

# BANK FOR FUTURE

Annual Report 2021



**Southeast Bank Limited™**  
a bank with vision



# BANK FOR FUTURE

For the last several years banking industry, the entire industry of financial services indeed, has been undergoing massive digitalization for which the inherent driving force lies in very fast moving newer and innovative technologies, busy corporate life of customers, demand for not only customized but also personalized banking operations, urge from both Bank and client for door-step services, strategic orientation towards un-banked people etc. Then came COVID-19 Pandemic that has reshaped not only our internal psychological mindset but also our day-to-day operational activities, drastic shifting of customer behavioral pattern from how we shop, travel, work, to even how we Bank all over the world; along with came the revolutionary idea of "Work from Home". All these heading towards the world of doing everything with cell phone, PC, Laptop through internet. Thus, it is very safe to say that future of banking is 'Digital'.

To be successful, the Bank of the future will need to embrace emerging technology, remain flexible to adopt evolving business models and put customers at the center of every strategy. The future of banking will look very different from today. Faced with changing consumer expectations, emerging technologies and new business models, Banks will need to start putting strategies in place now to help them prepare for banking in the upcoming years.

Consumers have become more demanding of digital experiences. The pandemic has only amplified the need for easy access to banking products, services and information. Given most customers are now comfortable using online channels, the traditional 'customer loyalty' for physical proximity of branch would now be influenced by personalization and customization provided through digital offerings. Some of the key purchase drivers would

be 'Value for Money', 'Ease of Buying', 'Personal Safety', 'Customer Experience' and 'Personalization'. As technology reshapes how we live and communicate, this will have an impact in several ways including a hyper-connected world as the norm, open banking services, engagement as a service and the rise of the 'App-based banking'.

Mobile apps as emerging technology essentially serve as a single portal or app to a wide range of virtual products and services. The most sophisticated apps bundle together online messaging, social media, marketplaces and services. One app, one sign-in, one user experience, for virtually any product or service a customer may want or need.

Technology will continue to evolve at a rapid pace and emerging concepts such as augmented reality and distributed ledger technology will further redefine banking services. The above technologies will combine to redefine the Bank-customer relationship, making banking more personalized across customer devices. The signals of change are driving an evolution across the Banking Sector, and it is obvious that to achieve profitable growth, Banks will need to pivot to a digital business model ecosystem to ensure sustainable growth.

However, the challenge comes to the surface along with the opportunity or changes. As a Bank deals with public money, it has to be rigorously vigilant of a very safe and sound IT System while rendering a user-oriented IT based personalized services. Here is the dilemma, the more you will want to provide with a customer friendly services, the more you may have to trade off with the safety-security issue. Underlying situation portraits a successful Bank, in the future, that has offering of wide range of personalized banking services backed by a solid platform of a very secured and robust IT System.

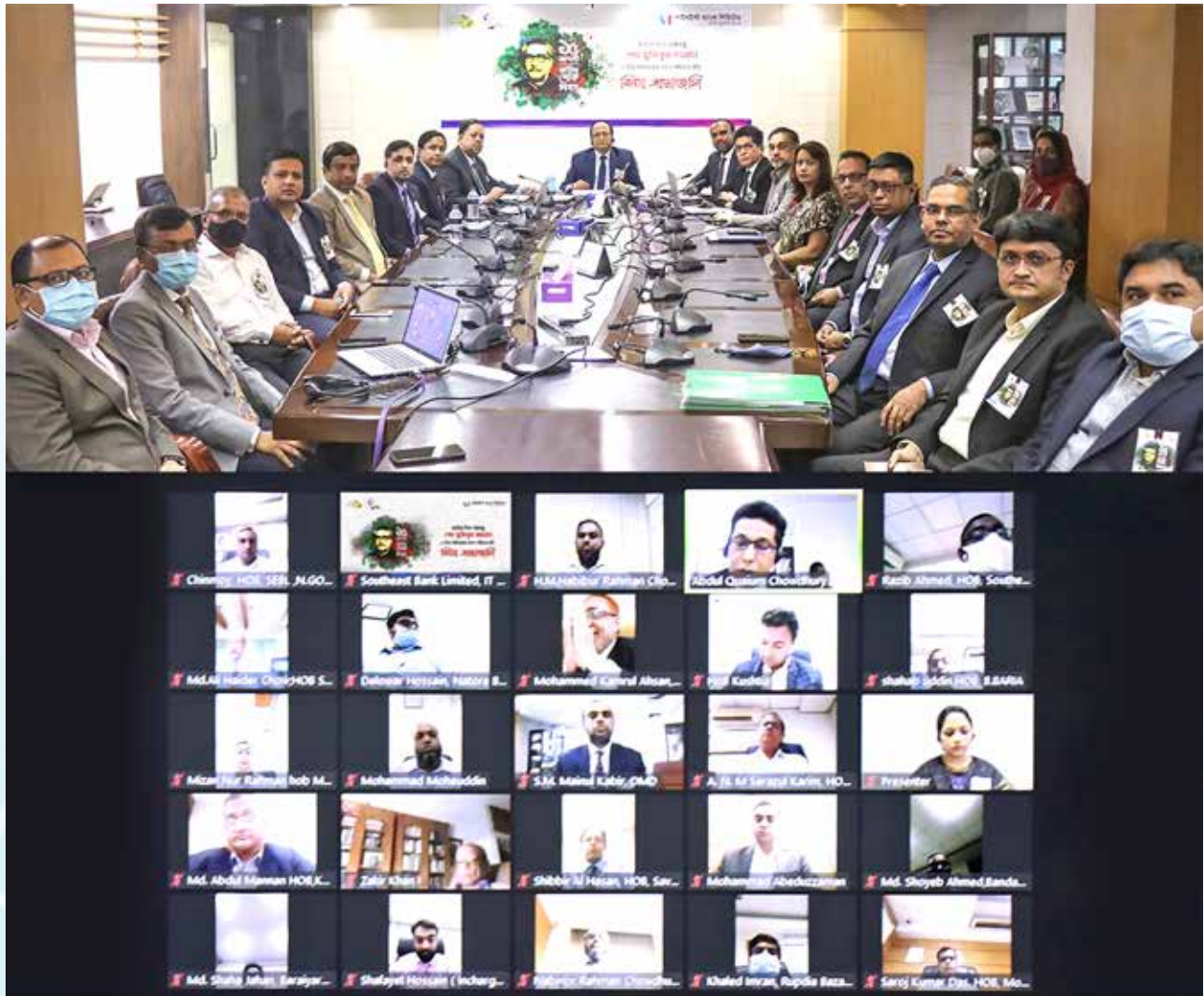
# TRIBUTE TO BANGABANDHU SHEIKH MUJIBUR RAHMAN



Southeast Bank Limited organized its 633<sup>rd</sup> Board meeting on 12 August 2021 via digital platform. At the meeting, the Board of Directors participated in a Dua Mahfil arranged in memory of the great architect of independence, Father of the Nation Bangabandhu Sheikh Mujibur Rahman, Bangamata Sheikh Fazilatunnesa Mujib and all the martyrs of 15<sup>th</sup> August in a befitting manner. Alamgir Kabir, FCA, Chairman, Southeast Bank Limited presided over the Board Meeting. Vice-Chairperson Duluma Ahmed, Bank's Directors- M. A. Kashem, Azim Uddin Ahmed, Jusna Ara

Kashem, Rehana Rahman, Md. Akikur Rahman, Raiyan Kabir, M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Ltd.), Independent Directors- Dr. Quazi Mesbahuddin Ahmed & Mohammad Delwar Husain, Managing Director M. Kamal Hossain and A. K. M. Nazmul Haider, Company Secretary participated in the meeting virtually. In the meeting, Board of Directors participated in a discussion where they highlighted on Bangabandhu's works and life and his vision for a poverty free Bangladesh. They also discussed the various initiatives taken by the Bank to observe the National Mourning Day during the month of August.





Southeast Bank Limited held another virtual discussion in remembrance of the great architect of independence, Father of the Nation Bangabandhu Sheikh Mujibur Rahman, Bangamata Sheikh Fazilatunnesa Mujib and all the martyrs of 15<sup>th</sup> August in a befitting manner with due respect. M. Kamal Hossain, Managing Director of Southeast Bank Ltd. presided over the discussion virtually. At the meeting, Deputy Managing Director Nuruddin Md. Sadeque Hussain and all Divisional Heads of Head Office

were present. Bank's Regional Office In charges, all the Managers of Branches and Sub Branches were also connected in the discussion virtually. The discussion highlighted on Bangabandhu's works and life and his vision for a poverty free Bangladesh. Various initiatives taken by the Bank to observe the National Mourning Day during the month of August were also pointed out in the discussion. The meeting concluded with prayers for Bangabandhu and his family.



# TREE PLANTATION PROGRAM



As a part of observing its month-long different programs on the occasion of the National Mourning Day and to pay tribute to the great architect of independence, Father of the Nation Bangabandhu Sheikh Mujibur Rahman, Bangamata Sheikh Fazilatunnesa Mujib and other martyrs on 15 August, Southeast Bank Limited organized a tree plantation program. Under this tree plantation

program, M. Kamal Hossain, Managing Director of Southeast Bank Limited along with other Senior Executives of the Bank's Head Office planted Fruit, Wood and Herbal saplings in the Bank's own premises at the Bashundhara Residential Area, Dhaka. In addition, Bank also distributed food items among the distressed peoples in different regions of the country.

# FOOD DISTRIBUTION PROGRAM



Sylhet Division



Feni Region



Rangpur Division



Khulna Division

As a part of observing month long different programs on the occasion of the National Mourning Day and to pay tribute to the great architect of independence, Father of the Nation Bangabandhu Sheikh Mujibur Rahman,

Bangamata Sheikh Fazilatunnesa Mujib and other martyrs on 15 August, Southeast Bank distributed food items among the distressed people at Sylhet division, Feni Region, Rangpur Division and Khulna Division.



# CORE FINANCIALS AND KEY RATIOS

## Core Financials

BDT in Million where applicable

Particulars	2021	2020	% Changes
Total Assets	495,842	465,294	6.57%
Total Loans & Advances	336,329	322,252	4.37%
Total Investments	113,453	97,074	16.87%
Total Deposits	376,701	359,536	4.77%
Total Regulatory Capital	41,327	40,373	2.36%
Risk Weighted Assets	298,134	281,393	5.95%
Operating Income	14,673	13,771	6.55%
Operating Profit	8,671	8,265	4.92%

## Key Ratios

<b>NPL Coverage Ratio (%)</b> <ul style="list-style-type: none"> <li>2021 120.75%</li> <li>2020 106.08%</li> <li>Change 14.67%</li> </ul>	<b>Capital to Risk Weighted Assets Ratio (%)</b> <ul style="list-style-type: none"> <li>2021 13.86%</li> <li>2020 14.35%</li> <li>Change -0.49%</li> </ul>	<b>Cost of Fund (%)</b> <ul style="list-style-type: none"> <li>2021 5.63%</li> <li>2020 6.79%</li> <li>Change -1.16%</li> </ul>	<b>Cost to Income Ratio (%)</b> <ul style="list-style-type: none"> <li>2021 40.90%</li> <li>2020 39.98%</li> <li>Change 0.92%</li> </ul>
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# BALANCED SCORE CARD

This analysis assisted the cause-effect relationships between the non-financial and the financial dimensions of the balanced score card (BSC). A BSC is a visual tool used to measure the effectiveness of an activity against the strategic plans of a business. Southeast Bank Limited, being a financial institution, is always concerned with the analysis of the balanced score card to achieve the Bank's vision and thereby attaining the optimum outcome. There are four elements of the model which demonstrate how different short-term actions are contributing to the long-term strategic objectives of the Bank.



This diagram elucidates the interconnection of the four BSC perspectives which indicates that they are all congruent when it comes to achieving the Bank's vision. The process of implementation of the BSC system proved very successful for SEBL because it allowed the overall organization to stay focused on key customer segments and sustainable profitability targets.



# ACCOLADES

## Southeast Bank Limited Awarded by ICAB

Nuruddin Md. Sadeque Hussain, Deputy Managing Director of Southeast Bank Limited received the "Certificate of Merit" from the Chief Guest Tipu Munshi, MP and Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh at a ceremony titled "ICAB National Award for Best presented Annual Reports" organized by The Institute of Chartered Accountants of Bangladesh (ICAB).



## Southeast Bank Limited has been awarded for “Excellence in Mastercard Prepaid Business (Domestic) 2020-21” and “Excellence in Mastercard Online Acquiring Business 2020-21” categories

Southeast Bank Limited has been Awarded for “Excellence in Mastercard Prepaid Business (Domestic) 2020-21” and “Excellence in Mastercard Online Acquiring Business 2020-21” categories in the award ceremony of “Mastercard Excellence Award 2021”. M. A. Mannan, MP, Honorable Minister, Ministry of Planning, Peoples Republic of Bangladesh handed over the award to Nuruddin Md. Sadeque Hussain, Deputy Managing Director of Southeast Bank Limited for “Excellence in Mastercard Prepaid Business (Domestic) 2020-21” and “Excellence in Mastercard Online Acquiring Business 2020-21” categories.

In the award ceremony, Md. Khurshid Alam, Executive Director, Bangladesh Bank; Helen LaFave, Charge d’ affairs, U.S. Embassy Dhaka and other senior officials were also present.





## Southeast Bank Limited wins “J.P. Morgan’s Award”

Southeast Bank Limited wins “U.S. Dollar Clearing MT103 Standard Quality Recognition Award” of J.P. Morgan Chase Bank, N.A. In terms of total assets J.P. Morgan Chase Bank, N.A. is the largest Bank in the United States and the fifth-largest Bank in the world. M. Kamal Hossain, Managing Director of Southeast Bank Limited received a certificate and Crest from Sazzad Anam, Executive Director and Head of Financial Institutions, Treasury Service of J.P. Morgan Chase Bank N.A, Bangladesh Representative Office on October 14, 2021 in Dhaka. Southeast Bank Limited exceeded J.P. Morgan’s Stringent Straight Through Processing (STP) performance standard by maintaining 98.95% STP in MT103 transaction processing. In appreciation of that performance, J.P. Morgan awarded Southeast Bank.



## Southeast Bank Limited Awarded by National Exchange Company

Rashidul Islam, Deputy General Manager of National Exchange Company S.R.L, Italy handed over a crest to M. Kamal Hossain, Managing Director of Southeast Bank Limited for providing excellent services for distributing Inward Remittances sent by the Bangladeshi Expatriates. The Crest has been awarded to Southeast Bank Limited for distributing Inward Remittances sent by the Bangladeshi Expatriates through National Exchange Company S.R.L, Italy. Southeast Bank Limited tied-up Inward Remittance Distribution agreement with National Exchange in the year of 2020.





# 27 YEARS OF GLORIOUS JOURNEY

**12.03.1995**  
Incorporation of Southeast Bank Limited

**12.03.1995**  
Certificate of Commencement of Business

**23.03.1995**  
License Issued by Bangladesh Bank

**25.05.1995**  
Formal Inauguration

**25.05.1995**  
Inauguration of 1st Branch

1995

**Initial Public Offer (IPO):**

**25.11.1999**  
Subscription Opened

**05.12.1999**  
Subscription Closed

1999

**12.04.2000**  
Listing with Dhaka Stock Exchange Limited

**24.04.2000**  
Listing with Chittagong Stock Exchange PLC

2000

**12.03.2002**  
Formation of SEBL Foundation

2002

**15.02.2003**  
1st Rights Share Issue Subscription Opened

**15.03.2003**  
1st Rights Share Issue Subscription Closed

**28.07.2003**  
Commencement of Islamic Banking business from Chhagalnaiya Islamic Banking Branch, Feni

**28.10.2003**  
License Issued from Bangladesh Bank as a Primary Dealer

2003

**29.01.2015**  
Launching of Telecash as Mobile Financial Services Product

**25.02.2015**  
Signed Unsecured Facility Agreement with Global Climate Partnership Fund (GCPF)

**21.05.2015**  
Introduction of Bank's Modern and full-fledged Training Institute

**05.08.2015**  
Signed funded Loan Agreement with International Finance Corporation (IFC)

**30.08.2015**  
Commissioning of 'SWIFT Sanction Screening Solution'

**25.10.2015**  
Introduction of Central Monetary System (CMS) to monitor (24x7) all branches

**29.10.2015**  
Introduction of Real Time Gross Settlement (RTGS)

**23.11.2015**  
Implementation of Credit Card Management Software

**15.12.2015**  
Partnership with MasterCard Bangladesh and launched the complete range of Credit Cards (World, Platinum, Titanium and Gold) and Prepaid Card

**16.12.2015**  
Introduction of Bank's Call Centre 24x7

**31.12.2015**  
Introduction of Chip-based Credit Card

2015

**31.03.2016**  
Signed revolving Credit agreement for USD 5,000 million with Asian Development Bank (ADB)

**15.05.2016**  
Launching of client acquisition drive through 'Nibir' Campaign

**02.08.2016**  
Issuance of Subordinated Bond for BDT 5,000.00 million

**29.09.2016**  
Introduction of Bank's Health Care Centre

**29.09.2016**  
Introduction of Bank's E-Library

**08.10.2016**  
Launching of 'Cash Express Remit Card' for beneficiary of Foreign Wage Earner Expatriates

**26.10.2016**  
Awarded 1st position in "ICMAB Best Corporate Award-2015"

**24.11.2016**  
Awarded 'Tax Card and Trophy' as 6th highest Tax Payers of the Country in the Banking Sector

**01.12.2016**  
Signed agreement with Bangladesh Bank for 'Green Transformation Fund'

2016

**27.03.2010**  
Launching of ATM and ATM Cards with own System

**07.07.2010**  
3rd Rights Share Issue Subscription Opened

**29.07.2010**  
3rd Rights Share Issue Subscription Closed

**23.09.2010**  
Incorporation of Southeast Bank Capital Services Limited

2010

**28.02.2011**  
Introduced of Internet Banking

**23.05.2011**  
Launching of SEBL 1st Mutual Fund

**28.06.2011**  
Signed first Short-Term Rollover Loan Agreement with International Finance Corporation (IFC)

**15.09.2011**  
Incorporation of Southeast Financial Services (UK) Limited

**17.09.2011**  
100% Online Banking

2011

**15.01.2013**  
Established Central Payment Centre (CPC) at Head Office for International Trade Payments

**18.03.2013**  
Incorporation of Southeast Financial Services (Australia) Pty Limited

**30.06.2013**  
Formation of Southeast Bank-The Financial Express-Policy Research Institute Green Award Trust

**12.09.2013**  
Establishment of Southeast Bank Green School

2013

**11.11.2014**  
Issuance of Subordinated Bond for BDT 3,000.00 million

**15.11.2014**  
Introduction of Green Award

**15.12.2014**  
Incorporation of Southeast Exchange Company (South Africa) Pty Limited

**29.12.2014**  
Opening of Ladies Branches

2014

**17.02.2004**  
Registered as  
Depository Participant  
of CDBL

**16.05.2004**  
1<sup>st</sup> to Demat Shares in  
CDS of CDBL in  
Banking Sector

**20.10.2004**  
Became a member of  
Trade Finance Program  
(TFP) of Asian  
Development Bank  
(ADB)

2004

**01.01.2005**  
Launching of Credit  
Card

2005

**15.10.2006**  
2<sup>nd</sup> Rights Share Issue  
Subscription Opened

**31.10.2006**  
2<sup>nd</sup> Rights Share Issue  
Subscription Closed

2006

**23.04.2007**  
Became a member of  
Global Trade Finance  
Program (GTFP) of  
International Finance  
Corporation (IFC)

2007

**14.02.2009**  
Introduced of new Core  
Banking Software

**30.12.2009**  
Launching of 1<sup>st</sup>  
Off-shore Banking Unit

2009

**26.01.2017**  
Obtained license from  
Bangladesh Bank for  
Centralizing  
International Trade and  
Foreign Exchange  
Transactions

**04.03.2017**  
Launching of 'Priority  
Banking Products'  
"ESTEEM"

**05.04.2017**  
Southeast Bank  
distributed Green  
Award

**20.05.2017**  
Organized Scholarship  
program for financially  
challenged meritorious  
students

**25.05.2017**  
Launching of Payment  
Gateway

**25.11.2017**  
Awarded first position  
for the best Corporate  
Governance among  
private sector Banks by  
Institute of Chartered  
Accountants of  
Bangladesh (ICAB)

**30.11.2017**  
Received Silver Award  
for Corporate  
Governance Excellence,  
2016" by The Institute of  
Chartered Secretaries  
of Bangladesh (ICSB).

**21.12.2017**  
Establishment of  
Cafeteria for Safe food  
for Bank's employees.

2017

**31.01.2018**  
Awarded 1<sup>st</sup> Runner Up  
by South Asian  
Federation of  
Accountants (SAFA) for  
Best Presented Annual  
Report 2016 in the  
Private Sector Banking  
Category.

**31.01.2018**  
Won Joint 2<sup>nd</sup> Runner  
Up Award in SAARC  
Anniversary Award for  
Corporate Governance

**12.08.2018**  
Issuance of  
Subordinated Bond for  
BDT 5,000.00 million

**10.11.2018**  
Received Silver Award  
for Corporate  
Governance Excellence,  
2017 by the Institute of  
Chartered Secretaries  
of Bangladesh (ICSB).

**12.11.2018**  
Awarded "Tax Card &  
Trophy" as the 4<sup>th</sup>  
highest Tax Payer of the  
Country in the Banking  
Sector.

2018

**14.07.2019**  
Signed an Agreement with  
iPay Services Limited for  
providing Payment  
Services to iPay users

**29.07.2019**  
Inaugurated  
transportation services for  
the employees of  
Southeast Bank Limited

**12.09.2019**  
Launched the first of its  
kind prepaid card for  
Ecommerce merchants in  
collaboration with  
Mastercard and  
SSLcommerz.

**16.09.2019**  
Achieved Second Position  
for collecting Dhaka  
WASA's bill in the financial  
year

**14.11.2019**  
Awarded "Tax Card &  
Trophy" as the highest Tax  
Payer of the Country in  
the Banking Sector

**19.11.2019**  
Awarded for Excellence in  
Mastercard Prepaid  
Business 2018-19 category

**30.11.2019**  
Awarded first position for  
the best Corporate  
Governance among  
private sector Banks by  
Institute of Chartered  
Accountants of  
Bangladesh (ICAB)

**30.11.2019**  
Won Joint 2<sup>nd</sup> position  
under the category of  
Private Sector Banks by  
Institute of Chartered  
Accountants of  
Bangladesh (ICAB)

**30.11.2019**  
Awarded 1<sup>st</sup> Runner-up for  
the Corporate  
Governance Disclosure by  
South Asian Federation of  
Accountants (SAFA) for  
Best Presented Annual  
Report-2018 in the Private  
Sector Banking Category.

**30.11.2019**  
Awarded 2<sup>nd</sup> Runner-up  
for the category of the  
Private Sector Banks  
(including Co-operative  
Banks) by South Asian  
Federation of  
Accountants (SAFA) for  
Annual Report-2018.

2019

**01.01.2020**  
Inauguration of Online  
Training and  
Examination for the  
Employees of the Bank.

**02.01.2020**  
Launching of EMV VISA  
Dual Currency Debit  
Card

**08.02.2020**  
Won the "Top Ten  
Remittance Award  
2020" for its  
Outstanding  
Remittance Services to  
the Non Resident  
Bangladeshi (NRB) in  
the year 2019 at the  
inauguration of World  
Conference Series 2020  
(WCS 2020).

**18.02.2020**  
Launching of integrated  
vending station for  
providing Prepaid Meter  
Recharge Service to the  
subscribers of DESCO

**08.03.2020**  
Bangladesh Bank  
awarded 1<sup>st</sup> prize for  
outstanding  
contribution in Financial  
Inclusion activities

**19.03.2020**  
Inauguration of Mujib  
Corner

**21.09.2020**  
Opening of Credit Card  
Center

**26.11.2020**  
Awarded for excellence  
in MasterCard Prepaid  
Business and  
MasterCard Online  
Acquiring Business  
2019-2020 Category.

**22.12.2020**  
Launching of new  
Payroll Banking services  
named "Beton Card and  
Beton Plus Card" for  
Corporate Clients.

2020

**17.01.2021**  
Achieved "Third Position"  
for collecting Dhaka  
WASA's bill in the financial  
year 2019-2020.

**24.02.2021**  
Launching of "Express  
e-Account" App

**28.02.2021**  
Signed an agreement with  
Bangladesh Bank under  
"Refinance Fund for  
Technology Development/  
Up-gradation of  
Export-Oriented  
Industries".

**07.03.2021**  
Launching of Agent  
Banking "Shagotom".

**31.08.2021**  
Awarded for providing  
excellent services for  
distributing Inward  
Remittances sent by the  
Bangladeshi Expatriates.

**21.09.2021**  
Introduction of Tjarah  
Islamic VISA Dual  
Currency Debit Card

**27.09.2021**  
Migration from Magnetic  
Stripe Proprietary Debit  
Card to VISA EMV Chip  
Debit Card

**07.10.2021**  
Signed an agreement on  
Automated Challan  
System (ACS) with  
Bangladesh Bank.

**14.10.2021**  
Won "U.S. Dollar Clearing  
MT103 Standard Quality  
Recognition Award" by J.P.  
Morgan Chase Bank, N.A.

**24.10.2021**  
Signed a MOU with Public  
Private Partnership  
Authority (PPPA).

**18.11.2021**  
Awarded for "Excellence in  
MasterCard Prepaid  
Business (Domestic)  
2020-21" and "Excellence  
in MasterCard Online  
Acquiring Business  
2020-21" categories.

**11.12.2021**  
Awarded Certificate of  
Merit under the Category  
of Private Sector Banks by  
Institute of Chartered  
Accountants of  
Bangladesh (ICAB)

2021



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# LETTER OF TRANSMITTAL

All Shareholders of Southeast Bank Limited,  
Bangladesh Bank,  
Bangladesh Securities and Exchange Commission,  
Financial Reporting Council,  
Registrar of Joint Stock Companies and Firms,  
Dhaka Stock Exchange Limited and  
Chittagong Stock Exchange PLC

## **Annual Report of Southeast Bank Limited for the Year-2021**

Dear Sir(s),

Thank you for supporting us in the preceding years. It is our immense pleasure to lay before you the Bank's Annual Report-2021 along with the Audited Financial Statements (consolidated and solo) as at and for the year ended December 31, 2021. The Annual Report-2021 of the Bank comprises Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement along with notes to the Accounts. We hope that the report will be of use to you today and tomorrow.

Best regards,

Yours sincerely,



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**A.K.M. Nazmul Haider**  
Company Secretary

# FORWARD LOOKING STATEMENTS

This Annual Report may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, business and anticipated actions of the Bank. These statements are not historical facts, but include statements about Bank's beliefs and expectations or possibilities. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such statements. Few of the factors that may affect the overall business condition of the Bank can be as follows:

- Changes in Domestic and Global Economy
- Changes in Fiscal, Trade and Monetary Policies
- Natural Calamities and Political Turmoil
- Changes in Consumer Behavior, Technologies, Commodity Price Levels

- Changes in Interest Rates both in Lending and Deposits
- Changes in Legal and Regulatory Framework Locally and Internationally
- Withdrawal of Incentives given to any Sector

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Bank will not undertake any obligation to revise or update any one of the forward-looking statements contained in this report, regardless of whether those statements are affected as a result of new information, future events or otherwise. These statements are valid only for the date of publication as external factors can materially change after publication date. The Bank is not obliged to publicly revise the statement if such changes occur following the publication of the report



# NOTICE OF THE 27<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given to all Members of Southeast Bank Limited that the 27<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held virtually by **using digital platform on Thursday, August 11, 2022 at 11.00 a.m.** to transact the following businesses and adopt necessary resolutions:

## AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2021 together with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend for the financial year ended on December 31, 2021.
3. To elect/re-elect Directors and post-facto approval of the re-appointment of the Independent Director.
4. To appoint the Statutory Auditors and to fix their remuneration.
5. To appoint the Corporate Governance Compliance Auditors for the year 2022 and to fix their remuneration.
6. Miscellaneous, if any, with the permission of the chair.

Dated: Dhaka  
July 20, 2022

By order of the Board



**A.K.M. Nazmul Haider**  
Company Secretary

## NOTES:

- a) The "Record Date" was on **Sunday, June 12, 2022**. The Shareholders whose name would appear in the CDS/ Register of Members of the Company on Record date will be eligible to attend/participate in the Annual General Meeting through Digital Platform and receive dividend.
- b) Shareholders entitled to attend/participate and vote at the Annual General Meeting, may appoint a proxy to attend and vote. The "Proxy Form" duly filled, signed and stamped at BDT 20.00 must be mailed to the email at [irdsebl@southeastbank.com.bd](mailto:irdsebl@southeastbank.com.bd) of the Bank not later than 48 hours before the meeting.
- c) Annual Report-2021 of the Bank containing among other papers and Notice of the AGM will be sent in soft form to the Shareholders' respective email addresses as available in their Beneficial Owner (BO) Accounts. Soft copy of the Annual Report-2021 will also be available in the Bank's website at: [www.southeastbank.com.bd](http://www.southeastbank.com.bd)
- d) Pursuant to the Bangladesh Securities and Exchange Commission's Order No.SEC/SRMIC/94-231/91 dated March 31, 2021, the AGM will be held virtually (using digital platform), which will be conducted via live webcast.
- e) The shareholders will join the virtual AGM through the link: <https://southeastbank.bdvirtualagm.com> The Shareholders will be able to submit their questions/comments before commencement of the AGM and during the AGM. For login to the system, the Members need to click on the link and provide their 16 digit Beneficial Owner (BO) ID number/Folio number and other credential as proof of their identity by visiting the Link: <https://southeastbank.bdvirtualagm.com> The detailed participation process for the Digital Platform Meeting will also be available in the Bank's website: [www.southeastbank.com.bd](http://www.southeastbank.com.bd)
- f) For any IT related guidance and help with the login process, the respective members may contact at +8801918615100, +88 01700706532 or visit [www.southeastbank.com.bd](http://www.southeastbank.com.bd)
- g) All Shareholders are requested to update their respective BO Accounts with 12 digits Tax payer's Identification Number (e-TIN), Bank Account Number, E-mail address, Cell Phone No., Mailing address and other related information through their respective Depository Participants (DP).
- h) As per Bangladesh Securities and Exchange Commission's Circular No.SEC/CMRRCD/2009-193/154 dated October 24, 2013, and the regulation 24 (2) of the Stock Exchanges (Listing) Regulations-2015 "no benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities" for attending the 27<sup>th</sup> Annual General Meeting of the Bank.

# VIRTUAL AGM ATTENDANCE PROCEDURE

Southeast Bank Limited convened its **27<sup>th</sup> AGM virtually** through digital platform on **Thursday, August 11, 2022 at 11.00 a.m.** in compliance with BSEC's Order No.SEC/SRMIC/94-231/25 dated 08 July 2020; BSEC/CMRRCD/2009-193/08 dated 10 March, 2021 and SEC/SRMIC/94-231/91 dated March 31, 2021 respectively.

**Date**  
Thursday  
August 11, 2022



**Time**  
11:00 am  
Dhaka



**Live Webcast**

<https://southeastbank.bdvirtualagm.com>



Shareholders/Members are requested to attend/participate in the Bank's **27<sup>th</sup> AGM** by considering following procedures:

## STEP 01

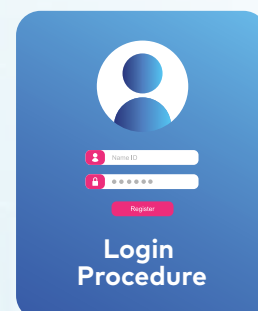
Please confirm whether you are a shareholder/member of Southeast Bank Limited as on "Record Date" i.e. Sunday, June 12, 2022.

## STEP 02

Please visit <https://southeastbank.bdvirtualagm.com> from your Desktop/Laptop/Smartphone.

## STEP 03

Please click on the link and put your 16-digit BOID/Folio number and other credential as proof of your identity to login in the system.



**Login  
Procedure**

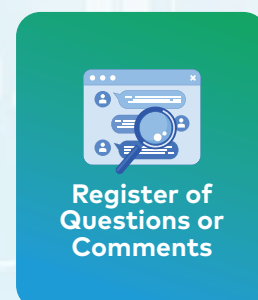
This section will show the webcast of the virtual AGM by using digital platform.



**LIVE  
STREAMING**

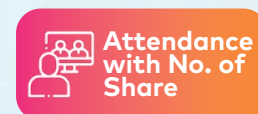
This section will preserve your questions/comments before commencement of the AGM and during the AGM. Additional to this, the participants can send their queries and comments directly to [irdsebl@southeastbank.com.bd](mailto:irdsebl@southeastbank.com.bd) or in writing.

Southeast Bank Limited will try to answer all relevant questions during the live Q & A session of the AGM, but reserves the right to edit and/or reject questions if it deems irrelevant or inappropriate.



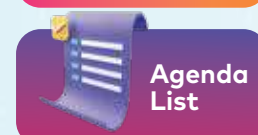
**Register of  
Questions or  
Comments**

This section will show the total attendance of present shareholders and shareholdings at their possession.



**Attendance  
with No. of  
Share**

This section will show agenda for the meeting with options for proposing, seconding, agreeing or disagreeing of individual agenda.



**Agenda  
List**



**Sections  
of The AGM  
Website**



**Technical Guidance**

If you face any difficulties to login process to participate in the virtual AGM through the link <https://southeastbank.bdvirtualagm.com>, please call before or during the AGM to +8801918615100, +8801700706532 or visit [www.southeastbank.com.bd](http://www.southeastbank.com.bd)

# MESSAGE FROM THE OFFICE OF THE CHAIRMAN

**Southeast Bank Limited moves forward intending to establish business relationships with the country's reputed corporate customers and provide lending to ensure economic growth in small and medium enterprises and to increase economic activity among the poor by expanding agricultural credit to increase the country's GDP. Although in such a situation in the aftermath of the epidemic, our bank will find itself in a challenging environment to deploy all its components, however, we are determined to move forward without looking back.**

**Alamgir Kabir, FCA**  
Chairman

**Bismillahir Rahmanir Rahim**

**Dear Valued Shareholders,**

It is indeed a great pleasure and a privilege for me and on behalf of the Board of Directors to welcome you all to the 27<sup>th</sup> Annual General Meeting of Southeast Bank Limited. I would like to express my cordial thanks and gratitude for your continued patronization, co-operation and support to attain Bank's sustained success by overcoming all challenges. It is my privilege to present before you the Annual Report of the Bank for the year 2021 along with the Audited Financial Statements for the year ended December 31, 2021, reflecting the steady performance of the Bank for your review and approval.

## **1. Business Achievements in 2021**

The COVID-19 pandemic has severely affected all areas of economic activities throughout the world. In spite of that, the Bank has registered steady growth in all key areas of business by the grace of Almighty Allah. Bank's total assets increased by 6.57 percent in line with the Bank's policy of maintaining optimum liquidity. Liquid Assets to Total Assets stood at 5.92 percent at the end of 2021. During the year, adequate focus was put on recovery and liability and asset management. It resulted from cash recovery against NPLs and written off loans BDT 446.06 million and BDT 476.44 million respectively in the year 2021. The Bank emphasized restructuring the deposit base to increase the portion of the low-cost deposit segment in the deposit portfolio to build up a

sustainable deposit base by reducing overdependence on enormous chunk corporate deposits. As a result, the Bank trimmed down the high-cost deposit base in 2021. In the deposit composition of the Bank, the cost-free and low-cost deposit reached 45.61 percent from 41.97 percent as compared to last year. The total deposits of the Bank including Islamic Banking deposits increased by 4.77 percent over that of last year. It led to a prudent Loan to Deposit Ratio of 78.70 percent. The Net Interest Margin (NIM) of the Bank reached 1.64 percent at the end of 2021. The Net Profit of the Bank for the year 2021 was BDT 1,784.30 million. Net interest income during the year 2021 had a visible growth of 17.74 percent over those of 2020. The significant contribution of Net interest income to the Bank's total income is a clear testimony of the Bank's financial strength. The Bank's total asset increased by 6.57 percent from BDT 465.29 billion to BDT 495.84 billion over the last year and Shareholders' Equity stood at BDT 29.99 billion in 2021.

## **2. Status of Corporate Governance**

Southeast Bank Ltd. has been practicing sound Corporate Governance principles in all its activities since its inception in 1995. Strong governance is crucial to organizational success, value creation and sustainability. The Board of Directors of SEBL is committed to ensuring the highest standards of corporate governance





throughout the organization with the objectives of protecting and enhancing the shareholders' interest as well as ensures accountability, fairness and transparency in the Bank's relationship with its all stakeholders. In corporate governance, our priorities are comprehensive disclosure of related corporate information, protection of shareholders' right, maintenance of standard and consistency of information, care for employees, increase of shareholder wealth, high ethical standard in performance, delivery of commitment to the community and making a significant contribution to the national exchequer. Our ultimate goal in respect of corporate governance is to come out as a good corporate citizen and respond to calls of responsibility within the purview of rules and international best practices. The banking sector is playing an important role in the economy of Bangladesh, so the more accountability and transparency are ensured in the banking sector, the more we will be free from corruption and we all must work together to fulfill our corporate dream. The Whistle Blower Policy is in place to ensure transparency in the operations of the Bank, to establish integrity and to keep all the activities of the Bank free from corruption. We have been awarded many times in the past by many professional bodies for establishing our transparent corporate governance. An elaborate report on Corporate Governance is appended in this Annual Report.

### 3. Expansion of Business Network

The alternative delivery channel (ADC) has enabled the Bank to serve the customers beyond regular Banking hours. The Bank is providing 24/7 service through its established delivery channels, like ATM, Cash Recycler-ATM, Offline Cash and Cheque Deposit Machine, Online Cash Deposit Machine, Internet Banking, POS (Point of Sales) machine, etc. The Bank is one of the pioneers to introduce VISA Dual Currency Debit Card in Bangladesh. Our local currency account holders can endorse their passports and use their VISA Debit Cards abroad within their regular Travel Quota limits. SEBL is well equipped to serve holistically the financial needs of customers through its extensive network of branches, sub-branches and agent banking outlets all over the country. The Bank offers state-of-the-art technological support, advanced internet banking solution, fast and easy mobile banking services and most importantly, a very friendly and efficient workforce. To enhance the dimension of banking services, Southeast Bank Ltd. opened 5 new sub-branches in 2021. The Bank's total number of branches stood at 135, sub-branches at 22 and agent banking outlets at 29 as on 31<sup>st</sup> December, 2021. Even then we have prepared the branches to serve the customers equally as well as created a comfortable environment for them to get ADC services. During the year 50 new ATMs were installed and at year end, Bank's own ATMs reached 327 of in various important places of the country. With this, customers no longer need to come

to the bank and are now able to get ATM service next to their house. As part of an initiative for inclusive banking to bring a greater number of unbanked people under the banking umbrella, the Bank introduced MFS (Mobile Financial Service) under the brand name of "Telecash" about 5 years back.

Bank firmly promotes green banking to reach its long-term strategic objective to be green, where every decision will be taken with both financial and environmental considerations in mind. Bank Actively involved in green financing activities, reduction of greenhouse gas emission, efficient energy use, environment-friendly projects like ETP, Zigzag and HHK technology, plants nursery, biogas and horticulture projects, etc. We have participated with Bangladesh Bank for green transformation fund (GTF) to financing in foreign exchange for all manufacturer exporters irrespective of sectors against the import of capital machineries and accessories relevant to environment -friendly attributes specified by Bangladesh Bank.

The Bank has a self-owned exchange house in South Africa. It has correspondent banking relationship with 651 international banks across the globe. Agent banking is being done in places where there is no banking network. As there is an agent bank in the areas where there is a banking crisis, the people of that area are getting banking services. In this way, we are bringing banking services to the doorsteps of the people.

### 4. Digital Transformation

Information technology governance is an area that has been effectively addressed and constantly being improved enhancing new technologies to coordinate different areas of automation and control systems of banking operations. We look for creative ways to take advantage of existing infrastructures and platforms. With the growth of the Bank, we have been able to collect and deploy advanced versions of relevant technologies to meet the emerging needs of the Bank and its customers. New challenges are constantly emerging in banking. Some of the challenges to the bankers are completely new and some have been introduced directly or indirectly in the past. It is very difficult to survive in the current situation without prior preparation for these challenges. SEBL Building a future-ready digital bank. Our Information Technology Services (ITS) are always doing their best to keep all those updates with the Bank's growing business model. The Corona epidemic has made this technology more dynamic; customers have been getting uninterrupted banking facilities. Even in lockdown, customers have been able to avail themselves of services through digital technology without going to the bank. Alternative banking channels, which are mostly technology-based banking services have attracted a large number of the non-bank people has come under banking umbrella. IT

Security Audit is conducted every year by the internal and external audit team as well as the Bangladesh Bank Inspection team and the weaknesses related to banking operation in IT system and Cyber Security, as pointed out by them, are mitigated on a priority basis. In the future, we will strive to make the wheel of the economy more dynamic and stronger by improving our banking services through adaption of advance IT support system. Moreover, in order to prevent such attacks through hacking and tracking through the use of technology, we have from time to time emphasized the need for appropriate control measures and risk assessments. We are constantly upgrading our ICT security and risk management policies to minimize IT operational risks as per guideline of Regulatory Authority. The Digital banking services have made it possible and met our customers' emergency needs. We believe that investing in technology will facilitate the Bank to explore new opportunities of banking, which will give us a competitive advantage. We would like to reassure our shareholders and customers that the Bank will always strive to innovate its products and improve services through adoption of advance financial technology.

## 5. Commitment to the Society

The Bank is closely related with the communities where it runs its business. We acknowledge our social responsibility well and align our business strategies with our culture and serving the society as part of our Corporate Social Responsibility (CSR) to promote underprivileged segment of the society by contributing to the development of social, economic and environmental focusing on education, health, disaster management, art & culture, youth and sports and others. We always extend our hands towards disadvantaged and vulnerable groups of the society so that they will be included in the mainstream. Our CSR activities follow transparent business practices that are based on ethical values, compliance with legal and regulatory requirement. SEBL following the Bangladesh Bank principles, prioritizes in social and environmental values which will benefit the people of the country. SEBL donated on the occasion of the centennial birth anniversary of the founding leader of Bangladesh, Sheikh Mujibur Rahman which has declared the year 2020-21 by the Govt. as the celebration of 'Mujib Borsho', celebration of 'National Victory Day Parade-2021' celebration of half-century of independence of Bangladesh as well as 'Bangladesh Police Force' for protection from COVID-19 who actively engaged for keeping security of the nation. We spent in several activities for the prevention of the COVID-19 crisis to Prime Minister's Relief & Welfare Fund, warm clothes among cold-hit people in different parts of the country, financial assistance for well-being of people, supported poor meritorious students by providing Scholarship etc. Against the backdrop of the pandemic, our commitment to our manpower as well as stakeholders was even stronger. We also contribute to

the society by paying taxes to the national exchequer timely. We believe that a stable environment and a strong economy are correlated and precondition for progress of the country. Our success as a Bank is linked intrinsically to the welfare of the society. To achieve this, we align our business and sustainability strategies as closely as possible. SEBL is working towards improving the energy efficiency of its operations and optimizing the use of resources. We are concentrating our efforts on economy our energy consumption and reducing waste generation. The 'Social Responsibility Report' is appended on page no. 204 in this report.

## 6. We Care for Our Bank's Employees

We give utmost importance to recruit and retain well educated, skilled, honest, sincere and dedicated employees who are given on-the-job training for their professional development and adding value for their respective career progression. We adequately ensure work environment, management dynamism, benefits, recognition and career development path. We believe that our people are undoubtedly the core assets of our bank as well as we acknowledge their hard work and dedication in elevating our Bank to where it is today. We help them make responsible and consistent professional decisions selflessly. The employees understand the Bank's mission, vision and values and to act in a way that leads to reaching organizational goals. We provide a competitive compensation and incentive package to motivate our employees. In order to ensure sustained growth objectives, the Board imposes Code of Ethics for every tier of employees and they follow it properly. In an era where automation is threatening jobs in many industries in Bangladesh, SEBL has consistently been a significant employment generator within the banking industry over the past few years. Throughout 2020-21, our priority has been the health and wellbeing of our employees. During the worst of the Covid-19 epidemic, Bank did not reduce the salaries and allowances of employees and laid off any employees but provided financial assistance for the treatment of them and their families. Likewise, there are incidents where the entire medical cost of treatment of many officers and employees has been borne by the bank. Special corona allowance has also been granted to the employees as per the instructions of the Bangladesh Bank. The Bank thinks employees are the Bank's strength, life and resources.

## 7. Future Outlook

The sudden outbreak of the Covid-19 pandemic since the early 2020s, however, has severely affected all economic activities around the world. Almost all the major indicators of the economy of Bangladesh have been significantly affected by the epidemic. Corona later changed the urban-rural equation. Many workers moved to the city as a livelihood center have returned and are currently trying to earn a living locally. The Bank has a



significant presence in these urban and rural areas, which will be able to easily meet the needs of the local people. As it struggles to cope with the epidemic of the economy, SEBL moves forward intending to establish business relationships with the country's reputed corporate customers and provide lending to ensure economic growth in small and medium enterprises and to increase economic activity among the poor by expanding agricultural credit to increase the country's GDP. Although in such a situation in the aftermath of the epidemic, our Bank will find itself in a challenging environment to deploy all its components, however, we are determined to move forward without looking back.

We have been navigating the banking sector of Bangladesh for the last 27 years. Over the years, we have built a strong foundation for the future to deliver a leading performance and competitive return that our shareholders want to see. We will continue to strive to further improve our operational efficiency with a core focus on asset creation for shareholders. We are determined to go further to make a meaningful contribution to the country's economy. Next year, in 2022, we will earnestly seek to increase our market share in the banking industry. Over the next few years, the Bank's goal is to expand its service network, embracing technological changes, innovations to further develop attractive pricing offers to our clients and diversify its lending portfolio. The Bank will also enhance its focus on building a deeper relationship with small and medium enterprises, which is the country's biggest driving force for economic growth and job creation. The SME segment is expected to make the biggest contribution to the development of the Bank, including meeting the growing demand of the country's business sector. We will place more emphasis on long-term ethical client relationships, high productivity through teamwork, a confident and ambitious sense of excellence, prudence, creativity and customer-centric marketing. Almost all major indicators of the Bangladesh economy have been significantly affected by the Pandemic. The Stimulus packages for the recovery are still lined up in our plans. There are plenty of micro, small and medium enterprises and many vulnerable sectors that need support through stimulus packages, so we have kept it in force. We will continue to focus on increasing revenue on a long-term basis. Keeping in view the relevant policies of the Central Bank, we will focus on investing in areas where there is more business potential. In our journey along the path of growth, our interface with our customers, shareholders and employees will become stronger. We constantly strive for improvement. We plan to maintain our discipline and make further continuous improvements as well as strengthen our infrastructure, staff, officers, brands and information technology. We firmly promise our stakeholders that we will embrace their innovation and modern technology to provide them with value-added benefits, privacy and security. We hope and

renew our commitment to navigate the Bank in the right direction with faith in the Almighty Allah.

## 8. Acknowledgements

Looking back at the Bank's long and cherished history, we feel a sense of pride and express my gratitude once again to the Almighty Allah for the business success of the Bank in 2021 despite a very competitive and unfavorable business environment resulting from the COVID-19 pandemic. I also take the opportunity to thank the members of the Board of Directors of the Bank for their generous co-operation with great personal commitments and support during the year under review. Their collective wisdom substantially contributed to our success. I also thank our Managing Director along with his team for their commitment, dedication, loyalty, support and relentless efforts for Bank's qualitative and quantitative improvements. I respect their zeal to work hard to attain a new level of excellence and dynamism. Our shareholders' support and confidence are vital to the Bank's continued growth and development. We thank them for their support and co-operation.

I convey my special thanks to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Office of the Registrar of Joint Stock Companies and Firms, Financial Reporting Council, Dhaka Stock Exchange Limited, Chittagong Stock Exchange PLC and all other connected bodies for their continued support. I also like to express my thanks to all of our customers, patrons, well-wishers for their continued support, co-operation and guidance that are our constant source of encouragement in the days ahead. We reiterate with a firm commitment that we will remain disciplined, compliant and result-oriented in all our endeavors and in return seek their continued co-operation.

I also thank the respected shareholders for attending the 27<sup>th</sup> Annual General Meeting and contributing meaningfully to the deliberations and adoption of resolutions against the agenda.

May the Almighty Allah in His infinite mercy bestow upon us His compassion and blessings.

Allah Hafez.

With warm regards,



**Alamgir Kabir, FCA**

Chairman

A hand holds a large, black camera lens in the foreground. The lens is held horizontally, and its front element reflects a clear image of a paved road with a white dashed line down the center, flanked by lush green trees. The background of the entire image is a blurred, out-of-focus view of a similar road and trees, creating a sense of depth and focus on the lens. The text "a bank with vision" is printed in white in the upper right area of the image.

a bank with vision

# MESSAGE FROM THE MANAGING DIRECTOR

**Our proactive approach towards strengthening the organizational core values and technological capabilities, along with focused execution of strategy helped us to overcome the odds. As a result, we have been able to perform well in this challenging time contrary to earlier prediction. The Bank has constantly thrived for identifying opportunities that promote cross-functional synergies and minimize costs and enhance efficiency while ensuring uninterrupted, best-in-class service delivery through conventional as well as digital channels. The Bank is committed to meet financial needs of the customers and contribute to revival of the economy. The Bank's management is highly confident about achieving augmented growth across all business segments by leveraging the digital technology with robust capital base in 2022 and beyond.**

**M. Kamal Hossain**  
Managing Director

I am very grateful to Almighty Allah (SWT) for the eternal blessings upon us. It is a great pleasure for me to present the highlights of our Bank's performance for the year 2021. Despite the persisting challenges of the COVID-19 and amidst subsequent waves of the pandemic, the Bank secured substantial and sustainable growth. Our proactive approach towards strengthening the organizational core values and technological capabilities, along with focused execution of strategy helped us to overcome the odds. As a result, we have been able to perform well in this challenging time contrary to earlier prediction. At the same time, we continued our efforts to remain prudent and conservative in fortifying our balance sheet and enhancing our capital levels. The Bank has constantly thrived for identifying opportunities that promote cross-functional synergies and minimize costs and enhance efficiency while ensuring uninterrupted, best-in-class service delivery through conventional as well as digital channels.

## **Economic Review**

Last year the world witnessed the full impact of covid-19 pandemic that engulfed countries across the globe. The pandemic was swift and far reaching in its impact, however, policy responses by Governments and central Banks across the globe were instrumental in minimizing the impact of pandemic and helped countries perching their economies back on the growth track. Fiscal

spending, capital and debt infusion, easing of liquidity, and administration of stimulus packages rejuvenated the economic activities rapidly and efficiently. Most advanced economies are expected to return to their pre-pandemic stages by 2023, but with greater debt and subdued growth potential. In many emerging markets and developing economies, economic recovery has been constrained by limited access to vaccine doses, capital flight and concerns over debt levels and high operational costs. But like the jagged impact of the pandemic itself, the pace of economic recovery is massively divergent across countries. While the global economic recovery is continuing, we have been witnessing long drawn supply chains disruption, volatility in fuel price, abnormal high freight induced incremental inflationary pressure across the globe specially in countries like, USA, Canada, Russia, Brazil, UK, France, India, Bangladesh, Australia etc.

Bangladesh, like other countries, faces the daunting tasks of being fully recovered from the COVID-19 pandemic. Bangladesh is facing diverse challenges to adapt to the crisis through balancing between life and livelihood. In the backdrop, the Government of Bangladesh has taken appropriate proactive measures to tackle the negative impacts of the pandemic including providing a series of stimulus packages and refinance schemes. Besides, Bangladesh Bank pursued quantitative easing to absorb the shock of Covid-19 on the economy by adopting expansionary monetary policy





framework. Overall, the Government has prudently adopted appropriate and proactive policies to combat the challenges and to steer the economy to the direction of prosperity. Besides, strong remittance inflows and a rebound in export market has accelerated recovery of the economy earlier than previously expected.

### Performances

Despite non-conducive business environment, the Bank continued its growth trajectory and recorded excellent outcomes for the year 2021 which is a result of proactive management and prudent approach towards pandemic circumstances. It is inspiring to note that the Bank successfully navigated through the year by posting an outstanding financial result and reporting visible improvement in all key indicators. The Bank maintained its growth trajectory and continued to consolidate its position. Some of the highlights of Bank's performance in 2021 are-

- Despite low interest rate environment, we managed to achieve excellent growth in our deposit base. Growth in deposits was of BDT 17,164.83 million (4.77%) against last year, and low-cost deposits reached to 45.61 percent as of December 31, 2021.
- In the challenging environment, total asset base of the Bank amounted to BDT 495,841.96 million, recording an impressive growth of 6.57 percent; while Loans and advances increased by 4.37 percent and stood at BDT 336,329.37 million.
- Operating profit of the Bank grew by BDT 406.57 million and reached to BDT 8,671.12 million which shows 4.92 percent growth over last year.
- Despite of single digit interest rate and narrow spread, the net interest income for the year grew by 17.74 percent to BDT 2,921.56 million.
- In 2021 total Import business grew by 41.22 percent to BDT 313,262.70 million and export business by 24.93 percent to BDT 220,402.80 million.
- In comparison with last year Non-interest income registered a considerable growth of 4.09 percent by BDT 462.08 million over 2020.

### Key Adaptations in 2021

The entire banking system of the country went through numerous changes to adapt and serve the evolving demands of the people during these challenging times. Some of the key adaptations are:

- Quick implementation of contactless technologies and digital front-end experiences for customers.
- Virtualization of workforces by enabling remote working for many employees.
- Rationalizing operational costs to improve overall efficiency.

- Executing Government's initiatives and stimulus packages to mitigate the financial losses brought about by the pandemic.
- Showing corporate responsibility by prioritizing safety of customers, while serving their needs with highest priority.
- Widening the horizon of financial inclusion through introduction of Agent Banking and establishment of sub-branches in geographically remote areas.

### Preparedness in the Pandemic

By the Grace of Allah (SWT), even when almost the entire world came into a halt due to the COVID-19 outbreak, the Bank focused on ensuring uninterrupted, top notch service delivery to its customers, through conventional as well as digital channels. The Bank's investment in infrastructure, technology and training paid off during these challenging times, while the entire Bank Network remained fully operational around the clock to ensure uninterrupted delivery of banking services to our customers. The Bank also maintained all health-related protocols and actively supported the measures taken by the Government and the Central Bank to address the economic impacts of COVID-19.

### Strengths

The Capital to Risk-weighted Asset Ratio (CRAR) of the Bank as on December 31, 2021 in terms of Basel-III guideline was 13.86% as against the regulatory requirement of 12.50%. At the same time, provision for BDT 26,228.77 million was maintained against classified, unclassified and off-balance sheet items as per Bangladesh Bank's guidelines.

### Driving Forces

We believe in providing our employees with a congenial work environment that fosters belongingness as well as career progression with the mindset towards attaining complete customer satisfaction and ownership in a proactive manner while maintaining utmost moral standards. Our human resource selection and promotion process is merit-based and non-discriminatory. We believe that employees, who are committed, deliver better results. Through our policy on succession planning, we identify and mentor successors for senior roles within the organization, thus allowing upward career progress to the right talent, and help them in achieving their career growth aspirations.

### Excellence in Service

In today's dynamic and competitive environment, the key to continued success and achieving sustainable growth lies in focusing on enhanced delivery platforms and seamless customer engagement. I am pleased to share

that through the year, our support to customers and communities during pandemic remained extraordinary. We have been continuously thriving to deliver distinctive and world-class customer experience through an optimal mix of human touch and technology. I am proud of the commendable efforts and character displayed by all the team members of Southeast Family.

### Corporate Governance

The Bank has adopted the best practices envisioned in the Code of Corporate Governance and the Bank's Statement of Compliance. Southeast Bank ensures proper rights and responsibilities of different stakeholders of the Bank through a defined set of rules, policies and practices keeping focus on proper delegation, transparency and accountability in the organization as a whole. The Board of Directors is entrusted to provide strategic leadership to the management of the Bank.

### Financial Attributes

We prepare consolidated and solo financial statements of the Bank and its subsidiaries in accordance with the guidelines and laws of Bangladesh Financial Reporting Standards (BFRSs), the Bank Company Act & The Companies Act, the Securities and Exchange Rules, the guidelines and regulations of Bangladesh Bank and other regulatory authorities. Significantly important accounting policies and estimations detailing nature of the components of financial statements, any noteworthy changes are adequately disclosed.

### Outlook

Our banking sector will continue to navigate through the tough economic situation in the year 2022 on account of falling earning margins due to current policy rate regime and compounding risks to the asset quality given a subdued outlook for business activity and uncertainty surrounding the COVID-19 new upcoming strains. Considering the existing disruptions, complexities and uncertainties, the socio-economic and regulatory landscape will continue to transform rapidly. However, we are optimistic that economy of the country will continue its strong revival as the pandemic is gradually fading out and mass vaccination program has been and being implemented.

### Priorities for 2022

The Bank is committed to meet financial needs of the customers and contribute to revival of the economy. The Bank's management is highly confident about achieving augmented growth across all business segments by

leveraging the digital technology with robust capital base in 2022 and beyond. Our priorities for 2022 would be-

- Maintaining asset quality as a key area of focus. The objective is to increase financing in different sectors of the economy while keeping all the risk acceptance parameters under control.
- Diversifying deposit portfolio to further reduce cost of fund to maintain reasonable spread in the regime of capped interest rate.
- Upgrading and adopting new technology to keep pace with the ever-changing environment and requirement of clients.
- Managing the threat of soaring Non-Performing Loans after withdrawal of forbearance of NPL restriction by regulatory authority.
- To remain compliant with all statutory and regulatory guidelines and policies, to establish the culture of integrity and compliance across the Bank.

### Thanks

I would like to thank all the COVID Warriors for the tremendous job that they have been doing, especially the healthcare professionals, who are constantly fighting all odds to save thousands of lives. I deeply mourn the death of individuals in the pandemic especially Bank Officials and pray to the Almighty for the salvation of the departed souls. I pray that almighty Allah (SWT) may keep all of us safe from this calamity and disease and grant us good health and serenity.

### Acknowledgment

I would like to place on record my deep appreciation to the Central Bank, Bangladesh Securities and Exchange Commission and other regulatory authorities for providing necessary assistance and valued guidance. I am grateful to the proficient Board of Directors for their eminent leadership and contributions during these turbulent times. I would like to express my gratitude to our shareholders, business partners, customers, for their continued patronage and trust and finally to our beloved employees for their relentless efforts towards making this Bank a success story.



**M. Kamal Hossain**  
Managing Director



# INTEGRATED REPORTING FRAMEWORK

## Introduction

The Integrated Report (IR) has been prepared with the aim to represent how SEBL, as a financial institution, has excellently managed its business to deliver consistent value to its stakeholders. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, leads to the creation of value in the short, medium and long term.

“

*Southeast Bank Limited has already transformed its integrated thinking into a set of disclosures termed as Integrated Report. The Bank has always been proactive in its strategies in the form of taking into account the integrated thinking in business ideology and value creation. The Bank does believe in dealing with our clientele with the best practice of responsible banking along with the idea of creating sustainable value for all the stakeholders.*

”

## Scope and Boundary of the Report

The Integrated Report covers the period from January 1, 2021 to December 31, 2021. This report aims to provide a transparent and balanced appraisal of the material issues that faced our business during the year under review and that impacted our ongoing ability to create value. The Financial information regarding sustainable value addition has been presented in respective segments along with independent audit reports and evaluation. Non-financial issues and information regarding the Bank had been demonstrated throughout the report in different segments narrated as Non-financial indicators, Sustainability Report, Director's Report etc. Our Integrated Report gives a clear indication of:

- Our business model (pg. ref. 34) combining different types of capital in the short, medium and long term;
- Strategic focus (pg. ref. 42);
- Resource allocation (pg. ref. 32)
- Business outlook (pg. ref. 23)
- Financial, operational, environmental and social value creation activities (pg. ref. 145)
- Risk and opportunities through risk management disclosures (pg. ref. 178), Corporate Governance (pg. ref. 100), and Sustainable Banking (pg. ref. 203) initiatives

During preparation of the report there had been no material change in the reporting of financial and non-financial issues regarding the Bank.

SEBL is committed to report financial and non-financial activities transparently to the stakeholders. This report is the primary report to and a major communication interface with our shareholders and stakeholders, and demonstrates the relationship between the interdependent elements which comprise our value creation process, in compliance with the requirements of:

- Bank Company Act, 1991 (Amended up to in 2018)
- Bangladesh Bank Regulations
- The Companies Act, 1994 (Amended up to 2020)
- Financial Reporting Act, 2015
- International Accounting Standards (IAS)
- International Financial Reporting Standards (IFRS)
- Financial Institutions Act 1993
- Securities and Exchange Rules 1987
- The Income Tax Ordinance, 1984
- And other applicable laws and regulations of the Bank

### Materiality

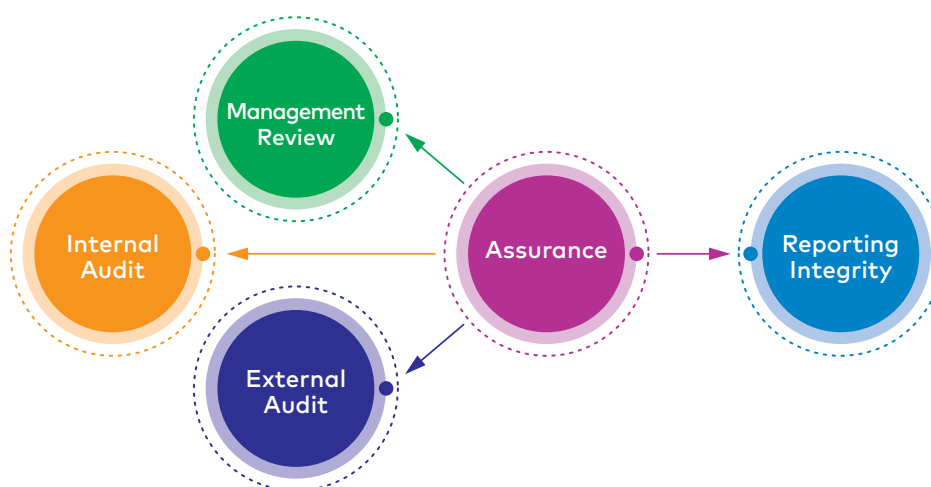
The authentic and strategic interests of all our key stakeholders were taken into account in determining information that is considered to be material for inclusion in this report. Southeast Bank Limited has always been vigilant in addressing the material issues which have substantial impact on the strategic direction and operation of our business. Several nonfinancial parameters and our performance in the relevant parameters were disclosed considering their materiality in decision making and formulation of strategic directions.

### Combined Assurance

The Board, with the support of the Audit and Risk Management Committee, is ultimately responsible for combined assurance by setting the direction concerning the arrangements for assurance services and functions. The assurance role providers ensure that ethics and effective risk management are implanted in our internal growth agenda. The Bank scrutinizes the details of the reports submitted and assures the uniform acceptance of the report by its assurance model comprising of different independent and responsible authorities. We do believe that our combined assurance model creates the philosophy that is embedded in every aspect of our business.

#### We have engaged different external assurers and auditors to ensure the credibility of the report.

Financial Statements Audit	Howladar Yunus & Co., Chartered Accountants
Corporate Governance compliance	Mahfel Huq & Co., Chartered Accountants
Provident Fund Financial Audit	Haque Shah Alam Mansur & Co., Chartered Accountants
Cash Incentive (ID)	Howladar Yunus & Co., Chartered Accountants
TAX Consultant	Akhter Abbas Khan & Co.; Chartered Accountants
Credit Rating Agency	Credit Rating Information and Services Limited (CRISL)
Risk Management Assurance	Bangladesh Bank



Combined Assurance Model of Information to Stakeholders

## Integrated Capital

Our integrated capitals have substantial impact on our strategic operation. The cycle of integrated thinking and reporting shall result in productive capital allocation and act as a force for financial stability and sustainability. We also do believe that each of the integrated capitals depicted below has been contributing immensely for the organization to achieve its vision to be a premier banking institution in Bangladesh and contribute significantly to the national economy.





# KEY DRIVERS THAT CREATE VALUE TO OUR ORGANIZATION



## Board Responsibility

The Board, along with Audit and Risk Management Committee, acknowledges the responsibility to ensure the integrity of this integrated report. The Board believes that all the material issues of the Bank have been addressed in the report as well as integrated performance of the Bank has been presented fairly.

**M. Kamal Hossain**  
Managing Director

# CORPORATE PHILOSOPHY AND BUSINESS MODEL

## Corporate Philosophy

Our corporate philosophy centers around our corporate mission, business domain and management goals. We devote our talent and technology to the creation of value for our stakeholders. Everyday our people bring this philosophy to their life and work. Our philosophy cannot be bound by a few words or issues. Yet we narrate the followings:

### Customers

Our company philosophy is simple. It is customer friendly and fully responsive to customer needs and expectations. We carry out required research, analysis and survey to find out what the customers expect. We leverage technology and expertise to provide the best services and convenience to the customers. We spend money on things that matter to them and add value to the Bank in terms of image and profit. That is why our customer-base has been steadily expanding over the years.

### Human Resources

Our people are smart, professional, well-qualified, energetic and sincere. They are passionate about what they do. Since they enjoy their work, it becomes easy for them to work hard. They do not follow any set model, rather they create models. They completely own what they plan and do. They have a longing to be significant. So, they are a part of something noble and purposeful.

### Communication

Our philosophy is to reduce lines and layers of communication. We believe in free flow of ideas within the Management Team. The Senior Management Team is also open to accept / receive ideas suggested by any executive and officer. At the same time, our decision-making process is short and quick.

### Control Mechanism

Our control mechanism is practiced at all levels. We strive to control the behavior of the employees. Our control mechanism is closely linked to efficiency, quality, innovation and responsiveness to customers.

### Quality and Productivity

Our philosophy is geared towards boosting productivity and maintaining a reliable high-quality service standard. In the process of delivery of service, co-ordination is the essence of our business. Our philosophy is to achieve our goals through a combination of budgetary control, pay for performance, incentive system, unique corporate culture etc. It continuously stresses key values.

### Success

Our people work hard to succeed. Success is a good fortune. It comes from their aspiration, desperation, perspiration and inspiration. As our people do more, they earn more and get more.

### Building Future

Our philosophy is to make decisions today to improve performance tomorrow. We know a company which is successful has to continue to be successful. We do not fear our future, we shape it by our corporate conduct. Our hope is far greater than our fear.

# BUSINESS MODEL CANVAS OF SOUTHEAST BANK LIMITED



## Key Partners

- Customers
- Shareholders
- Employees
- Regulators
- Strategic Partners



## Value Proposition

- Complete Solution of Business Needs
- One Stop Service for Personal Banking
- Innovative Tailor-made Products
- Timely, Cost-effective & Superior Services
- Geographically Well-Spread Availability



## Customer Segments

- Corporate Clients
- Small & Medium Enterprises
- Non-Banking Financial Institutions
- Banks
- Individuals/ Retail Clients
- Institutional Clients
- Govt. & Non-Govt. Organizations



## Key Activities

- Deposit Services
- Lending
- International Trade Services
- Remittance Service
- Treasury Solutions
- Islamic Banking Services
- Off-shore Banking



## Cost Structure

- Interest Expense
- Operating Expense
- Capital Expenditure



## Customer Care

- KYC – Know Your Customer
- Personal Visit
- Phone Call/ Email/ SMS
- Automated Services
- Special Campaign
- In-depth Analysis
- Individual Solution
- Continual Review
- Research & Development
- Receiving Feedback



## Key Resources

- Highly Professional & Experienced Board
- Nationwide Network
- Worldwide Correspondent Network
- Highly Skilled Staff
- Dedicated Service Attitude
- Wide Range of Products
- Strong IT architecture
- Strong Capital Base



## Revenue Streams

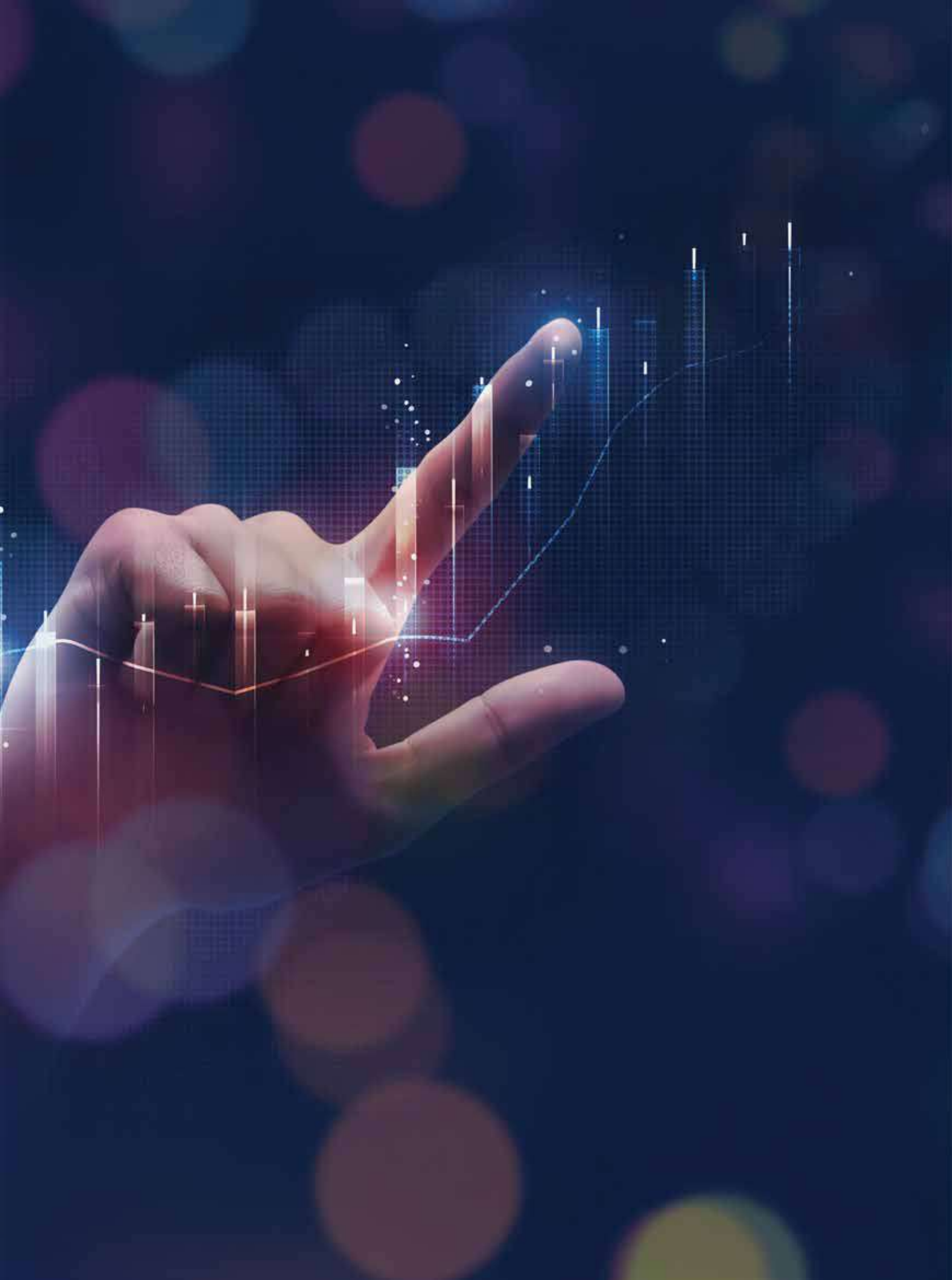
- Interest Income
- Investment Income
- Fees, Commission etc.
- Other Operating Income

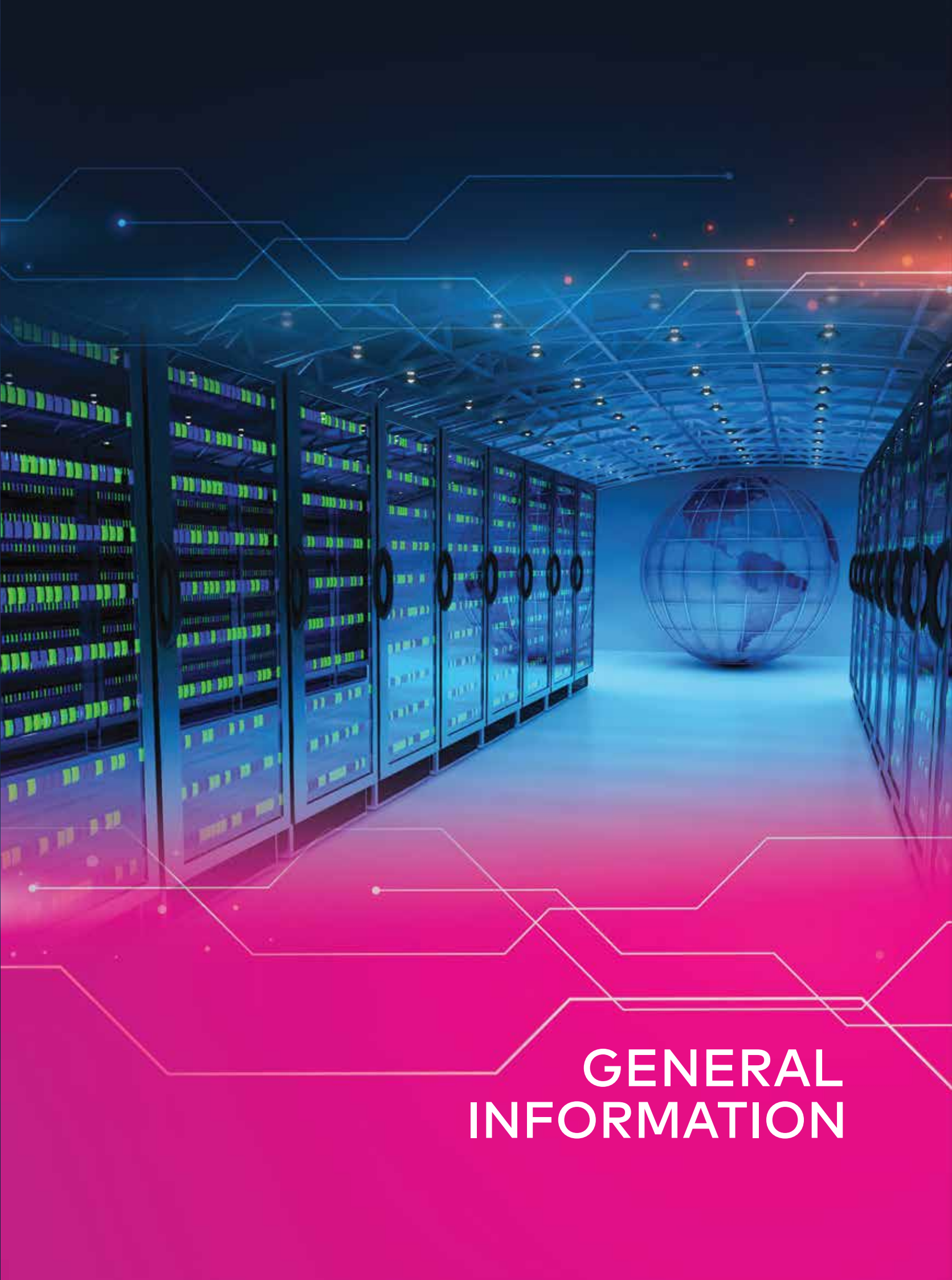


## Delivery Channels

- Branches
- ATMs
- Internet Banking
- Mobile Banking
- Call Center
- Subsidiary Companies







# GENERAL INFORMATION



## GENERAL INFORMATION

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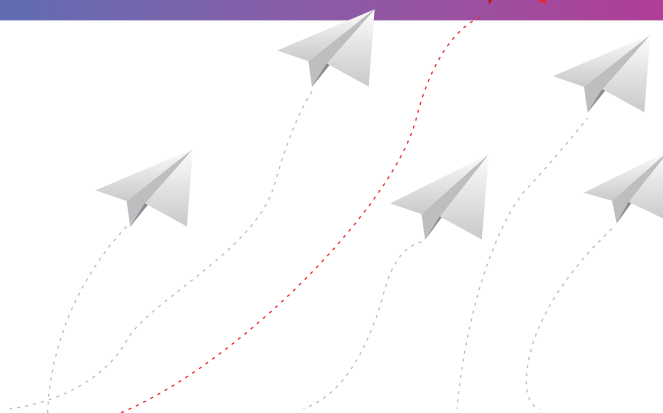


# VISION AND MISSION

“

Our Vision, Mission and Value statements are the keys to the philosophy on which we base ourselves on, what we do and what we want to be.

”



## VISION

To be a premier banking institution in Bangladesh and contribute significantly to the national economy.

## MISSION STATEMENTS

- High quality financial services with state-of-the-art technology.
- Customer Service Excellence / Prompt Customer Service.
- Sustainable growth strategy.
- High ethical standards in business.
- Steady return on shareholders' equity.
- Innovative banking at a competitive price.
- Attraction and retention of quality human resource.
- Commitment to Corporate Social Responsibility.



# STRATEGIC OBJECTIVES

**A**

Maintaining a high-quality assets portfolio to achieve strong and sustainable returns and to continuously build shareholders' value.

**B**

Maintaining adequate capital in line with risk appetite of the Bank.

**C**

Strengthening trust and partnership with customers by focusing on the Bank's core values of quality customer service, professionalism, teamwork and integrity.

**D**

Hiring professionals with strong background and knowledge.

**E**

Strengthening technologies that reduce operational risks and promote the implementation of best practices in the industry.

**F**

Developing innovative products and services that attract our targeted customers and market segments.

**G**

Exploring new avenues for growth and profitability.

**H**

Practicing efficient risk management principles in line with all six core risks in banking operation, green banking and environmental risk management.

**I**

Practicing efficient corporate governance and compliance processes through meeting all regulatory requirements and disclosures in line with national and international best practices by ensuring best internal control monitoring practices.

**J**

Upholding Bank's brand image as a customer friendly Bank through efficient and prompt customer service, product diversification with a view to establishing a long-term profitable relationship with our customers.

**K**

Serving the society as part of our Corporate Social Responsibility (CSR) by giving stipends to poor students, distributing warm clothes to winter-hit people, providing financial assistance to disadvantaged people and contributing to different relief funds. We also contribute to the society by paying taxes to the national exchequer timely.

**L**

Extending banking services to the un-banked people as financial inclusion for meeting socio-economic requirements.

# PRIORITIES FOLLOWED IN 2021


The Bank had the following plans and road map for business success in 2021:

- 01 Fostering Corporate Governance Culture
- 02 Maintaining Sustainable and Profitable Growth
- 03 Prudent Asset-Liability Management
- 04 Enhancing Customer Support to Minimize Pandemic Driven Loss
- 05 Executing Different Stimulus Packages Declared by the Government
- 06 Diversifying Portfolio to Minimize the Concentration Risk
- 07 Upgrading Digital Experience for Customers through Enhancing IT Security & Alternative Delivery Channel
- 08 Pursuing Strong Risk Management Framework
- 09 Ensuring Operational Efficiency
- 10 Recruiting and Retaining Proficient Workforces
- 11 Promoting Green Banking
- 12 Ensuring Internal Control and Regulatory Compliance




# STRATEGIC PRIORITIES

SEBL is focused on maximizing its wealth considering its risk and compliance. The growing trend in Bangladesh economy after recovering from the effects of COVID 19 pandemic, massive infrastructure improvement and rapid adoption of technology are the key growth opportunities for the Bank. SEBL aims at leveraging its technological capabilities and its holistic offerings of financial products and services to create value for the customers. With that being said, strategic priorities of the Bank for the coming years are as follows:




### Achieving Sustainable Growth

- Focusing to earn high risk-adjusted returns on Assets and Equity
- Ensuring growth while maintaining a disciplined approach to risk and cost management
- Increasing client acquisitions in different new segments including new startups, students, young entrepreneurs and low capital business segments.




### Diversification of Portfolio

- Building a diversified portfolio across business sectors, geographies and client segments
- Capitalizing on opportunities created by changing market dynamics and economic conditions
- Catering to all financial needs of our customers through offering wide breadth of products and build deep, long-term relationships



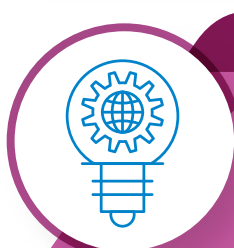
### Nurturing Digital Banking

- Fostering innovation and ability to adapting industry trends
- Investing in technologies to improve efficiencies and deliver exceptional customer experience
- Digitalizing and personalizing Bank's products to make it easier for customer and employees to do business at lower costs



### Optimizing Customer Experience

- Understanding and meeting rapidly changing customer expectations
- Making products and services easily accessible through digitalization
- Enhancing and streamlining all processes to make them customer friendly



### Becoming a Leading Corporate Citizen

- Providing access to financial services for the unbanked people especially remote and low-income groups
- Ensuring socially responsible investment and prioritizing in financing of renewable energies and environment-friendly projects
- Reducing environmental impact through the sustainable use of resources
- Contributing to spread the light of education and uplift the social and cultural values of the country
- Investing in talent management through recruitment of quality workforces, retention and mentoring them

# OUR CORE VALUES, CORE STRENGTHS & CORE COMPETENCIES

Our Values serve as a compass for our action and describe our direction.



## Core Values

- Integrity
- Respect
- Fairness
- Harmony
- Team Spirit
- Courtesy
- Commitment
- Service Excellence
- Insight and Spirit
- Enthusiasm for work
- Business Ethics



## Core Strengths

- Professionally Strong Board of Directors
- Strong Capital Base
- Transparent and Quick Decision Making
- Efficient Team of Performers
- Satisfied Customers
- Effective Internal Control
- Proper Risk Management
- Focus on Diversification
- Quality Customer Service
- Unique Corporate Culture
- Clean divergence Between Board and Management Functions
- Strong Asset Base



## Core Competencies

- Knowledge
- Experience and Expertise
- Customer Orientation and Focus
- Transparency
- Determination
- Zeal for Improvement
- Pursuit of Disciplined Growth Strategies
- Reliability

# CODE OF CONDUCT AND ETHICS

Southeast Bank believes that its efforts to become a leading Bank in the private sector can only be achieved and sustained by creating effective corporate governance, inculcating professionalism among its staff and strictly adhering to rules and regulations. We believe that our aims and objectives can only be realized fully and sustained over time by adherence to ethics that cannot always be built into sets of rules and regulations. This belief in ethics motivates the Bank in its dealings with those with whom it interacts.

## A. We adhere to the following Principles in Dealing with Customers

- Follow strict ethical banking practices.
- Provide fair treatment to all customers, depositors and borrowers without any discrimination.
- Provide speedy customer service at a very competitive cost.
- Deal with customers in a transparent manner and without any hidden cost.
- Maintain strict secrecy of customer account.
- Provide free financial advice to clients.
- Deal quickly with complaints received from the customers. We endeavor continuously to build relationships of trust and understanding with our customers.
- Give very competitive return to the depositors on their investment.
- Listen to our customers and work for improvement of customer service as per their suggestion.
- Keep relation with customers on regular basis.
- Keep promises that we make.
- Take competitive service charges and rates.
- Discourage any sort of privilege or gift from customer.

## B. We believe in the following Principles in Dealing with Shareholders

- Adequate disclosure of corporate information and operational results to help them take suitable investment decisions / options.
- Stable Dividend Policy.
- Dialogue with them and implement their suggestions for improvement.
- Equal treatment to all shareholders irrespective of their individual size of shareholding.
- Effective Risk Management.

- Maintenance of fairness and accuracy of financial reporting and records.
- Restrictions on insider trading.

## C. We abide by the following Principles in Dealing with our Regulators

- We are transparent in operations and governance.
- We have a culture of timely compliance of regulatory requirements.
- We take their suggestions with utmost importance and implement those for improvement of our corporate governance standard.
- We safeguard information and do not misuse it.

## D. We Conform the following Principles in respect of our Employees

- We do not discriminate on grounds of religion, sex or race at any stage. We recruit the best on the basis of merit under a rigorous recruitment policy without any biasness or favoritism to anybody.
- We pay competitive compensation package to the deserving employees.
- We care our employees and create an environment to work together with dignity.
- We have clearly defined duties and responsibilities for each employee. No one is responsible for unassigned jobs.
- We have a zero tolerance for any act of dishonesty.
- We provide a congenial work environment.
- We encourage freedom to our employees to give opinion for both qualitative and quantitative improvement of the Bank.
- We take care of their health and safety.
- Our employees avoid conflict of interest.
- Our employees obey code of conduct.



- Professionalism, honesty, integrity and high moral and ethical standards are the creed of our employees.

#### **E. We uphold the under-noted Principles in respect of Society**

- We believe that the Bank gets business sustenance from the community in which it operates and, therefore, it remains responsive to the community and the society in reciprocity.
- We discourage financing projects that are not environment-friendly.
- We provide material support for protection of environment.
- We give aid to the poor, helpless and natural calamity hit people.

- We support charitable ventures.
- We give sponsorship to sports, culture, education, health-care and community development ventures.
- We support the women as a community and contribute to women empowerment.
- We are keen to move fast for green banking to protect environment.

#### **F. We devote to the following Principles in respect of National Interest**

- We protect national interests.
- We refrain from prohibited business.
- We promote causes for national development.
- We support nation-building efforts from our position.

## COMMITMENTS TO CLIENTS

SEBL is a customer focused modern banking institution in Bangladesh. We deliver unparalleled financial services to Retail, Cottage, Micro, Small and Medium Enterprises (CMSMEs), Corporates, Institutions, Government and individual clients through branches across the country. Our business initiatives center around the emerging demands of the market. Our commitments to the clients are as follows:

- Provide service with high degree of professionalism and use of modern technology.
- Create long-term relationship based on mutual trust.
- Respond to customer needs with speed and accuracy.
- Share their values and beliefs.
- Grow as our customers grow.
- Provide products and services at a competitive price.
- Ensure safety and security of customers' valuable assets entrusted to us.

# CORPORATE PROFILE

Southeast Bank Limited is a second-generation Bank that was established in 1995 with a vision to bring efficient and professional banking services to the people and the business community of Bangladesh. It aims to contribute significantly to the growth of the national economy.

The Bank's glorious journey began as a Public Limited Company on March 12, 1995 through receiving the certificate of Commencement of Business from the Registrar of Joint Stock Companies and Firms on that date. Its Banking License from the Bangladesh Bank was received on March 23, 1995. The Authorized Capital of the Bank today is BDT 15,000 million. Its Paid-Up Capital and Reserve reached BDT 41,327.07 million as of December 31, 2021. The Bank has 2,890 Staff of whom 276 were Executives, 2,149 were Officers and 465 were other Staff as of December 31, 2021.

Southeast Bank was established by leading business personalities and eminent industrialists of the country with stakes in various segments of the national economy. The incumbent Chairman of the Bank is Mr. Alamgir Kabir, FCA, a professional Chartered Accountant. SEBL's

Board members include eminent individuals with industrial, financial and operational expertise. The Board consists of 13 members including 3 independent Directors and Managing Director. The Bank's Managing Director Mr. M. Kamal Hossain, a creative, experienced and eminent banker of the country with 39 years of experience in banking to his credit.

A team of efficient professionals manages the Bank. They create and generate an environment of trust and discipline that encourages everybody in the Bank to work together for achieving the objectives of the Bank.

It has a diverse array of products and services tailored carefully to cater to the needs of all segments of customers. The Bank's operational strategies are structured to address the special and often complex needs of the customers. In the growth graph, the Bank has generated profit of BDT 1,784.30 million after provision and income tax in the year 2021. The curve keeps soaring upward everyday making it one of the leading and most successful banking institutions in Bangladesh with a total asset base of BDT 495,841.96 million as of December 31, 2021.



Name of the Company	: Southeast Bank Limited
Legal Status	: Public Limited Company
Date of Incorporation	: March 12, 1995
Company Registration No.	: C-27985 (1831)/95
Date of Opening of First Branch	: May 25, 1995
Authorized Capital	: BDT 15,000 million
Paid Up Capital	: BDT 11,889.41 million
Tax Payer Identification No.	: 555495486932
VAT Registration No.	: 000000248-0002
Chairman	: Alamgir Kabir, FCA
Vice Chairperson	: Duluma Ahmed
Chairman, Executive Committee	: M. A. Kashem
Chairman, Audit Committee	: Syed Sajedul Karim
Chairman, Risk Management Committee	: Azim Uddin Ahmed
Managing Director	: M. Kamal Hossain
Auditors	: Howladar Yunus & Co., Chartered Accountants
Corporate Governance Compliance Auditor	: Mahfel Huq & Co., Chartered Accountants
Tax Consultant	: M/S. Akhter Abbas Khan & Co., Chartered Accountants
Credit Rating Agency	: Credit Rating Information and Services Limited (CRISL)
Year of Initial Public Offer	: 1999
Number of Employees	: 2,890
Number of Branches	: 135
Number of Islamic Banking Branches	: 05
Number of Ladies Branches	: 02
Number of Off-Shore Banking Units	: 02
Number of Sub-Branches (Uposhakha)	: 22
Number of Agent Banking	: 29
Number of ATM Booth	: 327
Number of Foreign Correspondents	: 651
Number of Outstanding Shares	: 1,188,940,521
Face Value Per Share	: BDT 10.00
Stock Details	: Dhaka Stock Exchange Limited (DSE) Symbol: SOUTHEASTB, Category: A Listing Date: April 12, 2000 Chittagong Stock Exchange PLC (CSE) Symbol: SOUTHEASTB, Category: A Listing Date: April 24, 2000
Registered Office	: Eunoos Trade Centre 52-53, Dilkusha C/A (Level 2, 3, 4, 6, 16 & 17) Dhaka-1000, Bangladesh Phone: +88 02 47115321 Fax: +88 02 47114590 Telex: 632425 SBANK BJ SWIFT: SEBDBDDH E-mail: info@southeastbank.com.bd Website: www.southeastbank.com.bd
Investors' Enquiry	: Investors' Relations Department Eunoos Trade Centre 52-53, Dilkusha C/A (Level-2), Dhaka-1000 E-mail: irdsebl@southeastbank.com.bd Phone: +88 02 223387271, Mobile: +88 01700706532
Name of the Bank's Subsidiaries	: Southeast Bank Capital Services Limited Southeast Exchange Company (South Africa) Pty Ltd.

# PRODUCTS AND SERVICES

## ISLAMIC BANKING DEPOSIT PRODUCTS

- Mudaraba Savings Account
- Al-Wadiah Current Deposit Account
- Mudaraba Short Notice Deposit
- Mudaraba Monthly Savings Scheme
- Mudaraba Monthly Income Scheme
- Mudaraba Pension Savings Scheme
- Mudaraba Double Benefit Scheme
- Mudaraba Super Double Benefit Scheme
- Mudaraba Multimillionaire Gold Deposit Scheme (MGDS)
- Mudaraba Wage Earners Pension Saving Scheme
- Mudaraba Millionaire Deposit Scheme
- Mudaraba Term Deposit Receipt

## CONVENTIONAL BANKING DEPOSIT PRODUCTS

- Savings Account (SB)
- Current Deposit Account (CD)
- Short Notice Deposit (SND)
- Fixed Deposit Receipt (FDR)
- Monthly Savings Scheme (MSS)
- Monthly Income Scheme (MIS)
- Pension Savings Scheme (PSS)
- Double Benefit Scheme (DBS)
- Super Double Benefit Scheme (SDBS)
- Millionaire Deposit scheme (MDS)
- Multimillionaire Gold Deposit Scheme (MGDS)
- Wage Earners Pension Savings Scheme (WEPSS)
- Anonya™ Savings Account
- Bichokkhon™ Savings Account
- ESTEEM™ (Priority Banking Service)
- School Banking
- Taroka™
- Nokkhotro™
- Royal Savings "Savings Account"
- Savings Fast "Savings Account"

## VALUE ADDED SERVICES

- Student File
- Locker Service
- Senior Citizen Scheme
- Passport Endorsement

- Individual Remittance (Inward and Outward)
- Internet Banking Service
- Call Centre (7X24)
- Mobile Banking Services (Tele Cash)
- Southeast Bank Express e Account

## RETAIL BANKING SERVICES

- SEBL Home Loan
- SEBL Personal Loan
- SEBL Car Loan
- SEBL Express Cash (Term Loan)

## SERVICES PROVIDED BY OFF-SHORE BANKING UNIT

- Foreign Currency Deposit Account of Non-residents
- Export-Import services to Type-A industrial units of Export Processing Zones (EPZ) and Economic Zone (EZ).
- Financing Usance Payable at Sight (UPAS) Documentary Credit
- Short Term Foreign Currency Loan to ADs for purchase of Export Bills in Foreign Currency
- Foreign Currency Term Loan to eligible resident industrial units.

