



Independent Auditor's Report to the Shareholders of Southeast Bank Limited

Report on the Consolidated Financial Statements and Separate Financial Statements

We have audited the accompanying 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 the separate balance sheets as at 31 December 2012, and consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements and Separate Financial Statements

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and the separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





Opinion

In our opinion, the consolidated financial statements of the Group and the 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 the Bank as at 31 December 2012, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act 1991 and the rule and regulations issued by Bangladesh Bank, we also report the following:

- i) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- iii) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- iv) the expenditure incurred was for the purposes of the Group's and the Bank's business;
- v) the consolidated financial statements of the group and the separate financial statements of the Bank have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- vi) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- vii) the consolidated financial statements of the Group and the separate financial statements of the Bank conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- viii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- ix) the information and explanations required by us have been received and found satisfactory;
- x) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,000 [2011: 2800] person hours for the audit of the books and accounts of the Bank; and
- xi) capital adequacy ratio [CAR] as required by law, has been maintained adequately during the year.

Dhaka, 25 March 2013

Auditors

Rahman Rahman Huq
Chartered Accountants

Southeast Bank Limited and its subsidiaries

Consolidated Balance Sheet as at 31 December 2012

PROPERTY AND ASSETS	Note	2012 Taka	2011 Taka
Cash	4		
In hand (including foreign currencies)		1,402,347,789	1,028,273,845
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		9,432,422,117	8,003,690,146
		<u>10,834,769,906</u>	<u>9,031,963,991</u>
Balance with other banks and financial institutions	5		
In Bangladesh		2,517,874,755	1,343,326,545
Outside Bangladesh		774,442,499	359,925,354
		<u>3,292,317,254</u>	<u>1,703,251,899</u>
Money at call and on short notice	7	969,100,000	427,723,500
Investments	8		
Government		34,077,314,732	26,387,644,508
Others		3,579,246,342	3,458,958,934
		<u>37,656,561,074</u>	<u>29,846,603,442</u>
Loans and advances/Investments	10		
Loans, cash credit, overdrafts etc./Investments		121,239,442,809	102,663,932,795
Bills purchased and discounted		5,729,525,873	4,624,623,718
		<u>126,968,968,682</u>	<u>107,288,556,513</u>
Fixed assets including premises, furniture and fixtures	12	7,677,509,500	7,373,113,102
Other assets	14	2,522,353,601	2,407,377,876
Non-banking assets		-	-
Total assets		<u>189,921,580,017</u>	<u>158,078,590,323</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	16	6,853,946,225	3,168,412,389
Deposits and other accounts	18		
Current/AI-wadeeah current accounts and other accounts		12,201,092,884	9,306,745,906
Bills payable		1,755,500,842	1,524,791,771
Savings bank/Mudaraba savings deposits		8,515,191,081	6,657,239,957
Fixed deposits/Mudaraba term deposits		130,429,453,751	109,689,437,434
Bearer certificates of deposit		-	-
Other deposits		-	-
		<u>152,901,238,558</u>	<u>127,178,215,068</u>
Other liabilities	20	10,374,513,222	8,348,000,859
Total liabilities		<u>170,129,698,005</u>	<u>138,694,628,316</u>
Capital/Shareholders' equity			
Paid up capital	22.2	8,732,858,820	8,317,008,400
Share premium		-	60
Statutory reserve	23	5,236,100,140	4,519,282,462
Revaluation reserve	24	4,231,901,339	4,225,754,619
Other reserve	25	247,650,000	247,650,000
Translation reserve	26	(23,936)	(993,158)
Retained earnings	27	1,335,631,386	2,067,599,126
Total shareholders' equity		<u>19,784,117,749</u>	<u>19,376,301,509</u>
Non-controlling interest	29	7,764,263	7,660,498
Total liabilities and shareholders' equity		<u>189,921,580,017</u>	<u>158,078,590,323</u>

Southeast Bank Limited and its subsidiaries

Consolidated Balance Sheet as at 31 December 2012

	Note	2012 Taka	2011 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	30		
Acceptances and endorsements		25,416,703,879	23,583,160,272
Letters of guarantee		14,188,452,336	10,496,824,737
Irrevocable letters of credit		18,908,743,015	15,216,263,634
Bills for collection		12,616,797,886	8,506,286,083
Value of Bangladesh Sanchaypatra		732,879,000	758,029,000
		71,863,576,116	58,560,563,726
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		-	-
		71,863,576,116	58,560,563,726
Total off-balance sheet items including contingent liabilities		71,863,576,116	58,560,563,726

The annexed notes 1 to 68 form an integral part of these financial statements.



Chairman



Vice Chairman



Director



Managing Director

As per our report of same date.



Auditors

Rahman Rahman Huq
Chartered Accountants

Dhaka, 25 March 2013

Southeast Bank Limited and its subsidiaries

Consolidated Profit and Loss Account for the year ended 31 December 2012

	Note	2012 Taka	2011 Taka
Interest income/Profit on investments	32	17,394,050,952	13,886,551,680
Interest paid/Profit shared on deposits and borrowings etc.	34	(15,302,552,085)	(11,763,446,870)
Net interest income/profit on investments		2,091,498,867	2,123,104,810
Investment income	36	3,258,444,623	3,267,908,235
Commission, exchange and brokerage	38	2,053,675,310	2,235,111,800
Other operating income	39	428,006,179	542,334,996
		5,740,126,112	6,045,355,031
Total operating income (A)		7,831,624,979	8,168,459,841
Salaries and allowances	41	993,272,582	855,668,476
Rent, taxes, insurance, electricity etc.	43	389,059,654	300,121,055
Legal expenses		666,968	3,995,772
Postage, stamp, telecommunication etc.	45	103,059,263	91,568,429
Stationery, printings, advertisements etc.	47	107,524,294	111,369,402
Managing Director's salary and fees	49	11,350,000	11,350,000
Directors' fees and expenses	50	2,704,720	2,915,316
Auditors' fees	52	725,000	675,000
Depreciation and repair	53	254,638,941	264,228,866
Other expenses	55	473,437,094	440,902,658
Total operating expenses (B)		2,336,438,516	2,082,794,974
Profit before provision (C=A-B)		5,495,186,463	6,085,664,867
Provision for loans and advances/investments	21.1		
General provision		36,576,231	201,499,999
Specific provision		1,299,000,000	614,000,000
		1,335,576,231	815,499,999
Provision for off-balance sheet exposures	21.2	157,030,000	-
Provision for diminution in value of investments	57	386,944,510	929,425,444
Other provisions		11,798,000	3,500,000
Total provision (D)		1,891,348,741	1,748,425,443
Total profit before tax (C-D)		3,603,837,722	4,337,239,424
Provision for taxation	59		
Current		1,954,619,108	2,404,248,601
Deferred		500,000	20,802,153
		1,955,119,108	2,425,050,754
Net profit after tax		1,648,718,614	1,912,188,670
Net profit after tax attributable to:			
Equity holders of the Bank		1,648,614,849	1,935,354,367
Non-controlling interest		103,765	(23,165,697)
		1,648,718,614	1,912,188,670
Appropriations			
Statutory reserve	23	716,817,678	869,030,168
Retained surplus for the year		931,900,936	1,043,158,502
Earnings per share (par value Taka 10)	65	1.89	2.19

The annexed notes 1 to 68 form an integral part of these financial statements.



Chairman



Vice Chairman

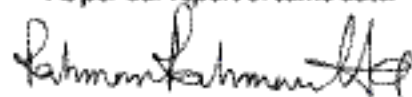


Director



Managing Director

As per our report of same date.



Auditors

Rahman Rahman Huq
Chartered Accountants

Dhaka, 25 March 2013



Southeast Bank Limited and its subsidiaries
Consolidated Statement of Changes in Equity for the year ended 31 December 2012

Particulars	Attributable to equity holders of the Bank										Non-controlling interest	Total equity
	Paid up capital	Statutory reserve	Share premium	Revaluation reserve	Other reserve	Translation reserve	Retained earnings	Total				
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2011	6,930,840,400	3,650,252,294	1,386,168,060	3,151,727,770	247,650,000	-	1,779,358,967	17,145,997,491	100,109,680	17,246,107,171	-	17,246,107,171
Statutory reserve	-	869,030,168	-	-	-	-	(869,030,168)	-	-	-	-	-
Revaluation reserve	-	-	-	1,074,026,849	-	-	-	1,074,026,849	-	1,074,026,849	-	1,074,026,849
Issue of bonus shares	1,386,168,000	-	(1,386,168,000)	-	-	-	-	(693,084,040)	-	(693,084,040)	-	(693,084,040)
Cash dividend	-	-	-	-	-	-	-	-	(69,283,485)	(69,283,485)	-	(69,283,485)
Adjustment for ownership change	-	-	-	-	-	(993,158)	-	(993,158)	-	(993,158)	-	(993,158)
Currency translation differences	-	-	-	-	-	-	(50,000,000)	(50,000,000)	-	(50,000,000)	-	(50,000,000)
Transfer to SEBL Foundation	-	-	-	-	-	-	(35,000,000)	(35,000,000)	-	(35,000,000)	-	(35,000,000)
Transfer to SEBL Employees' welfare fund	-	-	-	-	-	-	1,935,354,367	1,935,354,367	(23,165,697)	1,912,188,670	-	1,912,188,670
Net profit for the year	8,317,008,400	4,519,282,462	60	4,225,754,619	247,650,000	(993,158)	2,067,599,126	19,376,301,509	7,660,498	19,383,962,007	-	19,383,962,007
Balance as at 31 December 2011	8,317,008,400	4,519,282,462	60	4,225,754,619	247,650,000	(993,158)	2,067,599,126	19,376,301,509	7,660,498	19,383,962,007	-	19,383,962,007
Statutory reserve	-	716,817,678	-	-	-	-	(716,817,678)	-	-	-	-	-
Revaluation reserve	-	-	-	6,146,720	-	-	-	6,146,720	-	6,146,720	-	6,146,720
Issue of bonus shares	415,850,420	-	(60)	-	-	-	(415,850,360)	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	(1,247,551,260)	(1,247,551,260)	-	(1,247,551,260)	-	(1,247,551,260)
Currency translation differences	-	-	-	-	-	969,222	(363,291)	605,931	-	605,931	-	605,931
Net profit for the year	8,732,858,820	5,236,100,140	-	4,231,901,339	247,650,000	(23,936)	1,648,614,849	1,648,614,849	103,765	1,648,718,614	-	1,648,718,614
Balance as at 31 December 2012	8,732,858,820	5,236,100,140	-	4,231,901,339	247,650,000	(23,936)	1,335,631,386	19,784,117,749	7,764,263	19,791,882,012	-	19,791,882,012

Southeast Bank Limited and its subsidiaries

Consolidated Cash Flow Statement for the year ended 31 December 2012

A) Cash flows from operating activities	Note	2012 Taka	2011 Taka
Interest receipts/Investment income receipts in cash		19,801,745,762	15,777,124,361
Interest payments/Profit paid on deposits		(15,180,853,729)	(10,660,419,307)
Dividends receipts		76,561,844	12,800,031
Fee and commission receipts in cash		2,053,675,310	2,236,104,963
Recoveries on loans/investments previously written-off		93,864,487	239,911,858
Payments to employees		(1,004,622,582)	(867,018,476)
Payments to suppliers		(113,650,383)	(100,709,686)
Income taxes paid		(1,962,622,034)	(1,381,266,596)
Receipts from other operating activities	61	332,389,736	874,123,619
Payments for other operating activities	63	(1,066,852,617)	(955,211,393)
Operating profit before changes in operating assets and liabilities (i)		3,029,635,794	5,175,439,374
Increase/decrease in operating assets and liabilities:			
Sale of trading securities		846,049,499	1,291,556,138
Purchase of trading securities		(1,268,857,514)	(3,070,807,025)
Loans and advances to customers		(19,680,412,169)	(13,307,354,192)
Other assets		250,064,197	1,400,978,489
Deposits from other banks		3,685,533,837	2,191,959,448
Deposits from customers		25,570,168,503	18,821,997,185
Other liabilities		534,252,565	(530,465,215)
Cash generated from operating assets and liabilities (ii)		9,936,798,918	6,797,864,828
Net cash from operating activities (i+ii)		12,966,434,712	11,973,304,202
B) Cash flows from investing activities			
Proceeds from sale of securities		627,981,317,395	744,726,200,877
Payments for purchase of securities		(635,561,560,172)	(754,802,574,426)
Purchase of fixed assets		(493,127,965)	(409,545,862)
Sale of fixed assets		16,416,578	5,537,319
Net cash used in investing activities		(8,056,954,164)	(10,480,382,092)
C) Cash flows from financing activities			
Payment of dividend		(1,247,551,260)	(693,084,040)
Payment against lease obligation		(8,799,470)	(7,203,022)
Net cash used in financing activities		(1,256,350,730)	(700,287,062)
D) Net increase in cash and cash equivalents (A+B+C)		3,653,129,818	792,635,048
E) Cash and cash equivalents at beginning of the year		12,908,438,732	12,116,796,842
F) Effects of exchange rate fluctuations on cash and cash equivalents held		(387,227)	(993,158)
G) Cash and cash equivalents at end of the year (D+E+F)		16,561,181,323	12,908,438,732
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		1,402,347,789	1,028,273,845
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		9,432,422,117	8,003,690,146
Balance with other banks and financial institutions		3,292,317,254	1,703,251,899
Money at call and on short notice		969,100,000	427,723,500
Treasury bills		1,208,490,763	1,741,471,942
Bangladesh Bank Bill		249,457,000	-
Prize bond		7,046,400	4,027,400
		16,561,181,323	12,908,438,732

Southeast Bank Limited

Balance Sheet as at 31 December 2012

PROPERTY AND ASSETS	Note	2012 Taka	2011 Taka
Cash	4		
In hand (including foreign currencies)		1,402,347,789	1,028,273,845
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		9,432,422,117	8,003,690,146
		10,834,769,906	9,031,963,991
Balance with other banks and financial institutions	6		
in Bangladesh		2,517,874,755	1,343,326,545
Outside Bangladesh		757,063,528	337,142,467
		3,274,938,283	1,680,469,012
Money at call and on short notice	7	969,100,000	427,723,500
Investments	9		
Government		34,077,314,732	26,387,644,508
Others		2,561,270,744	2,488,200,732
		36,638,585,476	28,875,845,240
Loans and advances/investments	11		
Loans, cash credit, overdrafts etc./investments		121,537,630,093	102,921,800,824
Bills purchased and discounted		5,729,525,873	4,624,623,718
		127,267,155,966	107,546,424,542
Fixed assets including premises, furniture and fixtures	13	7,613,398,286	7,301,070,674
Other assets	15	3,189,560,423	3,089,311,796
Non - banking assets		-	-
Total assets		189,787,508,340	157,952,808,755
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	17	6,853,946,225	3,168,412,389
Deposits and other accounts	19		
Current/AI-waddeeah current accounts and other accounts		12,189,247,342	9,283,804,350
Bills payable		1,755,500,842	1,524,791,771
Savings bank/Mudaraba savings deposits		8,515,191,081	6,657,239,957
Fixed deposits/Mudaraba term deposits		130,490,017,945	109,743,535,621
Bearer certificates of deposit		-	-
Other deposits		-	-
		152,949,957,210	127,209,371,699
Other liabilities	21	10,180,393,016	8,191,116,484
Total liabilities		169,984,296,451	138,568,900,572
Capital/Shareholders' equity			
Paid up capital	22.2	8,732,858,820	8,317,008,400
Share premium		-	60
Statutory reserve	23	5,236,100,140	4,519,282,462
Revaluation reserve	24	4,231,901,339	4,225,754,619
Other reserve	25	247,650,000	247,650,000
Translation reserve	26	(110,580)	(594,792)
Retained earnings	28	1,354,812,170	2,074,807,434
Total shareholders' equity		19,803,211,889	19,383,908,183
Total liabilities and shareholders' equity		189,787,508,340	157,952,808,755



Southeast Bank Limited

Balance Sheet as at 31 December 2012

	Note	2012 Taka	2011 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	30		
Acceptances and endorsements		25,416,703,879	23,583,160,272
Letters of guarantee		14,188,452,336	10,496,824,737
Irrevocable letters of credit		18,908,743,015	15,216,263,634
Bills for collection		12,616,797,886	8,506,286,083
Value of Bangladesh Sanchaypatra		732,879,000	758,029,000
		71,863,576,116	58,560,563,726
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		-	-
		-	-
		71,863,576,116	58,560,563,726
Total off-balance sheet items including contingent liabilities		71,863,576,116	58,560,563,726

The annexed notes 1 to 68 form an integral part of these financial statements.

Chairman

Vice Chairman

Director

Managing Director

Dhaka, 25 March 2013

As per our report of same date.

Auditors

Rahman Rahman Huq

Chartered Accountants

Southeast Bank Limited

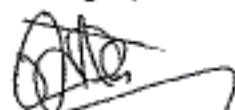
Profit and Loss Account for the year ended 31 December 2012

	Note	2012 Taka	2011 Taka
Interest income/Profit on investments	33	17,368,928,608	13,874,163,255
Interest paid/Profit shared on deposits and borrowings etc.	35	(15,302,552,085)	(11,783,384,765)
Net interest income/profit on investments		2,066,376,523	2,090,778,490
Investment income	37	3,208,575,371	3,267,908,235
Commission, exchange and brokerage	38	2,053,675,310	2,235,111,800
Other operating income	40	376,889,197	471,218,816
		5,639,139,878	5,974,238,851
Total operating income (A)		7,705,516,401	8,065,017,341
Salaries and allowances	42	980,232,290	845,837,161
Rent, taxes, insurance, electricity etc.	44	367,236,675	279,722,156
Legal expenses		666,968	3,980,197
Postage, stamp, telecommunication etc.	46	102,713,575	91,310,060
Stationery, printings, advertisements etc.	48	106,309,005	110,323,859
Managing Director's salary and fees	49	11,350,000	11,350,000
Directors' fees and expenses	51	2,514,720	2,670,316
Auditors' fees		700,000	650,000
Depreciation and repair of Bank's assets	54	245,445,325	254,357,538
Other expenses	56	454,474,819	652,203,651
		2,271,643,377	2,252,404,938
Profit before provision (C=A-B)		5,433,873,024	5,812,612,403
Provision for loans and advances/investments	21.1		
General provision		36,576,231	201,499,999
Specific provision		1,299,000,000	614,000,000
		1,335,576,231	815,499,999
Provision for off-balance sheet exposures	21.2	157,030,000	-
Provision for diminution in value of investments	58	345,380,404	648,461,563
Other provisions		11,798,000	3,500,000
		1,849,784,635	1,467,461,562
Total provision (D)		1,849,784,635	1,467,461,562
Total profit before tax (C-D)		3,584,088,389	4,345,150,841
Provision for taxation	60		
Current		1,923,516,385	2,381,069,133
Deferred		500,000	20,802,153
		1,924,016,385	2,401,871,286
Net profit after tax		1,660,072,004	1,943,279,555
Appropriations			
Statutory reserve	23	716,817,678	869,030,168
Retained surplus for the year	28	943,254,326	1,074,249,387
Earnings per share (par value Taka 10)	66	1.90	2.23

The annexed notes 1 to 68 form an integral part of these financial statements.



Chairman



Vice Chairman

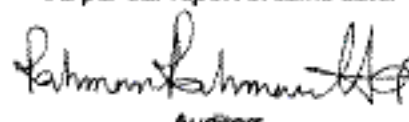


Director



Managing Director

As per our report of same date.



Auditors

Rahman Rahman Huq
Chartered Accountants

Dhaka, 25 March 2013

Statement of Changes in Equity for the year ended 31 December 2012

Particulars	Paid up capital	Statutory reserve	Share premium	Revaluation reserve	Other reserves	Translation reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2011	6,930,840,400	3,650,252,294	1,386,168,060	3,151,727,770	247,650,000	-	1,778,642,087	17,145,280,611
Statutory reserve	-	869,030,168	-	-	-	-	(869,030,168)	-
Revaluation reserve	-	-	-	1,074,026,849	-	-	-	1,074,026,849
Issue of bonus shares	1,386,168,000	-	(1,386,168,000)	-	-	-	-	-
Currency translation differences	-	-	-	-	-	(594,792)	-	(594,792)
Cash dividend	-	-	-	-	-	-	-	-
Transfer to SEBL Foundation	-	-	-	-	-	-	(693,084,040)	(693,084,040)
Transfer to SEBL Employees' welfare fund	-	-	-	-	-	-	(50,000,000)	(50,000,000)
Net profit for the year	-	-	-	-	-	-	(35,000,000)	(35,000,000)
Balance as at 31 December 2011	8,317,008,400	4,519,282,462	60	4,225,754,619	247,650,000	(594,792)	2,074,807,434	19,383,908,163
Statutory reserve	-	716,817,678	-	-	-	-	(716,817,678)	-
Revaluation reserve	-	-	-	6,146,720	-	-	-	6,146,720
Issue of bonus shares	415,850,420	-	(60)	-	-	-	(415,850,360)	-
Cash dividend	-	-	-	-	-	-	(1,247,551,260)	(1,247,551,260)
Currency translation differences	-	-	-	-	-	484,212	152,030	636,242
Net profit for the year	-	-	-	-	-	-	1,660,072,004	1,660,072,004
Balance as at 31 December 2012	8,732,858,820	5,236,100,140	-	4,231,901,339	247,650,000	(110,580)	1,354,812,170	19,803,211,869

Southeast Bank Limited

Cash Flow Statement for the year ended 31 December 2012

	Note	2012 Taka	2011 Taka
A) Cash flows from operating activities			
Interest receipts/Investment income receipts in cash		19,776,623,418	15,764,735,936
Interest payments/Profit paid on deposits		(15,180,853,729)	(10,680,357,203)
Dividends receipts		61,948,935	12,800,031
Fee and commission receipts in cash		2,053,675,310	2,235,706,595
Recoveries on loans/investments previously written-off		93,864,487	239,911,858
Payments to employees		(991,582,290)	(857,187,161)
Payments to suppliers		(112,435,085)	(99,664,143)
Income taxes paid		(1,962,622,034)	(1,375,657,073)
Receipts from other operating activities	62	281,272,754	803,405,807
Payments for other operating activities	64	(1,034,781,854)	(911,169,249)
Operating profit before changes in operating assets and liabilities (i)		2,985,109,912	5,132,525,398
Increase/decrease in operating assets and liabilities:			
Sale of trading securities		648,244,727	1,291,556,138
Purchase of trading securities		(1,009,781,665)	(2,360,508,906)
Loans and advances to customers		(19,720,731,424)	(15,093,809,051)
Other assets		275,547,853	2,797,359,770
Deposits from other banks		3,685,533,837	2,191,959,448
Deposits from customers		25,618,887,155	18,376,756,361
Other liabilities		512,094,763	(466,586,058)
Cash generated from operating assets and liabilities (ii)		10,009,795,246	6,736,727,702
Net cash from operating activities (i+ii)		12,994,905,158	11,869,253,100
B) Cash flows from investing activities			
Proceeds from sale of securities		627,981,317,386	744,726,200,877
Payments for purchase of securities		(635,561,560,172)	(754,802,574,427)
Purchase of fixed assets		(516,623,163)	(328,676,012)
Sale of fixed assets		16,416,578	5,537,319
Net cash used in investing activities		(8,080,449,371)	(10,399,512,243)
C) Cash flows from financing activities			
Payment of dividend		(1,247,551,260)	(693,084,040)
Payments against lease obligation		(8,799,470)	(7,203,022)
Net cash used in financing activities		(1,256,350,730)	(700,287,062)
D) Net increase in cash and cash equivalents (A+B+C)		3,658,105,057	769,453,795
E) Cash and cash equivalents at beginning of the year		12,885,655,845	12,116,796,842
F) Effects of exchange rate fluctuations on cash and cash equivalents held		41,450	(594,792)
G) Cash and cash equivalents at end of the year (D+E+F)		16,543,802,352	12,885,655,845
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		1,402,347,789	1,028,273,845
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		9,432,422,117	8,003,690,146
Balance with other banks and financial institutions		3,274,938,283	1,680,469,012
Money at call and on short notice		969,100,000	427,723,500
Treasury bills		1,208,490,763	1,741,471,942
Bangladesh Bank Bill		249,457,000	-
Prize bond		7,046,400	4,027,400
		16,543,802,352	12,885,655,845

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

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 as a public limited company to carry out banking business in Bangladesh. The registered office of the Bank is located at Eunos 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 year ended 31 December 2012 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 94 (2011: 84) branches, with no overseas branch as on 31 December 2012. Except 5 (2011: 5) branches of Islamic banking, the rest 89 (2011: 79) branches run on commercial conventional basis, of which 15 (2011: 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) and another one for its remittance business in United Kingdom (for details see note 1.6).

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. Separate financial statements of Islamic Banking Branches are shown in Annexure - I, I.1 and I.2.

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 Licence on 24 June 2008 vide letter no. BRPD(P-3)744(98)/2008-2213 from Bangladesh Bank. Presently the Bank has 2 (2011: 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. Separate financial statements of Off-shore Banking Units are shown in Annexure - J, J.1, J.2 and J.3.

1.5 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 subsidiary company in pursuance of the direction of Bangladesh Bank vide DOS Circular No. 4 dated 15 June 2010. The principal activities of the 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:

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

Copy of the audited financial statements is attached in Appendix A.

1.6 Southeast Financial Services (UK) Limited

Southeast Financial Services (UK) Limited (the "company") was incorporated as a private limited company with Companies House of England and Wales under registration no. 7539137 on 22 February 2011. The company is a wholly owned subsidiary of Southeast Bank Limited. Earlier on 28 October 2010, Southeast Bank Limited got the approval of Bangladesh Bank to establish a wholly owned subsidiary in the United Kingdom. Southeast Financial Services (UK) Limited obtained Certificate of Registration for Money Laundering Regulation (MLR) on 12 April 2011 from Her Majesty Customs and Excise. The company was granted registration from Financial Services Authority (FSA) on 21 July 2011 as Small Payment Institution (SPI) to carry out Money Service Business (MSB) under Payment Services Regulations 2009. The company commenced its operation of business on 26 September 2011. The registered office is located at 22 New Road, London E1 2AX, United Kingdom.

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.

This subsidiary is registered in United Kingdom (UK). Audit of financial statements of this subsidiary is not required as per rules and regulations of UK. The financial statements including accountant's report of this subsidiary is attached in Appendix B.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Bank as at and for the year ended 31 December 2012 have been prepared under the historical cost convention except investments and in accordance with the "First Schedule" [section 38] of the Bank Companies Act 1991, as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, and Dhaka and Chittagong Stock Exchange's listing regulations. In case any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank have departed from those contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 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; otherwise investments are recognized at costs.

ii) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39 where T-bills, T-bonds and Bangladesh Bank bill will fall under the category of "held for trading", any change in the fair value of held for trading assets is recognized through profit and loss account.

T-bills designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond/Bangladesh Bank bill) which are categorized as held for trading will be charged through profit and loss account, but any gain on such revaluation should be recorded under Revaluation Reserve Account. However at the year-end if there is any revaluation gain for any particular held for trading T-bills/T-bonds/Bangladesh Bank bill, such gain can be used to the extent of any revaluation loss for that particular held for trading T-bills/T-bonds/Bangladesh Bank bill. T-bills designated as held to maturity are measured at amortized cost method but interest income/gain is recognized through reserve."

iii) Provision on loans and advances/investments

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Comprehensive Income (OCI) 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 include in a Single Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

v) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the accounts.

vi) Repo transactions

BFRS: 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.

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.

vii) Financial guarantees

BFRS: As per BAS 39, 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 terms 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 present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are 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.

viii) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Bangladesh bank bills, Prize bond are not shown as cash and cash equivalents. Money at call and on short notice is shown as face item in balance sheet, and Treasury bills, Prize bonds are shown in investments.

ix) Non-banking asset

BFRS: No indication of Non-banking asset is found in any BFRS.

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

x) Cash flow statement

BFRS: Cash flow statement can be prepared 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.

xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)

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

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

xii) Presentation of Intangible asset

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

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

xiii) Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement of disclosure of off-balance sheet items.

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. L/C, L/G, etc.) must be disclosed separately in face of balance sheet.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

xiv) Disclosure of appropriation of profit

BFRS: 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.

xv) Loans and advances/Investments net of provision

BFRS: Loans and advances/investments should be presented net of provision.

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

(Also refer to note 3.21 Compliance of BFRSs)

The financial statements of the Islamic banking branches have also been prepared as per Bank Companies Act 1991 and BFRSs. A separate balance sheet and profit and loss account are shown in Annexure - I, I.1 and I.2 and the figures appearing in the annexure have been converted into relevant heads of financial statements under conventional banking for consolidation and incorporation in these financial statements.

The consolidated financial statements were authorised for issue by the board of directors on 14 March 2013.

2.2 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 Re-measured Government Treasury Bond at present value using amortisation concept
- Investment in shares of listed companies

2.3 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.

2.4 Use of estimates and judgements

The preparation of these financial statements in conformity with Bangladesh Bank Circulars and BFRSs require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, 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 recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in notes 3.3.4 and 3.16.

2.5 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2012.

2.6 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 and Policy Department of Bangladesh Bank.

2.7 Statement of Changes in Equity

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

2.8 Liquidity Statements

The consolidated and separate liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term which has been given in the Statement.

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.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

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 Financial Services (UK) Limited, made up to the end of the financial year.

3.1.1 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 recognised 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 recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised 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.

3.1.2 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.

3.1.3 Subsidiaries

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 the 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.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

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 spot exchange rates at the dates of the transactions.

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 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, 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, Bangladesh Bank bill 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 accredited.

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 revaluated 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:

Government Treasury Bills and Bonds (HFT)	At present value (using marking to market concept)
Government Treasury Bills and Bonds (HTM)	At present value (using amortisation concept)
Re-measured Government Treasury Bonds	At present value (using amortisation concept)
Bangladesh Government Islamic Bond	At cost
Prize Bond	At cost
Unquoted shares	At cost or book value of the last audited balance sheet whichever is lower
Quoted shares	At cost or market value whichever is lower at balance sheet date.

Details are shown in notes 8 and 9.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

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) Provision for loans and advances/investments is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank BRPD Circular No. 14 of 23 September 2012 and BRPD Circular No. 19 of 27 December 2012. 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	0.25%
Consumer financing	5%
Housing finance and loans for professionals to set up business under consumer financing scheme	2%
Loan to BHs/MBs/SDs against shares	2%
Special Mention Account (SMA)	5%
Specific provision on:	
Substandard loans and advances/investments	20%
Doubtful loans and advances/investments	50%
Bad/loss loans and advances/investments	100%
Provisions for Short term Agricultural and Micro-Credits	
All credits except 'Bad/Loss' (i.e. Doubtful, Substandard, irregular and regular credit)	5%
Bad/loss	100%

c) Loans and advances are written off to the extent that

i) there is no realistic prospect of recovery, 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 cost/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.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

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.

