughout the tenor of the bond. For avoidance of doubt, the Benchmark Rate shall be calculated by the Trustee and notified to the Issuer and all Investors on every Interest Reset Date.</p>
Coupon Payment:	To be paid semi-annually on the outstanding balance of the Bond
Margin:	2.00%
Transferability/Liquidity:	Freely transferable subject to the terms and conditions of the Bond documents.
Prepayment, Call, Refunding, Conversion features:	Not applicable
Late Redemption:	Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the coupon payment to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.
Tax Features:	All payments made by the Issuer or under or in respect of the Trust Deed or the Bonds will be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be Obligated pay any additional amounts in respect of such taxes, duties, assessments or governmental charges that may from time to time be deducted or withheld from such payments, but will provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.
Documentation:	Customary Capital Market documentation including force majeure, negative pledge, cross default and indemnity provisions.
Conditions Precedent:	In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for Financing.
Governing Law:	The laws of The People's Republic of Bangladesh

8. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE

The issue is an unsecured corporate bond hence no charge on assets is to be created. The issuer only owes the bondholders an indebtedness which is secured by claims over all present and future assets of the issuer subsequent to all secured lenders/investors.

9. RIGHTS & OBLIGATIONS OF THE ISSUER

- **Issue of the Bonds:** Upon receipt of amount in accordance with the Subscription Agreement to be entered with each investors the Issue shall issue Bonds subject to and in accordance with the provisions of the Trust Deed, Agency Agreement and the Subscription Agreement and to seal, sign and issue the Bonds and deliver the Bond Certificates on the Closing Date to be fixed by the Issuer and the Trustee.
- **Covenant to Repay** - The Issuer has obligation that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in accordance with the terms and conditions of the Bond in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the terms and conditions of the Bond) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee on the relevant dates provided for in the terms and conditions interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:
 - (i) every payment of principal or interest in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
 - (ii) if any payment of principal or interest in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
 - (iii) in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, interest shall accrue at applicable interest rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the terms and conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

- **Observe instruction of the Trustee** - At any time after any Event of Default shall have occurred, the Issuer shall comply with the instruction of the Trustee subject to provision of the terms and conditions of the Bond.
- **Observe Bond Documents** - The Issuer shall have obligation to comply with, perform and observe all those provisions of this Trust Deed, the Agency Agreement, the terms and conditions of the Bond which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively.
- **Observe Applicable Law** - The Issuer shall have obligation to comply with, perform and observe all those provisions of the applicable law including but is not limited to The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2012. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.
- **Books of Account** – The Issuer shall at all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;
- **Notice of Event of Default** – The Issuer shall give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;
- **Corporate Governance** – The Issuer shall ensure that it and each member of its Group comply in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Securities and Exchange Commission.
- **Information** - So far as permitted by applicable law, the Issuer shall at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;
- **Execution of further Documents** - So far as permitted by applicable law, the Issuer shall at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

- **Notices to Bondholders** – The Issuer shall **send** or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;
- **Notification of non-payment** – The Issuer shall notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;
- **Notification of late payment** - In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;
- **Notification of redemption or repayment** – The Issuer shall within 14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;
- **Obligation of Agents – The Issuer shall Observe** and ensure agents comply with its obligations under the Agency Agreement; maintain the Register; and notify the Trustee immediately it becomes aware of any material breach of such obligations, or failure by any Agent to comply with such obligations, in relation to the Bonds;
- **Authorized Signatories** – The Issuer shall upon **the** execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same; and
- **Payments** – The Issuer shall Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.
- **Audited Financials and Annual General Meeting** - The Issuer shall complete audit of its financial statements and hold its annual general meeting within such period as may be specific by the SEC. If no such period is prescribed, Issuer shall complete audit of its financial statements and hold its general meeting in accordance with law of its jurisdiction of incorporation. The Issuer shall submit copy of its audited financial statements along with its annual report and the minutes of its annual general meeting with the SEC with a copy to the Bondholders within 14 days (or such other period agreed by SEC) of the completion of audit or, as the case may be, holding of the annual general meeting.

10. RIGHTS & OBLIGATIONS OF THE TRUSTEE

Rights of the Trustee of Non Convertible Floating Rate Subordinated Bond are, inter alia:

- **Trustee's determination:** The Trustee may determine whether or not a default in the performance or observance by the Issuer of any Obligation under the provisions of the Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.
- **Determination of questions:** The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.
- **Trustee's discretion:** The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

Trustee's consent: Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.

- **Conversion of currency:** Where it is necessary or desirable for any purpose in connection with the Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by the Trust Deed or required by law) be converted at such rate or rates available to the Trustee on the relevant date, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer and the Bondholders.
- **Application of proceeds:** The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it.
- **Error of judgment:** The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.

- **Agents:** The Trustee may, in the conduct of the trusts of the Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person.
- **Delegation:** The Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and having exercised reasonable care in so doing, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate provided that the Trustee had exercised reasonable care in the appointment of such delegate.
- **Custodians and nominees:** The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person; the Trustee is not Obligated to appoint a custodian if the Trustee invests in securities payable to bearer.

Confidential information: The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Obligations of the Trustee of Non Convertible Floating Rate Subordinated Bond are, inter alia:

- to hold the benefit of the covenants made by the Issuer in the Trust Deed and the Conditions on trust for the Bondholders;
- to open such accounts as the Trustee deems necessary for discharging the functions of Trustee;

- to keep the money and assets representing the Trust Assets (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time and in accordance with the terms of the Trust Deed;
- to undertake all such actions for the recoveries of any outstanding payments in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to manage and administer the Bonds in accordance with the terms of the Trust Deed and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- to convene any meeting of the Bondholders in accordance with the provisions of the Trust Deed and the Conditions, and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- to implement, give effect to and facilitate the Conditions and such other documents, deeds and agreements in contemplation thereof or in connection therewith;
- upon receipt of the instructions of such requisite majority of the Bondholders in accordance with the terms of the Trust Deed, to sell or otherwise dispose of the Trust Assets and close any bank accounts that may have been opened in pursuance of the Trust Deed after the distribution of amounts standing to their credit; and
- to do all such other acts, deeds and things as may be necessary and incidental to the above provisions unless such acts require the prior consent of the Bondholders in accordance with the terms of the Trust Deed.

11. RIGHTS & OBLIGATIONS OF THE ARRANGER

The Issuer has appointed Standard Chartered Bank acting through its Bangladesh Branch as the Mandated Lead Arranger of the proposed Bonds.

Rights and Obligations of the Arranger of the Non-Convertible Floating Rate Subordinated Bond include:

- a. Due diligence of the issue prior to submission of the proposed bonds to external parties;
- b. Coordinate and provide integral support for preparation of Information Memorandum and appointment of relevant parties;
- c. Ensure proper documentation completion and compliance with regulatory requirements, prior to submission to regulators;
- d. Engage with regulators and Issuer for approval of the bonds;
- e. Support due diligence of prospective investors for investing in the bonds;
- f. Complete documentation of the bonds prior to subscription of the bonds;
- g. Monitor compliance with conditions precedent prior to issuance of the bonds.

12. RIGHTS & OBLIGATIONS OF ELIGIBLE INVESTORS

Rights and Obligations of the eligible Investors of Non Convertible Floating Rate Subordinated Bond are, inter alia:

- **Ownership of the Bond:** Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bond Certificate issued in respect of that Bond) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.
- **Right to receive payment** – *Subject to terms and conditions of the Bond, each Bondholder shall have a right to receive payment of principal amount of the Bond on the redemption date and interest amount of the Bond on each Interest Payment Date.*
- **Transfer of Bonds** – *Subject to terms and conditions of the Bond Documents each Bondholder shall have the right to transfer the Bonds freely*
- **Basic Rights:** Basic rights of the Bondholders/Investors include but are not limited to: (i) secure methods of ownership registration; (ii) obtain relevant information on the company on a timely and regular basis; (iv) participate and vote in bondholders meetings.
- **Rights Subordinated:** The rights of the holders of Bonds against the Issuer (including for principal and interest) are subordinated and junior in right of payment to its Obligations (a) to its depositors, (b) under bankers' acceptances and letters of credit issued by the Issuer, (c) to Senior Creditors (including the Bangladesh Bank and the Deposit Insurance Trust Fund). In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such Obligations of the Issuer shall be entitled to be paid in full before any payment shall be made to the Bondholders in respect of the Bonds. In the event of any such proceedings, after payment in full of all sums owing on such prior Obligations, the Bondholders and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer, the unpaid principal thereof and any unpaid premium, if any, and interest before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any Obligations of the Issuer ranking junior to the Bonds.

13. DESCRIPTION OF THE ISSUER: SOUTHEAST BANK LIMITED

Southeast Bank Limited (SEBL) was established on 12 March 1995 with the vision “to be a premier banking institution in Bangladesh and contribute significantly to the national economy”. SEBL received its license from Bangladesh Bank on 23 March 1995. SEBL is listed on the Dhaka Stock Exchange and the Chittagong Stock Exchange. As of 31 December 2020, the bank has 135 branches supported by 2859 employees and a network of 649 global correspondents.

A. CAPITAL STRUCTURE

- **Authorized capital:** BDT 15,000,000,000 (as of 30 September 2021)
- **Paid-up capital:** BDT 11,889,405,210 (as of 30 September 2021)

Shareholding Structure

Sl.	Shareholder Type	Shareholding% as at 30 September 2021
1.	Directors & Sponsors	30.42%
2.	General Public	29.72%
3.	Institutional Shareholders	38.70%
4.	Foreign Investors	1.16%
Total		100.00%

Particulars	As of 30 September 2021	
	Amount in BDT	% of Total Assets
Liabilities		
Borrowings from other banks, financial institutions and agents	29,133,025,018	5.93%
Subordinated Bond	12,600,000,000	2.56%
Deposits and other Accounts	369,609,005,416	75.22%
Other Liabilities	47,793,315,789	9.73%
Total Liabilities	459,135,346,223	93.44%
Capital/Shareholders' Equity		
Paid up capital	11,889,405,210	2.42%
Statutory reserve	11,889,405,210	2.42%
Revaluation reserve	4,920,820,084	1.00%
Other reserve	247,650,000	0.05%
Retained earnings	3,276,035,546	0.67%
Total Shareholders' Equity	32,223,316,050	6.56%
Total Liabilities & Shareholders' Equity	491,358,662,273	100.00%

Total Regulatory Capital of SEBL as of 30 September 2021

Particulars	Amount in BDT
Total Assets (excluding off-balance sheet assets)	491,358,662,273
Total Risk weighted assets (RWA)	314,862,493,299
Total Common Equity Tier 1 (CET1) capital	27,302,495,966
Total Additional Tier-I Capital	-
Total admissible Tier 1 Capital	27,019,053,714
Total admissible Tier 2 Capital	14,822,236,000
Total Eligible Regulatory Capital (Tier 1 and 2)	41,841,289,714
Capital to Risk Weighted Assets Ratio (CRAR)	13.29%

B. BUSINESS OF THE ISSUER: SOUTHEAST BANK LIMITED

Southeast Bank Limited was established in 1995 with a dream and a vision to become a premier banking institution of the country and contribute significantly to the growth of the national economy. The Bank was established by leading business personalities and eminent industrialists of the country with stakes in various segments of the national economy. The incumbent Chairman of the Bank is Mr. Alamgir Kabir, FCA, a professional Chartered Accountant.

Southeast Bank is run by a team of efficient professionals. They create and generate an environment of trust and discipline that encourages and motivates everyone in the Bank to work together for achieving the objectives of the Bank. The culture of maintaining congenial work - environment in the Bank has further enabled the staff members to benchmark themselves better against management expectations. A commitment to quality and excellence in service is the hallmark of their identity.

Southeast Bank takes pride for bringing women into the banking profession in a significant number for gender equality. At present, 18.83% of SEBL's employees are women.

Corporate Banking:

Bangladesh is walking through the industrialization process in various sectors, leaving behind the identity of under developed country to developing country. To achieve this sustainable growth, Southeast Bank Ltd. (SBL) is working hard and has initiated their focus on entertaining large corporate houses with a dedicated team under Corporate Banking.

SME Banking:

The Bank has established a strong and dedicated SME Unit to meet the increasing and growing needs of Small and Medium Enterprises. SBL has expanded its SME network across the country.

Retail Banking:

Southeast Bank has specially focused on Retail Banking due to its higher return on investment.

C. BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

The Bank's Board comprises of 13 members including the Managing Director and three Independent Directors. Mr. Alamgir Kabir, FCA is the present Chairman of the Bank. The Board is involved in policy formulations, strategic direction setting, business plan approval, approval of financial position and results and review of various activities and also providing necessary directions to the management for conducting businesses in a competitive and profitable manner by managing risks and complying with the regulatory requirements. The Board has three sub committees i.e. Executive Committee, Audit Committee and Risk Management Committee. Besides these, Southeast Bank Limited also has a Shariah Supervisory Committee.

Executive Committee (EC)

The Executive Committee of the Board has 7 members and is headed by Mr. M.A. Kashem as Chairman. The Executive Committee reviews all the credit proposals beyond the delegation of management and approve loans, other than large loans (10% or above of regularly capital). Large

loans are recommended by the EC for approval by the Board. It is also responsible for administration, investment aspect, expansion of business etc. The Board confirms the decision of all Executive Committee meetings and assesses the operational results.

Audit Committee

The Audit Committee of the Board was duly constituted by the Bank comprising of 5 members of the BoD's. The Committee is headed by Mr. Syed Sajedul Karim, Independent Director as Chairman as per the revised corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC). The committee reviews and monitors regulatory compliance, financial reporting, internal control & internal audit functions, and other operational activities.

Risk Management Committee

The Risk Management Committee of the Board has 5 members and is headed by Mr. Azim Uddin Ahmed as Chairman. The Committee mainly reviews and discusses the observations and findings on Monthly Risk Management Paper (RMP) along with other relevant risk parameters related with credit portfolio, liquidity, market and operational risk management submitted through the Risk Management Division of the Bank on quarterly rest. The Committee also reviews the risk appetite capacity of the Bank commensurate with its capital base, stress test results and implementation of Bank's ICAAP etc. The decisions/resolutions of the Committee are submitted to Bangladesh Bank for regulatory compliance. The resolutions were also disseminated to all concerned of the Bank for ensuring compliance and implementation.

Shariah Supervisory Committee

The Shariah Supervisory Committee of the Board has 7 members and is headed by Professor Moulana Mohammad Salah-Uddin as Chairman. The Shariah Supervisory Committee reviewed different operational issues including those referred by the Management of the Bank. It gave necessary guidelines and counseling. The Committee primarily oversees the Islamic banking undertakings and Shariah compliance of the Bank.

Board of Directors

Sl.	Name of the Board Member	Designation
1.	Mr. Alamgir Kabir, FCA	Chairman
2.	Mrs. Duluma Ahmed	Vice Chairperson
3.	Mr. M. A. Kashem	Director
4.	Mr. Azim Uddin Ahmed	Director
5.	Mrs. Jusna Ara Kashem	Director
6.	Mrs. Rehana Rahman	Director
7.	Mr. Md. Akikur Rahman	Director
8.	Mr. Raiyan Kabir	Director
9.	Mr. M. Maniruz Zaman Khan Nominee of Bay Leasing & Investment Limited	Director
10.	Mr. Syed Sajedul Karim	Independent Director
11.	Dr. Quazi Mesbahuddin Ahmed	Independent Director
12.	Mr. Mohammad Delwar Husain	Independent Director
13.	Mr. M. Kamal Hossain	Managing Director

Executive Committee

Sl. No.	Name of the members	Designation
1.	Mr. M. A. Kashem	Chairman
2.	Mrs. Duluma Ahmed	Member
3.	Mrs. Jusna Ara Kashem	Member
4.	Mrs. Rehana Rahman	Member
5.	Mr. Md. Akikur Rahman	Member
6.	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Ltd.)	Member
7.	Mr. M. Kamal Hossain	Member

Audit Committee

Sl. No.	Name of the members	Designation
1.	Mr. Syed Sajedul Karim	Chairman
2.	Mr. Azim Uddin Ahmed	Member
3.	Mr. Raiyan Kabir	Member
4.	Dr. Quazi Mesbahuddin Ahmed	Member
5.	Mr. Mohammad Delwar Husain	Member

Risk Management Committee

Sl. No.	Name of the members	Designation
1.	Mr. Azim Uddin Ahmed	Chairman
2.	Mrs. Duluma Ahmed	Member
3.	Mrs. Rehana Rahman	Member
4.	Mr. Md. Akikur Rahman	Member
5.	Mr. Syed Sajedul Karim	Member

Shariah Supervisory Committee

Sl.	Name of the Member	Designation
1.	Professor Maoulana Mohammad Salah-Uddin	Chairman
2.	Dr. Moulana Mohammad Kafiluddin Sarkar	Member
3.	Mr. M. Kamaluddin Chowdhury	Member
4.	Mr. Alamgir Kabir, FCA	Member
5.	Mr. M. A. Kashem	Member
6.	Mr. Azim Uddin Ahmed	Member
7.	Mr. M. Kamal Hossain	Member

Senior Management Team: The management of the Bank is headed by the Managing Director, Mr. M. Kamal Hossain since June 2017. He joined SEBL in July 2003 as Vice President and prior to his current assignment, he served as Additional Managing Director of the Bank. During his journey with SEBL, he held the position of Head of Branch (HoB) of a number of SEBL's leading branches,



including Principal Branch. The Managing Director is supported by a group of experienced professionals comprising of Additional Managing Director, Deputy Managing Director and functional divisional heads.

D. DESCRIPTION OF ENCUMBERED AND UNENCUMBERED ASSETS WITH VALUE THEREOF

The assets of Southeast Bank Limited are unencumbered. The value of the assets of Southeast Bank Limited (on standalone basis) comprises of Cash, Loans and Advances/Investments, Fixed Assets including premises, furniture and fixtures, etc. and as of 30 September 2021 is **BDT 491,358,662,273** only, total value of which is unencumbered.

E. PROFILE OF BOARD OF DIRECTORS

Alamgir Kabir, FCA Chairman

Mr. Alamgir Kabir, FCA has been re-elected as Chairman of the Board of Directors of Southeast Bank Limited. He was unanimously re-elected Chairman of the Bank in its 636th Board Meeting held recently. Mr. Alamgir Kabir, FCA a professional senior Chartered Accountant, has wide experience and profound knowledge in Auditing, Accounting, Bank, Insurance and Financial Institutions both at home and abroad.

Mr. Kabir started his career in the year of 1969 with Rahman Rahman Huq & Co., as a Chartered Accountant and continued with EWP Associates, Management Consultants, a sister concern of Rahman Rahman Huq & Co. He served there until 1979. In 1972 he was in charge of Audit Team for the first statutory Audit of Accounts of Bangladesh Bank. He moved to Riyadh, Saudi Arabia in 1979 with assignment in Saudi Accounting Bureau, Chartered Accountants, member firms of Coopers & Lybrand, Moores Rowland International and Inbucon International Ltd., Management Consultant from 1979 to 1993. He returned to Bangladesh in 1993 with assignment in Bangladesh Securities and Exchange Commission (BSEC) as Member from 1993 to 1996 and also acted as acting Chairman for a period. During his stay with BSEC he substantially contributed to the development of the Capital Market of Bangladesh. From 1996 onwards, he has been involved in different capacities in formation and development of Bank, Non-Banking Financial Institution, Insurance and Capital Market related Institutions and others.

Mr. Kabir was founder Advisor of Export Import Bank of Bangladesh From 1999 to 2003, where his brother Late Shahjahan Kabir was the Founder Chairman of the Bank. Both the brothers were involved in the formation of EXIM Bank and contributed to the growth of the Bank.

He belongs to a family whose members are involved with Banks, Insurances and Financial Institutions. He is member of a number of associations and also associated with many social organizations where he is working very silently for the welfare of the people.

Duluma Ahmed Vice Chairperson

Mrs. Duluma Ahmed was born on July 7, 1947. She hails from a very respectable Muslim family. Mrs. Ahmed has been re-elected as the Vice Chairperson of the Bank by the Board of Directors of the Bank in its 636th Board Meeting held recently. She is also the member of Executive Committee as well as Risk Management Committee of the Board of Directors of the Bank. She is associated with business activities. She is the Director of Mutual Food Products Limited, Mutual Milk Products Ltd., Mutual Trading Co. Ltd. She is the partner of Mutual Distribution and Silonia Agencies.

Mrs. Duluma Ahmed is also associated with philanthropic activities. She is the founder of Duluma Azim High School. She is the patron of Azimia Islamia Senior Madrasha and Fatema Farzana Kindergarten School in Chhagalnaiya, Feni. She is a member of Gulshan Ladies Community Club and Inner Wheel Club of Dhaka North. As a social worker, she is generously contributing to the poor and the needy section of the society. She traveled many countries of the world.

M. A. Kashem

Director

Mr. M.A. Kashem has been unanimously elected as Chairman of the Executive Committee of Southeast Bank Limited in its 636th Board Meeting held recently. Mr. M.A. Kashem is the Founder Chairman and Director of Southeast Bank Limited. He is a member of North South University Trustee Board.

Mr. Kashem is the former President of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), the apex body of all the business communities of Bangladesh. He was also the Chairman of Arbitration Tribunal of FBCCI. He is the past Chairman of the Association of Private Universities of Bangladesh (APUB) which represented all Private Universities of the country. Mr. Kashem was a member of Board of Trustees of Hamdard Laboratories (WAQF) Bangladesh, the leading producer of herbal medicines in the sub-continent for over 17 (Seventeen) years. He is the President of SAHIC Trust (Society for Assistance to Hearing Impaired Children), the only voluntary organization rendering health care assistance of the ear, nose and throat services to destitute and poor patients.

Mr. M.A. Kashem is an eminent industrialist, renowned patron of education, distinguished philanthropist and an active social worker. He is the winner of "President Export Trophy Award" for the year 1982-83 & 1983-84 for excellent export performance. Mr. Kashem also got "C.R. Das Gold" Medal for excellent contribution in the Industrial sector in the year 1995. He was awarded the "Highest Tax Payer-2011" by National Board of Revenue (NBR) for Dhaka City Corporation.

Mr. Kashem was the leader of 20-member FBCCI Trade delegation to Far Eastern Countries in the year 1986. He was also the leader of 5 member Govt. delegations to U.K., U.S.A. and Canada sponsored by UNDP in 1987 and leader of 12 member EPB Govt. of Bangladesh delegation to EEC countries in 1985. As an industrialist, he travelled almost all major cities of the world many times on his own business and also led trade delegations.

As a philanthropist, Mr. Kashem set up number of Schools, Madrashes, Moshjid, Club etc. and erected free dwelling houses for the poor and destitute people of his locality. He has established a Trust named M. Kashem Trust to foster education to the primary and mid-level students of schools in his locality. The Trust awarded stipends and scholarships to the meritorious students during the last couple of years.

Moreover, a General Hospital (Non-Profit) of 50 Beds in the name of his late son Tareque namely "Tareque Memorial Hospital" is at present in operation at his home district.

Mr. Kashem is a member of the Rotary Club of Dhaka West, Kurmitola Golf Club, Gulshan Club Limited, Bangladesh Diabetic Association, Dhaka, Bangladesh Red Crescent Society, National Shooting Club and Shishu Hospital, Chittagong.

Azim Uddin Ahmed

Director

Mr. Azim Uddin Ahmed was born on June 30, 1940. He is a graduate from Dhaka University. As a former Chairman and Sponsor Director of Southeast Bank Limited, he pushed the Bank forward. Mr. Azim Uddin Ahmed has been elected as Chairman of Risk Management Committee of Southeast Bank Limited in its 636th Board Meeting held recently. He is also the member of Audit Committee of the Board of Directors of the Bank.

Mr. Azim Uddin Ahmed is a well-known business personality of the country. He is the Chairman of Mutual Food Products Limited, Mutual Milk Products Limited and Mutual Trading Co. Ltd. He is also the partner of Mutual Agro-complex, Mutual Departmental Store and Mutual Distribution and Silonia Agencies. Mr. Azim is the current chairman of the Board of Trustees of North South University and founder life member of North South University Foundation.

Mr. Azim is associated with a number of trade bodies and associations and is devoted to social work. He is the past President of Rotary Club of Dhaka North and Area Governor of Rotary District. He was the past President of Gulshan Club Ltd. He is the President of Baridhara Society. He served in different capacities in Dhaka Chamber of Commerce and Industry (DCCI), Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) and Bangladesh Indenting Association. He is the current President of Bangladesh Consumer Products Manufacturers and Marketers Association. He represented Bangladesh as a member of Trade Delegation to Europe and many other Govt. and private trade delegations to European, American and Asian countries.

Mr. Azim is also engaged in philanthropic activities. He is the founder of Azimia Islamia Senior Madrasha, Duluma Azim High School, Fatema Farzana Kindergarten and Purba Silonia Forkania Madrasha. He is a widely traveled person across the globe.

Jusna Ara Kashem

Director

Mrs. Jusna Ara Kashem was born on December 7, 1951. She hails from a very respectable Muslim family of Rajshahi. She is a leading Industrialist and business leader of the country. She is a Director of

Rose Corner (Pvt.) Limited. She is a Sponsor Director of the Bank. She is also the member of Executive Committee of the Board of Directors of the Bank.

Mrs. Jusna Ara Kashem is associated with a number of humanitarian and philanthropic organizations and is the Vice Chairman of M. Kashem Trust. The Trust has set up a-50 bed hospital namely "Tareque Memorial Hospital" at Chhagalnaiya, Feni.

She is an enthusiastic member of Gulshan Ladies Club, Inner Wheel Club of Dhaka West and Gulshan Society. She is the founder of a beautiful Mosque at Kashem Complex named "Jusna Ara Kashem Jam-e-Masjid" in Darogarhat, Feni. She widely travelled many countries of the world.

Mrs. Jusna Ara Kashem is very much amiable in nature and a good social worker. She contributes to the poor and the needy people of the society.

Rehana Rahman

Director

Mrs. Rehana Rahman is one of the successful female entrepreneurs of Bangladesh. She is involved in different positions in the following business organizations:

- Managing Director of Bengal Tradeways Ltd.
- Director of CHB Building Technologies Ltd.
- Director of Bangladesh Chamber of Industries
- Director of Southeast Bank Ltd.

She has engaged herself actively in different socio-cultural organizations as follows:

- Member of Executive Committee and Risk Management Committee of the Board of Directors of Southeast Bank Limited.
- Founder Life Member and past Chairperson of North South University
- Member of UNAB (United Nations Association of Bangladesh)
- President of WEAB (Women Entrepreneurs Association of Bangladesh)
- Member of Gulshan Club

Born in a respectable Muslim family in Khulna, Mrs. Rehana Rahman completed her B.A. (Honors) in Economics from Eden University College. Her father, late Abdul Wazed Khan Chowdhury was the Vice Principal of Dhaka Teachers Training College. She was married to M. Masihur Rahman, a renowned businessman of the country and has 2 (two) sons who are involved in business with their mother. For her outstanding contribution to the causes of women empowerment and female education, Mrs. Rehana Rahman has awarded Begum Rokeya Shining Personality Award in 2008 and the most dynamic women entrepreneur award in 2009. She visited many countries of the World.

Md. Akikur Rahman**Director**

Mr. Md. Akikur Rahman was born on February 15, 1945. He is a Sponsor Director of the Bank. He is also the member of Executive Committee as well as Risk Management Committee of the Board of Directors of the Bank. He is a successful businessman. He is the Chairman of RAR Investment Limited of Murad Vill, Nower Road, Dorking Surrey, RH43BY, United Kingdom. He is also the Chairman of Dorking Muslim Community Association of 11/15, Hart Road, Doring, Surrey, RH4 1JS, United Kingdom. He is the Managing Director of RAR Holding Limited, RAR Tower, 26 Gulshan Avenue, SEB-2, Dhaka-1212. He is also the Vice Chairman of International Medical College and Hospital, Gusholia, Tongi, Gazipur, Bangladesh. Mr. Akikur Rahman is associated with Southeast Bank Limited since its inception in 1995 as a Sponsor.

Raiyan Kabir**Director**

Mr. Raiyan Kabir is a Director of Southeast Bank Limited. He is also the member of Audit Committee of the Board of Directors of Southeast Bank Limited. He was all through a brilliant student and trailed successful academic career by obtaining prestigious degrees from reputed Academic Institutions. He did BBA (Major in Finance) from East West University Dhaka, Bangladesh. He obtained Master of Commerce in Advanced Accounting from University of Queensland, St Lucia Campus, Brisbane, Australia. He also did Graduate Diploma of Management from Central Queensland University, Brisbane Campus, Australia. He was awarded Summa Cum Laude and Gold Medal in BBA Program from East West University, Dhaka. He achieved Dean's accreditation for excellent performance in BBA Program from East West University, Bangladesh and also achieved Dean's accreditation in Masters and in Graduate Diploma from University of Queensland and Central Queensland University, Brisbane, QLD, Australia.

Raiyan Kabir, a visionary, dynamic and optimistic entrepreneur boosted his career with diversified knowledge in trading business whose operations encompass activities involve in both Financial Products and Commodities. In pursuing his own apparition, he successfully formed Multinational Companies benefitting creation of both Local and foreign employments as well as Economic transition through numerous innovative Products identification-acquiring- implementation. His executive ideology linked to his Banking career in Bangladesh in early 2000s when he as a successful Banker executed operations in Import-Export, International Division, Currency Analyzer, Foreign Exchange, Credit and Treasury Division. He moved to Australia and formed R & N Export and Import Sydney, Australia and worked as Chief Executive Officer (CEO) from 2008 to 2011. Later, he moved to Singapore and formed R & N Trade Holdings Pte. Ltd. Singapore and working as Chief Executive Officer (CEO) since 2011.

As a Director of MindChamps Pre-School Orchard Pte Ltd, a company registered in Singapore Stock Exchange, He is a strong believer of growth of a Champion mind, Learning & Creative Mind has also acquired business interest in Pre-school under the Global Brand "MindChamps".

As CEO of a company, engaging in Cross Border Trades and practices, Mr. Kabir has steady clench of Banking, Finance, International Trade, and Information Technology & Digitalization. He also holds intimate people and communication skills with an extensive network of local and global business contacts.

Mr. Kabir belongs to a family, whose members are involved with Banks, Insurances, Financial and Educational Institutions. He attended numerous Seminars, Workshops and Training Programs at home and abroad. Mr. Kabir is a widely traveled person across the globe. Due to his excellent academic background and wide experience in the related field, it is expected that he will be able to contribute significantly to the visible improvement of the Bank in his capacity as member of the Board.

Mr. M. Maniruz Zaman Khan

Nominee of Bay Leasing & Investment Limited

Director

Mr. M. Maniruz Zaman Khan represents Bay Leasing & Investment Limited in the Board of Directors of Southeast Bank Limited. He is also the member of Executive Committee of the Board of Directors of Southeast Bank Limited. He obtained B.Com (Hons) and M.Com both in Accounting from Rajshahi University. Presently, he holds the position of Executive Vice President (EVP) and Company Secretary in Bay Leasing & Investment Limited. Prior to joining the Bay Leasing & Investment Limited, Mr. Khan served in different companies in different capacity. He has 39 years of working experience. He participated in various Training Courses during his long career of services. Mr. M. Maniruz Zaman Khan hails from a reputed and noble family of Brahmanbaria District. He was born on 1st January, 1956.

Syed Sajedul Karim

Independent Director

Mr. Syed Sajedul Karim, a former Secretary to the Government of Bangladesh has joined the Southeast Bank Limited as an Independent Director. Mr. Karim has been re-elected as Chairman of Audit Committee of the Board of Directors in its 636th Board Meeting held recently. He is also the member of Risk Management Committee of the Board of Directors of Southeast Bank Limited. Mr. Karim did his Honours and Masters from Dhaka University and Diplomas on Petroleum Accounting from North Texas and Southern Methodist Universities in Dallas, USA.

As an officer of the BCS (Audit & Accounts) cadre, Mr. Karim served the Government of Bangladesh in different capacities both at home and abroad. During his long service career, he was Chairman and Chief Executive Officer of Petrobangla. He briefly worked as an External Auditor of UNDP Headquarters in New York and UN agencies based in Ethiopia and Cameroon. He was an Audit Adviser to the Government of Seychelles for over two years. He once led a team to overview the operations of UK based branches of nationalized Banks of Bangladesh.

After retirement from Government service, Mr. Karim served over 10 years as a Senior National Consultant in a number of administrative and financial reform projects funded by bilateral and multilateral development partners of Bangladesh.

Dr. Quazi Mesbahuddin Ahmed **Independent Director**

Dr. Quazi Mesbahuddin Ahmed was born on January 18, 1948. He did B.A. (Hons.) and M.A. in Economics from the University of Dhaka in 1967 and 1968 respectively. He obtained M.S. degree in Economics in 1979 from the James Cook University of North Queensland, Australia. He earned another Masters leading to Ph.D. degree in Economics in 1989 from the University of Illinois at Urbana-Champaign, USA.

He was appointed an Independent Director of the Bank in the 21st Annual general Meeting held on April 11, 2016. He is also the member of Audit Committee of the Board of Directors of Southeast Bank Limited.

Dr. Ahmed started his career at the Research Department of the erstwhile State Bank of Pakistan in February, 1969 and later joined the Planning Department of erstwhile East Pakistan in 1971 having had taken a stiff selection process in 1970.

Dr. Quazi Mesbahuddin Ahmed worked as Managing Director of Palli Karma-Sahayak Foundation (PKSF) for a period of more than five-years during January, 2008 through March, 2013. Before joining PKSF, Dr. Ahmed was Member, General Economics Division of the Bangladesh Planning Commission during September 2003 through January 2007. In that capacity, he was in overall charge of preparing the first Poverty Reduction Strategy Paper (PRSP) of Bangladesh. He led a core-drafting team for preparing the document "Unlocking the Potential: the National Strategy for Accelerated Poverty Reduction" that was highly acclaimed as one of the comprehensive PRSPs among the developing world. Dr. Ahmed was also simultaneously in-charge of the Industry and Energy Division of the Planning Commission.

Before being Member, Planning Commission, Dr. Ahmed was Additional Secretary, Economic Relations Division (ERD), Ministry of Finance in 2003 and was Economic Minister at the Bangladesh Embassy in Washington DC for six years during 1997-2002.

Dr. Ahmed was a visiting fellow at the University of Western Australia during 1994. He worked as an independent expert of the SAARC Secretariat in 2007 and earnestly contributed to SAARC's endeavor in bringing out the Poverty Profile of South Asia. He was a member of the 7th Bangladesh Pay Commission constituted in 2008. Dr. Ahmed had worked as a member of the Advisory Committee at the Ministry of Planning for the Perspective Plan of Bangladesh, 2010-2021. He was consultant to producing country report for Bangladesh in 1995 for ADB's Asian Economic Outlook and acted as an expert for writing the Bangladesh report for South Asian Human Development Report, 2007.

Dr. Ahmed shouldered the responsibility of producing the Bangladesh country- reports for the Paris Consortium meetings for various years starting from 1981 and attended all of these meetings since then when present in the country. As normal with public servants, Dr. Ahmed had travelled beginning early 1970s numerous countries around the globe. He participated in several ministerial and some Prime Ministerial delegations too.

Dr. Quazi Mesbahuddin Ahmed specialises in poverty discourse, macroeconomic analyses, monetary economics, economics of foreign aid, theories and working of microfinance, etc. He has had some selective publications in national international journals.

Dr. Ahmed took classes for senior civil servants at PATC, National Defense College, Planning Academy, BARD, Bangladesh Management Academy, and other institutions during 1980s, 1990s and 2000s.

Dr. Ahmed has been a senior adjunct faculty in Economics at the East West University since Fall (September), 2013. He has an unbroken record of obtaining outstanding evaluations by students ever since.

Mohammad Delwar Husain

Independent Director

Mr. Mohammad Delwar Husain, a former Member (Income Tax Policy & Administration), National Board of Revenue, Government of Bangladesh has joined the Southeast Bank Limited as an Independent Director. He is also the member of Audit Committee of the Board of Directors of Southeast Bank Limited. He was born on April 20, 1946. He did B.A. (Hons.) and M.A. in Economics from the University of Dhaka in 1967 and 1968 respectively.

Mr. Husain started his career as a Lecturer in Economics in the Government Jagannath College, Dhaka prior to joining the erstwhile Central Superior Service of Pakistan in the Pakistan Taxation Service (PTS) Cadre in 1970. He served the Government of Bangladesh in different capacities in the Ministry of Water Resources and in National Board of Revenue. He retired from Government service as Member (Income Tax Policy & Administration) in the National Board of Revenue in 2003. Besides, Government service, he also served as a Government Nominated Director of IFIC Bank Limited, NB Bank Limited, Nepal and Oman International Exchange, Muscat for about two years. He also worked as an Advisor of

IFIC Bank Limited for about two years. Mr. Husain's experience also includes consultancy work with the World Bank in Revenue Reform in NBR as a Project Team Leader and also as a Facilitator in Alternative Dispute Resolution (ADR).

M. Kamal Hossain

Managing Director

Mr. M. Kamal Hossain was born on January 01, 1958. Mr. Hossain had an exemplary academic background. He did his MSS with distinction in Public Administration from the University of Chittagong in 1982. He started his banking career as a Probationary Officer with National Bank Limited in 1983. He spent 18 (eighteen) years in National Bank Limited holding important positions in different branches and Head Office.

Mr. M. Kamal Hossain has been serving Southeast Bank Limited (SEBL) as Managing Director since the 20th June 2017. He is also a member of the Executive Committee of the Board of Directors of the Bank. He joined SEBL in July 2003 as Vice President and prior to his current assignment, he served as Additional Managing Director of the Bank. During his years of journey with SEBL, he held the position of Head of Branch (HoB) of a number of Bank's leading branches including Principal Branch.

During his 38 years long banking journey, Mr. Hossain gained extensive banking experience and developed wide range of expertise in almost all areas of commercial banking comprising Import, Export, Credit, General Banking, Human Resources, Accounts, etc. Under his visionary leadership, SEBL is expected to evolve as a leading commercial bank of Bangladesh with exemplary business and financial outcomes.

Mr. Hossain is an alumnus of the Public Administration Department of the University of Chittagong. He attended numerous seminars, workshops and training programs at home and abroad. He extensively visited the United States of America (USA), United Kingdom (UK), Switzerland, Germany, France, Spain, Australia, Canada, Myanmar, Turkey, Singapore, Malaysia, Thailand, China, Saudi Arabia, Oman, Qatar, India, etc. Mr. Hossain is married to Ms. Manoara Begum and blessed with two sons and one daughter.

F. PROFILE OF MANAGEMENT

M. Kamal Hossain

Managing Director

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During his 36 years long banking journey, Mr. Hossain gained extensive banking experience and developed wide range of expertise in almost all areas of commercial banking comprising Import, Export, Credit, General Banking, Human Resources, Accounts etc. Under his visionary leadership, SEBL is expected to evolve as a leading commercial bank of Bangladesh with exemplary business and financial outcomes.

Mr. Hossain is an alumnus of the Public Administration Department of the University of Chittagong. He attended numerous seminars, workshops and training programs at home and abroad. He extensively visited the United States of America (USA), United Kingdom (UK), Switzerland, Germany, France, Spain, Australia, Canada, Myanmar, Turkey, Singapore, Malaysia, Thailand, China, Saudi Arabia, Oman, Qatar, India, etc. Mr. Hossain is married to Ms. Manoara Begum and blessed with two sons and one daughter.

Anwar Uddin

Deputy Managing Director

Mr. Anwar Uddin was born on March 09, 1962. He completed Bachelor of Social Science (Honours) and Master of Social Science in Public Administration from the University of Chittagong in 1984 and 1986 respectively.

He started his banking career as a Probationary Officer at National Credit and Commerce Bank Ltd. in 1987. Later he joined Southeast Bank Ltd. (SEBL) in 1996 with all his experiences and potentials. During his over two decades with SEBL, he experienced an eventful banking career getting enriched himself with a wide range of expertise in International Trade, Credit Marketing and Administration, Risk Management, Compliance & Human Resources Management etc. Moreover, he played an important role as Head of Khatungonj and Agrabad Branch of SEBL. He has been holding the role of the President of Alumni Association of the Public Administration Department of Chittagong University and the General Secretary of the Bankers Club Chittagong for a long period of time.

By dint of his sincerity, dedication and performance, he was promoted to the rank of Deputy Managing Director of the Bank with effect from 1st January 2018. He served as the Head of Chattogram region. Currently he has been supervising Credit Administration Division, Card Division, Human Resources Division and Logistic and General Services Division of Head Office.

He attended a number of seminars, workshops and training programs at home and abroad. He extensively visited China, Thailand, KSA, UAE, Malaysia, Singapore, India, Hong Kong and Indonesia. Mr. Anwar is married to Mrs. Arifa Chowdhury and blessed with one son and two daughters.

Nuruddin Md. Sadeque Hussain

Deputy Managing Director

Mr. Nuruddin Md. Sadeque Hussain was born on February 15, 1971. He completed Bachelor of Social Science (Honours) and Master of Social Science in Public Administration from the University of Dhaka in 1991 and 1992 respectively. Later, he completed Master of Business Administration in Marketing in 2004.

He started his banking career as a Probationary Officer at Islami Bank Bangladesh Ltd. in 1991. Later he joined Prime Bank Ltd in the year 2001. And then he joined Southeast Bank Ltd. (SEBL) in 2003 with all his experiences and potentials. During his 30 years long Banking career, he experienced an eventful banking career getting enriched himself with a wide range of expertise in Investment and Credit, General Banking, Foreign Exchange, Shariah Council, Islami Banking etc. Moreover, he played an important role as Head of Motijheel and Principal Branch of SEBL. He has been holding the role of the Diplomaed Associate of Institute of Banker's Bangladesh.

By dint of his sincerity, dedication and performance, he was promoted to the rank of Deputy Managing Director of the Bank with effect from 1st June 2021. Currently he has been supervising Anti Money Laundering & Combating Financing of Terrorism Division, Branches and General Banking Division, Islami Banking Division, Research and Development Division, Recovery Division and Retail Banking Division of Head Office.

He attended a number of seminars, workshops and training programs at home and abroad. Mr. Sadeque is married to Mrs. Tahera Banu and blessed with two daughters and one son.

S. M. Mainul Kabir

Deputy Managing Director

Mr. S. M. Mainul Kabir was born on January 02, 1970. He completed Bachelor of Commerce (Honours) and Master of Commerce in Finance and Master of Business Administration in Management Studies from the University of Dhaka in 1991, 1992 and 2006 respectively

He started his banking career as a Probationary Officer with National Bank Limited in 1995. Later he joined EXIM Bank Limited and Jamuna Bank Ltd in the year 1999 and 2001. And then he joined Southeast Bank Ltd. (SEBL) in 2004 with all his experiences and potentials. During his association with Southeast Bank Limited, he experienced an eventful banking career getting enriched himself with a wide range of expertise in Loan and Advance, Foreign Exchange, General Banking etc. Moreover, he played an important role as Head of Shyamoli and New Eskaton Branch of SEBL.

By dint of his sincerity, dedication and performance, he was promoted to the rank of Deputy Managing Director of the Bank with effect from 1st June 2021.

He attended a number of seminars, workshops and training programs at home and abroad. Mr. Kabir is married to Mrs. Asma Siddika and blessed with two sons.

G. DESCRIPTION OF ASSETS AND LIABILITIES

Assets (as of 30 September 2021)

Cash, Bank Balances, Money at Call on Short Notice and Investments

Items	Total Asset	% of Total Asset
Cash	21,003,025,853	4.27%
Balance with other banks and financial institutions	4,201,932,061	0.87%
Money at call and short notice	6,446,700,000	1.31%
Investments	108,951,547,192	22.17%
Loans and advances/investments	329,046,428,147	66.97%
Fixed assets including premises, furniture and fixtures	9,354,561,800	1.90%
Other assets	12,354,467,220	2.51%
Non-banking Assets	-	0%
Total Assets	491,358,662,273	100.00%

Loans and Advances/Investments

Item	Amount in BDT
Loans, Cash Credit, Overdrafts etc./Investments	318,474,062,791
Conventional Banking	299,336,468,417
Islamic Banking	19,137,594,375
Outside Bangladesh	-
Bills Purchased and Discounted	10,572,365,356
Conventional Banking	10,315,963,377
Islamic Banking	256,401,978
Total Loans and Advances/Investments	329,046,428,147

Fixed Assets

Items	Amount in BDT
Land	5,697,676,007
Buildings	1,910,010,837
Furniture and fixtures	1,438,174,080
Office appliances	15,543,169
Computer	634,373,962
Electrical appliances	1,615,266,321
ATM Booth	1,093,935,348
Motor vehicles	175,821,436
Total Cost	12,580,801,160
Less: Accumulated depreciation	3,226,239,360
Total Written Down Value	9,354,561,800
Total Fixed Assets	9,354,561,800

Other Assets

Items	Amount in BDT
Investment in shares of subsidiary companies:	
- In Bangladesh	5,489,930,000
- Outside Bangladesh	44,211,055
Stationery, stamps, printing materials, etc.	43,735,916
Advance rent and advertisement	48,294,403
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	3,431,648,655
Security deposits	5,508,494
Preliminary, formation and organisational expenses, renovation, development and prepaid expenses	1,190,008,990
Suspense account	237,198,141
Rights to use (ROU) assets	854,344,200
Others	1,009,587,366
Total Other Assets	12,354,467,220

Liabilities (as of 30 September 2021)**Borrowings from other banks, financial institutions and agents**

Items	Amount in BDT
Borrowings from other banks, financial institutions and agents (a+b+c)	41,733,025,018
(a) In Bangladesh	15,854,875,018
(b) Outside Bangladesh	13,278,150,000
(c) Subordinated Bond	12,600,000,000
Rupali Bank Limited	1,950,000,000
Sonali Bank Limited	1,350,000,000
Agrani Bank Limited	2,820,000,000
Pubali Bank Limited	780,000,000
Mercantile Bank Limited	800,000,000
Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd	40,000,000
Sadharan Bima Corporation	140,000,000
Uttara Bank Limited	120,000,000
Dhaka Bank Limited	450,000,000
National Life Insurance Limited	1,350,000,000
Janata Bank Limited	1,100,000,000
Delta Life Insurance Co. Limited	200,000,000
Eastern Bank Limited	1,000,000,000
Square Pharmaceuticals Limited	500,000,000
Total	12,600,000,000

Deposits and Other Accounts

Items	Amount in BDT
Current/Al-wadeeah current accounts and other accounts	74,541,350,490
Bills Payable	3,649,591,896
Savings bank/Mudaraba savings bank deposits	43,027,358,393
Fixed deposits/Mudaraba fixed deposits	248,390,704,637
Total	369,609,005,416

Other Liabilities

Items	Amount in BDT
Provision for loans and advances/investments	24,924,645,000
Interest suspense account	13,363,967,419
Provision for taxation	2,732,791,647
Lease liabilities (Rights of Use Assets)	577,113,107
Accrued expenses	101,246,775
Interest payable on borrowings	686,197,522
Accounts payable-Bangladesh Bank	190,739,118
Accounts payable-others	1,939,919,284
Other provisions	1,899,786,394
Unearned income	409,947,402
Branch adjustment	486,668,847
Withholding tax	479,543,273
Provision for audit fees	750,000
Total	47,793,315,788

H. DESCRIPTION OF PREVIOUSLY ISSUED DEBT OR SECURITIES

i. Description of previously issued debt instruments:

Southeast Bank Limited (SEBL) has issued four unsecured floating rate subordinated bond to the local market under Private Placement to consolidate the Bank's capital base (Tier-II Regulatory Capital Raising) in line with the Basel-II framework.

SEBL received BDT 3,000 Million from its first bond issuance on December 18, 2014 of which BDT 2,400 Million has already been paid. The outstanding balance is BDT 600 Million as of September 30, 2021.

SEBL received BDT 5,000 Million from its second bond issuance on October 27, 2016 of which BDT 2,000 Million has already been paid. The outstanding balance is BDT 3,000 Million as of September 30, 2021.

SEBL received BDT 5,000 Million from its third bond issuance on August 12, 2018 of which BDT 1,000 Million has already been paid. The outstanding balance is BDT 4,000 Million as of September 30, 2021.

SEBL received BDT 5,000 Million from its fourth bond issuance on December 10, 2020. The outstanding balance is BDT 5,000 Million as of September 30, 2021.

ii. Description of previously issued equity securities:

Year	Particulars	Number of shares	Paid up capital amount (Taka)	Cumulative Paid up capital amount (Taka)
1995	Opening / Sponsors Capital	1,000,000	100,000,000	100,000,000
1997	25% Stock Dividend	250,000	25,000,000	125,000,000
1998	20% Stock Dividend	250,000	25,000,000	150,000,000
1999	Initial Public Offer (IPO)	1,500,000	150,000,000	300,000,000
2000	10% Stock Dividend	300,000	30,000,000	330,000,000
2001	10% Stock Dividend	330,000	33,000,000	363,000,000
2002	10% Stock Dividend	363,000	36,300,000	399,300,000
2003	Right Issue @ 1:2	1,650,000	165,000,000	564,300,000
	20% Stock Dividend	1,128,600	112,860,000	677,160,000
2004	30% Stock Dividend	2,031,480	203,148,000	880,308,000
2005	20% Stock Dividend	1,760,616	176,061,600	1,056,369,600
2006	Right Issue @1:1	10,563,696	1,056,369,600	2,112,739,200
	8% Stock Dividend	1,690,191	169,019,100	2,281,758,300
2007	25% Stock Dividend	5,704,395	570,439,500	2,852,197,800
2008	20% Stock Dividend	5,704,395	570,439,500	3,422,637,300
2009	35% Stock Dividend	11,979,230	1,197,923,000	4,620,560,300
2010	Right Issue @1:2	23,102,801	2,310,280,100	6,930,840,400
	20% Stock Dividend	13,861,680	1,386,168,000	8,317,008,400
2011	Stock split (1:10)	748,530,756	-	8,317,008,400
	5% Stock Dividend	41,585,042	415,850,420	8,732,858,820
2012	None	-	-	8,732,858,820
2013	5% Stock Dividend	43,664,294	436,642,940	9,169,501,760
2017	15% Stock Dividend	137,542,526	1,375,425,260	10,544,927,020
2018	10% Stock Dividend	105,449,270	1,054,492,700	11,599,419,720
2019	2.5% Stock Dividend	28,998,549	289,985,490	11,889,405,210
2020	None	-	-	11,889,405,210

14. AUDITED FINANCIAL STATEMENTS OF THE ISSUER, SOUTHEAST BANK LIMITED

a. Consolidated Balance Sheet (as of 30 September 2021)

Southeast Bank Limited and its Subsidiaries
Consolidated Balance Sheet
 As at 30 September 2021

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
PROPERTY AND ASSETS			
Cash	4		
In hand (including foreign currencies)		4,122,237,604	3,474,367,542
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		16,881,372,346	17,956,897,600
		21,003,609,950	21,431,265,142
Balance with other banks and financial institutions	5		
In Bangladesh		1,766,027,883	2,108,724,666
Outside Bangladesh		2,560,168,009	2,550,530,377
		4,316,185,892	4,659,255,043
Money at call and on short notice	7	6,446,700,000	2,208,907,300
Investments	8		
Government		98,586,069,042	83,226,359,543
Others		13,445,871,491	13,847,533,919
		112,031,940,533	97,073,893,462
Loans and advances/investments	10		
Loans, cash credit, overdrafts etc./investments		320,861,587,200	307,752,518,862
Bills purchased and discounted		10,572,365,356	14,498,943,318
		331,433,952,556	322,251,462,180
Fixed assets including premises, furniture and fixtures	12	9,876,459,165	9,714,971,217
Other assets	14	7,027,408,306	7,953,654,253
Non-banking assets			
Total assets		492,136,256,402	466,293,408,597
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	16		
Subordinated bond		12,600,000,000	13,600,000,000
Other borrowings		29,133,025,018	18,897,676,319
		41,733,025,018	32,497,676,319
Deposits and other accounts	18		
Current/Al-wadeeah current accounts and other accounts		74,628,827,173	66,850,581,819
Bills payable		3,649,591,896	3,940,333,929
Savings bank/Mudaraba savings bank deposits		43,027,358,393	38,060,936,493
Fixed deposits/Mudaraba fixed deposits		248,330,704,637	250,684,079,440
		369,636,482,099	359,535,931,681
Other liabilities	20	48,232,180,470	43,545,833,362
Total liabilities		459,601,687,587	435,579,441,362
Capital/shareholders' equity			
Paid up capital	22.2	11,889,405,210	11,889,405,210
Statutory reserve	23	11,889,405,210	11,580,478,928
Revaluation reserve	24	4,920,820,084	4,672,526,139
Other reserve	25	247,650,000	247,650,000
Foreign currency translation reserve	26	(7,240,994)	(1,919,103)
Retained earnings	27	3,568,053,421	1,315,624,550
		32,524,092,931	29,703,765,724
Total shareholders' equity		10,475,884	10,201,511
Non-controlling interest	29		
Total liabilities and shareholders' equity		492,136,256,402	466,293,408,597

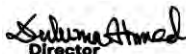
Southeast Bank Limited and its Subsidiaries
Consolidated Balance Sheet
 As at 30 September 2021

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	30.1	76,835,510,413	51,087,802,689
Letters of guarantee	30.2	20,299,162,269	17,143,765,567
Irrevocable letters of credit	30.3	57,722,086,285	37,175,740,943
Bills for collection	30.4	39,175,443,006	31,398,294,693
Other contingent liabilities	30.5	1,887,739,000	1,931,650,000
Total contingent liabilities		195,919,940,973	138,737,253,892
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		195,919,940,973	138,737,253,892

The annexed notes 1 to 71 form an integral part of these financial statements.



Chairman



Director

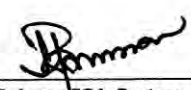


Director



Managing Director

Signed in terms of our separate report of even date



Md. Jahidur Rahman FCA, Partner, Enrolment No. 860
 Howladar Yunus & Co.
 Chartered Accountants
 Firm Registration No: N/A

DVC No. : 2110310860A0465361

Dhaka,
 Date: 31 OCT 2021

b. Consolidated Profit & Loss Account (as of 30 September 2021)
Southeast Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account
 For the period ended 30 September 2021

Particulars	Note	Sep 2021	Sep 2020
		Taka	Taka
Interest income/profit on investments	32	13,946,774,585	17,060,810,127
Interest paid/profit shared on deposits and borrowings etc.	34	(11,985,631,761)	(15,402,502,191)
Net interest income/net profit on investments		1,961,142,824	1,658,307,936
Investment income	36	4,764,061,040	4,444,162,625
Commission, exchange and brokerage	38	2,712,071,943	2,433,463,094
Other operating income	40	794,368,108	623,168,063
		8,270,501,091	7,500,793,782
Total operating Income (A)		10,231,643,915	9,159,101,718
Salaries and allowances	42	1,533,211,392	1,522,773,194
Rent, taxes, insurance, electricity, etc.	44	654,958,188	819,942,131
Legal expenses		543,340	860,575
Postage, stamp, telecommunication, etc.	46	133,104,416	125,321,494
Stationery, printing, advertisements, etc	48	120,038,694	111,792,745
Managing Director's salary and fees	50	7,721,500	7,721,500
Directors' fees	51	2,159,903	1,160,060
Auditors' fees	53	750,000	750,000
Depreciation and repair	54	674,142,351	400,033,094
Other expenses	56	1,025,832,598	937,912,133
		4,162,462,382	3,928,266,926
Total operating expenses (B)		4,162,462,382	3,928,266,926
Profit before provision (C=A-B)		6,079,181,533	5,230,834,792
Provision for loans and advances/investments	21		1,283,172,000
General provision		(205,097,855)	
1% General provision for COVID-19		928,910,888	(241,372,000)
Specific provision		723,813,033	1,041,800,000
Provision for diminution in value of investments	21.7	18,314,855	71,420,000
Other provisions	22	636,763,214	173,200,000
		1,378,891,102	1,286,420,000
Total provision (D)		1,378,891,102	1,286,420,000
Total profit before taxation (E=C-D)		4,700,290,431	3,944,414,792
Provision for taxation	58		1,166,368,533
Current		960,769,093	9,300,000
Deferred		22,254,824	
		983,023,917	1,175,668,533
Net profit after taxation		3,717,266,514	2,768,746,259
Net profit after taxation attributable to:			
Equity holders' of the Bank		3,716,992,142	2,768,691,582
Non-controlling interest		274,372	54,677
Net profit after taxation		3,717,266,514	2,768,746,259
Appropriations			
Statutory reserve	23	308,926,282	629,986,113
		308,926,282	629,986,113
Retained surplus during the period		3,408,340,232	2,138,760,146
Earnings per share (par value Taka 10)	64	3.13	2.33

The annexed notes 1 to 71 form an integral part of these financial statements.

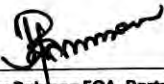

 Chairman


 Director


 Director


 Managing Director

Signed in terms of our separate report of even date


 Md. Jahidur Rahman FCA, Partner, Enrolment No. 860
 Howladar Yunus & Co.
 Chartered Accountants
 Firm Registration No: N/A

DVC No.: 2110310960A0465361

Dhaka,
 Date: 31 OCT 2021

c. Consolidated Cash Flow Statement (as of 30 September 2021)

Southeast Bank Limited and Its Subsidiaries			
Consolidated Cash Flow Statement			
For the period ended 30 September 2021			
Particulars	Note	Sep 2021	Sep 2020
		Taka	Taka
A. Cash flows from operating activities:			
Interest receipts in cash		19,021,998,323	16,888,846,176
Interest payments		(11,700,171,384)	(15,201,492,760)
Dividend receipts		78,166,118	131,262,278
Fees and commission receipts in cash	38	2,712,071,943	2,433,463,094
Recoveries on loans previously written-off		339,276,512	263,897,102
Cash payments to employees		(1,540,932,892)	(1,530,494,694)
Cash payments to suppliers		(123,218,928)	(10,668,588)
Income taxes paid		(1,087,419,117)	(2,495,724,321)
Receipts from other operating activities	60	1,478,379,122	1,310,978,049
Payments for other operating activities	62	(1,917,331,449)	(1,839,145,273)
Operating profit before changes in operating assets and liabilities (I)		7,260,818,248	(49,078,938)
Increase (decrease) in operating assets and liabilities			
Sale of trading securities		1,481,346,986	737,180,819
Purchase of trading securities		(1,662,241,900)	(859,108,596)
Loans and advances to customers		(9,151,353,376)	(23,434,463,085)
Other assets		(213,328,411)	(476,585,655)
Deposits from other banks		10,235,348,699	932,051,241
Deposits from customers		9,977,642,269	34,221,630,389
Other liabilities		3,169,213,708	2,525,520,984
Cash generated from (used in) operating assets and liabilities (II)		13,836,627,976	13,646,236,097
Net cash flows from operating activities (a=I+II)		21,097,446,223	13,597,157,159
B. Cash flows from investing activities:			
Proceeds from sale of securities		27,235,076,675	25,771,979,215
Payments for purchase of securities		(47,469,220,055)	(29,219,104,825)
Purchase of fixed assets		(468,493,020)	(473,555,915)
Sale proceeds of fixed assets		70,121,786	126,951
Cash generated from (used in) investing activities (b)		(20,632,614,614)	(3,920,554,575)
C. Cash flows from financing activities:			
Receipts from issue of loan capital & debt security		-	-
Payments for redemption of loan capital & debt security		(1,000,000,000)	-
Dividends paid		(1,188,940,521)	-
Payment against lease obligation		(157,205,249)	(42,458,564)
Receipts from issue of ordinary shares		-	-
Cash generated from (used in) financing activities (c)		(2,346,145,770)	(42,458,564)
D. Net increase (decrease) in cash and cash equivalents (a+b+c)		(1,881,214,161)	9,634,144,020
E. Effects of exchange rate changes on cash and cash equivalents		(3,030,457)	(9,340,981)
F. Cash and cash equivalents at beginning of the year		44,563,332,749	48,392,991,767
G. Cash and cash equivalents at end of the period (D+E+F)		42,679,088,130	58,017,794,806
Cash and cash equivalents at end of the period represents			
Cash in hand (including foreign currencies)	4	4,122,237,604	3,485,850,430
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4	16,881,372,346	16,344,965,986
Balance with other banks and financial institutions	5	4,316,185,892	6,288,806,391
Money at call and on short notice	7	6,446,700,000	2,407,806,344
Treasury bills	9.1.1	10,906,055,988	29,485,619,054
Bangladesh Bank bill	9.1.1	-	-
Prize bond	9.1.1	6,536,300	4,746,600
		42,679,088,130	58,017,794,806

d. Balance Sheet (as of 30 September 2021)

Southeast Bank Limited			
Balance Sheet			
As at 30 September 2021			
Particulars	Note	Sep 2021 Taka	Dec 2020 Taka
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	4.1	4,121,653,507	3,474,365,889
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		16,881,372,346	17,956,897,600
		21,003,025,853	21,431,263,489
Balance with other banks and financial institutions			
In Bangladesh	6	1,766,027,883	2,108,724,666
Outside Bangladesh		2,435,904,178	2,427,007,183
		4,201,932,061	4,535,731,849
Money at call and on short notice			
	7	6,446,700,000	2,208,907,300
Investments			
Government	9	98,586,069,042	83,226,359,543
Others		10,365,478,150	10,957,893,063
		108,951,547,192	94,184,252,606
Loans and advances/investments			
Loans, cash credit, overdrafts etc./investments	11	318,474,062,791	305,869,216,552
Bills purchased and discounted		10,572,365,356	14,498,943,318
		329,046,428,147	320,368,168,870
Fixed assets including premises, furniture and fixtures			
	13	9,354,561,800	9,182,672,927
	15	12,354,467,220	13,171,388,605
Other assets			
Non - banking assets			
Total assets		491,358,662,273	465,082,375,646
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents			
Subordinated bond	17	12,600,000,000	13,600,000,000
Other borrowings		29,133,025,018	18,897,676,319
		41,733,025,018	32,497,676,319
Deposits and other accounts			
Current/Al-wadeeah current accounts and other accounts	19	74,541,350,490	66,764,534,952
Bills payable		3,649,591,896	3,940,333,929
Savings bank/Mudaraba savings bank deposits		43,027,358,393	38,060,936,493
Fixed deposits/Mudaraba fixed deposits		248,390,704,637	251,134,079,440
		369,609,005,416	359,899,884,814
Other liabilities			
	21	47,793,315,789	43,104,754,236
Total liabilities		469,135,346,223	435,502,315,369
Capital/shareholders' equity			
Paid up capital	22.2	11,889,405,210	11,889,405,210
Statutory reserve	23	11,889,405,210	11,580,478,928
Revaluation reserve	24	4,920,820,084	4,672,526,139
Other reserve	25	247,650,000	247,650,000
Retained earnings	28	3,276,035,546	1,190,000,000
		32,223,316,050	29,580,060,277
Total shareholders' equity		491,358,662,273	465,082,375,646
Total liabilities and shareholders' equity		491,358,662,273	465,082,375,646

Southeast Bank Limited
Balance Sheet
 As at 30 September 2021

OFF-BALANCE SHEET ITEMS**Contingent liabilities**

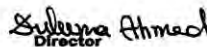
Acceptances and endorsements	30.1	76,835,510,413	51,087,802,689
Letters of guarantee	30.2	20,299,162,269	17,143,765,567
Irrevocable letters of credit	30.3	57,722,086,285	37,175,740,943
Bills for collection	30.4	39,175,443,006	31,398,294,693
Other contingent liabilities	30.5	1,887,739,000	1,931,650,000
Total contingent liabilities		195,919,940,973	138,737,253,892

Other commitments

Documentary credits and short term trade-related transactions	-	-	
Forward assets purchased and forward deposits placed	-	-	
Undrawn note issuance and revolving underwriting facilities	-	-	
Undrawn formal standby facilities, credit lines and other commitments	-	-	
Total other commitments	-	-	
Total off-balance sheet items including contingent liabilities		195,919,940,973	138,737,253,892

The annexed notes 1 to 71 form an integral part of these financial statements.

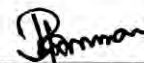

 Chairman


 Subena Ahmed
 Director


 Director


 Managing Director

Signed in terms of our separate report of even date


 Md. Jahidur Rahman FCA, Partner, Enrolment No. 860
 Howladar Yunus & Co.
 Chartered Accountants
 Firm Registration No: N/A

DVC No.: 2110310860A0465361

Dhaka,
 Date: 31 OCT 2021

e. Profit & Loss Account (as of 30 September 2021)


Southeast Bank Limited
Profit and Loss Account
 For the period ended 30 September 2021

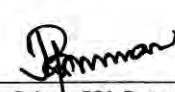
Particulars	Note	Sep 2021	Sep 2020
		Taka	Taka
Interest income/profit on investments	33	13,919,214,458	17,047,166,871
Interest paid/profit shared on deposits and borrowings etc.	35	(12,002,196,437)	(15,432,680,587)
Net interest income/net profit on investments		1,917,018,021	1,614,486,283
Investment income	37	4,624,117,765	4,466,262,905
Commission, exchange and brokerage	39	2,646,493,541	2,383,370,258
Other operating income	41	755,081,443	609,897,010
Total operating income (A)		9,942,710,770	9,074,016,457
Salaries and allowances	43	1,507,399,363	1,502,882,434
Rent, taxes, insurance, electricity, etc.	45	650,250,538	808,708,860
Legal expenses		543,340	860,575
Postage, stamp, telecommunication, etc.	47	132,702,757	124,997,349
Stationery, printing, advertisements, etc.	49	118,783,001	110,907,862
Managing Director's salary and fees	50	7,721,500	7,721,500
Directors' fees	52	1,999,903	1,072,060
Auditors' fees		750,000	750,000
Depreciation and repair of bank's assets	55	652,943,142	379,174,995
Other expenses	57	1,002,484,710	921,487,865
Total operating expenses (B)		4,075,678,254	3,858,563,500
Profit before provision (C=A-B)		5,867,032,516	5,215,452,957
Provision for loans and advances/investments	21.1		
General provision		(205,097,855)	1,283,172,000
Specific provision		928,910,888	(241,372,000)
		723,813,033	1,041,800,000
Provision for diminution in value of investments	21.7.1	18,314,855	71,420,000
Other provisions	21.5	636,763,214	173,200,000
Total provision (D)		1,378,891,102	1,286,420,000
Total profit before taxation (C-D)		4,488,241,414	3,929,032,957
Provision for taxation	59		
Current		927,745,176	1,150,000,000
Deferred		22,254,824	9,300,000
		950,000,000	1,159,300,000
Net profit after taxation		3,538,241,414	2,769,732,957
Appropriations			
Statutory reserve	23	308,926,282	629,986,113
		308,926,282	629,986,113
Retained surplus during the period		3,229,315,132	2,139,746,844
Earnings per share (par value Taka 10)	65	2.98	2.33

The annexed notes 1 to 71 form an integral part of these financial statements.


 Chairman


 Director
 Signed in terms of our separate report of even date


 Director
 Managing Director


 Md. Jahidur Rahman FCA, Partner, Enrolment No. 860
 Howladar Yunus & Co.
 Chartered Accountants
 Firm Registration No: N/A

DVC No.: 2110310960A0465361

Dhaka,
 Date: 31 OCT 2021

f. Cash Flow Statement (as of 30 September 2021)

Southeast Bank Limited
Cash Flow Statement
 For the period ended 30 September 2021

A. Cash flows from operating activities:	Note	Sep 2021 Taka	Sep 2020 Taka
Interest receipts in cash		18,994,438,196	16,875,202,919
Interest payment		(11,596,831,743)	(15,583,561,604)
Dividend receipts		48,881,807	125,466,709
Fees and commission receipts in cash	39	2,646,493,541	2,383,370,258
Recoveries on Loans previously written-off		339,276,512	263,897,102
Cash payments to employees		(1,515,120,863)	(1,510,603,934)
Cash payments to suppliers		(123,820,238)	(108,233,450)
Income taxes paid		(1,101,576,763)	(2,366,515,499)
Receipts from other operating activities	61	1,439,092,456	1,297,706,996
Payments for other operating activities	63	(1,898,944,147)	(1,818,286,589)
Operating profit before changes in operating assets and liabilities (i)		7,231,888,758	(441,557,092)
Increase (decrease) in operating assets and liabilities			
Sale of trading securities		1,481,346,986	737,180,819
Purchase of trading securities		(1,573,761,900)	(859,108,596)
Loans and advances to customers		(8,678,269,277)	(23,371,545,371)
Other assets		(322,462,567)	(392,335,073)
Deposits from other banks		10,235,348,699	932,051,241
Deposits from customers		9,586,212,453	34,118,314,296
Other liabilities		3,132,201,903	2,919,294,097
Cash generated from (used in) operating assets and liabilities (ii)		13,860,616,297	14,083,851,413
Net cash flows from operating activities (a=i+ii)		21,092,505,055	13,642,294,321
B. Cash flows from investing activities:			
Proceeds from sale of securities		27,235,076,675	25,771,979,214
Payments for purchase of securities		(47,469,220,055)	(29,219,104,825)
Purchase of fixed assets		(460,186,826)	(475,163,955)
Sale proceeds of fixed assets		70,121,786	126,951
Cash generated from (used in) investing activities (b)		(20,624,208,420)	(3,922,162,616)
C. Cash flows from financing activities:			
Payments for redemption of loan capital & debt security		(1,000,000,000)	-
Dividends paid		(1,188,940,521)	-
Payment against lease obligation		(157,205,249)	(42,458,564)
Cash generated from (used in) financing activities (c)		(2,346,145,770)	(42,458,564)
D. Net increase (decrease) in cash and cash equivalents (a+b+c)		(1,877,849,135)	9,677,673,141
E. Effects of exchange rate changes on cash and cash equivalents		2,291,435	(870,718)
F. Cash and cash equivalents at beginning of the year		44,439,807,902	48,252,038,214
G. Cash and cash equivalents at end of the period (D+E+F)		42,564,250,202	57,928,840,637
Cash and cash equivalents at end of the period represents			
Cash in hand (including foreign currencies)	4.1	4,121,653,507	3,485,694,800
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4.1	16,881,372,346	16,344,965,986
Balance with other banks and financial institutions	6	4,201,932,061	6,200,007,853
Money at call and on short notice	7	6,446,700,000	2,407,806,344
Treasury bills	9.1.1	10,906,055,988	29,485,619,054
Prize bond	9.1.1	6,536,300	4,746,600
		42,564,250,202	57,928,840,637

15. COMPARATIVE FINANCIAL STATEMENTS FOR LAST FIVE YEARS

Southeast Bank Limited was established in 1995 with a vision to become a premier banking institution of the country and contribute significantly to the growth of the national economy. The bank was established by leading industrialists of the country. The incumbent Chairman of the Bank is Mr. Alamgir Kabir, FCA, a professional Chartered Accountant.