## CARD SERVICES

- Southeast Credit Card
- Southeast Virtual Card
- Southeast Travel Card
- Southeast Hajj Card
- Southeast Prepaid Card /INSTA Prepaid Card
- Southeast Express Card
- Southeast Personalized Debit Card
- Southeast My Remit Card
- Student Debit Card
- Southeast Beton Card

## LOAN PRODUCTS

- Southeast Shopan
- Southeast Shikhor
- Southeast Shuprova
- Southeast Shopnil
- Southeast Agri. Loan



**CORPORATE LOAN**

- Working Capital Finance
- Term Finance
- Project Finance
- Syndication & Club Finance
- Work Order Finance
- Real Estate Finance
- Trade Finance
- Commercial Finance
- Export Finance
- Loan to NBFIs

**TREASURY PRODUCTS****Money Market Products**

- Call Money
- Term Money
- Re-purchase Agreement (Repo)
- Reverse Repo
- Foreign Exchange Swap

**Fixed Income Products**

- Treasury Bond to Inter-Bank
- Treasury Bond to Individual Investors
- Treasury Bond to Corporate Investors
- Subordinated Bond

**Foreign Exchange Products**

- Spot in Major Currency Pairs
- Forward Contract
- Placement in USD

**EXPORT SERVICES****Documentary Credit**

- Advising Export Documentary Credit
- Transferring Export Documentary Credit
- Opening Back-to-Back Documentary Credit (Local & Foreign)

**Foreign Documentary Bills Collection**

- Documents Against Payment (D/P)
- Documents Against Acceptance (D/A)

**Pre-shipment Finance**

- Packing Credit

**Post-shipment Finance**

- Foreign Documentary Bills Purchase (FDBP)
- Purchase/Discounting Export Bills (Local)
- Export Development Fund (EDF) from Bangladesh Bank
- Cash Incentive from Bangladesh Bank

**FOREIGN CURRENCY (FC) ACCOUNT SERVICES**

- Resident Foreign Currency Account (RFCD)
- Non-Resident Foreign Currency Account (NFCD)
- Non-Resident Taka Account (NRTA)
- Exporter's Retention Quota (ERQ) Account
- NITA

**IMPORT SERVICES****Documentary Credit**

- Opening Import Documentary Credit (Local and Foreign)
- Arranging Add Confirmation through Foreign Correspondent Banks
- Arranging Discounting through Foreign Correspondent Banks

**Post Import Finance**

- Loan Trust Receipt (LTR)
- Time Loan
- Term Loan

**Documentary Collection Services**

- Documents Collections against Payment (D/P)
- Documents Collections against Acceptance (D/A)

**Issuing Shipping Guarantee**

# GROUP CORPORATE STRUCTURE

## GROUP CORPORATE

### Main Operations

#### Conventional Banking

Southeast Bank Ltd., a 2<sup>nd</sup> generation bank was incorporated as a Public Limited Company on March 12, 1995. After receiving Banking License, its 1st branch was opened on May 25, 1995. Presently the Bank has 135 Branches, 22 sub-branches & 327 ATMs across the Country.

A number of attractive Deposits and Loan products are available in its product basket. SEBL has launched Retail Banking, Debit Cards, Credit Cards, Mobile Banking (Telecash), Ladies Branches and 24/7 Call Centre to cater to the needs of all segments of customers.

Asset Size:

**442,538.03**

Deposits:

**352,394.16**

Loans & Advances:

**292,327.12**

Operating Profit:

**7,420.59**

BDT in Million

#### Islamic Banking

Besides conventional Banking, SEBL has 05 (five) Islamic Banking Branches based on Islamic Shariah where Separate Accounting system is being maintained.

As a part of strategic business plan, Islamic Banking Service Desk (IBSD) has already been expanded to every conventional Branch.

Asset Size:

**26,449.38**

Deposits:

**23,688.73**

Loans & Advances:

**19,289.82**

Operating Profit:

**669.01**

BDT in Million

#### Off-Shore Banking Units

To cater to the demand for off-shore banking services, Southeast Bank established two (02) Off-shore Banking Units (OBUs), one in DEPZ and the other is CEPZ. SEBL OBUs provide a continuum of financial services such as FC Account for Non-residents, Usance Payable at Sight (UPAS) Documentary Credit, Time/ Term Loan in Foreign Currency, Full-fledged export-import services etc. from 2009.

Asset Size:

**25,500.95**

Deposits:

**595.33**

Loans & Advances:

**21,887.79**

Operating Profit:

**452.62**

BDT in Million

# OF SOUTHEAST BANK LIMITED

## HEAD OFFICE

### Subsidiaries

#### Southeast Bank Capital Services Ltd.

To carry on Merchant Banking Operations in a structured way, the Bank established 'Southeast Bank Capital Services Limited' as a subsidiary company in 2010.

Date of Incorporation:  
**September 23, 2010**

Paid up Capital:  
**5,500**

Ownership Interest in Capital:  
**5,489.93**

In Percentage:  
**99.82%**

Asset Size:  
**6,827.92**

BDT in Million

#### Southeast Exchange Company (South Africa) Pty Limited

To collect remittance from Bangladeshi expatriates of South Africa for their beneficiaries in Bangladesh through proper Banking Channel the Bank established 'Southeast Exchange Company (South Africa) Pty Limited' as a subsidiary company in 2014.

Date of Incorporation:  
**December 15, 2014**

Paid up Capital:  
**35.81**

Ownership Interest in Capital:  
**35.81**

In Percentage:  
**100%**

Asset Size:  
**141.70**

BDT in Million

### CSR Wing

#### Southeast Bank Green Foundation

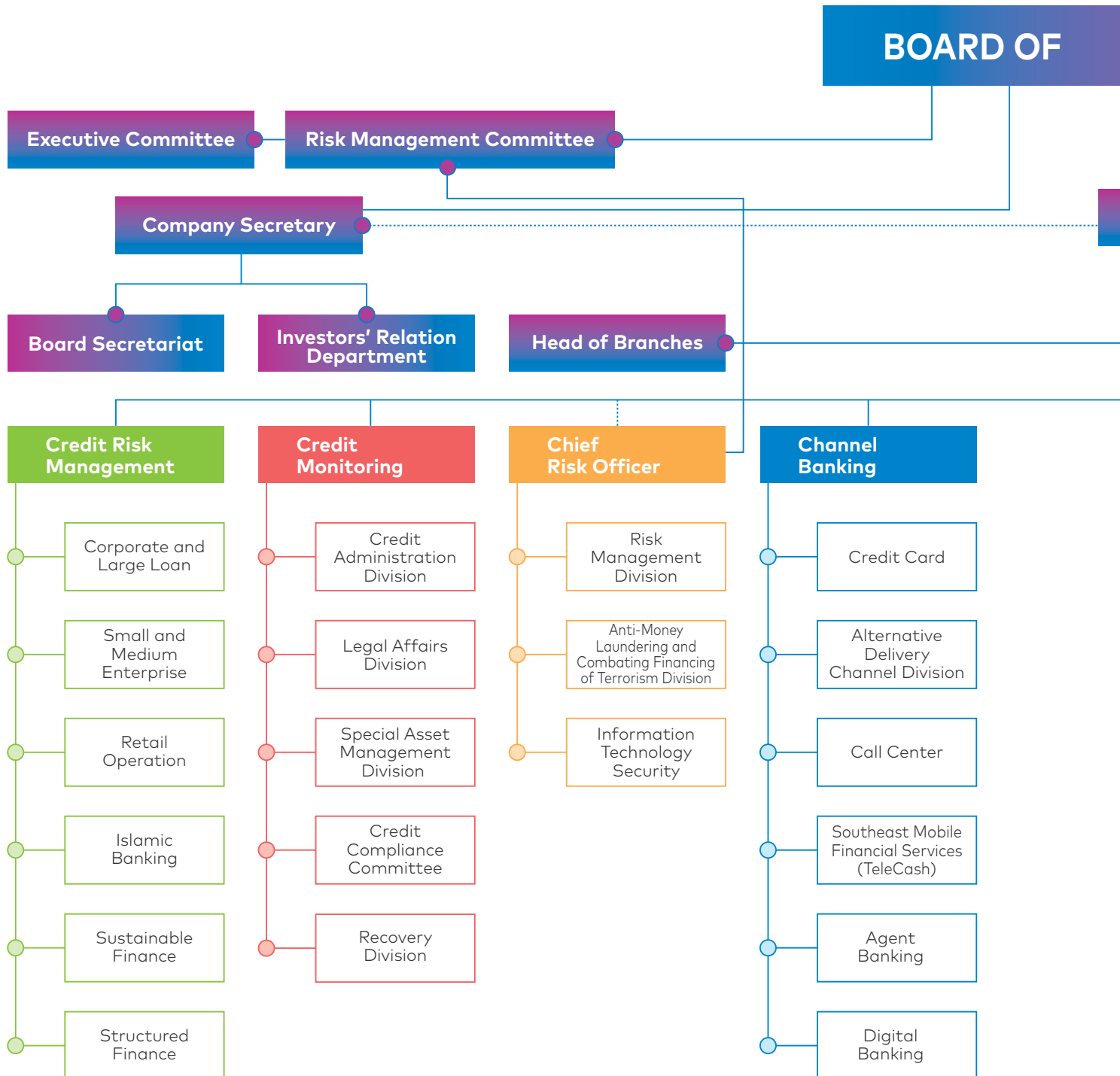
To carry out Corporate Social Responsibility (CSR) related activities in an organized and sustainable manner, 'Southeast Bank Green Foundation' was established by the Bank.

It also runs an English Medium school named Southeast Bank Green School at Dhaka.

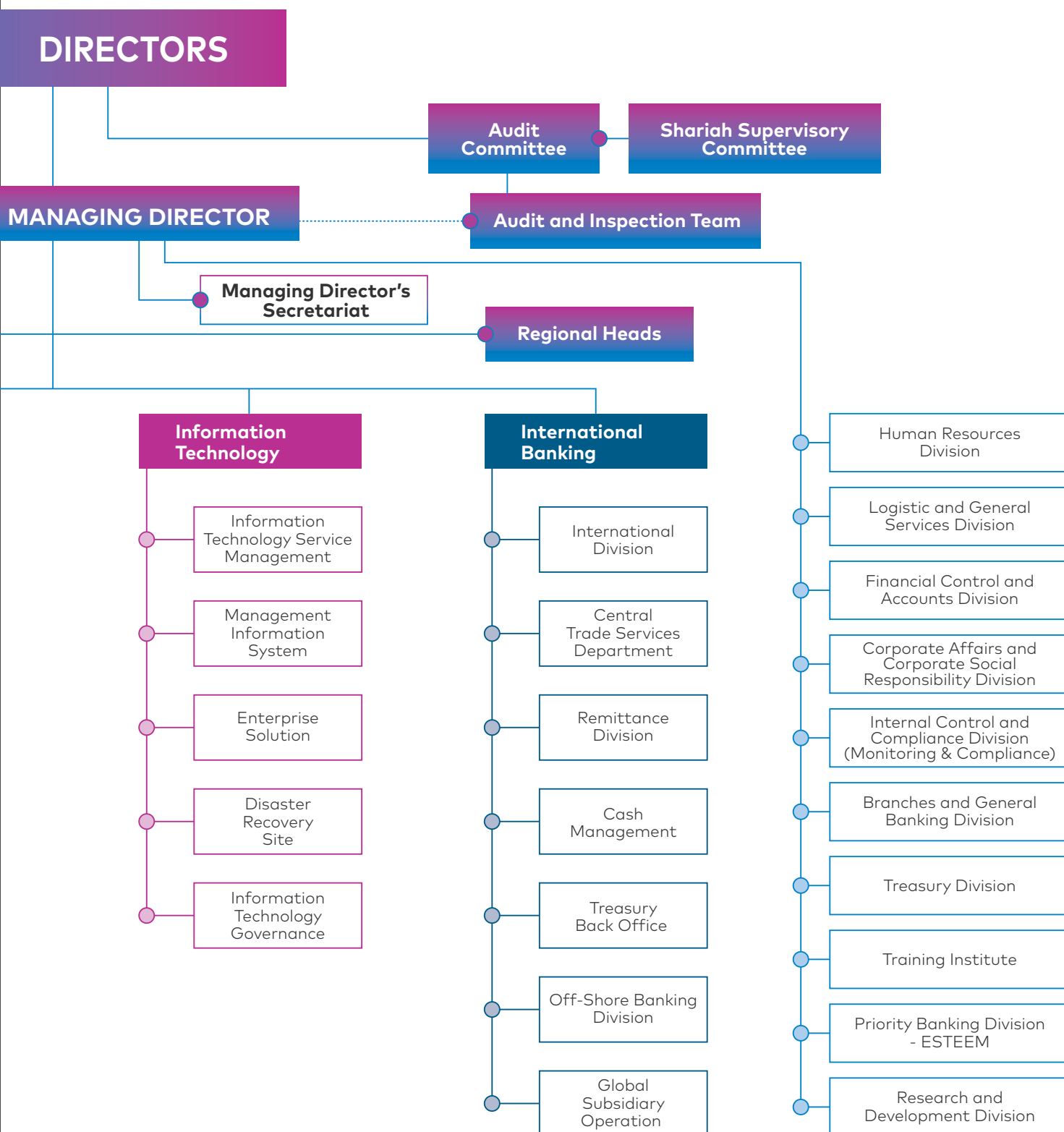
Total CSR related Expenditure under SEB Foundation in 2021:  
**175.00**

BDT in Million

# CORPORATE ORGANOGRAM





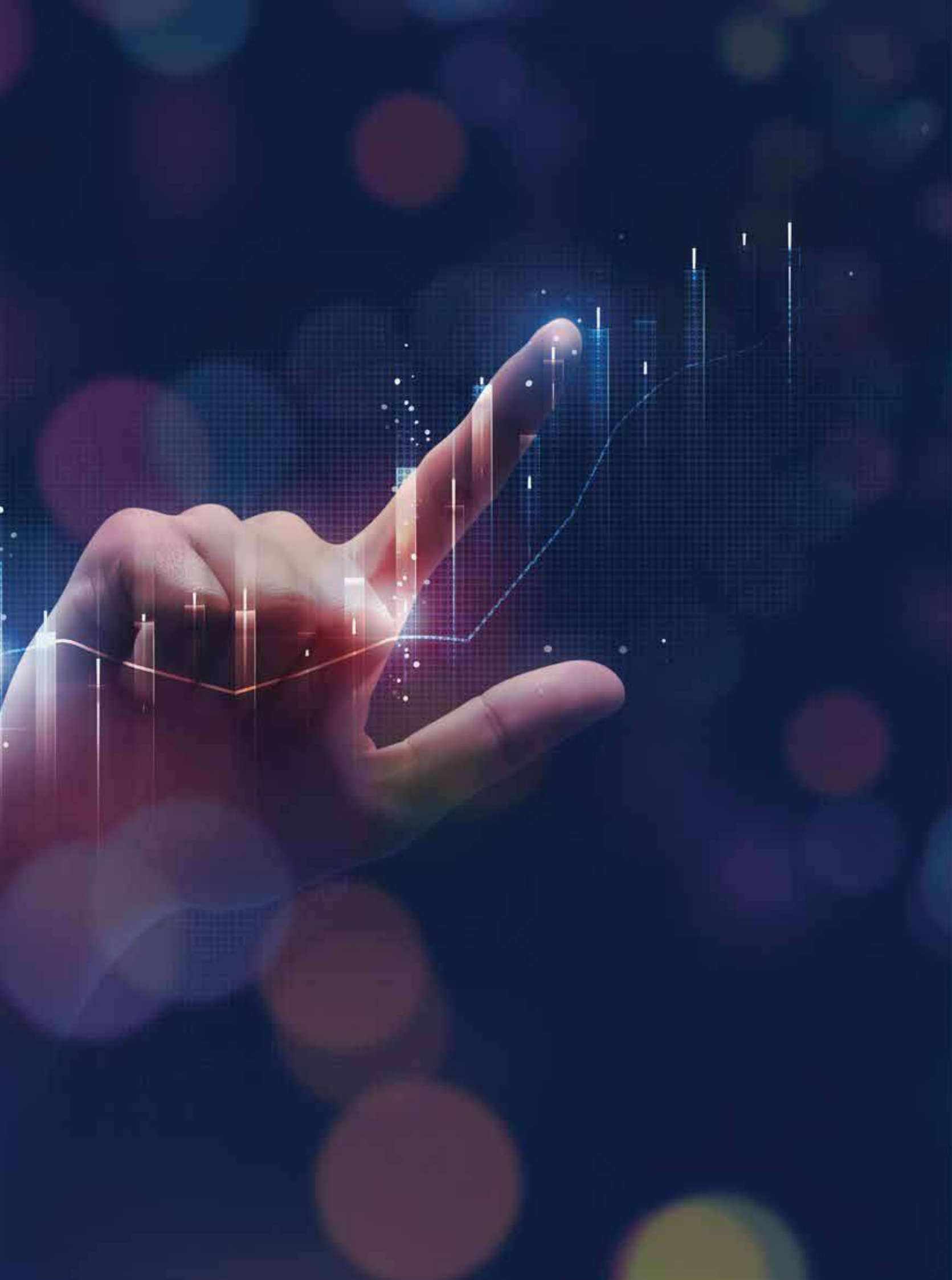


# LAST 10 YEARS' FINANCIAL INDICATORS

Particulars	2021	2020	2019	
Authorized Capital	15,000.00	15,000.00	15,000.00	
Paid up Capital	11,889.41	11,889.41	11,599.42	
Reserve Fund/ Others	29,437.67	28,483.13	24,493.91	
Total Capital (Tier-I+Tier-II)	41,327.07	40,372.53	36,093.33	
Deposits and other accounts	376,700.77	359,535.94	329,250.27	
Loans & Advances	336,329.37	322,251.46	296,752.96	
Investments	113,452.58	97,073.89	77,310.04	
Import Business	313,262.70	221,823.40	248,901.33	
Export Business	220,402.80	176,419.60	205,907.10	
Foreign Remittance	150,294.60	129,887.10	138,272.00	
Guarantee Business including ILC	13,369.00	16,688.30	16,470.30	
Total Income	30,673.37	33,539.64	36,392.61	
Total Expenditure	22,002.25	25,275.08	27,409.63	
Operating Profit	8,671.12	8,264.56	8,982.98	
Net Profit after Tax	1,784.30	2,149.10	2,508.56	
Fixed Assets	10,130.42	9,714.97	9,333.66	
Total Assets	495,841.96	465,293.41	422,312.71	
Earnings per share (BDT)	1.50	1.81	2.11	
Dividend	12%	10%	10%	
Cash	8%	10%	7.50%	
Stock	4%	-	2.50%	
Net Assets Value Per Share	25.22	24.98	26.29	
Return on Equity	5.98%	7.14%	8.56%	
Return on Assets	0.37%	0.47%	0.62%	
Non performing loans	4.81%	3.10%	4.87%	
Capital to Risk Weighted Assets Ratio	13.86%	14.35%	11.52%	
Number of Correspondent Banks	295	309	305	
Number of Foreign Correspondents	651	649	642	
Number of Shareholders	31,175	31,881	32,416	
Number of Employees	2,890	2,859	2,885	
Banking	2,425	2,381	2,402	
Non Banking	465	478	483	
Number of Branches	135	135	135	

## BDT in Million where applicable

	2018	2017	2016	2015	2014	2013	2012
	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	10,000.00	10,000.00
	10,544.93	9,169.50	9,169.50	9,169.50	9,169.50	8,732.86	8,732.86
	28,315.19	24,595.63	24,886.78	19,340.03	18,292.59	13,074.71	10,864.68
	38,860.11	33,765.13	34,056.28	28,509.53	27,462.09	21,807.57	19,597.54
	298,334.79	269,828.08	229,973.43	210,431.09	189,472.54	177,519.46	152,901.24
	267,671.63	234,316.72	191,865.59	168,878.46	147,070.81	134,863.82	126,968.97
	65,609.55	62,911.04	61,731.63	58,829.27	56,378.59	57,589.06	39,011.28
	242,294.80	215,379.77	171,531.73	151,812.58	155,691.00	131,644.82	111,537.50
	190,402.80	167,562.98	146,606.09	126,423.89	112,137.60	95,220.40	84,464.20
	116,803.00	95,405.43	64,665.84	60,708.50	48,740.50	39,299.10	41,455.40
	22,420.12	16,407.09	16,369.36	15,245.19	13,603.30	17,226.41	21,506.65
	33,739.81	27,305.90	25,617.57	26,260.72	27,667.10	26,918.30	23,134.18
	23,956.82	18,243.60	17,114.35	18,226.45	19,377.34	20,218.11	17,638.99
	9,783.00	9,062.30	8,503.22	8,034.27	8,289.76	6,700.20	5,495.19
	2,473.21	1,168.63	2,435.07	3,069.42	3,836.94	3,378.82	1,648.72
	9,337.30	9,321.80	8,947.16	7,885.23	7,913.00	7,795.65	7,677.51
	381,575.68	339,288.05	291,798.01	260,718.03	236,608.40	220,930.85	191,276.30
	2.13	1.11	2.66	3.35	4.18	3.68	1.89
	10%	15%	20%	15%	15%	21%	15%
	-	-	20%	15%	15%	16%	15%
	10%	15%		-	-	5%	-
	26.66	28.16	28.93	29.67	26.77	23.92	22.66
	9.17%	4.46%	9.06%	11.86%	16.51%	16.20%	8.42%
	0.69%	0.37%	0.88%	1.23%	1.67%	1.64%	0.95%
	5.87%	5.99%	4.89%	4.25%	3.64%	3.94%	4.47%
	12.38%	10.84%	12.15%	11.52%	12.41%	10.90%	10.87%
	285	265	248	220	211	211	183
	644	825	807	811	791	778	691
	33,851	36,038	39,009	46,285	58,169	65,413	64,060
	2,797	2,704	2,616	2,376	2,221	2,118	2,010
	2,305	2,194	2,089	1,889	1,780	1,704	1,655
	492	510	527	487	441	414	355
	135	132	128	122	113	103	94







# THE BOARD COMPOSITION, ITS COMMITTEES AND DIRECTORS' PROFILE

# BOARD OF DIRECTORS

- **Mr. Alamgir Kabir, FCA**  
Chairman
- **Mrs. Duluma Ahmed**  
Vice Chairperson
- **Mr. M. A. Kashem**  
Director
- **Mr. Azim Uddin Ahmed**  
Director
- **Mrs. Jusna Ara Kashem**  
Director
- **Mrs. Rehana Rahman**  
Director
- **Mr. Md. Akikur Rahman**  
Director
- **Mr. Raiyan Kabir**  
Director
- **Mr. M. Maniruz Zaman Khan**  
(Nominee of Bay Leasing & Investment Ltd.)  
Director
- **Mr. Syed Sajedul Karim**  
Independent Director
- **Dr. Quazi Mesbahuddin Ahmed**  
Independent Director
- **Mr. Mohammad Delwar Husain**  
Independent Director
- **Mr. M. Kamal Hossain**  
Managing Director

# COMMITTEES OF THE BOARD OF DIRECTORS

## Executive Committee

1	Mr. M. A. Kashem	Chairman
2	Mrs. Duluma Ahmed	Member
3	Mrs. Jusna Ara Kashem	Member
4	Mrs. Rehana Rahman	Member
5	Mr. Md. Akikur Rahman	Member
6	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Ltd.)	Member
7	Mr. M. Kamal Hossain	Member

## Audit Committee

1	Mr. Syed Sajedul Karim	Chairman
2	Mr. Azim Uddin Ahmed	Member
3	Mr. Raiyan Kabir	Member
4	Dr. Quazi Mesbahuddin Ahmed	Member
5	Mr. Mohammad Delwar Husain	Member

## Risk Management Committee

1	Mr. Azim Uddin Ahmed	Chairman
2	Mrs. Duluma Ahmed	Member
3	Mrs. Rehana Rahman	Member
4	Mr. Md. Akikur Rahman	Member
5	Mr. Syed Sajedul Karim	Member

## Shariah Supervisory Committee

1.	Professor Moulana Mohammad Salah-Uddin	Chairman
2.	Moulana Mohammad Kafiluddin Sarker	Member
3.	Mr. M. Kamaluddin Chowdhury	Member
4.	Mr. Alamgir Kabir, FCA	Member
5.	Mr. M. A. Kashem	Member
6.	Mr. Azim Uddin Ahmed	Member
7.	Mr. M. Kamal Hossain	Member



## Alamgir Kabir, FCA Chairman

**Mr. Alamgir Kabir, FCA** has been re-elected as Chairman of the Board of Directors of Southeast Bank Limited. He was unanimously re-elected Chairman of the Bank in its 636<sup>th</sup> Board Meeting held on September 02, 2021. He did B.Com (Hons.) from the University of Dhaka and M.Com from Punjab University, Lahore. Mr. Kabir is a professional senior Chartered Accountant, has wide experience and profound knowledge in Auditing, Accounting, Bank, Insurance and Financial Institutions both at home and abroad.

Mr. Kabir started his career in the year 1969 with Rahman Rahman Huq and Co., Chartered Accountants, Member Firm of KPMG and continued with EWP Associates, Management Consultants, a sister concern of Rahman Rahman Huq and Co. and stayed there until 1979. In 1972, he was in-charge of Audit Team for the first statutory Audit of Accounts of Bangladesh Bank. He moved to Riyadh, Saudi Arabia in 1979 with assignment in Saudi Accounting Bureau, Chartered Accountants, member firm of Coopers & Lybrand, Moores Rowland International and Inbucon International Ltd., as Management Consultant from 1979 to 1993. He returned to Bangladesh in 1993 with assignment in Bangladesh

Securities and Exchange Commission (BSEC) as Member-1 from 1993 to 1996 and also acted as the acting Chairman for a period. During his stay with BSEC, he substantially contributed to the development of the Capital Market of Bangladesh. From 1996 onward, he has been involved in different capacities in formation and development of Bank, Non-Banking Financial Institution, Insurance and Capital Market related Institutions and others.

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

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





## Duluma Ahmed

### Vice Chairperson

**Mrs. Duluma Ahmed** was born on July 7, 1947. She hails from a very respectable Muslim family. She is a sponsor Director of the Bank. Mrs. Duluma has been Vice Chairperson of the Board of Directors of the Bank since May 22, 2017. She is also the member of Executive Committee as well as Risk Management Committee of the Board of Directors of the Bank. She is associated with business activities. She is the Chairperson of Mutual Food Products Ltd. and Mutual Milk Products Ltd. as well as the Director of Mutual Trading Co. Ltd. She is the partner of Silunia Agency, Mutual Logistics Services and Muhuri Agency. Mrs. Duluma Ahmed is Director of Arla Foods Bangladesh Ltd., a Joint Venture between Mutual Milk Products and Arla Foods of Denmark for production of Dano Brand Milk Products.

Mrs. Duluma Ahmed is involved with a number of socio-cultural organizations of the country. She is the

patron of Benuka Lalitakala Academy, Dhaka, a famous cultural organization. She is a member of Inner Wheel Club and serve as secretary and Vice-President of Inner Wheel Club of Dhaka North. She is a Member of Gulshan Ladies Club a renowned social ladies club of the country serving the humanity. As a social worker, she is generously contributing to the poor and the needy section of the society. She traveled almost all the countries of Asia and Europe, USA and also Australia.

Mrs. Duluma Ahmed came from a aristocratic and philanthropic family and engaged her in philanthropic activities. She is also engaged with Azim Uddin Ahmed Islamia Madrasa, Duluma Azim High School, Fatema Farzana Kindergarten and Azim Uddin Ahmed Forkania Madrasa in her village. She has also contributed for a number of educational and socio-cultural organization all out of the country.



## M. A. Kashem

### Director

**Mr. M. A. Kashem** is the Founder Chairman and Sponsor Director of Southeast Bank Limited. He is the Chairman of the Executive Committee of the Board of Directors of Southeast Bank Limited. Mr. M. A. Kashem is a Founder Life Member of North South University Foundation & Member of the Board of Trustee of North South University.

Mr. M. A. Kashem is the former President of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), the apex body of all the business communities of Bangladesh. He was also the Chairman of Arbitration Tribunal of FBCCI. Mr. M.A. Kashem is an eminent industrialist, renowned patron of education, distinguished philanthropist and an active social worker. He is the winner of "President Export Trophy Award" for the year 1982-83 & 1983-84 for excellent export performance. Mr. Kashem also got "C.R. Das Gold" Medal for excellent contribution in the Industrial sector in the year 1995. He was awarded the "Highest Tax Payer-2011" by National Board of Revenue (NBR) for Dhaka City Corporation. He has been awarded "Abu Rushd Memorial Award" for promoting higher education. Mr. Kashem was the leader of 20-member FBCCI Trade delegation to Far Eastern Countries in the year 1986. He was also the leader of 5-member Govt. delegations to U.K., U.S.A. and Canada sponsored by UNDP in 1987 and leader of 12 member EPB Govt. of Bangladesh delegation to EEC countries in 1985. As an industrialist, he travelled almost all major cities of the world many times on his own business and also led trade delegations. He also led North South University Board of Trustees delegations to USA, UK & Australia.

He is the past Chairman of the Association of Private Universities of Bangladesh (APUB) which represented all

Private Universities of the country. Mr. Kashem was a member of Board of Trustees of Hamdard Laboratories (WAQF) Bangladesh, the leading producer of herbal medicines in the sub-continent for over 17 (Seventeen) years. He is the member of SAHIC Trust (Society for Assistance to Hearing Impaired Children), the only voluntary organization rendering health care assistance of the ear, nose and throat services to destitute and poor patients.

As a philanthropist, Mr. Kashem set up number of Schools, Madrasahs, Masjid, Club etc. and erected free dwelling houses for the poor and destitute people of his locality. He has established a Trust named Kashem Trust to foster education to the primary and mid-level students of schools in his locality. The Trust awarded stipends and scholarships to the meritorious students during the last couple of years. Moreover, a General Hospital (Non-Profit) of 50 Beds in the name of his late son Tareque namely "Tareque Memorial Hospital" now "Tareque Memorial Ibrahim General Hospital" is at present in operation at his home district.

As a philanthropist, Mr. M. A. Kashem set up Kashem Complex at Darogahat, Chhagalnaiya which contains Madrasah, Masjid, Eidgah, Public Graveyard and other training centers and erected free dwelling houses for the poor and destitute people of his locality.

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



## Azim Uddin Ahmed

### Director

**Mr. Azim Uddin Ahmed** a renowned businessman and philanthropist was born on June 30, 1940. He is a graduate from the University of Dhaka. He is the founder and currently the Chairman of Mutual Group of Companies. Mr. Azim started trading business in 1962 at a very early age while he was student. He is one of the few Bengalese to be established as a prominent businessman in pre-liberated Bangladesh and prospered further after liberation. Mr. Azim Uddin Ahmed is also the Sponsor Director and former Chairman of Southeast Bank Limited. He is also the current chairman and member Board of Trustees of North South University, the leading Private University in Bangladesh.

Mr. Azim is the Chairman of the Arla Foods Bangladesh Ltd., a Joint Venture between Mutual Milk Products Ltd. and Arla Foods of Denmark for production of Dano Brand Milk Product in Bangladesh.

Mr. Azim is associated with a number of trade bodies and associations devoted to social work. He was the past President of Rotary Club of Dhaka North and Area Governor of Rotary District. He was the past President of Gulshan Club Ltd. He was the President of Baridhara Society for long time. He served in different capacities in

Dhaka Chamber of Commerce and Industry (DCCI), Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) and Bangladesh Indenting Agents Association. He is the current President of Bangladesh Consumer Products Manufacturers Association. He represented Bangladesh as a leader and member of a number of Trade Delegation to India, Europe, USA, Asian Countries including China and many others on Govt. and private trade delegations. He is a widely traveled person across the globe.

Azim Uddin Ahmed is the winner "President Export Trophy Award" for the year 1982-83 and 1983-84 for excellent export performance. Mr. Azim came from the educationalist and philanthropic family and engaged him in philanthropic activities. He is the founder of Azim Uddin Ahmed Islamia Madrasa, Duluma Azim High School, Fatema Farzana Kindergarten and Azim Uddin Ahmed Forkania Madrasa in his village. In Duluma Azim High School technical education already introduced which is equipped with modern technologies by Mr. Azim's personal care and endeavor. He has contributed for a number of educational and socio-cultural organization all out of the country.



## Jusna Ara Kashem

### Director

**Mrs. Jusna Ara Kashem** was born on 7<sup>th</sup> December. She is a Sponsor Director of the Bank. She is also the member of Executive Committee of the Board of Directors of the Bank. She is a leading Industrialist and business leader of the country. She is a Director of Rose Corner (Pvt.) Limited.

Mrs. Jusna Ara Kashem hails from a very respectable Muslim family of Rajshahi. She is associated with a number of humanitarian and philanthropic organizations and is the Vice Chairman of M. Kashem Trust. The Trust has set up a hospital namely "Tareque Memorial Hospital" now "Tareque Memorial Ibrahim General Hospital".

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

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





## Rehana Rahman

### Director

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

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

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

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

- President of WEAB (Women Entrepreneurs Association of Bangladesh)
- Member of Gulshan Club

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



## Md. Akikur Rahman

### Director

**Mr. Md. Akikur Rahman** was born on February 15, 1945. He is a Sponsor Director of the Bank. He is also the member of Executive Committee as well as Risk Management Committee of the Board of Directors of the Bank. He is a successful businessman. He is the Chairman of RAR Investment Limited of Murad Vill, Nower Road, Dorking Surrey, RH43BY, United Kingdom. He is also the Chairman of Dorking Muslim Community

Association of 11/15, Hart Road, Dorking, Surrey, RH4 1JS, United Kingdom. He is the Managing Director of RAR Holding Limited, RAR Tower, 26 Gulshan Avenue, SEB-2, Dhaka-1212. He is also the Vice Chairman of International Medical College and Hospital, Gusholia, Tongi, Gazipur, Bangladesh. Mr. Akikur Rahman is associated with Southeast Bank Limited since its inception in 1995 as a Sponsor.



## Raiyan Kabir

### Director

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

Raiyan Kabir, a visionary, dynamic and optimistic entrepreneur boosted his career with diversified knowledge in trading business whose operations encompass activities involve in both Financial Products and Commodities. In pursuing his own apparition, he successfully formed Multinational Companies benefitting creation of both Local and foreign employments as well as Economic transition through numerous innovative Products identification-acquiring-implementation. His executive ideology linked to his Banking career in Bangladesh in early 2000s when he as

a successful Banker executed operations in Import-Export, International Division, Currency Analyzer, Foreign Exchange, Credit and Treasury Division. He moved to Australia and formed R & N Export and Import Sydney, Australia and worked as Chief Executive Officer (CEO) from 2008 to 2011. Later, he moved to Singapore and formed R & N Trade Holdings Pte. Ltd. Singapore and working as Chief Executive Officer (CEO) since 2011. As a Director of MindChamps Pre-School Orchard Pte Ltd, a company registered in Singapore Stock Exchange, He is a strong believer of growth of a Champion mind, Learning & Creative Mind has also acquired business interest in Pre-school under the Global Brand "MindChamps".

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

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



## M. Maniruz Zaman Khan

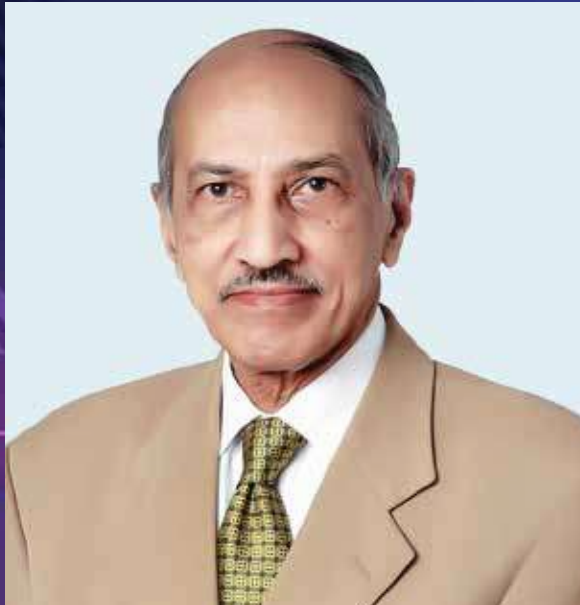
(Nominee of Bay Leasing & Investment Limited)

### Director

**Mr. M. Maniruz Zaman Khan** represents Bay Leasing & Investment Limited in the Board of Directors of Southeast Bank Limited. He is also the member of Executive Committee of the Board of Directors of Southeast Bank Limited. He obtained B.Com (Hons) and M.Com both in Accounting from Rajshahi University. He has been holding the position of Executive Vice President (EVP) in Bay Leasing & Investment Limited. Prior to

joining the Bay Leasing & Investment Limited, Mr. Khan served in different companies in different capacity. He has 39 years of working experience. He participated in various Training Courses during his long career of services. Mr. M. Maniruz Zaman Khan hails from a reputed and noble family of Brahmanbaria District. He was born on 1<sup>st</sup> January, 1956.





## Syed Sajedul Karim

### Director

**Mr. Syed Sajedul Karim**, a former Secretary to the Government of Bangladesh joined the Southeast Bank Limited as an Independent Director. He is the Chairman of the Audit Committee as well as the member of Risk Management Committee of the Board of Directors of Southeast Bank Limited. Mr. Karim did his Honours and Masters from Dhaka University and Diplomas in Petroleum Accounting from North Texas and Southern Methodist Universities in Dallas, USA.

As an officer of the BCS (Audit & Accounts) cadre, Mr. Karim served the Government of Bangladesh in different capacities both at home and abroad. During his long service career, he was the Chairman and Chief Executive

Officer of Petrobangla during December, 2001 through April, 2003. He briefly worked as an External Auditor of UNDP Headquarters in New York and UN agencies based in Ethiopia and Cameroon. He was an Audit Adviser to the Government of Seychelles for over two years. He once led a team to overview the operations of UK based branches of nationalized Banks of Bangladesh.

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



## Dr. Quazi Mesbahuddin Ahmed Director

**Dr. Quazi Mesbahuddin Ahmed** was born on January 18, 1948. He did B.A. (Hons.) and M.A. in Economics from the University of Dhaka in 1967 and 1968 respectively. He obtained M.S. degree in Economics in 1979 from the James Cook University of North Queensland, Australia. He earned another Masters degree in Economics in 1987 and a Ph.D. degree also in Economics in 1992 both from the University of Illinois at Urbana-Champaign, USA.

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

Dr. Ahmed started his career at the Research Department of the erstwhile State Bank of Pakistan in February, 1969 and later joined the Planning Department of erstwhile East Pakistan in 1971.

Dr. Quazi Mesbahuddin Ahmed worked as Managing Director of Palli Karma-Sahayak Foundation (PKSF) for a period of more than five-years during January, 2008 through March, 2013. Before joining PKSF, Dr. Ahmed was Member, General Economics Division of the Bangladesh Planning Commission during September 2003 through January 2007. He was also simultaneously in-charge of the Industry and Energy Division of the Planning Commission.

Before being Member, Planning Commission, Dr. Ahmed was Additional Secretary, Economic Relations Division (ERD), Ministry of Finance in 2003. He was Economic Minister at the Bangladesh Embassy in Washington DC for six years during 1997-2002 and acted as charge d' Affairs of the Embassy in absence of HE the Ambassador.

Dr. Ahmed was a visiting fellow at the University of Western Australia during 1994. He worked as an

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

Dr. Ahmed shouldered the responsibility of producing the Bangladesh country- reports for the Paris Consortium meetings for various years starting from 1981 and attended all of these meetings at home and abroad except when doing higher studies in foreign universities. Dr. Ahmed had travelled beginning early 1970s numerous countries around the globe and participated in several ministerial and some Prime Ministerial delegations abroad.

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

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

Dr. Ahmed had been a senior adjunct faculty in Economics at the East West University during September, 2013 to December, 2018 and always obtained outstanding evaluations by students.



## Mohammad Delwar Husain

### Director

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

Mr. Husain started his career as a Lecturer in Economics in the Government Jagannath College, Dhaka prior to joining the erstwhile Central Superior Service of Pakistan in the Pakistan Taxation Service (PTS) Cadre in 1970. He

served the Government of Bangladesh in different capacities in the Ministry of Water Resources and in National Board of Revenue. He retired from Government service as Member (Income Tax Policy & Administration) in the National Board of Revenue in 2003. Besides Government service, he also served as a Government Nominated Director of IFIC Bank Limited, NB Bank Limited, Nepal and Oman International Exchange, Muscat for about two years. He also worked as an Advisor of IFIC Bank Limited for about one year and a half. Mr. Husain's experience also includes short term consultancy work with the World Bank and DFID and in Revenue Reform in NBR as its Project Team Leader and also as a Facilitator in Alternative Dispute Resolution (ADR) in NBR.



## M. Kamal Hossain

### Managing Director

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

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

During his 39 years long banking journey, Mr. Hossain gained extensive banking experience and developed wide range of expertise in almost all areas of commercial banking comprising Import, Export, Credit, General Banking, Human Resources, Accounts, etc. Under his visionary leadership, SEBL is expected to evolve as a leading commercial Bank of Bangladesh with exemplary business and financial outcomes.

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



# CODE OF CONDUCT FOR DIRECTORS

Southeast Bank Limited has adopted a Code of Conduct for its Directors. It was approved by the Board of Directors in its 410<sup>th</sup> meeting held on December 24, 2012.

**A few important items of the Code of Conduct are cited below:**



## Arrangement

- The Directors are required to disclose their interest, if any, in relation to the Bank.
- The Directors shall not take part in any discussion or vote on any contract/ arrangement on behalf of the company if he/she is in any way interested in the contract/ arrangement.
- Every Director shall avoid conflict of his/her personal interest with that of the Bank.



## Borrow

- The Directors shall not borrow from the Bank without the approval of the Board and Bangladesh Bank.



## Applicable

- The Directors must comply with all applicable laws, rules and regulations and shall abstain from insider trading of shares.
- The Directors shall not interfere in the day to day affairs of the Bank.



## Employees

- The Directors shall not entertain any employee's approach to them for lobbying for his/her promotion, posting, extra facility etc.
- No Director shall pursue/insist/interfere for sanction of any credit facility favoring any client.



## Customers

- The Directors shall fairly treat the Bank's customers, suppliers, depositors, shareholders and employees.

# POLICY OF REVIEWING EFFECTIVENESS OF THE BOARD OF DIRECTORS

Every year the Board of Directors of Southeast Bank Limited carries out following reviews / evaluations of its own performance and effectiveness:

-  Reviewing of role of the Board of Directors as set out in the Article of Association and regulatory framework.
-  Making an assessment of Directors' contribution to discussions on business proposals, governance and general issues.
-  Making an evaluation of the status of compliance with the Code of Conduct framed for Directors.
-  Apprising the Board of Directors of new regulations and emerging practices for their information.
-  Discussing and analyzing its own performance against benchmark and earlier achievements of result.
-  Reviewing of the Bank's strategies for every New Year.
-  Providing sense of direction to the management for achievement of short-term objectives and long-term goals.
-  Reviewing of objectives and strategies of the Bank periodically to ensure that, they remain consistent with the Bank's priorities.
-  Reviewing periodically of the achievement of objectives by the Bank.
-  Reviewing the performance and contribution of the Managing Director and the Senior Management Team (SMT).

# DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility Statement is outlined below in compliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013, BRPD Circular No. 14, dated 18 October, 2018 as well as other relevant guidelines of Bangladesh Bank.



## Work-Planning and Strategic Management

The Board determines Bank's objectives. It chalks out strategies and work-plans on annual basis. It specially engages itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It analyzes and monitors the implementation of its decisions on quarterly basis. The Board gives its analytical review as incorporated in the Annual Report regarding the success or failure in achieving the business and other targets as set out in its annual work-plan. It apprises the shareholders of its opinions and recommendations on future plans and strategies. It sets the Key Performance Indicators (KPIs) for the CEO and Officers belonging to two tiers below the CEO and evaluates them from time to time.

## Credit and Risk Management

The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, rescheduling and write off of loans are made with the Board's approval under the purview of the existing laws, rules and regulations. The Board specifically delegates the power of sanction of loan/ investment and such delegations are suitably made amongst the CEO and his subordinate executives as far as desirable for efficient business operations. No Director interferes, directly or indirectly, in the process of loan approval. The Board frames policies for Risk Management and ensures their implementation. It monitors compliance at quarterly intervals through reviews of the reports of the Risk Management Team. The Board monitors the compliance of the guidelines of Bangladesh Bank regarding Key Risk Management. The Board imposes Code of Ethics for every tier of employees and they follow it properly. It promotes healthy code of conduct in the Bank for developing a compliant banking operation.

## Financial Management

The annual budget and the statutory financial statements are finalized with the approval of the Board. It reviews and monitors monthly position of Bank's income, expenditure, liquidity, non-performing asset,

capital-base and capital adequacy, maintenance of loan-loss provision and steps taken for recovery of default loans including legal measures. The Board frames the policies and procedures for Bank's purchase and procurement activities and accordingly approves the delegation of power for making such expenditures. The maximum possible delegation of such power of expenditures vests on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of Bank's business are, however, adopted with the approval of the Board.

### Internal Control Management

The Board remains vigilant on the internal control system of the Bank in order to attain and maintain satisfactory qualitative standard of its loan/ investment portfolio. The Board establishes internal control system in such a way that the internal audit process can be conducted independently by the concerned department. It reviews the reports submitted by its Committees especially regarding compliance with recommendations made in Internal and External Audit Reports and the Bangladesh Bank Inspection Reports as well as reports on management of risks.

### Human Resources Management and Development

Policies relating to recruitment, promotion, transfer, disciplinary action and punitive measures, human resource development etc. and service rules are framed with the approval of the Board. The Chairman or any Director in no way involves himself or interferes into or exercises influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as conducted under the set service rules. No member of the Board of Directors is included in

the selection committee for recruitment and promotion to different levels. Recruitment, promotion, transfer and punishment of the officer's immediate two tiers below the CEO, however, rest upon the Board. Such recruitment and promotion are done complying with the service rules i.e., policies for recruitment and promotion.

The Board focuses its special attention on the development of skills of Bank's staff in different fields of its business activities, the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The Board gets these programs incorporated in Bank's annual work plan. The Board reviews the work of the Asset Liability Committee (ALCO) on a regular basis.

### Appointment of Chief Executive Officer (CEO)

One of the major responsibilities of the Board of Directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The appointment of the CEO is made with the approval of the Bangladesh Bank.

### Other Responsibilities of the Board

The Board follows and complies with all the responsibilities assigned to it by Bangladesh Bank from time to time.

On behalf of the Board of Directors,



**Alamgir Kabir, FCA**

Chairman





# DIRECTORS' REPORT



## DIRECTORS' REPORT

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# DIRECTORS' REPORT

**Bismillahir Rahmanir Rahim**

**Dear Shareholders,**

The Board of Directors of Southeast Bank Limited takes this opportunity to welcome you all to the 27<sup>th</sup> Annual General Meeting of the Shareholders and has immense pleasure to lay before you the 27<sup>th</sup> Annual Report of the Bank together with the Auditors' Report for the year ended December, 2021.

## 1. World Economic Scenario in 2021 and outlook for 2022

Following last year's crumple due to COVID-19 pandemic, the global economy is experiencing an exceptionally strong but uneven recovery. The global economic recovery is continuing, but pandemic outbreaks in critical links of global supply chains have resulted in longer-than-expected supply disruptions, further feeding inflation in many countries. Policy choices have become more difficult, confronting multidimensional challenges-subdued employment growth, rising inflation, food insecurity, the setback to human capital accumulation, and climate change with limited room to maneuver.

The post-pandemic recovery presents policy makers with a unique opportunity to push countries into a path of green, resilient, and inclusive development. To achieve this, climate and development policies need to be integrated, and incentives aligned to achieve both climate and development goals. Smart climate action includes foreword investing in low carbon and renewable energy sources, improving diagnostics to identify priority areas for greenhouse gas emissions reduction and climate resilience, and prioritizing climate spending to achieve maximum impact.

## Economic indicators in 2021 and outlook for 2022

Although COVID-19 pandemic caused a short-term backlash in the world economy, global output growth is projected to strengthen to 5.5 percent in 2021. The recovery is expected to continue into 2022, with global growth moderating to 4.1 percent.

Global Trade has continued to rebound; however, the strength of global trade growth is set to be dampened by shifting activity from manufacturing to the low-trade-intensity domestic services sector in countries where COVID-19 caseloads have been declining.

Manufacturing Trade is currently being constrained by supply bottlenecks and strains in global value chains. Companies have experienced a sharp rise in freight rates and localized shortages of shipping containers. Price pressures associated with supply bottlenecks are likely to decrease over time as global growth moderates and shippers expand capacity.

Trade Growth is hampered by high trade costs. Trade costs primarily arise from transportation expenses and cumbersome customs procedures, and are likely to have increased further as a result of protectionist measures, such as tariffs on U.S.-China trade and export controls on food and medical products. Global trade is forecasted to grow 9.5 percent in 2021 and 5.8 percent in 2022, reflecting firming global output and investment, but also the diminishing trade intensity of the global recovery.

Tourism remains depressed, however, even in countries that have not experienced major outbreaks, such as small island economies. International travel is expected to be constrained for some time owing to lingering mobility restrictions and reluctance to travel so long as the virus is not completely under control.

Remittances to many countries have been resilient. Strong activity in the U.S. construction sector, for example, has supported flows to many countries in Latin America and the Caribbean.

Global Borrowing Costs have increased as expectations of stronger future growth and higher inflation have pushed up long-term yields on government bonds. Global corporate borrowing costs have also risen, but spreads have been stable and stock market valuations in most regions are still close to multiyear highs.

Foreign Direct Investment (FDI) flows to Emerging Market and developing Economies (EMDEs) partly recovered in China and India due to investors' optimism about prospects in China and a few large foreign acquisitions in India. FDI flows to other EMDEs mainly subdued due to concerns about the course of the pandemic and uncertainty about growth prospects.

Commodity Prices have seen a sharp rise in 2021, and would continue to rise in 2022 with many now well above their pre-pandemic levels.

Oil Prices have increased noticeably, averaging \$69/bbl. in 2021 so far. Prices have been supported by a gradual firming in demand and continued production restraint among OPEC+. However, Oil prices are projected to average \$74/bbl. in 2022. Oil demand is expected to continue to firm but will not regain its pre-pandemic level until next year, with the shortfall mainly due to subdued jet fuel consumption.

Base Metal Prices have increased sharply in 2021, supported by continued strong demand from China as well as recovery in the rest of the world.

Agricultural Prices have also seen a substantial rise, particularly those of food commodities, and concerns about food insecurity persist in some countries, especially those afflicted by conflict or experiencing adverse weather events. Agricultural prices are expected to rise by 23 percent in 2021 and expected to be stable in 2022.

## Regional Perspectives

### East Asia and Pacific

Growth in the region is projected to accelerate to 7.1 percent in 2021, largely reflecting a strong rebound in China. Nevertheless, output in two-thirds of the countries in the region may remain below pre-pandemic levels until 2022.

### Europe and Central Asia

The regional economy is projected to grow 5.8 percent in 2021, with firming external demand and higher industrial commodity prices offsetting the negative impact of recent resurgences in new COVID-19 cases. Regional growth is forecasted to remain at 3.0 percent in 2022 as the recovery in domestic demand gains traction.

### Latin America and the Caribbean

Activity is projected to grow 6.7 percent in 2021. The rebound will be supported by moderate progress in vaccine rollouts, relaxation of mobility restrictions, and improved external economic conditions. Per capita income losses may still be deep in 2022, particularly for small island economies in the Caribbean.

### Middle East and North Africa:

Regional output is projected to grow by a subdued 3.1 percent in 2021. Higher oil prices have supported growth prospects in oil exporters. By 2022, regional activity is expected to remain 4.4 percent below pre-pandemic projections. Risks to the regional outlook remain predominantly to the downside. The region is exposed to risks from conflict and social unrest, high debt in some

economies, and unfavorable commodity price developments.

### South Asia

Output in the region is expected to expand 7.0 percent in 2021, a pace on par with average growth over the previous decade. Despite continued recovery, output in 2022 is forecasted to be 7.6 percent below pre-pandemic projections. Poverty rates have risen, and by the end of this year more than half the new global poor are expected to live in the region.

### Sub-Saharan Africa

Regional activity is expected to expand a modest 3.5 percent in 2021 and 3.7 percent next year. Positive spillovers from strengthening global activity, better international control of COVID-19, and strong domestic activity in agricultural commodity exporters are expected to gradually help lift growth. In a region where tens of millions more people are estimated to have slipped into extreme poverty because of COVID-19, per capita income growth is set to remain feeble.

## 2. State of the Bangladesh Economy in 2021 and Economic Trends

Bangladesh's economy is showing promising signs of recovery after the backlash of COVID-19 backed by a rebound in exports, strong remittance inflows, and the ongoing vaccination program. Over the FY21, factories reopened and exports rebounded. With gradual restoration of livelihoods, food security in poor and slum areas improved.

In FY22, growth will be supported by a recovery in manufacturing as export demand strengthens a rebound in construction supported by accelerating public investment, and robust service sector growth as the vaccination campaign progress. Inflation is projected to remain close to Bangladesh Bank's 5.5 percent target, and the fiscal deficit is projected to remain at 6 percent of GDP.

### GDP Growth

Bangladesh GDP will grow at 6.5 percent in the year 2022 as forecasted by the International Monetary Fund (IMF). World Bank estimated 6.2 percent GDP growth in 2022 and ADB predicted 5.5 percent GDP growth in 2021 and 6.8 percent in 2022. According to the provisional estimates of BBS, the GDP growth target was 5.47 percent in FY 2020-21. Per capita GDP and per capita national income stood respectively at US\$ 2,097 and US\$ 2,227 in FY 2020-21.



## Inflation

The estimated inflation rate for FY 2020-21 was 5.4 percent. But the actual inflation rate reached at 5.56 percent which was slightly higher than the estimate. The food inflation was 5.73 percent and nonfood inflation reached at 5.29 percent. Inflation rates predicted by ADB are 5.6 percent in 2021 and 5.8 percent in 2022.

## Monetary Policy

The monetary policy of the country including financial as well as credit programme have been embarked on aligning with the fiscal policy which in fact aimed to regain the productivity of the economy also to capture the qualitative growth plus tackling inflation. The growth of broad money at the end of February 2021 stood at 13.4 percent. Different steps were implemented under an expanded monetary policy during FY 2020-21. Bangladesh Bank reduced the repo rate from 5.25 percent to 4.75 and reverse repo rate from 4.75 to 4 percent. The Bank rate was revised and reset by reducing 100 basis point to 4 percent to align it with the recently declared interest rationalization policy. Besides, The Cash Reserve Requirement (CRR) was reduced from 5.5 percent to 4.0 percent for internal banking and from 5.5 percent to 2.0 percent for off-shore banking.

## Export

The export sector has resumed back to a positive trend after overcoming the COVID-19 shock with the support of all the interventions of the Government of Bangladesh. The export earnings growth was 15.1 percent in FY 2020-21 than FY 2019-20. The amount was US\$ 38,758.31 million, which was US\$ 33,674.21 million in FY 2019-20. As per ADB, the country's exports in the first 11 months of FY21 grew by 13.6 percent.

## Import

The import payment was also recommenced back in FY 2020-21 with 19.73 percent growth than the previous year. And the amount was US\$ 65,564.7 million. Alike FY 2019-20, remittance inflow was also high in FY 2020-21.

## Current Account Balance

Due to high remittance inflow, during July-April of FY 2020-21, the current account balance deficit was USD 3,808 million in FY 2020-21.

## Remittance

The total amount of remittance in FY 2020-21 was US\$ 24,777.71 million which was 36.10 percent higher (18,205 million) than the previous year. Foreign reserve amount in this period stood at US\$ 46.15 billion.

## FDI

In 2020, the amount of FDI was US\$2,563.58 million. Total 805 projects were registered in FY 2020-21 (July-February period) under joint venture investment (local and foreign) and the amount involved with the proposal was Tk. 4,49,381 million.

According to "doing business 2020" report published by the World Bank and International Finance Corporation (IFC), Bangladesh is one of the top 20 countries among those have taken highest reform initiatives with a view to improve the standards of the business environment. Growth is expected to keep its momentum in 2022 as the external sector strengthens, while supportive fiscal and monetary stimulus measures bolster domestic demand. The Asian Development Bank (ADB) has projected strong economic recovery for Bangladesh in the 2022.

The government has managed the economy well with appropriate economic stimulus and social protection measures, ensuring basic services and commodities for the poor and vulnerable. Bangladesh is on the way to gradual recovery in economy through expected booming export sector and remittance inflow.

## 3. Industry Outlook

The banking industry has been playing an important role in Bangladesh economy. Besides providing investible funds to both the public and the private sector, it is also facilitating international trade and service payments, generating employment, earning foreign remittance, strengthening rural economy, developing the housing sector, etc. During the past few years world economy has been adversely affected by COVID-19 pandemic, causing slowdown of business activities and economic contractions. Resultantly, banking industry of Bangladesh has also been affected. Due to the pandemic situation the banking industry experienced several adverse issues, for example, declining spread, change in client's transaction pattern, increased Gov't borrowing, narrowing of scope of business, volatility of currency market, lack of credit growth etc. However, due to timely and proactive measures taken by Bangladesh Gov't, like as, ongoing countrywide vaccination programs, increased public awareness on COVID-19 and various stimulus packages for the affected businesses, Bangladesh's economy is showing promising signs of recovery and expected to regain the growth in the upcoming years.

Behavioral change of the customer caused by this pandemic made them more comfortable in online transaction as well as online purchasing will make this industry move to technology driven banking. New challenges are ahead for the whole nation as well as banking industry as ramifications of COVID-19 are continuing.

### Credit growth

Due to narrow scopes of new investment and low demand of commodity, private sector credit growth decreased in 2021. The decrease in credit growth will affect the profitability of the Bank. Decrease in credit growth and low demand of commodity resulted in excess liquidity in the banking sector. There is hope that economic activities will pick up in future years as the impacts of pandemic will fade.

### Stimulus Package

Since the inception of the pandemic, the Government of Bangladesh and central Bank has rolled out different stimulus packages for recovery of the affected businesses. Banks are the key player for implementation of Covid-19 related stimulus package. The major portion of these packages is in the form of liquidity support through the commercial Banks. These timely measures are growing confidence among businesses which is helping our economy to recover. However, Banks may face challenges in recovering stimulus loans in the days ahead.

### Asset quality

In recent years, banking industry has been facing many challenges, which include among others, increased Non-Performing Loans (NPLs), capital shortfall and marginal loan growth and recovery. Bangladesh Bank also predicted that the weaker asset quality, higher level of NPLs and poor profitability condition will raise challenges for the banking sector in the coming years.

### Interest rate and spread

With a view to rationalizing the rate of interest on deposit and lending Bangladesh Bank has set the maximum limit of lending in single digit as well as deposit rate above inflation rate. This leads to the recent trends in weighted average lending and deposit rates towards downward movement. This declining spread will cause negative impact on Bank's earnings. Declining spread and increasing NPL may lead the Banks into capital shortfall or non-compliance of capital adequacy which will ultimately make the industry less shock absorbent in the future. Maintaining the existing asset quality, will emerge as a key challenge in post-pandemic situation for Bangladesh's banking sector.

### Gov't borrowing from Bank

Target of Government Domestic Borrowing for FY22 has been set at Tk. 1,13,453.0 crore in the national budget. Of which, target of borrowing from the banking system has been set at Tk. 76,452.0 crore. It seems the current trend of high government borrowing would increase further in the coming months due to a dismal revenue collection

amid the global coronavirus outbreak. It may increase liquidity risk in the banking industry.

### Boasting online transactions

Bangladesh is switching over fast to digital financial transactions from the conventional banking system. The digital financial transactions in the country had shown a robust growth during the past one year, replacing the conventional banking transactions faster than expected of the banking industry. Internet transactions grew 59 percent to BDT 108.25 billion in August 2021, according to central Bank statistics. Transaction by cards (local and foreign) increased by 53.5 percent by number and 36.4 percent by volume, the central Bank statistics showed. Mobile Financial Service (MFS) transactions by volume also swelled over 50 percent to BDT 622.3 billion in August 2021.

The banking industry had to go through some setbacks during last couple of years and expecting to face new challenges in upcoming years as new variant of COVID-19 is developing continuously. However, with initiation of mass vaccination programs, invention of drugs for COVID-19 and increased awareness we hope the economy as well as the banking industry will recover soon. Different sectors are already regaining pace, businesses are growing as commodity demand is increasing, trade finance are on increasing trend, which will eventually helps to recover the banking sector. However, the banking industry has to set up some reform priorities which include diversification of portfolio of the industry, improvement of asset quality, stronger recovery drive and strengthening governance, etc. Fading pandemic and it's affects along with prudent policy reforms and sustainable business growth will improve the overall condition of the banking industry. With the right policies and timely action, Bangladesh can accelerate its recovery from the economic downturn and continue to progress in banking sector.

## 4. An overview of the Bank

Southeast Bank Limited, a second-generation private commercial Bank, emerged in 1995 amid the liberalization of global economies. Currently, its Authorized Capital is BDT 15,000.00 million and its total capital and reserve reached at BDT 41,327.07 million as of December 31, 2021. Its vision is to stand out as a premier banking institution in Bangladesh and contribute significantly to the national economy.

The Bank, in the meantime, successfully completed 27 years of banking operations registering significant growth in performance indicators. In 2021, the Bank earned an after-tax profit of BDT 1,784.30 million. The deposit of the Bank grew by 4.77 percent to BDT 376,700.77 million

and loans and advances by 4.37 percent to BDT 336,329.37 million compared to those of 2021.

Operational excellence coupled with qualitative improvements continued to be of paramount importance to the Bank. At present, the Bank has 135 branches and 02 Off-Shore Banking Units across the country. 22 No. of Sub-branches (Uposhakha) have been raised in 2021. Our journey towards greater operational success continues with increased energy and enthusiasm.

As we face the stiff challenges ahead on the way to further improving the profitability of the Bank, we rely on our skilled and experienced manpower. Our strengths are our close and cordial partnership with customers, our firmly anchored presence in the country's strategic places of commercial and business importance and global reach through our correspondent Banks for expansion of foreign trade, foreign exchange and remittance business. Our product-basket encompasses Real Time Online Branch Banking, Islamic Banking, Merchant Banking, CMSME Banking, Corporate Banking, Dual Currency World MasterCard Credit Card, Dual Currency Visa Platinum Credit Card, Dual Currency Visa Debit Card, International Visa Debit Card, MasterCard Insta Prepaid Card, Visa Travel Card, Virtual Card, Beton Card, Beton Plus Card, Hajj Card, Anupama Credit Card for Women, e-Commerce Payment Gateway, POS acquiring business, Mobile Financial Service (MFS), Internet Banking Facility, ATMs, Recycler ATMs, Online and Offline CDMs, Home Loan, Rural Home Loan, Car Loan, Personal Loan, Express Cash, Staff House Building Loan, Education Loan Scheme, Consumer Loan, Syndicate Loan, Double Benefit Scheme, Millionaire Deposit Scheme, Monthly Savings Scheme, Day basis Fixed Deposit Product for retail clients, Fixed Deposit, Monthly Income Scheme, Pension Saving Scheme, Multi-Millionaire Gold Deposit Scheme (kept in abeyance for the time being), Mohor Saving Scheme, Wage Earner Pension Scheme, Emerald: Savings Account, Garnet: Current Account, Zakat Account, Cash Wakfh Account, etc. in addition to our traditional credit and foreign trade related products and services.

High-quality customer service through the integration of the latest and state-of-the-art banking technology is our tool to achieve success. Customers are our first priority. We are trying hard to provide a system of one-stop solutions for customers by providing a spectrum of services. Our employees have mastered new technology, enhanced their product knowledge and honed their skills to help customers meet their financial goals. We want to

be the best at helping customers become financially better off by providing necessary advice, innovative leading-edge financial solutions, choice and convenience. Irrespective of customers' size and type, we aim at delivering the best customer service by meeting their unique and different needs in a professional, ethical, friendly and knowledgeable manner.

We are pledge-bound to turn Southeast Bank into a modern banking institution dynamic in actions, progressive in programs, honest in dealings, just in judgment, futuristic in attitude, fair in approaches and devoted to high-quality service to customers. Our charted plans are aimed at boosting modern management, advanced technology, good profitability, sound financial strength and a fair image of the Bank. We are firmly committed to transparent, responsible and accountable corporate governance with the participation of our strong and most capable team of professionals and under the valuable directions and guidance of the Board of Directors of the Bank.

Southeast Bank carries out its business activities keeping in mind its core values, norms of business, commitment to clients, society and the environment at large. Southeast Bank in all its activities and operations tries to establish Green Banking practices and attain sustainable growth. The Bank in all its endeavors wants to assure its shareholders a steady and competitive return on their investment in line with the best among peer institutions.

## 5. Operational Excellence Capital and Reserves

The Authorized Capital of the Bank was BDT 15,000.00 million and paid-up capital was BDT 11,889.41 million as of December 31, 2021. The Capital and Reserves (Tier-1 Capital and Tier-II Capital) stood at BDT 41,327.07 million as compared to BDT 40,372.53 million in last year showing a growth of 2.36 percent.

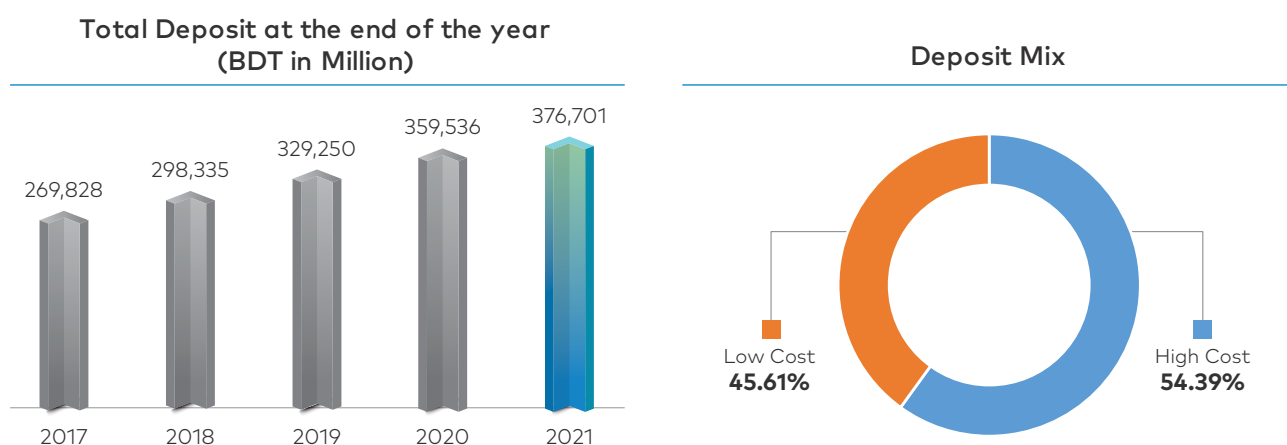
### Capital to Risk Weighted Assets Ratio (CRAR)

Southeast Bank has maintained Capital to Risk-weighted Assets Ratio (CRAR) of 13.86 percent as on December 31, 2021 as against the minimum capital requirement of 12.50 percent as set by Bangladesh Bank under Basel-III reporting through BRPD Circular No.18 dated December 21, 2014 of Bangladesh Bank.

## Deposit Mix

Deposit increased by 4.77% year on year basis in 2021 improving overall deposit mix. The existing deposit mix is keeping other major liquidity indicators stable and above the regulatory requirement. SEBL has diversified its deposit base with numerous products with the mixture of high cost and low cost deposit. As part of its strategic approach, SEBL has focused on low cost and no-cost deposit to gain edge in interest spread. Low cost deposit was 45.61% in 2021 and 41.95% in 2020.

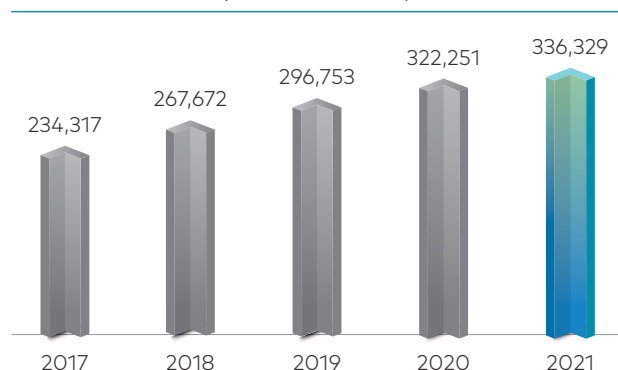
The amount of total deposit of the Bank on December 31, 2021 stood at BDT 376,700.77 million as compared to BDT 359,535.93 million on December 31, 2020.



## Lending and Investment

Due to recurrent shocks of COVID-19 whole Banking industry as well as SEBL faced with various challenges in the year 2021, despite this the Bank's loan portfolio stood at Tk. 336,329.37 on December 31, 2021 with a growth of 4.37% YoY. Pragmatic assessment of loan proposal and good pre and post disbursement monitoring enabled the Bank to expand its investment to the new business horizon. Consequently, the Bank invested through various funded and non-funded loan products and services to facilitate corporate clients, Cottage, Micro, Small and Medium Enterprises (CMSMEs), rural businesses and marginal farmers for a healthy growth. Featured products and services of SEBL comprise of cash credit facilities, demand loan, term loan, agricultural credit, micro credit, project finance, export credit, structured/syndicated finance, letter of credit, guarantee, discounting of bills, documentary credits, credit card, consumer credit etc.

**Total Loan & Investment at the end of the year**  
(BDT in Million)

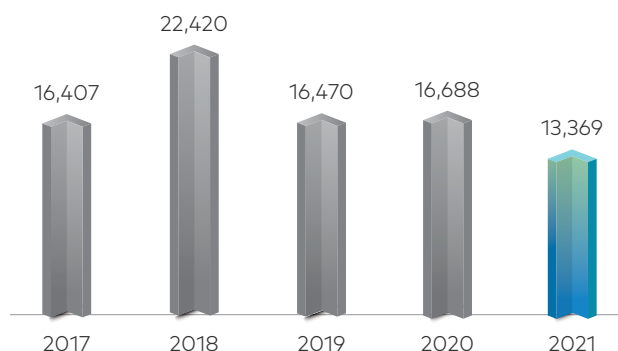


Year	Outstanding at the end of the year (BDT in Million)	Growth Rate
2021	336,329	4.37%
2020	322,251	8.59%
2019	296,753	10.86%
2018	267,672	14.23%
2017	234,317	22.13%

## Guarantee Business

Guarantee Business (Open Ended/Close Ended) including diverse segments like Performance Guarantee, Bid Bond, Advance Payment Guarantee, Retention Bond and Security Bond helps SEBL comprise a strong base for Non-Funded Business. In 2021 total Guarantee Business of the Bank amounted to BDT 13,369.00 million against the amount of BDT 16,688.83 million in 2020.

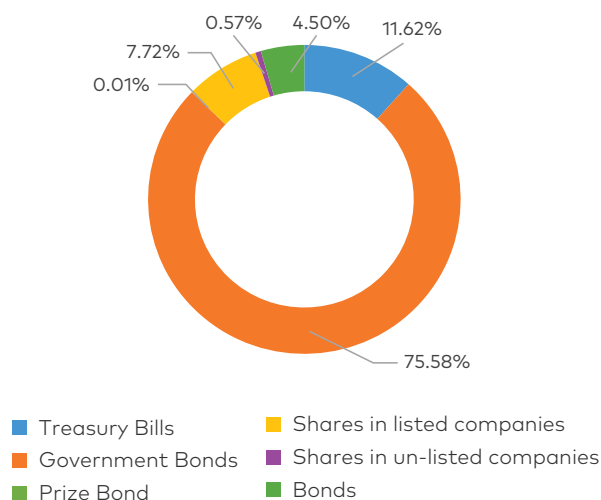


**Guarantee Business including ILC (BDT in Million)**

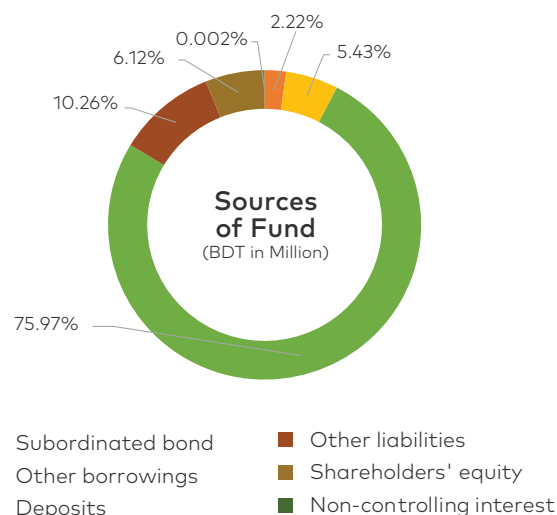
Year	Guarantee Business including ILC
2021	13,369
2020	16,688
2019	16,470
2018	22,420
2017	16,407

**Investment Mix**

The investment portfolio of SEBL was BDT 113,452.58 million against BDT 97,073.89 million in the previous year. Total investment portfolio of SEBL consists of diverse mix of several investment components including Treasury Bills, Treasury Bonds, Prize Bonds, Subordinated Bonds issued by different Banks, Corporate Bond and Shares of listed and Non-listed Companies. The investments were kept mostly to align with SLR norms, as stipulated by Bangladesh Bank guidelines.



A lion share of SEBL's funds is derived from customer deposit accounts, bulk of which is utilized in loans and advances, as can be comprehended from the charts below. A slice of this fund is kept in the form of cash and cash equivalents to maintain CRR and SLR ratios, which currently stands at 4% and 13% for conventional banking and 4% and 5.5% for islami banking of the total customers' demand and time/term liabilities of the Bank, respectively.

**Key Operating and Financial Data**

Key operating and financial data like Balance sheet matrix, Income statement matrix, Capital Matrix, Credit quality, Foreign exchange business, various ratios, dividend and so on shown in page no. 232 and 233 with year to year comparison.

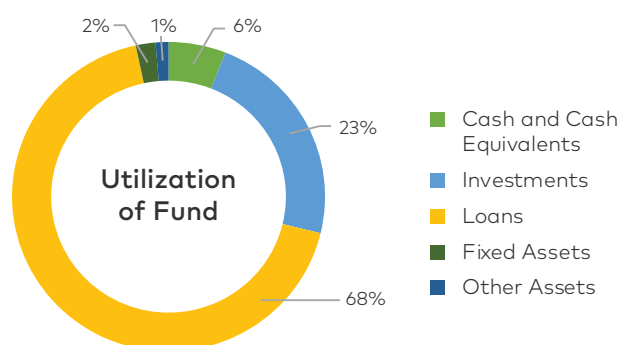
**Source and Utilization of Funds**

Total equities and liabilities as on 31 December, 2021 stood at BDT 495,841.96 million, representing an increase of 6.57% YoY. This growth was mainly attributed to the increase in deposit of others borrowings.

Several diverse asset components including Cash and Cash Equivalents, Investments, Loans, Fixed Assets and other assets comprise the Asset Portfolio of the Bank. The total amount of Asset Portfolio amounted to BDT 495,841.96 million on December 31, 2021.

The break-up of total assets is given below:

Particulars	Amount
Cash and Cash Equivalents	29,341.70
Investments	113,452.58
Loans	336,329.37
Fixed Assets	10,130.42
Other Assets	6,587.88
<b>Total</b>	<b>495,841.96</b>



### Statutory Reserve

The total amount of statutory reserve stood at BDT 11,889.41 million as on December 31, 2021 after 20% of the Profit Before Tax was transferred to statutory reserve for the year 2021.

## 6. Internal Control and Compliance

The Board of Directors (BOD) of Southeast Bank Limited recognizes the importance of robust internal controls and risk management practices for good corporate governance. The Board always inspires a strong control and compliance culture based on sound understanding of laws, regulations and best practices that is disseminated at all levels.

The foundation of Internal Control and Compliance System of the Bank is based on organizational structure, policies, procedures and instructions provided by its Board of Directors and Senior Management keeping alignment with the guidelines or instructions of the regulatory authorities as well as international standard setting bodies. The Audit Committee of the Board, Internal Control and Compliance Division and the line management play effective roles, as appropriate, to ensure that the systems of internal controls are in place and duly complied with.

SEBL has designed, developed and implemented an integrated internal control and compliance framework across the Bank's all divisions, departments and branches of its operations, allowing the Bank to foresee potential problems or possible financial losses and thereby, help in preventing or minimizing such risks. Bank's internal control system consists of interrelated components which include (i) Compliance (ii) Monitoring (iii) Information Security (iv) Internal Audit (v) Risk Management, etc. These functions are independent from the ambit of management for ensuring a compliance culture within the organization under the active guidance and supervision of the Senior Management and BOD.

The Audit Committee, on behalf of the Board of Directors, reviews the various reports of internal auditors, external auditors, Bangladesh Bank's

inspection team and compliance status thereof. It also reviews the adequacy and effectiveness of Bank's internal control system annually. This system of internal control is capable of continually assessing and recognizing the material risks that could adversely affect the achievement of the goals of the Bank. It also ensures immediate reporting of all the identified significant weaknesses and control failures together with details of corrective actions being undertaken at appropriate levels of the management.

SEBL gives great importance to the risk governance structure which includes corporate value statements, codes of conduct and ethics, policies, procedures and risk assessment. Continuous monitoring is in process and steps are being taken to make improvements to Bank's control system, where required, to enhance its effectiveness and efficiency.

## 7. Budget and Budgetary Control

Southeast Bank regularly upgrades its budgetary techniques and processes in line with industry practice, dynamic business environment and national economic goals. Annual Budget is formulated as part of a medium-term budgetary framework and is reviewed from time to time in the light of actual achievements of budgetary goals. In formulating budget, the Bank carefully evaluates its strengths and weaknesses and also takes into account likely threats and opportunities for business operation that may arise in the near to medium term.

Bank's budgetary goals and processes are always consistent with the national economic development policies and priorities. While formulating lending volumes and priorities, the Bank duly takes into account the importance of diversified lending to industrial and service sectors, geographic areas, CMSME and agricultural sector. Annual Credit Policy of the Bank, an important guideline for allocation of projected volume of credit to different sectors specifies lending principles of the Bank. The Bank also carries out analysis of potentials of each and every Branch while determining their budgetary goals.

The budget incorporating mobilization of deposit from different customer segments, lending to different sectors both funded and non-funded, promotion of international trade and above all controlling costs of doing business are monitored at the Head Office. The process of budget formulation and execution is reviewed with all the branches in Annual Business Policy Meeting as well as in quarterly meetings held with all the branches. Reports on status of implementation of budget are placed to the Board every month and guidelines and directions given by the Board are

communicated to all concerned for compliance. An appropriate monitoring mechanism has been established centrally at Head Office of the Bank to ensure budget implementation.

## 8. Corporate Governance

One of the basic policies of the Bank is to strengthen its corporate governance status by establishing responsible management system and strengthening supervision. Efforts are also being geared up to improve the transparency and accountability of the management. While putting efforts to achieve corporate objectives, Southeast Bank gives top priority to establish appropriate corporate governance standard at all levels and in all units. A report on Corporate Governance of the Bank in 2021 is included in this Annual Report.

## 9. Minority Interest

Share capital structure of Southeast Bank Limited as of 31 December 2021 comprises of Minority Interest of institutional shareholders. The Bank possesses a dignified culture of compliance regarding all regulatory obligations related to investors and shareholders. Any decision and actions having material impact on the interest of the shareholders, irrespective of the holding pattern, are disclosed and redressed, in due form, if required.

## 10. Board Meetings, Remuneration and Shareholding Pattern

Directors are not eligible for any remuneration other than the attendance fee for the Board and its Committee meetings. Currently, as per BRPD Circular Letter No. 11 dated October 04, 2015, directors are eligible for remuneration of BDT. 8,000 for attending each meeting. But the number of such meetings is also prescribed in the said circular determining the numbers with or without remuneration. During the year 2021 total of 27 (Twenty-Seven) No. of Board meetings, 05 (Five) Executive Committee Meeting, 04 (Four) Audit Committee Meeting and 04 (Four) Risk Management Committee meetings were held and statements of attendance, as well as the remuneration of the Directors at those meeting, are disclosed at page no. 110.

## 11. Appointment, Retirement and Re-election of Directors

Appointment of three new Directors namely Mr. Nasir Uddin Ahmed, Mr. Md. Rafiqul Islam (Nominee of Asia Insurance Limited) and Ms. Anjuman Ara Shahid (Nominee of Single Click IT Solutions Pvt. Ltd.) has been decided by the Board of Directors of the Bank. Subsequently the Bank obtained approval from Bangladesh Bank for appointment of the above three directors. Necessary returns are filed to Registrar of Joint Stock Companies and Firms (RJSC) by following due process.

In terms of Article 105 (i) of the Articles of Association of the Bank, one-third of the Directors for the time being or if their number is not three or multiples of three (3) then the number nearest to one third (1/3) shall retire in rotation from office. The Directors to retire are those who are longest in office. Accordingly, the following three (03) Directors will retire in the 27<sup>th</sup> Annual General Meeting who are eligible for re-election as Director in the same AGM of the Bank.

- i) Mr. M. A. Kashem
- ii) Mr. Azim Uddin Ahmed
- iii) Mr. Md. Akikur Rahman

The brief profile of the above three Directors along with other required information about them is available at Page No. 60 under "Profile of the Board of Directors"

A statement detailing the name of the companies in which the directors of the Bank have interest is available under "Corporate Governance Report" included in this Annual Report.

## 12. Loans to Directors

No loan except Credit Card limit was allowed to any Director of the Bank in the year 2021.

## 13. Related Party Transactions

Transactions with related parties are made on a commercial basis on the principle of arm's length and are done in the ordinary course of business. Disclosure of all related party transactions, including the basis for such transaction, is presented on page no. 324 of the audited financial statement of the Bank.

## 14. Risk Management

The diversity of the SEBL's business model requires the Bank to identify, assess, measure, aggregate and manage all the risks, and to allocate SEBL's capital among all the businesses. SEBL's aim is to help reinforce Bank's resilience by encouraging a holistic approach to the management of risk and return throughout the organization as well as the effective management of Bank's risk, capital and reputational profile. SEBL actively take risks in connection with the Bank's business and as such the following principles underpin SEBL risk management framework:

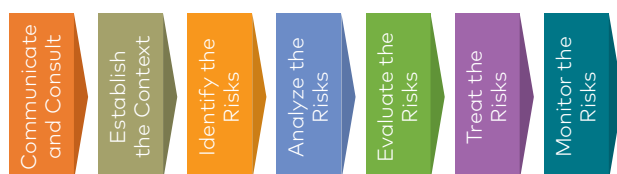
- Risk is taken within a defined risk appetite;
- Every risk taken needs to be approved within the risk management framework;
- Risk taken needs to be adequately compensated; and
- Risk should be continuously monitored and managed.

Risk and capital are managed through a framework of principles, organizational structures and measurement and monitoring processes that are closely aligned with the activities of the divisions and business units.

## Risk Management Process

SEBL has set its Risk culture in a continuous process in line with the guidelines provided by the central Bank which is followed in a sequential order. Each step of the process can contribute progressively to organizational improvement by providing management with a greater insight into risks and their impact. It is a series of multi-steps that, when undertaken in sequence, enable continual improvement in decision-making.

Steps of Risk Management Process in the Bank:



## Risk Appetite & Tolerance

Risk appetite expresses the aggregate level of risk that Bank is willing to assume to achieve its strategic objectives, as defined by a set of minimum quantitative metrics and qualitative statements. Risk tolerance is defined as the maximum level of risk Bank can assume given its capital and liquidity base, risk management and control capabilities, and its regulatory constraints.

Risk appetite is an integral element in SEBL's business planning processes via its risk plan and strategy, to promote the appropriate alignment of risk, capital and performance targets, while at the same time considering risk tolerance and appetite constraints from both financial and non-financial risks. Compliance of the plan with Bank's risk appetite and capacity is also tested under stressed market conditions. Top-down risk appetite serves as the limit for risk-taking for the bottom-up planning from the business functions.

The Board of Directors reviews and approves Bank's risk appetite and tolerance on an annual basis with the aim of ensuring that they are consistent with our Bank's strategy, business and regulatory environment and stakeholders' requirements.

## Risk Management and Basel-III Implementation

As per Basel Accords and in accordance with the directives of Bangladesh Bank, the Bank maintains capital adequacy ratio duly. The Bank rigorously monitors and takes initiatives to improve the Capital to Risk Weighted Assets Ratio (CRAR) in line with the Basel-III guideline. In this regard, Risk Management Division of SEBL has been established and delegated with the responsibility to ensure effectiveness of the Core Risk Management of the Bank. Apart from these, the Bank is also compliant with maintaining different ratios like

Leverage Ratio, Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR) as per Basel-III requirement.

## Capital Management

Capital planning assists the Bank's Board of Directors and senior management to identify risks and improve understanding of the Bank's overall risks to set risk tolerance limits. Capital planning also helps assess strategic choices in longer-term planning as well as identifying vulnerabilities. Capital management in SEBL focuses on implementing measures aimed at maintaining adequate capital, assessing internal capital adequacy of the Bank and calculating its capital adequacy ratio. As part of the Internal Capital Adequacy Assessment Process (ICAAP), management identifies the risks that the Bank is exposed to, and determines the means by which they will be mitigated. Capital is used to cover some of these risks, and the remainder of these risks is mitigated by means of collateral or other credit enhancements, contingency planning, additional reserves and other mechanisms.

## Role of the Board of Directors

The Board and senior management remain actively involved in ensuring effective business operations which plays the role of a key element of sound risk management system. A strong risk management culture for any -financial institution is imperative for a stronger future. The Board's oversight and guidance along with critical risk elements are highlighted in the Board Risk Management Committee (BRMC). The main concern of the Bank is to manage risks prudently and efficiently, to ensure profitability, capital adequacy and liquidity in a balanced manner. Thus, risk management practice in SEBL has emerged as a dynamic tool for the Bank, considering the ever-uncertain nature of risk.

## 15. Statement of the Compliance of BSEC Notification

The following disclosures are made in compliance with certain provisions contained in the BSEC Notification dated June 03, 2018 and June 20, 2018.

- The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- All transactions have been recorded in the accounting records and are reflected in the financial statements (ISA 580 11b). Accounting books have been properly maintained in the Bank.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.



- d) International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed except as outlined in Note No 2.1 in the financial statements.
- e) The system of internal control in the Bank is sound in design and has been effectively implemented and monitored.
- f) There are no doubts about the Bank's ability to continue as a going concern.

## 16. Subsidiaries of the Bank:

### i) Southeast Bank Capital Services Limited

Southeast Bank Capital Services Limited (SEBCSL) is a subsidiary company of Southeast Bank Limited. It was incorporated by the Registrar of Joint Stock Companies and Firms under Companies Act 1994 (amended upto 2020) on September 23, 2010 as a Public Limited Company. The Authorized and the Paid-up Capital of the company are BDT 6,000.00 million and BDT 5,500.00 million respectively. SEBCSL has been carrying out operation as a full-fledged Merchant Bank since 2010. Southeast Bank Limited holds 99.82% of the total shares of the company.

The company is managed by a professional team under the policy guidelines of the Board. The Board of the Company comprises of the following professionals:

SI No	Name of the Directors	Position
1	<b>Mr. Alamgir Kabir, FCA</b>	Chairman
2	<b>Mr. Syed Sajedul Karim</b> Independent Director	Director
3	<b>Mr. M. Kamal Hossain</b> Nominee of Southeast Bank Limited	Director
4	<b>Dr. Zaidi Sattar</b> Nominee of Southeast Bank Limited	Director
5	<b>Mr. Md. Khursheed Alam</b> Nominee of Southeast Bank Foundation	Director
6	<b>Air Cdre (Retd) Md Abu Bakar, FCA</b>	Managing Director

SEBCSL is active participant in the primary and secondary market. Thereby, SEBCSL is contributing to the raise and growth of capital market in Bangladesh. The company has been maintaining own portfolio investment in the capital market since inception of the company. Own portfolio investment of the company in the capital market also increased remarkably in the year. SEBCSL's products and services include Portfolio Management, Pre-IPO Placement, Underwriting Management, Issue Management, Corporate Advisory Services etc.

Capital market of our country over the year 2021 showed positive sign and DSEX index increased extensively. Share price as well as turnover of the capital market significantly increased. During the year 2021, Net Operating Profit of the Company amounted to BDT 419.61 million whereas the Profit after Tax stood at BDT 371.70 million. It is expected that the Company will earn more good return from its investment and profit in 2022.

### ii) Southeast Exchange Company (South Africa) Pty Ltd (Owned Subsidiary)

Southeast Bank established its own subsidiary "Southeast Exchange Company (South Africa) Pty Ltd" (SECL) in Year-2014. Within this long 07 years journey, it became a trusted name among the Bangladeshi expatriates. This year, SECL has upgraded its business license from Category-III to Category-IV which enabled the wage remitters to send large amount of remittance in single transaction. Till October-2021, SECL remitted 31.63 Million USD from its two branches (Johannesburg and Cape Town) which is 35% more than last year.

For business expansion, the subsidiary has already accorded license from South African Reserve Bank (SARB) to open its third branch in Bloemfontein which will be opened in March - 2022. To facilitate faster remittance services, it is introducing a Mobile App for the expatriates within a short time. The Subsidiary has further plan to onboard reputed agents, chain departmental stores which will help reaching the remittance services of SECL at the doorsteps of the Bangladesh Expatriates living in the Republic of South Africa.

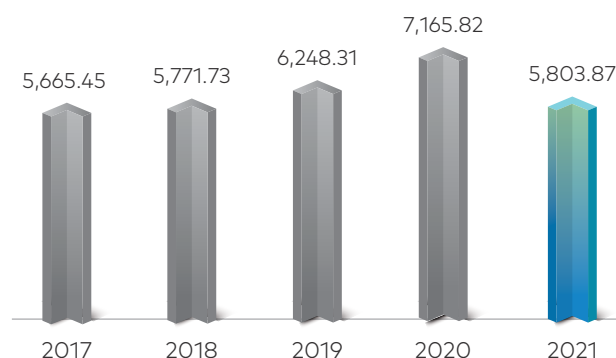
## 17. Declaration of Dividend

The Board of Directors in its 657<sup>th</sup> meeting held on April 28, 2022 recommended 12 percent dividend of which 08 percent Cash Dividend and 04 percent Stock Dividend for distribution amongst the shareholders for the year 2021 subject to the approval in the 27<sup>th</sup> Annual General Meeting. In order to maintain consistency in dividend payout ratio Southeast Bank Limited declared dividend in combination of Cash and Stock considering the liquidity and capital adequacy of the Bank for sustainable growth.

## 18. Contribution to National Exchequer

Southeast Bank Limited being one of the leading financial institutions, contributes on time to the national exchequer in the form of taxes, VAT, excise duties etc. Southeast Bank contributed a sum of BDT 5,803.87 million to national exchequer in 2021. The contribution for 2020 was BDT 7,165.82 million.

The Bank's contributions to the National Exchequer for the last five (5) years are depicted here.



## 19. Corporate Social Responsibilities

Southeast Bank manages its business in a responsible way and contributes to the society and environment in which it operates. A report on Corporate Social Responsibility of the Bank in 2021 is included in this Annual Report at page no. 204.

## 20. Management Discussion & Analysis

### Accounting Policy & Estimation

Accounting Policy and Estimations are shown in the note no. 1, 2, 3 of financial statements in the page no. 263-283 of this Annual Report.

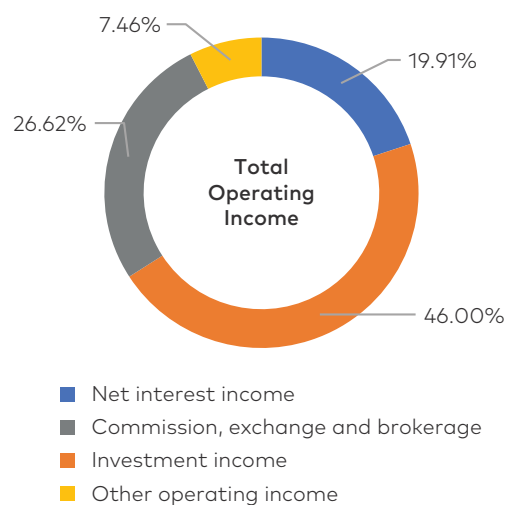
### Last Five Years Financial Performances

Last five (5) years information are given below:

BDT in Million where applicable

Year	Operating Income	Operating Profit	Net Profit	EPS	Return on Equity
2021	14,672.79	8,671.12	1,784.30	1.50	5.98%
2020	13,770.56	8,264.56	2,149.10	1.81	7.14%
2019	14,390.72	8,982.98	2,508.56	2.11	8.56%
2018	14,961.92	9,783.00	2,473.21	2.13	9.17%
2017	13,933.04	9,062.30	1,168.63	1.11	4.46%

- The Bank has earned operating profit of BDT 8,671.12 million in 2021 which comprises of net interest income, income from investment, commission, exchange etc. Operating profit in 2020 was BDT 8,264.56 million.
- The operating income of the Bank stood at BDT 14,672.79 million at the end of 2021 while it was BDT 13,770.56 million in 2020.
- Net Profit after tax and provision was BDT 1,784.30 million during the year 2021 which was BDT 2,149.10 million in the previous year.
- Earnings per share was BDT 1.50 in the year 2021 which was BDT 1.81 in the previous year.
- Return on Equity (RoE) of the Bank was 5.98 percent in 2021 while it was 7.14 percent in the previous year.