Depreciation

Depreciation is recognised 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
Building	4%
Furniture and fixtures	10%
Office appliances	20%
Professional and Reference books	30%
Electrical appliances	20%
Motor vehicles	20%

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

3.3.5 Leased assets – lessee

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's Balance Sheet.

3.4 Liabilities and basis of their valuation

3.4.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include refinance 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 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.

3.4.3 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised 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 Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association. Details are shown in note 22.1.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

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 total profit before tax in accordance with provisions of section 24 of the Bank Companies Act 1991 until such reserve equal to its paid up capital together with the share premium. Details are shown in note 23.

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 and 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 recognised in the financial statements as per BAS 12: Income Taxes. Details are shown in note 24.

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/Group; or

A present obligation that arises from past events but is not recognised 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 recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

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

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 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."

3.7.2 Profit on Investment (Islamic Banking)

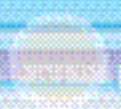
Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments is transferred to profit suspense account instead of income account.

3.7.3 Investment Income

Income on investments is recognised on accrual basis. Investment income includes discount on treasury bills, interest on treasury bonds and fixed deposit with other banks. Capital gain on investments in shares is also included in investment income. Capital gain is recognised when it is realised.

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 recognised on a realisation basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

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

Interest paid and other expenses are recognised on accrual basis.

3.9 Profit shared on deposits (Islamic Banking)

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

3.10 Dividends

Dividend income is recognised 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 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.12 Employee benefits

3.12.1 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, Large Tax Payers Unit (LTU), Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) 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.

3.12.2 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. Actuarial valuation is not considered essential since amount payable at the date of balance sheet is recognised 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 is transferred to the fund and charged to expenses of the Bank."

3.12.3 Superannuation Fund

The Bank operates a Superannuation Fund covering all its eligible employees. The Fund is operated by a separate Board of Trustees.

3.12.4 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 recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank/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.

3.12.5 Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour Act 2006 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 which stated that the Bank was not required to make provision for WPPF as the bank was not within the scope of WPPF. As such the Bank did not make any provision during the year for WPPF.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

3.13 Provisions and accrued expenses

In compliance with BAS-37, provisions and accrued expenses are recognized in the consolidated 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.

3.14 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.10 dated 18 September 2007 and BRPD Circular No. 14 of 23 September 2012, the Bank is required to maintain provision @ 1% against Off-Balance Sheet Exposures. Details are shown in note 21.2.

3.15 Provision for Nostro Accounts

According to guideline of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank, Circular No. FEOD (FEMO)/01/2005-677 dated 13 September 2005, Bank is not required to make provision regarding the un-reconciled debit balance as at Balance Sheet date since there was no debit entries of more than three months.

3.16 Tax

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

3.16.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Details are shown in note 21.4.1.

3.16.2 Deferred tax

Deferred tax is recognised 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 recognised for the following temporary differences:

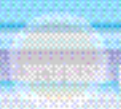
- ◆ temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- ◆ temporary differences related to investments in subsidiaries to the extent that it is probable that they 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 realised simultaneously.

A deferred tax asset is recognised 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 utilised. 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 realised.

Deferred tax relating to unrealised surplus on revaluation of held to maturity (HTM) securities and land and buildings is recognised directly in revaluation reserve as a part of equity and is subsequently recognised in profit and loss account on maturity of the security and disposal of land and buildings. Details are shown in note 21.4.2.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

3.16.3 Tax exposures

In determining the amount of current and deferred tax, the Group/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 judgements about future events. New information may become available that causes the Group/Bank to change its judgement 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.

3.17 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 recognised 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 generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised 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 recognised 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 amortisation, if no impairment loss had been recognised.

3.18 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 the 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 65 and 66.

3.19 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.

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

3.20 Risk management

Risk is inherent to the banking business and the Bank adds shareholder value by converting opportunities into profit. The Bank evaluates its opportunities in terms of risk-reward relationship. The risks that are taking by the Bank are reasonable, controlled, within its financial resources and credit competence.

At the Bank the risk is managed through a clear organizational structure, risk management and monitoring process that are closely aligned with the activities of the Bank's risk management policy and process as well as in line with the guidelines provided by the country's central bank, Bangladesh Bank.

The Bank's risk management policy and process is composed with all the structure, policies, process and strategies within the Bank so that it does not conflict with other risk management policies.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

The essential elements of an effective risk management framework are:

1. Clearly defined roles and responsibilities to avoid conflict of interest between business lines.
2. Developing a risk culture where everyone will understand the impact of risk before taking any business decision.
3. Robust risk management and governance by the board for understanding the risks taken by the Bank for safety and protection of the assets.

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

- i) Credit Risk;
- ii) Foreign Exchange Risk;
- iii) Asset Liability Management;
- iv) Money Laundering Risk;
- v) Internal Control and Compliance Risk; and
- vi) Information and Communication Technology.

3.20.1 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 BaseHI 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 this changes.

A thorough assessment and due diligence are done before sanction of any credit facility at Credit Risk Management (CRM) Division 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 (CRM) Division 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.

3.20.2 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 counterparts; the treasury back office is engaged in transfer of funds and passing of the transaction entries in the books of accounts, and the mid office is responsible for verification of the deals. All foreign exchange transactions 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.

3.20.3 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 of these risks is 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 and yield on advances, deposit and lending pricing strategy and different forecasted balance sheet risks of the Bank.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

3.20.4 Money Laundering Risk

Money laundering is the generic term used to describe the process by which criminals disguise the original ownership and control of 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. Money laundering plays a fundamental role in facilitating the ambitions of the drug trafficker, the terrorist, the organized criminal, the insider dealer, the tax evader as well as the many others who need to avoid the attention from the authorities that sudden wealth brings from illegal activities. By engaging in this type of activity it is hoped to place the proceeds beyond the reach of any asset forfeiture laws.

Southeast Bank Limited 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 the Bank 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 the Bank's products and services. The Bank 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, the Bank has appointed one of its Senior Executives as the CAMLCO (Chief Anti-Money Laundering Compliance Officer) and a team of employees with experience on AML and CFT requirements under law, as well as money laundering detection and prevention, to oversee the Bank's AML and CFT program. The Bank has developed and implemented written AML and CFT policies, procedures, internal controls and systems, which include (but are 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. The Bank educates its all employees on AML and CFT requirements and activities and also subjects its AML and CFT program to regular independent testing. The Bank co-operates fully with law enforcement and regulatory investigations and inquiries in identifying the criminals involve in Money Laundering and Terrorist Activities/Financing.

3.20.5 Internal Control and 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.

Southeast Bank Limited 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 and efficient operations covering all controls including financial and operational controls, reliability of the financial information, compliance with applicable laws and regulations, adherence to management policies, safeguarding of the Bank's assets, prevention and detection of fraud and errors, and accuracy and completeness of the accounting records.

The Board of Directors of Southeast Bank Limited regularly reviews the effectiveness of internal control process through its Audit Committee and Executive 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 the 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 and external auditors and the 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 and Compliance Division of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

3.20.6 Information and Communication Technology

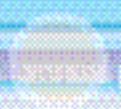
The rapid development of Information and Communication Technologies (ICTs) has effectively facilitated in reorganizing business processes and streamlining the provision of its products and services in today's dynamic business environment. Such adoption helps the Bank to develop and maintain competitive advantage for ensuring the Bank's profitability and survivability in the market place. The competitive advantage often brings the Bank numerous benefits including fast business transactions, increasing automation of business processes, improved customer service, and provision of effective decision support in a timely manner. However, the adoption of ICT applications has also brought organization's risks related to ICT such as strategic risk, financial risk, operational risk and technological risk. Risk management plays a critical role in protecting the Bank's information assets.

An effective risk management process is an important component of a successful IT security program. ICT risk management is referred to as the essential process to aid enterprise achieving the new business changes, future investment in information technology system, an increasing ICT threats and an increasing dependence on delivering information in system.

In order to minimize and control these risks successfully, the Bank has developed and implemented ICT risk management policies and strategies, strengthened ICT security infrastructure, acquired centralized real time security monitoring system, implemented centralized hardware system with high availability facility and implemented Disaster Recover Site (DRS), developed Business Continuity Plan (BCP) and human resource backup plan with segregation of duties for different ICT tasks.

3.21 Compliance of Bangladesh Financial Reporting Standard (BFRS)

Name of the standard	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not applicable
Share-based Payment	BFRS-2	Not applicable
Business Combinations	BFRS-3	Applied
Insurance Contracts	BFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Applied with some departure (Note 2.1)
Operating Segments	BFRS-8	Applied with some departure (Note 2.1 and 3.25)
Presentation of Financial Statements	BAS-1	Applied with some departure (Note 2.1)
Inventories	BAS-2	Not Applicable
Statement of Cash Flows	BAS-7	Applied with some departure (Note 2.1)
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Not Applicable
Consolidated and Separate Financial Statements	BAS-27	Applied
Investments in Associates	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied with some departure (Note 2.1)
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied with some departure (Note 2.1)
Financial Instruments: Recognition and Measurement	BAS-39	Applied with some departure (Note 2.1)
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

3.22 Credit Rating of the Bank

As per the BRPD instruction 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 financial statements dated 31 December 2011.

Particular	Date of Rating	Long term	Short term
Entity Rating	6-Jun-12	AA-	ST-2
		double A minus (High Safety)	(High certainty)

3.23 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 travellers' cheques, savings certificates, wage earners' bond and others fall under the correspondence items.

3.24 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under BFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

3.25 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 BFRS 8. However, geographical and business segments wise limited disclosures are furnished in Annexure-K.

3.26 General

"Figures of previous year have been rearranged, whenever necessary, to conform the current year's presentation."

4. Cash

	2012 Taka	2011 Taka
In hand:		
Local currency	1,347,324,412	974,044,354
Foreign currencies	55,023,377	54,229,491
	1,402,347,789	1,028,273,845
Balance with Bangladesh Bank:		
Local currency	8,901,410,540	7,461,573,230
Foreign currencies	389,334,132	411,542,283
	9,290,744,672	7,873,115,513
Balance with Sonali Bank Limited (as agent of Bangladesh Bank):		
Local currency	141,677,445	130,574,633
	9,432,422,117	8,003,690,146
	10,834,769,906	9,031,963,991

4.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) have been calculated and maintained in accordance with section 33 of the Bank Companies Act 1991, MPD Circular nos. 4 and 5 dated 1 December 2010.

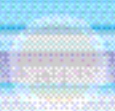
The statutory Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6% has been calculated and maintained with Bangladesh Bank in current account and 19% Statutory Liquidity Requirement, including CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds, Bangladesh Bank bill and debentures including foreign currencies balances with Bangladesh Bank. Both reserves maintained by the Bank, are shown below:



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
4.1.1 a) Cash Reserve Requirement (CRR) for Conventional Banking		
6% (2011: 6%) of average Demand and Time Liabilities:		
Required reserve	7,941,615,540	6,900,992,000
Actual reserve held (average daily on bi-weekly basis)	8,133,372,000	7,086,866,000
Surplus	<u>191,756,460</u>	<u>185,874,000</u>
b) Cash Reserve Requirement (CRR) for Islamic Banking		
6% (2011: 6%) of average Demand and Time Liabilities:		
Required reserve	524,826,180	467,426,000
Actual reserve held (average daily on bi-weekly basis)	571,418,000	691,467,000
Surplus	<u>46,591,820</u>	<u>224,041,000</u>
4.1.2 a) Statutory Liquidity Requirement (SLR) for Conventional Banking		
19% (2011: 19%) of required Average Demand and Time Liabilities:		
Required reserve	25,148,449,210	21,853,140,000
Actual reserve held	43,122,886,732	34,042,180,447
Surplus	<u>17,974,437,522</u>	<u>12,189,040,447</u>
Held for Statutory Liquidity Requirement of Conventional Banking:		
Cash in hand	1,330,898,000	983,365,939
Balance with Bangladesh Bank as per statement	7,974,952,000	6,773,766,000
Balance with agent bank (Sonali Bank Ltd.) as per statement	149,722,000	127,404,000
Government treasury bills	1,208,490,763	1,741,471,942
Government treasury bonds	32,209,366,969	24,416,172,566
Bangladesh Bank Bills	249,457,000	-
	<u>43,122,886,732</u>	<u>34,042,180,447</u>
b) Statutory Liquidity Requirement (SLR) for Islamic Banking		
11.5% (2011: 11.5 %) of required average Demand and Time Liabilities:		
Required reserve	1,005,916,850	895,899,000
Actual reserve held	1,101,633,000	958,929,560
Surplus	<u>95,716,150</u>	<u>63,030,560</u>
Held for Statutory Liquidity Ratio of Islamic Banking:		
Cash in hand	71,450,000	44,907,906
Balance with Bangladesh Bank as per statement	629,066,000	690,858,654
Balance with agent bank (Sonali Bank Ltd.) as per statement	1,117,000	3,163,000
Government treasury bonds	400,000,000	220,000,000
	<u>1,101,633,000</u>	<u>958,929,560</u>
5. Consolidated balance with other banks and financial institutions		
In Bangladesh:		
Southeast Bank Limited (Note 6.1)	2,517,874,755	1,343,326,545
Southeast Bank Capital Services Limited	60,573,126	54,153,162
	2,578,447,881	1,397,479,707
Less: inter company balance eliminated	60,573,126	54,153,162
	<u>2,517,874,755</u>	<u>1,343,326,545</u>
Outside Bangladesh:		
Southeast Bank Limited (Note 6.2)	757,063,528	337,142,467
Southeast Financial Services (UK) Limited	17,378,971	22,782,887
	774,442,499	359,925,354
	<u>3,292,317,254</u>	<u>1,703,251,899</u>



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

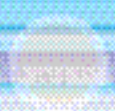
	2012 Taka	2011 Taka
6. Balance with other banks and financial institutions		
In Bangladesh (Note 6.1)	2,517,874,755	1,343,326,545
Outside Bangladesh (Note 6.2)	757,063,528	337,142,467
	3,274,938,283	1,680,469,012
Also refer to note 6.3 for maturity wise grouping		
6.1 In Bangladesh		
Current account with:		
Sonali Bank Limited	35,501,377	52,020,825
Agrani Bank Limited	971,248	2,002,237
AB Bank Limited	931,644	3,375,905
Commercial Bank of Ceylon PLC	13,337	13,457
National Bank Limited	356,245	2,107,182
Janata Bank Limited	110,344	101,969
Pubali Bank Limited	1,418	77,217
Rupali Bank Limited	1,491,384	(665,321)
United Commercial Bank Limited	20,104,663	1,035,966
Bangladesh Krishi Bank	248	248
Al-Arafah Islami Bank Limited	7,542,226	2,220
ICB Islamic Bank Limited	1,407	1,407
Islami Bank Bangladesh Limited	37,710	(1,097,866)
Bank Asia Limited	31,421	31,421
Shahjalal Islami Bank Limited	259,601	484,425
One Bank Limited	10,438,554	4,829,682
Dutch-Bangla Bank Limited	4,704,315	3,897,413
Jamuna Bank Limited	8,919,912	5,527,134
Mercantile Bank Limited	24,123	26,503
Mutual Trust Bank Limited	9,603,495	234,843
Prime Bank Limited	6,608	8,758
BRAC Bank Limited	5,031,347	15,271,595
Trust Bank Limited	941,269	-
	107,023,896	89,287,220
Short term deposits account with:		
The City Bank Limited	6,406,362	989,178
AB Bank Limited	27,749	27,939
Eastern Bank Limited	28,248	28,034
Uttara Bank Limited	2,557	3,090
EXIM Bank Limited	274,432	273,508
Sonali Bank Limited	21,536,616	20,118,522
Standard Chartered Bank	2,471,707	2,495,866
Social Islami Bank Limited	100,000	100,000
Dutch-Bangla Bank Limited	3,188	3,188
	30,850,859	24,039,325
Fixed deposits with other banks:		
AB Bank Limited	400,000,000	200,000,000
Premier Bank Limited	400,000,000	400,000,000
Mercantile Bank Limited	150,000,000	-
Commercial Bank of Ceylon PLC	500,000,000	-
Bank Asia Limited	200,000,000	-
The City Bank Limited	400,000,000	-
	2,050,000,000	600,000,000

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
Fixed deposits with financial institutions:		
Bay Leasing and Investment Limited	30,000,000	30,000,000
Bangladesh Industrial Finance Company Limited	-	250,000,000
IDLC Finance Limited	100,000,000	100,000,000
People's Leasing and Financial Services Limited	-	100,000,000
GSP Finance Company (Bangladesh) Limited	-	50,000,000
Union Capital Limited	-	100,000,000
Prime Finance & Investment Limited	100,000,000	-
International Leasing and Financial Services Ltd.	100,000,000	-
	330,000,000	630,000,000
	2,517,874,755	1,343,326,545
6.2 Outside Bangladesh		
Current account		
Interest bearing :		
Standard Chartered Bank, New York	98,120,376	17,052,103
Standard Chartered Bank, New York	90,162	40,573
Citibank NA, New York, USA	6,172,076	40,982,160
HSBC Bank, New York, USA	20,840,054	928,707
HSBC Bank PLC, London, UK	58,368,751	7,167,338
Standard Chartered Bank, London, UK	3,727,458	1,519,593
Mashreq Bank PSC, New York, USA	129,609,753	67,650,848
Wells Fargo Bank, N.A., New York, USA	137,646,245	30,578,591
Citibank AG, Frankfurt, Germany	6,613,722	11,878,432
Standard Chartered Bank, Kolkata, India	5,049,947	10,287,538
Arab Bangladesh Bank Limited., Mumbai, India	48,071,132	18,677,056
ICICI Bank Limited, Mumbai, India	19,677,323	3,728,148
JP Morgan Chase Bank N.A., New York, USA	25,980,502	24,918,230
Habib American Bank, New York, USA	52,485,831	25,278,776
Mashreq Bank, Mumbai, India	20,804,229	27,155,764
Mashreq Bank, Mumbai, India	1,794,917	1,506,887
	635,052,478	289,350,744
Non-Interest bearing :		
Bank of Nova Scotia, Toronto, Canada	3,662,092	3,156,617
United Bank Limited, Karachi, Pakistan	64,369	3,756,438
Standard Chartered Bank, Colombo, Sri Lanka	7,172,840	1,844,880
Standard Chartered Bank, Mumbai (AEB), India	2,016,609	2,067,195
Nepal Bangladesh Bank Limited, Kathmandu, Nepal	878,350	4,755,409
Bank of Bhutan, Pheuntsholing, Bhutan	2,649,619	688,669
Bank of Tokyo Mitsubishi, Kolkata, India	2,016,609	2,067,195
Commerz Bank, Frankfurt, Germany	9,646,804	4,972,706
Commerz Bank, Frankfurt, Germany	3,879,432	15,372,378
U. B. A. F., Tokyo, Japan	63,006,045	4,085,276
Zuercher Kantonal Bank, Zurich, Switzerland	6,582,606	1,760,086
National Australia Bank Limited, Melbourne, Australia	5,715,920	3,264,874
HDFC Bank, Mumbai, India	5,922,326	-
Habib Bank AG Zurich, Zurich, Switzerland	595,048	-
Mashreq Bank PSC, Dubai, UAE	217,391	-
Habib Metropolitan Bank Limited, Karachi, Pakistan	7,984,990	-
	122,011,050	47,791,723
	757,063,528	337,142,467

Details are shown in Annexure-C.

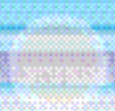
**Southeast Bank Limited and its subsidiaries****Notes to the Financial Statements as at and for the year ended 31 December 2012**

	2012 Taka	2011 Taka
6.3 Maturity grouping of balance with other banks and financial institutions		
On demand	864,039,378	123,366,348
Not more than three months	1,410,898,905	807,102,664
More than three months but not more than six months	1,000,000,000	650,000,000
More than six months but not more than one year	-	100,000,000
More than one year but less than five years	-	-
Above five years	-	-
	3,274,938,283	1,680,469,012
7. Money at call and on short notice		
In bank:		
ICB Islamic Bank Limited	19,100,000	19,300,000
Eastern Bank Limited	-	408,423,500
BRAC Bank Limited	100,000,000	-
	119,100,000	427,723,500
In non-banking financial institutions (public and private):		
Prime Finance & Investment Limited	70,000,000	-
Bangladesh Industrial Finance Company Limited	100,000,000	-
Industrial and Infrastructure Development Finance Company Limited	20,000,000	-
Bay Leasing & Investment Limited	200,000,000	-
Lanka Bangla Finance Limited	100,000,000	-
Investment Corporation of Bangladesh	200,000,000	-
Delta-Brac Housing Finance Corporation Limited	30,000,000	-
Union Capital Limited	130,000,000	-
	850,000,000	-
	969,100,000	427,723,500
8. Consolidated investments		
Government securities:		
Southeast Bank Limited (Note 9)	34,077,314,732	26,387,644,508
Southeast Bank Capital Services Limited	-	-
	34,077,314,732	26,387,644,508
Others:		
Southeast Bank Limited (Note 9)	2,561,270,744	2,488,200,732
Southeast Bank Capital Services Limited	1,017,975,598	970,758,202
	3,579,246,342	3,458,958,934
	37,656,561,074	29,846,603,442
9. Investments		
Government securities:		
Conventional Banking (Note 9.1.1)	33,677,314,732	26,167,644,508
Islamic Banking (Note 9.2.1)	400,000,000	220,000,000
	34,077,314,732	26,387,644,508
Others:		
Conventional Banking (Note 9.1.2)	736,247,881	727,864,582
Islamic Banking (Note 9.2.2)	1,825,022,863	1,760,336,150
	2,561,270,744	2,488,200,732
	36,638,585,476	28,875,845,240

Also refer to notes 9.3 to 9.8 for further analysis, maturity wise grouping, market value information, sector-wise investment, etc.

Southeast Bank Limited and its subsidiaries
Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
9.1 Conventional Banking		
9.1.1 Government Securities		
91 days Treasury Bills	1,102,802,506	1,227,339,275
182 days Treasury Bills	1,389,543,014	1,024,495,917
364 days Treasury Bills	277,179,087	2,245,662,990
	<u>2,769,524,607</u>	<u>4,497,498,182</u>
Reverse repo with other banks	-	-
	<u>2,769,524,607</u>	<u>4,497,498,182</u>
Assured Repo with Bangladesh Bank/ Others (At Book Value)	(1,561,033,844)	(2,756,026,240)
	<u>1,208,490,763</u>	<u>1,741,471,942</u>
Prize Bonds	7,046,400	4,027,400
Bangladesh Bank Bill	249,457,000	-
	<u>256,503,400</u>	<u>4,027,400</u>
Bangladesh Government Treasury Bonds:		
5 Years BGTB HTM	3,318,783,833	2,897,031,237
10 Years BGTB HTM	9,063,576,118	7,304,500,513
15 Years BGTB HTM	4,292,306,753	3,210,368,350
20 Years BGTB HTM	3,637,979,969	3,335,519,065
Re-measured 5 years BGTB HTM	5,097,790,994	-
Re-measured 10 years BGTB HTM	958,778,821	-
5 Years BGTB HFT	3,016,660,525	6,837,897,698
10 Years BGTB HFT	2,948,356,890	2,467,319,258
15 Years BGTB HFT	381,247,602	-
20 Years BGTB HFT	273,117,679	-
	<u>32,988,599,184</u>	<u>26,052,636,121</u>
Reverse repo with other banks:		
10 Years BGTB HFT	149,381,396	-
15 Years BGTB HFT	20,616,375	-
20 Years BGTB HFT	17,326,115	-
	<u>187,323,886</u>	<u>-</u>
	<u>33,175,923,070</u>	<u>26,052,636,121</u>
Assured Repo with Bangladesh Bank/Others (At Book Value)	(963,602,501)	(1,630,490,955)
	<u>32,212,320,569</u>	<u>24,422,145,166</u>
	<u>33,677,314,732</u>	<u>26,167,644,508</u>
9.1.2 Others		
Shares in listed companies	669,916,014	520,264,582
Shares in un-listed companies	260,000,000	260,000,000
	<u>929,916,014</u>	<u>780,264,582</u>
Provision for diminution in the market value of shares	(193,668,133)	(52,400,000)
	<u>736,247,881</u>	<u>727,864,582</u>
9.2 Islamic Banking		
9.2.1 Government Securities		
Bangladesh Government Islamic Bond	400,000,000	220,000,000



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

9.2.2 Others	2012 Taka	2011 Taka
Shares in listed companies	2,495,664,102	2,272,085,660
Shares in un-listed companies	159,747,290	115,650,490
	2,655,411,392	2,387,736,150
Provision for diminution in the market value of shares	(830,388,529)	(627,400,000)
	<u>1,825,022,863</u>	<u>1,760,336,150</u>
9.3 Investments classified as per Bangladesh Bank Circular		
Held for trading (HFT)	7,308,098,245	9,968,619,179
Held to maturity (HTM)	26,769,216,489	16,414,997,929
Other securities	2,561,270,742	2,492,228,132
	<u>36,638,585,476</u>	<u>28,875,845,240</u>
HTM security for Tk 10,000,000 is held in Bangladesh Bank as Lien for T.T. discounting facilities.		
9.4 Maturity-wise grouping of Investments		
On demand	7,046,400	4,027,400
Not more than three months	1,545,215,555	628,637,624
More than three months but not more than one year	2,863,675,744	4,060,980,216
More than one year but not more than five years	12,511,292,224	9,629,584,050
Above five years	19,711,355,553	14,552,615,950
	<u>36,638,585,476</u>	<u>28,875,845,240</u>

9.5 Cost and market value of investments

9.5.1 Government securities

Conventional Banking	2012		2011
	Cost price Taka	Market price Taka	Market price Taka
Treasury Bills	1,169,095,179	1,208,490,763	1,741,471,942
Bangladesh Government Treasury Bonds	32,268,623,368	32,212,320,569	24,422,145,166
Bangladesh Bank Bills	248,215,000	249,457,000	-
Prize Bonds	7,046,400	7,046,400	4,027,400
	<u>33,692,979,947</u>	<u>33,677,314,732</u>	<u>26,167,644,508</u>
Islamic Banking			
Bangladesh Government Islamic Bond	400,000,000	400,000,000	220,000,000
	<u>34,092,979,947</u>	<u>34,077,314,732</u>	<u>26,387,644,508</u>

9.5.2 Others

Conventional Banking

Investment in Shares

<u>Particulars</u>	2012		2011
	Market price Taka	Cost price Taka	Cost price Taka
Shares in listed companies	476,247,881	669,916,014	520,264,582
Shares in un-listed companies	260,000,000	260,000,000	260,000,000
	<u>736,247,881</u>	<u>929,916,014</u>	<u>780,264,582</u>
Provision for diminution in the market value of shares		(193,668,133)	(52,400,000)
		<u>736,247,881</u>	<u>727,864,582</u>



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012		2011
	Market price Taka	Cost price Taka	Cost price Taka
Islamic Banking			
Shares in listed companies	1,665,275,574	2,495,664,102	2,272,085,660
Shares in un-listed companies	159,747,290	159,747,290	115,650,490
	<u>1,825,022,864</u>	2,655,411,392	2,387,736,150
Provision for diminution in the market value of shares		(830,388,529)	(627,400,000)
		<u>1,825,022,863</u>	<u>1,760,336,150</u>
		<u>2,561,270,744</u>	<u>2,488,200,732</u>
<u>Shares in listed companies</u>			

Investments have been recorded at cost and adequate provision has been made 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.