Comparative consolidated financial statements for five years of Southeast Bank Limited is given below.

A. BALANCE SHEET (CONSOLIDATED): SOUTHEAST BANK LIMITED:

Southeast Bank Limited and its Subsidiaries Five years comparative Balance Sheet						
	Sep 2021	2020	Sep 2020	2019	2018	2017
Cash						
In hand (including foreign currencies)	4,122,237,604	3,474,367,542	3,485,850,430	3,664,880,130	3,598,852,097	3,010,982,975
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	16,881,372,346	17,956,897,600	16,344,965,986	18,954,911,247	17,916,575,574	17,968,153,354
	21,003,609,950	21,431,265,142	19,830,816,416	22,619,791,377	21,515,427,671	20,979,136,329
Balance with other banks and financial institutions						
In Bangladesh	1,766,027,883	2,108,724,566	3,605,682,538	5,568,594,836	3,984,794,486	3,196,881,943
Outside Bangladesh	2,550,158,009	2,550,530,377	2,683,123,853	1,903,702,998	2,449,639,553	1,082,725,811
	4,316,185,892	4,659,255,043	6,288,806,391	7,472,297,834	6,434,434,039	4,279,607,754
Money at call and on short notice	6,446,700,000	2,208,907,300	2,407,806,344	4,739,531,100	6,897,100,000	3,643,950,000
Investments						
Government	98,586,069,042	83,226,359,543	83,059,078,754	62,409,764,654	50,963,038,896	50,204,799,973
Others	13,445,871,491	13,847,533,919	14,818,777,250	14,900,277,916	14,646,513,537	12,706,244,459
	112,031,940,533	97,073,893,462	97,877,856,004	77,310,042,570	65,609,552,433	62,911,044,472
Loans and advances/investments						
Loans, cash credit, overdrafts etc./investments	320,861,587,200	307,752,518,862	302,194,117,756	278,757,951,276	255,400,659,122	223,657,502,019
Bills purchased and discounted	10,572,365,356	14,498,243,318	17,993,298,604	17,995,011,999	12,270,268,683	10,659,214,310
	331,433,952,556	322,251,462,180	320,187,416,360	296,752,963,275	267,671,627,805	234,316,716,329
Fixed assets including premises, furniture and fixtures	9,876,459,165	9,714,971,217	9,525,681,558	9,333,658,015	9,337,295,160	9,321,796,126
Other assets	7,027,408,306	7,953,654,253	7,619,905,003	4,084,430,822	4,110,241,772	3,835,803,180
Non - banking assets						
Total assets	492,136,256,402	465,293,408,597	463,738,288,076	422,312,714,993	381,575,678,880	339,288,054,190
LIABILITIES AND CAPITAL						
Liabilities						
Borrowings from other banks, financial institutions and agents						
Subordinated bond	12,600,000,000	13,600,000,000	10,200,000,000	10,200,000,000	11,800,000,000	7,400,000,000
Other borrowings	29,133,025,018	18,897,676,319	14,633,451,120	13,701,399,879	11,211,700,343	10,181,648,728
	41,733,025,018	32,497,676,319	24,833,451,120	23,901,399,879	23,011,700,343	17,581,648,728
Deposits and other accounts						
Current/Al-wadeeah current accounts and other accounts	74,628,827,173	66,850,581,819	69,682,097,001	48,260,613,039	40,472,065,762	35,511,525,367
Bills payable	3,649,391,896	3,940,333,929	3,666,195,213	4,095,294,208	4,494,551,361	4,933,769,345
Savings bank/Mudaraba savings bank deposits	43,027,358,393	38,060,936,493	35,337,076,965	30,416,845,985	27,259,920,347	23,896,582,534
Fixed deposits/Mudaraba fixed deposits	248,330,704,637	250,684,079,440	254,681,776,113	246,477,520,709	226,108,257,117	205,486,197,802
	369,636,482,099	359,535,931,681	363,367,145,292	329,250,273,941	298,334,794,587	269,828,075,048
Other liabilities	48,232,180,470	43,545,833,362	41,722,071,119	38,651,506,648	32,102,455,720	26,044,632,850
Total liabilities	459,601,687,587	435,579,441,362	429,922,667,531	391,803,180,468	353,448,250,650	313,454,356,626
Capital/shareholders' equity						
Paid up capital	11,889,405,210	11,889,405,210	11,599,419,720	11,599,419,720	10,544,927,020	9,169,501,760
Statutory reserve	11,889,405,210	11,580,478,928	11,599,419,720	10,969,433,607	10,094,153,565	9,170,000,000
Revaluation reserve	4,920,820,084	4,672,526,139	4,806,396,602	4,248,271,218	4,360,801,902	4,534,239,054
Other reserve	247,650,000	247,650,000	247,650,000	247,650,000	247,650,000	247,650,000
Foreign currency translation reserve	(7,240,994)	(1,919,103)	(17,249,868)	(8,779,606)	(28,918,605)	(14,142,765)
Retained earnings	3,584,053,421	1,315,624,550	5,569,857,078	3,443,466,969	2,898,043,836	2,716,398,712
Total shareholders' equity	32,524,092,931	29,703,765,724	33,805,493,252	30,499,461,908	28,116,657,718	25,823,646,761
Non-controlling interest	10,475,884	10,201,511	10,127,293	10,072,617	10,070,512	10,050,803
Total liabilities and shareholders' equity	492,136,256,402	465,293,408,597	463,738,288,076	422,312,714,993	381,575,678,880	339,288,054,190

B. PROFIT AND LOSS ACCOUNT (CONSOLIDATED): SOUTHEAST BANK LIMITED

Southeast Bank Limited and its Subsidiaries						
Five years comparative Income Statements						
	Sep 2021	2020	Sep 2020	2019	2018	2017
Interest income/profit on investments	13,946,774,585	22,330,494,583	17,060,810,127	26,238,882,397	23,977,837,107	17,400,550,075
Interest paid/profit shared on deposits and borrowing	(11,985,631,761)	(19,769,075,898)	(15,402,502,191)	(22,001,885,612)	(18,777,897,107)	(13,372,859,997)
Net interest income/net profit on investments	1,961,142,824	2,481,418,685	1,658,307,936	4,236,996,785	5,199,939,800	4,027,690,078
Investment income	4,764,061,040	6,750,891,038	4,444,162,625	5,288,975,155	5,129,753,568	5,570,648,397
Commission, exchange and brokerage	2,712,071,943	3,336,221,661	2,433,463,094	3,859,609,254	3,652,775,278	3,462,929,452
Other operating income	794,368,108	1,002,030,956	623,168,063	985,139,688	979,447,885	871,775,465
Total operating income (A)	10,231,643,915	13,770,562,340	9,159,101,718	14,390,720,882	14,961,916,531	13,933,043,392
Salaries and allowances	1,533,211,392	2,065,978,613	1,522,773,194	2,175,294,624	2,026,521,807	1,813,964,027
Rent, taxes, insurance, electricity, etc.	654,958,188	877,905,601	819,942,131	1,083,363,119	1,031,566,389	899,480,711
Legal expenses	543,340	1,592,300	860,575	1,998,326	1,299,351	1,832,217
Postage, stamp, telecommunication, etc.	133,104,416	164,212,014	125,321,494	174,546,805	182,353,593	176,224,992
Stationery, printing, advertisements, etc.	120,038,694	137,197,205	111,792,745	163,746,039	165,642,288	149,545,742
Managing Director's salary and fees	7,721,500	10,407,000	7,721,500	11,072,000	10,072,000	10,037,423
Directors' fees	2,159,903	2,688,060	1,160,060	3,468,248	2,926,099	3,785,203
Auditors' fees	750,000	1,860,327	750,000	1,904,078	1,847,371	1,906,893
Depreciation and repair of bank's assets	674,142,351	786,680,346	400,033,094	534,629,560	476,294,631	455,388,535
Other expenses	1,025,832,598	1,437,484,585	937,912,133	1,255,718,774	1,280,297,900	1,328,579,051
Total operating expenses (B)	4,152,462,382	5,506,006,351	3,928,266,926	5,407,741,573	5,178,921,410	4,870,744,794
Profit before provision (C= A- B)	6,079,181,533	8,264,555,989	5,230,834,792	8,982,979,309	9,782,995,122	9,062,298,598
Provision for loans and advances/investments						
General provision	(205,097,855)	3,036,463,600	1,283,172,000	328,228,000	(119,210,024)	1,010,610,024
1% General provision due to COVID-19	-	1,161,700,000	-	-	-	-
Specific provision	928,910,888	827,466,570	(241,372,000)	4,255,025,727	4,974,285,948	3,781,324,521
Provision for diminution in value of investments	723,813,033	5,025,630,170	1,041,800,000	4,583,253,727	4,855,075,924	4,791,934,545
Other provisions	18,314,855	(117,063,786)	71,420,000	319,600,000	-413,060,983	(217,213,998)
Total provision (D)	1,378,891,102	5,108,680,850	1,286,420,000	4,578,753,727	5,114,336,907	4,880,270,547
Total profit before taxation (C- D)	4,700,290,431	3,155,875,139	3,944,414,792	4,404,225,582	4,668,658,214	4,182,028,051
Provision for taxation						
Current	960,769,093	1,097,476,351	1,166,368,533	2,640,055,033	2,230,449,370	2,863,298,938
Deferred	23,254,824	(90,700,000)	9,200,000	(744,386,000)	(35,000,000)	130,130,332
Net profit after taxation	3,717,266,514	2,149,098,788	2,768,746,259	2,508,556,549	2,473,208,844	1,168,628,781
Net profit after taxation attributable to:						
Equity holders' of the Bank	3,716,992,142	2,148,969,893	2,768,691,382	2,508,554,444	2,473,189,135	1,168,581,138
Non-controlling interest	274,372	128,895	54,877	2,105	19,709	47,643
Net profit after taxation	3,717,266,514	2,149,098,788	2,768,746,259	2,508,556,549	2,473,208,844	1,168,628,781
Appropriations						
Statutory reserve	308,926,282	611,045,321	629,986,113	875,280,042	924,153,565	-
Retained surplus during the year	3,408,340,232	1,538,053,467	2,138,760,146	1,633,276,507	1,549,055,280	1,168,628,781
Earnings per share (par value Taka 10)	5.13	1.81	2.39	2.16	2.35	1.27

C. CASH FLOW STATEMENT (CONSOLIDATED): SOUTHEAST BANK LIMITED

Southeast Bank Limited and its Subsidiaries Five years comparative Cash flows						
	Sep 2021	2020	Sep 2020	2019	2018	2017
A. Cash flows from operating activities:						
Interest receipts in cash	19,021,999,323	23,644,616,711	17,576,656,161	30,849,673,817	29,773,582,446	22,799,565,274
Interest payment	(11,700,171,384)	(21,268,661,049)	(15,201,492,760)	(20,768,793,904)	(17,355,370,169)	(13,957,924,621)
Dividend receipts	78,166,118	237,932,423	131,262,278	252,697,447	179,893,878	246,591,937
Fees and commission receipts in cash	2,712,071,943	3,256,221,661	2,433,463,094	3,859,609,254	3,652,775,278	3,462,929,152
Recoveries on Loans previously written-off	339,276,512	473,200,468	263,897,102	917,012,300	404,812,594	154,213,601
Cash payments to employees	(1,540,932,892)	(2,076,385,613)	(1,530,494,694)	(2,186,366,624)	(2,036,593,907)	(1,854,001,450)
Cash payments to suppliers	(123,218,928)	(147,155,289)	(10,668,988)	(183,212,500)	(143,129,691)	(149,511,264)
Income taxes paid	(1,687,419,117)	(2,899,827,100)	(2,695,724,321)	(2,198,773,052)	(2,194,297,059)	(2,647,358,679)
Receipts from other operating activities	1,478,379,122	2,835,060,215	623,168,063	983,474,309	979,305,053	871,775,463
Payments for other operating activities	(1,917,331,499)	(2,508,769,642)	(1,839,145,273)	(2,649,462,049)	(3,479,049,698)	(2,345,344,072)
Operating profit before changes in operating assets and liabilities	7,260,818,248	1,706,272,786	(49,078,938)	8,875,868,818	9,780,908,823	7,500,935,640
Increase (decrease) in operating assets and liabilities						
Sale of trading securities	1,481,346,986	1,703,677,101	737,180,819	932,751,633	1,722,266,169	4,714,980,794
Purchase of trading securities	(1,662,241,900)	(1,250,930,471)	(859,108,596)	(744,452,229)	(2,340,147,630)	(9,868,562,219)
Loans and advances to customers	(9,131,353,576)	(28,691,285,943)	(23,434,453,085)	(29,289,889,807)	(35,930,587,906)	(43,819,951,511)
Other assets	(213,328,411)	(1,244,473,813)	(476,588,625)	206,051,988	(189,426,665)	(742,818,232)
Deposits from other banks	10,235,318,699	5,196,276,440	932,051,241	2,489,869,536	1,030,051,615	2,210,013,646
Deposits from customers	9,977,642,269	31,847,082,912	34,321,630,389	29,472,714,367	27,230,358,282	39,519,770,822
Other liabilities	3,169,213,708	2,480,944,520	2,525,520,984	7,599,560,682	2,252,081,234	2,200,804,234
Cash generated from (used in) operating assets and liabilities (i)	13,836,627,975	9,641,290,746	13,646,236,097	4,666,455,169	(6,231,394,905)	(5,785,922,466)
B. Net cash flows from operating activities (A+(i))	21,097,446,222	11,347,563,532	13,597,157,159	13,542,323,987	3,549,513,918	1,715,013,174
C. Cash flows from investing activities:						
Proceeds from sale of securities	27,225,076,675	43,189,016,329	25,771,979,215	36,834,627,415	24,654,139,625	85,715,949,901
Payments for purchase of securities	(47,469,220,052)	(60,046,683,007)	(29,219,104,823)	(96,739,944,762)	(54,337,993,233)	(83,124,735,925)
Purchase of fixed assets	(668,493,020)	(675,162,052)	(673,555,915)	(340,168,634)	(372,391,753)	(719,836,645)
Sale of fixed assets	70,121,786	4,074,615	126,951	17,150,306	3,811,056	7,845,971
Cash generated from (used in) investing activities (ii)	(20,632,514,614)	(17,528,754,515)	(3,920,554,575)	(228,335,655)	(52,434,415)	1,879,220,302
Cash flows from financing activities:						
Receipts from issue of loan capital & debt security	-	5,000,000,000	-	-	5,000,000,000	-
Payments for redemption of loan capital & debt security	(1,600,000,000)	(1,600,000,000)	-	(1,600,000,000)	(600,000,000)	-
Dividends paid	(1,188,940,521)	(869,956,479)	-	-	-	(1,833,900,352)
Payment against lease obligation	(157,205,249)	(183,986,326)	(42,458,564)	(133,379,353)	(2,477,131)	(8,204,715)
Cash generated from (used in) financing activities (C)	(2,346,145,770)	2,346,057,195	(42,458,564)	(1,733,379,383)	4,397,522,869	(1,842,105,065)
D. Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,881,214,161)	(5,835,133,788)	9,634,144,020	11,580,608,949	7,694,602,373	1,752,128,411
E. Effects of exchange rate changes on cash and cash equivalents	(3,030,457)	5,474,771	(9,340,981)	(11,294,912)	22,040,254	6,919,829
F. Cash and cash equivalents at beginning of the period	44,563,332,749	48,392,991,077	48,392,991,077	36,823,677,730	28,907,035,123	27,147,986,883
G. Cash and cash equivalents at end of the period (D+E+F)	42,679,088,130	44,563,332,749	58,017,794,805	48,392,991,767	36,623,677,730	28,907,035,123
Cash and cash equivalents at end of the period represents:						
Cash in hand (including foreign currencies)	4,102,237,604	3,474,367,542	3,485,850,430	3,664,880,130	3,598,852,097	3,010,982,975
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	16,881,372,346	17,956,897,600	16,344,965,986	18,954,911,247	17,916,575,574	17,968,153,354
Balance with other banks and financial institutions	4,316,185,892	4,659,255,043	6,288,806,391	7,472,297,834	6,434,434,039	4,279,607,754
Money at call and on short notice	6,446,700,000	2,208,907,300	2,407,806,344	4,739,531,100	6,897,100,000	3,643,950,000
Treasury bills	10,906,055,888	16,258,872,264	29,485,619,054	13,555,450,056	1,971,577,720	-
Fixed bond	6,536,300	5,335,000	4,746,600	5,021,400	5,138,300	4,341,040
	42,679,088,130	44,563,332,749	58,017,794,805	48,392,991,767	36,623,677,730	28,907,035,123

Comparative financial statements for five years of Southeast Bank Limited is given below.

D. BALANCE SHEET: SOUTHEAST BANK LIMITED:

	Sep 2021	2020	Sep 2020	2019	2018	2017
Cash						
In hand (including foreign currencies)	4,121,653,507	3,474,365,888	3,485,694,800	3,664,640,436	3,598,790,655	3,010,980,173
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	16,881,372,346	17,956,897,600	16,344,965,986	18,054,911,247	17,916,573,574	17,968,153,354
	21,003,025,853	21,431,263,489	19,830,660,786	22,619,551,683	21,515,366,229	20,979,133,527
Balance with other banks and financial institutions						
In Bangladesh	1,766,027,883	2,109,724,666	3,605,682,539	5,569,594,896	3,984,794,496	3,196,881,943
Outside Bangladesh	2,435,904,178	2,427,007,183	2,594,325,315	1,762,989,139	2,272,907,523	965,226,853
	4,201,932,061	4,535,731,849	6,200,007,853	7,331,583,975	6,257,702,009	4,162,108,796
Money at call and on short notice	6,446,700,000	2,208,907,300	2,407,806,344	4,739,531,100	6,897,100,000	3,643,950,000
Investments						
Government	99,366,069,043	83,226,359,543	83,059,010,754	62,409,764,634	50,563,048,896	50,204,799,973
Others	10,365,478,150	10,957,893,063	11,889,691,285	12,074,625,437	11,920,717,298	10,118,368,557
	108,951,547,192	94,184,252,606	94,948,770,039	74,484,390,091	62,883,766,194	60,333,168,530
Loans and advances/investments						
Loans, cash credit, overdrafts etc./investments	318,474,062,791	305,869,215,552	300,393,360,087	277,020,101,321	252,933,241,876	221,191,785,619
Bills purchased and discounted	10,572,365,356	14,499,943,310	17,293,294,604	17,995,014,999	17,270,969,693	10,659,216,370
	329,046,428,147	320,368,158,870	318,386,654,691	295,015,116,320	269,204,211,569	231,850,999,929
Fixed assets including premises, furniture and fixtures	9,854,561,800	9,182,672,927	8,967,492,380	8,754,955,398	8,782,363,746	8,708,569,268
Other assets	12,354,467,250	13,171,388,605	13,024,769,514	9,485,465,483	9,554,422,290	9,241,315,075
Non-banking assets	-	-	-	-	-	-
Total assets	491,358,662,273	465,082,375,646	463,766,165,577	422,430,891,050	381,094,921,027	338,909,245,125
LIABILITIES AND CAPITAL						
Liabilities						
Borrowings from other banks, financial institutions and agents						
Subordinated bond	12,600,000,000	11,600,000,000	10,200,000,000	10,200,000,000	11,800,000,000	7,400,000,000
Other borrowings	29,133,025,018	18,897,676,319	14,633,451,120	13,761,389,879	11,137,491,516	10,181,648,728
	41,733,025,018	32,497,676,319	24,833,451,120	23,901,389,879	22,937,491,516	17,581,648,728
Deposits and other accounts						
Current/Ak-wadeeah current accounts and other accounts	74,541,350,490	66,764,534,952	69,830,967,539	48,807,799,671	40,457,257,551	35,516,530,988
Bills payable	3,645,591,888	3,940,333,929	3,666,195,213	4,095,294,208	4,494,551,361	4,893,769,345
Savings bank/Mudaraba savings bank deposits	43,027,358,393	39,060,936,493	35,337,076,965	30,416,845,965	27,259,920,347	23,896,582,534
Fixed deposits/Mudaraba fixed deposits	248,590,704,637	251,134,079,440	255,126,776,113	246,477,320,709	236,106,257,117	205,486,197,802
	369,609,005,416	359,899,884,814	363,811,015,830	329,797,460,573	298,320,586,377	269,833,088,669
Other liabilities	47,793,315,789	43,104,754,236	41,273,873,189	38,313,892,783	31,765,904,056	25,732,763,716
Total liabilities	459,135,346,223	435,503,315,369	430,020,340,139	392,011,753,235	353,043,581,949	313,147,501,113
Capital/shareholders' equity						
Paid up capital	11,889,405,210	11,889,405,210	11,599,419,720	11,599,419,720	10,544,927,020	9,169,501,760
Statutory reserve	11,889,405,210	11,380,478,928	11,599,419,720	10,269,433,607	10,094,153,365	9,170,000,000
Revaluation reserve	4,920,820,084	4,672,526,139	4,806,396,602	4,248,271,218	4,360,801,902	4,534,239,054
Other reserve	247,650,000	247,650,000	247,650,000	247,650,000	247,650,000	247,650,000
Retained earnings	3,276,035,546	1,190,000,000	5,492,939,396	3,854,063,270	2,803,806,592	2,640,353,198
Total shareholders' equity	32,223,316,050	29,580,060,277	33,745,825,438	30,418,837,815	28,051,339,079	25,761,744,012
Total liabilities and shareholders' equity	491,358,662,273	465,082,375,646	463,766,165,577	422,430,891,050	381,094,921,027	338,909,245,125

E. PROFIT AND LOSS ACCOUNT: SOUTHEAST BANK LIMITED

Southeast Bank Limited						
Five years comparative Income Statements						
	Sep 2021	2020	Sep 2020	2019	2018	2017
Interest income/profit on investments	13,919,214,458	22,219,789,107	17,047,166,871	26,242,459,146	23,951,689,857	17,384,904,816
Interest paid/profit shared on deposits and borrowing	(12,002,196,437)	(19,810,562,829)	(15,432,680,587)	(22,026,807,868)	(18,775,867,174)	(13,378,247,565)
Net Interest Income/net profit on investments	1,917,018,021	2,409,226,278	1,614,486,284	4,215,651,278	5,175,822,683	4,006,657,251
Investment income	4,624,117,765	6,702,952,777	4,466,262,905	5,251,583,015	5,062,022,727	5,485,830,524
Commission, exchange and brokerage	2,646,489,541	3,450,713,908	2,383,370,258	3,764,992,196	3,538,712,150	3,360,679,342
Other operating income	755,081,443	988,848,766	609,897,010	978,908,443	947,056,334	821,156,590
Total operating income (A)	8,025,692,749	11,142,515,451	7,459,530,173	9,995,483,654	9,547,791,212	9,667,666,456
Salaries and allowances	1,507,399,363	2,038,615,930	1,502,892,434	2,142,216,378	1,992,049,030	1,853,318,403
Rent, taxes, insurance, electricity, etc.	650,250,538	862,560,078	808,708,860	1,061,295,939	1,015,140,607	917,262,039
Legal expenses	542,340	1,592,300	860,375	1,863,455	1,293,220	1,553,137
Postage, stamp, telecommunication, etc.	132,702,757	163,733,970	124,997,349	173,691,923	181,005,852	175,303,570
Stationery, printing, advertisements, etc.	118,783,001	156,210,729	110,907,862	164,420,208	162,614,460	147,315,550
Managing Director's salary and fees	7,721,500	10,467,000	7,721,500	11,072,000	10,072,000	10,037,423
Directors' fees	1,999,903	2,568,060	1,072,060	3,292,248	2,718,099	3,575,203
Auditors' fees	750,000	1,000,000	750,000	1,000,000	1,000,000	1,345,000
Depreciation and repair of bank's assets	652,943,142	735,994,461	379,174,995	478,520,196	413,975,642	396,062,258
Other expenses	1,002,484,710	1,415,151,724	921,487,865	1,218,608,648	1,208,640,252	1,229,422,032
Total operating expenses (B)	4,075,578,254	5,387,834,272	3,289,563,500	5,255,980,995	4,988,509,163	4,735,194,625
Profit before provision (C=A-B)	3,950,114,495	5,754,681,179	4,169,966,673	4,739,502,659	4,559,282,049	4,932,471,831
Provision for loans and advances/investments						
General provision	(205,097,855)	3,036,463,600	1,283,172,000	328,228,000	(119,210,024)	1,010,610,024
1% General provision due to COVID-19	-	1,161,700,000	-	-	-	-
Specific provision	928,910,888	827,166,570	(241,373,000)	4,255,025,727	4,974,285,948	3,781,324,521
Provision for diminution in value of investments	723,813,033	5,025,630,170	1,041,800,000	4,583,255,727	4,855,075,924	4,791,934,545
Other provisions	18,314,855	(117,063,786)	71,420,000	319,600,000	413,060,983	(256,602,166)
Total provision (D)	1,378,891,102	5,108,680,850	1,286,420,000	4,578,753,727	5,114,336,907	4,840,832,379
Total profit before taxation (C-D)	2,571,223,393	6,646,000,329	2,883,546,673	2,160,748,932	2,444,945,142	2,091,639,452
Provision for taxation						
Current	927,745,176	1,050,000,000	1,150,000,000	2,600,000,000	2,200,000,000	2,830,000,000
Deferred	22,254,824	(90,700,000)	9,300,000	(744,386,000)	(35,000,000)	150,000,000
Net profit after taxation	2,321,223,393	5,505,300,329	1,742,846,673	1,556,362,932	2,209,945,142	1,411,639,452
Appropriations						
Statutory reserve	308,926,382	611,045,321	629,986,113	875,280,042	924,153,565	-
Retained surplus during the year	2,012,297,011	4,894,255,008	1,112,860,560	681,082,890	1,285,791,577	1,411,639,452
Earnings per share (par value Taka 10)	2.98	1.76	2.39	2.17	2.33	1.22

F. CASH FLOW STATEMENT: SOUTHEAST BANK LIMITED

Southeast Bank Limited Five years comparative Cash flows						
	Sep. 2021	2020	Sep. 2020	2019	2018	2017
Cash flows from operating activities:						
Interest receipts on cash	18,394,438,156	23,613,911,235	17,563,012,905	30,384,357,908	23,747,403,198	22,703,910,015
Interest payment	(11,296,831,743)	(21,470,023,181)	(10,583,561,604)	(20,475,695,465)	(17,216,299,888)	(13,026,594,645)
Dividend receipts	48,881,802	157,163,234	125,466,709	189,895,835	130,238,122	194,053,603
Fees and commission receipts on cash	2,646,493,541	3,450,713,902	2,382,370,258	3,764,992,196	3,538,712,150	3,800,679,342
Recoveries on Loans previously written-off	359,276,512	472,250,468	363,897,103	917,032,200	404,812,584	154,213,600
Cash payments to employees	(1,213,120,862)	(2,048,022,950)	(1,510,603,934)	(2,153,228,378)	(2,002,121,030)	(1,826,089,989)
Cash payments to suppliers	(123,920,238)	(149,082,513)	(108,233,450)	(381,886,749)	(340,101,863)	(347,281,073)
Income taxes paid	(1,101,376,703)	(3,881,973,067)	(2,366,513,409)	(2,074,350,417)	(2,172,384,052)	(2,630,312,070)
Receipts from other operating activities	1,439,092,456	2,779,701,420	609,897,010	1,465,635,721	946,913,502	821,156,590
Payments for other operating activities	(1,289,944,147)	(2,479,309,345)	(1,818,386,388)	(2,604,170,023)	(2,439,278,046)	(2,310,321,404)
Operating profit before changes in operating assets and liabilities (i)	7,231,888,788	1,448,038,700	(441,557,092)	9,193,002,769	9,797,895,665	7,372,023,964
Increase (decrease) in operating assets and liabilities:						
Sale of trading securities	1,481,346,946	1,703,077,101	737,180,819	932,751,633	1,723,256,162	2,836,255,841
Purchase of trading securities	(1,573,701,900)	(1,266,942,094)	(839,103,596)	(744,452,229)	(2,348,147,650)	(7,280,686,429)
Loans and advances to customers	(8,678,269,277)	(20,243,822,588)	(23,171,545,371)	(29,602,357,424)	(35,928,807,124)	(43,854,866,380)
Other assets	(322,462,547)	(891,378,600)	(382,335,073)	222,071,583	(183,674,412)	(771,937,502)
Deposits from other banks	10,233,948,699	5,198,270,840	432,851,241	2,543,906,361	975,842,788	2,217,701,465
Deposits from customers	9,586,212,453	31,663,849,817	34,118,314,296	30,034,109,210	27,211,136,730	38,964,451,180
Other liabilities	3,132,201,203	2,081,185,427	2,619,284,397	530,459,975	2,242,998,091	2,247,038,010
Cash generated from (used in) operating assets and liabilities (ii)	13,890,616,207	9,920,845,009	14,083,851,413	4,336,491,110	(6,290,454,818)	(6,009,464,255)
Net cash flows from operating activities (A=I+II)	21,102,805,085	11,368,883,889	13,642,294,321	13,529,493,878	3,507,440,847	1,336,469,609
Cash flows from investing activities:						
Proceeds from sale of securities	27,235,076,675	43,189,016,529	29,771,929,214	86,764,622,414	54,654,130,615	85,215,949,901
Payments for purchase of securities	(47,469,220,055)	(60,046,681,607)	(29,219,108,825)	(80,739,944,762)	(54,237,997,353)	(83,124,733,925)
Purchase of fixed assets	(460,188,626)	(672,193,202)	(475,163,355)	(271,637,583)	(374,799,650)	(395,373,327)
Sale of fixed assets	70,121,726	4,074,615	126,051	17,120,308	3,776,352	7,652,971
Cash generated from (used in) investing activities (B)	(20,624,208,420)	(17,525,785,664)	(14,083,851,413)	(199,804,625)	(54,877,216)	2,205,685,620
Cash flows from financing activities:						
Receipts from issue of loan capital & debt security	-	5,000,000,000	-	-	5,000,000,000	-
Payments for redemption of loan capital & debt security	(1,600,000,000)	(1,600,000,000)	-	(1,600,000,000)	(600,000,000)	-
Dividends paid	(1,188,940,521)	(868,950,479)	-	-	-	(1,831,900,332)
Payment against lease obligation	(157,205,249)	(133,986,326)	(12,458,564)	(133,379,333)	(8,477,121)	(8,294,713)
Cash generated from (used in) financing activities (C)	(2,346,145,770)	2,346,087,195	(1,733,379,383)	4,307,522,899	4,307,522,899	(1,842,105,005)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,877,849,135)	(3,810,844,280)	8,677,473,141	11,586,309,870	7,850,866,500	4,095,038,164
Effects of exchange rate changes on cash and cash equivalents	2,291,455	(1,383,732)	(870,714)	8,844,086	7,264,394	17,326,310
Cash and cash equivalents at beginning of the period	44,439,807,902	48,252,032,214	49,352,036,214	36,646,824,258	28,789,533,553	27,077,268,289
Cash and cash equivalents at end of the period (D+E+F)	42,564,250,202	44,439,807,902	57,928,540,637	48,232,038,214	36,646,884,258	28,789,533,563
Cash and cash equivalents at end of the period represents:						
Cash in hand (including foreign currencies)	4,121,653,597	3,474,365,889	3,485,694,800	3,664,640,436	3,598,790,655	5,010,960,173
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	16,381,372,346	17,956,897,060	16,344,965,946	18,994,911,247	17,916,573,574	17,968,153,334
Balance with other banks and financial institutions	4,201,932,061	4,535,231,849	6,200,007,851	7,131,583,975	6,257,702,009	4,162,108,796
Money at call and on short notice	6,446,700,000	2,200,007,300	2,407,806,344	4,739,531,100	6,397,100,000	5,641,950,000
Treasury bills	10,960,055,998	16,258,372,264	28,435,619,054	13,555,450,056	1,571,577,720	-
Prime bank	6,536,700	5,333,000	4,746,800	2,021,400	5,103,000	2,451,040
	42,564,250,202	44,439,807,902	57,928,540,637	48,232,038,214	36,646,884,258	28,789,533,563

16. FORECASTED FINANCIAL STATEMENTS AND CAPITAL PLANNING FOR UPCOMING FIVE YEARS

Southeast Bank Limited Five years Projected Balance Sheet

	<i>Taka in crore</i>					
	2020	2021	2022	2023	2024	2025
	Taka	Taka	Taka	Taka	Taka	Taka
PROPERTY AND ASSETS						
Cash						
In hand (including foreign currencies)	347.44	364.81	401.29	441.42	485.56	534.12
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	1,795.69	1,885.47	2,074.02	2,281.42	2,509.57	2,760.52
	2,143.13	2,250.28	2,475.31	2,722.84	2,995.13	3,294.64
		5%	10%	10%	10%	10%
Balances with Other Banks and Financial Institutions						
In Bangladesh	210.87	221.42	243.56	267.91	294.70	324.18
Outside Bangladesh	242.70	254.84	280.32	308.35	339.19	373.11
	453.57	476.25	523.88	576.26	633.89	697.28
		5%	10%	10%	10%	10%
Money at Call and Short Notice	220.89	242.98	267.28	294.01	323.41	355.75
Investments						
Government	8,322.64	8,738.77	9,175.71	9,634.49	10,116.22	10,622.03
Others	1,095.79	1,150.58	1,208.11	1,268.51	1,331.94	1,398.54
	9,418.43	9,889.35	10,383.81	10,903.00	11,448.15	12,020.56
		5%	5%	5%	5%	5%
Loans and advances/investments						
Loans, cash credit, overdrafts etc./Investments	30,586.92	35,000.00	39,200.00	43,125.00	46,550.00	50,000.00
Bills Discounted and Purchased	1,449.89	1,850.00	2,050.00	2,250.00	2,450.00	2,650.00
	32,036.82	36,850.00	41,250.00	45,375.00	49,000.00	52,650.00
		15%	12%	10%	8%	7%
Fixed assets including premises, furniture and fixtures	918.27	936.63	955.37	974.47	993.96	1,023.78
		2%	2%	2%	2%	3%
Other Assets	1,317.14	1,843.99	2,397.19	3,116.35	4,051.26	5,266.63
Total Property and Assets	46,508.24	52,489.49	58,252.84	63,961.94	69,445.80	75,308.64
		13%	11%	10%	9%	8%
LIABILITIES AND CAPITAL						
Liabilities :						
Borrowing from Other Banks, Financial Institutions, Agents	1,889.77	1,908.67	1,927.75	1,947.03	1,966.50	1,986.16
		1%	1%	1%	1%	1%
Subordinated non-convertible bonds	1,360.00	1,100.00	1,900.00	1,600.00	1,400.00	1,200.00
Deposit and Other Accounts :						
Current/Al-wadeeah current accounts and other accounts	6,676.45	7,744.69	8,751.50	9,714.16	10,588.43	11,541.39
Bills payable	394.03	457.08	516.50	573.31	624.91	681.15
Savings bank/Mudaraba savings bank deposits	3,806.09	4,415.07	4,989.03	5,537.82	6,036.22	6,579.48
Fixed deposits/Mudaraba fixed deposits	25,113.41	29,131.55	32,918.66	36,539.71	39,828.28	43,412.83
Bearer certificates of deposit						
Other deposits						
	35,989.99	41,748.39	47,175.68	52,365.00	57,077.85	62,214.86
		16%	13%	11%	9%	9%
Other Liabilities	4,310.48	4,387.32	3,554.71	3,681.25	4,169.00	4,473.09
		2%	-19%	4%	13%	7%
Total Liabilities	43,550.23	49,144.38	54,558.14	59,593.28	64,613.35	69,874.12
		13%	11%	9%	8%	8%
Capital / Shareholders Equity :						
Paid up capital	1,188.94	1,188.94	1,188.94	1,426.73	1,426.73	1,426.73
Share Premium						
Statutory Reserve	1,158.05	1,188.94	1,188.94	1,347.53	1,426.73	1,426.73
Other reserves	24.77	24.77	24.77	24.77	24.77	24.77
Revaluation reserve	467.25	467.25	467.25	467.25	467.25	467.25
Retained earnings	119.00	475.22	824.80	1,102.38	1,486.96	2,089.05
Total Shareholders' Equity	2,958.01	3,345.11	3,694.70	4,368.65	4,832.44	5,434.52
Total Liabilities and Shareholders' Equity	46,508.24	52,489.49	58,252.84	63,961.94	69,445.79	75,308.64
OFF-BALANCE SHEET ITEMS						
Contingent liabilities						
Acceptances and endorsements	5,108.78	5,721.83	6,294.02	6,923.42	7,615.76	8,377.34
Letter of Guarantee	1,714.38	1,920.10	2,112.11	2,323.32	2,555.66	2,811.22
Irrevocable Letters of Credit	3,717.57	4,163.68	4,580.05	5,038.06	5,541.86	6,096.05
Bills for Collection	3,139.83	3,516.61	3,868.27	4,255.10	4,680.61	5,148.67
Other Contingent Liabilities	193.17	216.34	237.98	261.78	287.95	316.75
Other Commitments	-	150.23	165.25	181.78	199.96	219.95
	13,873.73	15,688.80	17,257.68	18,983.45	20,881.80	22,969.98



Southeast Bank Limited
Five years projected Profit and Loss account

	<i>Taka in crore</i>					
	2020	2021	2022	2023	2024	2025
	Taka	Taka	Taka	Taka	Taka	Taka
Interest income/profit on investments	2,221.98	2,555.60	2,887.82	3,263.24	3,687.46	4,166.83
Less: Interest paid/profit shared on deposits and borrowings etc.	1,981.06	2,238.59	2,507.22	2,808.09	3,145.06	3,522.47
Net interest income/net profit on investments	240.92	317.00	380.60	455.15	542.40	644.36
Investment income	670.30	777.54	840.38	886.93	915.57	974.62
Commission, exchange and brokerage	345.07	400.28	440.31	484.34	532.78	586.05
Other operating income	98.88	114.71	126.18	138.79	152.67	167.94
Other Income	1,114.25	1,292.53	1,406.86	1,510.07	1,601.02	1,728.62
Total Operating Income	1,355.17	1,609.53	1,787.46	1,965.22	2,143.42	2,372.98
Less : Operating Expenses :						
Salary and Allowance	203.86	207.94	218.34	229.25	240.72	252.75
Rent, taxes, insurance, electricity etc.	86.26	90.57	95.10	99.85	104.84	110.09
Legal Expenses	0.16	0.17	0.18	0.18	0.19	0.20
Postage, stamp, telecommunication etc.	16.37	17.19	18.05	18.95	19.90	20.90
Stationery, printing, advertisements etc.	15.62	16.40	17.22	18.08	18.99	19.94
Managing Director's salary and fees	1.04	1.04	1.04	1.10	1.10	1.10
Directors' fees and expenses	0.26	0.26	0.27	0.28	0.30	0.31
Audit Fee	0.10	0.10	0.11	0.11	0.12	0.12
Depreciation and repair of Bank's assets	73.60	77.28	81.14	83.58	85.25	86.95
Other Expenses	141.52	148.59	156.02	163.82	172.01	180.61
Total Operating Expenses	538.78	559.54	587.46	615.22	643.42	672.98
Profit before Provision	816.39	1,050.00	1,200.00	1,350.00	1,500.00	1,700.00
		29%	14%	12%	11%	13%
Less :						
Provision for Unclassified Loans and Advances	419.82	200.00	50.00	75.00	100.00	100.00
Provision for Classified Loans and Advances	82.75	250.00	450.00	450.00	500.00	500.00
Provision for Off-Balance Sheet Exposures	11.92	25.00	26.00	27.00	28.00	29.00
Provision for good borrowers	-	2.09	2.16	2.50	2.57	2.62
Provision for Other Assets	6.00	(1.08)	(2.09)	(3.00)	(3.00)	(3.00)
Provision for diminution in the value of Shares	(11.71)	-	-	-	-	-
Startup Fund	2.10	3.99	4.68	5.55	6.06	7.44
Total Provision	510.87	480.00	530.75	557.05	633.63	636.06
Total Profit before Tax	305.52	570.00	669.25	792.95	866.37	1,063.94
Less: Provision for Tax	95.93	171.00	200.78	237.88	259.91	319.18
Net Profit after Tax :	209.59	399.00	468.48	555.06	606.46	744.76
Appropriation :						
Statutory Reserve	61.10	30.89	-	158.59	79.20	-
Retained Surplus	148.49	368.11	468.48	396.47	527.26	744.76
Earnings per Share:	1.76	3.36	3.94	3.89	4.25	5.22



Southeast Bank Limited
FCAD, Head Office
5 years projected Growth Plan
Amount in Crore

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Profit :					
Operating Profit - Amount	1,050	1,200	1,350	1,500	1,700
EPS (in Taka)	1.76	3.36	3.94	4.25	5.22
Deposit :					
Projected growth	16%	13%	11%	9%	9%
Total Deposit	41,748	47,176	52,365	57,078	62,215
Advances :					
Projected growth	15%	12%	10%	8%	7%
Total Advances	36,850	41,250	45,375	49,000	52,650



SOUTHEAST**Bank Ltd**

Figures in Crore'

(With Issuance of Subordinate Bond)

Particulars / Year	2020	Jun-2021 (At actual before subscription)	Dec-2021	2022	2023	2024
Operating Profit	816.39	466.29	1,000.00	1,200.00	1,350.00	1,500.00
Provision for Loans & Others	510.87	78.18	416.53	530.75	557.05	633.63
Profit before Income Tax	305.52	388.11	583.47	669.25	792.95	866.37
Provision for Income Tax	95.93	96.76	200.00	200.78	237.88	259.91
Profit after Income Tax	209.59	291.35	383.47	468.47	555.07	606.46
Statutory Reserve.	61.10	30.89	116.69	-	158.59	79.20
Retained Surplus	148.49	260.46	266.78	468.47	396.48	527.26
CAPITAL STRUCTURE:						
Tier - I Capital						
Paid up Capital	1,188.94	1,188.94	1,188.94	1,188.94	1,426.73	1,426.73
Statutory Reserve.	1,158.05	1,188.94	1,188.94	1,188.94	1,347.53	1,426.73
General Reserve	24.77	24.77	24.77	24.77	24.77	24.77
Retained Earnings	119.00	383.81	357.25	824.80	1,102.38	1,486.96
Total CET-I	2,490.76	2,786.46	2,759.90	3,227.45	3,901.41	4,365.19
Add. Tier-I Cap. (Perpetual Bond)	-	-	-	-	-	-
Less (Regulatory Adjustment)	(23.80)	(27.69)	(28.34)	(32.00)	(27.00)	(28.00)
Total additional Tier-I	(23.80)	(27.69)	(28.34)	(32.00)	(27.00)	(28.00)
Maximum limit of Add. Tier-I			919.87	1,075.71	1,300.34	1,454.92
Total (Tier - I)	2,466.96	2,758.77	2,731.56	3,195.45	3,874.41	4,337.19
Tier - II Capital						
General provision	456.73	459.54	715.36	607.16	682.16	782.16
Revaluation Reserves	-	-	-	-	-	-
Subordinated Bond -1st phase	-	-	-	-	-	-
Subordinated Bond -2nd Issue	200.00	200.00	100.00	-	-	-
Subordinated Bond -3rd Issue	400.00	400.00	300.00	200.00	100.00	-
Subordinated Bond -4th Issue	500.00	500.00	500.00	400.00	300.00	200.00
Subordinated Bond -5th Issue	-	-	500.00	500.00	400.00	300.00
Less : Adjustment	-	-	-	-	-	-
Total (Tier - II)	1,556.73	1,559.54	2,115.36	1,707.16	1,482.16	1,282.16
Maximum limit of Tier-II			2,453.28	2,868.88	3,467.96	3,880.22
Total Capital (Tier-I + Tier- II)	4,023.69	4,318.31	4,846.92	4,902.61	5,356.57	5,619.35
Projected RWA	27,705.01	32,023.41	34,693.26	37,044.29	42,253.24	44,910.02
Projected MCR (Including CCB)	3,463.13	4,002.93	4,336.66	4,630.54	5,281.65	5,613.75
Projected MCR (CCB 2.5% of RWA)	692.63	800.59	867.33	926.11	1,056.33	1,122.75
Projected CRAR (CET-I) (4.50%)	8.90	8.62	7.88	8.65	9.17	9.66
Projected CRAR (Tier-I) (8.50%)	8.90	8.61	7.87	8.63	9.17	9.66
Projected CRAR (Tier-II) (%)	5.62	4.87	6.10	4.61	3.51	2.85
Projected CRAR (Tier-I+II) (12.50%)	14.52	13.48	13.97	13.23	12.68	12.51
Projected CCB in %	2.90	2.61	1.87	2.63	2.68	2.51
Required CRAR (%)	12.50	12.50	12.50	12.50	12.50	12.50



SOUTHEAST**Bank Ltd**

Figures in Crore'

(Without Issuance of Subordinate Bond)

Particulars / Year	2020	Jun-2021 (At actual before subscription)	Dec-2021	2022	2023	2024
Operating Profit	816.39	466.29	1,000.00	1,200.00	1,350.00	1,500.00
Provision for Loans & Others	510.87	78.18	416.53	530.75	557.05	633.63
Profit before Income Tax	305.52	388.11	583.47	669.25	792.95	866.37
Provision for Income Tax	95.93	96.76	200.00	200.78	237.88	259.91
Profit after Income Tax	209.59	291.35	383.47	468.47	555.07	606.46
Statutory Reserve.	61.10	30.89	116.69	-	158.59	79.20
Retained Surplus	148.49	260.46	266.78	468.47	396.48	527.26
CAPITAL STRUCTURE:						
Tier - I Capital						
Paid up Capital	1,188.94	1,188.94	1,188.94	1,188.94	1,426.73	1,426.73
Statutory Reserve.	1,158.05	1,188.94	1,188.94	1,188.94	1,347.53	1,426.73
General Reserve	24.77	24.77	24.77	24.77	24.77	24.77
Retained Earnings	119.00	383.81	357.25	824.80	1,102.38	1,486.96
Total CET-I	2,490.76	2,786.46	2,759.90	3,227.45	3,901.41	4,365.19
Add. Tier-I Cap. (Perpetual Bond)	-	-	-	-	-	-
Less (Regulatory Adjustment)	(23.80)	(27.69)	(28.34)	(32.00)	(27.00)	(28.00)
Total additional Tier-I	(23.80)	(27.69)	(28.34)	(32.00)	(27.00)	(28.00)
Maximum limit of Tier-I			919.87	1,075.71	1,300.34	1,454.92
Total (Tier - I)	2,466.96	2,758.77	2,731.56	3,195.45	3,874.41	4,337.19
Tier - II Capital						
General provision	456.73	459.54	715.36	607.16	682.16	782.16
Revaluation Reserves	-	-	-	-	-	-
Subordinated Bond -1st phase	-	-	-	-	-	-
Subordinated Bond -2nd Issue	200.00	200.00	100.00	-	-	-
Subordinated Bond -3rd Issue	400.00	400.00	300.00	200.00	100.00	-
Subordinated Bond -4th Issue	500.00	500.00	500.00	400.00	300.00	200.00
Subordinated Bond -5th Issue	-	-	-	-	-	-
Less : Adjustment	-	-	-	-	-	-
Total (Tier - II)	1,556.73	1,559.54	1,615.36	1,207.16	1,082.16	982.16
Maximum limit of Tier-II			2,453.28	2,868.88	3,467.96	3,880.22
Total Capital (Tier-I + Tier- II)	4,023.69	4,318.31	4,346.92	4,402.61	4,956.57	5,319.35
Projected RWA	27,705.01	32,023.41	34,693.26	37,044.29	42,253.24	44,910.02
Projected MCR (Including CCB)	3,463.13	4,002.93	4,336.66	4,630.54	5,281.65	5,613.75
Projected MCR (CCB 2.5% of RWA)	692.63	800.59	867.33	926.11	1,056.33	1,122.75
Projected CRAR (CET-I) (4.50%)	8.90	8.62	7.88	8.65	9.17	9.66
Projected CRAR (Tier-I) (8.50%)	8.90	8.61	7.87	8.63	9.17	9.66
Projected CRAR (Tier-II) (%)	5.62	4.87	4.66	3.26	2.56	2.19
Projected CRAR (Tier-I+II) (12.50%)	14.52	13.48	12.53	11.88	11.73	11.84
Projected CCB in %	2.90	2.61	1.87	1.88	1.73	1.84
Required CRAR (%)	12.50	12.50	12.50	12.50	12.50	12.50



17. RATIOS FOR THE LAST THREE YEARS

Key Ratios for Southeast Bank Limited for the last five years have been presented below.


Ratios	30-Sept-21	31-Dec-20	30 Sep 20	31-Dec-19	31-Dec-18	31 Dec 2017
Non-Performing Loan (NPL) to Total Loan (%)	4.57%	3.10%	4.11%	4.87%	5.87%	5.99%
Tier 1 Capital to Risk-weighted Asset Ratio	8.58%	8.90%	9.66%	8.40%	7.54%	6.79%
Tier 2 Capital to Risk-weighted Asset Ratio	4.71%	5.62%	3.50%	3.21%	4.84%	4.04%
Capital to Risk-weighted Asset Ratio (CRAR)	13.29%	14.52%	13.16%	11.61%	12.38%	10.84%
Cost-Income Ratio	40.99%	39.98%	42.89%	37.58%	34.61%	34.96%
Credit-Deposit Ratio	78.07%	80.26%	83.26%	81.63%	81.55%	82.12%
Debt to Equity Ratio (Before Issue)	14.25	14.66	12.72	12.85	12.57	12.14
Debt to Equity Ratio (After Issue)	14.40					
Debt to Total Assets Ratio	0.93	0.94	0.93	0.93	0.93	0.92
Debt Service Coverage Ratio (Times)						
Earning base in Assets (%)	89.04%	87.67%	89.00%	89.43%	86.05%	85.18%
Net Interest Margin on average total interest earning assets	0.45%	1.21%	0.40%	1.37%	1.56%	1.39%
Gross Profit Margin (%)	45.31%	40.62%	37.29%	39.22%	43.95%	50.55%
Operating Profit Margin (%)	26.74%	24.47%	21.30%	24.71%	29%	33.04%
NPAT Margin (%)	16.12%	9.16%	11.27%	12.08%	7.33%	4.13%
Return on (average) Investment - ROI (%)	0.82%	0.52%	0.69%	0.69%	0.74%	0.38%
Return on (average) Assets - ROA (%)	0.74%	0.47%	0.63%	0.62%	0.69%	0.37%
Return on (average) Equity - ROE (%)	11.45%	6.91%	8.61%	8.56%	9.17%	4.46%
Net Operating Cash Flow to Net Income	5.96	5.42	7.62	5.37	1.43	1.53
Yield on loans and advances (%)	4.29%	7.19%	7.18%	8.94%	9.55%	8.17%
Earnings Per Share – EPS in BDT	2.98	1.81	2.39	2.16	2.35	1.11
Net Asset Value Per Share – NAVPS in BDT	27.10	24.98	29.14	26.29	26.66	28.16
Closing Market price per share	16.40	12.45	13.00	13.30	15.65	22.20
Price earning (P/E) ratio (Times)	5.51	7.06	5.44	6.27	6.66	17.42
Market Capitalization (In Millions)	19,498.62	14,802.31	150,792.47	15,427.23	16,502.81	20,356.29

18. CREDIT RATING REPORT OF THE ISSUE AND ISSUER

A. Credit Rating of Issuer: Southeast Bank Limited

Date of Declaration	Valid Till	Rating Type	Long Term	Short Term	Rated By	Outlook
August 04, 2021	August 03, 2022	Entity Rating	AA	ST-2	CRISL*	Stable

*CRISL- Credit Rating Information and Services Limited



Setting global standard at national level

Credit Rating Information and Services Limited
 First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

CREDIT RATING REPORT On SOUTHEAST BANK LIMITED

REPORT: RR/45064/21

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL long-term rating is valid for only one year and short term rating for six months from the date of rating. After the above periods, these ratings will not carry any validity unless the bank goes for rating surveillance.
 CRISL followed Bank/FI Rating Methodology published in CRISL website www.crislbd.com

Address:
 CRISL
 Nakshi Homes
 (4th & 5th Floor)
 6/1A, Segunbagicha,
 Dhaka-1000
 Tel: 9530991-4
 Fax: 88-02-9530995
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Rating Contact:
 Tanzirul Islam
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Analysts:
 Dil Khadija Banu
bell@crislbd.com

Md Shahdat
shahdat@crislbd.com

Entity Rating:
 Long Term: AA
 Short Term: ST-2

Outlook: Stable

**Based on audited
 financials as on Dec'31
 2020**

**SOUTHEAST BANK
 LIMITED**

ACTIVITY
 Private Commercial Bank

CHAIRMAN
 Alamgir Kabir, FCA

MANAGING DIRECTOR
 M. Kamal Hossain

TOTAL ASSETS
 Tk. 465,293.41 million

TOTAL EQUITY
 Tk. 29,713.97 million

TOTAL LOANS & ADV
 Tk. 322,251.46 million

1.0 RATIONALE

CRISL has reaffirmed the Long Term rating "AA" (pronounced as double A) and the Short Term rating "ST-2" of Southeast Bank Limited (SEBL). The above ratings have been assigned after an in-depth analysis of the operational and financial performance of the bank up to December 31, 2020 along with all its relevant quantitative and qualitative factors up to the date of rating.

While assigning the rating, CRISL factored the ongoing fundamentals of the bank such as average capital adequacy, average liquidity, experienced management team, sound MIS etc. However, the above factors are constrained, to some extent by moderate asset quality and operating efficiency, sizable concentration on few sectors and limited progress in top twenty default portfolio along with written-off loan recovery.

Overall financial performance of SEBL has fallen in 2020. During YE2020, total operating income decreased by 4.31% and a further breakup revealed that 18.01% income has been generated from net interest income (29.58% in YE2019), 49.02% from investment income (36.75% in YE2019), 25.71% from commission, exchange & brokerage income (26.82% in YE2019) and rest 7.26% from other operating income (6.85% in YE2019). After accommodating the increase in expenditure, the net profit after tax stood at Tk. 2,149.10 million in YE2020 against Tk. 2,508.56 million in YE2019 indicating a decrease of 14.33%. The Earnings Per Share (EPS) of the Bank declined to Tk. 1.81 in YE2020 from Tk. 2.11 in YE2019.

SEBL had been carrying out its operations with average liquidity during 2020 where all the liquidity related indicators have been found average. Advance to deposit (AD Ratio) ratio stood at 80.26% in YE2020 and 81.63% in YE2019. The liquidity coverage ratio (LCR) stood at 116.37% and Net stable funding ratio stood at 106.51% as on December 31, 2020.

The Capital to Risk Weighted Assets Ratio (CRAR) of SEBL stood at 14.35% in YE2020 against BB's minimum requirement of 12.50% (including 2.50% as capital conservation buffer) compared to 11.52% in YE2019. The CRAR on core capital (Tier 1) stood at 11.10% against the minimum regulatory requirement of 8.5% (including 2.5% as capital conservation buffer) and on supplementary capital (Tier 2) stood at 6.13% during the period against the regulatory maximum limit up to 4.0% plus 88.89% of excess of 7% in CET1 ratio.


The overall asset quality of SEBL has been found moderate. SEBL's non-performing loans (NPL) decreased to Tk. 9,939.76 million in YE2020 compared to Tk. 14,375.29 million in YE2019. Gross NPL ratio stood at 3.01% in YE2020.

The Banks rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a banking entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

The Short-term rating indicates the high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL has placed the bank with "Stable Outlook" for its performance being in line with the pace of the industry.

Page 1 of 25



Muzaffar Ahmed, FCMA, FCS
 President and CEO
 Credit Rating Information and Services Ltd.

B. Credit Rating of the Issue: Floating Rate Non-Convertible Subordinated Bond

Date of Declaration	Valid Till	Rating Type	Long Term	Rated By	Outlook
November 03, 2021	November 02, 2022	Entity Rating	AA-B	ECRL*	Stable

*Emerging Credit Rating Limited

Credit Rating Report of Southeast Bank Limited- Floating Rate Non-Convertible Subordinated Bond has been done by Emerging Credit Rating Limited based on Audited Financial Statement as on 31 December 2020 and other relevant quantitative as well as qualitative information up to the date of rating declaration.



EMERGING Credit Rating Ltd

Southeast Bank Limited - 5th Subordinated Bond BDT 5,000 Million

Credit Rating Report

Subordinated Bond Rating

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
November 03, 2021	November 02, 2022	Initial	AA-B*	Stable

* B denotes Bond

Date of Incorporation	: March 12, 1995
Managing Director	: Mr. M. Kamal Hossain
Issue	: Subordinated Bond of BDT 5,000 Million
Program Tenure	: 7 years
Issuer	: Southeast Bank Limited
Lead Arranger	: Standard Chartered Bank
Trustee	: Sena Kalyan Insurance Company Limited
Tentative Issue Date	: December, 2021
Contact Analysts	: Md. Rajiur Rahman rajiur@emergingrating.com Md. Harun Chowdhury harun@emergingrating.com



Anifur Rahman FCCA, ACA
 Director & COO
 Emerging Credit Rating Ltd.

**Credit
Analysis**

Corporate Bond

19. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

ECRL Default Studies 2020

Default Summary by Rating Category

Year	Issuers as of 1st January	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1012	0	1	0.0%	0.1%	0.1%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

Cumulative Default Rate by Rating Band

Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.6%	0.7%	0.7%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	3.2%	3.2%	3.2%	3.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
High Grade	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
High Yield	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%

Rating Transition Matrix (2011 – 2020)

1-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	98.4%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	1.6%	98.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	1.8%	96.1%	2.0%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.0%	1.9%	96.6%	1.5%	0.0%	0.0%	0.0%
BB	0.0%	0.0%	0.0%	13.3%	85.4%	0.8%	0.0%	0.6%
B	0.0%	0.0%	0.0%	0.0%	15.0%	85.0%	0.0%	0.0%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

2-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	96.9%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	3.2%	96.1%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	3.5%	92.4%	3.8%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.1%	3.7%	93.5%	2.7%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.3%	24.1%	73.2%	1.3%	0.0%	1.1%
B	0.0%	0.0%	0.0%	2.0%	25.6%	72.4%	0.0%	0.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

3-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	95.4%	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	4.7%	94.3%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	5.0%	88.9%	5.5%	0.2%	0.0%	0.0%	0.2%
BBB	0.0%	0.2%	5.3%	90.7%	3.7%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.7%	33.0%	63.1%	1.7%	0.0%	1.5%
B	0.0%	0.0%	0.0%	5.3%	32.7%	61.7%	0.0%	0.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

4-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	94.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	6.2%	92.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.2%	6.5%	85.6%	7.1%	0.3%	0.0%	0.0%	0.3%
BBB	0.0%	0.3%	6.8%	88.2%	4.5%	0.1%	0.0%	0.1%
BB	0.0%	0.0%	1.3%	40.2%	54.6%	2.0%	0.0%	1.9%
B	0.0%	0.0%	0.1%	9.5%	37.3%	52.7%	0.0%	0.4%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

5-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	92.6%	7.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	7.6%	90.9%	1.5%	0.1%	0.0%	0.0%	0.0%	0.0%
A	0.3%	7.9%	82.4%	8.6%	0.5%	0.0%	0.0%	0.3%
BBB	0.0%	0.4%	8.2%	85.9%	5.1%	0.2%	0.0%	0.1%
BB	0.0%	0.1%	2.0%	46.1%	47.5%	2.1%	0.0%	2.2%
B	0.0%	0.0%	0.3%	14.1%	39.9%	45.1%	0.0%	0.6%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

20. DESCRIPTION OF THE TRUSTEE: SENA KALYAN INSURANCE COMPANY LIMITED (SKICL)

Company Overview

Sena Kalyan Insurance Company is a concern of Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces. Born through the Great War of Liberation, Bangladesh Armed Forces have earned a time tested confidence of the people of the country and with that sky high image, Sena Kalyan Insurance Company Limited is designed to serve all sections of the people by upholding the principles of transparent perception and corporate practices in the field of insurance. This new member of the Insurance Industry of Bangladesh commenced its business since 10 September 2013 and has already emerged as a viable and very promising general insurance company in the country. The shareholding structure of the company is institutional, which is unique in our industry. The Board of Directors is composed of ex-officio Senior military officers.

The Chairman of the Board is a serving Major General of Bangladesh Army, who is also the chairman of Sena Kalyan Sangstha. All the shares of the company is owned by Sena Kalyan Sangstha, which has already emerged as one of the viable business organizations in Bangladesh: This feature is a special point of trust and confidence of our valued partners. The Chief of Army Staff of Bangladesh Army is the chairman of the Board of Trustee and thus it adds value to our transparent dealing with the valued partners. It is worth mentioning here that we are the insurer of US Bangla Airlines and very promptly handled the claims of 2018 US-Bangla crash in Nepal.

Vision, Mission and Core Values

Vision: Sena Kalyan Insurance Company Limited will strive towards uploading the principles of transparent perception and corporate practices thus turning to be a viably profitable oriented insurance company in the country.

Mission: To pursue ongoing endeavours to become a leading insurance company by providing innovative products and customer friendly services through highly motivated team of dedicated professionals and ensure profits for the sponsors and shareholders.

Core Values:

- Trust
- Integrity
- Professionalism

Board of Directors:

- 1) Chairman : Major General Mohammed Saidul Islam ndc, psc
- 2) Vice Chairman : Air Cadre M Moyeenuddin, ndc, afwc, psc
- 3) Member : Brig Gen M A Mohy, psc
- 4) Member : Brig Gen Mirza Md Enamul Haque, ndc
- 5) Member : Brig Gen Md Mustafa Kamal, SGP
- 6) Member : Brig Gen Md Jamal Hossain, ndc, afwc, psc
- 7) Member : Brig Gen Md Shaheen Iqbal, afwc, psc
- 8) Member : Brig Gen Shafique Shamim, psc (Retd), MDS, MBA, CII (Cert)
- 9) Member : M. M. Mostafa Bilal, Independent Director
- 10) Member : Ahamed Ihteyaz Thamid, Independent Director

Executives of the Head Office:

- Chief Executive Officer : Brig Gen Shafique Shamim, psc (Retd), MDS, MBA, CII (Cert)
- Head of Marketing Department : Lt Col AKM Nazimul Islam, psc (Retd)
- Head of Underwriting Department : Pronab Kumar Saha
- Head of Accounts Department : Maloy Kumar Saha
- Head of Claim & Re-insurance Dept : Tajul Islam

- Head of HR & Admin Department : Sqn Ldr Md Mostafa Zaman (Retd)
- Head of Information & technology Dept : Mohammad Shakhawat Hossain

Capital Structure:

Capital structure: The company started its business with a paid-up capital of BDT 240.00 Million against an authorized capital of Tk. 1000.00 Million being sponsored by Sena Kalyan Sangstha. Shareholding Structure: SKICL has a unique institutional shareholding structure, shown below:

Sl.	Name	No of Shares
1.	Sena Kalyan Sangstha (SKS) Represented by: Major General Mohammed Saidul Islam ndc, psc	23,999,994
2.	Air Cadre M Moyeenuddin, ndc, afwc, psc Nominated Director by SKS	1
3.	Brig Gen M A Mohy, psc Nominated Director by SKS	1
4.	Brig Gen Mirza Md Enamul Haque, ndc Nominated Director by SKS	1
5.	Brig Gen Md Mustafa Kamal, SGP Nominated Director by SKS	1
6.	Brig Gen Md Jamal Hossain, ndc, afwc, psc Nominated Director by SKS	1
7.	Brig Gen Md Shaheen Iqbal, afwc, psc Nominated Director by SKS	1
Total		24,000,000

Classes of Business:

We transact in all types of General Insurance Business. The company's policies are liberal contracts free from restrictive conditions and the premiums charged are strictly moderated consistent with absolute security. Businesses being transacted are as follows:

Fire Business

1. Fire and its allied perils Insurance: Riot, Strike & Damage, Flood, Cyclone, Earthquake (Fire & Shock), Malicious Damage, Explosion, Aircraft Damage, Impact Damage and Bursting of pipes etc.
2. Industrial All Risks Insurance (IAR)
3. Commercial General Liability, Excess Liability
4. Hotel Owners' All Risks Insurance (HOAR)
5. Household Insurance (Fire & Earthquake)
6. Power Plant Operational Package Insurance (PPOPI)

Marine Insurance

1. Marine Cargo Import (Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
2. Marine Cargo Export (Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
3. Inland Transit Insurance (Rail/Road, Water Borne)/ Goods in Transit Insurance)
4. Marine Hull (Comprehensive, Total Loss Only (TLO, Sue & Labour, Salvage)
5. Shipbuilders' Insurance Policy

Engineering Insurance

1. Boiler and Pressure Vessel Insurance (BPV)
2. Cold Storage Comprehensive Insurance
3. Construction/Contractors' All Risks Insurance (CAR)/ Erection All Risks Insurance (EAR)
4. Machinery Breakdown Insurance (MBD)
5. Electronic Equipment Insurance (EEI)
6. Deterioration of Stock (DOS)
- 7.

Motor Insurance (Comprehensive & Act Only Liability Insurance)

1. Private Vehicle (PV)
2. Commercial Vehicle (CV)
3. Motorcycle (MC)

Aviation Insurance

1. Hull, Spares & Equipment Insurance (CSL)
2. Liability/Excess Liability Insurance [TPL, PLL, CLL & CPA]
3. Hull War & Hull deductible Insurance

Miscellaneous/ Accident/ Liability Insurance

1. Overseas Mediclaim (Business & Holidays; Studies & Employment: OMP)
2. Burglary & House Breaking Insurance (BG)
3. Money Insurance (Cash-in-Business premises in strong room vault/safe, A.T.M. Booth and/or on counter & Cash in Transit) for scheduled Banks.
4. Personal Accident Insurance (Individual & Group) (PA)
5. Peoples' Personal Accident (Individual & Group) (PPA)
6. Fidelity Guarantee Insurance (FG), Professional Indemnity Insurance (PII)
7. Commercial General Liability & Excess Liability Insurance (CGL)
8. Automobile Liability Insurance, Public & Product Liability Insurance
9. Workmen's Compensation Insurance
10. Cash in Safe, Cash on Counter & Cash in Transit for other than scheduled Banks
11. Safe Deposit Box (Bank Lockers) All Risks Insurance (SDB)
12. Directors' & Officers' liability Insurance
13. Bankers' Blanket Bond , Electronic & Computer Crime Insurance
14. Livestock/ Cattle Insurance Policy

Re-Insurance Protection

SKICL has started to give financial safety & security of its client. The company has good Treaty arrangement with Sadharan Bima Corporation and from the very beginning has been taking proper re-insurance protection from them. At present, hundred percent of the total portfolios of the company is re-insured with the state-owned Sadharan Bima Corporation, Bangladesh, the only re-insurer of the country. Besides, SKICL obtains Facultative re-insurance beyond its Treaty from SBC and is looking for in the coming days to arrange reinsurance coverage with some noted overseas Re-insurers.

Claim Settlement:

SKICL believes that prompt settlement of claims is the most important strategy to procure insurance business and earn confidence from the clients. Bearing this strategy in mind, priority is given to provide prompt services to the clients in the event of loss of their properties under the scope of respective Insurance Policy. It is SKICL's vision to settle the Insurance Claim within the shortest possible time with entire satisfaction of the clients. The company commenced business at the later part of 2013 and by now has settled about 341 claims of various types while 86 claims are in the process of settlement.

SKICL's Commitment:

- a) Prudent Underwriting.
- b) 100% Re-Insurance protection.
- c) Prompt Settlement of Claim.
- d) Friendly relations with valued clients.