## Comparative Financial Performance Highlights of SEBL

Due to Covid-19, Banking industry passed a challenging year in different areas such as: Interest rate regulation, governance, capital adequacy, profitability and soundness in 2021. Despite intensified challenges, SEBL managed its portfolio efficiently in the year 2021 with an NPL of 4.81% (3.10% in 2020) which was lower than that of industry average. The prime focus during the year has been improving asset quality, recovering classified and written off loans, mobilization of deposits, process automation, upholding service excellence, and rationalizing costs. A brief review of financial performances are as follows:

Particulars	Group		% Changes	Bank		% Changes
	2021	2020		2021	2020	
Net Interest Income	292.16	248.14	18%	284.36	240.92	18%
Non-Interest Income	1,175.12	1,128.91	4%	1,157.05	1,114.25	4%
Total Operating Income	1,467.28	1,377.06	7%	1,441.42	1,355.17	6%
Total Operating Expenses	600.17	550.6	9%	587.19	538.78	9%
<b>Profit before provision &amp; Tax</b>	<b>867.11</b>	<b>826.46</b>	<b>5%</b>	<b>854.22</b>	<b>816.39</b>	<b>5%</b>
General provision	193.99	419.82	-54%	193.99	419.82	-54%
Specific provision	279.63	82.75	238%	279.63	82.75	238%
Provision for investments	8.96	-11.71	177%	24.33	-11.71	308%
Other provisions	58.72	20.01	193%	44.88	20.01	124%
<b>Total profit before taxation</b>	<b>325.80</b>	<b>315.59</b>	<b>3%</b>	<b>311.39</b>	<b>305.52</b>	<b>2%</b>
Provision for taxation	147.37	100.68	46%	140.00	95.93	46%
<b>Net profit after taxation</b>	<b>178.43</b>	<b>214.91</b>	<b>-17%</b>	<b>171.39</b>	<b>209.59</b>	<b>-18%</b>
<b>Earnings per share</b>	<b>1.50</b>	<b>1.81</b>	<b>-17%</b>	<b>1.44</b>	<b>1.76</b>	<b>-18%</b>

- Net interest income (NII) contributed 20% of total operating income, whereas interest income was BDT 18,922.15 million and interest expenses was BDT 16,000.58 million in the year 2021.
- Non-interest income which contributed rest 80% increased by 4% mainly due to increase of income from Commission, exchange and brokerage by 10% in 2021 compared to 2020.
- In the year 2021, operating income was BDT 14,672.79 million and operating expense was BDT 6,001.66 million. As a consequence, operating profit of the Bank reached at BDT 876.11 million in 2021.
- Total tax provision increased by 46% in 2021 mainly due to decrease of tax deductible expense for having lower amount of write-off loans in 2021 compare to 2020.

## Risks and concerns issues related to the Financial Statements

SEBL implemented a comprehensive control mechanism to identify the risk related to financial statements and subsequent mitigations (if required) for ensuring a true and fair view of the events and transactions during the period. The integrity of the Bank's public financial reporting is further supported by several processes and steps to provide assurance over the completeness and accuracy of the content including review and recommendation by the Audit Committee and review and approval by the Board.

## Future Plan or Projection or Forecast for Bank's Operation, Performance and Financial Position

Development activities of Bangladesh have gained tremendous momentum in the last decade. The indicators of an exceptionally strong development record have inspired the country to aim even higher. Bangladesh economy shows an optimistic path of recovery in the future supported by continuous stimulus support by the government, implementation of mega projects & development of infrastructure, and expanding purchasing power of the middle class. Led by digital transformation, the Bank also expects to strengthen its operational & financial efficiency, scale up operations for the key business verticals, intensity business diversification & innovation for tapping the unexplored markets, and add new revenue streams for sustained growth in the future.

## 21. Acknowledgement

The Board expresses gratitude to the Almighty Allah for the success of the Bank in 2021. The Board extends thanks to the valued customers, patrons and well-wishers for their continuous support and cooperation to the Bank. The Board also appreciates the dedicated services, commitment, devotion and hard work of the Management Team and all the employees in different levels of the Bank to achieve the goals of the Bank.

The Board convey its earnest gratitude to the Government of Bangladesh, Bangladesh Bank, National Board of Revenue (NBR), Bangladesh Securities and Exchange Commission, The Registrar of Joint Stock Companies and Firms, The Dhaka Stock Exchange Limited and The Chittagong Stock Exchange PLC, Financial Reporting Council and other concerned Authorities for their appreciable continuous support and co-operation to the Bank. The Board also expresses its appreciation to M/S. Howladar Yunus & Co., Chartered Accountants, the auditors of the Bank, for their efforts for timely completion of audit. The Board of Directors also thanks both the print and electronic media personnel for giving media coverage to Bank's different activities and events. Finally, the Board thanks the respected shareholders and assures them that it will continue to maximize the shareholders' value through further strengthening and development of the Bank in which they have placed their trust and confidence.

Sincerely,

On behalf of the Board of Directors.

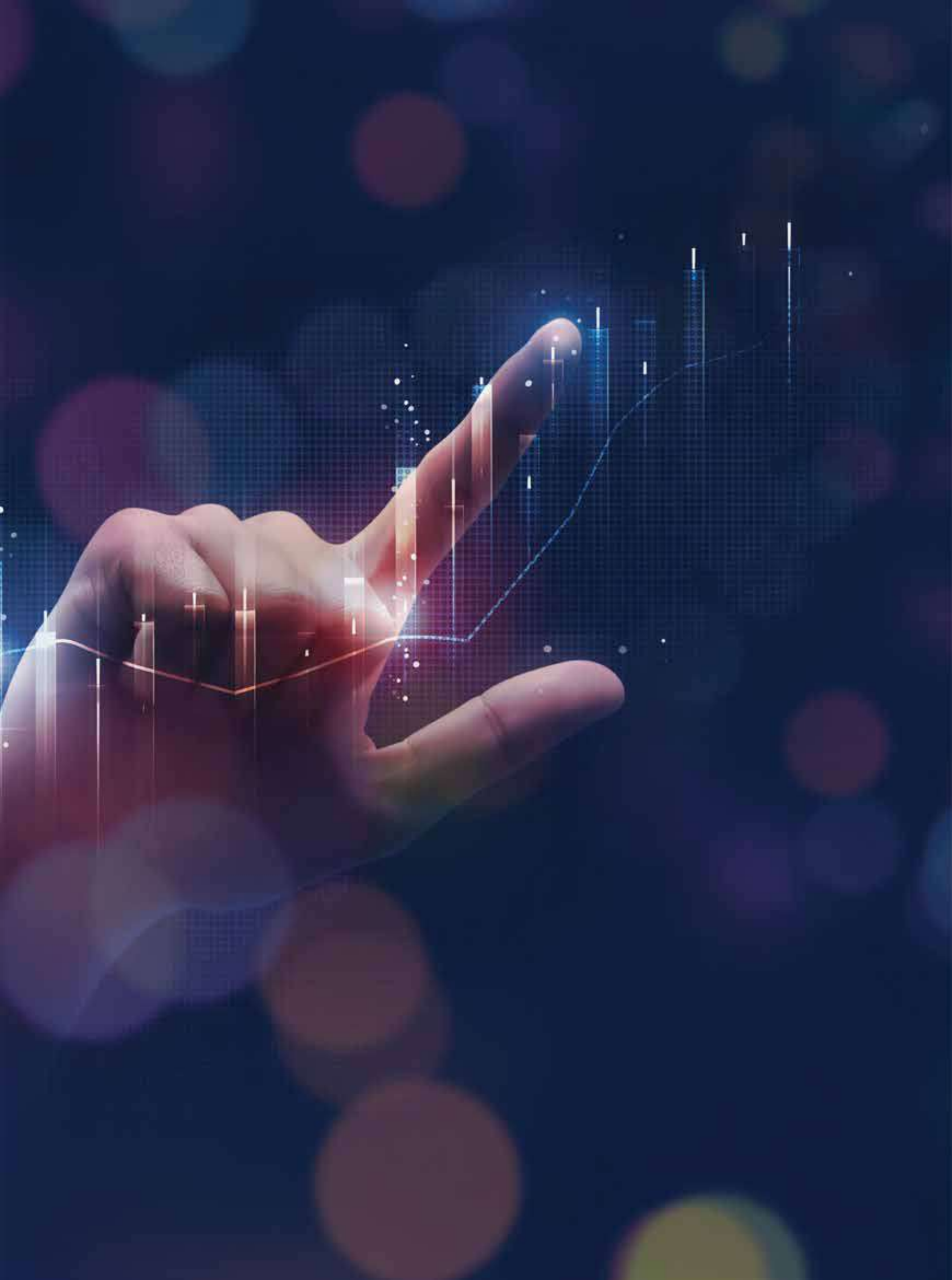


**Alamgir Kabir, FCA**  
Chairman



# SENIOR MANAGEMENT TEAM

- **Mr. M. Kamal Hossain, MD**  
Chairman
- **Mr. Anwar Uddin, DMD**  
Member
- **Mr. Nuruddin Md. Sadeque Hussain, DMD**  
Member
- **Mr. Syed Faisal Omar, SEVP**  
Member
- **Mr. Md. Masum Uddin Khan, SEVP**  
Member
- **Mr. Khorshed Alam Chowdhury, EVP**  
Member
- **Mr. Mohammed Kamrul Ahsan, EVP**  
Member
- **Mr. Md. Abdus Sabur Khan, EVP**  
Member
- **Mr. Khandaker Khaled Hassan, EVP**  
Member
- **Lt Cdr Wares-UI- Matin (Retd), EVP**  
Member
- **Ms. Sayma Banu, Director Training**  
Member
- **Mr. Md. Jahangir Kabir, SVP**  
Member
- **Mr. Kamrul Islam, SVP**  
Member
- **Mr. Rasedul Islam, VP**  
Member
- **Ms. Daisy Nilufar Sharmin, PhD, SAVP**  
Member Secretary





# CORPORATE GOVERNANCE



## CORPORATE GOVERNANCE

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# STATEMENT OF BOARD OF DIRECTORS ON THE RESPONSIBILITY TO ESTABLISH APPROPRIATE SYSTEM OF INTERNAL CONTROL

Banking activities are getting more diversified and complex day by day involving high risks and therefore, the issues of good governance, transparency of all financial activities, accountability towards its stakeholders and regulators have become significant. So, the Board of Directors of the Bank desires to put an appropriate Internal Control framework in place.

The Board's responsibility for internal control is regulated in Section 15(kha) and 15 (Ga) of the Bank Company Act 1991 (amended up to 2018) and the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) dated 3 June 2018.

The Board of Directors of Southeast Bank Limited acknowledges its overall responsibility for establishing a strong internal control system for the Bank to ensure effective and efficient operations, including: adequate control of risks; prudent conduct of business; reliability of financial and non-financial information reported or disclosed (both internally and externally) and compliance with laws, regulations, supervisory requirements, and the Bank's internal policies and procedures.

The Board has delegated its Audit Committee with the responsibility of overall supervision to ensure sound, adequate, effective and sustainable internal control system to safeguard the assets of the Bank and the interest of the shareholders as well.

Review of the effectiveness of the existing system of internal control of the Bank is a fundamental aspect of Board's responsibilities, but at the same time, the Management of the Bank is obligated to the Board for operating, monitoring and developing the system of internal control so that they can assure the Board that the control measures are properly adhered to.

The Board has adopted a 3-line of defense model for the internal control system of the Bank. These defense lines are mutually independent and executed by different organizational units. The Board has established such an internal control system where Internal Audit Process, the 3<sup>rd</sup> line of defense, can be conducted independently from the ambit of management in providing unbiased opinion regarding potential strengths/weaknesses of the first two lines of defense as well as overall operations of the Bank.

The Board of Southeast Bank is committed to maintain a strong system of internal controls that enables business to be transacted under an accepted risk appetite but without exposing itself to unexpected potential loss or reputational damage. At the same time, the Board is aware of achieving Bank's main objectives by a successful risk management.

In SEBL, control activities are performed at all levels, at various stages within business processes, and over the technological environment. These are preventive as well as detective in nature and encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews. Segregation of duties is typically built into the selection and development of control activities. Where segregation of duties is not practical, management selects and develops alternative control activities.

The Board has also established a continuous process of monitoring and follow-up for possible deviations arising in internal controls during daily activities of the Bank. It's integral and key part of the internal control work is to ensure that the errors are corrected and thereby, the control mechanism is further strengthened. All the processes and guidelines of the Bank are reviewed and updated from time to time to meet the needs of changing business environment or regulatory guidelines.

The Board acknowledges that no system or framework can be foolproof and hence, the internal control system of the Bank can manage or mitigate the risks to an acceptable level only rather eliminate entirely. So, the internal control system of the Bank can provide only reasonable, not absolute, assurance in achieving Bank's goals and objectives for generating potential returns to shareholders.



**Alamgir Kabir, FCA**  
Chairman

# STATEMENT OF BOARD OF DIRECTORS ON ADEQUACY OF INTERNAL CONTROL SYSTEM

The Board of Directors of SEBL undertakes its responsibility to ensure the adequacy and effectiveness of Bank's internal control mechanism. Being actively concerned with this, BoD has made the Internal Control System of the Bank as integral part of its organizational structure with clearly defined lines of responsibility, authority, limits and accountability aligned to business and operational requirements.

The vision of Southeast Bank's Board of Directors is to perform efficient and competitive banking aligning with the international standards of best practices in Internal Control and Corporate Governance, complying with the applicable laws and regulations, Bangladesh Bank's (Central Bank) instructions, circulars and guidelines. To this end, the Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank and this process includes enhancing the system of internal control as and when there are changes to business environment or regulatory guidelines.

According to the instructions of Bangladesh Bank, the Board of Directors has formed 03 (three) high-powered committees (Executive Committee, Audit Committee and Risk Management Committee) from its members delegated with authorities and responsibilities to ascertain the effectiveness of Bank's daily operations and that the Bank's operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions. The Executive Committee is primarily responsible for the execution and evaluation as well as effective communication of key operational and management decisions throughout the Bank while the Audit committee is tasked to ensure the formulation, adequacy and integrity of the system of internal control, oversight of the financial statements of the Bank. The Risk Management Committee is established to assist the Board in discharging risk management functions as well as formulation and execution of the risk management strategies and policies which serve as the foundation for the risk management activities of the Bank.

The Management assists the Board in implementation of the Board's policies and procedures, identifying and assessing the risks, designing, operation and monitoring of suitable internal controls to mitigate and control the risks faced. The Board of Southeast Bank has adopted necessary/required written policies and process

guidelines including Management Control Policy (MCP) as well as Internal Control Policy (ICP). These Policies and process guidelines are updated as and when required to ensure relevance and compliance with prevailing/applicable laws and regulations and are made available to all employees. The MCP outlines the specific responsibilities of the various parties, e.g. the Line Management, Internal Control Team, Audit Committee etc. pertaining to Internal Control for Southeast Bank Ltd. The ICP creates awareness among all the employees regarding internal control components and the basic control policy of Southeast Bank.

The risks to which Banks are exposed to becoming more complex and diverse due to globalization. SEBL has an effective and integrated risk management framework to address six core risks i.e. Credit Risks; Asset and Liability/Balance Sheet Risks; Foreign Exchange Risks; Internal Control and Compliance Risks; Money Laundering Risks and Information and Communication Technology Risks through its different committees like Asset-Liability Committee (ALCO), Central Compliance Committee (CCC), MRS Committee, Head Office Credit Review Committee (HOCRC), Procurement Committee, Task Force for Recovery of Written-off/Classified Loans, Integrity committee, etc. To this end, it has established 03 (three) lines of defense concept - risk taking units, risk control units and internal audit. The risk-taking units are responsible for the day to day management of risks inherent in their business activities while the risk control units are responsible for setting the risk management framework and developing tools and methodologies. The internal audit, complementing these, provides independent assurance of effectiveness of the risk management approach.

The Internal Control and Compliance Division (ICCD) of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlights significant findings in respect of any non-compliance. Audits/Inspections are carried out on all divisions and branches, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report. The Annual Inspection Plan is reviewed and approved by the Board Audit Committee. Findings of the Internal Audit Division are submitted to the Board Audit Committee for review at their periodic meetings.

Besides, ICCD conducts various Internal Control Cycles or pre-defined Procedures, i.e. Compliance Review Work Program (e.g. Departmental Control Function Checklist, Quarterly Operation Report, Loan Documentation Checklist, Annual Summary Report, Annual Health Report, etc.) and off-site monitoring to ensure efficient and effective internal control.

Officials of Internal Control and Compliance Division (ICCD) of the Bank are not assigned with any executive responsibilities and are entrusted with utmost independence by both Board of Directors and Management to maintain autonomy and impartiality in fulfilling their duties and responsibilities. Internal Auditors have a direct reporting line to Audit Committee of the Board.

External auditors regularly provide unbiased recommendations on the strengths or weaknesses of the Bank's internal control system through their Audit Report and Management Report. They examine records and transactions and evaluate the accounting policy, disclosure policy and methods of financial estimation. This allows the Board and the Management to independently view the Bank's overall control system. Bangladesh Bank and other regulatory agencies also conduct their regular inspections to ascertain control lapses within the system.

The Board Audit Committee of the Bank reviews internal control issues identified by the Internal Audit Division, the External Auditors and regulatory authorities, and evaluates the adequacy and effectiveness of the risk management and internal control systems. The Committee also reviews the internal audit functions with particular emphasis on the scope of audits and quality of the same. The Audit Committee, where applicable, provides recommendations to improve on the effectiveness of risk management, control and governance process of the Bank. The Audit Committee of the Board has active oversight on internal audit's independence, scope of work and resources.

According to the requirement of Bangladesh Bank, the Senior Management Team (SMT) of the Bank annually provides a certification (known as SMT Certificate) to the Board of Directors regarding overall effectiveness of the control system of the organization. In this pursuit,

the SMT reviews different issues related to the management of Bank's Internal Control and Compliance Risk, key points of Bangladesh Bank's Inspection Report along with Bank's compliance thereof. The SMT is satisfied that Internal Control Policy, Practice and Procedure of the Bank are effective and these provide a reasonable assurance in achieving objectives of the Bank with the standards.

An effective management information system is in place to support the organizational and procedural controls in order to managing the exposure soundly and prudently to mitigate its risks. The Management of the Bank assists the Board in the implementation of the policies and procedures adopted by the Board and works actively to manage and operate the Bank in a sound and prudent manner. As part of effective internal control system, the Board of Southeast Bank has approved "Information and Communication Security Policy (ICT Security Policy)", for protecting information from a wide range of threats as well as safeguarding the confidentiality, integrity and availability of information. Information security policy and the underneath procedures provide assurance to the stakeholders that Southeast Bank's business is able to leverage on IT to deliver optimal benefits. Control is exercised over information resources and IT related risks are well managed.

The effectiveness and adequacy of the Bank's internal control system is reviewed regularly by the Board, its Committees, Bank's Management and Bank's Internal Audit.

The Board is satisfied that the System of Internal Control of the Bank is effective and adequate and provides a reasonable assurance in achieving its objectives/goals. However, in reality, human error is always an element in decision-making and the cost always has to be balanced against the benefits when accepting risks and implementing controls.



**Alamgir Kabir, FCA**  
Chairman

# CORPORATE GOVERNANCE REPORT

## Corporate Governance

Corporate governance refers to the way a company is governed for creating a corporate culture of accountability and transparency, maximizing the shareholders' long-term value and ensuring accountability to different stakeholders. The main purpose of corporate governance is to facilitate effective and prudent management that can deliver long term success of the company and spell out the rules and procedures for making corporate decisions.

## Conceptual Framework

Corporate Governance frames the distribution of rights and responsibilities among management, the Board of Directors, controlling shareholders, minority shareholders & other stakeholders and provides the structure for setting, implementing and monitoring company's objectives and goal. To serve the interest of shareholders and other stakeholders, SEBL's corporate governance system adheres to ethical business norms and creates a culture of openness, transparency and accountability. The Bank's Board of Directors proactively adopts corporate governance code in order to promote the highest standard of corporate behavior at every level of the organization in building confidence among stakeholders to achieve excellence in Corporate Governance. Our Stakeholders are individuals or groups or corporates that have an interest, claim or stake in the Company, in what we do and how well we perform. All our Stakeholders are in an exchange relationship with us. Each of them supplies us with important resources and in exchange each expects that its interest is satisfied. Our shareholders are also equally committed to the long-term success of the Bank. Bank's Corporate Governance policies are updated time to time in order to comply with proper governance principles and relevant regulatory requirements.

## Corporate Governance Practices in the Bank

Southeast Bank Ltd. operates within the legal framework of the Companies Act-1994 (amended upto 2020) and as a banking company, complies with the relevant provisions of the Bank Company Act-1991 (Amended up to 2018). SEBL has developed its Corporate Governance in accordance with all the aspects of Bangladesh Bank's circulars & directives and revised Corporate Governance Code (CGC) as enumerated in Notification No. BSEC/CMRRCD/2006-158/

207/Admin/80, dated June 03, 2018 and Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 on financial reporting & disclosure, dated 20<sup>th</sup> June 2018 issued by Bangladesh Securities and Exchange Commission and Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange. Its Corporate Governance principles serve the goal of strengthening and consolidating company position with sustainable growth objectives in materializing the trust placed in the company by the stakeholders.

## Board of Directors, Chairman and CEO

### Selection and appointment of Directors

Southeast Bank Ltd. complies with applicable guidelines of Bangladesh Bank's circular, rules and regulations of the Companies Act-1994 (amended up to 2020), Bank Company Act-1991 (amended up to 2018) and Bangladesh Securities and Exchange Commission's (BSEC) notifications and Articles of Association of the Bank for appointment of Directors.

New Directors are appointed by Southeast Bank Ltd with the emphasis on the mix of knowledge, skills, experience and insight. As per the Bank Company Act 1991 (amended up to 2018), the Directors are appointed for a term of three years which can be extended by another two terms only in compliance with required formalities. The term of appointment for an Independent Director is three years which can be extended by one term subject to appointment by the Board and approval by the Shareholders in the AGM. Mentionable that a former independent director may be considered for re-appointment for another tenure after a time gap of one tenure, i.e., three years from his/her completion of consecutive two tenures (i.e., six years). For appointment of an Independent Director, the approval of BSEC is obtained to comply with its requirement. All appointments of the Board Members are made subject to approval of Bangladesh Bank. The Managing Director is appointed for a minimum period of three years subject to the approval received from Bangladesh Bank. However, unlike other Directors, he is not subject to retirement as long as he remains Managing Director.

### Structure of the Board

The Board of Directors consists of 13 (Thirteen) Members including Managing Director. The Managing Director is



an Executive Director (Ex-Officio). All other 12 (Twelve) Directors are non-executive directors. Out of the 12 (twelve) Non-Executive Directors, 3 (three) are Independent Directors.

### Roles and Responsibilities of the Board

To ensure good governance in the Bank's Management; the operational affairs of the Bank are governed and managed under the overall strategic and prudent policies approved by the Board. The Board also sets the core value of the Bank, adopts appropriate standards to ensure that Bank conducts its operation in compliance with relevant laws, rules and regulations. The main roles and responsibilities of the Board of Directors of the Bank as envisaged in the BRPD Circular No.11 dated 27 October, 2013 are as the following:

1. Approving suitable business strategies,
2. Fixation of operational budgets,
3. Approval of financial statements,
4. Review of Bank's operational performance towards achievement of objectives,
5. Approval of policies and operational manuals to establish effective risk management in core banking areas and internal control,
6. Reviewing company's corporate governance standard for further improvement,
7. Determining Bank's corporate social responsibility status and taking steps for its improvement,
8. Developing compliance culture in the Bank,
9. Approving proposals which are beyond the delegated business / financial / administrative powers of the Management,
10. Appointment of the Managing Director (CEO) and fixation of his benefits; shall set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.
11. Purchasing or acquiring property for the Bank,
12. Providing welfare to the employees,
13. Making donation for any charitable ventures,
14. Devising annual work plan for achieving goals and monitoring its pace of achievement,
15. Analyzing reasons for success or failure of Bank's annual budget achievement,

16. Periodical review of Bank's operational budget achievement,
17. Taking risk management initiatives,
18. Review of sufficiency and requirement for internal control efforts of the Bank,
19. Reviewing Bank's human resource policy,
20. Bank's financial management and its periodical review,
21. Approving policies or taking policy decisions for improvement of operation and compliance culture in the Bank.

### Appointment, Retirement and Re-election of Directors

Appointment of three new Directors namely Mr. Nasir Uddin Ahmed, Mr. Md. Rafiqul Islam (Nominee of Asia Insurance Limited) and Ms. Anjuman Ara Shahid (Nominee of Single Click IT Solutions Pvt. Ltd.) has been decided by the Board of Directors of the Bank. Subsequently the Bank obtained approval from Bangladesh Bank for appointment of the above three directors. Necessary returns are filed to Registrar of Joint Stock Companies and Firms (RJSC) by following due process.

In terms of Article 105 (i) of the Articles of Association of the Bank, one-third of the Directors for the time being or if their number is not three or multiples of three (3) then the number nearest to one third (1/3) shall retire in rotation from office. The Directors to retire are those who are longest in office. Accordingly, the following three (03) Directors will retire in the 27<sup>th</sup> Annual General Meeting who are eligible for re-election as Director in the same AGM of the Bank.

- i) Mr. M. A. Kashem
- ii) Mr. Azim Uddin Ahmed
- iii) Mr. Md. Akikur Rahman

The brief resume of the above three Directors along with other required information about them in compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of BSEC is appended in the Director's Profile.

Name	Expertise	Memberships	Directors in
Mr. M. A. Kashem	Banking Activities	Executive Committee of the Board of Directors	Rose Corner (Pvt.) Limited
Mr. Azim Uddin Ahmed	Banking Activities	Audit Committee and Risk Management Committee of the Board of Directors	Mutual Food Products Limited Mutual Milk Products Limited Mutual Trading Co. Limited AD Holdings Limited
Mr. Md. Akikur Rahman	Banking Activities	Executive Committee and Risk Management Committee of the Board of Directors	Nil

As per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) dated 3 June 2018, under condition 1(2) (e), the tenure of office of an independent director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only. Accordingly, Mr. Syed Sajedul Karim was appointed as an Independent Director of the Bank in 2018. Hence, he has been re-appointed for another term in compliance with the above Notification of BSEC subject to approval by the shareholders in the ensuing 27<sup>th</sup> Annual General Meeting.

### **Adequate Representation of Non-Executive Directors**

As per guidelines of Regulatory Bodies, Southeast Bank Limited maintains adequate representation of Non-Executive Directors in the Board. All the Directors of Southeast Bank Limited are Non-Executive Directors including three Independent Directors. The Managing Director is the only Executive Director in the Board of Directors of the Bank.

### **Independence of the Non-Executive Directors**

All the Non-Executive Directors enjoy full freedom in discharging their responsibilities. They sincerely try to attend all meetings of the Board and its Committee of which they are members. They spontaneously participate in the discussion on agenda for a well-thought-out decision and diligently maintain confidentiality as required under existing regulations.

### **Independent Directors' Independence**

As per existing rules and regulations, Independent Directors are not required to have any significant relationship, whether pecuniary or otherwise, with the Bank, its top management and the Board apart from receiving Directors' remuneration for attending Board / Board Committee Meeting. The Bank complies with the requirement and appoints Independent Directors who do not hold any shares in the Bank and do not have any family or other relationship with its Board of Directors and its Executive Management. The Independent Directors are also members of the sub-committees of the Board.

The Bank also ensures compliance with Bangladesh Bank's guidelines and Bangladesh Securities and Exchange Commission's notification relating to appointment of Independent Directors and seeks approval from Bangladesh Securities and Exchange Commission and Bangladesh Bank subject to approval by the Shareholders in the AGM for appointing a person as an Independent Director.

### **Chairman and the CEO**

The Chairman and the CEO of the Bank are two separate persons in their respective offices and this has been in practice since inception of the Bank. This also complies with clause 1.4 of the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code, dated 3 June 2018. The Chairman of the Bank is elected by the directors of the Bank and the CEO is appointed by the Board of Directors subject to receiving permission from Bangladesh Bank. The functional responsibilities of the Chairman of the Board and Managing Director are kept separate and independent of each other.

### **Duality of Chairman and Chief Executive officer (Managing Director) of the Bank**

In compliance with Notification of Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank's requirements, the post of the Chairman and the CEO (Chief Executive Officer) will have to be held by different persons. This compliance requirement has been ensured by the Bank. Mr. Alamgir Kabir, FCA, Chairman of the Board of Directors is elected by the Directors of the Bank and Mr. M. Kamal Hossain, CEO (Managing Director) is appointed by the Board of Directors subject to obtaining permission from Bangladesh Bank. As per the Organogram of the Bank, Chairman and the Directors act as Non-Executives while the Managing Director is the sole Executive Director on the Board. It is also ensured that the independence of the Chairman is not hampered.

### **Roles and responsibilities of the Chairman of the Board**

The Chairman of the Bank is elected from amongst the members of the Board of Directors after every Annual General Meeting in obedience to the Articles of Association of the Bank. He carries out his responsibilities within the purview of the provisions contained in BRPD Circular No.11 dated 27 October, 2013 and Corporate Governance Code issued by BSEC on 03 June, 2018. The main responsibilities of the Chairman are to:

- Give leadership for Bank's disciplined growth and operation.
- Ensure non-intervention of any Director in the routine affairs of the Bank.
- Ensure compliance with corporate governance requirements of regulatory bodies.
- Bring policies for Board's deliberations and consideration for Bank's reforms and development.
- Determine sense of direction for the Bank, etc.

## Annual Appraisal of Board's Performance

The Board Members have always taken various decisions that have benefitted the Bank and they have always performed their duties accordingly. The shareholders elect the Directors in the Annual General Meeting. The directors are accountable to the shareholders. In the Annual General Meeting (AGM), the shareholders freely disclose their valued opinion about the financial position of the Bank and performance of the Board and the shareholders also ask questions and make queries to the members of the Board of Directors during AGM. On behalf of the Board, the Chairman replies to their queries made in the meeting. Their constructive suggestions are noted and implemented for qualitative improvement of the Bank's key operational segments.

## Policy on Training of Directors

Southeast Bank Limited is firmly committed to maintain highest level of standards of Corporate Governance and professionalism. Most of the Directors of the Bank are on the Board for many years. They have acquired enough knowledge and acumen to lead the Bank effectively to achieve the desired goal. The latest legislations on the financial sector and directives of the regulatory bodies are made available to them for their instant information so that they can discharge their responsibilities efficiently. They also attend various seminars and symposiums mainly on issues relating to business, finance, economics, banking and corporate governance organized by different professional bodies.

## Directors' Knowledge and Expertise in Finance and Accounting

Mr. Alamgir Kabir, FCA, Chairman of the Bank, is a Post-Graduate in commerce. He is also a qualified Chartered Accountant. One Independent Director served the Government of Bangladesh in different capacities both at home and abroad and finally retired as Secretary to the Govt. Another Independent Director holds a PhD degree in Economics and served the Government in various high-level positions both at home and abroad. One of the Independent Directors has served the National Board of Revenue as a Member before retirement and he is experienced in Taxation and Economic Management. They have enough knowledge and expertise in the field of Accounting, Finance, Economics, Management and Taxation. Most of the other Directors are successful business entrepreneurs and professionals. They are well conversant in economics, business and banking related issues and have ability to interpret the decision of Bank's Management in a prudent manner.

## Code of Conduct for the Board of Directors

The Board of Directors of the Bank in its 410<sup>th</sup> meeting held on December 24, 2012, approved inter alia, the Code of Conduct for the Directors of the Bank. The Directors are sincere in abiding by the Code of Conduct. There had not been any breach of the Code of Conduct by any Director of the Bank. The Code of Conduct of the Board of Directors is contained in this Annual Report at Page No. 73.

## Board Meeting and Attendance

The Board of Directors meets as required to discuss financial performance of the Bank, business proposals, Bank's strategy, compliance issue etc. The Board also reviews minutes of the Subsidiaries, Risk Management report, compliance report and approve the quarterly financial results of the Bank. In addition, special meetings of the Board of Directors are held as per instruction of the Regulatory Authority, when necessary to discuss and decide on major issues. The Chairman of the Board of Directors allocates sufficient time for the Directors to consider each agenda in a prudent way and allows them to freely discuss, inquire, and express opinions on the agenda. Directors who cannot attend the meeting(s) are granted leave of absence by the Board. During the year 2021 total 27 (twenty-seven) No. of meetings were held and statement of attendance of the Directors at those meeting are disclosed at Page No. 110.

## Related Party Transactions

During the year 2021, the Bank had business deals with the following organizations in which the Directors had interest. It was determined on the basis of Common Directorship and Bank's Subsidiaries.

Name of Organization	Relationship	Nature of transaction
Southeast Bank Capital Services Ltd.	Subsidiary Company	Share Capital
Southeast Exchange Company (South Africa) Pty Ltd.	Subsidiary Company	Share Capital

## Board's Committees and their Responsibilities

To increase operational efficiency and give more focus in important areas of the Bank, the Board has constituted following 3 (three) Committees in line with regulatory directives, the details of which are given below:

## i) Executive Committee

### Composition of Executive Committee

In compliance with the provisions contained in BRPD Circular No.11 dated 27 October, 2013, the Board of Directors re-constituted the Executive Committee comprising 07 (Seven) members. To comply with regulatory requirement, no member of the Audit Committee is included as a member of the Executive Committee.

### Responsibilities

The Executive Committee is a body to deliberate on generally important issues and matters in the execution of operations of the Bank. The committee performs within the power delegated to it by the Board of Directors. The resolutions of the Executive Committee are submitted before the Board and ratified by the Board of Directors. The minutes of the Executive Committee are sent to Bangladesh Bank for their information and record. In 2021, total 05 (five) meetings were held by the committee. The attendances of the members at those meeting are disclosed at Page No.110.

## ii) Audit Committee

### Composition of the Audit Committee

A five-member Audit Committee was re-constituted by the Board in compliance with the relevant provisions contained in BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank and BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code, dated 3 June 2018. As per rules, any member of the Executive Committee cannot be a member of the Audit Committee. A report of the Audit Committee is included in this Annual Report. In 2021, total 04 (four) meetings were held by the committee. The attendances of the members at those meeting are disclosed at page no. 111.

### Chairman of the Audit Committee

One of the Independent Directors, Mr. Syed Sajedul Karim is the Chairman of the Audit committee of the Bank. He is an experienced individual and is competent to be the Chairman of the Audit Committee. During his long service career, Mr. Karim served the Government of Bangladesh in different capacities mostly related to public financial management and audit both at home and abroad and finally retired as a Secretary to the Government. Prior to his joining as Secretary, he was Chairman and Chief Executive Officer of Bangladesh Oil, Gas and Mineral Corporation (known as Petrobangla).

## Qualifications of members of Audit Committee

The members of the Audit Committee are qualified and have long experience in banking and financial institutions. They are also very competent. Dr. Quazi Mesbahuddin Ahmed is a member of Audit Committee who is also an Independent Director of the Bank. He did his Masters as well as PhD in Economics from the University of Illinois at Urbana-Champaign, USA. He was the former Managing Director of Palli Karma Sahayak Foundation (PKSF) and Member (GED), Planning Commission, Government of Bangladesh. He has publications on development planning and macroeconomic issues, use of foreign aid and national income accounts, etc. Mr. Mohammad Delwar Husain, a former Member (Income Tax Policy & Administration), National Board of Revenue, Government of Bangladesh. He served the Government of Bangladesh in different capacities in the Ministry of Water Resources and in National Board of Revenue. He retired from Government service as Member (Income Tax Policy & Administration) in the National Board of Revenue in 2003.

## Internal Control and Compliance Division's access to Audit Committee

The Head of Internal Control and Compliance Division has direct access to the Audit Committee and can raise his concerns whenever required. Besides, he presents related memos for the Audit Committee for taking decisions. Besides this, the Audit Committee meets the Head of ICCD at least once in a year, without management being present, to discuss any issue arising from the internal audits carried out.

## Recommendation for appointment of External Auditors

The Audit Committee does an extensive review on the audit work done by the external auditors after the audited financial statements have been signed. The Audit Committee evaluates the performance of auditors extensively and ensures that there are no threats to independence or any other issue with the auditors. The Audit Committee scrutinizes the applications of the auditors and recommends for appointment/ re-appointment of auditors for the next year.

## Appointment of External Auditors

M/S. Howladar Yunus & Co., Chartered Accountants an 'A' ranking Audit Firm, has been appointed as External Auditors of the Bank for the 2<sup>nd</sup> term in the 26<sup>th</sup> Annual General Meeting held on June 30, 2021. They are eligible for re-appointment as per rules in the ensuing 27<sup>th</sup> Annual General Meeting. Being satisfied with their performance,

the Audit Committee of the Board of Directors of the Bank recommended their re-appointment for the third term. The External Auditors enjoy full freedom in their audit of Bank's financial statements and reporting to the shareholders of the Bank.

### Services not provided by External Auditors

M/S. Howladar Yunus & Co., Chartered Accountants is the external auditor of the Bank for the year 2021. The services as are specifically barred in Bangladesh Securities and Exchange Commission Notification No.BSEC/ CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 are not obtained from the external auditors.

### iii) Risk Management Committee

#### Composition of Risk Management Committee

In Compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of SEBL reconstituted a five-member Risk Management Committee (RMC) of the Board in 2021. The RMC has been formed to identify and assess risk of the Bank and guide management to formulate action plans for minimizing and controlling risk. The Committee reviews the risk management policy and modifies the same as per requirement.

#### Responsibilities

The Risk Management Committee is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, environmental risk, interest rate risk and liquidity risk. They also ensure whether adequate provision and capital against the said risks are maintained. The roles and responsibilities as well as the major activities of Risk Management Committee of the Board are the management have been described in "Report of the Risk Management Committee of the Board" and "Report of Bank's Chief Risk Officer (CRO)" section of this report. In 2021, total 04 (four) meetings were held by the Committee. The attendances of the members at those meeting are disclosed at Page No. 111.

### Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee of the Board of Directors of the Bank is not functioning as per instruction of Bangladesh Bank vide their letter No. BRPD (R-1)717/2021-5064 dated 16 June, 2021 informed all the Banks that till amendment of the Bank Company Act,

1991 there is no scope by the Bank to comply with those clauses of the Corporate Governance Code 2018 including formation of Nomination and Remuneration Committee (NRC) which are contradictory to the Bank Company Act, 1991 & its related Circulars.

### Appointment of Managing Director (MD) or Chief Executive Officer (CEO)

In order to strengthen the financial base of the bank and obtain confidence of the depositors, Board of Directors is responsible to appoint an honest, efficient, experienced and suitable CEO or Managing Director for the Bank in compliance with the relevant circular and rules of Bangladesh Bank and BSEC's Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 through Corporate Governance Code, dated 3 June 2018.

### Role and Responsibilities of the Managing Director (MD) or Chief Executive Officer (CEO)

The main responsibilities and authorities of the Managing Director are enumerated below:

- In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plans, efficient implementation thereof and prudent administrative and financial management.
- The CEO shall ensure compliance with the Bank Company Act 1991 (amended up to 2018) and other relevant laws and regulations in discharge of functions in the bank.
- The CEO shall include information on violation of any law, rules, regulations including Bank Company Act, 1991 (amended up to 2018) while presenting memorandums before the Board or the Committees formed by the Board.
- The CEO will provide all sorts of information to Bangladesh Bank about the violation of Bank Company Act, 1991 (amended up to 2018) and any violation of Laws, Rules and Regulations.
- The recruitment and promotion of all staff of the Bank except those in the two tiers below him shall rest on the CEO.
- The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules.
- Besides, the CEO shall assume any other responsibility if the Board assigns him within the purview of the Rules, Regulations, Acts and Articles of Association of the Bank.



### Benefits provided to the Directors and the Managing Director

In accordance with the guidelines of Bangladesh Bank, the following facilities can only be given to the Directors.

Chairman	An office chamber, one Private Secretary / Office Assistant, a telephone in office, one mobile phone for use within the country and a full time car.
Directors	Fees and other facilities for attending each meeting of the Board or its any Committee.
Managing Director	Only those benefits as are agreed upon in his contractual appointment and as are approved by Bangladesh Bank.

### Annual Evaluation of Performance of the Managing Director (CEO) of the Bank

The Board of Directors prescribes the roles and responsibilities of the Chief Executive Officer (CEO) of the Bank. His performance is assessed on certain Key Performance Indicators (KPIs). A few mentionable KPIs for the CEO are to meet the annual budgetary targets of the Bank which was approved by the Board, maximize shareholder value measured through desired ROA, ROI, ROE, EPS and Risk Management as per expectation of the Board, sustainable growth in investment and growth of Loans and Deposits, Cost to Income Ratio, Loans Write Off and its recovery, Capital to Risk Weighted Assets Ratio, Advance-Deposit Ratio, revenue earning for the Bank, gradual reduction of the NPL ratio for maintaining asset quality of the Bank and improvement in the scores for CAMELS rating. The Board evaluates the performance of the Managing Director every month when the month-end financial performance of the Bank is placed before the Board for review. Apart from that, the Board seeks MD's reports on various operational aspects periodically to assess the trend of movement of the Bank in various indicators. MD's quality leadership to post better performance is always expected. The performance of the Managing Director is evaluated again annually by the Board based on Bank's operational results mainly in the achievement of operational budgets.

### Appointment of Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC).

The Board appointed a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) as per the policy of the Bank and related rules and regulations. The positions of Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) are held by different individuals and they are well conversant in the field of regulatory, financial and corporate laws to carry out their assigned roles, responsibilities and duties.

### Highlights on Central Bank Inspection in the year 2021

Southeast Bank Limited (SEBL) received 17 (Seventeen) Inspection Reports on Head Office and different branches of SEBL from Bangladesh Bank. SEBL submitted compliances on said reports to Bangladesh Bank in time. Appropriate actions have been taken for implementation of the recommendations of Bangladesh Bank's Inspection Teams.

### Internal Control and Risk Management Internal Control

The Board of Directors of Southeast Bank Ltd. ensures maintenance of a sound system of internal control to safeguard Bank's assets. The Board through its Audit Committee conducts an annual review and evaluates effectiveness of the system of Internal Control of the Bank.

### Establishment and Review of Internal Control System

A report on Establishment and Review of Internal Control System is included in this report.

### Identification of risks to which SEBL is exposed internally and externally

The risk related issues of the Bank are looked after by the Risk Management Committee of the Board. A report on Risk Management is included at page no. 133 of this Annual Report.

### Vision, Mission Statements and Strategy approved by the Board

#### Vision and Mission Statements of the Bank

The vision, mission statements and the strategy of the Bank have been included in the beginning pages 39 of the Annual Report. Those were approved by the Board. The Board firmly adheres to them.

### Business objectives and areas of business focus

The Board always sets business objectives and areas to focus on taking into account the overall financial market

development and business environment. The latest business objectives and areas of business focus can be found in the "Strategic Priorities Statement" of the Bank at page no. 42 in this Annual Report.

### Strategies to achieve business objectives

Our strategies to achieve business objectives are elaborately discussed in the "Strategic Objectives" as contained in this Annual Report at page no. 40.

## Ethics and Compliance

### Code of Conduct for Directors

The Report contains this issue at page no. 73.

### Code of Conduct for Bank's Employees

Southeast Bank has a Code of Conduct and Ethical Guidelines for Bank's employees which are integral parts of the Service Rules and Regulations for the employees of the Bank. The employees of the Bank comply with the code of conduct and requirements of ethical principles.

### The Board's commitment to establishing high level of ethics and compliance within the organization

The Board of Directors has always been deeply committed to establishing a high level of ethics and compliance among all employees of the Bank. It has always encouraged the management to ensure that everyone maintains a high ethical standard within the Bank. The Board guides the management on policies that should be adopted and followed by everyone in the Bank.

## Management Committee and their responsibilities

### Senior Management Team (SMT)

A Senior Management Team (SMT) is working in the Bank. It is composed of senior members of the Management Team. Senior management consists of a core group of individuals responsible and accountable to the Board for the sound and prudent day-to-day management of the Bank. The organization, procedures and decision-making processes of senior management are clear and transparent and designed to promote effective management of the Bank. This includes clarity on the role, authority and responsibility of the various positions within senior management, including that of the CEO and Managing Director. Complying with the direction given by the Board, senior management implement business strategies, risk management systems, risk culture, processes and controls for

managing the risks both financial and non-financial to which the Bank is exposed to. The sub-committees of the Senior Management Team for the following issues were constituted:

- (a) Product Development and Marketing
- (b) Strategic Planning Issues and
- (c) Corporate Governance and Administrative Issues.

### The following Sub-Committees of SMT are also functioning in the Bank:

#### i) Executive Risk Management Committee (ERMC)

ERMC, headed by the Chief Risk Officer, is comprised of the divisional heads of CRMD, ICCD, AMLD & CFTD, IT, Treasury and FCAD. Risk Management Division (RMD) acts as the secretariat of the Committee. The functions of ERMC are to identify, measure and manage the Bank's existing and potential risks through detailed risk analysis; to determine risk appetite, tolerance and limits in line with strategic planning and formulate risk policies for business units etc.

#### ii) Asset Liability Committee (ALCO)

Asset Liability Management Committee consists of the Managing Director and strategically important Divisional Heads at Head Office.

#### iii) Central Compliance Committee (CCC)

Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) are getting added importance day by day. All issues relating to AML and CFT are managed and monitored by the Bank. As required by the regulatory authority, Central Compliance Committee (CCC) has been working on these issues in the Bank.

#### iv) Integrity Committee

As instructed by Bangladesh Bank, a 7-Member Integrity Committee of the Bank headed by Senior Executive Vice President is actively functioning in the Bank. An Executive Vice President of the Bank is the Focal Point of the Committee. The Committee sits in meetings to discharge its responsibilities effectively.

#### • Function of Integrity Committee

The functional areas of the Integrity Committee include, but are not limited to, implementation of National Integrity Strategy, implementation of Bank's action-plan, resolving identified problems related to integrity, complaint management, reporting to the regulators, performing relevant activities in line with the guidelines of Bangladesh Bank regarding implementation of national Integrity Strategy, etc.

#### v) Credit Risk Management Committee (CRMC)

Credit Risk Management Committee, headed by the Chief Risk Officer has been constituted to oversee the implementation status of approved Credit Risk Management Guidelines and other credit related policies of the Bank.

#### vi) Tender Committee

Transparency is very important in procuring things and services for the Bank. A 6-member Tender Committee is actively functioning in the Bank.

#### vii) Procurement Committee

The procurement policy of Southeast Bank Limited is designed to ensure that the purchase of all goods, services and works required for the satisfactory operation of the Bank is done in a transparent, timely and efficient manner.

#### viii) IT Steering Committee

An IT Steering Committee has been formed in 2012 comprising 12 (twelve) senior officials of the Bank for overall supervision of ICT Operations and ICT Projects Management.

#### ix) Taskforce for recovery of classified Loans and Advances

The increase of Non-Performing Loans (NPL) has a negative impact on profitability, capital adequacy, asset-liability management and overall reputation of the Bank. Therefore, it is essential to strengthen recovery drive to downsize the non-performing/classified loans through cash recovery. From this point of view, a 5-member taskforce for recovery of classified loans is working in the Bank. The Taskforce consists of senior executives of Head Office and Branch headed by Deputy Managing Director of the Bank. The taskforce sits with the branch to review the classified loans and chalk out strategy for recovery of loans.

#### x) Special Asset Management Committee (SAMC) for recovery of written-off loans

Since the recovered amount against written off loans is directly credited to the income, it is a great opportunity to improve the Bank's performance by recovering the written-off loans. As such the Bank has given special emphasis on recovery of written-off loan and has undertaken various steps to boost up the recovery of written-off loans. Given the above backdrop, a 7-member Special Asset Management Committee (SAMC) has been constituted comprising the officials of Head Office and Branch headed by Deputy Managing

Director of the Bank. The committee actively reviews the recovery position of written-off loans in their periodic meetings and gives necessary directions/guidelines to gear up the recovery process. They also place their observations and recommendations before the competent authority for taking necessary steps to recovery of written-off loans.

#### Disclosure of key policies with regard to remuneration of Directors, Senior Management and Employees

All employees including the Senior Management are paid competitive remuneration package. The structure and level of remuneration are reviewed from time to time based on Bank's performance and affordability. The remuneration package also stresses on ensuring internal and external pay equity.

#### Conflict of Interest

The Code of Ethics and Business Conduct require all employees to avoid situations where their personal interests are in conflict or may appear to be in conflict with those of the Bank. Employees are advised to take particular care when they are responsible for dealing with customers, business associates and agents on behalf of the Bank. Any failure to disclose a conflict of interest leads to disciplinary action.

#### Human Capital

The detailed discussion on Bank's Human Capital has been presented at Page No. 213 of this Annual Report.

#### Communication with Shareholders and Stakeholders

Every shareholder is given the highest priority by SEBL. The Bank tries to maintain liaison with all shareholders as far as possible and ensures that all stakeholders are informed of the Bank's activities on a routine basis. Shareholders of the Bank may contact with (irdseblsoutheastbank.com.bd) the Bank's Investors' Relation Department (IRD) during office hour for any information and queries. Investors' Relation Department performs all sorts of share related works including Dividend distribution.

Southeast Bank Ltd. maintains an official website (www.southeastbank.com.bd) which is linked with the websites of the stock exchanges and other related organizations and always provides all types of periodic statement i.e. quarterly, half-yearly, annual financial statements and other information to its shareholders.

Notices to shareholders are also published in the daily newspapers and through the digital media as well. All Price-Sensitive Information is timely disclosed publicly to ensure compliance with regulatory bodies. SEBL ensures that Bank's Financial Statements along with all sorts of Price Sensitive Information are published at least in two widely circulated national dailies, one in Bengali and one in English as well as in one online daily news portal and are also sent to the BSEC and stock exchanges. All of the Bank's publications to the market are also published through the Company's website.

SEBL ensures effective communication with the shareholders and encourages shareholders participation at the AGM and always ensures that AGM is held at a convenient place/environment where all shareholders can attend/participate. SEBL circulated the copies of Annual Reports as per regulatory instruction and the provision of relevant Acts and Notifications, so that Shareholders would get time to go through the report and to notify to all shareholders about the date, place and time of AGM. The Bank also print sufficient number of Annual Reports so that any shareholder may collect the printed copy of the Annual Report from the Bank's Investors' Relation Department if any shareholder requires in writing beforehand. The Bank sincerely tries to ensure that all shareholders can participate in the AGM in person or by proxy and always welcomes and encourages active participation of the shareholders for their constructive criticism and suggestions for further development of the Bank. The Board also structures these meetings so that shareholders can vote on each agenda by proposing resolutions. Further details in respect of communication to shareholders are provided in this report at page no. 227.

### Environmental and Social Obligations

Southeast Bank integrates environmental and social obligations into all of its business activities with the belief that success is not only measured by financial results but also by the commitment to give back to the society and to good environmental practices. The Bank also adopted policies and procedures that integrate social, environmental, ethical, human rights or consumer concerns into the business operations and the core strategy, all in close collaboration with stakeholders.

The establishment of CSR strategy of SEBL is a crucial component that reflects the bank's aspiration for sustainable development of the society and creating meaningful value for stakeholders. The Bank carefully

planned CSR activities to address the various needs of the community as well as to encourage employees to play an active role. In response to the worldwide call for reduction of global warming, SEBL is committed to reduce energy usage and office consumables. Reduction in paper usage is achieved by making reports available in soft copies and encouraging staff to print on both sides of the paper and print documents only when necessary. SEBL persuades its customers to avail facilities for renewable energy generation and other environment friendly projects. The Bank has set guideline, namely "Southeast Shobuj Jibon" targeted to efficient use of electricity, water, paper and re-use of equipment. We believe that every small 'GREEN' step taken today would go a long way in building a greener tomorrow. General descriptions of Bank's policies and practices relating to social and environmental responsibility of Southeast Bank Limited are provided at Page No. 211.

### Sustainable Financing

The Board of Directors of the Bank supervises and takes decision in principle and provides strategic directions regarding sustainable banking and sustainable finance (environment friendly banking) of the Bank. The Risk Management Committee also monitors all the social and ecological factors with the aim of protecting the environment and conserving natural resource to achieve sustainable development goals as per guidelines of Bangladesh Bank.

### Report to the Shareholders of Southeast Bank Ltd. on status of compliance on the Corporate Governance Code

Certificate on status of compliance on Corporate Governance Code from Mahfel Huq & Co., Chartered Accountants on compliance of the Corporate Governance and checklist under condition no. 9 of BSEC's Notifications are exhibited at page no. 115 of this Annual Report.

### Declaration or Certification by the Chief Executive Officer and Chief Financial Officer to the Board in line with BSEC notification

In compliance with the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) dated 3 June 2018, under condition No. 1(5) (xxvi) a Declaration or Certification by the Chief Executive Officer and Chief Financial Officer of the Bank is exhibited in a separate segment at page 114.

## Directors' Remuneration

### Board Meetings

Statement of Board meetings held during the year 2021 and the attendance of Directors from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2021 are appended below:

Sl. No	Name	Designation	Presence of Directors in the Meetings, During their Tenure			Remuneration	Remuneration Drawn
			No. of Meeting held	Present	Absent		
1	Mr. Alamgir Kabir, FCA	Chairman	27	26	1	8,000	2,08,000
2	Mrs. Duluma Ahmed	Vice Chairperson	27	27	-	8,000	2,16,000
3	Mr. M. A. Kashem	Director	27	24	3	8,000	1,92,000
4	Mr. Azim Uddin Ahmed	Director	27	27	-	8,000	2,16,000
5	Mrs. Jusna Ara Kashem	Director	27	24	3	8,000	1,92,000
6	Mrs. Rehana Rahman	Director	27	26	1	8,000	2,08,000
7	Mr. Md. Akikur Rahman	Director	27	27	-	8,000	2,16,000
8	Mr. Raiyan Kabir	Director	27	24	3	8,000	1,92,000
9	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Ltd.)	Director	27	27	-	8,000	2,16,000
10	Mr. Syed Sajedul Karim (Re-appointed on 29-08-2021)	Independent Director	23	23	-	8,000	1,84,000
11	Dr. Quazi Mesbahuddin Ahmed	Independent Director	27	27	-	8,000	2,16,000
12	Mr. Mohammad Delwar Husain	Independent Director	27	27	-	8,000	2,16,000
13	Mr. M. Kamal Hossain	Managing Director	27	26	1	-	-

\* Note: Directors who could not attend any meeting were granted leave of absence by the Board

### Executive Committee Meetings

Statement of Executive Committee meetings held during the year 2021 and the attendance of members from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2021 are appended below:

Sl. No	Name	Designation	Presence of Members in the Meetings, During their Tenure			Remuneration	Remuneration Drawn
			No. of Meeting held	Present	Absent		
*1.	Mr. M. A. Kashem	Chairman	5	5	-	8,000	40,000
*2.	Mrs. Duluma Ahmed	Member	3	3	-	8,000	24,000
*3.	Mrs. Jusna Ara Kashem	Member	3	3	-	8,000	24,000
*4.	Mrs. Rehana Rahman	Member	3	3	-	8,000	24,000
5.	Mr. Md. Akikur Rahman	Member	5	5	-	8,000	40,000
*6.	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing and Investment Ltd.)	Member	3	2	1	8,000	16,000
7.	Mr. M. Kamal Hossain	Member	5	5	-	-	-
**8.	Mr. Alamgir Kabir, FCA	Member	2	2	-	8,000	16,000
**9.	Mr. Azim Uddin Ahmed	Member	2	2	-	8,000	16,000
**10.	Mr. Mohammad Delwar Husain	Member	2	2	-	8,000	16,000

• Total number of Executive Committee Meetings held = 05 (Five)

\* Mr. M. A. Kashem was elected as Chairman and Mrs. Duluma Ahmed, Mrs. Jusna Ara Kashem, Mrs. Rehana Rahman & Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing and Investment Ltd.) were elected as Members of the Committee in the 636<sup>th</sup> Board Meeting held on September 02, 2021.

\*\* Mr. Alamgir Kabir, FCA, Mr. Azim Uddin Ahmed and Mr. Mohammad Delwar Husain were members of the committee up to September 01, 2021.



### Audit Committee Meetings

Statement of Audit Committee meetings held during the year 2021 and the attendance of members from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2021 are appended below:

Sl. No	Name	Designation	Presence of Members in the Meetings, During their Tenure			Remuneration	Remuneration Drawn
			No. of Meeting held	Present	Absent		
1.	Mr. Syed Sajedul Karim (Re-appointed on 29-08-2021)	Chairman	3	3	-	8,000	24,000
*2.	Mr. Azim Uddin Ahmed	Member	1	1	-	8,000	8,000
*3.	Mr. Raiyan Kabir	Member	1	1	-	8,000	8,000
4.	Dr. Quazi Mesbahuddin Ahmed	Member	4	4	-	8,000	32,000
*5.	Mr. Mohammad Delwar Husain	Member	1	1	-	8,000	8,000
**6.	Mrs. Duluma Ahmed	Member	3	3	-	8,000	24,000
**7.	Mrs. Jusna Ara Kashem	Member	3	3	-	8,000	24,000
**8.	Mrs. Rehana Rahman	Member	3	3	-	8,000	24,000

• Total number of Audit Committee Meetings held = 04 (Four)

\* Mr. Azim Uddin Ahmed, Mr. Raiyan Kabir and Mr. Mohammad Delwar Husain were elected as Members of the Committee in the 636<sup>th</sup> Board Meeting held on September 02, 2021.

\*\* Mrs. Duluma Ahmed, Mrs. Jusna Ara Kashem and Mrs. Rehana Rahman were members of the committee up to September 01, 2021.

### Risk Management Committee Meetings

Statement of Risk Management Committee meetings held during the year 2021 and the attendance of members from 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2021 are appended below:

Sl. No	Name	Designation	Presence of Members in the Meetings, During their Tenure			Remuneration	Remuneration Drawn
			No. of Meeting held	Present	Absent		
*1.	Mr. Azim Uddin Ahmed	Chairman	4	4	-	8,000	32,000
*2.	Mrs. Duluma Ahmed	Member	2	2	-	8,000	16,000
*3.	Mrs. Rehana Rahman	Member	2	2	-	8,000	16,000
*4.	Mr. Md. Akikur Rahman	Member	2	2	-	8,000	16,000
5.	Mr. Syed Sajedul Karim	Member	4	4	-	8,000	32,000
**6.	Mr. Alamgir Kabir, FCA	Member	2	2	-	8,000	16,000
**7.	Mr. M.A. Kashem	Member	2	2	-	8,000	16,000

• Total number of Risk Management Committee Meetings held = 04 (Four)

\* Mr. Azim Uddin Ahmed was elected as Chairman and Mrs. Duluma Ahmed, Mrs. Rehana Rahman & Mr. Md. Akikur Rahman were elected as Members of the Committee in the 636<sup>th</sup> Board Meeting held on September 02, 2021.

\*\* Mr. Alamgir Kabir, FCA and Mr. M.A. Kashem were members of the committee up to September 01, 2021.

**Shareholding Pattern along with name wise details:****i. Shares held by Parent/Subsidiary/Associated Companies and other related Parties: NIL****ii. Shareholding of the Board of Directors.**

Sl. No	Name	Designation	No. of Shares	Value in BDT
1.	Mr. Alamgir Kabir, FCA	Chairman	26,709,202	267,092,020.00
2.	Mrs. Duluma Ahmed	Vice Chairperson	23,897,705	238,977,050.00
3.	Mr. M. A. Kashem	Director	26,330,640	263,306,400.00
4.	Mr. Azim Uddin Ahmed	Director	23,897,705	238,977,050.00
5.	Mrs. Jusna Ara Kashem	Director	23,779,485	237,794,850.00
6.	Mrs. Rehana Rahman	Director	24,433,788	244,337,880.00
7.	Mr. Md. Akikur Rahman	Director	31,865,465	318,654,650.00
8.	Mr. Raiyan Kabir	Director	24,458,937	244,589,370.00
9.	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Ltd.)	Director	27,950,000	279,500,000.00
10.	Mr. Syed Sajedul Karim	Independent Director	-	-
11.	Dr. Quazi Mesbahuddin Ahmed	Independent Director	-	-
12.	Mr. Mohammad Delwar Husain	Independent Director	-	-
13.	Mr. M. Kamal Hossain	Managing Director	-	-
<b>Total</b>			<b>233,322,927</b>	<b>2,333,229,270.00</b>

**iii. Shares held by Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Control and Compliance and their spouses and minor children.**

Sl. No	Name and Designation		Shareholdings as on 31.12.2021
1	a)	Mr. M. Kamal Hossain Managing Director	Nil
	b)	Spouse / Minor Children of Managing Director	Nil
2	a)	Mr. A.K.M. Nazmul Haider Company Secretary	Nil
	b)	Spouse / Minor Children of Company Secretary	Nil
3	a)	Mr. Md Feroj Hoshen Head of Internal Control and Compliance (ICCD)	Nil
	b)	Spouse/Minor Children of the Head of ICCD	Nil
4	a)	Mr. Rasedul Islam, FCA Chief Financial Officer	Nil
	b)	Spouse/Minor Children of the Chief Financial Officer	Nil

**iv. Shares held by top five salaried Executives in the regular services of the Bank**

Sl. No	Name of Executives	Designation	Shareholdings as on 31.12.2021
1.	Mr. Nuruddin Md. Sadeque Hussain	Deputy Managing Director	Nil
2.	Mr. Syed Faisal Omar	Senior Executive Vice President	Nil
3.	Mr. Md. Masum Uddin Khan	Senior Executive Vice President	Nil
4.	Mr. Mohammad Nurul Islam	Senior Executive Vice President	Nil
5.	Mr. Mohammed Rashedul Amin	Executive Vice President	Nil

**v. List of Shareholders holdings 10% and above shares in the Paid-Up-Capital of the Bank: NIL****vi. Disclosure about Family Domination in the Bank**

There is no family domination in the Bank because any individual or family does not hold majority shares of the company to control the company unilaterally.

**vii. Free-Float Shares**

Free float shares is generally described as those portion of shares held by investors, other than restricted shares owned by company's Sponsor Shareholders/Directors which are restricted to buying and selling under securities laws. Free float shares of our Bank is 63.19%. These shares are available for free-trading in the bourses. The size of free float shares indicates that their price cannot be easily manipulated by a vested quarter. For obvious reasons, general investors opt to invest in our shares.

# MANAGING DIRECTOR'S AND CFO'S DECLARATION TO THE BOARD

Date: April 28, 2022

## The Board of Directors

Southeast Bank Limited  
Eunoos Trade Centre  
52-53 Dilkusha C/A  
Dhaka-1000.

## Sub: Declaration on Financial Statements for the year ended on December 31, 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- i) The Financial Statements of Southeast Bank Limited for the year ended on December 31, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- ii) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- iii) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- iv) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- v) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- vi) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

## In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely Yours,



Chief Financial Officer



Managing Director

# COMPLIANCE REPORT ON BSEC'S NOTIFICATION ON CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/ 2006-158/ 207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition No. 9)

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓	-	-
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓	-	-
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓	-	-
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company.	✓	-	-
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓	-	-
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓	-	-
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓	-	-
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	-
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	-
1(2)(b)(viii)	who is not an independent director in more than 5 (five) listed companies;	✓	-	-
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI);	✓	-	-



Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓	-	-
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓	-	-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	-	-	No such event occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only	✓	-	-
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓	-	-
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	-	-	N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;	✓	-	-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law;	✓	-	-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	N/A
1(3)(c)	The independent director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓	-	-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	N/A
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	-	-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	-	-

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	-	-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓	-	-
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	-
1(5)(i)	An industry outlook and possible future developments in the industry;	✓	-	-
1(5)(ii)	The segment-wise or product-wise performance;	✓	-	-
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓	-	-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	-	Being a Bank, Cost of Fund, Interest Income and Expenses, Operating and Net Profit Margins were discussed.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	-	-	N/A
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	-	-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓	-	-
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	-	-	N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performances and Annual Financial Statements;	✓	-	-
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓	-	-
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓	-	-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓	-	-
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓	-	-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	-	-

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓	-	-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	-	-
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓	-	-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend;	-	-	N/A
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓	-	-
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓	-	-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	✓	-	-
1(5)(xxiii)(c)	Executives;	✓	-	-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	-	-	N/A
1(5) (xxiv)	In case of the appointment/re-appointment of a Director, a disclosure on the following information to the Shareholders:	-	-	-
1(5)(xxiv)(a)	a brief resume of the director;	✓	-	-
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	✓	-	-
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓	-	-
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓	-	-
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓	-	-

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓	-	-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓	-	-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓	-	-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓	-	-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓	-	-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per Annexure-B and Annexure-C.	✓	-	-
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓	-	-
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	-	-	NRC of the Board of Directors of the Bank is not required in accordance with Bangladesh Bank instruction Ref. BRPD (R-1)717/2021-5064, dated 16 June, 2021.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company.	-	-	
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓	-	-
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	✓	-	-
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓	-	-
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓	-	-

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓	-	-
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓	-	-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓	-	-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓	-	-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓	-	-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓	-	-
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	✓	-	-
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓	-	-
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓	-	-
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓	-	-
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board or its member;	✓	-	-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	-
4(i)	Audit Committee;	✓	-	-
4(ii)	Nomination and Remuneration Committee.	-	-	NRC of the Board of Directors of the Bank is not required in accordance with Bangladesh Bank instruction Ref. BRPD (R-1)717/2021-5 064, dated 16 June, 2021.
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓	-	-



Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓	-	-
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓	-	-
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	-
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓	-	-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓	-	-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓	-	-
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓	-	-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	-
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓	-	-
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	-
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓	-	-
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓	-	-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	-
5(5)(a)	The Audit Committee shall Oversee the financial reporting process;	✓	-	-
5(5)(b)	Monitor choice of accounting policies and principles;	✓	-	-

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓	-	-
5(5)(d)	Oversee hiring and performance of external auditors;	✓	-	-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	-	-
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓	-	-
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓	-	-
5(5)(h)	Review the adequacy of internal audit function;	✓	-	-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓	-	-
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓	-	-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓	-	-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓	-	-
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	-	-	N/A
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	-	-
5(6)(a)(ii)(a)	Report on conflicts of interests;	-	-	No such incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	Do
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	Do
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	Do
5(6)(b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	-	Activities of the Audit Committee are reported on the Annual Report

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-	-	The Nomination and Remuneration Committee of the Board of Directors of the Bank is not required in accordance with Bangladesh Bank instruction Ref. BRPD (R-1)717/2021-5064, dated 16 June, 2021.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-	-	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-	-	
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-	-	
6(2)(b)	All members of the Committee shall be non-executive directors;	-	-	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-	-	
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-	-	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-	-	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-	-	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-	-	
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-	-	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-	-	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	-	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	-	The Nomination and Remuneration Committee of the Board of Directors of the Bank is not required in accordance with Bangladesh Bank instruction Ref. BRPD (R-1)717/2021-5064, dated 16 June, 2021.
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	-	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-	-	
6(5)(b)(i)	Formulating the criteria for determining qualifications positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-	-	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	-	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	-	-	Remuneration of Directors and CEO's is determined by Bangladesh Bank
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-	-	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	The Nomination and Remuneration Committee of the Board of Directors of the Bank is not required in accordance with Bangladesh Bank instruction Ref. BRPD (R-1)717/2021-5064, dated 16 June, 2021.
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	-	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	-	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-	-	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-	-	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	-	

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓	-	-
7(1)(ii)	Financial information systems design and implementation;	✓	-	-
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓	-	-
7(1)(iv)	Broker-dealer services;	✓	-	-
7(1)(v)	Actuarial services;	✓	-	-
7(1)(vi)	Internal audit services or special audit services;	✓	-	-
7(1)(vii)	Any services that the Audit Committee determines;	✓	-	-
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓	-	-
7(1)(ix)	Any other service that creates conflict of interest.	✓	-	-
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓	-	-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓	-	-
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓	-	-
8(2)	The company shall keep the website functional from the date of listing.	✓	-	-
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓	-	-
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	-	-
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓	-	-
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓	-	-





**Mahfel Huq & Co.**  
Chartered Accountants  
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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## REPORT TO THE SHAREHOLDERS OF SOUTHEAST BANK LIMITED ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Southeast Bank Limited (the company) for the year ended on 31 December 2021. This Code relates to the Notification No-BSEC/CMRRCD/2006-158/207/admin/80 and Dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion;

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by Southeast Bank Limited as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is highly satisfactory.

Place: Dhaka  
Dated: May 11, 2022

Md. Abdus Satter Sarkar, FCA  
For and on behalf of,  
**Mahfel Huq & Co.**  
Chartered Accountants

# CERTIFICATE OF SENIOR MANAGEMENT TEAM (SMT) REGARDING THE EFFECTIVENESS OF INTERNAL CONTROL POLICY, PRACTICE AND PROCEDURE

Internal Control is a process effected by the Board of Directors, Senior Management and personnel of all levels. It is not solely a procedure or policy that is performed at a certain point of time, rather it is continually operating at all levels within the Bank. As per guidelines of Bangladesh Bank, the Board of Directors and Senior Management are required to take appropriate steps for establishing appropriate culture to facilitate an effective internal control process and for monitoring its effectiveness on an ongoing basis; however, each individual within an organization must participate in the process.

The SMT had received an updated Review Report on the Risk Management of Internal Control and Compliance of the Bank and reviewed the internal control mechanism in place and different issues on risk management of Internal Control and Compliance, e.g. Appropriateness & Effectiveness of internal Control Environment; Internal Control Objective; Internal Control Policy Guidelines; Organization Structure; Process Guidelines and Internal Control Process of the Bank. The Committee also reviewed the key points of Bangladesh Bank's last Inspection Report on ICC of the Bank along with the Bank's Compliance thereof.

The SMT is satisfied that Internal Control Policy, Practice and Procedure of the Bank are effective and these provide a reasonable assurance in achieving objectives of the Bank in respect of (i) reliability of the financial information; (ii) effectiveness and efficiency of operations; (iii) compliance with applicable laws and regulations; (iv) adherence to management policies; (v) safeguarding of Bank's Assets; (vi) prevention and detection of fraud and errors; and (vii) accuracy and completeness of the accounting records. However, internal control environment of the Bank has further been strengthened after implementation of the processes as mentioned in the revised 'Guidelines on Internal Control and Compliance in Banks' provided by Bangladesh Bank vide BRPD Circular No.03 dated 08.03.2016 and an amendment of the guidelines through BRPD Circular No-06 dated 04.09.2016.



**M. Kamal Hossain**  
Managing Director

# REPORT OF THE AUDIT COMMITTEE

## (COMPOSITION, ROLE, MEETING, ATTENDANCE, ETC.)

The Audit Committee is an important functional Committee of the Board of Directors of the Bank. It is assigned with oversight of financial reporting, disclosure, regulatory compliance and disciplined banking operation complying with the rules and norms of banking.

### Feature and Composition

The Audit Committee was last re-constituted by the Board of Directors in its 636<sup>th</sup> meeting held on September 02, 2021 in accordance with the Corporate Governance Code issued by BSEC on June 03, 2018 and Bangladesh Bank's BRPD circular no.11, dated October 27, 2013.

The composition of the present members of the Audit Committee in 2021 is given below:

Sl. No.	Name	Status in the Board	Status in the Committee	Educational Qualification
1.	Mr. Syed Sajedul Karim	Independent Director	Chairman	B.A (Hons), M. A
2.	Mr. Azim Uddin Ahmed	Director	Member	Graduate
3.	Mr. Raiyan Kabir	Director	Member	BBA (Major in Finance), M.Com (Advance Accounting)
4.	Dr. Quazi Mesbahuddin Ahmed	Independent Director	Member	B.A (Hons), M.A., MEC, MSC., PhD in Economics
5.	Mr. Mohammad Delwar Husain	Independent Director	Member	B.A (Hons), M.A. in Economics

### Quorum

Presence of 03 (three) members including one Independent Director constitutes a quorum for holding Audit Committee meeting. The Head of Internal Control and Compliance attended the meetings to present the agenda. On invitation, Senior Executives of the Bank including the Managing Director, Chief Financial Officer (CFO) and Head of Risk Management Division attended the meetings to meet instant queries of the Audit Committee to make its decisions fact-based. In addition, Heads of Branches, whose audit reports were placed to the Audit Committee were also present in the meetings to respond to the issues raised in the reports of Internal Control and Compliance Division and Bangladesh Bank.

### Terms of Reference of the Audit Committee

- Board shall appoint Non-Executive Directors of the Bank as members of the Audit Committee excepting Chairman of the Board.
- Mr. Syed Sajedul Karim, in his capacity as the Independent Director, shall be the Chairman of the Audit Committee.
- Presence of 03 (three) members shall form a quorum.
- The quorum of the Audit Committee meeting shall require presence of at least 1 (one) Independent Director.

- The tenure of office of the Audit Committee shall be for 3 (three) years.
- The Company Secretary shall act as Secretary to the Audit Committee.
- The Terms of Reference of the Audit Committee shall also be as specified in the BRPD Circular No.11 dated October 27, 2013 of Bangladesh Bank and provisions contained in Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 of Bangladesh Securities and Exchange Commission (BSEC), dated 03 June, 2018.
- Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).

### Charter of the Audit Committee

The Audit Committee is constituted by the Board of Directors for the primary purpose of assisting the Board in:

- Overseeing the integrity of the company's financial statements.
- Overseeing the improvement of corporate governance standard of the company.
- Overseeing the Company's system of disclosure, internal controls and procedure.
- Overseeing Bank's internal control over financial reporting.

- Overseeing Bank's compliance with ethical standards adopted by the Bank.
- Making reports and recommendations to the Board.

### Roles and Responsibilities

The role of Audit Committee is to assist the Board in discharging its duties and responsibilities for financial reporting, effective monitoring, corporate governance, internal control, green banking and environmental & climate change risks. The added roles of the Audit Committee include, but not limited to the following:

- Overseeing the financial reporting process.
- Monitoring choice of accounting policies and principles.
- Monitoring Internal Audit and Compliance process including approval of Internal Audit plan.
- Reviewing the Internal Audit Report and Compliance thereof.
- Overseeing hiring and performance of external auditors.
- Reviewing the Annual Financial Statements before submission to the Board for approval or adoption.
- Reviewing the quarterly and half-yearly Financial Statements before submission to the Board for approval.
- Reviewing the Financial Statements, in particular the investments made by the subsidiary company.
- Reviewing the adequacy of internal audit functions.
- Reviewing the Management's Discussion and Analysis before disclosing in the Annual Report.
- Overseeing the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.
- Reviewing statement of significant party transactions submitted by the management.
- Reviewing Management Letters/ Letter of Internal Control Weakness issued by Statutory Auditors.
- Reviewing the existing Risk Management Policy and Procedures to improve the quality of Bank's assets portfolio.
- Reviewing fund raising through Repeat Public Offering/ Rights Issue and its use and application.
- Monitoring internal control process.
- Maintaining oversight on regulatory compliance, ethics and whistle-blower hotlines.

- Reviewing Audit Committee's own terms of reference.
- Reviewing the compliance status of the Minutes of the Audit Committee Meeting.

### Reporting of the Audit Committee

The Audit Committee reports its findings and observations to the Board of Directors. It is also required to report to the Bangladesh Securities and Exchange Commission on anything which has material impact on the financial condition and result of operation of the Bank. But such reporting was not necessitated in 2021 as nothing which has/had material impact on the financial condition and results of operation had occurred in the Bank during the year 2021.

### Deliberations of the Audit Committee in 2021

During the year 2021, the Audit Committee carried out its regular functions on areas pertaining to its responsibilities. Some of the issues that it discussed and the decisions it took for improvement of operational performance of the Bank are listed below:

- The Audit Committee approved Inspection Plan of the Bank for the year 2021.
- The Committee addressed and eliminated the weaknesses of Corporate Management related with Internal Control & Compliance of the Bank.
- The Audit Committee reviewed the un-audited quarterly and half yearly Financial Statements before their submission to the Board for final review and approval.
- The Audit Committee reviewed the Financial Statements of the Bank for the year 2020 which include Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement and the disclosures made through Notes to the Accounts.
- The Committee recommended the re-appointment of Bank's external auditors for the year 2021.
- The Committee reviewed the Bank's Self-Assessment of Anti-Fraud Internal Controls and advised to adhere to guidance-notes of Bangladesh Bank to avert attempts of frauds and forgeries in the Bank.
- The Committee recommended the approval of the quarterly and half yearly Financial Statements of the Bank for the year 2021 to the Board.
- The Audit Committee reviewed the Annual Summary

Report on Audit Findings 2020 and advised that the officials of the Bank at different levels should exercise proper due diligence at pre-disbursement and post disbursement stage of loan proposal to protect the Bank's interest.

- 9) The Audit Committee examined the Certificate of the Senior Management Team (SMT) regarding the effectiveness of internal control, policy, practice and procedures.
- 10) The Audit Committee reviewed the Integrated Health Report of the Bank for the year 2020 and referred it to the Board of Directors for approval. The Committee advised the Management to conduct the operations of the Bank in such a way that Bank's financial health, ICC health, and image and reputational health are improved significantly.
- 11) The Audit Committee reviewed periodic recovery positions of the Bank against classified, re-scheduled and written-off loans and gave suitable decisions as well as advised the Management to vigorously monitor the risk assets of the Bank especially the loans in different branches that showed signs of weakness for their timely recovery and adjustment.
- 12) The Committee emphasized the necessity of further strengthening of monitoring process of Special Mention Accounts (SMA's), so that they do not turn into non-performing loans.
- 13) The Audit Committee thoroughly reviewed the findings of the Bangladesh Bank Inspection Team on different branches as well as head office and instructed the management to take appropriate

actions to prevent repetition of lapses identified in their inspection reports.

- 14) The Audit Committee reviewed the findings of the Head Office Inspection Reports on different Branches and advised the management to regularize the documentation lapses and other reported irregularities at the earliest.

### Report to the Board

All findings and decisions of the Audit Committee were reported to the Board and the Board closely reviewed and ratified them.

### Minutes of Audit Committee to Bangladesh Bank

In 2021, total 04 (four) meetings were held by the committee and the minutes of meetings of the Audit Committee were sent to Bangladesh Bank for their information.

### Reporting to the Regulatory Authorities

There had not been any occurrence in the Bank that required reporting to the relevant authorities by the Bank's Audit Committee.



**Syed Sajedul Karim**

Chairman

Audit Committee of the Board



# INTERNAL CONTROL AND COMPLIANCE

Internal control system of a Bank carries high importance and governance to attain short-term business objectives as well as long-term sustainability. Indeed, internal control is the foundation of safe and sound banking by managing the associated risks efficiently.

The objective of internal control and compliance function is to assist Management in ensuring that all activities of the Bank are conducted in accordance with prevailing laws, rules and standards. A system of internal control allows management to stay focused on the Bank's pursuit of its operations and financial performance goals while operating within the confines of relevant laws and minimizing surprises along the way.

The Board of Directors, through its Audit Committee, oversees, monitors, and evaluates the system of internal control, the audit/inspection process, compliance with applicable laws and regulations, and the code of business practice of the Bank.

The responsibility of implementing internal controls starts with the business lines, which are the "first line of defense" against breaches that could cause the Bank not to fulfill its objectives, not to report properly, or not to comply with laws and regulations. Beyond that, in any Bank, the three important "control functions" are risk management, compliance, and internal audit. The first two of these control functions constitute the "second line of defense" against mishaps. The final, or "third line of defense" is the internal audit function.

The Management of SEBL has put in place a successful and effective system of internal control in line with standard guidelines and guidance note of Bangladesh Bank. The aspects of SEBL relating to risk control and mitigation are as under:

## Control Environment

An appropriate and effective internal control environment is in place to ensure that the Bank is managed and controlled in a sound and prudent manner. The Board of Directors of the Bank is actively concerned with sound corporate governance and diligently discharging its responsibilities. The Bank Management

proactively discharges its responsibilities and supervises the activities.

## Control Activities and Segregation of Duties

The Management of SEBL has set up an appropriate control structure with control activities defined at every business level, i.e. top-level review and appropriate activity control for different divisions/ units and branches/departments. The Management has also established an appropriate segregation of duties with necessary authority, job description/flow chart of works etc. to maintain an effective internal control structure.

## Management Information System

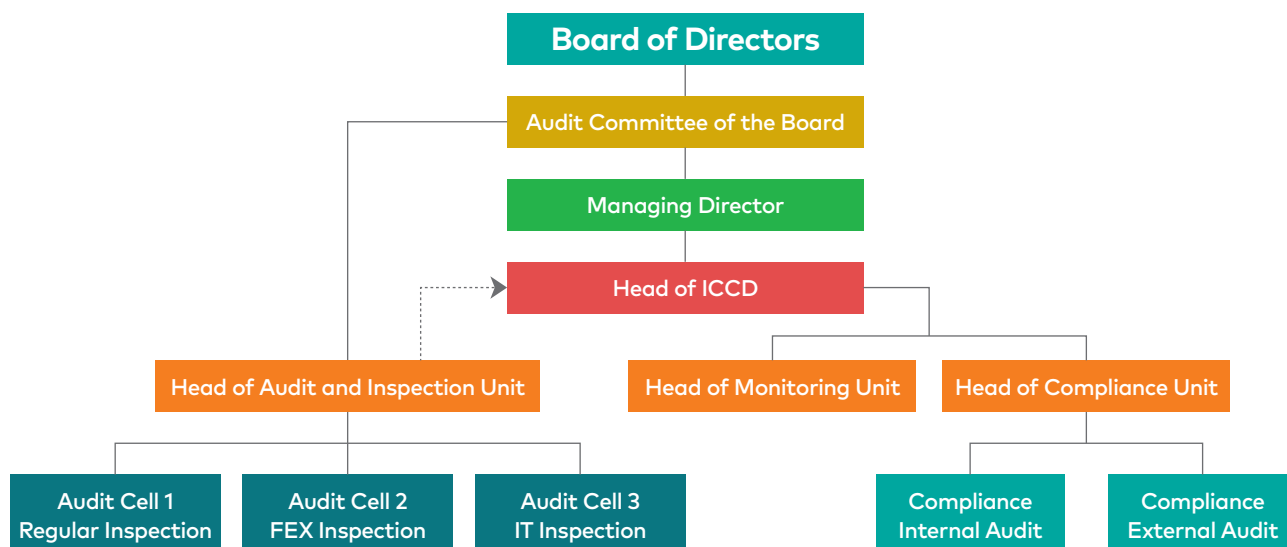
Southeast Bank Limited (SEBL) has established an effective management information system to support the organizational and procedural controls. Access control of Bank's Core Banking System (CBS) is properly defined and exercised. Data Center for backup of data and information has been established. Testing of system's backup procedure and contingency plan are done regularly.

## Monitoring of Activities and Correcting Deficiencies

The activities of SEBL are monitored ongoing basis so as to ensure that adopted policies, manuals, processes, procedures, and practices are being adhered to. Key and high-risk items are identified and monitored as part of daily activities and periodical evaluation is done by the business lines and internal inspection team. Internal control deficiencies identified by business lines, internal control team or other control personnel are reported timely and promptly to the appropriate management level and addressed immediately.

## Independent Audit Mechanism

SEBL has established an independent audit/inspection mechanism to monitor, examine and review the control activities of the branches/divisions of the Bank in order to assess the effectiveness of the controls and recommend corrective actions where required. Internal Control and Compliance Division (ICCD) keeps the Bank on course towards its objectives and achievement of its mission, and minimizes surprises along the way. ICCD performs the supervisory and monitoring works to manage the risk within the following organogram:



### Audit and Inspection Unit

The key role of Internal Audit is to independently and objectively evaluate and report on the effectiveness of an institution's risk management, control, and governance processes. Internal Audit/Inspection of SEBL is conducted based on Annual Audit/inspection Plan structured on a risk-based approach and approved by the Audit Committee of the Board of Directors to provide vital information about risks and controls to assist the management. The Head of Audit and Inspection Unit has full and free access to the Audit Committee of Board of Directors (BoD) and the members of this unit enjoy unrestricted access to all functions, records, property, and personnel of the bank for conducting audit/inspection. Risk Based Internal Audit Software (RBIAS) has been implemented recently and is in live operation now to conduct audit/inspection in more efficient manner.

### Compliance Unit

This unit is entrusted to ensure that Bank complies with all regulatory requirements, policies, and international standards while conducting its business. They maintain liaison with the regulators at all levels and notify the other units/departments regarding the regulatory changes. This unit also assists to mitigate compliance risk, which is the risk of legal or regulatory sanction, material financial loss or reputational loss as a result of failure to comply with applicable rules. Some major tasks of this unit are as follows:

- Ensuring compliance of inspection report of Bangladesh Bank and Internal /External Audit Report.
- Ensuring compliance of various queries of regulatory bodies like NBR, Ministry of Finance, Law enforcing agencies and other regulators.
- Ensuring smooth settlement of various complaints of branches and departments under legal framework.
- Checking whether the appropriate policies include

(a) top level review, (b) appropriate activity controls for different departments and divisions, (c) system of approval and authorizations, (d) appropriate segregation of duties and personnel are not assigned with conflicting responsibilities.

### Monitoring Unit

This unit verifies the internal control system and monitors the operational performance/activities by implementing various internal control tools such as Departmental Control Function Checklist (DCFCL), Quarterly Operation Report (QOR), Loan Documentation Checklist (LDCL), Self-Assessment of Anti-Fraud Internal Controls Report, Annual Summary Report, Bank's Health Report, etc. Monitoring Unit also collects relevant data and performs offsite analysis to assess the risk of individual units. If they find major deviation, they recommend to the Head of ICCD for sending audit and inspection team for thorough review.

In the year 2021, ICCD carried out Risk based Comprehensive Inspections on 89 Branches/Divisions/Subsidiaries and 48 nos. of issue-based (AML, cash management, earnest money financing, etc.) inspections, 22 nos. of Dash Board inspections on CTSD (Central Trade Services Department) and different branches. Besides, ICCD conducted ICT Inspections on 29 Branches/Division of Head Office. Apart from the regular inspections, a number of special inspection/investigation were carried out by the Inspection Teams as per directions of the competent authority of the Bank.

The system of internal control of Southeast Bank is capable of continually assessing and recognizing the material risks that could adversely affect the achievement of the goals of the Bank. This internal control system also ensures immediate reporting of all the identified significant weaknesses and control failures together with details of corrective actions being undertaken at appropriate levels of the management.

# REPORT OF THE RISK MANAGEMENT COMMITTEE

To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee is formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication technology risks, management risks, interest rate risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision are being maintained against the risks identified.

## Feature and Composition

The Risk Management Committee was reconstituted by the Board of Directors in its 636<sup>th</sup> meeting held on September 02, 2021 in accordance with the BRPD circular no. 11, dated October 27, 2013 issued by Bangladesh Bank. The composition of the Risk Management Committee in 2021 is given below:

Sl. No.	Name	Status with the Bank	Status with the Committee
1	Mr. Azim Uddin Ahmed	Director	Chairman
2	Mrs. Duluma Ahmed	Vice Chairperson	Member
3	Mrs. Rehana Rahman	Director	Member
4	Mr. Md. Akikur Rahman	Director	Member
5	Mr. Syed Sajedul Karim	Independent Director	Member

## Structure of the Risk Management Committee

- Members of the Risk Management Committee were nominated by the Board of Directors from themselves;
- Members have been appointed for 01 (one) year term of office;
- Presence of 3 (three) members in a meeting of the Committee shall form quorum;
- The Company Secretary of the Bank shall act as the Secretary to the Risk Management Committee of the Board.

## Functions of the Risk Management Committee

- Ensuring compliance of Bangladesh Bank instructions regarding implementation of core risk management.
- Ensuring construction of adequate organizational structure for managing risks within the Bank.
- Ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and approval.
- Holding at least four meetings in a year and more if deemed necessary.
- Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting

minutes and ensuring follow up of the decisions for proper implementation.

- Submitting proposal, suggestions & summary of BRMC meetings to the Board of Directors at least on quarterly basis.
- Analyzing all existing and probable risk issues in the meeting and taking appropriate decisions for risk mitigation.
- Complying with instructions issued from time to time by the regulatory body.
- Formulating and reviewing risk management policies and strategies for sound risk management.
- Monitoring implementation of risk management policies and process to ensure effective prevention and control measures.
- Assessing overall effectiveness of risk management functions on yearly basis.
- Supervising the activities of Executive Risk Management Committee (ERMC).
- Approving adequate record keeping and reporting system and ensuring its proper use.
- Ensuring sufficient and efficient staff resources for RMD.
- Establishing standards of ethics and integrity for staff and enforcing these standards.

### Deliberation of the Risk Management Committee in 2021

During the year 2021, the main issues the committee discussed and the decisions it took for improvement of risk management scenario in the Bank are enumerated below:

1. Reviewed the report on Capital to Risk-Weighted Asset Ratio (CRAR) and Capital mix of the Bank
2. Reviewed the Bank's Stress Testing report
3. Reviewed interbank transaction limit for foreign exchange and money market transactions to comply with Bangladesh Bank's requirements
4. Analyzed SEBL CRAR and capital adequacy ratios in comparison with peer Banks based on the position of December 31, 2020
5. Reviewed credit rating of borrowers and its significance
6. Reviewed the following policies and guidelines of the Bank:
  - a. Credit Risk Management guidelines
  - b. ICT Security Policy Version 5.3
  - c. Manual for Prevention of Money Laundering and Terrorist Financing with Risk Management Guidelines

- d. Manual on Internal Control and Compliance
- e. Foreign Exchange Risk Management Manual
- f. Asset Liability Management (ALM) Manual
- g. Policy Guideline on Supervisory Review Process and ICAAP Methodology
- h. Risk Management guidelines

### Reporting to the Board

The decisions and recommendations of the Risk Management Committee were submitted before the Board of Directors and the Board closely reviewed and ratified them.

### Submitting Minutes of Risk Management Committee to Bangladesh Bank

The minutes of meetings of the Risk Management Committee were submitted to Bangladesh Bank for their information.



**Azim Uddin Ahmed**

Chairman

Risk Management Committee of the Board

# EVALUATION OF THE QUARTERLY FINANCIALS BY THE AUDIT COMMITTEE & BY THE BOARD

BDT in Million

Particulars	2021	2020	2021	2020	2021	2020	2021	2020
	1 Jan'21 to 31 Dec'21	1 Jan'20 to 31 Dec'20	1 Jan'21 to 30 Sep'21	1 Jan'21 to 30 Sep'20	1 Jan'21 to 30 June'21	1 Jan'21 to 30 June'20	1 Jan'21 to 31 Mar'21	1 Jan'21 to 31 Mar'20
	4th Qtr.	4th Qtr.	3rd Qtr.	3rd Qtr.	2nd Qtr.	2nd Qtr.	1st Qtr.	1st Qtr.
<b>Balance Sheet</b>								
Cash	16,419	21,431	21,004	19,831	20,468	20,217	16,704	21,240
Balance with other banks and financial institutions	4,393	4,659	4,316	6,289	5,236	8,237	6,385	11,959
Money at call and on short notice	8,530	2,209	6,447	2,408	3,784	1,476	3,218	1,161
Investments	113,453	97,074	112,032	97,878	106,271	78,294	100,153	74,346
Loans and advances	336,329	322,251	331,434	320,187	331,971	315,705	325,401	302,975
Fixed assets including premises, furniture and fixtures	10,130	9,715	9,876	9,526	9,944	9,498	9,673	9,429
Other assets	6,588	7,954	7,027	7,620	6,092	7,466	8,014	4,597
<b>Total assets</b>	<b>495,842</b>	<b>465,293</b>	<b>492,136</b>	<b>463,738</b>	<b>483,766</b>	<b>440,892</b>	<b>469,549</b>	<b>425,706</b>
Borrowings from other banks, financial institutions and agents	26,936	18,898	29,133	14,633	23,932	15,675	23,228	17,220
Subordinated bond	11,000	13,600	12,600	10,200	13,600	10,200	13,600	10,200
Deposits and other accounts	376,701	359,536	369,636	363,367	367,871	341,107	356,227	326,256
Other liabilities	51,207	43,546	48,232	41,722	45,095	41,484	45,277	40,375
<b>Total liabilities</b>	<b>465,498</b>	<b>435,305</b>	<b>459,602</b>	<b>429,923</b>	<b>450,498</b>	<b>408,466</b>	<b>438,332</b>	<b>394,051</b>
Total shareholders' equity	29,987	29,704	32,524	33,805	33,258	32,416	31,206	31,644
Non-controlling interest	10	10	10	10	10	10	10	10
<b>Total liabilities and shareholders' equity</b>	<b>495,842</b>	<b>465,293</b>	<b>492,136</b>	<b>463,738</b>	<b>483,766</b>	<b>440,892</b>	<b>469,549</b>	<b>425,706</b>
Off- Balance Sheet Items	191,757	138,737	195,920	144,039	168,297	119,666	163,111	155,270
<b>Profit And Loss Account</b>								
Net interest income/net profit on investments	2,922	2,481	1,961	1,658	1,919	1,302	849	1,107
Total non-interest income	11,751	11,289	8,271	7,501	5,520	4,689	2,666	2,440
<b>Total operating income (A)</b>	<b>14,673</b>	<b>13,771</b>	<b>10,232</b>	<b>9,159</b>	<b>7,439</b>	<b>5,991</b>	<b>3,516</b>	<b>3,547</b>
Total operating expenses (B)	6,002	5,506	4,152	3,928	2,631	2,505	1,241	1,275
<b>Profit before provision (C=A-B)</b>	<b>8,542</b>	<b>8,265</b>	<b>6,079</b>	<b>5,231</b>	<b>4,809</b>	<b>3,486</b>	<b>2,274</b>	<b>2,272</b>
Provision for loans and advances/investments and others	5,413	5,109	1,379	1,286	782	740	332	721
Provision for taxation	1,474	1,007	983	1,176	988	850	497	410
<b>Net profit after taxation</b>	<b>1,784</b>	<b>2,149</b>	<b>3,717</b>	<b>2,769</b>	<b>3,038</b>	<b>1,896</b>	<b>1,445</b>	<b>1,141</b>
<b>Earnings Per Share (EPS)</b>	<b>1.50</b>	<b>1.81</b>	<b>3.13</b>	<b>2.39</b>	<b>2.56</b>	<b>2.82</b>	<b>1.22</b>	<b>0.98</b>

As per the regulatory requirement of Bangladesh Securities and Exchange Commission (BSEC), the Bank has prepared and presented Quarter Ended Financial Statements. These statements are prepared in accordance with International Accounting Standards (IAS). The statements are sent to Audit committee for review. After reviewing by the Audit Committee and approval by the Board, the statements are finally submitted to Bangladesh Securities and Exchange Commission (BSEC). Afterwards, the Quarter Ended Financial Statements are published in several daily newspapers. The statement is also published in the website of the bank.