9.6 Details are shown in Annexure-D

Sector-wise investment	2012		2011
	Market price Taka	Cost price Taka	Cost price Taka
<u>Shares in listed companies</u>			
Banks and NBFIs	1,096,298,157	1,925,131,856	1,663,925,807
Insurance Companies	279,374,839	323,202,276	237,519,264
Fuel and Power Companies	309,877,072	401,571,964	420,052,167
Mutual Fund	10,363,850	17,883,666	-
Manufacturing and others	445,609,537	497,790,354	470,853,004
	<u>2,141,523,455</u>	<u>3,165,580,116</u>	<u>2,792,350,242</u>
<u>Shares in un-listed companies</u>			
Banks and NBFIs	52,442,500	52,442,500	30,345,700
Mutual Fund	360,000,000	360,000,000	260,000,000
Others	7,304,790	7,304,790	85,304,790
	<u>419,747,290</u>	<u>419,747,290</u>	<u>375,650,490</u>
		3,585,327,406	3,168,000,732
Provision for diminution in the market value of shares		(1,024,056,662)	(679,800,000)
		<u>2,561,270,744</u>	<u>2,488,200,732</u>

The investments in shares of unlisted companies are shown at cost or book value of the last audited financial statements as per provision of BRPD circular no. 14 dated 25 June 2003.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

9.7 Market price of investments and related provision as on 31 December 2012

Name of the Company	2012		Differences (Provision to be required) Taka
	Market price Taka	Cost price Taka	
Asia Insurance Limited	67,016,259	76,805,098	9,788,839
Aftab Automobiles Limited	255	368	113
Beximco Limited	24,005,100	40,668,410	16,663,310
Bay Leasing & Investment Limited	199,899,805	548,552,967	348,653,162
The City Bank Limited	21,216,220	32,945,340	11,729,120
Export Import Bank of Bangladesh Limited	368,071,621	638,811,666	270,740,045
Eastern Bank Limited	29,518,406	46,479,229	16,960,823
IFIC 1st Mutual Fund	2,252,000	4,427,970	2,175,970
Khulna Power Company Limited	8,199,570	12,727,696	4,528,126
Lafarge Surma Cement Limited	306,611,550	320,467,778	13,856,228
Malek Spinning Mills Limited	466,860	561,322	94,462
National Life Insurance Company Limited	212,358,580	246,397,178	34,038,598
National Bank Limited	109,798,811	202,025,517	92,226,706
National Tea Company Limited	3,877,740	2,762,481	(1,115,259)
National Credit and Commerce Bank Limited	30,849,000	40,040,444	9,191,444
One Bank Limited	19,013,376	30,153,763	11,140,387
Prime Bank Limited	232,922,400	262,066,262	29,143,862
RAK Ceramic (Bangladesh) Limited	18,069,102	24,285,255	6,216,153
Rupali Bank Limited	3,783,569	9,074,723	5,291,154
Summit Power Limited	66,132,401	91,826,590	25,694,189
Titas Gas Transmission & Distribution Co. Limited	192,564,803	243,004,485	50,439,682
Trust Bank 1st Mutual Fund	4,524,000	10,440,696	5,916,696
United Commercial Bank Limited	18,782,249	29,247,070	10,464,821
Dhaka Electric Supply Company Limited	24,750,128	31,551,795	6,801,667
Grameenphone Limited	13,335,000	14,908,998	1,573,998
Golden Son Limited	9,556,950	11,462,969	1,906,019
Jamuna Oil Company Limited	12,762,750	16,711,269	3,948,519
LankaBangla Finance Limited	41,595,000	53,458,734	11,863,734
MUL Bangladesh Limited	5,467,420	5,750,129	282,709
NCCBL Mutual Fund-I	3,587,850	3,015,000	(572,850)
Prime Finance & Investment Limited	1,968,000	5,374,522	3,406,522
Premier Leasing & Finance Limited	17,517,500	24,199,699	6,682,199
Prime Textile	710,600	1,029,050	318,450
Olympic Industries	2,361,600	2,676,246	314,646
R.N. Spinning Mills Limited	23,597,200	26,555,574	2,958,374
United Airways (BD) Limited	35,647,500	44,778,842	9,131,342
Union Capital Limited	1,362,200	2,701,920	1,339,720
Unique Hotel & Resorts Limited	7,370,080	7,633,061	262,981
	<u>2,141,523,455</u>	<u>3,165,580,116</u>	<u>1,024,056,661</u>
Actual provision			<u>1,024,056,662</u>
Surplus			<u>1</u>

9.8 Repo and Reverse-repo



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

9.8.1 Repo as on 31 December 2012

Counter party name	Agreement date	Reversal date	Amount Taka
Bangladesh Bank	30-Dec-12	1-Jan-13	2,598,800,000
Commercial Bank of Ceylon PLC	30-Dec-12	6-Jan-13	694,244,213
The City Bank Limited	30-Dec-12	1-Jan-13	615,994,128
			<u>3,909,038,341</u>

Reverse Repo as on 31 December 2012

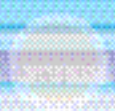
Counter party name	Agreement date	Reversal date	Amount Taka
LankaBangla Finance Limited	30-Dec-12	1-Jan-13	<u>191,086,600</u>

9.8.2 Transactions of Repo and Reverse-repo during the year 2012

	Minimum outstanding Taka	Maximum outstanding Taka	Daily average outstanding Taka
Securities sold under repo			
i) With Bangladesh Bank	500,000,000	6,553,300,000	6,793,000,000
ii) With other banks and FIs	256,800,000	1,881,300,000	889,300,000
Securities purchase under reverse repo			
i) With Bangladesh Bank	-	-	-
ii) With other banks and FIs	1,910,816,838	191,086,599	191,000,000

	2012 Taka	2011 Taka
10. Consolidated loans and advances/Investments		
Loans, cash credit, overdrafts etc./Investments		
Southeast Bank Limited (Note 11)	121,537,630,093	102,921,800,824
	<u>2,104,716,150</u>	<u>2,158,422,136</u>
	123,642,346,243	105,080,222,960
Less: Inter company balance eliminated	<u>2,402,903,434</u>	<u>2,416,290,165</u>
	<u>121,239,442,809</u>	<u>102,663,932,795</u>
Bills purchased and discounted		
Southeast Bank Limited (Note 11)	5,729,525,873	4,624,623,718
Southeast Bank Capital Services Limited	-	-
	<u>5,729,525,873</u>	<u>4,624,623,718</u>
	<u>126,968,968,682</u>	<u>107,288,556,513</u>
11. Loans and advances/Investments		
Loans, cash credit, overdrafts etc./Investments (Note 11.1)	121,537,630,093	102,921,800,824
Bills purchased and discounted (Note 11.14)	<u>5,729,525,873</u>	<u>4,624,623,718</u>
	<u>127,267,155,966</u>	<u>107,546,424,542</u>

Also refer to notes 11.2 to 11.13 for further analysis, classification and provision for loans and advances/investments, maturity wise grouping, etc.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

11.1 Loans, cash credit, overdrafts etc./investments

	2012 Taka	2011 Taka
In Bangladesh		
Conventional Banking		
Cash credit and overdrafts	29,986,480,266	26,800,951,573
Demand loan	5,895,739,475	4,621,318,166
Time loan	15,711,896,092	10,878,904,761
Term loan	36,598,612,092	29,553,015,622
Consumer Credit Scheme (CCS)	104,111,071	175,290,465
Bills against Letter of Credit (BLC)	1,369,210,546	1,512,850,847
Loan against Trust Receipt (LTR)	19,882,641,817	19,653,539,563
Export Development Fund (EDF)	1,969,105,372	1,220,056,000
Advances - Packing Credit (PC)	1,283,968,864	959,492,309
House building loan - Staff	111,773,441	135,409,050
Loan - Credit card	720,147,001	578,876,063
Agricultural loan	9,181,069	2,164,940
Probashi Reen	73,953	140,546
Digital Device	644,212	306,469
Education loans	30,169	71,286
Loan re-finance housing sectors	25,362,087	27,081,813
Loan against foreign bills	32,962,289	91,158,792
Loan against cash incentive	50,621,842	38,446,688
Car loan	1,807,090	-
Personal loan	48,161,006	-
Home loan	15,153,605	-
	113,817,683,359	96,249,074,953
Islamic Banking		
Demand Investment	180,804,801	101,310,936
Bai-Muajjal (Time) Investment	377,151,148	408,694,253
Bai-Muajjal Time under CCS	11,453,323	10,594,377
Bai-Murabaha-BLC	85,997,245	49,280,538
Bai-Murabaha-LTR	2,004,978,730	1,487,522,656
Bai-Salam	29,427,362	38,434,650
Staff House Building Investment	6,797,950	10,585,766
Investment against Cash Incentive	1,610,724	978,417
Bai-Muajjal - Investment	2,968,475,694	2,459,083,672
Murabaha - Investment	130,585,836	267,070,161
Hire purchase - Investment	1,825,613,705	1,642,845,958
Ijara - Investment	76,074,677	97,646,037
Quard against MTDR	20,975,539	98,678,450
	7,719,946,734	6,672,725,871
	121,537,630,093	102,921,800,824
Outside Bangladesh		
	121,537,630,093	102,921,800,824
11.2 Performing loans and advances/investments		
Gross loans and advances/investments	127,267,155,966	107,546,424,542
Non-performing loans and advances/investments	(5,687,923,333)	(3,769,506,813)
	121,579,232,633	103,776,917,729
11.3 Maturity-wise grouping of loans and advances/investments		
On demand	13,246,350,991	12,535,487,307
Less than three months	44,715,412,915	45,443,537,235
More than three months but less than one year	33,088,247,670	31,499,100,000
More than one year but less than five years	28,544,802,427	11,802,092,504
More than five years	7,672,341,963	6,266,207,496
	127,267,155,966	107,546,424,542



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
11.4 Concentration of loans and advances/investments		
Advances to allied concerns of directors		
Advances to chief executive and other senior executives	41,644,196	37,246,311
Advances to customers' group:		
Advances to large and medium industries	58,235,009,195	48,085,600,000
Advances to small and cottage industries	438,000,000	128,100,000
Commercial Lending	39,054,632,278	39,258,200,000
Export Financing	5,111,468,771	4,572,091,604
House Building Loan	7,114,413,917	6,172,900,000
Consumer Credit Scheme	115,564,393	185,884,842
Other Loans and Advances	17,156,423,216	9,106,401,785
	<u>127,267,155,966</u>	<u>107,546,424,542</u>

Details of large loans and advances/investments

As at 31 December 2012 there were twenty six (2011: eighteen) clients with whom amount of outstanding loans and advances/investment exceeded 10% of the total capital of the Bank. Total capital of the Bank was Tk. 19,608.96 million as at 31 December 2012 (Tk. 18,999.61 million in 2011).

Details are shown in Annexure-E.

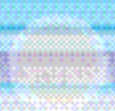
11.5 Sector-wise allocation of loans and advances/investments

	2012		2011	
	% of total loan	Taka	% of total loan	Taka
Agriculture, fishing, forestry and dairy farm	0.74%	943,900,000	0.15%	166,000,000
Industry (jute, textiles, garments, chemicals, cements, etc.)	9.78%	12,449,500,000	19.13%	20,576,500,000
Working capital financing	17.06%	21,706,900,000	25.58%	27,509,100,000
Export credit	4.02%	5,111,500,000	4.25%	4,572,091,604
Commercial credit	17.94%	22,830,500,000	36.50%	39,258,200,000
Small and cottage industries	0.34%	438,000,000	0.12%	128,100,000
Miscellaneous	50.12%	63,786,855,966	14.26%	15,336,432,938
	<u>100.00%</u>	<u>127,267,155,966</u>	<u>100.00%</u>	<u>107,546,424,542</u>

	2012 Taka	2011 Taka
11.6 Industry-wise loans and advances / investments (Industrial Loan)		
Textile and Garments Industries including Spinning Industries	27,350,401,610	24,183,800,000
Food and allied industries	3,513,632,494	1,767,600,000
Pharmaceutical industries	389,804,627	360,300,000
Chemical, fertilizer, etc.	307,210,683	491,700,000
Cement and ceramic industries	2,907,194,316	1,966,900,000
Service industries	1,418,078,115	1,670,500,000
Other industries	22,348,687,350	17,644,800,000
	<u>58,235,009,195</u>	<u>48,085,600,000</u>

11.7 Category-wise Small Medium Enterprise (SME) loans and advances/investments

Service Sector	1,936,300,000	3,718,348,000
Trading Sector	10,984,000,000	8,462,032,000
Industrial Sector	4,898,300,000	2,249,333,000
	<u>17,818,600,000</u>	<u>14,429,713,000</u>

**Southeast Bank Limited and its subsidiaries****Notes to the Financial Statements as at and for the year ended 31 December 2012****11.8 Geographical location-wise allocations of loans and advances/investments**

	2012		2011	
	% of total loan	Taka	% of total loan	Taka
Urban:				
Dhaka region	64.38%	81,930,758,600	67.11%	72,177,519,711
Chittagong region	25.75%	32,769,796,776	24.94%	26,823,019,186
Rajshahi region	1.17%	1,491,809,364	1.10%	1,183,191,675
Sylhet region	2.50%	3,185,446,241	2.68%	2,881,761,026
Khulna region	0.63%	801,097,285	0.89%	957,834,131
Rangpur region	0.25%	318,756,721	0.17%	180,847,247
Barisal region	0.05%	69,560,151	0.07%	71,395,396
	94.74%	120,567,225,138	96.96%	104,275,568,372
Rural:				
Dhaka region	3.83%	4,872,333,200	1.69%	1,818,903,840
Chittagong region	1.29%	1,645,641,683	1.05%	1,126,502,054
Sylhet region	0.02%	29,020,135	0.26%	282,068,118
Khulna region	0.12%	152,935,810	0.04%	43,382,158
	5.26%	6,699,930,828	3.04%	3,270,856,170
	100.00%	127,267,155,966	100.00%	107,546,424,542

11.9 Classification of loans and advances/investments

	2012		2011	
	% of total loan	Taka	% of total loan	Taka
Unclassified:				
Standard including staff loan	93.74%	119,297,225,847	94.52%	101,687,509,755
Special Mention Account (SMA)	1.79%	2,282,006,786	1.97%	2,119,407,974
	95.53%	121,579,232,633	96.49%	103,776,917,729
Classified:				
Sub-standard	0.74%	940,693,595	0.65%	700,651,088
Doubtful	0.37%	469,118,530	0.86%	923,814,635
Bad/loss	3.36%	4,278,111,208	1.99%	2,145,041,090
	4.47%	5,687,923,333	3.51%	3,769,506,813
	100.00%	127,267,155,966	100.00%	107,546,424,542



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

11.10 Particulars of loans and advances/investments

	2012 Taka.	2011 Taka.
i) Debts considered good in respect of which the bank is fully secured;	78,034,975,668	68,523,856,316
ii) Debts considered good for which the bank holds no other security than the debtors' personal security;	21,160,912,948	9,709,897,341
iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors;	23,793,156,141	27,167,629,797
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;	232,612,293	156,530,832
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;	244,686,672	157,017,281
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)	1,103,890,369	(640,326,710)
Amount of debts written off	188,578,631	1,254,326,710
Amount realised against the debts previously written off	117,768,229	246,136,000
(b) Provision against the debt classified as bad/loss at the date of balance sheet	2,058,102,451	876,774,513
(c) Amount of interest charged in suspense account	1,440,817,725	1,050,246,654
xi) Loans written off:		
- Current year	207,802,229	1,736,842,650
- Cumulative to-date	3,950,674,000	3,860,640,000
- The amount of written off loans for which lawsuit filed	3,950,674,000	3,860,640,000

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

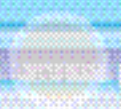
11.11 Particulars of required provision for loans and advances/investments

Status	2012			2011	
	Outstanding as at 31 Dec 2012 Taka	Base for provision Taka	% of required provision	Required provision Taka	Required provision 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)					
	98,121,758,241	98,121,758,241	1%	981,217,582	861,608,820
Small and medium enterprise financing	17,821,163,279	17,821,163,279	0.25%	44,552,908	118,734,392
Loan to BHs/MBs/SDs against shares	2,485,149,567	2,485,149,567	2%	49,702,991	49,861,727
Housing and loan for professional	519,290,718	519,290,718	2%	10,385,814	5,267,635
Consumer finance	221,621,755	221,621,755	5%	11,081,088	36,036,281
Agriculture finance	128,242,287	128,242,287	5%	6,412,114	-
Special Mention Account (SMA)	2,282,006,786	2,130,699,278	5%	106,534,964	102,077,613
				1,209,887,461	1,173,586,468
Classified - Specific provision:					
Sub-standard	940,693,595	749,389,700	20%	149,877,940	90,934,386
Doubtful	469,118,530	236,467,400	50%	118,233,700	254,197,818
Bad/loss	4,278,111,208	2,058,102,451	100%	2,058,102,451	876,774,513
				2,326,214,091	1,221,906,717
Required provision for loans and advances/investments				3,536,101,552	2,395,493,185
Total provision maintained (Note 20.1)				3,536,586,729	2,396,120,129
Excess provision at 31 December				485,177	626,944

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
11.12 Suits filed by the Bank (Branch wise details)		
Principal Branch	3,921,817,585	2,788,558,284
Agrabad Branch	342,094,358	342,094,358
Khatungonj Branch	751,918,239	3,863,000
Laldighirpar Branch	105,315,085	93,777,805
Imamgonj Branch	308,180,202	308,079,306
Bangshal Branch	335,765,792	312,834,228
Jubilee Road Branch	43,774,659	33,866,391
Moulvibazar Branch	9,367,201	14,365,388
Gulshan Branch	661,560,647	569,992,034
Khulna Branch	66,110,372	62,826,140
Dhanmondi Branch	1,490,019,903	758,389,216
Uttara Branch	257,477,428	237,571,112
Chouhatta Branch	20,771,194	10,528,885
Kawranbazar Branch	52,523,558	56,008,124
Shahjalai Uposahar Branch	117,904,844	6,704,000
Agargoan Branch	32,585,426	7,995,860
Aganagar Branch	39,219,290	10,726,220
New Elephant Road Branch	5,587,563	5,503,889
Kulaura Branch	9,078,456	9,078,456
Hetimgonj Branch	7,568,810	812,000
Corporate Branch	97,547,566	6,026,310
Banani Branch	379,733,225	385,040,282
Rangpur Branch	32,286,766	32,286,766
Kakrail Branch	41,352,380	809,000
Halishahar Branch	295,647,637	-
CDA Avenue Branch	53,850,673	-
Mohammadpur Branch	7,976,383	-
Momin Road Branch	86,297,932	-
Chowmuhanj Branch	7,089,830	-
	9,580,423,004	6,057,737,054
11.13 Listing of assets pledged as security/collaterals for loans and advances/investments		
Nature of the secured assets		
Gold and gold ornaments	-	-
Shares and securities	585,352,285	647,503,000
Merchandise	10,151,872,640	8,893,268,602
Machinery with other fixed asset and financial obligation	8,789,887,927	6,479,845,000
Real estate with financial obligation	66,151,936,458	65,338,525,000
Financial obligation only (insurance policies, savings certificates, bank deposit etc.)	5,117,947,112	4,113,188,000
Miscellaneous		
i) Crops/stock of crops hypothecation	1,768,951,664	2,719,385,282
ii) Guarantee of individuals/ Institutions	28,971,682,007	14,730,085,940
iii) Others	5,729,525,873	4,624,623,718
	127,267,155,966	107,546,424,542



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

11.14 Bills purchased and discounted	2012 Taka	2011 Taka
Bills purchased and discounted excluding treasury bills:		
Conventional Banking		
In Bangladesh	2,670,192,609	3,128,585,870
Outside Bangladesh	2,596,928,924	972,602,122
	5,267,121,533	4,101,187,992
Islamic Banking		
In Bangladesh	443,332,290	513,136,126
Outside Bangladesh	19,072,050	10,299,600
	462,404,340	523,435,726
	5,729,525,873	4,624,623,718
11.15 Maturity grouping of bills purchased and discounted		
Within one month	3,368,731,361	1,571,178,825
More than one month but less than three months	1,515,277,252	2,200,915,710
More than three months but less than six months	799,104,059	771,426,183
More than six months	46,413,201	81,103,000
	5,729,525,873	4,624,623,718
12. Consolidated fixed assets including premises, furniture and fixtures		
Cost:		
Southeast Bank Limited (Note 13)	8,394,455,987	7,892,497,446
Southeast Bank Capital Services Limited	71,771,082	71,645,239
Southeast Financial Services (UK) Limited	10,268,171	10,011,713
	8,476,495,240	7,974,154,398
Less: Accumulated depreciation		
Southeast Bank Limited (Note 13)	781,057,701	591,426,772
Southeast Bank Capital Services Limited	14,596,607	7,879,289
Southeast Financial Services (UK) Limited	3,331,432	1,735,235
	798,985,740	601,041,296
Written down value at the end of the year	7,677,509,500	7,373,113,102
There were no capitalized borrowing cost related to the acquisition of fixed assets during the year (2011: nil)		
Details of consolidated amounts have not been provided as such amounts are insignificantly different from those of the Bank's.		
13. Fixed assets including premises, furniture and fixtures		
Cost:		
Land	5,347,773,053	5,214,889,179
Building	1,523,898,102	1,466,947,871
Furniture and fixture	725,252,047	626,293,786
Professional and reference books	117,728	67,728
Office appliances	10,162,250	8,388,648
Electrical appliances	720,480,744	524,917,782
Motor vehicles	66,772,063	50,992,452
	8,394,455,987	7,892,497,446
Less: Accumulated depreciation		
Building	205,274,988	152,507,762
Furniture and fixture	264,904,119	206,332,823
Office appliances	4,606,585	3,130,487
Electrical appliances	279,936,362	204,300,543
Motor vehicles	26,335,647	25,155,157
	781,057,701	591,426,772
Written down value at the end of the year	7,613,398,286	7,301,070,674
Details are shown in Annexure-F and Annexure-F1		
There were no capitalized borrowing cost related to the acquisition of fixed assets during the year (2011: nil).		

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
14. Consolidated other assets		
Southeast Bank Limited (Note 15)	3,189,560,423	3,089,311,796
Southeast Bank Capital Services Limited	131,343,262	107,021,708
Southeast Financial Services (UK) Limited	1,162,127	1,308,198
	3,322,065,812	3,197,641,702
Add: Goodwill recognised for partial acquisition of subsidiary	-	20,646,515
	3,322,065,812	3,218,288,217
Less: Investment in subsidiary		
In Bangladesh	760,974,629	750,804,628
Outside Bangladesh	38,737,582	38,151,000
Inter company balance eliminated	-	1,308,198
Impairment of goodwill	-	20,646,515
	799,712,211	810,910,341
	2,522,353,601	2,407,377,876
15. Other assets	3,189,560,423	3,089,311,796
15.1 Classification of other assets		
a) Income generating other assets	-	-
b) Non-income generating other assets:		
i) Investment in shares of subsidiary companies:		
- In Bangladesh (Note 15.2)	760,974,629	750,804,628
- Outside Bangladesh	38,737,582	38,151,000
ii) Stationery, stamps, printing materials in stock, etc.	65,297,456	60,685,441
iii) Advance rent and advertisement	206,824,183	154,507,028
iv) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	958,604,184	650,493,447
v) Security deposits	1,701,182	1,630,392
vi) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses	698,479,431	572,261,381
vii) Branch adjustment (Note 15.3)	-	763,661,603
viii) Suspense account	8,950,170	6,944,569
ix) Silver	-	-
x) Others	449,991,606	90,172,307
	3,189,560,423	3,089,311,796
15.2 Investment in shares of subsidiary company - In Bangladesh		
Cost	989,900,000	989,900,000
Less: Provision for impairment loss	228,925,371	239,095,372
	760,974,629	750,804,628
15.3 Branch adjustment		
General accounts debit	-	3,147,194,000
General accounts credit	-	2,383,532,397
	-	763,661,603

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

15.4 Particulars of required provision for other assets

	2012		2011	
	Base for provision		Provision	
	Taka	Rate (%)	Taka	Taka
Legal Expenses for Defaulting Borrowings	16,395,237	50%	8,197,619	10,833,038
Legal Expenses for Defaulting Borrowings	22,855,000	100%	22,855,000	8,363,051
Nostro Account Balance	1,769,807	100%	1,769,807	1,769,807
Required Provision on Other Assets			32,822,426	20,965,896
Total Provision maintained			32,822,894	21,135,281
Excess Provision			468	169,385

16. Consolidated borrowing from other banks, financial institutions and agents

	2012 Taka	2011 Taka
Southeast Bank Limited (Note 17)	6,853,946,225	3,168,412,389
Southeast Bank Capital Services Limited	2,402,903,434	2,416,290,165
	9,256,849,659	5,584,702,554
Less: Inter company balance eliminated	2,402,903,434	2,416,290,165
	6,853,946,225	3,168,412,389

17. Borrowing from other banks, financial institutions and agents

	2012 Taka	2011 Taka
In Bangladesh (Note 17.1)	6,055,447,225	3,168,412,389
Outside Bangladesh	798,499,000	-
	6,853,946,225	3,168,412,389

17.1 In Bangladesh

Secured:

Refinance for housing sector from Bangladesh Bank	109,852,234	30,372,985
Refinance against SME loan from Bangladesh Bank	12,196,000	8,342,857
Refinance against RPGCL	123,398,991	242,849,547
Borrowing against securities from Bangladesh Bank	1,400,000,000	400,000,000
Call borrowing from other Banks	5,208,499,000	2,486,847,000
	6,853,946,225	3,168,412,389

Un secured

	-	-
	6,853,946,225	3,168,412,389

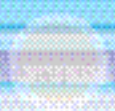
17.2 Maturity grouping of borrowings

Repayable on demand	4,410,000,000	1,670,000,000
Repayable within one month	200,000,000	200,000,000
Over one month but within six months	1,998,499,000	200,000,000
Over six months but within one year	-	-
Over one year	245,447,225	1,098,412,389
	6,853,946,225	3,168,412,389

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
18. Consolidated deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Southeast Bank Limited (Note 19)	12,189,247,342	9,283,804,350
Southeast Bank Capital Services Limited	11,854,474	22,996,531
	12,201,101,816	9,306,800,881
Less: Inter company balance eliminated	8,932	54,975
	12,201,092,884	9,306,745,906
 Bills payable		
Southeast Bank Limited (Note 19)	1,755,500,842	1,524,791,771
Southeast Bank Capital Services Limited	-	-
	1,755,500,842	1,524,791,771
 Savings bank/Mudaraba savings deposits		
Southeast Bank Limited (Note 19)	8,515,191,081	6,657,239,957
Southeast Bank Capital Services Limited	-	-
	8,515,191,081	6,657,239,957
 Fixed deposits/Mudaraba term deposits		
Southeast Bank Limited (Note 19)	130,490,017,945	109,743,535,621
Southeast Bank Capital Services Limited	-	-
	130,490,017,945	109,743,535,621
Less: Inter company balance eliminated	60,564,194	54,098,187
	130,429,453,751	109,689,437,434
	152,901,238,558	127,178,215,068
 19. Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current deposits	5,247,176,785	4,276,733,790
Foreign currency deposits	753,095,444	482,615,381
Sundry deposits (Note 19.1)	6,188,975,113	4,524,455,179
	12,189,247,342	9,283,804,350
 Bills payable		
Payment order issued	1,633,915,562	1,470,464,510
Demand draft	121,585,280	54,327,261
	1,755,500,842	1,524,791,771
 Savings bank/Mudaraba savings deposits	8,515,191,081	6,657,239,957
 Fixed deposits/Mudaraba term deposits		
Fixed deposits/Mudaraba term deposits	109,496,981,091	93,586,255,918
Short notice / Mudaraba short notice deposits	12,438,054,983	9,212,606,416
Scheme deposits	5,427,373,157	3,938,762,929
Interest Payable on FDR/Scheme	3,127,608,714	3,005,910,358
	130,490,017,945	109,743,535,621
	152,949,957,210	127,209,371,699

**Southeast Bank Limited and its subsidiaries****Notes to the Financial Statements as at and for the year ended 31 December 2012**

	2012 Taka	2011 Taka
19.1 Sundry deposits		
Margin under letter of credit	1,381,944,617	858,220,407
Margin against IBP	385,700	3,927,002
Margin under letter of guarantee	534,499,797	459,128,028
Margin under Export Proceeds	92,692,575	1,101,583,632
Margin against FBP	36,281,890	-
Deposit held against FDBP/IDBP, export bills etc.	10,206,697	24,574,835
FC Held Against EDF L/C	1,742,995,631	-
Accounts Payable	650,080	2,554,694
Telegraphic Transfer	10,272,695	19,468,963
Margin on Acceptance	2,027,384,814	1,948,043,751
Remittance awaiting disposal	150,436,656	38,102,268
Others	201,223,961	68,851,599
	6,188,975,113	4,524,455,179
19.2 Deposits from banks and others		
Inter-bank deposits (Note 19.3)	8,484,813,000	5,297,137,000
Other deposits	144,465,144,210	121,912,234,699
	152,494,957,210	127,209,371,699
19.3 Inter-bank deposits		
EXIM Bank Limited	23,322,000	12,216,000
Mercantile Bank Limited	154,209,000	3,521,000
AB Bank Limited	454,528,000	500,929,000
Social Islami Bank Limited	578,382,000	322,500,000
BRAC Bank Limited	1,400,000,000	-
Shahjalal Islami Bank Limited	279,294,000	651,658,000
Al-Arafah Islami Bank Limited	2,400,517,000	3,401,027,000
Islami Bank Bangladesh Limited	750,197,000	191,000
First Security Islami Bank Limited	8,785,000	5,095,000
Dutch-Bangla Bank Limited	1,100,000,000	-
Premier Bank Limited	400,000,000	400,000,000
Bank Asia Limited	200,000,000	-
The City Bank Limited	735,579,000	-
	8,484,813,000	5,297,137,000
19.4 Sector-wise deposits		
Government	7,557,561,000	6,857,400,000
Deposit money banks	8,484,813,000	5,297,137,000
Other public	9,499,879,000	8,084,145,000
Foreign currency	753,095,444	482,615,381
Private	126,654,608,766	106,488,074,318
	152,494,957,210	127,209,371,699
19.5 Unclaimed Deposits and valuables		
Payment Order	130,154	130,154
	130,154	130,154



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
19.6 Analysis of residual maturity grouping of deposits		
Inter-bank deposits:		
Payable on demand	315,610,000	-
Within one month	2,469,203,000	731,000,000
More than one month but less than six months	5,500,000,000	4,566,137,000
More than six months but less than one year	200,000,000	-
More than one year but less than five years	-	-
More than five years but less than ten years	-	-
	8,484,813,000	5,297,137,000
Other deposits:		
Payable on demand	1,043,105,062	6,067,579,397
Within one month	10,360,014,359	32,264,492,302
More than one month but less than six months	73,892,939,292	28,881,763,000
More than six months but less than one year	21,767,168,485	17,330,900,000
More than one year but less than five years	33,888,709,340	32,987,830,000
More than five years but less than ten years	3,513,207,672	4,379,670,000
	144,465,144,210	121,912,234,699
	152,949,957,210	127,209,371,699
20. Consolidated other liabilities		
Southeast Bank Limited (Note 21)	10,180,393,016	8,191,116,484
Southeast Bank Capital Services Limited	188,285,810	156,369,337
Southeast Financial Services (UK) Limited	5,834,396	1,823,236
	10,374,513,222	8,349,309,057
Less: Inter company balance eliminated	-	1,308,198
	10,374,513,222	8,348,000,859
21. Other liabilities		
Provision for loans and advances/investments (Note 21.1)	3,536,586,729	2,396,120,129
Provision for off-balance sheet exposures (Note 21.2)	711,310,000	554,280,000
Interest suspense account (Note 21.3)	1,440,817,725	1,050,246,654
Provision for taxation (Note 21.4)	3,009,106,468	3,036,328,931
SEBL Foundation	-	50,000,000
SEBL Employees' welfare fund	-	70,000,000
Obligation under finance lease (Note 21.5)	43,167,550	28,089,520
Accrued expenses	21,922,523	8,495,771
Interest payable on borrowings	23,274,199	9,741,825
Accounts payable - Bangladeshi Bank (local currency)	57,444,334	571,628
Accounts payable - Others	120,107,430	151,317,553
Provision for other assets (Note 21.6)	32,822,894	21,135,281
Unearned income	580,987,200	415,932,465
Branch adjustment (Note 21.7)	6,869,558	-
Withholding tax, VAT, excise duty etc.	595,276,406	398,206,727
Provision for audit fees	700,000	650,000
	10,180,393,016	8,191,116,484

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

21.1 Provision for loans and advances/investments	2012 Taka	2011 Taka
A. General		
Balance at the beginning of the year	1,173,699,999	972,200,000
Add: Provision made during the year		
On general loans and advances/investments etc.	32,118,880	168,268,172
On Special Mention Account (SMA)	4,457,351	33,231,827
	36,576,231	201,499,999
Less: Provision no longer required	-	-
Balance at the end of the year	1,210,276,230	1,173,699,999
B. Specific		
Balance at the beginning of the year	1,222,420,130	1,862,746,840
Less: Interest waiver during the year	6,531,000	-
Write off during the year	188,578,631	1,254,326,710
	195,109,631	1,254,326,710
Add: Recoveries of amounts previously written off	-	-
Specific provision made during the year for other accounts	1,299,000,000	614,000,000
	1,299,000,000	614,000,000
Balance at the end of the year	2,326,310,499	1,222,420,130
C. Total provision on loans and advances/investments (A+B)	3,536,586,729	2,396,120,129
21.2 Provision for off-balance sheet exposures		
Balance as at 1 January	554,280,000	554,280,000
Add: Provision made during the year	157,030,000	-
	711,310,000	554,280,000
Less: Adjustments made during the year	-	-
Balance as at 31 December	711,310,000	554,280,000
21.3 Interest suspense account		
Balance as at 1 January	1,050,246,654	666,489,856
Add: Amount transferred to "Interest suspense" account during the year	1,143,708,575	1,847,983,123
	2,193,955,229	2,514,472,979
Less: Amount of interest suspense recovered	692,914,257	920,983,385
Amount written off during the year	19,223,598	482,515,940
Interest waiver during the year	40,999,649	60,727,000
	753,137,504	1,464,226,325
Balance as at 31 December	1,440,817,725	1,050,246,654
21.4 Provision for taxation		
Current tax (Note 21.4.1)	2,188,820,992	2,227,926,641
Deferred tax (Note 21.4.2)	820,285,476	808,402,290
	3,009,106,468	3,036,328,931



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
21.4.1 Provision for current tax		
Advance tax		
Balance as at 1 January	3,858,439,841	3,799,266,049
Paid during the year	1,962,622,034	1,375,657,073
	<u>5,821,061,875</u>	<u>5,174,923,122</u>
Adjustments made during the year	-	(1,316,483,281)
Balance as at 31 December	<u>5,821,061,875</u>	<u>3,858,439,841</u>
Provision		
Balance as at 1 January	6,086,366,482	5,021,780,630
Provision made during the year (Note 60)	1,923,516,385	2,381,069,133
	<u>8,009,882,867</u>	<u>7,402,849,763</u>
Adjustments made during the year	-	(1,316,483,281)
Balance as at 31 December	<u>8,009,882,867</u>	<u>6,086,366,482</u>
Net balance as at 31 December	<u>2,188,820,992</u>	<u>2,227,926,641</u>

Corporate tax position of the Bank has been shown in Annexure-G.