Financial Highlights of SKICL in the last three audited years is provided below:

Detail in BDT	31 Dec 2020	31 Dec 2019	31 Dec 2018
Authorised Capital	1,000,000,000	1,000,000,000	1,000,000,000
Paid-up Capital	240,000,000	240,000,000	240,000,000
Total Assets	978,292,139	747,002,325	520,578,109
Net Worth	506,203,422	434,414,777	349,234,833
Revenue	580,522,233	576,092,516	363,870,416
Gross Profit	66,824,517	75,490,878	10,871,916
Net Profit after Tax	94,275,660	98,284,035	37,846,671
Cash Flow from Operating Activities	221,715,530	232,450,624	53,470,326
Cash and Cash Equivalents	793,496,960	631,300,820	418,233,547

List of Issuances in which SKICL is acting as Trustee:



সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড
Sena Kalyan Insurance Company Ltd.
 (A Concern of Sena Kalyan Sangstha)

Corporate Office :
 SKS Tower (12th Floor)
 7 VIP Road, Mohakhali, Dhaka-1206
 PABX : +88-02-55058455-7
 Fax : + 88-02-55058458
 E-mail : info@senakalyanici.com
 Web : www.senakalyanici.com

Your Trusted Risk Manager

Md. Bony Yeamin Khan
 Deputy Director (Registration)
 Bangladesh Securities and Exchange Commission
 Securities Commission Bhaban
 E-6/C Agargaon, Sher-e-Bangla Nagar
 Administrative Area, Dhaka-1207

Sub: Present status of the trusteeship of Sena Kalyan Insurance Company Ltd under Debt Securities rules 2021, regulated by Bangladesh Securities & Exchange Commission.

Dear Sir,

Please accept our best compliments. We are submitting our present status as trusteeship under Debt Securities rules 2021 regulated by Bangladesh Securities and Exchange Commission.

Sl	Name of Issuer	Name of Issue	Maturity Period	TM Issue Date	Date of Subscription	Issue Amount	Disbursement Amount	Repayment Amount	Outstanding as on 07.11.21	Default, if any	Remarks
1	Trust Bank Ltd Bond-III	Non convertible, Unsecured, Subordinated	26-10-23	Oct-16	27-10-16	400 Crore	400 Crore	240 Crore	160 Crore	None	Compliant
2	Trust Bank Ltd Bond-IV	Non-Convertible, Unsecured, Subordinated	19-12-25	Nov-18	19-12-18	500 Crore	500 Crore	0	500 Crore	None	Compliant
3	Durable Plastics Limited	Non-Convertible, Unsecured, Zero Coupon	04-10-22	Jan-18	04-10-18	150 Crore	50 Crore	43.75 Crore	6.25 Crore	None	Compliant
4	Rangpur Metal Ind. Limited	Non convertible, Secured, Fixed Rate, Zero Coupon	25-03-25	May-18	30-04-19	100 Crore	100 Crore	55.35 Crore	44.65 Crore	None	Compliant
5	Export Import Bank of Bangladesh Ltd	Non Convertible Unsecured Floating Rate Mudaraba Subordinated Bond	15.06.28	Jun-21	16.06.2021	500 Crore	500 Crore	0	500 Crore	None	Compliant
6	SAJIDA Foundation	Non Convertible Unsecured Green Zero Coupon Bond	Fund not yet disbursed			100 Crore	N/A	N/A	N/A	N/A	N/A
7	IFIC Bank Ltd	Non Convertible Redeemable Subordinated Bond	13.09.28	Jul-21	14.09.21	500 Crore	500 Crore	0	500 Crore	None	Compliant
8	BURO Bangladesh	Non-convertible Sustainable Finance Zero Coupon Bond	Fund not yet disbursed			150 Crore	N/A	N/A	N/A	N/A	N/A
9	Dutch Bangla Bank Ltd	Non-convertible Floating Rate 4th Subordinated Bond	Registration process is running			500 Crore	N/A	N/A	N/A	N/A	N/A
10	ONE Bank Ltd	Floating Rate Subordinated Bond	Application process is running			600 Crore	N/A	N/A	N/A	N/A	N/A

Yours faithfully,



Pronab Kumar Saha
 EVP & Head of U/W Dept.
 Sena Kalyan Insurance Company Ltd

For the Due Diligence Certificate of Trustee, please see Annexure 4.



Your Trusted Risk Manager

সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড
Sena Kalyan Insurance Company Ltd.
 (A Concern of Sena Kalyan Sangstha)

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 7 VIP Road, Mohakhali, Dhaka-1206
 PABX : +88-02-55058455-7
 Fax : + 88-02-55058458
 E-mail : info@senakalyanicl.com
 Web : www.senakalyanicl.com

07 November, 2021

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

Chairman

Bangladesh Securities and Exchange Commission
 E-6/C, Agargaon, Sher-E-Bangla Nagar,
 Administrative Area, Dhaka-1207.

Subject: Issuance of 7-year Non-Convertible Subordinated Bond of "Southeast Bank Limited" worth BDT 5,000 Million (5th Issue)

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while acting as trustee to the above mentioned issue on behalf of the subscribers, have examined the draft Information Memorandum, legal and other documents and material facts as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, their directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other material facts furnished by the issuer; -

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) we shall also abide by the Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission in regard to the issue; and
- (f) the above declarations are unequivocal and irrevocable.



Brig Gen Shafique Shamim, psc (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.
 For Trustee

21. MODUS OPERANDI OF THE ISSUE

Any Scheduled bank, Corporate, Financial Institution and/or Insurance Company is subject to duly registered in Bangladesh and operating its business under the license or approval duly issued by the respective competent authority or institution of the Government of Bangladesh.

a. Application Procedure:

The Bonds shall be distributed through private placement. Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors.

Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and deliver to the Bondholder a Bond Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.

Undertaking to Subscribe

The investor will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

Closing

Subscription and Closing: Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer.

Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.

Issuance of Bond

Notwithstanding anything contained anywhere in this Trust Deed, the Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.

If the procedure of dematerialisation of the Bonds is not completed with the Central Depository Bangladesh Limited (CDBL) before the Issue Date of the Bonds as per the CDBL Bye Laws, each series of Bonds will be issued in script form and represented by Bond Certificates. On the date on which any Bond Certificates are issued, the Register shall be completed by or on behalf of the Issuer by the Registrar. On or promptly following the date of issuance, the Registrar shall procure delivery of the duly executed and authenticated Bond Certificates to the registered Bondholders.

Bond Certificates

Unless the Bonds are issued in demat form, the Bond Certificates will be printed in accordance with applicable legal requirements substantially set out in the forms provided in the Bond Documents or Trust Deed. The Bond Certificates will be endorsed with the Conditions.

b. Allotment:

On the closing date, to be determined, the Issuer shall allot and issue the Bonds, in registered form in a minimum denomination of BDT 10,000,000 and integral multiples thereof. The Bonds shall be issued in dematerialised form as per the CDBL Bye Laws on the Alternative Trading Board (“ATB”) of the respective stock exchange(s). The Issuer will ensure that the applicable BO accounts, as provided by each Investor, is credited with the subscribed amount of the bonds. In case of unavailability of issue in dematerialised form, a bond certificate (each a “**Bond Certificate**”) will be issued to each Bondholder in respect of its registered holding of each series of Bonds. Each Bond and each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the register of Bondholders (the “**Register**”), which will be kept by Registrar on behalf of the Issuer.

Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bond Certificate issued in respect of that Bond) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.

c. Refund:

There is no option to exercise prepayment of the Bonds either by the Issuer or the Investor. In case of any necessary refunds due to error in system or calculation, such transfers will be made via cheque or CDBL transfer, as per available system and agreed upon by the relevant parties.

d. Transfer:

The Bonds are transferable subject to the terms and conditions set out in the Bond Documents. Each Bond shall be transferred in accordance with the conditions detailed out in Trust Deed.

i. **Transfer of Bonds in dematerialized form as per CDBL Bye Laws**

Subject to the relevant Bond conditions, a Bond may be transferred to another Person in Bangladesh (a “**Transferee**”) in the CDBL System upon initiation and upon issuance of a duly completed Transfer Request Form 14 to CDBL as referred to under Bye Law 11.5 under the CDBL Bye Laws. On receipt of a valid Transfer Request Form 14, the Participant or CDBL, in the case of Direct Accounts, shall enter a Transaction into the CDBL System in accordance with the User Manual. On the Settlement Date specified in the Transaction, the Bonds will be debited from the balance in the delivering Account and credited to the receiving Account. For the purpose of this paragraph, the following definitions shall mean:

- i. **“CDBL System”** means all systems and application programs relevant to the operations of CDBL including all of the computer hardware and software maintained and used by CDBL and the software used by a Participant, or an Issuer or his agent to communicate with the CDBL System;
- ii. **“CDBL Participant”** means any Person entitled to participate in CDBL under the CDBL Bye Laws;
- iii. **“Settlement”** means the completion of a Transaction by delivery of Bonds from one Account to another;
- iv. **“Settlement Date”** means a Business Day when the Settlement of a Transaction is due to take place;
- v. **“Transaction”** means any transaction in the CDBL System which causes a debit or credit to be made to an Account which may be effected by:
 - (a) an electronic message, or
 - (b) a set of electronic messages of a kind specified by CDBL for use in the CDBL System;
- vi. **“User Manual”** means the CDBL User Manual issued by CDBL for the Issuer as amended from time to time;

ii. Register

When issued in script form, the Issuer will maintain an authoritative Register and will procure that the Registrar will maintain the Duplicate Register in respect of the Bonds, in accordance with the provisions of the Agency Agreement. In these Conditions, the **“Holder”** of a Bond means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and **“Bondholder”** shall be construed accordingly. The Register shall be *prima facie* evidence of any matter in relation to the rights under the Bonds. Bondholders and the Trustee shall be entitled to inspect the Register and take copies there from upon payment of fees as may be prescribed by the Issuer from time to time.

iii. Transfer via script and certificate will be as detailed in the Trust Deed.

e. Trading or Listing with the Stock Exchange:

The Bonds will be issued on private placement basis among the Eligible Investors. It will not be issued publicly and hence will not be listed on the Stock Exchange. Subject to regulatory approval for trading on the Alternative Trading Board, the Bonds maybe traded after issuance as per trading guidelines of the relevant exchange.

f. Repayment and Coupon Payment:

Unless previously redeemed or purchased and cancelled, the principal on the Bonds will be amortized and paid annually on a pro rata basis to the Bondholder in instalments of 20% per year commencing at the third anniversary of the Bonds from the issue Date. The final maturity of the Bonds will be at the end of seventh year of the Bonds from the issue Date. Payments on the Bonds shall be made without deduction for or on account of taxes in Bangladesh.

The bond is to be repaid/ redeemed in 5 equal annual Instalments starting from end of 4th year and each 12 months from there after as per following table for the Bond:

Repayment/ Redemption Schedule

No of Installment	Installment due (In Months)	Total Repayment
1	36	1,000,000,000
2	48	1,000,000,000
3	60	1,000,000,000
4	72	1,000,000,000
5	84	1,000,000,000
Total		5,000,000,000

Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.

Coupon payment on the “Bond” is to be paid semi-annual basis on the interest payment dates. The interest payment dates shall be determined depending upon bond issue date. Interest payment will be payable semi-annually calculated on the actual number of days over a 365-day basis in the relevant period.

g. Redemption or Conversion or Exchange

The bond will be fully redeemed. There is no option of convertibility or exchange of the bond. The bond is to be redeemed in 5 equal annual Instalments starting from end of 4th year and each 12 months from there after as per the table given above.

h. Details of Conversion or Exchange Option Exercise Procedures, if applicable

The bond is non-convertible and fully redeemable, hence conversion or exchange options are not applicable for this issue.

i. Termination and Final Settlement of the Proposed Bond

Date of Commencement of the Trust: The Trust hereby created shall be established from the date of this Trust Deed.

Date of Termination and final settlement of the Trust (Bond): The Trust shall continue to exist until all liabilities including the principal, premium (if any) and interest are repaid in full in accordance with the terms and conditions of the Bonds and Trust Deed.

22. DETAILS OF FEES STRUCTURE AND EXPENSES

The issuance of this bond will incur following fees and expenses:

Fee Type	Party to be Paid	Fee Structure/Amount
Regulatory Fees	Bangladesh Securities and Exchange Commission	<ul style="list-style-type: none"> • Application Fee: BDT 10,000 • Consent Fees: 0.10% on the Face Value
Arrangement Fee	Standard Chartered Bank	0.50% of the Face Value Amount of bond
Trustee Fee	Sena Kalyan Insurance Company Limited	BDT 400,000 for the 1 st year and BDT 300,000 per annum for subsequent years till final redemption of bond
Credit Rating Fee	Credit Rating Information and Services Limited	BDT 130,000 per annum till final redemption of bond
Legal Expenses	Lex Juris	BDT 150,000

All fees are quoted net of applicable VAT.

ANNEXURE 1: ISSUE APPLICATION AS PER SCHEDULE A

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Southeast Bank Limited
a bank with vision

Head Office :

Eunos Trade Centre
52-53, Dilkusha C/A, (Level # 2, 3, 4, G & 16)
Dhaka-1000, Bangladesh
PABX : 880 2 9555466, /115721, 9570619, 9570489
Fax : 880 2 9550093 (ID), 9550094 (HRD), 9571053 (FCAD)
SWIFT : SEBDBODH
Website : www.southeastbank.com.bd

SEBL/RO/FCAD/2021/865

November 9, 2021

The Chairman

Bangladesh Securities & Exchange Commission

Securities Commission Bhavan

F-6/C, Agargaon

Sher-e-Bangla Nagar Administrative Area

Dhaka-1207, Bangladesh

Subject: Application for Approval of Non-Convertible Unsecured Floating Rate Subordinated Bond of BDT 5,000 Million for Southeast Bank Limited

Dear Sir,

Southeast Bank Limited (SBL), herein referred to as the Bank or the Company, was incorporated in Bangladesh as a public limited company under the Companies Act 1994 on March 12, 1995 and subsequently obtained banking operation license from Bangladesh Bank under the Bank Company Act 1991, having its Corporate Head Office at 52-53 Dilkusha C/A, Dhaka 1000. The bank was established with the vision to be a premier banking institution in Bangladesh and contribute significantly to the national economy. SBL aims to balance growth opportunities with cost and capital efficiency in order to drive attractive risk-adjusted returns and sustainable performances. SBL is listed on both the Dhaka Stock Exchange and Chittagong Stock Exchange. As of 31 December 2020, the bank has 135 branches supported by 2,859 employees and a network of 649 global correspondents.

We are pleased to inform you that the Board of Directors of Southeast Bank Limited (SBL) has decided to issue BDT 5,000,000,000 Non-Convertible Unsecured Floating Rate Subordinated Bond upon compliance with internal regulations and receipt of consent from the Bangladesh Securities and Exchange Commission (BSEC).

Total size of the Issue will be BDT 5,000,000,000 divided into 500 Bonds with face value of BDT 10,000,000 each at par. Standard Chartered Bank, Bangladesh will act as the Mandated Lead Arranger and Sena Kalyan Insurance Company Limited as the Trustee. Details of the issue as per Schedule "A" Part-I of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 are given below.

Risban

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounting Division
Southeast Bank Limited
Head Office Dhaka

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited

Big Gen Shadique Khanim psc (Rov)
Big Gen Shadique Khanim psc (Rov)
Managing Director & CEO
Sena Kalyan Insurance Company Limited

M Kamal Hossain
M Kamal Hossain
Managing Director
Southeast Bank Limited

www.southeastbank.com.bd



Southeast Bank Limited
a bank with vision

Head Office :

Eunoo Trade Centre
52-53, Dilkusha C/A, (Level # 2, 3, 4, 6 & 16)
Dhaka-1000, Bangladesh
PABX : 880 2 9555466, 7115721, 9570819, 9570469
Fax : 880 2 9550093 (ID), 8550094 (HRD), 9571653 (FCAD)
SWIFT : SE80BDDH
Website : www.southeastbank.com.bd

1. Particulars of the Issuer, Southeast Bank Limited

(a)	Name of the Issuer	: Southeast Bank Limited
(b)	Legal status of the issuer	: Public limited company (listed), private commercial bank
(c)	Details of Contact Information	: M. Kamal Hossain Managing Director Southeast Bank Limited 52-53 Dilkusha C/A (Level-2,3&16), Dhaka-1000 Phone : +880 2 9571115 Mobile : +880 171 065995 E-mail : md@southeastbank.com.bd Rashedul Islam, FCA, FCMA Vice President Southeast Bank Limited 52-53 Dilkusha C/A (Level-2,3&16), Dhaka-1000 Phone : +880 2 9571115, 9576415 ext. 110 Mobile : +880 171 5102597 Fax : +880 2 9571053 E-mail : rashedul@southeastbank.com.bd
(d)	Date of incorporation	: March 12, 1995
(e)	Date of commencement of business	: May 25, 1995
(f)	Authorized capital	: BDT 15,000.00 Million as at 30 September 2021
(g)	Paid-up capital	: BDT 11,889.40 Million as at 30 September 2021
(h)	Total equity	: BDT 32,223.31 Million as at 30 September 2021
(i)	Total liabilities	: BDT 459,135.34 Million as at 30 September 2021
(j)	Total financial obligations	: BDT 459,135.34 Million as at 30 September 2021
(k)	Total assets	: BDT 491,358.66 Million as at 30 September 2021
(l)	Total tangible assets	: BDT 490,849.93 Million as at 30 September 2021
(m)	Net worth	: BDT 32,223.31 Million as at 30 September 2021
(n)	Others	: Not Applicable

2. Particulars of Issue Manager/ Mandated Lead Arranger (MLA):

(a)	Name of the issue manager/ MLA	: Standard Chartered Bank acting through its Bangladesh Branch
(b)	Legal status of the issue manager/ MLA	: Foreign Commercial Bank

Rashedul Islam
Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited

M. Kamal Hossain
M. Kamal Hossain
Managing Director
Southeast Bank Limited

www.southeastbank.com.bd

Brig Gen Shafiqul Shamim psc (Retd)
Brig Gen Shafiqul Shamim psc (Retd)
Managing Director & CEO
Geno Kalyan Insurance Company Ltd.



Southeast Bank Limited
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Head Office :

Eunos Trade Centre
52-53, Dilkusha C/A, (Level # 2, 3, 4, 0 & 10)
Dhaka-1000, Bangladesh
PABX : 880 2 9555466, 7115721, 9570019, 9570409
Fax : 880 2 9550093 (HD), 9550094 (HRD), 9571093 (FCAD)
SWIFT : SEBOBDH
Website : www.southeastbank.com.bd

(c)	Details of contact information of the issue manager	: Md. Maroof Ur Rahman Mazumder Executive Director & Head of Capital Markets, Bangladesh Address: Level 3, 67 Gulshan Avenue, Dhaka -- 1212 Phone: + 88-02-8833003-4 ext. 5303; Fax: + 88-02-8837810 Mobile: + 880171-3009646 E-mail: md-maroufur.rahman@sc.com
(d)	Name of the issue managed by the issue manager	: List attached in annexure
(e)	Others	: Not Applicable

3. Particulars of the Issue:

(a)	Name of the issue	: Southeast Bank 5 th Non-convertible Subordinated Floating Rate Bond
(b)	Type of instruments to be issued	: Non-convertible Unsecured Floating Rate Fully Redeemable Subordinated Bond
(c)	Purpose of the issue	: The issuance is to generate liquidity to strengthen Tier II capital of the bank.
(d)	Number of securities and total size of the issue to be offered	: 500 bonds for total issue amount of BDT 5,000,000,000
(e)	Face value and issue price of securities mentioning discount or premium thereof	: Face value and issue price of each Bond is BDT 10,000,000
(f)	Coupon rate /discount rate and YTM	: To Be Determined as a sum of Benchmark Rate & Margin; however, during the tenor the yield [benchmark + margin] will be floored at 7.50% and capped at 10.50%
(g)	Tenor or maturity	: 7 years
(h)	Details of conversion/ exchange option features	: Not applicable as the bond is non-convertible
(i)	Mode of redemption or conversion/ exchange	: 20% of the total bond value to be redeemed at the end of each year starting from 3 rd year
(j)	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	: Not applicable as the bond is non-convertible and fully redeemable

Rishan

A.K.M. Nazmul Haider

Gen Shafiqul Islam
Managing Director & CEO

M Kamal Hossain
Managing Director
Southeast Bank Limited

www.southeastbank.com.bd

Southeast Bank Limited
Head Office, Dhaka



Southeast Bank Limited
a bank with vision

Head Office :

Eunos Trade Centre
52-53, Dilkusha G/A, (Level # 2, 3, 4, 6 & 16)
Dhaka-1000, Bangladesh
PABX : 880 2 9555466, 7115721, 9570619, 9570469
Fax : 880 2 9550093 (HD), 9550094 (JHD), 9571053 (PCAO)
SWIFT : SEEDDDDH
Website : www.southeastbank.com.bd

(k)	Rate of return	:	Floating rate bond with YTM floored at 7.50% and capped at 10.50%
(l)	Applicable tax rate	:	As per applicable Tax Laws of Bangladesh
(m)	Default protection mechanism (details of credit enhancement arrangement/ agreement, redemption reserve, sinking fund etc.), if any	:	Not applicable
(n)	Type of collateral securities being offered, if any	:	Unsecured
(o)	Status of securities holders in case of priority of payment	:	First priority
(p)	Period within which securities to be issued	:	Within 6 (six) months of regulatory approval in Single or Multiple Tranches
(q)	Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange)	:	Unlisted or as per regulatory approval
(r)	Others	:	Not Applicable

4. Particulars of the Trustee:

(a)	Name of the trustee	:	Sena Kalyan Insurance Company Limited
(b)	Paid-up capital of the trustee	:	BDT 240,000,000 as at December 31, 2020
(c)	Net worth of the trustee	:	BDT 306,203,422 as at December 31, 2020
(d)	Name of the issue(s) where performing as trustee	:	List attached in annexure
(e)	Others	:	Not Applicable

5. Particulars of the Credit Rating Company:

(a)	Name of credit rating company	:	Issuer: Emerging Credit Rating Information and Services Limited (CRISL) Issue: Emerging Credit Rating Limited
(b)	Credit rating status of the issuer or originator	:	Long Term Rating: AA Short Term Rating: ST-2 Outlook: Stable
(c)	Credit rating status of the issue	:	Long Term Rating: AA-B

Risban

Md. Nazmul Islam, FCA, FQA
Financial Officer
President
Local Content & Accounts Division
Southeast Bank Limited
10/10

M. Nazmul Haider

M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

www.southeastbank.com.bd

Brig Gen Shaifur Rahman (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Southeast Bank Limited
a bank with vision

Head Office :

Eunoo Trade Centre
62-63, Dilkusha C/A, (Level # 2, 3, 4, 0 & 16)
Dhaka-1000, Bangladesh
PALIX : 080 2 9556466, 7119721, 9570619, 9570469
Fax : 880 2 9550083 (ID), 9550084 (HRD), 9571053 (TCAD)
SWIFT : SEGBRODH
Website : www.southeastbank.com.bd

		Outlook: Stable
(d)	Date and validity of rating along with surveillance rating for the Issuer or originator and for the Issue	Issuer Rating Validity: August 03, 2022 Issue Rating Validity: November 02, 2022
(e)	Latest default rate of the credit rating company	0.10% As on 2020
(f)	Average time to default of the rated category	Not Applicable
(g)	Rating trigger, if any	Not Applicable
(h)	Others	Not Applicable

6. Particulars of originators, if any: Not applicable

7. Particulars of other contractual parties: Not applicable


In accordance to the Bangladesh and Securities Commission (Issuance of Debt Securities), Rules 2021, we are applying to the esteemed Commission for the consent of issuing BDT 5,000 Million Non-Convertible Unsecured Floating Rate Subordinated Bond. Please find enclosed herewith the draft IM along with supporting documents furnished in Annexure, as per rules for your kind perusal.

We also enclose herewith a Pay Order No. 3232526 dated November 09, 2021 for BDT 10,000.00 (Ten Thousand only), in favor of "Bangladesh Securities and Exchange Commission" drawn on Southeast Bank Limited along with other supporting documents as listed in the annexure below.

We shall furnish further information to meet any queries that you may have.

We shall appreciate assistance and guidance from Bangladesh Securities and Exchange Commission in obtaining the consent for the proposed debt issuance.


Sincerely,


Anwar Uddin
Managing Director (CC)

Anwar Uddin
Managing Director (CC)
Southeast Bank Limited
Head Office, Dhaka


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.


M Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.


Md. Kamal Hossain
Managing Director & CEO
Sena Kayan Insurance Company Ltd. Page 5 of 6



Southeast Bank Limited
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Head Office :

Empcos Trade Centre
52-53, Dilkusha C/A, (Level # 2, 3, 4, 6 & 16)
Dhaka-1000, Bangladesh
PABX : 880 2 9555486, 7115721, 9570619, 9570469
Fax : 880 2 9550093 (HD), 9550094 (HRD), 9571053 (FCAD)
SWIFT : SE80BDDH
Website : www.southeastbank.com.bd

List of Annexures:

1. Pay Order of BDT 10,000 only dated November 09, 2021 as application fee
2. Copy of RJSC Certified Memorandum and Articles of Association
3. Copy of RJSC Certified Certificate of Incorporation and Certificate of Commencement of Business
4. Copy of RJSC Certified Particulars of Directors (Form XII)
5. Copy of Annual Summary of Share Capital (Schedule X)
6. Original Auditors' Report dated September 30, 2021
7. Details of outstanding debt securities
8. Purpose for issuance of debt securities and Plan to Use of Proceeds thereof
9. Resolution of the Board of Directors for issuance of debt securities
10. Copy of Disclosures of Price Sensitive Information
11. Credit Rating Report of the Issuer
12. Original Credit Rating Report of the Issue
13. Auditor's Certificate regarding total Paid-up capital of Issuer
14. Description of the Business of Issuer
15. Draft Information Memorandum prepared as per Schedule 'B'
16. Draft Deed of Trust prepared as per Schedule 'C'
17. Due Diligence Certificate of the Trustee as per Schedule 'D';
18. Draft Subscription Agreement
19. Repayment Schedule of the debt securities
20. Issuer and its directors NID and TIN (2 sets)
21. List of Issuances in which Sena Kalyan Insurance Company Limited is acting as Trustee
22. List of Issuances in which Standard Chartered Bank has acted as Mandated Lead Arranger
23. Copy of Agreement with Credit Rating Agency for Surveillance rating of the issue
24. Detail information related to "the Formation and Implementation of Special Fund for Investment in the Capital Market" as per the Commission's letter No. SEC/SRM/C-2016/1240/80 dated October 07, 2020.
25. Office order for Managing Director current charge
26. Last five years Annual Report as on 2020, 2019, 2018, 2017, 2016

Rashedul Islam, FCA (CMA)
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Md. Kamal Hossain
Managing Director for
Sena Kalyan Insurance Company Limited
Head Office, Dhaka.

Brig Gen Shafiqul Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

OFFICE COPY



Southeast Bank Limited
a bank with vision

Head Office :
Finance Trade Centre
52-53, Dilkusha C/A, (Level # 2, 3, 4, 6 & 16)
Dhaka-1000, Bangladesh
PALX : 880 2 9555466, 7115721, 9570619, 9570469
Fax : 880 2 9550093 (ID), 9550094 (HRD), 9571053 (FCAD)
SWIFT : SEBSBD33H
Website : www.southeastbank.com.bd

SEBL/HO/FCAD/2021/950
December 02, 2021

The Chairman
Bangladesh Securities & Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon,
Sheer-e-Bangla Nagar Administrative Area
Dhaka-1207

Sub: Application for Approval of Non-Convertible Unsecured Floating Rate Subordinated Bond of BDT 5,000 Million for Southeast Bank Limited

Dear Sir,

With due respect, we would like to inform you that we have applied to you for approval of BDT 5000 Million Subordinated Bond vide our letter no. SEBL/HO/FCAD/2021/865 dated November 09, 2021. It is mention worthy here that we have also applied to Central Bank for their No Objection Certificate (NOC) for issuance of the Subordinated Bond and subsequently, Bangladesh Bank has provided No Objection Certificate vide their letter no. BRPD (BS)663/14B(P)/2021-11179 dated December 01, 2021.

Under the circumstance, the Bank may issue the Bond upon the consent from the Bangladesh Securities and Exchange Commission (BSEC). We are furnishing the following additional information and documents for your kind perusal and necessary action: -

1. No Objection Certificate (NOC) issued by Bangladesh Bank for issuance of Subordinated Bond.
2. Two copies of CIB inquiry form of the Issuer and Directors
 - i. One copy of original CIB inquiry form
 - ii. One copy as attached by Managing Director
3. Attached copy of Five years' comparative data of Balances sheet, Income Statements and Cash Flows of the Bank.
4. Attached copy of RJSC Certified Certificate of Incorporation and Certificate of Commencement of Business
5. Attached copy of RJSC Certified Particulars of Directors (Form XII)

We shall appreciate assistance and guidance from Bangladesh Securities and Exchange Commission in obtaining the consent for the proposed Debt issuance.

Thank you for your guidance and kind co-operation.

If you find any further queries, please do not hesitate to contact us.

Yours faithfully,

M. Kamal Hossain
Managing Director

Enclosed: Annexures of documents listed above

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Brig Gen Shaifque Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

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Southeast Bank Limited
a bank with vision

Head Office :

Euricos Trade Centre
52-53, Dilkusha C/A, (Level # 2, 3, 4, 6 & 16)
Dhaka-1000, Bangladesh
PABX : 880 2 9555466, 7135721, 9571019, 9570489
Fax : 880 2 8560093 (HD), 9550094 (LRD), 9671053 (FCAD)
SWIFT : SEEBDBDH
Website : www.southeastbank.com.bd

SEBL/HO/FCAD/2021/959

December 06, 2021

The Chairman
Bangladeshi Securities & Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon,
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207

Mr. Md. Abdul Baten
Assistant Director
Bangladesh Securities & Exchange
Commission.

Sub: Application for Approval of Non-Convertible Unsecured Floating Rate Subordinated Bond of BDT 5,000 Million for Southeast Bank Limited

Dear Sir,

With due respect, we would like to inform you that we have applied to you for approval of BDT 5000 Million Subordinated Bond vide our letter no. SEBL/HO/FCAD/2021/865 dated November 09, 2021 and letter no. SEBL/HO/FCAD/2021/950 dated December 02, 2021. It is mention worthy here that we have also applied to Central Bank for their No Objection Certificate (NOC) for issuance of the Subordinated Bond and subsequently, Bangladesh Bank has provided No Objection Certificate vide their letter no. BRPD (BS)661/143(P)/2021-11179 dated December 01, 2021.

Under the circumstance, the Bank may issue the Bond upon the consent from the Bangladesh Securities and Exchange Commission (BSEC). We are furnishing the following additional information and documents for your kind perusal and necessary action: -

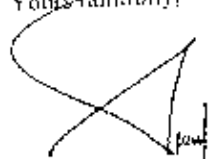
1. Copy of RJSC Certified Certificate of Incorporation and Certificate of Commencement of Business.
2. Copy of Five years' comparative data of Balances sheet, Income Statements and Cash Flows of the Bank.
3. Copy of Newspaper cutting where PSI were published.
4. Auditors certificate regarding paid up capital of Southeast Bank Limited.
5. Board extract for Trustee regarding Trusteeship of Southeast Bank Limited Tier II Subordinated Bond.
6. Copy of agreement with Standard Chartered Bank to act as a Mandate Lead Arranger.
7. Bangladesh Banks' No Objection Certificates (NOCs) of previously issued all Subordinated Bonds.
8. Draft updated Information Memorandum (IM) Page Number 17 & 18.


We shall appreciate assistance and guidance from Bangladesh Securities and Exchange Commission in obtaining the consent for the proposed Debt issuance.

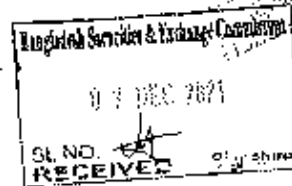
Thank you for your guidance and kind co-operation.


If you find any further queries, please do not hesitate to contact us.


Yours faithfully,


M. Kamal Hossain
Managing Director

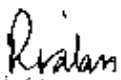

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka




Big Gen Shafiqul Islam psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd

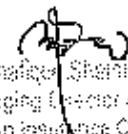

Rasheedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts
Southeast Bank Limited
Head Office, Dhaka

**ANNEXURE 2: AUDITED FINANCIAL STATEMENTS OF SOUTHEAST
BANK LIMITED AS OF 30 SEPTEMBER 2021**


Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


Md. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.


Big Gen Shafiq (Shanm psc (Retd))
Managing Director & CEO
Sena Karyan Insurance Company Ltd.



Grant Thornton

An instinct for growth™



**AUDIT'S REPORT
AUDIT OF THE FINANCIAL STATEMENTS OF
SOUTHEAST BANK LIMITED
For the year ended 30 September 2021**

Submitted By:

Howladar Yunus & Co.
Chartered Accountants
(A Member Firm of Grant Thornton International Ltd.)

Submitted To:

Southeast Bank Limited

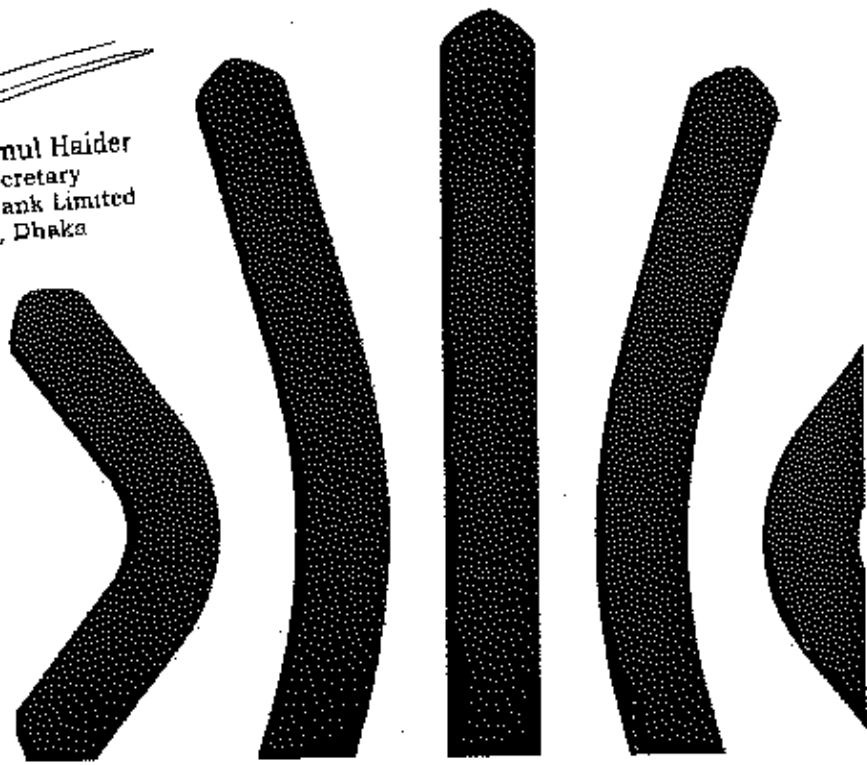
Mr. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Big Gen Stratique Sharom psc (Rend)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Rasedul Islam, FCA, FCOM
Chief Financial Officer
Vice President
Financial Control & Accounts Director
Southeast Bank Limited
Head Office, Dhaka

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Submission Date: 31 OCT 2021



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Southeast Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

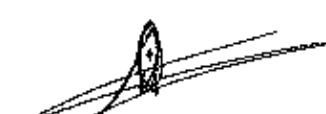
Opinion


We have audited the consolidated financial statements of Southeast Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Southeast Bank Limited (the "Bank"), which comprise the consolidated and separate Balance Sheets as at 30 September 2021, and consolidated and separate Profit and Loss Accounts, consolidated and separate statement of Changes in Equity, and consolidated and separate Cash Flow Statements for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 30 September 2021, and of its consolidated and separate financial performance and its consolidated and separate Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in Note 2.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

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Responsible Partner, FCA, FCBIA
Chief Financial Officer
Vice President
Internal Control & Compliance Director
Southeast Bank Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Measurement of provision for Loans and Advances	
See notes no. 10, 11 and 21.1 to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to the further business performance of the borrower; • The market value of the collateral; and • Ability to repossess the collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>Due to the high level of judgment involved and using some manual process in estimating the provision for loans and advance, we considered this to be a key audit matter.</p> <p>As per Bangladesh Bank Circular BRPD Circular No. 03, dated January 31, 2021, BRPD Circular No. 05, dated March 24, 2021, BRPD Circular No. 13, dated June 27, 2021, BRPD Circular No. 19, dated August 26, 2021, in case of Loans and Advances if a borrower repays 25% of his payable amount in between 1st January 2021 to 31st December 2021 those</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed the adequacy of transfer of interests to the income account appropriate approvals in line with the Bangladesh Bank's guideline. <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions, and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and

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 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited

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A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

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M. Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.

[Signature]
Big. Gen. Shaifiqur Rahman (Retd.)
 Managing Director & CEO
 Sena Kayan Insurance Company Ltd.

<p>loans and advances will not fall in classification. So still the Bank has nearly above two months for collecting installment against loans and advances.</p> <p>At the year end, the Group and the Bank reported total loans and advances of BDT 331,433 million (2020: BDT 322,251 million) and BDT 329,046 million (2020: BDT 320,368 million) respectively and the Bank reported provision for loans and advances of BDT 24,924 million (2020: BDT 23,863 million).</p>	<ul style="list-style-type: none"> Reviewed the grounds for recommendations for approvals in cases of transfer of interests to the Income account.
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2. Valuation of Treasury Bill and Treasury Bond

See note no. 9 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The classification and measurement of Treasury Bills and Treasury Bonds require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models.</p>	<p>We tested the operating effectiveness of key controls focusing on the classification and measurement of Treasury Bills and Treasury Bonds.</p> <p>We tested a sample of the valuation models and the inputs used in those models using a variety of techniques. Applied in the circumstances.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

3. Measurement of Deferred Tax Assets

See note no. 21.3 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Bank has recognized deferred tax liabilities for deductible temporary differences that it believes are recoverable.</p> <p>The Bank has reported net deferred tax liabilities to a total of BDT 327 million (2020: BDT 312 million) as at 30 September 2021.</p>	<p>We obtained an understanding of the Group and the Bank's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Group and Bank's future taxable income.</p>

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 Head Office, Dhaka


Komal Hossain
 Managing Director
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 Head Office, Dhaka




Bigun Shafiq
 Managing Director & CEO
 Sera Kayon Insurance Company Ltd.

<p>Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition, and measurement of DTA's.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures as per IAS 12 Income Tax.</p>
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4. Legal and Regulatory matters

The Key Audit Matter	How the matter was addressed in our audit
<p>We focused on legal and regulatory matters because the Group and the Bank operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions and other contingent liabilities.</p>	<p>We obtained an understanding of the Group and The Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsels.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provision, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

5. IT Systems and Controls

The Key Audit Matter	How the matter was addressed in our audit
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volumes of transactions processed in</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT General</p>

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 Southeast Bank Limited
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Kamal Hossain
 Managing Director
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[Signature]

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Brig Gen Shafique Shamsuzzaman (Retd)
 Managing Director & CEO
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<p>numerous locations daily and are reliance on automated and manual with automated (IT Dependent) controls.</p> <p>We have focused on Data management, user access management, and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring the operating effectiveness of manual with automated control and automated controls.</p> <p>We also concentrated on formal security administration policies and procedures to determine whether they are approved, comprehensive, up-to-date, and bank-wide communicated.</p>	<p>Controls (Logical Access, Changes In management, and aspects of IT Operational Controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms, and segregation of incompatible duties relevant to application and database change management.</p>
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6. Carrying value of Investments in Subsidiaries by the Bank

See note no. 15.3 and 16.4 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Bank has invested in equity shares of its subsidiaries namely Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Limited. As of 30 September 2021, the carrying value of these investments are BDT 5,534 million (2020: BDT 5,534 million).</p> <p>At the time of conducting our audit of the separate financial statements of the Bank, we have considered the recoverable value of the Bank's investments in Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Limited stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiary Southeast Bank Capital Services Limited and Southeast Exchange</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36: Impairment of Assets.</p> <p>We have analyzed the appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

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 Southeast Bank Limited
 Head Office, Dhaka.


Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.




 Brig Gen Shafique Shafiq (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.

Company (South Africa) Pty Limited in accordance with IAS 36.	
7. Recognition of interest income from loans and advances	
See note no. 33 to the financial statements.	
<p>Recognition of Interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of Interest by management to meet specific targets or expectations</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>

Other Information

Management of the Bank is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of the annual auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the bank.

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 Vice President
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 Head Office, Dhaka


Karmal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka




Brig Gen Shafiqul Kamal, FRC (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in Note 2.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 (as amended up to date), and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control, and risk management functions of the Bank.

The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to Going Concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 Vice President
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 Head Office, Dhaka

M. Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

Big Gen Sharique
 Managing Director & CEO
 Sene Kalyan Insurance Company Ltd.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Bank Companies Act 1991 (as amended up to date), the Financial Reporting Act 2015, and the rules and regulations issued by Bangladesh Bank, we also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- To the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal

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Rashedul Islam, FCA, FCMA
Chief Financial Officer
Internal Control & Accounts Division
Bangladesh Bank Limited
Dhaka, Bangladesh

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Company Secretary
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Head Office, Dhaka

8
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Sh
Shahidul Islam
Brig Gen Shahidul Islam (Retd)
Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.



controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and Internal control:

- (a) Internal audit, internal control, and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate.
- (b) Nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities.
- (iii) Financial statements of two subsidiaries namely, Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Limited has been audited by Pinaki & Company, Chartered Accountants, and G. L. PALMER AND COMPANY respectively for the year ended 31 December 2020 and have been properly reflected in the consolidated financial statements. Unaudited figure of both subsidiaries in Bangladesh and outside Bangladesh as at 30 September 2021 have been properly reflected in the consolidated financial statements. We have carried out audit work on the selected balances and transactions, which were assessed by us as material from the Group audit perspective.
- (iv) In our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) The consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) The expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) The consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations, and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) Adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery as explained in Note 21.1 and 21.6.1(A).
- (x) The information and explanations required by us have been received and found satisfactory;
- (xi) We have reviewed over 80% of the Risk-weighted Assets of the Bank and spent over 4,300 person hours; and
- (xii) Bank maintained Capital to Risk-weighted Asset Ratio (CRAR) as explained in note 22.8.

Howladar Yunus & Co.

Chartered Accountants
Firm Registration No: N/A

Md. Jahidur Rahman FCA

Partner

Enrolment No: 860

Dated: Dhaka, October 31, 2021

DVC No: 21f0310860AO465361

Md. Kamal Hossain
Managing Director
Howladar Yunus & Co. Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


Big Gon Shafiqul Islam (Retd)
Managing Director & CEO
Sena Kayan Insurance Company Ltd.

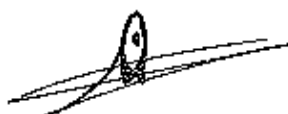
Rishan
Respected Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Head Office, Dhaka.

Southeast Bank Limited and its Subsidiaries
Consolidated Balance Sheet
As at 30 September 2021


Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
PROPERTY AND ASSETS			
Cash	4		
In hand (including foreign currencies)		4,122,237,604	3,471,367,642
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		16,881,372,346	17,956,897,600
		21,003,609,950	21,431,265,142
Balance with other banks and financial institutions	6		
In Bangladesh		1,766,027,889	2,108,721,666
Outside Bangladesh		2,550,158,009	2,550,630,377
		4,316,185,892	4,659,258,043
Money at call and on short notice	7		
Investments	8		
Government		98,686,069,042	83,226,369,643
Others		13,445,871,491	13,847,533,919
		112,031,940,533	97,073,893,462
Loans and advances/investments	10		
Loans, cash credit, overdrafts etc./investments		320,861,587,200	307,752,518,862
Bills purchased and discounted		10,572,365,356	14,498,943,318
		331,433,952,556	322,251,462,180
Fixed assets including premises, furniture and fixtures	12		
Other assets	14		
Non-banking assets		9,876,459,165	9,714,971,217
		7,027,408,306	7,953,654,283
Total assets		492,136,266,402	466,293,408,597
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	16		
Subordinated bond		12,600,000,000	13,600,000,000
Other borrowings		29,133,025,018	18,897,676,319
		41,733,025,018	32,497,676,319
Deposits and other accounts	18		
Current/AI-wadeeah current accounts and other accounts		74,628,827,173	66,860,581,819
Bills payable		3,649,591,896	3,940,333,929
Savings bank/Mudaraba savings bank deposits		43,027,366,393	38,060,936,493
Fixed deposits/Mudaraba fixed deposits		248,330,704,637	260,684,079,440
		369,636,489,999	369,536,931,681
Other liabilities	20		
		48,232,180,470	43,545,833,362
Total liabilities		459,601,687,587	435,579,441,362
Capital/shareholders' equity			
Paid up capital	22.2	11,889,405,210	11,889,405,210
Statutory reserve	23	11,889,406,210	11,580,478,928
Revaluation reserve	24	4,920,820,084	4,672,526,139
Other reserve	26	247,650,000	247,650,000
Foreign currency translation reserve	26	(7,240,994)	(1,919,103)
Retained earnings	27	3,584,063,421	1,315,624,550
		32,624,092,931	29,709,765,724
Total shareholders' equity	29	10,475,884	10,201,511
Non-controlling interest		492,136,266,402	466,293,408,597
Total liabilities and shareholders' equity			

Raisurul Islam, FCR, FCMA
 Chief Financial Officer
 Vice President & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka


 Eng. Gen. Shafiqul Islam (Retd)
 Managing Director & CEO
 Sans Kalyan Insurance Company Ltd.


 A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

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 M. Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

Southeast Bank Limited and its Subsidiaries
Consolidated Balance Sheet
 As at 30 September 2021

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	30.1	76,835,610,443	61,087,802,689
Letters of guarantee	30.2	20,299,162,269	17,343,766,667
Irrevocable letters of credit	30.3	67,722,086,286	37,176,740,943
Bills for collection	30.4	39,175,443,006	31,398,294,693
Other contingent liabilities	30.5	1,887,739,000	1,931,660,000
Total contingent liabilities		196,919,940,973	138,737,283,892
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		196,919,940,973	138,737,283,892

The annexed notes 1 to 76 form an integral part of these financial statements.



Chairman


Director


Director


Managing Director

Signed in terms of our separate report of even date

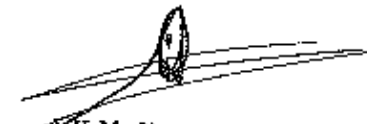

Md. Jahidur Rahman FCA, Partner, Enrolment No. 860
 Howladar Yunus & Co.
 Chartered Accountants
 Firm Registration No: N/A

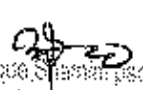
DVC No.: 211031086040465361

Dhaka,
 Date: 31 OCT 2021


Md. Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka


Rasatul Islam, FCA, PCMA
 Chief Financial Officer
 Vice President
 Financial Control & Assurance Division
 Southeast Bank Limited
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A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka


Brig Gen Shafiqe S. Khan (Retd)
 Managing Director & CEO
 Sona Kaiyzen Insurance Company Ltd.

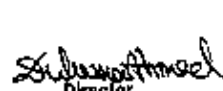
Southeast Bank Limited and Its Subsidiaries
Consolidated Profit and Loss Account
 For the period ended 30 September 2021

Particulars	Note	Sep 2021	Sep 2020
		Taka	Taka
Interest Income/profit on Investments	32	13,946,774,688	17,060,810,127
Interest paid/profit shared on deposits and borrowings etc.	39	(11,986,631,761)	(16,402,602,191)
Net interest income/net profit on investments		1,961,142,924	1,658,307,936
Investment Income	30	4,764,061,040	4,444,362,625
Commission, exchange and brokerage	30	2,712,071,949	2,433,963,094
Other operating Income	40	794,368,108	623,168,069
		8,270,601,091	7,500,793,722
		10,231,643,918	9,169,101,718
Total operating income (A)			
Salaries and allowances	42	1,633,211,392	1,622,773,194
Rent, taxes, insurance, electricity, etc.	44	664,968,188	819,942,131
Legal expenses		643,340	860,675
Postage, stamp, telecommunication, etc.	46	133,104,416	126,321,494
Stationery, printing, advertisements, etc.	48	120,038,694	11,792,746
Managing Director's salary and fees	50	7,721,600	7,721,600
Directors' fees	51	2,169,903	1,160,060
Auditors' fees	53	760,000	760,000
Depreciation and repair	54	674,142,361	400,033,094
Other expenses	56	1,026,832,698	937,912,133
		4,162,462,382	3,928,266,926
Total operating expenses (B)		4,079,181,633	6,230,834,792
Profit before provision (C=A-B)			
Provision for loans and advances/Investments	21	(205,097,866)	1,283,172,000
General provision		928,910,888	(214,372,000)
1% General provision for COVID-19			
Specific provision			
Provision for diminution in value of Investments	217	18,314,865	71,420,000
Other provisions	22	636,763,214	173,200,000
		1,378,891,102	1,286,420,000
Total provision (D)		4,700,290,431	3,944,414,792
Total profit before taxation (E=C-D)			
Provision for taxation	58	960,769,093	1,166,368,639
Current		22,254,824	9,300,000
Deferred			
		960,769,093	1,176,668,639
Net profit after taxation		3,717,266,514	2,768,746,269
Net profit after taxation attributable to:			
Equity holders of the Bank		3,716,992,142	2,768,691,582
Non-controlling interest		274,372	64,677
		3,717,266,514	2,768,746,269
Net profit after taxation			
Appropriations			
Statutory reserve	23	308,926,282	629,986,113
		308,926,282	629,986,113
Retained surplus during the period		3,408,340,232	2,138,760,146
Earnings per share (per value Taka 10)	64	3.43	2.33

The annexed notes 1 to 71 form an integral part of these financial statements.

Reviewed by
 Rishon
 Chief Financial Officer
 Bangladesh Bank
 Head Office, Dhaka


 Chairman


 Director


 Director


 Managing Director

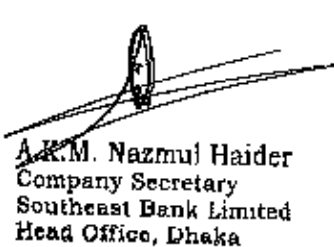
Signed in terms of our separate report of even date

Mr. Johidur Rahman FCA, Partner, Enrolment No. 560
 Howlador Yunus & Co.
 Chartered Accountants
 Firm Registration No: N/A

DVC No.: 2110310960A0465361

Dhaka,
 Date: 31 OCT 2021


 Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka


 A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka


 Brig Gen Shafiqul Shamim (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.

Southeast Bank Limited and its Subsidiaries

Consolidated Cash Flow Statement
For the period ended 30 September 2021

Particulars	Note	Sep 2021	Sep 2020
		Taka	Taka
A. Cash flows from operating activities:			
Interest receipts in cash		19,021,998,323	16,888,846,176
Interest payments		(11,700,171,384)	(15,201,492,760)
Dividend receipts		78,166,118	131,262,278
Fees and commission receipts in cash	38	2,712,071,943	2,433,463,094
Recoveries on loans previously written-off		339,276,512	263,897,102
Cash payments to employees		(1,540,932,892)	(1,530,494,694)
Cash payments to suppliers		(123,218,928)	(10,668,588)
Income taxes paid		(1,087,419,117)	(2,496,724,321)
Receipts from other operating activities	60	1,478,379,122	1,310,978,049
Payments for other operating activities	62	(1,917,331,449)	(1,839,146,273)
Operating profit before changes in operating assets and liabilities (i)		7,260,818,248	(49,078,938)
Increase (decrease) in operating assets and liabilities			
Sale of trading securities		1,481,346,986	737,180,819
Purchase of trading securities		(1,662,241,900)	(859,108,596)
Loans and advances to customers		(9,151,353,376)	(23,434,463,085)
Other assets		(213,328,411)	(976,585,655)
Deposits from other banks		10,235,348,699	932,051,241
Deposits from customers		9,977,642,269	34,221,630,389
Other liabilities		3,169,213,700	2,525,520,984
Cash generated from (used in) operating assets and liabilities (ii)		13,836,627,976	13,646,236,997
Net cash flows from operating activities (a+ii)		21,097,446,223	13,597,157,159
B. Cash flows from investing activities:			
Proceeds from sale of securities		27,236,076,676	26,771,979,216
Payments for purchase of securities		(47,469,220,856)	(29,219,104,825)
Purchase of fixed assets		(468,493,020)	(473,555,915)
Sale proceeds of fixed assets		70,121,786	126,951
Cash generated from (used in) investing activities (b)		(20,632,614,614)	(3,920,554,678)
C. Cash flows from financing activities:			
Receipts from issue of loan capital & debt security		(1,000,000,000)	-
Payments for redemption of loan capital & debt security		(1,188,940,621)	-
Dividends paid		(157,206,249)	(42,456,554)
Payment against lease obligation		-	-
Receipts from issue of ordinary shares		-	-
Cash generated from (used in) financing activities (c)		(2,346,146,770)	(42,456,554)
D. Net increase (decrease) in cash and cash equivalents (a+b+c)		(1,881,214,161)	9,634,144,020
E. Effects of exchange rate changes on cash and cash equivalents		(3,030,457)	(9,340,981)
F. Cash and cash equivalents at beginning of the year		44,563,332,749	48,392,994,767
G. Cash and cash equivalents at end of the period (D+E+F)		42,679,688,130	58,017,794,805
Cash and cash equivalents at end of the period represents			
Cash in hand (including foreign currencies)	4	4,122,237,604	3,485,850,430
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4	16,881,372,316	16,344,965,986
Balance with other banks and financial institutions	6	4,316,185,892	6,288,806,391
Money at call and on short notice	7	6,446,700,000	2,407,806,344
Treasury bills	9.1.1	10,906,055,988	29,485,619,054
Bangladesh Bank bill	9.1.1	6,536,300	4,746,600
Prize bond		-	-
		42,679,688,130	58,017,794,805

Ridwan
Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President & Accounts Division
Financial Control & Reporting Limited
Head Office, Dhaka

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Kamal Hossain
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Shafiqe Shahnaz
Brig Gen Shafiqe Shahnaz (Retd)
Managing Director & CEO
Sonia Kalyan Insurance Company Ltd.

Southeast Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended 30 September 2021

Particulars	Total		Total		Total		Total		Total		Total		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Balance as at 1 January 2021	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210
Changes in accounting policy/ Prior year adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserved transfer due to disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defined tax liabilities transfer due to disposal of re-valued fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserved transfer due to disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current period losses not recognized in the Income Statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share option/ Bonus share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2021	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210	11,889,406,210
Balance as at 30 September 2020	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220	11,592,118,220

Ridwan
Respected Islam, FCA, FCMA
Chief Financial Officer
Vice President & Executive Director
Financial Control & Assurance Division
Southeast Bank Limited
Head Office, Dhaka

[Signature]
Mr. Gen. Shaheer Shaim Dsc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd

[Signature]
Mr. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

[Signature]
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Southeast Bank Limited
Balance Sheet
As at 30 September 2021

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
PROPERTY AND ASSETS			
Cash	4.1		
In hand (including foreign currencies)		4,121,653,607	3,474,366,889
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		16,881,372,346	17,956,897,600
		21,003,025,953	21,431,263,489
Balance with other banks and financial institutions	6		
In Bangladesh		1,766,027,883	2,108,724,666
Outside Bangladesh		2,435,904,178	2,427,007,183
		4,201,932,061	4,535,731,849
Money at call and on short notice	7	6,446,700,000	2,208,907,300
Investments	9		
Government		98,586,049,042	83,226,369,543
Others		10,365,478,160	10,967,893,063
		108,951,527,192	94,194,262,606
Loans and advances/investments	11		
Loans, cash credit, overdrafts etc./Investments		318,474,062,791	305,869,215,552
Bills purchased and discounted		10,572,365,356	14,498,943,318
		329,046,428,147	320,368,158,870
Fixed assets including premises, furniture and fixtures	13	9,354,561,800	9,182,672,927
Other assets	15	12,354,467,220	13,171,388,606
Non-banking assets			
Total assets		491,358,662,273	465,082,376,646
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	17		
Subordinated bond		12,600,000,000	13,600,000,000
Other borrowings		29,133,025,018	18,897,676,319
		41,733,025,018	32,497,676,319
Deposits and other accounts	19		
Current/M-wadeeah current accounts and other accounts		74,541,350,490	66,764,534,962
Bills payable		3,649,591,896	3,940,333,929
Savings bank/Mudaraba savings bank deposits		43,027,358,393	38,060,936,493
Fixed deposits/Mudaraba fixed deposits		248,390,704,637	261,134,079,440
		369,609,005,416	369,899,884,814
Other liabilities	21	47,793,316,789	43,104,754,236
Total liabilities		469,135,346,223	436,602,315,369
Capital/shareholders' equity			
Paid up capital	22.2	11,889,405,210	11,889,405,210
Statutory reserve	23	11,889,405,210	11,580,478,926
Revaluation reserve	24	4,920,820,084	4,672,526,139
Other reserve	25	247,650,000	247,650,000
Retained earnings	26	3,276,035,546	1,190,000,000
		32,223,316,050	29,580,060,277
Total shareholders' equity		491,358,662,273	465,082,376,646
Total liabilities and shareholders' equity			

Rashedul Islam

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

M. Kamal Hossain

M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

Brig Gen Shafiqul Islam psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Southeast Bank Limited
Balance Sheet
As at 30 September 2021

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements
Letters of guarantee
Irrevocable letters of credit
Bills for collection
Other contingent liabilities
Total contingent liabilities

30.1	76,835,610,413	61,087,802,689
30.2	20,299,162,269	17,143,765,667
30.3	57,722,086,285	37,175,740,943
30.4	39,175,443,006	31,398,274,693
30.5	1,887,739,000	1,931,650,000
	198,919,940,973	138,737,253,892


Other commitments

Documentary credits and short term trade-related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments
Total other commitments
Total off-balance sheet items including contingent liabilities

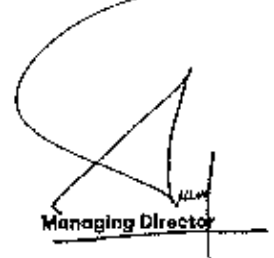
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	198,919,940,973	138,737,253,892

The annexed notes 1 to 71 form an integral part of these financial statements.

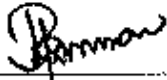

Chairman


Subhana Ahmed
Director


Director


Managing Director

Signed in terms of our separate report of even date



Md. Jahidur Rahman FCA, Partner, Enrolment No. 660
Howladar Yunus & Co.
Chartered Accountants
Firm Registration No: N/A

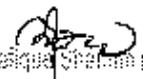
DVC No.: 2110310860A0465361

Dhaka,
Date: 31 OCT 2021


M. Kamal Hossain
Managing Director
Operations & Branch Division
Head Office, Dhaka


Rasatul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


Brig Gen Shaheque Shaheen (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Southeast Bank Limited
Profit and Loss Account
For the period ended 30 September 2021

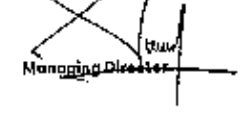
Particulars	Note	Sep 2021	Sep 2020
		Taka	Taka
Interest income/profit on investments	35	13,919,224,456	17,047,166,871
Interest paid/profit shared on deposits and borrowings etc.	36	(12,002,196,437)	(13,432,680,587)
Net Interest Income/net profit on investments		1,917,028,021	1,614,486,283
Investment Income	37	4,324,117,765	4,466,262,906
Commission, exchange and brokerage	39	2,644,493,644	2,303,370,258
Other operating Income	41	755,081,343	609,897,010
		8,026,692,749	7,459,636,174
Total operating income (A)		9,942,710,770	9,074,076,457
Salaries and allowances	43	1,607,399,363	1,602,682,434
Rent, taxes, insurances, electricity, etc.	46	650,250,938	806,708,860
Legal expense		543,340	860,575
Postage, stamp, telecommunication, etc.	47	132,702,707	124,997,349
Stationery, printing, advertisements, etc.	49	118,703,001	110,907,662
Managing Director's salary and fees	50	7,721,600	7,721,500
Directors' fees	52	1,999,903	1,072,060
Auditors' fees		760,000	760,000
Depreciation and repair of bank's assets	56	652,913,112	379,174,965
Other expenses	57	1,602,184,710	921,187,865
		4,075,678,254	3,269,663,600
Total operating expenses (B)		4,075,678,254	3,269,663,600
Profit before provision (C=A-B)		5,867,032,516	6,216,462,957
Provision for loans and advances/investments	21.1		
General provision		(206,097,856)	1,283,172,000
Specific provision		928,910,888	(241,372,000)
		722,813,033	1,041,800,000
Provision for diminution in value of investments	21.7.1	18,314,855	71,420,000
Other provisions	21.6	636,763,214	173,200,000
		1,378,891,102	1,286,420,000
Total provision (D)		1,378,891,102	1,286,420,000
Total profit before taxation (D-D)		4,488,241,414	3,929,032,957
Provision for taxation	69		
Current		927,745,176	1,160,000,000
Deferred		22,264,824	9,300,000
		950,000,000	1,169,300,000
Net profit after taxation		3,538,241,414	2,769,732,957
Appropriations			
Statutory reserve	23	308,925,282	629,986,113
		308,925,282	629,986,113
Retained surplus during the period		3,229,316,132	2,139,746,844
Earnings per share (par value Taka 10)	65	2.98	2.33

The annexed notes 1 to 21 form an integral part of these financial statements


Chairman



Director


Director


Managing Director

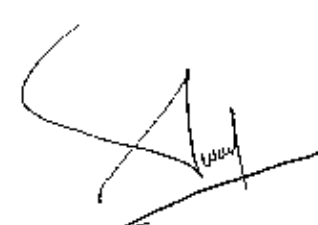
Signed in terms of our separate report of even date

Responsible Officer, FICA, FCMIA
 Chief Financial Officer
 Chartered Accountant & Company Director
 Registered Office: Dhaka
 Head Office: Dhaka


Mr. Jahidur Rahman FCA, Partner, Enrolment No. 860
Howlader Yunus & Co.
Chartered Accountants
Firm Registration No: N/A


DVC No.: 2110310960A0465361

Dhaka,
Date: 31 OCT 2021



M. Karmal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.


Bigun Shafiq, Shamim psc (Retd)
Managing Director & CEO
Sena Kayen Insurance Company Ltd.

Southeast Bank Limited
Cash Flow Statement
For the period ended 30 September 2021

Particulars	Note	Sep 2021	Sep 2020
		Taka	Taka
A. Cash flows from operating activities:			
Interest receipts in cash		18,994,438,196	16,875,202,919
Interest payment		(11,596,831,743)	(15,583,551,604)
Dividend receipts		48,881,807	125,466,709
Fees and commission receipts in cash	39	2,646,493,641	2,383,370,268
Recoveries on loans previously written-off		339,276,512	263,897,102
Cash payments to employees		(1,515,120,863)	(1,510,603,934)
Cash payments to suppliers		(123,820,238)	(108,233,450)
Income taxes paid		(1,101,576,763)	(2,368,515,499)
Receipts from other operating activities	61	1,439,092,456	1,297,706,996
Payments for other operating activities	63	(1,898,944,147)	(1,818,286,589)
Operating profit before changes in operating assets and liabilities (i)		7,231,688,766	(441,657,092)
Increase (decrease) in operating assets and liabilities			
Sale of trading securities		1,481,346,986	737,180,819
Purchase of trading securities		(1,573,761,900)	(859,108,596)
Loans and advances to customers		(8,678,269,277)	(29,371,545,371)
Other assets		(322,462,567)	(392,335,073)
Deposits from other banks		10,235,348,699	932,061,241
Deposits from customers		9,586,212,453	34,318,314,296
Other liabilities		3,132,201,903	2,919,294,097
Cash generated from (used in) operating assets and liabilities (ii)		13,860,616,297	14,083,851,413
Net cash flows from operating activities (a+ii)		21,092,605,056	13,642,294,321
B. Cash flows from investing activities:			
Proceeds from sale of securities		27,235,076,676	25,771,979,214
Payments for purchase of securities		(47,469,220,056)	(29,219,104,825)
Purchase of fixed assets		(460,186,824)	(475,163,955)
Sale proceeds of fixed assets		70,121,786	126,951
Cash generated from (used in) investing activities (b)		(20,624,208,420)	(3,922,162,616)
C. Cash flows from financing activities:			
Payments for redemption of loan capital & debt security		(1,000,000,000)	-
Dividends paid		(1,188,940,521)	-
Payment against lease obligation		(157,205,249)	(42,468,564)
Cash generated from (used in) financing activities (c)		(2,346,145,770)	(42,468,564)
D. Net increase (decrease) in cash and cash equivalents (a+b+c)		(1,877,849,335)	9,677,673,341
E. Effects of exchange rate changes on cash and cash equivalents		2,291,435	(870,718)
F. Cash and cash equivalents at beginning of the year		44,439,807,902	48,252,038,214
G. Cash and cash equivalents at end of the period (D+E+F)		42,564,250,202	57,928,840,637
Cash and cash equivalents at end of the period represents			
Cash in hand (including foreign currencies)	4.1	4,121,653,507	3,485,694,800
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4.1	16,881,372,346	16,344,965,986
Balance with other banks and financial institutions	6	4,201,932,061	6,200,007,853
Money at call and on short notice	7	6,146,700,000	2,407,806,344
Treasury bills	9.1.1	10,906,055,988	29,485,619,054
Prize bond	9.1.1	6,536,300	4,746,600
		42,564,250,202	57,928,840,637

Rizwan
Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

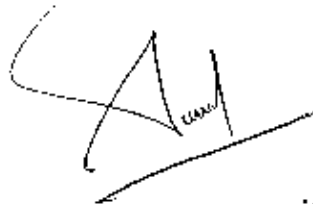
Kamal Hossain
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Brig Gen Shafiqul Islam psc (Retd)
Brig Gen Shafiqul Islam psc (Retd)
Managing Director & CEO
Sena Kayan Insurance Company Ltd.

Southeast Bank Limited
Statement of Changes in Equity
 For the period ended 30 September 2021

Particulars	Paid up capital		Statutory reserve		Revaluation reserve		Other reserves		Retained earnings		Total	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2021	11,889,405,210	11,580,478,928	4,672,528,139	247,650,000	1,190,000,000	29,580,060,277						
Changes in accounting policy/ prior year adjustments	11,889,405,210	11,580,478,928	4,672,528,139	247,650,000	1,190,000,000	29,580,060,277						
Revised balance												
Surplus/deficit on account of revaluation of properties												
Revaluation reserved transfer due to disposal of fixed assets												
Deferred tax liabilities transfer due to disposal of revalued fixed assets												
Revaluation reserved transfer due to disposal of fixed assets												
Surplus/deficit on account of revaluation of investments												
Currency translation differences												
Net gains and losses not recognized in the income statement			248,293,944			46,660,935						
Net profit for the period												
Cash dividend												
Issue of share capital/ Bonus share												
Appropriation made during the period												
Stability reserve	11,889,405,210	11,889,405,210	4,920,820,084	247,650,000	3,276,036,546	32,221,316,050						
Balance as at 30 September 2021	11,889,405,210	11,580,478,928	4,920,820,084	247,650,000	5,402,937,996	33,745,826,838						
Balance as at 30 September 2020	11,579,419,720	11,579,419,720	4,806,392,602	247,650,000	5,402,937,996	33,745,826,838						



Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

Riddan

Based on the audit report of PwC, FOMA
 Chief Executive Officer
 Vice President & Managing Director
 Financial Crime Risk Management Division
 Southeast Bank Limited
 Head Office, Dhaka

A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka.

Big Gen Shaheen Shaheen psc (Pvt)
 Managing Director & CEO
 Kalyan Insurance Company Ltd.

Southeast Bank Limited and its Subsidiaries
Notes to the Financial Statements
 As at and for the period ended 30 September 2021

Corporate profile and significant Accounting Policies

1 Reporting entity

1.1 Status of the Bank

Southeast Bank Limited (the "Bank") is a scheduled commercial bank in the private sector established under the Bank Companies Act, 1991 and incorporated in Bangladesh on March 12, 1995 as a public limited company to carry out banking business in Bangladesh. The registered office of the Bank is located at Eunoo Trade Centre 52-53, Dilkusha Commercial Area (Level 2,3 &16), Dhaka-1000. The consolidated financial statements of the Bank as at and for the period ended 30 September 2021 comprise the Bank and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

1.2 Principal activities of the Bank

The Bank has 135 (2020:135) branches and 22 (2020: 12) sub-branches, with no overseas branch as on 30 September 2021. Out of 135 branches 5 (2020:5) branches run on Islamic banking and the rest 130 (2020:130) branches run on commercial conventional basis, of which 15 (2020:15) SME/agricultural branches are located across the country. The Bank offers services for all commercial banking needs of the customers, which includes deposit banking, loans and advances, export import financing, inland and international remittance facility etc. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company.

The Bank operates Islamic banking in 5 branches designated for the purpose in complying with the rules of Islamic Shariah the modus operandi.

The Bank has two subsidiaries, one for its merchant banking operation (for details see note 1.5.1) and other one for its remittance business of which in South Africa (for details see note 1.5.2).

1.3 Islamic Banking

The Bank obtained the Islamic Banking branches permission vide letter no. BRPD(P)745(22)/2003-2525 dated 28 June 2003, BRPD(P)745(22)/2004-1801 dated 9 May 2004 and BRPD(P)745(22)/2004-3957 dated 13 October 2004. The Islamic banking branches are governed under the rules and regulations of Bangladesh Bank.