# REPORT OF THE BANK'S SHARIAH SUPERVISORY COMMITTEE

## Bismillahir Rahmanir Rahim

Assalamu Alaikum Warahmatullahi Wabarakatahu

All praise is for Allah (SWT)-in Whom all excellences are combined and Who is free from all defects, the Compassionate- One Whose blessings are extensive and unlimited and The Merciful – One Whose blessings are inherent and eternal. Allah, alone without partner and associate.

Our Prophet Muhammad (SWS) is His true worshipper and Messenger. Peace be upon Him, his family and his companions.

The shareholders, depositors, patrons and customers of Southeast Bank Limited.

In carrying out the roles and responsibilities of the Shariah Supervisory Committee of the Bank as prescribed in the Shariah Governance Framework (contained in the Guidelines of Bangladesh Bank), we do hereby report the following facts and circumstances concerning the Bank's Islamic banking services in the financial year ended December 31, 2021:

- During the year 2021, 04 (four) formal virtual meetings of the Committee were held.
- The Shariah Supervisory Committee took into cognizance the approval letter of Bangladesh Bank regarding the permission of providing shariah based Islamic Banking services besides conventional banking at all business centers of Southeast Bank Limited.
- The Committee expressed their satisfaction and recommended to set up a separate Islamic Banking Window in the name of "Tijarah Window" in all of our business centers and to organize training on "Islamic Banking Products and services" for the officials who will be assigned for Islamic Banking Branches and Windows.
- The Sukuk manual which was approved by the Committee was circulated to the related Branches. The Committee instructed that respective Branch Manager should bring the contents of the manual to

the notice of all officials of Branch for proper implementation.

- The Committee approved a recovery and business strategic plan for the year 2022-2023 of Islamic Banking Division of the Bank to march ahead in coming future for achieving the targeted goals.
- The Committee assessed the proposal for issuance of newly designed Islamic Investment Card naming "Tijarah Card" under 'Ujrah Concept' and acknowledged that it would be a good move for the Business under the purview of Islamic Shariah. Card division of Southeast Bank Limited proposed the Islamic Investment Card under 'Ujrah Concept'.
- The Committee also advised the Management to arrange a meeting with selective Head of Branches of Dhaka region in presence of Bank's Managing Director to promote different Islamic Banking products through Islamic Banking Service Desk (IBSD) of respective branches.
- The Committee instructed the Management to circulate the newly prepared attractive brochure and leaflet with branding of "Southeast Tijarah" describing various Islamic Banking savings schemes among Branches for onward distribution to the potential clients of respective Branches.
- The Committee advised the Management that the diversified variety of Deposit and Investment products of Islamic Banking Business of Southeast Bank Limited needs proper publicity. In this regard, different advertisement should be telecast through popular Television Channels throughout the year specially during the month of Ramadan.
- The Committee observed that the collection of deposit for the year 2021 was close to the budgeted amount. The number of deposit customers should be increased from the existing level through exerting collective efforts by the Branch officials.
- No-cost and Low-cost Deposit segment of 05 Islamic Banking Branches need to be improved. Number of deposit accounts in the form of Current Accounts, Savings Accounts and Special Noticed Deposit Accounts should be increased. The CASA ratio should also have needed to be maintained in order to minimize the cost of fund.

- The Committee advised the Management to visit Islamic Banking Branches on regular basis to boost up the branch performance and give proper guidelines to enhance the business of the branches through procuring quality clients. The Committee also recommended to deal with the clients of Garments and Travel Agencies with adequate collateral security coverage.
- The Committee opined that there is immense opportunity for the Islamic Banking in the current market situation of the Country. As such, the Committee advised the management to give more priority for doing Islamic Banking business through our concerned Branches and Agent Banking Outlets.

### Shariah Inspection reports of Islamic banking operations of the Bank for the year 2021:

#### We further report that:

- Muraqibs have been engaged by the Bank for Shariah inspection of the Bank's five Islamic banking branches. The Muraqib have been performing their duties satisfactorily.
- All Islamic banking branches were inspected by the Muraqibs in 2021. As per inspection reports, the Compliance of Shariah Principles has satisfactorily improved during the year 2021.
- No deviation of any Shariah law was reported to the Shariah supervisory Committee.
- Confirmed by the Management of the Bank that the accounts of Islamic banking operations of Southeast Bank Limited have been kept separate from conventional banking.
- The procedure of buying and selling of goods has been maintained properly and engagement of buying agents at branch level has been strengthened.
- The Shariah Supervisory Committee advised to innovate new products of deposit and investment to attract the customers for steady growth of businesses and for maximizing the profitability for the Islamic banking branches.

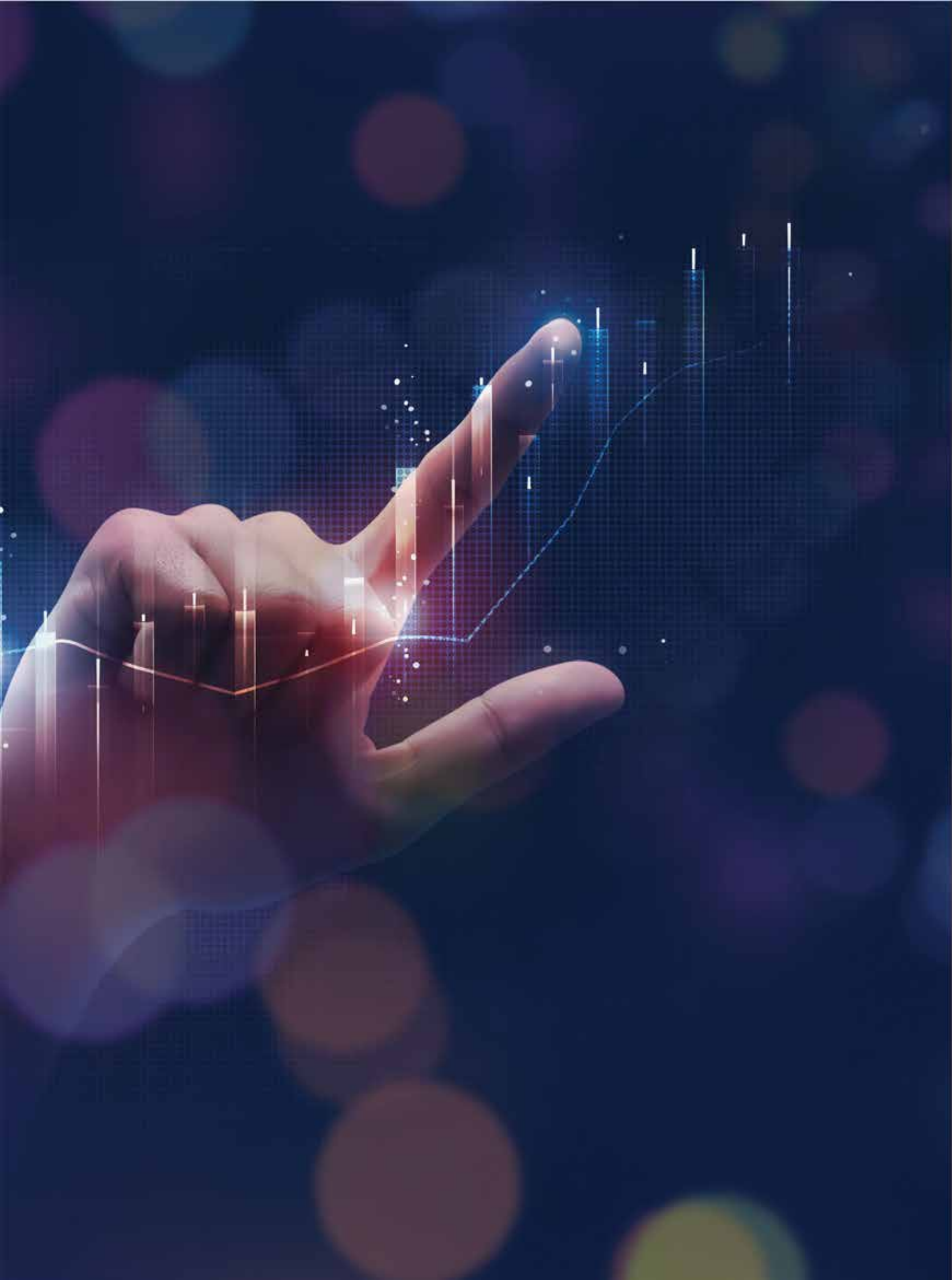
May Allah (SWT) give us tawfique to achieve his satisfaction and accept our good deeds by doing Islamic banking through implementation of Shariah principles in our day to day business activities, Ameen.



**Professor Moulana Mohammad Salah-Uddin**

Chairman

Shariah Supervisory Committee



## ► PERFORMANCE



**MANAGEMENT REVIEW,  
RESPONSIBILITY AND EVALUATION**





## MANGEMENT REVIEW, RESPONSIBILITY AND EVALUATION

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# CORPORATE BANKING

Southeast Bank always remains vibrant to the changes of customers' needs and choices considering market demand, industry prospect and global economic scenario. Products and policies are redesigned and revised taking the time-befitting features into consideration to meet the diversified needs of the customers.



Corporate Banking is the custom-tailored financing and banking services designed for corporations. Southeast Bank recognizes that clients' needs vary from one to another and customized solutions are critical for the success of their businesses. Therefore, its product basket ranges from short term financing for running day to day business operations to long term loans for expansion of business along with other numerous facilities to support clients' various business activities. Some of these products are common in nature compared to the market but what makes these products unique is the extra-ordinary service provided to the customers by the dedicated team members of Southeast Bank Ltd.

## Southeast Bank finances its corporate clients generally in the following ways –

- Export Finance
- Trade Finance
- Project Finance
- Working Capital Finance
- Work Order Finance
- Real Estate Finance
- Syndicated Finance

Maximization of profitability through promotion of lending products and appropriate loan pricing is the primary focus of the Bank's Corporate Banking activities. Diversification of credit portfolio in promising and productive sectors is also one of the prime objectives. The strategy of Corporate Banking is to maintain a

prudent mix of various client segments and products, economic sectors, geographical locations, currency and maturity commensurate with economic and business trend, life cycle of the products, demand-supply gap, social obligation etc.

Considering the cyclical aspects, economic condition, seasonal fluctuation, regulatory requirements, related risk factors as well as growth appetite in each sector, Corporate financing activities follow a prudent sector wise budgetary allocation as per annual credit plan duly approved by the Board of Directors of the Bank.

Based on the policy guidelines given by the Board of Directors and catering to the ongoing requirements of the entrepreneurs and the economy, the Management of the Bank periodically updates the policies and strategies in line with policy-parameters of the Central Bank with due approval of the Board of Directors.

## Export Finance

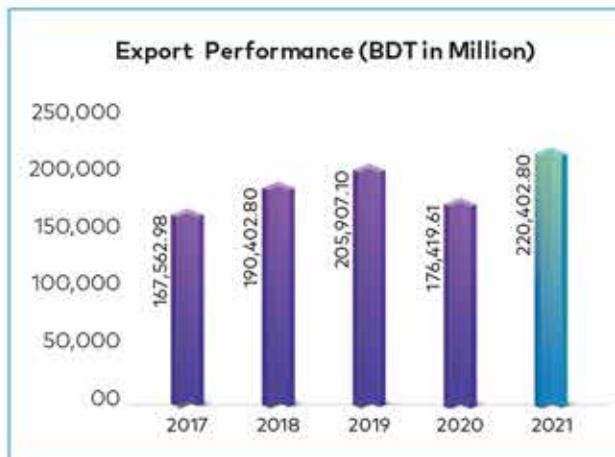
The export sector in Bangladesh has grown up significantly making a major contribution to the national economy and is playing an important role in employment generation and foreign currency earnings. In the fiscal year 2020-21, Bangladesh exported goods worth USD 38.76 billion where the contribution of RMG sector is 81.54 percent (Source: Export Promotion Bureau of Bangladesh). Southeast Bank has been financing in the export sector on priority basis and at present, a sizeable portion of Bank's total loan



portfolio belongs to around 200 export clients. During the year 2021, the Bank has handled export business to the tune of USD 2,592.97 million.

Export client base includes entrepreneurs in RMG - both Woven & Knit, Sweater, Textiles, Home Textiles, Spinning, RMG accessories, Jute and Jute goods and Leather goods. Southeast Bank extends both project finance and working capital finance to its export clients.

The Bank's efficient export financing team not only conducts detailed and proper analysis of the clients' requirements but also ensures meticulous compliance with Bank's RMG /Export financing guidelines, Export and Import policies, Foreign Exchange regulations, Circulars of Bangladesh Bank and other prevailing rules and regulations of the regulatory bodies. Periodic visits are made to clients' factories as a part of regular monitoring.



## Trade Finance

A significant portion of the Bank's credit portfolio is distributed in the trading sector. The portfolio is diversified in consumer item trading, commodity related to construction and supply business, trading of different permissible goods and post import financing.

The credit facilities are sanctioned complying with Bank's credit policy and rules and regulations of Bangladesh Bank and other regulatory authorities. During this process, the officials meet the clients and visit their business premises for better understanding of their needs and for appropriate evaluations of their proposals. This process of appraisal is done for all types of credit facilities including Term Loan, Overdraft, Time Loan, Letter of Credit, Loan against Trust Receipt, different types of Bank Guarantees such as Bid Bond, Performance Guarantee, Advance Payment Guarantee, Security Bond, Customs Guarantee etc.

In the year 2021, a good number of corporate clients have availed Trade Finance and General Credit products from the Bank. During this period, the Bank extended facilities in the form of working capital credit as well as Term Loan to both existing and new clients.

## Project Finance

Southeast Bank has been engaged in financing a large number of projects all over the country since its inception. The Bank continued project financing in support of entrepreneurship, innovative schemes and





ventures profitable in terms of commercial, economic and environmental outlook. It includes understanding the rationale of the project, assessing the project viability, preparing the financial plan, assessing the risks, designing the financing structures, etc. Besides, it follows up the projects to ensure compliance and provides advisory service for successful outcome.

Project Finance is generally provided in the form of Term Loan to facilitate the client for procurement of fixed assets, such as capital machinery, auxiliary machinery & equipment, shed / building etc. Project Finance is usually followed by Working Capital Finance to meet day to day operational expenses of the project so that the project can run profitably to repay the Bank's dues.

The Bank has financed setting up of various industrial units in the areas of Spinning, Textile, Garments, Pharmaceutical, Ceramic, Cement, Paper, Telecommunication, Steel etc. The Bank has also extended project finance to several service industries, such as hotel, resort, hospital, educational institution, transport, filling station etc. The Bank has also financed a good number of real estate projects as well.

### Work Order Finance

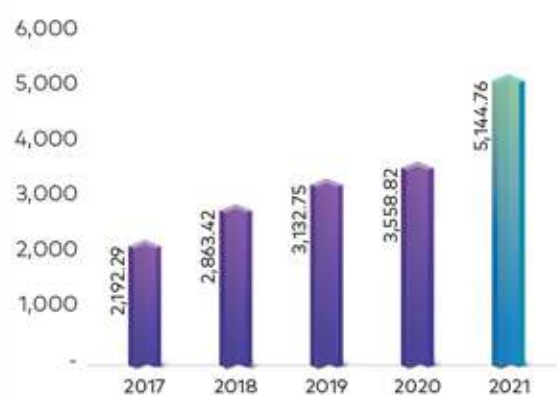
Southeast Bank provides financial support both funded & non-funded to the contractors to execute work orders issued by various departments/ divisions of Government as well as different private organizations acceptable to the Bank. The Bank participated in several mega projects of the Government by financing the relevant contractors. In 2021, the Bank continued to facilitating reputed contractors having sound track record for accomplishment of project of LGED, RHD, Railway, City Corporation and other organizations. The Bank's work order financing products also cater to the need of contractors engaged in execution of supply orders.

### Syndicated Finance

The main objective of the Syndicated Finance and Club finance is to spread and share the credit risk among and with all the participating Banks for specific investment. Southeast Bank is acting as one of the Lead Arrangers as well as participants in the Banking industry of the country for development/ operation of different projects under Syndication/ Club Financing Arrangement. Some of the sectors financed by the Bank through syndication are textile, cement, steel, ceramic, refined sugar & oil, paper & pulp, aviation, hospital, education, telecom etc.

As a Lead Bank, Southeast Bank arranged a good number of syndication deal with total facility of around BDT 3,500.00 million. On the other hand, Bank's participation in different Syndicated/Club Finance arrangement was around BDT 163,000.00 million till 2021.

**Outstanding loan under Syndication at the end of the year (BDT in millions)**



### Performance in 2021

#### Funded Business

In 2021, the Banking Industry of Bangladesh experienced an average credit growth as it is yet to fully recover the devastating effect of the novel corona virus pandemic and it was a challenging year for Southeast Bank as well. The Bank has always focused on the 'quality' aspect of credit with cautious augmentation of its credit portfolio. During the year 2021, the Bank exerted continuous and all-out effort to attract more 'quality' customers to maintain the ongoing growth of loans & advances and strengthen further its credit portfolio.

In 2021 the Bank successfully accelerated growth of its funded business. The accumulated loans and advances of the Bank stood at BDT 336,230.81 million as on 31.12.2021 compared to previous year's position at BDT 322,251.46 million registering a growth of 4.95 percent over the previous year. The Bank was able to maintain a prudent Loan Deposit Ratio throughout the year and it stood at 78.70 percent at the year end.

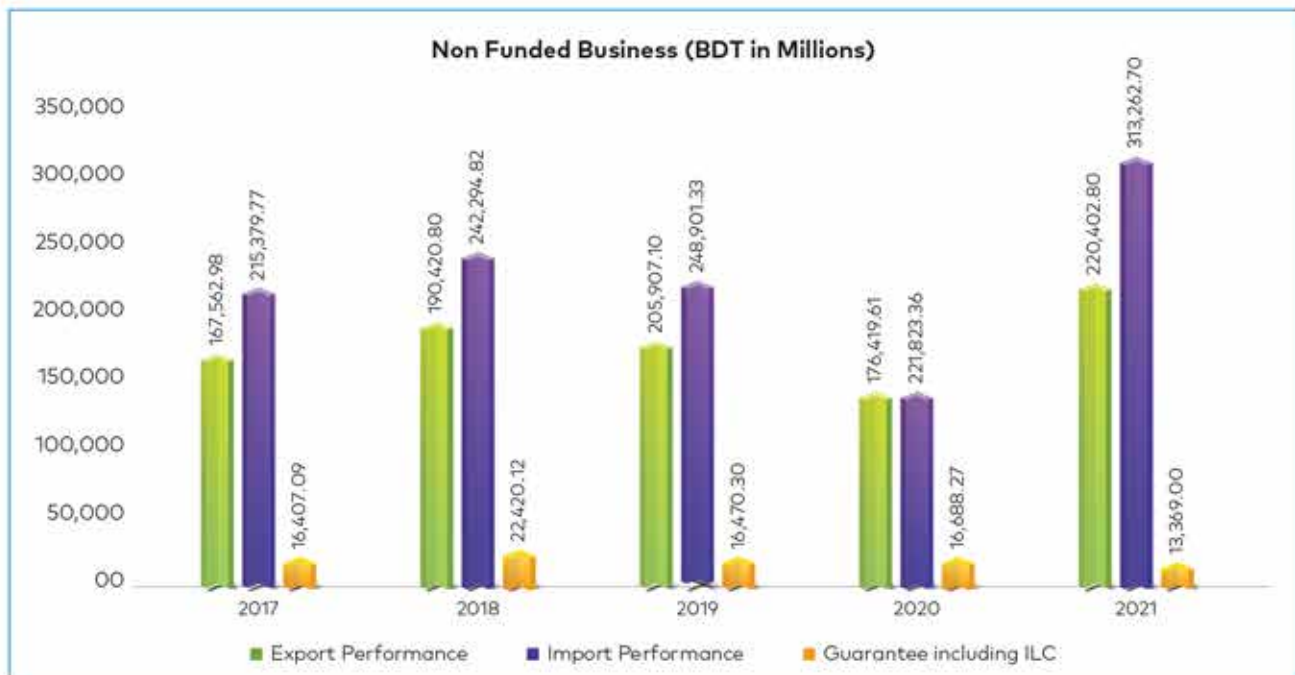
Graphical presentation of year-wise trend of loans and the distribution of loans in respect of different sectors, divisions, areas have been shown under "Sustainability Appraisal and Integrated Reporting".

## Non-funded Business

The Bank registered a positive growth of 41.22 percent in import business in 2021 as compared to that of previous year. The volume of import business payments (FOB) in 2021 was BDT 313,262.70 million while the same in 2020 was BDT 221,823.36 million. The main import commodities were capital machinery, raw cotton, scrap vessels, cement clinkers, wheat, edible oil, petroleum products, yarn, fabrics, garment accessories and other consumer items.

The export business of the Bank increased by 24.93 percent in 2021. In the year 2021 the volume of the Bank's export business was BDT 220,402.80 million which was BDT 176,419.61 million in the previous year. The main export commodities were readymade garments, knitwear, frozen food, shrimp, handicrafts, jute & jute goods etc.

The Bank registered a negative growth of 19.89 percent in Bank Guarantee business in 2021 compared to that of previous year. The volume of Bank guarantee business was BDT 13,369.00 million in 2021 while it was BDT 16,688.27 million in 2020.





# CMSME, AGRI-CREDIT AND FINANCIAL INCLUSION

## CMSME Financing

Cottage, Micro, Small and Medium Enterprises (CMSMEs) have been playing an essential role in promoting economic development as well as employment generation. Presently, the Bank is serving the CMSME clients through 135 branches with a view to developing the CMSME entrepreneurs which eventually ensures inclusive & sustainable economic growth of the country.

To overcome the adverse situation of COVID-19 pandemic experienced by the CMSME entrepreneurs, the Bank has been implementing various stimulus packages of Bangladesh Bank. The Bank signed agreement with Credit Guarantee Scheme (CGS) Unit of Bangladesh Bank to facilitate the clients with no / insufficient collaterals to avail credit facilities under the scheme. The Bank also signed agreement with SME Foundation to facilitate the entrepreneur who has not availed credit facility under the stimulus package of SMESPD – 01. The Bank disbursed BDT 54,336.80 million under the stimulus package of SMESPD – 01. Outstanding of CMSME portfolio of the Bank stood at BDT 86,630.20 million as on 31/12/2021 in comparison with BDT 98,467.21 million.

## CMSME Loan Disbursement:



Southeast Bank has been implementing cluster financing in Hosiery industry located in Pabna in collaboration with SME Foundation. Each eligible micro and small entrepreneur has been availing credit facility of BDT 50.00 Thousand to BDT 1.00 Million under the SME Foundation's Credit Wholesaling Program. The Bank has been availing several refinancing schemes of Bangladesh Bank namely Women Refinance Scheme, SME Development Fund-ADB (SMEDP-2), JICA Assisted SME Refinance, Refinancing Scheme for Agro Based Industry.

## Social and Environmental Management and Sustainable Finance

### Green Banking

Banks play a critical role in a country's economy. They are able to influence business activities by imposing certain conditions on loans. Therefore, Southeast Bank Ltd. has been doing the green banking business by adopting two approaches. The first one focuses on the green transformation of internal operations of the Bank. The second one involves adopting sustainable and environmentally responsible financing.

It may be difficult for a Bank to convince a client to "go green" if the Bank itself does not practice what it preaches. Therefore, Southeast Bank Ltd. has already adopted different practices for making day-to-day business operations more environmentally sound. Some simple and common-sense practices including: turning off idle equipment, lighting, and air conditioners, choosing the stairs over the lift, using electronic communication, reducing total resource consumption (water, paper etc.).



**Being environment friendly and socially responsible, we -**

- Avoid financing certain activities that are restricted or excluded for Environmental & Social (E&S) and other reasons
- Extend lending activities that meet national E&S regulatory requirements and the applicable Environmental and Social Principles and Standards of Bangladesh Bank.

**Environmental and Social Risk Management System of the Bank**

The Bank has developed and implemented a robust Environmental & Social Management System (ESMS) as per guidelines of Bangladesh Bank and other stakeholders.

**Our Environmental & Social Management System (ESMS):**

- Confirms our commitment to E&S management,
- Explains the procedures for identifying, assessing and managing E&S risks,
- Describes the roles, responsibilities and capacity needs of staff in doing so,
- States the documentation and recordkeeping requirements,
- Reports E&S performance of the Bank and clients.

**Global Climate Partnership Fund (GCPF)**

In terms of utilizing climate fund focusing on Energy Efficiency and Renewable energy, 2019 was the most successful year for the Bank; as the Bank has properly utilized its entire USD 20.00 million fund provided by Global Climate Partnership Fund (GCPF).

The Global Climate Partnership Fund (GCPF) is an investment company under Luxembourg law. It was established by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and KfW Entwicklungsbank in 2009. GCPF has the backing of institutions including: German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), KfW Entwicklungsbank, Ministry of Foreign Affairs of Denmark (Danida), Department of Business, Energy & Industrial Strategy (BEIS), International Finance Corporation (IFC), Development Bank of Austria (OeEB), and Dutch Development Bank (FMO), as well as private investors.

The Investment Manager, 'responsAbility Investments AG', is responsible for running GCPF's business activities and for managing the Technical Assistance Facility. ResponsAbility Investments AG is one of the world's leading asset managers in the field of development investments.

**In 2015, Southeast Bank Ltd. signed an agreement with GCPF for USD 20.00 million for following types of projects:**

- Energy efficiency projects that reduce projected greenhouse gas (GHG) emissions by at least 20%
- Renewable energy generation projects

**Green Climate Fund (GCF)**

Southeast Bank Ltd. has already been recognized as one of the top environment friendly and socially responsible Banks in Bangladesh. Consequently, the Bank is going to avail concessional funding from Green Climate Fund (GCF) along with other two Banks and one Financial Institution for garments businesses in Bangladesh for adopting energy-efficient measures to curb Green House Gases.

The Green Climate Fund (GCF) is an International Fund that aims to support climate change mitigation and adaptation in developing countries. It was created by parties to United Nations Framework Convention on Climate Change (UNFCCC) and is currently headquartered in Songdo, South Korea.

The Garment sector is the highest consumer of energy among industries in the country. It uses almost one fifth more energy per unit of garment product produced than international average. This sector needs Energy Efficiency measures to maintain competitive advantage amidst rising energy prices and increased pressures from brands. One of the key barriers for adopting Energy Efficient measures is the availability of concessional financing to support high upfront costs of the Energy Efficient equipment and longer payback periods. In this backdrop, GCF will pave the way for adopting Energy Efficiency (EE) measures along with the benefits of adopting such measures with low cost.

To implement EE measures in the Garments industry, there would be pool of USD 250 million; USD 150 million coming from GCF loan and USD 100 million from co-financing sources, with a disbursement period of five years and the repayment period of maximum 20 years.

It may be mentioned here that to avail the fund from GCF, the Bank must prove its competence and commitment towards environment and society. As Southeast Bank Ltd. has been availing other local and international green funds meeting all local and international social and environmental standards, we would be able to avail this low cost GCF fund for implementing Energy Efficiency measures in the Garments industry.

## RETAIL BANKING

Retail banking has an enormous prospect in Bangladesh since per capita income is increasing for the past several years and people from different strata feel demand to fulfil most of the needs of life even with the means of bank borrowing. Besides, the usage of technology in every sphere of life is boosting the retail banking business. In addition, the real estate sector of the country seems to be turning around. Assuming that the increasing demand for real state sector will continue, enhanced sales in the sector is expected.

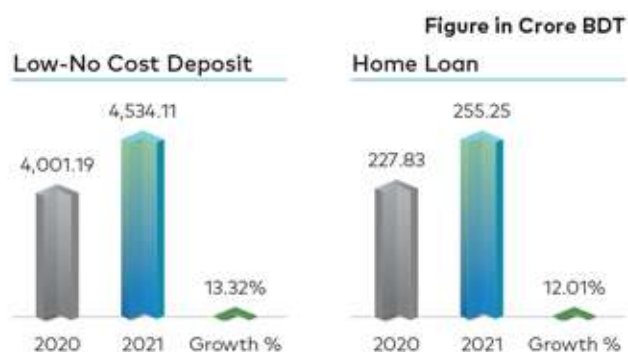
Considering the prospective growth future of the consumer product market as well as average increase of purchasing power of the consumer, this is the time to quickly look into the Retail Finance segment of the banking industry of the country. Around the world, there is renewed interest in retail banking; as it helps the bank to lower the cost of deposit and operations. It also reduces the risks stemming from dependency on large loans.

Retail Banking Division of the Bank, energized by new leadership, made progress in all fronts. Currently it is equipped to attain sustainable growth in retail business by offering competitive products & services. It offers diversified deposit products, Home Loan, Car Loan and other financial products and services to individuals for meeting their personal, family & household needs across the country, through our extensive branch network spanning urban and rural areas.

### Key Performance at the end of December 31, 2021:

Figure in Crore BDT			
Retail Deposit	15,463.07	Growth	3.58%
Retail No Cost and Low-Cost Deposit	4,534.11	Growth	13.32%
Retail Loan	327.03	Growth	3.33%
No. of Clients (Deposit + Loan)	884,217	Growth	5.60%

Despite the external adversity, in the year 2021, Retail Banking Division has made significant progress in deposit mobilization, loan disbursement and at the same time it has monitored strongly to keep loan classification at a lower percentage rate as the previous year.



With all-out effort of retail sales team as well as branch teams, retail deposit portfolio stood at BDT 15,463.07 Crore; at the end of 2020 the total retail deposit was BDT 14,928.05 Crore. Amid the ongoing pandemic to retain retail deposit the team was focused on Payroll Banking and got remarkable outcome with 40.94% growth on last year. Besides, the Retail Banking Division also achieved customer growth of 5.60% in 2021.

In 2021, Home Loan portfolio of the Bank also made a noteworthy growth of 12.01% and stood at BDT 255.25 Crore. Besides, the total retail loan portfolio also had a growth of 3.33%. Moreover, the classification rate of the portfolio was 0.99%, which is much lower in comparison to the market average.



In 2022, Retail Banking Division of Southeast Bank will focus on providing seamless services to the clients, mobilizing deposits through customer-centric campaigns and introducing market standard products, initiatives online loan application process and approval to offer one stop solution to the customers of the Bank.



## GLIMPSES OF SOME PROJECTS FINANCED





## BY SOUTHEAST BANK LIMITED





## ISLAMIC BANKING

**Southeast**  
**Tijarah**<sup>TM</sup>  
*Islamic Banking*

The concept of Islamic Banking and finance originates from the aspiration to remove Riba (Usury) from the Islamic Community as the Holy Quran and Sunnah prohibits Riba. The transformation of Islamic economic and financial systems started in the late 19th Century when protests against the payment of interest gained momentum. Islamic Scholars have been trying to design and implement Riba-free (Usury-free) banking since the early 1960s. An Islamic Economy is supposed to reflect the principles of the Islamic worldview and morality. Islamic jurists and scholars extract Shariah laws and the values of an Islamic economic system from the Quran and the performance of the Holy Prophet (SAW).

In recent years, significant interest in Islamic finance has emerged in the world's leading conventional financial centers and Western investors are increasingly considering investment in Islamic financial products. Islamic Banking industry of Bangladesh has been experiencing an impressive growth over the last few decades. In order to meet the growing public demand for Shariah based Islamic banking, Southeast Bank has been rendering this service since 2003 by anchoring it in its 5 (five) Islamic Banking branches throughout the country. The Bank is also offering diversified Islamic banking services through "Islamic Banking Service Desks" set up with required manpower in its remaining 130 conventional Banking Branches.

Southeast Bank conducts its Islamic banking services under the brand name "Southeast Tijarah" and complies with all the principles of Shariah and directives of the Bangladesh Bank. A group of shariah experts as well as Islamic Bankers having outstanding knowledge in the field of Quran, Hadith and Fiqh are the members of the existing Shariah Supervisory Committee. At present the Committee consists of the following members:

01	<b>Professor Moulana Mohammad Salah-Uddin</b> Khatieb, Baitul Mukaram National Mosque, Dhaka and Former Principal, Madrasha-e-Alia, Dhaka.	Chairman
02	<b>Mr. M. Kamaluddin Chowdhury</b> Former Managing Director of Islami Bank Bangladesh Limited and Shahjalal Islami Bank Limited.	Member
03	<b>Moulana Mohammad Kafiluddin Sarkar</b> Governor, Islamic Foundation and Khatieb, Aminbagh Jame Mosque.	Member
04	<b>Mr. Alamgir Kabir, FCA</b> Chairman, Southeast Bank Limited	Member
05	<b>Mr. M. A Kashem</b> Director, Southeast Bank Limited	Member
06	<b>Mr. Azim Uddin Ahmed</b> Director, Southeast Bank Limited	Member
07	<b>Mr. M. Kamal Hossain</b> Managing Director, Southeast Bank Limited	Member



The Bank designed all deposits and investment products and services of the Islamic Banking Branches under the guidance of the committee. The Committee meets quarterly and provides guidance to the management for appropriate governance of Islamic banking operations. Southeast Bank Limited is also an active member of the "Central Shariah Board for Islamic Banks of Bangladesh" and "Islamic Bank Consultative Forum".

In this year, Southeast Bank Limited obtained permission from The Banking Regulation and Policy Department (BRPD), Bangladesh Bank, Head office for providing on-line Shariah based Islamic Banking Services besides conventional Banking from all outlets of the Bank. All officials involved in Islamic banking services will remain committed under the guidance of the Shariah Supervisory Committee and Board of Directors of Southeast Bank Limited to reach zenith of success in Islamic banking in the coming year and beyond.

A Manual on Sukuk has been prepared and circulated among the Branches. Besides, a brief recovery and business strategic plan of Islamic Banking for the year 2022-2023 has been prepared and circulated to all officials of Branches for proper implementation.

Southeast Bank Limited has set up a full-fledged Division for Islamic banking with required manpower having adequate knowledge and experience in Islamic banking operations. The major functions and activities of the Islamic Banking Division are as follows;

- ✿ Framing of Islamic banking rules and regulations and implementation thereof to cater to the requirements of customers who prefer Islamic mode of operation of business.
- ✿ Formulating long, medium and short term strategies for development of Islamic banking and developing necessary work plans to implement the strategies.
- ✿ Developing and promoting Islamic banking products and services.
- ✿ Providing required support to the Shariah Supervisory Committee and ensuring implementation of their guidance and instructions.
- ✿ Augmenting the growth of Islamic banking through setting feasible business targets for branches and Islamic banking service desks and monitoring their performance.
- ✿ Providing investment facilities to the potential customers observing all the rules of Islamic Shariah.
- ✿ Maintaining regular contact with related outside agencies / organizations for mutual cooperation targeting further development of Islamic banking.
- ✿ Organising training for all officials to develop their skill sets.
- ✿ Arranging Shariah audit of all Islamic banking branches by the Muraquibs.

For Southeast Bank Limited, the year 2021 was another commendable year in terms of progress of Islamic banking business. Total deposit amounted to BDT 23,688.73 million in 2021 which was 4.3% higher than that of the previous year. On the other hand, total investment recorded BDT 19,289.82 million compared to BDT 18,408.80 million in the year 2020. The operating profit increased by 26.84% to reach BDT 669.01 million during the year 2021.

# INTERNATIONAL BUSINESS OPERATIONS

Like the year 2020, Bangladesh economy experienced lots of challenges of the second wave of Covid-19 pandemic in 2021. While the country's economy started to rebound from the pandemic related disruptions, it again got hit hard by the second wave. Thanks to the Vaccination program of the Government that helped to build confidence in the people of all walks of life to restart economic activities as before.

Despite all challenges, the Bank has performed quite well in terms of import and export business and been able to achieve significant growth. International Division has provided enormous support to the trade clients by arranging regular financing, refinancing, time extension in line with the circulars / directives issued by Bangladesh Bank.

Southeast Bank maintains a strong correspondent banking network consisting of 651 correspondent relationships with 295 Banks over the globe. The Bank also maintains 38 nostro accounts in major foreign currencies including 11 Asian Clearing Union (ACU) dollar accounts. Foreign trade and FX transactions related supports are provided to its valued clients through 21

Authorised Dealer (AD) branches, 1 Central Trade Services Department (CTSD) and 2 Offshore Banking Units (OBUs). The Bank is also equipped with a wide range of confirmation lines of over USD 1.10 billion along with funded credit lines with more than 70 reputed Banks worldwide. The Bank is partnered with ADB under Trade and Supply Chain Finance Program (TSCFP) and International Finance Corporation (IFC) under Global Trade Finance Program (GTFP) for issuing guarantees and availing funded credit facilities. The Bank also enjoys funded credit facility from Global Climate Partnership Fund (GCPF). The Bank always remains vigilant in establishing new Relationship Management Application (RMAs) and preventing Trade-based money laundering and Financing of Terrorism.





### SWIFT & RTGS Operations Unit

Southeast Bank is an active member and shareholder of the Society for Worldwide Inter Bank Financial Telecommunication (SWIFT) since 2000. The Bank exchanges financial messages securely and reliably through SWIFT. SWIFT is at the heart of correspondence banking of Southeast Bank to facilitate cross-border trade transactions, FX deals, inward/outward remittance, etc. All Authorized Dealer (AD) branches are connected to SWIFT Network to facilitate seamless delivery of SEBL's innovative Trade and FX products and services to their valued clients.

The Bank continually invests in technology, security, people, and processes to deliver the best services to its customers ensuring compliance with the SWIFT Customer Security Programme (CSP). Cyber-criminals are now focusing their attacks on the institution's core, gaining control of the back-office, and sending payment instructions over the SWIFT network fraudulently through disguising their fraudulent messaging activity by deleting logs and manipulating transaction records, system files, and database records at the same time.

In 2021, to enhance security, the Bank has taken the initiative to implement SWIFT's Payment Control Service (PCS) and Global Payment Innovation (GPI). Implementation of SWIFT GPI and PCS is very complex and tedious, and the projects are already underway. SWIFT PCS which is an important part of SWIFT's Customer Security Program (CSP), combines daily reporting with real-time monitoring, alerting, and blocking of sent payments. It assists financial institutions in detecting and preventing high-risk payments, as well as mitigating business disruption and financial losses in the event of a back-office breach. PCS allows the Bank to manage payment policy, provide business assurance to counterparts and mitigate regulatory and reputational risk. Moreover, SWIFT GPI is a new initiative from SWIFT that aims to improve both customers' and Banks' experiences when making payments through the SWIFT network. SWIFT GPI ensures that international payments are fast, traceable, and transparent, as required by the industry. GPI entails transparency of payments, i.e., Banks will be able to track their payments in real-time and have full visibility on processing fees, exchange rate costs, and processing times. In addition, through GPI, cross-border payments are fast and reliable, and this reduced settlement time leverages investment opportunities.

Another project taken up by SWIFT Operations is the implementation of Alliance Warehouse (AWH), which is SWIFT's complete message storage solution, designed specifically for long-term archiving and day-to-day investigations. Customers of the Bank may feel more relaxed than ever before, knowing that the banking channel is free from infiltration by any criminal or unscrupulous parties for money laundering and financing of terrorism.

### Central Trade Services Department (CTSD)

As part of centralization of foreign trade business of the Bank, Central Trade Services Department (CTSD) started its operation in 2017. Presently, it covers all the import, export related transactions of all non-AD Branches including the import business of Corporate Branch. In 2021, CTSD introduced a new Payment Module namely 'PI Module' at Central Payment Centre (CPC) for smooth, errorless & time saving transactions in MT 202 processing. It also established MT 103 Unit for facilitating nontrade related inward & outward remittance transactions. Despite numerous challenges posed by Covid-19 pandemic, CTSD has been able to initiate automation of the followings:

- Development of MIS for export business.
- Introduction of new Payment Module namely 'PI Module' at CPC for smooth, errorless & time saving transactions in MT 202 processing.
- System upload of acknowledged MT-202 in Trade-wave
- Incorporation of MT-103 Inward Remittance, Outward Remittance & Student File related transaction processing request options in Trade Wave Module.
- Auto e-mail notification to customers' end upon receiving of Inward Remittance (MT-103) at our system.

CTSD is very much optimistic about integration of SWIFT MT 700 & MT707 with Core Banking Software, extension of Trade Wave services to Client's doorsteps through web portal, automation of MT-103 (inward) intimation in X-Chequer Module in favour of respective AD Branches from SWIFT server, automation of Track generation in Trade Wave Module against each MT-103 (inward) Intimation, System generated Student File Register and so on in the early 2022.

## Performance of CTSD in 2021

BDT in Million

Product	Year-2021		Year-2020		Growth Over 2020 (in terms of Qty)
	Qty.	Amount	Qty.	Amount	%
<b>Import</b>					
LC Opening	3687	27,117.9	3311	19,572.4	12%
Import Bills Settled	3792	26,154.5	3403	17,336.3	12%
FTT Issued	419	306.4	316	130.5	33%
<b>Export</b>					
LC Advising	3652		3078		19%
Export Bill Forwarded	3951	4,637.5	3117	2,649.7	27%
Export Bill Realized	2786	3,576	3082	2,900.8	-10%
EXP Issuance	217	1,038.4	74	98	193%
<b>Corporate Branch</b>					
LC Opening	403	2,330	742	2,730.5	
Import Bills Settled	305	2,580	787	2,457.5	
Bank Guarantee					
BG Issued	-	-	2	47	
<b>CPC performance</b>					
No. of payment	26516		24360		9%
Rebate Income		149.4		135.5	11%
<b>Inward &amp; Outward Remittance</b>					
Inward Remittance received & processed on behalf of customers of Principal branch	472		678.8		
Inward Remittance received & processed on behalf of customers of all Non-AD branches in Dhaka Region	1424	1,061.3			
Outward Remittance executed & processed on behalf of customers of Principal branch	863	635			
Outward Remittance executed & processed on behalf of customers of all Non-AD branches in Dhaka Region	170	99.2			
<b>Income</b>	<b>44.00</b>		<b>34.40</b>		<b>28%</b>



# OFFSHORE BANKING OPERATIONS

Southeast Bank has been operating its Offshore Banking business through two Offshore Banking Units (OBUs) located at Dhaka Export Processing Zone (DEPZ) and Chattogram Export Processing Zone (CEPZ) since 2010. Offshore Banking has become one of the key strategic business units of the Bank. Thanks to the Offshore Banking for providing its unparalleled support to the Bank's clients through regular financing, refinancing, time extension against finance of import

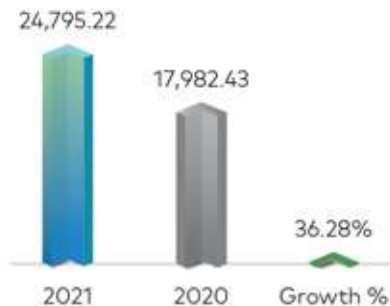
and export bills in this pandemic. OBU has performed quite well in terms of loans and advances, deposits, profit etc. Both DEPZ and CEPZ have been performing extraordinarily in supporting sizable import-export business. This year, OBU supported export to the tune of USD 130.73 million. As part of growth strategy, both the Units have been focusing on parking some new Type-A clients to make its deposit base as well as trade portfolio stronger.

## Business Performance of Offshore Banking Division

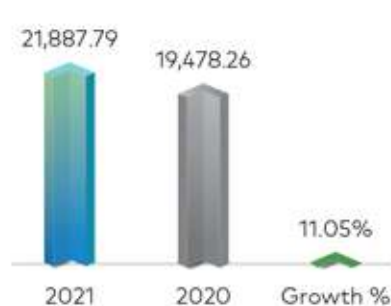
Amount in Million

Particulars	2021		2020		Growth in %
	USD	BDT	USD	BDT	
Total Deposits & Borrowings	288.99	24,795.22	212.05	17,982.43	36.28%
Total Loans & Advances	255.10	21,887.79	229.70	19,478.26	11.05%
Total Operating Profit	5.32	452.62	5.21	441.97	2.11%

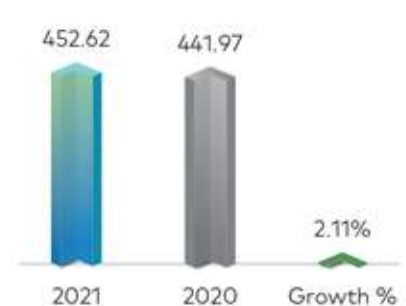
### Total Deposits & Borrowings



### Total Loans & Advances



### Total Operating Profit



## Offshore Banking Products and Services

Offshore Banking Division of the Bank offers following products and services to valued clients:

- Foreign Currency Deposit Accounts of Non-residents
- Export-Import services to A-category industrial units of Export Processing Zones (EPZ) and Economic Zones (EZ)
- Financing Usance Payable at Sight (UPAS) Documentary Credit
- Purchase of Export Bills (IDBP/FDBP) in Foreign Currency
- Foreign Currency Term Loan to eligible Resident Industrial Units

# TREASURY MANAGEMENT

**With the invasion of second phase of Covid-19 in the year 2021 it was really very challenging for Treasury Division to properly address the balance sheet risk management of the Bank. In order to efficiently manage the balance sheet risk, interest rate risk management was given the highest priority along with optimum liquidity management.**



SEBL Treasury having encumbered with all these challenges, played a pivotal role to ensure significant earnings for the Bank while maximizing capital efficiency and improving risk-return ratios for the year 2021 and also remained alert and vigilant for the unforeseeable future.

SEBL Treasury has the following designated desks to ensure optimum treasury solutions both for the Bank and also for the customers:

- Money Market Desk
- Fixed Income Desk
- Asset Liability Management Desk
- Foreign Exchange Desk
- Corporate Service Desk

## Money Market Desk

Money market activity refers to raising and deployment of short-term funds with maturity not exceeding one year. Apart from maintaining Cash Reserve Ratio (CRR), Money Market Desk ensures optimum liquidity and proper fund management of the Bank. Depending on the overall liquidity and interest rate scenario of the market, this desk in co-ordination with Asset Liability Management (ALM) Desk sets the strategy of borrowing and lending from the inter-bank market.

During the year 2021 Repo and Reverse Repo-one of the important policy rates were re-fixed at 4.75% and 4%, which were 5.25% and 4.75% respectively in 2020. Regulatory limit for Loan Deposit Ratio (LDR) was re-fixed at 87% and 92% for Conventional and Islamic Banking respectively.

Due to reduction of CRR and Policy rates by Bangladesh Bank complied with slower credit growth in the pandemic induced economy, there was excess liquidity in market during first half of 2021. After declaration of Monetary policy for 2021-2022, in August 2021 Central Bank again introduced 7, 14, 30 Days Bangladesh Bank bills with a view to controlling this excess liquidity from

money market. At this phase inter-bank call & repo rate increased to 1.75%-4.5% range. This initiation of auction of Bangladesh Bank's Bill contributed to upward interest rate trend during the last quarter of 2021.

Money Market Desk adopted the strategy of taking the position of net borrowing by creating short term and medium term assets substantially. This low rate borrowing strategy contributed significantly to maximize profit of the Bank in the year 2021.

## Fixed Income Desk

In the beginning of the year 2021 sluggish credit growth prevailed in the market as a result there had been a huge demand for risk free investment in government securities. Therefore, there had been a decreasing trend for the rate of interest of fixed income securities up to July 2021. However, Bangladesh Bank vide BRPD Circular # 17, dated August 08, 2021 instructed all the scheduled commercial Banks to offer rate of interest for the individual depositors higher than inflation rate.

In light of the above circular an upward trend of rate of interest was observed in the market and since then rate of interest of fixed income securities had been on an increasing trend. Moreover, in order to mop up the excess liquidity from the market, Bangladesh Bank also started issuing Bangladesh Bank bill for 7 days, 14 days and 30 days from the month of August 2021. As a result, rate of interest of fixed income securities shot up significantly which had an adverse impact on our Held for Trading (HFT) portfolio of fixed income securities of all the Banks. With a view to tackle the situation Bangladesh Bank vide DOS Circular # 42 dated October 07, 2021 increased the maximum limit of holding approved securities in Held to Maturity (HTM) against respective Bank's statutory liquidity requirement (SLR) from 125% to 135%. Fixed Income Desk of Southeast Bank prudently managed the dynamics of risk and return and ensured a handsome return for the Bank.



### Asset Liability Management Desk

Asset Liability Management (ALM) is considered as a key to balance sheet risk management activity. Asset-Liability management risk arises because of mismatch in assets and liabilities in terms of maturity profiles. Two risks are directly associated with ALM-liquidity risk & interest rate risk. SEBL has proper policies and guidelines to identify and mitigate these risks. As per BB guideline, SEBL has a fully functional ALCO for prudent balance sheet risk management. The Committee consists of the Managing Director & CEO, as the Chairman of the Committee and strategically important divisional heads. In accordance with BB guidelines on ALM risk management, SEBL has developed an Asset Liability Risk Management Manual, which is approved by the Board of Directors of the Bank and is updated when necessary or at least once in a year. Moreover, to address and mitigate various risks involved in the business, ALM desk prepares ALCO paper as per the guidelines of BB every month and conducts at least one monthly ALCO meeting. In the meeting global economic outlook and balance sheet parameters of the Bank are discussed and decisions are taken accordingly. The main objectives and functions of Asset-Liability Management desk are the following:

- To keep track of maturity mismatch, growth and sustainability of assets and the liabilities.
- To identify, measure and mitigate liquidity and market risk of the Bank.
- To manage key balance sheet ratios in a manner so that profitability is maximized on the other hand, regulatory limits are not breached.
- To supervise and manage the overall activities of Money Market.
- To understand the market dynamics i.e. competition, potential target markets etc. for expansion of the business.
- To Provide inputs regarding market views and to suggest proper balance sheet movement (expand or shrink) to cope with the changing situation in the market or in the economy.
- To conduct & keep records of ALCO meetings, prepare monthly ALCO paper, monitor implementation status of the action taken in previous ALCO meetings etc.

Like 2020, 2021 was also a tough year for Bank's Asset liability management. From the beginning of the year we felt the continued heat of global pandemic COVID-19, which required a different Asset Liability Management (ALM) approach. As a part of ALM mechanism, we took time befitting decisions to manage and mitigate liquidity risk and interest rate risk. We remained very alert in procuring deposits especially corporate deposits as rate of interest was reviewed and revised frequently compared to that of our peer Banks. Moreover, we released considerable amount of our costly corporate deposits, which ultimately reduced our cost of deposits. As a result, our net interest spread increased. At the same time decreasing trend of lending rate also prevailed throughout the year 2021.

### Foreign Exchange Desk

Southeast Bank's Foreign Exchange Desk is one of the most vibrant and dynamic desks with diversified range of products offering like spot, forward, swap and term placement in world's major currencies in the interbank market. The FX Desk of Southeast Bank is the fund manager of foreign currency assets and liabilities of the Bank. Throughout the year the desk efficiently maintained the Net Open Position (NOP) in a manner that ensured maximum liquidity, minimum risk and capital requirement along with registering optimum exchange gain for the Bank.

Country's external sector performance is worsening as trade deficit of the country is more than double in the first five months of the current fiscal year. Trade deficit increased to USD 15.62 billion from USD 7.48 billion or 208.82% due to high import-payment pressure during the July-Dec period of the FY 2021-22. Export earnings exceeded in December to USD 4.9 billion grew by 48.27% YoY as the country's economic recovery continued to gather pace after a pandemic-induced stumble. The government has increased the rate of incentives for remittance senders to 2.5% from 2.0% to tackle the recent plunge in remittance inflow. The Central Bank injected USD 2.36 billion in the year 2021. BDT depreciated of about 1.42% in 2021 as USD is being traded in the inter-bank at BDT 86.00 up from BDT 84.80. There is a possibility that the Central Bank would further depreciate the BDT against the USD gradually in coming days.

Southeast Bank is one of the leading Banks in Bangladesh in the field of export-import business and a trusted name to the expatriate Bangladeshis to dock their hard-earned money. The desk is also engaged into proprietary trading activities in the forex trading platform and proved itself as one of the best of its kind in the country. The desk booked a substantial amount of trading gain of around USD 300,000.00 in the speculative trading using trading platform.

### Corporate Service Desk

The corporate service desk of the Treasury Division of Southeast Bank provides specialized services to its corporate clients through its diversified products tailored to the customers' needs. The main responsibility of this desk is to ensure maximum utilization of the fund of the corporate customers. Basically, different renowned life insurance companies are our corporate customers and they are maintaining a sizable amount of government securities portfolio with our Bank. Corporate Service Desk of our treasury division gives its customers time befitting advices so that they can maximize their return by exploring new investment opportunities.



## FOREIGN REMITTANCE

Despite the deadly hit of Coronavirus in every country of the world, Bangladesh received a record \$22 billion remittance in 2021. This is 1.5% growth than previous year. However, Southeast Bank's remittance growth stood at 16% than previous year.

In the modern age, remittance has been considered as a significant driving force for the economic improvement of developing countries. It supports a nation prominently to increase its national income as well as to alleviate poverty. After the RMG sector, foreign remittances stood at second position among the foreign currency earning sources for the country and it significantly contributes in national economy by increasing foreign exchange reserves, strengthening the current account balances, improving Balance of Payments (BOP), stabilizing exchange rate, providing better living standards and increasing the production activities.

Since inception, Southeast Bank Ltd has been playing a vital role by establishing exchange houses and establishing remittance arrangement for the Migrant Workers. It helps the 'Unseen' migrant heroes in distributing their hard-earned remittance to their family members and kith and kin by providing smooth and fast remittance services using the modern state-of-art technology, wider distribution channels and engaging skilled remittance officers both at Head Office and Branch level.

**Wage-Earner's Remittance inflow during the year 2021 (USD Million)**





After a year and half, since the last onset of Covid-19 pandemic, Southeast Bank has preformed quite well in procuring inward foreign remittances in the year 2021 through its active relationships with different Exchange Houses. Till December 2021, Southeast Bank procured total 1,446 Million USD as Inward remittance out of which 40% contributed as Wage Earner's Remittance and 60% contributed as Export earnings.

In Year 2021, Southeast Bank was more focused to strengthen its remittance distribution network and adopting digital transformation. This year, Southeast Bank connected Ria Money, Aftab Currency & Omnex Group Inc. USA with API (Application Programming Interface) to ensure 24X7 automatic remittance payments and going to connect other exchange houses within a short time. To serve the beneficiaries specially

located in remote area, Southeast Bank launched Agent Banking Service on March 07, 2021 and started distributing inward remittances from agent locations. At present, Southeast Bank has a wide payment network consisting of 135 branches, 22 sub-branches, outlets of 19 Sub-agent Banks and 4 reputed NGOs. Very soon, Southeast Bank will launch bkash service for the freelancers to bring their service remittance through its banking channel.

Apart from providing premier services, Southeast Bank is also helping Wage-earners to invest a certain portion of Income by opening Savings Accounts, Wage-Earners Pension Saving Scheme (WEPSS), Wage Earner's Development Bond (WEDB) through its subsidiary and Contractual Marketing Executives (CME).



## CARD BUSINESS

**SEBL Cards are enriched with the best of features along with the state of the art technology and good customer service. Southeast Bank has been issuing Cards since the year 2005 and has been adopting latest technologies and attributing newer features to meet the ever changing demands.**



Southeast Bank issues Mastercard and Visa, the most popular card brands of the world. The card is with EMV CHIP PIN that minimizes the risk of fraudulent use at the POS terminal of a retail store. Nowadays, many of the best bargains and deals are found online. One can shop online at popular sites, book a hotel, buy a ticket and pay visa processing or exam fee. 3D Secure transaction of Southeast Bank card makes online transactions risk-free. The Bank issues and processes card under own card management software which provides additional data security and ensures faster transaction processing. World and Platinum cardholders along with three guests can visit Balaka lounge and Skylounge at Hazrat Shahjalal International Airport free of cost. A cardholder using the card while purchasing earns reward points. Reward points can be redeemed for cash reward. A cardholder can repay certain large purchases in Equal Monthly Installments (EMI) over an extended specific repayment period under "EMI PAY" programme.

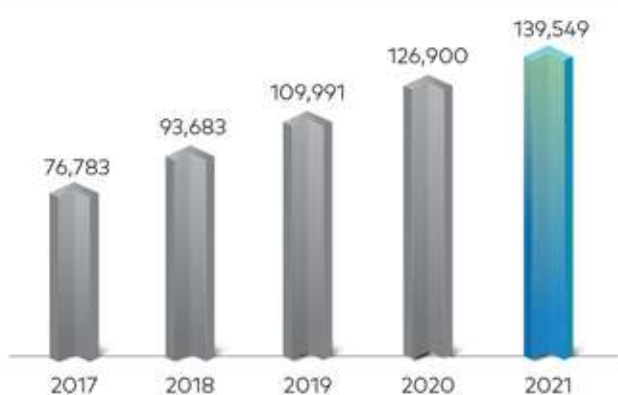
Attractive discounts are available while paying using the card from a good number of retail outlets, restaurants, hotels and fashion houses etc. Cardholders get waiver of

renewal fee based on number and amount of purchase. Cardholders receive instant alert of transaction, balance, available balance etc. by SMS and Email. Priority Pass is complimentary for World and Platinum Cardholders. Priority Pass provides access to over 600 airport lounges worldwide with nominal fee irrespective of class of air ticket (economy/business).

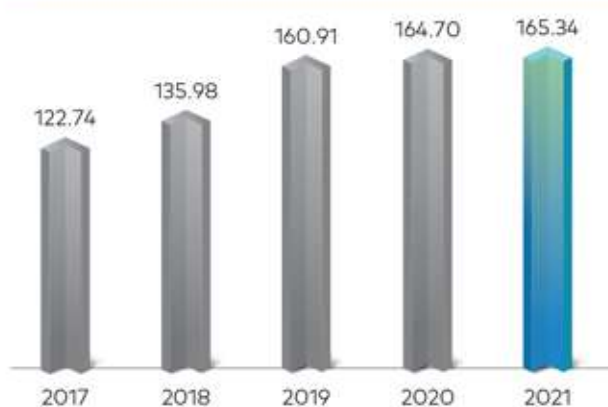
Since inception, the Bank has been maintaining a steady growth in credit card business. Like previous years, 2021 is also a successful year with good business growth to the tune of 0.39% in net profit, 10% in card base and 14.81% on outstanding balance over the position of the last year.

Besides issuing Card Southeast Bank also has been in E-Commerce Acquiring Business. In this year we have started Card Acquiring business through POS Terminal. We have already deployed 1300 POS Terminals within a very short span of time. We have also introduced realtime credit card bill payment/prepaid card top-up through CDM/CRM without physical card.

### Year wise Number of Cards



### Year-wise Net Profit





# ALTERNATIVE DELIVERY CHANNEL

Alternative delivery channel (ADC) has enabled the Bank to serve the customers beyond regular Banking hours. The Bank is providing 24/7 service through its established delivery channels, like ATM, Recycler-ATM, Offline Cash and Cheque Deposit Machine, Online Cash Deposit Machine, Internet Banking etc. ADC team is relentlessly working for further expansion of delivery channels, improvement of quality of service and introduction of new services.



## Offline CDM (Cash and Cheque Deposit Machine)

To expand foot print in modern banking, the Bank launched Offline CDM (Cash and Cheque Deposit Machine) in the year 2021. Offline CDM (Cash and Cheque Deposit Machine) will ensure better que management at OTC (Over the Counter) of branches by diverting the load from OTC (Over the Counter) to Offline CDM (Cash and Cheque Deposit Machine).

Offline CDM offers benefits of saving time and experiencing a hassle-free money deposit process. Along with the Bank's customers, walk-in customers can also avail following services seamlessly through SEBL Offline CDMs:

1. Cash Deposit in any SEBL Account without Card
2. Account Cheque/Pay-Order/ Demand Draft Deposit in any SEBL Account
3. SEBL Credit Card Bill payment
4. SEBL Credit Card Cheque Deposit



## Online CDM (Cash Deposit Machine)

The Bank launched Online CDM (Cash Deposit Machine) in the year 2021. SEBL Online Cash Deposit Machine provides customers with real time card less cash deposit facility along with many other banking services 24/7 round the clock such as:

- Real Time Card Less Cash Deposit Facility in Online CDM with any denomination starting from Tk. 10.
- Secured Transaction with One Time Password (OTP).
- Real Time Cash Deposit at any SEBL Account and Credit Card.
- Note Validation Facility.



## Card less Deposit Facility at Recycler ATM and Online CDM (Cash Deposit Machine)

The Bank introduced Card less deposit facility at Online CDMs (Cash Deposit Machine) and Recycler ATMs in the year of 2021. The Bank is one of the forerunners to introduce such service in the country. Card less Deposit facility is the convenient, faster and secured way for the customers to make real time cash deposit of different denominations. Card less transactions are revolutionizing

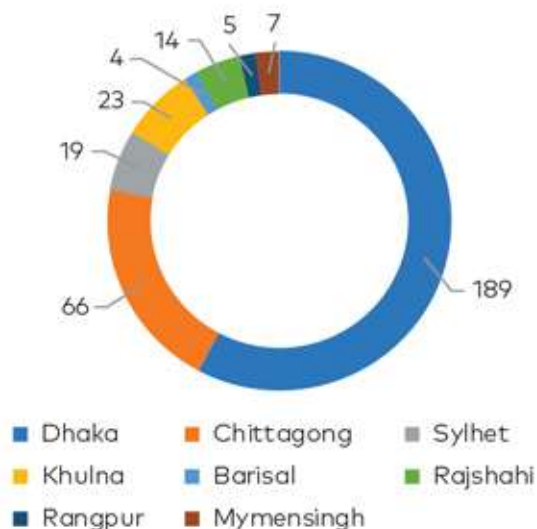
the way we use ATMs and CDMs. Thus, implementation of Card less deposit facility at Online CDMs (Cash Deposit Machine) and Recycler ATMs will provide competitive advantages to the Bank. Since customers will no longer require Cards to make deposits at Online CDMs (Cash Deposit Machine) and Recycler ATMs, this initiative will attract the largest segment of customers who do not have any Debit/Credit/Pre-paid Cards. Therefore, it is expected that the number of ATM and CDM deposit transactions will significantly increase with this enhancement.



### ATMs and Recycler ATMs

At the end of 2021, our live ATMs were 327 across the country. Among 327 ATMs, 246 ATMs were Recycler ATMs which provide customers with real time cash acceptance and dispense facility along with many other banking services 24/7 round the clock. The Bank has now countrywide ATM network with state-of the-art technology to facilitate customers.

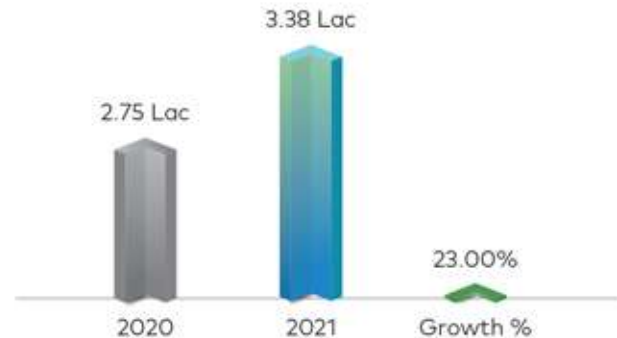
### Total 327 ATMs of SEBL



ADC has implemented world class technology and re-engineered process to ensure faster, smooth and better service. This leads to a noteworthy growth in SEBL Debit Card Transaction Number, Transaction amount and Debit Card Issuance.

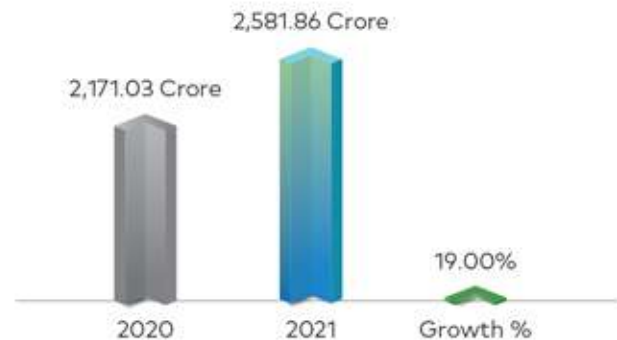
### Debit Card Number

At the end of year 2021, our total number of issued SEBL Debit Card was 3.38 Lac. The number of Debit Card has increased by 23.00 % in comparison to the year 2020.



### Debit Card and ATM Transaction Volume

At the end of year 2021, our total SEBL Debit Card and ATM Transaction volume was 2581.86 Crore. The SEBL Debit Card and ATM Transaction volume has increased by 19.00 % in comparison to the year 2020.



### Internet Banking

The internet Banking services of the Bank has facilitated customers to conveniently handle their account transactions without all the hassle of being in the queue. Customer can avail variety of banking services such as Account Opening, Real Time Fund Transfer Facility, Utility Payments, Account View and statement check options and many more with ease. Moreover, for convenience of individual customer, self-registration, self-user Id unlock and password reset etc. have also been introduced in the internet banking system. The Bank's Internet Banking is a smart and secured solution for the customers to meet their banking needs.



# PREVENTION OF MONEY LAUNDERING & TERRORIST FINANCING

**SEBL is committed to combat against money laundering and terrorist financing as well as leading the way in banking that is transparent, prudent and dependable. The Bank recognizes that the fight against money laundering is a constant and evolving process.**



## SEBL's Strategy for AML & CFT

SEBL is committed to combat against money laundering and terrorist financing as well as leading the way in banking that is transparent, prudent and dependable. The Bank tries to ensure that it has proper policies, processes and controls in place to deter money laundering and other financial crimes against the Bank, its clients and stakeholders. With this end in view, the Bank circulated Board approved guideline on Prevention of Money Laundering and Terrorist Financing and guideline and policies on Trade Based Money Laundering (TBML) to all branches, divisions, OBUs and Uposhakhas.

SEBL recognizes its obligation to cooperate with and support regulators and law enforcement agencies in their efforts to prevent, detect and control financial crime, and to comply with AML&CFT laws and regulations to close off the financial channels that money launderers and terrorist organizations use for illicit purposes. The Bank strictly follows:

- Know Your Customer (KYC) policy and procedures before on-boarding new customers
- Transaction Profile based on customers' source of income
- Risk classification of accounts and their mitigation
- Monitoring existing accounts for unusual or suspicious transaction/activities
- Reporting suspicious transactions activities
- Enhanced Due Diligence (EDD) for high risk accounts
- Strengthened monitoring in trade finance and correspondent banking to combat TBML
- Communication and coordination with regulatory bodies as well as reporting on AML&CFT issues

The Bank has formed Central Compliance Committee (CCC) and has entrusted responsibility to its Deputy Managing Director as Chief Anti Money Laundering Compliance Officer (CAMLCO) and a Deputy CAMLCO

at the rank and status of EVP for ensuring strict compliance regarding AML & CFT issues. Besides, Branch Anti Money Laundering Compliance Officers (BAMLCOs) at branch level are remaining vigilant to keep branches complaint on AML & CFT issues through reviewing and verifying the on-going transactions of the accounts as part of CDD and EDD process. The Bank arranges frequent trainings and workshops for its officials to assure that they are well versed in the evolving techniques that criminals use to infiltrate the system and are well-equipped to combat money laundering and other financial crimes.

In addition to arrangement of regular trainings and workshops the Bank arranged a virtual conference titled 'Prevention of Malpractices in Banks with special references to AML and CFT' in October 2021 for BAMLCOs in collaboration with BFIU (Bangladesh Financial Intelligence Unit). Different issues on AML&CFT like International Initiatives & Standards, Legal Framework and AML&CFT regime in Bangladesh, Underlying Predicate Offences for Money Laundering, social/economic impacts and consequences, Money Laundering Prevention Act 2012 & Anti-Terrorism Act 2009, Money Laundering Prevention Rules 2019 & Anti-Terrorism Rules 2013, BFIU Circular no-26, Roles of BAMLCOs and different case studies were presented and discussed in the conference.

The Bank continually evaluates the strength of the existing policies, procedures and technologies, and updates them, as and when necessary, to address the changing environment. The Bank recognizes that the fight against money laundering and terrorist financing is a constant and evolving process. Hence, it constantly works to identify and understand the potential risks of money laundering and terrorist financing, and implement appropriate processes to mitigate, and ultimately alleviate, such risks and crimes.



# INFORMATION TECHNOLOGY (IT) AND CYBER SECURITY

The advancement in information and communication technology has greatly contributed the banking industry to introduce innovative products and services for new experiences of the customers. The IT has turned to a main enabler of banking business and facilitates the Banks to reform organizational structures, business strategies to remain competitive in the market. The adoption of technology has enabled all the Banks in Bangladesh to bring in diversified banking services, like online banking, ATM/POS facility, Agent Banking, Mobile Financial Service (MFS), Credit Card, Debit Card, Internet Banking, Call Center Service, etc.

The Bank is offering online banking services across the country through its 135 Branches, 02 Offshore Banking Units, 22 Uposhakhas and 29 Agent Outlets. The Bank is also offering 24/7 alternative banking services through 332 ATMs and Recycle ATMs, Internet Banking and Mobile App. The Bank provides EMV compliant chip-based Visa and MasterCard Credit Card and Visa Debit Card. As part of initiative to bring a greater number of unbanked people under the banking umbrella, the Bank introduced MFS (Mobile Financial Service) under the brand name of "Telecash" about 6 years back.

Last year, the Bank took several initiatives to further strengthen its IT infrastructure and Information Security systems. We have deployed SDN (Software Defined Network) ready Network Switches, improved cooling systems, video surveillance systems and enhanced physical security of the Data Centre. The Central SAN Storage Systems of DC, DRS and Far DRS have been replaced with the latest SAN Storage Systems which has improved quality of data preservation systems and significantly reduced data processing time. The Core Banking Software (CBS) has been upgraded to its latest release which has improved overall performance of the Banking transaction process and reduced the time of EOD (End of Day) and Month end processes. Besides a few new softwares have been deployed as well as enhanced the functionalities of the existing Software for automation and smooth functioning of different banking operations. These are mainly:

- i) Risk Based Internal Audit System (RBIAS) Application for Internal Control and Compliance Division,
- ii) Remitter Account Management System (RAMS)

- iii) Learning & Assessment Management System (LAMS) for conducting online exam
- iv) Video Tutorial Management System (VTMS) for uploading audio/video lecture on different banking operations
- v) BoardPac Software for conducting paperless Board Meeting
- vi) Automatic charge deduction application for account statement generation more than twice in a year,
- vii) Pay Order facility has been enhanced for encashment from any branch of the Bank
- viii) New Loan products for COVID-19 Stimulus Package implementation as per BB's circular from time to time and related MIS modules have been developed for supporting various stimulus packages
- ix) SMS OTP (One Time Password) has been introduced other than RSA Token for Instapay and Mobile App
- x) Credit Card Bill (Tk & USD) payment options have been incorporated at Instapay and Mobile App.
- xi) Annual Performance Appraisal, TA/DA and Self-Assessment modules have been developed in our existing HRMS.

Adequate measures have been taken and substantial investment made by the Bank to protect its information assets from cyber threats. Cyber Security Solution from F5 has been procured and installed to protect against a range of threats. Some more steps have been taken to ensure better management of Information Security, which are as under:

- IT Security Unit has been formed within IT Division with a few experienced manpower.
- 24/7 IT Security Monitoring Centre with a dedicated team in the IT Division has been established
- Several Information and Cyber Security Awareness Sessions were conducted using virtual platform for different levels of the officials
- ICT Security and ICT Risk Management Policies are in place according to the respective Guidelines of Bangladesh Bank and they are being followed and implemented at different IT operational activities. Moreover, these policies are updated every year to cope up evolving changes in the ICT operation.
- Next Generation Firewalls and other security solutions have been implemented for DMZ, Core zone, Server Farm zone of the Network
- Multi-layers of security solutions have been implemented for safe access to email and internet

and other web-based applications/services, like Website, Web Mail, Internet Banking, Mobile App etc.

- SWIFT Server is connected to a dedicated Firewall as recommended by SWIFT's authorized Service Bureau Centre named "Nelito India Pvt. Ltd"
- SWIFT network is also isolated from the usual network to ensure safe access of the authorised users and the users PCs are restricted to access to internet
- The end users have been restricted to access social media as well as vulnerable sites are totally using Bank's network
- Advanced Anti-malware solution has been deployed at the end users' PCs, Laptops. Also, latest security patches for Windows, Linux, Oracle Databases are applied as and when these are available.
- Anti-Malware solution has also been installed in all the ATMs, which is basically functioning as a system lockdown developed for fixed function devices, like ATM
- Far DC (2nd DRS) at Jessore was setup around 2 years back for prevention of Data loss in catastrophic events

- VA (Vulnerability Assessment) Tool (Qualys) has been procured and executed in regular interval (quarterly basis) on all mission critical Web based Applications, like Website, Web Mail, Internet Banking/Mobile App, MFS, Credit/ Debit Card Systems to identify vulnerabilities.

Furthermore, before launching a new product or service, internal risk assessment is conducted by the Risk Management Division and vulnerability assessment is conducted by IT Security Team. In addition, external IT Security Firm was engaged to conduct performing VA-PT (Vulnerability Assessment & Penetration Testing) on IT Systems of the Bank. Accordingly, identified vulnerabilities have been mitigated based on their report. A QSA (Quality Security Assessor) has been appointed for conducting gap assessment and providing remediation service to enable the Bank to achieve PCI-DSS certification by June 30, 2022. The Bank is in the process of attaining ISO 27001:2013 Information Security Management System (ISMS) standard certification and has engaged a consulting firm for enabling us to attain this international standard certification.





# STATEMENT OF NON-PERFORMING LOAN

Non-performing loans (NPL) refer to loans or advances which are in default or close to being in default. The Central Bank of Bangladesh has established a loan classification policy combining qualitative and quantitative factors of loans and advances in the context of our country. In quantitative criteria, performing loans are categorized as Unclassified-Standard and Unclassified-SMA (Special Mention Account) whereas non-performing loans are categorized as Substandard, Doubtful and Bad/Loss based on number of past due days. Side by side, in qualitative criteria, any loan/advance can be classified as NPL on the basis of any uncertainty of recovery of loan based on any adverse signal in the client's business or industry, sudden adverse financial condition and so on.

NPLs have various implications for any commercial Bank; the presence of an alarming amount of NPLs leads to undesirable effects for Banks including restriction in new lending capacity, higher loan loss provision, rise in funding costs etc. Since the Banks act as custodians of the assets of the general people and facilitate economic activities, it is crucial to reduce NPLs to an acceptable limit.

The year 2020 has been hit hard by COVID 19 pandemic; business sector has suffered enormously by this pandemic. To overcome such unforeseeable crisis, the Central Bank had issued some directives towards temporary changes in loan classification policy.

In 2021, our country has also been hit badly by COVID-19, specially during the months from May to August consequent upon which business has also been severely affected; BDT has been devalued in comparison to USD; to add the misery, import price raised drastically mainly due to shortage of supply of raw materials, sharp increase of container fare world-wide. Yet, the world economy has been far from COVID-recovered. Under the above backdrop and in continuation of the policies adopted in 2020, Bangladesh Bank issued different Circulars conveying some leniency and flexibility towards regularization of loan accounts. Southeast Bank has followed those directives meticulously.

## Industry Scenario of NPL

Banking industry in Bangladesh is lurching under bad loans and heavy provision burden. Banks in Bangladesh have been suffering from high levels of non-performing loans (NPLs) for last few years. The banking sector passed a very hard time during the year 2020 mainly due to unprecedented phenomenon of COVID-19. The wreckage caused by COVID-19 continued in 2021. Despite some glimpses of hope of overcoming the debacle, the world economy is yet to get rid of COVID-19 fully. And as such Central Bank, kept away from usual classification policy through, among others, providing accommodable option for repayment till the last working day towards maintaining the loans regularized.

In the final quarter of 2021, NPL ratio was 4.81%. Besides, the Bank was successful to recover and regularize a considerable amount from NPL. The share of NPLs in the total outstanding loans was 4.81% as on December 31, in 2021 which was 3.10% as on December 31, 2020.

## Classification status of credit portfolio of Southeast Bank Limited

Southeast Bank follows the rules and regulations of loan classification as per the policy of Bangladesh Bank. One of the core business priorities of Southeast Bank is to curb non-performing loans by maintaining quality assets.

Despite drawbacks mainly due to COVID-19 Southeast Bank was successful in keeping its classified loan to reasonable level (below 5%) amounting to BDT 16,035.56 million which was 4.81% of total loans and advances as on December 31, 2021. The status of unclassified and classified loans of the bank as on December 31, 2021 was as follows:



Status	Amount BDT in Million	Percentage
Unclassified Loans		
Standard	308,312.62	92.45
Special Mention Account	9,156.55	2.75
<b>Sub-Total</b>	<b>317,469.17</b>	<b>95.19</b>
Classified Loans		
Sub-Standard	1,285.52	0.39
Doubtful	1,226.56	0.37
Bad/Loss	13,523.47	4.05
<b>Sub Total</b>	<b>16,035.56</b>	<b>4.81</b>
<b>Grand Total</b>	<b>333,504.73</b>	<b>100</b>

### NPL Ratio

NPL ratio (NPL to total loan) is the single most important indicator for Banks to measure their portfolio health. It has been observed that the Non-Performing Loan (NPL) ratio of the Bank has been 4.81% as of December 31, 2021 which was 3.10% as of December 31, 2020. Side by side, the Gross Non-Performing Loan (NPL) coverage ratio of the Bank has been 120.75% as of December 31, 2021 which was 106.08% as of December 31, 2020. Different ratios of nonperforming loans of the Bank as of December 31, 2021 stood as follows:

SL No	Parameter/Particulars	Percentage
01	Gross Non-Performing Loan (NPL) Ratio	4.81
02	Net Non-Performing Loan (NPL) Ratio	1.73
03	Gross Non-Performing Loan (NPL) Coverage [(Specific Provision+ General Provision)/ Gross NPL]	120.75

### Provisioning

Southeast Bank makes general provision against performing loans including off-balance sheet items and specific provision against NPLs in conformity with the directives and guidelines of Bangladesh Bank from time to time. In some cases, the Bank makes additional provision assessing borrowers' financial position, value of securities kept against the loans etc. to meet the unexpected losses.

The total amount of general provision kept against performing loans of Southeast Bank Limited as on December 31, 2021 is BDT 8,946.70 million and the total amount of specific provision kept against loans as on December 31, 2021 is BDT 17,282.06 million.

### Loan Write-Off

After exhausting all avenues for recovery of loan, some loans remain classified for a longer period and such loans are being written-off by the Bank as per prudential guidelines of Bangladesh Bank. After writing-off such loans, Bank's right to recover the loan through legal action are fully protected as per Section 28(Ka) of Bank Company Act, 1991. In the year 2021, Southeast Bank Limited has written off BDT 3,405.67 million of its bad loans.

Year	Write-off Amount (BDT in Million)
2017	1,286.79
2018	2,538.50
2019	13.46
2020	2,960.36
2021	3,405.67

### Recovery of NPLs and Written-Off Loans

Debt recovery in the year 2021 amidst ongoing Covid 19 pandemic was strenuous. Despite this obstacle, Southeast Bank has managed to recover a handsome amount from its NPLs and written-off loans. Cash recovery against NPLs and written-off loans in the year 2021 was BDT 446.06 million and BDT 476.44 million.

# AGENT BANKING

"SHAGOTOM™" under Agent Banking Division was launched on 7th March, 2021 with an objective to enhance the deposit growth and achieve financial inclusion for the Bank. In order to embark on the journey of enhancing 'Financial Inclusion' Southeast Bank Limited has been keen on adopting digital banking through technology, which ultimately refers to the concept of Agent Banking. The objective is to provide banking service to the mass population focusing even to the most rural regions of the country.

## UNIQUE SERVICES OF SEBL'S AGENT BANKING

### Mode of Operation:

Southeast Bank Limited is the pioneer for introducing both Conventional and Islamic Agent Banking windows being operated centrally through the Bank's Head Office. This flexibility in banking has been highly appreciated by both the agents and the subsequent customers.



### Recycler ATM:

- Cash Deposit & Withdrawal
- Fund Transfer facilities
- Balance Inquiry
- Mini Statement etc.

### Expanding SEBL Capital Service through Agent Banking

- Facilitates opening of BO Account
- Buy/Sell Trading request
- Fund Transfer facilities
- Providing of Portfolio Statement

### Telemedicine Facilities:

- This medical service facility is being provided to Agent Banking customers free of cost through third party organization
- Customers has 24/7 access to general medicine doctors over phone and are entitled to receiving prescription through email or other mobile applications.

### Lucrative Deposit Schemes:

The monthly deposit schemes have been introduced to enhance the low-cost deposit of the Bank. The rural areas of the country consist of massive population of low earning people and the below-mentioned DPS have boosted the deposit growth of the Bank to a greater extent.

- Daily Deposit Scheme
- Weekly Deposit Scheme (to be introduced shortly)
- Monthly Deposit Scheme
- Monthly Pension Scheme for wage earners
- Monthly Hajj Scheme

### CCTV Coverage & 24/7 Monitoring of all Agent Outlets



সমৃদ্ধির আলোর দুয়ারে আপনাকে  
**স্বাভাৱ্য**  
সাউথইস্ট ব্যাংক  
এজেন্ট ব্যাংকিং



SEBL Agent Banking Products & Services

## CURRENTLY OPERATING AGENT OUTLETS

### Agent Outlets at a glance

Conventional  
Deposit:  
BDT 44,072,412.49

Conventional  
Agent Banking  
Outlets

**15**

**Total Deposit:  
BDT 112,039,675.29**

Islamic  
Deposit:  
BDT 67,967,262.80

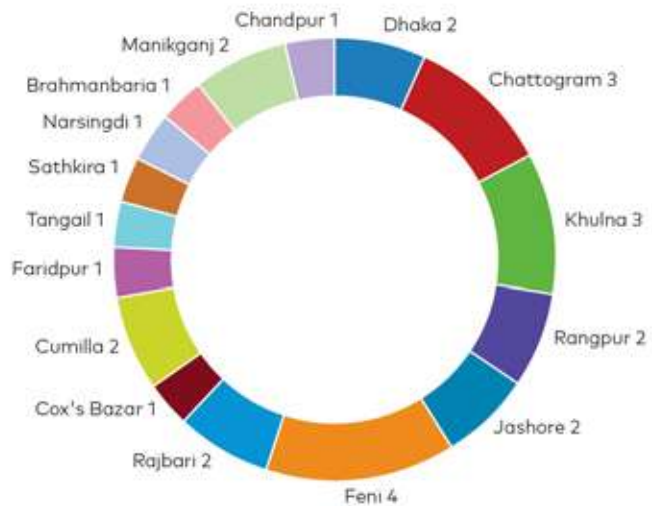
Islamic  
Agent Banking  
Outlets

**14**

### Districts-wise Agent Outlet

Total No. of Outlets: **29**

Total No. of Districts: **16**



### Deposit Growth (BDT in Million)



Figure: Deposit Growth of Agent Banking (March 2021 - December 2021)



## SPECIAL ATTRIBUTES OF SEBL AGENT BANKING

### Physical Appearance:

The look and feel of SEBL Agent Outlets almost depicts that of a branch or sub-branch.



### Recycler ATM:

Every agent outlet of SEBL is equipped with state-of-the-art Recycler ATMs which offers customer with Real Time Cash Deposit and Withdrawal Facility round the clock along with numerous banking features such as Fund Transfer, Balance Inquiry, Mini Statement etc. The implementation of such features has not only enhanced the level of trust among customers but has also provided customers with greater reliability and convenience in these times of emerging digital banking.

### Operational Excellence:

The entire Agent Banking operations is managed, supervised, and supported centrally from the Head Office.

### Meticulous Agent Selection Model:

The agent selection model has been very specific and meticulous and SEBL has focus on selecting both agents and location based on quality rather than quantity.

# FINANCIAL INCLUSION: MOBILE FINANCIAL SERVICES TELECASH

TeleCash touched the linear profitability projection in the year 2020 and has been maintaining profitability trend in 2021 also. TeleCash has been able to reach the milestone due to the business strategy of exploration of the niche markets on a continuous basis and expansion of existing business. Learning from the market, picking the best possible strategic approach, and executing accordingly is the key method for rolling out the TeleCash business.



Though it is a conservative approach, the result appears satisfactory rather than internal bleeding. Availability of utility bills payment service in TeleCash in favour of almost all utility agencies of the country has been playing a vital role in its revenue generation. The only shortcoming of TeleCash is not being able to create active customer-base since its inception due to severe promotional competition among the giant MFS operators of the local market. However, the existing digitization project (i.e., Disbursement of microcredits and repayment electronically) of TeleCash for the members of Microfinance Institutions (MFI) is giving hope for the acquisition of active customers during the pandemic period.

Availability of updated, robust, and trendy technical infrastructure is the key parameter of digitization. The Bank is at the end of the migration stage of its existing TeleCash MFS System to a robust one for capacity building. The objective is to introduce innovative services for the customers at a regular interval for the sustainability of TeleCash as well as achieve customer satisfaction by ensuring instantly secured transactions.



## CENTRAL MONITORING SYSTEM – ROUND THE CLOCK

Central Monitoring System (CMS), a unique initiative of Southeast Bank Limited has been introduced to ensure the physical safety & security system and also supervision of service quality of its Branches across the country. CMS is manned 24X7 for ensuring continuous monitoring of all branch activities. It is to be noted that CMS of the Bank was installed ahead of Bangladesh Bank directives making it mandatory for all the Banks. Activities of the Central Monitoring System (CMS) are following:

- To facilitate virtual branch visit for the Branch Supervisors and Bank Management.
- To serve periodical reports to the management as per their requirement regarding safety & security and Service Quality of the branches.
- To ensure Service Quality.
- To assist investigation agencies.
- To build customer confidence and organizational image.



# CALL CENTER 24X7X365

Southeast Bank Call Centre has been providing sustainable quality services to its valuable customers via phone, email & live chat round the clock. Contact Number of Call Centre for local caller is 16206 and overseas caller is 09612316206. Now it has become the most popular service wing for Bank's valuable customers to meet their day-to-day banking needs. Increasing trend of customer call also reflects the acceptability of Call Centre. Call Centre received around 0.60 million calls in the year 2021 which is 109% higher than the number of calls in 2020. Customers may email at [client.care@southeastbank.com.bd](mailto:client.care@southeastbank.com.bd) to avail round the clock service at their convenience. We have extended the range of valuable services from our Call Centre such as Debit card and Cheque book requisition, Card activation, Card/PIN Replacement Request, E-commerce/ Foreign part enable request, EMI Conversion Request, MRP redemption, Card cheque book activation & requisition. Live Chat service has also been introduced by our Call Centre which is the first time among the Banks in Bangladesh.

## Progress Achieved, 2021



### 0.6 Million

Calls received by Call Centre  
(2020: 0.48 million)



### EMI Conversion Request

POS/E-commerce/Card cheque txn. can be converted to EMI through call center.



### E-mail Facility

[client.care@southeastbank.com.bd](mailto:client.care@southeastbank.com.bd)



### MRP Redemption

Customer can redeem his/her reward points through call center.



### Card Activation

Debit & Credit cards are being activated from the Call Centre.



### Card Cheque Book Activation

Card cheque book activation can be processed through call center.



### Debit Card & Cheque Book

Requisition can be given through Call centre without visiting branch.



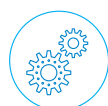
### Live Chat Service

Customer can avail banking service through SEBL live Chat service.



### E-commerce/Foreign Part

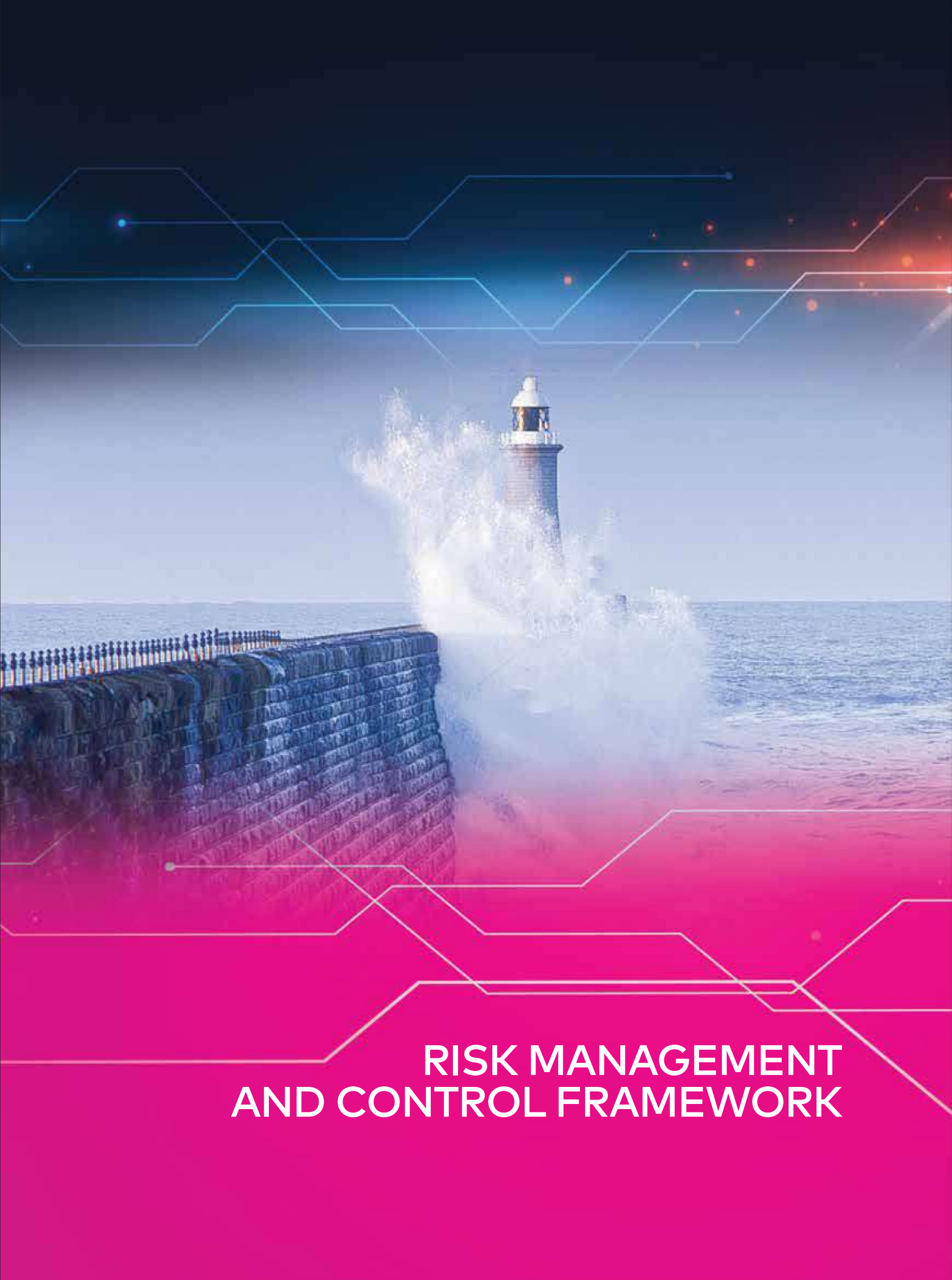
can be enabled by Call Center.



### Card/PIN Replacement Request

Credit/Debit/Prepaid Card PIN can be replaced through call center.





# RISK MANAGEMENT AND CONTROL FRAMEWORK



## RISK MANAGEMENT AND CONTROL FRAMEWORK

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# REPORT ON RISK MANAGEMENT FRAMEWORK, MITIGATION METHODOLOGY AND RISK REPORTING BY CHIEF RISK OFFICER (CRO)

Taking risk is an integral part of banking business. The outbreak of COVID-19 pandemic has created an uncertain and vulnerable economic condition worldwide. Effective risk management becomes more essential than any point of time before. There is no alternative but to ensure sound risk management practices for surviving in the competitive environment. The Bank identifies the risk and its root cause at the earliest opportunity, assess the potential impact on the organization and control the risk to mitigate outcomes.

## Risk Management Framework

The Bank has a proactive Board Risk Management Committee (BRMC) formed for proper risk governance with members from the Board of directors. It formulates and reviews risk management policies and strategies for sound risk management; monitors implementation of risk management policies & process to ensure effective prevention and control measures.

SEBL has an Executive Risk Management Committee (ERMC) comprising of senior executives in place that is responsible for identifying, measuring and managing Bank's existing and potential risks through detailed risk analysis and controlling risks through ensuring proper implementation of the decisions.

The Risk Management Division is responsible for managing the process for developing risk policies and procedures, coordinating with business users/units to prepare functional specifications, preparing and forwarding risk reports; and assisting in the implementation of all aspects of the risk function.

## Risk Mitigation

Southeast Bank's risk mitigation methodology is formulated considering stakeholder's interest as well as sustainability of the Bank to make maximum profit with minimum exposure to risks. SEBL has risk mitigation mechanisms in place to quickly recognize and rectify legitimate operational risk errors. After the exposed risks are assessed, Banks choose the best option to eliminate or mitigate unacceptable risks.

## Risk Reporting

After proper analysis, risks are prioritized and reported to the senior management, the Board and its Committees, and appropriate executive and management committees.

The Bank prepares and submits Monthly Risk Management Report (RMR) and half yearly Comprehensive Risk Management Report (CRMR) according to BB guidelines. It also submits the Board approved Risk Appetite Statement (RAS) on yearly basis to Department of Off-Site Supervision and Stress Test report on quarterly basis to Financial Stability Department of Bangladesh Bank along with risk reports.

SEBL strives to continue effective risk management and error free reporting in the upcoming years by increasing effort towards sustainability, development of human resources and supervision of comprehensive risk management.



**Syed Faisal Omar**  
Chief Risk Officer (CRO)

# RISK MANAGEMENT IN SOUTHEAST BANK LIMITED

Banking activity is associated with risk. The objective of the Bank is to provide a good return to shareholders and to manage risks in line with the accepted risk profile. To ensure this, SEBL has established risk management policies designed to confirm that these risks are identified, measured, controlled, monitored and reported appropriately. SEBL's risk management process has been designed to monitor, evaluate and manage the principal risks it assumes in conducting its activities. In order to ensure the sustainability, SEBL has developed a sound risk culture to its optimum level.