Provision for current tax of Tk. 1,923,516,385 has been made @ 42.5% as prescribed by Finance Act 2012 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules 1984 and in compliance of para 46 of BAS 12 "Income Tax".

21.4.2 Provision for deferred tax

Balance as at 1 January	808,402,290	153,251,002
Add: Provision made for deferred tax liabilities		
Charged/(credited) to profit or loss (Note 60)	500,000	20,802,153
Charged/(credited) to revaluation reserve	32,860,298	635,324,497
	<u>33,360,298</u>	<u>656,126,650</u>
	841,762,588	809,377,652
Less: Adjustment made during the year for revaluation reserve	(21,477,112)	(975,362)
	<u>820,285,476</u>	<u>808,402,290</u>
Less: Provision made for deferred tax assets	-	-
Balance as at 31 December	<u>820,285,476</u>	<u>808,402,290</u>

21.5 Obligation under finance lease

Balance as at 1 January	28,089,520	28,102,542
Add: Addition during the year	23,877,500	7,190,000
	<u>51,967,020</u>	<u>35,292,542</u>
Less: Adjustment during the year	8,799,470	7,203,022
Balance as at 31 December	<u>43,167,550</u>	<u>28,089,520</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

21.5.1 Aging analysis of liabilities under finance lease

	2012			2011		
	Minimum lease payment Taka	Financial charge for future period Taka	Principal outstanding Taka	Minimum lease payment Taka	Financial charge for future period Taka	Principal outstanding Taka
Payable within 1 year	15,886,080	5,386,750	10,499,330	10,312,085	3,446,900	6,865,185
Payable more than 1 year but less than 2 years	15,139,695	3,838,389	11,301,306	10,275,900	2,550,403	7,725,497
Payable more than 2 years but less than 5 years	24,902,310	3,535,396	21,366,914	15,349,530	1,850,692	13,498,838
	<u>55,928,085</u>	<u>12,760,535</u>	<u>43,167,550</u>	<u>35,937,515</u>	<u>7,847,995</u>	<u>28,089,520</u>

21.6 Provision for other assets

	2012 Taka	2011 Taka
Balance as at 1 January	21,135,281	17,635,281
Add: Addition during the year	11,798,000	3,500,000
	32,933,281	21,135,281
Less: Adjustment during the year	110,387	-
Balance as at 31 December	<u>32,822,894</u>	<u>21,135,281</u>

21.7 Branch adjustment

General accounts credit	971,396,000	-
General accounts debit	964,526,442	-
	<u>6,869,558</u>	<u>-</u>

Branch adjustments account represents outstanding inter-branch and head office transactions (net) originated but yet to be responded at balance sheet date. However, the unrespondent entries of 31 December 2012 are given below:

	No. of unrespondent entries		Unrespondent entries (Taka)	
	Debit	Credit	Debit	Credit
Upto 3 months	637	960	964,508,442	969,749,000
Over 3 months but within 6 months	3	8	18,000	1,647,000
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	<u>640</u>	<u>968</u>	<u>964,526,442</u>	<u>971,396,000</u>

22. Share capital

22.1 Authorised:

<u>1,000,000,000</u> ordinary shares of Tk 10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
--	-----------------------	-----------------------

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
495,120,912 ordinary shares of Tk 10 each issued as bonus shares	4,951,209,120	4,535,358,700
<u>873,285,882</u>	<u>8,732,858,820</u>	<u>8,317,008,400</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

22.3 Reconciliation of number of shares

In issue at 1 January

Issue of bonus shares

Stock split (1:10)

In issue at 31 December

	2012 Taka	2011 Taka
In issue at 1 January	831,700,840	69,308,404
Issue of bonus shares	41,585,042	13,861,680
Stock split (1:10)	-	748,530,756
In issue at 31 December	<u>873,285,882</u>	<u>831,700,840</u>

22.4 Dividends

The following dividends were declared and paid by the Bank for the year ended 31 December.

2 Taka per ordinary share (2011: 2.50 Taka)

	2012 Taka	2011 Taka
2 Taka per ordinary share (2011: 2.50 Taka)	<u>1,663,401,680</u>	<u>2,079,252,040</u>

After the end of the reporting period, the following dividends were proposed by the directors. The dividends have not been provided for and there are no tax consequences.

1.5 Taka per ordinary share (2011: 2 Taka)

	2012 Taka	2011 Taka
1.5 Taka per ordinary share (2011: 2 Taka)	<u>1,309,928,823</u>	<u>1,663,401,680</u>

22.5 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
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
2011	20% Stock Dividend	13,861,680	1,386,168,000	8,317,008,400
	Stock split (1:10)	748,530,756	-	8,317,008,400
2012	5% Stock Dividend	41,585,042	415,850,420	8,732,858,820

22.6 Classification of shareholders by holding

	Number of holders		% of total holding	
	2012	2011	2012	2011
Less than 500 shares	18,293	13,464	0.36	0.26
500 to 5,000 shares	37,189	45,685	7.07	9.09
5,001 to 10,000 shares	4,541	4,648	3.51	4.04
10,001 to 20,000 shares	2,216	2,282	3.43	3.85
20,001 to 30,000 shares	592	681	1.63	2.03
30,001 to 40,000 shares	280	287	1.11	1.22
40,001 to 50,000 shares	163	186	0.84	1.03
50,001 to 100,000 shares	334	343	2.61	2.90
100,001 to 1,000,000 shares	334	357	10.63	12.42
Over 1,000,000 shares	118	106	68.81	63.16
	<u>64,060</u>	<u>68,039</u>	<u>100.00</u>	<u>100.00</u>



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

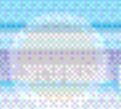
	2012	2011
Capital Adequacy Ratio:		
On core capital - against standard of minimum 5% (2011: 5%)	8.68%	9.18%
On total capital - against standard of minimum 10% (2011: 10%)	10.93%	11.50%

22.10 Capital Adequacy Ratio (CAR) of the Group

	2012 Taka	2011 Taka
Core capital (Tier-I)		
Paid up capital	8,732,858,820	8,317,008,400
Share premium	-	60
Statutory reserve (Note 23)	5,236,100,140	4,519,282,462
General reserve	247,650,000	247,650,000
Non-controlling interests in subsidiary	7,764,263	7,660,498
Retained earnings (Note 27)	1,335,631,386	2,067,599,126
	15,560,004,609	15,159,200,546
Supplementary capital (Tier-II)		
General provision maintained against unclassified loans and advances/investments	1,210,276,230	1,173,699,999
General provision on off-balance sheet exposures	711,310,000	554,280,000
Asset revaluation reserve	2,101,404,750	2,101,404,750
Revaluation reserve of Government securities	14,545,920	11,472,560
	4,037,536,900	3,840,857,309
Additional Supplementary capital (Tier-III)	-	-
A) Total capital	19,597,541,509	19,000,057,855
B) Risk weighted assets (RWA)		
Credit Risk		
On-Balance Sheet	121,564,783,826	110,661,897,900
Off-Balance Sheet	36,870,916,973	32,726,127,450
	158,435,700,799	143,388,025,350
Market Risk	9,635,652,532	10,849,362,348
Operational Risk	12,256,308,250	11,617,228,500
Total RWA	180,327,661,581	165,854,616,198
C) Required capital	18,032,766,158	16,585,461,620
D) Surplus (A-C)	1,564,775,351	2,414,596,235
Capital adequacy ratio:		
On core capital - against standard of minimum 5% (2011: 5%)	8.63%	9.14%
On total capital - against standard of minimum 10% (2011: 10%)	10.87%	11.46%

23. Statutory reserve

	2012 Taka	2011 Taka
Balance as at 1 January	4,519,282,462	3,650,252,294
Addition during the year (20% of pre-tax profit)	716,817,678	869,030,168
Balance as at 31 December	5,236,100,140	4,519,282,462



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

24. Revaluation reserve	2012 Taka	2011 Taka
Revaluation reserve on land and buildings		
Balance as at 1 January	4,944,481,764	2,235,281,987
Addition during the year	-	2,709,199,777
	4,944,481,764	4,944,481,764
Deferred tax liabilities	(741,672,265)	(741,672,265)
Balance as at 31 December	4,202,809,499	4,202,809,499
Revaluation reserve on HTM securities		
Balance as at 1 January	12,051,293	14,346,246
Addition during the year	26,783,967	3,540,080
	38,835,260	17,886,326
Adjustment during the year	-	(5,835,033)
	38,835,260	12,051,293
Deferred tax liabilities	(16,504,986)	(5,121,800)
Balance as at 31 December	22,330,274	6,929,493
Revaluation reserve on HFT securities		
Balance as at 1 January	16,015,627	1,014,544,460
Addition during the year	130,835,545	406,218,324
	146,851,172	1,420,762,784
Adjustment during the year	(140,089,606)	(1,404,747,157)
Balance as at 31 December	6,761,566	16,015,627
	4,231,901,339	4,225,754,619
25. Other reserve		
General reserve:		
Balance as at 1 January	247,650,000	247,650,000
Addition during the year	-	-
Balance as at 31 December	247,650,000	247,650,000
26. Translation reserve		
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as the Off-shore Banking Unit of the Bank.		
27. Consolidated retained earnings		
Southeast Bank Limited (Note 28)	1,354,812,170	2,074,807,434
Southeast Bank Capital Services Limited	10,170,001	(218,448,857)
Adjustment for goodwill	-	(20,646,515)
Southeast Financial Services (UK) Limited	(18,665,464)	(7,208,308)
Currency translation differences	(515,320)	-
Elimination of impairment of investment in subsidiary	(10,170,001)	239,095,372
	1,335,631,386	2,067,599,126
28. Retained earnings		
Balance as at 1 January	2,074,807,434	1,778,642,087
Currency translation differences	152,030	-
	2,074,959,464	1,778,642,087
Add: Retained surplus for the year	943,254,326	1,074,249,387
	3,018,213,790	2,852,891,474
Less: Transfer to SEBL Foundation	-	50,000,000
Transfer to SEBL Employees' welfare fund	-	35,000,000
Issue of bonus share	415,850,360	-
Cash dividend paid	1,247,551,260	693,084,040
	1,663,401,620	778,084,040
Balance as at 31 December	1,354,812,170	2,074,807,434

Southeast Bank Limited and its subsidiaries
Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
29. Non-controlling interest		
Paid up capital	1,000,000,000	1,000,000,000
Retained earnings/(loss)	(231,261,111)	(241,534,874)
Total net assets	<u>768,738,889</u>	<u>758,465,126</u>
Non-controlling interest 1.01% (2011: 1.01%) of net assets	<u>7,764,263</u>	<u>7,660,498</u>
30. Contingent liabilities		
30.1 Acceptances and endorsements		
Acceptance under Letters of Credit -Import	14,585,027,914	13,275,455,008
Acceptance under Letters of Credit -Export	10,831,675,965	10,307,705,264
	25,416,703,879	23,583,160,272
Less: Margin	2,027,384,814	1,948,043,751
	<u>23,389,319,065</u>	<u>21,635,116,521</u>
30.2 Letters of guarantee		
Letters of guarantee (Local)	8,170,128,418	7,782,725,030
Letters of guarantee (Foreign)	6,018,323,918	2,714,099,707
	14,188,452,336	10,496,824,737
Less: Margin	534,499,797	459,128,028
	<u>13,653,952,539</u>	<u>10,037,696,709</u>
Balance for which the Bank is contingently liable in respect of guarantee issued favouring:		
Directors or officers	4,783,060	4,783,060
Government	-	-
Banks and other financial institutions	-	-
Others	14,183,669,276	10,492,041,677
	14,188,452,336	10,496,824,737
Less: Margin	534,499,797	459,128,028
	<u>13,653,952,539</u>	<u>10,037,696,709</u>
30.3 Irrevocable letters of credit		
Back to back L/C	7,949,590,330	5,766,962,173
Others	10,959,152,685	9,449,301,461
	18,908,743,015	15,216,263,634
Less: Margin	1,381,944,617	858,220,407
	<u>17,526,798,398</u>	<u>14,358,043,227</u>
30.4 Bills for collection		
Bills for collection (Local)	5,454,725,007	4,270,889,799
Bills for collection (Foreign)	7,162,072,879	4,235,396,284
	<u>12,616,797,886</u>	<u>8,506,286,083</u>
30.5 Value of Bangladesh Sanchaypatra	<u>732,879,000</u>	<u>758,029,000</u>
31. Income statement		
Income:		
Interest, discount and similar income	20,115,077,361	15,970,310,427
Dividend income	61,948,935	12,800,031
Fees, commission and brokerage	1,317,229,835	1,251,810,138
Gains less losses arising from dealing securities	344,687,946	816,599,193
Gains less losses arising from investment securities	55,789,737	342,361,839
Gains less losses arising from dealing in foreign currencies	736,445,475	983,301,662
Income from non-banking assets	-	-
Other operating income	376,889,197	471,218,816
Profit less losses on interest rate changes	-	-
	<u>23,008,068,486</u>	<u>19,848,402,106</u>



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

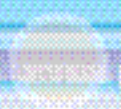
	2012 Taka	2011 Taka
Expenses:		
Interest, fees and commission	15,302,552,085	11,783,384,765
Losses on loans and advances	-	-
Administrative expenses	1,616,558,262	1,398,186,996
Other operating expenses	455,141,787	656,183,848
Depreciation on banking assets	199,943,328	198,034,094
	<u>17,574,195,462</u>	<u>14,035,789,703</u>
Income over expenditure	<u>5,433,873,024</u>	<u>5,812,612,403</u>
32. Consolidated interest income/profit on investments		
Southeast Bank Limited (Note 33)	17,368,928,608	13,874,163,255
Southeast Bank Capital Services Limited	341,956,472	319,015,847
Southeast Financial Services (UK) Limited	235,758	-
	<u>17,711,120,838</u>	<u>14,193,179,102</u>
Less: Inter company transactions eliminated	<u>317,069,886</u>	<u>306,627,422</u>
	<u>17,394,050,952</u>	<u>13,886,551,680</u>
33. Interest income/Profit on investments		
Conventional Banking		
Interest on loans and advances	16,087,108,557	12,680,128,229
Interest on placement with other banks and financial institutions	163,583,883	418,063,656
Interest on foreign currency balances	5,991,638	3,442,907
	<u>16,256,684,078</u>	<u>13,101,634,792</u>
Islamic Banking		
Profit on Investments	1,029,707,140	772,528,463
Profit on placement with other banks	82,537,390	-
	<u>1,112,244,530</u>	<u>772,528,463</u>
	<u>17,368,928,608</u>	<u>13,874,163,255</u>
34. Consolidated interest paid/profit shared on deposits and borrowings etc.		
Southeast Bank Limited (Note 35)	15,302,552,085	11,783,384,765
Southeast Bank Capital Services Limited	317,069,886	286,689,527
	<u>15,619,621,971</u>	<u>12,070,074,292</u>
Less: Inter company transactions eliminated	<u>317,069,886</u>	<u>306,627,422</u>
	<u>15,302,552,085</u>	<u>11,763,446,870</u>
35. Interest paid/Profit shared on deposits and borrowings etc.		
Conventional Banking		
Interest on deposits	12,129,399,947	10,269,384,492
Interest on borrowings	285,021,123	69,135,839
Interest on Repurchase agreement (repo)	664,031,815	385,131,406
Interest on Re-Finance	58,783,795	16,321,936
Interest on foreign bank accounts	23,291,565	269,841
	<u>13,160,528,245</u>	<u>10,740,243,514</u>
Islamic Banking		
Profit paid on deposits	2,096,574,539	1,020,010,695
Profit on Re-finance borrowings	45,449,301	23,130,556
	<u>2,142,023,840</u>	<u>1,043,141,251</u>
	<u>15,302,552,085</u>	<u>11,783,384,765</u>



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
36. Consolidated investment income		
Southeast Bank Limited (Note 37)	3,208,575,371	3,267,908,235
Southeast Bank Capital Services Limited	49,869,252	-
	<u>3,258,444,623</u>	<u>3,267,908,235</u>
37. Investment income		
Interest income from Government Securities (Note 37.1)	2,746,148,753	2,096,147,172
Capital gain on Government Securities (Note 37.2)	375,031,153	244,500,344
Revaluation (loss)/gain on Government Securities (Note 37.3)	(30,343,207)	572,098,849
Dividend on investment in shares	61,948,935	12,800,031
Gain on sale of investment in shares	55,789,737	342,361,839
	<u>3,208,575,371</u>	<u>3,267,908,235</u>
37.1 Interest Income from Government Securities		
Interest income on treasury bills	-	77,705,487
Interest income on treasury bonds	20,995,492,145	12,535,972,200
	20,995,492,145	12,613,677,687
Interest expenses on treasury bonds	(18,249,343,392)	(10,517,530,515)
Net Interest Income from Government Securities	<u>2,746,148,753</u>	<u>2,096,147,172</u>
37.2 Capital Gain on Government Securities		
Capital gain on treasury bills	446,742,122	196,022,344
Capital gain on treasury bonds	400,180,645	351,804,624
	846,922,767	547,826,968
Capital loss on treasury bills	(80,480,389)	(133,039,878)
Capital loss on treasury bonds	(391,411,225)	(170,286,746)
	(471,891,614)	(303,326,624)
Net capital gain on Government Securities	<u>375,031,153</u>	<u>244,500,344</u>
37.3 Revaluation (loss)/gain on Government Securities		
Revaluation gain on treasury bills	14,423,433	104,054,123
Revaluation gain on treasury bonds	844,002,811	822,131,622
	858,426,244	926,185,745
Revaluation loss on treasury bills	(15,011,997)	(103,320,371)
Revaluation loss on treasury bonds	(873,757,454)	(250,766,525)
	(888,769,451)	(354,086,896)
Net revaluation (loss)/gain on Government Securities	<u>(30,343,207)</u>	<u>572,098,849</u>
38. Commission, exchange and brokerage		
Commission and brokerage	1,317,229,835	1,251,810,138
Exchange gain (Note 38.1)	736,445,475	983,301,662
	<u>2,053,675,310</u>	<u>2,235,111,800</u>

**Southeast Bank Limited and its subsidiaries****Notes to the Financial Statements as at and for the year ended 31 December 2012**

	<u>2012</u> Taka	<u>2011</u> Taka
38.1 Exchange gain		
Exchange gain from revaluation/trade of foreign currency	719,647,470	964,330,513
Exchange gain from credit card	16,798,005	18,971,149
	<u>736,445,475</u>	<u>983,301,662</u>
39. Consolidated other operating income		
Southeast Bank Limited (Note 40)	376,889,197	471,218,816
Southeast Bank Capital Services Limited	47,723,864	70,556,652
Southeast Financial Services (UK) Limited	3,393,118	559,528
	<u>428,006,179</u>	<u>542,334,996</u>
40. Other operating income		
Remittance fees	1,035,768	1,390,500
Service and incidental charges	67,682,851	62,041,957
Other Fees-Telephone and Postage	42,728,292	36,731,571
Income from ATM services	3,452,400	1,009,475
Income from Credit Card	50,141,382	39,343,627
On-line services fees	-	12,500
Other Fees - SWIFT	58,527,319	44,236,352
Demat and Custody Fees	160,000	126,000
Gain on sale of fixed assets (Note 40.1)	1,751,956	-
Recovery of written off loans	93,864,487	239,911,858
Miscellaneous income	57,544,742	46,414,976
	<u>376,889,197</u>	<u>471,218,816</u>
40.1 Gain on sale of fixed assets		
Cost:		
Motor vehicle	9,052,287	-
Furniture and fixtures	2,004,263	-
Office appliances	88,265	-
Electrical appliances	2,519,807	-
	<u>13,664,622</u>	<u>-</u>
Accumulated depreciation:		
Motor vehicle	7,538,085	-
Furniture and fixtures	208,286	-
Office appliances	74,821	-
Electrical appliances	2,491,207	-
	<u>10,312,399</u>	<u>-</u>
Written down value	3,352,223	-
Sale proceeds of the above fixed assets	5,104,179	-
Gain on sale of fixed assets	<u>1,751,956</u>	<u>-</u>
41. Consolidated salaries and allowances		
Southeast Bank Limited (Note 42)	980,232,290	845,837,161
Southeast Bank Capital Services Limited	7,021,050	8,132,003
Southeast Financial Services (UK) Limited	6,019,242	1,699,312
	<u>993,272,582</u>	<u>855,668,476</u>


Southeast Bank Limited and its subsidiaries
Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
42. Salaries and allowances		
Basic salary	449,699,876	385,852,342
Allowances	315,011,405	267,807,109
Bonus	178,425,300	161,626,109
Provident fund	37,095,709	30,551,601
	<u>980,232,290</u>	<u>845,837,161</u>
43. Consolidated rent, taxes, insurance, electricity etc.		
Southeast Bank Limited (Note 44)	367,236,675	279,722,156
Southeast Bank Capital Services Limited	17,948,847	18,728,630
Southeast Financial Services (UK) Limited	3,874,132	1,670,269
	<u>389,059,654</u>	<u>300,121,055</u>
44. Rent, taxes, insurance, electricity etc.		
Rent, rates and taxes	228,482,838	167,641,188
Insurance	84,047,360	74,823,433
Electricity and lighting	54,706,477	37,257,535
	<u>367,236,675</u>	<u>279,722,156</u>
45. Consolidated postage, stamp, telecommunication etc.		
Southeast Bank Limited (Note 46)	102,713,575	91,310,060
Southeast Bank Capital Services Limited	122,291	120,506
Southeast Financial Services (UK) Limited	223,397	137,863
	<u>103,059,263</u>	<u>91,568,429</u>
46. Postage, stamp, telecommunication etc.		
Postage	29,265,843	27,909,638
Telephone	8,613,093	8,992,569
Telex	-	4,858
Electronic banking service	1,141,300	3,775,095
FC Charge (Nostro)	2,824,699	2,113,530
VSAT on-line	39,249,874	25,086,669
Reuters services	1,479,432	10,172,732
SWIFT services	20,139,334	13,254,969
	<u>102,713,575</u>	<u>91,310,060</u>
47. Consolidated stationery, printings, advertisements etc.		
Southeast Bank Limited (Note 48)	106,309,005	110,323,859
Southeast Bank Capital Services Limited	246,756	357,431
Southeast Financial Services (UK) Limited	968,533	688,112
	<u>107,524,294</u>	<u>111,369,402</u>
48. Stationery, printings, advertisements etc.		
Office stationery	14,788,863	12,630,119
Printing stationery	28,726,474	26,866,816
Security stationery	14,704,232	16,611,682
Computer stationery	10,154,855	9,514,838
Publicity and advertisement	37,934,581	44,700,404
	<u>106,309,005</u>	<u>110,323,859</u>

**Southeast Bank Limited and its subsidiaries****Notes to the Financial Statements as at and for the year ended 31 December 2012**

	2012 Taka	2011 Taka
49. Managing Director's salary and fees		
Basic Salary	5,100,000	5,100,000
House Rent	1,440,000	1,440,000
House Maintenance	600,000	600,000
Leave Fare Concession (LFC)	500,000	500,000
Special Allowance	1,200,000	1,200,000
Watch and Ward Duty at Residence	300,000	300,000
Cook and Gardener	360,000	360,000
Bonus	1,850,000	1,850,000
	11,350,000	11,350,000
50. Consolidated directors' fees and expenses		
Southeast Bank Limited (Note 51)	2,514,720	2,670,316
Southeast Bank Capital Services Limited	190,000	245,000
	2,704,720	2,915,316
51. Directors' fees and expenses		
Directors' fees	1,780,750	1,895,000
Directors' halitage and travelling	733,970	775,316
	2,514,720	2,670,316
52. Consolidated auditors' fees		
Southeast Bank Limited	700,000	650,000
Southeast Bank Capital Services Limited	25,000	25,000
	725,000	675,000
53. Consolidated depreciation and repair		
Southeast Bank Limited (Note 54)	245,445,325	254,357,538
Southeast Bank Capital Services Limited	7,612,139	8,216,605
Southeast Financial Services (UK) Limited	1,581,477	1,654,723
	254,638,941	264,228,866
54. Depreciation and repair of Bank's assets		
Depreciation on own assets:		
Building	52,767,226	39,143,382
Furniture and fixtures	58,779,582	60,843,167
Office appliances	1,550,919	1,135,962
Electrical appliances	78,127,026	88,090,498
Motor vehicles	8,718,575	8,821,085
	199,943,328	198,034,094
Repair:		
Furniture and fixtures	4,966,995	4,985,992
Office and electrical appliances	19,725,096	35,090,671
Motor vehicles	3,027,180	2,284,212
Repair, maintenance and utilities	17,782,726	13,962,569
	45,501,997	56,323,444
	245,445,325	254,357,538



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
55. Consolidated other expenses		
Southeast Bank Limited (Note 56)	454,474,819	652,203,651
Southeast Bank Capital Services Limited	6,373,024	5,230,309
Southeast Financial Services (UK) Limited	2,419,250	1,917,555
Impairment of Goodwill	-	20,646,515
Adjustment for reversal of impairment/(impairment loss) for investment in subsidiary	10,170,001	(239,095,372)
	473,437,094	440,902,658
56. Other expenses		
Security and cleaning	66,638,025	52,769,574
Entertainment - Office and AGM	42,099,942	39,200,793
Car expenses	85,216,528	67,901,259
Books and periodicals	673,228	1,179,423
Subscription and donation	19,427,094	18,933,160
Travelling expenses	8,166,413	6,605,702
Finance charge on leased assets	4,270,287	4,441,968
Conveyance	8,005,288	7,481,482
Fuel	6,798,411	4,821,240
Training/seminar	2,546,877	1,335,832
Uniforms and apparels	2,690,355	2,375,830
Medical expenses	1,609,212	6,059,764
Gratuity	22,000,000	46,000,000
Professional expenses	3,045,518	7,469,160
Expenses for CIB report	85,430	101,200
Loss on sale of fixed assets (Note 56.1)	-	3,505,712
Expenses regarding credit card	36,239,741	26,820,367
Expenses regarding retail banking	11,009,213	-
Reversal of impairment/(impairment loss) for investment in subsidiary	(10,170,001)	239,095,372
Miscellaneous	144,123,258	116,105,813
	454,474,819	652,203,651
56.1 Loss on sale of fixed assets		
Cost:		
Furniture and fixtures	-	12,660,845
Office appliances	-	333,814
Electrical appliances	-	9,517,916
	-	22,512,575
Accumulated depreciation:		
Furniture and fixtures	-	5,999,850
Office appliances	-	312,243
Electrical appliances	-	7,157,451
	-	13,469,544
Written down value	-	9,043,031
Sale proceeds of the above fixed assets	-	5,537,319
Loss on sale of fixed assets	-	3,505,712
57. Consolidated provision for diminution in value of investments		
Southeast Bank Limited (Note 58)	345,380,404	648,461,563
Southeast Bank Capital Services Limited	41,564,106	280,963,881
	386,944,510	929,425,444

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
58. Provision for diminution in value of investments		
Required provision for the year	1,024,056,661	679,800,000
Provision has already been maintained up to last year	(679,800,000)	(32,500,000)
Provision released for disposal of shares during the year	1,123,743	1,161,563
	<u>345,380,404</u>	<u>648,461,563</u>
59. Consolidated tax expense		
Current tax		
Southeast Bank Limited (Note 60)	1,923,516,385	2,381,069,133
Southeast Bank Capital Services Limited	31,102,723	23,179,468
	1,954,619,108	2,404,248,601
Deferred tax		
Southeast Bank Limited (Note 60)	500,000	20,802,153
	<u>1,955,119,108</u>	<u>2,425,050,754</u>
60. Tax expense		
Current tax expenses:		
Current year	1,923,313,235	2,381,069,133
Adjustments for prior years	203,150	-
	1,923,516,385	2,381,069,133
Deferred tax expenses	500,000	20,802,153
	<u>1,924,016,385</u>	<u>2,401,871,286</u>
60.1 Reconciliation of effective tax rate		
Profit before provision and tax as per profit and loss account	5,433,873,024	5,812,612,403
Income tax using the tax rate @ 42.5%	2,309,396,035	2,470,360,271
Factors affecting the tax charge for current period		
Non-deductible expenses	172,476,365	248,499,421
Deductible expenses	(362,939,872)	(89,568,780)
Tax exempted income	(163,710,490)	(133,958,018)
Dividend income	(13,938,510)	(2,880,007)
Capital gain from sale of shares in stock market	(17,767,143)	(111,383,754)
Movement of temporary difference	500,000	20,802,153
Total income tax expenses	<u>1,924,016,385</u>	<u>2,401,871,286</u>
61. Consolidated cash received from other operating activities		
Southeast Bank Limited (Note 62)	281,272,754	803,405,807
Southeast Bank Capital Services Limited	47,723,864	70,717,812
Southeast Financial Services (UK) Limited	3,393,118	-
	<u>332,389,736</u>	<u>874,123,619</u>
62. Cash received from other operating activities		
Remittance fees	1,035,768	1,390,500
Service and incidental charges	67,682,851	62,041,957
Revaluation gain on government securities at disposal	-	572,098,849
Other Fees -Telephone/Telex/Postage	42,728,292	36,731,571
Income from ATM services	3,452,400	1,009,475
Income from Credit Card	50,141,382	39,343,627
On-Line services	-	12,500
Other fees - SWIFT	58,527,319	44,236,352
Demat and Custody Fees	160,000	126,000
Miscellaneous income	57,544,742	46,414,976
	<u>281,272,754</u>	<u>803,405,807</u>



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
63. Consolidated payments for other operating activities		
Southeast Bank Limited (Note 64)	1,034,781,854	911,169,249
Southeast Bank Capital Services Limited	25,553,983	44,042,144
Southeast Financial Services (UK) Limited	6,516,780	-
	<u>1,066,852,617</u>	<u>955,211,393</u>
64. Payments for other operating activities		
Rent rates and taxes	418,039,755	346,632,666
Postage	102,713,575	91,310,059
Directors fees	2,514,720	2,670,316
Repairs	45,501,997	56,323,444
Others expenses	466,011,807	414,232,764
	<u>1,034,781,854</u>	<u>911,169,249</u>

	2012	2011
65. Consolidated earnings per share		
Net profit after tax for the year ended 31 December (Taka)	1,648,614,849	1,912,188,670
Weighted average number of ordinary shares	873,285,882	873,285,882
Earnings per share (EPS) (Taka)	1.89	2.19
Bonus factor has been considered for previous year's EPS computation.		
66. Earnings per share		
Net profit after tax for the year ended 31 December (Taka)	1,660,072,004	1,943,279,555
Weighted average number of ordinary shares	873,285,882	873,285,882
Earnings per share (EPS) (Taka)	1.90	2.23

Bonus factor has been considered for previous year's EPS computation.