The financial statements of the Islamic banking branches have also been prepared as per the Bank Companies Act, 1991 (amended up to 2018), IFRSs and other prevailing laws and regulations applicable in Bangladesh.

1.4 Off-Shore Banking

In order to cater the varied financial needs of 100% foreign owned/joint venture industrial units and foreign entities located in Export Processing Zones of the country, the Bank obtained Off-Shore Banking License on 24 June 2008 vide letter no. BRPD(P-3)744(98)/2008-2213 from Bangladesh Bank. In the mean time as per BRPD circular # 2, dated 28 February 2019 we have already applied to Bangladesh Bank for conducting Off-shore banking in Bangladesh on 10 July 2019. Presently the Bank has 2 (2020: 2) off-shore banking units - one at Dhaka Export Processing Zone and the other at Chittagong Export Processing Zone. Off-shore banking unit is governed under the rules and regulations of Bangladesh Bank. The principal activities of the Units are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank.

1.5 Subsidiaries of the Bank

The Bank has following subsidiaries:

Name of the Subsidiaries	Principal activities	Country of Incorporation	Controlling interest of the Bank
Southeast Bank Capital Services Limited	Trading securities	Bangladesh	99.816909%
Southeast Exchange Company (South Africa) Pty Ltd	Financial services	South Africa	100%

1.5.1 Southeast Bank Capital Services Limited

Southeast Bank Capital Services Limited is a subsidiary of Southeast Bank Limited which was incorporated on 23 September 2010 and commenced its operation from 1 December 2010. The Bank transferred its Merchant Banking operation to the newly formed subsidiary company in pursuance of the direction of Bangladesh Bank vide DOS Circular No. 4 dated 15 June 2010. The principal activities of this subsidiary company is to provide quality services to the prospective institutional and individual investors in the capital market. It is decisively providing the following services:

Rashedul Islam, FCA
 Chief Financial Officer
 Vice President
 Financial Control & Accounting
 Southeast Bank Limited
 Head Office, Dhaka

A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

20
M. Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.



Big Gen Shafiq
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.

- i) Portfolio Management Services
- ii) Underwriting of Share
- iii) Issue Management Services etc.

1.5.2 Southeast Exchange Company (South Africa) Pty Ltd

Southeast Exchange Company (South Africa) Pty Limited (the "Company") was incorporated as a private limited company with The Companies and Intellectual Property Commission under registration no. 2011/008619/07 on 16 April 2011. The Company is a wholly owned subsidiary of Southeast Bank Limited. Southeast Exchange Company (South Africa) Pty Limited operates its operation with two branches one in Johannesburg another in Cape Town (established in November 2019).

The principal activities of the Company are to carry on the remittance business as well as to undertake and participate in transactions, activities and operations generally carried on or undertaken by Exchange House.

2 Basis of preparation

2.1 Statement of compliance

The Financial Reporting Act, 2015 (FRA), was enacted in the year 2015. The Financial Reporting Council (FRC) under the FRA was constituted in 2017, but the Financial Reporting Standards (FRS) under this council are yet to be issued for public interest entities such as banks. The Bank Company Act, 1991, was amended to require banks to prepare their financial statements under such financial reporting standards.

As FRS is yet to be issued by FRC, as per the provisions of FRA (section-69), consolidated and separate financial statements of the Group and the bank, respectively, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and, in addition to this, the bank also complied with the requirements of the following laws and regulations from various Government bodies:

- i) The Bank Company Act, 1991 and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Rules, 1987; Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 and amendments thereon;
- v) The Income Tax Ordinance, 1984, and amendments thereon;
- vi) The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- viii) Financial Reporting Act 2015.

In case any requirement of the Bank Company Act, 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRS, the requirements of the Bank Company Act, 1991, and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

i) Name of the financial statements

IFRS: As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes, comprising significant accounting policies and other explanatory information.

Bangladesh Bank: The forms of financial statements and directives for preparation thereof of the bank companies in Bangladesh are guided by BRPD Circular no. 14, dated 26 June 2003 and subsequent amendments thereof from time to time. BRPD circular no. 14 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.


ii) Presentation of financial statements

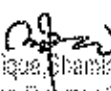
IFRS: As per IAS 1: Presentation of Financial Statements, a complete set of financial statements shall comprise a statement of financial position as at the end of the period; a statement of profit or loss and other comprehensive income for the period; a statement of changes in equity for the period; a statement of cash flows for the period; notes, comprising significant accounting policies and other explanatory information; and comparative information in respect of the preceding period. The entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.


Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section-98) of the Banking Companies Act 1991 (as amendment up to date) and BRPD circular no. 14 dated 26 June 2003 and subsequent guidelines issued by Bangladesh Bank. In the prescribed format, there is no option to present assets and liabilities under current and non-current classifications.

iii) Investment in shares and securities

IFRS: As per requirements of IFRS 9: classification and measurement of investment in Shares and Securities will depend on how these are


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


Big Cee Shaquie, Chairman
Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.


Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



Rizwan
Respected Sir,
Chief Financial Officer,
Vice President,
Financial Control & Reporting,
Southeast Bank Limited,
Head Office, Dhaka

managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2009 Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment.

iv) Revaluation gain (loss) on Government securities

IFRS: Government securities refer primarily various debt instruments which include both bonds and bills. As per requirements of IFRS 9 Financial Instruments, bonds can be categorised as "Amortised Cost (AC)" or "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value Through Other Comprehensive Income (FVOCI)". Bonds designated as Amortised Cost are measured at amortized cost method and interest income is recognized through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognized in profit and loss account. Any changes in fair value of bonds designated as FVOCI is recognized in other reserve as a part of equity.

As per requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognized in profit and loss or other reserve as a part of equity respectively.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains on amortization are recognized in other reserve (loss are recognized in profit and loss account) as a part of equity.

v) Provision on loans and advances

IFRS: As per IFRS 9 Financial Instruments an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition, whether assessed on an individual or collective basis, considering all reasonable information (including that which is forward-looking). For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No. 56 dated 10 December 2020, BRPD circular No. 52 dated 20 October 2020, BRPD circular No. 16 dated 21 July 2020, BRPD circular No. 24 dated 17 November 2019, BRPD circular No. 6 dated 19 May 2019, BRPD circular No. 5 dated 16 May 2019, BRPD circular No. 3 dated 21 April 2019, BRPD circular No.15 dated 27 September 2017, BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No. 06 dated 29 May 2013 and BRPD circular No.1 dated 20 February 2018 a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 20% to 50% and 100% respectively for loans and advances depending on time past due. Again, as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 07, dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/International bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III). Such provision policies are not specifically in line with those prescribed by IFRS 9.

However, if there is any stay order issued by the Honorable High Court Division of the Supreme Court of Bangladesh against any non-performing loans for reporting such loans as unclassified category, the Bank maintains at least general provision for such loans under unclassified loan category as per Bangladesh Bank guidelines. Where Bangladesh Bank suggests any additional provision to be maintained for such loans, the Bank also complies with that.

Recognition of Interest in suspense

IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized in profit and loss account by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans is not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

Riswan
Rashedul Islam, FCA, ACA
Chief Financial Officer
Vice President
Financial Controller & Treasurer
Southeast Bank Limited
Head Office, Dhaka.

APD
Brig Gen Staffique Shamim Jao (Retd)
Managing Director & CEO
Sanyo Kalyan Insurance Company Ltd

[Signature]
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

[Signature]
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



vii) Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a Single Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) statement. As such the Bank does not prepare the OCI statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

viii) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9 Financial Instruments. Hence some disclosure and presentation requirements of IFRS 7 Financial Instruments: Disclosures and IAS 32 Financial Instruments: Presentation, cannot be made in this financial statements.

ix) Repo and reverse repo transactions

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per BRPD guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

x) Financial guarantees

IFRS: As per IFRS 9 Financial Instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the loss allowance determined as expected credit loss under IFRS 9. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet Items. No liability is recognized for the guarantee except the cash margin.

xi) Cash and cash equivalents

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Prize bonds are not shown as cash and cash equivalent. Money at call and on short notice presented on the face of the balance sheet, Treasury bills and Prize bonds are shown in Investments.

xii) Non-banking assets

IFRS: No indication of non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named non-banking assets.

xiii) Cash flow statement

IFRS: As per IAS 7 Statement of Cash Flows, Cash Flow Statement can be prepared using either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14, cash flow is the mixture of direct and indirect method.

xiv) Balance with Bangladesh Bank: (Cash reserve ratio)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

Rizwan
Rashedul Islam, FCA
Chief Financial Officer, CMA
Vice President
Financial Control & Reporting Division
Southeast Bank Limited
Head Office, Dhaka.

Shafiq
Big Ben Shafiq Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Kamal Hassain
Kamal Hassain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



xv) **Presentation of Intangible asset**

IFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no requirement for regulation of Intangible assets in BRPD 14.

xvi) **Off-balance sheet Items**

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately in face of balance sheet.

xvii) **Disclosure of appropriation of profit**

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD 14, an appropriation of profit should be disclosed in the face of profit and loss account.

xviii) **Loans and advance net of provision**

IFRS: As per IFRS 9, loans and advances/investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

xix) **Recovery of written off loans**

IFRS: As per IAS 1, an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by any IFRS. Again recovery of written off loans should be charged to profit & loss account as per IFRS 16.

Bangladesh Bank: As per BRPD 14, recoveries of amount previously written off should be adjusted with the specific provision for loans and advances.

(Also refer to note 3.21 Compliance of IFRSs)

2.2 The Bank's compliance with related pronouncements by Bangladesh Bank

1) Internal control

The objective of Internal control is to ensure that management has reasonable assurance that (i) operations are effective, efficient and aligned with strategy, (ii) financial reporting and management information is reliable, complete and timely accessible, (iii) the entity is in compliance with applicable laws and regulations as well as its internal policies and ethical values including sustainability and (iv) assets of the company are safeguarded and frauds & errors are prevented or detected.

Southeast Bank Limited has established an effective internal control system whose primary aim is to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. It has designed to develop a high level compliance culture among the personnel of the Bank, establish efficient and qualified operating model in the Bank, ensure reliability of internal and external information including accounting and financial information, secure the Bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

The Board of Directors of Southeast Bank Limited, through its Audit Committee, periodically reviews the effectiveness of Bank's Internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting functions, Board Audit Committee reviews the actions taken on internal control issues identified by the internal and external auditors and regulatory authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Division of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.


ii) Risk management

Banking business faces uncertainties in its operating environment, which, if not managed and mitigated, would not only disrupt the achievement of its strategic and operational objectives, but may also cause extensive financial and reputational loss. Effective risk management enables Banks to take better and informed decisions that substantially improve the probability of achieving their strategic and operational objectives. In this connection, the Bank has come forward to establish a general framework to manage the risk factors considering Bangladesh Bank's guidelines.

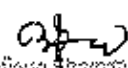
As one of the leading Banks in Bangladesh, Southeast Bank Limited (SEBL) has established approved policies in compliance with central bank's guidelines covering major risk areas such as: (a) Credit (b) Foreign Exchange (c) Asset Liability Management (d) Money Laundering Prevention (e) Internal Control & Compliance (f) Information and Communication Technology.

Risabon
Rashedul Islam, FCA
Chief Financial Officer
Vice President
Financial Control & Accounting
Southeast Bank Limited
Head Office, Dhaka.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

24

M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.




Bigyoni Shafiq
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

For strengthening and updating risk management system, the Bank has developed a manual for core risks assessment in light of the Bangladesh Bank's Risk Management Guidelines. The purpose of this assessment is to inform management about the loopholes of full fledged implementation of core risks management, risk management culture, restructure minimum standard and assist in the ongoing improvement.

Risk Management Reports (RMR) are being prepared on monthly, quarterly and semiannually basis and is reviewed in the monthly risk management meeting to have management opinion on the issues identified in RMR.

iii) Internal audit

Internal audit is the continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned staff(s). Internal auditor works as the Eyes & Ears of the management. It may therefore be used to bridge the gap between management & shop floor. It can assure the management that the internal controls are adequate and in operations, the policies and systems laid down are being adhered to and accounting records provided by all levels are correct.

Internal audit mechanism is used as an important element to ensure good governance of SEBL. Internal audit activity of SEBL is effective and it provides senior management with a number of important services. These include detecting and preventing errors and fraud, testing internal control and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

During the year 2021, Audit & Inspection Unit of ICCD conducted inspection on most of the branches and some of the important divisions of head office of the Bank as per plan and submitted reports presenting the findings of the audits/ inspections to the appropriate authorities. The bank conducted the risk grading of branches as per Bangladesh Bank guideline. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The key points of the Reports have also been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the said Committee for correct functioning of Internal Controls & Compliance of the Bank.

iv) Fraud and forgeries

Fraud can happen anywhere. Though, only relatively few major frauds are picked up by the media, huge sums are lost by all kinds of businesses against huge number of smaller frauds. The risks of fraud is increasing day by day as a result of growing globalization, more competitive markets, rapid developments in technology, periods of economic difficulty, etc. Banks by virtue of the nature of activities undertaken and its operating environment are vulnerable to frauds, which take place when aggressive business strategy and process for quick growth is adopted without adequate/appropriate internal controls or non-adhering of operating standards/ controls. In the recent past, incidence of frauds in the banking industry has increased which calls for concerted steps in investigating the frauds and identifying the fraudsters for eventual criminal prosecution and internal punitive action.

It will never be possible to eliminate all frauds and no system is completely fraud proof, since many fraudsters are able to bypass control systems put in place. SEBL pays attention on anti-fraud internal controls for prevention of fraud and forgery. SEBL assesses/evaluates the effectiveness of its anti-fraud internal control measures on quarterly basis as per the items/areas mentioned in the prescribed checklist of Bangladesh Bank.

2.3 Basis of measurement

The financial statements of the Bank have been prepared on the historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain crediting revaluation reserve
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' and remeasured Government Treasury Bond at present value using amortization concept
- Investment in shares of listed companies
- Zero Coupon Bond are measured at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value following revaluation model as per IAS 16: Property Plant and Equipment.

No adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the bank, as appropriate.

2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk) which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

2.5 Use of estimates and judgments

The preparation of these financial statements in conformity with Bangladesh Bank circulars and IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities,

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Chief Financial Officer
Vice President
Finance Division
Southeast Bank Limited
Head Office, Dhaka.

[Signature]
Md. Gen. Shafiqe, Shahan per Jaid
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

[Signature]
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

[Signature]
M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect in the period ended 30 September 2021 is included in the following notes:

- a) Note 3.3.3 : Rate of provision for loans, advances/investments
- b) Note 3.3.4 : Useful lives of depreciable assets
- c) Note 21.3 : Provision for current tax & deferred tax
- d) Note 24 : Assets revaluation reserve
- e) Note 21.4.1 : Lease liabilities
- f) Note 21.5.1 : Other provision

2.6 Reporting period

These financial statements cover one calendar period from 1 January 2021 to 30 September 2021.

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.8 Statement of changes in equity

The Statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

2.9 Liquidity statements

The consolidated and separate liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as on 30 September, 2021 under the presented format of BRPD Circular # 14 dated 25 June 2003, SEBL has prepared its liquidity statement on following basis:

Sl.	Items	On the basis of
a	Balance with other Banks and financial institutions, money at call and short notice, etc.	Maturity term
b	Investments	Respective maturity
c	Loans and advances	Repayment schedules
d	Fixed assets	Useful lives
e	Other assets	Realizations/ amortizations
f	Borrowing from other banks, financial institutions and agents etc.	Maturities/ repayment terms
g	Deposits and other accounts	Maturity term and past trend of withdrawal by the depositors.
h	Other long term liability	Maturity term
i	Provisions and other liabilities	Payments/ adjustments schedule

Consolidated liquidity statements of the Group and the separate liquidity statements of the Bank have been furnished in Annexure-B and Annexure-B.1 respectively.

3 Significant accounting policies

The accounting policy set out below have applied consistently to all periods presented in these consolidated financial statements of the Group and those of the Bank, and have been applied consistently by the group entities.

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of Southeast Bank Limited and its two subsidiaries Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Ltd made up to the end of the financial period as on 30 September, 2021. The Consolidated Financial Statements have been prepared in accordance with IFRS-10 "Consolidated Financial Statements". Consolidated Financial Statements have been prepared by using uniform accounting policies for like transactions and other events in similar circumstances.

3.1.1 Subsidiaries

Subsidiaries are all entities over which the bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. A parent of a subsidiary should present consolidated financial statements according to IAS 27 "Separate financial statements" and IFRS 10 "Consolidated Financial Statements". The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. The conversion policy of subsidiary companies is given below:

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 A.K.M. Nazmul Haider
 Company Secretary
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 Kamal Hossain
 Managing Director
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Particulars	Price	Southeast Exchange Company (South Africa) Pty Ltd
For Assets & Liabilities	Closing Price	ZAR1 = 6.7200 BDT
For Income & Expenses	Average Price	ZAR1 = 6.1142 BDT

3.1.2 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date; i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3.1.3 Non-controlling interest

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries are the entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.1.4 Transactions eliminated on consolidation

Intra-group balances, and income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on translation of equity investments in respect of which an election has been made to present subsequent changes in fair value in equity.

3.2.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Taka at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into Taka at average exchange rates. As per IAS 21, "Foreign Currency Transactions", foreign currency denominated non-monetary items of OBU's are translated at historical rates, as the OBU's are considered as an integral part of the Bank's operation not a foreign operation due to specific regulations governing the OBU and unique nature.

Foreign currency differences are presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable

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future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and presented in the translation reserve in equity.

3.3 Assets and basis of their valuation

3.3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and on short notice, investments in treasury bills and prize bond.

3.3.2 Investments

All investment securities are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discounts are accreted.

Held to Maturity

Investments which have 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'.

Held for Trading

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management.

Re-measured bond

As per DOS circular letter no. 2 dated 19 January 2012, Treasury bond held in HFT category by the Primary Dealer (PD) may be re-measured at amortized cost instead of fair value.

Revaluation

As per the DOS Circular letter no. 5 dated 26 May 2008, HFT securities are revalued each week using Marking to Market concept and HTM securities are amortised once a year according to Bangladesh Bank guidelines.

Value of investments has been shown as under:

Name of the Investment	Initial recognition	Valuation Method	Recording of changes
Government Treasury Bills and Bonds (HFT)	Cost	Fair value (using marking to market concept)	Loss to profit and loss account, gain to revaluation reserve.
Government Treasury Bills and Bonds (HTM)	Cost	At present value (using amortisation concept)	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Re-measured Government Treasury Bonds	Cost	At present value (using amortisation concept)	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Bangladesh Government Islamic Bond	Cost	At cost	Not applicable.
Prize Bonds	Cost	At cost	Not applicable.
Shares (unquoted) *	Cost	At cost or net book value of the last audited balance sheet whichever is lower	Loss to profit and loss account but no unrealised gain booking.
Shares (quoted) *	Cost	At cost or market value whichever is lower at balance sheet date	Loss (net off gain) to profit and loss account but no unrealised gain booking.
Mutual fund (closed-end) *	Cost	Lower of cost and (higher of market value and 85% of NAV)	Loss (net) to profit and loss account but no unrealised gain booking.

*Provision for shares against unrealised loss (gain net off) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (close end) as per DOS circular letter no. 3 dated 12 March 2016 of Bangladesh Bank.

Details are shown in notes 8 and 9.

3.3.3 Loans and advances/ Investments and provisions for loans and advances/ Investments

- a) Loans and advances of conventional Banking/Investments of Islamic Banking branches are stated in the Balance Sheet on gross value.
- b) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular No. 56 dated 10 December 2020, BRPD circular No. 52 dated 20 October 2020, BRPD circular No. 16 dated 21 July 2020, BRPD circular No. 24 dated 17 November 2019, BRPD circular No. 6 dated 19 May 2019, BRPD circular No. 5 dated 16 May 2019, BRPD circular No. 3 dated 21 April 2019, BRPD circular No. 15 dated 27 September 2017, BRPD circular No. 14 dated 23 September 2012, BRPD circular No. 19 dated 27

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December 2012, BRPD circular No. 05 dated 29 May 2013 and BRPD circular No.1 dated 20 February 2018 a general provision at 0.26% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 20% to 50% and 100% respectively for loans and advances depending on time past due. Again, as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 34 dated 23 September 2012, BRPD circular no. 07, dated 21 June 2016, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/International bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. BRPD circular No.14 dated 23 September 2012 as amended by BRPD circular No. 19 dated 27 December 2012 also provides scope for further provisioning based on qualitative judgments. The rates of provision for different classifications are given below:

Particulars	Rate
General provision on:	
All unclassified loans and advances/investments except followings	1%
Small and medium enterprise financing	0.26%
Housing finance (HF) and loans for professionals (LP) to set up business under consumer financing scheme	1%-2%
Consumer financing	2%-5%
Loan to Brokerage Houses (BHs)/Merchant Banks (MBs)/ Sponsor Directors (SDs) against shares	2%
Special mention account (SMA)	0.26%-5%
Specific provision on:	
Substandard loans and advances/investments	5% -20%
Doubtful loans and advances/investments	20% - 50%
Bad/loss loans and advances/investments	100%
Provisions for Short term Agricultural and Micro-Credits	
All credits except 'Bad/Loss'	1%-5%
[i.e. Doubtful, Substandard, Irregular and regular credit]	
Bad/Loss	100%
c) Loans and advances are written off to the extent that	
i) Loans are normally written off, when there is no realistic prospect of recovery of these amounts and in accordance with BRPD circular No.01 (06 February 2019), BRPD circular No.13 (07 November 2013) and BRPD circular No.2 (13 January 2003), and	
ii) against which legal cases are filed and classified as bad/loss as per guidelines of Bangladesh Bank. These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are maintained and followed up.	
d) Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.	

Details are shown in notes 10 and 11.

3.3.4 Fixed assets and depreciation

Recognition and measurement

Items of fixed assets excluding land are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any. Land is measured at revaluation.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

When parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognised in other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

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Depreciation

Depreciation is recognized in profit or loss on reducing balance method, except motor vehicles which are depreciated on straight line basis, over the estimated useful lives of each part of an item of fixed assets since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas depreciation on disposed off fixed assets is charged up to the month prior to the disposal. Asset category-wise depreciation rates for the current and comparative years are as follows:

Category of assets	Rate of depreciation
Land	Nil
Buildings	4%
Furniture and fixtures	10%
Office appliances	20%
Professional and reference books	30%
Electrical appliances	20%
Computer	20%
ATM Booth	20%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted, if appropriate.

3.3.5 IFRS 16: Lease and its relevant assumptions and disclosures

IFRS 16 Leases, defines a lease as "A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration". In order for such a contract to exist the user of the asset needs to have the right to:

- Obtain substantially all of the economic benefits from the use of asset (Identifiable asset)
- The right to direct the use of asset

As per the new standard, from lessor's perspective, almost all leases being recognized on the balance sheet, the distinction between operating and finance leases is removed. Upon lease commencement a lessor recognizes a right-of-use (ROU) asset and a lease liability. The ROU asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessor. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

The impact of the new standard on lessees' financial statements are:

- An increase in recognized assets and liabilities
- More lease expenses recognized in early periods of lease, and less in the later periods of a lease
- A shift in lease expense classification from rental expenses to interest expense and depreciation.

Lease liabilities

At the commencement date of the lease, the bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments, and re-measuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

International Accounting Standard Board (IASB) has adopted IFRS 16 (replacing IAS 17) globally effective from 01 January 2019 and Bank has adopted IFRS 16 from the same date proposed by IASB. In Bangladesh Institute of Chartered Accountants of Bangladesh (ICAB) adopted IFRS 16 with some effective date. As Bangladesh Bank (BB) has no other alternative regulation or guidance regarding the same, the bank has adopted IFRS 16 from the same date in preparing sole financial statements as described in note no. 3.27.

Summary of IFRS 16:

Short-term leases and leases of low value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low value assets and short term leases, i.e. for which the lease term ends within 12 months of the date of initial application. The Bank recognizes lease payments associated with these leases as an expense.

3.4 Liabilities and basis of their valuation

3.4.1 Borrowings from other banks, financial institutions and agents

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Borrowings from other banks, financial institutions and agents includes refinancing from Bangladesh Bank against agro-based credit, SME Loan etc., interest-bearing borrowings against securities from Bangladesh Bank and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in notes 16 and 17.

3.4.2 Non-Convertible Subordinated Bond

The Bank has issued 7 (Seven) years term subordinated bond during the year 2014 for BDT 3,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy" through Bangladesh Bank approval letter # BRPD (BFIS) 661/148 (P)/ 2014-7629, dated 30 November 2014. The Bank has further issued 7 (Seven) years term 2nd subordinated bond during the year 2016 for BDT 5,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with BASEL III)" vide BRPD Circular No- 18 dated December 21, 2014 through Bangladesh Bank approval letter # BRPD (BFIS) 661/148(P)/2016-6188 dated September 19, 2016 and Bangladesh Securities and Exchange Commission approval letter # BSEC/CI/DS-19/2014/462 dated August 02, 2016. The Bank has further issued 7 (Seven) years term 3rd subordinated bond during the year 2018 for BDT 5,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with BASEL III)" vide BRPD Circular No- 18 dated December 21, 2014 through Bangladesh Bank approval letter # BRPD (BFIS) 661/148(P)/2018-2148 dated March 27, 2018 and Bangladesh Securities and Exchange Commission approval letter # BSEC/CI/DS-19/2014/459 dated March 07, 2018. The Bank has further issued 7 (Seven) years term 4th subordinated bond during the year 2020 for BDT 5,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with BASEL III)" vide BRPD Circular No- 18 dated December 21, 2014 through Bangladesh Bank approval letter # BRPD (BFIS) 661/148(P)/2020-2148 dated February 23, 2020 and Bangladesh Securities and Exchange Commission approval letter # BSEC/CI/DS-19/2020/197 dated September 10, 2020.

3.4.3 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, savings deposit and fixed deposit. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in notes 18 and 19.

3.4.4 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, lease liability etc. Other liabilities are recognized in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance, 1984 and internal policy of the Bank. Details are shown in notes 20 and 21.

3.5 Capital/Shareholders' equity

3.5.1 Authorized capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association.

Details are shown in note 22.1

3.5.2 Paid up capital

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Details are shown in note 22.2.

3.5.3 Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act 1991, until such reserve equals to its paid up capital together with the share premium.

3.5.4 Revaluation reserve

Revaluation reserve arises from the revaluation of land and buildings as well as the revaluation of Treasury bills and bonds (HFT & HTM) in accordance with the DOS circular no. 5 dated 26 May 2008 and DOS(SR) 1153/120/2010 dated 8 December 2010. The tax effects on revaluation gain are measured and recognized in the financial statements as per IAS 12; Income Taxes.

When a fixed asset's carrying amount is increased as a result of revaluation, the increased amount has been credited directly to equity under the head of revaluation reserve as per IAS 16 "Property, Plant and Equipment". The whole amount of revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is retired or disposed of as per the para 41 of IAS 16.
Details are shown in note 24.

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3.6 Contingent liabilities

A contingent liability is -

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

A present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

3.7 Revenue recognition

3.7.1 Interest Income (Conventional Banking)

Interest on loans and advances is calculated on daily product basis and accrued at the end of each month, but charged to customers' accounts on quarterly basis. Interest accrued on loans and advances fall under Sub Standards (SS) and Doubtful (DF) category are credited to interest suspense account instead of income account. Interest is not charged on bad and loss loans as per BRPD circular No. 14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) and guideline of Bangladesh Bank. Such interest is kept in separate memorandum account. Interest on classified loans and advances is accounted for on a cash receipt basis. Interest income from fixed deposit with other banks and call lending to other banks is recognized on accrual basis.

3.7.2 Profit on investment (Islamic Banking)

Markup on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments is transferred to profit suspense account instead of income account.

3.7.3 Investment Income

Income on investments is recognized on accrual basis. Investment income includes discount on treasury bills and interest on treasury bonds. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

3.7.4 Fees and commission income

The Bank earns fees and commissions from diverse range of services provided to its customers. Fees and commission income is recognized on a realization basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of affecting the transactions.

3.8 Interest paid on borrowing and other deposits (Conventional Banking)

Interest paid and other expenses are recognized on accrual basis.

3.9 Profit shared on deposits (Islamic Banking)

Profit shared to mudaraba deposits is recognized on accrual basis as per provisional rate.

3.10 Dividends

Dividend income is recognized when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Dividends are presented in Investment Income.

3.11 Employee benefits

3.11.1 Provident Fund

Provident fund benefits are given to the staff of the Bank in accordance with the registered provident fund rules. The commissioner of Income Tax, National Board of Revenue, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(62) read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The fund is operated by a Board of Trustees consisting of 6 (six) members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount to the fund. Contributions made by the Bank are charged as expense and the bank bears no further liability. Interest earned from the investments is credited to the members' account on half yearly basis. Members are eligible to get both the contribution after 5 (five) years of continuous service from the date of their membership.

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3.11.2 Gratuity Fund

Gratuity fund benefits are given to the staff of the Bank in accordance with the approved gratuity fund rules. National Board of Revenue has approved the gratuity fund as a recognized gratuity fund with effect from December 2001. The fund is operated by a Board of Trustees consisting of 7 (seven) members of the Bank. Employees are entitled to gratuity benefit after completion of minimum 7 (seven) years of service in the Bank. The amount payable at the date of balance sheet is recognized and accounted for as at that date based on actual rate. The gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. The amount so calculated are transferred to the fund and charged to expenses of the Bank.

3.11.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11.4 Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour Act 2006 (amended up to 2013) and SRO no. 336/Law/2010, all companies fall within the scope of WPPF are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. The Bank obtained opinion from its legal advisor regarding this issue. The legal advisor opined that, "Southeast Bank Limited being governed by Banking Companies Act, 1991 is obliged to follow the provisions of Banking Companies Act, 1991, and Banking Companies Act, 1991 being a special law, provisions of this Act shall prevail over Bangladesh Labour Laws, 2006 (amended up to 2013) which is a general law. Thus, we take the view that the Bank is not bound to form a WPPF under Bangladesh Labour Laws, 2006 (amended up to 2013)". Consistent with the industry practice and in accordance with the legal opinion and the Bank Company Act, 1991 (amended up to 2018), no provision has been made for WPPF.

3.12 Provisions and accrued expenses

In compliance with IAS-37, provisions and accrued expenses are recognized in the consolidated and separate financial statements when the Group/Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.13 Provision for Off-Balance Sheet Exposures

In compliance with Bangladesh Bank guidelines off-balance sheet items are disclosed under contingent liabilities. As per BRPD Circular No.16 dated 18 September 2007 and BRPD Circular No. 14 dated 23 September 2012 and BRPD circular no. 7 dated 21 June 2018 and BRPD Circular no. 13 dated 18 October 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/international bank having BB rating grade "1" equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III). Details are shown in note 21.5.1 (C).

3.14 Provision for Nostro Accounts

According to guideline of Foreign Exchange Policy Department of Bangladesh Bank, Circular No. FEOD (FEMO)/01/2006-677 dated 13 September 2006, Bank is not required to make provision regarding the un-reconciled debit balance as at Balance Sheet date since there was no debit entries more than three month.

3.15 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

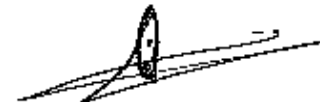
3.15.1 Current tax

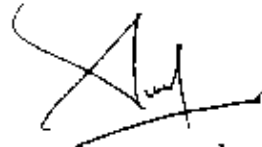
Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates as prescribed in the Income Tax Ordinance (ITO) 1984 and relevant Statutory Regulatory Orders (SRO) and any adjustment to tax payable in respect of previous years. Currently the income tax rate applicable for banks is 37.50%. The estimation of current tax provision involves making judgments regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes.

Details are shown in note 21.3.1.

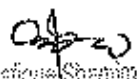
3.15.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.




Brig Gen Shaheer Shamim (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Riswan
Rashedul Islam
Chief Financial Officer
Vice President
Finance Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

- temporary differences on the initial recognition of assets or liabilities (including lease:IFRS-16) in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to unrealized surplus on revaluation of held to maturity (HTM) securities and held for trading (HFT) securities and land and buildings are recognized directly in revaluation reserve as a part of equity and is subsequently recognized in profit and loss account on maturity of the security and disposal of land and buildings. Details are shown in note 21.3.2.

3.15.3 Tax exposures

In determining the amount of current and deferred tax, the Bank takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Bank to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Impairment of non-financial assets

The carrying amounts of the Group's and the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.17 Earnings per share

The Group and the Bank present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group/Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Details are shown in notes 64 and 65.

3.18 Reconciliation of inter-bank/inter-branch account

Books of accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly.

Reconciled entries in case of inter-branch transactions as at the reporting date are not material.

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Chief Financial Officer
Vice President
Financial Control & Accounting
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Head Office, Dhaka.

Shafiq
Brig Gen Shafiq Shamin psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



3.19 Risk management

Effective risk management is an essential element of our operations and strategy. The Bank monitors risk at all levels throughout its operations and has established units to manage various types of risk. Our risk management framework is designed to identify, manage and mitigate the risk of any failure to achieve business objectives.

The risk management of the Bank covers following core risk areas:

- i) Credit Risk
- ii) Foreign Exchange Risk
- iii) Asset Liability Management Risk
- iv) Money Laundering Risk
- v) Internal Control & Compliance Risk
- vi) Information and Communication Technology Risk
- vii) Environmental Risk Management (ERM)

The Bank's risk management policy and process are composed with all the structures, policies, process and strategies in line with the guidelines of central bank and other regulatory authorities. The Bank endeavors to maximize profits through the development of an integrated risk management system.

3.19.1 Credit risk

Credit risk is the possibility that a borrower or counter party will fail to repay the borrowed money as per the agreed terms and conditions. Managing Credit risk of the Bank in an efficient manner has become one of the most crucial tasks for the management. Given the fast changing, dynamic global economy, implementation of Basel-III and the increasing pressure of globalization and liberalization it is essential that banks have robust credit risk management policies and procedures that are sensitive and responsive to these changes.

A thorough assessment & due diligence are done before sanctioning any credit facility at Credit Risk Management Division (CRM) of the Bank. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facilities and various critical risk factors. The assessment process starts at Branch Credit department by the Officer and ends at Credit Risk Management Division (CRM) in Head Office where it is approved / declined by the competent authority. Credit approval authority has been partially delegated to the Individual executives. Proposal beyond their delegation are approved / declined by the Board / Executive Committee (EC) of the Board.

3.19.2 Foreign Exchange Risk

Foreign exchange risk is the exposure of an institution to the potential impact of movements in foreign exchange rates. The risk is that adverse fluctuations in exchange rates may result in a loss in earnings. As per the guidelines of Bangladesh Bank, Southeast Bank Limited has developed a detailed Foreign Exchange Risk Management policy to minimize different types of risks associated with foreign exchange transactions. The Bank has also developed different strategies to handle foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank.

The Foreign Exchange Desk of Treasury Division is involved in foreign exchange dealing activities with different counterparty banks. The Treasury Back Office is engaged in transfer of funds and passing of the transaction entries in the books of accounts; the Mid Office is responsible for verification of the deals. All foreign exchange assets and liabilities are revalued at market rate as per the directive of Bangladesh Bank. All nostro accounts are reconciled on a monthly basis and outstanding entries beyond 30 days are reviewed by the management for its settlement.

3.19.3 Asset Liability Management

Banks are exposed to the several risks such as Liquidity Risk, Interest Rate Risk, Foreign Exchange Risk, Credit Risk and Operational Risk etc. Monitoring and controlling these risks are vital to the survival of a financial institution. Asset-Liability Management is a tool to oversee whether different balance sheet risks are properly identified, appropriate policies and procedures are well established to control and limit these risks.

Asset-Liability Committee (ALCO) reviews country's overall economic position, the Bank's liquidity position, key performance ratios, interest rate risk, deposit and advance growth, cost of deposit & yield on advances, deposit & lending pricing strategy and different forecasted balance sheet risks of the Bank.

3.19.4 Money Laundering Risk

Money laundering is the generic term used to describe the process by which criminals disguise the original ownership and control the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source. If money laundering is done successfully, it allows the criminals to maintain control over their proceeds and ultimately to provide a legitimate cover for their source of income. Drug traffickers, the terrorists, the organized criminals, the insider dealer, the tax evaders as well as many others who intend to avoid the attention from the authorities of their sudden wealth brought from illegal activities take the help of money laundering. By engaging in this type of activity it is hoped to place the proceeds beyond the reach of any asset forfeiture laws.

Risabn
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Vice President
Financial Control & Accounts Division
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Head Office, Dhaka.

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A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

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[Signature]
M Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



[Signature]
Big Gen Shaque, Shamim, psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Southeast Bank Limited (SEBL) has implemented an enterprise-wide AML (Anti-Money Laundering) and CFT (Combating the Financing of Terrorism) compliance program, which covers all the activities of the Bank and is reasonably designed to comply with applicable laws and regulations. It is the policy of SEBL to take all reasonable and appropriate steps to prevent persons engaged in money laundering, fraud, or other financial crime, including the financing of terrorists or terrorist operations, from utilizing SEBL products and services. SEBL makes every effort to remain in full compliance with all applicable AML and CFT laws, rules and standards in the jurisdictions in which it does business.

In order to facilitate compliance with AML and CFT requirements, SEBL has appointed one of its Senior Executives as the CAMLO (Chief Anti-Money Laundering Compliance Officer) and a team of employees with experience on AML and CFT requirements under law to oversee the Bank's AML and CFT program. SEBL has developed and implemented written AML and CFT policies, procedures, internal controls and systems, which include (but not limited to) a customer identification program and procedures; procedures to collect and refresh, as appropriate, customer due diligence information; processes to assess risk; processes and systems to monitor customer transactions and activity; processes and systems to identify and report suspicious activity; and, processes to keep required records. SEBL educates its all employees on AML and CFT requirements and activities and also subjects its AML and CFT program to regular independent testing. SEBL cooperates fully with law enforcement and regulatory investigations and inquiries in identifying the criminals involve in Money Laundering and Terrorist Activities/Financing.

3.19.6 Internal Control & Compliance Risk

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists the bank in achieving its business objectives. It encompasses all controls incorporated into the strategic, governance and management processes, covering the bank's entire range of activities and operations, and not just those directly related to financial operations and reporting. Its scope is not confined to those aspects of a business that could broadly be defined as compliance matters, but extends also to the performance aspects of a business.

SEBL has established a System of Internal Control, which is designed to manage all the risks of failure to a reasonable level, achieve aims and objectives/goals of the Bank and this System provides reasonable assurance of effective & efficient operations covering all controls including financial & operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies, safeguarding of Bank's Assets, prevention & detection of fraud & errors, and accuracy & completeness of the accounting records.

The Board of Directors of SEBL regularly reviews the effectiveness of internal control process through its Audit Committee and the Audit Committee plays an effective role amongst the Board of Directors, Management, Shareholders, Depositors and develops an efficient, powerful and a safe banking system. The committee also performs a very important role for publishing Bank's financial statements, developing an appropriate internal control system and maintains an effective communication with internal and external auditors. It significantly contributes in controlling and monitoring various risks factors that arise from the business activities of the Bank. Board Audit Committee reviews the actions taken on internal control issues identified in the reports prepared by the internal & external auditors and regulatory authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Division of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

3.19.5 Information and communication technology

The Bank has Centralized Core Banking Software (CBS) and providing online banking services to its clients through 135 Branches across the country. The Bank is also offering 24/7 banking services through its different delivery channels, like Internet Banking, ATM and Mobile Financial Service (MFS). Besides, the Bank has introduced Recycler ATM in the brand name of "SEBL Instant Banking Service." Through this service, customers are able to deposit cash on a real time basis other than cash withdrawal facility. SMS and E-Mail Alert services are available for any debit/credit transaction through online and Internet Banking or using Bank's Debit / Credit Card as a deterrent against fraudulent transaction attempts. The Bank has established its Far DC (Data Center) at Jessore as it falls under different seismic zone as part of its business continuity plan (BCP) as well as for compliance of ICT Security Guideline of Bangladesh Bank. Data synchronization in near real time basis has been established through fiber optic cables from main DC to near DC (Disaster Recovery Site at Uttara) and again main DC to far DC at Jessore to ensure availability of data in any catastrophic situation.

The Bank has further reviewed its ICT Security and ICT Risk Management Policies and related internal processes for strengthening security of information assets from internal and external threats. Gradual implementation of the different policies is being carried out. Several sessions were conducted on ICT Security and Risk for the employees of the Bank to build awareness and minimize ICT related risks in banking operation.

3.19.7 Environmental Risk Management (ERM)

Environmental and Social risk is assessed by EBS due diligence (ESDD) checklists. It is a set of questionnaire provided by Bangladesh Bank. The purpose of the EBS due diligence is to review any potential EBS risks associated with the business activities of a potential client ensure that the transaction does not carry EBS risks, which could present a potential liability/risk to the Bank. The ESDD checklists (both generic and sector specific) will auto generate the EBS risk ratings - high, medium and low based on the responses provided to the questions in the checklist.

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 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

[Signature]
 A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

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[Signature]
 M. Kamal Hossain
 Managing Director
 General Insurance
 Head Office, Dhaka



[Signature]
 Big Gov. Shaifuddin Shamin psc (Fate)
 Managing Director & CEO
 Sene Kalyan Insurance Company Ltd.

Potential EES risks may not seem significant or relevant at the time of approval of a financial transaction, but may become so during execution, for instance as a result of higher regulatory standards and increased levels of enforcement. In other cases, EES risks, such as spills or explosions, may seem unlikely to occur, but when they do, the EES impact is potentially extremely high. Therefore, to identify Environment and Social (EES) risks along with appropriate risk mitigation measures, Environment & Social Risks Management must be integrated with the Credit Risk Management of the bank.

3.20 Compliance of International Financial Reporting Standards (IFRSs)

Name of the standards	Ref.	Status
First-time Adoption of International Financial Reporting Standards	IFRS-1	Not applicable
Share-based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Complied
Insurance Contracts	IFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Applied
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	* Applied
Operating Segments	IFRS-8	** Applied
Financial Instruments	IFRS-9	* Applied
Consolidated Financial Statements	IFRS-10	Applied
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in other Entities	IFRS-12	Applied
Fair Value Measurement	IFRS-13	* Applied
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue From Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	* Applied
Presentation of Financial Statements	IAS-1	* Applied
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	* Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not Applicable
Separate Financial Statements	IAS-27	Applied
Investments in Associates	IAS-28	Not Applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not Applicable
Financial Instruments: Presentation	IAS-32	* Applied
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	* Applied
Intangible Assets	IAS-38	* Applied
Financial Instruments: Recognition and Measurement	IAS-39	* Applied
Investment property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable

* Subject to departure described in note 2.1

** Subject to departure described in note 3.24

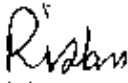
Standards issued but not yet effective

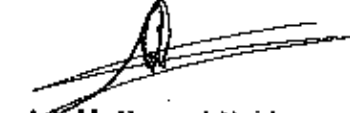
IFRS 17 Insurance Contracts

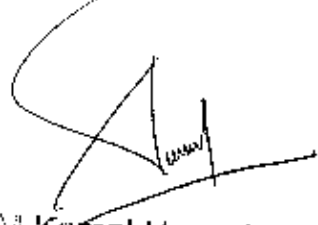
Insurance contracts are effective for annual periods beginning on or after 1 January 2021. Earlier adoption is permitted. This has not been applied in preparing these consolidated and separate financial statements.


3.21 Credit Rating of the Bank

As per the BRPD circular No.6 dated 5 July 2006, the bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the audited financial statements dated 31 December 2020 and unaudited Financial Statements up to 30 June, 2021.


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 Vice President
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 Southeast Bank Limited
 Head Office, Dhaka


 A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka


 Md Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka


 Big Gen Shaheer Shamim s/o (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.

Particulars	Date of Rating	Long term	Short term
Surveillance Rating	04-Aug-21	AA	ST-2
		(Double A (High quality and High Safety))	(High Grade)
Outlook		Stable	

3.22 Correspondence Items

Correspondence Items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Stock of travelers cheques, savings certificates, wage earners bond and others fall under the correspondence items.

3.23 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group and the Bank have a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

3.24 Operating segments

The Group and the Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per IFRS 8.

3.25 Going concern basis of accounting

These financial statements have been prepared on the assessment of the Bank's ability to continue as a going concern. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to exhibit a healthy trend for couple of years. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

3.26 Materiality and aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenditures are presented on a net basis only when permitted by the relevant accounting standards.

3.27 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, the bank applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8.

3.28 Approval of financial statements

The financial statements were approved by the board of directors on October 28, 2021.

3.29 General

Figures of previous year have been rearranged, whenever necessary, to conform the current year's presentation.

Big. Gen. Staffing Services Pvt. (Field)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Rashedul Islam
Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
4 Consolidated cash			
In hand (including foreign currencies):			
Southeast Bank Limited	4.1	4,121,653,507	3,474,365,889
Southeast Exchange Company (South Africa) Pty Ltd		584,097	1,653
		<u>4,122,237,604</u>	<u>3,474,367,542</u>
Balance with Bangladesh Bank and its agent banks (including foreign currencies):			
Southeast Bank Limited	4.1	16,881,372,346	17,956,897,600
		<u>21,003,609,950</u>	<u>21,431,265,142</u>

4.1 Cash

In hand:

Local currency
Foreign currencies

4,054,546,035	3,416,744,106
67,107,472	57,621,784
<u>4,121,653,507</u>	<u>3,474,365,889</u>

Balance with Bangladesh Bank:

Local currency
Foreign currencies

15,648,724,261	14,058,719,811
1,105,869,160	3,368,838,231
<u>16,754,593,421</u>	<u>17,427,558,041</u>

Balance with Sonali Bank Limited (as agent of Bangladesh Bank):

Local currency

126,778,925	529,339,559
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Balance with Bangladesh Bank and its agent banks (including foreign currencies)

16,881,372,346	17,956,897,600
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<u>21,003,025,853</u>	<u>21,431,263,489</u>
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4.2 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Companies Act, 1991 (Amended up to 2019), MPD Circular nos. 4 and 5 dated 1 December 2010 and MPD Circular no. 1 and 2 dated 23 June 2014 and 10 December 2013 respectively and DOS Circular no.1 dated 19 January 2014 and MPD Circular No.1 dated 03 April 2018 and DOS Circular no 26 dated 19 August 2019 and MPD circular No. 03 dated April 09 2020.

The Cash Reserve Ratio on the Bank's demand and time liabilities at the rate of minimum 3.50% on daily basis and 4.00% on bi-weekly basis for conventional and Islamic banking has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio for conventional banking and 5.50% Statutory Liquidity Ratio for Islamic banking on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including excess cash reserve balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

4.2.1 a) Cash Reserve Ratio (CRR) for Conventional Banking

4.00% (2019-5.50%) of average Demand and Time Liabilities:

Required reserve (average daily on bi-weekly basis)
Actual reserve held
Surplus

12,882,564,760	12,843,562,580
12,892,163,981	13,321,885,169
<u>9,599,221</u>	<u>478,322,589</u>

b) Cash Reserve Ratio (CRR) for Islamic Banking

4.00% (2019-5.50) of average Demand and Time Liabilities:

Required reserve (average daily on bi-weekly basis)
Actual reserve held
Surplus

826,999,880	832,915,600
846,294,274	864,936,884
<u>19,294,394</u>	<u>32,021,284</u>

4.2.2 a) Statutory Liquidity Ratio (SLR) for Conventional Banking

Rislan

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Vice President
Financial Control & Accounts Director
Southeast Bank Limited
Head Office, Dhaka


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

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Kamal Hossain
Managing Director
Head Office: 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154, 156, 158, 160, 162, 164, 166, 168, 170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194, 196, 198, 200, 202, 204, 206, 208, 210, 212, 214, 216, 218, 220, 222, 224, 226, 228, 230, 232, 234, 236, 238, 240, 242, 244, 246, 248, 250, 252, 254, 256, 258, 260, 262, 264, 266, 268, 270, 272, 274, 276, 278, 280, 282, 284, 286, 288, 290, 292, 294, 296, 298, 300, 302, 304, 306, 308, 310, 312, 314, 316, 318, 320, 322, 324, 326, 328, 330, 332, 334, 336, 338, 340, 342, 344, 346, 348, 350, 352, 354, 356, 358, 360, 362, 364, 366, 368, 370, 372, 374, 376, 378, 380, 382, 384, 386, 388, 390, 392, 394, 396, 398, 400, 402, 404, 406, 408, 410, 412, 414, 416, 418, 420, 422, 424, 426, 428, 430, 432, 434, 436, 438, 440, 442, 444, 446, 448, 450, 452, 454, 456, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482, 484, 486, 488, 490, 492, 494, 496, 498, 500, 502, 504, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 528, 530, 532, 534, 536, 538, 540, 542, 544, 546, 548, 550, 552, 554, 556, 558, 560, 562, 564, 566, 568, 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 592, 594, 596, 598, 600, 602, 604, 606, 608, 610, 612, 614, 616, 618, 620, 622, 624, 626, 628, 630, 632, 634, 636, 638, 640, 642, 644, 646, 648, 650, 652, 654, 656, 658, 660, 662, 664, 666, 668, 670, 672, 674, 676, 678, 680, 682, 684, 686, 688, 690, 692, 694, 696, 698, 700, 702, 704, 706, 708, 710, 712, 714, 716, 718, 720, 722, 724, 726, 728, 730, 732, 734, 736, 738, 740, 742, 744, 746, 748, 750, 752, 754, 756, 758, 760, 762, 764, 766, 768, 770, 772, 774, 776, 778, 780, 782, 784, 786, 788, 790, 792, 794, 796, 798, 800, 802, 804, 806, 808, 810, 812, 814, 816, 818, 820, 822, 824, 826, 828, 830, 832, 834, 836, 838, 840, 842, 844, 846, 848, 850, 852, 854, 856, 858, 860, 862, 864, 866, 868, 870, 872, 874, 876, 878, 880, 882, 884, 886, 888, 890, 892, 894, 896, 898, 900, 902, 904, 906, 908, 910, 912, 914, 916, 918, 920, 922, 924, 926, 928, 930, 932, 934, 936, 938, 940, 942, 944, 946, 948, 950, 952, 954, 956, 958, 960, 962, 964, 966, 968, 970, 972, 974, 976, 978, 980, 982, 984, 986, 988, 990, 992, 994, 996, 998, 1000



Sena Kalyan Insurance Company Ltd

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Required reserve (13% of average Demand and Time Liabilities)		42,639,411,760	42,484,493,480
Actual reserve held		101,255,774,531	86,020,253,005
Surplus		58,616,362,781	43,535,759,525
Held for Statutory Liquidity Ratio of Conventional Banking:			
Cash in hand		3,946,432,000	3,278,653,065
Balance with agent bank (Sonali Bank Limited) as per statement		126,713,790	528,837,820
Excess cash reserve		-	478,322,589
Government Securities (HFT)		44,777,169,101	31,784,961,354
Government Securities (HTM)		52,088,313,640	49,943,945,187
Other eligible securities/ Prize Bond		317,146,000	5,532,000
		101,255,774,531	86,020,253,005

b) Statutory Liquidity Ratio (SLR) for Islamic Banking

Required reserve (5.50 % of average Demand and Time Liabilities)		1,137,124,835	1,146,258,950
Actual reserve held		1,646,350,727	1,719,715,284
Surplus		509,225,892	574,456,334
Held for Statutory Liquidity Ratio of Islamic Banking:			
Cash in hand		175,227,000	195,712,834
Balance with agent bank (Sonali Bank Limited) as per statement		56,000	61,000
Excess cash reserve		67,627,727	32,021,284
Government Securities (HTM)		1,403,440,000	1,491,920,000
		1,646,350,727	1,719,715,118

5 Consolidated balance with other banks and financial institutions

In Bangladesh:			
Southeast Bank Limited	6	1,766,027,883	2,108,724,666
Southeast Bank Capital Services Limited		107,757,503	474,214,410
		1,873,785,386	2,582,939,076
Less: Inter company balance eliminated		107,757,503	474,214,410
		1,766,027,883	2,108,724,666
Outside Bangladesh:			
Southeast Bank Limited	6	2,435,904,178	2,427,007,183
Southeast Exchange Company (South Africa) Pty Ltd		114,253,831	123,523,194
		2,550,158,009	2,550,530,377
		4,316,186,892	4,659,256,043

6 Balance with other banks and financial institutions

In Bangladesh	6.1	1,766,027,883	2,108,724,666
Outside Bangladesh	6.2	2,435,904,178	2,427,007,183
		4,201,932,061	4,535,731,849

Also refer to note 6.3 for maturity wise grouping

6.1 In Bangladesh

Current account with:

Agrani Bank Limited	580,930	16,076,275
Al Arafah Islami Bank Limited	24,461,426	68,025,912
Bangladesh Krishi Bank	5,700	5,700
BRAC Bank Limited	5,001	5,001
BRAC Bank Limited (El Dorado Network)	795,715	310,818
The City Bank Limited	894,890	77,186,347
EXIM Bank Limited	6,757,673	62,019,267

Rasul

Rasul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.R.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

40

Kamal Hossain
Managing Director
Chartered Accountant in vivo

40
Kamal Hossain, B.Com. (Hons), CA (ICAI), CMA (ICAI), FRCN (ICAI), FRCM (ICAI), FRCM (ICAI), FRCM (ICAI)
Managing Director & CEO
SEBA Kalyan Insurance Company Ltd



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
The Padma Bank Limited		523,509	2,910,485
Islami Bank Bangladesh Limited		5,501	5,501
Jamuna Bank Limited		4,743,355	38,703,502
Jonata Bank Limited		12,470	14,626
Meghna Bank Limited		6,411,597	13,420,553
Mercantile Bank Limited		1,935,817	430,630
Medhumoti Bank Limited		794,701	5,322,683
Mutual Trust Bank Limited		13,536,034	12,043,347
National Bank Limited		33,075	9,011,346
NRB Bank Limited		64,799	1,823,226
One Bank Limited		10,449,827	49,570,551
Pubali Bank Limited		-	3,008,107
Rupali Bank Limited		14,302	-
Shahjalal Islami Bank Limited		550,000	550,000
Sonal Bank Limited		5,308,039	(5,395,879)
South Bangla Agriculture & Commerce Bank Limited		1,269,003	3,568,242
Union Bank Limited		10,514,777	70,986,661
United Commercial Bank Limited		2,500,073	50,160,589
		92,166,213	479,763,491
Short term deposits account with			
AB Bank Limited		-	30,690
The City Bank Limited		53,484	1,148,058
Eastern Bank Limited		-	26,799
EXIM Bank Limited		9,464,139	8,602,114
Standard Chartered Bank		69,333,636	24,145,104
Sonal Bank Limited		30,008,411	30,008,411
		108,859,670	63,961,176
Fixed deposits with financial institutions:			
Bay Leasing and Investment Limited		1,465,000,000	1,465,000,000
Bangladesh Industrial Finance Company Limited		100,000,000	100,000,000
		1,565,000,000	1,565,000,000
		1,766,027,883	2,108,724,666

6.2 Outside Bangladesh

Current account

Interest bearing:

Standard Chartered Bank, New York, USA	
Citibank N.A, New York, USA	
Mashreq Bank PSC, New York, USA	
Wells Fargo Bank, N.A., New York, USA	
JP Morgan Chase Bank N.A., New York, USA	
Habib American Bank, New York, USA	

(152,955,863)	681,848,864
171,352,648	161,133,051
15,215,306	49,426,229
85,516,595	19,627,105
(142,637,299)	26,100,567
654,519,556	230,255,476
631,010,944	1,258,391,281

Non-interest bearing:

Mashreq Bank, Mumbai, India	
Mashreq Bank, Mumbai, India	
Riyad Bank (SAR)	
Standard Chartered Bank, New York (OBU)	
Citibank AG, Frankfurt, Germany	
Standard Chartered Bank, Kolkata, India	
AB Bank Ltd., Mumbai, India	
ICICI Bank Ltd., Mumbai, India	
Standard Chartered Bank, London, UK	
Bank of Sydney Ltd, Sydney	
Banque Saudi Fransi, Riyadh	

16,650,533	106,656,046
1,542,859	1,620,829
2,115,276	2,178,309
258,046,682	11,649,764
410,460,997	38,656,167
106,831,198	116,749,326
110,437,388	165,244,900
96,437,129	150,309,132
24,807,836	8,510,824
7,749,205	7,313,170
18,826,352	9,516,743

Rizwan

Brig Gen Shafiqul Haque (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

M Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
United Bank Limited, Karachi, Pakistan		17,421,058	19,448,121
Standard Chartered Bank, Colombo, Sri Lanka		21,557,568	15,364,064
Bank of Tokyo, Mitsubishi, JPY		87,428,293	96,854,282
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal		58,388,294	58,281,536
Bank of Bhutan, Pheuntshaling, Bhutan		15,949,905	16,708,506
Commerz Bank AG, Frankfurt, Germany EURO		14,787,996	19,244,552
Commerz Bank AG, Frankfurt, Germany USD		89,667,432	103,477,516
Zuercher Kanton Bank, Zurich, Switzerland		4,933,477	9,119,388
HDFC Bank, Mumbai, India		181,813,954	150,838,132
Abu Dhabi Commercial Bank		54,646,155	1,493,346
Mashreq Bank PSC, Dubai, UAE		182,083,483	35,104,049
Habib Metropolitan Bank Ltd., Karachi, Pakistan		12,535,514	14,763,170
AXIS Bank Ltd, Kolkata		9,775,649	9,515,030
		1,604,893,234	1,168,615,902
		2,435,904,178	2,427,007,183

Details of Balance with other banks-Outside Bangladesh shown in Annexure-C.

6.3 Maturity grouping of balance with other banks and financial institutions

On demand	2,528,072,391	2,970,731,849
Not more than three months	108,859,670	1,095,000,000
More than three months but not more than six months	1,465,000,000	370,000,000
More than six months but not more than one year	-	-
More than one year but less than five years	-	-
Above five years	100,000,000	100,000,000
	4,201,932,061	4,535,731,849

7 Money at call and on short notice

In bank:

One Bank Limited	500,000,000	-
Dhaka Bank Limited	500,000,000	-
The ICB Islamic Bank Limited	1,300,000	11,300,000
	1,011,300,000	11,300,000

In non-banking financial institutions (public and private):

Bay Leasing and Investment Limited	750,000,000	620,000,000
Investment Corporation of Bangladesh	-	30,000,000
	750,000,000	650,000,000

In foreign currency:

AB Bank Limited	342,000,000	169,600,800
Al Arafah Islami Bank Limited	256,500,000	-
Commercial Bank of Ceylon PLC	1,368,000,000	-
Eastern Bank Limited	427,500,000	-
Midland Bank Limited	324,900,000	21,200,100
Medhumati Bank Limited	256,500,000	169,600,800
NRB Commercial Bank Ltd	171,000,000	-
Islami Bank Bangladesh Limited	855,000,000	424,002,000
NCC Bank Limited	684,000,000	424,002,000
Shahjalal Islami Bank Limited	-	339,201,600
	4,685,400,000	1,547,607,300
	6,446,700,000	2,208,907,300

8 Consolidated Investments

Government securities:

Southeast Bank Limited	98,586,069,042	83,226,359,543
	98,586,069,042	83,226,359,543

Eng Gen Shaifque, Chairman pro (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd

9

Rizwan

Rasedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

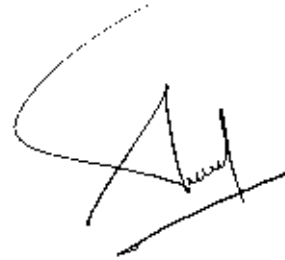
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

M. Kamal Hossain
Managing Director
Southern Bank Limited
Head Office, Dhaka



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Others:			
Southeast Bank Limited	9	10,365,478,150	10,967,893,063
Southeast Bank Capital Services Limited		3,080,393,341	2,889,640,866
		13,445,871,491	13,847,533,919
		112,031,940,533	97,073,893,462
9 Investments			
Government securities:			
Conventional Banking	9.1.1	97,182,629,042	81,734,439,643
Islamic Banking	9.2.1	1,403,110,000	1,491,920,000
		98,586,069,042	83,226,359,643
Others:			
Conventional Banking	9.1.2	9,961,573,832	10,283,132,489
Islamic Banking	9.2.2	403,904,318	674,760,574
		10,365,478,150	10,967,893,063
		108,961,647,192	94,184,262,606

Also refer to notes 9.3 to 9.8 for further analysis, maturity wise grouping, market value information, sector wise investment, etc.



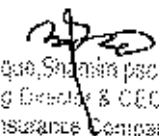
M Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



Rasedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.



A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.




Brig Gen Shafique, Shamin psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



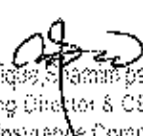
Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
9.1 Conventional Banking			
9.1.1 Government Securities			
Treasury Bills			
91 days Treasury Bills HFT		1,044,696,600	-
182 days Treasury Bills HFT		1,974,184,000	5,052,769,466
364 days Treasury Bills HFT		7,887,175,388	12,590,916,009
		10,906,055,988	17,643,685,464
Add: Reverse repo with other banks (at book Value)		-	-
Less: Repo with other banks (at book Value)		-	1,385,313,200
Less: Assured Repo with Bangladesh Bank/ Others (at book value)		-	-
		10,906,055,988	16,258,372,264
Prize Bonds		6,536,300	5,533,000
Bangladesh Bank Bills		6,536,300	5,533,000
Government Bonds			
2 Years BGTB HTM		-	535,288,396
5 Years BGTB HTM		3,512,807,797	6,335,068,544
10 Years BGTB HTM		23,244,233,629	22,133,379,111
15 Years BGTB HTM		11,847,212,263	9,494,158,959
20 Years BGTB HTM		13,321,876,623	10,661,163,640
Re-measured 10 years BGTB HTM		162,183,330	784,786,539
2 Years BGTB HFT		14,724,321,069	9,464,764,925
5 Years BGTB HFT		10,268,149,110	2,891,498,744
10 Years BGTB HFT		8,862,411,644	3,084,117,996
15 Years BGTB HFT		298,236,751	18,598,023
20 Years BGTB HFT		272,608,316	67,609,403
		86,504,040,529	65,470,534,279
Add: Reverse repo with other banks (on 5 years BGTB HFT at book value)		974,232,600	-
Less: Repo with other banks (on 10 years BGTB HFT at book Value)		1,518,846,375	-
Less: Assured Repo with Bangladesh Bank/ Others (at book value)		-	-
		85,959,426,754	65,470,534,279
Investment in Sukuk Bond			
Investment in Sukuk Bond HTM		-	-
Investment in Sukuk Bond 5 Years HFT		310,610,000	-
		310,610,000	-
		86,270,036,754	65,470,534,279
		97,182,629,042	81,734,439,543
9.1.2 Others			
Shares in listed companies		3,761,762,816	3,622,962,677
Shares in un-listed companies		649,811,016	610,169,912
Bonds		5,650,000,000	6,050,000,000
		9,961,573,832	10,283,132,489
9.2 Islamic banking			
9.2.1 Government securities			
Bangladesh Government Islamic bond		1,403,440,000	1,491,920,000
		1,403,440,000	1,491,920,000
9.2.2 Others			
Shares in listed companies		403,904,318	674,760,674
		403,904,318	674,760,674

Rislan

Rasedul Islam, FCA, FCMA,
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.


Kamal Haasain
Managing Director
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.




Brig Gen Shafiqul Alam (Retd.)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka

9.3 Investments classified as per Bangladesh Bank Circular

Held for trading (HFT)	45,094,315,403	31,790,494,354
Hold to maturity (HTM)	53,491,763,641	61,436,866,189
Other securities	10,365,478,150	10,967,893,063
	108,951,547,192	94,184,252,606

9.4 Maturity-wise grouping of investments

On demand	6,536,300	5,533,000
Not more than three months	13,392,710,892	21,616,967,000
More than three months but not more than one year	22,069,700,000	20,479,923,151
More than one year but not more than five years	32,962,900,000	26,029,200,000
Above five years	40,519,700,000	27,053,629,455
	108,951,547,192	94,184,252,606

9.5 Cost and market value of investments

9.5.1 Government securities

Conventional Banking	Sep 2021		Dec 2020
	Cost price	Market price	Market price
	Taka	Taka	Taka
Treasury Bills	10,906,065,988	10,906,065,988	16,258,372,264
Bangladesh Government Treasury Bond	86,270,036,764	86,270,036,764	66,470,634,279
Prize Bonds	6,536,300	6,536,300	5,533,000
	97,182,629,042	97,182,629,042	81,734,439,543
Islamic Banking			
Bangladesh Government Islamic Bond	1,403,440,000	1,403,440,000	1,491,920,000
	98,586,069,042	98,586,069,042	83,226,359,543

9.5.2 Others (Investment in Shares)

Conventional Banking	Sep 2021		Dec 2020
	Market price/Net book value	Cost price	Cost price
	Taka	Taka	Taka
Shares in listed companies	3,982,837,894	3,761,762,816	3,622,962,577
Shares in un-listed companies	784,109,334	649,811,016	610,169,912
	4,766,947,228	4,411,573,832	4,233,132,489
Islamic Banking			
Shares in listed companies	541,730,034	403,904,318	674,760,574
	5,310,677,262	4,815,478,150	4,907,893,063

Shares in listed companies

Investments have been recorded at cost and adequate provision has been maintained for probable future losses as per Bangladesh Bank guidelines. Market value of shares has been determined on the basis of the value of shares at the last trading day of the year.

Details are shown in Annexure-D.