## Risk Strategy and Risk Appetite

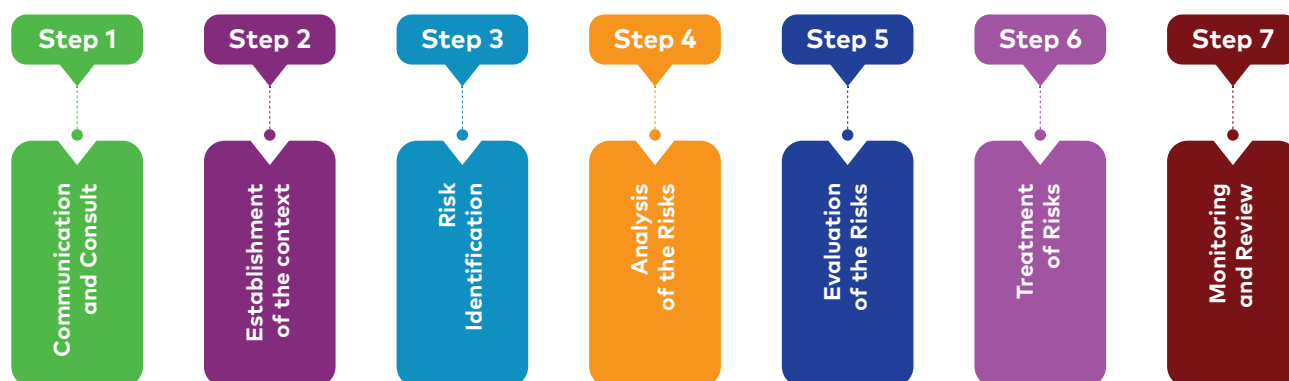
Determining Risk Appetite of the Bank in different risk areas is imperative to manage risk effectively. Risk Appetite describes the types and amount of risks that the Bank is prepared to take in executing its strategy and sets out the key business initiatives based on probable financial impacts of those initiatives. SEBL determines and reviews its' risk appetite annually based on past years trend analysis, risk tolerance and capacity with taking account of future outlook of the Bank and business.

Board of Directors of the Bank determines the risk strategy and overall risk appetite and defines accountabilities, reporting structures, documentation and management of identified risks, and thresholds. Risk Management Division (RMD) oversees, monitors, and reports all risks in line with the risk appetite set by the Risk Management Committee (RMC) of the Board.

## SEBL Risk Management Process

Risk Management is a process of a series of multi-steps that when undertaken in sequence, enable continual improvement in decision-making.

**Steps of the Risk Management Process followed by SEBL are given below:**



## SEBL Risk Management Framework

SEBL has a robust risk management framework. Its risk management framework is spread all over the institution from top to bottom level to maintain good financial health and keeping the risk level in a minimum level.

## The Board of Directors

The Board of Directors of the Bank gives utmost importance on sound risk management practices as it has the ultimate responsibility for the risks taken by the Bank. The Board defines Risk Appetite, Risk Tolerance and Risk Limit, and sets Risk Strategies for the Bank. It takes every possible initiative to keep various risks (credit, market, liquidity, operational risks etc.) within tolerable level.



### Board Risk Management Committee (BRMC)

SEBL has an effective and proactive Board Risk Management Committee (BRMC) comprising members from the Board of Directors for proper risk governance. It formulates and reviews risk management policies and strategies for sound Risk Management; monitors implementation of Risk Management Policies & Process to ensure effective prevention and control measures. It supervises the activities of Executive Risk Management Committee (ERMC).

### Executive Risk Management Committee (ERMC)

The Executive Risk Management Committee (ERMC) comprising of CRO (as the Chairman) and Heads of relevant divisions is the management level risk management Committee of SEBL. Risk Management Division acts as secretariat of the committee. ERMC is responsible to identifying, measuring and managing Bank's existing and potential risks through detailed risk analysis, Minimizing/controlling risks through ensuring proper implementation of the decisions. It sets once in a month raising flag for any existing risk issues or future projections and discusses with the concerned division and senior management to minimize and mitigate the risk.

### Chief Risk Officer (CRO)

Chief Risk Officer (CRO) acts as the head of Risk Management Division. He is responsible for ensuring

intense and effective risk management across the organization. He works to ensure that the Bank is compliant with rules, regulations, and reviews factors that could negatively affect the Bank's objectives.

### Risk Management Division (RMD)

SEBL Risk Management Division (RMD) headed by the Chief Risk Officer (CRO) is an independent full-fledged division. The principal functions of the division are managing the process for developing risk policies and procedures, coordinating with business users/units to prepare functional specifications, preparing and forwarding risk reports; and assisting in the implementation of all aspects of the risk function.

**It has separate desks for overseeing each key risk area. The desks are as follows :**

- 1) Credit Risk
- 2) Market Risk
- 3) Liquidity Risk
- 4) Operational Risk
- 5) Risk Research and policy development
- 6) Risk appetite desk

### Three Lines of Defence

Southeast Bank builds its approach to risk management on the concept of three lines of defence, signifying a clear division of responsibilities between the risk owners and control functions.

**The risk management of SEBL is based on a sophisticated process with following three lines of defence:**



# CREDIT RISK MANAGEMENT IN SOUTHEAST BANK LIMITED

Credit Risk Management in banking is theoretically defined as "the logical development and execution of a plan to deal with potential losses arising from the failure of clients, customers or counterparties to fulfill, either partially or fully, their contractual obligations to the Bank". Traditionally, the attention of the credit risk management practices in the banking industry is to manage Bank's exposure to losses or risk and to protect the value of its assets. For a Bank engaged in the lending business, controlling, mitigating and minimizing credit risk is one of the most important facets for smooth operational functioning and governance oversight. In line with this principle, Southeast Bank has adopted a comprehensive Credit Risk Management Policy with high risk management standards to ensure that the risk factors are properly recognized, evaluated and appropriate measures are taken to mitigate those risks in coherent with full compliance of Bangladesh Bank's Credit Risk Management Guidelines.

## Credit Risk Management Policy

The Credit Risk Management Policy of Southeast Bank, duly approved by the Board of Directors, which has been prepared and updated in line with CRM guidelines of Bangladesh Bank, is an operational guidelines/ policies for approval and monitoring of credit facilities. Bank's Credit Risk Management Policy depicts a comprehensive credit appraisal procedure covering different types of risks such as industry or business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, concentration risk, account performance risk and most notably the COVID-19 pandemic risk. The Board of Directors of the Bank reviews the CRM policy annually and approves the risk appetite of the Bank illustrating the approval process, delegation of authority and other credit related important issues.

## Objectives of Credit Risk Management (CRM)

Southeast Bank manages credit risk through processes and policies of credit approval and other portfolio management internal processes as per Credit Policy of the Bank. The objectives of our CRM strategies include, but are not limited to, the following:

-  **Maintain a controlling framework to ensure that any credit risks are taken based on sound CRM principles.**
-  **Identify, assess and measure credit risk clearly and accurately across every area.**
-  **Ensure that business profiles and plans are consistent with risk appetite of the Bank.**
-  **Control and plan credit risk taking in line with stakeholder's expectations.**
-  **Monitor credit risk and adherence to the agreed controls.**
-  **Enable risk-reward objectives to be met and ensure that business growth plans are properly supported by effective risk infrastructure.**

## Credit Risk Management Contributing to the Society to Combat the COVID-19 Outbreak

The devastating and prolonged impacts of COVID-19 pandemic across the globe have brought about unprecedented challenges to the financial system. It has forced regional and national economies to remain shut down for weeks and months at a time, causing hardship—sometimes of existential threat for the humankind. Amidst this widespread crisis, the economy of Bangladesh is also exposed to the consequential shocks. Though it seems that resumption of normal economic activities is on the cards, there is still looming threats as new wave of infections are evident in some parts of the world.

In tandem with measures taken by the Government, Bangladesh Bank has also taken various containment measures and extended policy support for restoring normalcy in financial system of the country. The financial regulator has already taken a range of actions to provide additional guidance to manage prolonged effects on financial systems and the economy as a whole. The Government and Bangladesh Bank has declared continuation of numerous stimulus funds for Industry & Service Sector particularly for corporate businesses, CMSME, Export oriented industries, Agricultural Sector, Low-income professionals, farmers, ultra-small business.

With lockdowns being lifted and businesses restarting, lending institutions are facing with a new and unfamiliar environment, in which Southeast Bank has been evaluating and monitoring credit risk with prudence and access to reliable data.

To keep the economy buoyant & insulated, Southeast Bank Limited in addition to its regular activity has already disbursed around Tk.1700.00 crore under different stimulus packages phase-1 while sanctioning of loans under phase-2 is on-going.

### Credit Risk Management Practices

The Bank attempts to control risk by monitoring credit exposure, limiting non-performing credit and continually assessing the credit worthiness of the borrowers. Major steps of Credit Risk Management practices of the Bank encompass the following:

#### a. Credit Marketing

Branches and Uposhakhas located at different corners across the country are the entrance points for the clients to avail the services and get acquainted with the products and services of Southeast Bank. In addition, the Senior Level Management at Head Office promotes and offers customized business solutions to the prospective

corporate clients based on their business requirement and parks them in any suitable branch of the Bank. Alongside, Syndication Finance Unit of Head Office arranges structured financing for the corporate customers and also participates in various syndicated/club finances.

#### b. Credit Approval

The Board of Directors is the apex body for credit approval. However, the Board of Directors delegates authority to the Managing Director to a certain level. Upon obtaining any request or approach by any potential client, the respective Branch management scrutinizes the proposal, if the Branch Credit Review Committee (BCRC) finds any feasible financing/ investment proposal, the Committee recommends the proposal to the Head of Branch for approval. If approval of the credit facilities falls within the delegated business power of the Head of Branch, the proposal may be approved or declined at the Branch level.

However, beyond delegation of respective Head of Branch, the concerned branches forward proposals of the prospective client with detailed analysis of the financing or investment to the Credit Risk Management Division, Head Office for consideration. Credit Risk Management Division takes into account various factors such as borrowers' financial positions, historical record, experiences, background, industry dynamics and quality of collateral for evaluation and place the proposal (if required) to Head Office Credit Review Committee (HOCRC) for their recommendation / observation. Upon recommendation, complying the observation (if any) of HOCRC, a comprehensive memo is placed before the approval authority for their decision.

#### c. Credit Administration

Credit Administration function is vital for providing administrative support for lending activities of the Bank. The areas that Credit Administration covers are different stages such as pre-disbursement, disbursement, post-disbursement & ongoing administration of Credit Portfolio of the Bank. Credit Administration procedures of the Bank performs the following responsibilities:

Documentation, Limit loading and Disbursement

Credit Monitoring

Compliance & Reporting

Credit Risk Review is conducted to ensure sound asset quality and adherence to regulatory as well as the Bank's

own policies. The primary monitoring is done by branches' relationship officers as well as Head of Branch regarding performances, business, transaction and turnover, repayment behavior etc. of the client.

The Credit Administration Division is assigned to look after post approval process by regular follow-up and monitoring of the credits right from its sanction and continues its efforts till repayment/recovery. Besides, overall portfolio along with industries/sectors concentration of the credit portfolio of the Bank is reviewed at regular intervals and brought to the notice of senior level management regarding concentration risks, geographical distribution, down gradation along with early alert list (if any) for information and their valued guidance. These coherent activities altogether enable the Bank to put viable solutions in place to prevent further deterioration in credit quality.

#### **d. Credit Risk Mitigation**

CRM employ a range of techniques and strategies to actively mitigate counterparty credit risk to safeguard Bank's interest over the entire period of the advance. These includes, cash flow-based credit structuring, a comprehensive view of the capital, capacity & integrity of the borrower, adequacy & nature of security, compliance with all legal formalities, completion of all documentation and finally a constant watch on the account. Generally, potential credit risks are mitigated by taking primary and collateral securities. There are other risk mitigating factors like netting agreements and other guarantees. The legal certainty and enforceability of the mitigating factors are verified by the professionals of the respective fields. Collateral types which are eligible for risk mitigation includes cash, residential, commercial and industrial property, land and machinery, marketable securities etc. Collaterals are physically verified by the officials of the Branches and Head Office. Side by side, valuation of the same is also done by the enlisted surveyor of the Bank in accordance with the credit policy and procedures. For mitigation of credit risk. The Bank also uses tools like Risk-based pricing, Strict Covenants

Credit Insurance, Credit Tightening, Diversification etc. wherever is applicable. Collateral taken by the Bank is well-documented to ensure that the credit risk mitigation is legally enforceable.

#### **Integrated Environment and Social Risk Assessment**

Environmental risk is recognized as a major credit risk issue and Southeast Bank has expanded its CRM policy to incorporate the principles and methodologies for managing environmental and social risk issues in the lending practices and activities. Our risk assessment approach ensures that material ESR issues are comprehensively considered. We have stringent credit denial policies for businesses related to high environmental risk.

#### **Credit Recovery**

Primarily, the concerned branches ensure timely recovery of disbursed credit facilities. In case of Non-performing loans the recovery unit of respective branch oversees the recovery of classified and Written-off loans. At Head Office, the Recovery Division monitors recovery status of the branch, formulates strategies, provide necessary guidelines and assistance to the respective branches for recovery of classified loans. On the other hand, Special Asset Management Division (SAMD) at Head Office directly manages recovery of written-off loans alongside respective branches.

#### **Way Forward**

In the context of overall turmoil in the financial sector driven by sluggish offtake across the country resulting from the prolonged effect of COVID-19, we expect that year-2022 will be a very challenging one too from CRM perspective. Hence, we will put more emphasis on sustainable credit risk management for 2022 and ensure booking of pristine quality assets in line with our risk appetite statement to continue with the best possible outcomes to reduce the impacts of risks on our Bank.



# DISCLOSURE ON RISK BASED CAPITAL ADEQUACY (BASEL III)

The Basel III framework sets out minimum capital requirement standards for Banks to ensure that Banks are adequately capitalized against the risks they face and are able to withstand losses during periods of stress conditions. The framework consists of three pillars:

- **Pillar 1:** sets out the minimum capital requirements for credit, market and operational risk;
- **Pillar 2:** covers the review process by Banks and supervisors to assess whether Banks' Pillar 1 capital is adequate to meet the risk exposures and whether there is any requirement to hold additional capital in respect of any risks not covered by Pillar 1; and
- **Pillar 3:** encourages market discipline and transparency through appropriate disclosures on capital adequacy and risk management processes.

The purpose of this disclosure report is to set out how Southeast Bank complies with the Pillar 3 requirements under Basel III. The report will enable market participants to assess the key information relating to the Bank's regulatory capital and risk exposures more effectively in order to instill confidence about the Bank's exposure to risk and overall regulatory capital adequacy. The report provides additional information to allow market participants to have a full picture of the risk profile of the Bank, to assess key information relevant to the capital structure, risk exposures, risk assessment processes and hence the capital adequacy of the Bank.

These qualitative and quantitative disclosures of the Bank are prepared in accordance with the central Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III). The disclosures meet the minimum regulatory requirements and provide disclosure of the risks to which it is exposed, both on and off-balance sheet item. The disclosure framework has the following components:

- Scope of Application
- Capital Structure
- Capital Adequacy
- Credit Risk
- Equities: disclosures for banking book positions
- Interest Rate Risk in the Banking Book (IRRBB)
- Market Risk
- Operational Risk
- Liquidity Ratio

J. Leverage Ratio

K. Remuneration

## A. SCOPE OF APPLICATION

### a) Qualitative Disclosures

The name of the top corporate entity to which this framework applies: **Southeast Bank Limited**.

The quantitative disclosures are made on the basis of consolidated audited financial statements of the Bank and its Subsidiaries as at and for the year ended December 31, 2021 prepared under relevant International Accounting and Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time. In preparing consolidated financial statements, financial statement of the Bank and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income and expenses. However, all intra group balances, transactions, profits and losses are eliminated in full.

Southeast Bank Limited has two subsidiaries, particulars of which are given below:

#### Southeast Bank Capital Services Limited

Date of Incorporation:	September 23, 2010
Date of Commencement:	September 23, 2010
Authorized Capital:	BDT 6,000 million
Paid up Capital:	BDT 5,500 million
Ownership Interest in Capital:	99.82%

#### Southeast Exchange Company (South Africa) Pty Limited

Date of Incorporation	December 15, 2014
Date of Commencement	December 15, 2014
Paid up Capital	RAND 6,632,179.00
Ownership Interest in Capital	100%

### b) Quantitative Disclosures

Southeast Bank Limited has two subsidiaries: Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Limited. Assets and liabilities of these subsidiaries are consolidated with the financials of the parent company. There is no capital deficiency in the financial year 2021.

## B. CAPITAL STRUCTURE

### a) Qualitative Disclosures

The regulatory capital under Basel-III is composed of (I) Tier-1 (Going-concern Capital) and (II) Tier-2 (Gone-concern Capital). From regulatory capital perspective, going-concern capital is the capital which can absorb losses without triggering bankruptcy of the Bank and gone-concern capital is the capital which will absorb losses only in a situation of liquidation of the Bank. Tier-1 capital is composed of (a) Common Equity Tier 1 and (b) Additional Tier 1, Whereas, Common Equity Tier 1 (CET-1) capital consists of paid-up capital, statutory reserve, general reserve, retained earnings, minority interest in subsidiaries etc. Tier-2 capital is composed of general provision, subordinated debt, revaluation reserves etc.

### Capital requirement rules

The Bank is required to maintain the following ratios on an ongoing basis:

1. Common Equity Tier 1 of at least 4.5% of the total RWA.
2. Tier-1 capital will be at least 6.0% of the total RWA.
3. Minimum CRAR of 10% of the total RWA.
4. Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET-1, whichever is higher. The recognition of excess Additional Tier 1 (above 1.5% of RWA) is limited to the extent of 33.3% (1.5/4.5) of the CET-1 in excess of 7.0% requirement.
5. Tier 2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET-1, whichever is higher. The excess Tier 2 capital (above 4.0%) shall be recognized to the extent of 88.89% (4.0/4.5) of the CET-1 in excess of 7.0% requirement.
6. In addition to minimum CRAR, Capital Conservation Buffer (CCB) of 2.5% of the total RWA is introduced which is to be maintained in the form of CET-1.

### b) Quantitative Disclosures

BDT in Million

Regulatory Capital	Consolidated	Solo
<b>Tier-1 capital</b>		
<b>1) Common Equity Tier-1 Capital (CET-1)</b>		
Fully Paid-up capital	11,889.41	11,889.41
Non- repayable share premium account		
Statutory reserve	11,889.41	11,889.41
General reserve	247.65	247.65
Retained earnings	1,636.56	1,435.79
Dividend equalization Reserve		
Minority interest in subsidiaries	10.38	
<b>Regulatory Adjustments</b>		
Goodwill and all other Intangible assets	286.94	286.94
<b>2) Additional Tier-1 Capital (AT-1)</b>		
<b>3) Total Tier-1 capital (1+2)</b>	<b>25,386.47</b>	<b>25,175.32</b>
<b>Tier-2 capital</b>		
General provision (unclassified loans, SMA, off balance sheet)*	10,275.57	10,275.57
Subordinated debt	9,000.00	9,000.00
All other preference shares		
Regulatory Adjustments		
<b>4) Total Tier-2 capital</b>	<b>19,275.57</b>	<b>19,275.57</b>
<b>Maximum Limit of Tier-2 Capital (Considering para 3.2 (v) including footnote no. 9 of RBCA Guideline)</b>	15,940.61	15,873.24
Excess amount over Maximum Limit of T-2	3,334.97	3,402.33
<b>Total Admissible Tier-2 Capital</b>	15,940.61	15,873.24
<b>Regulatory Adjustments</b>		
Goodwill and all other Intangible assets	286.94	286.94
<b>Total eligible capital (3+4)</b>	<b>41,327.07</b>	<b>41,048.56</b>

## C. CAPITAL ADEQUACY

### a) Qualitative Disclosures

The Bank is presently following Standardized Approach for assessing and mitigating Credit Risk, Standardized Rule Based Approach for quantifying Market Risk and Basic Indicator Approach for Operational Risk to calculate Minimum Capital Requirement (MCR) under pillar-I of Basel-III framework as per the guidelines of Bangladesh Bank.

### b) Quantitative Disclosures

BDT in Million

Capital Adequacy	Consolidated	Solo
Capital requirement for Credit Risk	25,171.57	25,451.79
Capital requirement for Market Risk	2,122.51	1,333.70
Capital requirement for Operational Risk	2,519.29	2,486.44
Minimum capital requirement(MCR)	29,813.36	29,271.93
Total capital maintained	41,327.07	41,048.56
Capital surplus over MCR	11,513.71	11,776.63
<b>Capital to Risk Weighted Assets Ratio (CRAR)</b>	<b>13.86%</b>	<b>14.02%</b>
CET-1 to RWA ratio	8.52%	8.60%
Tier-1 Capital to RWA ratio	8.52%	8.60%
Tier-2 Capital to RWA ratio	5.35%	5.42%
Capital Conservation Buffer	2.52%	2.60%
Available Capital under Pillar 2 Requirement	11,513.71	11,776.63

\* The shortfall in General provision of BDT 1187.94 million for year 2021 has been allowed for deferral facilities and instructed to maintain it in year 2022 by Bangladesh Bank vide letter no. DOS (CAMS) 1157/41(dividend)/2022-2252 dated 26 April 2022.

## D. CREDIT RISK

### (a) Qualitative Disclosures

Credit risk is the potential loss that may arise from a borrower's failure to repay a loan or meet the obligation in accordance with agreed term.

#### 1. Credit Approval

Southeast Bank has well defined and documented operational guidelines/policies for approval of credit facilities. Bank's Credit Risk Management Guideline has been prepared and updated in line with Bangladesh Bank guidelines illustrating the approval process, delegation of authority and other credit related important issues. The approval process segregates relationship management/marketing from the approval authority. The approval authorities are delegated to different levels of management and Board. The Board of Directors of the Bank has the highest level of authority to approve any credit proposal and delegate such authority to the competent authority (EC, MD, AMD, DMD, and Branch Manager).

#### 2. Credit Administration

Credit Administration function is crucial for providing administrative support for lending activities of the Bank. Credit Administration shall cover different stages such as pre-disbursement, disbursement, post-disbursement & ongoing administration of Credit Portfolio of the Bank.

Credit Administration Division of the Bank has been separated from Credit Risk Management Division to avoid conflict of interest and ensure efficiency. Credit Administration procedures of the Bank performs the following responsibilities:

- Documentation and Disbursement
- Credit Monitoring
- Compliance & Reporting
- CL, CIB & BB Returns

#### 3. Credit Monitoring

Credit Risk Review is conducted at obligor level as well as at portfolio level to ensure sound asset quality and adherence to regulatory as well as the Bank's own policies and procedures. The review process ensures that a sound and proactive risk management culture is maintained across the Bank. It also aims at continuous improvement of the overall quality of assets at the portfolio level, by deploying appraisal skills, maintaining documentation standards and complying with the sanction terms and conditions. The primary monitoring is done by branches' relationship officers/managers as well as Head of Branch regarding their performances, business, transaction and turnover, repayment behavior etc.

The Credit Administration Division is assigned to look after post approval process such as to establish better control over loan portfolio by constant follow-up and monitoring of the credits right from its sanction and continues its efforts till repayment/recovery. Besides, overall portfolio along with industries/sectors concentration of the credit portfolio of the Bank is reviewed at regular intervals and brought to the notice of senior level management regarding concentration risks, geographical distribution, down gradation along with early alert list (if any) for information & their guidance. These coherent activities altogether enable the Bank to put viable solutions in place to prevent further deterioration in credit quality.

#### 4. Credit Assessment and Grading

Know Your Customer (KYC) is the first step to analyze any credit proposal. Banker-Customer relationship is established through opening of CD/SB accounts of the customers. Proper introduction, photographs of the account holders/ signatories, copy of passports etc. and all other required papers as per Bank's policy are obtained at the time of account opening. Physical verification of customer address is done prior to credit appraisal. The integrity/competency of the borrower and his/her ability to conduct business, ability to repay loans, practical experiences are of paramount importance while assessing the credit risk. At least three Cs, i.e., Character, Capital and Capacity of the customers are confirmed. Credit Appraisals include inter alia the details of amount and type of loan(s)

proposed, purpose of loan (s), result of financial analysis, Debt Structure (Tenor, Covenants, Repayment Schedule, Interest), security arrangements. The above are minimum components to appraise a credit and there are other analyses depending on the nature of credit.

To measure and identify associated credit risks for all lending exposures of the Banks in excess of Bangladesh Taka (BDT) 10 million 'the Lending Risk Analysis (LRA)' was used which was introduced by Bangladesh Bank in 1993. The LRA framework, however, could make a little impact in risk identification and mitigation. As an advancement in this area, In 2005, Bangladesh Bank, vide its BRPD Circular No.18, advised all scheduled Banks to implement Credit Risk Grading (CRG) for borrowing clients for all exposures. Till then CRG was used by the Banks to identify and categorize the associated risks. During the last couple of years, industry characteristics have changed a lot. Besides, necessity has evolved to review different weights applied in the CRG framework. In order to deal with growing complexities in a more dynamic banking industry, Bangladesh Bank vide their BRPD Circular 16/2018 dated October 30, 2018 has upgraded Credit Risk Grading mechanism and developed **"Internal Credit Risk Rating System"** comprises with 20 (twenty) different rating templates for 20 (twenty) industries/sectors instead of just one template for all the sectors. To ensure the current system useful, the following sectors are selected considering the size of exposures of Banks in these industries:

Industry	Service	Trade & Commerce	Agro based and Agro Processing
1. Ready Made Garments (RMG)	1. Housing and Construction		
2. Textile (including spinning, knitting, weaving)	2. Hospitals and Clinics		
3. Food and Allied Industries	3. Telecommunication		
4. Pharmaceutical	4. Other service		
5. Chemical			
6. Fertilizer			
7. Cement			
8. Ceramic			
9. Ship building			
10. Ship breaking			
11. Jute Mills			
12. Steel Engineering			
13. Power and Gas			
14. Other industry (if the borrower falls under industry but does not fit with other 13 specific sub-categories)			



**Quantitative and Qualitative indicators and associated weights:**

Details indicators under these categories and associated weights are furnished below:

QUANTITATIVE INDICATORS			QUALITATIVE INDICATORS		
SL	Parameters	Weights	SL	Parameters	Weights
01	Leverage	10%	01	Performance Behavior	10%
02	Liquidity	10%	02	Business and Industry Risk	07%
03	Profitability	10%	03	Management Risk	07%
04	Coverage	15%	04	Security Risk	11%
05	Operational Efficiency	10%	05	Relationship Risk	03%
06	Earning Quality	05%	06	Compliance Risk	02%
	<b>Total</b>	<b>60%</b>		<b>Total</b>	<b>40%</b>

**Credit Risk Ratings Scores**

The ICRR consists of 4-notched rating system covering the Quantitative and Qualitative parameters. The ratings and scores as per BRPD Circular Letter # 14 dated February 23, 2021 are mentioned below:

Rating	Scores Aggregate	Features
<b>Excellent</b>	<b>≥75%</b>	<ul style="list-style-type: none"> <li>Strong repayment capacity of the borrower evident by the high liquidity, low leverage, strong earnings, and cash flow</li> <li>Borrower has well established strong market share.</li> <li>Very good management skill &amp; expertise.</li> </ul>
<b>Good</b>	<b>≥65% to &lt;75%</b>	<ul style="list-style-type: none"> <li>Aggregate score of 65 or greater but less than 75 and the quantitative score of at least 27.</li> <li>These borrowers are not as strong as "Excellent" borrowers, but still demonstrate consistent earnings, cash flow and have a good track record.</li> <li>Borrower is well established and has strong market share.</li> <li>Very good management skill &amp; expertise.</li> </ul>
<b>Marginal</b>	<b>≥55% to &lt;65%</b>	<ul style="list-style-type: none"> <li>Aggregate score of 55 or greater but less than 65 and the quantitative score of at least 27.</li> <li>This grade has potential weaknesses that deserve management's close attention. If left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower.</li> </ul>
<b>Unacceptable</b>	<b>&lt;55%</b>	<ul style="list-style-type: none"> <li>Financial condition is weak and no capacity or inclination to repay. Severe management problems exist.</li> <li>Facilities should be downgraded to this grade if sustained deterioration in financial condition is noted (consecutive losses, negative net worth, excessive leverage).</li> </ul>

**5. Credit Risk Mitigation**

Generally, potential credit risks are mitigated by taking primary and collateral securities. There are other risk mitigates like netting agreements and other guarantees. The legal certainty and enforceability of the mitigates are verified by the professionals of the respective fields. Collateral types which are eligible for risk mitigation includes - cash; residential, commercial and industrial property; land and machinery; marketable securities etc. Collaterals are physically verified by the officials of the Branches and Head Office. Side by side, valuation of the same are also done by the enlisted surveyor of the Bank in accordance with the credit policy and procedures. For mitigation of credit risk, Bank may use the following methods:

- Risk-based Pricing:** Generally charging a higher interest rate to borrowers who are more likely to default, a practice called risk-based pricing.
- Strict Covenants:** Imposing strict stipulations/ conditions on the borrower, called covenants, into loan agreements:
- Credit Insurance:** Hedging credit risk by purchasing credit insurance.
- Credit Tightening:** Reducing credit risks by reducing the amount of credit extended, either in total or to certain borrowers.
- Diversification:** Lending to a small number of borrowers (or kinds of borrower) face a high degree of unsystematic credit risk, called concentration risk.

## 6. Past Due and Impaired Credit

Any **Continuous Loan** if not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank, will be treated as past due/overdue from the following day of the expiry date.

Any **Demand Loan** if not repaid within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/overdue from the following day of the expiry date.

Approaches followed for specific and general allowances:

Particulars	Short Term Agri. Credit	Consumer Financing				SMEF	Loans to BHs/MBs/SDs	All other Credit
		Other than HF, LP, CC	HF	LP	CC			
Standard	1.0%	2%	1%	2%	2%	0.25%	2%	1%
SMA	-	2%	1%	2%	2%	0.25%	2%	1%
SS	5%	20%	20%	20%	20%	5-20%	20%	20%
DF	5%	50%	50%	50%	50%	20-50%	50%	50%
B/L	100%	100%	100%	100%	100%	100%	100%	100%

NB: SMA=Special Mention Account, SS=Substandard, DF=Doubtful, B/L=Bad/Loss, HF=Housing Finance, LP=Loans for Professionals to setup business, CC=Credit Card, SMEF= Small and Medium Enterprise Financing, BHs/ MBs/SDs= Loans to Brokerage Houses/Merchant Banks/Stock Dealers.

## 7. Base for Provision

For the following types of eligible collaterals, provision is maintained at the stated rates mentioned above on the base for provision. Base for provision is calculated deducting interest suspense and the value of eligible collateral from outstanding classified loans. Eligible collaterals are the followings:

- Deposit with the same Bank kept under lien against the loan
- Government bond/savings certificate kept under lien,
- Guarantee given by Government or Bangladesh Bank.

For all other eligible collaterals, the provisions are maintained by the stated rates mentioned above on the balance calculated as the greater of the following two amounts:

- Outstanding balance of the classified loan less the amount of Interest Suspense and the value of eligible collateral; and
- 15% of the outstanding balance of the loan.

## 8. Eligible Collateral

The following collaterals are included as eligible collateral in determining base for provision:

- 100% of deposit under lien against the loan
- 100% of the value of government bond/savings certificate under lien
- 100% of the value of guarantee given by Government or Bangladesh Bank
- 100% of the market value of gold or gold ornaments pledged with the Bank.

In case of any installment(s) or part of installment(s) of a **Fixed Term Loan** is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.

For loan classification and maintenance of specific and general provision, Bank follows BRPD circular no-14 and 19 of 2012, 05 of 2013, 12 and 16 of 2014, 15 of 2017, 01 of 2018, 03 of 2019, 16 of 2020, 52 of 2020 and as advised by Bangladesh Bank from time to time.

- 50% of the market value of easily marketable commodities kept under control of the Bank
- Maximum 50% of the market value of land and building mortgaged with the Bank
- 50% of the average market value for last 06 months or 50% of the face value, whichever is less, of the shares traded in stock exchange.

## 9. Subjective Judgment

Considering the nature and performance of a loan, the Bank can also classify a particular loan on the basis of subjective judgment taking into consideration the factors such as uncertainty or doubt of repayment, continuous loss of capital, adverse situation, decrease of value of securities, legal suit etc. However, regardless of all rules and regulations the central Bank can classify any loan on the basis of their subjective judgment and can instruct the Bank to make additional provision on non-performing loans.

### (b) Quantitative Disclosures

#### 1) Total gross credit risk exposures broken down by major types of credit exposure:

Total gross credit risk exposures by major types: Bangladesh Bank guidelines on Basel III stipulated to segregate Bank's asset portfolio into different categories and the following table shows our gross exposure in each asset category.

BDT in Million

SI	Particulars	Consolidated	Solo
a	Cash	16,418.54	16,418.43
b	Claims on Bangladesh Government and Bangladesh Bank	98,941.00	98,941.00
c	Claims on Banks & NBFIs	40,690.08	40,569.12
d	Claims on Corporate	160,222.52	160,222.52
e	Claims on SME	61,905.89	61,905.89
f	Claims under Credit Risk Mitigation	47,190.40	47,190.40
g	Claims categorized as retail portfolio (excluding SME, Consumer finance and Staff loan) up to 1 crore	1,350.51	1,350.51
h	Consumer finance	2,671.85	2,671.85
i	Claims fully secured by residential property	4,656.84	4,656.84
j	Claims fully secured by commercial real estate	2,217.56	2,217.56
k	1. Past Due Claims that is past due for 60 days or more (Risk weights are to be assigned net of specific provision):		
	Where specific provisions are less than 20% of the outstanding amount of the past due claim	6,986.06	6,986.06
	Where specific provisions are no less than 20% of the outstanding amount of the past due claim	1,590.15	1,590.15
	Where specific provisions are more than 50% of the outstanding amount of the past due claim	1,731.81	1,731.81
	2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	245.73	245.73
	3. Loans and claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is no less than 20% of outstanding amount	223.25	223.25
l	Capital Market Exposure	2,726.08	
m	Investment in equity and other regulatory capital instruments issued by other Banks and Merchant Banks/Brokerage Houses/Exchange Houses which are not listed in the Stock Exchanges (other than those deducted from capital) held in banking book	5,749.81	11,283.95
n	Investment in Venture Capital, Alternative Investments	1,537.76	1,537.76
o	Investments in premises, plant and equipment and all other fixed assets	10,130.42	9,631.94
p	Claims on all fixed assets under operating lease	-	-
q	All other assets		223.25
	i) Claims on GoB & BB	1,264.79	1,264.79
	ii) Staff loan	329.42	329.42
	iii) Claims on Offshore Banking Unit	-	-
	iv) Others	5,323.10	5,137.96
	<b>Total</b>	<b>474,103.57</b>	<b>476,330.19</b>

## 2) Geographical distribution of exposures

BDT in Million

	Regions	Exposure
Region Based	Dhaka	273,921.72
	Chattogram	47,316.72
	Rajshahi	4,624.65
	Sylhet	4,183.75
	Khulna	1,660.76
	Rangpur	1,084.24
	Barisal	228.18
	Mymensingh	484.71
	Total	333,504.73
Country Based	Domestic	333,504.73
	Overseas	-

**3) Major Industry wise distribution of exposures (Industrial Loan)**

	BDT in Million
Ready Made Garment industries (RMG)	80,271.03
Real Estate industries	23,144.84
Textile industries	24,630.28
Agro-Based Industries	16,943.88
Cement & Ceramics industries	6,592.66
Ship Breaking & Ship Building industries	5,171.43
Pharmaceuticals industries	1,287.92
Other Industries	96,584.03
<b>Total</b>	<b>254,626.06</b>

**4) Residual contractual maturity breakdown of the whole portfolio**

	BDT in Million
On demand	19,681.20
Less than three months	88,780.67
More than three months but less than one year	95,262.56
More than one year but less than five years	88,103.98
More than five years	41,676.32
<b>Total</b>	<b>333,504.73</b>

**5) Major Industry type amount of impaired loans**

	BDT in Million
Agriculture	125.34
Industrial (Manufacturing)	7,104.49
Industrial (Services)	3,658.96
Consumer Credit	208.17
Trade & Commerce (Commercial Loans)	4,308.46
Credit to NBFIs	-
Loans to Capital Market	-
Other Loans	630.14
<b>Total</b>	<b>16,035.56</b>

**6) Gross Non-Performing Assets (NPAs)**

	BDT in Million
Gross Non-Performing Assets (NPAs)	16,035.56
Non-performing assets to outstanding loans and advances	4.81%
Movement of Non-Performing Assets (NPAs):	
Opening balance	9,939.76
Additions	11,573.10
Reductions	5,477.30
Closing balance	16,035.56
Movement of specific provisions for NPAs:	
Opening balance	2,022.68
Provision made during the period	327.28
Write off	284.67
Write back of excess provisions	337.08
Closing balance	1,728.21



## E. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

### a) Qualitative Disclosures

Banking book positions consist of those assets which are bought for holding until they mature. The Bank treats unquoted equities as banking book assets. Unquoted equities are not traded in the bourses or in the secondary market. They are shown in the balance sheet at cost price and no revaluation reserve is created against these equities.

### b) Quantitative Disclosures

Values of investments as disclosed in the Balance Sheet:

BDT in Million

Particulars	Consolidated		Solo	
	Cost Price	Market Price	Cost Price	Market Price
Unquoted Share	649.81	649.81	649.81	649.81
Quoted Share	7,224.02	7,936.05	3,965.62	3,992.00

Cumulative unrealized gains/losses (for Banking Book Equity):

BDT in Million

Particulars	Consolidated	Solo
The cumulative realized gains/losses arising from sales and liquidations in the reporting period	-	-

For Banking Book Equity:

BDT in Million

Particulars	Consolidated	Solo
Total unrealized gains/losses	-	-
Total latest revaluation gains/losses	-	-
Any amounts of the above included in Tier 2 capital	-	-

Capital requirement according to equity groupings:

BDT in Million

Particulars	Capital Requirement	
	Consolidated	Solo
Unquoted Share	81.23	81.23
Quoted Share	1,587.21	798.40

As equities do not have any maturity, we have calculated risk weighted assets for unquoted equities on the basis of fixed risk weight which is 125% of investment value. And for quoted share capital charge is 10% for both specific and market risks.

## F. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

### a) Qualitative Disclosures

Interest rate risk affects the Bank's financial condition due to adverse movements in interest rates of interest sensitive assets and interest sensitive liabilities. Changes in interest rates have two types of impact:

- i. **Earnings perspective:** It affects a Bank's earnings by changing its net interest income and the level of other interest sensitive income and operating expenses.
- ii. **Economic value perspective:** The economic value of future cash flows changes when interest rate changes.

At present SEBL is following the Bangladesh Bank prescribed format for assessing the economic value due to interest rate shock.

### b) Quantitative Disclosures

#### Earnings perspective:

Here, we have used maturity gap method to measure changes in earnings due to changes in interest rates:

BDT in Million		
Up to 12 Month (Cumulative Gap)	Percentage changes in interest rate	Net interest income and re-pricing impact
45,608.00	1% increase in interest rate	+398.50
	1% decrease in interest rate	-398.50
	2% increase in interest rate	+797.00
	2% decrease in interest rate	-797.00
	3% increase in interest rate	+1,195.50
	3% decrease in interest rate	-1,195.50

## G. MARKET RISK

### a) Qualitative Disclosures

#### View of the Board of Directors on trading/investment activities

Market risk arises due to changes in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. The financial instruments held with trading intent or to hedge against various risks, which are purchased to make profit from spreads between the bid-price and ask price are subject to market risk. SEBL is exposed to market risk mostly stemming from Government Treasury Bills and Bonds, shares of listed Public Limited Companies, foreign currency etc.

#### Methods used to measure Market Risk

There are several methods used to measure market risk and the Bank uses those methods which are deemed fit for a particular scenario. For measuring interest risk from earnings perspective, the Bank uses Maturity Gap analysis, Duration Gap analysis, Sensitivity Analysis and Mark to Market (MTM) method. For measuring foreign exchange risk, the Bank uses VaR analysis.

We use standardized (Rule Based) method for calculating capital charge against market risks for minimum capital requirement of the Bank under Basel-III.

#### Market Risk Management System

The Bank has its own Market Risk Management System which includes Asset Liability Risk Management (ALM) and Foreign Exchange Risk Management under the core risk management guidelines.

**Asset Liability Management (ALM):** The ALM policy specifically deals with liquidity risk management and interest rate risk management framework.

**Foreign Exchange Risk Management:** Foreign exchange risk arises when the Bank is involved in foreign currency transactions. These include foreign currency exchange, placement, investments, loans, borrowings and different contractual agreements. We use different hedging techniques to mitigate foreign exchange risks.

**Policies and processes for mitigating market risk are mentioned below:**

- Risk Management and reporting is based on parameters such as Maturity Gap Analysis, Duration Gap Analysis, VaR etc, in line with the global best practices
- Risk Profiles are analyzed and mitigating strategies/ processes are suggested by the Asset Liability Committee (ALCO)
- Foreign Exchange Net Open Position (NOP) limit, deal-wise trigger limits, Stop-loss limit, Profit / Loss in respect of cross currency trading are properly monitored and exception reporting is regularly carried out
- Holding of equities is monitored regularly so that investment remains within the limit as set by Bangladesh Bank
- Asset Liability Management Committee (ALCO) analyzes market and determines strategies to attain business goals
- Reconciliation of foreign currency transactions

**b) Quantitative Disclosures**

The capital requirements for:

BDT in Million

Particulars	Consolidated	Solo
Interest rate risk	470.40	470.40
Equity position risk	1,587.21	798.40
Foreign exchange risk	64.90	64.90
Commodity risk	-	-
<b>Total</b>	<b>2,122.51</b>	<b>1,333.70</b>

**H. OPERATIONAL RISK****a) Qualitative Disclosures****Views of the Board of Directors on system to reduce Operational Risk**

Operational risk is the risk which may arise directly or indirectly due to failure or breakdown of system, people and process. This definition includes legal risk but excludes strategic and reputation risk. The Bank manages these risks through a control-based environment in which processes are documented, authorization is kept independent and transactions are reconciled and monitored. This is supported by a periodic process conducted by ICCD and monitoring external operational risk events, which ensure that the Bank stays in line with the international best practices.

**Performance Gap of Executives and Staffs**

The Bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The Bank offers competitive pay package to its employees based on performance and

merit. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.

**Policies and processes for mitigating operational risk**

The Bank has adopted policies which deal with managing different Operational Risks. Bank strongly follows KYC norms for its customer dealings and other banking operations. The Internal Control and Compliance Division of the Bank, the inspection teams of Bangladesh Bank and External Auditors conduct inspection on different branches and divisions at Head Office and submit reports presenting the findings of the inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports.

**Approach for calculating capital charge for operational risk**

The Bank has adopted Basic Indicator Approach (BIA) to compute capital charge against operational risk under Basel-III as per Bangladesh Bank Guidelines.

**b) Quantitative Disclosures**

The capital requirements for operational risk:

BDT in Million

Particulars	Consolidated	Solo
The capital requirements for operational risk	2,519.29	2,486.44

Calculation of Capital Charge for Operational Risk (Consolidated)

**Basic Indicator Approach**

BDT in Million

Year	Gross Income (GI)	Average GI	15% of Average GI
December, 2019	17,688.84	16,795.25	2,519.29
December, 2020	15,217.63		
December, 2021	17,479.28		
<b>Total GI</b>	<b>50,385.75</b>		

**I. LIQUIDITY RATIO****a) Qualitative Disclosures****Views of the Board of Directors on system to reduce Liquidity Risk**

Southeast Bank Limited has proficient Board of Directors that has always been giving utmost importance to minimizing the liquidity risk of the Bank. In order to reduce liquidity risk, strict maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve (SLR) is also being emphasized on a regular basis. Apart from these, as part of Basel-III requirement Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are also maintained under the guidance of the Board of Directors.

**Methods used to measure Liquidity Risk**

In order to measure liquidity risk various methods are being used which are as follows:

- GAP analysis is being done regularly that deals with the mismatch of assets and liabilities in different time buckets like 0-30 days, 31-90 days, 91-180 days, 181-270 days, 271-365 days and beyond 1 year. In our monthly ALCO paper, we show this GAP analysis based on which different strategic decisions are taken

in order to reduce liquidity risk that may arise due to the mismatch between assets and liabilities.

- Cash flow forecasting is another technique to measure liquidity risk that may arise due to future cash flow mismatch. In our monthly ALCO paper we show this cash flow forecasting.

**Liquidity Risk Management system**

As part of liquidity risk management system, we have Board approved liquidity contingency plan. In this liquidity contingency plan, we have incorporated all the strategic decisions to tackle any sort of liquidity crisis. As per Bangladesh Bank ALM guideline, this liquidity contingency plan is reviewed annually which is approved by the Board of Directors.

**Policies and processes for mitigating Liquidity risk**

We strictly follow the Bangladesh Bank instructions and policy guideline to prepare the structural liquidity profile and submit it to Bangladesh Bank every month. We also place liquidity related information to the meeting of the Board of Directors each month so that Board can give necessary directives to adjust/prevent us from the branch of the limits set by the Board and the Bangladesh Bank.

**b) Quantitative Disclosures**

BDT in Million

Liquidity Coverage Ratio (LCR)	118.93%
Net Stable Funding Ratio (NSFR)	121.76%
Stock of High quality liquid assets	118,276.57
Total net cash outflows over the next 30 calendar days	99,450.58
Available amount of stable funding	383,011.47
Required amount of stable funding	314,553.29



## J. LEVERAGE RATIO

### a) Qualitative Disclosures

#### Views of the Board of Directors on system to reduce excessive leverage

Leverage is an inherent and essential part of modern banking business. In other words, Banks are highly leveraged organizations which facilitate leverage for others. Leverage, in simple terms, is the extent to which a Bank funds its assets with borrowings rather than capital. More debt relative to capital means a higher level of leverage.

Banks have a range of financial incentives to operate with high leverage. But it creates risk when it crosses a certain point. Therefore, the Board views that sound prudential controls are needed to ensure that the organization maintains a balance between its debt and equity. The Board also believes that the Bank should maintain its leverage ratio on and above the regulatory requirements which will eventually increase the public confidence in the organization.

#### Policies and processes for managing excessive on and off-balance sheet leverage:

The leverage ratio is a non risk based approach to the measurement of leverage. The ratio acts as a 'backstop' against the risk based capital requirements and is also designed to constrain excess leverage. There are three types of leverage: balance sheet, economic and embedded. Under Basel III, the Bank has to maintain a leverage ratio in excess of 3% of its exposures. The leverage ratio is intended to achieve the following objectives:

- Constrain the build-up of leverage in the Bank
- Reinforce the risk based requirements with an easy to understand and a non risk based measure.

To manage excessive leverage, the Bank follows all regulatory requirements for capital, liquidity, commitment, Advance Deposit Ratio (ADR), Maximum Cumulative Outflow (MCO), large exposures, as well as risk management which are eventually reinforcing standards set by Bangladesh Bank. The aim is to ensure that the high leverage that is inherent in banking business models is carefully and prudently managed.

#### Approach for calculating exposure

Leverage ratio reflects the Bank's Tier-1 capital (the numerator) over total exposure (the denominator), which includes its balance sheet exposures and certain off-balance sheet exposures.

The capital measure for the leverage ratio is based on the Tier-1 capital. The exposure measure for the leverage ratio follows the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the followings are applied by the Bank:

- On balance sheet, non-derivative exposures will be net off specific provisions and valuation adjustments
- Physical or financial collateral, guarantee, or credit risk mitigation purchased is not considered to reduce on-balance sheet exposure.
- Netting of loans and deposits is not considered.

Off-Balance Sheet (OBS) items are calculated by applying a uniform 100% credit conversion factor (CCF). For any commitments that are unconditionally cancellable at any time by the Bank without prior notice, a CCF of 10% is applied.

### b) Quantitative Disclosures

BDT in Million

Particulars	Consolidated	Solo
Leverage Ratio	4.42%	4.39%
On balance sheet exposure	478,559.90	477,206.30
Off balance sheet exposure	96,012.79	96,012.80
<b>Total exposure after deduction</b>	<b>574,285.75</b>	<b>572,932.15</b>

## K. REMUNERATION

### a) Qualitative Disclosure

#### Information relating to the bodies that oversee remuneration:

The Human Resources Division of the Bank oversees the remuneration in line with its HR policy under direct guidance of the Board of Directors of the Bank. A committee comprising of few members of senior Management led by the Managing Director is responsible for formulating remuneration policy. The Head of Human Resources Division acts as the Member Secretary of the committee. The remuneration committee is the main body for overseeing the Bank's remuneration. The committee reviews the position of remuneration and recommend to the Board of Directors for approval taking into consideration present cost of living index, rate of inflation and the existing remuneration of peer Banks.

The Bank does not have any external consultant in preparing and implementing the remuneration policy.

The Bank follows a non-discriminatory policy in respect of remuneration and benefits for Head quarter and regions. However, a foreign posting allowance in remuneration is in practice for employees who are posted outside Bangladesh.

#### Information relating to the design and structure of remuneration processes:

The motto of the remuneration policy is to attract and retain productive employees who can contribute substantially to the overall growth of the Bank. The remuneration policy is carefully designed and regularly updated to provide adequate incentives so that the employees are fully committed to do their best to achieve the operational goals of the Bank.

The risk and compliance related employees are carrying out the activities independently in line with delegation of powers and job descriptions approved by appropriate authorities.

#### Description of the ways in which current and future risks are taken into account in the remuneration processes:

When implementing remuneration measures, the Bank considers business risk, financial and liquidity risk, compliance and reputational risk for each official.

Various types of measures are taken into account in determining these risks. The measures focus on the organizational goals set for operational areas. Asset quality (NPL ratio), cost-income ratio, net profit growth etc. are used for measuring the risks.

The performance of each employee is evaluated for a particular period especially annually against performance indicators set and agreed with the officials at the beginning of the year. Performance differs from employee to employee and this affects the remuneration package.

In the year 2021, there has been no material change that could create impact on the remuneration.

#### Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:

The Bank has one set of Performance Appraisal Form (PAF) to evaluate the performance of all categories of officials of the Bank. The PAF has 3 (three) parts i.e. (i) Key Performance Indicators, (ii) Personal Attributes and (iii) Job Related Skills and Competencies. Key Performance Indicators (KPIs) are deposit, investment and profit target oriented.

Decisions about promotion, granting of annual increment and incentive bonus are linked to the performance of the employees against set Key Performance Indicators.

#### Description of the ways in which the Bank seek to adjust remuneration to take account of longer-term performance:

The Bank does not seek to adjust remuneration to take account of longer-term performance.

#### Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms

The Bank pays variable remuneration such as, Technical Allowance for the officials of Information Technology Division, Alternative Delivery Channel (ADC) Division, Surveillance Allowance for the Head/Supervisor, In-charges & Operators of Central Monitoring System (CMS) of Head Office and Charge Allowance for Heads of Branches. Those allowances are paid taking into account the special and technical nature of the job they perform.

**b) Quantitative Disclosure:**

Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its matter	02 (two) meetings of remuneration committee were held and no remuneration was paid to the members																			
Number of employees having received a variable remuneration award during the financial year	218 employees received a variable remuneration in the year 2021																			
Number and total amount of guaranteed bonuses awarded during the financial year	02 (two) guaranteed bonuses were awarded and the total amount of bonus was Taka 164.77 Million																			
Number and total amount of sign on awards made during the financial year	No amount was paid as sign-on awards																			
Number and total amount of severance payments made during financial year	No payment was made as severance																			
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year	Not Applicable																			
Breakdown of amount of remuneration awards for the financial year to show: <ul style="list-style-type: none"><li>- fixed and variable.</li><li>- deferred and non-deferred.</li><li>- different forms used (cash, shares and share linked instruments, other forms)</li></ul>	<table><tr><th>Particulars</th><th colspan="2">Amount (BDT in Million)</th></tr><tr><td>Fixed</td><td>182.02</td><td rowspan="2">Total 193.10</td></tr><tr><td>Variable</td><td>11.08</td></tr><tr><td>Deferred</td><td>0.00</td><td></td></tr><tr><td>Non- deferred</td><td>193.10</td><td></td></tr><tr><td>Form used (cash)</td><td>193.10</td><td></td></tr></table>			Particulars	Amount (BDT in Million)		Fixed	182.02	Total 193.10	Variable	11.08	Deferred	0.00		Non- deferred	193.10		Form used (cash)	193.10	
	Particulars	Amount (BDT in Million)																		
	Fixed	182.02	Total 193.10																	
	Variable	11.08																		
	Deferred	0.00																		
	Non- deferred	193.10																		
Form used (cash)	193.10																			
Quantitative information about employee's exposure to implicit (e.g. fluctuation in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluation of awards) of deferred remuneration and retained remuneration:	Not Applicable																			
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	Not Applicable																			
Total amount of reductions during the financial year due to ex post explicit adjustments	Not Applicable																			
Total amount of reductions during the financial year due to ex post implicit adjustments	Not Applicable																			

# CAPITAL PLAN

SEBL's capital planning is executed on an annual basis and is aligned with the management actions, and a dynamic process which involves various teams including Finance, Corporate Treasury, CRM, Economics and our businesses, and covers internal capital ratio targets, potential capital transactions as well as projected dividend payouts. The integral parts of our capital planning comprise our business operating plans, Enterprise-wide stress testing and Internal Capital Adequacy Assessment Process (ICAAP), along with the considerations of regulatory capital requirements.

Capital planning is an ongoing, dynamic, forward-looking process that provides a buffer against potential shocks that may arise and also aligns to achieve Bank's mission, goals, and objectives within the context of risk. Stress test, one of the major components to check capital position, is performed to verify the substantial capital position of the Bank and whether the Bank can tackle adverse events arising from its business strategy at present and in future.

## Capital Planning Process:

SEBL conducts stress tests and scenario analyses to determine factors that has impact in its capital and capital planning process. The Bank formulates its internal capital level targets and endeavours to maintain its capital adequacy level in excess of the targeted levels at all times. Thus, the Bank's capital assessment and planning for current and future periods reflect the Bank's capital needs, planned capital consumption, desired level of capital, limits related to capital, management actions/ contingency plan for dealing with divergences and unexpected events and assessment for external and internal sources of capital.

The Board of Directors of SEBL maintains an active oversight over the Bank's capital adequacy levels in line with the Bangladesh Bank's Basel guidelines. The Bank has also a Board approved policy for Internal Capital Adequacy Assessment Process (ICAAP) and the outcomes of the ICAAP are presented to the Board on an annual basis. The ICAAP encompasses the Bank's capital planning for current and future periods. The Bank determines its capital needs and the optimum level of capital taking into account the Bank's strategic focus, business plan, growth objectives and any other related factors including:

- Regulatory capital requirements as per the Basel guidelines
- Assessment of material risks
- Future strategy with regard to investments and
- Evaluation of capital raising options in the form of equity and debt capital instruments as permitted by regulatory authorities from time-to-time

## The Capital Planning process allows us to:

- Set earnings, key risks and capital adequacy targets considering the Bank's strategic focus and business plans
- Assess our risk-bearing capacity for internal and external requirements (i.e., economic capital and regulatory capital)
- Apply an appropriate stress test to assess the impact on capital demand, capital supply and liquidity

## Implementation of capital plan:

The risk analyses and findings are presented before the Executive Risk Management Committee (ERMC), Supervisory Review Process (SRP) team, Senior Management Team (SMT) and Board Risk Management Committee (BRMC). Finally, the Board of Directors gives suggestions and approvals regarding how much capital the Bank needs, when the capital will be raised, how the capital will be raised, what will be the pricing of the capital and the best ways to protect/enhance shareholders' value. The management of the Bank monitors the development of the capital plan and ensures that the capital position covers regulatory requirement and remains within the risk appetite of the Bank.

## Capital requirement under Basel – III:

SEBL adopted the Basel – III accord as per the guidelines issued by the Bangladesh Bank. The Bank has been maintaining adequate capital since it came into effect on January 2015. To ensure sustainable growth in coming years and to strengthen the capital base further. SEBL issued Subordinated Bond of Tk.5000 million in 2020 and both subordinated and perpetual bond of Tk.5000 million and Tk.7000 million respectively are in the pipeline to firm the capital base. The Bank also prudently thinks about minimizing Risk Weighted Assets (RWA) and thus reduce pressure on capital to maintain adequate level of CRAR.

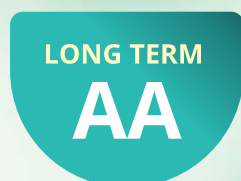
The Bank is always stepped forward in developing and deploying strategies for attaining good rating in capital adequacy as per central Bank's assessment. The key to this success is the ability of the Bank to forecast the future financial indicators and plan for the capital requirements in context of the risk factors.



## CREDIT RATING

# STABLE CREDIT RATING

Credit Rating Information and Services Limited (CRISL) has reaffirmed the long term rating of Southeast Bank Limited at AA (Pronounced as Double A) and the short term rating at ST-2 based on audited financials up to 31<sup>st</sup> December, 2020 and unaudited financials up to 30<sup>th</sup> June, 2021 and other relevant qualitative as well as quantitative information up to the date of rating.

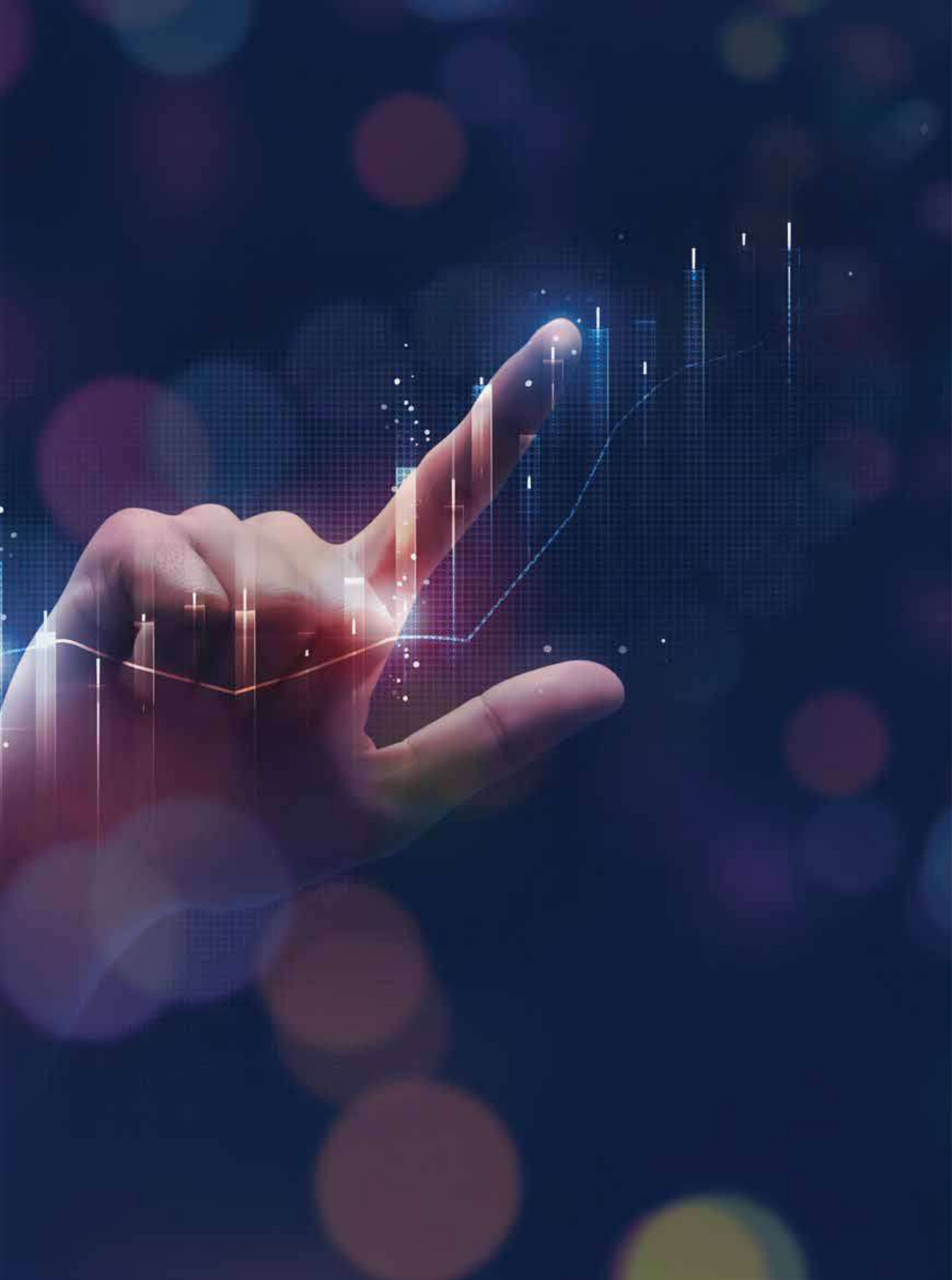


Date of Rating: August 04, 2021

Validity: Up to August 03, 2022



**Southeast Bank Limited™**  
a bank with vision





# SUSTAINABILITY APPRAISAL AND INTEGRATED REPORTING



## SUSTAINABILITY APPRAISAL AND INTEGRATED REPORTING

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# SUSTAINABILITY REPORT AT A GLIMPSE

The economic strides in sustainability agenda, despite global disruptions and headwinds from Covid-19, is a continuous process. SEBL is committed to serving all strata of society through careful customer segmentation that provides financial access and services across the continuum of socio demographic groups. The Bank always believes that growth should be both inclusive and environmentally sound to reduce poverty and build shared prosperity for our society to continue to meet up the needs of future generations. The Bank is working towards building a solid business model capable of creating stable revenue, delighted customers, disciplined use of capital, rationalization of cost, prudent risk management, and strong brand value to become sustainable corporate house. Being sustainable also means taking responsible decisions in context of ethical, social and environmental issues as well as long term welfare of the community.

SEBL's approach to sustainability is guided by our sense of purpose: to create value for the long term, and by managing business in a balanced and responsible way. The Bank does this through four sustainability pillars.



## Responsible Banking

SEBL incorporates responsible financing in our lending practices, support our customers' transition towards more sustainable business models and improve customers' access to ESG (Environmental, Social and Government) investments. It conducts its business in a fair and responsible manner. This includes advancing financial inclusion, taking a proactive stance to protect our customers' information and preventing financial crime.

## Responsible Business Practices

SEBL does the right thing by its people and consider the impact its business operations have on the environment and society. The Bank provides an inclusive work environment, manage our direct environmental footprint and seek to influence our supply chain towards sustainable practices. The Bank also pays fair share of taxes and make economic contributions to the communities where we operate.

## Creating Social Impact

SEBL seeks to be a force for good by supporting social enterprises that address social needs in a creative and effective manner. SEBL also gives back to the communities in the markets where we operate. Through "People of Purpose" volunteerism movement, the Bank helps to drive impact in the areas of the elderly, education and the environment.

## Environment

Southeast Bank is firmly committed to the environmental preservice and combating climate change. This commitment is reflected in the Bank's corporate governance, in the Bank's lines of action & development of products and services. Southeast Bank's commitment towards environment is evident from its positive environmental impact and measurement of its internal environmental footprint. SEBL strives to ensure that its operations are environment friendly. The Bank believes that every small 'GREEN' step taken today would go a long way in building a greener future and that each one of us can work towards a better global environment.

# REPORT ON CORPORATE SOCIAL RESPONSIBILITY

## CSR Policy of the Bank

Banks' Corporate Social Responsibility (CSR) activities follow relating to Corporate Social Responsibility (CSR) transparent business practices that are based on ethical values, compliance with legal and regulatory requirement and respect for people, communities and the environment. We are responsible for the totality of our impact on people and the planet, beyond making profit. Our corporate social responsibility is about addressing the needs of all the stakeholders in a way that advances our business and makes a positive and meaningful contribution to the society.

Southeast Bank pursues a strong policy based on its belief in Corporate Social Responsibility (CSR) which contributes to the society where we live and operate. By this policy, we contribute our small bit of backing in sustaining the society that gives us the business sustenance. Our Corporate Social Responsibility encompasses our customers, employees, shareholders, suppliers, business associates and the society as a whole. We endeavor to achieve our objectives in the area of corporate social responsibility in the following manner:

- 1) Stressing upon extension of credit and participation in projects for economic development of the country;
- 2) Following fair and ethical banking practices and maintaining sound management;
- 3) Developing and prospering with customers by offering top-quality and high-value-added products and services;
- 4) Offering competitive pay package and career path to the employees and creating a congenial workplace;
- 5) Enhancing shareholder value by optimizing financial performance at a competitive cost;
- 6) Creating a lasting relation with suppliers and business associates for mutual benefit;
- 7) Supporting charitable ventures, relief operations and environment protection;
- 8) Coming to the aid of the poor and the needy people of the society;
- 9) Maintaining high compliance standard in regard to all relevant laws and regulations of all regulatory bodies;
- 10) Supporting art, education, sports, culture, healthcare etc.;

- 11) Promoting good community relation to foster a relationship of understanding, trust and credibility;
- 12) Observing environment related laws and regulations and working for healthy development of the society;
- 13) Supporting development of the women community;
- 14) Carrying on energy and resource-saving activities within the Bank;
- 15) Winning the reputation that the citizens acknowledge the significance of Southeast Bank's existence;

## Southeast Bank Green Foundation (SEBGF)

With a view to discharging Corporate Social Responsibilities in the most organized and coordinated way, Southeast Bank Foundation has been established by Southeast Bank Limited. Because of having effective and organized frameworks, it has succeeded in undertaking a number of CSR programs.

## Donation to the Prime Minister's Relief and Welfare Funds

Southeast Bank never lacks in extending its material and financial support to national causes and natural calamity victims on humanitarian ground. At the call of necessity, Southeast Bank donated BDT 72.09 million to the Prime Minister's Relief and Welfare Fund in 2021.

## Educational Scholarship

Southeast Bank Foundation started Scholarship Program back in 2009. It aims at helping the promising and brilliant learners coming from poor families in the pursuit of education at different levels. The process of selecting students for scholarship is done neutrally. In 2021, SEBF spent total BDT 0.22 million for Scholarship to students at different levels selected from educational institutions across the country. In 2021, scholarship was awarded to 20 students at different levels.

## Southeast Bank Green School

Considering the predominating demand for quality education at the grooming stage of life, Southeast Bank Green School was set up in 2013 for the children of families with moderate income at Mohammadpur, Dhaka. It is housed in 2 (two) adjacent buildings located in the midst of a number of housing societies. The school follows Edexcel British Curriculum. It is equipped with all

modern amenities and facilities. Currently, 28 teachers are putting their relentless efforts to impart quality education to the students. In 2021, a total amount of BDT 18.42 million was spent for the school.

### Support for Educational Institutions

Education is the backbone of a nation. To create good citizens for the nation, we supported educational institutions in improving their educational environment. In 2021, we spent BDT 5.45 million for the purpose.

### Support for Medical Treatment

We get our business sustenance from the society in which we operate. We stand by the poor people distressed by serious illness and provide them financial assistance for medical treatment of their serious diseases. In the year 2021, an amount of BDT 69.72 million was spent for this humanitarian cause.

### Support for promotion of law and order in the Country

Crime-free society is the key to economic development. We assisted different bodies in their longing for maintenance of law and order in the country. In 2021, we spent BDT 10.23 million for the purpose.

### Donation to different Bodies/Institutions

In 2020, we extended financial support to different bodies and institutions to pursue charitable ventures, environment protection, women emancipation etc. In the year 2021, a total amount of BDT 70.95 million was spent for the purpose.

### Total CSR Expenditure

Our CSR-efforts go beyond charity. We support institutions to protect wildlife habitat, curb effect of climate change and improve conditions of families and communities. We promote green living and Green Banking.

In 2021, Southeast Bank contributed total BDT 175.00 million for education, sports, art, culture, promotion of national heritage, improvement of the condition of autistic children, women emancipation, health-care, financial assistance to disadvantaged people, donation for national disaster-victims, help for poor peoples' medical treatment of serious diseases, community development, relief operation, winter-clothes for the cold-hit poor people, etc.



# WAY FORWARD TO ACHIEVE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals (SDGs) were adopted in 2015 by 193 United Nations Member States as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The start of a "Decade of Action" to accelerate progress on the Sustainable Development Goals (SDGs) has coincided with the COVID 19 pandemic, raising deep questions about prospects for achieving this ambitious agenda.

SEBL believes that a well-regulated and transparent banking system is a critical element to implement SDGs. SEBL has been practising prudent measures in achieving the 2030 Agenda with its wide range of products and services to provide and channel resources towards sustainable initiatives that contribute to the implementation of the SDGs.

**Following are the initiatives of SEBL to achieve SDGs:**





SL	SDG	Bank's initiatives
1	No poverty	Investing in customer friendly and labour intensive projects
2	Zero Hunger	Agricultural credit for small farmers
3	Good health and well-being	Investment in Healthcare sector and Pharmaceutical sector
4	Quality education	Student friendly products, scholarships for meritorious students and donations to educational institutions
5	Gender equality	Specialized products and services for women of all sphere and female entrepreneurs
6	Clean water and sanitation	Green financing and green banking activities
7	Affordable and clean energy	Financing of renewable energy sector
8	Decent work and economic growth	Diversifying portfolio towards different sectors for facilitating job opportunities
9	Industry innovation and infrastructure	Promotes innovative business and industries as well as building infrastructures
10	Reduce inequalities	Financing more entrepreneurs and more enterprises to start creating the foundation for financial equality
11	Sustainable cities and communities	Provides home loans and contributing to beautification of major cities
12	Responsible consumption and production	Ensures efficient use of energy resources through daily practices
13	Climate action	Integrates environmental risk management into lending strategies
14	Life below water	Inspiring entrepreneurs engaged in environment friendly and ecological services by giving Green Awards
15	Life on land	Financing projects that significantly conserve biodiversity and ecosystems
16	Peace Justice and strong institutions	Strong monitoring of AML & CFT issues for reducing corruption and bribery
17	Partnership for the Goals	Alignment with different public private partnership institutions

SEBL has adopted sector specific sustainability standard as its business strategy which will help the Bank to better assess and manage the environmental and social risk of projects they finance and avoid financing projects that have significant detrimental social and environmental impacts.

Moreover, SEBL has established a sustainable financing framework that enables the Bank to identify projects which are aligned with achieving SDGs and follows a trend of defining objectives and metrics of the achievement.

# CONTRIBUTION TO NATIONAL ECONOMY

Despite the recurrent shocks of COVID-19 and consequent containment measures in terms of mobility restriction and nationwide lockdowns, preliminary estimates suggest that Bangladesh economy would attain around 6.1 percent real GDP growth in FY 2021-22, significantly higher than last year's estimated growth of 5.2 percent supported by reasonably healthy growth performance in agricultural and industrial sectors. As a leading commercial Bank of the country Southeast Bank Limited (SEBL) is creating a substantial contribution to the economic devolvement of the country. The Bank has been playing a vital role in the economy by providing credit for businesses and at the same time collecting money as deposits from general public.

Bangladesh has an impressive track record of growth and poverty reduction. It has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong Ready-Made Garment (RMG) exports, growth in the agricultural sector, expansion of Cottage, Medium, Small and Micro Enterprises (CMSMEs), decline in the rate of population growth, Government's safety net programmes and stable macroeconomic conditions. Continued recovery in exports and consumption will help growth rates pick up to 6.1 percent in fiscal year 2021-22.

The export sector in Bangladesh has grown up significantly making a major contribution to the national economy and is playing an important role in employment generation and foreign currency earnings. In the fiscal year 2020-21, Bangladesh exported goods worth USD 38,758.31 million where the contribution of RMG sector is 82.98 percent. Southeast Bank has been financing in the export sector on priority basis and at present, a sizeable portion of Bank's total loan portfolio belongs to export clients. During the year 2021, the Bank has handled export business to the tune of BDT 220,402.80 million and import business to the tune of BDT 313,262.70 million. Considering the importance of RMG industry during the year 2021, SEBL invested BDT 80,271.03 million in RMG sector. Bangladesh as a labour surplus country, with increase in the number of migrant workers, there has been considerable increase in the amount of annual

remittance. SEBL has collected BDT 150,294.60 million as remittance from different countries during the year 2021. Agriculture is important contributing sector (around 17%) to the national GDP. This sector is working as main life-blood for the economy of the country. Almost 47 percent of the total labor force of the country and 85 percent of rural workers of the country are directly involved with agriculture like crops, fisheries, livestock and forestry which ensure food security, self-employment, diversification of income generating activities and better standard of living for the people of the country. Agriculture sector witnessed remarkable progress, despite continued loss of arable land. There has been a sharp increase in food grain production during more than the last four decades. The increase has been made possible as a result of a liberalized input market and expansion of irrigation, encouraging farmers to adopt the new seed-fertilizer technology, which is mainly financed by the Banking Sector. The Bank offers various types of loans covering the entire agricultural value chain including loans to seed/input dealers, crop loans and loans for purchasing irrigation equipment, raising cattle and purchasing farm equipment through MFI (Micro Finance Institutions) linkage. During the year 2021, SEBL invested BDT 16,943.88 million Agriculture sector.

Cottage, Micro, Small and Medium Enterprises (CMSMEs) make up the largest portion of the employment base in Bangladesh which indeed, are often the foundation of the local private sector. Now the CMSMEs are not only concentrated to low-tech, traditional, and agro-based economic activities; but also spread over other non-traditional manufacturing and service sector as well. In fact, the CMSMEs are recognized as the engines of economic growth worldwide and are a priority of the Bangladesh Government for routing financial inclusion. The Bank has always been a part of the segment as well. During the year 2021, SEBL invested BDT 86,630.20 million in CMSME sector of the country.

The Bank always prefers to finance projects that are aimed at good health and well-being, clean water and sanitation, preservation of life on land and below water,

affordable and renewable clean energy, quality education, green technology etc. SEBL takes immense pride in contributing to the national exchequer in the form of corporate tax, withholding tax, excise duty and VAT. The Bank paid a total of BDT 5,803.87 million to the national exchequer during the year 2021.

Bangladesh rural market presents significant growth opportunities as the market adapts to rapidly growing mobile connectivity and access to formal financial services. The Bank's strategy for rural market is focused on leveraging these trends and building a sustainable model for extending financial services to rural customers. This is being made possible by offering them a comprehensive product package backed by Mobile based technology Service called 'Telecash' and Agent Banking. The Bank has developed customized financial products and services to cater to a wide range of rural customers including farmers, traders, processors, as well as rural entrepreneurs. School banking is also a part of our financial inclusion strategy.

Bangladesh, like other countries, faces the daunting challenge of fully recovering from the COVID-19 pandemic which has constrained economic activities and reversed some of the gains achieved in the last decade. To recover fully and achieve its growth ambitions of achieving upper-middle income status, Bangladesh needs to address the challenge of containing COVID-19. Vaccinating the population will reduce the incidence of the disease and mortality and enable the full resumption of economic activities. Bangladesh also needs to address the challenge of creating jobs/employment opportunities through a competitive business environment, increased human capital and skilled labor force, efficient infrastructure, and a policy environment that attracts private investments. SEBL is committed to playing active part in the growth of the national economy through its existing sustainable business strategies and also through devising innovative products and services with modern technologies in days to come.



# SOUTHEAST BANK GREEN FOUNDATION

With a view to discharging Corporate Social Responsibilities in a most organized way, Southeast Bank Limited established Southeast Bank Green Foundation, an independent Foundation under the Societies Registration Act, 1860. The objects for which the Foundation is established are to undertake and carry out welfare activities on non-profit basis for benevolent, humanitarian and charitable purpose that includes Education, Preventive and curative healthcare, Emergency disaster relief, financial inclusion, Community investment by way of donations and also for promotion of art, science and literature.

The Southeast Bank Green Foundation has been continuing its operation with extended acclamation because of having a powerful and foresighted Governing Body which consists with the following members:

01	<b>Mr. Alamgir Kabir, FCA</b>	Chairman
02	<b>Mr. M A Kashem</b>	Member
03	<b>Mr. Azim Uddin Ahmed</b>	Member
04	<b>Mr. Yussuf Abdullah Harun, FCA</b>	Member
05	<b>Dr. Zaidi Sattar</b>	Member
06	<b>Mr. Zakir Ahmed Khan</b>	Member
07	<b>Mr. M. Kamal Hossain</b>	Member





# GREEN BANKING INITIATIVES

## ENVIRONMENTAL AND SOCIAL OBLIGATIONS

**Making the Banking Business "Green" refers to how sustainable a Bank is in its entirety, not just its lending operations.**

One of the market leaders in the financial sector of Bangladesh, Southeast Bank Ltd. has responsibility towards its stakeholders as well as to the communities in which it works and lives. In principle, it is committed to ensure due compliance and best practices as required by Bangladesh Bank and other local and foreign financial partners. Under this initiative, the Bank considers all the social and environmental factors in its normal banking operations with an additional agenda toward taking care of the Earth's environment, habitats, resources, and society.

### In-House Environmental Management

The Bank has developed and implemented a green office guide named 'Southeast Shobuj Jibon'. Salient features of this Green Office Guide are as follows:

'Southeast Shobuj Jibon' is an initiative that moves beyond our processes and customers to efficient automated channels for building awareness and consciousness for environmental issues. The Bank has introduced a monthly newsletter to distribute among the employees of the Bank to create green awareness providing attention to the following aspects:

### Save Paper Save Trees (Every ton of paper involves 17 trees).

- Maximum communication through e-mail
- Purchase recycled paper
- Print on reusable sheets
- Print multiple pages on single sheet of paper
- Set defaults to print double-sided and print on both sides
- Print only the pages required
- Preview documents before printing
- Increase margin width of the documents

- Introduction of Biometric Attendance system
- Change the default font size from 12 point to 10 which would shrink document by about 10%
- Use e-mail statements. Use post-consumer waste recycled paper internally (copy and printer paper) and externally (brochures, etc.)
- Shredding and recycling all paper internally
- Sharing electronic files, voice mail and e-mail instead of paper memos
- Both side printing (two-sided) when possible as well as limiting printed materials
- Plant or help plant more trees and preventing the cutting of the existing ones, contribute towards the making of a healthy planet at no extra cost
- "Pay bills online". For every 38,000 bills paid online, 5,058 pounds of greenhouse gases are avoided and two tons of trees are preserved
- Use Car pools to go to work. Avoiding 10 miles of driving every week would eliminate about 500 pounds of carbon dioxide emissions a year
- Drive responsibly. Every gallon of gas burned emits 20 pounds of carbon dioxide
- Use LED lights. Compact Fluorescents Lights produce the same amount of light as normal bulbs, but use about a quarter of the electricity and last ten times longer
- Unplug electronics. Cell phone chargers, TVs, DVD players, stereos, microwaves and other electronics with transformers continue to draw power, even when they're off or not charging anything, as long as they're plugged in
- Turn off the tap while brushing teeth and of course after use
- Always use a cloth bag. Do not use paper or plastic bags for your grocery

# ENVIRONMENT RELATED INITIATIVES

To convince a client to "go green", the Bank itself practices what it preaches. The Bank has adopted and implemented a green office guide named 'Southeast Shobuj Jibon' to reduce carbon footprint of the Bank.

## Highlights of Southeast Bank Ltd.'s in-house Green Banking initiatives:

- As per Bangladesh Bank directives, a separate 'Sustainable Finance Unit', comprising experts in environmental and social issues has been formed
- A robust 'Environmental and Social Management System' has been developed and implemented
- Different local and foreign funds have been procured for concessional Green lending
- Several training programs and workshops, on Green Banking and Environmental and Social (E&S) risk management, conducted by local and foreign trainers have been arranged for the employees of different capacities
- Environmental and Social Risks have been incorporated in credit proposals and they play an important role in lending decision making
- 'Green Awards' have been introduced to promote sustainable development
- Energy efficient electrical appliances are used leading to reduction in consumption of energy
- Instead of on-site meetings, video-conferencing or internet-conferencing has been introduced, where possible
- The employees have been apprised of and trained on efficient housekeeping, for example- turning off idle equipment, lighting and air conditioners, etc.
- Online coverage for clients has been enhanced; for example: ATM, SMS Banking, Internet Banking, Mobile Banking etc.



# REPORT ON HUMAN CAPITAL AND HR ACCOUNTING

Human resources are part and parcel of an emerging, reinforcing, growing and revitalizing of any organization. Now-a-days, human resources are considered as human capital since organizations bring together the skilled, competent and suitable workforce to work towards its mission and vision. The Bank adopts a human resource strategy to attract the best talents, develop their skill through extensive training programs and motivate them to perform with utmost professionalism and commitment towards the sustainable growth and development of the Bank. Under fair work platform, as a strategic partner, Human Resources Division of the Bank makes extensive efforts to manage its people more efficiently and effectively with zero tolerance policy towards any misconduct of employees, which may fall under the ambit of Employees Service Rules and Regulations & Personnel Policies. This builds a stable relationship between employees and the Bank which leads to good collaboration for business growth.

Southeast Bank fosters a cordial and amiable work atmosphere where everyone shares a sense of belongingness and devotes themselves to perform their responsibilities with utmost sincerity. We value the opinions and suggestions of our employees via encouraging them to participate in the management activities. We are proud of our employees who have served during this COVID -19 pandemic to ensure business continuity as usual with all safety protocols followed, on the contrary, the Bank ensures all the employees' necessary medical support, in case they tested positive for the coronavirus. The Bank also drives the initiatives for the employees' physical, mental and financial wellbeing.

The Human Resources Division manages to offer wide range of external training/workshops at home and abroad to the employees to build their professional competence and skill for enabling them to contribute to Bank's mission in addition to the training initiatives of SEBL Training Institute.

Changing times demand agility in unlearning, learning and relearning. To keep pace with the demand for highly skilled workforce and to maintain its edge in the market, the Bank continues to focus on training and development of its employees even during the pandemic.

## Human Resource by Demographics

We believe that diversity in the workplace in terms of age, gender, race, educational background, professional knowledge creates a productive, innovative and inclusive work culture which improves organizational performance. The Bank believes that vibrant, diverse and inclusive workforce where difference in the backgrounds, perspectives and life experiences of our people help us to forge strong connections with our customers, to innovate and make better decisions for our business with contemporary coverage. We believe that age diversity in the workforce allow team members to improve their interpersonal skills, relationships, creativity and innovation, and that they ensure mutual respect among all our team members.

The permanent employees of the Bank stood at 2,890 as on December 31, 2021 out of which Executives (Assistant Vice President to Managing Director) were 276, Officers 2,149 and Sub-staff 465.

### No. of human resource by Age Group for the Year 2021:

Age Group	Total	(%)
Below 30	235	8.13
30-39	1,473	50.97
40-49	769	26.61
50 and above	413	14.29
<b>Total</b>	<b>2,890</b>	<b>100.00</b>

## New Employment

Southeast Bank provides employment opportunities for the fresh talents from diverse disciplines to meet up the manpower requirement of the Bank. The Bank also creates competitive employment opportunities for the experienced Bankers. We follow a rigorous and transparent recruitment policy to sieve the best talents from the bulk and make no discrimination with regards to race, sex, religion, family status, etc. The Bank highly focuses on selection of suitable and right person for the respective job criterion at the right time. In a bid to fulfill the need gaps created in talent required versus talent available, the Bank adopted a fine mix of lateral hiring and up-skilling of existing employees.

In the year 2021, the Bank recruited a total number of 144 employees. Out of them, 133 were fresh entrants and 11 were lateral entrants. Besides, as part of Bank's commitments to the community in the field of education, 363 students of different recognized universities were given opportunity to complete their internship program in the Bank during the year 2021.

### Human Resource Accounting (HRA)

Southeast Bank considers its human resources as the most important strategic capital and firmly believes that the productive capacity of the employees creates value for the organization, forms the basis for financial and structural capital and holds the key to sustainable success. We believe that the investments made for acquiring the best talents and developing them to be competent and skilled professionals which results the competitive edge and contributes substantially towards achieving the organizational goals and objectives. The Bank strives for continuous development of its human resources and considers any expenditure incurred for human resource development as investment with potential future benefits. We always emphasize on optimum balance between cost and returns from the employee with the consideration of competitive benefit to them.

**An overview of HRA for last five years (2017 to 2021) is given below:**

Particulars	2017	2018	2019	2020	2021
Employee (Person)	2704	2797	2885	2859	2890
Operating cost per employee (in million)	1.76	1.78	1.82	1.88	2.03
Investment in Training per employee (excluding sub-staff)	0.0038	0.0020	0.0020	0.0005	0.0004
Operating profit per employee (in million)	3.32	3.48	3.10	2.86	2.96
Salary cost as % of operating profit	20.24	20.57	24.05	25.10	26.59

### Gender Diversity

Southeast Bank fosters amiable and equal employment opportunity work atmosphere where Board of Directors and Senior Management have sincere desire for diversified workforce in terms of male and female employee diversification. Gender diversity of the employees for last five years (2017-2021) of the Bank is given below:

Particulars	2017		2018		2019		2020		2021	
	No. of Employees	(%)	No. of Employees	(%)	No. of Employees	(%)	No. of Employees	(%)	No. of Employees	(%)
Male	2,245	83.03	2,304	82.37	2,371	82.18	2330	81.50	2,334	80.76
Female	459	16.97	493	17.63	514	17.82	529	18.50	556	19.24
<b>Total</b>	<b>2,704</b>		<b>2,797</b>		<b>2,885</b>		<b>2,859</b>		<b>2,890</b>	

The upward trend female ratio of the total workforce is incredibly encouraging for the women. The Bank believes equal opportunities for both male and female in any sphere of career path viz., in recruitment, promotion, training, benefits etc. The Bank safeguards for fair and inclusive workplace which has impacts on team work of the employees and sustainable financial growth as well.

### Corporate Organogram

The Corporate Organogram of the Bank outlines the roles, authorities, responsibilities and relationships between individuals within the Bank. Through the organogram anybody can see the working relationships of the Bank's personnel and who is responsible to whom as well as the levels of hierarchy. It helps the employees to define chain of command within the business structure. The Bank uses the organogram as a tool for analyzing the manpower requirement and the vacancies of manpower are filled on the basis of the organogram. The Human Resource Division carries out the responsibility of developing and updating the corporate organogram as required.



# CARING FOR THE EMPLOYEES

## HEALTH AND SAFETY

We have a state-of-the-art technology based fitness centre at Head Office for male and female employees which enable the employees to make them physically fit. The Bank gives utmost importance on workplace safety and a healthy work environment for its employees. We maintain a comfortable working environment, irrespective of an individual's visible differences such as, gender, race, age and physical abilities or non-visible differences such as, corporate position, educational background, family status, religious beliefs and professional skills.

The Bank has a full time Doctor in its Health Care Centre at Head Office to provide emergency first aid services and promote a healthy lifestyle of the employees of the Bank. The Doctor provides free consultations with immediate first aid of medicine. We take required measures to ensure workplace and employee safety in accordance with the health protocol for Covid-19. Besides, the Bank takes multiple measures to ensure a safe environment for its employees such as, provides

14 days home quarantine for Covid affected employee, sanitization, temperature checks at premises, emergency oxygen support, if required, maintains social distancing, etc.

We have Memorandum of Understanding (MoU) with Evercare Hospital, Asgar Ali Hospital, Uttara Crescent Hospital, Gulshan Clinic, Farazy Hospital Limited, Farazy Dental Hospital & Research Centre in Dhaka and Park View Hospital in Chattogram to facilitate different types of health checkup facility for the employees and their dependent family members.

The Bank has sufficient energy savings lighting system, central ecofriendly air-conditioning, safe drinking water, adequate sanitary facilities and neat and clean office premises. The premises of the Bank are non-smoking zones. The Bank also has fire safety alarms, fire extinguishers and emergency exits in all its premises with a view to safeguard the lives of its employees and customers in case of any fire incidents.

## EMPOWERING WOMEN

The Bank is committed to creating an environment which is free from all forms of harassment and discrimination towards women. Increasing women empowerment promotes economic growth. Though it is challenging sometimes, Southeast Bank Limited strongly believes in the spirit of women empowerment. Empowering women connotes gender equality and improves the gender mix position as well. The recruitment policy of the Bank emphasize on new/experienced female employee staffing steadily to welcome competent female workforce which ultimately facilitates the motto of empowering women. SEBL has exclusive and variety of products and services for the women at different financial platforms.

We believe that women need to be empowered economically which will make them self-reliant and give them the freedom to choose. Once women get access to

a Bank account, their natural tendencies to save are channelized in a productive financial discipline that earns them interest and gives financial security. The Bank works for the financial inclusion of the unbanked women. The Bank has women oriented different schemes/products which are playing a significant role to their access to finance.

Our Bank has two dedicated Ladies Branches at Dhanmondi and Moghbazar which are fully operated by female staffs with prioritized service for women clients. SEBL has special featured savings product viz. "Anonnaya" to facilitate daily banking activities for women. Additionally, the Bank has dedicated SME product viz. "Shuprova" to assist women entrepreneurs surging the cash flow to their business. Not only that, SEBL offers unique credit card facility named "Anupoma".

# CAREER DEVELOPMENT PROGRAM

The Bank has long believed that learning and development are critical in molding an organization's human capital, and as a result, it has implemented a number of learning programs over the last year. Learning is provided through a variety of channels, including e-learning modules, physical classes at the Bank's own Training Institute, Zoom training, BIBM training, and other local and overseas Training Institutes. As part of its continuing transformation, the Bank aspires to develop a pipeline of leaders who have the potential to assume leadership roles and contribute to the Bank's future growth.

Since 1995, the Bank has had a Training Institute, which allows for regular episodic evaluation of skill gaps at various levels in relation to present and prospective business prospects. Training on Credit, Forex, customer relationship management, product and service marketing, credit monitoring and recovery, risk management, technology-based banking, branch management, as well as foundation and refresher training on Islamic banking operations, compliance with statutory, legal, and policy requirements, and AML-CFT issues, receive special attention throughout the year.

Across a blended learning approach of classroom programs, external programs, and e-learning alternatives through multiple learning channels, the Bank has established a sustainable learning infrastructure that aids the learning process across all levels:

SI	Learning Approach
1	Video-Audio Tutorials
2	Subject-wise objective and subjective questions with answers and references
3	Virtual Training via Zoom Apps
4	Online Exam
5	Executive Development Program (EDP)
6	Reformation and Modernization of Training Calendar (which was executed by preparing a 03-year-rolling training plan)
7	E-Learning Activities

## Category Wise Training Activities-2021

SI	Categories	No. of Trainings with Frequency
a.	Soft Skills	03
b.	Management, Supervision and Compliance	11
c.	Finance, Accounts and Treasury	10
d.	Special Asset, Legal and Recovery	03
e.	Marketing and Promotion	04
f.	Islamic Banking	03
g.	Risk Management	08
h.	Business and Operation:	42
	i. Credit	14
	ii. International Trade	11
	iii. General Banking and Operation	09
	iv. Alternative Delivery Channel	06
	v. Information and Communication Technology	06
	<b>Total</b>	<b>88</b>
	EDP	02
	Number of programs	60
	Total number of Training programs with frequency	90
	<b>Total number of Participants (Participated at Training Programs)</b>	<b>4,880</b>



Training Program on Agent Banking Operation in SEBL



Virtual Conference on Anti-Money Laundering for BAMLCOs of SEBL

## SOUTHEAST BANK STAFF WELFARE TRUST

We believe that effective and dedicated employees are the main drivers for ensuring the growth and sustainability of the Bank. The Bank is strongly in favor of fringe benefits by providing transportation facilities, accommodation facilities, medical facilities etc. to its employees.

In order to ensure enhanced staff welfare, the Bank has set up "Southeast Bank Staff Welfare Trust" under the Trust Act 1882 along with the Societies Act 1860. There are 7 (seven) members in the Board of Trustees with Mr. M. Kamal Hossain, Managing Director of the Bank as the Chairman of the Board.

The objectives of the Trust are amongst others that to build, set up, manage, maintain, administer, run General

and Specialized Hospitals, Dispensaries, pathological Laboratories for the employees of Southeast Bank Limited and their family members and generally to give medical services to community. The Trust ensures no discrimination to any employee of the Bank on account of ethnicity, origin, gender, language, religion, etc.

The Bank provides with transportation facilities to the employees up to the position of First Assistant Vice President (FAVP) through its "Officers' Bus Service" from fixed pickup points of 6 (six) specific routes to office and back on working days in Dhaka City. We have planned to include additional areas of staff welfare within the purview of "Southeast Bank Staff Welfare Trust".





# SOUTHEAST BANK GREEN SCHOOL

The tremendous roller coaster ride of the previous year had set back the entire education sector of Bangladesh which had in turn encouraged Southeast Bank Green School to bravely embrace the new virtual reality as its fresh backbone for delivering education to the students who were willing to study despite of the consistent deteriorating Covid-19 situation.

In the year of 2021, SEBGS has gone through several implementations, such as, cultural and educational programs and activities have been carried out online in order to maintain students' interest and to retain the spirit of cultural vibes.

To begin with, we observed International Mother Language Day, National Mourning Day, celebrated 101 Birth Anniversary of Bangabondhu Sheikh Mujibur Rahman, National Children's Day, 50<sup>th</sup> Independence Day of Bangladesh, Pohela Boishakh, weeklong Book Fair and Eid-e-Milad-un-Nabi.

All the events mentioned above have been possible to carry out due to the keen participation of the teachers, students and parents. The enthusiastic students participated in varied cultural functions, such as virtual art, poem recitation, speech, music, games, hand writing and essay writing competitions. The cherry on top was the prize and certificate distributing ceremony for the occasions to encourage the students' further participation.