67. Group entities

Significant subsidiaries

	Country of incorporation	Ownership interest %	
		2012	2011
Southeast Bank Capital Services Limited	Bangladesh	98.99	98.99
Southeast Financial Services (UK) Limited	United Kingdom	100.00	100.00

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

68. General

68.1 Audit Committee

Audit Committee of the Board of Directors of the Bank has been re-constituted by the Board of Directors in its 410th Meeting held on 24 December 2012 comprising the following members as per provisions contained in Bangladesh Bank Circular Letter No. 8 dated 19 June 2011 and notification of the securities and exchange commission dated 07 August 2012. The Audit committee held 5 (Five) meeting in 2012.

Sl. no.	Name	Status with the committee	Educational qualification
1)	Mr. A.H.M. Moazzem Hossain, Depositor Director	Chairman	BA (Hons), MA in Economics
2)	Mr. Ragib Ali, Vice Chairman	Member	O Level
3)	Mr. M. A. Kashem, Director	Member	Commerce Graduate
4)	Mr. Azim Uddin Ahmed, Director	Member	MA
5)	Dr. Zaidi Sattar, Independent Director	Member	Ph. D. in Economics

Functions of the Bank's Audit Committee

- i) Oversee financial reporting process
- ii) Monitor, choice of accounting policies and principles
- iii) Review the financial statements
- iv) Review of the appropriateness of the Bank's accounting policy
- v) Overseeing the Bank's relationship with external auditors
- vi) Review of the Bank's existing system and upgradation of systems
- vii) Review of the Bank's annual audit plan
- viii) Review of all reports of internal auditors
- ix) Review of Management's report on risk management
- x) Review of Audit Committee's own terms of reference within the purview of BRPD Circular No. 12 dated 23 December 2002 of Bangladesh Bank.

During the year 2012, the audit committee held 5 (five) meetings. On invitation, senior executives of the Bank including the Managing Director, Chief Financial Officer (CFO), Head of Internal Control and Compliance Division, Head of Credit Risk Management Division and Head of Risk Management Unit of the Bank attended the meetings of the Audit Committee to instantly meet the queries of the Audit Committee and take directives for improvement. In those meetings, annual audit plan of the Bank was reviewed, performance of the internal and external auditors was widely discussed, risk reports of the Bank was reviewed, internal inspection reports on the Bank's branches and Head Office were reviewed and suitable decision were given to the management. The findings of the Audit Committee were also regularly reviewed by the Board of Directors.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements as at and for the year ended 31 December 2012

68.2 Related party/(ies)

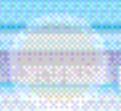
Particulars of Directors of the Bank as on 31 December 2012

Sl. No.	Name of persons	Designation	Present address	% of shares as on 31 Dec 2012
1.	Mr. Alamgir Kabir, FCA	Chairman	226, Dilu Road, New Eskaton, Dhaka	1.24
2.	Mr. Ragib Ail	Vice Chairman	House No.06, Road No.76, Gulshan, Dhaka-1212	2.82
3.	Mr. M. A. Kashem	Director	73/C, Gulshan Avenue, Gulshan, Dhaka-1212	2.83
4.	Mr. Azim Uddin Ahmed	Director	14, Topkhana Road, Segunbagicha, Dhaka-1000	2.74
5.	Mrs. Jusna Ara Kashem	Director	73/C, Gulshan Avenue, Gulshan, Dhaka-1212	0.66
6.	Mrs. Duluma Ahmed	Director	14, Topkhana Road, Segunbagicha, Dhaka-1000	2.05
7.	Mr. Md. Akkur Rahman	Director	Sonarpara, Nobarun-227, Sylhet	0.92
8.	Mrs. Sirat Monira	Director	226, Dilu Road, (Ground Floor) New Eskaton, Dhaka	0.01
9.	Karnafuli Tea Company Limited (represented by Mr. Abdul Hye)	Director	67, Motijheel C/A, Dhaka -1000	0.02
10.	Dr. Zaidi Sattar	Independent Director	House No.41, Road No.35A, Gulshan, Dhaka-1212	-
11.	Mr. A. H. M. Moazzem Hossain	Depositor Director	Apartment #A-16, Building #03, Ramna Estate Complex, Bara Moghbazar, Dhaka-1217	-
12.	Mr. Shahid Hossain	Managing Director	Southeast Bank Limited, Head Office, 52-53 Dilkusha C/A, Dhaka-1000	-

68.2.1 Related party transactions

During the year 2012, the Bank concluded business deals with the following organizations in which the directors had interest:

Name of organization	Relationship	Nature of transactions	Transaction value for the year ended 31 December		Balance outstanding as at 31 December	
			2012 Taka	2011 Taka	2012 Taka	2011 Taka
Asia Insurance Ltd.	Common director	Insurance coverage	23,600,762	11,841,680	17,678,797	-
Southeast Bank Capital Services Ltd.	Subsidiary company	Interest on loan	317,069,886	286,689,526	2,402,903,434	2,416,290,165
Southeast Financial Services (UK) Ltd.	Subsidiary company	Share Capital	-	38,151,000	38,737,560	38,151,000

**Southeast Bank Limited and its subsidiaries****Notes to the Financial Statements as at and for the year ended 31 December 2012****68.2.2 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
Monorom Traders	Mr. Azim Uddin Ahmed Mrs. Duluma Ahmed	Director	Bank guarantee	4,783,060	Regular
Mr. Azim Uddin Ahmed	Mr. Azim Uddin Ahmed	Director	Credit Card	121,000	Regular
Mrs. Duluma Ahmed	Mrs. Duluma Ahmed	Director	Credit Card	56,000	Regular
Mr. M. A. Kashem	Mr. M. A. Kashem	Director	Credit Card	40,000	Regular

68.3 Events after the reporting period

The Board of Directors in its 416th meeting held on 14 March 2013 has recommended a cash dividend @ 15% subject to the approval of the shareholders at the next Annual General Meeting.

68.4 Number of employees

The number of employees engaged for the whole year or part thereof who received a total yearly remuneration of Tk 36,000 or above were 2,010 (2011: 1,723).

68.5 Share trading

The Bank started trading its ordinary shares in CDBL on 16 May 2004. The closing market price on 31 December 2012 was Tk. 20 (2011: Tk. 31.1) for each Tk. 10 per value of share at DSE and Tk. 20 (2011: 30.20) for each Tk. 10 per value of share at CSE.

68.6 Pattern of Shareholding

Breakup of shareholding pattern as per clause 1.5 (xi) of Securities and Exchange Commission notification no No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under Section 2CC 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 Ltd.	98.99% own by Southeast Bank Limited
2.	Southeast Bank Financial Services (UK) Ltd.	100% owned by Southeast Bank Limited

68.7 Highlights on the overall activities of the Bank

Highlights on the overall activities of the Bank have been furnished in Annexure - A.

Southeast Bank Limited
Highlights on the overall activities
as at and for the year ended 31 December 2012

Sl no.	Particulars		2012	2011
1	Paid-up capital	Taka	8,732,858,820	8,317,008,400
2	Total capital	Taka	19,608,958,030	18,999,605,665
3	Capital surplus	Taka	1,674,870,026	2,481,114,535
4	Total assets	Taka	189,787,508,340	157,952,808,755
5	Total deposits	Taka	152,949,957,210	127,209,371,699
6	Total loans and advances/investments	Taka	127,267,155,966	107,546,424,542
7	Total contingent liabilities and commitments	Taka	71,863,576,116	58,560,563,726
8	Credit deposit ratio		83.21%	84.54%
9	Percentage of classified loans/investments against total loans and advances/investments		4.47%	3.51%
10	Profit after tax and provision	Taka	1,660,072,004	1,943,279,555
11	Amount of classified loans/investments	Taka	5,687,923,333	3,769,506,813
12	Provisions kept against classified loans/investments	Taka	2,326,310,499	1,222,420,130
13	Provision surplus/(deficit) against classified loans/investments	Taka	485,177	626,944
14	Cost of fund		10.32%	9.58%
15	Interest earning assets	Taka	165,359,474,039	132,135,148,929
16	Non-interest earning assets	Taka	24,428,034,295	26,056,303,309
17	Return on investment (ROI)		1.01%	1.58%
18	Return on assets (ROA) [PAT/ Average assets]		0.95%	1.32%
19	Income from investment	Taka	3,208,575,371	3,267,908,235
20	Capital adequacy		10.93%	11.50%
21	Stock dividend		0%	5%
22	Earnings per share	Taka	1.90	2.23
23	Net income per share	Taka	1.90	2.23
24	Price earning ratio	Times	10.52	13.53

Southeast Bank Limited

Consolidated Liquidity Statement (Analysis of maturity of assets and liabilities) as at 31 December 2012

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand	500,000,000	1,643,154,366	750,000,000	-	7,941,615,540	10,834,769,906
Balance with other banks and financial institutions	864,039,378	1,428,277,876	1,000,000,000	-	-	3,292,317,254
Money at call and on short notice	969,100,000	-	-	-	-	969,100,000
Investments	7,046,400	1,545,215,555	2,863,675,744	13,529,267,822	19,711,355,553	37,656,561,074
Loans and advances / Investments	21,811,213,042	36,150,550,864	32,790,060,386	28,544,802,427	7,672,341,963	126,968,968,682
Fixed assets including premises, furniture and fixtures	-	-	-	550,647,677	7,126,861,823	7,677,509,500
Other assets	212,191,252	1,069,335,361	1,062,565,287	45,756,323	132,505,378	2,522,353,601
Non banking assets	-	-	-	-	-	-
Total assets (A)	24,363,590,072	41,836,534,022	38,466,301,417	42,670,474,249	42,584,680,257	189,921,580,017
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,610,000,000	1,998,499,000	-	245,447,225	-	6,853,946,225
Deposits	14,528,540,065	51,123,445,720	49,847,335,761	33,888,709,340	3,513,207,672	152,901,238,558
Provision and other liabilities	704,113,112	121,480,988	194,120,206	7,433,212,687	1,921,586,229	10,374,513,222
Total liabilities (B)	19,842,653,177	53,243,425,708	50,041,455,967	41,567,369,252	5,434,793,901	170,129,698,005
Net liquidity gap (A - B)	4,520,936,895	(11,406,891,686)	(11,575,154,550)	1,103,104,997	37,149,886,356	19,791,882,012

Southeast Bank Limited

Liquidity Statement (Analysis of maturity of assets and liabilities) as at 31 December 2012

Particulars	Up to 1 month Taka	1-3 months Taka	3-12 months Taka	1-5 years Taka	Above 5 years Taka	Total Taka
Assets:						
Cash in hand	500,000,000	1,643,154,366	750,000,000	-	7,941,615,540	10,834,769,906
Balance with other banks and financial institutions	864,039,378	1,410,898,905	1,000,000,000	-	-	3,274,938,283
Money at call and on short notice	969,100,000	-	-	-	-	969,100,000
Investments	7,046,400	1,545,215,555	2,863,675,744	12,511,292,224	19,711,355,553	36,638,585,476
Loans and advances / investments	21,811,213,042	36,150,550,864	33,088,247,670	28,544,802,427	7,672,341,963	127,267,155,966
Fixed assets including premises, furniture and fixtures	-	-	-	486,536,463	7,126,861,823	7,613,398,286
Other assets	212,191,252	1,069,335,361	1,062,565,287	45,756,323	799,712,200	3,189,560,423
Non banking assets	-	-	-	-	-	-
Total assets (A)	24,363,590,072	41,819,155,051	38,764,488,701	41,588,387,437	43,251,887,079	189,787,508,340
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,610,000,000	1,998,499,000	-	245,447,225	-	6,853,946,225
Deposits	14,528,540,065	51,172,164,372	49,847,335,761	33,888,709,340	3,513,207,672	152,949,957,210
Provision and other liabilities	704,113,112	121,480,988	-	7,433,212,687	1,921,586,229	10,180,393,016
Total liabilities (B)	19,842,653,177	53,292,144,360	49,847,335,761	41,567,369,252	5,434,793,901	169,984,296,451
Net liquidity gap (A - B)	4,520,936,895	(11,472,989,309)	(11,082,847,060)	21,018,185	37,817,093,178	19,803,211,889

Southeast Bank Limited

Annexure-C

Balance with other banks - Outside Bangladesh (NostrO Accounts) as at 31 December 2012

Name of the Bank	Currency type	2012			2011		
		FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Interest bearing :							
Standard Chartered Bank, New York	USD	1,228,810.25	79.8499	98,120,376	208,326.19	81.8529	17,052,103
Standard Chartered Bank, New York	USD	1,129.14	79.8499	90,162	495.68	81.8529	40,573
Citibank NA, New York, USA	USD	77,295.98	79.8499	6,172,076	500,680.61	81.8529	40,982,160
H-SBC Bank, New York, USA	USD	260,990.36	79.8499	20,840,054	11,346.05	81.8529	928,707
H-SBC Bank PLC, London, UK	GBP	452,031.97	129.1253	58,368,751	56,594.91	126.6428	7,167,338
Standard Chartered Bank, London, UK	GBP	28,867.00	129.1253	3,727,458	11,999.05	126.6428	1,519,593
Mashreq Bank PSC, New York, USA	USD	1,623,167.38	79.8499	129,609,753	826,492.99	81.8529	67,650,848
Wells Fargo Bank, N.A., New York, USA	USD	1,723,812.37	79.8499	137,646,245	373,579.81	81.8529	30,578,591
Citibank AG, Frankfurt, Germany	EUR	62,643.29	105.5775	6,613,722	112,121.81	105.9422	11,878,432
Standard Chartered Bank, Kolkata, India	ACUD	63,243.00	79.8499	5,049,947	125,683.25	81.8529	10,287,538
Arab Bangladesh Bank Limited, Mumbai, India	ACUD	602,018.69	79.8499	48,071,132	228,178.30	81.8529	18,677,056
ICICI Bank Limited, Mumbai, India	ACUD	246,428.90	79.8499	19,677,323	45,546.93	81.8529	3,728,148
JP Morgan Chase Bank N.A., New York, USA	USD	325,366.74	79.8499	25,980,502	304,426.97	81.8529	24,918,230
Habib American Bank, New York, USA	USD	657,306.16	79.8499	52,485,831	308,831.77	81.8529	25,278,776
Mashreq Bank, Mumbai, India	ACUD	260,541.71	79.8499	20,804,229	331,763.01	81.8529	27,155,764
Mashreq Bank, Mumbai, India	ACUEUR	17,000.96	105.5775	1,794,917	14,223.67	105.9422	1,506,887
				635,052,478			289,350,744
Non-interest bearing :							
Bank of Nova Scotia, Toronto, Canada	CAD	45,715.45	80.1062	3,662,092	39,451.50	80.0126	3,156,617
United Bank Limited, Karachi, Pakistan	ACUD	806.12	79.8499	64,369	45,892.55	81.8529	3,756,438
Standard Chartered Bank, Colombo, Sri Lanka	ACUD	89,829.04	79.8499	7,172,840	22,538.97	81.8529	1,844,880
Standard Chartered Bank, Mumbai (AEB), India	ACUD	25,255.00	79.8499	2,016,609	25,255.00	81.8529	2,067,195
Nepal Bangladesh Bank Limited, Kathmandu, Nepal	ACUD	11,000.01	79.8499	878,350	58,097.01	81.8529	4,755,409
Bank of Bhutan, Phuentsholing, Bhutan	ACUD	33,182.50	79.8499	2,649,619	8,413.50	81.8529	688,669
Bank of Tokyo Mitsubishi, Kolkata, India	ACUD	25,255.00	79.8499	2,016,609	25,255.00	81.8529	2,067,195
Commerz Bank, Frankfurt, Germany	EUR	91,371.76	105.5775	9,646,804	46,937.91	105.9422	4,972,706
Commerz Bank, Frankfurt, Germany	USD	48,584.05	79.8499	3,879,432	187,804.93	81.8529	15,372,378
U. B. A. F., Tokyo, Japan	JPY	67,906,162.22	0.9278	63,006,045	3,879,003.00	1.0532	4,085,276
Zuercher Kantonal Bank, Zurich, Switzerland	CHF	75,289.95	87.4301	6,582,606	20,264.46	86.8558	1,760,086
National Australia Bank Limited, Melbourne, Australia	AUD	69,029.25	82.8043	5,715,920	39,503.90	82.6469	3,264,874
HDFC Bank, Mumbai, India	ACUD	74,168.23	79.8499	5,922,326	-	-	-
Habib Bank AG Zurich, Zurich, Switzerland	CHF	6,806.00	87.4301	595,048	-	-	-
Mashreq Bank PSC, Dubai, UAE	AED	10,000.00	21.7391	217,391	-	-	-
Habib Metropolitan Bank Limited, Karachi, Pakistan	ACUD	100,000.00	79.8499	7,984,990	-	-	-
				122,011,050			47,791,723
				757,063,528			337,142,467



Southeast Bank Limited

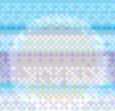
Annexure - D

Investment in Shares as at 31 December 2012

Sl. no.	Name of the company	Type of shares	Face value Taka	No. of shares including bonus shares	Cost of holding Taka	Average cost Taka	Quoted rate per share as at 31-Dec-12 Taka	Total market value as at 31-Dec-12 Taka
	Quoted							
1	Asia insurance Limited	A	10	1,903,871	76,805,098	40.34	35.20	67,016,259
2	Aftab Automobiles Limited	A	10	3	368	122.67	85.00	255
3	Beximco Limited	A	10	372,750	40,668,410	109.10	64.40	24,005,100
4	Bay Leasing & Investment Limited	A	10	5,662,884	548,552,967	96.87	35.30	199,899,805
5	The City Bank Limited	A	10	791,650	32,945,340	41.62	26.80	21,216,220
6	Export Import Bank of Bangladesh Limited	A	10	17,695,751	638,811,666	36.10	20.80	368,071,621
7	Eastern Bank Limited	A	10	931,180	46,479,229	49.91	31.70	29,518,406
8	IFIC 1st Mutual Fund	A	10	281,500	4,427,970	15.73	8.00	2,252,000
9	Khulna Power Company Limited	A	10	164,650	12,727,696	77.30	49.80	8,199,570
10	Lafarge Summa Cement Limited	Z	10	9,319,500	320,467,778	34.39	32.90	306,611,550
11	Malek Spinning Mills Limited	A	10	18,600	561,322	30.18	25.10	466,860
12	National Life Insurance Company Limited	A	10	701,548	246,397,178	351.22	302.70	212,358,580
13	National Bank Limited	A	10	4,968,272	202,025,517	40.66	22.10	109,798,811
14	National Tea Company Limited	A	10	5,010	2,762,481	551.39	774.00	3,877,740
15	National Credit and Commerce Bank Limited	A	10	1,695,000	40,040,444	23.62	18.20	30,849,000
16	One Bank Limited	A	10	833,920	30,153,763	36.16	22.80	19,013,376
17	Prime Bank Limited	A	10	6,295,200	262,066,262	41.63	37.00	232,922,400
18	RAX Ceramic (Bangladesh) Limited	A	10	318,118	24,285,255	76.34	56.80	18,069,102
19	Rupali Bank Limited	A	10	47,652	9,074,723	190.44	79.40	3,783,569
20	Summit Power Limited	A	10	1,240,758	91,826,590	74.01	53.30	66,132,401
21	Titas Gas Transmission & Distribution Co. Limited	A	10	2,948,925	243,004,485	82.40	65.30	192,564,803
22	Trust Bank 1st Mutual Fund	A	10	520,000	10,440,696	20.08	8.70	4,524,000
23	United Commercial Bank Limited	A	10	795,858	29,247,070	36.75	23.60	18,782,249
24	Dhaka Electric Supply Company Limited	A	10	343,275	31,551,795	91.91	72.10	24,750,128
25	Grameenphone Limited	A	10	76,200	14,908,998	195.66	175.00	13,335,000
26	Golden Son Limited	A	10	188,500	11,462,969	60.81	50.70	9,556,950
27	Jamuna Oil Company Limited	A	10	71,500	16,711,269	233.72	178.50	12,762,750
28	LankaBangla Finance Limited	A	10	705,000	53,458,734	75.83	59.00	41,595,000
29	MUL Bangladesh Limited	A	10	68,600	5,750,129	83.82	79.70	5,467,420
30	NCCBL Mutual Fund-I	N	10	301,500	3,015,000	10.00	11.90	3,587,850
31	Prime Finance & Investment Limited	A	10	60,000	5,374,522	89.58	32.80	1,968,000
32	Premier Leasing & Finance Limited	A	10	1,001,000	24,199,699	24.18	17.50	17,517,500
33	Prime Textile	A	10	34,000	1,029,050	30.27	20.90	710,600
34	Olympic Industries	A	10	24,000	2,676,246	111.51	98.40	2,361,600
35	R.N. Spinning Mills Limited	Z	10	692,000	26,555,574	38.38	34.10	23,597,200
36	United Airways (BD) Limited	A	10	1,697,500	44,778,842	26.38	21.00	35,647,500
37	Union Capital Limited	A	10	49,000	2,701,920	55.14	27.80	1,362,200
38	Unique Hotel & Resorts Limited	A	10	58,400	7,633,061	130.70	126.20	7,370,080
				62,883,075	3,165,580,116			2,141,523,455

Unquoted

1	IBDFC		100	244,425	24,442,500	100	-	-
2	Karnasangsthan Bank		100	100,000	10,000,000	100	-	-
3	Central Depository Bangladesh Limited		10	313,889	3,138,890	10	-	-
4	Venture Investment Partner Bangladesh Limited		100	180,000	18,000,000	100	-	-
5	Dun and Broadstreet Rating Agency		100	41,659	4,165,900	100	-	-
6	National Life 1st Mutual Fund		10	1,000,000	10,000,000	10	-	-
7	Southeast Bank 1st Mutual Fund		10	25,000,000	250,000,000	10	-	-
8	Exim Bank 1st Mutual Fund		10	10,000,000	100,000,000	10	-	-
				36,879,973	419,747,290			



Southeast Bank Limited

Annexure-E

Details of Large Loan
as at 31 December 2012

	2012	2011
Number of clients	26	18
Amount of outstanding advances (Taka)	61,795.60	40,423.60
Amount of classified advances (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 31 December 2012			Outstanding as at 31 December 2011		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Desbandhu Sugar Mills Limited and its related concern	2,185.10	1,378.60	3,563.70	434.50	2,600.80	3,035.30
2	N. R. Group	1,326.80	806.90	2,133.70	909.00	434.00	1,343.00
3	Mother Steel Limited and its related concern	729.10	2.10	731.20	-	-	-
4	Padma Poly Cotton Knit Fabrics Limited and its related concern	1,270.10	370.10	1,640.20	973.70	608.50	1,582.20
5	Sheema Automatic Re-Rolling Mills Limited and its related concern	-	-	-	1,022.20	-	1,022.20
6	United Edible Oils Limited and its related concern	-	-	-	742.00	3,775.60	4,517.60
7	Chaity Composite Limited and its related concern	1,726.70	518.00	2,244.70	1,800.30	255.70	2,056.00
8	Khaleque Knitting and Garments Industries (Pvt.) Ltd. and its related concern	2,848.90	765.90	3,614.80	1,905.70	1,349.50	3,255.20
9	ACS Textile (Bangladesh) Limited	2,414.10	1,617.30	4,031.40	2,056.50	776.30	2,832.80
10	PHP Continuous Galvanizing Mills Limited and its related concern	-	-	-	135.30	-	135.30
11	Shore to Shore (BD) Limited and its related concern	180.20	49.20	229.40	-	-	-
12	Marrine Vegetable Oils Limited and its related	2,574.50	244.20	2,818.70	2,315.40	-	2,315.40
13	Abul Khair Group	1,823.50	1,897.50	3,721.00	1,334.70	5,622.70	6,957.40
14	Yasmin Spinning Mills Limited	249.90	-	249.90	-	-	-
15	Grameen Phone Limited	2,039.00	464.80	2,503.80	-	127.50	127.50
16	Southeast Bank Capital Services Limited	2,485.10	-	2,485.10	2,493.10	-	2,493.10
17	Tung Hai Sweaters Limited and its related concern	1,139.60	628.80	1,768.40	-	-	-
18	KDS Group	447.50	922.20	1,369.70	428.60	684.40	1,113.00
19	Kabir Steel Limited and its related concern	1,253.10	1,009.30	2,262.40	-	-	-
20	Toma Group	1,026.00	1,582.20	2,608.20	898.60	1,365.00	2,263.60
21	Maksons Spinning Mills Limited	1,133.60	727.60	1,861.20	-	-	-
22	S. Alam Super Edible Oil Limited	1,009.10	-	1,009.10	1,215.00	-	1,215.00
23	concern	3,430.60	-	3,430.60	2,720.00	-	2,720.00
24	Bashundhara Group	1,633.60	1,051.90	2,685.50	1,130.90	308.10	1,439.00
25	Cassiopea Fashion Limited and its related concern	256.40	1,454.00	1,710.40	-	-	-
26	Crown Wear Pvt. Limited and its related concern	1,380.30	654.70	2,035.00	-	-	-
27	Meghna Group	2,000.90	3,669.20	5,670.10	-	-	-
28	Partex Group	1,324.00	844.60	2,168.60	-	-	-
29	T.K. Group	347.30	2,901.50	3,248.80	-	-	-
	Total	38,235.00	23,560.60	61,795.60	22,515.50	17,908.10	40,423.60

Southeast Bank Limited

Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2012

Particulars	Cost/Revaluation				Rate of dep.	Depreciation				Written down value as at 31 December Taka	
	Balance as at 1 January Taka	Additions during the year Taka	Revalued during the year Taka	Disposal during the year Taka		Balance as at 1 January Taka	Charged during the year Taka	Adjustment for disposal during the year Taka	Balance as at 31 December Taka		
Own assets											
Office:											
Land	5,214,889,179	132,983,874	-	-	0	-	-	-	-	-	5,347,773,053
Building	1,466,947,871	56,950,231	-	-	4	1,523,898,102	-	-	205,274,988	-	1,318,623,114
Furniture and fixtures	517,847,269	100,312,108	-	(1,763,263)	10	616,396,114	-	(128,104)	181,347,381	-	435,048,733
Office Appliances	8,388,648	1,861,867	-	(88,265)	20	10,162,250	-	(74,821)	4,606,585	-	5,555,665
Electrical Appliances	511,584,088	196,832,769	-	(2,485,913)	20	705,930,944	-	(1,878,605)	271,716,698	-	434,214,246
Professional and Reference books	67,728	50,000	-	-	30	117,728	-	-	-	-	117,728
Motor vehicles	1,492,850	954,398	-	(1,463,600)	20	1,463,599	-	(1,463,599)	-	-	983,648
	7,721,217,633	489,845,247	-	(5,801,041)		8,205,261,839	-	(3,545,129)	662,945,652	-	7,542,316,167
Residence of executives:											
Furniture and fixtures	2,420,290	650,416	-	(241,000)	10	2,829,706	-	(80,182)	988,829	-	1,840,877
Electrical Appliances	13,333,694	2,250,000	-	(1,033,894)	20	14,549,800	-	(612,602)	8,219,664	-	6,330,136
	15,753,984	2,900,416	-	(1,274,894)		17,379,506	-	(692,784)	9,208,493	-	8,171,013
	7,736,971,617	492,745,663	-	(7,075,935)		8,222,641,345	-	(4,237,913)	672,154,145	-	7,550,487,200
Leased assets											
Furniture and fixtures	106,026,227	-	-	-	10	106,026,227	-	-	82,567,909	-	23,458,318
Electrical Appliances	49,499,602	23,877,500	-	(7,588,687)	20	65,788,415	-	(6,074,486)	26,335,647	-	39,452,768
Motor vehicles	155,525,829	23,877,500	-	(7,588,687)	20	171,814,642	-	(6,074,486)	108,903,556	-	62,911,086
	7,892,497,446	516,623,163	-	(14,664,622)		8,394,455,987	-	(10,312,399)	781,057,701	-	7,613,398,286

Schedule of fixed assets including premises, furniture and fixtures
as at 31 December 2011