Riswan

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

45

Kamal Hossain
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Eng Gen Srafiqul Shamim psc (Retd)
Eng Gen Srafiqul Shamim psc (Retd)
Managing Director & CEO
Sens Kalyan Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
9.6 Sector wise Investment of shares			
		Sep 2021	
		Market price	Cost price
		Taka	Taka
Shares in listed companies (A)			Dec 2020
			Cost price
		Taka	Taka
Banks and NBFIs	938,145,409	1,211,263,665	1,223,009,612
Insurance Companies	3,090,224,432	2,668,143,926	2,329,880,239
Fuel and Power Companies	431,330,000	218,041,360	9,622,259
Mutual Fund	8,800,000	10,592,200	250,000,000
Manufacturing & Other	56,068,087	57,625,982	403,161,041
	4,524,567,928	4,165,667,133	4,297,723,151
		Sep 2021	
		Net book value	Cost price
		Taka	Taka
Shares in un-listed companies (B)			Dec 2020
			Cost price
		Taka	Taka
Banks and NBFIs	195,280,886	54,183,820	54,183,820
Others	590,828,448	595,627,196	565,986,092
	786,109,334	649,811,016	610,169,912
Total investment of shares (C=A+B)		4,815,478,150	4,907,893,063

9.7 Market price and cost price of investments in ordinary shares as on 30 Sep 2021

Sl. no.	Name of the Company	Sep 2021		Differences (Provision to be required) Taka
		Market price	Cost price	
		Taka	Taka	
1	Aslo Insurance Limited	374,649,880	149,557,533	225,092,347
2	Bay Leasing and Investment Limited	510,051,578	653,582,763	(143,531,185)
3	EXIM Bank	102,990,034	179,957,249	(76,967,215)
6	National Life Insurance Company Ltd.	1,735,676,742	1,488,955,610	246,621,232
7	Prime Bank Limited	306,313,482	361,894,156	(55,580,674)
8	Fortune shares Limited	7,410,000	5,905,709	1,504,291
10	AB Bank 1st Mutual fund	3,100,000	3,865,400	(765,400)
11	First Bangladesh Fixed Income Fund	5,700,000	6,726,800	(1,026,800)
12	Premier Cement Mills Limited	24,118,087	28,076,349	(3,958,262)
13	Pragati insurance limited	317,327,664	349,857,874	(32,530,210)
14	Pragati Life Insurance Ltd	164,760,146	182,652,449	(17,892,303)
15	Lub-ref Bangladesh Limited	426,620,000	207,600,000	219,020,000
22	Khulna Power Company Ltd.	4,710,000	10,541,360	(5,831,360)
		3,983,327,613	3,629,073,151	354,254,461

Market price and cost price of investments in ordinary shares under BB Special Fund as on 30 Sep 2021

Sl. no.	Name of the Company	Sep 2021		Differences (Provision to be required) Taka
		Market price	Cost price	
		Taka	Taka	
1	National Life Insurance Company Ltd.	497,910,000	497,120,560	789,440
2	Genex Infosys Limited	24,540,000	23,643,924	896,076
3	Investment Corporation of Bangladesh	16,790,315	15,829,498	2,960,817
		541,240,315	536,593,982	4,646,333
		4,524,567,928	4,165,667,133	358,900,794

9.8 Transactions of Repo and Reverse-repo during the period

Minimum outstanding	Maximum outstanding	Daily average outstanding
Taka	Taka	Taka

Sep 2021

Securities sold under repo

Rasul
Rasulul Islam, FCA, FOMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

M. Khatun
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Big Gen. Shafiga Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
i) With Bangladesh Bank			
ii) With other Banks & FIs	249,991,760	4,699,137,600	2,168,448,464
Securities purchased under reverse repo			
i) With Bangladesh Bank			
ii) With other Banks & FIs	997,592,000	1,002,924,690	7,327,900
2020			
Securities sold under repo			
i) With Bangladesh Bank	678,420,400	2,966,824,000	36,230,682
ii) With other Banks & FIs	247,479,500	4,246,048,400	961,690,984
Securities purchased under reverse repo			
i) With Bangladesh Bank			
ii) With other Banks & FIs	190,237,680	3,017,065,960	239,063,617

10 Consolidated loans and advances/Investments

Loans, cash credit, overdrafts etc./Investments:

Southeast Bank Limited	ii	318,474,062,791	305,869,215,652
Southeast Bank Capital Services Limited		2,387,624,409	1,883,803,310
		320,861,687,200	307,752,518,962
Less: Inter company balance eliminated			
		320,861,687,200	307,752,518,962

Bills purchased and discounted:

Southeast Bank Limited	ii	10,572,365,366	14,498,943,318
		10,572,365,366	14,498,943,318
		331,433,952,566	322,251,462,180

11 Loans and advances/investments

Loans, cash credit, overdrafts etc./Investments

	11.1	318,474,062,791	305,869,215,652
Bills purchased and discounted	11.14	10,572,365,366	14,498,943,318
		329,046,428,147	320,368,158,970

11.1 Loans, cash credit, overdrafts etc./Investments

In Bangladesh:

Conventional Banking

Demand loan	7,887,020,621	10,097,766,461
Time loan	22,447,161,931	22,443,049,768
Term loan	137,061,241,047	134,796,492,639
Term loan-SREUP (BB Prefinance)	400,983,374	386,116,793
Agricultural credit-Term	1,768,081,898	1,258,672,742
Agricultural credit-Time	2,698,376,401	2,043,619,990
Agricultural credit-OD	242,797,268	212,798,430
Consumer credit scheme	659,186	659,186
Car loan	119,294,791	117,512,495
Personal loan	266,344,161	376,489,923
Home loan	2,347,057,552	2,089,468,741
Rural Home Loan	158,196,918	163,264,484
Loan against - LTFE	408,799,206	368,051,596
Loan against GTF	1,143,280,231	69,471,612
Cash credit and overdrafts	51,677,556,733	62,636,196,200
Bills Against Letter of Credit (BLC)	195,704,500	75,523,011
Loan re-finance housing sector	9,991,707	12,371,131
Loan against Trust Receipt (LTR)	7,767,661,144	10,033,953,523
Advances-parking credit (PC)	1,471,862,044	1,826,804,451
Loan against foreign bills	182,791,019	7,495,711
House building loan-staff	273,970,463	333,686,011

Risban

Rasedul Islam, FCA, FOMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.R.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

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A.K. Kamal Hossain
Managing Director
Member of Board, Director
Head Office, Dhaka

Brig Gen Shahidul Shamin psc (Retd)
Managing Director & CEO
Sena Kayan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Term Loan-Express Cash		68,573,432	4,575,366
Export Development Fund (EDF)		36,967,966,713	29,253,347,054
Loan against cash Incentive		110,993,950	116,853,027
Loan-credit card		2,348,205,604	2,237,169,632
Staff Loan - Car		270,174,469	293,249,641
Staff Loan against salary		17,551,228	-
Usance Payable at Sight (UPAS)		11,495,691,618	3,753,240,723
Loans and Advances against COVID-19 BB Stimulus package:			
Term loan from NGO Refinance		1,258,337,749	2,072,129,569
Term loan Agricultural		60,097,076	57,571,427
Overdraft -WCSP Other than CMSME (BRPD-8)		627,475,777	1,452,289,136
Overdraft CMSME (SMESPD-2)		3,879,442,992	3,762,183,076
RMG Salary refinance		4,272,390,537	5,127,208,360
Packing Credit: BB REFIN. (BRPD-9)		461,840,378	417,704,774
		299,336,468,417	287,775,265,564
Islamic Banking			
Demand Investment		328,432,405	336,092,550
Bai-Muajjal (Time) investment		420,767,696	344,922,440
Bai-Muajjal Time under CCS		46,560,059	70,635,449
Bai-Murabaha-BLC		9,540,168	6,299,491
Bai-Murabaha-LTR		1,022,608,558	868,783,132
Bai-Salam (advances-packing credit)		36,223,059	70,293,069
Staff house building investment		8,467,818	9,672,346
Staff investment - Car		9,552,811	12,951,127
Staff investment against salary		1,454,578	-
Export Development Fund (EDF)		766,000,309	760,722,200
Term investment-Express Cash		120,247	-
Bai-Muajjal-Investment		3,115,732,836	3,109,336,413
Murabaha-investment		97,011,516	136,935,362
Portfolio Investment Account		29,868,625	-
Hire purchase-investment		13,095,748,213	12,164,459,343
Investment against COVID-19 BB Stimulus package:			
Bai- Muajjal Term loan from NGO Refinance (COVID 19)		146,647,870	200,618,889
Bai-Muajjal Term loan Agricultural (COVID 19)		860,607	2,228,178
		19,137,594,375	18,093,949,988
		318,474,062,791	305,869,215,552
Outside Bangladesh			
		318,474,062,791	305,869,215,552
11.2 Performing loans and advances/investments			
Gross loans and advances/investments		329,046,428,147	320,368,158,870
Non-performing loans and advances/investments		(16,036,862,570)	(9,939,755,293)
		314,009,565,577	310,428,403,577
11.3 Maturity-wise grouping of loans and advances/investments			
On demand		11,960,126,338	42,961,370,104
Less than three months		67,774,043,584	57,083,663,137
More than three months but less than one year		121,917,893,220	93,582,681,979
More than one year but less than five years		94,424,171,650	83,298,521,306
More than five years		32,970,194,455	43,441,922,343
		329,046,428,147	320,368,158,870

Risalam

Rasedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

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Kamal Hossain
Managing Director
Credit and Cash Division
Head Office, Dhaka.



Brig Gen Shahidul Alam (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
11.4 Concentration of loans and advances/investments			
Advances to allied concerns of directors		101,653,971	148,827,204
Advances to chief executive and other senior executives			
Advances to customers' group:			
Advances to large and medium industries		235,969,784,199	228,351,312,127
Advances to small and cottage industries		13,426,423,453	14,094,004,625
Commercial Loans		38,800,798,114	39,517,386,857
Consumer Credit		5,391,590,775	5,071,136,407
Off-shore Banking Loans		22,059,141,559	19,478,341,589
Other loans and advances		13,298,036,076	13,707,150,061
		329,046,428,147	320,368,158,870

Details of large loan/investments

As at 30 September 2021 there were 37 (2020:37) clients with whom amount of outstanding loans and advances exceeded 10% of the total capital of the Bank. Total capital of the Bank was Tk 41,841.29 million as at 30 September 2021 (Tk. 40,236.71 million as at 31 December 2020).

The Bank complies with the requirements of the section 26 (b) of the Bank Companies Act 1991 as amended in 2018 in connection with the general limitations of credit line.

Details are shown in **Annexure-D**.

11.5 Sector-wise allocation of loans and advances

	Sep 2021		Dec 2021	
	% of total loan	Taka	% of total loan	Taka
Agriculture	1.37%	4,519,166,352	1.20%	3,843,409,443
Industrial (Manufacturing)	48.88%	160,826,949,234	50.50%	161,770,004,160
Industrial (Services)	14.31%	47,080,733,356	14.38%	46,073,077,916
Export Financing	12.61%	41,185,525,062	10.80%	34,602,234,676
Commercial Loans	11.79%	38,800,798,114	12.33%	39,517,386,857
Consumer Credit	1.64%	5,391,590,775	1.58%	5,071,136,407
Others:				
a) Off-shore Banking Loans	6.70%	22,059,141,559	6.08%	19,478,341,589
b) Finance to NBFIs	0.31%	1,021,927,554	0.35%	1,113,249,140
c) Loans to Capital Market	0.46%	1,515,771,049	0.58%	1,863,905,128
d) Miscellaneous	1.93%	6,312,825,092	2.20%	7,035,413,554
	100.00%	329,046,428,147	100.00%	320,368,158,870

11.6 Industry-wise loans and advances (Industrial Loan)

Ready Made Garment Industries Loan (RMG)	78,894,032,397	72,696,885,226
Real Estate industries	23,113,662,938	21,606,831,526
Textile industries	21,465,602,766	19,660,231,806
Agra-Based Industries	15,513,464,096	15,493,461,576
Cement & Ceramics industries	6,269,168,796	7,663,691,539
Ship Breaking & Ship Building industries	5,299,309,087	5,174,196,826
Pharmaceutical industries	1,514,698,642	1,721,848,237
Other Industries	97,325,278,930	98,428,171,018
	249,395,207,652	242,445,316,752

11.7 Category-wise Small Medium Enterprise loans and advances (SME)

Service sector	18,398,968,359	19,536,064,638
Trading sector	27,852,999,967	27,410,027,421

Rislan

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

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Md. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Dr. Gen. Shafiqul Shamim (Retd.)
Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Industrial sector		42,716,836,823	51,521,117,384
		88,968,805,149	98,467,209,444

11.8 Geographical location-wise allocations of loans and advances

	Sep 2021		Dec 2020	
	% of total loan	Taka	% of total loan	Taka
Urban:				
Dhaka region	78.26%	267,603,201,013	76.96%	246,549,343,968
Chittagong region	13.06%	42,969,384,829	13.96%	44,717,036,885
Rajshahi region	1.64%	5,400,338,517	1.68%	5,373,025,866
Sylhet region	1.00%	3,291,402,740	1.04%	3,316,484,036
Khulna region	0.33%	1,089,401,386	0.50%	1,612,061,435
Rangpur region	0.39%	1,270,818,165	0.42%	1,356,283,882
Barisal region	0.07%	244,643,364	0.08%	260,537,093
Mymensingh region	0.14%	470,000,046	0.15%	492,138,511
	94.89%	312,239,190,060	94.79%	303,676,910,677
Rural:				
Dhaka region	3.36%	11,051,656,703	3.37%	10,809,670,326
Chittagong region	1.37%	4,509,169,230	1.43%	4,594,710,299
Rajshahi region	0.01%	44,373,174	0.01%	48,036,658
Sylhet region	0.16%	520,273,701	0.17%	533,208,038
Khulna region	0.21%	681,765,279	0.22%	705,622,872
	5.11%	16,807,238,087	5.21%	16,691,248,193
	100.00%	329,046,428,147	100.00%	320,368,168,870

11.9 Classification of loans and advances

	Sep 2021		Dec 2020	
	% of total loan	Taka	% of total loan	Taka
Unclassified:				
Standard including staff loan	92.83%	305,454,592,917	94.07%	301,368,798,084
Special Mention Account (SMA)	2.60%	8,554,972,640	2.83%	9,059,605,493
	95.43%	314,009,565,557	96.90%	310,428,403,577
Classified:				
Sub-standard	0.29%	952,152,253	0.10%	323,191,147
Doubtful	0.18%	603,992,739	0.11%	355,836,893
Bad/loss	4.10%	13,480,717,579	2.89%	9,260,728,254
	4.57%	15,036,862,570	3.10%	9,939,755,293
	100.00%	329,046,428,147	100.00%	320,368,168,870

11.10 Particulars of loans and advances

	Sep 2021	Dec 2020
	Taka	Taka
i) Debts considered good in respect of which the bank is fully secured;	247,700,897,531	266,641,789,276
ii) Debts considered good for which the bank holds no other security than the debtors' personal security;	12,830,627,026	18,194,426,708
iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors;	68,514,903,591	36,908,770,557
iv) Debts adversely classified; provision not maintained		
v) Debts due by directors or officers of the bank or any of them either severally or jointly with any other persons;	553,934,298	648,756,013

Rislan
Rashedul Islam, FCA, FCMA
Chief Financial Officer
(in-charge)
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

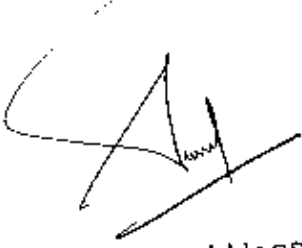
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

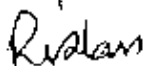
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Komal Hossain
Managing Director
General Manager
General Manager

Gen. Shafiqe Shamim psc (Retd)
Managing Director & CEO
Senz Kalyan Insurance Company Ltd.

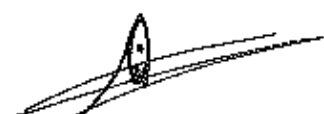


Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
vi) Debts due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or, in case of private companies, as members;		-	-
vii) Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons;		553,934,298	648,756,013
viii) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies, as members;		-	-
ix) Due from banking companies;		-	-
x) Classified loans/investments for which interest has not been charged:			
(a) Increase/(decrease) of provision (specific)		1,266,971,400	1,983,146,600
Amount of debts written off		-	2,504,385,038
Amount realised against the debts previously written off		339,276,512	472,250,468
(b) Provision against the debt classified as bad/loss at the date of balance sheet		6,505,345,419	4,689,667,262
(c) Amount of interest charged in suspense account		13,363,967,419	10,741,105,029
xi) Loans written off:			2,960,354,546
- Current year			
Cumulative to-date		13,420,758,231	13,420,758,231
Less: Amount realised against the debts previously written off		(339,276,512)	(472,250,468)
Less: Amount interest waiver during the year		(31,137,000)	(229,879,371)
Balance as at 30 September 2021		13,050,344,719	12,718,629,392
- The amount of written off loans for which lawsuit filed		13,050,344,719	12,718,629,392



Kamal Hossain
 Managing Director
 General Manager in Charge
 Head Office, Dhaka



Rashedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.


A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

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 Brig Gen Shafiqul Islam (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd



11.11 Particulars of required provision for loans and advances/investments

Status	Sep 2021			Dec 2020	
	Outstanding as at 30 Sep 2021	Base for provision	% of required provision	Required provision	Required provision
	Taka	Taka		Taka	Taka

For loans and advances/ investments:

Unclassified general provision

All unclassified loans

(other than small enterprises, housing finance, Loan to MBs loans for professional, consumer financing and special mention account)

	220,319,818,571	220,319,818,571	1%	2,203,198,188	2,021,080,225
Small and medium enterprise financing	74,511,516,144	74,511,516,144	0.25%	186,278,793	220,602,403
Loan to BHs/MBs/SDs against shares	1,515,771,049	1,515,771,049	2%	30,316,421	37,278,103
Housing and loan for professional	2,589,868,135	2,589,868,135	1%-2%	26,331,626	24,411,382
Consumer finance	2,736,765,535	2,736,765,535	2%-5%	54,735,316	51,612,636
Agriculture finance	3,227,269,237	3,227,269,237	1%-5%	32,272,692	33,980,831
Staff loan	553,584,247	553,584,247	1%	5,535,842	6,485,033
Special Mention Account (SMA)	8,554,972,660	8,554,373,261	0.25%-5%	84,666,428	86,273,639
				2,625,334,205	2,481,624,252

Classified specific provision:

Sub-standard	952,152,253	406,439,010	5%-20%	56,520,178	8,412,855
Doubtful	683,992,739	210,117,730	5%-50%	46,379,395	24,115,222
Bad/loss	13,480,717,579	6,505,345,419	100%	6,505,345,419	4,689,657,262
	329,046,428,147	321,130,868,337		6,607,244,993	4,722,195,339

Required provision for loans and advances (A)

9,232,579,199

7,203,819,591

Total provision maintained (B)

24,924,645,000

23,862,771,455

Excess provision as at 31 December (C=B-A)

15,692,065,801

15,658,951,864

Rashedul Islam

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Brig Gen Shafiqul Shamin (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
11.12 Listing of assets pledged as security/collaterals			
<i>Nature of the secured assets</i>			
Shares & Securities		1,416,402,719	1,356,423,781
Merchandise		606,304,757	3,796,029,023
Machinery with other fixed asset and financial obligation		1,272,168,438	5,747,670,965
Real estate with financial obligation		272,291,998,829	262,256,290,181
Financial obligation only		9,968,425,675	10,263,863,322
<i>(Insurance policies, savings certificates, bank deposit etc)</i>			
<i>Miscellaneous-</i>			
i) Crops/stock of crops hypothecation		332,220,461	154,619,808
ii) Guarantee of individuals/Institutions		22,487,639,972	23,764,917,006
ii) Others		20,782,367,298	13,036,354,784
		329,046,428,147	320,368,158,870

11.13 Bills purchased and discounted

Conventional Banking

In Bangladesh

Outside Bangladesh

3,697,682,109	3,319,661,045
6,718,261,268	10,864,431,380
10,316,963,377	14,184,092,425

Islamic Banking

In Bangladesh

Outside Bangladesh

252,242,018	297,970,077
4,159,960	16,880,817
256,401,978	314,850,894
10,572,365,356	14,498,943,319

11.14 Maturity grouping of bills discounted and purchased

Within one month

More than one month but less than three months

More than three months but less than six months

More than six months

3,681,917,383	32,040,043,318
5,197,374,809	2,466,100,000
1,793,073,164	2,800,000
-	-
10,572,365,356	14,498,943,318

11.15 Information about restructured loan as per Bangladesh Bank's BRPD Circular no. 4 dated 29 January 2015.

Loans amounting to Tk. 3,103.80 million (outstanding Tk.2,650.10 million as on 30 September 2021) of Keya Group, Gulshan Branch, Dhaka have been restructured by extension of validity of Term Loan for 12-years & conversion of demand loan into 06-years Term Loan including one year moratorium under the purview of BRPD Circular # 04 dated 29 January 2015. The status of the loans is unclassified and reported as SMA as per Bangladesh Bank's guidelines. Accordingly, 2% provision has been made.

12 Consolidated fixed assets including premises, furniture and fixtures

Cost:

Southeast Bank Limited
Southeast Bank Capital Services Limited
Southeast Financial Services (UK) Ltd
Southeast Exchange Company (South Africa) Pty Ltd

13	12,680,801,160	12,120,614,334
	826,449,460	817,942,354
	-	-
	16,215,681	16,416,683
	13,423,466,291	12,964,973,271

Less: Accumulated depreciation

Southeast Bank Limited
Southeast Bank Capital Services Limited
Southeast Financial Services (UK) Ltd
Southeast Exchange Company (South Africa) Pty Ltd

13	3,226,239,360	2,937,941,407
	311,213,803	293,688,465
	-	-
	9,663,964	8,372,192
	3,547,007,126	3,240,002,064
	9,876,459,166	9,714,971,217

Written down value at the end of the year

There were no capitalized borrowing cost related to the acquisition of fixed assets during the year (2020: nil).

Details of consolidated amounts have not been provided as such amounts are insignificantly different from those of the Banks.

Risban
Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

53

Kamal Hossain
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Big Gen Shaha, Shaheen, BSC (Rtd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
13 Fixed assets including premises, furniture and fixtures			
Cost:			
Land		5,697,676,007	5,797,426,007
Buildings		1,930,010,837	1,989,886,963
Furniture and fixtures		1,438,174,080	1,381,364,685
Office appliances		15,543,169	15,674,809
Computer		694,373,962	533,119,148
Electrical appliances		1,615,266,321	1,561,868,349
ATM Booth		1,093,935,348	665,452,937
Motor vehicles		175,821,436	175,821,436
		12,580,801,160	12,120,614,334
Less: Accumulated depreciation			
Buildings		647,044,922	643,572,118
Furniture and fixtures		721,639,897	675,761,738
Office appliances		12,400,450	11,854,565
Computer		271,935,712	216,695,538
Electrical appliances		1,116,594,195	1,045,404,854
ATM Booth		321,295,741	225,499,889
Motor vehicles		135,328,441	121,152,704
		3,226,239,360	2,937,941,407
		9,354,561,800	9,182,672,927
Written down value at the end of the year			
Details are shown in Annexure-E .			
14 Consolidated other assets			
Southeast Bank Limited	15	12,354,467,220	13,171,388,606
Southeast Bank Capital Services Limited		204,196,697	316,564,237
Southeast Financial Services (UK) Ltd		-	-
Southeast Exchange Company (South Africa) Pty Ltd		5,181,073	1,947,689
		12,563,844,990	13,489,900,532
Less:			
Investment in subsidiary:			
in Bangladesh		5,489,930,000	5,489,930,000
Outside Bangladesh		44,211,055	44,211,055
		5,534,141,055	5,534,141,055
Intercompany balance		2,295,629	2,105,223
		7,027,408,306	7,953,654,253

Risban

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Director
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Kamal Hossain

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

Big. Gen. Shafiqul Shamim psc (FMA)
Big. Gen. Shafiqul Shamim psc (FMA)
Managing Director & CEO
Sana Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
15 Other assets		12,354,467,220	13,171,388,606
15.1 Classification of other assets			
i) Investment in shares of subsidiary companies:			
- In Bangladesh	15.3	5,489,930,000	5,489,930,000
- Outside Bangladesh	15.4	44,211,055	44,211,055
ii) Stationery, stamps, printing materials, etc.		43,735,916	38,500,279
iii) Advance rent and advertisement		48,294,403	58,643,430
iv) Interest accrued on Investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables		3,431,648,655	4,565,919,217
v) Security deposits		5,508,494	5,004,494
vi) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses		1,190,008,990	814,629,677
vii) Suspense account		237,198,141	28,346,846
viii) Right to use (ROU) assets		854,344,200	979,340,394
ix) Others		1,009,587,366	1,146,863,212
		12,354,467,220	13,171,388,606
15.2 Non-income generating other assets			
i) Stationery, stamps, printing materials, etc.		43,735,916	38,500,279
ii) Advance rent and advertisement		48,294,403	58,643,430
iii) Suspense account		237,198,141	28,346,846
iv) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses		1,190,008,990	814,629,677
		1,519,237,449	940,120,232
15.3 Investment in shares of subsidiary company in Bangladesh			
Cost		5,489,930,000	5,489,930,000
Provision for Impairment loss		-	-
		5,489,930,000	5,489,930,000
15.4 Investment in shares of subsidiary companies outside Bangladesh			
Cost		44,211,055	44,211,055
Provision for Impairment loss		-	-
		44,211,055	44,211,055
15.5 Lease/ Right to use (ROU) assets			
Balance as at 1 January		979,340,394	207,595,017
Addition during the year		103,874,682	1,055,747,540
Interest charge during the year		-	-
		1,083,215,076	1,263,342,557
Adjustment/Accumulated Depreciation during the year		228,870,876	284,002,163
Balance as at 31 December		854,344,200	979,340,394
15.6 Particulars of required provision for other assets			
Base for provision	Rate (%)	Taka	
Sep 2020			
Legal expenses for defaulting borrowings	16,349,424	50%	8,174,712
Legal expenses for defaulting borrowings	123,661,798	100%	123,661,798
Others	5,762,162	50%	2,881,081
Others	271,209,342	100%	271,209,342
Protested bills	10,866,587	100%	10,866,587
Required provision on other assets			416,793,520
Total provision maintained			430,096,914
Excess provision			13,303,394
Base for provision	Rate (%)	Taka	

Risam
 Rasoul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

AKM
 Nazmul Haider
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.

Shafiq
 Brig Gen Shafiq Shamsi (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Dec 2020			
Legal expenses for defaulting borrowings	10,186,097	50%	5,093,048
Legal expenses for defaulting borrowings	126,815,106	100%	126,815,106
Others	-	50%	-
Others	143,957,797	100%	143,957,797
Protected bills	10,866,587	100%	10,866,587
Required provision on other assets			286,792,638
Total provision maintained			286,796,914
Excess provision			2,064,376

16 Consolidated borrowings from other banks, financial institutions and agents

Subordinated bond:			
Southeast Bank Limited	17	12,600,000,000	13,600,000,000
		12,600,000,000	13,600,000,000
Other borrowings:			
Southeast Bank Limited	17	29,133,025,018	18,897,676,319
Southeast Bank Capital Services Limited		-	-
		29,133,025,018	18,897,676,319
Less: Inter company balance eliminated		-	-
		29,133,025,018	18,897,676,319
		41,733,025,018	32,497,676,319

17 Borrowings from other banks, financial institutions and agents

Subordinated Bond	17.2.ii	12,600,000,000	13,600,000,000
Other borrowings	17.2.i + 17.3	29,133,025,018	18,897,676,319
		41,733,025,018	32,497,676,319

17.1 Borrowing from other banks, financial institutions and agents

In Bangladesh	17.2	28,454,875,018	21,465,144,279
Outside Bangladesh	17.3	13,278,150,000	11,032,532,040
		41,733,025,018	32,497,676,319

17.2 in Bangladesh

i. Secured:

Refinance against agro-based credit from Bangladesh Bank	38,149	18,456
Refinance for housing sector from Bangladesh Bank	276,688,402	185,569,746
Refinance against SME loan from Bangladesh Bank	255,533,545	147,776,659
Refinance against Solar energy, Bio Gas & ETP Scheme from Bangladesh Bank	-	555,556
Refinance against RPGCI	22,387	2,000,000
BD Pre-Finance Under Sreup	382,736,500	382,736,500
Borrowing from Pubali Bank Limited	-	-
Borrowing at call	2,100,000,000	-
Bangladesh Bank Islamic Bond	-	-
BB Refinance against COVID-19 Stimulus packages:		
COVID-19 Salary RMG	2,129,710,374	2,715,047,000
COVID-19 Refinance: both than crmsms (BRPD-10)	4,364,998,249	3,362,801,095
COVID-19 Refinance: Lending to NDO (FID-01)	2,318,288,000	-
COVID-19 Refinance: packing credit (BRPD-09)	1,472,769,296	664,192,765
COVID-19 Refinance: crmsms (SMESPD-02)	2,486,646,116	401,685,116
COVID-19 Refinance: agriculture (ACD-01)	67,245,000	2,740,000
	15,854,875,018	7,865,144,279

ii. Unsecured:

Subordinated Bond			
Rupali Bank Limited		1,950,000,000	2,100,000,000
Sonali Bank Limited		1,350,000,000	1,500,000,000
Agrani Bank Limited		2,820,000,000	3,120,000,000
Pubali Bank Limited		780,000,000	810,000,000

(Signature)
Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

(Signature)
Rashedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

(Signature)
A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

(Signature)
Brig Gen Shaifur Rahman (Retd)
 Managing Director & CEO
 Sena Kayan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Take	Take
Mercantile Bank Limited		800,000,000	800,000,000
Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd.		40,000,000	40,000,000
Sadharan Bima Corporation		140,000,000	160,000,000
Utara Bank Limited		120,000,000	120,000,000
Dhaka Bank Limited		450,000,000	450,000,000
National Life Insurance Limited		1,350,000,000	1,450,000,000
Janata Bank Limited		1,300,000,000	1,300,000,000
Delta Life Insurance Co. Limited		200,000,000	250,000,000
Eastern Bank Limited		1,000,000,000	1,000,000,000
Square Pharmaceuticals Limited		500,000,000	500,000,000
		12,600,000,000	13,600,000,000
Total (iii)=(i+ii)		28,454,875,018	21,466,144,279

17.3 Outside Bangladesh

Secured

Borrowing from Commercial Bank of Qatar (CBQ)	855,000,000	254,401,200
Borrowing from RAK BANK, UAE	855,000,000	958,244,520
Borrowing from Bank Muscat, Oman	1,111,500,000	-
Borrowing FM SCB SINGAPORE	2,094,750,000	2,968,014,000
Borrowing FM EIB, UAE	1,201,275,000	1,475,526,960
Borrowing from ADCB, UAE	-	508,602,400
Borrowing from FGB, UAE	2,308,500,000	466,402,200
Borrowing FM NMB Bank, Nepal	-	-
Borrowing from calxa Bank, s.a., spain	513,000,000	678,403,200
Borrowing from FM Habib Bank AG	-	373,121,760
Borrowing fm axia bank ltd.	855,000,000	-
Borrowing from HDFC BANK, Hong Kong	1,282,500,000	424,002,000
	11,075,525,000	8,106,918,240

Unsecured

Borrowing from Global Climate Partnership Fund S.A.	1,645,875,000	1,696,008,000
Borrowing from ADB	555,750,000	1,229,605,800
	2,201,625,000	2,925,613,800
	13,278,150,000	11,032,532,040

17.4 Maturity grouping of borrowings

Repayable on demand	210,000,000	-
Repayable within one month	3,100,646,376	-
Over one month but within six months	10,642,175,807	5,650,967,418
Over six months but within one year	11,262,863,711	24,846,708,901
Over one year	16,517,339,125	2,000,000,000
	41,733,025,019	32,497,676,319

18 Consolidated deposits and other accounts

Current/AI-wadeeah current accounts and other accounts

Southeast Bank Limited	74,641,350,490	66,764,634,952
Southeast Bank Capital Services Limited	135,234,186	110,251,276
	74,676,584,676	66,874,796,228
Less: inter company balance eliminated	47,757,503	24,214,410
	74,628,827,173	66,850,581,819

Bills payable

Southeast Bank Limited	3,649,591,896	3,940,333,929
Southeast Bank Capital Services Limited	-	-
	3,649,591,896	3,940,333,929

Savings bank/Mudaraba savings bank deposits

Southeast Bank Limited	43,027,358,393	38,060,936,493
Southeast Bank Capital Services Limited	-	-
	43,027,358,393	38,060,936,493

Fixed deposits/Mudaraba fixed deposits

Southeast Bank Limited	248,390,704,637	251,134,079,440
Southeast Bank Capital Services Limited	-	-
	248,390,704,637	251,134,079,440
Less: Inter company balance eliminated	60,000,000	450,000,000

Kamal Masain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

Rislan

Rasedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Big Gen Shafiqe, *Samin peo (Rata)*
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
		<u>248,330,704,637</u>	<u>250,684,079,440</u>
		<u>369,636,462,099</u>	<u>359,535,931,681</u>

19 Deposits and other accounts

Current/Al-wadeeah current accounts and other accounts

Current/Al-wadeeah current deposits
Foreign currency deposits
Sundry deposits

19.1

16,357,101,480	14,631,329,902
2,489,397,606	2,658,297,921
55,694,861,404	49,475,107,129
74,541,350,490	66,764,634,952

Bills payable

Payment order issued
Demand draft

3,646,644,983	3,936,386,516
3,947,413	3,947,413
3,649,591,896	3,940,333,929

Savings bank/Mudaraba savings bank deposits

43,027,358,393	38,060,936,493
-----------------------	-----------------------

Fixed deposits/Mudaraba fixed deposits

Fixed deposits/Mudaraba fixed deposits
Special notice/Mudaraba special notice deposits
Schema deposits
Interest payable on FDR/Schema

180,026,770,426	185,307,272,285
46,348,550,438	42,280,767,873
19,508,727,291	20,162,300,947
3,506,656,483	3,383,748,334
248,390,704,637	251,134,079,440

369,609,005,416	359,899,884,814
------------------------	------------------------

19.1 Sundry deposits

Margin under letter of credit
Margin against IBP
Margin against FBP
Margin under letter of guarantee
Margin under export proceeds
Margin against time loan to issue pay order
Deposit held against FDBP/IDBP, export bills etc.
FC held against EDF L/C and LTFF/GTF
Accounts payable
Telegraphic transfer
Margin on acceptance
Export proceeds awaiting disposal
Remittance awaiting disposal
Others

4,633,493,459	3,771,935,431
21,760,250	58,638,498
105,931,297	104,093,699
1,277,786,234	1,460,567,929
47,736,013	65,571,214
30,826,628	73,234,063
36,623,536,959	30,111,738,188
1,060,203	1,017,058
913,716	913,716
11,266,285,763	12,610,041,349
1,096,190,020	654,314,769
6,980,689,71	7,341,384
582,420,183	555,699,831
55,694,861,404	49,475,107,129

19.2 Deposits from banks and others

Inter-bank deposits
Other deposits

19.3

1,894,998,190	9,683,266,276
367,714,007,227	350,216,618,538
369,609,005,416	359,899,884,814

19.3 Inter-bank deposits

AB Bank Limited
Agrani Bank Limited
Al-Arafa Islami Bank Limited
BASiC Bank Limited
BRAC Bank Limited
Bangladesh Krishi Bank
Dank Asla Limited
Bank Asia Agent banking
Citibank N.A.
Commercial Bank of Ceylon Plc.
Dhaka Bank Limited
Dutch Bangla Bank Limited
EIM Bank Limited
First Security Islami Bank Limited
Habib Bank Limited

53,353	54,030
134,673,703	1,625,506,362
-	-
-	-
-	2,000,000,000
443	345
4,840,568	39,861,604
-	-
-	2,500,000,000
4,710,246	483,518
165,532	165,717

Rizban

Rasedul Islam, FCA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

Big Gen Shafiqul Islam (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
FIC Bank Limited		274,957	273,191
Islami Bank Bangladesh Limited		8,808,129	8,769,024
Janata Bank Limited		-	-
Meghna Bank Limited		7,342	860
Mercantile Bank Limited		1,500,271,717	4,241,535
Mutual Trust Bank Limited		646,712	646,057
NCC Bank Limited		-	-
NRB Commercial Bank Limited		18,931,667	31,807,087
Prime Bank Limited		-	-
Pubali Bank Limited		-	750,000,000
Rajshahi Krishi Unnayan Bank (RAKUB)		-	-
Rupali Bank Limited		-	-
State Bank of India		-	300,000,000
Sonali Bank Limited		-	-
Shahjalal Islami Bank Limited		7,561,690	7,465,982
Shimanto bank Ltd		-	-
Standard Chartered Bank		-	200,000,000
Social Islami Bank Limited (SIBL)		3,359,067	3,344,508
The City Bank Limited		10,699,063	10,646,463
The Trust Bank Limited		200,000,000	-
United Commercial Bank Limited		-	1,000,000,000
Uttara Bank Limited		-	1,200,000,000
		1,894,998,190	9,683,266,276

19.4 Sector-wise deposits

Government	8,835,189,706	10,099,476,538
Deposit money banks	1,894,998,190	9,683,266,276
Other public	24,554,518,368	21,535,957,358
Foreign currency	39,112,934,565	2,245,720,330
Private	291,590,126,813	316,335,464,312
	366,987,767,641	359,899,884,814

19.5 Unclaimed Deposits and valuables

Payment Order	-	2,079,973
	-	2,079,973

19.6 Analysis of residual maturity grouping of deposits

Inter-bank deposits:

Payable on demand	26,398,390	44,524,340
Within one month	1,700,000,000	8,088,741,936
More than one month but less than six months	168,600,000	1,550,000,000
More than six months but less than one year	-	-
More than one year but less than five years	-	-
More than five years but less than ten years	-	-
	1,894,998,190	9,683,266,276

Other Deposits:

Payable on demand	4,492,327,043	-
Within one month	30,736,918,997	46,064,200,000
More than one month but less than six months	97,336,072,901	81,140,863,724
More than six months but less than one year	80,560,886,657	85,515,880,000
More than one year but less than five years	101,367,432,622	107,702,800,000
More than five years but less than ten years	63,257,845,690	29,801,884,814
	367,741,483,910	350,216,618,538
	369,636,482,099	359,899,884,814

20 Consolidated other liabilities

Southeast Bank Limited	47,793,315,789	43,104,754,206
Southeast Bank Capital Services Limited	438,191,976	405,889,783
Southeast Financial Services (UK) Ltd	-	-
Southeast Exchange Company (South Africa) Pty Ltd	2,968,335	37,294,566
	48,234,476,099	43,547,938,555

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
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A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

21
Nazmul Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Brig Gen Shaifque Hossain psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Less: Inter company balance eliminated		2,295,629	2,105,223
		48,232,180,470	43,545,833,362

21 Other Liabilities

Provision for loans and advances/investments	21.1	24,924,645,000	23,862,771,455
Interest suspense account	21.2	13,363,967,419	10,741,106,029
Provision for taxation	21.3	2,732,791,647	2,891,305,423
Obligation under finance lease	21.4	-	-
Lease Liabilities (Right of Use Assets)	21.4	577,119,107	652,822,368
Accrued expenses		101,245,775	14,091,799
Interest payable on borrowings		686,197,522	403,740,977
Accounts payable-Bangladesh Bank		190,739,118	28,186,890
Accounts payable-others		1,939,919,284	1,214,240,345
Provision for diminution in the market value of share	21.7.1	-	126,200,000
Other provisions	21.5.1	1,899,786,394	1,263,023,180
Unearned income		409,947,402	228,560,194
Branch adjustment	21.6	486,668,847	513,771,776
Withholding tax		479,543,273	1,163,934,002
Provision for audit fees		750,000	1,000,000
		47,793,315,799	43,104,754,236

21.1 Provision for loans and advances/investments

A. General

Balance as at 1 January	3,635,997,855	529,628,000
Add: Provision made during the year		
On standard loans and advances/investments etc.	(205,490,644)	3,021,347,663
On Special Mention Account (SMA)	392,789	15,115,937
	(205,097,855)	3,036,463,600
Add: 1% General provision due to COVID-19	-	1,161,700,000
Add: Transfer from retained earnings	-	2,487,616,855
Less: Transfer to specific provision	-	(3,579,410,600)
Less: Provision no longer required	-	-
Balance as at 30 September	3,430,900,000	3,635,997,855

B. Specific

Balance as at 1 January	20,226,773,600	18,243,627,000
Less: Fully provided debt write off during the year	-	(2,504,385,038)
Add: Recoveries of amounts previously written off	339,276,512	472,250,468
Add: Specific provision for the year	928,910,888	827,466,570
Add: Transfer from general provision	-	3,579,410,600
Add: Transfer from Interest Suspense	-	296,806,000
Less: Recoveries and provisions no longer required	(1,216,000)	-
Less: Interest waiver during the year	-	(688,402,000)
Net charge to Profit & Loss A/C	-	-
Balance as at 30 September	21,493,745,000	20,226,773,600

C. Total provision on loans and advances/investments (A+B)

24,924,645,000 **23,862,771,455**

* Provision for loans and advances has been kept as per Bangladesh Bank vide letter reference no(s):DBI-1/78/2018-1313

21.2 Interest suspense account

Balance as at 1 January	10,741,106,029	9,294,042,050
Add: Amount transferred to "interest suspense" account during the year	3,490,032,830	4,303,475,369
	14,231,138,859	13,597,517,419
Less: Amount of interest suspense recovered during the year	836,034,440	2,069,153,651
Amount written off during the period	-	455,969,508
Interest waiver during the period	31,137,000	131,288,230
	667,171,440	2,656,411,389
Balance as at 30 September	13,363,967,419	10,741,106,029

Rashedul Islam, FCA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
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A.K. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Brig Gen Shafique Shamin psc (Retd)
Managing Director & CEO
Sens Katyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
21.3 Provision for taxation			
Provision for current tax	21.3.1	2,405,330,916	2,579,162,503
Deferred tax liabilities	21.3.2	327,460,732	312,142,920
		2,732,791,647	2,891,305,423
21.3.1 Provision for current tax			
Provision			
Balance as at 1 January		15,035,654,808	13,985,654,808
Settlement/adjustments for previous years		-	-
Provision made for the current year	21.3.1.1	927,745,176	1,050,000,000
(A) Balance as at 30 September		15,963,399,984	15,035,654,808
Less: Advance tax			
Balance as at 1 January		12,456,492,305	9,574,518,318
Paid during the year		1,101,576,763	2,881,973,987
Settlement/adjustments for previous years		-	-
(B) Balance as at 30 September		13,558,069,068	12,456,492,305
		2,405,330,916	2,579,162,503
(A-B) Net balance as at 30 September			
21.3.1.1 Provision made for the current period			
Provision made during the period		927,745,176	1,050,000,000
Less: Excess provision adjustment for prior years		-	-
		927,745,176	1,050,000,000

Corporate tax position of the bank has been shown in **Annexure-G**.

Provision for current tax of Tk. 2,200,000,000 has been made @ 37.50% as prescribed by Finance Act 2018 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per the Income Tax Ordinance and Rules 1984 and in compliance of para 46 of IAS 12 "Income Tax".

21.3.2 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

Revaluation reserve of land		614,039,631	615,751,213
Revaluation reserve of buildings		121,975,742	125,911,051
Fixed assets- except land and revaluation reserve of buildings	21.3.3.1	(415,127,816)	(437,382,640)
Revaluation reserve of HIM securities	21.3.3.2	9,092,555	10,372,677
Revaluation reserve of HFY securities	21.3.3.3	4,647,619	4,647,619
Deferred tax on right of use assets	21.3.3.4	(7,167,000)	(7,167,000)
		327,460,732	312,142,920

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, by the balance sheet date. Following are the descriptions for each individual item of the deferred tax that are recognised by the Bank as a temporary difference with expected time of realisation.

Revaluation reserve of land

As the land is not depreciable and as per local tax rules revaluation gain is not taxable. However, the tax office will charge taxes on capital gain which is the same amount of revaluation gain whether recovered through use or sale. Hence a taxable temporary difference arises against which the Bank recognises deferred tax liabilities. However, the outstanding amount of deferred tax will be automatically released with the disposal of the assets.


Revaluation reserve of buildings

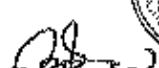
Buildings are depreciable assets. Its revalued carrying amount will be recovered through use and this will generate taxable income which exceeds the depreciation that will be allowable for tax purposes in future periods. As a result taxable temporary difference will arise.

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Head Office, Dhaka


Big Gen Shafiq, Shomim psc (Retd)
Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka

Fixed assets- except land and revaluation reserve of buildings

Accounting depreciation is not tax allowable expenses. Rather, the tax office will allow tax depreciation as per 3rd Schedule of the Income Tax Ordinance 1984. Hence a temporary difference arises due to the different depreciation rates and methodology against which the Bank recognizes deferred tax. This is an ongoing item as there is a difference between the tax depreciation rate and the accounting depreciation rate. However, the outstanding amount of deferred tax will be automatically released with the expiry of the economic useful life of the assets.

Revaluation reserves of HTM and HFT securities

Deferred tax relating to unrealised interest on the revaluation of Held to Maturity (HTM) and Held for Trading (HFT) securities is recognised directly in other reserves as a part of equity and is subsequently recognised in the profit and loss account on maturity of the securities. The deferred tax recognised against this will be fully reversed at the maturity of all related securities.

Right of use assets (IFRS-16)

The new lease (IFRS-16) accounting rules has significant impact on the balance sheet and income statements. As under IFRS 16 all leases apart from low value and short term leases are brought on balance. SEBL recognize a ROU asset which is depreciated in a straight line and a lease liability which is discounted under the effective interest method. Resulting in a depreciation and interest expense rather than a rent expense (under IAS 17). This will typically result in higher lease expenses during the early years of the lease and causes the value of the ROU asset and lease obligation to diverge over the duration of the lease contract. The depreciation and interest expenses are not allowable in tax, other hand rent tax office will allow the rent expenses. Hence temporary differences arise and accordingly deferred tax has been recognized. However, the outstanding amount of deferred tax will be automatically released with the expiry of the lease term.

21.3.3 Movement of deferred tax liabilities

Balance as at 1 January	312,142,920	403,024,507
Provision made for deferred tax liabilities		
Charged to profit and loss account	22,254,824	(90,700,000)
Charged to revaluation reserve	-	4,031,290
	22,254,824	(86,668,710)
	334,397,744	316,355,797
Adjustment made during the year for revaluation reserve	(6,937,013)	(4,212,877)
Balance as at 30 September	327,460,731	312,142,920

21.3.3.1 Deferred tax on fixed assets- except land and revaluation reserve of buildings

Balance as at 1 January	(437,382,640)	(352,382,640)
Charge to profit and loss account	22,254,824	(85,000,000)
Balance as at 30 September	(415,127,816)	(437,382,640)

21.3.3.2 Deferred tax on revaluation reserve of HTM securities

Balance as at 1 January	10,372,677	10,840,095
Add: Charge to revaluation reserves	-	3,385,534
Less: Adjustment during the year	(1,280,122)	(3,852,951)
Balance as at 30 September	9,092,555	10,372,677

21.3.3.3 Deferred tax on revaluation reserve of HFT securities

Balance as at 1 January	4,647,619	4,361,789
Add: Charge to revaluation reserves	-	645,756
Less: Adjustment during the year	-	(359,921)
Balance as at 30 September	4,647,619	4,647,619

21.3.3.4 Deferred tax on right of use assets

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Managing Director
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Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Balance as at 1 January		(7,167,000)	[1,467,000.00]
Addition during the year		-	[6,700,000]
Adjustment during the year		-	-
Balance as at 30 September		(7,167,000)	(7,167,000)

21.4 Obligation under lease liabilities

Balance as at 1 January	-	868,030
Addition during the year	-	-
Interest charge during the year	-	-
	-	868,030
Adjustment during the year	-	(868,030)
Balance as at 31 December	-	-

21.4.1 Aging analysis of liabilities under lease

	Minimum lease payment	Financial charge for future periods	Principal outstanding
	Taka	Taka	Taka
2019			
Payable within 1 year	599,772	103,538	496,234
Payable more than 1 year but less than 2 years	399,848	28,063	371,795
Payable more than 2 years but less than 5 years	-	-	-
	999,620	131,601	868,030

2018

Payable within 1 year	599,772	176,462	423,310
Payable more than 1 year but less than 2 years	599,772	103,538	496,234
Payable more than 2 years but less than 5 years	399,848	28,063	371,795
	1,599,392	308,063	1,291,340

21.4 Lease liabilities Right of use (ROU) Assets

Balance as at 1 January	652,822,368	132,956,073
Addition during the year	48,206,682	665,527,166
Interest charge during the year	33,289,306	37,467,426
	734,318,356	835,940,664
Adjustment during the year	157,206,249	183,118,296
Balance as at 30 September	577,113,107	652,822,368

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Brig Gen Shafiqul Kamal (Retd)
Brig Gen Shafiqul Kamal (Retd)
Managing Director & CEO
Senz Kayan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
21.5 Other provisions charged to profit and loss			
Provision for other assets	21.5.1 (A)	141,300,000	60,000,000
Provision for off-balance sheet exposures	21.5.1 (C)	460,080,800	119,155,200
Start-up fund	21.5.1 (D)	35,382,414	20,959,266
		636,763,214	200,114,466
21.5.1 Other Provisions			
A) Provision for other assets			
Balance as at 1 January		288,796,914	288,796,914
Addition during the year		141,300,000	60,000,000
		430,096,914	288,796,914
Adjustment during the year		-	-
Balance as at 30 September		430,096,914	288,796,914
B) Provision for good borrowers			
Balance as at 1 January		22,011,800	22,011,800
Addition during the year		-	-
		22,011,800	22,011,800
Adjustment during the year		-	-
Balance as at 30 September		22,011,800	22,011,800
C) Provision for off-balance sheet exposures			
Balance as at 1 January		931,255,200	812,100,000
Provision made during the year		460,080,800	119,155,200
		1,391,336,000	931,255,200
Adjustments made during the year		-	-
Balance as at 30 September		1,391,336,000	931,255,200
D) Start-up fund			
Balance as on 1 January		20,959,266	-
Addition during the year 1% of net profit		35,382,414	20,959,266
Balance as at 30 September		56,341,680	20,959,266
		1,899,786,394	1,263,023,180
21.6 Branch adjustment (credit)			
General accounts debit		1,160,766,000	602,839,225
General accounts credit		1,647,434,847	1,116,611,000
		486,668,847	513,771,776

Branch adjustment account represents outstanding interbranch and head office transactions (net) originated but yet to be responded at balance sheet date. However, the un-respondent entries of 30 Sep 2021 are given below:

	No. of unrespondent entries		Unrespondent entries (Taka)	
	Debit	Credit	Debit	Credit
Upto 3 months	803	1,348	1,160,766,000	1,647,434,847
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	803	1,348	1,160,766,000	1,647,434,847

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Gen. Secy. Shafiqul Shamim psc (Retd)
Managing Director & CEO
Sena Kalpan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka

21.7 Consolidated provision for diminution in value of investments

Southeast Bank Limited	21.7.1	18,314,855	(117,063,786)
Southeast Bank Capital Services Limited		-	-
Balance as at 30 September		<u>18,314,855</u>	<u>(117,063,786)</u>

21.7.1 Provision for diminution in value of investments

Balance as at 1 January	126,200,000	684,270,841
Adjustments made for loss of sales of shares during the year	(144,614,855)	(441,006,355)
Provision made during the year (Charge to the profit and loss)	18,314,855	(117,063,786)
Balance as at 30 September	-	<u>126,200,000</u>

22 Share Capital

22.1 Authorised

<u>1,500,000,000</u> Ordinary shares of Tk 10 each	<u>15,000,000,000</u>	<u>15,000,000,000</u>
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22.2 Issued, subscribed and paid up

378,164,970 ordinary shares of Tk 10 each issued for cash	3,781,649,700	3,781,649,700
810,775,551 ordinary shares of Tk 10 each issued as bonus shares	8,107,755,510	8,107,755,510
<u>1,188,940,521</u>	<u>11,889,405,210</u>	<u>11,889,405,210</u>

22.2.1 Reconciliation of number of shares

Balance as at 1 January	1,188,940,521	1,159,941,972
Issue of bonus shares	-	28,998,549
Stock split (1:10)	-	-
Balance as at 30 September	<u>1,188,940,521</u>	<u>1,188,940,521</u>

22.3 Dividends

The following dividends were declared and paid by the Bank for the year ended 31 December.

1.0 Taka (Cash 1.00 dividend) per ordinary share for 2020 and 1.00 Taka per (Stock dividend) ordinary share for 2019	<u>1,188,940,521</u>	<u>1,159,941,972</u>
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22.3.1 Summary of unclaimed dividends


Unclaimed dividend as on 30 September 2021 was an amount of BDT 21,293,813 against 9789 nos. of shareholders

22.4 Share capital at a glance from inception


Year	Particulars	Number of shares	Capital amount (Taka)	Cumulative (Taka)
1995	Opening / Sponsors Capital	1,000,000	100,000,000	100,000,000
1996	None	-	-	100,000,000
1997	25% Stock Dividend	250,000	25,000,000	125,000,000
1998	20% Stock Dividend	250,000	25,000,000	150,000,000
1999	Initial Public Offer (IPO)	1,500,000	150,000,000	300,000,000
2000	10% Stock Dividend	300,000	30,000,000	330,000,000
2001	10% Stock Dividend	330,000	33,000,000	363,000,000
2002	10% Stock Dividend	363,000	36,300,000	399,300,000
2003	Right Issue @ 1:2	1,650,000	165,000,000	564,300,000
	20% Stock Dividend	1,128,600	112,860,000	677,160,000


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Kamal Hossain
Managing Director
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Head Office, Dhaka.


Brig Gen Shaqueur Rashed MSC (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Particulars		Note	Sep 2021 Taka	Dec 2020 Taka
2004	30% Stock Dividend	2,031,480	203,148,000	890,308,000
2005	20% Stock Dividend	1,760,616	176,061,600	1,056,369,600
2006	Right Issue @1:1	10,563,696	1,056,369,600	2,112,739,200
	8% Stock Dividend	1,690,191	169,019,100	2,281,758,300
2007	25% Stock Dividend	5,704,395	570,439,500	2,862,197,800
2008	20% Stock Dividend	5,704,395	570,439,500	3,422,637,300
2009	35% Stock Dividend	11,979,230	1,197,923,000	4,620,560,300
2010	Right Issue @1:2	23,102,801	2,310,280,100	6,930,840,400
	20% Stock Dividend	13,861,680	1,386,168,000	8,317,008,400
2011	Stock split (1:10)	748,530,756	-	8,317,008,400
	5% Stock Dividend	41,585,042	415,850,420	8,732,858,820
2012	None	-	-	8,732,858,820
2013	5% Stock Dividend	43,664,294	436,642,940	9,169,501,760
2014	None	-	-	9,169,501,760
2015	None	-	-	9,169,501,760
2016	None	-	-	9,169,501,760
2017	15% Stock Dividend	137,542,526	1,375,425,260	10,544,927,020
2018	10% Stock Dividend	105,449,270	1,054,492,700	11,599,419,720
2019	2.5% Stock Dividend	28,998,549	289,985,490	11,889,405,210
2020	None	-	-	11,889,405,210

22.5 Classification of shareholders by holding

	Number of holders		% of total holding	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Less than 500 shares	8,008	8,678	0.12	0.12
501 to 5,000 shares	16,216	15,589	2.64	2.52
5,001 to 10,000 shares	2,744	3,182	1.67	1.88
10,001 to 20,000 shares	1,646	2,043	2.00	2.43
20,001 to 30,000 shares	594	727	1.24	1.50
30,001 to 40,000 shares	289	419	0.85	1.23
40,001 to 50,000 shares	189	236	0.73	0.90
50,001 to 1,00,000 shares	368	492	2.23	2.92
1,00,001 to 10,00,000 shares	385	482	9.00	10.90
Over 10,00,000 shares	120	133	79.62	75.60
	30,559	31,881	100.00	100.00

22.6 Initial public offer (IPO)

Out of the total issued, subscribed and fully paid up capital of the bank 1,500,000 (after stock split: 15,000,000) ordinary shares of Tk 100 (after stock split: Tk. 10) each amounting to Tk 150,000,000 was raised through public offering on shares in 1999.

22.7 Name of the Directors and their shareholdings in the period 30 September 2021

Sl. No	Name of the directors	Status	As at 1 January 2021	As at 30 Sep 2021
1	Mr. Alamgir Kabir, FCA	Chairman	26,709,202	26,709,202
2	Mrs. Duluma Ahmed	Vice Chairperson	24,743,169	23,897,705
3	Mr. M. A. Koshem	Director	26,330,640	26,330,640
4	Mr. Azim Uddin Ahmed	Director	39,051,923	23,897,705
5	Mrs. Jusna Ara Koshem	Director	23,779,485	23,779,485
6	Mrs. Rahana Rahman	Director	24,433,788	24,433,788
7	Mr. Md. Akkur Rahman	Director	31,764,465	31,865,465
8	Mr. Raiyan Kabir	Director	24,458,937	24,458,937
9	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Limited)	Director	27,950,000	27,950,000

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Brig Gen Shaukat Hossain psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Particulars			Note	Sep 2021 Taka	Dec 2020 Taka
10	Mr. Syed Saiedul Karim	Independent Director		-	-
11	Dr. Quazi Masbahuddin	Independent Director		-	-
12	Mr. Mohammad Delwar	Independent Director		-	-
13	Mr. M. Kamal Hossain	Managing Director		-	-
				243,221,599	233,322,927

22.6 Capital to Risk weighted Asset Ratio (CRAR) of the Bank

The calculation of CRAR has been done as per BRPD Circular no. 07 dated 31 March 2014 and the Basel-III guideline December 2014 vide BRPD Circular no. 18 dated 21 December 2014.

Common equity Tier-1 capital (Going Concern Capital)

Paid up capital	22.2	11,889,406,210	11,889,406,210
Share premium		-	-
Statutory reserve	23	11,889,406,210	11,680,478,928
Other reserve	26	247,650,000	247,650,000
Retained earnings	28	3,276,036,546	1,190,000,000
		27,302,495,966	24,907,534,138
Add: Additional Tier 1 capital		-	-
Less: Regulatory adjustments		283,442,262	238,082,042
A) Total common equity Tier 1 capital		27,019,053,714	24,669,452,096

Tier 2 Capital (Going Concern Capital)

Subordinated bond		10,000,000,000	11,000,000,000
General provision maintained against unclassified loan/Investments		3,430,900,000	3,636,997,855
General provision on off-balance sheet items		1,391,336,000	931,256,200
Asset revaluation reserve		-	-
Revaluation reserve of Government securities		-	-
		14,822,236,000	15,567,283,055
Less: Regulatory adjustments		-	-
Total Tier 2 capital		14,822,236,000	15,567,283,055
B) Total capital		41,841,289,714	40,236,705,151

C) Risk Weighted Assets (RWA)

Credit Risk			
On-balance sheet		228,419,373,323	215,061,106,873
Off-balance sheet		46,177,086,716	24,526,321,227
		274,596,460,039	239,576,428,100
Market risk		15,935,432,066	13,061,266,163
Operational risk		24,330,601,194	24,412,432,162
Total RWA		314,862,493,299	277,050,116,404

D) Required common equity Tier 1 Capital

Required Tier 1 Capital 6% (2020: 6%) of RWA		14,168,812,198	12,467,266,238
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E) Required total capital 12.50% (2020: 12.50%) of RWA

Required total capital 12.50% (2020: 12.50%) of RWA		39,367,811,662	34,631,264,651
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F) Surplus common equity Tier 1 Capital (A-D)

Surplus common equity Tier 1 Capital (A-D)		12,850,241,516	12,202,196,858
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G) Surplus total capital (B-E)


Surplus total capital (B-E)		2,483,478,052	5,605,440,600
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Capital to risk-weighted assets ratio:

On common equity Tier 1 capital against standard of minimum 4.5%	8.58%	8.90%
On Tier 1 capital against standard of minimum 6%	8.58%	8.90%
On total capital against standard of minimum 12.50% (2020:12.50%)	13.29%	14.52%

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Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
22.9 Leverage Ratio of the Bank			
A) Tier 1 capital considering all regulatory adjustments		27,019,053,714	24,669,462,096
B) On-balance sheet exposure		469,864,917,274	444,855,602,047
C) Off-balance sheet exposure		93,199,597,219	64,424,584,915
D) Deduction from on and off balance sheet exposure /Regulatory adjustment		283,142,252	238,082,042
E) Total exposure (B+C-D)		562,781,072,241	609,042,104,920
Leverage ratio (A/E)		4.80%	4.85%
Liquidity coverage ratio		115.32%	116.37%
Net stable funding ratio		111.16%	106.51%

22.10 Capital to Risk weighted Asset Ratio (CRAR) of the Group

Common Equity Tier 1 Capital

Paid up capital	22.2	11,889,405,210	11,889,405,210
Share premium		-	-
Statutory reserve	23	11,889,405,210	11,560,478,928
Other reserve	25	247,660,000	247,650,000
Non-controlling interest	29	10,475,884	10,201,511
Retained earnings	27	3,584,053,421	1,315,624,550
		27,620,989,725	26,043,360,199
Add: Additional Tier 1 capital		-	-
Less: Regulatory adjustments		283,442,252	238,082,042
A) Total common equity Tier 1 capital		27,337,547,473	24,805,278,157

Tier 2 capital (Gene- Concern Capital)

Subordinated bond		10,000,000,000	11,000,000,000
General provision maintained against unclassified loan/investments		3,430,900,000	3,635,997,865
General provision on off-balance sheet items		1,391,336,000	931,255,200
Asset revaluation reserve		-	-
Revaluation reserve of Government securities		-	-
		14,822,236,000	16,567,253,065
Less: Regulatory adjustments		-	-
Total Tier 2 capital		14,822,236,000	16,567,253,065
B) Total capital		42,159,783,473	40,372,531,212

C) Risk weighted assets (RWA)

Credit risk			
On-balance sheet		218,332,285,533	211,372,579,188
Off-balance sheet		33,944,526,426	24,625,321,227
		252,276,811,958	236,098,000,415
Market risk		20,721,960,594	20,764,051,363
Operational risk		24,901,210,946	24,730,786,751
Total RWA		297,899,983,498	281,392,838,529

D) Required common equity Tier 1 capital

Required Tier 1 capital 6% (2020: 6%) of RWA

13,405,499,257 **12,562,677,734**

17,873,999,010

16,883,570,312

E) Required total capital 12.50% (2020: 12.50%) of RWA

37,237,497,937 **35,174,104,816**

Risban
 Rasedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka.

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Kamal Hossain
 Managing Director
 Director of Finance, Liaison & IRG
 Head Office, Dhaka.

Gen. Shafiq & Shamim psc (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
F) Surplus common equity Tier 1 capital (A-D)		13,932,048,216	12,142,600,423
G) Surplus total capital (B-E)		4,922,286,536	5,198,426,398

Capital to risk-weighted asset ratio:

On common equity Tier 1 capital - against standard of minimum 4.5%	9.18%	6.82%
On Tier 1 capital - against standard of minimum 6%	9.18%	8.82%
On total capital - against standard of minimum 12.50% (2020:12.50%)	14.15%	14.35%

Rislan

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Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

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M. Kamal Hossain
M. Kamal Hossain
Managing Director
Chairman of Board Limited
Head Office, Dhaka.

Brig Gen. M. Kamal Hossain
Brig Gen. M. Kamal Hossain (Retd.)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
22.11 Leverage ratio of the Group			
A) Tier 1 capital considering all regulatory adjustments		27,337,547,473	24,805,278,157
B) On-balance sheet exposure		471,004,894,202	445,066,634,997
C) Off-balance sheet exposure		93,199,597,219	64,424,584,915
D) Deduction from on and off balance sheet exposure /Regulatory adjustment		283,442,252	236,082,042
E) Total exposure (B+C-D)		563,921,049,169	509,263,137,870
Leverage ratio (A/E)		4.85%	4.87%
liquidity coverage ratio		115.32%	116.37%
Net stable funding ratio		111.16%	106.51%
23 Statutory reserve			
Balance as at 1 January		11,580,478,928	10,969,433,607
Addition during the year		308,926,282	611,045,321
Balance as at 30 September		11,889,405,210	11,580,478,928
24 Revaluation reserve			
Revaluation reserve of land and buildings:			
Balance as at 1 January		4,944,481,764	4,944,481,764
Addition during the year		6,656,891	-
Adjustment during the year		(43,369,500)	-
		4,906,769,155	4,944,481,764
Deferred tax liabilities		(736,015,373)	(741,672,265)
		(6,656,891)	-
Balance as at 30 September		4,165,096,891	4,202,809,499
Revaluation reserve on HTM securities:			
Balance as at 1 January		32,096,285	27,691,740
Addition during the year		-	10,750,106
		32,096,285	38,341,845
Adjustment during the year		(451,808)	(6,245,560)
		31,644,477	32,096,285
Deferred tax liabilities		(16,973,168)	(14,693,046)
Balance as at 30 September		15,671,309	17,403,239
Revaluation reserve on HFT securities:			
Balance as at 1 January		458,556,544	34,593,291
Addition during the year		1,174,175,757	2,730,442,921
		1,632,732,301	2,765,036,212
Adjustment during the year		(886,437,274)	(2,306,479,668)
		746,295,027	458,556,544
Deferred tax liabilities		(6,243,143)	(6,243,143)
Balance as at 30 September		740,051,884	452,313,401
		4,920,820,084	4,672,526,139
25 Other reserve			
General reserve:			
Balance as at 1 January		247,650,000	247,650,000
Addition during the year		-	-
Balance as at 30 September		247,650,000	247,650,000
26 Foreign currency translation reserve			
Balance as at 1 January		(1,919,103)	(8,779,606)
(Adjustments)/addition during the year		(5,321,892)	6,860,503
Balance as at 30 September		(7,240,994)	(1,919,103)


The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Risban


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Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

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Md. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.




Bigon Sherin, FRCM, FRCI (Retd)
Managing Director & CEO
Sera Keya Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
27 Consolidated retained earnings			
Southeast Bank Limited	28	3,276,035,546	1,190,000,000
Southeast Bank Capital Services Limited		221,275,552	71,694,142
Southeast Exchange Company (South Africa) Pty Ltd		86,742,323	53,930,408
		3,584,053,421	1,315,624,550
28 Retained earnings			
Balance as at 1 January		1,190,000,000	3,354,063,270
Currency translation differences		2,291,435	(1,385,732)
Prior year adjustment		-	-
Transfer from revaluation reserved		37,712,609	-
Transfer from revaluation reserved on deferred tax		5,656,891	-
Transfer to general provision		-	(2,487,616,856)
		1,235,660,936	865,060,683
Retained surplus for the year		3,229,315,132	1,984,881,286
		4,464,976,067	2,849,941,969
Less:			
Transfer to Southeast Bank Staff Welfare Trust		-	289,985,490
Issue of bonus share		-	849,956,479
Cash dividend paid		1,188,940,521	-
		1,188,940,521	1,159,941,969
Retained earnings carried forward		3,276,035,546	1,190,000,000
29 Non-controlling interest			
Paid up capital		5,500,000,000	5,500,000,000
Retained earnings		221,681,431	71,825,648
Total net assets		5,721,681,431	5,571,825,648
Non-controlling interest 0.183091% (2020:0.183091%) of net assets		10,475,884	10,201,511
Non-controlling interest arises only for Southeast Bank Capital Services Limited since all other subsidiaries are wholly owned by Southeast Bank Limited.			
30 Contingent liabilities			
30.1 Acceptances and endorsements			
Acceptance under Letters of Credit (LC) - other than back to book		58,173,643,613	35,151,633,948
Acceptance under Letters of Credit -back to book		18,661,866,800	15,936,168,741
		76,835,510,413	51,087,802,689
30.2 Letters of guarantee			
Local		19,837,828,496	16,794,284,847
Foreign		461,333,773	349,480,720
		20,299,162,269	17,143,765,567
30.2.1 Balance for which the Bank is contingently liable in respect of guarantee issued favoring:			
Directors or officers		54,783,061	4,783,061
Government		-	-
Banks and other financial institutions		119,772,308	62,959,115
Others		20,124,606,900	17,076,023,391
		20,299,162,269	17,143,765,567
30.3 Irrevocable Letters of Credit (L/C)			
Back to book L/C		22,545,726,327	13,067,856,366
Others		35,176,357,958	24,107,884,577
		57,722,084,285	37,175,740,943

Rislan

Rasedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Director
Southeast Bank Limited
Head Office, Dhaka

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

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Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Brig Gen Shajiqul Haq (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
30.4 Bills for collection			
Local		17,500,233,278	15,798,359,855
Foreign		21,675,209,729	15,599,934,898
		39,175,443,006	31,398,294,693
30.5 Other contingent liabilities			
Value of Bangladesh Sanchaypatra & others		1,887,739,000	1,931,650,000
31 Income statement			
Income:			
Interest, discount and similar income		17,860,167,634	20,709,887,785
Dividend Income		48,881,807	125,466,709
Fees, commission and brokerage		1,842,707,507	1,541,709,736
Gains less losses arising from dealing securities		507,083,367	615,068,906
Gains less losses arising from investment securities		127,199,414	63,006,375
Gains less losses arising from dealing in foreign currencies		803,786,035	841,660,522
Other operating income		755,081,143	609,897,010
		21,944,907,207	24,506,697,044
Expenses:			
Interest, fees and commission		12,002,196,437	15,432,680,587
Administrative expenses		2,499,856,476	2,614,106,359
Other operating expenses		1,003,028,050	922,348,440
Depreciation on banking assets		572,693,728	254,979,709
		16,077,774,691	19,234,115,096
Income over expenses		5,867,132,616	5,272,581,948
32 Consolidated interest income/profit on investments			
Southeast Bank Limited	33	13,919,214,458	17,047,166,871
Southeast Bank Capital Services Limited		42,331,917	42,180,792
Southeast Exchange Company (South Africa) Pty Ltd		1,792,886	1,640,860
		13,963,339,261	17,090,988,523
Less: Inter company balance eliminated		16,564,676	30,178,396
		13,946,774,585	17,060,810,127
33 Interest income/profit on investments			
Interest on loans and advances (Conventional Banking):			
Interest on loans and advances		12,653,248,348	15,526,874,584
Interest on placement with other banks and financial institutions		241,918,659	434,480,906
Interest on foreign currency balances		36,350,873	35,591,788
		12,931,517,881	15,996,947,278
Profit on investment (Islamic Banking):			
Profit on investments		987,492,793	988,176,672
Profit on placement with other banks		203,784	62,042,922
		987,696,577	1,050,219,693
		13,919,214,458	17,047,166,871
34 Consolidated interest paid/profit shared on deposits and borrowings etc.			
Southeast Bank Limited	35	12,002,196,437	15,432,680,587
Southeast Bank Capital Services Limited		-	-
		12,002,196,437	15,432,680,587
Less: Inter company balance eliminated		16,564,676	30,178,396
		11,985,631,761	15,402,502,191
35 Interest paid/profit shared on deposits and borrowings etc.			
Interest paid on deposits (Conventional Banking):			
Interest on deposits		9,989,460,054	13,212,890,653

Rislan

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Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
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A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

Big Gel Shaque Shamim per (field)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Interest on borrowings		1,121,399,642	1,231,681,160
Interest on repurchase agreement (repa)		28,612,550	24,517,041
Interest on refinances		167,460,086	6,309,267
Interest on foreign bank accounts		131,530	3,707,344
		11,307,053,863	14,479,135,465
Profit shared on deposits (Islamic Banking):			
Profit paid on deposits		690,865,903	910,996,036
Profit on refinance borrowings		4,276,671	42,549,087
		695,142,574	953,545,123
		12,002,196,437	15,432,680,587
36 Consolidated investment income			
Southeast Bank Limited	37	4,624,117,765	4,166,262,905
Southeast Bank Capital Services Limited		139,913,275	31,897,253
		4,764,061,040	4,498,160,158
Less: Inter company balance eliminated			53,997,533
		4,764,061,040	4,444,162,625
37 Investment income			
Interest income from Government securities	37.1	3,632,933,365	3,217,971,634
Capital gain (loss) on Government securities	37.2	556,811,599	624,803,611
Revaluation gain (loss) on Government securities	37.3	(49,728,232)	(9,734,704)
Dividend on investment in shares		48,881,807	125,466,709
Gain on sale of investment in shares		127,199,414	63,006,376
Interest income from investment in bonds		308,119,811	444,749,280
		4,624,117,765	4,466,262,905
37.1 Interest income from Government securities			
Interest on treasury bills		-	-
Interest on treasury bonds/T&T bonds		4,912,187,796	3,393,058,517
Interest on Bangladesh Bank bills		-	-
Interest income on Sukuk bonds		11,087,569	-
		4,923,275,365	3,393,058,517
Interest expenses on treasury bills		-	-
Interest expenses on treasury bonds		(1,277,376,074)	(175,084,707)
Interest expenses on Sukuk bonds		(13,065,926)	-
		(1,290,442,000)	(175,084,707)
Net interest income from Government securities		3,632,833,365	3,217,973,810
37.2 Capital gain on Government securities			
Capital gain on treasury bills		265,397,419	821,333,668
Capital gain on treasury bonds/T&T bonds		705,042,052	53,830,468
Capital gain on BB bills		-	-
		970,439,471	875,164,136
Capital loss on treasury bills		(71,973,036)	(4,635,891)
Capital loss on treasury bonds/T&T bonds		(341,654,837)	(245,724,634)
		(413,627,872)	(250,360,525)
Net capital gain on Government securities		556,811,599	624,803,611
37.3 Revaluation gain (loss) on Government securities			
Revaluation gain on treasury bills		-	-
Revaluation gain on treasury bonds		-	-
Revaluation gain on Bangladesh Bank bills		-	-
Revaluation loss on treasury bills		(49,728,232)	(9,734,704)

Rislan
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Vice President
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A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


Kamal Hossain
Kamal Hossain
Managing Director for
Southeast Bank Limited
Head Office, Dhaka.