Other than the cultural events, several academic programs have also been carried out virtually. PSGN Leadership Training organized by British Council, workshop on O' Level teaching strategies, preparing lesson plans, webinars on

Climate Change and Learning and English Language were attended by the promising teachers. Zoom meetings among the Principal, teachers and parents were organized in each quarter. Moreover, monthly and quarterly newsletters were regularly published.

As per the government directives, the physical presence of senior students was ensured on September 12, 2021. Safety precautions were on the top of the list while receiving the students.

The crucial and prolific 14<sup>th</sup> Board Meeting of Management committee held on November 16, 2021 marked the upcoming session with a positive note.

After almost two years of severe COVID-19 situation, SEBGS had finally organized Fun Day in school in December, 2021 in order to break the monotony that aroused among the pupils due to staying strictly at home in the pandemic. In reminiscence of the martyred intellectuals of 1971, SEBGS arranged a discussion session and presentations paying tribute to the intellectuals on December 14, 2021. The team of SEBGS delightfully celebrated the 50<sup>th</sup> Victory Day of Bangladesh on 16<sup>th</sup> December. Write-ups from the senior students and teachers were displayed on a huge colorful wall-magazine. Banners and posters were made to make the event more prominent. December 2021 was extremely joyous for the faculty and staff of SEBGS. With the great ending and the successful completion of 2<sup>nd</sup> Quarter, on December 25 our honorable members of Management Committee, Principal and teachers embarked on an exciting Annual Retreat to Cox's Bazar.

## School Management Committee

<b>Mr. Alamgir Kabir, FCA</b>	Chairman, Southeast Bank Limited & Southeast Bank Green Foundation.	Chairman
<b>Prof. Suraiya Begum</b>	Former Principal, College of Home Economics, Dhaka & former member, Bangladesh Public Service Commission	Member
<b>Mr. Zakir Ahmed Khan</b>	Former Secretary, Government of the People's Republic of Bangladesh.	Member
<b>Prof. Shaheen Ahmed</b>	Former Principal of Bangladesh International School and College and also former Principal at College of Home Economics, Dhaka Member.	Member
<b>Prof. Dr. Feroza Sultana</b>	Former Principal, College of Home Economics, Azimpur Dhaka.	Member
<b>Mrs. Saleha Begum</b>	Ex. D.G, Comilla BARD, Comilla	Member
<b>Mrs. Syeda Nasrin Akhter</b>	Principal, Southeast Bank Green School	Member Secretary

# WHISTLE BLOWER POLICY

The Whistle Blower Policy of the Bank empowers the employees to raise their concerns about suspected fraud, malpractice or any other activity or event, which is against the interests of the Bank. The Bank encourages its employees to speak out regarding frauds in their own interest and Bank as well. We facilitate an environment where anyone can raise any issue of misconduct without facing conflict of interest or losing spirit of work.

We treat all the matters of frauds or suspected frauds with high confidentiality. The employees i.e. whistle blowers are free from any risk of dismissal, any form of harassment, discrimination, or suffer any form of detriment as a result of raising a genuine or reasonably suspected fraud. Whistle blowers do not face any retaliation.



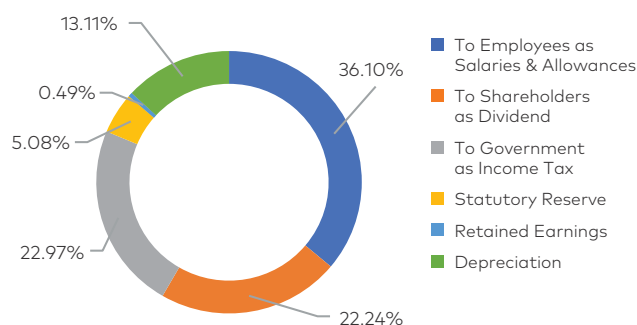
# VALUE ADDED STATEMENT

The value added statement for the Bank shows how the value is created and distributed among different stakeholders of the Bank. Value added to the Bank stood at BDT 6,414.68 million as of December 31, 2021 as against 5,937.36 million in 2020.

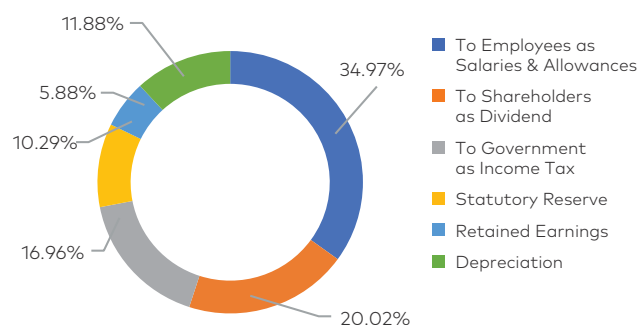
BDT in Million

Particulars	2021 Taka	%	2020 Taka	%
<b>Income from Banking Services:</b>				
Interest and similar income on loan portfolios	18,922.15		22,250.49	
Investment income	6,750.17		6,750.89	
Commission, Exchange and Brokerage	3,906.49		3,536.22	
Other Operating Income	1,094.57		1,002.03	
	<u>30,673.37</u>		<u>33,539.64</u>	
<b>Less: Cost of Services &amp; Supplies</b>				
Interest paid on Deposits & Borrowings	16,000.59		19,769.08	
Rent, Taxes, Insurance, Lighting etc.	895.32		877.91	
Legal expenses	0.64		1.59	
Postage, Stamp, Telegram & Telephone	178.74		164.21	
Stationery, Printing, Advertisement	173.65		157.20	
Directors' Fees and Expenses	3.56		2.69	
Audit Fee	3.02		1.86	
Repairs to Bank's property	123.90		81.59	
Other expenses	1,466.18		1,437.48	
	<u>18,845.60</u>		<u>22,493.60</u>	
<b>Value Added by the Banking Services</b>	<b>11,827.77</b>		<b>11,046.04</b>	
Add: Non-banking income	-		-	
<b>Less: Provision for loans and advances/investments</b>				
Specific provision on loan loss	(2,796.30)		(827.47)	
Transfer to general provisions	(1,939.92)		(4,198.16)	
Provision for diminution in value of Investment	(89.62)		117.06	
Provision for Off-Balance Sheet Exposures & Others	(587.24)		(200.11)	
	<u>(5,413.10)</u>		<u>(5,108.68)</u>	
<b>Value Added</b>	<b>6,414.68</b>		<b>5,937.36</b>	
<b>Distribution of Value Addition</b>				
Employees-as Salaries and Allowances	2,315.90	36.10%	2,076.39	34.97%
Provider of Capital - as dividend	1,426.73	22.24%	1,188.94	20.02%
Government - as income tax	1,473.73	22.97%	1,006.78	16.96%
Expansion & Growth:				
Statutory Reserve	329.57	5.08%	611.05	10.29%
Retained Earnings	31.50	0.49%	349.11	5.88%
Depreciation	840.75	13.11%	705.09	11.88%
	<u>6,414.68</u>	<u>100%</u>	<u>5,937.36</u>	<u>100%</u>

## Wealth Distribution of 2021



## Wealth Distribution of 2020



# ECONOMIC VALUE-ADDED STATEMENT

Economic Value Added (EVA) indicates the true economic profit of a company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks. EVA of the bank stood at BDT 3,411.83 Million as of December 31, 2021 as against BDT 3,220.53 Million as of December 31, 2020.

## Economic Value Added

Particulars	BDT in Million	
	2021 Taka	2020 Taka
Total Revenue	30,673.37	33,539.64
Less : Expenses (Interest & Operating)	(22,002.25)	(25,275.08)
Less : Corporate Tax	(1,473.73)	(1,006.78)
Less : Capital Charges	(3,785.56)	(4,037.25)
Economic Value Added	3,411.83	3,220.53

Capital Charges = Required Rate of Return X Total Capital & Reserves

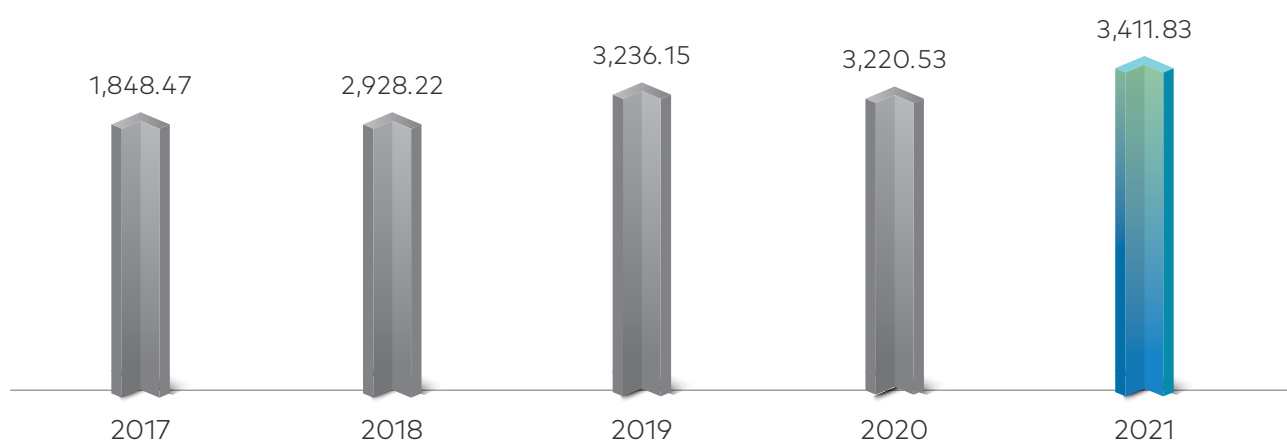
Required Rate of Return (7.16%) = Weighted average rate of 10 years treasury bond 7.16% + Risk Premium 2% in 2021

Weighted average rate of 10 years treasury bond 7.64% + Risk Premium 2% in 2020

Total Capital & Reserves = BDT 41,327.07 million in 2021 (BDT 40,372.53 million in 2020)

Economic Value Added = Total Revenue - (Expenses + Corporate Tax + Capital Charges)

## Economic Value Addition (BDT in Million)





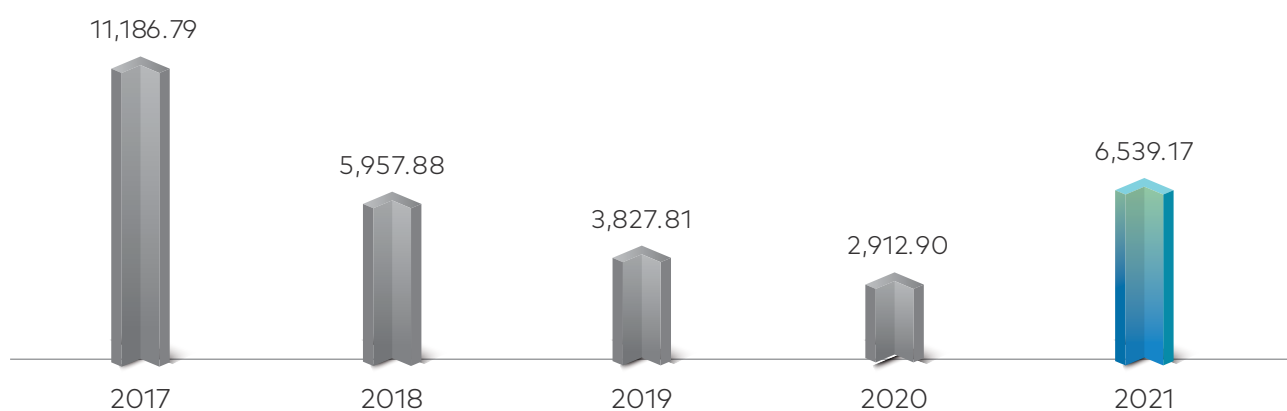
# MARKET VALUE ADDED STATEMENT

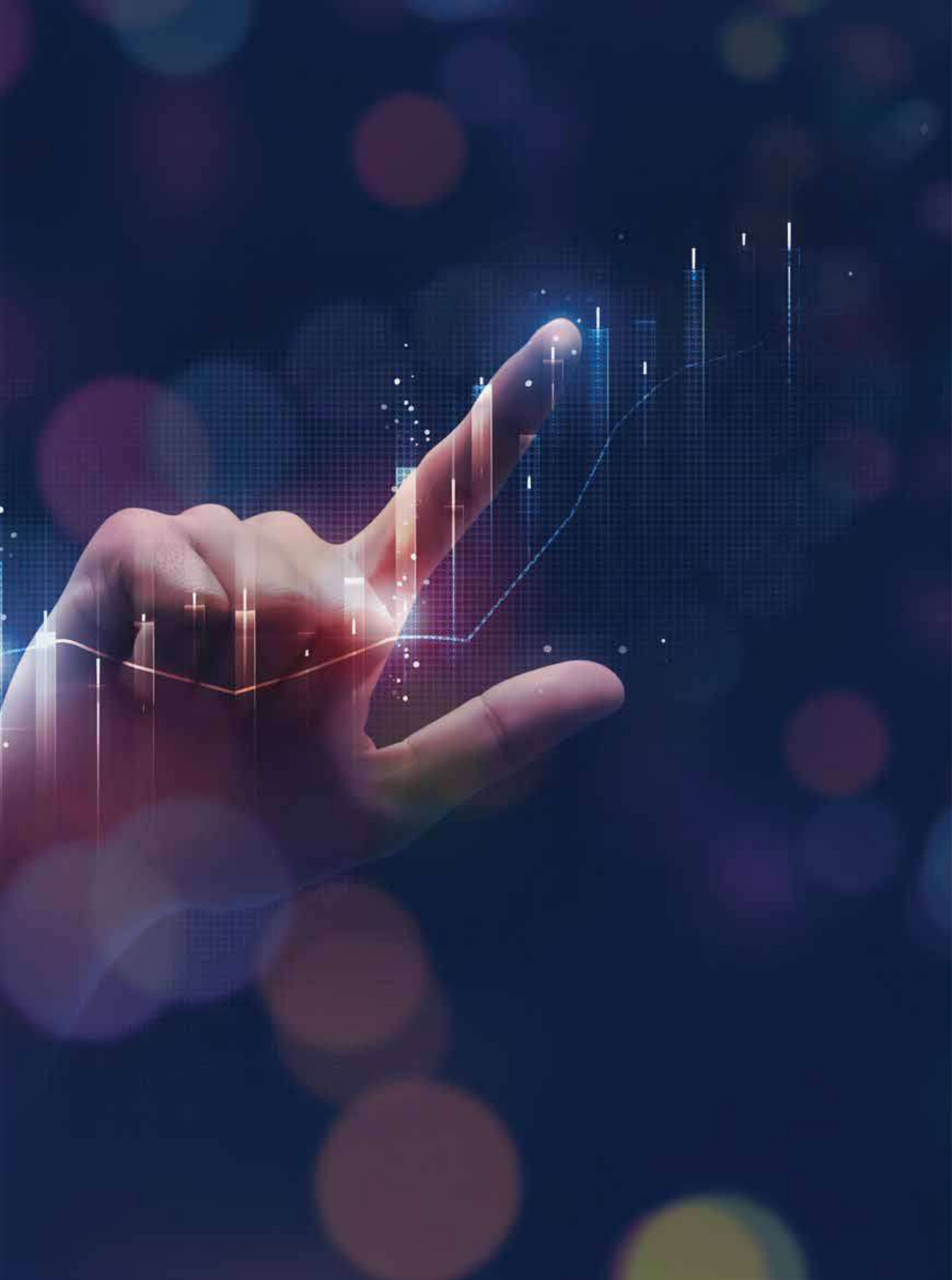
Market Value Added (MVA) is the difference between the equity market value of a company and the book value of equity invested in the company. A high MVA indicates that the company has created substantial wealth for the shareholders. MVA is equivalent to the present value of all future expected Economic Value Added (EVA). The equity market value of the Bank stood at BDT 18,428.58 million whereas the book value of equity stood at BDT 11,889.41 million, resulting a Market Value Added of BDT 6,539.17 million as of December 31, 2021 as against Tk. 2,912.90 million in 2020.

## Market Value Added

		BDT in Million	
Particulars		2021 Taka	2020 Taka
Market Value of Total Equity		18,428.58	14,802.31
Less: Book Value of Equity (share capital)		(11,889.41)	(11,889.41)
Market Value Added		6,539.17	2,912.90
Total Number of Shares outstanding	=	1,188,940,521	1,188,940,521
Market Value per Share	=	15.50	12.45
Market Value of Total Equity	= [Total Number of shares outstanding X Market value per share as on 31.12.21]		
Market Value Added	= [Market Value of Total Equity] - [Book Value of Equity]		

## Market Value Addition (BDT in Million)





The background of the image features a telecommunications tower in the center, set against a blue sky with scattered white clouds. Overlaid on the scene are several digital and network-themed graphics: concentric circles emanating from the tower's top, a network of interconnected nodes and lines, and stylized circuit-like lines in blue and pink that frame the top and bottom of the image. The overall aesthetic is high-tech and modern.

# COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS



## COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

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# COMMUNICATION TO SHAREHOLDERS

## Throughout the year we communicate with Shareholders in the following ways:

- By Publishing Price Sensitive Information (PSI) in National Dailies and Online News Portal;
- By releasing PSI via website of DSE, CSE and also in Bank website: [www.southeastbank.com.bd](http://www.southeastbank.com.bd)
- By publishing Press Release about Bank's important events in the newspapers;
- By issuing notices to the Shareholders for holding Annual General Meeting every year and Extra Ordinary General Meeting (as and when necessary);
- By sending the Annual Reports of the Bank every year;
- By sending the Right Offer Document (ROD) as and when required;
- By publishing Financial Statements in the newspapers;
- By holding General Meetings of Shareholders;
- By holding dialogue with Shareholders;
- Electronic and other means of communications with Shareholders:
  - i) Call Centre (7X24X365);
  - ii) Bank's Website- [www.southeastbank.com.bd](http://www.southeastbank.com.bd)
  - iii) Web-Chat;
  - iv) Investors' Relation Department (during office hours);
  - v) Short Message Service (SMS);
  - vi) E-mail Communication, [irdsebl@southeastbank.com.bd](mailto:irdsebl@southeastbank.com.bd)
  - vii) Letter Communication;

## Availability of information for Investors' about Southeast Bank Limited

Annual Report of each year and other relevant information about SEBL may be viewed on SEBL's website [www.southeastbank.com.bd](http://www.southeastbank.com.bd). The Bank provides copies of Annual Reports to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, The Dhaka Stock Exchange Limited and The Chittagong Stock Exchange PLC for their reference. Investors may read them at public reference room or library.

## Investors' Inquiries

Queries of Investors', for example, information relating to transfer of their shares and payment status of their dividend, are to be sent to the following address:

## Investors' Relation Department

Address	:	Southeast Bank Limited Head Office Eunoos Trade Centre (Level-2) 52-53, Dilkusha C/A, Dhaka-1000
Web Address	:	<a href="http://www.southeastbank.com.bd">www.southeastbank.com.bd</a>
E-Mail	:	<a href="mailto:irdsebl@southeastbank.com.bd">irdsebl@southeastbank.com.bd</a>
Mobile	:	+88 01700706532
Phone	:	+8802 223387271

# REDRESSAL OF INVESTORS' COMPLAINTS

Southeast Bank ensures equal treatment to all shareholders. The Bank does not discriminate between minority and majority shareholders. To ensure equal treatment to all shareholders, the Bank created various mechanisms, such as:

- i) Shareholders who are unable to attend the shareholders' meeting are provided with proxy forms to nominate proxy to attend and vote on their behalf. The proxy forms which are in accordance with the standard format are sent along with the annual report.
- ii) The shareholders' meetings proceed in accordance with the order of agenda, without adding new and uninformed agenda, to give shareholders the opportunity to study the information on the given agenda before the poll. Moreover, important information for the shareholders' meetings are not changed abruptly to the disadvantage of the shareholders.
- iii) The Bank sees the importance of the consideration of transactions which may have conflict of interest or may be connected or related transactions and abides by good corporate governance principles, including the rules and regulations of the Bangladesh Securities and Exchange Commission, the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange PLC. Directors, management and those who are related persons do not participate in the consideration to approve such transactions.
- iv) The Bank continues to have regular communication with the shareholders through periodic updates of performance and at any other time when it believes it needs to be done in the best interest of shareholders.
- v) At times, the investors lodge complaints. These complaints are timely resolved. Investors at times lodge complaints through DSE and CSE. Those are also timely taken up and resolved. The concerned investors and the DSE/CSE are informed regarding resolution of the complaint.

## SEBL follows the following principles in dealing with the Investors:

- Fair treatment;
- Timeliness in the resolution of investors' complaints;
- Information to investors about the resolution of their complaints;
- Friendliness with all investors and all investor segments;
- Protection of investors' interest;

## How we know about Investors' Complaints:

- An investor can complain through email [irdsebl@southeastbank.com.bd](mailto:irdsebl@southeastbank.com.bd)
- An investor can make a written complaint through a letter.
- The company maintains Investor Grievance Registry in electronic Form in which full details of every written complaint are recorded.
- We have 3 designated persons who look after the investor grievances within a timeframe.
- The full details of the written complaint are passed on to the concerned department. The compliance officer of the Company must be apprised of it as soon as it is received.
- A letter or email is sent to the investor who has submitted written complaint by the designated person or compliance officer acknowledging receipt of the complaint and informing him/her of the process for suitable decision.
- The Investors' Complaints are thoroughly enquired as and when necessary.

# DIVIDEND DISTRIBUTION POLICY

Southeast Bank Limited (SEBL) has formulated following dividend distribution policy in compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021.

## Purpose of the Dividend Policy

The purpose of the policy is to comply with the said Directive of Bangladesh Securities & Exchange Commission (BSEC).

## Process of distribution of dividend:

The declared and approved dividend will be paid/distributed within the stipulated time frame as per BSEC Directive No. BSEC/CMRRCD/2021-386/03, dated 14 January, 2021.

### A. Manner and Payment procedure of Cash Dividend

- (i) SEBL pay off the annual or final dividend to the entitled shareholders within 30 (thirty) days of approval by the shareholders in the AGM.
- (ii) Within 10 (ten) days of declaration of cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concern year shall be kept in a separate bank account of SEBL dedicated for this purpose.
- (ii) SEBL shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN), Bank transfer or any electronic payment system as recognized by the Bangladesh Bank.
- (iii) SEBL, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- (iv) SEBL, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment

system, shall issue cash dividend warrant and shall send it by post to the shareholder.

- (v) SEBL, pay off cash dividend to non-resident sponsor, director, shareholder, foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

### B. Manner and Payment procedure of Stock Dividend

SEBL shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL). SEBL, the CDBL and the exchange(s) shall follow the provisions of প্রবিধান ৪৬ of the ডিপোজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares.

- (i) SEBL shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership.
- (ii) SEBL shall send at least 3 (three) reminders to the entitled shareholder;
- (iii) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to SEBL. Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
- (iv) SEBL shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the BSEC and the exchange(s);
- (v) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

## Compliance Report regarding Dividend Distribution

SEBL shall submit a compliance report to the commission and the exchange (s) in a specified format within 7 (seven) working days of completion of dividend distribution as well as publish the compliance report in its website.

## Forfeiture of unclaimed cash or stock dividend

SEBL shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

## Transfer to the Fund for unpaid or unclaimed or unsettled cash dividend

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the SEBL to the Fund as directed or prescribed by the BSEC. Provided that the SEBL shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the BSEC.

Provided further that if any shareholder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, SEBL shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the BSEC.

## Transfer to the Fund for unpaid or unclaimed or unsettled stock dividend

If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned at clause (8) of the Directive. Provided that SEBL shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the BSEC.

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15

(fifteen) days of receiving such claim, the SEBL shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the BSEC.

## Tax matters

Tax will be deducted at source as per applicable tax laws and issue certificate in this regard.

## Review

The policy would be reviewed on an annual basis or as and when the need arises. Amendments (if any) would be approved by the Board.

## Maintaining detail information of the shareholders for proper distribution of cash dividend or stock dividend

SEBL, by itself or by appointing an agent, shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder for the purpose of proper distribution of cash dividend or stock dividend. Provided that the SEBL or its agent or the CDBL or its DP shall keep confidentiality of information. Provided further that SEBL shall collect detailed updated information of BO account, bank account, mobile number, email address and contact address of shareholder from CDBL at least once in a year for the purpose of proper distribution cash dividend or stock dividend and other compliances. In case of holding of paper share, SEBL shall update the information as above.

## Disclosure of the policy

This policy shall be disclosed in the annual report and official website of the Bank.

## Summary of Unclaimed Dividend

Unclaimed dividend as on 31 December 2021 was an amount of BDT 41,849,997 against nos. of 75,928 shareholders.



# STAKEHOLDERS' ENGAGEMENT PROCESS

## Our relationship-activity with Stakeholders:

The following table discusses various aspects of stakeholders, their engagement process and our responses:

Our Stakeholders	Mode of Engagement	Frequency of Engagement	Their Priorities	Methodologies used for Feedback
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customer Feedback Survey</li> <li>Branches/ATM/Retail Banking and Mobile Banking</li> <li>Information in Brochure</li> <li>Newspaper and Electronic Media advertisements</li> <li>Corporate website</li> <li>Call Centre (7X24X365)</li> <li>Customer education and awareness</li> <li>Complaint Box</li> </ul>	<ul style="list-style-type: none"> <li>Monthly</li> <li>Frequently</li> <li>At times</li> <li>As and when required</li> <li>As and when required</li> <li>Continuous</li> <li>Frequently</li> <li>Any time</li> </ul>	<ul style="list-style-type: none"> <li>Innovative products and services</li> <li>Service Quality</li> <li>Competitive Pricing</li> <li>Flexibility in offerings</li> <li>No hidden Cost</li> <li>Timely disposal</li> </ul>	<ul style="list-style-type: none"> <li>Prescribed Form.</li> <li>Suggestion/ Complaint Box kept in branches.</li> <li>Enhanced monitoring and due diligence</li> <li>Vibrant ALCO Team to decide on pricing</li> <li>E-Banking: (Internet Banking, SMS Banking, Mobile Banking.</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Annual General Meeting</li> <li>Extra-Ordinary General Meetings</li> <li>Corporate Disclosures</li> <li>Price Sensitive Information</li> <li>Interim Financial Statements</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As and when required</li> <li>As and when required</li> <li>As and when required</li> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Results of operation</li> <li>Business ethics</li> <li>Sustainable Growth</li> <li>Assets Quality</li> <li>Corporate Social Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Concerns of existing and prospective shareholders are addressed</li> <li>Periodical dialogue</li> <li>Financial Risk Management Process.</li> <li>Risk Management Culture</li> <li>Timely loan/ investment recovery drives</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Managers' Conference, Workshops, Seminars.</li> <li>Cross Functioning Training Program</li> <li>Internet Portal</li> <li>Website</li> <li>Awareness about news / developments in the business sector</li> <li>Team building through development of cross-cutting working groups</li> </ul>	<ul style="list-style-type: none"> <li>Annually, Half-Yearly &amp; as when felt necessary</li> <li>As and when required</li> <li>Continuous</li> <li>As and when necessitated</li> <li>Daily</li> <li>Periodically</li> </ul>	<ul style="list-style-type: none"> <li>Staff Welfare Measures</li> <li>Remuneration linked with performance</li> <li>Whistle blowing process</li> <li>Training and workshop program.</li> <li>Incentive program</li> </ul>	<ul style="list-style-type: none"> <li>Salary packages revised and adjusted considering industry scenario.</li> <li>Comprehensive Training and other development program.</li> <li>Health and safety standards are maintained including, Health Care Centre and Gym in Corporate Office.</li> <li>Festival Benefit and Incentive Bonus</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>On-site surveillance by Bangladesh Bank</li> <li>Off-site supervision</li> <li>Directives and Circulars</li> <li>Filing of Returns and Statements</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>As and when felt necessary</li> <li>As and when required</li> <li>As and when required</li> <li>Within deadlines</li> <li>As and when required</li> </ul>	<ul style="list-style-type: none"> <li>Proper compliance with laws and Regulations.</li> <li>Timely payment of all regulatory dues.</li> <li>Timely reporting</li> <li>Timely holding of meeting and implementation of decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring strict compliance with all regulatory requirements</li> <li>Focus on Compliance Culture in the Bank</li> <li>Time consciousness</li> </ul>
<b>Business Associates</b>	<ul style="list-style-type: none"> <li>Adherence to proper procurement regulations while maintaining a good business relationship with the service providers.</li> <li>Regular interaction on issues for mutual benefit</li> </ul>	<ul style="list-style-type: none"> <li>As and when needed</li> <li>Regularly</li> </ul>	<ul style="list-style-type: none"> <li>Transparency</li> <li>Timely payment of their bills.</li> </ul>	<ul style="list-style-type: none"> <li>Rigorous observance of Bank's procurement policy</li> <li>Strict observance of Bank's ethical principles</li> </ul>
<b>Environment and Society</b>	<ul style="list-style-type: none"> <li>Invest in Environment-Friendly Projects</li> <li>Awards to entrepreneurs for outstanding performance in sustainable development and protection of environment.</li> <li>Green School/ Student Scholarship Program</li> <li>Donation to Govt. Fund/ Individual on regular basis to promote citizens' welfare</li> <li>Sponsoring efforts for protection of environment</li> <li>Other CSR Activities</li> </ul>	<ul style="list-style-type: none"> <li>Continuous</li> <li>Annually</li> <li>Ongoing and annually</li> <li>As and when required</li> <li>As and when felt necessary</li> <li>As and when decided</li> </ul>	<ul style="list-style-type: none"> <li>Financial Inclusion</li> <li>Micro/SME Financing</li> <li>Green Banking</li> <li>Sustainable operations</li> <li>Transparency</li> <li>Return to the society</li> <li>CSR</li> </ul>	<ul style="list-style-type: none"> <li>Charitable ventures</li> <li>Contribution to education, health, disaster managements, environmental protection</li> <li>Financial Inclusion through Mobile Banking and I-Banking Operations</li> <li>Green School</li> <li>Scholarship Program</li> <li>CSR Activities</li> </ul>

# KEY FINANCIAL DATA AND RATIOS

BDT in Million

Particulars	2021	2020	2019	2018	2017	2016
<b>BALANCE SHEET MATRIX</b>						
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up capital	11,889.41	11,889.41	11,599.42	10,544.93	9,169.50	9,169.50
Reserve Fund/ Others	29,437.67	28,483.13	24,493.91	28,315.19	24,595.63	24,886.78
Total Shareholders' Equity	29,987.33	29,703.77	30,499.46	28,116.66	25,823.65	26,523.56
Deposits and other accounts	376,700.77	359,535.93	329,250.27	298,334.79	269,828.08	229,973.43
Loans & Advances	336,329.37	322,251.46	296,752.96	267,671.63	234,316.72	191,865.59
Investments	113,452.58	97,073.89	77,310.04	65,609.55	62,911.04	61,731.63
Fixed Assets	10,130.42	9,714.97	9,333.66	9,337.30	9,321.80	8,947.16
Total Assets	495,841.96	465,293.41	422,312.71	381,575.68	339,288.05	291,798.01
Total Off Balance Sheet Items	191,756.62	138,737.25	123,149.02	145,504.93	142,496.79	113,910.63
Interest Earning Assets	450,664.99	420,116.44	370,238.67	331,101.81	291,947.38	254,120.97
Non-Interest Earning Assets	45,176.97	45,176.97	52,074.04	50,473.87	47,340.68	37,677.04
<b>INCOME STATEMENT MATRIX</b>						
Interest Income	18,922.15	22,250.49	26,258.88	23,977.84	17,400.55	16,972.33
Interest Expenses	16,000.59	19,769.08	22,001.89	18,777.90	13,372.86	12,765.12
Investment Income	6,750.17	6,750.89	5,288.98	5,129.75	5,570.65	5,079.61
Non Interest Income	11,751.22	11,289.14	4,844.75	4,632.22	4,334.70	3,565.64
Operating Expenses	6,001.66	5,506.01	5,407.74	5,178.92	4,870.74	4,349.23
Total Income	30,673.37	33,539.64	36,392.61	33,739.81	27,305.90	25,617.57
Total Expenditure	22,002.25	25,275.08	27,409.63	23,956.82	18,243.60	17,114.35
Operating Profit	8,671.12	8,264.56	8,982.98	9,783.00	9,062.30	8,503.22
Profit before Tax	3,258.03	3,155.88	4,404.23	4,668.66	4,182.08	5,290.60
Net Profit after Tax	1,784.30	2,149.10	2,508.56	2,473.21	1,168.63	2,435.07
<b>CAPITAL MATRIX</b>						
Risk Weighted Assets	298,133.62	281,385.62	313,316.88	313,960.92	311,557.34	280,402.29
Tier-I Capital	25,386.47	24,805.28	26,151.61	23,670.43	21,165.35	21,685.52
Tier-II Capital	15,940.61	15,567.25	9,941.73	15,189.69	12,599.78	12,370.76
Total Capital (Tier-I+Tier-II)	41,327.07	40,372.53	36,093.33	38,860.11	33,765.13	34,056.28
Capital Surplus/(Deficit)	4,060.37	5,198.43	(3,071.28)	1,577.25	(1,285.07)	4,263.54
Tier-I Capital ratio	8.52%	8.82%	8.35%	7.54%	6.79%	7.73%
Tier-II Capital ratio	5.34%	5.53%	3.17%	4.84%	4.04%	4.41%
Capital to Risk Weighted Assets Ratio	13.86%	14.35%	11.52%	12.38%	10.84%	12.15%
<b>CREDIT QUALITY</b>						
Classified Loans	16,035.56	9,939.76	14,375.29	15,558.85	13,878.53	9,257.79
Provision for Unclassified Loans	8,946.70	3,636.01	529.63	3,321.40	3,440.61	2,430.00
Provision for Classified Loans	17,282.06	20,226.77	18,243.63	9,961.90	6,628.68	3,728.28
Provision for Contingent Liabilities	1,328.87	931.26	812.10	1,201.20	1,425.00	1,139.50
Non-Performing Loans	4.81%	3.10%	4.87%	5.87%	5.99%	4.89%

BDT in Million

Particulars	2021	2020	2019	2018	2017	2016
<b>FOREIGN EXCHANGE BUSINESS</b>						
Import Business	313,262.70	221,823.40	248,901.33	242,294.82	215,379.77	171,531.73
Export Business	220,402.80	176,419.60	205,907.10	190,402.85	167,562.98	146,606.09
Foreign Remittance	150,294.60	129,887.10	138,272.00	116,803.00	95,405.43	64,665.84
<b>OPERATING PROFIT RATIOS</b>						
Credit Deposit ratio	78.70%	80.26%	81.63%	81.55%	82.12%	83.43%
Cost of Deposit & Borrowing	3.97%	5.31%	6.52%	6.17%	5.02%	5.51%
Administrative Cost	1.49%	1.47%	1.60%	1.70%	1.83%	1.88%
Yield on Loans and Advances	5.59%	7.19%	8.94%	9.55%	8.17%	9.41%
Spread	1.62%	1.88%	2.42%	3.38%	3.15%	3.90%
Return on Assets	0.37%	0.47%	0.62%	0.69%	0.37%	0.88%
Return on Equity	5.98%	6.91%	8.56%	9.17%	4.46%	9.06%
Debt Equity ratio	15.35	14.66	12.85	12.57	12.14	10.00
<b>PERFORMANCE RATIOS</b>						
Net Profit per Employee	0.59	0.73	0.87	0.88	0.43	0.92
Net Profit per Branch	12.70	15.08	18.58	18.32	8.85	19.02
Operating profit as % of Working Fund	1.21%	1.18%	2.13%	2.56%	2.67%	2.91%
Net Interest income as % of Working Fund	0.59%	0.53%	1.01%	1.36%	1.19%	1.44%
Ratio of Fees Income	26.62%	25.68%	26.82%	24.41%	24.85%	22.59%
Salary Exp. to total Operating Exp.	38.41%	37.52%	40.43%	39.32%	38.06%	40.32%
Salary Exp. to Fees Income	59.02%	58.42%	56.65%	55.75%	53.54%	60.40%
Cost to income ratio	40.90%	39.98%	37.58%	34.61%	34.96%	33.84%
<b>DIVIDEND &amp; RIGHTS ISSUE</b>						
Cash	8.00%	10.00%	7.50%	-	-	20.00%
Stock	4.00%	-	2.50%	10.00%	15.00%	-
Rights Issue	-	-	-	-	-	-
<b>SHARES INFORMATION MATRIX</b>						
No. of Shares Outstanding	1,188.94	1,188.94	1,159.94	1,054.49	916.95	916.95
Earnings per share (BDT)	1.50	1.81	2.16	2.35	1.11	2.66
Number of Shareholders	31,175	31,881	32,416	33,851	36,038	39,009
Market Price Per Share-DSE	15.50	12.50	13.40	15.60	22.20	18.70
Price Earning Ratio	10.75	7.06	6.27	6.66	6.66	7.06
Net Assets Value Per Share	25.22	24.98	26.29	26.66	28.16	28.93
Dividend Cover ratio	0.80	0.55	0.46	0.64	1.18	0.75
<b>OTHER INFORMATION</b>						
Number of Branches	135	135	135	135	132	128
Number of Sub-Branches	22	17	9	-	-	-
Number of Agent Banking Outlets	29	-	-	-	-	-
Number of Islamic Windows	5	5	5	5	5	5
Number of Employees	2,890	2,859	2,885	2,797	2,704	2,616
Number of Foreign Correspondents	651	649	642	644	825	807

# HORIZONTAL ANALYSIS

## Balance Sheet

BDT in Million

Particulars	2021 (%)	2021	2020 (%)	2020	2019 (%)	2019	2018 (%)	2018	2017 (%)	2017
<b>PROPERTY AND ASSETS</b>										
<b>Cash</b>										
In hand (including foreign currencies)	137%	4,113.64	115%	3,474.37	122%	3,664.88	120%	3,598.85	100%	3,010.98
Balance with Bangladesh Bank (including foreign currencies)	68%	12,304.89	100%	17,956.90	105%	18,954.91	100%	17,916.58	100%	17,968.15
<b>Balance with other banks and financial institutions</b>										
In Bangladesh	70%	2,235.39	66%	2,108.72	174%	5,568.59	125%	3,984.79	100%	3,196.88
Outside Bangladesh	199%	2,157.67	236%	2,550.53	176%	1,903.70	226%	2,449.64	100%	1,082.73
Money at call and on short notice	234%	8,530.10	61%	2,208.91	130%	4,739.53	189%	6,897.10	100%	3,643.95
<b>Investments</b>										
Government	197%	98,941.00	166%	83,226.36	124%	62,409.76	102%	50,963.04	100%	50,204.80
Others	114%	14,511.58	109%	13,847.53	117%	14,900.28	115%	14,646.51	100%	12,706.24
Loans and advances/investments	144%	336,329.37	138%	322,251.46	127%	296,752.96	114%	267,671.63	100%	234,316.72
Loans, cash credit, overdrafts etc./investments	145%	324,324.47	138%	307,752.52	125%	278,757.95	114%	255,400.66	100%	223,657.50
Bills purchased and discounted	113%	12,004.91	136%	14,498.94	169%	17,995.01	115%	12,270.97	100%	10,659.21
Fixed assets including premises, furniture and fixtures	109%	10,130.42	104%	9,714.97	100%	9,333.66	100%	9,337.30	100%	9,321.80
Other assets	172%	6,587.88	207%	7,953.65	106%	4,084.43	107%	4,110.24	100%	3,835.80
Non - banking assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>146%</b>	<b>495,841.96</b>	<b>137%</b>	<b>465,293.41</b>	<b>124%</b>	<b>422,312.71</b>	<b>112%</b>	<b>381,575.68</b>	<b>100%</b>	<b>339,288.05</b>
<b>LIABILITIES AND CAPITAL</b>										
<b>Liabilities</b>										
<b>Borrowings from other banks, financial institutions and agents</b>										
Other borrowings	265%	26,936.48	186%	18,897.68	135%	13,701.40	110%	11,211.70	100%	10,181.65
Subordinated bond	149%	11,000.00	184%	13,600.00	138%	10,200.00	159%	11,800.00	100%	7,400.00
<b>Deposits and other accounts</b>										
Current/Al-wadeeah current accounts and other accounts	216%	76,810.51	188%	66,850.58	136%	48,260.61	114%	40,472.07	100%	35,511.53
Bills payable	66%	3,267.00	80%	3,940.33	83%	4,095.29	91%	4,494.55	100%	4,933.77
Savings bank/Mudaraba savings bank deposits	180%	43,073.01	159%	38,060.94	127%	30,416.85	114%	27,259.92	100%	23,896.58
Fixed deposits/Mudaraba fixed deposits	123%	253,550.25	122%	250,684.08	120%	246,477.52	110%	226,108.26	100%	205,486.20
<b>Total Deposit</b>	<b>140%</b>	<b>376,700.77</b>	<b>133%</b>	<b>359,535.93</b>	<b>122%</b>	<b>329,250.27</b>	<b>111%</b>	<b>298,334.79</b>	<b>100%</b>	<b>269,828.08</b>
<b>Other liabilities</b>	<b>197%</b>	<b>51,207.00</b>	<b>167%</b>	<b>43,545.83</b>	<b>143%</b>	<b>37,144.69</b>	<b>123%</b>	<b>32,102.46</b>	<b>100%</b>	<b>26,044.63</b>
<b>Total liabilities</b>	<b>173%</b>	<b>465,497.75</b>	<b>161%</b>	<b>435,579.44</b>	<b>124%</b>	<b>366,394.96</b>	<b>112%</b>	<b>330,437.25</b>	<b>100%</b>	<b>295,872.71</b>
<b>Capital/shareholders' equity</b>										
Paid up capital	130%	11,889.41	130%	11,889.41	126%	11,599.42	115%	10,544.93	100%	9,169.50
Statutory reserve	130%	11,889.41	126%	11,580.48	120%	10,969.43	110%	10,094.15	100%	9,170.00
Revaluation reserve	96%	4,334.03	103%	4,672.53	94%	4,248.27	96%	4,360.80	100%	4,534.24
Other reserve	100%	247.65	100%	247.65	100%	247.65	100%	247.65	100%	247.65
Foreign currency translation reserve	69%	(9.72)	14%	(1.91)	62%	(8.78)	204%	(28.92)	100%	(14.14)
Retained earnings	60%	1,636.56	48%	1,315.62	127%	3,443.47	107%	2,898.04	100%	2,716.40
<b>Total shareholders' equity</b>	<b>116%</b>	<b>29,987.33</b>	<b>115%</b>	<b>29,703.77</b>	<b>118%</b>	<b>30,499.46</b>	<b>109%</b>	<b>28,116.66</b>	<b>100%</b>	<b>25,823.65</b>
Non-controlling interest	103%	10.38	101%	10.20	100%	10.07	100%	10.07	100%	10.05
<b>Total liabilities and shareholders' equity</b>	<b>146%</b>	<b>495,841.96</b>	<b>137%</b>	<b>465,293.41</b>	<b>124%</b>	<b>422,312.71</b>	<b>112%</b>	<b>381,575.68</b>	<b>100%</b>	<b>339,288.05</b>
Acceptances and endorsements	139%	79,185.08	89%	51,087.80	85%	48,407.68	112%	63,853.76	100%	57,138.53
Letters of guarantee	103%	16,370.49	108%	17,143.77	105%	16,773.72	121%	19,197.99	100%	15,924.96
Irrevocable letters of credit	120%	52,960.35	84%	37,175.74	63%	27,936.45	82%	36,374.56	100%	44,195.14
Bills for collection	183%	41,371.43	139%	31,398.29	126%	28,576.94	109%	24,664.93	100%	22,666.59
Other contingent liabilities	107%	1,869.26	111%	1,931.65	83%	1,454.22	81%	1,413.68	100%	1,744.47
Other Commitments	-	-	-	-	-	-	-	-	-	827.10
<b>Total off-balance sheet items including contingent liabilities</b>	<b>168%</b>	<b>191,756.62</b>	<b>108%</b>	<b>123,149.02</b>	<b>128%</b>	<b>145,504.93</b>	<b>125%</b>	<b>142,496.79</b>	<b>100%</b>	<b>113,910.63</b>



## Profit and Loss Account

BDT in Million

Particulars	2021 (%)	2021	2020 (%)	2020	2019 (%)	2019	2018 (%)	2018	2017 (%)	2017
<b>Operating Income</b>										
Interest income/profit on investments	109%	18,922.15	128%	22,250.50	151%	26,258.88	138%	23,977.84	100%	17,400.55
Interest paid/profit shared on deposits and borrowings etc.	120%	6,000.59	148%	19,769.08	165%	22,001.89	140%	18,777.90	100%	13,372.86
Net interest income/net profit on investments	73%	2,921.56	62%	2,481.42	106%	4,257.00	129%	5,199.94	100%	4,027.69
Investment income	121%	6,750.17	121%	6,750.89	95%	5,288.98	92%	5,129.75	100%	5,570.65
Commission, exchange and brokerage	113%	3,906.49	102%	3,536.22	111%	3,859.61	105%	3,652.78	100%	3,462.93
Other operating income	126%	1,094.57	115%	1,002.03	113%	985.14	112%	979.45	100%	871.78
<b>Total operating income (A)</b>	<b>105%</b>	<b>14,672.79</b>	<b>99%</b>	<b>13,770.56</b>	<b>103%</b>	<b>14,390.72</b>	<b>107%</b>	<b>14,961.92</b>	<b>100%</b>	<b>13,933.04</b>
Salaries and allowances	125%	2,305.49	112%	2,065.95	118%	2,175.29	110%	2,026.52	100%	1,843.96
Rent, taxes, insurance, electricity etc.	100%	895.32	98%	877.91	120%	1,083.36	115%	1,031.57	100%	899.48
Legal expenses	35%	0.64	87%	1.59	109%	2.00	71%	1.30	100%	1.83
Postage, stamp, telecommunication etc.	101%	178.74	93%	164.21	99%	174.55	103%	182.35	100%	176.22
Stationery, printing, advertisements etc.	116%	173.65	105%	157.20	111%	165.75	111%	165.64	100%	149.55
Managing Director's salary and fees	104%	10.41	104%	10.41	110%	11.07	100%	10.07	100%	10.04
Directors' fees and expenses	94%	3.56	71%	2.69	92%	3.47	77%	2.93	100%	3.79
Auditors' fees	159%	3.02	98%	1.86	100%	1.90	97%	1.85	100%	1.91
Depreciation and repair of bank's assets	212%	964.65	173%	786.68	117%	534.63	105%	476.29	100%	455.39
Other expenses	110%	1,466.18	108%	1,437.48	95%	1,255.72	96%	1,280.40	100%	1,328.58
<b>Total operating expenses (B)</b>	<b>123%</b>	<b>6,001.66</b>	<b>113%</b>	<b>5,506.01</b>	<b>111%</b>	<b>5,407.74</b>	<b>106%</b>	<b>5,178.92</b>	<b>100%</b>	<b>4,870.74</b>
Profit before provision (C=A-B)	96%	8,671.12	91%	8,264.56	99%	8,982.98	108%	9,783.00	100%	9,062.30
General provision	192%	1,939.92	415%	4,198.16	32%	328.23	-12%	(119.21)	100%	1,010.61
Specific provision	74%	2,796.30	22%	827.47	113%	4,255.03	132%	4,974.29	100%	3,781.32
Provision for off-balance sheet items	139%	397.62	42%	119.16	-136%	(389.10)	-78%	(223.80)	100%	285.50
Provision for diminution in value of investments	-41%	89.62	54%	-117.06	-147%	319.60	-190%	413.06	100%	(217.21)
Other provisions	948%	189.63	405%	80.96	325%	65.00	350%	70.00	100%	20.00
<b>Total provision (D)</b>	<b>111%</b>	<b>5,413.10</b>	<b>105%</b>	<b>5,108.68</b>	<b>94%</b>	<b>4,578.75</b>	<b>105%</b>	<b>5,114.34</b>	<b>100%</b>	<b>4,880.22</b>
<b>Total profit before taxation (C-D)</b>	<b>78%</b>	<b>3,258.03</b>	<b>75%</b>	<b>3,155.88</b>	<b>105%</b>	<b>4,404.23</b>	<b>112%</b>	<b>4,668.66</b>	<b>100%</b>	<b>4,182.08</b>
Provision for taxation	49%	1,473.73	33%	1,006.78	63%	1,895.67	73%	2,195.45	100%	3,013.45
<b>Net profit after taxation</b>	<b>153%</b>	<b>1,784.30</b>	<b>184%</b>	<b>2,149.10</b>	<b>215%</b>	<b>2,508.56</b>	<b>212%</b>	<b>2,473.21</b>	<b>100%</b>	<b>1,168.63</b>
Retained surplus during the year	125%	1,458.23	132%	1,538.05	140%	1,633.28	133%	1,549.06	100%	1,168.63
Earnings per share (Tk.)	118%	1.50	142%	1.81	166%	2.11	167%	2.13	100%	1.27

# VERTICAL ANALYSIS

## Balance Sheet

BDT in Million

Particulars	2021 (%)	2021	2020 (%)	2020	2019 (%)	2019	2018 (%)	2018	2017 (%)	2017
<b>PROPERTY AND ASSETS</b>										
<b>Cash</b>										
In hand (including foreign currencies)	1%	4,113.64	1%	3,474.37	1%	3,664.88	1%	3,598.85	1%	3,010.98
Balance with Bangladesh Bank (including foreign currencies)	2%	12,304.89	4%	17,956.90	4%	18,954.91	5%	17,916.58	5%	17,968.15
<b>Balance with other banks and financial institutions</b>										
In Bangladesh	0%	2,235.39	0%	2,108.72	1%	5,568.59	1%	3,984.79	1%	3,196.88
Outside Bangladesh	0%	2,157.67	1%	2,550.53	0%	1,903.70	0.6%	2,449.64	0.3%	1,082.73
Money at call and on short notice	2%	8,530.10	0%	2,208.91	1%	4,739.53	2%	6,897.10	1%	3,643.95
<b>Investments</b>										
Government	20%	98,941.00	18%	83,226.36	15%	62,409.76	13%	50,963.04	15%	50,204.80
Others	3%	14,511.58	3%	13,847.53	4%	14,900.28	4%	14,646.51	4%	12,706.24
<b>Loans and advances/investments</b>										
Loans, cash credit, overdrafts etc./investments	65%	324,324.47	66%	307,752.52	66%	278,757.95	67%	255,400.66	66%	223,657.50
Bills purchased and discounted	2%	12,004.91	3%	14,498.94	4%	17,995.01	3%	12,270.97	3%	10,659.21
Fixed assets including premises, furniture and fixtures	2%	10,130.42	2%	9,714.97	2%	9,333.66	2%	9,337.30	3%	9,321.80
Other assets	1%	6,587.88	2%	7,953.65	1%	4,084.43	1%	4,110.24	1%	3,835.80
Non - banking assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>100%</b>	<b>495,841.96</b>	<b>100%</b>	<b>465,293.41</b>	<b>100%</b>	<b>422,312.71</b>	<b>100%</b>	<b>381,575.68</b>	<b>100%</b>	<b>339,288.05</b>
<b>LIABILITIES AND CAPITAL</b>										
<b>Liabilities</b>										
<b>Borrowings from other banks, financial institutions and agents</b>										
Other borrowings	5%	26,936.48	4%	18,897.68	3%	13,701.40	3%	11,211.70	3%	10,181.65
Subordinated bond	2%	11,000.00	3%	13,600.00	2%	10,200.00	3%	11,800.00	2%	7,400.00
<b>Deposits and other accounts</b>										
Current/Al-wadeeah current accounts and other accounts	15%	76,810.51	14%	66,850.59	11%	48,260.61	11%	40,472.07	10%	35,511.53
Bills payable	1%	3,267.00	1%	3,940.33	1%	4,095.29	1%	4,494.55	1%	4,933.77
Savings bank/Mudaraba savings bank deposits	9%	43,073.01	8%	38,060.94	7%	30,416.85	7%	27,259.92	7%	23,896.58
Fixed deposits/Mudaraba fixed deposits	51%	253,550.25	54%	250,684.08	58%	246,477.52	59%	226,108.26	61%	205,486.20
<b>Other liabilities</b>	<b>10%</b>	<b>51,207.00</b>	<b>9%</b>	<b>43,545.83</b>	<b>9%</b>	<b>38,651.51</b>	<b>8%</b>	<b>32,102.46</b>	<b>8%</b>	<b>26,044.63</b>
<b>Capital/shareholders' equity</b>										
Paid up capital	2%	11,889.41	3%	11,889.41	3%	11,599.42	3%	10,544.93	3%	9,169.50
Statutory reserve	2%	11,889.41	2%	11,580.48	3%	10,969.43	3%	10,094.15	3%	9,170.00
Revaluation reserve	1%	4,334.03	1%	4,672.53	1%	4,248.27	1%	4,360.80	1%	4,534.24
Other reserve	0%	247.65	0%	247.65	0%	247.65	0%	247.65	0%	247.65
Foreign currency translation reserve	0%	(9.72)	0%	(1.91)	0%	(8.78)	0%	(28.92)	0%	(14.14)
Retained earnings	0%	1,636.53	0%	1,315.62	1%	3,443.47	1%	2,898.04	1%	2,716.40
<b>Total shareholders' equity</b>	<b>6%</b>	<b>29,987.33</b>	<b>6%</b>	<b>29,703.77</b>	<b>7%</b>	<b>30,499.46</b>	<b>7%</b>	<b>28,116.66</b>	<b>8%</b>	<b>25,823.65</b>
Non-controlling interest	0%	10.38	0%	10.20	0%	10.07	0%	10.07	0%	10.05
<b>Total liabilities and shareholders' equity</b>	<b>100%</b>	<b>495,841.96</b>	<b>100%</b>	<b>465,293.41</b>	<b>100%</b>	<b>422,312.71</b>	<b>100%</b>	<b>381,575.68</b>	<b>100%</b>	<b>339,288.05</b>
<b>OFF-BALANCE SHEET ITEMS</b>										
Acceptances and endorsements	41%	79,185.08	37%	51,087.80	39%	48,407.68	44%	63,853.76	40%	57,138.53
Letters of guarantee	9%	16,370.49	12%	17,143.77	14%	16,773.72	13%	19,197.99	11%	15,924.96
Irrevocable letters of credit	28%	52,960.35	27%	37,175.74	23%	27,936.45	25%	36,374.56	31%	44,195.14
Bills for collection	22%	41,371.43	23%	31,398.29	23%	28,576.94	17%	24,664.93	16%	22,666.59
Other contingent liabilities	1%	1,869.26	1%	1,931.65	1%	1,454.22	1%	1,413.68	1%	1,744.47
Other commitments	0%	-	0%	-	0%	-	0%	-	-	827.10
<b>Total off-balance sheet items including contingent liabilities</b>	<b>100%</b>	<b>191,756.62</b>	<b>100%</b>	<b>138,737.25</b>	<b>100%</b>	<b>123,149.02</b>	<b>100%</b>	<b>145,504.93</b>	<b>100%</b>	<b>142,496.79</b>

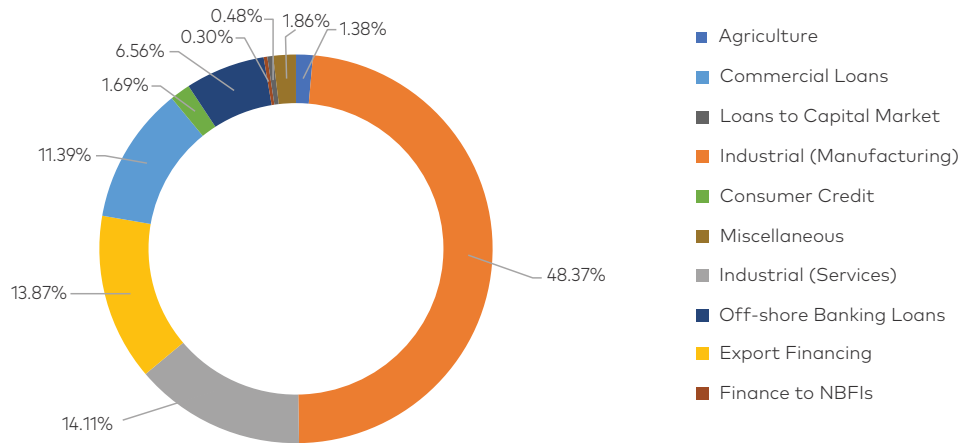
## Profit and Loss Account

BDT in Million

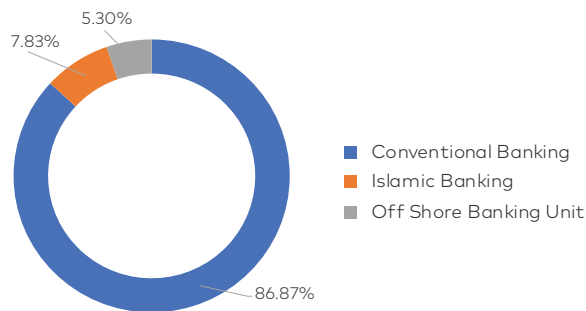
Particulars	2021 (%)	2021	2020 (%)	2020	2019 (%)	2019	2018 (%)	2018	2017 (%)	2017
<b>Operating Income</b>										
Interest income/profit on investments	62%	18,922.15	66%	22,250.50	72%	26,258.88	71%	23,977.84	64%	17,400.55
Interest paid/profit shared on deposits and borrowings etc.	52%	16,000.59	59%	19,769.08	60%	22,001.89	56%	18,777.90	49%	13,372.86
<b>Net interest income/net profit on investments</b>	<b>10%</b>	<b>2,921.56</b>	<b>7%</b>	<b>2,481.42</b>	<b>12%</b>	<b>4,257.00</b>	<b>15%</b>	<b>5,199.94</b>	<b>15%</b>	<b>4,027.69</b>
Investment income	22%	6,750.17	20%	6,750.89	15%	5,288.98	15%	5,129.75	20%	5,570.65
Commission, exchange and brokerage	13%	3,906.49	11%	3,536.22	11%	3,859.61	11%	3,652.78	13%	3,462.93
Other operating income	4%	1,094.57	3%	1,002.03	3%	985.14	3%	979.45	3%	871.78
<b>Total operating income (A)</b>	<b>48%</b>	<b>14,672.79</b>	<b>41%</b>	<b>13,770.56</b>	<b>40%</b>	<b>14,390.72</b>	<b>44%</b>	<b>14,961.92</b>	<b>51%</b>	<b>13,933.04</b>
Salaries and allowances	8%	2,305.49	6%	2,065.98	6%	2,175.29	6%	2,026.52	7%	1,843.96
Rent, taxes, insurance, electricity etc.	3%	895.32	3%	877.91	3%	1,083.36	3%	1,031.57	3%	899.48
Legal expenses	0%	0.64	0%	1.59	0%	2.00	0%	1.30	0%	1.83
Postage, stamp, telecommunication etc.	1%	178.74	0%	164.21	0%	174.55	1%	182.35	1%	176.22
Stationery, printing, advertisements etc.	1%	173.65	0%	157.20	0%	165.75	0%	165.64	1%	149.55
Managing Director's salary and fees	0%	10.41	0%	10.41	0%	11.07	0%	10.07	0%	10.04
Directors' fees and expenses	0%	3.56	0%	2.69	0%	3.47	0%	2.93	0%	3.79
Auditors' fees	0%	3.02	0%	1.86	0%	1.90	0%	1.85	0%	1.91
Depreciation and repair of bank's assets	3%	964.65	2%	786.68	1%	534.63	1%	476.29	2%	455.39
Other expenses	5%	1,466.18	4%	1,437.48	3%	1,255.72	4%	1,280.40	5%	1,328.58
<b>Total operating expenses (B)</b>	<b>20%</b>	<b>6,001.66</b>	<b>16%</b>	<b>5,506.01</b>	<b>15%</b>	<b>5,407.74</b>	<b>15%</b>	<b>5,178.92</b>	<b>18%</b>	<b>4,870.74</b>
<b>Profit before provision (C=A-B)</b>	<b>28%</b>	<b>8,671.12</b>	<b>25%</b>	<b>8,264.56</b>	<b>25%</b>	<b>8,982.98</b>	<b>29%</b>	<b>9,783.00</b>	<b>33%</b>	<b>9,062.30</b>
<b>Provision for loans and advances/investments</b>										
General provision	6%	1,939.92	13%	4,198.16	1%	328.23	0%	(119.21)	4%	1,010.61
Specific provision	9%	2,796.30	2%	827.47	12%	4,255.03	15%	4,974.29	14%	3,781.32
Provision for off-balance sheet items	1%	397.62	0%	119.16	-1%	(389.10)	-1%	(223.80)	1%	285.50
Provision for diminution in value of investments	0%	89.62	0%	(117.06)	1%	319.60	1%	413.06	-1%	(217.21)
Other provisions	1%	189.63	1%	80.96	0%	65.00	0%	70.00	0%	20.00
<b>Total provision (D)</b>	<b>18%</b>	<b>5,413.10</b>	<b>15%</b>	<b>5,108.68</b>	<b>13%</b>	<b>4,578.75</b>	<b>15%</b>	<b>5,114.34</b>	<b>18%</b>	<b>4,880.22</b>
<b>Total profit before taxation (C-D)</b>	<b>12%</b>	<b>3,258.03</b>	<b>9%</b>	<b>3,155.88</b>	<b>12%</b>	<b>4,404.23</b>	<b>14%</b>	<b>4,668.66</b>	<b>15%</b>	<b>4,182.08</b>
Provision for taxation	5%	1,473.73	3%	1,006.78	5%	1,895.67	7%	2,195.45	11%	3,013.45
<b>Net profit after taxation</b>	<b>6%</b>	<b>1,784.30</b>	<b>6%</b>	<b>2,149.10</b>	<b>7%</b>	<b>2,508.56</b>	<b>7%</b>	<b>2,473.21</b>	<b>4%</b>	<b>1,168.63</b>

# SEGMENT INFORMATION

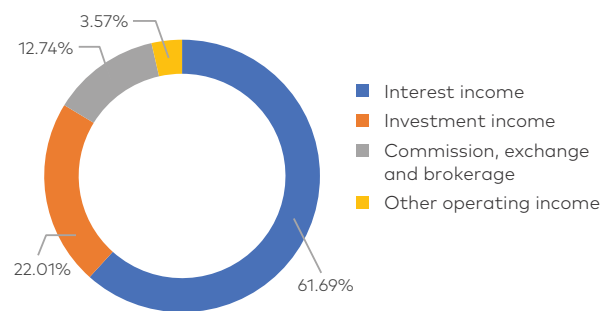
## Sector wise investment



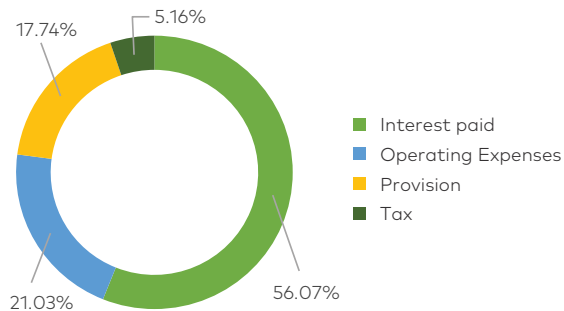
## Operating Revenue



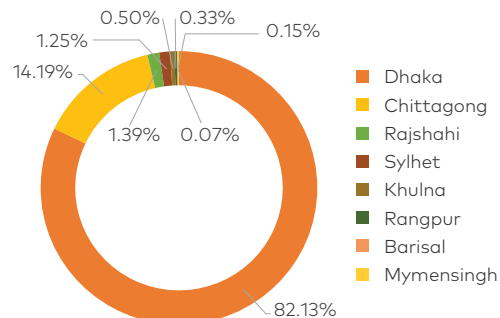
## Revenue Sources



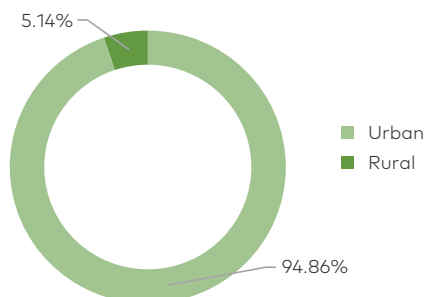
## Expenditure Mix



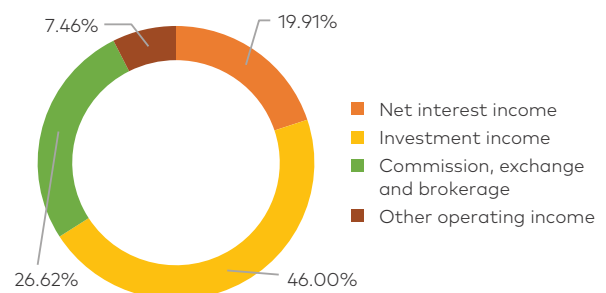
## Division Wise Loan



## Area wise Loan



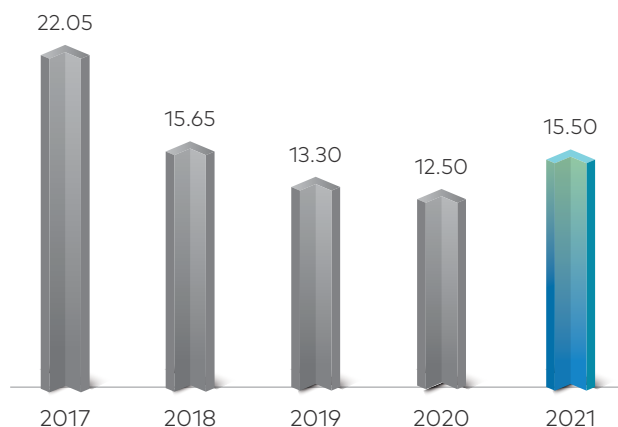
## Operating Income Mix



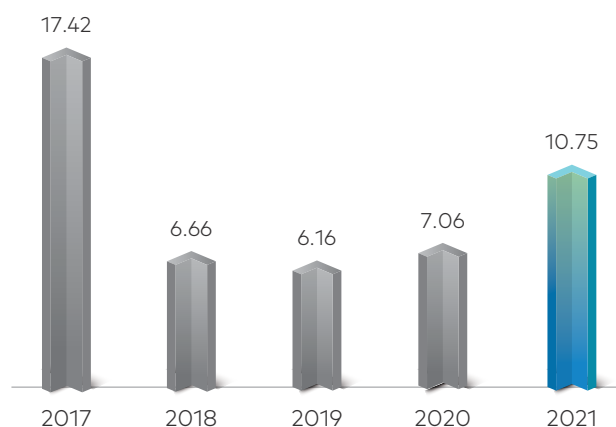


# GRAPHICAL PRESENTATION

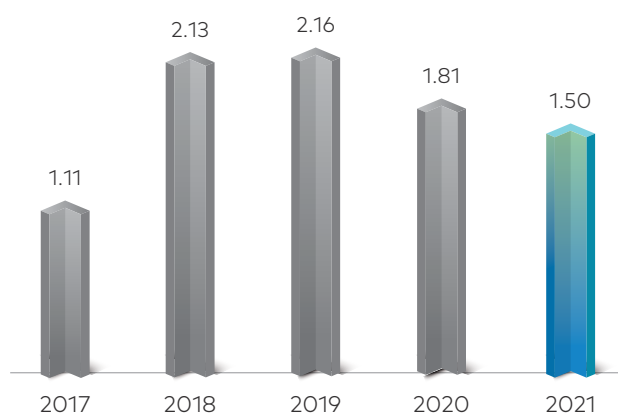
## Market Price Per Share-DSE



## Price Earning Ratio

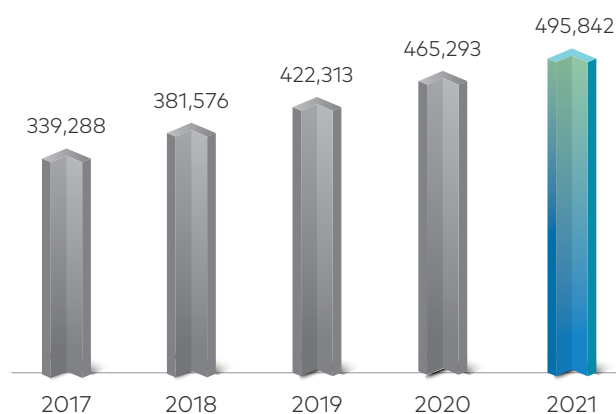


## Earnings per Share (BDT)



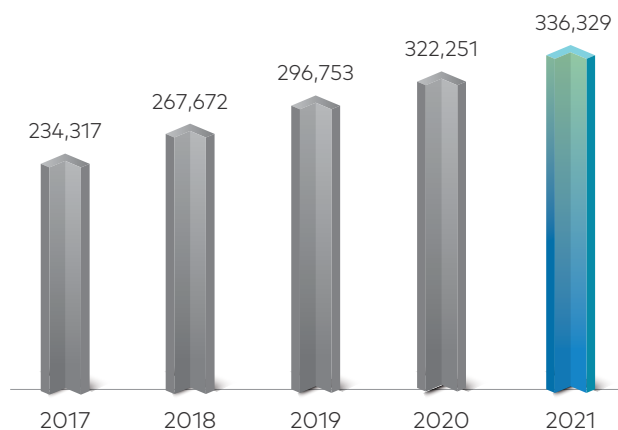
## Total Assets

BDT in Million



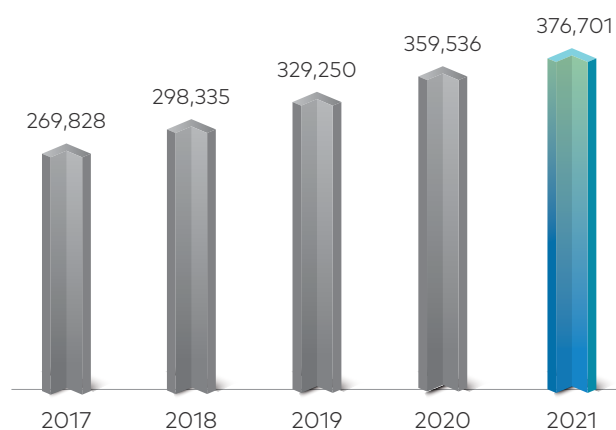
## Loans & Advances

BDT in Million



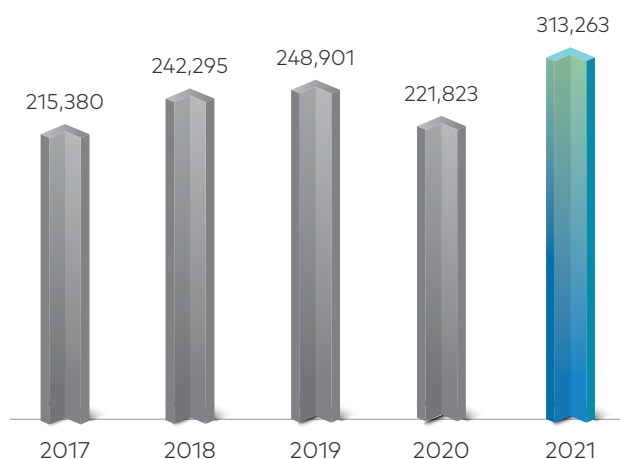
## Deposits

BDT in Million



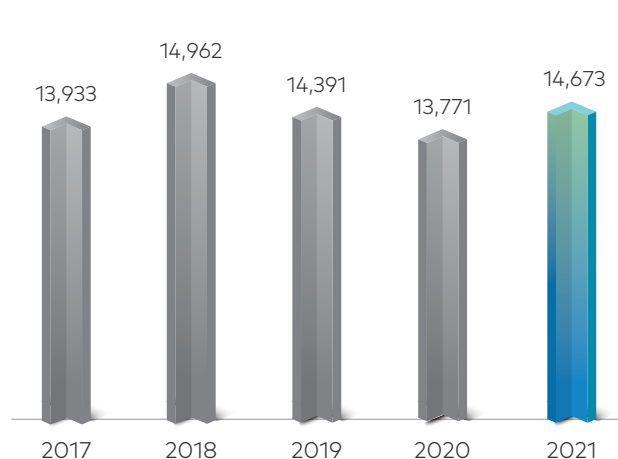
### Import Business

BDT in Million



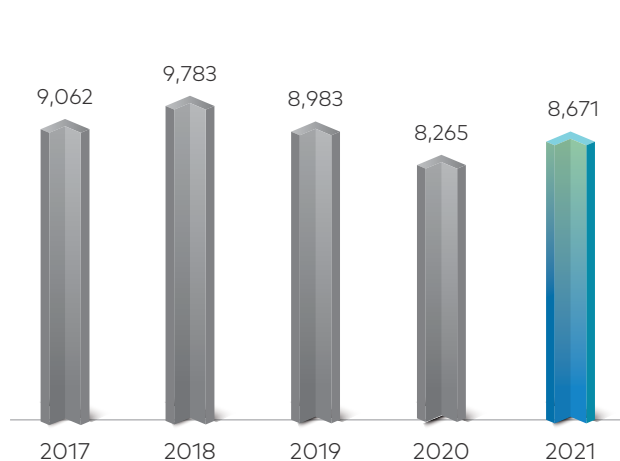
### Operating Income

BDT in Million



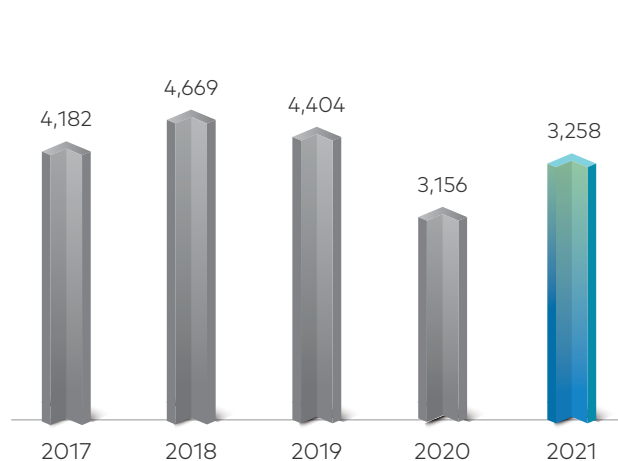
### Operating Profit

BDT in Million

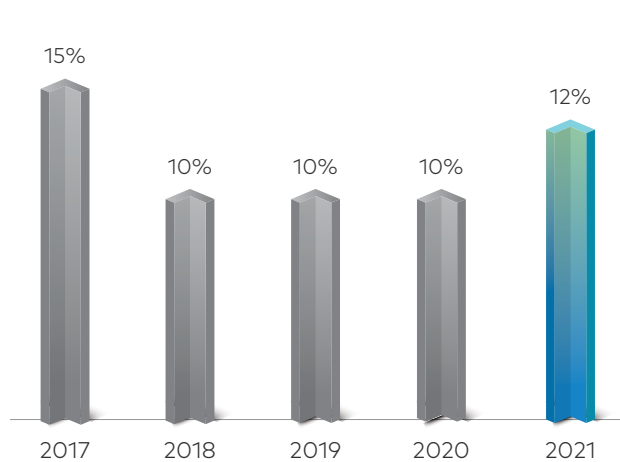


### Profit Before Tax

BDT in Million

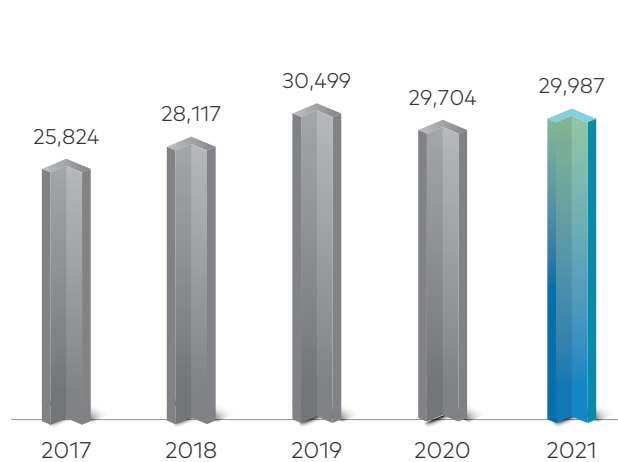


### Dividend

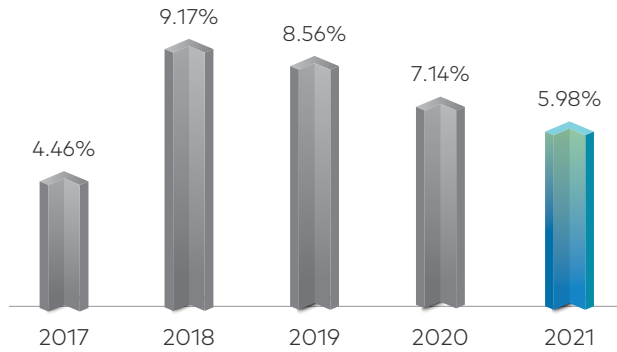


### Total Shareholders' Equity

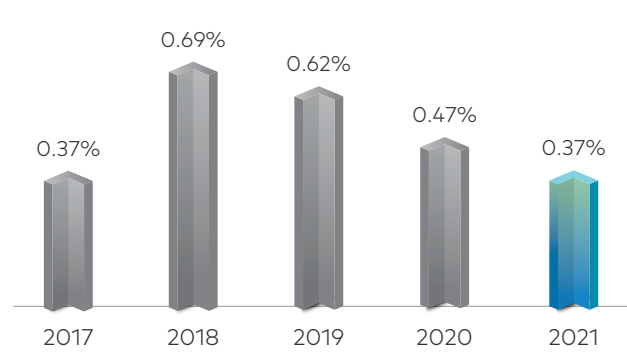
BDT in Million



### Return on Equity

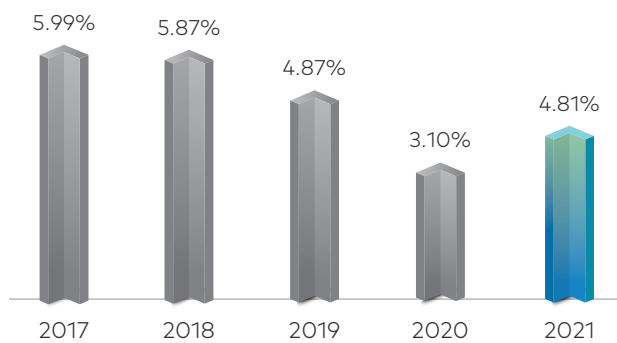


### Return on Average Assets



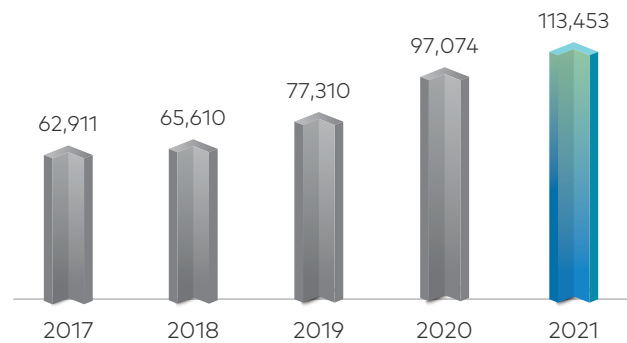
### Non Performing Loans

BDT in Million



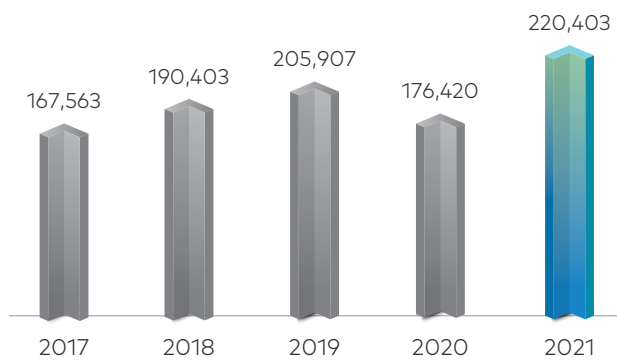
### Investments

BDT in Million



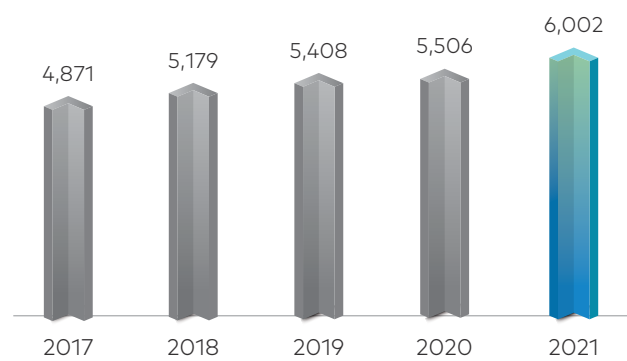
### Export Business

BDT in Million

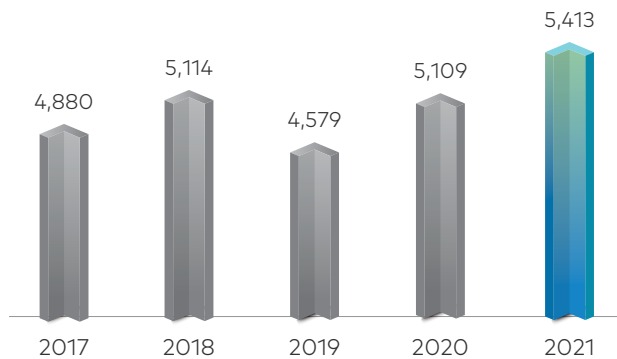


### Operating Expenses

BDT in Million

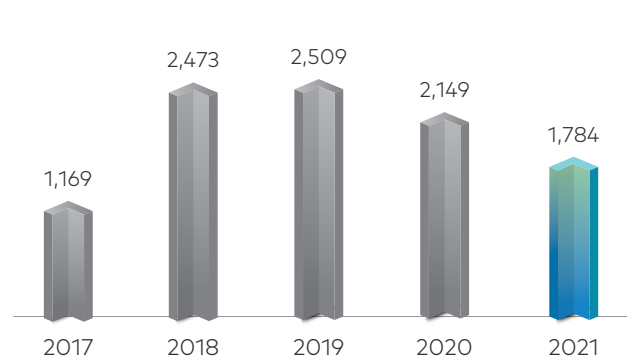


### Total Provision



### Profit After Tax

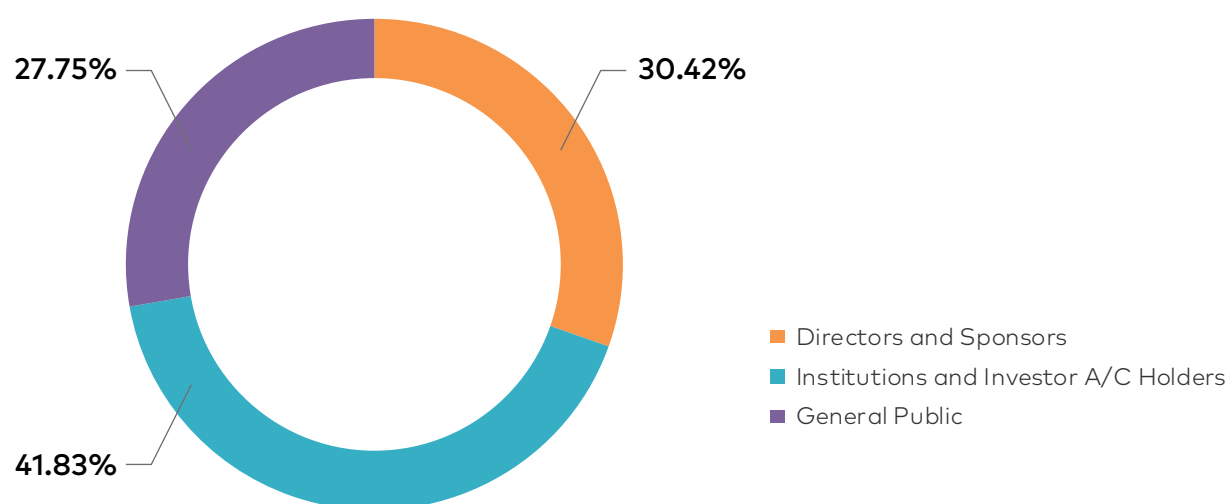
BDT in Million



## Ownership Composition - 2021

Name of the Category	Number of Shares	% to total Shares
Directors and Sponsors	361,634,922	30.42
Institutions and Investor A/C Holders	497,300,016	41.83
General Public	330,005,583	27.75
<b>TOTAL</b>	<b>1,188,940,521</b>	<b>100.00</b>

## Ownership Composition



## Market Price Information

Months	Dhaka Stock Exchange Ltd.			Chittagong Stock Exchange PLC			Total Volume on DSE & CSE
	Month High	Month Low	Total Volume	Month High	Month Low	Total Volume	
Jan-21	14.00	12.30	53,340,443	14.10	12.40	3,044,625	56,385,068
Feb-21	12.70	11.80	19,137,989	12.70	11.80	700,457	19,838,446
Mar-21	12.80	11.90	16,870,351	12.80	11.80	623,376	17,493,727
Apr-21	12.50	11.40	8,451,220	13.00	11.80	267,607	8,718,827
May-21	17.70	12.10	174,115,865	17.50	12.10	10,721,448	184,837,313
Jun-21	17.00	13.50	88,275,203	16.90	13.30	4,385,464	92,660,667
Jul-21	17.60	14.60	101,244,450	17.50	14.50	3,127,652	104,372,102
Aug-21	17.50	16.20	63,579,394	17.50	16.40	2,907,106	66,486,500
Sep-21	16.90	16.20	36,464,373	16.90	16.20	1,653,598	38,117,971
Oct-21	16.90	15.40	34,635,519	16.80	15.50	3,247,197	37,882,716
Nov-21	18.30	15.60	50,259,641	18.20	15.60	3,366,362	53,626,003
Dec-21	16.80	15.00	24,310,961	17.00	15.00	2,225,630	26,536,591



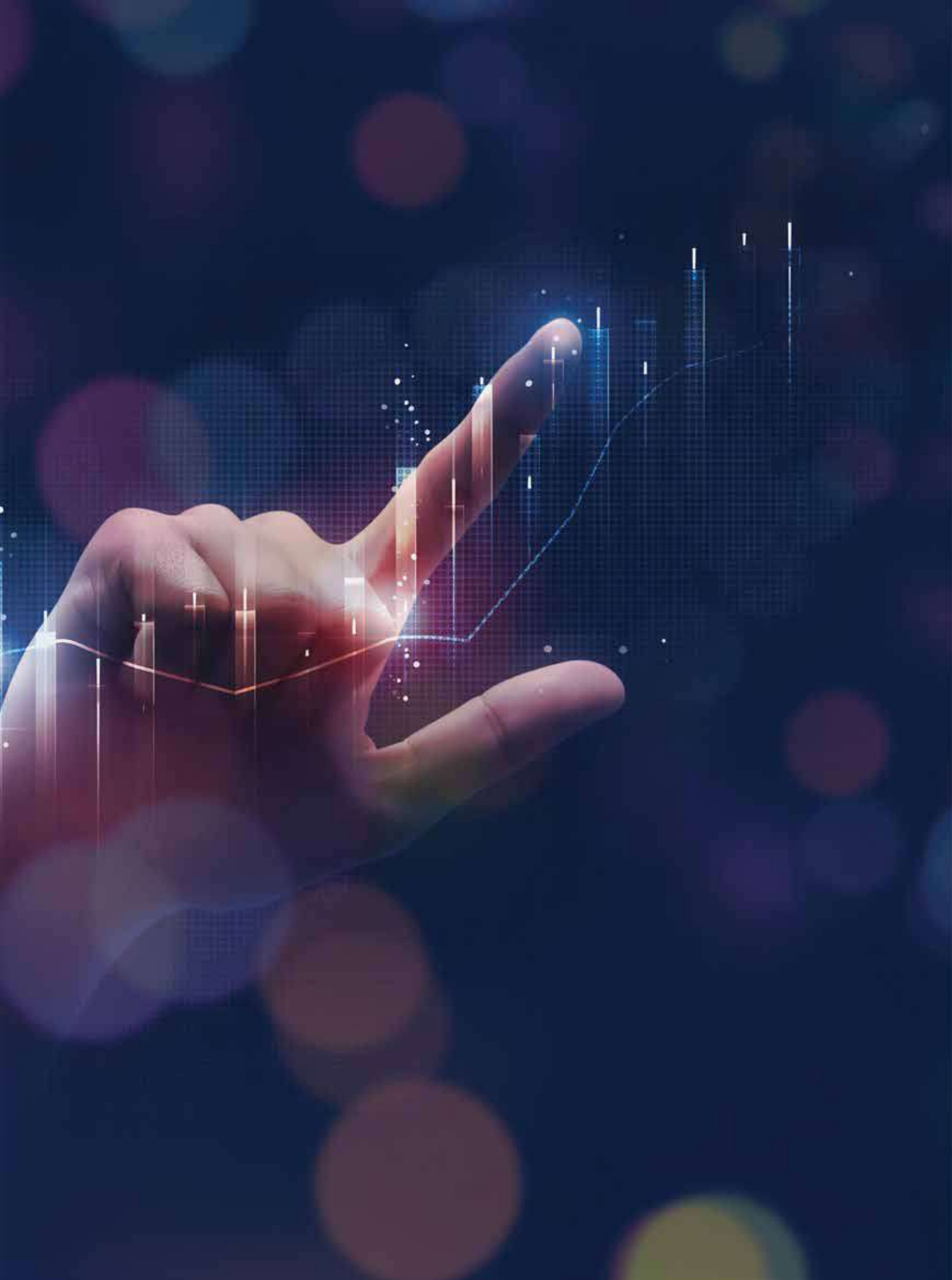
# FINANCIAL CALENDAR – 2021

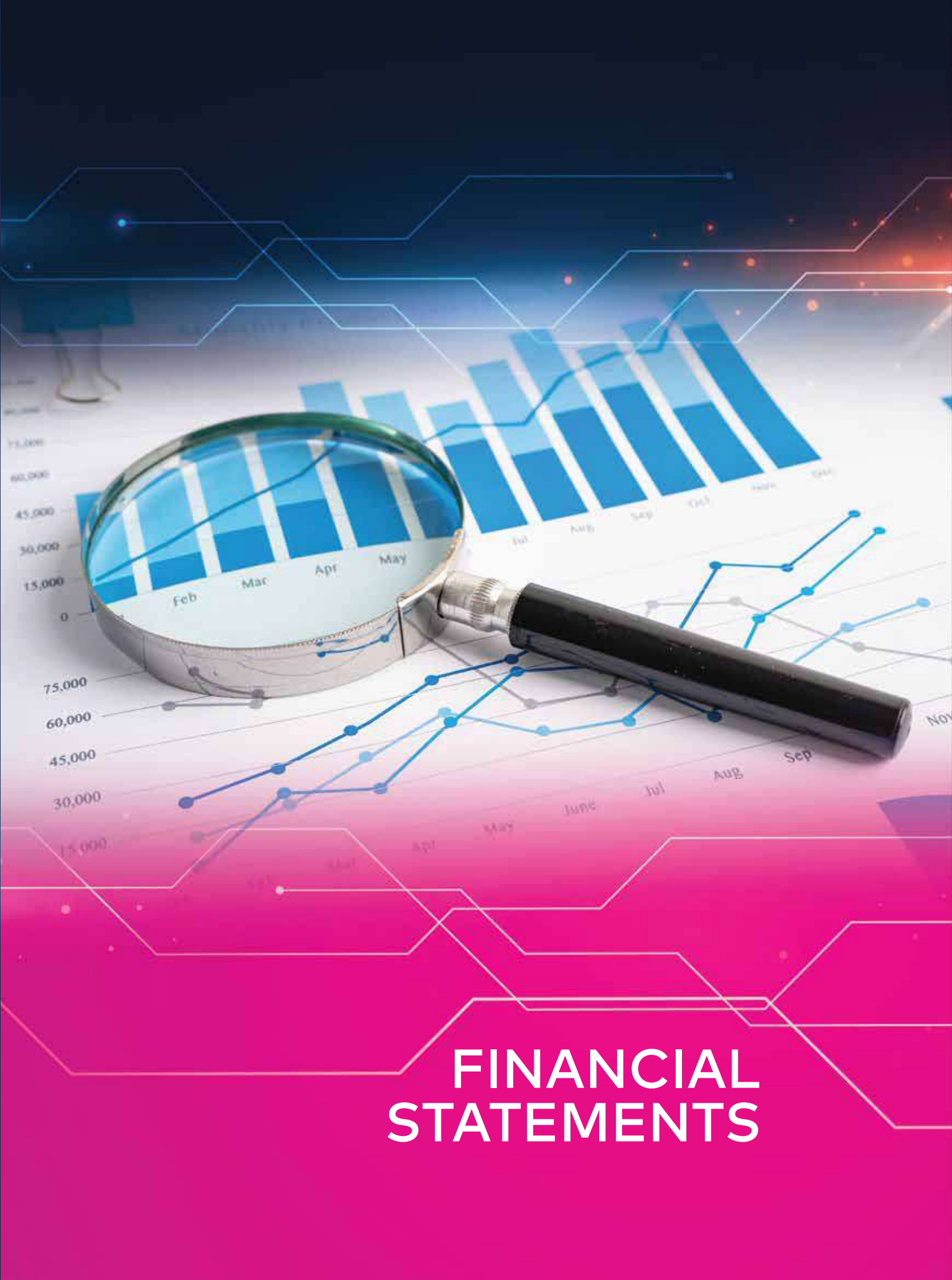
Particulars	Date
Business Policy and Planning Conference held and Annual Budget discussed in participation of all Heads of Branches of the Bank	Sept. 05, 2021
Audited Consolidated Financial Statements for the year 2020 finalized and signed	May 09, 2021
Publication of Financial Statements for the year 2020 in two news papers	May 24, 2021
26 <sup>th</sup> Annual General Meeting held	June 30, 2021
Final Dividend Payment for 2020	July 05, 2021

Interim Financial Statements	
For the 1 <sup>st</sup> quarter ended March 31, 2021 (unaudited) published in two widely circulated news papers	May 25, 2021
For the 2 <sup>nd</sup> quarter ended June 30, 2021 (unaudited) published in two widely circulated news papers	July 31, 2021
For the 3 <sup>rd</sup> quarter ended September 30, 2021 (unaudited) published in two widely circulated news papers	October 31, 2021

Financial Calendar 2022	
Audited Financial Statements for the year 2021 finalization and signature	April 28, 2022
27 <sup>th</sup> Annual General Meeting will be held	August 11, 2022
Final Dividend for the year 2021 proposed to be paid	Sept. 11, 2022

Interim Financial Statements	
For the 1 <sup>st</sup> quarter ended March 31, 2022 (unaudited) approved by the Board of Directors	April 28, 2022
For the 2 <sup>nd</sup> quarter ended June 30, 2022 (unaudited) approved by the Board of Directors (Proposed)	July 30, 2022
For the 3 <sup>rd</sup> quarter ended September 30, 2022 (unaudited) approved by the Board of Directors (Proposed)	October 31, 2022





# FINANCIAL STATEMENTS



## FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SOUTHEAST BANK LIMITED

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of Southeast Bank Limited and its subsidiaries (the **"Group"**) as well as the separate financial statements of Southeast Bank Limited (the **"Bank"**), which comprise the consolidated and separate Balance Sheets as at 31 December 2021, and consolidated and separate Profit and Loss Accounts, consolidated and separate Statement of Changes in Equity, and consolidated and separate Cash Flow Statements for the year then ended, and notes to consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in Note 2.1.