Particulars	Cost/Revaluation				Rate of dep.	Depreciation			Written down value as at 31 December
	Balance as at 1 January	Additions during the year	Revalued during the year	Disposal during the year		Balance as at 1 January	Charged during the year	Adjustment for disposal during the year	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
Own assets									
Office:									
Land	2,785,035,544	85,594,518	2,344,259,117	-	0	-	-	-	5,214,889,179
Building	1,065,320,239	36,686,972	364,940,660	-	4	113,364,380	39,143,382	-	1,314,440,109
Furniture and fixtures	434,956,597	95,526,517	-	(12,635,845)	10	101,137,055	41,851,580	(5,999,850)	380,858,484
Office Appliances	6,805,625	1,916,837	-	(333,814)	20	2,306,768	1,135,962	(312,243)	5,258,161
Electrical Appliances	413,918,014	106,083,440	-	(8,417,366)	20	132,123,277	71,542,857	(6,694,227)	314,612,181
Professional and Reference books	-	67,728	-	-	30	-	-	-	67,728
Motor vehicles	1,492,850	-	-	-	20	1,453,599	-	-	1,463,599
	4,707,528,869	325,876,012	2,709,199,777	(21,387,025)		350,395,079	153,673,781	(13,006,320)	491,062,540
Residence of executives:									
Furniture and fixtures	1,870,290	550,000	-	-	10	661,197	204,927	-	866,124
Electrical Appliances	11,858,694	2,250,000	-	(775,000)	20	6,355,487	1,436,373	(463,224)	7,328,636
	13,728,984	2,800,000	-	(775,000)		7,016,684	1,641,300	(463,224)	8,194,760
	4,721,257,853	328,676,012	2,709,199,777	(22,162,025)		357,411,763	155,315,081	(13,469,544)	499,257,300
Leased assets									
Furniture and fixtures	106,051,227	-	-	(25,000)	10	49,691,254	18,786,660	-	68,477,914
Electrical Appliances	58,886,808	-	-	(58,886,808)	20	43,449,990	15,111,268	(58,561,258)	-
Motor vehicles	42,309,602	7,190,000	-	-	20	14,870,473	8,821,085	-	23,691,558
	207,247,637	7,190,000	-	(58,911,808)		108,011,717	42,719,013	(58,561,258)	92,169,472
	4,928,505,490	335,866,012	2,709,199,777	(81,073,833)		465,423,480	198,034,094	(72,030,802)	591,426,772
									7,301,070,674

Southeast Bank Limited
Statement of tax position
as at 31 December 2012

Accounting year	Assessment year	Tax provision as per accounts	Tax as per assessment order/return filed	Tax paid	Excess/(Short) provision	Excess/(Short) paid	Status of assessment/ pending with
1996	1997-1998	Taka 3,257,419	Taka 12,238,230	Taka 12,238,230	Taka (8,980,811)	Taka -	Final
1997	1998-1999	28,000,000	39,475,788	34,012,284	(11,475,788)	(5,463,504)	Appeal to High Court
1998	1999-2000	41,305,000	71,275,712	42,494,020	(29,970,712)	(28,781,692)	Appeal to High Court
1999	2000-2001	85,000,000	75,685,833	75,685,833	9,314,167	-	Final
2000	2001-2002	114,500,000	99,878,512	99,675,362	14,621,488	(203,150)	Final
2001	2002-2003	131,492,000	168,819,477	168,819,477	(37,327,477)	-	Final
2002	2003-2004	181,986,000	225,452,928	225,452,928	(43,466,928)	-	Final
2003	2004-2005	299,337,000	258,455,279	258,455,279	40,881,721	-	Final
2004	2005-2006	247,514,000	265,683,786	265,683,786	(18,169,786)	-	Final
2005	2006-2007	543,275,000	496,558,406	496,558,406	46,716,594	-	Final
2006	2007-2008	714,000,000	882,994,803	882,994,803	(168,994,803)	-	Final
2007	2008-2009	1,354,633,782	1,217,328,089	1,217,328,089	137,305,693	-	Final
2008	2009-2010	1,247,747,625	1,254,750,456	1,254,750,456	(7,002,831)	-	Final
2009	2010-2011	1,581,579,531	1,550,769,453	1,550,769,453	30,810,078	-	Return filed
2010	2011-2012	2,145,600,000	1,609,058,226	1,609,058,226	536,541,774	-	Return filed
2011	2012-2013	2,381,069,133	1,802,799,834	1,802,799,834	578,269,299	-	Return filed

Annexure-II

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 interest as proprietor/director/managing agent/guarantor/employee/partner, etc.	% of shareholdings
1.	Mr. Alamgir Kabir, FCA	Chairman	Asia Insurance Limited National Life Insurance Co. Limited	6.40% Nil
2.	Mr. Ragib Ali	Vice Chairman	The Sythet Tea Co. Limited Rajnagar Tea Co. Limited Union Syndicate Limited Star Tea Estate Limited	19.58% 41.67% 19.00% 34.51%
3.	Mr. M. A. Kashem	Director	Rose Corner (Pvt.) Limited	50.00%
4.	Mr. Azim Uddin Ahmed	Director	Mutual Food Products Limited Mutual Milk Products Limited Mutual Trading Co. Limited	44.78% 52.00% 71.30%
5.	Mrs. Jusna Ara Kashem	Director	Rose Corner (Pvt.) Limited	20.00%
6.	Mrs. Duluma Ahmed	Director	Mutual Food Products Limited Mutual Milk Products Limited Mutual Trading Co. Limited	31.78% 16.00% 12.96%
7.	Mr. Md. Akikur Rahman	Director	None	Not applicable
8.	Mrs. Sirat Monira	Director	None	Not applicable
9.	Mr. Abdul Hye (representative of Karnafuli Tea Co. Ltd.)	Director	None	Not applicable
10.	Dr. Zaidi Sattar	Independent Director	None	Not applicable
11.	Mr. A. H. M. Moazzem Hossain	Depositor Director	International Publication Limited (Owning company of the Financial Express)	1.33%

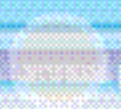
The annexed notes 1 to 18 form an integral part of these financial statements.

Southeast Bank Limited
Islamic Banking Branches

Annexure-I

Balance Sheet
as at 31 December 2012

PROPERTY AND ASSETS	Note	2012 Taka	2011 Taka
Cash:	1		
In hand (including foreign currencies)		71,449,623	44,907,906
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		629,350,833	695,916,914
		700,800,456	740,824,820
Balance with other banks and financial institutions	2		
In Bangladesh		1,400,201,134	600,201,134
Outside Bangladesh		-	-
		1,400,201,134	600,201,134
Money at call and on short notice		-	-
Investments in shares & securities	3		
Government		400,000,000	220,000,000
Others		1,825,022,848	1,760,336,150
		2,225,022,848	1,980,336,150
Investments	4		
General investments etc.		7,719,946,734	6,672,725,871
Bills purchased and discounted		462,404,340	523,435,726
		8,182,351,074	7,196,161,597
Fixed assets including premises, furniture and fixtures	5	23,445,756	23,327,213
Other assets		4,147,443,616	3,040,497,240
Non - banking assets		-	-
Total assets		16,679,264,884	13,581,348,154
LIABILITIES AND CAPITAL			
Liabilities:			
Placement from other banks, financial institutions and agents	6	1,400,000,000	400,000,000
Deposits and other Accounts	7		
Al-wadeeah current and other deposit accounts etc.		359,616,064	406,817,264
Bills payable		144,197,504	98,045,996
Mudaraba savings deposits		1,914,299,409	1,228,165,085
Mudaraba term deposits		11,699,649,990	11,004,652,737
		14,117,762,967	12,737,681,082
Other liabilities		1,161,501,917	443,667,072
Total liabilities		16,679,264,884	13,581,348,154
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	8		
Acceptances and endorsements		654,638,000	555,619,600
Letters of guarantee		465,970,635	415,072,611
Irrevocable letters of credit		663,806,000	392,629,000
Bills for collection		13,678,000	218,792,150
		1,798,092,635	1,582,113,361
Other commitments		-	-
Total off-balance sheet items including contingent liabilities		1,798,092,635	1,582,113,361



Southeast Bank Limited
Islamic Banking Branches

Annexure-I.1

Profit and Loss Account
for the year ended 31 December 2012

	Note	2012 Taka	2011 Taka
Profit on investments	9	2,047,016,336	1,537,471,105
Profit shared on deposits, borrowings etc.	10	(1,472,788,162)	1,043,141,251
Net profit on investments		574,228,174	494,329,854
Commission, exchange and brokerage	11	55,012,485	60,325,567
Other operating income	12	12,113,975	8,818,139
Total operating income		641,354,634	563,473,560
Salaries and allowances	13	56,689,535	53,129,992
Rent, taxes, insurance, electricity etc.	14	19,440,336	18,434,487
Legal expenses		1,500	15,050
Postage, stamp, telecommunication etc.	15	4,398,241	5,169,519
Stationery, printing, advertisement etc.	16	3,572,903	4,081,650
Depreciation and repair of Bank's assets	17	7,042,087	6,518,619
Other expenses	18	17,726,413	18,006,207
Total operating expenses		108,871,015	105,355,524
Profit before provision		532,483,619	458,118,036
Provision for investments			
General provision		68,765,251	5,800,000
Specific provision		-	352,500,000
		68,765,251	358,300,000
Provision for off-balance sheet exposures		2,160,000	-
Provision for diminution in value of investments		202,988,546	599,200,000
Total provision		273,913,797	957,500,000
Total profit/(loss) before taxes		258,569,822	(499,381,964)

The annexed notes 1 to 18 form an integral part of these financial statements.

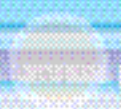
**Southeast Bank Limited
Islamic Banking Branches**

Annexure-I.2

Notes to the Financial Statements

as at and for the year ended 31 December 2012

1. Cash	2012 Taka	2011 Taka
In hand:		
Local currency	70,302,180	44,711,886
Foreign currencies	1,147,443	196,020
	<u>71,449,623</u>	<u>44,907,906</u>
Balance with Bangladesh Bank:		
Local currency	628,233,399	692,753,099
Foreign currencies	-	-
	<u>628,233,399</u>	<u>692,753,099</u>
Balance with Sonali Bank Limited (as agent of Bangladesh Bank):		
Local currency	1,117,434	3,163,815
	<u>629,350,833</u>	<u>695,916,914</u>
	<u>700,800,456</u>	<u>740,824,820</u>
1.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) have been calculated and maintained in accordance with section 33 of the Bank Companies Act 1991, MPD Circular nos. 4 and 5 dated 1 December 2010.		
The statutory Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6% has been calculated and maintained with Bangladesh Bank in current account and 11.5% Statutory Liquidity Requirement, including CRR, on the same liabilities has also been maintained in the form of government treasury bonds including FC balance with Bangladesh Bank. Both reserves maintained by the Bank, are shown below:		
1.1.1 a) Cash Reserve Requirement (CRR) for Islamic Banking		
6% (2011: 6%) of average Demand and Time Liabilities:		
Required reserve	524,826,180	467,426,000
Actual reserve held (average daily on bi-weekly basis)	628,233,399	691,467,000
Surplus	<u>103,407,219</u>	<u>224,041,000</u>
b) Statutory Liquidity Requirement (SLR) for Islamic Banking		
11.5% (2011: 11.5%) of required average Demand and Time Liabilities:		
Required reserve	1,005,916,850	895,899,000
Actual reserve held	1,100,800,456	958,929,560
Surplus	<u>94,883,606</u>	<u>63,030,560</u>
Held for Statutory Liquidity Ratio of Islamic Banking:		
Cash in hand	71,449,623	44,907,906
Balance with Bangladesh Bank as per statement	628,233,399	690,858,654
Balance with agent bank (Sonali Bank Ltd.) as per statement	1,117,434	3,163,000
Government treasury bonds	400,000,000	220,000,000
	<u>1,100,800,456</u>	<u>958,929,560</u>



Southeast Bank Limited
Islamic Banking Branches

Notes to the Financial Statements

as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
2. Balance with other banks and financial institutions		
In Bangladesh (Note 2.1)	1,400,201,134	600,201,134
Outside Bangladesh	-	-
	<u>1,400,201,134</u>	<u>600,201,134</u>
2.1 In Bangladesh		
Short term deposits account with:		
EXIM Bank Limited	100,000	100,000
Sonali Bank Limited	1,134	1,134
Social Islami Bank Limited	100,000	100,000
	201,134	201,134
Fixed deposits with other banks:		
AB Bank Limited	400,000,000	200,000,000
Premier Bank Limited	400,000,000	400,000,000
Bank Asia Limited	200,000,000	-
The City Bank Limited	400,000,000	-
	1,400,000,000	600,000,000
	<u>1,400,201,134</u>	<u>600,201,134</u>
3. Investments in shares & securities		
Bangladesh Government Islamic Bond	400,000,000	220,000,000
Others (Note 3.1)	1,825,022,848	1,760,336,150
	<u>2,225,022,848</u>	<u>1,980,336,150</u>
3.1 Others		
Shares in listed companies	2,495,664,102	2,272,085,660
Shares in un-listed companies	159,747,292	115,650,490
	2,655,411,394	2,387,736,150
Provision for diminution in the market value of shares	(830,388,546)	(627,400,000)
	<u>1,825,022,848</u>	<u>1,760,336,150</u>
3.2 Investments classified as per Bangladesh Bank Circular		
Held to maturity (HTM)	400,000,000	220,000,000
Other securities	1,825,022,848	1,760,336,150
	<u>2,225,022,848</u>	<u>1,980,336,150</u>
3.3 Cost and market value of investments		
3.3.1 Government securities	2012	2011
	Cost price Taka	Market price Taka
Bangladesh Government Islamic bond	400,000,000	220,000,000
	<u>400,000,000</u>	<u>220,000,000</u>



Southeast Bank Limited
Islamic Banking Branches

Notes to the Financial Statements

as at and for the year ended 31 December 2012

3.3.2 Others

Investment in Shares

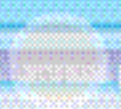
Particulars	2012		2011
	Market price	Cost price	Cost price
	Taka	Taka	Taka
Shares in listed companies	1,665,275,574	2,495,664,102	2,272,085,660
Shares in un-listed companies	159,747,292	159,747,292	115,650,490
	<u>1,825,022,866</u>	<u>2,655,411,394</u>	<u>2,387,736,150</u>
Provision for diminution in the market value of shares		(830,388,546)	(627,400,000)
		<u>1,825,022,848</u>	<u>1,760,336,150</u>
		<u>2,225,022,848</u>	<u>1,980,336,150</u>

Shares in listed companies

Investments have been recorded at cost and adequate provision has been made 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.

3.4 Market price of Investments and related provision as on 31 December 2012

Name of the Company	2012		Differences (Provision to be required) Taka
	Market price	Cost price	
	Taka	Taka	
Asia Insurance Limited	67,016,259	76,805,098	9,788,839
Aftab Automobiles Limited	255	368	113
Beximco Limited	24,005,100	40,668,410	16,663,310
Bay Leasing & Investment Limited	199,899,805	548,552,967	348,653,162
Export Import Bank of Bangladesh Limited	368,071,621	638,811,666	270,740,045
Khulna Power Company Limited	8,199,570	12,727,696	4,528,126
Lafarge Surma Cement Limited	306,611,550	320,467,778	13,856,228
Malek Spinning Mills Limited	466,860	561,322	94,462
National Life Insurance Company Limited	212,358,580	246,397,178	34,038,598
National Tea Company Limited	3,877,740	2,762,481	(1,115,259)
RAK Ceramic (Bangladesh) Limited	18,069,102	24,285,255	6,216,153
Summit Power Limited	66,132,401	91,826,590	25,694,189
Titas Gas Transmission & Distribution Co. Limited	192,564,803	243,004,485	50,439,682
Dhaka Electric Supply Company Limited	24,750,128	31,551,795	6,801,667
Grameenphone Limited	13,335,000	14,908,998	1,573,998
Golden Son Limited	9,556,950	11,462,969	1,906,019
Jamuna Oil Company Limited	12,762,750	16,711,269	3,948,519
LankaBangla Finance Limited	41,595,000	53,458,734	11,863,734
MUL Bangladesh Limited	5,467,420	5,750,129	282,709
Prime Finance & Investment Limited	1,968,000	5,374,522	3,406,522
Premier Leasing & Finance Limited	17,517,500	24,199,699	6,682,199
Prime Textile	710,600	1,029,050	318,450
Olympic Industries	2,361,600	2,676,246	314,646
R.N. Spinning Mills Limited	23,597,200	26,555,574	2,958,374
United Airways (BD) Limited	35,647,500	44,778,842	9,131,342
Union Capital Limited	1,362,200	2,701,920	1,339,720
Unique Hotel & Resorts Limited	7,370,080	7,633,061	262,981
	<u>1,665,275,574</u>	<u>2,495,664,102</u>	<u>830,388,528</u>
Actual provision			<u>830,388,546</u>
Surplus			<u>18</u>



Southeast Bank Limited
Islamic Banking Branches

Notes to the Financial Statements

as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
4. Investments		
investments (Note 4.1)	7,719,946,734	6,672,725,871
Bills purchased and discounted (Note 4.2)	462,404,340	523,435,726
	<u>8,182,351,074</u>	<u>7,196,161,597</u>
4.1 Investments		
In Bangladesh		
Demand Investment	180,804,801	101,310,936
Bai-Muajjal (Time) Investment	377,151,148	408,694,253
Bai-Muajjal Time under CCS	11,453,323	10,594,377
Bai-Murabaha-BLC	85,997,245	49,280,538
Bai-Murabaha-LTR	2,004,978,730	1,487,522,656
Bai-Salam	29,427,362	38,434,650
Staff House Building Investment	6,797,950	10,585,766
Investment against Cash Incentive	1,610,724	978,417
Bai-Muajjal - Investment	2,968,475,694	2,459,083,672
Murabaha - Investment	130,585,836	267,070,161
Hire purchase - Investment	1,825,613,705	1,642,845,958
Ijara - Investment	76,074,677	97,646,037
Quard against MTDR	20,975,539	97,428,434
Investment against Credit Card	-	1,250,016
	<u>7,719,946,734</u>	<u>6,672,725,871</u>
Outside Bangladesh	-	-
	<u>7,719,946,734</u>	<u>6,672,725,871</u>
4.2 Bills purchased and discounted		
Bills purchased and discounted excluding treasury bills:		
In Bangladesh	443,332,290	513,136,126
Outside Bangladesh	19,072,050	10,299,600
	<u>462,404,340</u>	<u>523,435,726</u>
5. Fixed assets including premises, furniture and fixtures		
Cost:		
Furniture and fixture	19,473,033	17,084,923
Office appliances	73,220	73,220
Electrical appliances	22,046,516	20,090,774
	<u>41,592,769</u>	<u>37,248,917</u>
Less: Accumulated depreciation		
Furniture and fixture	6,899,359	5,570,185
Office appliances	73,218	69,529
Electrical appliances	11,174,436	8,281,990
	<u>18,147,013</u>	<u>13,921,704</u>
Written down value at the end of the year	<u>23,445,756</u>	<u>23,327,213</u>



Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
 as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
6. Placement from other banks, financial institutions and agents		
In Bangladesh (Note 6.1)	1,400,000,000	400,000,000
Outside Bangladesh	-	-
	<u>1,400,000,000</u>	<u>400,000,000</u>
6.1 In Bangladesh		
Secured:		
Borrowing against securities from Bangladesh Bank	1,400,000,000	400,000,000
	<u>1,400,000,000</u>	<u>400,000,000</u>
Un secured	-	-
	<u>1,400,000,000</u>	<u>400,000,000</u>
7. Deposits and other accounts		
Al-wadeeah current accounts and other accounts		
Al-wadeeah current deposits	176,543,353	218,616,226
Foreign currency deposits	13,795,479	9,988,225
Sundry deposits	169,277,232	178,212,813
	<u>359,616,064</u>	<u>406,817,264</u>
Bills payable		
Payment order issued	140,972,299	97,785,569
Demand draft	3,225,205	260,427
	<u>144,197,504</u>	<u>98,045,996</u>
Savings bank/Mudaraba savings bank deposits	1,914,299,409	1,228,165,085
Mudaraba term deposits		
Mudaraba term deposits	10,518,855,918	9,951,498,210
Mudaraba short notice deposits	230,338,895	232,572,474
Scheme deposits	736,977,134	598,381,143
Profit payable on MTDR/Scheme	213,478,043	222,200,910
	<u>11,699,649,990</u>	<u>11,004,652,737</u>
	<u>14,117,762,967</u>	<u>12,737,681,082</u>
8. Contingent liabilities		
8.1 Acceptances and endorsements		
Acceptance under Letters of Credit -Import	445,060,000	304,552,600
Acceptance under Letters of Credit -Export	209,578,000	251,067,000
	<u>654,638,000</u>	<u>555,619,600</u>
Less: Margin	92,692,575	112,366,656
	<u>561,945,425</u>	<u>443,252,944</u>
8.2 Letters of guarantee		
Letters of guarantee (Local)	452,821,635	415,072,611
Letters of guarantee (Foreign)	13,149,000	-
	<u>465,970,635</u>	<u>415,072,611</u>
Less: Margin	28,318,453	21,018,227
	<u>437,652,182</u>	<u>394,054,384</u>
Balance for which the Bank is contingently liable in respect of guarantee issued favouring:		
Directors or officers	-	4,783,060
Government	-	-
Banks and other financial institutions	-	-
Others	465,970,635	410,289,551
	<u>465,970,635</u>	<u>415,072,611</u>
Less: Margin	28,318,453	21,018,227
	<u>437,652,182</u>	<u>394,054,384</u>

Southeast Bank Limited
Islamic Banking Branches

Notes to the Financial Statements

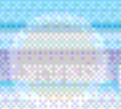
as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
8.3 Irrevocable letters of credit		
Back to back L/C	75,866,000	12,004,000
Others	587,940,000	380,625,000
	663,806,000	392,629,000
Less: Margin	44,929,626	34,055,126
	<u>618,876,374</u>	<u>358,573,874</u>
8.4 Bills for collection		
Bills for collection (Local)	10,393,000	197,922,150
Bills for collection (Foreign)	3,285,000	20,870,000
	<u>13,678,000</u>	<u>218,792,150</u>
8.5 Value of Bangladesh Sanchaypatra	-	-
9. Profit on investments		
Profit on Investments	1,029,706,667	849,889,381
Profit on placement with other banks	82,537,390	37,028,783
Inter branch interest income	934,772,279	650,552,941
	<u>2,047,016,336</u>	<u>1,537,471,105</u>
10. Profit shared on deposits and borrowings etc.		
Profit shared on deposits	1,427,338,861	1,020,010,695
Profit on Re-finance borrowings	45,449,301	23,130,556
	<u>1,472,788,162</u>	<u>1,043,141,251</u>
11. Commission, exchange and brokerage		
Commission and brokerage	50,688,092	53,701,137
Exchange gain	4,324,393	6,624,430
	<u>55,012,485</u>	<u>60,325,567</u>
12. Other operating income		
Remittance fees	351,282	410,531
Service and incidental charges	5,908,100	5,019,979
Other Fees-Telephone and Postage	1,548,402	1,836,594
Income from ATM services	-	100
Income from Credit Card	39,980	-
Other Fees - SWIFT	2,202,518	1,029,472
Miscellaneous income	2,063,693	521,463
	<u>12,113,975</u>	<u>8,818,139</u>
13. Salaries and allowances		
Basic salary	25,144,556	23,877,321
Allowances	18,534,674	16,669,803
Bonus	10,767,776	10,564,925
Provident fund	2,242,529	2,017,943
	<u>56,689,535</u>	<u>53,129,992</u>



Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
as at and for the year ended 31 December 2012

	2012 Taka	2011 Taka
14. Rent, taxes, insurance, electricity etc.		
Rent, rates and taxes	11,850,566	11,501,106
Insurance	4,611,203	4,692,992
Electricity and lighting	2,978,567	2,240,389
	19,440,336	18,434,487
15. Postage, stamp, telecommunication etc.		
Postage	1,139,090	1,370,200
Telephone	337,561	348,213
Electronic banking service	48,300	193,200
VSAT on-line	1,811,869	2,257,229
SWIFT services	1,061,421	1,000,677
	4,398,241	5,169,519
16. Stationery, printing, advertisements etc.		
Office stationery	641,839	567,080
Printing stationery	1,491,233	1,613,475
Security stationery	1,053,905	1,396,838
Computer stationery	374,326	445,336
Publicity and advertisement	11,600	58,919
	3,572,903	4,081,650
17. Depreciation and repair of Bank's assets		
Depreciation on own assets:		
Furniture and fixtures	1,316,799	1,487,212
Office appliances	3,689	1,920
Electrical appliances	2,967,447	2,936,081
	4,287,935	4,425,213
Repair:		
Furniture and fixtures	819,039	451,601
Office and electrical appliances	1,297,849	1,190,090
Motor vehicles	69,061	43,859
Repair, maintenance and utilities	568,203	407,856
	2,754,152	2,093,406
	7,042,087	6,518,619
18. Other expenses		
Security and cleaning	3,059,438	2,340,846
Entertainment - Office	1,399,153	1,710,229
Car expenses	4,510,499	3,559,651
Books and periodicals	41,713	39,458
Subscription and donation	3,000	3,000
Travelling expenses	313,430	313,645
Conveyance	203,818	341,377
Fuel	138,260	125,516
Training/seminar	10,000	15,000
Uniforms and apparels	142,957	131,330
Medical expenses	-	580,500
Professional expenses	9,900	-
Expenses for CIB report	2,430	1,350
Loss on sale of fixed assets	-	2,170,827
Expenses regarding retail banking	466,262	-
Miscellaneous	7,425,553	6,673,478
	17,726,413	18,006,207



Southeast Bank Limited
Off-shore Banking Unit

Annexure-I

Balance Sheet
as at 31 December 2012

PROPERTY AND ASSETS	Note	2012		2011
		USD	Taka	Taka
Cash				
In hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent bank		-	-	-
Balance with other banks and financial institutions	3			
In Bangladesh		5,204.00	415,539	-
Outside Bangladesh		1,128.41	90,103	40,572
		6,332.41	505,642	40,572
Money at call and on short notice		-	-	816,847,000
Loans and advances	4			
Loans, cash credits, overdrafts, etc.		-	-	-
Bills purchased and discounted		18,254,537.45	1,457,622,990	165,291,597
		18,254,537.45	1,457,622,990	165,291,597
Fixed assets including premises, furniture and fixtures	5	42,065.35	3,358,913	4,002,155
Other assets	6	10,618.79	847,909	7,343,161
Non - banking assets		-	-	-
Total assets		<u>18,313,554.00</u>	<u>1,462,335,454</u>	<u>993,524,485</u>
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	7	18,198,765.00	1,453,169,565	999,044,723
Deposits and other accounts				
Current deposits		4,229.00	337,685	-
Bills payable		-	-	-
Savings bank deposits		-	-	-
Fixed deposits		-	-	-
Bearer certificate of deposit		-	-	-
		4,229.00	337,685	-
Other liabilities	8	250,761.88	20,023,312	1,248,049
Total liabilities		<u>18,453,755.88</u>	<u>1,473,530,562</u>	<u>1,000,292,772</u>
Capital / Shareholders' equity				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Other reserve		-	-	-
Foreign currency losses		-	(110,580)	(594,792)
Retained earnings	9	(140,201.88)	(11,084,528)	(6,173,495)
Total Shareholders' equity		<u>(140,201.88)</u>	<u>(11,195,108)</u>	<u>(6,768,287)</u>
Total liabilities and Shareholders' equity		<u>18,313,554.00</u>	<u>1,462,335,454</u>	<u>993,524,485</u>

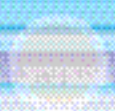


Southeast Bank Limited
Off-shore Banking Unit

Balance Sheet
as at 31 December 2012

	2012		2011
	USD	Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	45,469.31	3,630,720	-
Letters of guarantee	-	-	-
Irrevocable letters of credit	-	-	-
Bills for collection	172,283.75	13,756,840	-
Other contingent liabilities	-	-	-
	217,753.06	17,387,560	-
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	-	-	-
Liabilities against forward purchase and sale	-	-	-
Other commitments	-	-	-
	217,753.06	17,387,560	-
Other memorandum items			
Value of travellers' cheques in hand	-	-	-
Value of Bangladesh Sanchayapatra in hand	-	-	-
	-	-	-
Total Off-Balance Sheet items including contingent liabilities	217,753.06	17,387,560	-

The annexed notes 1 to 16 form an integral part of these financial statements.



Southeast Bank Limited
Off-shore Banking Unit
Profit and Loss Account
for the year ended 31 December 2012

		2012		2011
		USD	Taka	Taka
Interest income	10	611,509.86	49,359,853	13,033,710
Interest paid on deposits and borrowings, etc.	11	(344,257.79)	(27,787,800)	(9,282,880)
Net interest income		267,252.07	21,572,053	3,750,830
Commission, exchange and brokerage		11,331.07	914,621	-
Other operating income		-	-	-
Total operating income (A)		278,583.14	22,486,674	3,750,830
Salaries and allowances	12	31,158.91	2,515,085	2,338,223
Rent, taxes, insurance, electricity, etc.	13	10,162.69	820,312	1,713,638
Postage, stamp, telecommunication, etc.	14	8,944.35	721,970	152,239
Stationery, printing, advertisements, etc.		103.83	8,381	195,468
Auditors' fees		-	-	-
Depreciation and repair of Bank's assets	15	6,981.82	563,559	538,041
Other expenses	16	93,851.83	7,575,532	4,986,716
Total operating expenses (B)		151,203.43	12,204,839	9,924,325
Profit / (Loss) before provision (C=A-B)		127,379.71	10,281,835	(6,173,495)
Provision for loans and advances				
General provision		182,545	14,576,230	1,086,020,965
Specific provision		-	-	-
		182,545	14,576,230	1,086,020,965
Provision for off-balance sheet exposures		2,178	173,876	12,954,857
Provision for diminution in value of investments		-	-	-
Other provision		-	-	-
Total provision (D)		184,723	14,750,106	1,098,975,823
Total profit/(loss) (C-D)		(57,343.20)	(4,468,271)	(1,105,149,318)

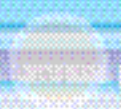
The annexed notes 1 to 16 form an integral part of these financial statements.