Brig Gen Sharique Shamim psc (Retd)
Brig Gen Sharique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

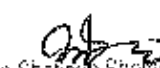


Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Revaluation loss on treasury bonds		-	-
Revaluation loss on Bangladesh Bank bills		-	-
		(49,728,232)	(9,734,704)
Net revaluation gain (loss) on Government securities		(49,728,232)	(9,734,704)
38 Consolidated commission, exchange and brokerage			
Southeast Bank Limited	39	2,646,493,541	2,383,370,268
Southeast Exchange Company (South Africa) Pty Ltd		66,578,402	60,092,836
		2,712,071,943	2,443,463,094
39 Commission, exchange and brokerage			
Commission and brokerage		1,842,707,507	1,541,709,736
Exchange gain (net off exchange loss)	39.1	803,786,035	841,660,522
		2,646,493,541	2,383,370,268
Commission, fees & Charges received against export and export related services are VAT exempted as per services code-S066 of SRO 189-AIN/2019/46-Mushak, dated- 13 June 2019.			
39.1 Exchange gain (net off exchange loss)			
Exchange gain from revaluation/trade of foreign currency		791,221,012	831,021,576
Exchange gain from credit card		12,565,023	10,638,946
		803,786,035	841,660,522
40 Consolidated other operating income			
Southeast Bank Limited	41	755,081,443	609,897,010
Southeast Bank Capital Services Limited		41,566,089	16,690,189
Southeast Exchange Company (South Africa) Pty Ltd		-	-
		796,647,532	626,587,199
Less: Inter company balance eliminated		2,279,424	3,419,136
		794,368,108	623,168,063
41 Other operating income			
Remittance fees		159,668	15,579
Service and incidental charges		46,477,307	41,504,200
Other fees - telephone and postage		38,108,212	31,008,851
Income from ATM services		46,028,384	28,867,482
Income from credit card		206,737,967	167,112,125
Income from retail banking		4,781,514	4,576,223
Income from Agent Banking		260,726	-
Other Fees - SWIFT and others		167,328,052	146,661,429
Income from telecash		7,068,468	5,801,518
Miscellaneous income		239,132,148	184,359,606
		755,081,443	609,897,010
42 Consolidated salaries and allowances			
Southeast Bank Limited	43	1,607,399,363	1,502,882,434
Southeast Bank Capital Services Limited		14,409,254	10,442,860
Southeast Exchange Company (South Africa) Pty Ltd		14,402,775	9,447,900
		1,636,211,392	1,522,773,194
43 Salaries and allowances			
Basic salary		787,768,638	801,507,048
Allowances		562,846,865	537,774,882
Bonus		96,424,332	94,013,020
Provident fund		70,360,538	69,587,486
		1,607,399,363	1,502,882,434

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
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A.K.M. Nazmul Haider
Company Secretary
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Head Office, Dhaka.


Md. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.


Brig Gen Shafiqul Shahan psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
44 Consolidated rent, taxes, insurance, electricity etc.			
Southeast Bank Limited	45	650,260,538	808,708,860
Southeast Bank Capital Services Limited		2,060,948	10,220,677
Southeast Exchange Company (South Africa) Pty Ltd		4,926,826	4,431,730
		657,237,612	823,361,267
Less: Inter company balance eliminated		2,279,424	3,419,136
		654,958,188	819,942,131
45 Rent, taxes, insurance, electricity etc.			
Rent, rates and taxes		381,785,160	563,960,202
Insurance		197,835,878	177,683,329
Electricity and lighting		70,629,501	67,165,328
		650,250,538	808,708,860
46 Consolidated postage, stamp, telecommunication etc.			
Southeast Bank Limited	47	132,702,757	124,997,349
Southeast Bank Capital Services Limited		214,689	105,628
Southeast Exchange Company (South Africa) Pty Ltd		186,970	218,517
		133,104,416	125,321,494
47 Postage, stamp, telecommunication etc.			
Postage		28,670,848	29,588,393
Telephone /Telex		13,922,246	13,642,653
FC Charge (Nostra)		7,861,098	7,354,470
VSAT on-line		34,828,300	32,732,862
Reuters services		2,045,210	1,158,316
Other Fees - SWIFT and others		45,375,056	40,720,656
		132,702,757	124,997,349
48 Consolidated stationery, printing, advertisements etc.			
Southeast Bank Limited	49	118,783,001	110,907,862
Southeast Bank Capital Services Limited		248,035	107,101
Southeast Exchange Company (South Africa) Pty Ltd		1,007,658	777,782
		120,038,694	111,792,745
49 Stationery, printing, advertisements etc.			
General and office stationery		56,122,431	52,906,603
Printing and security stationery		30,250,038	21,281,231
Publicity and advertisement		32,410,533	36,720,028
		118,783,001	110,907,862
50 Managing Director's salary and fees			
Basic salary		3,015,000	3,015,000
House rent		1,305,000	1,305,000
House maintenance		675,000	675,000
Leave fare concession		900,000	900,000
Utility		540,000	540,000
Special allowance		315,000	315,000
Provident Fund		301,500	301,500
Bonus		670,000	670,000
		7,721,500	7,721,500
51 Consolidated directors' fees			
Southeast Bank Limited (Note 52)	52	1,999,903	1,072,060
Southeast Bank Capital Services Limited		160,000	88,000
		2,159,903	1,160,060

Rashedul Islam

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

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Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



Brig Gen S. Rafique Shamin psc (Retd)
Managing Director & CEO
Sena Kalpa Insurance Company Ltd

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
52 Directors' fees			
Directors' fees		1,936,000	880,000
Directors' haltage and travelling		63,903	192,060
		1,999,903	1,072,060
Each Director is paid TK. 8,000/ per meeting per attendance.			
53 Consolidated auditors' fees			
Southeast Bank Limited		750,000	750,000
Southeast Bank Capital Services Limited		-	-
Southeast Exchange Company (South Africa) Pty Ltd		-	-
		750,000	750,000
54 Consolidated depreciation and repair			
Depreciation:			
Southeast Bank Limited	65	572,693,728	322,108,700
Southeast Bank Capital Services Limited		17,525,348	18,833,784
Southeast Exchange Company (South Africa) Pty Ltd		1,306,712	1,239,888
		591,525,788	342,182,373
Repair:			
Southeast Bank Limited	65	80,249,114	67,066,294
Southeast Bank Capital Services Limited		2,127,583	613,564
Southeast Exchange Company (South Africa) Pty Ltd		239,566	170,863
		82,616,263	67,850,721
		674,142,051	400,033,094
55 Depreciation and repair of bank's assets			
A. Depreciation:			
Buildings		39,726,549	42,134,454
Furniture and fixtures		65,633,800	55,212,209
Professional and reference books			
Office appliances		561,684	654,555
Computer		54,543,062	36,380,293
Electrical appliances		83,702,638	77,561,098
ATM Booth		95,489,382	37,347,674
Motor vehicles		14,176,737	15,689,426
		343,822,552	264,979,709
B. Repair & spare parts			
Furniture and fixtures		20,628,796	4,791,426
Office and electrical appliances		23,714,603	20,181,960
Motor vehicles		4,128,230	3,761,705
Repair, maintenance and utilities		31,677,785	28,331,205
		80,249,414	57,066,294
C. Depreciation on right of use (ROU) assets			
		228,870,876	67,328,991
		228,870,876	67,328,991
Total		682,943,142	379,174,995
56 Consolidated other expenses			
Southeast Bank Limited	57	1,002,484,710	921,487,865
Southeast Bank Capital Services Limited		7,216,728	4,124,823
Southeast Exchange Company (South Africa) Pty Ltd		16,132,160	12,299,446
		1,025,832,598	937,912,133
57 Other expenses			
Security and cleaning		167,004,937	171,905,446
Entertainment		60,749,343	36,080,407
Car expenses		129,406,895	166,687,948
Books and periodicals		1,246,189	1,692,246

Rashedul Islam

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



Big Gen Sharmila, FCA, FCMA (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Subscription		4,767,069	2,924,406
Donation including CSR		66,319,618	149,692,796
Travelling expenses		3,018,782	3,595,357
Finance charge on leased assets		33,289,306	8,402,066
Conveyance		9,199,874	8,341,783
Petrol, oil and lubricant		6,760,937	6,129,499
Training/seminar		620,849	995,822
Uniforms and apparels		3,033,962	3,122,955
Medical expenses		826,840	1,124,238
Gratuity and others		260,914,120	183,574,293
Professional expenses		16,607,942	12,102,856
Expenses for CIB report		152,786	32,160
IT enabled services		31,940,904	40,435,695
Loss on sale of fixed assets	57.1	82,245,338	143,968
Expenses regarding credit card		47,412,028	46,499,600
Expenses regarding retail banking & agriculture		24,693,686	33,306,486
Expenses regarding call center		2,430,763	2,659,865
Expenses relating to ATM services		46,577,672	28,886,552
Expenses regarding mobile banking services-Telecash		6,760,717	5,906,186
Expenses regarding Agent Banking		1,656,934	-
Provision/(Adjustment) for Impairment loss from investment in subsidiary		-	-
Others operating expenses		16,957,327	8,445,349
		1,002,484,710	921,487,865

Expenses incurred by the bank shown in these financial statements are inclusive of VAT where applicable as per VAT and Supplementary Duty Act-2012 and rules-2016.

57.1 Loss on sale of fixed assets

Cost:

Land
Building
Furniture and fixtures
Electrical appliances

79,876,126	-
99,750,000	-
15,191,260	148,400
11,928,468	1,620,185
206,745,874	1,768,585

Accumulated depreciation:

Building
Furniture and fixtures
Electrical appliances
House Elec. Appliance

34,253,745	-
9,432,722	48,431
10,692,283	-
-	1,449,236
54,378,750	1,497,667

Written down value

Sale proceeds of the above fixed assets

152,367,124	270,918
70,121,796	126,951
(82,245,338)	(143,968)

Loss on sale of fixed assets

58 Consolidated provision for taxation

Current tax:

Southeast Bank Limited
Southeast Bank Capital Services Limited

59

927,745,176	1,160,000,000
33,023,917	16,368,533
960,769,093	1,166,368,533

Deferred tax:

Southeast Bank Limited
Southeast Exchange Company (South Africa) Pty Ltd

59

22,254,824	9,300,000
-	-
22,254,824	9,300,000
983,023,917	1,175,668,533

59 Provision for taxation

Current tax
Deferred tax

927,745,176	1,150,000,000
22,254,824	9,300,000
950,000,000	1,159,300,000

59.1 Reconciliation of effective tax rate (Bank)

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A Kamal Hossain
Managing Director
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Head Office, Dhaka.

Biglun Sen Sharma, Chartered Accountant (ICAEW)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Sep 2021		%	Taka
Profit before taxation as per profit and loss account			4,488,241,414
Income tax as per applicable tax rate		37.50%	1,683,090,530
Factors affecting the tax charge for current year			
Non deductible expenses		9.32%	409,192,667
Deductible expenses		-19.63%	(881,131,488)
Tax exempt Income		-5.07%	(227,462,937)
Tax savings from reduced tax rates for dividend		-0.19%	(8,554,316)
Tax savings for capital loss		-1.06%	(47,699,780)
Change in taxable temporary difference		0.50%	22,254,824
		21.17%	950,000,000
Sep 2020		%	Taka
Profit before taxation as per profit and loss account			3,929,035,133
Income tax as per applicable tax rate		37.50%	1,473,368,175
Factors affecting the tax charge for current year			
Non deductible expenses		26.15%	1,027,554,974
Deductible expenses		-23.38%	(918,729,318)
Tax exempt Income		-9.94%	(386,628,950)
Tax savings from reduced tax rates for dividend		-0.56%	(21,956,674)
Tax savings for capital loss		-0.60%	(23,627,391)
Change in taxable temporary difference		0.24%	9,300,000
Total income tax expenses		29.51%	1,159,300,816

60 Consolidated cash received from other operating activities

Southeast Bank Limited	61	1,439,092,456	1,297,706,996
Southeast Bank Capital Services Limited		39,286,665	13,271,053
		1,478,379,122	1,310,978,049

61 Cash received from other operating activities

Remittance fees	158,668	15,579
Service and incidental charges	45,477,307	41,504,200
Other Fees-Telephone and Postage	38,108,212	31,008,851
Income from ATM services	46,028,384	28,657,482
Income from Credit Card	206,737,967	167,112,125
Other Fees - SWIFT and others	167,328,052	146,661,429
Income from Retail Banking	4,781,514	4,576,223
Income from Agent Banking	260,726	-
Income from Telecash	7,068,465	6,801,518
Miscellaneous Income	239,132,148	184,359,606
Capital gain (loss) on Government securities	556,811,599	624,803,611
Gain on sale of investment in shares	127,199,114	63,006,375
	1,439,092,456	1,297,706,996

62 Consolidated payments for other operating activities

Southeast Bank Limited	63	1,898,944,147	1,818,286,569
Southeast Bank Capital Services Limited		12,026,993	15,259,793
Southeast Exchange Company (South Africa) Pty Ltd		6,360,320	5,698,692
		1,917,331,449	1,839,145,273

63 Payments for other operating activities

Rent rates and taxes	680,214,023	712,062,446
Postage	132,702,757	124,997,349
Directors' fees	1,999,903	1,072,060

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 Vice President
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 Head Office, Dhaka

A.K.M. Nazmul Haider
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.

Bigun Sharique Shamim psc (New)
 Managing Director & CEO
 Sans Kalyan Insurance Company Ltd.



Particulars	Note	Sep 2021	Dec 2020
		Taka	Taka
Repairs		80,249,414	67,066,294
Legal expense		543,340	860,676
Audit fees		750,000	750,000
Other expenses		1,002,484,710	921,467,865
		1,898,944,147	1,818,286,569
64 Consolidated earnings per share			
Net profit after tax for the period ended 30 September (Taka)		3,716,992,142	2,768,691,582
Number of ordinary shares outstanding		1,188,940,521	1,188,940,521
Earnings per share (EPS) (Taka)*		3.13	2.33
65 Earnings per share			
Net profit after tax for the period ended 30 September (Taka)		3,538,241,414	2,769,732,957
Number of ordinary shares outstanding		1,188,940,521	1,188,940,521
Earnings per share (EPS) (Taka)*		2.98	2.33
*Earnings per share has been calculated in accordance with IAS 33: Earnings Per Share (EPS). Previous year's figures have been restated for the issue of bonus shares during the year. EPS increased due to increase of net interest income as well as operating income as compared to the previous period.			
66 Consolidated net assets value (NAV) per share			
Net Asset Value (NAV)		32,524,092,931	33,805,493,252
Number of ordinary shares outstanding		1,188,940,521	1,159,941,972
Net Asset Value (NAV) per share		27.36	29.14
67 Net Assets Value (NAV) per share			
Net Asset Value (NAV)		32,223,316,050	33,745,825,438
Number of ordinary shares outstanding		1,188,940,521	1,159,941,972
Net Asset Value (NAV) per share		27.10	29.09
68 Consolidated net operating cash flow per share (NOCFPS)			
Net Operating Cash Flow		21,097,446,223	13,597,167,159
Number of ordinary shares outstanding		1,188,940,521	1,159,941,972
Net Operating Cash Flow per share (NOCFPS)		17.74	11.72
69 Net Operating Cash Flow per share (NOCFPS)			
Net Operating Cash Flow		21,092,606,056	13,642,294,321
Number of ordinary shares outstanding		1,188,940,521	1,159,941,972
Net Operating Cash Flow per share (NOCFPS)		17.74	11.76

*Net operating cash flow per share (NOCFPS) increased due to increase in receipts of net interest and fees & commission income as compare to the last year.

Rizwan

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M Kamel Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



Brig Gen Shafiqe Shamim psc (Retd)
Managing Director & CEO
Sera Kalyan Insurance Company Ltd.

70 Group entities

Name of subsidiary	Country of Incorporation	Ownership interest %	
		Sep 2021	Dec 2020
Southeast Bank Capital Services Limited	Bangladesh	99.816909	99.816909
Southeast Exchange Company (South Africa) Pty Ltd	South Africa	100	100

71 General

71.1 Audit Committee

The Audit Committee is an important functional Committee of the Board of Directors of the Bank. It is assigned with oversight of financial reporting, disclosure, regulatory compliance and disciplined banking operation complying with the rules and norms of banking.

Feature and composition

The Audit Committee was last re-constituted by the Board of Directors in its 636th meeting held on September 02, 2021 in accordance with the Corporate Governance Code issued by BSEC on June 03, 2018 and Bangladesh Bank's BRPD circular no.11, dated October 27, 2013.

Sl. No.	Name	Position	Meetings held	Attendance	Remarks
1	Mr. Syed Sajedul Karim (Independent Director)	Chairman	3	2	Mr. Azim Uddin Ahmed, Mr. Raiyan Kabir and Mr. Mohammad Delwar Husain, all of them are included as member in the Audit Committee on 02/09/2021.
2	Mr. Azim Uddin Ahmed	Member	3	0	
3	Mr. Raiyan Kabir	Member	3	0	
4	Dr. Quazi Mesbahuddin Ahmed (Independent Director)	Member	3	3	
5	Mr. Mohammad Delwar Husain (Independent Director)	Member	3	0	

Quorum

Presence of 3 (three) members including one Independent Director constitutes a quorum for holding Audit Committee meeting. The Head of Internal Control and Compliance attended the meetings to present the agenda. On invitation, Senior Executives of the Bank including the Managing Director, Chief Financial Officer (CFO) and Head of Risk Management Division attended the meetings to meet instant queries of the Audit Committee to make its decisions fact-based. In addition, Heads of Branches, whose audit reports were placed to the Audit Committee were also present in the meetings to respond to the issues raised in the reports of Internal Control and Compliance Division and Bangladesh Bank.

The academic qualifications of the members of the Audit Committee are given below:

Sl. No.	Name	Status in the Board	Status in the committee	Educational Qualification
1	Mr. Syed Sajedul Karim	Independent Director	Chairman	B.A (Hons), MA
2	Mr. Azim Uddin Ahmed	Director	Member	M.A.
3	Mr. Raiyan Kabir	Director	Member	BBA (Finance), M.Com. (Advance Accounting)
4	Dr. Quazi Mesbahuddin Ahmed	Independent Director	Member	B.A (Hons), M.A., MEC, MSC., PhD in Economics
5	Mr. Mohammad Delwar	Independent Director	Member	B.A (Hons), M. A

Terms of reference of the Audit Committee

- Board shall appoint Non-Executive directors of the Bank as members of the Audit Committee excepting Chairman of the
- Mr. Syed Sajedul Karim, in his capacity as the Independent Director, shall be the Chairman of the Audit Committee.
- Presence of 03 (three) members shall form a quorum.
- The quorum of the Audit Committee meeting shall require presence of at least 1 (one) Independent Director.

Rashedul Islam

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Chief Financial Officer
Vice President
Financial Control & Accounts Division
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A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

M Kamal Hossain
M Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Brig Gen Shafiqul Islam psc (Retd)
Brig Gen Shafiqul Islam psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd

- v) The tenure of office of the Audit Committee shall be for 3 years.
- vi) The Company Secretary shall act as Secretary to the Audit Committee.
- vii) The terms of reference of the Audit Committee shall also be as specified in the BRPD Circular No.11 dated October 27, 2013 of Bangladesh Bank and provisions contained in Notification No.BSEC/CMRRCO/2006-168/207/Admin/80 of Bangladesh Securities and Exchange Commission (BSEC), dated 03 June, 2018.
- viii) Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).

Charter of the Audit Committee

The Audit Committee is constituted by the Board of Directors for the primary purpose of assisting the Board in:

- Overseeing the integrity of the company's financial statement.
- Overseeing the improvement of corporate governance standard of the company.
- Overseeing the Company's system of disclosure, internal controls and procedure.
- Overseeing Bank's internal control over financial reporting.
- Overseeing Bank's compliance with ethical standards adopted by the Bank.
- Making reports and recommendations to the Board.

Roles and responsibilities

The role of Audit Committee is to assist the Board in discharging its duties and responsibilities for financial reporting, effective monitoring, corporate governance, internal control, green banking and environmental & climate change risks. The added roles of the Audit Committee include, but not limited to, the following:

- i) Overseeing the financial reporting process.
- ii) Monitoring choice of accounting policies and principles.
- iii) Monitoring Internal Audit and Compliance process including approval of Internal Audit and compliance plan.
- iv) Reviewing the Internal Audit and Compliance Report.
- v) Overseeing hiring and performance of external auditors.
- vi) Reviewing the Annual Financial Statements before submission to the Board for approval or adaption.
- vii) Reviewing the quarterly and half-yearly Financial Statements before submission to the Board for approval.
- viii) Reviewing the financial statements, in particular the investments made by the subsidiary company.
- ix) Reviewing the adequacy of internal audit functions.
- x) Reviewing the Management's Discussion and Analysis before disclosing in the Annual Report
- xi) Overseeing the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.
- xii) Reviewing statement of significant party transactions submitted by the management.
- xiii) Reviewing Management Letters/ Letter of Internal Control Weakness issued by Statutory Auditors.
- xiv) Reviewing the existing Risk Management Policy and procedures to improve the quality of Bank's assets portfolio.
- xv) Reviewing fund raising through Repeat Public Offering/ Rights issue and its use and application.
- xvi) Monitoring internal control process.
- xvii) Maintaining oversight on regulatory compliance, ethics and whistle-blower hotlines
- xviii) Reviewing Audit Committee's own terms of reference.
- xix) Reviewing the compliance status of the Minutes of the Audit Committee Meeting.

71.2 Risk Management Committee of the Board of Directors of the Bank

The Bank Company Act-1991 (Amended up to 2018), inter alia, provided for constitution of a Risk Management Committee of the Board of Directors of every Bank. The committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against different risks.

Feature and composition

The Risk Management Committee was reconstituted by the Board of Directors in its 636th meeting held on September 02, 2021 in accordance with the BRPD circular no. 11, dated October 27, 2013 issued by Bangladesh Bank. The composition of the Risk Management Committee in 2021 is given below:

Sl. No.	Members	Position	Meetings held	Attendance	Remarks
1	Mr. Azim Uddin Ahmed	Chairman	3	3	Mrs. Duluma Ahmed, Mrs. Rehana Rahman and Mr. Md. Akkur Rahman, all of them are included as member in the Risk Management Committee on 02/09/2021.
2	Mrs. Duluma Ahmed	Member	3	1	
3	Mrs. Rehana Rahman	Member	3	1	
4	Mr. Md. Akkur Rahman	Member	3	1	
5	Mr. Syed Sajedul Karim (Independent Director)	Member	3	3	

Rislan

Rasedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
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A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

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M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.


Big Gen Shafiqe, Shamim pcc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd

Structure of the Risk Management Committee (RMC)

1. Presence of 3 (three) members in a meeting of the Committee shall form quorum.
2. The Company Secretary of the Bank shall act as the Secretary to the Risk Management Committee of the Board.

Functions of the Risk Management Committee

The broad functional areas of the Risk Management Committee are the following:

- a. Formulating and reviewing risk management policies and strategies for sound risk management.
- b. Monitoring implementation of risk management policies and process to ensure effective prevention and control measures.
- c. Ensuring construction of adequate organizational structure for managing risks within the Bank.
- d. Supervising the activities of Executive Risk Management Committee (ERMC).
- e. Ensuring compliance of Bangladesh Bank instructions regarding implementation of core risk management.
- f. Ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and
- g. Approving adequate record keeping and reporting system and ensuring its proper use.
- h. Holding at least four meetings in a year and more if deemed necessary.
- i. Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation.
- j. Submitting proposal, suggestions and summary of BRMC meetings to the Board of Directors at least on quarterly basis.
- k. Complying with instructions issued from time to time by the regulatory body.
- l. Analyzing all existing and probable risk issues in the meeting and taking appropriate decisions for risk mitigation.
- m. Ensuring sufficient and efficient staff resources for RMD.
- n. Establishing standards of ethics and integrity for staff and enforcing these standards.
- o. Assessing overall effectiveness of risk management functions on yearly basis.

71.3 Related party/(ies)

Particulars of Directors of the Bank as at 30 September

Sl. No.	Name of persons	Designation	Present address	% of shares as at 30 Sep 2021	% of shares as at 31 Dec 2020
1	Mr. Alamgir Kabir, FCA	Chairman	226, Dilu Road, New Eskaton,	2.25%	2.25%
2	Mrs. Duluma Ahmed	Vice Chairperson	Plot No.51, Road No.09, Block-F Banani, Dhaka	2.01%	2.08%
3	Mr. M. A. Kashem	Director	73/C, Gulshan Avenue, Gulshan-1 Dhaka-1212	2.21%	2.21%
4	Mr. Azim Uddin Ahmed	Director	Plot No.51, Road No.09, Block-F Banani, Dhaka	2.01%	2.78%
5	Mrs. Jusno Ara Kashem	Director	73/C, Gulshan Avenue, Gulshan-1	2.00%	2.00%
6	Mrs. Rahana Rahman	Director	House No.10, Road No.68, Gulshan-2, Dhaka-1212	2.06%	2.06%
7	Mr. Md. Akikur Rahman	Director	Bonarpura, Nabarun-227, Sylhet	2.68%	2.67%
8	Mr. Raiyan Kabir	Director	226, Dilu Road, New Eskaton, Dhaka	2.06%	2.06%
9	Mr. M. Manruz Zaman Khan (Naminee of Bay Leasing & Investment Ltd.)	Director	1/6, Eskaton Garden, Ramna, Dhaka	2.35%	2.35%
10	Mr. Syed Sajedul Karim	Independent Director	Apartment 8/3, House No.08, Road No.121, Gulshan-1, Dhaka-1212	-	-
11	Dr. Quazi Mesbahuddin Ahm	Independent Director	Flat No.C/3, House No.1, Road No.36, Gulshan-2, Dhaka-1212	-	-

Rasoul

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Chief Financial Officer
Vice President
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A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

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M Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Brig Gen Shrikumar Shamir psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

12	Mr. Mohammad Delwar Husain	Independent Director	Flat No.C-1, House No.160, Road No.3, Block-A, Bashundhara R/A, Dhaka-1229	-	-
13	Mr. M. Kamal Hossain	Managing Director	Southeast Bank Limited, Head Office, 52-53 Dilkusha C/A, Dhaka-1000	-	-

*As per SEC notification no-SEC/CMRPOD/2009-193/119/Admin/34, dated: 22/11/2018, "Each director other than Independent director(s)/ nominated director(s) of any listed company shall hold minimum 2% (two percent) shares of the paid-up capital. Otherwise there shall be a casual vacancy of director".

71.3.1 Related party transactions

During the period on September 30, 2021, the Bank concluded business deals with the following organizations in which the

Name of Organization	Relationship	Nature of transaction	Transaction value for the year/period ended		Outstanding balance	
			Sep 2021	2020	Sep 2021	2020
			Taka	Taka	Taka	Taka
Asia Insurance Ltd.	Common Director	Insurance coverage	76,394,800	106,140,072	-	-
Southeast Bank Capital Services Limited	Subsidiary company	Share capital	-	-	5,489,930,000	5,489,930,000
		Saving & Fixed Deposit Account	107,767,503	474,214,510	-	-
		Interest on Saving & Fixed Deposit Account	16,564,676	41,486,931	-	-
Southeast Exchange Company (South Africa) Pty Ltd	Subsidiary company	Share capital	-	-	44,211,056	44,211,056
Bay Leasing & Investment Ltd. (Represented by Mr. M. Moniruz Zaman Khan)	Director	Money at call and on short notice	750,000,000	620,000,000	-	-

71.3.2 Loans and advances to directors and their related concern

Name of party	Name of the director	Related by	Nature of transaction	Amount in Taka	Status
Monorum Traders	Mr. Azim Uddin Ahmed	Director	Bank	4,783,061	Regular
	Mrs. Duluma Ahmed		Guarantee		
A D Holdings & Securities Limited	Mr. Azim Uddin Ahmed	Director	Bank	50,000,000	Regular
	Mr. Farzana Azim	Director's	Guarantee		
Mrs. Duluma Ahmed	Mrs. Duluma Ahmed	Director	Credit Card	44,064.34	Regular
Mrs. Rahana Rahman	Mrs. Rahana Rahman	Director	Credit Card	116,023.36	Regular
Mrs. Farzana Azim	Mr. Azim Uddin Ahmed	Director's	Credit Card	189,963.35	Regular

The Bank complies with the requirements of the section 26 (c) of the Banking Companies Act 1991 (amended upto 2018) in connection to the transactions executed with persons related to the Banks.

71.5 Number of employees

The number of employees engaged for the whole period or part thereof in September 2021 who received a total yearly remuneration of Tk 36,000 or above were 2946 The total number of employees were 2859 in 2021.

71.6 Share trading

The Bank started trading its ordinary shares in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) through CDBL from 16 May 2004. The closing market price of the share as on 30 September 2021 was Tk.16.40 (2020: Tk.12.50) for each Tk.10 per value of share at DSE and Tk.16.40 (2020: Tk.12.40) for each Tk.10 per value of share at CSE.

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M. Kamal Hossain
M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Big Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

71.7 Pattern of Shareholding

Breakup of shareholding pattern as per clause 1.6 (xii) of Securities and Exchange Commission notification No.SEC/CMRRCD/2006-158/207/Admin/BD dated 03 June 2018 issued under Section 200 of the Securities and Exchange Ordinance, 1969, is as follows:

a) Parent/Subsidiary/Associated companies and other related parties [name wise details]:

Sl. no.	Name of the Company	Shareholding Structure
1	Southeast Bank Capital Services Limited	99.816909% owned by Southeast Bank Limited
2	Southeast Exchange Company (South Africa) Pty Ltd	100% owned by Southeast Bank Limited

71.8 Highlights on the overall activities of the Bank

Highlights on the overall activities of the Bank have been furnished in **Annexure-A**.

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Drig Gen Sharique Hossain psc (Retd)
Drig Gen Sharique Hossain psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Southeast Bank Limited
Highlights on the overall activities
 As at and for the period ended 30 September 2021

Sl. no.	Particulars	Currency	Sep 2021	Dec 2020
1	Paid-up capital	Taka	11,889,406,210	11,889,406,210
2	Total capital	Taka	41,841,289,714	40,236,706,161
3	Capital surplus	Taka	2,483,478,052	5,606,410,600
4	Total assets	Taka	491,358,662,273	465,082,375,646
5	Total deposits	Taka	369,609,006,416	359,899,884,814
6	Total loans and advances/investments	Taka	329,046,428,147	320,368,168,870
7	Total contingent liabilities and commitments	Taka	195,919,940,973	138,737,253,892
8	Credit deposit ratio		78.07%	80.26%
9	Percentage of classified loans/investments against total loans and advances/investments		4.67%	3.10%
10	Profit after tax and provision	Taka	3,638,241,314	2,095,926,607
11	Amount of classified loans/investments	Taka	15,036,862,670	9,939,755,293
12	Provisions kept against classified loans/investments	Taka	21,493,745,000	20,226,773,600
13	Provision surplus/(deficit) against classified loans/investments	Taka	15,692,066,801	16,668,951,864
14	Cost of fund		5.33%	6.79%
15	Interest earning assets	Taka	437,489,936,963	412,059,616,400
16	Non-interest earning assets	Taka	53,868,726,310	53,022,759,246
17	Return on investment (ROI)		0.62%	0.52%
18	Return on assets (ROA) [PAT/ Average assets]		0.74%	0.47%
19	Income from Investment	Taka	4,624,117,765	4,702,962,777
20	Capital adequacy		13.29%	14.62%
21	Dividends			
	a) Stock dividends			
	b) Cash dividends			10.00%
22	Earnings per share	Taka	2.98	1.76
23	Net income per share	Taka	2.98	1.76
24	Price earning ratio	Times	6.61	7.06

Rashedul Islam

Rashedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

A.K.M. Nazmul Haider
 A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

M Kamal Hossain
 M Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.

Big Ben Shalique
 Big Ben Shalique, Chartered Accountant (Retd.)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.



Southeast Bank Limited and its Subsidiaries
Consolidated Liquidity Statement
(Assets and liabilities maturity analysis)
As at 30 September 2020

Annexure-B

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	
Assets:						
Cash in hand	4,122,237,604		1,565,027,883		15,649,724,261	4,122,237,604
Balance with other banks and financial institutions	3,983,806,094				21,197,558,238	3,983,806,094
Money or call and on short notice	6,446,700,000				6,446,700,000	6,446,700,000
Investments	3,565,293,341	12,869,247,192	22,669,700,000	32,942,900,000	40,564,800,000	12,331,940,533
Loans and advances/investments	33,242,799,789	4,649,137,934	121,917,893,220	94,424,171,550	35,357,718,863	351,433,962,556
Fixed assets including premises, furniture and fixtures				2,393,919,879	7,482,539,296	9,876,459,174
Other assets:			4,072,220,310	459,959,030	1,910,329,611	7,027,408,307
Non banking assets						
Total assets (A)	51,854,694,078	69,962,268,432	149,624,841,413	130,240,980,459	100,964,312,071	492,186,256,402
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,310,646,375	2,214,753,625	19,711,439,518	13,436,188,500	2,060,000,000	41,733,025,018
Deposits	36,983,120,913	62,978,578,819	115,086,980,938	101,357,462,622	53,230,365,007	369,636,482,099
Provision and other liabilities	7,513,711,975	4,430,449,130	51,030,739,353	6,319,671,041	15,937,608,971	46,232,180,470
Total liabilities (B)	48,807,479,264	69,623,781,574	147,829,159,809	121,113,289,162	72,227,977,978	458,601,667,898
Net liquidity gap (A - B)	3,046,614,814	[10,338,486,858]	[1,795,681,604]	9,127,691,296	28,736,334,093	32,584,588,504

Brig Gen Shafiqul Islam (Retd)
Managing Director & CEO
Sena Kayari Insurance Company Ltd

M Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

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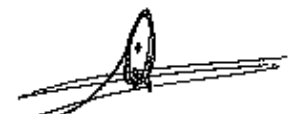
Rasedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka

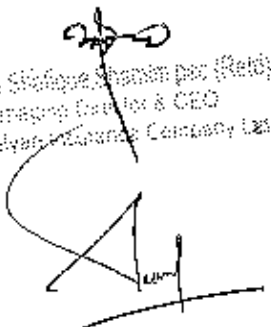


Southeast Bank Limited
Liquidity Statement
(Assets and liabilities maturing analysis)
 As of 30 September 2021

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	
Assets:						
Cash in hand	4,121,653,507	-	1,565,027,883	-	15,648,724,261	4,121,653,507
Balance with other banks and financial institutions	3,889,552,263	-	-	-	-	21,083,304,407
Money or call and on short notice	6,446,700,000	-	-	-	-	6,446,700,000
Investments	530,000,000	12,869,247,192	22,069,700,000	32,962,900,000	40,519,700,000	108,981,547,192
Loans and advances/investments	33,242,789,786	46,491,379,184	121,977,893,220	94,424,171,550	32,970,194,455	329,046,428,147
Fixed assets including premises, furniture and fixtures	-	-	-	2,363,919,879	6,960,641,921	9,354,561,800
Other assets	4,457,230,077	93,927,735	4,498,409,712	459,959,030	2,854,540,666	12,354,467,220
Non banking assets	-	-	-	-	-	-
	52,666,325,635	59,454,554,061	150,041,030,815	130,240,950,459	98,953,801,303	491,358,662,273
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,310,646,375	2,214,753,625	19,711,439,518	13,434,186,500	2,060,000,000	41,733,025,018
Deposits	36,956,644,230	62,978,578,619	115,086,980,938	101,357,432,622	53,230,369,007	369,609,006,446,000
Provision and other liabilities	7,074,847,294	4,430,449,180	12,080,739,353	6,319,671,041	16,937,608,971	47,793,315,789
Total liabilities (B)	48,341,537,899	69,623,781,374	147,829,159,809	121,113,289,162	72,227,977,978	459,195,346,223
Net liquidity gap (A - B)	4,327,187,736	[10,169,227,314]	2,211,871,006	9,127,661,296	26,725,823,325	32,223,316,050

Annexure-B1


A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka


M Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.



Rashedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

Southeast Bank Limited
Balance with other banks-Outside Bangladesh (Nostro Account)

as on September 30, 2021

Name of the Bank	Currency type	Sep-21			Dec-20		
		FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Interest bearing:							
Citibank, N.A., New York, USA	USD	2,004,125	86.60	171,352,649	1,786,175	84.64	151,133,061
Habib American Bank, New York, USA	USD	7,665,199	85.50	654,519,556	2,715,264	84.80	230,255,476
JP Morgan Chase Bank N.A., New York, USA	USD	[1,668,206]	85.50	[142,637,299]	307,788	84.80	26,100,567
Mashreq Bank PSC, New York, USA	USD	17,967	85.50	15,215,306	582,854	84.80	49,426,229
Standard Chartered Bank, New York, USA	USD	[1,768,591]	85.51	[152,955,863]	8,040,633	84.80	681,848,864
Wells Fargo Bank, N.A., New York, USA	USD	1,000,194	85.50	85,514,695	1,470,690	84.80	125,627,705
		7,380,678		631,070,941	14,842,104		1,258,391,281
Non-interest bearing:							
Abu Dhabi Commercial Bank, Abu Dhabi, UAE	AED	2,347,676	23.29	54,646,155.35	64,684	23.09	1,493,346
AB Bank Ltd., Mumbai, India	ACUD	1,291,665	85.50	110,437,288.28	1,948,634	84.80	165,244,900
Azic Bank Ltd, Mumbai, India	ACUD	114,235	85.50	9,715,649.34	112,205	84.80	9,516,030
Bank of Bhutan, Phuentsholing, Bhutan	ACUD	186,549	85.50	15,949,905.30	197,033	84.80	16,708,506
Bank of Sydney Ltd., Sydney	AUD	125,846	61.58	7,749,205.29	112,688	64.90	7,313,770
Bank of Tokyo-Mitsubishi, JPY	YEN	114,495,274	0.76	87,428,292.62	18,029,179	0.82	9,516,743
Barque Saudi, France, Riyadh	SAR	825,894	22.79	18,825,361.53	421,159	22.60	2,178,309
Riyadh Bank, Riyadh, Saudi Arabia	SAR	92,800	22.79	2,115,275.99	96,403	22.60	38,656,167
Citibank AG, Frankfurt, Germany	EUR	4,137,719	99.21	4,104,460,996.56	370,880	104.23	19,244,562
Commerz Bank AG, Frankfurt, Germany	EUR	149,051	99.21	14,787,996.21	184,639	104.23	103,477,516
Commerz Bank AG, Frankfurt, Germany	USD	1,048,742	85.50	89,667,482.45	1,220,248	84.80	150,838,182
HDFC Bank, Mumbai, India	ACUD	2,126,479	85.50	181,812,958.65	1,776,743	84.80	14,763,170
Habib Metropolitan Bank Ltd., Karachi, Pakistan	ACUD	146,614	85.50	12,535,514.10	74,093	84.80	6,249,326
ICICI Bank Ltd., Mumbai, India	ACUD	1,127,920	85.50	96,437,129.22	1,772,505	84.80	14,949,704
Standard Chartered Bank, Kolkata, India	ACUD	1,249,488	85.50	106,831,197.50	1,376,754	84.80	11,549,704
Standard Chartered Bank, London, UK	GBP	215,677	115.02	24,807,893.42	74,101	114.85	8,510,824
Standard Chartered Bank, New York, USA	USD	3,018,090	85.50	258,046,682.48	137,379	84.80	11,549,704
Mashreq Bank, Mumbai, India	ACUD	494,743	85.50	42,160,553.34	1,257,719	84.80	10,655,046
Mashreq Bank, Mumbai, India	ACUD	15,551	99.21	1,542,856.62	15,551	104.23	1,520,829
Mashreq Bank PSC, Dubai, UAE	AED	7,322,562	23.29	182,083,442.99	1,520,520	23.09	35,104,049
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal	ACUD	682,904	85.50	58,385,293.71	687,279	84.80	58,281,536
Standard Chartered Bank, Colombo, Sri Lanka	ACUD	252,135	85.50	21,557,548.15	181,179	84.80	15,354,054
United Bank Limited, Karachi, Pakistan	ACUD	203,756	85.50	17,421,057.63	229,340	84.80	19,148,121
Zuercher Kantonal Bank Zurich, Switzerland	CHF	53,870	91.58	4,923,477.40	94,850	96.15	811,388
		141,924,738		1,804,893,234	132,067,761		1,165,615,902
		149,806,417		2,438,904,178	146,900,165		1,258,391,281

M Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

Rashedul Islam, FCA, FCMA
 Chief Financial Officer
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka



Southeast Bank Limited
Details of Large Loan
 As at 30 September 2021

	Sep 2021	Dec 2020
Number of clients	37	37
Amount of outstanding advances (Amount in million Taka)	196,801.60	170,723.10
Amount of classified advances (Amount in million Taka)	Nil	NIL
Measures taken for recovery (Taka)	Nil	NIL

Client-wise break up is as follows:

(Amount in million Taka)

Sl. no.	Name of clients	Outstanding as at 30 September 2021			Outstanding as at 31 December 2020		
		Funded	Non funded	Total	Funded	Non funded	Total
1	Abul Khair Group	32.80	10,111.00	10,143.80	182.50	4,346.40	4,528.90
2	ACS Textiles (Bangladesh) Limited and its related concern	3,971.60	2,538.50	6,510.10	3,017.30	2,480.50	5,497.80
3	Bashundhara Group	2,964.30	1,911.80	4,876.10	4,635.30	1,850.10	6,485.40
4	Bengal Group	2,718.50	1,792.20	4,510.70	2,701.60	1,790.30	4,491.90
5	Capital Banani One Ltd. and its related concern	5,785.50	1.40	5,786.90	5,339.80	1.40	5,341.20
6	Cassiopea Fashion Ltd. and its related concerns	860.00	954.80	1,814.80	978.60	1,038.60	2,017.20
7	Sparrow Apparels Ltd. and its related concerns	1,916.90	7,349.40	9,266.30	2,629.60	5,728.60	8,358.20
8	Deshbandhu Group	8,209.30	672.60	8,881.90	7,995.70	466.70	8,462.40
9	Grameen Phone Limited	-	1,034.30	1,034.30	-	1,500.20	1,500.20
10	KDS Group	469.00	2,189.40	2,658.40	167.00	1,493.90	1,660.90
11	Kaya Group	7,135.70	6,821.10	13,956.80	7,369.20	5,312.20	12,681.40
12	Aaron Denim Limited and its related concerns	3,295.30	1,524.90	4,820.20	3,187.50	1,251.60	4,439.10
13	Maksens Spinning Mills Ltd.	1,401.60	3,718.60	5,120.20	1,977.80	3,008.40	4,986.20
14	Meghna Group	-	9,090.80	9,090.80	-	4,479.60	4,479.60
15	Mother Steel Ltd. and its related concerns	902.50	20.20	922.70	292.40	20.20	312.60
16	N. R. Group	756.20	3,393.80	4,150.00	1,086.40	3,181.80	4,268.20
17	Partex Group	4,289.90	669.50	4,959.40	4,583.30	612.30	5,195.60
18	S. Alam Group	4,233.70	-	4,233.70	4,491.80	-	4,491.80
19	Yunusco (BD) Limited and its related concerns	1,039.50	3,532.50	4,572.00	1,686.00	2,162.10	3,848.10
20	T. K. Group	-	6,735.60	6,735.60	377.00	5,266.50	5,643.50
21	Rupayan Housing Estate Limited and its related concerns	6,019.30	20.00	6,039.30	5,780.60	20.00	5,800.60
22	Chittagong Aslan Apparels Ltd. and its related concerns	980.30	2,984.60	3,964.90	1,187.30	3,102.30	4,289.60
23	Snowtex Outerwear Limited and its related concerns	4,912.40	6,344.40	11,256.80	4,405.00	4,439.70	8,844.70
24	Generation Next Fashions Limited	2,528.40	1,324.60	3,853.00	2,505.10	1,721.60	4,226.70
25	Donatex Fashions Limited and its related concerns	2,940.20	3,761.30	6,701.50	4,778.90	3,554.30	8,343.20
26	Minna Group	4,943.60	5.70	4,949.30	4,634.10	14.70	4,648.80
27	City Group	-	5,007.90	5,007.90	-	2,360.50	2,360.50
28	Bashundhara Oil and Gas Company Limited	-	5,023.10	5,023.10	-	4,768.30	4,768.30

A.K.M. Nazmul Haque
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka.

Rasidul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
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 Head Office, Dhaka.

M Kamal Hossain
 Managing Director
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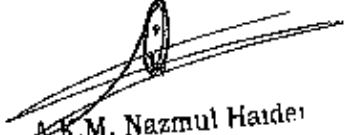
Erig Gon Shafiqul Shamim per (Retd)
 Managing Director & CEO
 Sans Kalyan Insurance Company Ltd.



29	KSRM Steel Plant Ltd. and its related concerns	1,032.50	2,955.10	3,987.60	3,393.40	2,208.80	5,602.20
30	Vertex Group	377.10	398.60	776.70	495.80	408.60	904.40
31	Shanin Group	1,825.10	2,283.20	4,108.30	1,634.60	2,261.80	3,896.40
32	Masuma Khatun Textile Industries Ltd.	3,846.10	685.40	4,531.50	3,616.80	977.30	3,994.10
33	Boshundhara Trading Company Ltd. and its related concerns	1,894.30	6,761.30	8,655.60	1,297.50	2,044.40	3,338.90
34	MSA Textiles Ltd. and related concerns	515.10	2,973.50	3,488.60	515.20	3,338.30	3,853.50
35	Chaity Composite Ltd.	1,767.20	2,971.40	4,738.60	1,628.00	1,932.60	3,561.40
36	Amber Super Paper Ltd. and related	1,912.90	1,650.80	3,563.70	1,813.20	1,826.40	3,639.60
37	Envoy Textiles Limited	1,432.00	679.40	2,111.40	-	-	-
	Total	86,908.80	109,892.70	196,801.50	90,355.10	80,368.00	170,723.10

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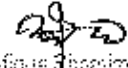
Rasatul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.



A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka



Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Big Gen Shafique, FRCM, FRCI (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Southeast Bank Limited
Schedule of fixed assets including premises, furniture and fixtures
 As at 30 September 2021

Annexure-6

Particulars	Cost/Revaluation				Balance as at 30 Sep 2021	rate of dep. %	Depreciation			Balance as at 30 Sep 2021	Written down value as at 30 Sep 2021
	Balance as at 1 Jan 2021	Additions during the year	Revalued during the year	Disposal during the year			Balance as at 1 Jan 2021	Charged during the year	Adjustment for disposal during the year		
	Taka	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka

A. Own assets											
Office:											
Land	5,797,928,007	-	-	(99,790,000)	5,697,676,007	-	-	-	-	-	5,697,676,007
Building	1,989,884,943	-	-	(79,876,133)	1,910,010,897	4%	641,572,718	39,726,949	(34,253,246)	647,044,923	1,262,966,974
Furniture and fixtures	1,375,510,395	74,031,758	-	(16,622,343)	1,432,919,770	10%	673,651,798	55,374,273	(9,487,209)	719,528,870	713,390,920
Office Appliances	35,674,809	-	-	(131,840)	35,542,969	20%	11,851,545	551,631	(5,799)	12,440,487	3,142,789
Computer	633,119,148	102,344,448	-	(1,097,654)	634,373,942	20%	246,655,539	54,593,082	697,112	271,935,716	362,438,249
Electrical Appliances	1,541,806,669	69,491,791	-	(15,014,919)	1,596,283,541	20%	1,032,833,674	82,675,237	(11,689,449)	1,107,619,312	482,426,329
ATM Booth	665,452,937	430,147,411	-	(1,666,000)	1,093,934,348	20%	325,499,889	96,489,282	304,470	321,395,741	772,639,607
Motor vehicles	715,821,436	-	-	-	715,821,436	20%	121,152,705	14,175,737	-	135,328,442	40,492,994
Total	12,094,698,364	676,017,428	-	(274,180,602)	12,506,535,190		2,922,660,288	342,535,974	(34,432,841)	3,211,363,450	9,295,071,740

Residence of executives											
Furniture and fixtures	5,854,290	500,000	-	(1,100,000)	5,254,290	10%	2,109,940	269,527	(268,440)	2,101,027	3,153,263
Electrical Appliances	20,061,690	3,211,529	-	(4,261,823)	19,011,396	20%	12,671,180	1,027,352	(823,649)	12,774,893	6,233,797
Total	25,915,970	4,211,529	-	(5,961,823)	24,265,676		14,081,120	1,286,879	(1,092,089)	14,273,910	9,390,060
Balance as at 30 September 2021	12,120,614,534	##	##	(220,142,437)	12,500,801,100		2,987,941,408	343,822,852	(55,524,900)	3,276,239,360	9,234,561,800
Balance as at 31 December 2021	11,440,421,633	##	##	(189,126,909)	12,000,494,724		2,694,445,734	371,619,258	(127,143,454)	2,937,941,408	9,182,672,927

(Signature)
Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

(Signature)
A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka



Rashedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

(Signature)
Gen. Shafiqul Kamal (Gen)
 Managing Director & CEO
 Gen. Kalyan Insurance Company Ltd.

Southeast Bank Limited
Names of Directors and their interest in different entities

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/ director/ managing agent/ guarantor/ employee/ partner, etc.	Position	% of Shareholdings
1	Mr. Atangir Kabir, FCA	Chairman	-	-	Nil
2	Mrs. Dukima Ahmed	Vice Chairperson	Mutual Food Products Limited Mutual Milk Products Limited Mutual Trading Co. Limited	Chairman Director	31.78% 16.00% 12.96%
3	Mr. M. A. Kashem	Director	Rose Corner (Pvt.) Limited	Chairman	50.00%
4	Mr. Azim Uddin Ahmed	Director	Mutual Food Products Limited Mutual Milk Products Limited Mutual Trading Co. Limited AD Holdings Limited	Managing Director " Chairman & MD Chairman	44.78% 52.00% 71.30% 0.50%
5	Mrs. Jusna Ara Kashem	Director	Rose Corner (Pvt) Limited	Director	20.00%
6	Mrs. Rehana Rahman	Director	Bengal Tradeways Limited CHB Building Technologies Limited	Managing Director Director	74.61% 26.00%
7	Mr. Md. Atikur Rahman	Director	-	-	Nil
8	Mr. Raiyan Kabir	Director	-	-	Nil
9	Mr. M. Maniruz Zaman Khan (Nominee of Leasing & Investment Limited)	Director	-	-	Nil
10	Mr. Syed Sajedul Kalm	Independent Director	-	-	Nil
11	Dr. Quazi Mesbahuddin Ahmed	Independent Director	-	-	Nil
12	Mr. Mohammad Delwar Husain	Independent Director	-	-	Nil
13	Mr. M. Kamal Hossain	Managing Director	-	-	Nil

Rislan

Rasheedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka.

A.K.M. Nazmul Haider
 A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

M. Kamal Hossain
 M. Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.

Brig Gen Shafiqul Islam
 Brig Gen Shafiqul Islam (Retd)
 Managing Director & CEO
 Sera Kalyan Insurance Company Ltd



Southeast Bank Limited

Reconciliation of net profit with cash flows from operating activities (Standalone basis)
For the period ended 30 September 2021

Particulars	Sep 2021	Sep 2020
	Taka	Taka
Profit before tax as per profit and loss accounts	4,488,241,414	3,929,032,957
Adjustment for non-cash items:		
Provision for loans and advances/investments	723,813,033	1,041,800,000
Provision for diminution in value of investments	18,314,865	71,420,000
Provision for off-balance sheet items	460,080,800	173,200,000
Provision for others assets	141,300,000	-
Depreciation of property plant and equipment	343,822,862	264,979,709
Recoveries on loans previously written-off	339,276,512	263,897,102
Foreign exchange gain/(Loss)	2,291,435	(870,718)
Sale proceeds of the above assets	70,121,786	126,951
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(8,678,269,277)	(23,371,546,371)
Other operating assets	(322,462,567)	(392,335,073)
Deposits from other banks	10,235,348,699	932,051,241
Deposits from customers	9,586,212,453	34,119,314,296
Others operating liabilities	4,785,989,823	(1,021,261,273)
Income tax paid	(1,101,573,763)	(2,366,515,499)
Cash flows from operating activities as per cash flow statement	21,092,508,055	13,642,294,321

Riswan

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Vice President
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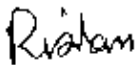
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Southeast Bank Limited
Head Office, Dhaka

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

Big Gen Shafiqul Shamir psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd



ANNEXURE 3: CREDIT RATING REPORT OF THE ISSUE



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Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka



A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka



Md Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Brig Gen Shaheque Shamin psc (Retd)
Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.

CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED

REPORT: RR/45064/21

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL long-term rating is valid for only one year and short term rating for six months from the date of rating. After the above periods, these ratings will not carry any validity unless the bank goes for rating surveillance.
CRISL followed Bank/FI Rating Methodology published in CRISL website www.crislbd.com

Address:
CRISL
Nakul Homes
(4th & 5th Floor)
5/1A, Segunbagicha,
Dhaka-1000
Tel: 9533991-1
Fax: 96-02-9530495
Email:
cosinfo@crislbd.com

Rating Contact:
Anwarul Islam
anwar@crislbd.com

Analysts:
Dil Khatun
dil@crislbd.com

Mr. Shahidul
shahid@crislbd.com

Entity Rating:
Long Term: AA
Short Term: ST-2

Outlook: Stable

Based on audited
financials as on Dec 31
2020

SOUTHEAST BANK
LIMITED

ACTIVITY:
Private Commercial Bank

CHAIRMAN
Nasirul Kabir, FCA

MANAGING DIRECTOR
M. Kamal Hossain

TOTAL ASSETS
Tk. 465,293.41 million

TOTAL EQUITY
Tk. 24,713.97 million

TOTAL LOANS & ADV
Tk. 377,251.46 million

Date of Rating: August 04, 2021	Valid up to: August 03, 2022	
	Long Term	Short Term
Surveillance Rating:	AA	ST-2
Outlook:	Stable	

1.0 RATIONALE

CRISL has reaffirmed the Long Term rating "AA" (pronounced as double A) and the Short Term rating "ST-2" of Southeast Bank Limited (SEBL). The above ratings have been assigned after an in-depth analysis of the operational and financial performance of the bank up to December 31, 2020 along with all its relevant quantitative and qualitative factors up to the date of rating.

While assigning the rating, CRISL factored the ongoing fundamentals of the bank such as average capital adequacy, average liquidity, experienced management team, sound MIS etc. However, the above factors are constrained to some extent by moderate asset quality and operating efficiency, sizable concentration on few sectors and limited progress in top twenty default portfolio along with written-off loan recovery.

Overall financial performance of SEBL has fallen in 2020. During YE2020, total operating income decreased by 4.31% and a further breakup revealed that 18.01% income has been generated from net interest income (29.58% in YE2019), 49.02% from investment income (36.75% in YE2019), 25.71% from commission, exchange & brokerage income (26.82% in YE2019) and rest 7.25% from other operating income (6.85% in YE2019). After accommodating the increase in expenditure, the net profit after tax stood at Tk. 2,149.10 million in YE2020 against Tk. 2,508.56 million in YE2019 indicating a decrease of 14.33%. The Earnings Per Share (EPS) of the Bank declined to Tk. 1.81 in YE2020 from Tk. 2.11 in YE2019.

SEBL had been carrying out its operations with average liquidity during 2020 where all the liquidity related indicators have been found average. Advance to deposit (AD Ratio) ratio stood at 80.26% in YE2020 and 81.63% in YE2019. The liquidity coverage ratio (LCR) stood at 116.37% and Net stable funding ratio stood at 106.51% as on December 31, 2020.

The Capital to Risk-Weighted Assets Ratio (CRAR) of SEBL stood at 14.35% in YE2020 against BB's minimum requirement of 12.50% (including 2.50% as capital conservation buffer) compared to 11.52% in YE2019. The CRAR on core capital (Tier 1) stood at 11.10% against the minimum regulatory requirement of 8.5% (including 2.5% as capital conservation buffer) and on supplementary capital (Tier 2) stood at 6.13% during the period against the regulatory maximum limit up to 4.0% plus 88.89% of excess of 7% in CET1 ratio.

The overall asset quality of SEBL has been found moderate. SEBL's non-performing loans (NPL) decreased to Tk. 9,939.76 million in YE2020 compared to Tk. 14,375.29 million in YE2019. Gross NPL ratio stood at 3.01% in YE2020.

The Banks rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a banking entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

The Short-term rating indicates the high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL has placed the bank with "Stable Outlook" for its performance being in line with the pace of the industry.

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M. Kamal Hossain
Managing Director
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Muzaffer Ahmed, FCA, FCS
President and CEO
Credit Rating Information and Services Ltd.

Big Gen Shaiqul Islam, FCS (Retd)
Managing Director & CEO
Sena Kayan Insurance Company Ltd.

**CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED**

2.0 CORPORATE PROFILE

2.1 Genesis

Southeast Bank Limited (SEBL), a second generation Private Commercial Bank (PCB), was incorporated on March 12, 1995 as a public limited company and got a Banking license from Bangladesh Bank on March 23, 1995 under the Bank Companies Act, 1991. It commenced operation on May 25, 1995 with the vision 'to become a pioneer Banking Institution in Bangladesh and contribute significantly to the national economy'. The Bank has successfully been operating its business through a combined approach of both Conventional and Islamic Banking to meet the banking needs of a rapidly growing clientele. SEBL was initially sponsored by 32 persons. The Bank went into initial public offering in 1999 and since its listing in 2000 its shares are being traded with both the bourses of the country as 'A' category issue. Based on the issue, the bonus shares and expansionary dividend policy along with three rights offers after IPO flotation, the paid-up capital of the Bank has been enhanced to Tk.11,889.41 million as on December 31, 2020 against authorized capital of Tk.15,000.00 million. The Bank has been operating successfully through Corporate Banking, Institutional Banking, Off-Shore Banking, Merchant Banking and Securities Trading. SEBL has launched two (02) subsidiary companies namely Southeast Bank Capital Services Limited (SBCSL) and Southeast Exchange Company (South Africa) Pty. Limited with aims to further diversifying its business portfolio. The Bank has increased its service coverage over the years, through setting up branches, sub-branches, SME branches/Krishi branches and ATM booths at different strategically important areas of the country. SEBL has been operating its business throughout the country with a network of 135 branches (up to 31st December 2020), 17 sub-branches, including 15 SME/Krishi branch along with 2,859 employees. The Bank has been operating with Islamic Banking in 5 branches designated for the purpose in complying with the rules of Islamic Shariab. Up to 2020, the bank has got 277 ATM booths in the country.

Southeast Bank Limited received an award in "Excellence in MasterCard Prepaid Business and Excellence in MasterCard Online Acquiring Business" categories in 2020. Mr. Atamgir Kabir, FCA is the Chairman of the Board while Mr. M. Kamal Hossain is leading the management team as Managing Director. The Corporate Office of the Bank is located at its own premises at Eunoo's Trade Center (Level# 2, 3, 4, 5, 16 & 17), 52-53, Dilkusha Commercial Area, Dhaka.

2.2 Ownership Pattern

Ownership pattern of SEBL is diversified among Sponsors and Directors, Financial Institutions, Foreign Investors, and General Public. The Bank had a total of 1,188,940,521 ordinary shares of Tk.10.00 each as on 31 December, 2020 owned by 31,881 shareholders. The Sponsors/Directors held by 30.18% of the total shares followed by the General Public by 34.39% and Financial Institutions and Investors A/C Holders by 35.43% as on December 31, 2020.

Diversified ownership pattern

2.3 Operational Network

During the year 2020, SEBL has not added any new branches in its operational network but added 17 new sub-branches in 2020. Out of 135 branches, 73 branches are urban, 47 are rural and 15 are SME/Krishi branches. SEBL has also 2 offshore Banking units (Dhaka EPZ and Chattogram EPZ) and 5 Islamic Banking branches. The Bank is in the position to set-up its branches in a good located area at Dhaka, Chattogram, Sylhet, Bogra, Comilla, Jessore, Tangail, Dinajpur, Khulna, Rajshahi, Narayanganj, Moulvibazar, Feni, Narsingdi, Brahmanbaria, Barisal, Rangpur and Chowmuhoni. SME/Agriculture branches are located in Dhaka, Chattogram, Jessore, Brahmanbaria, Noakhali, Feni, Gazipur, Sylhet, Tangail, Satkhira and Narsingdi area.

17 new sub-branches added

SEBL started its Islamic Banking Operation in the year of 2003. The Bank is operating its Islamic Banking activities through 5 Islamic Banking branches at different locations of Dhaka, Feni, Cox's Bazar, Sylhet and Chattogram area. The branches maintain separate books of accounts as required by Bangladesh Bank. The activities are separated from normal conventional Banking operations.

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M Kamal Hossain
Managing Director
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Muzafer Ahmed, FCA, FIA
President and CEO
Credit Rating Information and Services Ltd.

Brig Gen Shaukat Siddiqui (Retd)
Managing Director & CEO
Sana Khatun Insurance Company Ltd.

CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED

2.4 Business Profile

In order to meet the ever increasing demand of clientele, the Bank has introduced new products in the business profile of the Bank, during the period under surveillance. The Bank continues its focus on term deposit under deposit portfolio and commercial and industrial credit under lending portfolio. The bank is mostly focused on investment income and less based income rather than core business in the year 2020 due to fixation of lending and borrowing rate as well as less risky government security investment with comparatively good return.

Focus on term deposits

2.4.1 Conventional Banking

SEBL offers a wide range of conventional deposit and lending products along with remittance, cash management & custodial services and other special services. The loan portfolio of SEBL is concentrated on SME, trading, readymade garments, agriculture products, leather, etc. The bank continues its focus on fixed and term deposit, low cost deposit in deposit portfolio as well as corporate and trade financing product in lending portfolio. The Bank's liability products include Savings (SB) account, Current (CD) account, Special Notice Deposit (SND), Fixed Deposit Receipt (FDR), Double Benefit Scheme (DBS), Millionaire Deposit Scheme (MDS), Pension Savings Scheme (PSS), Monthly Savings Scheme (MSS), Monthly Income Scheme (MIS), Multi-Millionaire Gold Deposit Scheme (MGDS), Wage Earners Pension Savings Scheme (WEPSS), etc. The Bank's loans & Advances product/Services include Working Capital Finance, Overdraft (OD), Term Finance, Project Finance, Syndicate & Club Finance, Work Order Finance, Real Estate Finance, Trade Finance, Commercial Finance, Export Finance, Packing Credit, Loan against Trust Receipt, Loan against Export B/L etc. The Bank is also providing treasury services, retail services and other smart services that include SME Banking, Dual Currency VISA Credit Card, Debit Card, Remittance Business, SWIFT Services, Locker Services, SMS Banking, ATM Services, Internet Banking, Platinum Card, SEBL Virtual Card, My Remit Card, Edusmart Card etc. Moreover, the Bank also introduced SME product under the brand name "Shoplink". Southeast Bank is also engaged in export-import business, guarantee business, Inland Trade Finance and remittance operations. In addition, the Bank is also engaged in collection of electricity bill, WASA bill, university tuition fees etc.

2.4.2 Islamic Banking

Southeast Bank also provides Islamic Banking Services complying with Shariah Principles. To oversee and advise compliance with Shariah Principles, the Bank has a Shariah Supervisory Committee. The Committee is comprised of 7 (seven) members with Professor Moulana Mohammad Salah-Uddin, Khateeb of Baitul Mokarram National Jame Mosque and former principal, Madrasah-e-Allia, Dhaka as the Chairman. Under the guidance of Shariah Supervisory Committee, the Bank designed all its deposits and investment products/services of Islamic Banking. To remain competitive in the market and to make the product more attractive to the customers, the Bank has offered 15 (fifteen) deposit products that include Mudaraba Savings (SB) account, Al-Wadiah Current Deposit (CD) Account, Mudaraba Term Deposit Receipt (MTDR), Mudaraba Monthly Savings Scheme (MMSS), Mudaraba Monthly Income Scheme (MMIS), Mudaraba Pension Savings Scheme, Mudaraba Short Notice Deposit, Mudaraba Double Benefit Scheme, Mudaraba Super Double Benefit Scheme, Mudaraba Multimillionaire Gold Deposit Scheme (MGDS), Mudaraba Wage Earners Pension Saving Scheme, Shagotom Mudaraba Yeomun Daily Savings Scheme, Shagotom Mudaraba Shaikhun Monthly Savings Scheme, Shagotom Mudaraba Fidaul Hajj Monthly Savings Scheme, Shagotom Mudaraba Shahrin Monthly Savings Scheme. Investment is made through different modes i.e. Ijarah, Hire purchase (under Shirkatul Melk), Bai-Murabahah, Bai-Muajjal and Bai-Salam. Investment income is shared with the Mudaraba depositors equitably, ensuring a reasonably fair rate of return on their deposits based on weight of an individual product.

2.4.3 Merchant Banking

SEBL obtained merchant banking license from the then SEC (now BSEC) to operate merchant banking activities on 6th April, 2009 and started commercial operation from 17th August 2009. In compliance with Bangladesh Bank circular, "Southeast Bank Capital Services Limited" (SBCSL), a subsidiary of Southeast Bank Limited, was formed in September 23, 2010 with an initial authorized capital of TK. 3,000 million and paid up capital of TK. 1,000 million to carry

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Head Office, Dhaka

Kamal Hossain
Managing Director
Southeast Bank Limited
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Muzaffar Hossain, FMA, FCS
President and CEO
Credit Rating Information and Services Ltd.

Big Dee Shaheed, Shamim psc (Held)
Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.

CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED

out merchant banking operations. Currently, the paid up capital of the company stood at Tk. 5,500 million against authorized capital of Tk. 6,000 million. At present the merchant banking operation is mainly focused on portfolio management, underwriting management and Pre-IPD placement. It also provides issue management and investment advisory services.

2.4.4 Off-shore Banking

The Bank is operating its Off-shore Banking (OBU) activities with two units, one in Dhaka EPZ and other in Chattogram EPZ. Off-shore Banking maintains its accounting records in USD and operates under special guidelines from Bangladesh Bank. OBU provides all kinds of trade finance facilities to the Type-A (wholly foreign owned) enterprises operating in the EPZs and customized trade finance services to the Type-B (Joint Venture), Type-C (wholly local owned) enterprises of EPZs side by side enterprises outside of the EPZs.

Two off-shore banking unit

2.4.5 Southeast Exchange Company (South Africa) Pty. Limited

Southeast Exchange Company (South Africa) Pty. Ltd, a fully owned subsidiary company of SEBL in South Africa, has commenced its business operation on December 15, 2014. It is providing remittance facilities to the expatriate Bangladeshis residing/working in South Africa.

2.5 Market Position

SEBL has maintained a stable position in terms of market share during YE2020 with regard to both deposits and Loans & advances/loan among Private Commercial Banks (PCBs). The banking industry of Bangladesh (excluding inter-bank and Government deposits) comprised of 61 scheduled banks consisting of 6 state-owned commercial banks, 3 specialized banks, 9 foreign banks, and 41 private commercial banks including 10 Islamic banks) has a total deposit of Tk. 13,791.30 billion with 13.56% of growth and Tk. 11,227.89 billion with 8.18% of growth as an loan/investment as on December 31, 2020.

The total deposit base (consolidated) of SEBL stood at Tk. 359.54 billion in YE2020 indicating 2.61% market share against 2.71% of the prior year. Total Loans & advances (consolidated) stood at Tk. 322.25 billion in YE2020, indicating 2.87% market share against 2.86% of the previous year. The growth rate of deposit of SEBL was 9.20% against the industry growth rate of 13.56% and the growth rate of loans & advances of the bank was 0.59% against industry growth rate of 8.18% in YE2020. The above scenario reveals that the bank's loans & advances growth slightly lower than deposit growth. In addition to that, the total remittance of SEBL has decreased to USD 1532.45 million in YE2020 from USD 1636.00 million in YE2019. The total import business of SEBL stood at Tk. 221.82 billion in 2020 against 248.90 billion in 2019 indicating a decline of 10.88% while the export business stood at Tk. 176.42 billion in 2020 against Tk. 205.90 billion in 2019 indicating a decline of 14.32% in 2020.

3.0 INDUSTRY ANALYSIS

3.1 Economy Projection

The banking sector in Bangladesh is passing through a difficult time and beset with many internal and external challenges. The impact of COVID-19 added fuel to the above situation. The Bangladesh Bank has been forced to act and issued a large number of Circulars recently to combat the situation arising from liquidity, stressed assets, over borrowing by the government etc. to tackle the financial impact of COVID-19.