#### Basis for Opinion

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

#### Key Audit Matters

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



## 1. Measurement of provision for Loans and Advances

See notes no. 10, 11 and 21.1 to the financial statements.

### The Key Audit Matter

With reference to Note 2.1 (v) to the financial statements, the process for calculating the provision for loans and advances portfolio associated with credit risk is significant and complex. The bank calculates provision for loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments. To minimize covid 19 impact, Bangladesh Bank issued BRPD Circular Letter No. 19, 52 and 53 dated 26 August 2021, 29 December 2021, and 30 December 2021 respectively. According to the circular, commercial bank must keep an extra provision for those borrowers who have availed Payment By Deferral (PBD) facilities. The calculation of the new provisioning rule has been implemented based on the outstanding (deferral payment) loans as of 31 December 2021. The Bank has kept this special provision of BDT 2,551 million (2020: BDT 1,162 million) as per the circular. In Bangladesh, non-performing loans have been increasing day by day. Banks need to maintain provision for additional nonperforming loans in line with guidelines of the central bank. The Bank identifies impaired loan accounts and calculates required provision manually. Furthermore, management has incentive to maintain lower provision for loan and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans and advances as significant risk as well as a Key Audit Matter. At year end of 2021, the Group reported total gross loans and advances of BDT 336,329.37 million (2020: BDT 322,251.46 million) and in 2021 the Bank reported total gross loans and advances of BDT 333,504.73 million (2020: BDT 320,368.16 million) whereas at the year end of 2021 the Bank reported total provision for loans and advances of BDT 26,228.77 million (2020: BDT 23,862.77 million).

### How the matter was addressed in our audit

We tested the design and operating effectiveness of key controls focusing on the following:

- Tested the credit monitoring and provisioning process;
- Identification of loss events, including early warning and default warning indicators; and
- Reviewed the adequacy of transfer of interests to the Income account appropriate approvals in line with the Bangladesh Bank's guideline.

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- Reviewed the adequacy of the companies general and specific provisions;
- Assessed the methodologies on which the provision amounts based, recalculated the provisions, and tested the completeness and accuracy of the underlying information;
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and
- Reviewed the grounds for recommendations for approvals in cases of transfer of interests to the Income account.

## 2. Valuation of Treasury Bill and Treasury Bond

See note no. 9 to the financial statements.

### The Key Audit Matter

The classification and measurement of Treasury Bills and Treasury Bonds require judgment and complex estimates.

In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models.

### How the matter was addressed in our audit

We tested the operating effectiveness of key controls focusing on the classification and measurement of Treasury Bills and Treasury Bonds.

We tested a sample of the valuation models and the inputs used in those models using a variety of techniques. Applied in the circumstances.

Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.



### 3. Measurement of Deferred Tax Liabilities

See note no. 21.3 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Bank has recognized deferred tax liabilities for taxable temporary differences which is probable that temporary differences will reverse in future.</p> <p>The Bank has reported net deferred tax liabilities to a total of BDT 453.99 million (2020: BDT 312.14 million) as at 31 December 2021.</p> <p>Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding of the Group and the Bank's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Group and Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition, and measurement of DTA's.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures as per IAS 12 Income Tax.</p>

### 4. Legal and Regulatory matters

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

### 5. IT Systems and Controls

The Key Audit Matter	How the matter was addressed in our audit
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volumes of transactions processed in numerous locations daily and are reliance on automated and manual with automated (IT Dependent) controls.</p> <p>We have focused on Data management, user access management, and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring the operating effectiveness of manual with automated control and automated controls.</p> <p>We also concentrated on formal security administration policies and procedures to determine whether they are approved, comprehensive, up-to-date, and bank-wide communicated.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT General Controls (Logical Access, Changes in management, and aspects of IT Operational Controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms, and segregation of incompatible duties relevant to application and database change management.</p>



## 6. Carrying value of Investments in Subsidiaries by the Bank

See note no. 15.3 and 15.4 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Bank has invested in equity shares of its subsidiaries namely Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Limited. As of 31 December 2021, the carrying value of these investments are BDT 5,534.14 million (2020: BDT 5,534.14 million).</p> <p>At the time of conducting our audit of the separate financial statements of the Bank, we have considered the recoverable value of the Bank's investments in Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Limited stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiary Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Limited in accordance with IAS 36.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36: Impairment of Assets.</p> <p>We have analyzed the appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

## 7. Recognition of interest income from loans and advances

See note no. 33 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>

## Other Information

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

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

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

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

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

Management of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in Note 2.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from





material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 (as amended up to date), and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control, and risk management functions of the Bank.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## Report on other Legal and Regulatory Requirements

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

- (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) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control, and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities.
- (iii) financial statements of two subsidiaries namely, Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Limited has been audited by Pinaki & Company, Chartered Accountants, and G. L. PALMER AND COMPANY respectively, and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations, and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for Loans and advance and other assets which are in our opinion, doubtful of recovery as explained in Note 21.1 and 21.5.1(A).
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the Risk-weighted Assets of the Bank and spent over 5,400 person hours; and
- (xii) Bank maintained adequate Capital to Risk-weighted Asset Ratio (CRAR) as explained in note 22.8.

### Howladar Yunus & Co.

Chartered Accountants  
Firm Registration No: N/A



### Md. Jahidur Rahman FCA

Partner  
Enrolment No: 860  
Dated: Dhaka, April 30, 2022  
DVC No: 2204300860AS395630

## Southeast Bank Limited and its Subsidiaries

**CONSOLIDATED BALANCE SHEET**

As at 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	4		
In hand (including foreign currencies)		4,113,644,666	3,474,367,542
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		12,304,892,340	17,956,897,600
		<b>16,418,537,006</b>	<b>21,431,265,141</b>
<b>Balance with other banks and financial institutions</b>	5		
In Bangladesh		2,235,390,911	2,108,724,666
Outside Bangladesh		2,157,671,735	2,550,530,377
		<b>4,393,062,646</b>	<b>4,659,255,043</b>
<b>Money at call and on short notice</b>	7	<b>8,530,100,000</b>	<b>2,208,907,300</b>
<b>Investments</b>	8		
Government		98,940,999,803	83,226,359,543
Others		14,511,581,006	13,847,533,919
		<b>113,452,580,809</b>	<b>97,073,893,462</b>
<b>Loans and advances/investments</b>	10		
Loans, cash credit, overdrafts etc./investments		324,324,465,098	307,752,518,862
Bills purchased and discounted		12,004,908,941	14,498,943,318
		<b>336,329,374,039</b>	<b>322,251,462,180</b>
<b>Fixed assets including premises, furniture and fixtures</b>	12	<b>10,130,421,123</b>	<b>9,714,971,217</b>
<b>Other assets</b>	14	<b>6,587,883,942</b>	<b>7,953,654,253</b>
<b>Non-banking assets</b>		-	-
<b>Total assets</b>		<b>495,841,959,565</b>	<b>465,293,408,597</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	16		
Subordinated bond		11,000,000,000	13,600,000,000
Other borrowings		26,936,484,757	18,897,676,319
		<b>37,936,484,757</b>	<b>32,497,676,319</b>
<b>Deposits and other accounts</b>	18		
Current/Al-wadeeah current accounts and other accounts		76,810,506,766	66,850,581,819
Bills payable		3,266,999,314	3,940,333,929
Savings bank/Mudaraba savings bank deposits		43,073,012,405	38,060,936,493
Fixed deposits/Mudaraba fixed deposits		253,550,247,155	250,684,079,440
		<b>376,700,765,640</b>	<b>359,535,931,681</b>
<b>Other liabilities</b>	20	<b>51,206,997,399</b>	<b>43,545,833,362</b>
<b>Total liabilities</b>		<b>465,844,247,796</b>	<b>435,579,441,362</b>
<b>Capital/shareholders' equity</b>			
Paid up capital	22.2	11,889,405,210	11,889,405,210
Statutory reserve	23	11,889,405,210	11,580,478,928
Revaluation reserve	24	4,334,027,577	4,672,526,139
Other reserve	25	247,650,000	247,650,000
Foreign currency translation reserve	26	(9,717,597)	(1,919,103)
Retained earnings	27	1,636,562,805	1,315,624,550
<b>Total shareholders' equity</b>		<b>29,987,333,205</b>	<b>29,703,765,724</b>
<b>Non-controlling interest</b>	29	<b>10,378,564</b>	<b>10,201,511</b>
<b>Total liabilities and shareholders' equity</b>		<b>495,841,959,565</b>	<b>465,293,408,597</b>

## Southeast Bank Limited and its Subsidiaries

**CONSOLIDATED BALANCE SHEET**

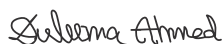
As at 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements	30.1	79,185,082,988	51,087,802,689
Letters of guarantee	30.2	16,370,493,886	17,143,765,567
Irrevocable letters of credit	30.3	52,960,352,978	37,175,740,943
Bills for collection	30.4	41,371,426,945	31,398,294,693
Other contingent liabilities	30.5	1,869,264,000	1,931,650,000
<b>Total contingent liabilities</b>		<b>191,756,620,797</b>	<b>138,737,253,892</b>
<b>Other commitments</b>			
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		-	-
<b>Total other commitments</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>191,756,620,797</b>	<b>138,737,253,892</b>

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



Chairman



Director



Director



Managing Director


**Md. Jahidur Rahman FCA, Partner, Enrolment No. 860**

Howladar Yunus &amp; Co.

Chartered Accountants

Firm Registration No: N/A

DVC No: 2204300860AS395630

Dhaka,

Date: April 30, 2022

Signed in terms of our separate report of even date



## Southeast Bank Limited and its Subsidiaries

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

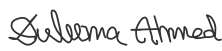
For the year ended 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
Interest income/profit on investments	32	18,922,151,760	22,250,494,583
Interest paid/profit shared on deposits and borrowings etc.	34	(16,000,588,066)	(19,769,075,898)
<b>Net interest income/net profit on investments</b>		<b>2,921,563,694</b>	<b>2,481,418,685</b>
Investment income	36	6,750,167,644	6,750,891,038
Commission, exchange and brokerage	38	3,906,486,750	3,536,221,661
Other operating income	40	1,094,567,420	1,002,030,956
		<b>11,751,221,814</b>	<b>11,289,143,655</b>
<b>Total operating income (A)</b>		<b>14,672,785,508</b>	<b>13,770,562,340</b>
Salaries and allowances	42	2,305,490,945	2,065,978,613
Rent, taxes, insurance, electricity, etc.	44	895,318,264	877,905,601
Legal expenses		641,490	1,592,300
Postage, stamp, telecommunication, etc.	46	178,743,589	164,212,014
Stationery, printing, advertisements, etc.	48	173,649,257	157,197,505
Managing Director's salary and fees	50	10,407,000	10,407,000
Directors' fees	51	3,560,891	2,688,060
Auditors' fees	53	3,023,446	1,860,327
Depreciation and repair	54	964,652,584	786,680,346
Other expenses	56	1,466,176,158	1,437,484,585
<b>Total operating expenses (B)</b>		<b>6,001,663,624</b>	<b>5,506,006,351</b>
<b>Profit before provision (C=A-B)</b>		<b>8,671,121,884</b>	<b>8,264,555,989</b>
Provision for loans and advances/investments	21.1		
General provision		550,131,111	3,036,463,600
General provision for COVID-19		1,389,792,027	1,161,700,000
Specific provision		2,796,304,570	827,466,570
		<b>4,736,227,708</b>	<b>5,025,630,170</b>
Provision for diminution in value of investments	21.7	89,622,748	(117,063,786)
Other provisions	21.5	587,244,789	200,114,466
<b>Total provision (D)</b>		<b>5,413,095,245</b>	<b>5,108,680,850</b>
<b>Total profit before taxation (E=C-D)</b>		<b>3,258,026,639</b>	<b>3,155,875,139</b>
Provision for taxation	58		
Current		1,323,728,552	1,097,476,351
Deferred		150,000,000	(90,700,000)
		<b>1,473,728,552</b>	<b>1,006,776,351</b>
<b>Net profit after taxation</b>		<b>1,784,298,087</b>	<b>2,149,098,788</b>
<b>Net profit after taxation attributable to:</b>			
Equity holders' of the Bank		1,784,121,035	2,148,969,893
Non-controlling interest		177,052	128,895
<b>Net profit after taxation</b>		<b>1,784,298,087</b>	<b>2,149,098,788</b>
<b>Appropriations</b>			
Statutory reserve	23	308,926,282	611,045,321
Start-up fund	21.8	17,138,906	-
		<b>326,065,188</b>	<b>611,045,321</b>
<b>Retained surplus during the year</b>		<b>1,458,232,899</b>	<b>1,538,053,467</b>
<b>Earnings per share (par value Taka 10)</b>	64	<b>1.50</b>	<b>1.81</b>

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



Chairman



Director



Director



Managing Director

Signed in terms of our separate report of even date

**Md. Jahidur Rahman FCA, Partner, Enrolment No. 860**

Howladar Yunus &amp; Co.

Chartered Accountants, Firm Registration No: N/A

DVC No: 2204300860AS395630

Date: Dhaka, April 30, 2022

## Southeast Bank Limited and its Subsidiaries

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
<b>A. Cash flows from operating activities:</b>			
Interest receipts in cash		24,471,645,004	23,644,616,711
Interest payments		(16,826,057,386)	(21,368,661,048)
Dividend receipts		514,004,831	217,922,423
Fees and commission receipts in cash	38	3,906,486,750	3,536,221,661
Recoveries on loans previously written-off		476,426,541	472,250,468
Cash payments to employees		(2,315,897,945)	(2,076,385,613)
Cash payments to suppliers		(181,172,909)	(147,155,289)
Income taxes paid		(1,316,140,798)	(2,898,827,100)
Receipts from other operating activities	60	3,171,674,274	2,835,060,215
Payments for other operating activities	62	(2,711,484,168)	(2,508,769,642)
<b>Operating profit before changes in operating assets and liabilities (i)</b>		<b>9,189,484,194</b>	<b>1,706,272,786</b>
<b>Increase (decrease) in operating assets and liabilities</b>			
Sale of trading securities		1,566,013,805	1,703,677,101
Purchase of trading securities		(3,180,060,891)	(1,350,930,471)
Loans and advances to customers		(16,924,572,350)	(28,691,285,943)
Other assets		(6,800,989)	(1,544,473,813)
Deposits from other banks		8,038,808,438	5,196,276,440
Deposits from customers		18,012,683,069	31,847,082,912
Other liabilities		4,572,236,694	2,480,944,520
<b>Cash generated from (used in) operating assets and liabilities (ii)</b>		<b>12,078,307,775</b>	<b>9,641,290,746</b>
<b>Net cash flows from operating activities (a=i+ii)</b>		<b>21,267,791,969</b>	<b>11,347,563,532</b>
<b>B. Cash flows from investing activities:</b>			
Proceeds from sale of securities		88,802,604,901	43,189,016,529
Payments for purchase of securities		(107,280,971,003)	(60,046,683,607)
Purchase of fixed assets		(878,164,694)	(675,162,052)
Sale proceeds of fixed assets		70,335,786	4,074,615
<b>Cash generated from (used in) investing activities (b)</b>		<b>(19,286,195,010)</b>	<b>(17,528,754,515)</b>
<b>C. Cash flows from financing activities:</b>			
Receipts from issue of loan capital & debt security		-	5,000,000,000
Payments for redemption of loan capital & debt security		(2,600,000,000)	(1,600,000,000)
Dividends paid		(1,188,940,521)	(869,956,479)
Payment against lease obligation		(220,189,536)	(183,986,326)
<b>Cash generated from (used in) financing activities (c)</b>		<b>(4,009,130,057)</b>	<b>2,346,057,195</b>
<b>D. Net increase (decrease) in cash and cash equivalents (a+b+c)</b>		<b>(2,027,533,098)</b>	<b>(3,835,133,788)</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>(4,259,778)</b>	<b>5,474,771</b>
<b>F. Cash and cash equivalents at beginning of the year</b>		<b>44,563,332,749</b>	<b>48,392,991,767</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>		<b>42,531,539,873</b>	<b>44,563,332,749</b>
<b>Cash and cash equivalents at end of the year represents</b>			
Cash in hand (including foreign currencies)	4	4,113,644,666	3,474,367,542
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4	12,304,892,340	17,956,897,600
Balance with other banks and financial institutions	5	4,393,062,646	4,659,255,043
Money at call and on short notice	7	8,530,100,000	2,208,907,300
Treasury bills	9.1.1	13,182,807,421	16,258,372,264
Prize bond	9.1.1	7,032,800	5,533,000
		<b>42,531,539,873</b>	<b>44,563,332,749</b>

Southeast Bank Limited and its Subsidiaries

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2021

Particulars	Paid up capital	Statutory reserve	Revaluation reserve	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity of the Group
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Balance as at 1 January 2021</b>	11,889,405,210	11,580,478,928	4,672,526,139	247,650,000	(1,919,103)	1,315,624,550	29,703,765,725	10,201,511	29,713,967,235
Changes in accounting policy/ Prior year adjustments	-	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>11,889,405,210</b>	<b>11,580,478,928</b>	<b>4,672,526,139</b>	<b>247,650,000</b>	<b>(1,919,103)</b>	<b>1,315,624,550</b>	<b>29,703,765,725</b>	<b>10,201,511</b>	<b>29,713,967,235</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Revaluation reserved transfer due to disposal of fixed assets	-	-	(43,369,500)	-	-	43,369,500	-	-	-
Deferred tax liabilities transfer due to disposal of revalued fixed assets	-	-	6,505,425	-	-	-	6,505,425	-	6,505,425
Surplus/deficit on account of revaluation of investments	-	-	(301,634,487)	-	-	-	(301,634,487)	-	(301,634,487)
Currency translation differences	-	-	-	-	(7,798,494)	8,956,929	1,158,435	-	1,158,435
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>(338,498,562)</b>	<b>-</b>	<b>(7,798,494)</b>	<b>52,326,429</b>	<b>(293,970,627)</b>	<b>-</b>	<b>(293,970,627)</b>
Net profit for the year	-	-	-	-	-	1,784,121,035	1,784,121,035	177,052	1,784,298,087
Cash dividend	-	-	-	-	-	(1,188,940,521)	(1,188,940,521)	-	(1,188,940,521)
Interim Cash Dividend for non-controlling interest	-	-	-	-	-	(503,500)	(503,500)	-	(503,500)
<b>Appropriation made during the year</b>	<b>-</b>	<b>308,926,282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(308,926,282)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Statutory reserve	-	-	-	-	-	(17,138,906)	(17,138,906)	-	(17,138,906)
Start-up fund	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2021</b>	<b>11,889,405,210</b>	<b>11,889,405,210</b>	<b>4,334,027,577</b>	<b>247,650,000</b>	<b>(9,717,597)</b>	<b>1,636,562,805</b>	<b>29,987,333,205</b>	<b>10,378,564</b>	<b>29,997,711,769</b>
<b>Balance as at 31 December 2020</b>	<b>11,889,405,210</b>	<b>11,580,478,928</b>	<b>4,672,526,139</b>	<b>247,650,000</b>	<b>(1,919,103)</b>	<b>1,315,624,550</b>	<b>29,703,765,724</b>	<b>10,201,511</b>	<b>29,713,967,235</b>

# Southeast Bank Limited

# BALANCE SHEET

As at 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	4.1		
In hand (including foreign currencies)		4,113,542,541	3,474,365,889
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		12,304,892,340	17,956,897,600
		<b>16,418,434,881</b>	<b>21,431,263,489</b>
<b>Balance with other banks and financial institutions</b>	6		
In Bangladesh		2,235,390,911	2,108,724,666
Outside Bangladesh		2,036,698,818	2,427,007,183
		<b>4,272,089,729</b>	<b>4,535,731,849</b>
<b>Money at call and on short notice</b>	7	<b>8,530,100,000</b>	<b>2,208,907,300</b>
<b>Investments</b>	9		
Government		98,940,999,803	83,226,359,543
Others		11,253,183,945	10,957,893,063
		<b>110,194,183,748</b>	<b>94,184,252,606</b>
<b>Loans and advances/investments</b>	11		
Loans, cash credit, overdrafts etc./investments		321,499,823,400	305,869,215,552
Bills purchased and discounted		12,004,908,941	14,498,943,318
		<b>333,504,732,341</b>	<b>320,368,158,870</b>
<b>Fixed assets including premises, furniture and fixtures</b>	13	<b>9,631,935,472</b>	<b>9,182,672,927</b>
<b>Other assets</b>	15	<b>11,936,884,937</b>	<b>13,171,388,605</b>
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<b>494,488,361,108</b>	<b>465,082,375,646</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	17		
Subordinated bond		11,000,000,000	13,600,000,000
Other borrowings		26,576,484,757	18,897,676,319
		<b>37,576,484,757</b>	<b>32,497,676,319</b>
<b>Deposits and other accounts</b>	19		
Current/Al-wadeeah current accounts and other accounts		76,727,967,216	66,764,534,952
Bills payable		3,266,999,314	3,940,333,929
Savings bank/Mudaraba savings bank deposits		43,073,012,405	38,060,936,493
Fixed deposits/Mudaraba fixed deposits		253,610,247,155	251,134,079,440
		<b>376,678,226,090</b>	<b>359,899,884,814</b>
<b>Other liabilities</b>	21	<b>50,437,369,154</b>	<b>43,104,754,236</b>
<b>Total liabilities</b>		<b>464,692,080,001</b>	<b>435,502,315,369</b>
<b>Capital/shareholders' equity</b>			
Paid up capital	22.2	11,889,405,210	11,889,405,210
Statutory reserve	23	11,889,405,210	11,580,478,928
Revaluation reserve	24	4,334,027,577	4,672,526,139
Other reserve	25	247,650,000	247,650,000
Retained earnings	28	1,435,793,110	1,190,000,000
<b>Total shareholders' equity</b>		<b>29,796,281,107</b>	<b>29,580,060,277</b>
<b>Total liabilities and shareholders' equity</b>		<b>494,488,361,108</b>	<b>465,082,375,646</b>



# Southeast Bank Limited

## BALANCE SHEET

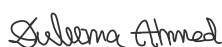
As at 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements	30.1	79,185,082,988	51,087,802,689
Letters of guarantee	30.2	16,370,493,886	17,143,765,567
Irrevocable letters of credit	30.3	52,960,352,978	37,175,740,943
Bills for collection	30.4	41,371,426,945	31,398,294,693
Other contingent liabilities	30.5	1,869,264,000	1,931,650,000
<b>Total contingent liabilities</b>		<b>191,756,620,797</b>	<b>138,737,253,892</b>
<b>Other commitments</b>			
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		-	-
<b>Total other commitments</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>191,756,620,797</b>	<b>138,737,253,892</b>

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



Chairman



Director



Director



Managing Director



**Md. Jahidur Rahman FCA, Partner, Enrolment No. 860**

Howladar Yunus & Co.

Chartered Accountants

Firm Registration No: N/A

DVC No: 2204300860AS395630

Dhaka,

Date: April 30, 2022

Signed in terms of our separate report of even date

# Southeast Bank Limited

## PROFIT AND LOSS ACCOUNT

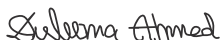
For the year ended 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
Interest income/profit on investments	33	18,859,173,740	22,219,789,107
Interest paid/profit shared on deposits and borrowings etc.	35	(16,015,529,780)	(19,810,562,829)
<b>Net interest income/net profit on investments</b>		<b>2,843,643,960</b>	<b>2,409,226,278</b>
Investment income	37	6,708,814,722	6,702,952,777
Commission, exchange and brokerage	39	3,819,996,657	3,450,713,908
Other operating income	41	1,041,696,492	988,848,766
		<b>11,570,507,871</b>	<b>11,142,515,451</b>
<b>Total operating income (A)</b>		<b>14,414,151,831</b>	<b>13,551,741,729</b>
Salaries and allowances	43	2,271,027,339	2,038,615,950
Rent, taxes, insurance, electricity, etc.	45	884,929,768	862,560,078
Legal expenses		641,490	1,592,300
Postage, stamp, telecommunication, etc.	47	178,181,972	163,733,970
Stationery, printing, advertisements, etc.	49	172,225,816	156,210,729
Managing Director's salary and fees	50	10,407,000	10,407,000
Directors' fees	52	3,368,891	2,568,060
Auditors' fees		1,955,000	1,000,000
Depreciation and repair of bank's assets	55	916,361,024	735,994,461
Other expenses	57	1,432,827,671	1,415,151,724
		<b>5,871,925,971</b>	<b>5,387,834,272</b>
<b>Total operating expenses (B)</b>		<b>5,871,925,971</b>	<b>5,387,834,272</b>
<b>Profit before provision (C=A-B)</b>		<b>8,542,225,860</b>	<b>8,163,907,457</b>
Provision for loans and advances/investments	21.1		
General provision		550,131,111	3,036,463,600
General provision due to COVID-19		1,389,792,027	1,161,700,000
Specific provision		2,796,304,570	827,466,570
		<b>4,736,227,708</b>	<b>5,025,630,170</b>
Provision for diminution in value of investments	21.7.1	243,314,855	(117,063,786)
Other provisions	21.5	448,792,694	200,114,466
		<b>5,428,335,257</b>	<b>5,108,680,850</b>
<b>Total provision (D)</b>		<b>5,428,335,257</b>	<b>5,108,680,850</b>
<b>Total profit before taxation (C-D)</b>		<b>3,113,890,603</b>	<b>3,055,226,607</b>
Provision for taxation	59		
Current		1,250,000,000	1,050,000,000
Deferred		150,000,000	(90,700,000)
		<b>1,400,000,000</b>	<b>959,300,000</b>
<b>Net profit after taxation</b>		<b>1,713,890,603</b>	<b>2,095,926,607</b>
<b>Appropriations</b>			
Statutory reserve	23	308,926,282	611,045,321
Start-up fund	21.8	17,138,906	-
		<b>326,065,188</b>	<b>611,045,321</b>
<b>Retained surplus during the year</b>		<b>1,387,825,415</b>	<b>1,484,881,286</b>
<b>Earnings per share (par value Taka 10)</b>	65	<b>1.44</b>	<b>1.76</b>

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



Chairman



Director



Director



Managing Director



**Md. Jahidur Rahman FCA, Partner, Enrolment No. 860**

Howladar Yunus & Co.

Chartered Accountants, Firm Registration No: N/A

DVC No: 2204300860AS395630

Date: Dhaka, April 30, 2022

Signed in terms of our separate report of even date

Southeast Bank Limited  
**CASH FLOW STATEMENT**  
 For the year ended 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
<b>A. Cash flows from operating activities:</b>			
Interest receipts in cash		24,408,666,984	23,613,911,235
Interest payment		(16,677,016,552)	(21,470,027,181)
Dividend receipts		438,665,162	158,163,234
Fees and commission receipts in cash	39	3,819,996,657	3,450,713,908
Recoveries on Loans previously written-off		476,426,541	472,250,468
Cash payments to employees		(2,281,434,339)	(2,049,022,950)
Cash payments to suppliers		(179,749,468)	(146,168,513)
Income taxes paid		(1,339,550,912)	(2,881,973,987)
Receipts from other operating activities	61	3,118,803,346	2,779,701,420
Payments for other operating activities	63	(2,682,790,399)	(2,479,508,845)
<b>Operating profit before changes in operating assets and liabilities (i)</b>		<b>9,102,017,020</b>	<b>1,448,038,790</b>
<b>Increase (decrease) in operating assets and liabilities</b>			
Sale of trading securities		1,974,411,114	1,703,677,101
Purchase of trading securities		(3,219,701,995)	(1,286,942,094)
Loans and advances to customers		(15,983,233,962)	(28,545,832,588)
Other assets		(140,172,854)	(891,378,600)
Deposits from other banks		7,678,808,438	5,196,276,440
Deposits from customers		17,626,190,386	31,663,849,413
Other liabilities		4,212,760,651	2,081,195,427
<b>Cash generated from (used in) operating assets and liabilities (ii)</b>		<b>12,149,061,778</b>	<b>9,920,845,099</b>
<b>Net cash flows from operating activities (a=i+ii)</b>		<b>21,251,078,798</b>	<b>11,368,883,889</b>
<b>B. Cash flows from investing activities:</b>			
Proceeds from sale of securities		88,802,604,901	43,189,016,529
Payments for purchase of securities		(107,280,971,003)	(60,046,683,607)
Purchase of fixed assets		(866,800,212)	(672,193,202)
Sale proceeds of fixed assets		70,335,786	4,074,615
<b>Cash generated from (used in) investing activities (b)</b>		<b>(19,274,830,528)</b>	<b>(17,525,785,664)</b>
<b>C. Cash flows from financing activities:</b>			
Receipts from issue of loan capital & debt security		-	5,000,000,000
Payments for redemption of loan capital & debt security		(2,600,000,000)	(1,600,000,000)
Dividends paid		(1,188,940,521)	(869,956,479)
Payment against lease obligation		(220,189,536)	(183,986,326)
<b>Cash generated from (used in) financing activities (c)</b>		<b>(4,009,130,057)</b>	<b>2,346,057,195</b>
<b>D. Net increase (decrease) in cash and cash equivalents (a+b+c)</b>		<b>(2,032,881,787)</b>	<b>(3,810,844,580)</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>3,538,716</b>	<b>(1,385,732)</b>
<b>F. Cash and cash equivalents at beginning of the year</b>		<b>44,439,807,902</b>	<b>48,252,038,214</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>		<b>42,410,464,831</b>	<b>44,439,807,902</b>
<b>Cash and cash equivalents at end of the period represents</b>			
Cash in hand (including foreign currencies)	4.1	4,113,542,541	3,474,365,889
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4.1	12,304,892,340	17,956,897,600
Balance with other banks and financial institutions	6	4,272,089,729	4,535,731,849
Money at call and on short notice	7	8,530,100,000	2,208,907,300
Treasury bills	9.1.1	13,182,807,421	16,258,372,264
Prize bond	9.1.1	7,032,800	5,533,000
		<b>42,410,464,831</b>	<b>44,439,807,902</b>

Southeast Bank Limited

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2021

Particulars	Paid up capital	Statutory reserve	Revaluation reserve	Other reserves	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Balance as at 1 January 2021</b>	11,889,405,210	11,580,478,928	4,672,526,139	247,650,000	1,190,000,000	29,580,060,277
Changes in accounting policy/ prior year adjustments	-	-	-	-	-	-
<b>Restated balance</b>	<b>11,889,405,210</b>	<b>11,580,478,928</b>	<b>4,672,526,139</b>	<b>247,650,000</b>	<b>1,190,000,000</b>	<b>29,580,060,277</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Revaluation reserved transfer due to disposal of fixed assets	-	-	(43,369,500)	-	43,369,500	-
Deferred tax liabilities transfer due to disposal of revalued fixed assets	-	-	6,505,425	-	-	6,505,425
Surplus/deficit on account of revaluation of investments	-	-	(301,634,487)	-	-	(301,634,487)
Currency translation differences	-	-	-	-	3,538,716	3,538,716
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>(338,498,562)</b>	<b>-</b>	<b>46,908,216</b>	<b>(291,590,346)</b>
Net profit for the year	-	-	-	-	1,713,890,603	1,713,890,603
Cash dividend	-	-	-	-	(1,188,940,521)	(1,188,940,521)
<b>Appropriation made during the year</b>						
Statutory reserve	-	308,926,282	-	-	(308,926,282)	-
Start-up fund	-	-	-	-	(17,138,906)	(17,138,906)
<b>Balance as at 31 December 2021</b>	<b>11,889,405,210</b>	<b>11,889,405,210</b>	<b>4,334,027,577</b>	<b>247,650,000</b>	<b>1,435,793,110</b>	<b>29,796,281,107</b>
<b>Balance as at 31 December 2020</b>	<b>11,889,405,210</b>	<b>11,580,478,928</b>	<b>4,672,526,139</b>	<b>247,650,000</b>	<b>1,190,000,000</b>	<b>29,580,060,277</b>



## Southeast Bank Limited and its Subsidiaries

**NOTES TO THE FINANCIAL STATEMENTS**

As at and for the year ended 31 December 2021

**Corporate profile and significant Accounting Policies****1 Reporting entity****1.1 Status of the Bank**

Southeast Bank Limited (the "Bank") is a scheduled commercial bank in the private sector established under the Bank Companies Act, 1991 and incorporated in Bangladesh on March 12, 1995 as a public limited company to carry out banking business in Bangladesh. The registered office of the Bank is located at Eunoos 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 2021 comprise the Bank and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

**1.2 Principal activities of the Bank**

The Bank has 135 (2020:135) branches and 22 (2020: 12) sub-branches, with no overseas branch as on 31 December 2021. Out of 135 branches 5 (2020:5) branches run on Islamic banking and the rest 130 (2020:130) branches run on commercial conventional basis, of which 15 (2020:15) SME/agricultural branches are located across the country. The Bank offers services for all commercial banking needs of the customers, which includes deposit banking, loans and advances, export import financing, inland and international remittance facility etc. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company.

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

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

**1.3 Islamic Banking**

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

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

A separate balance sheet and profit and loss account are shown in **Annexure-G, G.1 and G.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.

**1.4 Off-Shore Banking**

In order to cater the varied financial needs of 100% foreign owned/joint venture industrial units and foreign entities located in Export Processing Zones of the country, the Bank obtained Off-Shore Banking License on 24 June 2008 vide letter no. BRPD(P-3)744(98)/2008-2213 from Bangladesh Bank. In the mean time as per BRPD circular # 2, dated 25 February 2019 we have already applied to Bangladesh Bank for conducting Off-shore banking in Bangladesh on 10 July 2019. Presently the Bank has 2 (2020: 2) off-shore banking units - one at Dhaka Export Processing Zone and the other at Chittagong Export Processing Zone. Off-shore banking unit is governed under the rules and regulations of Bangladesh Bank. The principal activities of the Units are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank. Separate financial statements of Off- Shore Banking Units are shown in **Annexure-H, H.1 and H.2**.

**1.5 Subsidiaries of the Bank**

The Bank has following subsidiaries :

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

### 1.5.1 Southeast Bank Capital Services Limited

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

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

### 1.5.2 Southeast Exchange Company (South Africa) Pty Ltd

Southeast Exchange Company (South Africa) Pty Limited (the "Company") was incorporated as a private limited company with The Companies and Intellectual Property Commission under registration no. 2011/008619/07 on 15 April 2011. The Company is a wholly owned subsidiary of Southeast Bank Limited. Southeast Exchange Company (South Africa) Pty Limited operates its operation with two branches one in Johannesburg another in Cape Town.

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.

The subsidiary is registered in South Africa. The financial statements of the Company is audited by G. L Palmer and Company. The audited financial statements of this subsidiary are attached in **Appendix - B**.

## 2 Basis of preparation

### 2.1 Statement of compliance

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

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

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

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

#### i) Name of the financial statements

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

**Bangladesh Bank:** The forms of financial statements and directives for preparation thereof of the bank companies in Bangladesh are guided by BRPD Circular no. 14, dated 25 June 2003 and subsequent amendments thereof from time to time. BRPD circular no. 14 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

## ii) Presentation of financial statements

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

**Bangladesh Bank:** The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of the Banking Companies Act 1991 (as amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines issued by Bangladesh Bank. In the prescribed format, there is no option to present assets and liabilities under current and non-current classifications.

## iii) Investment in shares and Securities

**IFRS:** As per requirements of IFRS 9: classification and measurement of investment in Share and Securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 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.

## iv) Revaluation gain (loss) on Government securities

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

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

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

## v) Provision on loans and advances

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

**Bangladesh Bank:** As per BRPD circular No. 56 dated 10 December 2020, BRPD circular No. 52 dated 20 October 2020, BRPD circular No. 16 dated 21 July 2020, BRPD circular No. 24 dated 17 November 2019, BRPD circular No. 6 dated 19 May 2019, BRPD circular No. 5

dated 16 May 2019, BRPD circular No. 3 dated 21 April 2019, BRPD circular No.15 dated 27 September 2017, BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No. 05 dated 29 May 2013 and BRPD circular No.1 dated 20 February 2018 a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 20% to 50% and 100% respectively for loans and advances depending on time past due. Again, as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 07, dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/international bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III). Such provision policies are not specifically in line with those prescribed by IFRS 9.

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

#### vi) Recognition of interest in suspense

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

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

#### vii) Other comprehensive income

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

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

#### viii) Financial instruments - presentation and disclosure

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

#### ix) Repo and reverse repo transactions

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

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

#### x) Financial guarantees

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



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

**xi) Cash and cash equivalents**

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

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

**xii) Non-banking assets**

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

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

**xiii) Cash flow statement**

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

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

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

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

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

**xv) Presentation of intangible asset**

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

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

**xvi) Off-balance sheet items**

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

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

**xvii) Disclosure of appropriation of profit**

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

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

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

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

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

**xix) Recovery of written off loans**

**IFRS:** As per IAS 1, an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by any IFRS. Again recovery of written off loans should be charged to profit & loss account as per IFRS 15.

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

(Also refer to note 3.21 Compliance of IFRSs)

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

### i) Internal control

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

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

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

### ii) Risk management

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

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

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

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

### iii) Internal audit

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

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

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

**iv) Fraud and forgeries**

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

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

**2.3 Basis of measurement**

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

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

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

**2.4 Functional and presentation currency**

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

**2.5 Use of estimates and judgments**

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

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

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect in the period ended 31 December 2021 is included in the following notes:

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

**2.6 Reporting period**

These financial statements cover one calendar year from 1 January 2021 to 31 December 2021.

**2.7 Cash flow statement**

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

## 2.8 Statement of changes in equity

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

## 2.9 Liquidity statements

The consolidated and separate liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as on 31 December 2021 under the presented format of BRPD Circular # 14 dated 25 June 2003, SEBL has prepared its liquidity statement on following basis:

Sl. No.	Items	On the basis of
a	Balance with other Banks and financial institutions, money at call and short notice, etc.	Maturity term
b	Investments	Respective maturity
c	Loans and advances	Repayment schedules
d	Fixed assets	Useful lives
e	Other assets	Realizations/ amortizations
f	Borrowing from other banks, financial institutions and agents etc	Maturities/ repayment terms
g	Deposits and other accounts	Maturity term and past trend of withdrawal by the depositors.
h	Other long term liability	Maturity term
i	Provisions and other liabilities	Payments/ adjustments schedule

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

## 3 Significant accounting policies

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

### 3.1 Basis of consolidation

The consolidated financial statements include the financial statements of Southeast Bank Limited and its two subsidiaries Southeast Bank Capital Services Limited and Southeast Exchange Company (South Africa) Pty Ltd made up to the end of the financial period as on 31 December 2021. The Consolidated Financial Statements have been prepared in accordance with IFRS-10 "Consolidated Financial Statements". Consolidated Financial Statements have been prepared by using uniform accounting policies for like transactions and other events in similar circumstances.

#### 3.1.1 Subsidiaries

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

Particulars	Price	Southeast Exchange Company (South Africa) Pty Ltd
For Assets & Liabilities	Closing Price	ZAR1 = 5.4000 BDT
For Income & Expenses	Average Price	ZAR1 = 5.6742 BDT

#### 3.1.2 Business combinations

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

The Group measures goodwill at the acquisition date as:

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



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

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

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

### 3.1.3 Non-controlling interest

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

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

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

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

### 3.1.4 Transactions eliminated on consolidation

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

## 3.2 Foreign currency

### 3.2.1 Foreign currency transactions

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

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

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

### 3.2.2 Foreign operations

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

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

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and presented in the translation reserve in equity.

## 3.3 Assets and basis of their valuation

### 3.3.1 Cash and cash equivalents

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

### 3.3.2 Investments

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

#### Held to Maturity

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

#### Held for Trading

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

#### Re-measured bond

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

#### Revaluation

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

Value of investments has been shown as under:

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

\*Provision for shares against unrealised loss (gain net off) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (close end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

Details are shown in notes 8 and 9.

### 3.3.3 Loans and advances/ investments and provisions for loans and advances/ investments

- Loans and advances of conventional Banking/Investments of Islamic Banking branches are stated in the Balance Sheet on gross value.
- At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular No. 56 dated 10 December 2020, BRPD circular No. 52 dated 20 October 2020, BRPD circular No. 16 dated 21 July 2020, BRPD circular No. 24 dated 17 November 2019, BRPD circular No. 6 dated 19 May 2019, BRPD circular No. 5 dated 16 May 2019, BRPD circular No. 3 dated 21 April 2019, BRPD circular No.15 dated 27 September 2017, BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No. 05 dated 29 May 2013 and BRPD circular No.1 dated 20 February 2018 a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of

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

Particulars	Rate
<b>General provision on:</b>	
All unclassified loans and advances/investments except followings	1%
Small and medium enterprise financing	0.25%
Housing finance (HF) and loans for professionals (LP) to set up business under consumer financing scheme	1%-2%
Consumer financing	2%-5%
Loan to Brokerage Houses (BHs)/Merchant Banks (MBs)/Sponsor Directors (SDs) against shares	2%
Special mention account (SMA)	0.25%-5%
<b>Specific provision on:</b>	
Substandard loans and advances/investments	5% -20%
Doubtful loans and advances/investments	20% - 50%
Bad/loss loans and advances/investments	100%
<b>Provisions for Short term Agricultural and Micro-Credits</b>	1%-5%
"All credits except 'Bad/Loss' (i.e. Doubtful, Substandard, irregular and regular credit)"	
Bad/Loss	100%

- c) Loans and advances are written off to the extent that
- i) Loans are normally written off, when there is no realistic prospect of recovery of these amounts and in accordance with BRPD circular No.01 (06 February 2019), BRPD circular No.13 (07 November 2013) and BRPD circular No.2 (13 January 2003), and
- ii) against which legal cases are filed and classified as bad/loss as per guidelines of Bangladesh Bank.

These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are maintained and followed up.

- d) Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.

Details are shown in notes 10 and 11.

### 3.3.4 Fixed assets and depreciation

#### Recognition and measurement

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

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

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

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

#### Subsequent costs

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

#### 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
Buildings	4%
Furniture and fixtures	10%
Office appliances	20%
Professional and reference books	30%
Electrical appliances	20%
Computer	20%
ATM Booth	20%
Motor vehicles	20%

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

#### 3.3.4.1 Non-banking assets

In compliance of Bangladesh Bank BRPD Circular No. 14 dated June 25, 2003 and BRPD circular no- 22 dated September 20, 2021 Non-banking assets should be shown separately in the books of accounts. Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property.

#### Recognition of non-banking assets

Although there is no indication of non-banking assets found in any International Financial Reporting Standards (IFRS), non-banking assets are to be recorded in the books of accounts when all formalities regarding confirmation of ownership have been completed. It means that assets to be recognized during controlling over economic benefits flowing from the assets to the bank is established and its associated cost/value is reliably measured. Therefore, considering practical grounds, non-banking assets are recorded in the books of accounts of Southeast Bank Limited when all of the following conditions have been met.

- Certification of ownership u/s 33(7) of the "Artharin Adalat Act 2003" obtained;
- Registration form the Sub Registry Office Completed ;
- DCR & Mutation form the concerned AC Land Office Completed ;
- Valuation of the property done by Bank and professional valuation firm;
- Physical possession obtained;

#### Measurement of the Non-Banking Assets:

Non-Banking Assets is measured at the estimated forced sale value (FSV) as determined by the independent profession valuation firm.

#### 3.3.5 IFRS 16: Lease and its relevant assumptions and disclosures

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

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



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

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

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

#### **Lease liabilities**

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

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

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

Summary of IFRS 16:

#### **Short-term leases and leases of low value assets**

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

### **3.4 Liabilities and basis of their valuation**

#### **3.4.1 Borrowings from other banks, financial institutions and agents**

Borrowings from other banks, financial institutions and agents includes 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 Non-Convertible Subordinated Bond**

The Bank has issued 7 (Seven) years term subordinated bond during the year 2014 for BDT 3,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy" through Bangladesh Bank approval letter # BRPD (BFIS) 661/14B (P)/ 2014-7629, dated 30 November 2014. The Bank has further issued 7 (Seven) years term 2nd subordinated bond during the year 2016 for BDT 5,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with BASEL III)" vide BRPD Circular No- 18 dated December 21, 2014 through Bangladesh Bank approval letter # BRPD (BFIS) 661/14B(P)/2016-6188 dated September 19, 2016 and Bangladesh Securities and Exchange Commission approval letter # BSEC/CI/DS-19/2014/462 dated August 02, 2016. The Bank has further issued 7 (Seven) years term 3rd subordinated bond during the year 2018 for BDT 5,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with BASEL III)" vide BRPD Circular No- 18 dated December 21, 2014 through Bangladesh Bank approval letter # BRPD (BFIS) 661/14B(P)/2018-2144 dated March 27, 2018 and Bangladesh Securities and Exchange Commission approval letter # BSEC/CI/DS-19/2014/459 dated March 07, 2018. The Bank has further issued 7 (Seven) years term 4th subordinated bond during the year 2020 for BDT 5,000,000,000 to raise subordinated debt as part of the Tier-II Regulatory Capital following "Guideline on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with BASEL III)" vide BRPD Circular No- 18 dated December 21, 2014 through Bangladesh Bank approval letter # BRPD (BFIS) 661/14B(P)/2020-2148 dated February 23, 2020 and Bangladesh Securities and Exchange Commission approval letter # BSEC/CI/DS-119/2020/197 dated September 10, 2020.

### 3.4.3 Deposits and other accounts

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

### 3.4.4 Other liabilities

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

## 3.5 Capital/Shareholders' equity

### 3.5.1 Authorized capital

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

### 3.5.2 Paid up capital

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

### 3.5.3 Statutory reserve

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

### 3.5.4 Revaluation reserve

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

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

Details are shown in note 24.

## 3.6 Contingent liabilities

A contingent liability is -

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

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

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

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

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

## 3.7 Revenue recognition

### 3.7.1 Interest income (Conventional Banking)

Interest on loans and advances is calculated on daily product basis and accrued at the end of each month, but charged to customers' accounts on quarterly basis. Interest accrued on loans and advances fall under Sub Standards (SS) and Doubtful (DF) category are

credited to interest suspense account instead of income account. Interest is not charged on bad and loss loans as per BRPD circular No.14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) and guideline of Bangladesh Bank. Such interest is kept in separate memorandum account. Interest on classified loans and advances is accounted for on a cash receipt basis. Interest income from fixed deposit with other banks and call lending to other banks is recognized on accrual basis.

### 3.7.2 Profit on investment (Islamic Banking)

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

### 3.7.4 Fees and commission income

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

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

Interest paid and other expenses are recognized on accrual basis.

## 3.9 Profit shared on deposits (Islamic Banking)

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

## 3.10 Dividends

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

## 3.11 Employee benefits

### 3.11.1 Provident Fund

Provident fund benefits are given to the staff of the Bank in accordance with the registered provident fund rules. The commissioner of Income Tax, National Board of Revenue, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(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.

### 3.11.2 Gratuity Fund

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

### 3.11.3 Short-term employee benefits

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

**3.11.4 Workers' Profit Participation Fund (WPPF)**

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

**3.12 Provisions and accrued expenses**

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

**3.13 Provision for Off-Balance Sheet Exposures**

In compliance with Bangladesh Bank guidelines off-balance sheet items are disclosed under contingent liabilities. As per BRPD Circular No.10 dated 18 September 2007 and BRPD Circular No. 14 dated 23 September 2012 and BRPD circular no. 7 dated 21 June 2018 and BRPD Circular no. 13 dated 18 October 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/international bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III).. Details are shown in note 21.5.1 (C).

**3.14 Provision for Nostro Accounts**

According to guideline of Foreign Exchange Policy Department of Bangladesh Bank, Circular No. FEOD (FEMO)/01/2005-677 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 more than three month.

**3.15 Tax expense**

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

**3.15.1 Current tax**

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

Details are shown in note 21.3.1.

**3.15.2 Deferred tax**

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

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

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

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



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

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

### 3.15.3 Tax exposures

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

### 3.16 Impairment of non-financial assets

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

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

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

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 3.17 Earnings per share

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

Details are shown in notes 64 and 65.

### 3.18 Reconciliation of inter-bank/inter-branch account

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

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

### 3.19 Risk management

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

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

- i) Credit Risk
- ii) Foreign Exchange Risk
- iii) Asset Liability Management Risk
- iv) Money Laundering Risk
- v) Internal Control & Compliance Risk

- vi) Information and Communication Technology Risk
- vii) Environmental Risk Management (ERM)

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

### 3.19.1 Credit risk

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

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

### 3.19.2 Foreign Exchange Risk

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

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

### 3.19.3 Asset Liability Management

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

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

### 3.19.4 Money Laundering Risk

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

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

In order to facilitate compliance with AML and CFT requirements, SEBL has appointed one of its Senior Executives as the CAMLCO (Chief Anti-Money Laundering Compliance Officer) and a team of employees with experience on AML and CFT requirements under law to oversee the Bank's AML and CFT program. SEBL has developed and implemented written AML and CFT policies, procedures, internal

controls and systems, which include (but not limited to) a customer identification program and procedures; procedures to collect and refresh, as appropriate, customer due diligence information; processes to assess risk; processes and systems to monitor customer transactions and activity; processes and systems to identify and report suspicious activity; and, processes to keep required records. SEBL educates its all employees on AML and CFT requirements and activities and also subjects its AML and CFT program to regular independent testing. SEBL cooperates fully with law enforcement and regulatory investigations and inquiries in identifying the criminals involve in Money Laundering and Terrorist Activities/Financing.

### 3.19.5 Internal Control & Compliance Risk

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

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

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

### 3.19.6 Information and communication technology

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

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

### 3.19.7 Environmental Risk Management (ERM)

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

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

**3.20 Compliance of International Financial Reporting Standards (IFRSs)**

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

\* Subject to departure described in note 2.1

\*\* Subject to departure described in note 3.24

**3.21 Credit Rating of the Bank**

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

Particulars	Date of Rating	Long term	Short term
Surveillance Rating	4 August, 2021	Double A (High Quality and High Safety)	(High Grade)
Outlook		Stable	



**3.22 Correspondence items**

Correspondence items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Stock of travelers cheques, savings certificates, wage earners bond and others fall under the correspondence items.

**3.23 Offsetting**

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

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

**3.24 Operating segments**

The Group and the Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per IFRS 8. However, geographical and business segments wise limited disclosures are furnished in Annexure-I.

**3.25 Going concern basis of accounting**

These financial statements have been prepared on the assessment of the Bank's ability to continue as a going concern. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to exhibit a healthy trend for couple of years. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

**3.26 Materiality and aggregation**

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenditures are presented on a net basis only when permitted by the relevant accounting standards.

**3.27 Consistency**

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, the bank applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8.

**3.28 Events after the reporting period**

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

- (a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
- (b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

**3.29 Approval of financial statements**

The financial statements were approved by the board of directors on April 28, 2022.

**3.30 General**

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

Particulars	Note	Amount in Taka	
		2021	2020
<b>4 Consolidated cash</b>			
In hand (including foreign currencies):			
Southeast Bank Limited	4.1	4,113,542,541	3,474,365,889
Southeast Exchange Company (South Africa) Pty Ltd		102,125	1,653
		<b>4,113,644,666</b>	<b>3,474,367,542</b>
Balance with Bangladesh Bank and its agent banks (including foreign currencies):			
Southeast Bank Limited	4.1	12,304,892,340	17,956,897,600
		<b>16,418,537,006</b>	<b>21,431,265,142</b>
<b>4.1 Cash</b>			
In hand:			
Local currency		4,060,400,078	3,416,744,106
Foreign currencies		53,142,463	57,621,784
		<b>4,113,542,541</b>	<b>3,474,365,889</b>
Balance with Bangladesh Bank:			
Local currency		11,806,883,688	14,058,719,811
Foreign currencies		234,720,785	3,368,838,231
		<b>12,041,604,474</b>	<b>17,427,558,041</b>
Balance with Sonali Bank Limited (as agent of Bangladesh Bank):			
Local currency		263,287,866	529,339,559
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		<b>12,304,892,340</b>	<b>17,956,897,600</b>
		<b>16,418,434,881</b>	<b>21,431,263,489</b>

**4.2** Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Companies Act, 1991 (Amended up to 2018), MPD Circular nos. 4 and 5 dated 1 December 2010 and MPD Circular no. 1 and 2 dated 23 June 2014 and 10 December 2013 respectively and DOS Circular no.1 dated 19 January 2014 and MPD Circular No.1 dated 03 April 2018 and DOS Circular no 26 dated 19 August 2019 and MPD circular No. 03 dated April 09 2020.

The Cash Reserve Ratio on the Bank's demand and time liabilities at the rate of minimum 3.50% (conventional and islamic) and offshore banking 1.5 % on daily basis and 4.00% (conventional and islamic) and offshore banking 2% on bi-weekly basis for conventional and Islamic banking has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio for conventional banking and 5.50% Statutory Liquidity Ratio for Islamic banking on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including excess cash reserve balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

#### 4.2.1 a) Cash Reserve Ratio (CRR) for Conventional Banking

4.00% (2020- 5.50%) of average Demand and Time Liabilities:  
Required reserve (average daily on bi-weekly basis)  
Actual reserve held  
Surplus

13,167,682,160	12,843,562,580
13,742,150,772	13,321,885,169
<b>574,468,612</b>	<b>478,322,589</b>
892,890,200	832,915,600
939,209,492	864,936,884
<b>46,319,292</b>	<b>32,021,284</b>

### b) Cash Reserve Ratio (CRR) for Islamic Banking

4.00% (2020 -5.50) of average Demand and Time Liabilities:  
 Required reserve (average daily on bi-weekly basis)  
 Actual reserve held  
 Surplus

892,890,200	832,915,600
939,209,492	864,936,884
<b>46,319,292</b>	<b>32,021,284</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>4.2.2 a) Statutory Liquidity Ratio (SLR) for Conventional Banking</b>			
Required reserve (13% of average Demand and Time Liabilities)		43,700,567,430	42,484,493,480
Actual reserve held		102,321,099,399	86,020,253,005
Surplus		<b>58,620,531,969</b>	<b>43,535,759,525</b>
Held for Statutory Liquidity Ratio of Conventional Banking:			
Cash in hand		3,946,315,000	3,278,653,055
Balance with agent bank (Sonali Bank Limited) as per statement		262,755,785	528,837,820
Excess cash reserve		574,468,612	478,322,589
Government Securities (HFT)		36,528,615,689	31,784,961,354
Government Securities (HTM)		60,691,301,314	49,943,945,187
Other eligible securities/ Prize Bond		317,643,000	5,533,000
		<b>102,321,099,399</b>	<b>86,020,253,005</b>
<b>b) Statutory Liquidity Ratio (SLR) for Islamic Banking</b>			
Required reserve (5.50 % of average Demand and Time Liabilities)		1,227,724,025	1,145,258,950
Actual reserve held		1,617,178,292	1,719,715,284
Surplus		<b>389,454,267</b>	<b>574,456,334</b>
Held for Statutory Liquidity Ratio of Islamic Banking:			
Cash in hand		167,233,000	195,712,834
Balance with agent bank (Sonali Bank Limited) as per statement		186,000	61,000
Excess cash reserve		46,319,292	32,021,284
Government Securities (HTM)		1,403,440,000	1,491,920,000
		<b>1,617,178,292</b>	<b>1,719,715,118</b>
<b>5 Consolidated balance with other banks and financial institutions</b>			
In Bangladesh:			
Southeast Bank Limited	6	2,235,390,911	2,108,724,666
Southeast Bank Capital Services Limited		170,743,029	474,214,410
		<b>2,406,133,940</b>	<b>2,582,939,076</b>
Less: Inter company balance eliminated		170,743,029	474,214,410
		<b>2,235,390,911</b>	<b>2,108,724,666</b>
Outside Bangladesh:			
Southeast Bank Limited	6	2,036,698,818	2,427,007,183
Southeast Exchange Company (South Africa) Pty Ltd		120,972,917	123,523,194
		<b>2,157,671,735</b>	<b>2,550,530,377</b>
		<b>4,393,062,646</b>	<b>4,659,255,043</b>
<b>6 Balance with other banks and financial institutions</b>			
In Bangladesh	6.1	2,235,390,911	2,108,724,666
Outside Bangladesh	6.2	2,036,698,818	2,427,007,183
		<b>4,272,089,729</b>	<b>4,535,731,849</b>
Also refer to note 6.3 for maturity wise grouping			

Particulars	Note	Amount in Taka	
		2021	2020
<b>6.1 In Bangladesh</b>			
Current account with:			
Agrani Bank Limited		7,080,930	16,076,275
Al Arafah Islami Bank Limited		16,387,084	68,025,912
Bangladesh Krishi Bank		5,700	5,700
BRAC Bank Limited		5,001	5,001
BRAC Bank Limited (El Dorado Network)		795,715	310,818
The City Bank Limited		894,890	77,186,347
EXIM Bank Limited		8,131,847	62,019,267
The Padma Bank Limited		543,509	2,910,485
Islami Bank Bangladesh Limited		5,501	5,501
Jamuna Bank Limited		2,641,010	38,703,502
Janata Bank Limited		4,252	14,626
Meghna Bank Limited		6,447,053	13,420,553
Mercantile Bank Limited		1,935,012	430,630
Modhumoti Bank Limited		895,999	5,322,683
Mutual Trust Bank Limited		13,536,034	12,043,347
National Bank Limited		7,317,500	9,011,345
NRB Bank Limited		139,100	1,823,226
One Bank Limited		11,980,354	49,570,551
Pubali Bank Limited		-	3,008,107
Rupali Bank Limited		9,966,302	-
Shahjalal Islami Bank Limited		550,000	550,000
Sonali Bank Limited		2,028,895	(5,395,879)
South Bangla Agriculture & Commerce Bank Limited		1,269,003	3,568,242
Union Bank Limited		11,360,401	70,986,661
United Commercial Bank Limited		4,572,420	50,160,589
		<b>108,493,511</b>	<b>479,763,491</b>
Short term deposits account with:			
AB Bank Limited		-	30,690
The City Bank Limited		53,484	1,148,058
Eastern Bank Limited		-	26,799
EXIM Bank Limited		9,464,139	8,602,114
Standard Chartered Bank		20,953,926	24,145,104
Sonali Bank Limited		31,425,851	30,008,411
		<b>61,897,400</b>	<b>63,961,176</b>
Fixed deposits with other banks:			
Mutual Trust Bank Limited		500,000,000	-
		<b>500,000,000</b>	<b>-</b>
Fixed deposits with financial institutions:			
Bay Leasing and Investment Limited		1,465,000,000	1,465,000,000
Bangladesh Industrial Finance Company Limited		100,000,000	100,000,000
		<b>1,565,000,000</b>	<b>1,565,000,000</b>
		<b>2,235,390,911</b>	<b>2,108,724,666</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>6.2 Outside Bangladesh</b>			
<b>Current account</b>			
Interest bearing:			
Standard Chartered Bank, New York, USA		33,903,628	681,848,854
Citibank N.A, New York, USA		65,010,103	151,133,051
Mashreq Bank PSC, New York, USA		130,303,073	49,426,229
Wells Fargo Bank, N.A., New York, USA		89,273,756	119,627,105
JP Morgan Chase Bank N.A., New York, USA		211,572,587	26,100,567
Habib American Bank, New York, USA		180,522,863	230,255,476
Zhejiang choushou comm. Bank USD		105,521,974	-
		<b>816,107,985</b>	<b>1,258,391,281</b>
Non-interest bearing:			
Mashreq Bank, Mumbai, India		49,449,613	106,655,046
Mashreq Bank, Mumbai, India		1,512,513	1,620,829
Riyad Bank (SAR)		150,697	2,178,309
Standard Chartered Bank, New York (OBU)		276,566,821	11,649,764
Citibank AG, Frankfurt, Germany		10,179,184	38,656,167
Standard Chartered Bank, Kolkata, India		78,134,733	116,749,326
AB Bank Ltd., Mumbai, India		69,947,517	165,244,900
ICICI Bank Ltd., Mumbai, India		131,919,196	150,309,132
Standard Chartered Bank, London, UK		32,975,570	8,510,824
Bank of Sydney Ltd, Sydney		8,763,580	7,313,170
Banque Saudi Fransi, Riyadh		13,153,719	9,516,743
United Bank Limited, Karachi, Pakistan		8,258,366	19,448,121
Standard Chartered Bank, Colombo, Sri Lanka		30,961,188	15,364,064
Bank of Tokyo, Mitsubishi, JPY		64,027,243	96,854,282
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal		58,593,165	58,281,536
Bank of Bhutan, Pheuntsholing, Bhutan		22,368,912	16,708,506
Commerz Bank AG, Frankfurt, Germany EURO		1,919,058	19,244,552
Commerz Bank AG, Frankfurt, Germany USD		31,173,373	103,477,516
Zuercher Kantonal Bank, Zurich, Switzerland		89,349,162	9,119,388
HDFC Bank, Mumbai, India		89,852,766	150,838,132
Abu Dhabi Commercial Bank		6,391,294	1,493,346
Mashreq Bank PSC, Dubai, UAE		5,315,480	35,104,049
Habib Metropolitan Bank Ltd., Karachi, Pakistan		23,686,069	14,763,170
AXIS Bank Ltd, Kolkata		115,941,613	9,515,030
		<b>1,220,590,833</b>	<b>1,168,615,902</b>
		<b>2,036,698,818</b>	<b>2,427,007,183</b>
Details of Balance with other banks-Outside Bangladesh shown in <b>Annexure-C</b> .			
<b>6.3 Maturity grouping of balance with other banks and financial institutions</b>			
On demand		2,966,700,000	2,970,731,849
Not more than three months		1,305,389,729	1,095,000,000
More than three months but not more than six months		-	370,000,000
More than six months but not more than one year		-	-
More than one year but less than five years		-	-
Above five years		-	100,000,000
		<b>4,272,089,729</b>	<b>4,535,731,849</b>



Particulars	Note	Amount in Taka	
		2021	2020
<b>7 Money at call and on short notice</b>			
In bank:			
Midland Bank Limited		300,000,000	-
NCC Bank Limited		1,000,000,000	-
Dhaka Bank Limited		1,200,000,000	-
The ICB Islamic Bank Limited		11,300,000	11,300,000
		<b>2,511,300,000</b>	<b>11,300,000</b>
In non-banking financial institutions (public and private):			
Bay Leasing and Investment Limited		785,000,000	620,000,000
Investment Corporation of Bangladesh		-	30,000,000
		<b>785,000,000</b>	<b>650,000,000</b>
In foreign currency:			
AB Bank Limited		-	169,600,800
Al Arafah Islami Bank Limited		600,600,000	-
Commercial Bank of Ceylon PLC		1,372,800,000	-
Mercantile Bank Limited		429,000,000	-
Midland Bank Limited		514,800,000	21,200,100
Modhumoti Bank Limited		257,400,000	169,600,800
NRB Commercial Bank Ltd		429,000,000	-
Islami Bank Bangladesh Limited		1,287,000,000	424,002,000
NCC Bank Limited		-	424,002,000
Shahjalal Islami Bank Limited		343,200,000	339,201,600
		<b>5,233,800,000</b>	<b>1,547,607,300</b>
		<b>8,530,100,000</b>	<b>2,208,907,300</b>
<b>8 Consolidated Investments</b>			
Government securities:			
Southeast Bank Limited	9	98,940,999,803	83,226,359,543
		<b>98,940,999,803</b>	<b>83,226,359,543</b>
Others:			
Southeast Bank Limited	9	11,253,183,945	10,957,893,063
Southeast Bank Capital Services Limited		3,258,397,061	2,889,640,856
		<b>14,511,581,006</b>	<b>13,847,533,919</b>
		<b>113,452,580,809</b>	<b>97,073,893,462</b>
<b>9 Investments</b>			
Government securities:			
Conventional Banking	9.1.1	97,537,559,803	81,734,439,543
Islamic Banking	9.2.1	1,403,440,000	1,491,920,000
		<b>98,940,999,803</b>	<b>83,226,359,543</b>
Others:			
Conventional Banking	9.1.2	10,510,438,917	10,283,132,489
Islamic Banking	9.2.2	742,745,028	674,760,574
		<b>11,253,183,945</b>	<b>10,957,893,063</b>
		<b>110,194,183,748</b>	<b>94,184,252,606</b>

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

Particulars	Note	Amount in Taka	
		2021	2020
<b>9.1 Conventional Banking</b>			
<b>9.1.1 Government Securities</b>			
<b>Treasury Bills</b>			
91 days Treasury Bills HFT		399,002,000	-
182 days Treasury Bills HFT		3,179,764,400	5,052,769,456
364 days Treasury Bills HFT		10,003,043,021	12,590,916,009
		<b>13,581,809,421</b>	<b>17,643,685,464</b>
Add: Reverse repo with other banks (at book Value)		-	-
Less: Repo with other banks (at book Value)		399,002,000	1,385,313,200
Less: Assured Repo with Bangladesh Bank/ Others (at book value)		-	-
		<b>13,182,807,421</b>	<b>16,258,372,264</b>
<b>Prize Bonds</b>		7,032,800	5,533,000
<b>Bangladesh Bank Bills</b>		-	-
		<b>7,032,800</b>	<b>5,533,000</b>
<b>Government Bonds</b>			
2 Years BGTB HTM		-	535,288,396
5 Years BGTB HTM		6,376,942,626	6,335,068,544
10 Years BGTB HTM		25,533,086,570	22,133,179,111
15 Years BGTB HTM		12,135,992,205	9,494,158,959
20 Years BGTB HTM		13,660,614,549	10,661,463,640
Remeasured 2 years BGTB HTM		2,529,289,594	-
Remeasured 5 years BGTB HTM		280,528,676	-
Remeasured 10 years BGTB HTM		174,847,095	784,786,539
2 Years BGTB HFT		9,488,674,179	9,464,764,925
5 Years BGTB HFT		7,867,599,369	2,891,498,744
10 Years BGTB HFT		5,478,188,672	3,084,117,996
15 Years BGTB HFT		272,185,544	18,598,023
20 Years BGTB HFT		239,160,505	67,609,403
		<b>84,037,109,582</b>	<b>65,470,534,279</b>
Add: Reverse repo with other banks (on 5 years BGTB HFT at book value)		-	-
Less: Repo with other banks (on 10 years BGTB HFT at book Value)		-	-
Less: Assured Repo with Bangladesh Bank/ Others (at book value)		-	-
		<b>84,037,109,582</b>	<b>65,470,534,279</b>
<b>Investment in Sukuk Bond</b>			
Investment in Sukuk Bond HTM		-	-
Investment in Sukuk Bond 5 Years HFT		310,610,000	-
		<b>310,610,000</b>	-
		<b>84,347,719,582</b>	<b>65,470,534,279</b>
		<b>97,537,559,803</b>	<b>81,734,439,543</b>
<b>9.1.2 Others</b>			
Shares in listed companies		4,760,627,901	3,622,962,577
Shares in un-listed companies		649,811,016	610,169,912
Bonds		5,100,000,000	6,050,000,000
		<b>10,510,438,917</b>	<b>10,283,132,489</b>
<b>9.2 Islamic banking</b>			
<b>9.2.1 Government securities</b>			
Bangladesh Government Islamic bond		1,403,440,000	1,491,920,000
		<b>1,403,440,000</b>	<b>1,491,920,000</b>
<b>9.2.2 Others</b>			
Shares in listed companies		742,745,028	674,760,574
		<b>742,745,028</b>	<b>674,760,574</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>9.3 Investments classified as per Bangladesh Bank Circular</b>			
Held for trading (HFT)		36,846,258,489	31,790,494,354
Held to maturity (HTM)		62,094,741,314	51,435,865,189
Other securities		11,253,183,945	10,957,893,063
		<b>110,194,183,748</b>	<b>94,184,252,606</b>
<b>9.4 Maturity-wise grouping of investments</b>			
On demand		7,032,800	5,533,000
Not more than three months		4,252,100,000	21,615,967,000
More than three months but not more than one year		26,194,783,945	20,479,923,151
More than one year but not more than five years		33,947,100,000	25,029,200,000
Above five years		45,793,167,003	27,053,629,455
		<b>110,194,183,748</b>	<b>94,184,252,606</b>

**9.5 Cost and market value of investments****9.5.1 Government securities****Conventional Banking**

Treasury Bills  
Bangladesh Government Treasury Bond  
Prize Bonds

**Islamic Banking**

Bangladesh Government Islamic Bond

2021		2020
Cost Price	Market Price	Market Price
Taka	Taka	Taka
13,182,807,421	13,182,807,421	16,258,372,264
84,347,719,582	84,347,719,582	65,470,534,279
7,032,800	7,032,800	5,533,000
<b>97,537,559,803</b>	<b>97,537,559,803</b>	<b>81,734,439,543</b>
1,403,440,000	1,403,440,000	1,491,920,000
<b>98,940,999,803</b>	<b>98,940,999,803</b>	<b>83,226,359,543</b>

**9.5.2 Others (Investment in Shares)****Conventional Banking**

Shares in listed companies  
Shares in non-listed companies

**Islamic Banking**

Shares in listed companies

2021		2020
Market price/ Net book value	Cost Price	Cost Price
Taka	Taka	Taka
4,764,805,578	4,760,627,901	3,622,962,577
736,898,171	649,811,016	610,169,912
<b>5,501,703,749</b>	<b>5,410,438,917</b>	<b>4,233,132,489</b>
729,679,166	742,745,028	674,760,574
<b>729,679,166</b>	<b>742,745,028</b>	<b>674,760,574</b>
<b>6,231,382,915</b>	<b>6,153,183,945</b>	<b>4,907,893,063</b>

**Shares in listed companies**

Investments have been recorded at cost and adequate provision has been maintained for probable future losses as per Bangladesh Bank guidelines. Market value of shares has been determined on the basis of the value of shares at the last trading day of the year.

Details are shown in Annexure-D.

**9.6 Sector wise investment of shares****Shares in listed companies (A)**

Banks and NBF  
Insurance Companies  
Fuel and Power Companies  
Mutual Fund  
Manufacturing & Other

2021		2020
Market Price	Cost Price	Cost Price
Taka	Taka	Taka
835,850,864	1,200,695,127	1,223,039,612
3,023,994,748	2,729,297,822	2,329,880,239
320,315,000	223,560,775	91,622,259
7,950,000	10,592,200	250,000,000
1,306,374,132	1,339,227,005	403,181,041
<b>5,494,484,744</b>	<b>5,503,372,929</b>	<b>4,297,723,151</b>

**Shares in un-listed companies (B)**

Banks and NBF  
Others

Net book value	Cost Price	Cost Price
Taka	Taka	Taka
127,948,299	39,683,820	54,183,820
608,949,873	610,127,196	555,986,092
<b>736,898,171</b>	<b>649,811,016</b>	<b>610,169,912</b>
	<b>6,153,183,945</b>	<b>4,907,893,063</b>

**Total investment of shares (C=A+B)**

**9.7 Market price and cost price of investments in ordinary shares as on 31 Dec 2021**

SL. No.	Name of the Company	2021		Differences (Provision to be required)
		Market Price	Cost Price	Taka
		Taka	Taka	
1	Asia Insurance Limited	436,886,610	138,611,666	298,274,944
2	Bay Leasing and Investment Limited	434,384,586	653,582,763	(219,198,177)
3	EXIM Bank	102,990,034	179,957,249	(76,967,215)
4	National Life Insurance Company Ltd.	1,592,155,572	1,468,079,217	124,076,355
5	Prime Bank Limited	294,006,244	361,894,156	(67,887,912)
6	Beximco Pharmaceuticals Ltd.	52,029,000	60,345,215	(8,316,215)
7	Bangladesh Export Import Company Limited	34,132,000	38,726,351	(4,594,351)
8	Fortune shoes Limited	73,680,000	79,984,483	(6,304,483)
9	Genex Infosys Limited (GENEXIL) Company	49,620,000	51,166,531	(1,546,531)
10	Delta Life Insurance Company Limited	34,387,500	36,940,569	(2,553,069)
11	AB Bank 1st Mutual fund	2,750,000	3,865,400	(1,115,400)
12	Khulna Power Company Ltd	2,990,000	10,541,360	(7,551,360)
13	Orion Pharma Ltd.	5,466,000	6,553,868	(1,087,868)
14	First Bangladesh Fixed Income Fund	5,200,000	6,726,800	(1,526,800)
15	Premier Cement Mills Limited	17,368,224	28,076,349	(10,708,125)
16	Pragati Insurance Ltd (PRAGATIINS) Company	317,902,751	361,825,294	(43,922,544)
17	Pragati Life Insurance Ltd	179,402,315	226,720,515	(47,318,200)
18	Lub-rref (Bangladesh) Limited (LRBDL) Company	312,910,000	207,500,000	105,410,000
19	Paramount Textile Limited	43,741,444	44,517,409	(775,965)
		<b>3,992,002,280</b>	<b>3,965,615,194</b>	<b>26,387,086</b>

Market price and cost price of investments in ordinary shares under BB Special Fund as on 31 Dec 2021.

SL. No.	Name of the Company	2021		Differences (Provision to be required)
		Market Price	Cost Price	Taka
		Taka	Taka	
1	National Life Insurance Company Ltd.	463,260,000	497,120,560	(33,860,560)
2	Paramount Textile Limited	30,337,464	29,856,799	480,664
3	MJL Bangladesh Limited	4,415,000	5,519,415	(1,104,415)
4	Premier Bank Ltd	4,470,000	5,260,960	(790,960)
5	Beximco Green Sukuk	1,000,000,000	1,000,000,000	-
		<b>1,502,482,464</b>	<b>1,537,757,734</b>	<b>(35,275,271)</b>
		<b>5,494,484,744</b>	<b>5,503,372,928</b>	<b>(8,888,185)</b>

**9.8 Transactions of Repo and Reverse-repo during the year****2021****Securities sold under repo**

- i) With Bangladesh Bank
- ii) With other Banks & FIs

**Securities purchased under reverse repo**

- i) With Bangladesh Bank
- ii) With other Banks & FIs

**2020****Securities sold under repo**

- i) With Bangladesh Bank
- ii) With other Banks & FIs

**Securities purchased under reverse repo**

- i) With Bangladesh Bank
- ii) With other Banks & FIs

Minimum outstanding	Maximum outstanding	Daily average outstanding
Taka	Taka	Taka
-	-	-
249,991,750	5,514,584,679	1,814,197,368
-	-	-
997,592,000	1,019,542,478	11,067,001
678,420,400	2,956,824,000	35,230,582
247,479,500	4,246,048,400	961,590,984
-	-	-
190,237,680	3,017,055,960	239,063,517

Particulars	Note	Amount in Taka	
		2021	2020
<b>10 Consolidated loans and advances/investments</b>			
Loans, cash credit, overdrafts etc./investments:			
Southeast Bank Limited	11	321,499,823,400	305,869,215,552
Southeast Bank Capital Services Limited		2,824,641,698	1,883,303,310
		<b>324,324,465,098</b>	<b>307,752,518,862</b>
Less: Inter company balance eliminated		-	-
		<b>324,324,465,098</b>	<b>307,752,518,862</b>
Bills purchased and discounted:			
Southeast Bank Limited	11	12,004,908,941	14,498,943,318
		<b>12,004,908,941</b>	<b>14,498,943,318</b>
		<b>336,329,374,039</b>	<b>322,251,462,180</b>
<b>11 Loans and advances/investments</b>			
Loans, cash credit, overdrafts etc./investments	11.1	321,499,823,400	305,869,215,552
Bills purchased and discounted	11.14	12,004,908,941	14,498,943,318
		<b>333,504,732,341</b>	<b>320,368,158,870</b>
<b>11.1 Loans, cash credit, overdrafts etc./Investments</b>			
<b>In Bangladesh:</b>			
<b>Conventional Banking</b>			
Demand loan		2,518,300,969	10,097,756,451
Forced Loan -PIF		8,115,346,456	-
Time loan		21,196,841,465	22,443,048,758
Term loan		133,610,463,300	134,795,492,539
Term loan-SREUP (BB Prefinance)		499,455,087	386,116,793
Term loan-CMSME Refinance Under SMEF (COVID-19)		4,333,124	-
Agricultural credit-Term		2,268,306,636	1,258,672,742
Agricultural credit-Time		2,470,029,048	2,043,619,990
Agricultural credit-OD		232,080,719	212,798,430
Consumer credit scheme		645,686	659,186
Car loan		123,204,392	117,512,495
Personal loan		231,654,542	375,489,923
Home loan		2,382,557,534	2,089,458,741
Rural Home Loan		149,294,214	163,264,484
Loan against - LTFF		389,391,191	358,051,598
Loan against GTF		1,737,199,890	59,471,612
Cash credit and overdrafts		54,106,655,852	52,536,496,200
Bills Against Letter of Credit (BLC)		88,403,434	75,523,011
Loan re-finance housing sector		9,875,077	12,371,131
Loan against Trust Receipt (LTR)		7,786,869,821	10,033,953,523
Advances-packing credit (PC)		1,782,486,713	1,826,804,451
Loan against foreign bills		67,649,358	7,495,711
Term Loan-Express Cash		48,569,110	4,575,366
Export Development Fund (EDF)		39,553,096,532	29,253,347,054
Loan against cash incentive		191,292,825	116,853,027
Loan-credit card		2,568,525,693	2,237,169,632
House building loan-Staff		267,288,434	333,686,011
Car Loan-Staff		281,276,503	293,249,641
Loan against salary-Staff		36,607,311	-
Usance Payable at Sight (UPAS)		11,703,401,498	3,753,240,723
<b>Loans and Advances against COVID-19 BB Stimulus package:</b>			
Term loan from NGO Refinance		608,571,929	2,072,129,569
Term loan Agricultural		53,073,101	57,571,427
Overdraft -WCSP Other then CMSME (BRPD-8)		901,296,050	1,452,289,136
Overdraft CMSME (SMESPD-2)		2,332,588,572	3,762,183,076
RMG Salary refinance		3,513,869,363	5,127,208,360
Packing Credit: BB REFIN. (BRPD-9)		723,700,855	417,704,774
		<b>302,554,202,285</b>	<b>287,775,265,564</b>



Particulars	Note	Amount in Taka	
		2021	2020
<b>Islamic Banking</b>			
Demand investment		387,576,255	336,092,550
Bai-Muajjal (Time) investment		398,846,104	344,922,440
Bai-Muajjal Time under CCS		39,284,133	70,635,449
Bai-Murabaha-BLC		1,873,371	6,299,491
Bai-Murabaha-LTR		965,282,805	868,783,132
Bai-Salam (advances-packing credit)		44,740,014	70,293,069
House building investment-Staff		7,338,081	9,672,346
Car investment -Staff		10,346,278	12,951,127
Investment against salary- Staff		27,468,032	-
Export Development Fund (EDF)		1,001,967,867	760,722,200
Bai-Muajjal-investment		2,801,343,947	3,109,336,413
Murabaha-investment		97,167,082	136,935,362
Portfolio Investment Account		24,014,425	-
Hire purchase-investment		13,137,564,470	12,164,459,343
<b>Investment against COVID-19 BB Stimulus package:</b>			
Bai- Muajjal Term loan from NGO Refinance (COVID 19)		-	200,618,889
Bai-Muajjal Term loan Agricultural (COVID 19)		808,252	2,228,178
		<b>18,945,621,115</b>	<b>18,093,949,988</b>
		<b>321,499,823,400</b>	<b>305,869,215,552</b>
<b>Outside Bangladesh</b>			
		-	-
		<b>321,499,823,400</b>	<b>305,869,215,552</b>
<b>11.2 Performing loans and advances/investments</b>			
Gross loans and advances/investments		333,504,732,341	320,368,158,870
Non-performing loans and advances/investments		(16,035,559,865)	(9,939,755,293)
		<b>317,469,172,476</b>	<b>310,428,403,577</b>
<b>11.3 Maturity-wise grouping of loans and advances/investments &amp; Bills purchased and discounted</b>			
On demand		19,681,202,664	42,961,370,104
Less than three months		88,780,666,937	57,083,663,137
More than three months but less than one year		95,262,563,055	93,582,681,979
More than one year but less than five years		88,103,978,744	83,298,521,306
More than five years		41,676,320,941	43,441,922,343
		<b>333,504,732,341</b>	<b>320,368,158,870</b>
<b>11.4 Concentration of loans and advances/investments</b>			
Advances to allied concerns of directors		-	-
Advances to chief executive and other senior executives		88,142,000	148,827,204
<b>Advances to customers' group:</b>			
Advances to large and medium industries		241,570,532,915	228,351,312,127
Advances to small and cottage industries		13,055,522,083	14,094,004,625
Commercial Loans		37,969,927,761	39,517,386,857
Consumer Credit		5,626,616,644	5,071,136,407
Off-shore Banking Loans		21,887,800,000	19,478,341,589
Other loans and advances		13,306,190,937	13,707,150,061
		<b>333,504,732,341</b>	<b>320,368,158,870</b>

**Details of large loan/investments**

As at 31 December 2021 there were 38 (2020:37) clients with whom amount of outstanding loans and advances exceeded 10% of the total capital of the Bank. Total capital of the Bank was Tk. 41,048.56 million as at 31 December 2021 (Tk. 40,236.71 million as at 31 December 2020).

The Bank complies with the requirements of the section 26 (b) of the Bank Companies Act 1991 as amended in 2018 in connection with the general limitations of credit line.

Details are shown in **Annexure-D**.

**11.5 Sector-wise allocation of loans and advances**

	2021		2020	
	% of total loan	Taka	% of total loan	Taka
Agriculture	1.38%	4,604,216,534	1.20%	3,843,409,443
Industrial (Manufacturing)	48.37%	161,325,882,519	50.50%	161,770,004,160
Industrial (Services)	14.11%	47,050,477,149	14.38%	46,073,077,916
Export Financing	13.87%	46,249,695,331	10.80%	34,602,234,676
Commercial Loans	11.39%	37,969,927,761	12.33%	39,517,386,857
Consumer Credit	1.69%	5,626,616,644	1.58%	5,071,136,407
Others:				
a) Off-shore Banking Loans	6.56%	21,887,800,000	6.08%	19,478,341,589
b) Finance to NBFIs	0.30%	1,007,763,311	0.35%	1,113,249,140
c) Loans to Capital Market	0.48%	1,588,268,068	0.58%	1,863,905,128
d) Miscellaneous	1.86%	6,194,085,023	2.20%	7,035,413,554
	<b>100%</b>	<b>333,504,732,341</b>	<b>100%</b>	<b>320,368,158,870</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>11.6 Industry-wise loans and advances (Industrial Loan)</b>			
Ready Made Garment industries Loan (RMG)		80,271,025,916	72,696,885,226
Real Estate industries		23,144,837,063	21,606,831,526
Textile industries		24,630,278,713	19,660,231,806
Agro-Based Industries		16,943,882,613	15,493,461,576
Cement & Ceramics industries		6,592,659,334	7,663,691,539
Ship Breaking & Ship Building industries		5,171,427,610	5,174,195,826
Pharmaceuticals industries		1,287,924,935	1,721,848,237
Other Industries		96,584,018,814	98,428,171,015
		<b>254,626,054,998</b>	<b>242,445,316,752</b>
<b>11.7 Category-wise Small Medium Enterprise loans and advances (SME)</b>			
Service sector		19,393,700,000	19,536,064,638
Trading sector		25,437,300,000	27,410,027,421
Industrial sector		41,799,200,000	51,521,117,384
		<b>86,630,200,000</b>	<b>98,467,209,444</b>

**11.8 Geographical location-wise allocations of loans and advances**

	2021		2020	
	% of total loan	Taka	% of total loan	Taka
<b>Urban:</b>				
Dhaka region	78.76%	262,682,014,096	76.96%	246,549,343,968
Chittagong region	12.84%	42,815,713,954	13.96%	44,717,035,885
Rajshahi region	1.38%	4,596,689,662	1.68%	5,373,025,866
Sylhet region	1.04%	3,469,485,701	1.04%	3,316,484,036
Khulna region	0.31%	1,017,242,374	0.50%	1,612,061,435
Rangpur region	0.33%	1,084,239,341	0.42%	1,356,283,882
Barisal region	0.07%	228,176,306	0.08%	260,537,093
Mymensingh region	0.15%	484,714,055	0.15%	492,138,511
	<b>94.86%</b>	<b>316,378,275,489</b>	<b>94.79%</b>	<b>303,676,910,677</b>
<b>Rural:</b>				
Dhaka region	3.37%	11,239,709,142	3.37%	10,809,670,326
Chittagong region	1.35%	4,501,004,690	1.43%	4,594,710,299
Rajshahi region	0.01%	27,960,623	0.01%	48,036,658
Sylhet region	0.21%	714,262,731	0.17%	533,208,038
Khulna region	0.19%	643,519,666	0.22%	705,622,872
	<b>5.14%</b>	<b>17,126,456,852</b>	<b>5.21%</b>	<b>16,691,248,193</b>
	<b>100.00%</b>	<b>333,504,732,341</b>	<b>100.00%</b>	<b>320,368,158,870</b>

**11.9 Classification of loans and advances****Unclassified:**

Standard including staff loan  
Special Mention Account (SMA)

**Classified:**

Sub-standard  
Doubtful  
Bad/loss

2021		2020	
% of total loan	Taka	% of total loan	Taka
92.45%	308,312,621,324	94.07%	301,368,798,084
2.75%	9,156,551,152	2.83%	9,059,605,493
<b>95.19%</b>	<b>317,469,172,476</b>	<b>96.90%</b>	<b>310,428,403,577</b>
0.39%	1,285,523,734	0.10%	323,191,147
0.37%	1,226,561,415	0.11%	355,835,893
4.05%	13,523,474,715	2.89%	9,260,728,254
<b>4.81%</b>	<b>16,035,559,865</b>	<b>3.10%</b>	<b>9,939,755,293</b>
<b>100.00%</b>	<b>333,504,732,341</b>	<b>100.00%</b>	<b>320,368,158,870</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>11.10 Particulars of loans and advances</b>			
i) Debts considered good in respect of which the bank is fully secured;		<b>225,073,199,311</b>	<b>266,641,789,276</b>
ii) Debts considered good for which the bank holds no other security than the debtors' personal security;		<b>13,229,791,485</b>	<b>18,194,426,708</b>
iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors;		<b>95,201,741,545</b>	<b>36,908,770,557</b>
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;		<b>557,554,587</b>	<b>648,756,013</b>
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;		<b>557,554,587</b>	<b>648,756,013</b>
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)		<b>(2,944,709,380)</b>	<b>1,983,146,600</b>
Amount of debts written off		<b>2,845,444,491</b>	<b>2,504,385,038</b>
Amount realised against the debts previously written off		<b>476,426,541</b>	<b>472,250,468</b>
(b) Provision against the debt classified as bad/loss at the date of balance sheet		<b>6,004,070,685</b>	<b>4,689,667,262</b>
(c) Amount of interest charged in suspense account		<b>13,547,602,739</b>	<b>10,741,106,029</b>
xi) Loans written off:			
- Current year		<b>3,405,673,545</b>	<b>2,960,354,546</b>
Cumulative to-date		16,124,302,937	13,420,758,231
Less: Amount realised against the debts previously written off		(476,426,541)	(472,250,468)
Less: Amount interest waiver during the year		(133,860,082)	(229,878,371)
Balance as at 31 December 2021		<b>15,514,016,313</b>	<b>12,718,629,392</b>
- The amount of written off loans for which lawsuit filed		-	-
		<b>15,514,016,313</b>	<b>12,718,629,392</b>

## 11.11 Particulars of required provision for loans and advances/investments

Status	2021				2020
	Outstanding as at 31 Dec 2021 Taka	Base for provision Taka	% of required provision	Required provision Taka	Required provision Taka
<b>For loans and advances/Investments:</b>					
<b>Unclassified-general provision</b>					
All unclassified loans (other than small enterprises, housing finance, Loan to MBs loans for professional, consumer financing and special mention account)	224,725,992,460	224,725,992,460	1%	2,247,259,927	2,021,080,225
Small and medium enterprise financing	72,416,903,584	72,416,903,584	0.25%	181,042,262	220,502,403
Loan to BHs/MBs/SDs against shares	1,588,268,068	1,588,268,068	2%	31,765,361	37,278,103
Housing and loan for professional	2,605,223,808	2,605,223,808	1%-2%	26,681,277	24,411,382
Consumer finance	2,830,113,039	2,830,113,039	2%-5%	56,602,265	51,612,636
Agriculture finance	3,588,801,989	3,588,801,989	1%-5%	35,888,020	33,980,831
Staff loan	557,318,376	557,318,376	1%	5,573,184	6,485,033
Special Mention Account (SMA)	9,156,551,152	9,156,551,152	0.25%-5%	89,616,668	86,273,639
				2,674,428,964	2,481,624,252
<b>Classified-specific provision:</b>					
Sub-standard	1,285,523,734	390,363,530	5%-20%	27,381,721	8,412,855
Doubtful	1,226,561,415	378,185,307	5%-50%	109,471,815	24,115,222
Bad/loss	13,523,474,715	6,004,070,685	100%	6,004,070,685	4,689,667,262
	333,504,732,341	324,241,791,999		6,140,924,220	4,722,195,339
Required provision for loans and advances				8,815,353,184	7,203,819,591
Required provision for Stay Order				4,908,718,000	3,411,800,000
Required provision for Rescheduled loan as per Bangladesh Bank				11,141,139,959	13,591,512,948
Required provision due to COVID-19 as per Bangladesh Bank				2,551,492,027	1,161,700,000
<b>Total Required Provision (A)</b>				27,416,703,169	25,368,832,539
<b>Total provision maintained (B)</b>				26,228,765,213	23,862,771,455
Excess/(Shortfall) provision as at 31 December (C=B-A)*				(1,187,937,956)	(1,506,061,084)

\*The shortfall in general provision of BDT 118.79 Crore for the year 2021 has been allowed for deferral facilities and instructed to maintain in the year 2022 by Bangladesh Bank vide letter no. DOS(CAMS) 1157/41(Dividend)/2022-2252 dated April 26, 2022.

Particulars	Note	Amount in Taka	
		2021	2020
<b>11.12 Listing of assets pledged as security/collaterals</b>			
<b><u>Nature of the secured assets</u></b>			
Shares & Securities		1,365,394,449	1,356,423,781
Merchandise		438,564,999	3,796,029,023
Machinery with other fixed asset and financial obligation		1,054,172,903	5,747,670,965
Real estate with financial obligation		274,361,502,519	262,256,290,181
Financial obligation only		10,106,526,692	10,253,853,322
(Insurance policies, savings certificates, bank deposit etc)			
Miscellaneous-			
i) Crops/stock of crops hypothecation		68,569,473	154,619,808
ii) Guarantee of individuals/institutions		25,691,873,788	23,766,917,006
ii) Others		20,418,127,519	13,036,354,784
		<b>333,504,732,341</b>	<b>320,368,158,870</b>
<b>11.13 Bills purchased and discounted</b>			
<b><u>Conventional Banking</u></b>			
In Bangladesh		5,049,241,473	3,319,661,045
Outside Bangladesh		6,611,470,672	10,864,431,380
		<b>11,660,712,145</b>	<b>14,184,092,425</b>
<b><u>Islamic Banking</u></b>			
In Bangladesh		292,431,983	297,970,077
Outside Bangladesh		51,764,813	16,880,817
		<b>344,196,796</b>	<b>314,850,894</b>
		<b>12,004,908,941</b>	<b>14,498,943,318</b>
<b>11.14 Maturity grouping of bills discounted and purchased</b>			
Within one month		4,067,263,149	12,040,043,318
More than one month but less than three months		5,901,613,235	2,456,100,000
More than three months but less than six months		2,036,032,556	2,800,000
More than six months		-	-
		<b>12,004,908,941</b>	<b>14,498,943,318</b>

**11.15 Information about restructured loan as per Bangladesh Bank's BRPD Circular no. 4 dated 29 January 2015.**

Loans amounting to Tk. 3,103.80 million (outstanding Tk. 2,529.90 million as on December 31, 2021) of Keya Group, Gulshan Branch, Dhaka have been restructured by extension of validity of Term Loan for 12-years & conversion of demand loan into 06-years Term Loan including one year moratorium under the purview of BRPD Circular # 04 dated 29 January 2015. The status of the loans is unclassified and reported as SMA as per Bangladesh Bank's guidelines. Accordingly, 2% provision has been made.

**11.16 Disclosure of Document Verification System (DBS)**

As per Financial Reporting Council (FRC) letter no. 178/FRC/APR/2021/27(16) dated December 07, 2021 regarding compliance of BRPD Circular No. 04 and 35, dated January 04, 2021 and July 06, 2021 respectively.