Southeast Bank Limited
Off-shore Banking Unit
Cash Flow Statement
for the year ended 31 December 2012

Annexure-J2

	2012		2011
	USD	Taka	
A) Cash flows from operating activities			
Interest receipts	611,509.86	49,359,853	13,033,710
Interest payments	(344,257.79)	(27,787,800)	(9,282,880)
Fees and commission receipts	11,331.07	914,621	-
Cash payment to employees	(31,158.91)	(2,515,085)	(2,338,222)
Cash payment to suppliers	(103.83)	(8,381)	(195,468)
Income tax paid	-	-	-
Receipts from other operating activities	-	-	-
Payments for other operating activities	(112,958.87)	(9,117,814)	(6,852,593)
Operating profit / (loss) before changes in operating assets and liabilities	134,361.53	10,845,394	(5,635,453)
<i>Increase/decrease in operating assets and liabilities:</i>			
Loans and advances to customers	(16,231,005.54)	(1,292,331,393)	(165,291,597)
Other assets	79,277.62	6,495,252	(7,343,161)
Deposits from banks	5,968,265.00	454,124,842	-
Trading liabilities	4,229.00	337,685	999,044,723
Other liabilities	50,760.11	4,108,967	1,248,049
	(10,128,473.81)	(827,264,647)	827,658,014
Net cash from operating activities	(9,994,112.28)	(816,419,253)	822,022,561
B) Cash flows from investing activities			
Investments of treasury bills and bonds	-	-	-
Purchase/sale of trading securities	-	-	-
Purchase of fixed assets	(52.00)	(4,127)	(4,540,197)
Net cash used in investing activities	(52.00)	(4,127)	(4,540,197)
C) Cash flows from financing activities			
Transfer of profit to Head Office	-	-	-
Net cash from financing activities	-	-	-
D) Net increase in cash and cash equivalents (A+ B + C)	(9,994,164.28)	(816,423,380)	817,482,364
E) Effects of exchange rate fluctuations on cash and cash equivalents held	-	41,450	(594,792)
F) Cash and cash equivalents at beginning of the year	10,000,496.69	816,887,572	-
G) Cash and cash equivalents at end of the year (D+E+F)	6,332.41	505,642	816,887,572
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	-	-	-
Balance with other banks and financial institutions	6,332.41	505,642	40,572
Money at call and on short notice	-	-	816,847,000
Prize bond	-	-	-
	6,332.41	505,642	816,887,572



Notes to the Financial Statements

as at and for the year ended 31 December 2012

1 Status of the unit

Off-shore Banking Unit (OBU) is a separate business unit of Southeast Bank Ltd., governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained permission to operate OBUs vide Letter No. BRPD(P-3)744(98)/2008-2213 dated June 24, 2008. The Bank presently has 2 (two) OBUs – one at Export Processing Zone, Dhaka and the other at Export Processing Zone, Chittagong.

OBUs boost up foreign trade by extending finance to industrial units inside and outside the Export Processing Zone (EPZ) area. OBUs are free to make loans/advances to persons/institutions not resident in Bangladesh and to make loans/advances to Type-A (wholly foreign owned) units in the EPZs in Bangladesh. Industrial units outside the EPZs and Type-B and Type-C industrial units within the EPZs in Bangladesh may avail term loans in foreign currencies from OBUs subject to compliance with the guidelines issued by the Board of Investment for borrowing abroad by industrial units Bangladesh.

2 Significant accounting policies and basis of preparations

2.1 Basis of preparation

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the OBUs. The financial statements of the OBUs are prepared in accordance with the Bank Companies Act 1991, in particular, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated June 25, 2003, other Bangladesh Bank Circulars and Bangladesh Financial Reporting Standards (BFRS).

2.2 Foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates, i.e., the functional currency. The financial statements are presented in Taka which is the Bank's functional and presentation currency. Figures appearing in the financial statements have been rounded off to the nearest Taka. Assets & Liabilities and Income & Expenses have been converted into Taka currency @ US\$1 = Tk. 79.8499 (closing rate as at 31 December 2012) and Tk. 80.7180 (average rate which represents the year end) respectively.

2.3 Basis of Accounting

OBUs maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, Bangladesh Financial Reporting Standards and other applicable directives issues by Bangladesh Bank.

2.4 Functional and presentation currency

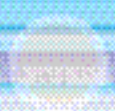
The Financial Statements of OBUs are presented in both USD and Bangladesh Taka (Taka/Tk.) except as otherwise indicated. Financial information presented in Taka has been rounded off to the nearest integer and financial information presented in USD has been rounded into two decimal points.

Southeast Bank Limited
Off-shore Banking Unit (OBU)

Notes to the Financial Statements

as at and for the year ended 31 December 2012

	2012		2011
	USD	Taka	Taka
3. Balance with other banks and financial institutions			
In Bangladesh	5,204.00	415,539	-
Outside Bangladesh	1,128.41	90,103	40,572
	<u>6,332.41</u>	<u>505,642</u>	<u>40,572</u>
4. Loans and advances			
Loans, cash credit, overdrafts etc.	-	-	-
Bills purchased and discounted (Note 4.1)	18,254,537.45	1,457,622,990	165,291,597
	<u>18,254,537.45</u>	<u>1,457,622,990</u>	<u>165,291,597</u>
4.1 Bills purchased and discounted			
Payable in Bangladesh	-	-	-
Payable outside Bangladesh	18,254,537.45	1,457,622,990	165,291,597
	<u>18,254,537.45</u>	<u>1,457,622,990</u>	<u>165,291,597</u>
5. Fixed assets including premises, furniture and fixtures			
Cost:			
Furniture and fixture	40,222.92	3,211,796	3,285,597
Electrical Appliances	16,045.67	1,281,245	1,306,438
	<u>56,268.59</u>	<u>4,493,041</u>	<u>4,592,035</u>
Less: Accumulated depreciation			
Furniture and fixture	7,975.26	636,824	328,560
Electrical Appliances	6,227.98	497,304	261,320
	<u>14,203.24</u>	<u>1,134,128</u>	<u>589,880</u>
	<u>42,065.35</u>	<u>3,358,913</u>	<u>4,002,155</u>
6. Other assets			
Accrued Interest on Calls and Placement	-	-	1,495,102
Prepaid Expense-Front end fees	-	-	5,672,549
Advance Office Rent	2,148.63	171,568	175,510
Accounts Receivable Others	8,470.16	676,341	-
	<u>10,618.79</u>	<u>847,909</u>	<u>7,343,161</u>
7. Borrowings from other banks, financial institutions and agents			
Borrowing from Financial Institutions	10,000,000.00	798,499,000	816,847,000
Borrowing from Head Office	8,198,765.00	654,670,565	182,197,723
	<u>18,198,765.00</u>	<u>1,453,169,565</u>	<u>999,044,723</u>
8. Other liabilities			
Interest Payable on Borrowings	65,533.34	5,232,831	1,248,049
Provision for Unclassified loans and advances	182,545.38	14,576,230	-
Provision for Off-Balance Exposures	2,177.53	173,876	-
Others	505.63	40,375	-
	<u>250,761.88</u>	<u>20,023,312</u>	<u>1,248,049</u>
9. Retained earnings			
Balance 1 January	(82,858.68)	(6,768,287)	-
Foreign currency translation gains/(losses) for last year	-	152,030	-
	<u>(82,858.68)</u>	<u>(6,616,257)</u>	<u>-</u>
Addition during the year	(57,343.20)	(4,468,271)	(6,173,495)
	<u>(140,201.88)</u>	<u>(11,084,528)</u>	<u>(6,173,495)</u>
Foreign currency translation gains/(losses)	-	(110,580)	(594,792)
	-	<u>(11,195,108)</u>	<u>(6,768,287)</u>



Southeast Bank Limited
Off-shore Banking Unit (OBU)

Notes to the Financial Statements

as at and for the year ended 31 December 2012

	2012		2011
	USD	Taka	Taka
10. Interest income			
Interest Income from Bill purchased and Discounted	514,388.35	41,520,399	11,669,997
Interest Income from Calls and Placement	97,121.51	7,839,454	1,363,713
	<u>611,509.86</u>	<u>49,359,853</u>	<u>13,033,710</u>
11. Interest paid on deposits and borrowings etc.			
Interest on Borrowings from Financial Institution	277,145.87	22,370,660	6,876,183
Interest on Borrowings	67,111.92	5,417,140	2,406,697
	<u>344,257.79</u>	<u>27,787,800</u>	<u>9,282,880</u>
12. Salaries and allowances			
Basic salary	21,774.27	1,757,576	2,003,018
Allowances	9,384.64	757,509	-
Bonus	-	-	335,205
	<u>31,158.91</u>	<u>2,515,085</u>	<u>2,338,223</u>
13. Rent, taxes, insurance, electricity, etc.			
Rent, rates and taxes	8,494.35	685,647	1,610,854
Insurance	426.22	34,404	-
Electricity and lighting	1,242.12	100,261	102,784
	<u>10,162.69</u>	<u>820,312</u>	<u>1,713,638</u>
14. Postage, stamp, telecommunication, etc.			
Postage	3.89	314	101
Expenses regarding On-line SWIFT charges	2,226.22	179,696	-
FC Nostro charges	5,848.26	472,060	-
Telephone	481.00	38,825	24,736
	<u>384.98</u>	<u>31,075</u>	<u>127,402</u>
	<u>8,944.35</u>	<u>721,970</u>	<u>152,239</u>
15. Depreciation and repair of Bank's assets			
Depreciation on own assets:			
Furniture and fixtures	3,952.97	319,076	299,686
Electrical appliances	3,028.85	244,483	238,355
	<u>6,981.82</u>	<u>563,559</u>	<u>538,041</u>
16. Other expenses			
Security and cleaning	8,707.73	702,871	542,761
Entertainment	466.61	37,664	21,459
Car expenses	7,849.08	633,562	110,777
Books and periodicals	61.34	4,951	3,200
Conveyance	757.60	61,152	36,241
Miscellaneous	76,009.47	6,135,332	4,272,278
	<u>93,851.83</u>	<u>7,575,532</u>	<u>4,986,716</u>

Southeast Bank Limited and its subsidiaries Geographical and Business Segments

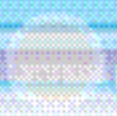
Annexure - K

I) Geographical Segment

Particulars	Inside Bangladesh			Outside Bangladesh	Total consolidated
	Southeast Bank Limited (Conventional & Islamic Banking)	Off Shore Banking Units	SEBL Capital Services Limited	SEBL Financial Services Limited	
	Taka	Taka	Taka	Taka	
Income	7,683,029,729	22,486,674	122,479,702	3,628,876	7,831,624,981
Less: Inter segmental Income	-	-	-	-	-
Total Income	7,683,029,729	22,486,674	122,479,702	3,628,876	7,831,624,981
Operating Profit (Profit before unallocated expenses and tax)	7,683,029,729	22,486,674	122,479,702	3,628,876	7,831,624,981
Allocated Expenses	(2,259,438,549)	(12,204,845)	(49,709,108)	(15,086,032)	(2,336,438,534)
Provision against Loans & Advances and Others	(1,835,208,406)	(14,576,230)	(41,564,106)	-	(1,891,348,742)
Profit / (Loss) before tax	3,588,382,774	(4,294,401)	31,206,488	(11,457,156)	3,603,837,705
Provision for tax including deferred tax	(1,923,813,235)	-	(31,102,723)	-	(1,954,915,958)
Net Profit	1,664,569,539	(4,294,401)	103,765	(11,457,156)	1,648,921,747
Segment Assets	188,325,588,417	1,461,919,917	147,331,418	(13,259,745)	189,921,580,007
Segment Liabilities	188,325,588,417	1,461,919,917	147,331,418	(13,259,745)	189,921,580,007

II) Business Segment

Particulars	Inside Bangladesh			Outside Bangladesh	Total consolidated
	Conventional Banking including OBU	Islamic Banking	SEBL Capital Services Ltd.	SEBL Financial Services Ltd.	
	Taka	Taka	Taka	Taka	
Income	7,064,161,769	641,354,634	122,479,702	320,698,762	8,148,694,867
Less: Inter segmental Income	(317,069,886)	-	-	-	(317,069,886)
Total Income	6,747,091,883	641,354,634	122,479,702	320,698,762	7,831,624,981
Operating Profit (Profit before unallocated expenses and tax)	6,747,091,883	641,354,634	122,479,702	320,698,762	7,831,624,981
Allocated Expenses	(2,162,772,381)	(108,871,014)	(49,709,108)	(15,086,032)	(2,336,438,535)
Provision against Loans & Advances and Others	(1,638,236,090)	(211,548,546)	(41,564,106)	-	(1,891,348,742)
Profit / (Loss) before tax	2,946,083,412	320,935,074	31,206,488	305,612,730	3,603,837,704
Provision for tax including deferred tax	(1,923,813,235)	-	(31,102,723)	-	(1,954,915,958)
Net Profit	1,022,270,177	320,935,074	103,765	305,612,730	1,648,921,746
Segment Assets	173,039,565,765	16,747,942,568	147,331,418	(13,259,745)	189,921,580,006
Segment Liabilities	173,039,565,765	16,747,942,568	147,331,418	(13,259,745)	189,921,580,006



Pinaki & Company

AUDITOR'S REPORT TO THE SHAREHOLDERS OF SOUTHEAST BANK CAPITAL SERVICES LIMITED

We have audited the accompanying financial statements of Southeast Bank Capital Services Limited which comprises the Statement of Financial Position as at December 31, 2012 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Shareholders Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting standards (BFRS), the companies Act 1994, and other applicable laws and regulations. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at December 31, 2012 and its cash flows for the year then ended and comply with the companies Act 1994 and other applicable laws and regulations.

We also report that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iii) The Company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business;

Dhaka
Dated: 20.02.2013

Pinaki & Company
Chartered Accountants





Southeast Bank Capital Services Ltd.

Statement of Financial Position as at December 31, 2012

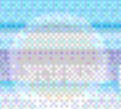
PARTICULAR	TAKA	
	31-12-2012	31-12-2011
A NON-CURRENT ASSETS	72,864,297	73,102,859
Fixed Assets	Note-4 71,771,082	71,645,239
Preliminary Expense	Note-5 1,093,215	1,457,620
B CURRENT ASSETS	3,644,181,528	3,578,018,070
Margin Loan	2,104,716,150	2,158,422,136
Accounts Receivable	Note-6 29,914,269	23,805,675
Advances, Deposits and Prepayments	Note-7 99,725,248	81,234,883
Investment in Quoted Shares	Note-8 1,348,642,209	1,259,878,683
Accrued Income	610,526	523,531
Cash and Cash Equivalent	Note-9 60,573,126	54,153,162
C TOTAL ASSETS [A + B]	3,717,045,825	3,651,120,929
D EQUITY AND LIABILITIES	768,738,878	758,465,126
Share Capital	Note-10 1,000,000,000	1,000,000,000
Retained Earnings	Note-11 (231,261,122)	(241,534,874)
E NON CURRENT LIABILITIES	14,596,607	7,879,289
Accumulated Depreciation	14,596,607	7,879,289
F CURRENT LIABILITIES	2,933,710,340	2,884,776,514
Margin Deposit	11,854,473	22,996,531
Accounts Payable	-	362,879
Collection in Transit	35,076,461	38,626,342
Bank Overdraft	2,402,903,434	2,416,290,165
Provision for Corporate Income Tax	54,282,257	23,179,534
Provision for Diminution in Value of Investments	Note-12 330,666,623	289,120,481
Provision for Expenses	Note-13 82,914,943	80,897,467
Other Liabilities	15,099,566	12,881,049
Provident Fund	912,583	422,066
	3,717,045,825	3,651,120,929

Signed in terms of our separate report of even date


 Director


 Managing Director
 (cc)


 PINAKI & COMPANY
 Chartered Accountants

**Southeast Bank Capital Services Ltd.****Statement of Comprehensive Income** for the year ended December 31, 2012

PARTICULARS	TAKA		
	2012	2011	
Income:			
Interest on Portfolio Loan	334,685,024	299,077,951	
Interest on Fixed deposit	7,271,448	19,937,896	
Portfolio Management Fee	23,320,025	37,952,938	
Documentation charge	90,435	139,565	
Settlement Fee	23,612,225	30,608,587	
Commission on Under Writing	701,179	900,000	
Income on Investment Shares	35,256,343	115,132	
Dividend income	14,612,909	840,430	
Total	439,549,588	389,572,499	
Expenses:			
Salary & Allowance	Note-14	9,165,771	10,967,940
Financial Charge	Note-15	317,069,886	286,689,526
Printing & Stationery		260,724	203,310
Advertisement (others)		-	165,569
Local Conveyances		10,480	10,080
Entertainment		268,418	365,946
Telephone & Postage		122,291	120,506
Rents, Rates & Taxes		17,204,147	17,268,153
Miscellaneous Expenses		66,877	31,063
CDBL Expenses		3,304,696	2,369,637
Misc. Contractual Services		719,174	486,984
Bank Charges		7,785	10,531
Director Remuneration		190,000	245,000
Legal Expenses		3,200	15,575
Other Professional Service Charge		57,500	99,275
Audit Fees		25,000	25,000
Preliminary Expense Write-Off		364,405	364,405
Corporate Expenses (Subscription)		156,500	128,200
Repair & Maintenance		894,821	453,839
Depreciation		6,717,318	7,740,043
Total Expense		356,608,993	327,760,582
Net profit before provision		82,940,595	61,811,917
Less: Provision for Diminution in Value of Investments	Note-12	41,564,120	280,963,881
Profit/(loss) before tax		41,376,475	(219,151,964)
Less: Provision for Corporate Income Tax		31,102,723	23,179,468
Retained Earnings Carried Forward		10,273,752	(242,331,432)

Examined and found correct



Director



Managing Director
(cc)



PINAKI & COMPANY
Chartered Accountants

Southeast Bank Capital Services Ltd.
Statement of Changes in Shareholders Equity
 for the year ended December 31, 2012

Particulars	Share capital	General reserve	Retained earnings	Total
Balance as on 01.01.2012	1,000,000,000	-	(241,534,874)	758,465,126
Add: during the year		-	-	-
Retained earnings during the year	-	-	10,273,752	10,273,752
Balance as on 31.12.2012	1,000,000,000	-	(231,261,122)	768,738,878

Southeast Bank Capital Services Ltd.

Statement of Cash Flows for the year ended December 31, 2012

PARTICULARS

TAKA

	Year Ended from January 01, to December 31, 2012	Period from December 01, to December 31, 2011
Cash flow from operating activities		
Received from investors	362,316,851	547,498,184
Withdrawal by Investors	(489,390,506)	(607,907,714)
Collection from Broker	3,266,041,115	2,924,528,815
Payment to Broker	(2,730,987,203)	(3,055,045,018)
Dividend Collected for Investor	32,647,778	24,940,315
IPO Application for Investors	(102,462,000)	(28,597,320)
IPO Refund received for Investors	89,014,500	7,410,120
Right Application for Investors	(5,077,970)	(13,007,845)
Underwriting Commission Received	701,179	900,000
Operating Expenses	(23,492,736)	(26,495,578)
Income Tax	(21,578,000)	(10,981,457)
Prepaid Expense Lease Rental for Head Office Space	-	(59,211,840)
Net cash used in operating activities	377,733,008	(295,969,338)
Cash flow from investing activities		
Final Settlement with Southeast Bank for Merchant Banking Operation	-	(1,432,219,836)
Investment in Quoted Shares	(229,529,225)	(703,240,390)
Disposal of Investment in Quoted Shares	170,312,325	2,942,271
Acquisition of Fixed Asset (Building)	-	(69,511,560)
Acquisition of Fixed Asset (Electrical Appliance)	125,843	(135,592)
Capital Work in Progress (Interior Decoration)	-	(18,855,000)
Capital Work in Progress (Air Conditioning Installation)	-	(4,960,000)
Interest on FDR	6,544,303	19,414,365
Income from Dividend	11,690,327	840,430
Net cash used in investing activities	(40,856,427)	(2,205,725,312)
Cash flow from financing activities		
Repayment of Overdraft	(13,386,731)	2,223,319,912
Interest Paid on Overdraft	(317,069,886)	(207,379,304)
Net cash provided by financing activities	(330,456,617)	2,015,940,608
Increase/(decrease) in cash and bank balances	6,419,964	(485,754,042)
Cash and bank balances on opening	54,153,162	539,907,204
Cash and bank balances on closing	60,573,126	54,153,162



Southeast Bank Capital Services Ltd.

Notes to the Financial Statements as at December 31, 2012

1.0 Legal status and nature of the Company

Southeast Bank Capital Services Limited (hereinafter referred to as "the Company") was incorporated in Bangladesh as a public limited company on 23.09.2010 under the Companies Act 1994 and granted registration number C-87139/10.

1.1 Address of the registered office

The company operates its activities from Euroos Trade Center, 52/53 Dilkusha C/A, Dhaka-1000.

1.2 Nature of Business Activities:

The main object of Southeast Bank Capital Services Limited is to carry on the business of merchant banking under the Securities of Exchange (Merchant Banking and Portfolio Management) Regulation 1996.

2.0 Significant accounting policies

2.1 Statement of Compliance

The financial statements of Southeast Bank Capital Services Limited have been prepared in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994 and other applicable laws and regulations.

2.2 Measurement bases used in preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Board (IASB).

2.3 Going Concern

Financial statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

2.4 Components of financial statements:

According to International Accounting Standard (IAS) – 1, as adopted by ICAB as BAS – 1 "presentation of financial statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position
- ii) Statement of Cash Flow Statement
- iii) Statement of Changes in Shareholders Equity and
- iv) Notes to the Financial Statements.

3.0 Principal Accounting Policies:

3.1 Cash flow Statement

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 1B(b) of BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

3.2 Reporting Currency and Level of Precision:

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded-off to the nearest Taka.

Southeast Bank Capital Services Ltd.

Notes to the Financial Statements as at December 31, 2012

Particulars

4. Fixed Assets

Particulars	Cost			Rate %	Depreciation			W.D.V as at 31.12.2012
	as at 01.01.2012	Addition during the year	Total as at 31.12.2012		as at 01.01.2012	during the year	Accumulated as at 31.12.2012	
Buildings	69,511,560	-	69,511,560	10%	6,951,156	6,256,040	13,207,196	56,304,364
Computer Software	1,300,000	-	1,300,000	50%	650,000	325,000	975,000	325,000
Electrical Appliance	833,679	125,843	959,522	20%	278,133	136,278	414,411	545,111
Total	71,645,239	125,843	71,771,082		7,879,289	6,717,318	14,596,607	57,174,475

No. Particulars

Taka

5 Preliminary Expenses

As per last account 1,457,620
Less: Adjusted during the year 364,405

1,093,215

6 Accounts Receivable

BLI Securities Ltd 20,497,391
IIDFC Securities Ltd 6,060,485
Int. Leasing Securities Ltd 2,499,074
National Securities & Consultants Ltd. 857,319

29,914,269

7 Advance, deposit and Prepayment

Lease Rental (Eunoos Center) 45,025,670
Corporate Income Tax 30,845,663
Pre-paid expense 23,853,915

99,725,248

8 Investment in Quoted Share

Asia Insurance 9,494,351
Bay Leasing 135,242,251
Beximco Ltd 6,794,138
Beximco Pharma 6,300,170
Brac Bank Ltd 1,779,113
CMC Kamal 5,287,164
Exim Bank Ltd 59,475,514
Golden Son 3,589,651
IFIC Bank 2,501,165
KeyaCosmet (Right) 164,040
KeyaCosmetics Ltd. 4,907,339
Lafarge Cement 33,615,795
Lanka Bangla Finance 7,336,379
Meghna Life Ins. 5,165,545
National Life Ins. 963,923,860
National Tea 25,715,625
Power Grid 4,086,380
Prime Bank 35,381,663
SEBLISTMF 14,005,000
Titas Gas 21,545,846
Trust Bank Ltd. 2,330,380
United Airways 840

1,348,642,209



Southeast Bank Capital Services Ltd.

Notes to the Financial Statements as at December 31, 2012

No. Particulars	Taka
9 Cash and Cash Equivalent	60,573,126
Cash in hand	-
Fixed Deposit With Southeast Bank Ltd.	60,564,194
Cash at bank	8,932
	Note-9.1
9.1 Cash at Bank	8,932
Southeast Bank Ltd -CD Account	8,932
10 Share Capital	1,000,000,000
Authorised Capital	3,000,000,000
30,000,000 shares of TK. 10/- each	<u>3,000,000,000</u>
Paid up Capital	1,000,000,000
100,000,000 shares of TK. 10/- each	<u>1,000,000,000</u>
11 Retained Earnings	(231,261,122)
as per last accounts	(241,534,874)
Add/(Less): during the year	<u>10,273,752</u>
12 Provision for diminution in value of investments	330,666,623
Total provision required	Schedule-A <u>(413,333,279)</u>
80% of total provision required	<u>(330,666,623)</u>
As per last account	289,120,481
Add/(less): Adjusted during the year	(17,978)
Add/(less): During the year	<u>41,564,120</u>
13 Provision for expenses	82,914,943
Interest on Bank Overdraft	81,171,649
Excise Duty	30,350
Bank Charge	1,725
CDBL Bill	215,304
Audit Fee	25,000
Cleaners Associates Bill	21,159
Office Rent- (Eunoos Center)	<u>1,449,756</u>
14 Salary & Allowance	9,165,771
Salary Executives	928,800
Salary Officers	2,647,315
Allowance Executive	467,200
Allowance Officials	1,489,135
House Serve. & Utilities	191,800
House Maintenance	552,900
Bonus	1,236,750
Saturday Allowance/ Honorarium	1,800
Leave Fare Concession	683,793
Provident Fund Contribution	251,850
Car Maintenance	622,828
Closing Allowance	15,000
Pay Protection	56,400
Leave Encashment	<u>20,200</u>
15 Financial Expense	317,069,886
Interest on Bank Overdraft	<u>317,069,886</u>

Southeast Bank Capital Services Ltd.

Statement of Financial Statements for the year ended December 31, 2012

Diminution in value of investments

Schedule-A

Particulars	Cost Price	Market Price	Unrealized Gain/(Loss) 31.12.2012
Asia Insurance	9,494,351	6,284,502	(3,209,849)
Bay Leasing	135,242,251	42,412,950	(92,829,301)
Beximco Ltd	6,794,138	6,304,760	(489,378)
Beximco Pharma	6,300,170	6,149,000	(151,170)
Brac Bank Ltd	1,779,113	1,740,000	(39,113)
CMC Kamal	5,287,164	4,519,150	(768,014)
Exim Bank Ltd	59,475,514	33,051,200	(26,424,314)
Golden Son	3,589,651	3,042,000	(547,651)
IFIC Bank	2,501,165	2,331,280	(169,885)
KeyaCosmet (Right)	164,040	276,079	112,039
KeyaCosmetics Ltd.	4,907,339	3,786,750	(1,120,589)
Lafarge Cement	33,615,795	28,624,974	(4,990,821)
Lanka Bangla Finance	7,336,379	5,900,000	(1,436,379)
Meghna Life Ins.	5,165,545	4,224,360	(941,185)
National Life Ins.	963,923,860	690,444,776	(273,479,084)
National Tea	25,715,625	38,777,400	13,061,775
Power Grid	4,086,380	3,716,860	(369,520)
Prime Bank	35,381,663	22,828,748	(12,552,915)
SEBL ISTMF	14,005,000	11,764,200	(2,240,800)
Titas Gas	21,545,846	16,215,623	(5,330,223)
Trust Bank Ltd.	2,330,380	2,912,975	582,595
United Airways	840	1,344	504
	1,348,642,210	935,308,931	(413,333,279)



Jahan & Company
Chartered Management Accountants

Southeast Financial Services (UK) Limited

Financial Statements
For the year ended 31st December 2012

Registration No. 07539137



Southeast Financial Services (UK) LTD

FINANCIAL STATEMENTS

for the year ended December 31, 2012

DIRECTORS

Alamgir Kabir, FCA

Shahid Hossain

Mahbubul Alam

Muhammad Nazmul Huda Azad

REGISTERED OFFICE

22 NEW ROAD

LONDON

E1 2AX

COMPANY NUMBER

07539137

BANKERS

BARCLAYS BANK PLC

ACCOUNTTANTS

Jahan & Co.

Chartered Management Accountants

22 Osborn Street

London

E1 6TD



Southeast Financial Services (UK) LTD

DIRECTORS' REPORT for the year ended December 31, 2012

The directors present their report and accounts for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was Money Remittance

DIRECTORS

The directors who served during the year and their interest in the share capital of the company were as follows:

	2012	2011
	No.	No.
ALAMGIR KABIR, FCA	0	0
SHAHID HOSSAIN	0	0
MAHBUBUL ALAM	0	0
MUHAMMAD NAZMUL HUDA AZAD	0	0

OWNERSHIP

The company is 100% subsidiary Southeast Bank Ltd. Bangladesh.

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

The report of the directors has been prepared in accordance with the special provisions within Part 15 of the Companies act 2006.

This report was approved by the board on 15 January 2013

SHAHID HOSSAIN
Director



Southeast Financial Services (UK) LTD

ACCOUNTANTS, REPORT TO THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS OF SOUTHEAST FINANCIAL SERVICES (UK) LTD, FOR THE YEAR ENDED 31 DECEMBER 2012

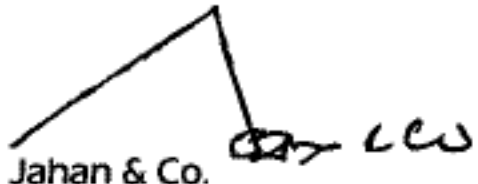
In order to assist you to fulfill your duties under the Companies Act 2006, we have prepared for your approval the accounts of SOUTHEAST FINANCIAL SERVICES (UK) LTD, for the year ended 31 december 2012 as set out on pages 5 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member of the Chartered Institute of Management Accountants (CIMA), we are subject to its ethical and other professional requirements which are detailed on their website.

This report is made solely to the Board of Directors of SOUTHEAST FINANCIAL SERVICES (UK) LTD, as a body, in accordance with the terms of our engagement letter dated. Our work has been undertaken solely to prepare for your approval the accounts of SOUTHEAST FINANCIAL SERVICES (UK) LTD and state those matters that we have agreed to state to the Board of Directors of SOUTHEAST FINANCIAL SERVICES (UK) LTD, as a body, in this report, in accordance with the requirements of the Chartered Institute of Management Accountants (CIMA) as detailed on their website. To the fullest extent permitted by law, we do not accept or for this report.

It is your duty to ensure that SOUTHEAST FINANCIAL SERVICES (UK) LTD has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profitability of SOUTHEAST FINANCIAL SERVICES (UK) LTD. You consider that SOUTHEAST FINANCIAL SERVICES (UK) LTD is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of SOUTHEAST FINANCIAL SERVICES (UK) LTD. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.


Jahan & Co.