World Bank in its latest report on "South Asia Economic Focus" reveals that given the significant uncertainty pertaining to both epidemiological and policy developments, real GDP growth of Bangladesh Economy for FY21 could range from 2.6 to 5.6 percent depending on the pace of the ongoing vaccination campaign, whether new restrictions to mobility are required and how quickly the world economy recovers.

International Monetary Fund (IMF) in its latest report titled "World Economic Outlook: Managing Divergent Recoveries" has scaled up its projection for the economic growth of Bangladesh to 5.6 per cent for 2021, up from 4.4 per cent it forecast in October last year. According to the IMF, the country will return to its high growth trajectory next year, when the gross domestic product (GDP) is projected to expand by 7.5 per cent.

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President and CEO
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Eng Gen Shafiqul Kamal Bsc (Retd)
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CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED

The United Nations Committee for Development Policy (CDP) has recommended graduation of Bangladesh from the category of Least Developed Country (LDC) as it fulfilled the eligibility criteria in terms of per capita income, human assets and economic and environmental vulnerability.

The global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected. IMF in its latest publication in 'World Economic Outlook Update' reveals that although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.

3.2 Sector at year-end 2020

Though major key indicators registered slight improvement year on year basis (mainly due to flexibility & relaxation in loan classification and rescheduling at nominal down payment with extended tenure) overall banking sector's health was at stake. Huge classified loan and stressed assets continue to become the major source of concern though central bank has taken a number of steps and policy measures to curb the situation. Surplus liquidity was there in the banking system all the year round.

In order to ease the doing business in the Bangladesh with an objective to boost country's overall economy and to keep the GDP growth momentum 5.24% in FY 2019-20 (8.15% in FY2018-19) central bank has taken a number of steps. Fixing the lending rate at 9% is aimed to ensure supply of capital at lower rate. Guideline of Internal Credit Risk Rating (ICRR) in 2018 has started functioning fully from October 2019. During the year central bank accorded approval to one more scheduled bank.

3.3 Major Issues and Public Confidence

The overall scenario of the banking sector in Bangladesh remained volatile and facing moderate level of turbulence with multiple challenges in area of weak governance, poor asset quality, dwindling profitability, declining interest rate, marginal capital adequacy, excess liquidity and poor risk management especially in SCBs and specialized banks. All these together contributed for lack of confidence in public mind and caused prolonged liquidity crunch after scam in some scheduled commercial banks and non-bank financial institutions.

3.4 Asset Quality

Extending credit to economic sectors and maintaining asset quality were major challenges as usual for overall banking sector like previous years. Licensing to new banks to work vis a vis large number of existing scheduled banks raised question over its future profitability and sustainable operation amid current severe competition in the sector. Non-performing loan remained the grave concern in the industry. Asset quality of all types of banks registered slight improvement in FY 2020 compared to FY 2019 due to central bank's forbearance policy, relaxation of loan classification and flexible rescheduling support. NPL ratio in the banking sector further declined to 7.66% in Q4, 2020 from 8.88% in Q3, 2020 and against 9.3% percent in Q4, 2019 and 10.30 in Q4, 2018. Total Classified loan of banking sector stood at Tk. 944.4 billion with provision shortfall of Tk. 26.4 billion at Q1, FY2021. However, industry's classified loan came down to Tk. 882.8 billion with provision shortfall of Tk. 1.3 billion at Q2, FY2021. Non-performing loan in state owned commercial banks and specialized banks remained worse than industry average.

3.5 Capital Adequacy

The overall performance of the banking sector in terms of capital adequacy was not satisfactory though there was slight improvement in ratios movement. Capital to Risk weighted asset ratio of the industry increased to 11.9% in Q3, 2020 from 11.6% in Q2, 2020 and against 11.57% in Q4, 2019. State owned Commercial Banks (SCB) and specialized banks were non-compliant in terms of Basel capital maintenance. CRAR of SCBs stood at

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 Company Secretary
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M. Kamal Hossain
 M. Kamal Hossain
 Managing Director
 Southeast Bank Limited
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Muzaffar Ahmad
 Muzaffar Ahmad, FRCR
 President and CEO
 Credit Rating Information and Services Ltd.

Brig Gen Shahaed Khan
 Brig Gen Shahaed Khan (Retd)
 Managing Director & CEO
 Sama Kalyan Insurance Company Ltd.

CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED

0.3% in Q3, 2020 whereas CRAR of specialized bank stood at - 33.70% in the same period. CRAR of PCBs declined to 13.3% in Q3, 2020 from 13.62% in Q4, 2019. Over the years Capital adequacy maintenance of Foreign Commercial Banks are satisfactory. CRAR of FCBs stood at 25.6% in Q3, 2020.

3.6 Profitability

Profitability performance of the banking sector during FY2020 was not satisfactory except foreign commercial banks. Regulatory compulsion of single digit lending rate, low credit demand, moderate foreign trade and disruption in both demand and supply side in the economy inflicted by prolonged COVID-19 pandemic caused concern and affected banking sector profitability. Moreover, regulatory forbearance not to transfer all interest receipts from loans to income account directly during moratorium era, one percent additional provision for uncollected loans and advances and prevailing excess liquidity in the banking system contributed towards moderate profitability during the period. Return on Asset (ROA) and Return of Equity (ROE) of overall industry stood at 0.25% and 4.28% respectively in FY 2020 against 0.4% and 6.8% in FY2019 while 0.3% and 3.9% respectively in FY 2018 and 0.70% and 9.60% respectively in FY2017. Profitability performance of both SCBs and specialized Banks were worse and incurred loss in FY2020. Return on Asset (ROA) and Return of Equity (ROE) of FCB stood at 2.13% and 13.30% respectively in FY2020 against 2.3% and 13.4% respectively in FY2019 while 2.2% and 12.4% respectively in FY2018 and 2.2% and 11.3% respectively in FY 2017. Profitability performance of Industry's PCBs also registered downturn. ROA & ROE of PCBs came down to 0.7% and 10.22% respectively in FY2020 against 0.8% and 11.2% respectively in FY2019.

3.7 Liquidity

The liquidity conditions in the banking sector remained adequate and improved further at the end of Q1FY21, partly due to easing CRR policy, higher remittance inflows, and intervention in the foreign exchange market. Likewise, excess liquidity, the excess of CRR and SLR as a percent of total demand and time liabilities (DTL), increased to 12.6 percent in Q1FY21 compared to that of 10.7 percent in Q4FY20. Industry's AD ratio came down to 72.7% in Dec 2020 from 74% in Sep. 2020 against 77.3% in December, 2019. Industry's deposit growth (year on year) excluding interbank stood at 13.1% in Dec. 2020 against advance growth (year on year) of 8.2% in Dec. 2020. Against the backdrop of impact of coronavirus and its effect on national economy SB has made downward revision of repo rate and cut CRR requirement of all scheduled banks as a part govt. policy support to curb the COVID-19 impact, specially to ensure smooth supply of fund for hard-hit large, medium and small manufacturing and service sectors industries.

4.0 CORPORATE GOVERNANCE

4.1 The Board of Directors

The Board of Directors of Southeast Bank Limited has 13 (thirteen) members including Managing Director and 3 (three) Independent Directors. The Board is headed by Mr. Alamgir Kabir, FCA as Chairman. The other members of the Board have diverse skills, experience and expertise. For smooth functioning, the Board has three Board Committees-Executive Committee (EC), Audit Committee (AC) and Risk Management Committee (RMC) as per BB requirement. The Board sets key targets for the Bank and monitors the progress, approves long term strategic plan, appoints key management people and adopts sufficient risk management systems to mitigate the core risks of the Bank. The Board also responsibly ensures good corporate governance, devises policies and determines both short-term and long-term objectives and goals of the Board. SEBL held 24 Board meetings during the year 2020 and also held 33 Board meetings during the year 2019.

13 members Board

4.2 Key Board Committees

The Board formed a 6 member Executive Committee (EC) which includes the Managing Director, Mr. Alamgir Kabir, FCA is the Chairman of the Board. The Committee conducted 06 meetings in the year 2020 against 05 meetings in 2019 respectively. The Executive Committee monitors and approves the business and operational activities of the Bank as per the approved policy of the Board as well as reviews the policies and guidelines issued by Bangladesh Bank.

06 EC meetings held

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Brig Gen Shahidul Shaheen (Retd)
Managing Director & CEO
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5 AC meetings held

05-member Audit Committee was constituted by the Board with Mr. Syed Sajedul Karim, Independent Director, as the Chairman. The Committee reviews the appropriateness of the Bank's accounting policy, existing system and up-gradation of systems, annual audit plan, management's report on risk management and audit committee's own terms of reference within the purview of prudential guidelines of Bangladesh Bank. The committee also maintains the relationship with the external auditors of the company and gives direction to the Internal Control and Compliance Division of the Bank. The Audit Committee held 05 meetings in YE2020 and 07 meeting in YE2019 respectively.

4 meeting held in RMC

Apart from the above, the Board of Directors of the Bank constituted a 4-member Risk Management Committee on December 24, 2013. The Chairman of the Risk Management Committee is the Bank's Chairman. The Risk Management Committee held 04 meetings in YE2020 and in YE2019 respectively.

4.3 Shariah Supervisory Committee

The 7-members of Shariah Supervisory Committee of SEBL are headed by Professor Moulana Mohammad Salah Uddin, Khatib of the national mosque, Baitul Mokarram. The Shariah Supervisory Committee reviews different operational issues and gives independent opinion based on Islamic Shariah. It also provides necessary guidelines and creates awareness about the compliance with Shariah. It suggests the Bank to develop more awareness among the employees and clients about Islamic Banking. The five Islamic Banking branches of SEBL are conducting Islamic Banking business based on the principles of Islamic Shariah. The Committee conducted 02 formal virtual meetings in 2020 and 03 meetings during the year 2019.

4.4 Delegation of Power

There were no major changes in the delegation of power of the bank during 2020. The delegation of both financial and administrative power in SEBL is fairly distributed. Managing Director can exercise a composite limit up to Tk.70.00 million (funded and non-funded) with approval of Credit Committee. The Board of Directors delegated requisite financial and administrative power and limited business power to MD; DMD; SEVP, EVP, SVP and VP of Head office CRM Division. The Bank ensures that duties and responsibilities are appropriately segregated between the Board and management to provide sufficient check and balance and flexibility for smooth business operations; Branch Heads have been given limit in respect of loan sanctioning for both funded and non-funded credit.


4.5 Corporate Management Team


The Management team of the Bank is led by its Managing Director, Mr. M. Kamal Hossain. Mr. Kamal joined SEBL in July 2003 as Vice President and prior to his current assignment, he served as Additional Managing Director of the Bank. He has also a strong academic and professional background as well as banking exposures over a period of 38 years. In his management team, he is aided by 01 Additional Managing Director, 01 Deputy Managing Directors, 07 Senior Executive Vice Presidents, 09 Executive Vice Presidents, 01 Director Training, 12 Senior Vice Presidents, 41 Vice Presidents and a Chief Financial Officer. The day-to-day functions of the bank are handled by these professionals having modern banking knowledge and long experience to compete with the leading banks in the country. In order to manage the banking operation efficiently, management formed several internal committees such as: Senior Management Team (SMT), Asset Liability Committee (ALCO), Credit Risk Management Team (CRMC) and Central Compliance Committee (CCC). The SMT and ALCO are headed by the Managing Director. SMT, ALCO and CRMC meet at least once in every month. These committees meet time to time to discuss and solve various day to day operational issues of the Bank.

4.6 Human Resources Management (HRM)


SEBL has been operating with total HR base of 2,859 in YE2020 which was 2,885 in YE2019. During YE2020 and YE2019, the Bank recruited (fresh and experienced) 78 and 248 employees respectively while promoted 38 and 379 employees respectively. During 2020, total 17 top level executives left from the bank which is a source of concern for the bank. Again, other than top level executives, total 87 and 138 employees left the Bank in YE2020 and YE2019 respectively and HR turnover stood at 3.61% and 5.66% in YE2020 and in


Experienced management team



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YE2019 respectively. The Bank has Board approved service rules including compensation package. In addition to remuneration package, a number of policies were formulated for welfare of the employees in the form of contributory provident fund, gratuity, leave encashment facility, incentive bonus, medical benefit, welfare fund, Death risk coverage of staff, House building loan scheme etc. SEBL has a training Institute under the name 'Southeast Bank Training Institute'. The Institute is headed by one Principal. The Institute implements different training programs which are closely supported by different divisions of the Bank. Total 11 officials were sent round the year 2020 to take part in different training/workshop/seminar at home and abroad. Besides, a total number of 2430 officials attended training program/workshop on different areas of banking operations at Bank's own Training Institute. Therefore, a total number of 2,441 officials attended training program during 2020.

4.7 Information Technology (IT) and Management Information System (MIS)

The IT system of SEBL has been found satisfactory. The Bank has already implemented Centralized Core Banking Software (CBS), named BankUltimus, which has replaced decentralized banking system called PcBank 2000. All the Branches are connected with Head Office and are providing online banking services through centralized Core Banking Software (CBS) using Wide Area Network (WAN). Through the CBS, required MIS reports can be generated centrally and daily banking services can be provided in a smarter way. The Bank has deployed some operational software and service which are in operation, such as: Active Directory, Centralized Mail Server, File Storage System and Virus Definition Server, etc. The Bank has established its Disaster Recovery Site (DRS) at Uttara which is 10 km radial distance from present DC (Data Center) of the Bank. The Data Center (DC) has been established at Head Office, Eunoo Center, Dilkusha C/A, Dhaka-1000 in 2008. The Disaster Recovery Site (DRS) has been protected with IPS/IDS and firewalls. Oracle Data Guard solution has been deployed for data synchronization between DC and DRS of the Core Banking System, Debit/Credit Card and Mobile Financial Service.

Second MIS

However, according to the ICT Security Guideline of Bangladesh Bank, it has been mandated to setup Far DC (second DRS) in a separate seismic zone for prevention of data loss in case of any major natural catastrophe, like earthquake. Considering the major impacts of data loss, the Bank has also established its Far DC (second DRS) at Jessore which is located in a separate seismic zone. Now live data is being replicated from main DC to near DC (Uttara DRS) and then to Far DC at Jessore in a near real-time basis.

SEBL has gone live with Bangladesh Electronic Fund Transfer Network (BEFTN). BEFTN is a faster, safer, and more efficient means of inter-Bank fund transfer. So far, the Bank has installed 277 ATM booths in live operation across the country. The Bank is also sharing ATM Networks of other Banks through National Payment Switch (NPSB) along with some other commercial Banks. In addition, the Bank has deployed Internet Banking service and implementation of Internet banking service for Islamic Banking clients has also been introduced. The Bank also participated in CIB online Project of Bangladesh Bank to receive online credit information for the existing and prospective borrowers.

The Bank is providing online banking services to its clients through 135 branches across the country. The Bank is also providing anytime anywhere banking through offering internet banking service. SEBL is collecting utility bills of DPDC, DESCO, WASA, Titas Gas, BTCL, PDB and Student Tuition fees of North-South, BRAC and Asia Pacific Universities over the counter of its online branches. Payment of utility bills and student tuition fees can be made through alternate delivery channels like Internet Banking and Mobile Financial Service. Two Factor Authentication (2-FA) System for Internet banking has enabled its clients to perform fund transfer, utility bill/tuition fee payment in a secured manner. SMS and E-mail Alert services are available for account debit/credit transaction performed through online and internet banking and using Bank's debit/credit card as a deterrent against fraudulent transaction attempts. In order to protect information assets of the Bank from cyber threats and mitigate internal/external risks, the Bank has reviewed its information security state and taken pragmatic steps to plug off security holes of different parts (core, internet and extranet) of the network infrastructure. In this connection, it has deployed multi-layered security solutions for securing web/Internet, internal network and email system from external intruders. Bank's

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ICT security and other policies have been revised according to the guideline on ICT security for Banks and NBFIs of Bangladesh Bank which was published in October 2015 to cope with evolving changes in the ICT environment. The Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) have also been revised. The network connectivity of the SWIFT payment channel has been reviewed and restructured to ensure security and minimize operational risks. As part of building awareness on ICT security and risk among the employees of the Bank, regular training program is being arranged.

SEBL has also adopted a bank-led model for providing mobile financial service with the brand name of "TeleCash" which has been made live in February 2015. The bank has also moved hand in hand with Bangladesh Bank for implementation of another payment channel called "RTGS (Real Time Gross Settlement System)" which has been launched in October 29, 2015 and facilitates its customers to perform high value (more than Taka 100,000/-) transactions (Bank to Bank fund transfer) on a real time basis. Treasury back office unit with the proper guidance and help of IT division perfectly execute and transmit the RTGS transactions both customers to customers and Financial Institutions to Financial Institutions since it's been operational. The Bank has IT auditor in Audit Division. Regular IT Audit is being carried out in the branches and divisions. Also, there is an IT Steering Committee to oversee IT Service Delivery and Projects, monitor and evaluate IT implementation of Strategy.


The Bank has introduced Mobile App based banking service under the brand name of "SEBL App". The Internet Banking Service of the Bank has further been enriched incorporating a few features and functionalities. Self-service portal has been introduced through which customer can reset his own internet banking password, unlock user (when it is locked due to consecutive 3 attempts with wrong password). The Internet Banking System of the Bank has also been connected with NPSB channel, an initiative of the Bangladesh Bank. As a result, the customer will be able to do fund transfer instantly from A/C to other Bank A/C, Debit Card to other Bank Debit Card, Debit Card to A/C, A/C to Debit Card through NPSB channel. SEBL Instant Banking service has been introduced through deployment of Recycler-ATMs in some strategic business locations of the Bank. Customer can withdraw and deposit cash through recycler ATM and it credits the deposited amount to the customer's account instantly. It can accept maximum 200 notes with a variety of 500 and 1000 Taka notes. The Bank has also introduced fund transfer service through ATM under NPSB Channel, which facilitates the services of fund transfer from debit card to debit card and debit card to deposit account.

5.0 RISK MANAGEMENT

Risk Management is an essential part of bank Management. The bank has a Risk Management Division to look after the risk related issues particularly the core risk areas, Capital Management and forecasting, stress testing and SRP related risk areas. Risk Management Division reports to the Managing Director, Management Committee, Audit Committee, Risk Management Committee and the Board. The Risk Management Division continuously monitors the risk factors and effectiveness of the mitigating measures and conducts stress testing on quarterly basis and prepares Risk Management report on monthly basis and submits the same to the forum of senior management, Board of Directors and Bangladesh Bank. The statements cover comprehensive risk indicator for strategic decision making. The Bank has formed Risk Management Committee of the Board on December 24, 2013 in compliance with the Bank Company Act, 1991 (Amendment up to 2018) and Bangladesh Bank's circular. The Risk Management Committee conducted 04 meetings during the reporting period. Treasury Back Office Unit works side by side with RMD in Informing management about less/ gain regarding treasury deals. The Unit also checks Treasury operations based on the limit authorized by Board of Directors of the bank.

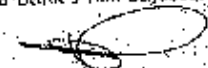
5.1 Credit Risk Management (CRM)

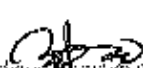
SEBL has been following its credit risk manual in line with Bangladesh Bank guidelines during the period under surveillance. Credit risk is the risk of a borrower defaulting on an obligation, the period under surveillance. Credit risk is the risk of a borrower defaulting on an obligation, causing a loss of all or part of the replacement value of ongoing contract. Credit risk also includes the possibility of the obligor's credit quality weakness causing a loss of value of obligations. The goal of credit risk management is to maximize a bank's risk adjusted rate of


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return by maintaining credit risk exposure within acceptable parameters. SEBL introduced Credit Risk Management (CRM) policy in 2004 in line with Bangladesh Bank guidelines which has lately been reviewed in 2019. All the credit proposals are scrutinized with application of the yardsticks, techniques & judgment in line with CRM policy guideline. The Bank also uses Credit Risk Grading Manual (CRGM) in line with the CRGM guideline of Bangladesh Bank. SEBL always approves credit facilities upon appraisal, proper scrutiny and due diligence on different aspects of risk areas including security aspects and its mitigating factors. In case of extension of any facility, the Bank carries out an exhaustive analysis on the collateral securities i.e. nature of securities, its value (present and forced sale value), location of the properties, titles/ownership, possession, enforceability etc. In making decisions regarding credit proposals and assessing different risk associated with the business, SEBL has Credit Risk Management Division which comprises two departments namely Credit Approval Department and Credit Administration Department. The division also ensures that all credit facilities are approved according to Bank's credit policy under defined authorities conferred by the board and BB requirement. The CRM Division also prepares and places memo to the Board on overall position of loans and advances including classification status on quarterly basis. The Division also places memo to the Board for revised policy along with sectoral allocation on annual basis. Credit administration department involves in ensuring the documentation process of offered securities as well as minimizes the losses that arise due to security and documentation deficiencies. The SEBL has prepared separate policy guidelines for the investment facilities under Islamic Shariah mode.

While reviewing the risk weight wise distribution of on balance sheet exposures under credit risk, it was revealed that 22.94% fall under 0% risk, 11.28% under 20% risk, 2.30% under 40% risk, 20.05% under 50% risk, 10.03% under 60%, 0.27% under 75% risk, 0.20% under 80% risk, 14.96% under 100% risk, 9.03% under 125% risk, 2.58% under 150% risk category and remaining 6.36% under credit risk mitigation. Considering the Corporate and SME exposure, around 8.73% of Corporate and 21.06% of SME exposure (Balance sheet) remain unrated in 2020.

The above indicates that Bank's risk concentration on moderate risk category business segment. Out of total Tk. 320,368.2 million of loan of the Bank eligible for credit rating (Corporate and SME), Tk. 257,908.2 million (80.50 % of eligible loan exposures) has been brought under the rating purview at the end of 2020. However, these ratings need to be updated through surveillance by ECATs to keep the same use worthy.


5.2 Asset Liability Management

The Asset Liability Management Committee (ALCO) of SEBL is constituted with Managing Director as the Chairman, Additional Managing Director, the Deputy Managing Directors and strategically important Divisional Heads of Head Office. In the absence of the Managing Director, Additional Managing Director Chairs the meeting of the ALCO. The Bank reviewed and revised all the related policies and manuals of Asset Liability management (ALM) that is a strategic management tool to manage interest rate risk and liquidity risk faced by the Bank. ALCO meets once in every month to address factors such as managing balance sheet gap with particular emphasis on maturity profile of deposit and lending, interest rate risk and liquidity risk of the Bank. With their assessment, SEBL takes effective measures to monitor and control interest rate risks while the Treasury Division reviews the trend analysis of market movements and prepare the gap position for proper management of interest rate changes. The Committee conducted 12 meetings during the YE2020 against 12 meeting during the YE2019 respectively.

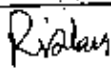
5.3 Operational Risk Management


5.3.1 Internal Control and Compliance


As per Bangladesh Bank Guideline on managing the core risks, SEBL has a manual on Internal Control & Compliance, which is circulated to all branches and divisions of head office. The activities relating to internal control and compliance are carried out on an ongoing basis at all levels of the Bank. The Board of Directors through its Audit Committee regularly reviews internal control functions done by Senior Management, Internal Control & Compliance Division (ICCD), Risk Management Division and other Risk Management Groups of the Bank. Internal



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Control & Compliance Division (ICCD) of the Bank performs their duties with the help of three units, namely: i) Audit & Inspection Unit, ii) Compliance Unit and iii) Monitoring Unit. The ICCD undertakes regular examinations of the Bank's operations and monitoring of the systems of internal control by regular review of the business processes to evaluate the frequency and effectiveness of financial and operational controls and highlights significant risks and non-compliance issues of the Bank. The ICCD also reviews the operational performance of the branches of the Bank through regular inspection and submits the major issues/irregularities detected/observed on different branches/divisions to the MD and Audit Committee in the form of executive summary. Thereafter appropriate steps are taken to implement the suggestions and recommendations of the MD and AC of the Board. In order to improve the operational performance of the Bank as well as to mitigate the risk of internal control and compliance, the officials of audit and inspection unit have visited 95 branches for conducting comprehensive/risk based surprise inspection/special inspection and 21 branches for conducting inspection on ICT out of 135 branches of the bank in the Year 2020.

5.3.2 Prevention of Money Laundering

In order to prevent Money Laundering and Terrorist Financing, Central Compliance Unit of the Bank has circulated a Board approved Anti-Money Laundering (AML) & Combating the Financing of Terrorism (CFT) Manual to all branches as well as divisions of head office. To increase awareness on implementation of the AML and CFT Policies, the Bank has arranged training and workshop for all categories of officers and executives. Moreover, the Bank has conducted inspection on AML and CFT activities of different branches to examine their position and provided suggestions to take appropriate steps to prevent money laundering and terrorist financing. The Bank monitors the AML and CFT activities through Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Central compliance Unit (CCU) at Head Office and Head of Branch and Branch Anti-Money Laundering Compliance Officer (BAMLCO) at branch level. The Bank has also introduced a standard KYC (Know Your customer) Form and Transaction Profile (TP) for the customers. KYC Program includes customer acceptance policy, customer identification, verification of customer's information and documents, ongoing monitoring of transactions and activities of the customers, etc.

5.4 Market Risk

The market risk management of the Bank broadly involves in risk identification, risk assessment and establishment of tolerance limit for risk exposures and overall risk monitoring and control. Major market risks arise from interest rate risk, equity and commodity financing risk and foreign exchange risk. The position of SEBL in terms of market risk is as follows:

5.4.1 Interest Rate risk

The Asset Liability Management Committee (ALCO) is assigned to monitor and review the interest rates risk of SEBL. The committee in its monthly meeting takes decision in respect of interest rates of the Bank. The ALCO has established its own Interest Rate Policy to monitor and for minimization of interest rate risks at an acceptable level. These guidelines and actions are taken in adherence to the policies issued by Bangladesh Bank from time to time. The Bank analyzes different factors such as GAP analysis (Ratio of rate sensitive assets and rate sensitive liabilities), cash flow analysis and duration analysis etc. ALM desk of Treasury Front Office, corporate Banking and CRM Division of Head Office analyze and submit a proposal for review of interest rates considering previously mentioned factors, on deposit and loans respectively as and when necessary. SEBL always observe market scenario and adjusts its interest rate accordingly to retain core depositors. The Bank has 95.46% Rate Sensitive Assets (RSA) and 99.00% Rate Sensitive Liabilities (RSL) of its total assets and liabilities. SEBL always observe market scenario and adjusts its profit rate to retain core depositors.

5.4.2 Equity and Commodity Financing Risk

Investment in capital market of the Bank has increased and book value stood at Tk. 4,297.72 million against which market value was Tk. 4,430.94 million as on December 31, 2020. Unrealized gain of the investment stood at Tk. 133 million. In YE2020, investment in capital market was 1.20% of total deposit against 1.43% in YE2019. As on December 31, 2020 market price (in which SEBL invested on quoted shares) of most of the shares have been found to be slightly higher than cost price. The Bank maintained provision of Tk. 117.06 million for the shares invested in capital market. In YE2020, SEBL had capital market

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Investment which was 24.72% of total sum of paid up capital against 24.58% of total paid up capital during 2019. Again, as on March 31, 2021, the Bank has made total investment of Tk. 4,333.91 million in the capital market and the market value of the investment was Tk. 4,322.82 million. As capital market is highly volatile and due to frequent price fluctuation, the Bank may face equity financing risk. The Bank is not directly involved in commodity financing; however it is exposed to commodity financing risk due to its investment in commodity based industries.

5.4.3 Foreign Exchange Risk Management

In order to manage the foreign exchange risk efficiently, the bank has developed and structured foreign exchange risk manual and international standard dealing manual in line with the foreign exchange risk management guideline suggested by Bangladesh Bank in its prudential guideline. The manual meets the minimum requirement set out in the guidelines of foreign exchange risk management by Bangladesh Bank (BB). To achieve the above goal, the Bank divided the Integrated Treasury Division into three different Department's namely front office, mid office and back office. The bank has been very active in cross currency (foreign currency against foreign currency) speculative trading. The bank has fixed up several dealing limits such as intraday, overnight and stop loss limits for the dealers and treasury as a whole. The Bank has a policy regarding valuation of all un-squared deals/ outstanding positions at current market rates. The Bank allows after hour dealing with specific approval from the senior management and off premises dealing addressing emergency situation. Concentration of deals and position taking with particular Bank may give rise to counterparty risk. The Bank has an organization chart for treasury activities. The chart has been drawn showing integrated foreign exchange and money market activities under treasury division. Separate line of reporting has been shown for the treasury front office and back office. The Back Office reports the daily Foreign Exchange Position to Management. Based on the currency position the Treasury takes decision regarding Foreign Currency Management. As most of the transactions are carried out on behalf of the customers against L/C commitments and other remittance requirements, SEBL is less exposed to FX risk. However, to mitigate FX risk due to open positions and assets in foreign currency, the Bank has an internal audit system, which monitors day to day different risk limits. The bank maintains various NOSTRO accounts in order to conduct operations in different currencies. As on December 31, 2020, the Bank had no un-reconciled credit entry in correspondent book which exceeded 3 months time frame. While reviewing the foreign exchange position, it was revealed that, net long position stood at 469.40 million. The Bank's required capital for the same stood at Tk. 46.94 million.


5.5 Information and Communication Technology Risk Management

ICT risk management plays an important role in protecting the Bank's information assets. The Bank has developed and implemented ICT risk management policies and guideline to strengthen ICT security infrastructure. Implemented centralized real time security monitoring system. During the last couple of years, the Bank has also deployed some hardware and software systems to protect its technological assets from internal and external cyber attacks, such as Web sense for protection from external intruders, PS for protection from web application level attacks, DLP for data loss prevention and user privilege restrictions. It is mentionable that the Bank has already implemented Data Centre (DC), Disaster Recovery Site (DRS) with proper Intrusion Prevention System (IPS) and Firewalls including a Demilitarized Zone (DMZ). During the year 2014, the bank has implemented SMS/E-mail alert service for all types of transactions and changes in the card management system to comply with Payment Card Industry Data Security Standard (PCI-DSS), the best in class of plastic Cards.

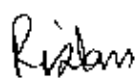
6.0 PERFORMANCE

6.1 Analytical Framework

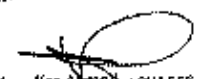
CRISL analyzed the bank considering it as a single economic entity after taking into account of main operation, consolidate financials and off-shore banking unit of SEBL. The analytical framework has mainly been based on consolidated financials of the Bank. However, separate position has also been considered wherever required. The bank reported consolidated financial statements as well as separate financial statement in line with Bangladesh Financial Reporting Standards as well as BB guidelines.



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6.2 Financial Performance

Overall financial performance and its related indicators of SEBL has fallen in the year 2020 mainly due to decrease of core operation income and increase of total provision (around 11% especially for unclassified provision). In its consequences, the net profit after tax declined to Tk. 2,149.10 million in 2020 from Tk. 2,508.56 million in 2019. Besides, CRISL opines that the existing profitability of the bank may not be sustained in the coming days due to the economic slowdown caused by COVID-19 (second and third wave) which jeopardized the global as well as the local economy.

The bank's total operating income is comprised of net interest income, income from investment in shares & securities and commission, exchange & brokerage income and other operating income. In YE2020, the net interest income of the bank rose to Tk. 2,481.42 million due to decline rate of interest income (around 15%) was higher than interest paid on deposit & borrowing (around 10%). The core business has been impacted due to fixation of deposit and lending rate for the banking industry by the regulatory authority. Consequently, the net interest margin (NIM) decreased to 1.73% in YE2020 from 2.46% in YE2019.

During YE2020, total operating income decreased by 4.31% (Tk. 13,770.56 million in YE2020 against Tk. 14,390.72 million of last year) and it was revealed that 18.01% income has been generated from net interest income (29.58% in YE2019), 49.02% from investment income (36.75% in YE2019), 25.71% from commission, exchange & brokerage income (26.62% in YE2019) and rest 7.26% from other operating income (6.85% in YE2019). On the other hand, the operating expenses increased to Tk. 5,506.01 million in YE2020 against Tk. 5,407.74 million in YE2019 mainly due to rise in depreciation and repairs of bank's assets and other expenses like donation including CSR, gratuity and others. In its consequences, the operating profit before provision came down to Tk. 8,264.56 million in YE2020 compared to Tk. 8,982.98 million in YE2019 registering to 7.99% decline.


The total provision of the Bank rose to Tk. 5,108.68 million in YE2020 from Tk. 4,578.75 million in YE2019 due to significantly increase of un-classified loan provisioning and newly added of COVID-19 provisioning though specific provision decreased. In its consequences, net profit after tax has been decreased to Tk. 2,149.10 million in YE2020 from Tk. 2,508.56 million in YE2019 representing 14.33% decline.

The Return on Average Assets (RDAA) before tax slightly decreased to 0.71% in YE2020 compared to 1.10% in YE2019. The Return on Average Equity (ROAE) after tax also decreased to 10.48% from 15.02% due to a comparative increase in average equity than net profit.

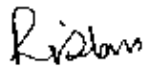
Furthermore, during Q1 of 2021, the total operating income of the Bank stood at Tk. 3,515.53 million against Tk. 3,547.21 million of the corresponding period. Profit before provision stood at Tk. 1,942.0 million against Tk. 1,551.30 million during the above periods. After provision, the bank earned a net profit after tax of Tk. 1,445.14 million with EPS of Tk. 1.21 in Q1, 2021.

5.2.1 Stand Alone Operations

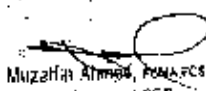
On a standalone basis, the financial performance of the Bank has also been found moderate in YE2020. The interest income of SEBL decreased to Tk. 22,219.79 million in YE2020 against Tk. 26,247.46 million in YE2019 with a 15.33% decline. From the above reason, the net interest income of the bank declined to Tk. 2,409.23 million in YE2020 from Tk. 4,215.65 million in YE2019. The total operating income of SEBL also came down to Tk. 13,551.74 million in YE2020 against Tk. 14,211.13 million in YE2019. The total operating income in YE2020 comprised of 17.79% of net interest income, 49.45% of investment income from securities, 25.46% of commission, exchange & brokerage income, and rest 7.30% of other operating income. Against the operating income, the Bank incurred the total operating expense of Tk. 5,387.83 million in YE2020, which was Tk. 5,255.98 million in YE2019. The operating profit before provision decreased to Tk. 8,163.91 million in YE2020 compared to Tk. 8,955.15 million in YE2019 registering 8.84% of decline from the previous year. Moreover, net profit after tax decreased to Tk. 2,095.93 million in YE2020 against Tk. 2,520.79 million in YE2019 registering 16.85% decrease from last year due to decrease in total operating income and increase of total provision.

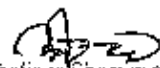

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6.2.2 Islamic Banking Operation

Total deposits of SEBL under Islamic Banking Division (IBD) slightly increased in YE2020 and stood at Tk. 22,711.17 million in YE2020 from Tk. 21,691.78 million in YE2019. Mudaraba Term Deposits increased to Tk. 17,929.72 million in YE2020 from Tk. 17,600.58 million in YE2019. The investment under different modes stood at Tk. 18,408.89 million in YE2020 against Tk. 17,959.79 million in YE2019 with an increase of 2.50% over the previous year. Total operating income of the bank from Islamic Banking operation has come down to Tk. 703.96 million in YE2020 from Tk. 819.67 million in YE2019 due to profit shared on deposits and borrowings was higher than profit on investments. In its consequence, profit before provision of the bank under Islamic Banking Operation had declined to Tk. 527.43 million in YE2020 from Tk. 637.56 million in YE2019. Total operating expense to operating income of the Islamic operation in YE2020 was 25.08% which was 22.22% in YE2019. During the period under surveillance, total import and export business handled by the Islamic Banking branches were Tk. 7,363.9 million and Tk. 6,001.9 million respectively.

6.2.3 Merchant Banking Operations (subsidiary operations)

The operational performance of Southeast Bank Capital Services Ltd. (SBCSL) has been found moderate. SBCSL has booked underwriting business amounting to Tk. 249.80 million. Besides, SBCSL's client portfolio stood at Tk. 1474.46 million against 1020 clients of which Tk. 1683.30 million was invested by SBCSL as margin loan, while the rest was client equity. SBCSL maintains an own portfolio, the value of which was Tk. 3861.25 million in YE2020. Total income from Merchant Banking Operation stood at Tk. 196.27 million in YE2020 against Tk. 118.49 million in YE2019 and total expenses was of Tk. 82.54 million in YE2020 against Tk. 92.49 million in YE2019. Profit after tax from Merchant Bank operations came rose to Tk. 70.40 million in YE2020 from Tk. 1.15 million in YE2019 due to increase in total income and decrease in total operating expense.

6.2.4 Off-shore Banking unit


Overall performance of Off-shore banking units of SEBL has been found moderate in YE2020. Total operating income from off-shore banking operation stood at Tk. 462.50 million in YE 2020 compared to Tk. 236.30 million in YE2019. Total operating income consisted of only net interest income, commission and other operating income. Against total operating income, the unit incurred total operating expense of Tk. 20.54 million in YE2020 and Tk. 12.51 million in YE2019. Net profit before tax of the unit has rose to Tk. 434.34 million in YE2020 against Tk. 155.85 million in YE2019 due to increase of interest income and decrease of total provision. Total loan & advances of the unit increased to Tk. 19,478.26 million in YE2020 against Tk. 18,539.05 million in YE2019.

6.2.5 Exchange House Operations

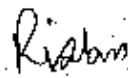
At present, the bank has only one exchange house. Operational performance of overseas Exchange House of SEBL Bank is yet to reach at satisfactory level due to lower revenue in comparison with administrative expenses. The exchange house operations of Southeast Financial Services (UK) Limited has discontinued in 2020. On the other hand, the exchange house operation of Southeast Exchange Company (South Africa) Pty Limited earned R 8; 924,893 (R 7,839,643 in the last year) of operating profit as on December 31, 2020.

6.3 Operating Efficiency (Overall)


The overall operating efficiency of the bank shrunk in YE2020 compared to previous year. The operating efficiency has been reviewed in terms of operating income, operating expenses, cost-to-income ratio and earning per employee. Operating income of the bank came down to Tk. 13,770.56 million (Tk. 13,551.74 million as standalone basis) in YE2020 from Tk. 14,390.72 million (Tk. 14,211.13 million as standalone basis) in YE2019 showing a decrease of 4.31%. On the other hand, operating expense rose to Tk. 5,506.01 million (Tk. 5,387.83 million as standalone basis) in YE2020 from Tk. 5,407.74 million (Tk. 5,255.98 million as standalone basis) in YE2019 showing an increase of 1.82%. It appears from the above that the growth of operating expense of the bank has been higher than the growth of operating income during YE2020 which ultimately put pressure on the efficiency ratio representing 39.98% in YE2020 from 37.58% in YE2019. The yield per Tk. 100 staff cost decreased to Tk.



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Moderate operating efficiency


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398.03 in YE2020 from Tk. 412.95 in YE2019 due to negative growth of profit before provision. In consideration of COVID-19 pandemic (second wave), CRISL views that operating efficiency of SEBL Bank may dwindle due to upward trend in operating expenses and downward pressure on operating income (reduction in loan/investment, export, import, remittance flow, etc).

7.0 ASSETS QUALITY

Moderate asset quality

The overall asset quality of the bank has been found moderate. As on December 31, 2020, the consolidated assets of the Bank increased to Tk. 465,293.41 million from Tk. 422,312.71 million on December 31, 2019 indicating 10.18% of growth. Total asset base was mostly financed by 77.28% of deposit and other accounts; 6.38% from Shareholders' equity, 6.98% from other bank and financial institutions and 9.36% from other sources as on December 31, 2020.

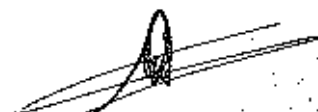
As said earlier, BB has deferred the classification of loans/investments facility during the year 2020 due to the Covid-19 pandemic and allows defaulted loans to be declassified and rescheduled on relaxed terms, on top of existing policies that allow the banks to reschedule problematic accounts. This policy ultimately represents a better asset quality than actual for Banks in general and SEBL Bank is not in the exception. The second wave marked its beginning after the first quarter of 2021 and has worsened the situation. On this backdrop, it is difficult to project 2021 since there are several uncertainties.

7.1 Non Performing Loan (NPL)

Total loans and advances (consolidated) of the bank increased to Tk. 322.25 billion in YE2020 compared to Tk. 296.75 billion in YE2019 with 8.59% growth especially in term loan facilities. The total nonperforming loan (NPL) of the bank stood at Tk.9,94 billion in YE2020 from Tk.14.38 billion in YE2019 registering 30.88% decrease over the previous year. While analyzing the loan status, it has been revealed that Tk. 323.19 million has been categorized as substandard loan (3.25% of total classified loan), Tk. 355.84 million as doubtful loan (3.58% of total classified loan) and Tk. 9,260.73 million as bad/loss loan (93.17% of total classified loan). During the period, Tk.137.2 million has been added as fresh NPL in Textile, RMG, Real Estate & Construction, Food & allied and SME sector, which is a source of concern for the bank. However, the above increase in NPL is compensated by recovery of Tk. 355.3 million; rescheduling and declassification of Tk.1,335.60 million and written-off Tk. 2,960.7 million during the period.

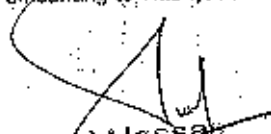
Consequent to the above movement in NPL along with stable portfolio growth, the gross NPL ratio of SEBL slightly decreased to 3.01% in the YE2020 from 4.87% in YE2019. However, gross NPL ratio of SEBL will stand at 10.90% if reschedule assets (Tk.19.31 billion) and stay order loan (Tk.5.89 billion) are considered as classified loan. The bank, however, kept required provision (both general & specific) against unclassified and classified loans as well as off-balance sheet items.


The outstanding portfolio against top 20 loan defaulter's (the top most five loan defaulter's are -M/s Legend Holdings, J.N Industries Ltd., M/s Shuvo Feed Processing, M/s Ruminan and Brothers, Mostafa Oil Products Ltd, Union Garments Ltd.) as on December 31, 2020 stood at Tk. 9,563.8 million, which is 77.74% of total non-performing loan and 2.41% of total loan and most of them are bad/loss status. On the other hand, the recovery from top 20 loan defaulter's stood at 17.30 million which is only 0.18% against top 20 defaulter loan outstanding. Therefore, there is unsatisfactory recovery against classified loan. Moreover, CRISL observed that out of 99 classified loan branches, 3 branches namely Principal branch, Khatunganj branch and Naogaon branch held around 46.64% of total classified loan and eligible security against classified loan are insufficient indicating SEBL may face the challenge regarding the performance of such branches. During 2020, the bank has written off Tk.2,960.35 million (cumulative write off Tk.13,420.76 million) against Tk.13.46 million in 2019 (cumulative write off Tk.12,230.29 million) and realized against loan written off of Tk. 472.25 million in YE2020. Moreover, 337 number of cases has been pending (from six months to five years and above) amounting to Tk.34,695.6 million as on December 31, 2020.



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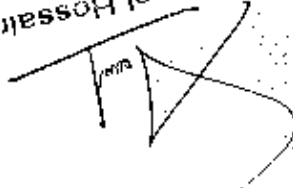

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Diversified loan portfolio

As per reporting to Bangladesh bank through CL-1, as on 31st March 2021, the gross NPL ratio of SEBL stood at 4.48%. While analyzing, CRISL observed that Top-20 defaulters of the bank are holding Tk. 9,649.3 million, which was 2.98% of total loan and most of the defaulter's status was bad/loss as on March 31, 2021. CRISL also evaluated the IQ of 2021 un-audited account and revealed that NPL of SEBL stood at 4.48% respectively.

7.2 Sectoral Concentration

The total loan portfolio of SEBL is concentrated on 50.62% by long term facilities (Tk. 162,225.4 million) and 49.38% by working capital facilities (Tk. 158,142.27 million) on December 31, 2020. The majority of the loan and advances are comprised of term loan and time loan mode. The bank has a total of 69.26% of corporate exposure and 30.74% of SME exposure indicating high credit concentration risks in corporate, which will be vulnerable to the rising asset risks. The loan portfolio of the bank shows concentration towards industry (manufacturing) which grab the largest portion (50.80%) of the loan portfolio, followed by industrial (service) (14.38%), commercial loan (12.33%), export credit (10.80%), consumer credit (1.58%), agriculture (1.20%), and miscellaneous (9.21%) as on December 31, 2020. While analyzing the industry wise loans and advances it has been found that the textile and RMG sectors grab the largest portion (38.09%) of the total industrial loans and advances, followed by real estate industries (8.90%), agro-based industries (6.39%), cement & ceramic industry (3.17%), ship breaking industries (2.13%), pharmaceutical industry (0.72%), and other industry (40.60%) which include paper and paper product, edible oil, power plant, furniture etc. CRISL views that the investment in textile and RMG sector might be affected by the instability of the upcoming economic situation of Bangladesh. The bank has diversified its credit portfolio in some non-traditional sectors. Most of the loans & advances of SEBL are centralized to Dhaka and Chattogram Division (95.72%) during the YE2020 due to business locality in that region.

7.3 Large & Director's Loan

The Bank has considerable large loan exposure which is 44.48% of total loan as on December 31, 2020 (34.98% on December 31, 2019). Total outstanding large loan (above 10% of total capital) of SEBL increased to Tk. 173,356.70 million (comprising of 53.27% funded and 46.73% non-funded loan) on December 31, 2020 covering 37 clients, from Tk. 133,009.10 million on December 31, 2019 covering 33 clients with a growth rate of 30.34% which is considered as source of concern for the bank. The entire outstanding large loan (funded) was within the allowable limit as per BB guideline except two clients which is a source of concern for the bank. Major contributory sectors in the large loan exposure are textile, RMG, edible oil, oil refining etc.

7.4 Rescheduled Loan

SEBL has total rescheduled loans and advances amounting to Tk. 19,305.75 million in YE2020 which represents 5.99% of the total loans and advances. In retrospect, Tk. 14,417.25 million was rescheduled in YE2019 which represents 4.87% of the total loans and advances. Probing into current year's rescheduled portfolio, it was revealed that 316 clients were rescheduled during YE2020 while 196 clients were rescheduled in last year (2019). Concentration on sectors like SMEs, real estate sector, RMGs while rescheduling remained unchanged as year before. Furthermore, regularization of non-performing assets in the last quarter through rescheduling seemed to gain a trend in SEBL like others in the banking industry. Majority of rescheduled cases have been approved during the last 3 months of the year. Out of the above rescheduled amount, SEBL recovered only Tk. 557.40 million which represents as 7.33% recovery rate during the year 2020.

7.5 Off Balance Sheet Exposure

Total off-balance sheet exposure of SEBL stood at Tk. 138,737.25 million in YE2020 against Tk. 123,149.02 million in YE2019 indicating 12.66% increase. Off balance sheet items comprised of Acceptance and endorsement of Tk. 51,087.80 million (36.82%), Letter of Credit of Tk. 37,175.74 million (26.80%), bills for collection of Tk. 31,398.29 million (22.63%), Letters of guarantee of Tk. 17,143.77 million (12.35%), and other contingent liabilities of Tk. 1,93 million (1.40%). Off-Balance Sheet Risk Weighted Assets to total Risk Weighted Assets stood at 8.71 % in YE2020 compared to 9.65% in YE2019.

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While reviewing the risk weight wise classification of the credit equivalent of off-balance sheet exposure, it has been revealed that 49.17% fall under 20% risk category, 1.73% under 40% risk category, 26.24% under 50% risk, 6.44% under 60% risk category, 3.25% under 75% risk category, 0.18% under 80% risk category, 7.94% under 100% risk category and 5.45% under 125% risk category. The above reveals the risk concentration on 125% risk category due to either unrated corporate client or non-reporting of credit rating assigned by ECAI against those exposures.

8.0 CAPITAL ADEQUACY

Average capital adequacy

The Capital to Risk Weighted Asset Ratio (CRAR) of the bank has been found average and in line with requirements under risk based capital adequacy framework of Basel-III and PCB's industry average. Total RWA of the bank stood at Tk. 281.39 billion as on December 31, 2020 of which 83.83% emanated from credit risk, 7.38% from market risk and rest 8.79% from operational risk. Based on the above, the minimum capital requirement with Capital Conservation Buffer (12.50% of RWA) stood at Tk.35.17 billion against which the eligible capital was Tk. 40.37 billion as on December 31, 2020 showing a surplus of Tk. 5.20 billion. On the other hand, due to issue a new subordinated debt of Tk. 5,000.0 million for a term of seven years which strengthen the Tier-2 capital as well as total capital of the bank during 2020 with the approval of Bangladesh Bank.

Consequent to the above, the Capital to Risk Weighted Assets Ratio (CRAR) of SEBL stood at 14.35% in YE2020 against BB's minimum requirement of 12.50% (including 2.50% as capital conservation buffer) compared to 11.52% in YE2019. The CRAR on core capital (Tier 1) stood at 11.10% against the minimum regulatory requirement of 8.5% (including 2.5% as capital conservation buffer) and on supplementary capital (Tier 2) stood at 6.13% during the period against the regulatory maximum limit up to 4.0% plus 88.89% of excess of 7% in CET1 ratio.

The internal capital generation has increased to 21.08% in YE2020 against 9.68% in YE2019 due to significant increase of provision of un-classified loan. As per regulatory guidelines, the calculated leverage ratio (Ratio of Tier 1 capital to total exposures with some adjustments) of the bank stood at 4.87 times as on 31 December 2020 against the minimum threshold of 3 times. Moreover, the total RWA of the Bank stood Tk. 293.98 billion and the CRAR stood at 14.09% as of March 31, 2021.

Stress Testing Analysis

The following table shows the sensitivity of risk factors on CRAR (based on actual CRAR of 14.35%).


Indicators	Magnitude of Sensitivity
Performing Loan directly downgraded to B/L Sectoral Concentration 1	-0.05 ~ -0.23
Performing Loan directly downgraded to B/L Sectoral Concentration 2	-0.33 ~ -1.69
Increase in NPLs due to default of top target loan borrowers	-5.0 ~ -8.68
Decrease in the FGV of the Collateral	-0.19 ~ -0.78
Increase in NPLs	-1.63 ~ -11.14
Negative Shift in NPLs categories	-0.34 ~ -1.97
Interest Rate	-0.20 ~ -1.80
FX; Currency Depreciation	-0.01 ~ -0.02
Equity Shock	-0.34 ~ -1.36
Total Change	-7.48 ~ -15.43
CRAR after shock (%)	14.95 ~ 14.48


The above analysis reveals that the present CRAR of the bank is highly sensitive to increase in NPL and large loan borrower which is a matter of concern for the bank. It is evident from the stress testing report of SEBL as on 31 December 2020 that, the combined post-shock CRAR at minor level of SEBL was 14.95% which was above the minimum CRAR of 10.00% (without conservation buffer).


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9.0 LIQUIDITY AND FUNDING

9.1 Liquidity Position

The overall liquidity of SEBL has been found average during YE2020. SEBL has been maintaining Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR) in line with Bangladesh Bank requirement. The CRR and SLR requirement was Tk.13.67 billion (including Conventional and Islami Banking) and Tk.43.62 billion (including Conventional and Islami Banking) respectively as on 31st December, 2020 against which SEBL kept Tk.14.18 billion and Tk.87.74 billion respectively. Total surplus amount from both CRR and SLR stood at Tk.44.62 billion at YE2020. The liquid asset ratio of SEBL slightly rose to 29.47% in YE2020 from 28.35% in YE2019. The loans and advances to deposit ratio decreased to 89.61% at YE2020 against 90.13% at YE2019. Due to significant borrowing of the Govt. from the Banking sector, the bank had to invest a significant amount to Govt. Securities because of its operation as Primary Dealer (PDs). However, due to absence of active secondary market of Govt. Securities, BB has given constant liquidity support to Primary Dealers through Repo which helped SEBL to maintain average liquidity. Loan and advance to deposits and equity ratio stood at 82.79% at YE2020 against 82.49% at YE2019. As of 31 December 2020, the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of the bank stood at 116.37% and 106.51% respectively which was found satisfactory considering regulatory standard.

Average Liquidity


CRISL reviewed bucket wise payment obligation in comparison to its available assets at different maturity buckets. The maturity analysis of assets and liabilities of the SEBL shows that the bank has net positive gap as well as cumulative surplus in some of the maturity buckets. SEBL had Tk.7.57 billion positive gap for 1 month maturity bucket. In 1 to 3 months maturity bucket the positive liquidity gap had Tk. 6.31 billion and 3 to 12 months maturity bucket with positive liquidity gap of Tk.3.01 billion. During the YE2020 the bank's average call borrowing from money market was Tk. 454.21 million per day at an average interest rate of 3.16% and average call lending per day was Tk. 1,777.91 million with an average interest rate of 5.03%. SEBL's AD Ratio stood at 84.73% on March 31, 2021.


9.2 Fund Management

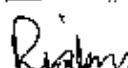
The total fund of SEBL has mainly consisted of customers' deposits by 77.27%, shareholders' equity by 6.38%, borrowing and other liabilities by 16.35% as on 31 December 2020. Total deposit rose to Tk. 359.54 billion on December 31, 2020 from Tk. 329.25 billion on December 31, 2019 registering 9.20% growth. Total deposit comprised of 69.72% fixed deposit, 18.59% current deposit, 10.59% savings deposits and 1.10% bill payable on December 31, 2020. Overall cost of fund decreased to 6.79% on December 31, 2020 from 8.08% on December 31, 2019.

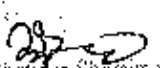
However, in funding mix, high cost deposit (around 64.31%) still dominates where the low cost CASA deposit (around 29.18%). The current imposition of the lending cap at the rate of 9% on all unclassified loans except pre-shipment export credit and credit cards business under retail loan portfolio may create pressure on the bank to maintain earlier spread. On the other hand, though there is no specific circular or regulatory restriction on deposit rate, the private commercial bank will face trouble to attract depositors at a 5-6% interest rate given the more than 10% rate of return of National Savings certificate and current level of inflation in the market.


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CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED

10.0 OBSERVATION SUMMARY

<p>Rating Comforts:</p> <ul style="list-style-type: none"> ✓ Average capital adequacy ✓ Average liquidity ✓ Experienced top management ✓ Sound MIS 	<p>Rating Concerns:</p> <ul style="list-style-type: none"> ✗ Moderate asset quality and operating efficiency ✗ Dominance of high cost deposit in funding mix ✗ Considerable law suit amount ✗ Limited progress in top twenty default portfolio ✗ Moderate performance of written-off loan recovery ✗ Exposure to sectoral concentration risk
<p>Business Opportunities:</p> <ul style="list-style-type: none"> ✓ Portfolio diversification in low risk category business segment including SME ✓ Product diversification ✓ Client rating to consolidate and enhance capital base of the bank 	<p>Business Challenges:</p> <ul style="list-style-type: none"> ✗ Impact of COVID-19 in the local and global economy ✗ Interest rate cap ✗ Low recovery performance ✗ Maintain a stable & quality loan growth ✗ Enhancement of core capital base in line with Basel III

11.0 PROSPECTS

Having many hurdles and challenges, Bangladesh Economy registered a growth of 5.24% in FY2019-2020 against 8.15% in FY2018-19 and during FY2017-18, GDP growth rate of Bangladesh economy reached 7.86% and crossed more than 7% growth for the last four consecutive fiscal years in the history of Bangladesh. Bangladesh has been graduating to a middle income one after passing 42 years as a least developed country.

Though the government has been implementing massive development works in light of the "Vision-2021" and "Vision-2041" with an objective to become an upper middle-income country due to serious impact of COVID-19 and aftermath pandemic, Bangladesh economy is likely to be affected and which in turn may take a serious toll on local economy. Country's export earnings (mainly RMG, jute goods, leather, frozen shrimps & fish), remittance inflow will fall substantially in coming days. Further decline in consumption and domestic demand, along with fall in investment may trigger limited economic activity which will ultimately affect all major economic sectors. Apart from corporate manufacturing and service sector industry, small & medium business segment and even retail business segment of bank industry is likely to be affected to a great extent. Classified loan in banking sector may soar in coming days along with provision shortfall if no further relaxed classification guidelines or flexible rescheduling facility is given. Scheduled banks (specifically SCBs, SPBs, and major PCBs) other than few PCBs may not be able to keep its current profit growth in CY2021. Excess liquidity in the banking industry may hinder overall banking sector profitability amid low credit demand. With lower than 6% interest rate, depositors may not be interested to keep their funds in the banking institution against the backdrop of current 5.6% inflation (FY2020) leaving negligible real return for the savers. Workers remittance from Gulf countries may fall in coming days amid unemployment crisis which is expected to hit banks' earnings to a great extent from remittance inflow. Capital market has been passing through a very tough time and despite the regulatory intervention and motivational direct policy support by central bank, scheduled banks' earning through direct investment or through its subsidiary operations (like brokerage house, merchant bank and asset management company) from capital market may not be up to the mark. Against all the above backdrops, successful run for newly licensed commercial bank along with other major scheduled banks will be a big challenge in next year. However, Govt. has rightly taken various stimulus packages to curb the massive impact of coronavirus outbreak on local economy. And central bank is engaged in devising various

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Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Kamal Hossain
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

Muzaffar Ahmed, FCM, FCCS
Muzaffar Ahmed, FCM, FCCS
President and CEO
Credit Rating Information and Services Ltd.

Brig Gen Shafiqur Rahman psc (Retd)
Brig Gen Shafiqur Rahman psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.


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policies and formulating different guidelines and strategies along with policy decisions of revising CRR, SLR requirement, lowering Repo rate, flexibility in maintaining AD ratio; all of which are aimed to assist and boost country's banking sector, which might create a positive impact on banking sector in the short run.


END OF THE REPORT


(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement.)

(We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.)


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 President and CEO
 Credit Rating Information and Services Ltd.


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 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.


A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka.


Bigun Stalder, FIAA, FIA, FIAA
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.

CREDIT RATING REPORT On SOUTHEAST BANK LIMITED

12.0 CORPORATE INFORMATION

Date of Incorporation : 12 March, 1995

Date of Commencement of Business : 25 May, 1995

Board of Directors:

Mr. Alamgir Kabir, FCA	Chairman
Mrs. Dularna Ahmed	Vice Chairperson
Mr. M. A. Khasem	Director
Mr. Azim Uddin Ahmed	Director
Mrs. Jusna Ara Khasem	Director
Mrs. Rehana Rahman	Director
Mr. Md. Akkur Rahman	Director
Mr. Kalyan Kabir	Director
Bay Leasing and Investment Limited (Represented by Mr. M. Maniruz Zaman Khan)	Director
Mr. Syed Sajedul Karim	Independent Director
Dr. Quazi Meshahuddin Ahmed	Independent Director
Mr. Mohammad Delwar Hossain	Independent Director
Mr. M. Kamal Hossain	Managing Director

Company Secretary:
A.K.M. Nazmul Haider

Auditors:
Howlader Yunus & Co. (As on December 31, 2020)
Chartered Accountants

CAPITAL HISTORY

Year	Particulars	Number of Shares	Capital Amount (Taka)	Cumulative (Taka)
1995	Opening / Sponsor's Capital	1,000,000	100,000,000	100,000,000
1996	None			100,000,000
1997	25% Stock Dividend	250,000	25,000,000	125,000,000
1998	20% Stock Dividend	250,000	25,000,000	150,000,000
1999	Initial Public Offer (IPO)	1,500,000	150,000,000	300,000,000
2000	10% Stock Dividend	300,000	30,000,000	330,000,000
2001	10% Stock Dividend	330,000	33,000,000	363,000,000
2002	10% Stock Dividend	363,000	36,300,000	399,300,000
2003	Right Issue @1:2	1,650,000	165,000,000	564,300,000
	20% Stock Dividend	1,128,600	112,860,000	677,160,000
2004	30% Stock Dividend	2,031,480	203,148,000	880,308,000
2005	20% Stock Dividend	1,760,616	176,061,600	1,056,369,600
2006	Right Issue @1:1	16,563,696	1,656,369,600	2,712,739,200
	0% Stock Dividend	1,656,369	165,636,900	2,878,376,100
2007	25% Stock Dividend	5,704,395	570,439,500	2,852,197,800

Rizwan

Saeedul Islam, FCA, FICMA
Chief Financial Officer
Vice President
Finance Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Muzaffar Ahmed
President and CEO
Credit Rating Information and Services Ltd.

Sig Gen Shalish
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

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2008	20% Stock Dividend	5,704,325	570,438,500	3,422,637,300
2009	35% Stock Dividend	11,079,230	1,197,923,000	4,620,560,300
2010	Right Issue @1:2	23,102,801	2,310,280,100	6,930,840,400
	20% Stock Dividend	13,861,680	1,386,168,000	8,317,008,400
2011	Stock Split (1:10)	749,530,756	-	8,317,008,400
	5% Stock Dividend	41,585,042	415,850,420	8,732,858,820
2012	None			8,732,858,820
2013	5% Stock Dividend	43,664,294	436,642,940	9,169,501,760
2014	None			9,169,501,760
2015	None			9,169,501,760
2016	None			9,169,501,760
2017	15% stock dividend	137,542,526	1,375,425,259	10,544,927,020
2018	10% stock dividend	105,449,270	1,054,492,700	11,599,419,720
2019	2.5% stock dividend	28,998,549	289,985,490	14,889,405,210

Risban

Rashedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Finance Control & Accounts Division
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Kamal Hossain
 Kamal Hossain
 Managing Director
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

Muzaffar Ahmad
 Muzaffar Ahmad, FCMA, FCS
 President and CEO
 Credit Rating Information and Services Ltd.

Bigun Shalim
 Bigun Shalim, FIA, FIA (Ret)
 Managing Director & CEO
 Sena Kshyan Insurance Company Ltd.

CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED

19.0 FINANCIAL INFORMATION


Balance Sheet
As on December 31


Figure in million BDT.

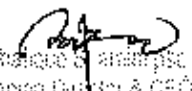
Balance Sheet Indicators	YE 2020	YE 2019	YE 2018
Cash In Hand	3474.37	3664.88	3598.85
Cash with BB & Other Banks/FLs	17956.90	18954.91	17916.58
Cash with Other Banks/FLs	4659.26	7472.30	6434.43
Money at Call & Short Notice	2208.91	4739.53	6897.10
Total Cash	28299.43	34831.62	34846.96
Investment in Securities (Govt.)	83226.36	62409.76	50963.04
Investment in Others Securities	13847.53	14900.28	14646.51
Total Investment	97073.89	77310.04	65609.55
Total Loans Adv. & Bills	322751.46	296752.96	267671.83
Fixed Assets	9714.97	9333.66	9332.70
Other Asset	7953.85	4084.43	4110.24
Total Assets	465293.41	422312.71	381575.88
Inter-Bank Borrowing	18897.66	13701.40	23011.70
Current A/Cs & Others A/Ls	66850.58	48260.61	40472.07
Bills Payable	3040.33	4095.29	4494.55
Savings Bank Deposits	38060.94	30416.85	27259.92
Term Deposits	250604.08	246477.52	226108.26
Total Deposit	359595.93	329286.27	298334.29
Other Liabilities	57145.83	48851.51	32102.46
Total Outside Liabilities	438579.44	391803.18	353448.95
Paid Up Capital	11889.41	11599.42	18541.93
Reserves & Others	17824.56	18910.11	17581.00
Shareholder's Equity	29713.97	30509.53	28126.73
Total Liabilities and SHs Equity	465293.41	422312.71	381575.88
Off balance sheet items	138737.25	123149.02	145504.93


 Mizanur Rahman, FCOM, FCS
 President and CEO
 Credit Rating Information and Services Ltd.


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 Chief Financial Officer
 Vice President
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 Company Secretary
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 Kamal Hossain
 Managing Director
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 Brig Gen Shaukat Kamran (Retd)
 Managing Director & CEO
 Sena Kalyan Insurance Company Ltd.

CREDIT RATING REPORT
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SOUTHEAST BANK LIMITED

Income Statement
For the year ended December 31

Figure in million BDT.

Income Statement Indicators	YE2020	YE2019	YE2018
Interest Income	22250.49	26258.08	23077.84
Int. Paid on Deposit & Borrowings	19769.08	22401.89	19777.90
Net Interest Income	2481.42	4757.00	5129.94
Investment Income	6750.89	5288.30	5129.75
Fee Comm. Exchange & Brokerage	3536.22	3859.63	3652.76
Other Non-Int. Income	1002.03	985.14	979.45
Total Operating Income	13770.56	14390.72	14961.92
Total Non-Int. Income	11289.14	10133.72	9761.98
Salary Allowance & PF	2076.39	2186.37	2036.59
Other Operating Expenses	3429.62	3711.37	3142.33
Total Operating Expenditure	5506.01	5407.74	5178.92
Profit/Loss before Provisions	9264.56	8982.98	9783.00
Prov. for Unclassified Loans	4198.16	328.23	(115.21)
Prov. for Classified Loans	827.47	4255.03	4974.29
Prov. for Investments & Others	83.05	(4.50)	259.26
Total Provisions	5109.68	4578.75	5119.34
Net P/L before Taxes	3155.88	4404.23	4663.66
Provisions for Tax	1086.78	1095.67	2195.45
Net P/L after Tax	2149.10	2508.56	2473.21

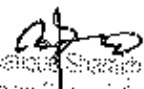

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 Kamal Hossain
 Managing Director
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 Bipon Sen, Chartered Accountant
 Managing Director & CEO
 Sena Kayan Insurance Company Ltd.

CREDIT RATING REPORT
On
SOUTHEAST BANK LIMITED

CRISL RATING SCALES AND DEFINITIONS
LONG-TERM - BANKS

RATING	DEFINITION
AAA Triple A (Highest Safety)	Bank rated in this category is adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of banks.
AA+, AA, AA- (Double A) (High Safety)	Bank rated in this category is adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risk are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- (Single A) (Adequate Safety)	Bank rated in this category is adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Bank rated in this category is adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a bank is under-performing in some areas. These entities are however, considered to have the capability to overcome the above-mentioned limitations with special care and cautious operation. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
BB+, BB, BB- Double B (Inadequate Safety)	Bank rated in this category is adjudged to lack of key protection factors, which results in an inadequate safety. This level of rating indicates a bank as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Bank rated in this category is adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support.
CCC+, CCC, CCC- Triple C (Vulnerable)	Bank rated in this category is adjudged to be with vulnerable protection factors. This rating indicates that the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances are favorable.
CC+, CC, CC- Double C (Highly Vulnerable)	Bank rated in this category is adjudged to be with high vulnerable position. This rating indicates that the degree of certainty regarding timely payment of financial obligations is quite lower unless overall circumstances are favorable or there is possibility of high degree external support.
C+, C, C- (Near to Default)	Bank rated in this category is adjudged to be with near to default in timely repayment of financial obligations. This type rating may be used to cover a situation where a insolvency petition has been filed or similar action has been taken, but payments on the obligation are being continued with high degree of external support.
D (Default)	Bank rated in this category is adjudged to be either currently in default or expected to be in default. This level of rating indicates that the entity is unlikely to meet maturing financial obligations and calls for immediate external support of a high order.

For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.

SHORT-TERM - BANKS

ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Moderate Grade Moderate liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
ST-5	Non-Investment Grade Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Issuer failed to meet scheduled principal and/or interest payments.

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Company Secretary
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Head Office, Dhaka.

Risban

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Chief Financial Officer
Vice President
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President and CEO
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Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.

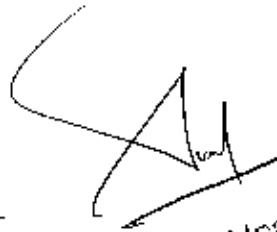
Credit Rating Report
of
Southeast Bank Limited - 5th
Subordinated Bond BDT 5,000 Million

Risban

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Chief Financial Officer
Vice President
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Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.



Engr. Gao Shafiqul Hossain (Rtd)
Managing Director & CEO
Sana Kayon Insurance Company Ltd



EMERGING Credit Rating Ltd

Southeast Bank Limited - 5th Subordinated Bond BDT 5,000 Million

Credit Rating Report

Subordinated Bond Rating

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
November 03, 2021	November 02, 2022	Initial	AA ^{-B1}	Stable

* B denotes Bond

Date of Incorporation	: March 12, 1995
Managing Director	: Mr. M. Kamal Hossain
Issue	: Subordinated Bond of BDT 5,000 Million
Program Tenure	: 7 years
Issuer	: Southeast Bank Limited
Lead Arranger	: Standard Chartered Bank
Trustee	: Sena Kalyan Insurance Company Limited
Tentative Issue Date	: December, 2021
Contact Analysts	: Md. Rajiur Rahman rajiur@emergingrating.com Md. Harun Chowdhury harun@emergingrating.com

Credit Analysis

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Kamal Hossain
Managing Director
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Head Office, Dhaka

Big Con Shaha Siddiquy (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Emerging Credit Rating Ltd

CREDIT ANALYSIS

Corporate Bond

2021 Initial Report

Southeast Bank Limited - 5th Subordinated Bond BDT 5,000 Million

Major Rating Factors

Strengths	Previous experience of issuing bonds. Good amount of investment income. Experience of the management. Good growth of loans & deposits.
Challenges/ Risks	High exposure to large loans. Large proportion of bad loan in the NPL. Sudden increase in risk weighted assets in recent time. Potential increase in NPL due to pandemic.