Chartered Management Accountants
22 Osborn Street
London
E1 6td
15 January 2013



Southeast Financial Services (UK) LTD

PROFIT AND LOSS ACCOUNT

for the year ended December 31, 2012

	Notes	2012	2011
		£	£
TURNOVER	2	26,079	4,645
GROSS PROFIT		26,079	4,645
Distribution cost		(5,589)	(4,744)
Administrative expenses		(110,030)	(59,716)
OPERATING LOSS		(89,540)	(59,815)
Interest receivable and similar income		1,812	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(87,728)	(59,815)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(87,728)	(59,815)
Extraordinary items less taxation	6	13	-
LOSS FOR THE FINANCIAL YEAR		(87,741)	(59,815)

Southeast Financial Services (UK) LTD

BALANCE SHEET at 31 December 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible Assets	7	53,721	55,082
CURRENT ASSETS			
Debtors (amounts falling due within one year)	8	9,000	10,286
Cash at bank and in hand		134,590	179,153
		<u>143,590</u>	<u>189,439</u>
CREDITORS: Amounts falling due within one year	9	<u>45,184</u>	<u>14,336</u>
Net Current Assets		98,406	175,103
Total Assets Less Current Liabilities		<u>152,127</u>	<u>240,185</u>
CAPITAL AND RESERVES			
Called up share capital	10	300,000	300,00
Profit and loss account	11	(147,873)	(59,815)
SHAREHOLDERS' FUNDS		<u>152,127</u>	<u>240,185</u>



Southeast Financial Services (UK) LTD

BALANCE SHEET

at 31 December 2012

For the year ending 31 December 2012 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirement of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board on 15 January 2013 and signed on their behalf by

ALAMGIR KABIR, FCA

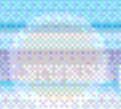
Director

SHAHID HOSSAIN

Director

MUHAMMAD NAZMUL HUDA AZAD

Director



Southeast Financial Services (UK) LTD

NOTES TO THE ACCOUNTS for the year ended 31 December 2012

1. ACCOUNTING POLICIES

1a. Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1b. Cash Flow Statement

The Company is exempt from including a statement of cash flows in its accounts in accordance with Financial Reporting Standard for Smaller Entities (effective April 2008).

1c. Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Short Leasehold Properties	straight line 14.28%
Fixtures and Fittings	reducing balance 20%
Equipment	reducing balance 20%

1d. Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

2. TURNOVER

The turnover and pre-tax result is attributable to MONEY REMITTANCE.

	2012	2011
	£	£
	<u>26,079</u>	<u>4,645</u>
Remittance Commissions	<u>26,079</u>	<u>4,645</u>

Southeast Financial Services (UK) LTD

NOTES TO THE ACCOUNTS for the year ended 31 December 2012

3. OPERATING PROFIT

	2012	2011
	£	£
Operating Profit is stated after charging:		
Depreciation	12,155	13,647
Directors' remuneration	-	6,488
	<u>12,155</u>	<u>20,135</u>

4. DIRECTORS REMUNERATION

	2012	2011
	£	£
Total remuneration	<u>-</u>	<u>6,488</u>

5. TAX ON ORDINARY ACTIVITIES

2012	2011
£	£

6. EXTRAORDINARY ITEMS LESS TAXATION

	2012	2011
	£	£
Extraordinary charges	13	-
Net Extraordinary less after taxation	<u>13</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

COST	Short	Fixtures		Total
	Leasehold	Properties	Equipment	
	Properties	and Fittings	Equipment	
	£	£	£	£
AT 1 January 2012	30,000	41,296	7,431	78,727
Additions	-	-	794	794
At 31 December 2012	<u>30,000</u>	<u>41,296</u>	<u>8,225</u>	<u>79,521</u>
Depreciation				
At 1 January 2012	3,900	8,259	1,486	13,645
For the year	4,200	6,607	1,348	12,155
At 31 December 2012	<u>8,100</u>	<u>14,866</u>	<u>2,834</u>	<u>25,800</u>
Net Book Amounts				
At 31 December 2012	<u>21,900</u>	<u>26,430</u>	<u>5,391</u>	<u>53,721</u>
At 31 December 2011	<u>26,100</u>	<u>33,037</u>	<u>5,945</u>	<u>65,082</u>

8. DEBTORS

	2012	2011
	£	£
Amounts falling due within one year:		
Trade debtors	-	1,190
Other debtors	9,000	9,096
	<u>9,000</u>	<u>10,286</u>

**Southeast Financial Services (UK) LTD****NOTES TO THE ACCOUNTS**

for the year ended 31 December 2012

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Taxation and social security	2,669	2,193
TT Payable	42,515	12,143
	<u>45,184</u>	<u>14,336</u>

10. SHARE CAPITAL

	2012	2011
	£	£
Allotted, Issued and fully paid:	300,000	300,000
300000 Ordinary shares of £ 1 Each	<u>300,000</u>	<u>300,000</u>

11. PROFIT AND LOSS RESERVE

	2012	2011
	£	£
Opening balance	(59,815)	-
Loss for the year	(87,741)	(59,815)
Prior year Adjustment	(317)	-
	<u>(147,873)</u>	<u>(59,815)</u>

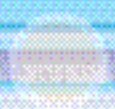


Southeast Financial Services (UK) LTD

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012		2011
	£		£
Turnover	26,079		4,645
Cost of Sales:			
Gross Profit	<u>26,079</u>		<u>4,645</u>
	26,079		4,645
Less:			
Distribution costs	5,589	4,744	
Administrative expenses	110,030	59,716	
Interest receivable and similar income	<u>(1,812)</u>	-	
	113,807		64,460
Net loss for the year before taxation	<u>(87,728)</u>		<u>(59,815)</u>
Net loss for the year after taxation	<u>(87,728)</u>		<u>(59,815)</u>
Extraordinary Charges	13	-	
Prior year adjustment	<u>317</u>	-	
	330		
	(88,058)		(59,815)
Retained losses brought forward	<u>(59,815)</u>		-
Retained losses carried forward	<u>(147,873)</u>		<u>(59,815)</u>

This page does not form part of the company's Statutory Accounts and is prepared for the information of the Directors only.

**Southeast Financial Services (UK) LTD****PROFIT AND LOSS ACCOUNT SUMMARIES
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
Distribution Costs:		
Advertising and sales promotion	4,976	4,376
Travel	14	78
Business entertaining	91	-
Staff entertaining	508	290
	<u>5,589</u>	<u>4,744</u>
Administrative Expenses :		
Rent, Rates & Insurance	29,776	13,142
Insurance	1,585	2,723
Heat, light & water	2,287	284
Cleaning	790	434
Directors salaries	-	6,488
Wages - regular	36,268	6,857
NIC employer (wages and salaries)	8,715	756
Staff Bonus	1,280	-
Canteen	-	286
Repairs & maintenance	515	86
Accountancy fees	3,800	-
Professional fees	3,000	-
Legal Cost	-	10,792
Stationery & office supplies	2,468	1,334
Telephone	1,717	456
Sundry tools and equipments	250	-
Subscriptions	1,340	455
Security costs	946	182
Bank Charges	3,138	688
Sundry expenses	-	1,106
Depreciation and Amortisation :		
Depreciation of short leasehold properties	4,200	3,902
Depreciation of fixtures and fittings	6,607	8,259
Depreciation of equipment	1,348	1,486
	<u>110,030</u>	<u>59,716</u>

This page does not form of the Company's Statutory Accounts and is prepared for the information of the Directors only.

 **Southeast Bank Limited**

Registered Office

52-53, Dilkusha C/A, Dhaka-1000

Notice of the 18th Annual General Meeting

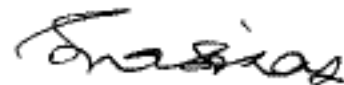
Notice is hereby given to all members of Southeast Bank Limited that the 18th Annual General Meeting of the Shareholders of the Company will be held on Sunday, April 21, 2013 at 10.00 a.m. at Bashundhara Convention Centre-2, Block-C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka-1229 to transact the following business and adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the Profit and Loss Accounts of the Company for the year ended on 31st December, 2012 and the Balance Sheet as at that date together with the Reports of the Board and the Auditors thereon.
2. To declare dividend for the financial year ended 31st December 2012.
3. To elect / re-elect Directors.
4. To appoint Auditors for the term until the next Annual General Meeting and fix their remuneration.
5. Miscellaneous, if any, with the permission of the chair.

All Members are requested to attend the meeting on the date, time and place mentioned above.

By order of the Board

**Muhammad Shahjahan**

Deputy Managing Director

and

Company Secretary

Dated: 31 March, 2013**NOTES:**

- a) The Record Date for the purpose was on March 28, 2013.
- b) Any member of the Company entitled to attend and vote at the general meeting may appoint a proxy to attend and vote on his/her behalf. Such proxy except for a Corporation must also be a member of the Company. An Attorney of a member need not himself/herself be a member.
- c) The instrument appointing a Proxy or the Power of Attorney duly signed by the Member and stamped with requisite stamp duty must be submitted at the Registered Office of the Company at least 48 hours before the meeting, i.e. latest by 10:00 a.m. of April 19, 2013.
- d) Attendance of the Shareholder/Attorney/Proxy shall be recorded up to 10.30 a.m. at the entrance of the venue. Attendance slip has to be submitted at the Registration Counter duly signed. The signature must agree with the recorded signature.
- e) Annual Report containing, among other papers, this Notice of the 18th Annual General Meeting, Attendance Slip and Proxy Form is being sent to every member by post. The members may also collect "Proxy Form" from the Share Office of the Company.
- f) Members are requested to notify change of address, if any, well in time. For BO A/C holders, any change of address is to be done through the respective Depository Participant well before the Record Date.



S Southeast Bank Limited

Registered Office

52-53, Dilkusha Commercial Area, Dhaka

Notice for Appointment of Auditors

This is for information of our valued Shareholders that in terms of Section 210 (6) of the Companies Act-1994, Shareholders of the Bank have proposed the names of under noted Auditors for appointment as Auditors of the Bank for the year 2013 in the 18th Annual General Meeting to be held on April 21, 2013 at 10.00 a.m. at Bashundhara Convention Centre-2, Block-C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka-1229 and the Auditors have also given their consent for such appointment:

a) Hoda Vasi Chowdhury & Co. BTMC Bhaban (8th Floor) 7-9, Kawran Bazar Dhaka-1215	b) Howladar Yunus & Co. Chartered Accountants 67, Dilkusha C/A (2nd Floor) Dhaka-1000	c) Syful Shamsul Alam & Co. Chartered Accountants 15, Dilkusha C/A (6th Floor) Dhaka-1000
d) A. Wahab & Co. Chartered Accountants Hotel Pubrani Annex-2 4th Fl. 1, Dilkusha C/A Dhaka-1000	e) M/S. Ata Khan & Co. Chartered Accountants 67, Motijheel C/A Dhaka-1000	f) K. M. Alam & Co. Chartered Accountants 80, Motijheel C/A (4th Floor) Dhaka-1000
g) SA Rashid Associates Chartered Accountants CRP Bhaban (11th Floor) Plot-A/5, Block-A, Mirpur-14, Dhaka-1216	h) Khan Wahab Shafique Rahman & Co. Chartered Accountants 7, Rajuk Avenue (5th Floor) Rupali Bima Bhaban Motijheel, Dhaka-1000	

It may be mentioned here that the present Auditors M/s Rahman Rahman Huq, Chartered Accountants, have completed their consecutive 3 (three) years as Auditors of the Bank and as per provisions of BRPD Circular letter No.12 dated July 11, 2001 of Bangladesh Bank, they are not eligible to re-appointment. As such, the Shareholders are required to appoint new Auditors for the Bank from amongst the aforesaid audit firms.

By order of the Board

Muhammad Shahjahan
Deputy Managing Director
and Company Secretary

Dated: March 31, 2013





Branches Network

of Southeast Bank Limited

Principal Branch

1, Dikusha Commercial Area, Dhaka-1000
Tel : 9563101, 9550081, 9567271
Fax : 88-02-9551575

Agrabad Branch

Jahan Building, 59, Agrabad Commercial Area, Chittagong
Tel : 031-721152, 031-713097-8,
031-7130 94-5, 031-721151-3
Fax : 88-031-713096

Khatunganj Branch

410/411, Khatunganj, Chittagong
Tel : 031-2863594, 031-621934,
031-620166-7, 031-620516
Fax : 88-031-62 05 17

Laldighirpaar Branch

1794/1788, New Market, Sylhet
Tel : 0821-710955, 0821-715382, 0821-710218
Fax : 88-0821-710102

Imanganj Branch

Bhuyan Market, 163/2, Mitford Road, Dhaka
Tel : 7314801, 7316123, 7318567, 7316644
Fax : 88-02-7314801

Bangshal Branch

14/3, North South Road, Dhaka
Tel : 7121248, 7121251, 9567163, 7176116, 7176117
Fax : 88-02-9567164

Jubilee Road Branch

Haji Golam Rasul Market, 96, Jubilee Road, Chittagong
Tel : 031-635265, 031-611712-5, 031-635245, 031-635246
Fax : 88-031-611716

Moulvibazar Branch

Jarif Tower, 199/2, M. Saifur Rahman Road, Moulvibazar
Tel : 0861-53727-9
Fax : 88-0861-53730

Gulshan Branch

House # 82 CES (F) 1, Gulshan Avenue, Dhaka
Tel : 9883491, 98834 01-5, 9883492
Fax : 88-02-9883495

Khulna Branch

Haji Hanif Complex, 12 & 13, Khan Jahan Ali Road, Khulna
Tel : 041-730606, 041-7314 06, 041-731306, 041-731606
Fax : 88-041-731506

Dhanmondi Branch

House # 23 (New), Road # 16 (New)/27 (Old)
Dhanmondi R/A, Dhaka
Tel : 8126787, 8122474, 8126785-6
Fax : 88-02-8122420

Uttara Branch

House # 1, Road # 11, Sector # 1, Uttara, Dhaka-1230
Tel : 8922538, 8923680, 8916538
Fax : 88-02-8923781

Chouhatta Branch

Manru Shopping City
Plot # 4953/4943 (1st Floor)
Chouhatta Mirboxtole Road, Chouhatta, Sylhet
Tel : 0821-720276, 0821-720276
Fax : 88-0821-720276

Kawran Bazar Branch

Jamuna Bhaban (1st Floor)
2, Kawran Bazar C/A, Dhaka-1215
Tel : 9136112, 8189737, 9139276, 8189738-40
Fax : 88-02-9136510

Halishahar Branch

House # 3, Block # G, Port Connecting Road
Halishahar Housing Estate, Halishahar, Chittagong
Tel : 031-727949, 031-716826, 031-2526183, 031-2526184
Fax : 88-031-727949

Shahjalal Uposhahar Branch

Plot # 07, Block # D, Main Road, Shahjalal Uposhahar, Sylhet
Tel : 0821-713057, 0821-713052, 0821-713062, 0821-811655
Fax : 88-0821-711820

New Eskaton Branch

Chowdhury Centre
23/KA, New Eskaton Road (1st Floor), Ramna, Dhaka-1000
Tel : 9360953, 9340001, 9330176, 9340796
Fax : 88-02-9362177

New Elephant Road Branch

Kazi Bhaban (1st & 2nd Floor)
39, New Elephant Road, Dhanmondi, Dhaka-1205
Tel : 9674588, 9674327, 9674324-5
Fax : 88-02-9674326

Agargaon Branch

Plot # E-4/B (1st Floor), Agargaon Administrative Area
Sher-e-Bangla Nagar, Mohammadpur, Dhaka-1207
Tel : 8151717, 8152634, 9132747, 9134247, 8152034
Fax : 9132704

Chhagalnaya Branch (Islamic Banking)

Mir Shopping Complex (1st Floor)
Chhagalnaya Bazar, Chhagalnaya, Feni
Tel : 03322-78302, 78432
Fax : 03322-78302 Ext.-111

Cox's Bazar Branch (Islamic Banking)

Asha Shopping Complex
430-431, Bazar Ghata (1st Floor), Cox's Bazar
Tel : 0341-63406, 0341-51053
Fax : 0341-64742

Bandar Bazar Branch (Islamic Banking)

Kanmullah Market (1st Floor)
Bandar Bazar, Sylhet
Tel : 0821-810322, 812246, 4116495,
4011350, 0821-721243
Fax : 0821-2831455

Banani Branch

Plot-71, Block-8, Kemal Ataturk Avenue
Banani, Dhaka
Tel : 9860363, 8861697, 8859518, 8859987, 8861629
Fax : 88-02-9841960

Kulaura Branch (Rural)

Aziz Rowshan Shopping Centre & Garden City
PS: Kulaura, Moulvi Bazar
Tel : 08624-56208
Fax : 08624-56208

Branches Network of Southeast Bank Limited

Feni Branch

Surma Sadan (1st & 2nd Floor)
176, 177 & 178 Thunk Road, Feni
Tel : 0331-63004, 62884, 61362, 61852
Fax : 0331-62884 Ext-102

Motjheel Branch (Islamic Banking)

125, Motjheel C/A (1st Floor), Dhaka-1000
Tel : 9567286, 9567202, 9567303, 9567262
Fax : 9567701

CDA Avenue Branch (Islamic Banking)

All Villa, 1640/1861 (New), CDA Avenue
Asian Highway, East Nasirabad, Panchlash, Chittagong
Tel : 031-652150, 031-654875, 031-2552385-6
Fax : 031-2552387

Hetingorj Branch (Rural)

Khoyrugarj Jame Masjid Market Complex (1st Floor)
Hetingorj Chowrasta, Thana: Golapgorj, Sylhet
Tel : 0821-841472, 0821-841471
Fax : 0821-841473

Aganagar Branch (Rural)

Hassan Market (1st Floor), Thana: Keranigorj, Dhaka
Tel : 7772516, 7761133
Fax : 7761155

Corporate Branch

Eunoo Trade Centre (Ground Floor)
52-53, Dikusha C/A, Dhaka-1000
Tel : 9567764, 9551444, 9554447, 9564878
Fax : 9571424

Pathantula Branch

Haque Mansion of Modina Market
Thana: Jalalabad, Sylhet
Tel : 0821-724545, 0821-724300
Fax : 0821-724300

Shyamoli Branch

ASA Tower (2nd Floor) 23/3 & 23/14
Khilji Road, Block # B, Mohammadpur, Shyamoli, Dhaka
Tel : 8123551, 8112250, 8128678, 8112227
Fax : 8120687

Joypara Branch (Rural)

Begum Aysha Shopping Complex (1st Floor)
Joypara Paurasava, Dohar, Dhaka
Tel : 06223-56040, 56041, 56042
Fax : 06223-56040 Ext.-111

Kakrail Branch

Musafir Tower (2nd Floor), 90, Kakrail, Ramna, Dhaka
Tel : 8300005, 8300006, 8300022, 8300023
Fax : 8300010

Madhabdi Branch (Rural)

Par Kashipur, Madhabdi Paurasava, Narshingdi
Tel : 9446127, 9446125
Fax : 9446126

Rangpur Branch

RDRS Complex, Jail Road, Radhaballab, Rangpur
Tel : 0521-64672, 64673, 64778, 64779
Fax : 0521-64780

Ashulia Branch (Rural)

Helim Shopping Complex (Opposite Fantasy Kingdom
Main Gate), Ashulia, Dhaka
Tel : 7788440, 7788420
Fax : 7788441

Bashurhat Branch (Rural)

Syeed Mansion
Bashurhat Paurasava, Companyganj, Noakhali
Tel : 03223-56415, 56461
Fax : 03223-56430

Chowmuhani Branch (Rural)

Hossain Market
D. B Road, Chowmuhani Paurasava, Begumganj, Noakhali
Tel : 0321-53534, 0321-53535, 0321-54018
Fax : 0321-54018

Pahartali Branch

Hajrat Tayyaba Complex, D. T Road, Alongkar Mour
Abdul Alr Hat, Pahartali, Chittagong
Tel : 031-2771001, 031-2771002-4
Fax : 031-2771005

Narayanganj Branch

S. M Maleh Road, Tanbazar, Narayanganj
Tel : 7648201, 7648202, 7648203, 7634331
Fax : 7648200

Bogra Branch

Bhandari Manji (2nd Floor), 776-777 Barogola, Bogra
Tel : 051-68083, 68084, 68085, 68086
Fax : 051-51939

Savar Branch (Rural)

Plot # A-109, Bazar Road (1st Floor)
Paurasava & P.S. : Savar, Dhaka
Tel : 7743691, 7743692, 7743693, 7743694
Fax : 7743690

Mouchak Branch

Kamaphul Point (1st Floor)
70, New Circular Road, Malibagh, Dhaka
Tel : 8333347, 8333676, 8333678, 8333679
Fax : 8333348

Konabari Branch (Rural)

Plot # A-147/148, BSCIC I/R
Union : Konabari, P.S. : Joydebpur, Gazipur
Tel : 9298840, 9298836, 9298838, 9298839
Fax : 9298837

Momin Road Branch

Moiri Bhaban, 370/A-378, Momin Road
P.S. : Kotwali, Chittagong
Tel : 031-2857345, 031-2857346, 031-2857347,
031-2857348
Fax : 031-2857349

Madambibir Hat Branch (Rural)

Madambibir Hat, P.S. : Stakunda, Chittagong
Tel : 031-2781001, 031-2781003, 031-2781004,
031-2781005
Fax : 031-2781002

Barisal Branch

54 Sadar Road (1st Floor)
Kotwali, Barisal
Tel : 0431-2176601, 0431-2176602, 0431-2176603-04
Fax : 0431-64056

Tongi Branch (Rural)

8/B, Anarkali Road (1st Floor)
Tongi Bazar, Gazipur
Tel : 9816647, 9816648, 9816650-51
Fax : 9816649

Branches Network of Southeast Bank Limited

Bashundhara Branch

Plot # 142, Block # B, Bashundhara R/A
Baridhara, Dhaka-1212
Tel : 8401031, 8401032, 8401034-5
Fax : 8401033

Rajshahi Branch

Mangol Bhaban (2nd Floor)
Alupatti Mouj, P.O.: Ghoramara, PS: Boalla, Rajshahi
Tel : 0721-812203, 0721-812204, 0721-812205,
0721-812206
Fax : 0721-812207

Sat Mashjid Road Branch

ADC Empire Plaza (1st & 2nd Floor)
Plot # 183 (Old) 91 (New), Road # 22 (Old) 12/A (New)
Sat Mashjid Road, Dhanmondi, Dhaka
Tel : 8191167, 8191168, 8191170, 8191171
Fax : 8191169

Mohammadpur Branch

Axis Delvista (1st Floor), 7/1, Aorongozeb Road
Block-A, Mohammadpur Housing Estate
Mohammadpur, Dhaka
Tel : 8129649, 8129604, 8158571, 9101254
Fax : 9119583

Naogaon Branch

"Kazi Habibur Rahman Market"
Old Hospital Road (Bridge Mouj), Naogaon
Tel : 0741-63227, 0741-63286, 0741-63397, 0741-61274
Fax : 0741-61831

Comilla Branch

359/328, Jhawata, 1st Kandar Paar, Thana: Kotwali, Comilla
Tel : 081-64278, 081-64280, 081-64279, 081-61322
Fax : 081-61321

Pragati Sarani Branch

Plot # Ga-25/5/1, Shahjadpur
Pragati Sarani, Guishan, Dhaka
Tel : 8899238-9, 8899610, 8899240
Fax : 8899208

Lohagara SME/Krishi Branch

Mostafa City Center, Lohagara, Chittagong
Tel : 0303-456623, 01713-065986 (Mobile)
Fax : 0303-456624

Hathazari SME/Krishi Branch

S. A Shopping Complex, Hathazari Bus Stand, Rangamat
Road, Hathazari, Chittagong
Tel : 031-2601855
Fax : 031-2601856

Jessore SME/Krishi Branch

R. N. Road, Kotwali, Jessore
Tel : 0421-67683
Fax : 0421-68094

Brahmanbaria SME/Krishi Branch

"Hotel Anser", Doctor Faridul Huda Road (New)
M.S All Road (Old), Kala Sri Para
Pauroshava & Thana: Brahmanbaria, Brahmanbaria
Tel : 0581-58202
Fax : 0581-58201

Shebarhat SME/Krishi Branch

Shebarhat Bazar, Feni Chowmuhani Sarak (1st Floor)
Shenbag, Noakhali
Tel : 01713-065972

Sonagazi SME/Krishi Branch

Pauroshava & Thana: Sonagazi, Feni
Tel : 03325-76386, 76377
Fax : 03325-76386

Oxygen More Branch

Oxygen Mouj, Bayezid Bostami, Chittagong
Tel : 031-2584018, 2584019, 2584020, 2584059
Fax : 031-2584017

Mawna SME/Krishi Branch

Mawna Bazar Road (1st Floor), Sreepur Pauroshava
Sreepur, Gazipur
Tel : 068-2552900, 068-2552901
Fax : 068-2552902

Tazpur SME/Krishi Branch

Tazpur Bazar, Thana: Balagorj, Sylhet
Tel : 08242-56191
Fax : 08242-56191

Biswanath SME/Krishi Branch

"Haji Monir Uddin Market"
Natum Bazar, Biswanath, Sylhet
Tel : 08224-56205

Beani Bazar SME/Krishi Branch

"Madrasa Market" (1st floor)
Beani Bazar, Sylhet
Tel : 08223-56164
Fax : 08223-56165

Tangail SME/Krishi Branch

"Noor Plaza", Tangail Main Road, Tangail
Tel : 0921-51336
Fax : 0921-62798

Satkhira SME/Krishi Branch

Polash Pole, (1st Floor), Shahid Nazmul Sarak
(Satkhira Old Bus Stand), Satkhira
Tel : 0471-63568, 62508
Fax : 0471-63569

Chapainawabganj Branch

Boro Indara More, Nawabganj Sadar, Chapainawabganj
Tel : 0781-51717, 0781-51718
Fax : 0781-51716

Chowdhury Hat SME/Krishi Branch

"Haim Mansion", (1st Floor), Hathazari, Chittagong
Tel : 031-2584007, 031-2584006
Fax : 031-2584005

Fatikchari Branch (Rural)

"Mir Jahanara Complex" (1st Floor)
College Road (Bibir Hat), Fatikchari, Chittagong
Tel : 030-2256317, 030-2256316
Fax : 030-2256315

Madanpur SME/Krishi Branch

Ekata Samabay Super Market (2nd Floor)
Bandar, Narayanganj
Tel : 7648083, 7648081
Fax : 7648082

Narsingdi SME/Krishi Branch

"Islam Plaza" (1st Floor)
Maddha Kanda Para
Sadar Road, Narsingdi Sadar, Narsingdi
Tel : 9452082, 9452080
Fax : 9452081

Branches Network of Southeast Bank Limited

Rokeya Sarani Branch

"Kushol Bhaban"
238/1, West Kafirul, Rokeya Sarani, Mirpur
Sher-e-Bangla Nagar, Dhaka
Tel : 9103249, 9103251, 9103246, 9103247
Fax : 9103248

Dinajpur Branch

Ganeshtola, Jali Road, Kotwali, Dinajpur
Tel : 0531-52025, 0531-52026
Fax : 0531-52024

Potherhat Branch (Rural)

"Khaiz Ahmed Shopping Centre" (1st Floor)
Noapara, Rajan, Chittagong
Tel : 031-2573214, 031-2573216, 031-2573217
Fax : 031-2573215

Islampur Branch

"Adel Complex" (1st, 2nd & 3rd Floor)
40, Islampur Road, Dhaka
Tel : 7394570, 7394538, 7394589
Fax : 7394570

Kotwali Branch

"Equity Anitri" (1st Floor)
32, Shahid Sohrwardy Road
Kotwali, Chittagong
Tel : 031-632750, 632751, 632752
Fax : 031-632753

Hemayetpur Branch (Rural)

Hemayetpur Super Market (2nd Floor)
Savar, Dhaka
Tel : 7747914, 7747464, 7747915, 7747916
Fax : 7747465

Munshigonj Branch

"B.M Complex" (1st Floor)
55, Jubilee Road, Munshigonj Sadar
Munshigonj
Tel : 7620594, 7620591, 7620592, 7620593
Fax : 7620595

Joydebpur Branch (Rural)

Block # K, Shib Bar More
B.L.D.C Road, Joydebpur, Gazipur
Tel : 9252852, 9252851
Fax : 9252850

Donia Branch (Rural)

"Chowdhury Complex" (1st Floor),
Dhania, Demra, Dhaka
Tel : 7547955, 7548055
Fax : 7548122

Companigonj Branch (Rural)

"Saudia Marjil" (1st & 2nd Floor)
Nabinagar Road, Muradnagar
Comilla
Tel : 01755-594193

Chakarla Branch (Rural)

"Society Jame Mosque Complex"
Chakarla, Cox's Bazar
Tel : 03422-56161, 03422-56162
Fax : 03422-56163

Rupnagar Branch

"Rangan", Plot # 14, Road # 11
Rupnagar Residential Area
Mirpur Housing Estate
Mirpur, Dhaka
Tel : 8031924, 8051981
Fax : 8051965

Kamrangirchar Branch (Rural)

"Elham Square", Rony Market Road
Kamrangirchar, Dhaka
Tel : 9667410, 9667393
Fax : 9667428

Sir Iqbal Road Branch

"Noor Jahan Plaza"
155, Sir Iqbal Road, Kotwali, Khulna
Tel : 041-721056, 731848, 724471
Fax : 041-722852

Bhuita Branch (Rural)

Bhuita Bus Stand
Rupgonj, Narayanganj
Mob. : 01755-637195

Dakhin Khan Branch (Rural)

"Faisal Mansion"
Shah Kabir Mazar Road
Dakhin Khan, Dhaka
Tel : 8953290, 8953292
Fax : 8953299

Gopaldi Branch (Rural)

Gopaldi Bazar, Union: Sadasad
Araihazar, Narayanganj
Mob. : 01755-637194

Ad Bazar Branch (Rural)

Mouza: Ad, Union: Sakta
Keranigonj, Dhaka
Mob. : 01730-781275

Hasnabad Branch (Rural)

"Roky Tower", Hasnabad, Mouza: Ekuria
Keranigonj, Dhaka
Mob. : 01730-781277

Mohakhali Branch

"Bay's" (1st Floor)
50, Mohakhali C/A, Dhaka
Tel : 9882523, 9885712, 9882527, 9885710
Fax : 9885711

Off-Shore Banking Unit, DEPZ

Zone Servicing Building-1
Room # 77 (3rd Floor)
Dhaka EPZ, Ganakbari
Savar, Dhaka
Tel : 7788628-9

Off-Shore Banking Unit, CEPZ

Zone Service Complex (1st Floor)
East Wing North Chittagong EPZ
Chittagong
Tel : 031-740780
Fax : 031-740779