Rationale Emerging Credit Rating Limited (ECRL) has assigned **AA-** (Pronounced as **Double A Minus Bond**) long term credit rating to Southeast Bank Limited's 5th Subordinated Bond BDT 5,000 Million (hereinafter referred to as "The Subordinated Bond" or "The Bond" or "The Issue"). The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of bank and bond rating.


The Subordinated Bond, which qualifies as Tier-II Capital for Southeast Bank Limited (hereinafter referred to as "SEBL" or "The Bank" or "The Issuer"), is rated lower than SEBL's standalone rating, because of the Subordinated position of the bond relative to the SEBL's depositors and other senior creditors.


The rating reflects the strengths of the bank which is backed by previous experience of issuing three other bonds, good amount of secured income from government's securities, good growth of loans & deposits as well as experience of top management. However, ECRL is concerned about the high exposure to large loan, high proportion of bad loan in the NPL as well as increase in risk weighted assets in recent time and potential NPL. **The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer, trustee and mandated lead arranger provided by the entity in discussion and the rating may significantly change if the covenants in those agreements are altered.**


SEBL envisages issuing the Subordinated Bond to strengthen the capital base of the Bank and to comply with the capital adequacy requirements as per Risk Based Capital Adequacy (RBCA) Guideline of Bangladesh Bank in line with BASEL-III which will also enable the Bank to attain sustainable growth in its business. This issuance of bond will also facilitate the long term business of the bank leading towards business expansion, enriching credit portfolio and providing supportive cushion to the minimum capital requirement and the profitability of the bank.

Features of the bond include seven years of tenor, redemption will start at the end of year three and there will be five consecutive repayments till the end of the year seven. The bond is featured as floating rate non-convertible subordinated bond with floor rate at 7.50% and capped at 10.50%, half yearly coupon payment. The rate will be determined as benchmark rate plus a margin of 2.50%. The Benchmark rate shall be determined by average of most recent month's published fixed deposit rates (6


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Big Geo Shaukat Shamim (Retd)
Managing Director & CEO
Sana Karyan Insurance Company Ltd.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


Rasatul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Director
Southeast Bank Limited
Head Office, Dhaka.

months tenor) of all Private Commercial Banks (excluding Islamic banks and Foreign Banks). The issuer's 6 months tenor deposit rate will be considered at the time of calculating the average. The published deposit rate will be taken from Bangladesh Bank sources. Standard Chartered Bank is playing the role of mandated lead arranger and Sena Kalyan Insurance Company Limited is acting as a trustee of the bond.

About the performance of the entity, in 2020, CRAR of the bank has increased notably to 14.52% (11.61% in FY2019) due to sudden increase in general provision maintained against unclassified loan/investments. The general provision increased by BDT 3,636.00 million or 586.52% as compared to FY2019. This increase was primarily due to the uncertainty of loan portfolio caused by the covid-19 pandemic. Besides, the risk weighted assets of the bank has also dropped by 10.62% in FY2020 as opposed to earlier year due to the Bangladesh Bank's instruction to not classify (downwards) loan portfolio even if the client fails to pay in that year (FY2020). This also facilitated to have the good CRAR position of the bank. However, at the end of third quarter of FY2021, CRAR fell to 13.29% as the risk weighted assets increased notably by 14.62% as a consequence of withdrawing the bar on downwards classification of loan portfolio where certain conditions were not met.

On the other hand, the gross loans and advances portfolio of SEBL has been grown over the year and reached BDT 320,368.16 million in FY2020 from BDT 295,615.11 million in FY2019 with a growth rate of at 8.59%. Moreover, investment portfolio of the bank encompassed 20.25% of total asset base has been improved by a significant 26.45% growth in FY2020 which was possible owing to increased investments in government securities.

Although the NPL ratio of the bank in FY2020 showed better as compared to earlier year, however, the real picture of NPL did not reflect in the financial statements as the bank did not change classification status of loans as per Bangladesh Bank instruction not to classify loans in the year 2020 (Jan to Dec) due to the ongoing covid-19 pandemic. As a result, gross NPL has decreased to BDT 9,939.76 million in FY2020 from BDT 14,375.29 million in FY2019. The bank has rescheduled BDT 19,305.75 million and writes off BDT 2,960.35 million loans during the year in 2020. The NPLs, rescheduled loans and written-off loans together represented 10.05% of the loan book of the bank, up from 9.76% in the previous year once again exhibiting greater risk in the loan portfolio of the bank.

The bank has high concentration on few borrowers as the top 30 loan exposure (funded and non-funded together) represents 51.20% of the total loan portfolio of the bank at the end of September 2021. On the other hand, funded loan exposure represents 20.94% of the total loans at the end of that period.

From the income side, interest income of the bank fell moderately by 15.33% to stand at BDT 22,219.79 million in FY2020 primarily due to the implementation of lending rate cap from April 2020, relaxation of Bangladesh Bank on principal and interest payment up to December 2020 amid Covid-19 pandemic. On the other hand, interest paid on deposits and borrowings has shrink by 10.06% to stand at BDT 19,810.56 million by the end of FY2020 and as a consequence the net interest income of the bank went down to BDT 2,409.23 million from BDT 4,215.65 million in FY2019, witnessed a sharp drop of 42.85% in FY2020. Moreover, during the first nine months of FY2021 (January-September) SEBL's net interest income recorded at BDT 1,917.02 million. On the other hand, the Non-interest income of SEBL moderately grew by 11.48% stood at BDT 11,142.52 million in FY2020 due mainly to an increase in investment income (by 27.64% in the FY2020).

By considering all together, total operating income of the bank shortened by 4.64% in FY2020 and stood at BDT 13,551.74 million which was BDT 14,211.13 million on a year ago which is reducing over the last two years. Non-interest income encompasses 82.72% of the total operating income whereas core income of the bank comprised 17.78% in FY2020 exhibiting that the concentration of non-interest income to form operating income is very high. At the end of third quarter of FY2021, non-interest

Big Gen Shafiqul Islam (Res) Sr. Manager, Director & CEO
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Rishom

Abdul Islam, FCA, FCMA
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President
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Company Secretary
Southeast Bank Limited
Head Office, Dhaka

SEBL Limited - 3rd Subordinated
BDT 5,000 Million

SEBL Limited - 3rd Subordinated
BDT 5,000 Million

Abdul Kalam Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

income of the bank stood at BDT 8,025.69 million. Interest spread of SEBL has further reduced to 1.68% in the FY2020 from 2.42% due to faster decrease of average lending rate compare to average deposit rate.

The deposit base of the bank continued to increase by the third quarter of 2021 and the total funding base reached to BDT 491,358.66 million. However, banks loan to deposit ratio has decreased to 78.07% and deposits to total funding also lowered to 75.22% as the growth of deposit was lower than the growth of total assets by the third quarter of FY2021. This depicts that the other contributors of the total funding base had grown that lowered the dependency on deposit base.

Bangladesh Bank's regulatory requirement states Statutory Liquidity Reserve (SLR) of 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month and Cash Reserve Requirement (CRR) of 4.00% on bi-weekly basis are to be maintained by conventional banks operating in Bangladesh. Bangladesh Bank has recently lowered the CRR from 5.00% to 3.50% on a daily basis, and 5.5% to 4% in bi-weekly basis due to the pandemic for conventional and Islamic banking. SEBI has maintained Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR) in line with Bangladesh Bank requirement in 2020.

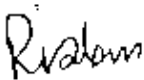
The **Stable** rating outlook reflects ECR's expectations that SEBL is likely to maintain its business growth and effective utilization of funds, the capital base will remain strong and the bank will adopt appropriate policies and actions to improve asset quality.

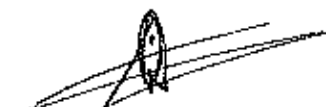
Exhibit 1: Financial Highlights: Southeast Bank Limited

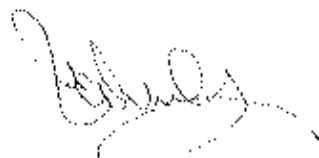
FY 31 December	Q3 2021	2020	2019	2018	2017
Total Assets (BDT million)	491,358.66	465,082.38	422,430.59	381,094.92	338,900.25
Total Assets Growth (%)	5.65	10.10	10.85	12.45	16.07
Gross Loans (BDT Million)	329,046.43	320,368.16	295,015.11	265,204.21	231,851.00
Gross Loans Growth (%)	2.71	8.59	11.24	14.39	22.44
Deposits (BDT Million)	369,609.01	359,899.88	329,797.46	298,370.59	269,833.09
Deposit Growth (%)	2.70	9.13	10.55	10.56	17.05
Gross NPL Ratio (%)	4.57	3.10	4.87	5.87	5.99
Loan to Deposit Ratio (%)	78.07	80.26	81.63	81.55	85.92
Net Interest Income (BDT million)	1,917.02	2,409.23	4,215.65	5,175.82	4,006.66
Net Interest Income Growth (%)	-	(42.85)	(18.55)	29.18	(4.68)
Non-Interest Income (BDT million)	8,025.69	11,142.52	9,995.48	9,547.79	9,667.67
Non-Interest Income Growth (%)	-	11.48	4.69	(1.24)	(3.83)
Pre-Tax Profit (BDT million)	4,488.24	3,055.23	4,376.40	4,620.77	4,098.30
Post-Tax ROAE (%)	-	6.99	8.62	9.13	4.28
CRAR (%)	13.29	14.52	11.61	12.47	10.67

FY2017-2020 Data Extracted from Audited Financial Statements

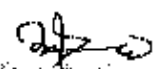
(FY2021 Data Extracted from Audited Financial Statements (9 months)


Rasadat Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control Systems Director
 Southeast Bank Limited
 Head Office, Dhaka.


A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka.


 Md. Saikat Hossain
 Director & CEO
 Secular Group Holding Ltd.


Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.


 Brig Gen Shaikue Shamim (Retd)
 Managing Director & CEO
 Sesa Kaiyan Insurance Company Ltd.

A. BUSINESS DESCRIPTION

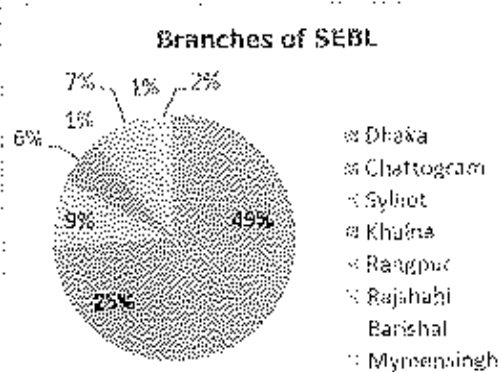
A.1. Company Background

Southeast Bank Limited (SEBL) was incorporated as a public limited company in Bangladesh on March 12, 1995 under the companies Act 1994 and was given permission by Bangladesh Bank on March 23, 1995 to commence its banking business. The bank got listed with Dhaka Stock Exchange Limited on 12th April, 2000 and Chattogram Stock Exchange Limited on 24th April, 2000. Its vision is to be a premier banking institution in Bangladesh and contribute significantly to the national economy and its mission is to offer fast customer service, innovative banking at a competitive price, high quality financial services with state of the art technology, sustainable growth strategy, and increase its clients' wealth while improving the quality of life in the communities it serves.

The Bank obtained permission from Bangladesh Bank for operation of Off-shore Banking Unit (OBU) on 24th June, 2008 and commenced OBU operation on 30th December, 2009 by inaugurating first OBU in Dhaka Export Processing Zone (DEPZ). The bank has three subsidiaries. Among these, Southeast Bank Capital Services Limited is a full-fledged merchant bank in Bangladesh, and there are other two subsidiaries who are involved in collecting remittance from Bangladeshi expatriates from United Kingdom and South Africa in the name of Southeast Financial Services (UK) Limited and Southeast Exchange Company (South Africa) Pty Ltd which has branches in Johannesburg and Cape Town.

A.2. Operational Network

Southeast Bank Limited had a country-wide network of 135 branches at the end of FY2020. The largest concentration of branches is in the Dhaka region (48.89%) followed by Chattogram region (25.19%). Total 135 branches are located in eight zones of which 66 branches are in Dhaka division where 33 branches are in urban area, 30 branches are in rural area in Dhaka division, 01 of them is Islamic banking Branch and 02 are Ladies' banking branches, 34 branches are in Chattogram division (11 urban, 20 rural, 03 Islamic) and 12 branches are in Sylhet division (06 urban, 05 rural, 01 rural). In addition Khulna division has 08 branches (04 urban, 04 rural), Rajshahi division has 09 branches (08 urban, 01 rural) and Barisal division has a single urban branch. On the other hand Rangpur division has 02 urban branches and Mymensingh division has three urban branches.



To facilitate the female entrepreneurs, the bank has set up 02 Ladies Branches in Dhaka city. The Bank is also offering Offshore Banking facilities through 02 (Two) Offshore Banking Units (OBU) in Dhaka Export Processing Zone and Chattogram Export Processing Zone. Currently, SEBL is maintaining 34 (Thirty Four) Nostro Accounts in major currencies including 10 (Ten) Nostros under Asian Clearing Union (ACU), 21 (Twenty one) Authorized Dealer branches, and 01 Central Trade Services Department to aid foreign trade and foreign exchange (FX) transactions of its valued clients. Moreover, the Bank is providing "Shariah-Based Islamic Banking Service" to the customers.

The bank has increased its total number of ATM booths to 277 covering all divisions of the country at the end of FY2020. SEBL Debit Card holders can now do transactions at any ATM all over the country through National Payment Switch of Bangladesh (NPSS) network.

Rashedul Islam

Rashedul Islam, FCA, FCM
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka

A.K.M. Nazmul Haider
A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Kamal Hossain
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Southeast Bank Limited - 5th Subordinate Road B01 5,800 Millen

Big Gen Shafigue, Ph.D. (Retd)
Managing Director & CEO
Sera Kalyan Insurance Company Ltd.

A.3. Market Share

SEBL's loans & advances and deposit position were BDT 320,368.16 million and BDT 359,899.88 million respectively as on December 31, 2020. Considering the banking industry as a whole, total loans & advances and deposit were BDT 11,750,600.00 million and BDT 14,117,400.00 million respectively December 31, 2020. SEBL represents 2.73% of market share in terms of loans & advances and 2.55% of market share in terms of deposit as on December 31, 2020.

Figure 1: SEBL's market share by loans & advance

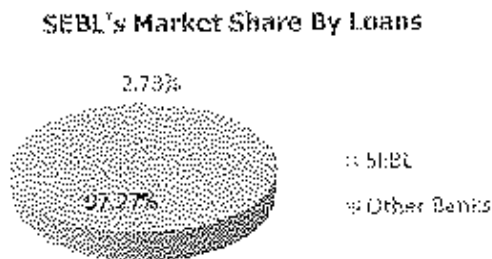
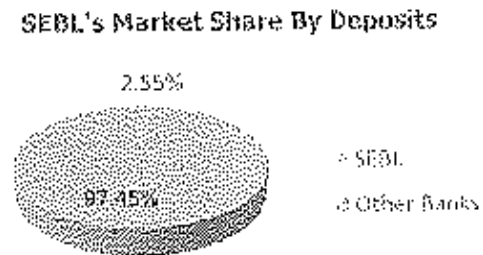


Figure 2: SEBL's market share by deposit



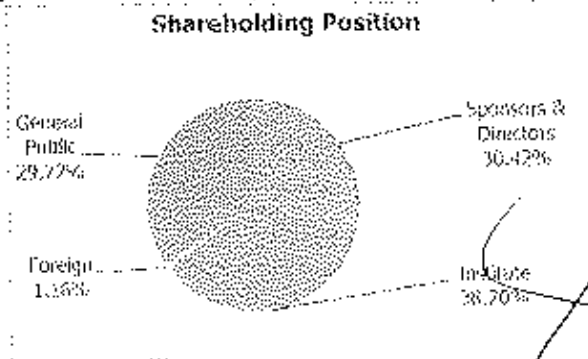
A.4. Products and Services

As an integral part of its commitment to Excellence in Banking, SEBL offers a full range of commercial banking products and services, which includes deposit banking, loans & advances, export import financing, inland and international remittance facility etc. SEBL'S product-basket encompasses real time online branch banking, Islamic banking, merchant banking, dual currency visa platinum credit card, visa travel card, ATMs, education loan scheme, consumer loan, double benefit scheme, millionaire deposit scheme, SME banking, corporate banking, syndicate loan, monthly savings scheme, fixed deposit, monthly income scheme, pension saving scheme, multi-millionaire gold deposit scheme (kept in abeyance for the time being), motor saving scheme, zakat account, cash wakf account, wage earner pension scheme, SMS banking etc. in addition to traditional credit and foreign trade related products and services.

In order to cater the varied financial needs of 100% foreign owned/joint venture industrial units and foreign entities located in Export Processing Zones of the country, the Bank obtained Off-Shore Banking License on 24th June, 2008 from Bangladesh Bank. Presently SEBL has two (02) Off-shore Banking Units (OBU) one at Dhaka Export Processing Zone and the other at Chattogram Export Processing Zone.

A.5. Shareholding Structure

Southeast Bank Limited has authorized capital of BDT 15,000.00 million and paid-up capital of BDT 11,889.41 million. As on September 30, 2021, the shareholding position was Sponsors & Directors 30.42%, Institute 38.70%, Foreign 1.16% and General Public 29.72%.



A.6. Subordinated Bond Issuance Objective

The objective behind issuance of the Subordinated Bond is to further strengthen the capital base, supplementary (Tier-II) capital of the bank and to comply with the capital adequacy requirements as per Basel-III, which will enable the bank to reach sustainable growth in business. The fund raised through issuing the bond will provide the bank additional capital cushion under risk based capital adequacy framework, and will help the bank to grow its loans and advance portfolio.

Riswan

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka

Southeast Bank Limited - 5th Subord
Bond BDT 5,000 Million

Arif M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Arif M. Nazmul Haider
Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.

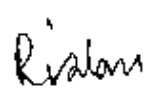
Karnal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

A.7. Structure of Subordinated Bond and Key Features

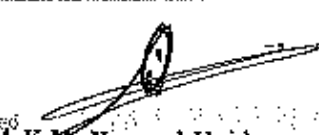
Exhibit 2: Structure of 5th Subordinated Bond BDT 5,000 Million


Issuer:	Southeast Bank Limited
The Issue:	Non-Convertible Floating Rate Subordinated BDT 5,000 Million Bond
Mandated Lead Arranger:	Standard Chartered Bank ("SCB") and also referred to as the "Mandated Lead Arranger" or the "MLA"
Arrangement Basis:	Best Efforts / Strictly Non-Underwritten
Purpose:	To strengthen Tier II Capital Base
Investors:	Local Financial Institutions, Insurance Companies, Funds, Corporate etc and any other eligible investors
Currency:	Bangladeshi Taka (BDT)
Face Value:	Up to BDT 5,000 Million
Denomination:	Denomination of each lot of Bond is indicated at BDT 100,000 Face Value
Mode of Placement:	Private Placement 100%
Issue Price:	100% at Par
Tenor:	7 years from the Issue Date
Expected Issue Date:	December 2021 or any other mutually agreeable date
Status of Debt:	Subordinated Non-Convertible
Security:	Unsecured
Form:	Registered
Listing:	Unlisted, subject to regulatory approval
Credit Rating of the Issue:	
Trustee:	Senz Kalyan Insurance Company Limited
Coupon Rate:	To Be Determined as a sum of Benchmark Rate & Margin However, during the tenor the yield (benchmark + margin) will be floored at 7.50% and capped at (benchmark + margin) 10.50%. Benchmark Rate: The Benchmark rate shall be determined by following method. Average of most recent month's published fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islamic banks and Foreign Banks). The issuer's 6 months tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. This will be fixed semi-annually. The Benchmark rate will be fixed by the Trustee semi-annually on ("Interest Reset Date") the immediately preceding business day of the issuance and afterwards semi-annually throughout the tenor of the Bond. For avoidance of doubt, the Benchmark Rate shall be calculated by the Trustee and notified to the Issuer and all Investors on every Interest Reset Date.
Coupon Payment:	To be paid semi-annually on the outstanding balance of the Bond
Margin:	2.50%


Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



A. K. M. Nazmul Haider
Chief Financial Officer
Vice President
Financial Control & Assurance Division
Southeast Bank Limited
Head Office, Dhaka, Road BDT 5,000 Million


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


Bigon Shafiqul Haque Shamin psc (Retd)
Managing Director & CEO
Senz Kalyan Insurance Company Ltd.

Transferability/Liquidity:	Freely transferable subject to the terms and conditions of the Bond documents.
Prepayment, Call, Refunding, Conversion features:	Not applicable
Late Redemption:	Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.
Conditions Precedent:	In form and substance satisfactory to the MLA including without limitation, (i) due diligence having been conducted and completed, (ii) documentation for financing and appropriate business description disclosure in the offering circular, (iii) receipt by the MLA of appropriate legal opinions from external counsel (iv) the Issuer having obtained all relevant approvals for Financing
Governing Law:	The laws of The People's Republic of Bangladesh
Enforcement of Charges over securities:	At any time after the Bonds have become due and repayable, the Trustee may, and without further notice in writing, take such proceedings against the issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 66 ² / ₃ per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the issuer unless the Trustee, having become bound to do so fails to do so within a reasonable period and such failure shall be continuing

A.B. Redemption Schedule

Exhibit 3: Redemption Schedule of 5th Subordinated Bond BDT 5,000 Million

20% of the total bond value to be redeemed at the end of each year starting from 3rd year and the repayment schedule is depicted below:

Redemption Schedule:	Issue Size (BDT) 5,000,000,000	
	Year	Amount
End of 1 st year	-	5,000,000,000
End of 2 nd year	-	5,000,000,000
End of 3 rd year	1,000,000,000	4,000,000,000
End of 4 th year	1,000,000,000	3,000,000,000
End of 5 th year	1,000,000,000	2,000,000,000
End of 6 th year	1,000,000,000	1,000,000,000
End of 7 th year	1,000,000,000	0

Rashedul Islam

Rashedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka

Southeast Bank Limited - 5th Subordinated
Bond BDT 5,000 Million

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Eng. Gen. Shafique Shamim (Retd.)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

B. FINANCIAL ANALYSIS

B.1. Capital Adequacy

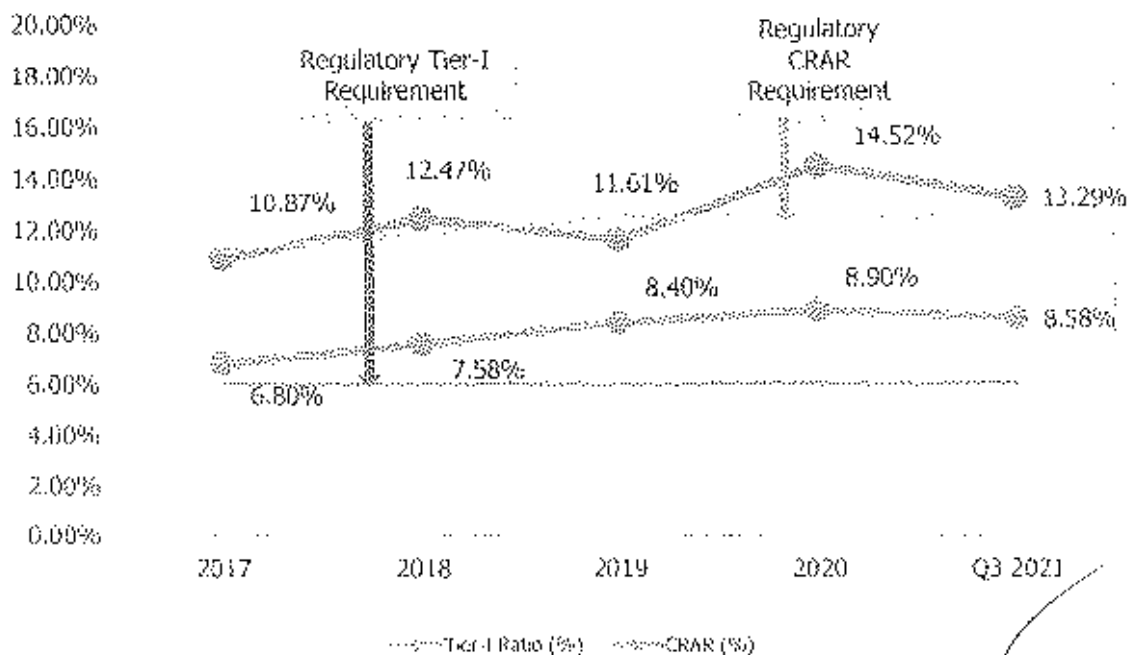
Exhibit 4: Selected Indicators for SEBL

FY 31 December	Q3 2021	2020	2019	2018	2017
Tier-I Capital (BDT Million)	27,019.05	24,669.45	26,052.13	23,566.12	21,079.25
Total Capital (BDT Million)	41,841.29	40,236.71	35,993.86	38,755.80	33,675.04
Total Risk Weighted Assets (BDT Million)	314,862.49	277,050.12	309,972.04	310,839.33	309,838.11
Tier-I Ratio (%)	8.58	8.90	8.40	7.58	6.80
CRAR (%)	13.29	14.52	11.61	12.47	10.87

FY2017-2020 Data Extracted from Audited Financial Statements
 FY2021 Data Extracted from Audited Financial Statements (9 months)

In 2020, CRAR of the bank has increased notably to 14.52% (11.61% in FY2019) due to sudden increase in general provision maintained against unclassified loan/investments. The general provision increased by BDT 3,636.00 million or 586.52% as compared to FY2019. This increase was primarily due to the uncertainty of loan portfolio caused by the covid-19 pandemic. Besides, the risk weighted assets of the bank has also dropped by 10.62% in FY2020 as opposed to earlier year due to the Bangladesh Bank's instruction to not classify (downwards) loan portfolio even if the client fails to pay in that year (FY2020). This also facilitated the good CRAR position of the bank. At the end of third quarter of FY2021, CRAR fell to 13.29% as the risk weighted assets increased notably by 14.62% as a consequence of withdrawing the bar on downwards classification of loan portfolio where certain conditions were not met.

Figure 3: Capital Adequacy Position of SEBL



Rizwan

Raeesul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Finance Control & Accounts Division
 Southeast Bank Limited
 Head Office, Dhaka

A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka.

Big Ben Sharique Shamim per (Field)
 Managing Director & CEO
 Sans Kalyan Insurance Company Ltd.

Kamal Hossein
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

3.2. Asset Composition & Trends

Exhibit 5: Selected Indicators for SEBL

FY 31 December	Q3 2021	2020	2019	2018	2017
Total Asset (BDT Million)	401,358.66	465,082.38	422,430.59	381,094.92	338,909.25
Asset Growth (%)	5.65	10.10	10.85	12.45	16.07
Gross Loans (BDT Million)	329,046.43	320,368.16	295,015.11	265,204.21	231,851.00
Gross Loans Growth (%)	2.71	8.59	11.24	14.39	22.44
Investments (BDT Million)	108,951.55	94,184.25	74,484.39	62,883.76	60,323.17
Investments Growth (%)	15.68	26.45	18.45	4.24	1.46
NPLs (BDT Million)	15,036.86	9,939.76	14,375.29	15,558.85	13,878.53
NPLs Growth (%)	51.28	(30.86)	(7.61)	12.11	49.91
Gross Loans to Total Assets (%)	66.97	68.88	69.84	69.59	68.41
NPL Ratio (%)	4.57	3.10	4.87	5.87	5.99
Net NPL Ratio (%)	(8.00)	(8.63)	(5.13)	(1.51)	(0.27)
Loan Loss Reserve Coverage (%)	165.76	240.07	138.59	85.37	72.55
NPLs to Equity & Loan Loss Reserve (%)	26.31	18.60	29.22	37.64	38.73

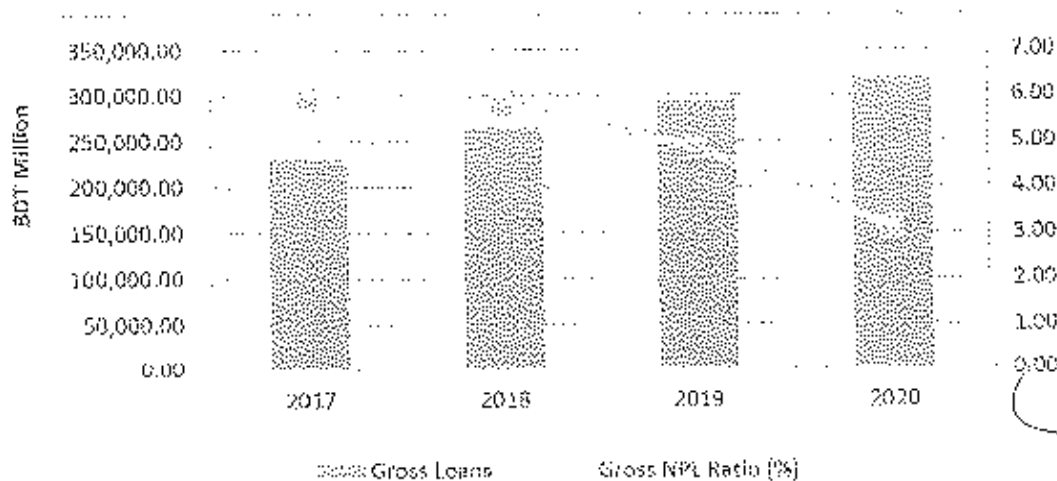
FY2017-2019 Data Extracted from Audited Financial Statements

*FY2021 Data Extracted from Audited Financial Statements (9 months)

3.2.1. Asset Quality

The gross loans and advances portfolio of SEBL has been growing constantly over the years and reached BDT 320,368.16 million in FY2020 from BDT 295,015.11 million in FY2019 with a growth rate of at 8.59% compared to the growth rate of 11.24% in previous financial year. Moreover, investment portfolio of the bank encompassed 20.25% of total asset base has been improved by a significant 26.45% growth in FY2020 which was possible owing to increased investments in government securities.

Figure 4: Selected Indicators of SEBL



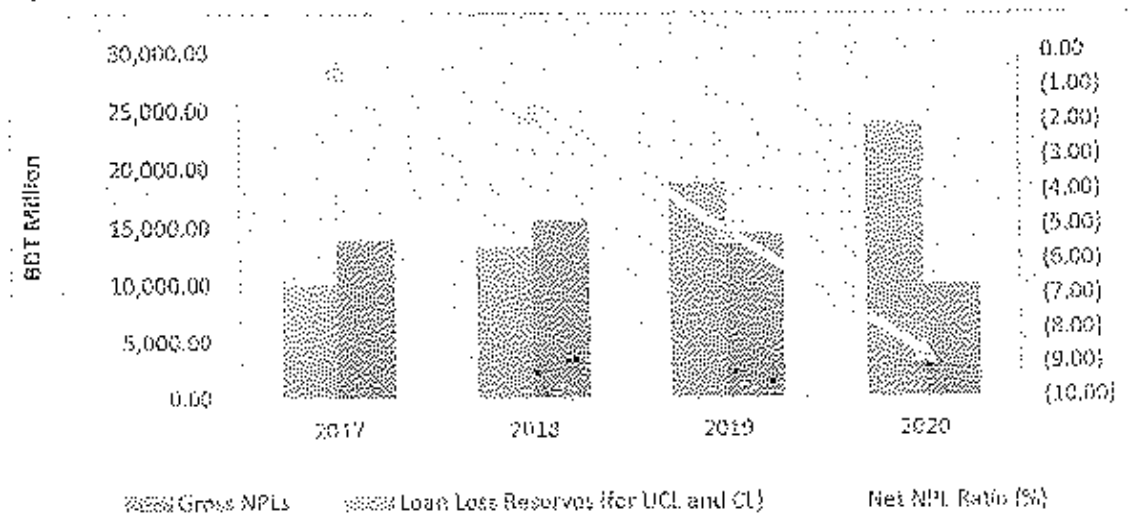
Although the NPL ratio of the bank in FY2020 showed better as compared to earlier year, however, the real picture of NPL did not reflect in the financial statements as the bank did not change the classification status of loans as per Bangladesh Bank instruction not to classify loans in the year 2020 (Jan to Dec) due to the ongoing covid-19 pandemic. As a result, gross NPL has decreased to BDT 9,939.76 million in FY2020 from BDT 14,375.29 million in FY2019. The bank has rescheduled BDT 14,305.75 million and writes off BDT 2,960.35 million loan during the year in 2020.

Rislan
Ravatul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited - 5th Suborn
Head Office, Dhaka
Bond BDT 5,000 Million

A.R.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Big Gen Shafique Shamim otc (Retd)
Managing Director & CEO
Sena Kayen Insurance Company Ltd.

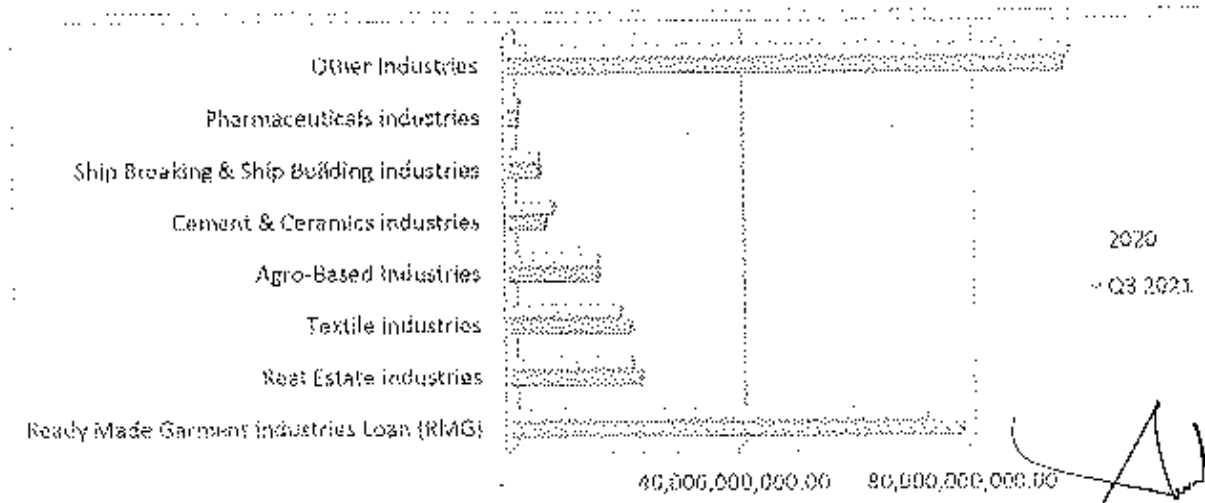
Figure 5: Selected Indicators of SEBL



3.2.2. Loan Diversification and Concentration

SEBL maintains a diversified portfolio with concentration in different sectors of the economy. Sector wise concentration shows that loans and advances portfolio was dominated by industrial loan which holds 75.68% of total loans and advances. Among the industrial loan, different Industries (categorized as other industries) and ready-made garment industries Loan (RMG) contribute 39.07% and 31.63% respectively in at the end of quarter 3, 2021.

Figure 6: Sector-wise distribution of loans & advances (industrial loan) of SEBL



3.2.3. Rescheduled and Written-Off Loans

As stated above, the bank has rescheduled BDT 19,305.75 million and writes off BDT 2,960.25 million loan during the year 2020. The NPLs, rescheduled loans and written-off loans together represent 10.05% of the loan book of the bank, up from 9.76% in the previous year once again exhibiting greater risk in the loan portfolio of the bank.

3.2.4. Large Loan Exposure

The bank has high concentration on few borrowers as the top 30 loan exposure (funded and non-funded together) represents 51.20% of the total loan portfolio of the bank at the end of September 2021. On the other hand, funded loan exposure represents 20.94% of the total loans at the end of that period.

Kamrul Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka.

Risban
 Rasedul Islam, FCA, FCMA
 Chief Financial Officer
 Vice President
 Financial Control & Reporting
 Southeast Bank Limited
 Head Office, Dhaka.

A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka.

Big C. Shamsuddin
 Managing Director & CEO
 Sene Khan Insurance Company Ltd.

B.2.9. Off-Balance sheet exposure

Total off-balance sheet exposure of the bank stood at BDT 195,919.94 million as on September 30, 2021 from BDT 138,737.25 million at the end of FY2020. As a percentage of total assets, the off-balance sheet items were 29.83% in FY2020 representing slightly higher exposure as compared to previous year (29.15%).

B.3. Earning Trends and Profitability

Exhibit 6: Selected Indicators of SEBL

FY 31 December	Q3 2021	2020	2019	2018	2017
Net Interest Income (BDT Million)	1,917.02	2,409.23	4,215.65	5,175.82	4,006.66
Net Interest Income Growth (%)	-	(42.85)	(18.55)	29.18	(4.68)
Non-Interest Income (BDT Million)	8,025.69	11,142.52	9,995.48	9,547.79	9,667.67
Non-Interest Income Growth (%)	-	11.48	4.69	(1.24)	13.83
Pre-Provision Profit (BDT Million)	5,867.13	8,163.91	8,955.15	9,735.10	8,039.13
Pre-Tax Profit (BDT Million)	4,488.24	3,055.23	4,376.40	4,620.77	4,098.30
Post-Tax Profit (BDT Million)	3,538.24	2,095.93	2,520.79	2,455.77	1,118.30
Post - Tax ROAE (%)	-	6.99	8.62	9.13	4.28
Interest Spread (%)	2.37	1.68	2.42	3.47	3.57
Net Interest Margin (%)	1.81	1.72	2.47	3.18	3.42
Cost to Income Ratio (%)	40.99	39.76	36.98	33.88	34.63

FY2017-2020 Data Extracted from Audited Financial Statements

FY2021 Data Extracted from Audited Financial Statements (9 months)

Interest income of the bank fell moderately by 15.33% to stand at BDT 22,219.79 million in FY2020 due mainly to the implementation of lending rate cap from April 2020, relaxation of Bangladesh Bank on principal and interest payment up to December 2020 amid Covid-19 pandemic. On the other hand, interest paid on deposits and borrowings has shrink by 10.06% to stand at BDT 19,810.56 million by the end of FY2020 and as a consequence the net interest income of the bank went down to BDT 2,409.23 million from BDT 4,215.65 million in FY2019, witnessed a sharp drop of 42.85% in FY2020. Moreover, during the first nine months of FY2021 (January-September) SEBL's net interest income recorded at BDT 1,917.02 million.

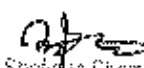
On the other hand, the Non-interest income of SEBL moderately grew by 11.48% stood at BDT 11,142.52 million in FY2020 due mainly to an increase in investment income (by 27.64% in the FY2020). By considering all together, total operating income of the bank shortened by 4.64% in FY2020 and stood at BDT 13,551.74 million which was BDT 14,211.13 million on a year ago which is reducing over the last two years. Non-Interest income encompasses 82.22% of the total operating income whereas core income of the bank comprised 17.78% in FY2020 exhibiting that the concentration of non-interest income to total operating income is very high. At the end of third quarter of FY2021, non-interest income of the bank stood at BDT 8,025.69 million. Interest spread of SEBL has further reduced to 1.68% in the FY2020 from 2.42% due to faster decrease of average lending rate compare to average deposit rate.



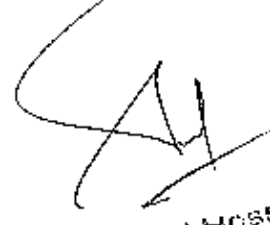
Rasedul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.



A.R.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

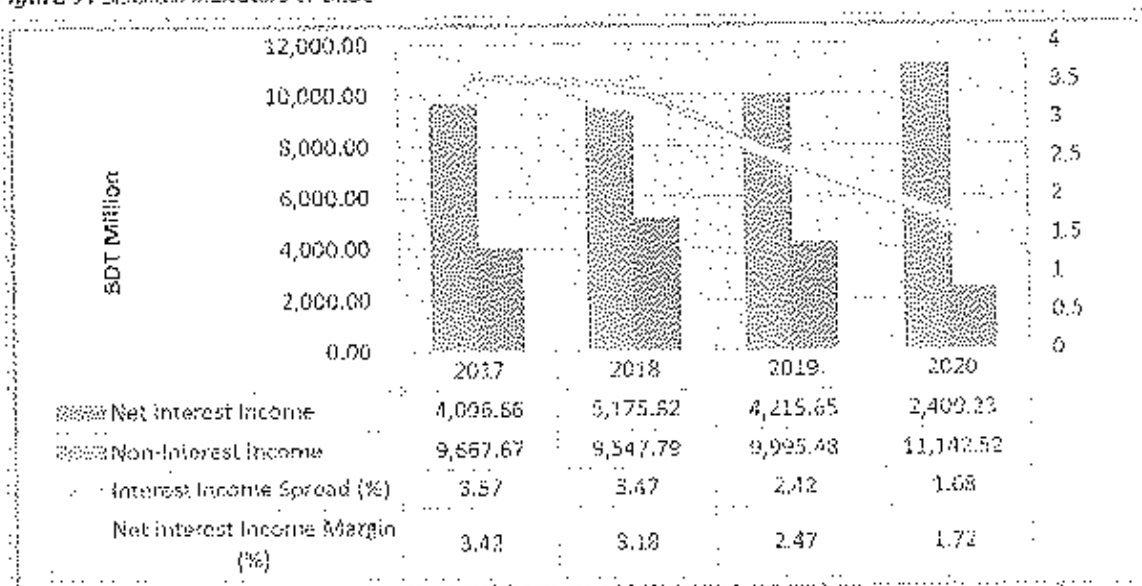


Big Gen Steff de Shamir psc (P&C)
Managing Director & CEO
Sena Kayan Insurance Company Ltd.



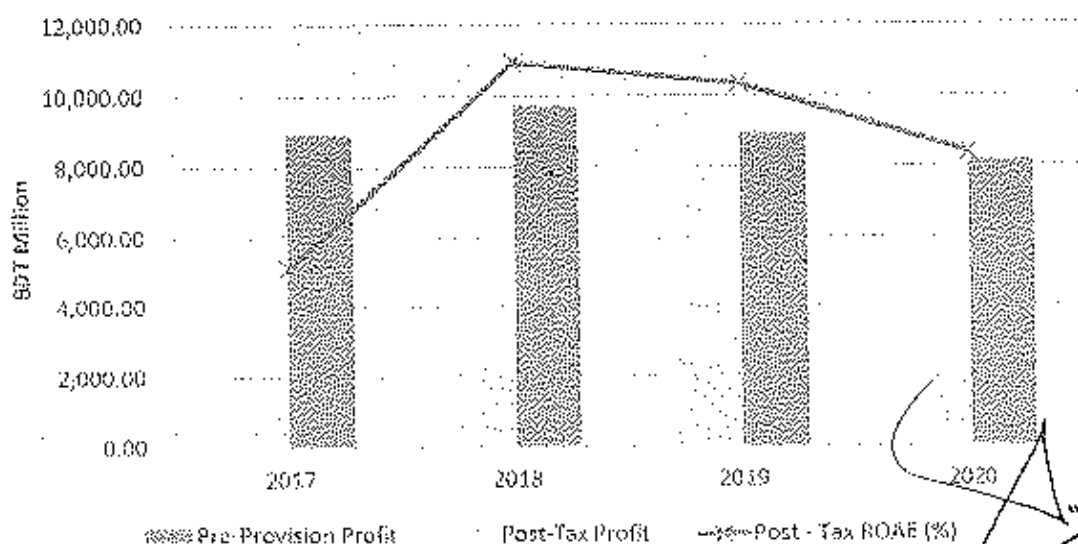
Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Figure 7: Selected indicators of SEBL



Following the opposite trend of the operating income, operating expenses of the bank grew by 2.51% thus the cost to income ratio of the bank took a lift to 39.76% in FY2020 from 36.98% in the prior financial year indicating a moderate deterioration in cost control measures. Growth in operating expenses and lower operating income in FY2020 have caused the pre-provision profit of the bank lower to BDT 6,163.91 million in the FY2020 from BDT 8,955.15 million in the previous year. Since the bank has also maintained general provision for Covid-19 thus the provision expense of the bank rose by 11.57% caused the fall of Pre-Tax Profit of the bank to BDT 3,055.23 million in the FY2020 from BDT 4,376.46 million. Though the tax expense of the bank has reduced but shortened operating profit in addition to higher operating expense has cut down the post-tax profit of the bank to BDT 2,095.93 million in the FY2020 from BDT 2,520.79 million. However, post-tax profit of the bank has improved at the end of third quarter of FY2021 which stood at BDT 3,538.24 million.

Figure 8: Selected indicators SEBL



Rislan

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Vice President
Financial Control & Accounts Division
Southeast Bank Limited
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Southeast Bank Limited - 5th Subordinate
Bank BDT 5,000 Million

A.A.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.

Brig Gen Shaukat Shamin psc (Retd)
Managing Director & CEO
Sena Rajyan Insurance Company Ltd.

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka.

5.4. Funding and Liquidity

Exhibit 7: Selected indicators of SEBL

FY 31 December	Q3 2021	2020	2019	2018	2017
Deposits (BDT Million)	369,609.01	359,899.88	329,797.46	298,320.59	269,833.09
Deposit Growth (%)	2.70	9.13	10.55	10.56	17.05
Loan to Deposit (%)	78.07	80.26	81.63	81.55	85.92
Net Loans to Stable Funding Base (%)	89.45	88.86	86.86	86.78	85.84
Net Loans to Customer Deposits (%)	78.67	79.40	80.94	82.44	80.56
Deposits to Total Funding (%)	75.22	77.38	78.07	78.28	79.62
Interbank Liabilities to Total Funding (%)	5.93	4.06	3.74	2.93	3.00

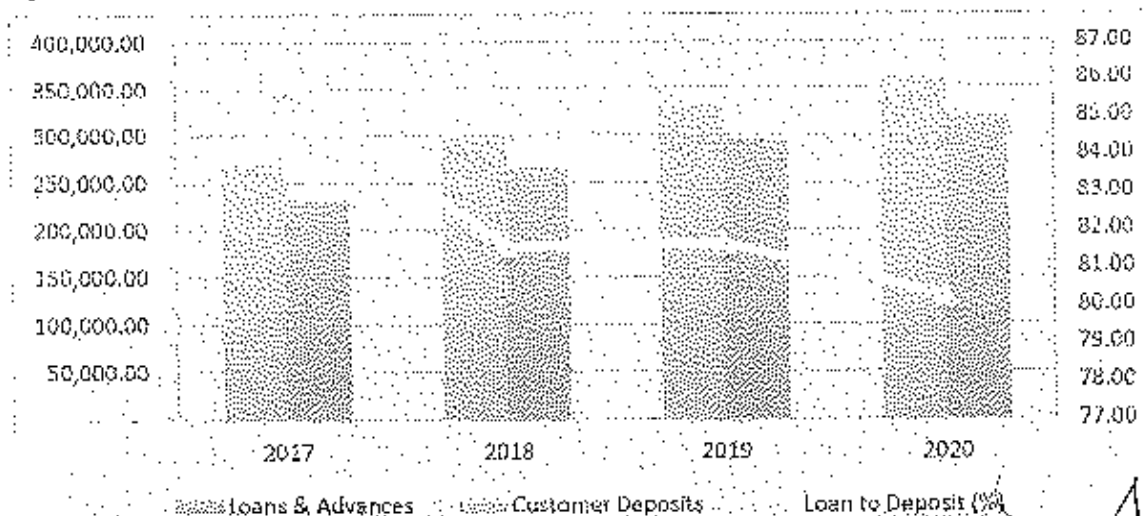
FY2017-2020 Data Extracted from Audited Financial Statements
 FY2021 Data Extracted from Audited Financial Statements (9 months)

5.4.1. Fund Management

Deposits are the primary source of funding for banks. Bank deposit rate has been impacted by the recently established interest rate ceiling in 2020. Moreover, due to an oversupply of liquidity in the economy, banks lowered their deposit rates which fell faster than credit rates. As per the norm, SEBL's total deposits accounts for 77.38% of the total liabilities & equity base at the end of FY2020. The rest of the total funding base is then comprised with 4.06% interbank liabilities, 9.27% other liabilities, 6.36% equity and 2.92% by subordinated debt. In the middle of the pandemic in 2020, SEBL's deposit base has grown by a sizeable 9.13% over the previous year. Notably, the deposit base has had continuous growth over the last four year period. The deposit book of the bank is made of 59.78% fixed deposits, 10.58% savings deposits, 18.55% current deposits & other accounts, and 1.09% of bills Payable and in FY2020. With the deposit base of the bank improving higher than the loan portfolio, the loan to deposit position of the bank has lowered slightly from the previous year. However, the ratio is well within the regulatory limit of 85.00% for banks. The net loans to stable funding base ratio improved to 88.86% in FY2020 which was 86.86% in FY2019 with both the net loans and stable funding base growing in the latest year. The interbank liabilities of SEBL rose in 2020 which was due to inclusion of subordinated bond subscription from various commercial banks as well increased borrowing from Bangladesh Bank in 2020 due to COVID-19 stimulus.

The deposit base of the bank continued to increase by the third quarter of 2021 and the total funding base reached to BDT 491,358.66 million. However, banks loan to deposit ratio has decreased to 78.07% and deposits to total funding also lowered to 75.22% as the growth of deposit was lower than the growth of total assets by the third quarter of FY2021. This depicts that the other contributors of the total funding base had grown that lowered the dependency on deposit base.

Figure 9: Selected indicators of SEBL



Rahim

Muhammad Masudul Islam
 Chief Financial Officer
 Vice President
 Financial Center
 Southeast Bank Limited
 Head Office, Dhaka

Southeast Bank Limited - 5th Subordinated
 BDT 100 Million

A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

Erig Gen Shalique Shamim psc (Retd.)
 Managing Director & CEO
 Saha Kalyan Insurance Company Ltd.

Kamal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

B.4.2. Liquidity Management

Bangladesh Bank's regulatory requirement states Statutory Liquidity Reserve (SLR) of 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month and Cash Reserve Requirement (CRR) of 4.00% on bi-weekly basis are to be maintained by conventional banks operating in Bangladesh. Bangladesh Bank has recently lowered the CRR from 5.00% to 3.50% on a daily basis, and 5.5% to 4% in bi-weekly basis due to the pandemic for conventional and Islamic banking. SEBL has maintained Cash Reserve Ratio (CRR) and Statutory Liquidity Requirement (SLR) in line with Bangladesh Bank requirement in 2020.

The required CRR of SEBL for conventional banking was BDT 12,843.56 million and the bank maintained BDT 13,321.89 million with a surplus of BDT 478.32 million. The CRR requirement for Islamic banking was BDT 832.92 million where the bank maintained BDT 864.91 million with a surplus of BDT 32.02 million at the end of FY2020.

For SLR, the bank was required to reserve BDT 42,484.49 million for its conventional banking and the bank maintained BDT 86,020.25 million with a surplus of BDT 43,535.76 million. Same with Islamic banking, SLR requirement was BDT 1,145.26 million and the bank maintained BDT 1,719.72 million with a surplus of BDT 574.46 million.

The maturity-based asset and liabilities profile of SEBL are distributed over different time horizons from 1 month to above 5 years. As at 31 December, 2020, the bank had net liquidity gap only in 1 - 5 years bracket while showed surplus liquidity in the other time brackets. However, the total net liquidity comprising all maturity periods in FY2020 has shown no deficit.

C. MARKET RISK ANALYSIS

Market risks of a Subordinated Bond may arise due to uncertainty related to interest rate risk and pricing risk of the bond. Moreover bond by nature are exposed to many sources of risk. The term structure of the interest rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. However the bond market is still a new concept to the Bangladesh economy as well as the conventional bond market is underdeveloped.

The entity in discussion will issue non-convertible Subordinated Bond for the purpose of strengthening its Tier II capital base. Standard Chartered Bank is acting as the mandated lead arranger whereas Sena Kalyan Insurance Company Limited is acting as the trustee. To evaluate the proper pricing and coupon rate structure offered for the instruments ECRL considered the following risk analysis related to the both market and instrument specific risk.

C.1. Interest Rate Risk of the Bond

Interest rate risk affects the value of bonds that arises when an investment's value changes due to a change in the absolute level of interest rates. Coupon rate of the bond will be determined by the benchmark rate and then a margin of 2.50% p.a. has been added to the benchmark rate. The benchmark rate will be determined by average of most recent month's published fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islami banks and Foreign Banks). The issuer's six months tenor deposit rate will be considered at the time of calculating the average. The published deposit rate will be taken from Bangladesh Bank sources.

C.2. Pricing Risk

Pricing risk in Bonds is that bond prices are inversely related to interest rate. When market interest rate goes up, bond prices go down, and vice versa. A maturity profile of bonds also affects the bond price. There are two primary reasons why long-term bonds are subject to greater interest rate risk than shorter term bonds. Firstly, there is greater probability that interest rates will move significantly upward or downward, thus upon upward movement it will negatively affect a bond's market price within a longer time period than within a shorter time period. As a result, investors who buy long term bonds but attempt to sell them before maturity may be faced with a deeply discounted market price when they want to sell their bonds. With short term bonds, the risk is not as significant because interest rates are less likely to substantially change in the short term. Shorter term bonds are also easier to hold until maturity, thereby, alleviating an investor's concern about the effect of profit rate driven changes in the price of bonds. Secondly, long term bonds have greater maturity than short term bonds. Because of this, a given interest rate change will have greater effect on long term bonds.

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Vice President
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Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Big Gen Shaikat Shamim per (Red)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd

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Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

than short term bonds. However, the Subordinated Bond of SEBL has a floor of 7.50% and ceiling of 10.50%. Thus the interest rate risk on the part of the investors is minimized. But from the point of view of SEBL and in the current market situation the bond is likely to increase its cost of fund due to the floor.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its returns from business can be maximized. Banks are exposed to six core risks through their operation, which are Credit Risk, Asset/Liability Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Risk, and Information & Communication Technology Security Risk. As a prudent and responsible financial institution, the Company attaches top priority to ensuring safety and security of the finances that are being extended.

D.1. Credit Risk

Credit risk is one of the most vital risks for any commercial bank as like Southeast Bank Limited. Credit risk arises from non-performance by a borrower. It may arise from either an inability or an unwillingness to perform in the pre-commitment contracted manner. The real risk from credit is the deviation of portfolio performance from its expected value. The credit risk of a bank is also affect the book value of a bank. The more credit of a particular is in risk, the more probability of a bank to be insolvent. Therefore, the status of depositor in the bank is at risk and probability of incurring loss from their deposited value. SEBL has a comprehensive credit risk management policy, which deals with identification, assessment, measurement and mitigation of credit risk.

SEBL has placed emphasis in creating credit risk awareness among all employees associated with lending business. Credit risk awareness programs are conducted regularly to create a risk awareness culture and empower staff with the capability to identify and manage credit risks more effectively.

D.2. Asset Liability Management Risk

Asset Liability Management (ALM) is an integral part of Bank Management; and so it is essential to have a structured and systematic process to manage the Balance Sheet risk properly. SEBL has developed an "Assets Liability Management Committee (ALCO)" comprising of the senior management of the bank to make important decisions related to the Balance Sheet of the bank. It also developed a guideline in line with Bangladesh Bank guidelines to meet abovementioned purpose. ALCO meets once in every month to address factors such as managing balance sheet gap with particular emphasis on maturity profile of deposit and lending, interest risk and liquidity risk of the bank.

D.2.1. Liquidity Risk

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc. For instance, a large loan default or changes in interest rate can adversely impact a bank's liquidity position.

SEBL's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term assets and ensuring adequate liquidity at optimal funding cost. ALCO also reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan.

D.2.2. Interest Rate Risk

Interest rate risk is the possible loss from adverse movements in market interest rates. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses. An investment's value will change due to change in the absolute level of interest rates. Such changes usually affect securities inversely and can be reduced by diversifying or hedging (through an interest rate swap) techniques. The Asset Liability Committee (ALCO) of SEBL is the main body which looks after and monitors investment profit rate

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 Rasedul Islam, FCA, FOMA
 Chief Financial Officer
 Vice President, Southeast Bank Limited - 5th Subordinated
 Financial Corp. Bond BDT 5,000 Million
 Southeast Bank Limited
 Head Office, Dhaka.

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 A.K.M. Nazmul Haider
 Company Secretary
 Southeast Bank Limited
 Head Office, Dhaka

[Signature]
 Big Gen Shaikat, Shamim pvt (Pvt)
 Managing Director & CEO
 Seta Kaiyan Insurance Company Ltd.

[Signature]
 Kemal Hossain
 Managing Director
 Southeast Bank Limited
 Head Office, Dhaka

structure. The committee also evaluates any market risk arising from the regulatory pressure thus reducing the profit rate.

D.2.3. Foreign Exchange Risk

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Managing foreign exchange risk involves prudently managing foreign currency positions in order to control, within set parameters, the impact of changes in exchange rates on the financial position of the bank. Introduction of market based exchange rate of Taka has resulted in both trading opportunities and associated foreign exchange volatility risk.

D.3. Operational Risk

Bangladesh Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This operational risk also includes legal risks but not strategic and reputational risks.

D.3.1. Anti-Money Laundering Policy

Money laundering risk refers to acquired or earned properties directly or indirectly through illegal means. In broader sense, illegal transfer, conversion, concealment of location or assistance in the above act of the properties acquired or earned directly or indirectly through legal or illegal means. So Anti Money Laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering activities. Southeast Bank Limited (SEBL) has implemented an enterprise-wide AML (Anti-Money Laundering) and CFT (Combating the Financing of Terrorism) compliance program, which covers all the activities of the Bank and is reasonably designed to comply with applicable laws and regulations.

D.3.2. Internal Control and Compliance (ICC)

SEBL has a diversified and complex financial activity within the country. Since its activity involves high risk, the issue of effective internal control system, corporate governance, transparency, accountability has become significant issues to ensure smooth performance in banking industry of Bangladesh. Failure of understanding and managing the risks of Internal Control and Compliance may greatly increase the possibility that some risks will go unrecognized and uncontrolled. SEBL has established a System of Internal Control, which is designed to manage all the risks of failure to a reasonable level, achieve aims and objectives/goals of the Bank and this system provides reasonable assurance of effective & efficient operations covering all controls including financial & operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies, safeguarding of bank's Assets, prevention & detection of fraud & errors, and accuracy & completeness of the accounting records and thus a separate division named 'Internal control and Compliance Division' has been created.

D.3.3. Information & Communication Technology (ICT) Security System

At present context, ICT has become an integral part of banking operations in order to provide modern banking facilities to both urban and rural populations. One common contribution is that it increases productivity and makes the market work more efficient. As a result, ICT is becoming the largest distribution platform of providing banking service to millions of people in urban and rural as well as remote areas also. Risks surrounding IT, such as network failure, lack of skills, hacking and viruses and poor system integration have the potential to have a negative impact on a Bank. SEBL has Centralized Core Banking Software (CBS) and providing online banking services to its clients through 135 Branches across the country. The Core Banking Software (CBS) has further been upgraded to its latest release to enhance existing features and functionalities and secure online banking transaction. The Bank is offering 24/7 banking services through establishing country wide alternate delivery channels, like ATM and Mobile Financial Service (MFS). It has also introduced Internet Banking service.

Two Factor Authentication System (2FA) has been introduced for doing interbank fund transfer or to pay utility bills/student tuition fees through Internet Banking system. SMS and E-Mail Alert services are available for any debit/credit transaction through online and internet banking or using Bank's Debit / Credit Card as a deterrent against fraudulent transaction attempts.

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Vice President
Financial Control & Accounts Division
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Company Secretary
Southeast Bank Limited
Head Office, Dhaka

Big Gen Shalique, Shamin pso (Rel)
Managing Director & CEO
Sena Kaiyan Insurance Company Ltd.

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Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

Southeast Bank Limited focuses on ethics, innovation and transparency for establishing well organized corporate governance within the company. The main objective of SEBL's corporate governance is to develop a strong, sustainable and competitive company in the best interest of its shareholders, employees, business associates and society at large. The members of the BoD can broadly be described as businessmen who hold directorship/ownership interest in a variety of sectors including trading, brokerage, metal, shipping, private universities, sugar, pharmaceuticals, cement, paper, jute, power, IT, real estate, chemicals, garments & textile etc.

The board is headed by Mr. Alamgir Kabir, FCA, and Chairman of BoD. He is a Fellow Chartered Accountant, has wide experience and profound knowledge in Auditing, Accounting, Bank, Insurance and Financial Institutions both at home and abroad. From 1996 onwards, he has been involved in different capacities in formation and development of Bank, Non Banking Financial Institution, Insurance and Capital Market related Institutions and others.

The BoD ensures that adequate internal control systems are in place and they are consistently complied with to provide reasonable assurance that financial records are reliable for preparation of financial statements. The BoD further ensures that quality of financial reporting is maintained, assets of the bank are safeguarded against unauthorized use or disposition and accountability for assets and business transactions are maintained. With an objective to monitor and manage the bank's operations, performance and strategy, the BoD of SEBL has three sub-committees. Details of those committees are presented below.

E.1.1. Executive Committee

The Executive Committee of the SEBL consists of seven members of the BoD and is headed by Mr. M. A. Kashem. The committee takes decision on emergency matters as and when required and assists the BoD to fulfill its responsibilities such as to set objectives, strategies and overall business plans for effective functioning of the bank. The committee reviews the policies and guidelines issued by the Bangladesh Bank regarding credit and other operations of the banking industry. The Executive Committee of the Board approves the credit proposals as per approved policy of the Board. The management ensures due diligence of the credit policy and risk management at the time of submitting the credit proposals.

E.1.2. Audit Committee

The Audit Committee of SEBL is comprised of five members of the BoD and is convened by Mr. Syed Sajedul Karim who joined the bank as an Independent Director on June 30, 2018. This Audit Committee acts as a bridge among the BoD, Executive Authority, Depositors and Shareholders etc. The committee reviews the financial statement of the bank. They conduct various special reviews by the Board Audit Cell, a highly empowered cell working under the committee. Audit Committee meets with the external auditors to discuss audit plan and risk management process of the bank.

E.1.3. Risk Management Committee

Apart from the Executive committee and Audit Committee of the Board, a Risk Management Committee has been formed which is responsible for planning and guiding on overall risk management of the bank. This committee consists of five members of the BoD and is chaired by Mr. Azim Uddin Ahmed. This committee's prime responsibilities is to define the risk appetite, designing organizational structure to manage risk within the bank, understanding the inherent risks of the bank, then reviewing and approving risk management policies.

E.1.4. Shariah Supervisory Committee

The Shariah Supervisory Committee of the Board has seven members and is headed by Professor Maulana Mohammad Salah-Uddin as Chairman. The Committee primarily oversees the Islamic banking undertakings and Shariah compliance of the bank.



8.2. Senior Management

The strategic management activities and overall business operations of SEBL are supervised and directed by the Managing Director, Mr. M. Kamal Hossain, who is an eminent banking personality having over 35 years of banking experience. During this period Mr. Hossain gained extensive banking experience and developed wide range of expertise in almost all areas of commercial banking comprising Import, Export, Credit, General Banking, Human Resources, and Accounts etc. Mr. Hossain did his MBS with distinction in Public Administration from the University of Chattogram in 1982 and he is an alumnus of the Public Administration Department of the University of Chattogram.

Senior Management Team (SMT): Apart from functional departments, several Management committees have been formed to handle the banking operation and identify and manage the risk associated with the business. Its main functions are to address general issues of importance, introduce new products, frame strategies for improvement of operations, evaluate different types of risks, and monitor internal control structure and to review effectiveness of the internal control system. To streamline the management functions further and to quicken decision making process based on best analysis and appraisal, sub-committees of the Management Committee were constituted for product development and marketing, strategic planning issues and corporate governance and administrative issues.

Asset Liability Committee (ALCO): The bank has set up Asset Liability Committee which is headed by the Managing Director. The committee's prime roles and responsibilities are to manage liquidity & profit rate risk of deposit and lending, understanding the market dynamics and risk elements involved within the business, assuming money market activities and last but not least complying bank's statutory obligations with the local Central Bank regulations.

Central Compliance Committee (CCC): Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) are getting added importance day by day. All issues relating to AML and CFT are managed and monitored by the Bank. As required by the regulatory authority, Central Compliance Committee (CCC) has been working on the issues in the Bank.

8.3. Human Resource Management

SEBL has consistently been feeding the development requirements of employees in various job grades with the requisite competencies enabling them to meet the changing business needs and also to replenish employees retiring from bank's services.

Resatul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited - 5th Subordinated
Head Office, Dhaka
Board BDT 5,000 Million

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
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Credit Rating: A-1

Bigon Shahidul Alam (Retd)
Managing Director & CEO
Sara Kalyan Insurance Company Ltd

Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



CORPORATE INFORMATION AS ON SEPTEMBER 30, 2021

Board of Directors

Mr. Alamgir Kabir, FCA	Chairman
Mrs. Duluma Ahmed	Vice-Chairperson
Mr. M. A. Kashem	Director
Mr. Azim Uddin Ahmed	Director
Mrs. Jisna Ara Kashem	Director
Mr. Md. Akikur Rahman	Director
Mrs. Rehana Rahman	Director
Mr. Raiyan Kabir	Director
Mr. M. Maniruz Zaman Khans	Director
Mr. Syed Sajedul Karim	Independent Director
Dr. Quazi Mesbahuddin Ahmed	Independent Director
Mr. Mohammad Delwar Hussain	Independent Director
Mr. M. Kamal Hossain	Managing Director

Senior Management Team

Mr. M. Kamal Hossain	Managing Director
Mr. Anwar Uddin	Deputy Managing Director
Mr. Nururidin Md. Sadeque Hussain	Deputy Managing Director
Mr. S.M. Mainul Kabir	Deputy Managing Director

Shareholders


Sponsors & Directors	30.47%
Institute	38.70%
Foreign	1.16%
General Public	29.72%

Auditor

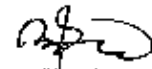
Howlader Yunus & Co.
Chartered Accountants

Registered Office

Finnos Trade Center
52-53, Dikusha, C/A
Dhaka - 1000, Bangladesh
Phone: (88-02)9571115, 7160866, 9555466, 7173793
Website: www.southeastbank.com.bd


Rasatul Islam, FCA, FCMA
Chief Financial Officer
Vice President
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Southeast Bank Limited
Head Office, Dhaka.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka.


Bigun Shahque Shamim per (Rtd)
Managing Director & CEO
Sena Kayan Insurance Company Ltd.


M. Kamal Hossain
Managing Director
Southeast Bank Limited
Dhaka, Bangladesh
Phone: 7160866

BOND RATING SYMBOL

LONG TERM RATINGS

ICRA's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

ICRA'S

AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (b) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Rating Outlook

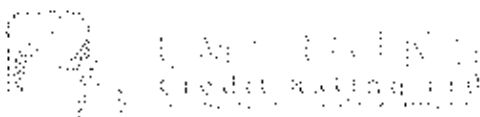
ICRA's Rating Outlook assesses the potential direction of the Bond Issues over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be:

POSITIVE	which indicates that a rating may be raised;
NEGATIVE	which indicates that a rating may be lowered;
STABLE	which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

DISCLAIMER

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E: info@ecrl.com.bd

Rishan
Responsible Officer, FCA, FOMP
and Financial Officer
and President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.

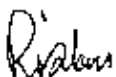
Southeast Bank Limited - 5th Subordinated
Bond BSR 5,000 Million

A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka

M. Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka

Bigun Shaha
Managing Director & CEO
Sena Kayan and Partners Company Ltd.

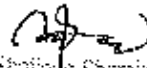
ANNEXURE 4: DUE DILIGENCE CERTIFICATE OF THE TRUSTEE



Resatul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.



A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka



Big Gun Shaheer Shamim (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



Kamal Hossain
Managing Director
Southeast Bank Limited
Head Office, Dhaka



Your Trusted Risk Manager

সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড
Sena Kalyan Insurance Company Ltd.
(A Concern of Sena Kalyan Sangstha)

Corporate Office :
SKS Tower (12th Floor)
7 VIP Road, Mohakhali, Dhaka-1206
PABX : +88-02-55068455-7
Fax : + 88-02-55058458
E-mail : info@senakalyanlci.com
Web : www.senakalyanlci.com

07 November, 2021

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

Chairman

Bangladesh Securities and Exchange Commission
F 6/C, Agargaon, Sher-E-Bangla Nagar,
Administrative Area, Dhaka-1207.

Subject: Issuance of 7-year Non-Convertible Subordinated Bond of "Southeast Bank Limited" worth BDT 5,000 Million (5th Issue)

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:


1. We, while acting as trustee to the above mentioned issue on behalf of the subscribers, have examined the draft Information Memorandum, legal and other documents and material facts as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, their directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other material facts furnished by the issuer; -

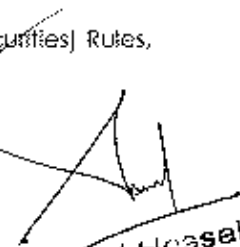
WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) we shall also abide by the Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission in regard to the issue; and
- (f) the above declarations are unequivocal and irrevocable.


Brig Gen Shafique Shamim, psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.
For Trustee


Rasatul Islam, FCA, FCMA
Chief Financial Officer
Vice President
Financial Control & Accounts Division
Southeast Bank Limited
Head Office, Dhaka.


A.K.M. Nazmul Haider
Company Secretary
Southeast Bank Limited
Head Office, Dhaka


Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.