Particulars	Compliance of BRPD Circulars No. 04*		Compliance of BRPD Circular No. 35 **	
	Number	%	Number	%
Complied File	655	100%	40	67%
<b>Total File</b>	<b>655</b>	<b>100%</b>	<b>60</b>	<b>100%</b>

\* BRPD Circular No. 04: Regarding collection of Audited financial statement & Statutory Audit Report for Loan Sanction/Renewal.

\*\* BRPD Circular No. 35: Regarding financial statement verified with the Document Verification System (DVS) of ICAB.



Particulars	Note	Amount in Taka	
		2021	2020
<b>12 Consolidated fixed assets including premises, furniture and fixtures</b>			
<b>Cost:</b>			
Southeast Bank Limited	13	12,987,414,546	12,120,614,334
Southeast Bank Capital Services Limited		827,682,910	817,942,354
Southeast Exchange Company (South Africa) Pty Ltd		18,040,509	16,416,583
		<b>13,833,137,965</b>	<b>12,954,973,271</b>
<b>Less: Accumulated depreciation</b>			
Southeast Bank Limited	13	3,355,479,073	2,937,941,407
Southeast Bank Capital Services Limited		337,561,849	293,688,455
Southeast Exchange Company (South Africa) Pty Ltd		9,675,920	8,372,192
		<b>3,702,716,842</b>	<b>3,240,002,054</b>
Written down value at the end of the year		<b>10,130,421,123</b>	<b>9,714,971,217</b>

There were no capitalized borrowing cost related to the acquisition of fixed assets during the year (2020: nil).

Details of consolidated amounts have not been provided as such amounts are insignificantly different from those of the Banks.

### 13 Fixed assets including premises, furniture and fixtures

#### Cost:

Land	5,697,676,007	5,797,426,007
Buildings	1,910,010,837	1,989,886,963
Furniture and fixtures	1,450,308,746	1,381,364,685
Office appliances	15,549,264	15,674,809
Computer	133,399,491	112,040,770
Software	528,911,629	421,078,378
Electrical appliances	1,625,090,009	1,561,868,349
ATM Booth	1,450,647,127	665,452,937
Motor vehicles	175,821,436	175,821,436
	<b>12,987,414,546</b>	<b>12,120,614,334</b>

#### Less: Accumulated depreciation

Buildings	660,065,706	641,572,118
Furniture and fixtures	741,005,782	675,761,738
Office appliances	12,552,759	11,854,565
Computer	51,262,067	33,634,203
Software	241,976,256	183,061,336
Electrical appliances	1,143,083,531	1,045,404,854
ATM Booth	366,105,570	225,499,889
Motor vehicles	139,427,402	121,152,704
	<b>3,355,479,073</b>	<b>2,937,941,407</b>
Written down value at the end of the year	<b>9,631,935,472</b>	<b>9,182,672,927</b>

Details are shown in **Annexure-E**.

### 14 Consolidated other assets

Southeast Bank Limited	15	11,936,884,937	13,171,388,605
Southeast Bank Capital Services Limited		182,555,588	316,564,237
Southeast Exchange Company (South Africa) Pty Ltd		2,584,472	1,947,689
		<b>12,122,024,997</b>	<b>13,489,900,531</b>
<b>Less:</b>			
Investment in subsidiary:			
In Bangladesh		5,489,930,000	5,489,930,000
Outside Bangladesh		44,211,055	44,211,055
		<b>5,534,141,055</b>	<b>5,534,141,055</b>
Intercompany balance		-	2,105,223
		<b>6,587,883,942</b>	<b>7,953,654,253</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>15 Other asset</b>		<b>11,936,884,937</b>	<b>13,171,388,605</b>
<b>15.1 Classification of other assets</b>			
i) Investment in shares of subsidiary companies:			
- In Bangladesh	15.3	5,489,930,000	5,489,930,000
- Outside Bangladesh	15.4	44,211,055	44,211,055
ii) Stationery, stamps, printing materials, etc.		45,179,481	38,500,279
iii) Advance rent and advertisement		13,248,090	58,643,430
iv) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables		3,229,958,831	4,565,919,217
v) Security deposits		7,258,494	5,004,494
vi) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses		945,956,266	814,629,677
vii) Suspense account		150,569,641	28,346,846
viii) Right to use (ROU) assets		1,004,600,451	979,340,395
ix) Others		1,005,972,627	1,146,863,212
		<b>11,936,884,937</b>	<b>13,171,388,605</b>
<b>15.2 Non-income generating other assets</b>			
i) Stationery, stamps, printing materials, etc.		45,179,481	38,500,279
ii) Advance rent and advertisement		13,248,090	58,643,430
iii) Suspense account		150,569,641	28,346,846
iv) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses		945,956,266	814,629,677
		<b>1,154,953,478</b>	<b>940,120,232</b>
<b>15.3 Investment in shares of subsidiary company in Bangladesh</b>			
Cost		5,489,930,000	5,489,930,000
Provision for impairment loss		-	-
		<b>5,489,930,000</b>	<b>5,489,930,000</b>
<b>15.4 Investment in shares of subsidiary companies outside Bangladesh</b>			
Cost		44,211,055	44,211,055
Provision for impairment loss		-	-
		<b>44,211,055</b>	<b>44,211,055</b>
<b>15.5 Lease: Right to use (ROU) assets</b>			
Balance as at 1 January		979,340,395	207,595,017
Addition during the year		344,234,719	1,055,747,540
		<b>1,323,575,114</b>	<b>1,263,342,558</b>
Adjustment/Accumulated Depreciation during the year		318,974,663	284,002,163
Balance as at 31 December		<b>1,004,600,451</b>	<b>979,340,395</b>

**15.6 Particulars of required provision for other assets****Dec 2021**

Legal expenses for defaulting borrowings
Legal expenses for defaulting borrowings
Others
Others
Unclaimed cash dividends deposit to the CMSF
Protested bills
Required provision on other assets
Total provision maintained
Excess provision

Base for provision	Rate (%)	Taka
14,035,336	50%	7,017,668
129,977,086	100%	129,977,086
1,709,272	50%	854,636
138,871,197	100%	138,871,197
21,177,094	100%	21,177,094
36,633,670	100%	36,633,670
<b>342,403,655</b>		<b>334,531,351</b>
		<b>339,974,008</b>
		<b>5,442,657</b>

**Dec 2020**

Legal expenses for defaulting borrowings
Legal expenses for defaulting borrowings
Others
Protested bills
Required provision on other assets
Total provision maintained
Excess provision

Base for provision	Rate (%)	Taka
10,186,097	50%	5,093,048
126,815,106	100%	126,815,106
143,957,797	100%	143,957,797
11,124,435	100%	11,124,436
<b>292,083,435</b>		<b>286,990,387</b>
		<b>288,796,914</b>
		<b>1,806,527</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>16 Consolidated borrowings from other banks, financial institutions and agents</b>			
<b>Subordinated bond:</b>			
Southeast Bank Limited	17	11,000,000,000	13,600,000,000
		<b>11,000,000,000</b>	<b>13,600,000,000</b>
<b>Other borrowings:</b>			
Southeast Bank Limited	17	26,576,484,757	18,897,676,319
Southeast Bank Capital Services Limited		360,000,000	-
		<b>26,936,484,757</b>	<b>18,897,676,319</b>
Less: Inter company balance eliminated		-	-
		<b>26,936,484,757</b>	<b>18,897,676,319</b>
		<b>37,936,484,757</b>	<b>32,497,676,319</b>
<b>17 Borrowings from other banks, financial institutions and agents</b>			
Subordinated Bond	17.2.ii	11,000,000,000	13,600,000,000
Other borrowings	17.2.i+17.3	26,576,484,757	18,897,676,319
		<b>37,576,484,757</b>	<b>32,497,676,319</b>
<b>17.1 Borrowing from other banks, financial institutions and agents</b>			
In Bangladesh	17.2	24,993,914,757	21,465,144,279
Outside Bangladesh	17.3	12,582,570,000	11,032,532,040
		<b>37,576,484,757</b>	<b>32,497,676,319</b>
<b>17.2 In Bangladesh</b>			
<b>i. Secured:</b>			
Refinance against agro-based credit from Bangladesh Bank		4,816	18,456
Refinance for housing sector from Bangladesh Bank		272,513,706	185,569,746
Refinance against SME loan from Bangladesh Bank		122,567,462	147,776,659
Refinance against Solar energy, Bio Gas & ETP		-	555,556
Scheme from Bangladesh Bank		-	2,000,000
Refinance against RPGCL		22,387	22,387
BB Pre-Finance Under Sreup		472,735,500	382,735,500
Borrowing at call		343,200,000	-
Bangladesh Bank Islamic Bond		500,000,000	-
<b>BB Refinance against COVID-19 Stimulus package:</b>			
COVID-19 Salary RMG		1,877,180,689	2,715,047,000
COVID-19 Refinance: oth than cmsme (BRPD-10)		4,364,998,249	3,362,801,095
COVID-19 Refinance: Landing to NBO (FID-01)		2,384,179,000	-
COVID-19 Refinance: packing credit (BRPD-09)		810,733,000	664,192,765
COVID-19 Refinance: cmsme (SMESPD-02)		2,771,184,949	401,685,115
COVID-19 Refinance: agriculture (ACD-01)		74,595,000	2,740,000
		<b>13,993,914,757</b>	<b>7,865,144,279</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>ii. Unsecured:</b>			
<b>Subordinated Bond</b>			
Rupali Bank Limited		1,700,000,000	2,100,000,000
Sonali Bank Limited		1,000,000,000	1,500,000,000
Agrani Bank Limited		2,630,000,000	3,120,000,000
Pubali Bank Limited		520,000,000	810,000,000
Mercantile Bank Limited		750,000,000	800,000,000
Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd.		-	40,000,000
Sadharan Bima Corporation		120,000,000	160,000,000
Uttara Bank Limited		80,000,000	120,000,000
Dhaka Bank Limited		300,000,000	450,000,000
National Life Insurance Limited		1,200,000,000	1,450,000,000
Janata Bank Limited		1,000,000,000	1,300,000,000
Delta Life Insurance Co. Limited		200,000,000	250,000,000
Eastern Bank Limited		1,000,000,000	1,000,000,000
Square Pharmaceuticals Limited		500,000,000	500,000,000
		<b>11,000,000,000</b>	<b>13,600,000,000</b>
<b>Total (iii=i+ii)</b>		<b>24,993,914,757</b>	<b>21,465,144,279</b>
<b>17.3 Outside Bangladesh</b>			
<b>Secured</b>			
Borrowing from MASHREQ BANK PSC-USD		-	-
Borrowing from Commercial Bank of Qatar (CBQ)		858,000,000	254,401,200
Borrowing from RAK BANK, UAE		858,000,000	958,244,520
Borrowing from Bank Muscat, Oman		514,800,000	-
Borrowing FM SCB SINGAPORE		1,372,800,000	2,968,014,000
Borrowing FM EIB, UAE		1,621,620,000	1,475,526,960
Borrowing from ADCB,UAE		471,900,000	508,802,400
Borrowing from FGB, UAE		1,458,600,000	466,402,200
Borrowing from caixa Bank, s.a., spain		514,800,000	678,403,200
Borrowing from FM Habib Bank AG		-	373,121,760
Borrowing fm axis bank ltd.		257,400,000	-
Borrowing from HDFC BANK, Hong Kong		1,287,000,000	424,002,000
		<b>9,214,920,000</b>	<b>8,106,918,240</b>
<b>Unsecured</b>			
Borrowing from Global Climate Partnership Fund S.A.		1,651,650,000	1,696,008,000
Borrowing from ADB		1,716,000,000	1,229,605,800
		<b>3,367,650,000</b>	<b>2,925,613,800</b>
		<b>12,582,570,000</b>	<b>11,032,532,040</b>
<b>17.4 Maturity grouping of borrowings</b>			
Repayable on demand		-	-
Repayable within one month		3,575,500,000	-
Over one month but within six months		9,943,705,427	5,650,967,418
Over six months but within one year		11,803,879,330	24,846,708,901
Over one year		12,253,399,999	2,000,000,000
		<b>37,576,484,757</b>	<b>32,497,676,319</b>
<b>18 Consolidated deposits and other accounts</b>			
<b>Current/Al-wadeeah current accounts and other accounts</b>			
Southeast Bank Limited		76,727,967,216	66,764,534,952
Southeast Bank Capital Services Limited		193,282,579	110,261,276
		<b>76,921,249,795</b>	<b>66,874,796,228</b>
Less: Inter company balance eliminated		110,743,029	24,214,410
		<b>76,810,506,766</b>	<b>66,850,581,819</b>
<b>Bills payable</b>			
Southeast Bank Limited		3,266,999,314	3,940,333,929
Southeast Bank Capital Services Limited		-	-
		<b>3,266,999,314</b>	<b>3,940,333,929</b>
<b>Savings bank/Mudaraba savings bank deposits</b>			
Southeast Bank Limited		43,073,012,405	38,060,936,493
Southeast Bank Capital Services Limited		-	-
		<b>43,073,012,405</b>	<b>38,060,936,493</b>
<b>Fixed deposits/Mudaraba fixed deposits</b>			
Southeast Bank Limited		253,610,247,155	251,134,079,440
Southeast Bank Capital Services Limited		-	-
		<b>253,610,247,155</b>	<b>251,134,079,440</b>
Less: Inter company balance eliminated		60,000,000	450,000,000
		<b>253,550,247,155</b>	<b>250,684,079,440</b>
		<b>376,700,765,640</b>	<b>359,535,931,681</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>19 Deposits and other accounts</b>			
<b>Current/Al-wadeeah current accounts and other accounts</b>			
Current/Al-wadeeah current deposits		16,395,596,790	14,631,129,902
Foreign currency deposits		2,768,926,989	2,658,297,921
Sundry deposits	19.1	57,563,443,436	49,475,107,129
		<b>76,727,967,216</b>	<b>66,764,534,952</b>
<b>Bills payable</b>			
Payment order issued		3,263,051,901	3,936,386,516
Demand draft		3,947,413	3,947,413
		<b>3,266,999,314</b>	<b>3,940,333,929</b>
<b>Savings bank/Mudaraba savings bank deposits</b>		<b>43,073,012,405</b>	<b>38,060,936,493</b>
<b>Fixed deposits/Mudaraba fixed deposits</b>			
Fixed deposits/Mudaraba fixed deposits		182,435,376,228	185,307,272,285
Special notice/Mudaraba special notice deposits		48,966,520,363	42,280,757,873
Scheme deposits		19,672,451,340	20,162,300,947
Interest payable on FDR/Scheme		2,535,899,224	3,383,748,334
		<b>253,610,247,155</b>	<b>251,134,079,440</b>
		<b>376,678,226,090</b>	<b>359,899,884,814</b>
<b>19.1 Sundry deposits</b>			
Margin under letter of credit		4,830,871,728	3,771,935,431
Margin against IBP		674,624	58,638,498
Margin against FBP		61,392,275	104,093,699
Margin under letter of guarantee		1,257,561,580	1,460,567,929
Margin against time loan to issue pay order		35,918,064	65,571,214
Deposit held against FDBP/IDBP, export bills etc.		43,709,364	73,234,063
FC held against EDF L/C and LTFF/GTF		36,408,404,248	30,111,738,188
Accounts payable		557,492	1,017,058
Telegraphic transfer		913,716	913,716
Margin on acceptance		13,055,877,543	12,610,041,349
Export proceeds awaiting disposal		1,273,555,803	654,314,769
Remittance awaiting disposal		6,933,485	7,341,384
Others		587,073,513	555,699,831
		<b>57,563,443,436</b>	<b>49,475,107,129</b>
<b>19.2 Deposits from banks and others</b>			
Inter-bank deposits	19.3	1,991,206,521	9,683,266,276
Other deposits		374,687,019,569	350,216,618,538
		<b>376,678,226,090</b>	<b>359,899,884,814</b>
<b>19.3 Inter-bank deposits</b>			
AB Bank Limited		53,023	54,030
Al-Arafa Islami Bank Limited		338,365,102	1,625,506,362
Bank Asia Limited		40	2,000,000,345
Citibank N.A.		1,991,307	39,861,604
Dutch Bangla Bank Limited		-	2,500,000,000
EXIM Bank Limited		2,748,013	483,513
First Security Islami Bank Limited		165,211	165,717
IFIC Bank Limited		276,024	273,191
Islami Bank Bangladesh Limited		8,845,071	8,769,024
Meghna Bank Limited		6,997	860
Mercantile Bank Limited		39,236	4,241,535
Mutual Trust Bank Limited		644,867	646,057
NRB Commercial Bank Limited		15,792,106	31,807,087
Pubali Bank Limited		-	750,000,000
State Bank of India		400,000,000	300,000,000
Shahjalal Islami Bank Limited		8,180,899	7,465,982
Standard Chartered Bank		200,000,000	200,000,000
Social Islami Bank Limited (SIBL)		3,370,944	3,344,508
The City Bank Limited		10,727,681	10,646,463
United Commercial Bank Limited		1,000,000,000	1,000,000,000
Uttara Bank Limited		-	1,200,000,000
		<b>1,991,206,521</b>	<b>9,683,266,276</b>



Particulars	Note	Amount in Taka	
		2021	2020
<b>19.4 Sector-wise deposits</b>			
Government		8,468,209,778	10,099,476,538
Deposit money banks		1,991,206,521	9,683,266,276
Other public		22,614,689,706	21,535,957,358
Foreign currency		39,177,331,238	2,245,720,330
Private		304,426,788,848	316,335,464,312
		<b>376,678,226,090</b>	<b>359,899,884,814</b>
<b>19.5 Unclaimed Deposits and valuables</b>			
Payment Order		74,780	2,079,973
		<b>74,780</b>	<b>2,079,973</b>
<b>19.6 Analysis of residual maturity grouping of deposits</b>			
<b>Inter-bank deposits:</b>			
Payable on demand		268,630,000	1,650,400,000
Within one month		922,576,521	6,700,000,000
More than one month but less than six months		800,000,000	1,332,866,276
More than six months but less than one year		-	-
More than one year but less than five years		-	-
More than five years but less than ten years		-	-
		<b>1,991,206,521</b>	<b>9,683,266,276</b>
<b>Other Deposits:</b>			
Payable on demand		7,328,394,226	10,800,000,000
Within one month		54,066,215,931	46,054,200,000
More than one month but less than six months		97,833,575,955	81,140,853,724
More than six months but less than one year		77,609,764,727	85,516,880,000
More than one year but less than five years		107,956,290,572	107,702,800,000
More than five years but less than ten years		29,816,754,862	19,001,884,814
		<b>374,610,996,274</b>	<b>350,216,618,538</b>
		<b>376,602,202,795</b>	<b>359,899,884,814</b>
<b>20 Consolidated other liabilities</b>			
Southeast Bank Limited	21	50,437,369,154	43,104,754,236
Southeast Bank Capital Services Limited		704,648,323	405,889,783
Southeast Exchange Company (South Africa) Pty Ltd		64,979,923	37,294,566
		<b>51,206,997,399</b>	<b>43,547,938,585</b>
Less: Inter company balance eliminated		-	2,105,223
		<b>51,206,997,399</b>	<b>43,545,833,362</b>
<b>21 Other liabilities</b>			
Provision for loans and advances/investments	21.1	26,228,765,213	23,862,771,455
Interest suspense account	21.2	13,547,602,739	10,741,106,029
Provision for taxation	21.3	2,943,599,578	2,891,305,423
Lease Liabilities (Right of Use Assets)	21.4	666,939,593	652,822,368
Accrued expenses		32,935,035	14,091,799
Interest payable on borrowings		590,103,314	403,740,977
Accounts payable-Bangladesh Bank		50,566,681	28,186,890
Accounts payable-others		1,348,551,013	1,214,240,145
Provision for diminution in the market value of share	21.7.1	225,000,000	126,200,000
Other provisions	21.5.1	1,690,856,608	1,242,063,914
Unearned income		360,624,135	228,560,194
Branch adjustment	21.6	1,527,919,581	513,771,775
Withholding tax		1,184,657,492	1,163,934,002
Provision for audit fees		1,150,000	1,000,000
Start-up fund	21.8	38,098,172	20,959,266
		<b>50,437,369,154</b>	<b>43,104,754,236</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>21.1 Provision for loans and advances/investments</b>			
<b>A. General</b>			
Balance as at 1 January		3,635,997,855	529,628,000
Add: Provision made during the year			
On standard loans and advances/investments etc.		546,788,082	3,021,347,663
On Special Mention Account (SMA)		3,343,029	15,115,937
		<b>550,131,111</b>	<b>3,036,463,600</b>
Add: General provision due to COVID-19		1,389,792,027	1,161,700,000
Add: Transfer from retained earnings		-	2,487,616,855
Add: Transfer from specific provision against stay order		3,370,780,000	-
Less: Transfer to specific provision		-	(3,579,410,600)
Balance as at 31 December		<b>8,946,700,993</b>	<b>3,635,997,855</b>
<b>B. Specific</b>			
Balance as at 1 January		20,226,773,600	18,243,627,000
Less: Fully provided debt write off during the year		(2,845,444,491)	(2,504,385,038)
Add: Recoveries of amounts previously written off		476,426,541	472,250,468
Add: Specific provision for the year		2,796,304,570	827,466,570
Add: Transfer from general provision		-	3,579,410,600
Add: Transfer from Interest Suspense		-	296,806,000
Less: Transfer to general provision against stay order		(3,370,780,000)	-
Less: Recoveries and provisions no longer required		-	-
Less: Interest waiver during the year		(1,216,000)	(688,402,000)
Net charge to Profit & Loss A/C		<b>(2,944,709,380)</b>	<b>1,983,146,600</b>
Balance as at 31 December		<b>17,282,064,220</b>	<b>20,226,773,600</b>
<b>C. Total provision on loans and advances/investments (A+B)</b>		<b>26,228,765,213</b>	<b>23,862,771,455</b>
<b>21.2 Interest suspense account</b>			
Balance as at 1 January		10,741,106,029	9,294,042,050
Add: Amount transferred to interest suspense account during the year		4,908,746,445	4,103,475,368
		<b>15,649,852,474</b>	<b>13,397,517,418</b>
Less: Amount of interest suspense recovered during the year		1,493,529,394	2,069,153,651
Amount written off during the period		560,229,054	455,969,508
Interest waiver during the period		48,491,286	131,288,230
		<b>2,102,249,734</b>	<b>2,656,411,389</b>
Balance as at 31 December		<b>13,547,602,739</b>	<b>10,741,106,029</b>
<b>21.3 Provision for taxation</b>			
Provision for current tax	21.3.1	2,489,611,591	2,579,162,503
Deferred tax liabilities	21.3.2	453,987,987	312,142,920
		<b>2,943,599,578</b>	<b>2,891,305,423</b>
<b>21.3.1 Provision for current tax</b>			
<b>Provision</b>			
Balance as at 1 January		15,035,654,808	13,985,654,808
Settlement/adjustments for previous years		(5,226,676,355)	-
Provision made for the current year	21.3.1.1	1,250,000,000	1,050,000,000
<b>(A) Balance as at 31 December</b>		<b>11,058,978,453</b>	<b>15,035,654,808</b>
<b>Less: Advance tax</b>			
Balance as at 1 January		12,456,492,305	9,574,518,318
Paid during the year		1,339,550,912	2,881,973,987
Settlement/adjustments for previous years		(5,226,676,355)	-
<b>(B) Balance as at 31 December</b>		<b>8,569,366,862</b>	<b>12,456,492,305</b>
(A-B) Net balance as at 31 December		<b>2,489,611,591</b>	<b>2,579,162,503</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>21.3.1.1 Provision made for the current year</b>			
Provision made during the year		1,250,000,000	1,050,000,000
Less: Excess provision adjustment for prior years		-	-
		<b>1,250,000,000</b>	<b>1,050,000,000</b>
<b>21.3.2 Deferred tax liabilities</b>			
Deferred tax liabilities are attributable to the following:			
Revaluation reserve of land		613,781,394	615,761,213
Revaluation reserve of buildings		121,385,445	125,911,051
Fixed assets- except land and revaluation reserve of buildings	21.3.3.1	(281,282,640)	(437,382,640)
Revaluation reserve of HTM securities	21.3.3.2	8,723,169	10,372,677
Revaluation reserve of HFT securities	21.3.3.3	4,647,619	4,647,619
Deferred tax on right of use assets	21.3.3.4	(13,267,000)	(7,167,000)
		<b>453,987,987</b>	<b>312,142,920</b>

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, by the balance sheet date. Following are the descriptions for each individual item of the deferred tax that are recognised by the Bank as a temporary difference with expected time of realisation.

#### Revaluation reserve of land

As the land is not depreciable and as per local tax rules revaluation gain is not taxable. However, the tax office will charge taxes on capital gain which is the same amount of revaluation gain whether recovered through use or sale. Hence a taxable temporary difference arises against which the Bank recognises deferred tax liabilities. However, the outstanding amount of deferred tax will be automatically released with the disposal of the assets.

#### Revaluation reserve of buildings

Buildings are depreciable assets. Its revalued carrying amount will be recovered through use and this will generate taxable income which exceeds the depreciation that will be allowable for tax purposes in future periods. As a result taxable temporary difference will arise.

#### Fixed assets- except land and revaluation reserve of buildings

Accounting depreciation is not tax allowable expenses. Rather, the tax office will allow tax depreciation as per 3rd Schedule of the Income Tax Ordinance 1984. Hence a temporary difference arises due to the different depreciation rates and methodology against which the Bank recognizes deferred tax. This is an ongoing item as there is a difference between the tax depreciation rate and the accounting depreciation rate. However, the outstanding amount of deferred tax will be automatically released with the expiry of the economic useful life of the assets.

#### Revaluation reserves of HTM and HFT securities

Deferred tax relating to unrealised interest on the revaluation of Held to Maturity (HTM) and Held for Trading (HFT) securities is recognised directly in other reserves as a part of equity and is subsequently recognised in the profit and loss account on maturity of the securities. The deferred tax recognised against this will be fully reversed at the maturity of all related securities.

#### Right of use assets (IFRS-16)

The new lease (IFRS-16) accounting rules has significant impact on the balance sheet and income statements. As under IFRS 16 all leases apart from low value and short term leases are brought on balance. SEBL recognize a ROU asset which is depreciated in a straight line and a lease liability which is discounted under the effective interest method. Resulting in a depreciation and interest expense rather than a rent expense (unde IAS 17). This will typically result in higher lease expenses during the early years of the lease and causes the value of the ROU asset and lease obligation to diverge over the duration of the lease contract. The depreciation and interest expenses are not allowable in tax, other hand rent tax office will allow the rent expenses. Hence temporary differences arise and accordingly deferred tax has been recognized. However, the outstanding amount of deferred tax will be atomically released with the expiry of the lease term.

Particulars	Note	Amount in Taka	
		2021	2020
<b>21.3.3 Movement of deferred tax liabilities</b>			
Balance as at 1 January		312,142,920	403,024,507
Provision made for deferred tax liabilities			
Charged to profit and loss account		150,000,000	(90,700,000)
Charged to revaluation reserve		3,921,875	4,031,290
		<b>153,921,875</b>	<b>(86,668,710)</b>
		<b>466,064,795</b>	<b>316,355,797</b>
Adjustment made during the year for revaluation reserve		(12,076,808)	(4,212,877)
Balance as at 31 December		<b>453,987,987</b>	<b>312,142,920</b>
<b>21.3.3.1 Deferred tax on fixed assets- except land and revaluation reserve of buildings</b>			
Balance as at 1 January		(437,382,640)	(352,382,640)
Charge to profit and loss account		156,100,000	(85,000,000)
Balance as at 31 December		<b>(281,282,640)</b>	<b>(437,382,640)</b>
<b>21.3.3.2 Deferred tax on revaluation reserve of HTM securities</b>			
Balance as at 1 January		10,372,677	10,840,095
Add: Charge to revaluation reserves		3,921,875	3,385,534
Less: Adjustment during the year		(5,571,383)	(3,852,951)
Balance as at 31 December		<b>8,723,169</b>	<b>10,372,677</b>
<b>21.3.3.3 Deferred tax on revaluation reserve of HFT securities</b>			
Balance as at 1 January		4,647,619	4,361,789
Add: Charge to revaluation reserves		-	645,756
Less: Adjustment during the year		-	(359,925)
Balance as at 31 December		<b>4,647,619</b>	<b>4,647,619</b>
<b>21.3.3.4 Deferred tax on right of use assets</b>			
Balance as at 1 January		(7,167,000)	(1,467,000)
Addition during the year		(6,100,000)	(5,700,000)
Adjustment during the year		-	-
Balance as at 31 December		<b>(13,267,000)</b>	<b>(7,167,000)</b>
<b>21.4 Lease Liabilities Right of use (ROU) Assets</b>			
Balance as at 1 January		652,822,368	132,956,073
Addition during the year		187,544,959	665,527,166
Interest charge during the year		46,761,802	37,457,425
		<b>887,129,129</b>	<b>835,940,664</b>
Adjustment during the year		220,189,536	183,118,296
Balance as at 31 December		<b>666,939,593</b>	<b>652,822,368</b>
<b>21.5 Consolidated other provisions charged to profit and loss</b>			
Southeast Bank Limited	21.5.i	448,792,694	200,114,466
Southeast Bank Capital Services Limited		138,452,095	-
		<b>587,244,789</b>	<b>200,114,466</b>
<b>21.5.i Other provisions charged to profit and loss</b>			
Provision for other assets	21.5.1 (A)	51,177,094	60,000,000
Provision for off-balance sheet exposures	21.5.1 (C)	397,615,600	119,155,200
Start-up fund		-	20,959,266
		<b>448,792,694</b>	<b>200,114,466</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>21.5.1 Other Provisions</b>			
A) Provision for other assets			
Balance as at 1 January		288,796,914	228,796,914
Addition during the year		51,177,094	60,000,000
		<b>339,974,008</b>	<b>288,796,914</b>
Adjustment during the year		-	-
Balance as at 31 December		<b>339,974,008</b>	<b>288,796,914</b>
B) Provision for good borrowers			
Balance as at 1 January		22,011,800	22,011,800
Addition during the year		-	-
		<b>22,011,800</b>	<b>22,011,800</b>
Adjustment during the year		-	-
Balance as at 31 December		<b>22,011,800</b>	<b>22,011,800</b>
C) Provision for off-balance sheet exposures			
Balance as at 1 January		931,255,200	812,100,000
Provision made during the year		397,615,600	119,155,200
		<b>1,328,870,800</b>	<b>931,255,200</b>
Adjustments made during the year		-	-
Balance as at 31 December		<b>1,328,870,800</b>	<b>931,255,200</b>
D) Total other provisions (A+B+C)		<b>1,690,856,608</b>	<b>1,242,063,914</b>
<b>21.6 Branch adjustment (credit)</b>			
General accounts debit		810,678,000	602,839,225
General accounts credit		2,338,597,581	1,116,611,000
		<b>1,527,919,581</b>	<b>513,771,775</b>

Branch adjustment account represents outstanding interbranch and head office transactions (net) originated but yet to be responded at balance sheet date. However, the un-respondent entries of 31 December 2021 are given below:

	No. of unrespondent entries		Unrespondent entries (Taka)	
	Debit	Credit	Debit	Credit
Upto 3 months	520	1,529	810,678,000	2,338,597,581
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	<b>520</b>	<b>1,529</b>	<b>810,678,000</b>	<b>2,338,597,581</b>

## 21.7 Consolidated provision for diminution in value of investments

Southeast Bank Limited	21.7.1	243,314,855	(117,063,786)
Southeast Bank Capital Services Limited		(153,692,107)	-
Balance as at 31 December		<b>89,622,748</b>	<b>(117,063,786)</b>

### 21.7.1 Provision for diminution in value of investments

Balance as at 1 January	126,200,000	684,270,141
Adjustments made for loss of sales of shares during the year	(144,514,855)	(441,006,355)
Provision made during the year (Charge to the profit and loss)	243,314,855	(117,063,786)
Balance as at 31 December	<b>225,000,000</b>	<b>126,200,000</b>

## 21.8 Start-up fund

Balance as on 1 January	20,959,266	-
Addition during the year 1% of net profit*	17,138,906	20,959,266
Balance as at 31 December	<b>38,098,172</b>	<b>20,959,266</b>

\*In compliance with SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, Southeast Bank Limited has maintained Start-up Fund from December 31, 2020. In the year 2020 the bank has contributed an amount of BDT 2.09 crore (1% of net profit of FY 2020 BDT 209.59 crore) and in 2021 an amount of BDT 1.71 crore (1% of net profit of FY 2021 BDT 171.38 crore). The objective of this fund is to provide loan facilities to the start-up entrepreneurs as per aforesaid circular. In the year 2020 Start-up Fund has been charged to the profit and loss accounts as other provision.



Particulars	Note	Amount in Taka	
		2021	2020
<b>22 Share Capital</b>			
<b>22.1 Authorised</b>			
<u>1,500,000,000</u> Ordinary shares of Tk 10 each		<b>15,000,000,000</b>	<b>15,000,000,000</b>
<b>22.2 Issued, subscribed and paid up</b>			
378,164,970 ordinary shares of Tk 10 each issued for cash		3,781,649,700	3,781,649,700
<u>810,775,551</u> ordinary shares of Tk 10 each issued as bonus shares		8,107,755,510	8,107,755,510
<u>1,188,940,521</u>		<b>11,889,405,210</b>	<b>11,889,405,210</b>
<b>22.2.1 Reconciliation of number of shares</b>			
Balance as at 1 January		1,188,940,521	1,159,941,972
Issue of bonus shares		-	28,998,549
Stock split (1:10)		-	-
Balance as at 31 December		<b>1,188,940,521</b>	<b>1,188,940,521</b>
<b>22.3 Dividends</b>			
The following dividends were declared and paid by the Bank for the year ended 31 December.			
1.00 Taka (Cash 1.00 dividend) per ordinary share for 2020 and 1.00 Taka per (Cash 0.75 and Stock 0.25 dividend) ordinary share for 2019		<b>1,188,940,521</b>	<b>1,159,941,972</b>
After the end of the reporting period, the following dividends were proposed by the directors. The dividends have not been provided for and no tax consequences.			
1.20 Taka (Cash 0.80 and Stock 0.40 Dividend) per ordinary share for 2021 and 1.00 Taka (Cash 1.0 dividend) per ordinary share for 2020.		<b>1,426,728,625</b>	<b>1,188,940,521</b>

**22.3.1 Summary of unclaimed dividends**

Unclaimed dividend as on 31 December 2021 was an amount of BDT **41,849,997** against nos. of 75,928 shareholders, including an amount of BDT **21,177,094** against nos of 66,171 shareholders have deposited to the Capital Market Stabilization Fund (CMSF) as per instruction of Bangladesh Securities and Exchange Commission (BSEC) letter no. SEC/SRMIC/165-2020/ part-1/166 dated July 06, 2021.

## 22.4 Share capital at a glance from inception

Year	Particulars	Number of shares	Capital amount (Taka)	Cumulative (Taka)
1995	Opening / Sponsors Capital	1,000,000	100,000,000	100,000,000
1996	None	-	-	100,000,000
1997	25% Stock Dividend	250,000	25,000,000	125,000,000
1998	20% Stock Dividend	250,000	25,000,000	150,000,000
1999	Initial Public Offer (IPO)	1,500,000	150,000,000	300,000,000
2000	10% Stock Dividend	300,000	30,000,000	330,000,000
2001	10% Stock Dividend	330,000	33,000,000	363,000,000
2002	10% Stock Dividend	363,000	36,300,000	399,300,000
2003	Right Issue @ 1:2	1,650,000	165,000,000	564,300,000
	20% Stock Dividend	1,128,600	112,860,000	677,160,000
2004	30% Stock Dividend	2,031,480	203,148,000	880,308,000
2005	20% Stock Dividend	1,760,616	176,061,600	1,056,369,600
2006	Right Issue @1:1	10,563,696	1,056,369,600	2,112,739,200
	8% Stock Dividend	1,690,191	169,019,100	2,281,758,300
2007	25% Stock Dividend	5,704,395	570,439,500	2,852,197,800
2008	20% Stock Dividend	5,704,395	570,439,500	3,422,637,300
2009	35% Stock Dividend	11,979,230	1,197,923,000	4,620,560,300
2010	Right Issue @1:2	23,102,801	2,310,280,100	6,930,840,400
	20% Stock Dividend	13,861,680	1,386,168,000	8,317,008,400
2011	Stock split (1:10)	748,530,756	-	8,317,008,400
	5% Stock Dividend	41,585,042	415,850,420	8,732,858,820
2012	None	-	-	8,732,858,820
2013	5% Stock Dividend	43,664,294	436,642,940	9,169,501,760
2014	None	-	-	9,169,501,760
2015	None	-	-	9,169,501,760
2016	None	-	-	9,169,501,760
2017	15% Stock Dividend	137,542,526	1,375,425,260	10,544,927,020
2018	10% Stock Dividend	105,449,270	1,054,492,700	11,599,419,720
2019	2.5% Stock Dividend	28,998,549	289,985,490	11,889,405,210
2020	None	-	-	11,889,405,210

## 22.5 Classification of shareholders by holding

	Number of holders		% of total holding	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Less than 500 shares	7,823	8,578	0.11	0.12
501 to 5,000 shares	16,573	15,589	2.62	2.52
5,001 to 10,000 shares	2,930	3,182	1.80	1.88
10,001 to 20,000 shares	1,786	2,043	2.18	2.43
20,001 to 30,000 shares	637	727	1.33	1.50
30,001 to 40,000 shares	315	419	0.93	1.23
40,001 to 50,000 shares	223	236	0.87	0.90
50,001 to 1,00,000 shares	389	492	2.36	2.92
1,00,001 to 10,00,000 shares	386	482	8.63	10.90
Over 10,00,000 shares	113	133	79.18	75.60
	<b>31,175</b>	<b>31,881</b>	<b>100.00</b>	<b>100.00</b>

## 22.6 Initial public offer (IPO)

Out of the total issued, subscribed and fully paid up capital of the bank 1,500,000 (after stock split: 15,000,000) ordinary shares of Tk 100 (after stock split: Tk. 10) each amounting to Tk 150,000,000 was raised through public offering on shares in 1999.

**22.7 Name of the Directors and their shareholdings in the year 31 December 2021**

Sl. No.	Name of the directors	Status	As at 1 January 2021	As at 31 December 2021
1	Mr. Alamgir Kabir, FCA	Chairman	26,709,202	26,709,202
2	Mrs. Duluma Ahmed	Vice Chairperson	24,743,159	23,897,705
3	Mr. M. A. Kashem	Director	26,330,640	26,330,640
4	Mr. Azim Uddin Ahmed	Director	33,051,923	23,897,705
5	Mrs. Jusna Ara Kashem	Director	23,779,485	23,779,485
6	Mrs. Rehana Rahman	Director	24,433,788	24,433,788
7	Mr. Md. Akikur Rahman	Director	31,764,465	31,865,465
8	Mr. Raiyan Kabir	Director	24,458,937	24,458,937
9	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Limited)	Director	27,950,000	27,950,000
10	Mr. Syed Sajedul Karim	Independent Director	-	-
11	Dr. Quazi Mesbahuddin Ahmed	Independent Director	-	-
12	Mr. Mohammad Delwar Husain	Independent Director	-	-
13	Mr. M. Kamal Hossain	Managing Director	-	-
			<b>243,221,599</b>	<b>233,322,927</b>

Particulars	Note	Amount in Taka	
		2021	2020

**22.8 Capital to Risk weighted Asset Ratio (CRAR) of the Bank**

The calculation of CRAR has been done as per BRPD Circular no. 07 dated 31 March 2014 and the Basel-III guideline December 2014 vide BRPD Circular no. 18 dated 21 December 2014.

**Common equity Tier-1 capital (Going Concern Capital)**

Paid up capital	22.2	11,889,405,210	11,889,405,210
Share premium		-	-
Statutory reserve	23	11,889,405,210	11,580,478,928
Other reserve	25	247,650,000	247,650,000
Retained earnings	28	1,435,793,110	1,190,000,000
		<b>25,462,253,530</b>	<b>24,907,534,138</b>

Add: Additional Tier 1 capital

Less: Regulatory adjustments

**A) Total common equity Tier 1 capital****Tier 2 Capital (Gone -Concern Capital)**

Subordinated bond		9,000,000,000	11,000,000,000
General provision maintained against unclassified loan/investments		8,946,700,993	3,635,997,855
General provision on off-balance sheet items		1,328,870,800	931,255,200
		<b>19,275,571,793</b>	<b>15,567,253,055</b>
Less: Regulatory adjustments		-	-
Total Tier 2 capital available		<b>19,275,571,793</b>	<b>15,567,253,055</b>
Less: Excess amount over maximum limit of Tier-2		<b>3,402,331,962</b>	-
Total Tier 2 capital (Maximum Limit of Tier-2 Capital)		<b>15,873,239,831</b>	<b>15,567,253,055</b>

**B) Total capital****C) Risk Weighted Assets (RWA)**

Credit Risk			
On-balance sheet		205,489,230,272	215,051,106,873
Off-balance sheet		49,028,703,044	24,525,321,227
		<b>254,517,933,315</b>	<b>239,576,428,100</b>
Market risk		13,336,991,090	13,061,256,153
Operational risk		24,864,351,980	24,412,432,152
Total RWA		<b>292,719,276,385</b>	<b>277,050,116,404</b>

**D) Required common equity Tier 1 Capital**

Required Tier 1 Capital 6% (2020: 6%) of RWA

**E) Required total capital 12.50% (2020: 12.50%) of RWA****F) Surplus common equity Tier 1 Capital(A-D)****G) Surplus total capital (B-E)****Capital to risk-weighted assets ratio:**

On common equity Tier 1 capital against standard of minimum 4.5%	<b>8.60%</b>	<b>8.90%</b>
On Tier 1 capital - against standard of minimum 6%	<b>8.60%</b>	<b>8.90%</b>
On total capital - against standard of minimum 12.50% (2020:12.50%)	<b>14.02%</b>	<b>14.52%</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>22.9 Leverage Ratio of the Bank</b>			
A) Tier 1 capital considering all regulatory adjustments		25,175,318,158	24,669,452,096
B) On-balance sheet exposure		477,206,296,888	444,855,602,047
C) Off-balance sheet exposure		96,012,788,846	64,424,584,915
D) Deduction from on and off balance sheet exposure/Regulatory adjustment		286,935,372	238,082,042
E) Total exposure (B+C-D)		<b>572,932,150,362</b>	<b>509,042,104,920</b>
<b>Leverage ratio (A/E)</b>		<b>4.39%</b>	<b>4.85%</b>
<b>Liquidity coverage ratio</b>		<b>118.93%</b>	<b>116.37%</b>
<b>Net stable funding ratio</b>		<b>121.76%</b>	<b>106.51%</b>
<b>22.10 Capital to Risk weighted Asset Ratio (CRAR) of the Group</b>			
<b>Common Equity Tier 1 Capital</b>			
Paid up capital	22.2	11,889,405,210	11,889,405,210
Share premium		-	-
Statutory reserve	23	11,889,405,210	11,580,478,928
Other reserve	25	247,650,000	247,650,000
Non- controlling interest	29	10,378,564	10,201,511
Retained earnings	27	1,636,562,805	1,315,624,550
		<b>25,673,401,789</b>	<b>25,043,360,199</b>
Add: Additional Tier 1 capital		-	-
Less: Regulatory adjustments		286,935,372	238,082,042
<b>A) Total common equity Tier 1 capital</b>		<b>25,386,466,417</b>	<b>24,805,278,157</b>
<b>Tier 2 capital (Gone- Concern Capital)</b>			
Subordinated bond		9,000,000,000	11,000,000,000
General provision maintained against unclassified loan/investments		8,946,700,993	3,635,997,855
General provision on off-balance sheet items		1,328,870,800	931,255,200
		<b>19,275,571,793</b>	<b>15,567,253,055</b>
Less: Regulatory adjustments		-	-
Total Tier 2 capital available		<b>19,275,571,793</b>	<b>15,567,253,055</b>
Less: Excess amount over maximum limit of T-2		<b>3,334,965,338</b>	-
Total Tier 2 capital (Maximum Limit of Tier-2 Capital)		<b>15,940,606,455</b>	<b>15,567,253,055</b>
<b>B) Total capital</b>		<b>41,327,072,872</b>	<b>40,372,531,212</b>
<b>C) Risk weighted assets (RWA)</b>			
Credit risk			
On-balance sheet		202,686,972,813	211,372,679,188
Off-balance sheet		49,028,703,044	24,525,321,227
		<b>251,715,675,857</b>	<b>235,898,000,415</b>
Market risk		21,225,076,768	20,764,051,363
Operational risk		25,192,872,099	24,730,786,751
Total RWA		<b>298,133,624,724</b>	<b>281,392,838,529</b>
<b>D) Required common equity Tier 1 capital</b>		<b>13,416,013,113</b>	<b>12,662,677,734</b>
<b>Required Tier 1 capital 6% (2020: 6%) of RWA</b>		<b>17,888,017,483</b>	<b>16,883,570,312</b>
<b>E) Required total capital 12.50% (2020: 12.50%) of RWA</b>		<b>37,266,703,090</b>	<b>35,174,104,816</b>
<b>F) Surplus common equity Tier 1 capital (A-D)</b>		<b>11,970,453,304</b>	<b>12,142,600,423</b>
<b>G) Surplus total capital (B-E)</b>		<b>4,060,369,782</b>	<b>5,198,426,395</b>
<b>Capital to risk- weighted asset ratio:</b>			
On common equity Tier 1 capital - against standard of minimum 4.5%		<b>8.52%</b>	<b>8.82%</b>
On Tier 1 capital - against standard of minimum 6%		<b>8.52%</b>	<b>8.82%</b>
On total capital - against standard of minimum 12.50% (2020:12.50%)		<b>13.86%</b>	<b>14.35%</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>22.11 Leverage ratio of the Group</b>			
A) Tier 1 capital considering all regulatory adjustments		25,386,466,417	24,805,278,157
B) On-balance sheet exposure		478,559,895,345	445,066,634,997
C) Off-balance sheet exposure		96,012,788,846	64,424,584,915
D) Deduction from on and off balance sheet exposure/Regulatory adjustment		286,935,372	238,082,042
E) Total exposure (B+C-D)		<b>574,285,748,819</b>	<b>509,253,137,870</b>
<b>Leverage ratio (A/E)</b>		<b>4.42%</b>	<b>4.87%</b>
<b>Liquidity coverage ratio</b>		<b>118.93%</b>	<b>116.37%</b>
<b>Net stable funding ratio</b>		<b>121.76%</b>	<b>106.51%</b>
<b>23 Statutory reserve</b>			
Balance as at 1 January		11,580,478,928	10,969,433,607
Addition during the year		308,926,282	611,045,321
Balance as at 31 December		<b>11,889,405,210</b>	<b>11,580,478,928</b>
<b>24 Revaluation reserve</b>			
<b>Revaluation reserve of land and buildings:</b>			
Balance as at 1 January		4,944,481,764	4,944,481,764
Adjustment during the year		(43,369,500)	-
		<b>4,901,112,264</b>	<b>4,944,481,764</b>
Deferred tax liabilities		(735,166,840)	(741,672,265)
Balance as at 31 December		<b>4,165,945,424</b>	<b>4,202,809,499</b>
<b>Revaluation reserve on HTM securities:</b>			
Balance as at 1 January		32,096,285	27,591,740
Addition during the year		10,458,333	10,750,106
		<b>42,554,618</b>	<b>38,341,845</b>
Adjustment during the year		(6,858,722)	(6,245,560)
		<b>35,695,896</b>	<b>32,096,285</b>
Deferred tax liabilities		(20,264,429)	(14,693,046)
Balance as at 31 December		<b>15,431,467</b>	<b>17,403,239</b>
<b>Revaluation reserve on HFT securities:</b>			
Balance as at 1 January		458,556,544	34,593,291
Addition during the year		1,679,377,893	2,730,442,921
		<b>2,137,934,437</b>	<b>2,765,036,212</b>
Adjustment during the year		(1,979,040,608)	(2,306,479,668)
		<b>158,893,829</b>	<b>458,556,544</b>
Deferred tax liabilities		(6,243,143)	(6,243,143)
Balance as at 31 December		<b>152,650,686</b>	<b>452,313,401</b>
		<b>4,334,027,577</b>	<b>4,672,526,139</b>
<b>25 Other reserve</b>			
<b>General reserve:</b>			
Balance as at 1 January		247,650,000	247,650,000
Addition during the year		-	-
Balance as at 31 December		<b>247,650,000</b>	<b>247,650,000</b>
<b>26 Foreign currency translation reserve</b>			
Balance as at 1 January		(1,919,103)	(8,779,606)
(Adjustments)/addition during the year		(7,798,494)	6,860,503
Balance as at 31 December		<b>(9,717,597)</b>	<b>(1,919,103)</b>

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.



Particulars	Note	Amount in Taka	
		2021	2020
<b>27 Consolidated retained earnings</b>			
Southeast Bank Limited	28	1,435,793,110	1,190,000,000
Southeast Bank Capital Services Limited		168,218,973	71,694,142
Southeast Exchange Company (South Africa) Pty Ltd		32,550,722	53,930,408
		<b>1,636,562,805</b>	<b>1,315,624,550</b>
<b>28 Retained earnings</b>			
<b>Balance as at 1 January</b>		1,190,000,000	3,354,063,270
Currency translation differences		3,538,716	(1,385,732)
Transfer from revaluation reserved		43,369,500	-
Transfer to general provision		-	(2,487,616,855)
		<b>1,236,908,216</b>	<b>865,060,683</b>
Retained surplus for the year		1,387,825,415	1,484,881,286
		<b>2,624,733,631</b>	<b>2,349,941,969</b>
<b>Less:</b>			
Issue of bonus share		-	289,985,490
Cash dividend paid		1,188,940,521	869,956,479
		<b>1,188,940,521</b>	<b>1,159,941,969</b>
<b>Retained earnings carried forward</b>		<b>1,435,793,110</b>	<b>1,190,000,000</b>
<b>29 Non-controlling interest</b>			
Paid up capital		5,500,000,000	5,500,000,000
Retained earnings		168,527,531	71,825,648
Total net assets		<b>5,668,527,531</b>	<b>5,571,825,648</b>
Non-controlling interest 0.183091% (2020:0.183091%) of net assets		<b>10,378,564</b>	<b>10,201,511</b>
Non-controlling interest arises only for Southeast Bank Capital Services Limited since other one is wholly owned by Southeast Bank Limited.			
<b>30 Contingent liabilities</b>			
<b>30.1 Acceptances and endorsements</b>			
Acceptance under Letters of Credit (LC) - other than back to back		58,334,266,338	35,151,633,948
Acceptance under Letters of Credit -back to back		20,850,816,650	15,936,168,741
		<b>79,185,082,988</b>	<b>51,087,802,689</b>
<b>30.2 Letters of guarantee</b>			
Local		15,945,293,999	16,794,284,847
Foreign		425,199,886	349,480,720
		<b>16,370,493,886</b>	<b>17,143,765,567</b>
<b>30.2.1 Balance for which the Bank is contingently liable in respect of guarantee issued favoring:</b>			
Directors or officers		54,783,061	4,783,061
Government		-	-
Banks and other financial institutions		111,780,110	62,959,115
Others		16,203,930,715	17,076,023,391
		<b>16,370,493,886</b>	<b>17,143,765,567</b>
<b>30.3 Irrevocable Letters of Credit (L/C)</b>			
Back to back L/C		23,386,786,494	13,067,856,366
Others		29,573,566,484	24,107,884,577
		<b>52,960,352,978</b>	<b>37,175,740,943</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>30.4 Bills for collection</b>			
Local		20,768,241,051	15,798,359,855
Foreign		20,603,185,894	15,599,934,838
		<b>41,371,426,945</b>	<b>31,398,294,693</b>
<b>30.5 Other contingent liabilities</b>			
Value of Bangladesh Sanchaypatra & others		<b>1,869,264,000</b>	<b>1,931,650,000</b>
<b>31 Income statement</b>			
<b>Income:</b>			
Interest, discount and similar income		23,072,706,598	26,615,905,816
Dividend income		438,665,162	158,163,234
Fees, commission and brokerage		2,618,049,713	2,259,032,362
Gains less losses arising from dealing securities		1,887,780,031	2,052,409,635
Gains less losses arising from investment securities		168,836,671	96,263,198
Gains less losses arising from dealing in foreign currencies		1,201,946,944	1,191,681,547
Other operating income		1,041,696,492	988,848,766
		<b>30,429,681,611</b>	<b>33,362,304,558</b>
<b>Expenses:</b>			
Interest, fees and commission		16,015,529,780	19,810,562,829
Administrative expenses		3,643,438,661	3,315,468,761
Other operating expenses		1,433,469,161	1,416,744,024
Depreciation on banking assets		795,018,149	655,621,487
		<b>21,887,455,751</b>	<b>25,198,397,101</b>
Income over expenses		<b>8,542,225,860</b>	<b>8,163,907,457</b>
<b>32 Consolidated interest income/profit on investments</b>			
Southeast Bank Limited	33	18,859,173,740	22,219,789,107
Southeast Bank Capital Services Limited		77,414,090	66,805,334
Southeast Exchange Company (South Africa) Pty Ltd		2,905,644	5,387,074
		<b>18,939,493,474</b>	<b>22,291,981,514</b>
Less: Inter company balance eliminated		17,341,714	41,486,931
		<b>18,922,151,760</b>	<b>22,250,494,583</b>
<b>33 Interest income/profit on investments</b>			
<b>Interest on loans and advances (Conventional Banking):</b>			
Interest on loans and advances		17,047,939,369	20,194,541,734
Interest on placement with other banks and financial institutions		380,174,261	507,110,362
Interest on foreign currency balances		65,904,748	44,766,064
		<b>17,494,018,378</b>	<b>20,746,418,160</b>
<b>Profit on investment (Islamic Banking):</b>			
Profit on investments		1,364,951,579	1,399,693,777
Profit on placement with other banks		203,784	73,677,170
		<b>1,365,155,362</b>	<b>1,473,370,947</b>
		<b>18,859,173,740</b>	<b>22,219,789,107</b>
<b>34 Consolidated interest paid/profit shared on deposits and borrowings etc.</b>			
Southeast Bank Limited	35	16,015,529,780	19,810,562,829
Southeast Bank Capital Services Limited		2,400,000	-
		<b>16,017,929,780</b>	<b>19,810,562,829</b>
Less: Inter company balance eliminated		17,341,714	41,486,931
		<b>16,000,588,066</b>	<b>19,769,075,898</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>35 Interest paid/profit shared on deposits and borrowings etc.</b>			
<b>Interest paid on deposits (Conventional Banking):</b>			
Interest on deposits		13,291,826,013	16,944,363,833
Interest on borrowings		1,487,586,197	1,569,156,228
Interest on repurchase agreement (repo)		36,142,079	35,220,339
Interest on refinance		251,797,678	36,671,840
Interest on foreign bank accounts		175,100	4,009,228
		<b>15,067,527,067</b>	<b>18,589,421,466</b>
<b>Profit shared on deposits (Islamic Banking):</b>			
Profit paid on deposits		940,899,353	1,178,592,276
Profit on refinance borrowings		7,103,359	42,549,087
		<b>948,002,713</b>	<b>1,221,141,363</b>
		<b>16,015,529,780</b>	<b>19,810,562,829</b>
<b>36 Consolidated investment income</b>			
Southeast Bank Limited	37	6,708,814,722	6,702,952,777
Southeast Bank Capital Services Limited		369,972,485	101,935,794
		<b>7,078,787,207</b>	<b>6,804,888,571</b>
Less: Inter company balance eliminated		328,619,563	53,997,533
		<b>6,750,167,644</b>	<b>6,750,891,038</b>
<b>37 Investment income</b>			
Interest income from Government securities	37.1	3,803,361,308	3,825,388,786
Capital gain (loss) on Government securities	37.2	1,908,270,183	1,694,589,456
Revaluation gain (loss) on Government securities	37.3	(20,490,152)	357,820,179
Dividend on investment in shares		438,665,162	158,163,234
Gain on sale of investment in shares		168,836,671	96,263,198
Interest income from investment in bonds		410,171,550	570,727,923
		<b>6,708,814,722</b>	<b>6,702,952,777</b>
<b>37.1 Interest income from Government securities</b>			
Interest on treasury bills		-	-
Interest on treasury bonds/T&T bonds		7,127,711,415	4,826,200,210
Interest on Bangladesh Bank bills		-	-
Interest income on Sukuk bonds		14,689,006	-
		<b>7,142,400,421</b>	<b>4,826,200,210</b>
Interest expenses on treasury bills		-	-
Interest expenses on treasury bonds		(3,325,973,186)	(1,000,811,424)
Interest expenses on Sukuk bonds		(13,065,926)	-
		<b>(3,339,039,113)</b>	<b>(1,000,811,424)</b>
Net interest income from Government securities		<b>3,803,361,308</b>	<b>3,825,388,786</b>
<b>37.2 Capital gain on Government securities</b>			
Capital gain on treasury bills		376,614,398	1,379,316,459
Capital gain on treasury bonds/T&T bonds		2,072,544,270	646,839,972
Capital gain on BB bills		-	-
		<b>2,449,158,668</b>	<b>2,026,156,431</b>
Capital loss on treasury bills		(128,378,610)	(40,692,004)
Capital loss on treasury bonds/T&T bonds		(412,509,876)	(290,874,971)
		<b>(540,888,485)</b>	<b>(331,566,975)</b>
Net capital gain on Government securities		<b>1,908,270,183</b>	<b>1,694,589,456</b>
<b>37.3 Revaluation gain (loss) on Government securities</b>			
Revaluation gain on treasury bills		-	-
Revaluation gain on treasury bonds		-	357,904,961
Revaluation gain on Bangladesh Bank bills		-	-
		-	<b>357,904,961</b>
Revaluation loss on treasury bills		(15,298,820)	(84,782)
Revaluation loss on treasury bonds		(5,191,333)	-
Revaluation loss on Bangladesh Bank bills		-	-
		<b>(20,490,152)</b>	<b>(84,782)</b>
Net revaluation gain (loss) on Government securities		<b>(20,490,152)</b>	<b>357,820,179</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>38 Consolidated commission, exchange and brokerage</b>			
Southeast Bank Limited	39	3,819,996,657	3,450,713,908
Southeast Bank Capital Services Limited		56,000	75,000
Southeast Exchange Company (South Africa) Pty Ltd		86,434,093	85,432,753
		<b>3,906,486,750</b>	<b>3,536,221,661</b>
<b>39 Commission, exchange and brokerage</b>			
Commission and brokerage		2,618,049,713	2,259,032,362
Exchange gain (net off exchange loss)	39.1	1,201,946,944	1,191,681,547
		<b>3,819,996,657</b>	<b>3,450,713,908</b>

Commission, fees & Charges received against export and export related services are VAT exempted as per services code-S056 of SRO 189-AIN/2019/46-Mushak, dated- 13 June 2019.

**39.1 Exchange gain (net off exchange loss)**

Exchange gain from revaluation/trade of foreign currency  
Exchange gain from credit card

1,181,502,920	1,176,854,819
20,444,024	14,826,727
<b>1,201,946,944</b>	<b>1,191,681,547</b>

**40 Consolidated other operating income**

Southeast Bank Limited  
Southeast Bank Capital Services Limited

41

1,041,696,492	988,848,766
52,870,928	17,456,110

Less: Inter company balance eliminated

<b>1,094,567,420</b>	<b>1,006,304,876</b>
-	4,273,920
<b>1,094,567,420</b>	<b>1,002,030,956</b>

**41 Other operating income**

Remittance fees  
Service and incidental charges  
Other fees - telephone and postage  
Income from ATM services  
Income from credit card  
Income from retail banking  
Income from Agent Banking  
Other Fees - SWIFT and others  
Income from telecash  
Miscellaneous income

211,396	68,300
68,579,945	84,606,590
51,388,906	44,196,619
38,801,420	43,259,693
287,962,182	243,399,918
5,547,702	8,094,526
454,217	-
242,731,883	216,221,796
10,694,226	7,395,770
335,324,616	341,605,554
<b>1,041,696,492</b>	<b>988,848,766</b>

**42 Consolidated salaries and allowances**

Southeast Bank Limited  
Southeast Bank Capital Services Limited  
Southeast Exchange Company (South Africa) Pty Ltd

43

2,271,027,339	2,038,615,950
15,349,483	13,591,240
19,114,123	13,771,423
<b>2,305,490,945</b>	<b>2,065,978,613</b>

**43 Salaries and allowances**

Basic salary  
Allowances  
Bonus  
Provident fund

1,051,754,671	1,062,297,814
738,521,906	717,925,797
390,913,836	165,775,305
89,836,926	92,617,035
<b>2,271,027,339</b>	<b>2,038,615,950</b>

	Particulars	Note	Amount in Taka	
			2021	2020
<b>44</b>	<b>Consolidated rent, taxes, insurance, electricity etc.</b>			
	Southeast Bank Limited	45	884,929,768	862,560,078
	Southeast Bank Capital Services Limited		2,229,725	12,951,557
	Southeast Exchange Company (South Africa) Pty Ltd		8,158,771	6,667,886
			<b>895,318,264</b>	<b>882,179,521</b>
	Less: Inter company balance eliminated		-	4,273,920
			<b>895,318,264</b>	<b>877,905,601</b>
<b>45</b>	<b>Rent, taxes, insurance, electricity etc.</b>			
	Rent, rates and taxes		515,631,878	517,197,075
	Insurance		268,541,477	249,303,802
	Electricity and lighting		100,756,413	96,059,201
			<b>884,929,768</b>	<b>862,560,078</b>
<b>46</b>	<b>Consolidated postage, stamp, telecommunication etc.</b>			
	Southeast Bank Limited	47	178,181,972	163,733,970
	Southeast Bank Capital Services Limited		249,969	160,393
	Southeast Exchange Company (South Africa) Pty Ltd		311,648	317,651
			<b>178,743,589</b>	<b>164,212,014</b>
<b>47</b>	<b>Postage, stamp, telecommunication etc.</b>			
	Postage		38,966,394	39,383,964
	Telephone /Telex		19,801,642	17,925,533
	FC Charge (Nostro)		10,572,020	10,553,800
	VSAT on-line		47,106,190	44,040,718
	Reuters services		2,045,210	2,385,002
	Other Fees - SWIFT and others		59,690,515	49,444,952
			<b>178,181,972</b>	<b>163,733,970</b>
<b>48</b>	<b>Consolidated stationery, printing, advertisements etc.</b>			
	Southeast Bank Limited	49	172,225,816	156,210,729
	Southeast Bank Capital Services Limited		359,552	156,419
	Southeast Exchange Company (South Africa) Pty Ltd		1,063,889	830,357
			<b>173,649,257</b>	<b>157,197,505</b>
<b>49</b>	<b>Stationery, printing, advertisements etc.</b>			
	General and office stationery		76,759,115	79,008,424
	Printing and security stationery		43,412,511	29,754,976
	Publicity and advertisement		52,054,191	47,447,329
			<b>172,225,816</b>	<b>156,210,729</b>
<b>50</b>	<b>Managing Director's salary and fees</b>			
	Basic salary		4,020,000	4,020,000
	House rent		1,740,000	1,740,000
	House maintenance		900,000	900,000
	Leave fare concession		1,200,000	1,200,000
	Utility		720,000	720,000
	Special allowance		420,000	420,000
	Provident Fund		402,000	402,000
	Bonus		1,005,000	1,005,000
			<b>10,407,000</b>	<b>10,407,000</b>
<b>51</b>	<b>Consolidated directors' fees</b>			
	Southeast Bank Limited (Note 52)	52	3,368,891	2,568,060
	Southeast Bank Capital Services Limited		192,000	120,000
			<b>3,560,891</b>	<b>2,688,060</b>



Particulars	Note	Amount in Taka	
		2021	2020
<b>52 Directors' fees</b>			
Directors' fees		3,240,000	2,376,000
Directors' haltage and travelling		128,891	192,060
		<b>3,368,891</b>	<b>2,568,060</b>
Each Director is paid TK. 8,000/ per meeting per attendance.			
<b>53 Consolidated auditors' fees</b>			
Southeast Bank Limited		1,955,000	1,000,000
Southeast Bank Capital Services Limited		80,500	92,000
Southeast Exchange Company (South Africa) Pty Ltd		987,946	768,327
		<b>3,023,446</b>	<b>1,860,327</b>
<b>54 Consolidated depreciation and repair</b>			
<b>Depreciation:</b>			
Southeast Bank Limited	55	795,018,149	655,621,487
Southeast Bank Capital Services Limited		43,873,393	47,685,555
Southeast Exchange Company (South Africa) Pty Ltd		1,862,074	1,787,785
		<b>840,753,616</b>	<b>705,094,827</b>
<b>Repair:</b>			
Southeast Bank Limited	55	121,342,875	80,372,974
Southeast Bank Capital Services Limited		2,481,813	1,033,784
Southeast Exchange Company (South Africa) Pty Ltd		74,281	178,761
		<b>123,898,968</b>	<b>81,585,518</b>
		<b>964,652,584</b>	<b>786,680,346</b>
<b>55 Depreciation and repair of bank's assets</b>			
<b>A. Depreciation:</b>			
Buildings		52,746,133	56,179,272
Furniture and fixtures		75,190,951	74,461,925
Office appliances		742,097	867,615
Computer		75,841,414	54,940,817
Electrical appliances		113,170,978	105,227,266
ATM Booth		140,077,214	59,836,826
Motor vehicles		18,274,698	20,105,603
		<b>476,043,486</b>	<b>371,619,324</b>
<b>B. Repair &amp; spare parts</b>			
Furniture and fixtures		25,755,716	6,869,459
Office and electrical appliances		33,304,968	31,704,310
Motor vehicles		2,488,742	2,787,610
Repair, maintenance and utilities		59,793,449	39,011,594
		<b>121,342,875</b>	<b>80,372,974</b>
<b>C. Depreciation on right of use (ROU) assets</b>			
		318,974,663	284,002,163
		<b>318,974,663</b>	<b>284,002,163</b>
<b>Total</b>		<b>916,361,024</b>	<b>735,994,461</b>
<b>56 Consolidated other expenses</b>			
Southeast Bank Limited	57	1,432,827,671	1,415,151,724
Southeast Bank Capital Services Limited		13,491,622	6,751,990
Southeast Exchange Company (South Africa) Pty Ltd		19,856,865	15,580,871
		<b>1,466,176,158</b>	<b>1,437,484,585</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>57 Other expenses</b>			
Security and cleaning		211,463,017	222,555,889
Entertainment		73,584,379	53,705,694
Car expenses		173,464,750	210,983,457
Books and periodicals		1,402,888	1,706,940
Subscription		4,911,455	5,533,178
Donation including CSR		155,919,603	237,039,099
Travelling expenses		4,865,212	5,694,744
Finance charge on leased assets		46,761,802	37,585,179
Conveyance		13,034,121	11,707,695
Petrol, oil and lubricant		9,453,271	8,603,774
Training/seminar		881,984	1,212,822
Uniforms and apparels		3,810,660	4,209,226
Medical expenses		881,636	1,136,813
Gratuity and others		366,239,784	344,248,326
Professional expenses		23,336,698	17,182,922
Expenses for CIB report		225,297	131,419
IT enabled services		59,341,194	74,667,539
Loss on sale of fixed assets	57.1	82,357,560	1,518,523
Expenses regarding credit card		70,563,898	63,399,331
Expenses regarding retail banking & agriculture		32,070,108	43,304,593
Expenses regarding call center		3,259,763	3,384,897
Expenses relating to ATM services		64,051,060	41,209,094
Expenses regarding mobile banking services-Telecash		10,163,022	7,964,589
Expenses regarding Agent Banking		2,694,075	-
Provision/(Adjustment) for Impairment loss from investment in subsidiary		-	(2,003,089)
Others operating expenses		18,090,435	18,469,070
		<b>1,432,827,671</b>	<b>1,415,151,724</b>

Expenses incurred by the bank shown in these financial statements are inclusive of VAT where applicable as per VAT and Supplementary Duty Act-2012 and rules-2016.

#### 57.1 Loss on sale of fixed assets

##### Cost:

Land	99,750,000	-
Building	79,876,126	-
Furniture and fixtures	15,339,330	-
Office appliances	-	8,115,208
ATM	-	464,300
Electrical appliances	14,414,506	14,617,251
House Elec. Appliance	-	1,200,000
Motor Vehicle	-	2,209,753
	<b>209,379,962</b>	<b>26,606,512</b>

##### Accumulated depreciation:

Building	34,253,745	-
Furniture and fixtures	9,549,928	5,448,158
ATM	-	353,698
Electrical appliances	12,882,943	13,482,589
House Elec. Appliance	-	808,204
Motor Vehicle	-	920,725
	<b>56,686,616</b>	<b>21,013,374</b>

##### Written down value

Sale proceeds of the above fixed assets	152,693,346	5,593,138
	70,335,786	4,074,615
<b>Loss on sale of fixed assets</b>	<b>(82,357,560)</b>	<b>(1,518,523)</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>58 Consolidated provision for taxation</b>			
<b>Current tax:</b>			
Southeast Bank Limited	59	1,250,000,000	1,050,000,000
Southeast Bank Capital Services Limited		63,143,576	33,329,994
Southeast Exchange Company (South Africa) Pty Ltd		10,584,976	14,146,358
		<b>1,323,728,552</b>	<b>1,097,476,351</b>
<b>Deferred tax:</b>			
Southeast Bank Limited	59	150,000,000	(90,700,000)
Southeast Exchange Company (South Africa) Pty Ltd		-	-
		<b>150,000,000</b>	<b>(90,700,000)</b>
		<b>1,473,728,552</b>	<b>1,006,776,351</b>
<b>59 Provision for taxation</b>			
Current tax		1,250,000,000	1,050,000,000
Deferred tax		150,000,000	(90,700,000)
		<b>1,400,000,000</b>	<b>959,300,000</b>
<b>59.1 Reconciliation of effective tax rate (Bank)</b>			
<b>Dec 2021</b>		<b>%</b>	<b>Taka</b>
Profit before taxation as per profit and loss account			3,113,890,603
Income tax as per applicable tax rate		37.50%	1,167,708,976
Factors affecting the tax charge for current year			
Non deductible expenses		76.70%	2,388,240,340
Deductible expenses		-46.57%	(1,450,267,842)
Tax exempt income		-22.98%	(715,601,319)
Tax savings from reduced tax rates for dividend		-2.47%	(76,766,403)
Tax savings for capital loss		-2.03%	(63,313,752)
Change in taxable temporary difference		4.82%	150,000,000
		<b>44.96%</b>	<b>1,400,000,000</b>
<b>Dec 2020</b>		<b>%</b>	<b>Taka</b>
Profit before taxation as per profit and loss account			3,055,226,607
Income tax as per applicable tax rate		37.50%	1,145,709,978
Factors affecting the tax charge for current year			
Non deductible expenses		78.97%	2,412,682,485
Deductible expenses		-53.38%	(1,630,836,308)
Tax exempt income		-26.64%	(813,778,890)
Tax savings from reduced tax rates for dividend		-0.91%	(27,678,566)
Tax savings for capital loss		-1.18%	(36,098,699)
Change in taxable temporary difference		-2.97%	(90,700,000)
Total income tax expenses		<b>31.40%</b>	<b>959,300,000</b>
<b>60 Consolidated cash received from other operating activities</b>			
Southeast Bank Limited	61	3,118,803,346	2,779,701,420
Southeast Bank Capital Services Limited		52,870,928	55,358,795
		<b>3,171,674,274</b>	<b>2,835,060,215</b>
<b>61 Cash received from other operating activities</b>			
Remittance fees		211,396	68,300
Service and incidental charges		68,579,945	84,606,590
Other Fees-Telephone and Postage		51,388,906	44,196,619
Income from ATM services		38,801,420	43,259,693
Income from Credit Card		287,962,182	243,399,918
Other Fees - SWIFT and others		242,731,883	216,221,796
Income from Retail Banking		5,547,702	8,094,526
Income form Agent Banking		454,217	-
Income from Telecash		10,694,226	7,395,770
Miscellaneous income		335,324,616	341,605,554
Capital gain (loss) on Government securities		1,908,270,183	1,694,589,456
Gain on sale of investment in shares		168,836,671	96,263,198
		<b>3,118,803,346</b>	<b>2,779,701,420</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>62 Consolidated payments for other operating activities</b>			
Southeast Bank Limited	63	2,682,790,399	2,479,508,845
Southeast Bank Capital Services Limited		19,085,181	21,266,143
Southeast Exchange Company (South Africa) Pty Ltd		9,608,588	7,994,655
		<b>2,711,484,168</b>	<b>2,508,769,642</b>
<b>63 Payments for other operating activities</b>			
Rent rates and taxes		944,472,500	813,086,728
Postage		178,181,972	163,733,970
Directors' fees		3,368,891	2,568,060
Repairs		121,342,875	80,372,974
Legal expense		641,490	1,592,300
Audit fees		1,955,000	1,000,000
Other expenses		1,432,827,671	1,417,154,813
		<b>2,682,790,399</b>	<b>2,479,508,845</b>
<b>64 Consolidated earnings per share</b>			
Net profit after tax for the period ended 31 December (Taka)		1,784,121,035	2,148,969,893
Number of ordinary shares outstanding		1,188,940,521	1,188,940,521
Earnings per share (EPS) (Taka)*		1.50	1.81
<b>65 Earnings per share</b>			
Net profit after tax for the period ended 31 December (Taka)		1,713,890,603	2,095,926,607
Number of ordinary shares outstanding		1,188,940,521	1,188,940,521
Earnings per share (EPS) (Taka)*		1.44	1.76
*Earnings per share has been calculated in accordance with IAS 33: Earnings Per Share (EPS).			
<b>66 Consolidated net assets value (NAV) per share</b>			
Net Asset Value (NAV)		29,987,333,205	29,703,765,724
Number of ordinary shares outstanding		1,188,940,521	1,188,940,521
Net Asset Value (NAV) per share		25.22	24.98
<b>67 Net Assets Value (NAV) per share</b>			
Net Asset Value (NAV)		29,796,281,107	29,580,060,277
Number of ordinary shares outstanding		1,188,940,521	1,188,940,521
Net Asset Value (NAV) per share		25.06	24.88
<b>68 Consolidated net operating cash flow per share (NOCFPS)</b>			
Net Operating Cash Flow		21,267,791,969	11,347,563,532
Number of ordinary shares outstanding		1,188,940,521	1,188,940,521
Net Operating Cash Flow per share (NOCFPS)		17.89	9.54
<b>69 Net Operating Cash Flow per share (NOCFPS)</b>			
Net Operating Cash Flow		21,251,078,798	11,368,883,889
Number of ordinary shares outstanding		1,188,940,521	1,188,940,521
Net Operating Cash Flow per share (NOCFPS)		17.87	9.56

\*Net operating cash flow per share (NOCFPS) increased due to increase in receipts of net interest and fees & commission income as compare to the last year.

## 70 Group entities

Name of Subsidiary	Country of incorporation	Ownership interest %	
		Dec 2021	Dec 2020
Southeast Bank Capital Services Limited	Bangladesh	99.816909	99.816909
Southeast Exchange Company (South Africa) Pty Ltd	South Africa	100	100

## 71 General

### 71.1 Audit Committee

The Audit Committee is an important functional Committee of the Board of Directors of the Bank. It is assigned with oversight of financial reporting, disclosure, regulatory compliance and disciplined banking operation complying with the rules and norms of banking.

#### Feature and composition

The Audit Committee was last re-constituted by the Board of Directors in its 636<sup>th</sup> meeting held on September 02, 2021 in accordance with the Corporate Governance Code issued by BSEC on June 03, 2018 and Bangladesh Bank's BRPD circular no.11, dated October 27, 2013. The composition of the present members of the Audit Committee in 2021 is given below:

Sl. No.	Name	Position	Meetings held	Attendance	Remarks
1	Mr. Syed Sajedul Karim Independent Director (re appointed on 29-08-2021)	Chairman	3	3	Mr. Azim Uddin Ahmed, Mr. Raiyan Kabir and Mr. Mohammad Delwar Husain, all of them are included as member in the Audit Committee on 02/09/2021.
2	Mr. Azim Uddin Ahmed	Member	1	1	
3	Mr. Raiyan Kabir	Member	1	1	
4	Dr. Quazi Mesbahuddin Ahmed (Independent Director)	Member	4	4	
5	Mr. Mohammad Delwar Husain (Independent Director)	Member	1	1	

#### Quorum

Presence of 3 (three) members including one Independent Director constitutes a quorum for holding Audit Committee meeting. The Head of Internal Control and Compliance attended the meetings to present the agenda. On invitation, Senior Executives of the Bank including the Managing Director, Chief Financial Officer (CFO) and Head of Risk Management Division attended the meetings to meet instant queries of the Audit Committee to make its decisions fact-based. In addition, Heads of Branches, whose audit reports were placed to the Audit Committee were also present in the meetings to respond to the issues raised in the reports of Internal Control and Compliance Division and Bangladesh Bank.

#### The academic qualifications of the members of the Audit Committee are given below:

Sl. No.	Name	Status in the Board	Status in the committee	Educational Qualification
1	Mr. Syed Sajedul Karim	Independent Director	Chairman	B.A (Hons), M.A.
2	Mr. Azim Uddin Ahmed	Director	Member	Graduate
3	Mr. Raiyan Kabir	Director	Member	BBA (Major in Finance), M.Com. (Advance Accounting)
4	Dr. Quazi Mesbahuddin Ahmed	Independent Director	Member	B.A (Hons), M.A., MEC, MSC., Phd in Economics
5	Mr. Mohammad Delwar Husain	Independent Director	Member	B.A (Hons), M.A. in Economics

#### Terms of reference of the Audit Committee

- Board shall appoint Non-Executive directors of the Bank as members of the Audit Committee excepting Chairman of the Board.
- Mr. Syed Sajedul Karim, in his capacity as the Independent Director, shall be the Chairman of the Audit Committee.
- Presence of 03 (three) members shall form a quorum.
- The quorum of the Audit Committee meeting shall require presence of at least 1 (one) Independent Director.
- The tenure of office of the Audit Committee shall be for 3 years.
- The Company Secretary shall act as Secretary to the Audit Committee.
- The terms of reference of the Audit Committee shall also be as specified in the BRPD Circular No.11 dated October 27, 2013 of Bangladesh Bank and provisions contained in Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 of Bangladesh Securities and Exchange Commission (BSEC), dated 03 June, 2018.
- Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).

#### Charter of the Audit Committee

The Audit Committee is constituted by the Board of Directors for the primary purpose of assisting the Board in:

- Overseeing the integrity of the company's financial statement.
- Overseeing the improvement of corporate governance standard of the company.
- Overseeing the Company's system of disclosure, internal controls and procedure.
- Overseeing Bank's internal control over financial reporting.
- Overseeing Bank's compliance with ethical standards adopted by the Bank.
- Making reports and recommendations to the Board.



### Roles and responsibilities

The role of Audit Committee is to assist the Board in discharging its duties and responsibilities for financial reporting, effective monitoring, corporate governance, internal control, green banking and environmental & climate change risks. The added roles of the Audit Committee include, but not limited to, the following:

- i) Overseeing the financial reporting process.
- ii) Monitoring choice of accounting policies and principles.
- iii) Monitoring Internal Audit and Compliance process including approval of Internal Audit plan.
- iv) Reviewing the Internal Audit and Compliance thereof.
- v) Overseeing hiring and performance of external auditors.
- vi) Reviewing the Annual Financial Statements before submission to the Board for approval or adoption.
- vii) Reviewing the quarterly and half-yearly Financial Statements before submission to the Board for approval.
- viii) Reviewing the financial statements, in particular the investments made by the subsidiary company.
- ix) Reviewing the adequacy of internal audit functions.
- x) Reviewing the Management's Discussion and Analysis before disclosing in the Annual Report
- xi) Overseeing the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.
- xii) Reviewing statement of significant party transactions submitted by the management.
- xiii) Reviewing Management Letters/ Letter of Internal Control Weakness issued by Statutory Auditors.
- xiv) Reviewing the existing Risk Management Policy and procedures to improve the quality of Bank's assets portfolio.
- xv) Reviewing fund raising through Repeat Public Offering/ Rights Issue and its use and application.
- xvi) Monitoring internal control process.
- xvii) Maintaining oversight on regulatory compliance, ethics and whistle-blower hotlines
- xviii) Reviewing Audit Committee's own terms of reference
- xix) Reviewing the compliance status of the Minutes of the Audit Committee Meeting.

### 71.2 Risk Management Committee of the Board of Directors of the Bank

The Bank Company Act-1991 (Amended up to 2018), inter alia, provided for constitution of a Risk Management Committee of the Board of Directors of every Bank. The committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against different risks.

#### Feature and composition

The Risk Management Committee was reconstituted by the Board of Directors in its 636<sup>th</sup> meeting held on September 02, 2021 in accordance with the BRPD circular no. 11, dated October 27, 2013 issued by Bangladesh Bank. The composition of the Risk Management Committee in 2021 is given below:

Sl. No.	Members	Position	Meetings held	Attendance	Remarks
1	Mr. Azim Uddin Ahmed	Chairman	4	4	Mrs. Duluma Ahmed, Mrs. Rehana Rahman and Mr. Md. Akkur Rahman, all of them are included as member in the Risk Management Committee on 02/09/2021.
2	Mrs. Duluma Ahmed	Member	2	2	
3	Mrs. Rehana Rahman	Member	2	2	
4	Mr. Md. Akkur Rahman	Member	2	2	
5	Mr. Syed Sajedul Karim (Independent Director)	Member	4	4	

#### Structure of the Risk Management Committee (RMC)

- 1 Members of the Risk Management Committee were nominated by the Board of Directors from themselves;
- 2 Members have been appointed for 01 (one) year term of office;
- 3 Presence of 3 (three) members in a meeting of the Committee shall form quorum;
- 4 The Company Secretary of the Bank shall act as the Secretary to the Risk Management Committee of the Board.

#### Functions of the Risk Management Committee

The broad functional areas of the Risk Management Committee are the following:

- a Formulating and reviewing risk management policies and strategies for sound risk management.
- b Monitoring implementation of risk management policies and process to ensure effective prevention and control measures.
- c Ensuring construction of adequate organizational structure for managing risks within the Bank.
- d Supervising the activities of Executive Risk Management Committee (ERMC).
- e Ensuring compliance of Bangladesh Bank instructions regarding implementation of core risk management.
- f Ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and approval.
- g Approving adequate record keeping and reporting system and ensuring its proper use.
- h Holding at least four meetings in a year and more if deemed necessary.
- i Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation;

- j Submitting proposal, suggestions and summary of BRMC meetings to the Board of Directors at least on quarterly basis.
- k Complying with instructions issued from time to time by the regulatory body.
- l Analyzing all existing and probable risk issues in the meeting and taking appropriate decisions for risk mitigation.
- m Ensuring sufficient and efficient staff resources for RMD.
- n Establishing standards of ethics and integrity for staff and enforcing these standards.
- o Assessing overall effectiveness of risk management functions on yearly basis.

### 71.3 Related party/(ies)

Particulars of Directors of the Bank as at 31 December

Sl. No.	Name of persons	Designation	Present address	% of shares as at 31 Dec 2021	% of shares as at 31 Dec 2020
1	Mr. Alamgir Kabir, FCA	Chairman	226, Dilu Road, New Eskaton, Dhaka	2.25%	2.25%
2	Mrs. Duluma Ahmed	Vice Chairperson	Plot No.51, Road No.09, Block-F Banani, Dhaka	2.01%	2.08%
3	Mr. M. A. Kashem	Director	73/C, Gulshan Avenue, Gulshan-1 Dhaka-1212	2.21%	2.21%
4	Mr. Azim Uddin Ahmed	Director	Plot No.51, Road No.09, Block-F Banani, Dhaka	2.01%	2.78%
5	Mrs. Jusna Ara Kashem	Director	73/C, Gulshan Avenue, Gulshan-1 Dhaka-1212	2.00%	2.00%
6	Mrs. Rehana Rahman	Director	House No.10, Road No.68, Gulshan-2, Dhaka-1212	2.06%	2.06%
7	Mr. Md. Akikur Rahman	Director	Sonarpara, Nobarun-227, Sylhet	2.68%	2.67%
8	Mr. Raiyan Kabir	Director	226, Dilu Road, New Eskaton, Dhaka	2.06%	2.06%
9	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Ltd.)	Director	1/6, Eskaton Garden, Ramna, Dhaka	2.35%	2.35%
10	Mr. Syed Sajedul Karim	Independent Director	Apartment B/3, House No.08, Road No.121, Gulshan-1, Dhaka-1212	-	-
11	Dr. Quazi Mesbahuddin Ahmed	Independent Director	Flat No.C/3, House No.1, Road No.36, Gulshan-2, Dhaka-1212	-	-
12	Mr. Mohammad Delwar Husain	Independent Director	Flat No.C-1, House No.160, Road No.3, Block-A, Bashundhara R/A, Dhaka-1229	-	-
13	Mr. M. Kamal Hossain	Managing Director	Southeast Bank Limited, Head Office, 52-53 Dilkusha C/A, Dhaka-1000	-	-

\*As per SEC notification no-SEC/CMRRCD/2009-193/119/Admin/34, dated: 22/11/2011; "Each director other than independent director(s)/ nominated director(s) of any listed company shall hold minimum 2% (two percent) shares of the paid-up capital. Otherwise there shall be a casual vacancy of director".

#### 71.3.1 Related party transactions

During the period on December 31, 2021, the Bank concluded business deals with the following organizations in which the directors had interest:

Name of Organization	Relationship	Nature of transaction	Transaction value for the year/period ended		Outstanding balance	
			2021 Taka	2020 Taka	2021 Taka	2020 Taka
Asia Insurance Ltd.	Common Director	Insurance coverage	88,086,953	105,140,072	-	-
Southeast Bank Capital Services Limited	Subsidiary company	Share capital	-	-	5,489,930,000	5,489,930,000
		Saving & Fixed Deposit Account	170,743,029	474,214,410	170,743,029	474,214,410
		Interest on Saving & Fixed Deposit Account	17,341,714	41,486,931	17,341,714	41,486,931
Southeast Exchange Company (South Africa) Pty Ltd.	Subsidiary company	Share capital	-	-	44,211,055	44,211,055
Bay Leasing & Investment Ltd. (Represented by Mr. M. Maniruz Zaman Khan)	Director	Advance rent	-	-	265,200.00	1,060,800
		Office rent	3,250,260	3,250,260	-	-
		Money at call and on short notice	785,000,000	620,000,000	785,000,000	620,000,000
		Fixed deposits Account	1,465,000,000	1,465,000,000	1,465,000,000	1,465,000,000

**71.3.2 Loans and advances to directors and their related concern**

Name of party	Name of the director	Related by	Nature of transaction	Amount in Taka	Status
Monorom Traders	Mr. Azim Uddin Ahmed	Director	Bank Guarantee	4,783,061	Regular
	Mrs. Duluma Ahmed				
A D Holdings & Securities Limited	Mr. Azim Uddin Ahmed	Director	Bank Guarantee	50,000,000	Regular
	Mr. Farzana Azim	Director's Daughter			
Mrs. Duluma Ahmed	Mrs. Duluma Ahmed	Director	Credit Card	22,530	Regular
Mrs. Jusna Ara Kashem	Mrs. Jusna Ara Kashem	Director	Credit Card	21,441	Regular
Mrs. Rehana Rahman	Mrs. Rehana Rahman	Director	Credit Card	134,138	Regular
Mr. Md. Akikur Rahman	Mr. Md. Akikur Rahman	Director	Credit Card	18,709	Regular
Mrs. Farzana Azim	Mr. Azim Uddin Ahmed	Director's Daughter	Credit Card	39,393	Regular

The Bank complies with the requirements of the section 26 (c) of the Banking Companies Act 1991 (amended upto 2018) in connection to the transactions executed with persons related to the Banks.

**71.4 Events after the reporting period**

The Board of Directors in its 657<sup>th</sup> meeting held on April 28, 2022 has recommended cash dividend @ 8% and Stock dividend @ 4% subject to the approval of the shareholders at the next Annual General Meeting.

**71.5 Number of employees**

The number of employees engaged for the whole year or part thereof in 2021 who received a total yearly remuneration of Tk 36,000 or above were 2890 The total number of employees were 2859 in 2020.

**71.6 Share trading**

The Bank started trading its ordinary shares in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) through CDBL from 16 May 2004. The closing market price of the share as on 31 December 2021 was Tk.15.50 (2020: Tk.12.50) for each Tk.10 per value of share at DSE and Tk.15.50 (2020: Tk.12.40) for each Tk.10 per value of share at CSE.

**71.7 Pattern of Shareholding**

Breakup of shareholding pattern as per clause 1.5 (xxi) of Securities and Exchange Commission notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 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 Limited	99.816909% owned by Southeast Bank Limited
2	Southeast Exchange Company (South Africa) Pty Ltd	100% owned by Southeast Bank Limited

**71.8 Highlights on the overall activities of the Bank**

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

Southeast Bank Limited

Annexure-A

**HIGHLIGHTS ON THE OVERALL ACTIVITIES**

As at and for the year ended 31 December 2021

Sl. No.	Particulars	Currency	2021	2020
1	Paid-up capital	Taka	11,889,405,210	11,889,405,210
2	Total capital	Taka	41,048,557,989	40,236,705,151
3	Capital surplus	Taka	4,458,648,441	5,605,440,600
4	Total assets	Taka	494,488,361,108	465,082,375,646
5	Total deposits	Taka	376,678,226,090	359,899,884,814
6	Total loans and advances/investments	Taka	333,504,732,341	320,368,158,870
7	Total contingent liabilities and commitments	Taka	191,756,620,797	138,737,253,892
8	Credit deposit ratio		78.70%	80.26%
9	Percentage of classified loans/investments against total loans and advances/investments		4.81%	3.10%
10	Profit after tax and provision	Taka	1,713,890,603	2,095,926,607
11	Amount of classified loans/investments	Taka	16,035,559,865	9,939,755,293
12	Provisions kept against classified loans/investments	Taka	17,282,064,220	20,226,773,600
13	Provision surplus/(deficit) against classified loans/investments	Taka	(1,187,937,956)	(1,506,061,084)
14	Cost of fund		5.63%	6.79%
15	Interest earning assets	Taka	444,153,558,315	418,109,616,400
16	Non-interest earning assets	Taka	50,334,802,793	46,972,759,246
17	Return on investment (ROI)		0.40%	0.52%
18	Return on assets (ROA) [PAT/ Average assets]		0.36%	0.47%
19	Income from investment	Taka	6,708,814,722	6,702,952,777
20	Capital adequacy		14.02%	14.52%
21	Dividends			
	a) Stock dividends		4.00%	0%
	b) Cash dividends		8.00%	10.00%
22	Earnings per share	Taka	1.44	1.76
23	Net income per share	Taka	1.44	1.76
24	Price earning ratio	Times	10.75	7.06

Southeast Bank Limited and its Subsidiaries

**CONSOLIDATED LIQUIDITY STATEMENT**

(Assets and liabilities maturity analysis)

As at 31 December 2021

Annexure-B

Particulars	Up to 1 month Taka	1-3 months Taka	3-12 months Taka	1-5 years Taka	Above 5 years Taka	Total Taka
<b>Assets:</b>						
Cash in hand	4,113,644,666	-	-	-	-	4,113,644,666
Balance with other banks and financial institutions	1,052,954,986	1,465,000,000	100,000,000	-	14,080,000,000	16,697,954,986
Money at call and on short notice	6,982,100,000	1,118,000,000	430,000,000	-	-	8,530,100,000
Investments	3,652,297,061	3,820,132,800	26,194,783,945	33,947,100,000	45,838,267,003	113,452,580,809
Loans and advances/investments	52,661,213,373	55,800,656,228	95,262,563,055	88,103,978,744	44,500,962,639	336,329,374,039
Fixed assets including premises, furniture and fixtures	-	-	-	2,684,314,335	7,446,106,788	10,130,421,123
Other assets	3,415,098,892	58,427,571	150,569,641	1,951,928,893	1,011,858,946	6,587,883,942
Non banking assets	-	-	-	-	-	-
<b>Total assets (A)</b>	<b>71,877,308,977</b>	<b>62,262,216,599</b>	<b>122,137,916,640</b>	<b>126,687,321,972</b>	<b>112,877,195,376</b>	<b>495,841,959,564</b>
<b>Liabilities:</b>						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	3,575,500,000	5,244,900,000	16,862,684,757	11,253,399,999	1,000,000,000	37,936,484,757
Deposits	61,417,149,707	64,572,248,215	110,871,092,468	107,956,290,572	31,883,984,678	376,700,765,640
Provision and other liabilities	769,628,245	5,763,446,844	-	-	44,673,922,310	51,206,997,399
<b>Total liabilities (B)</b>	<b>65,762,277,952</b>	<b>75,580,595,059</b>	<b>127,733,777,225</b>	<b>119,209,690,572</b>	<b>77,557,906,988</b>	<b>465,844,247,796</b>
<b>Net liquidity gap (A - B)</b>	<b>6,115,031,025</b>	<b>(13,318,378,460)</b>	<b>(5,595,860,585)</b>	<b>7,477,631,400</b>	<b>35,319,288,388</b>	<b>29,997,711,768</b>



Southeast Bank Limited  
**LIQUIDITY STATEMENT**  
 (Assets and liabilities maturity analysis)  
 As at 31 December 2021

Annexure-B.1

Particulars	Up to 1 month Taka	1-3 months Taka	3-12 months Taka	1-5 years Taka	Above 5 years Taka	Total Taka
<b>Assets:</b>						
Cash in hand	4,113,542,541	-	-	-	-	4,113,542,541
Balance with other banks and financial institutions	931,982,069	1,465,000,000	100,000,000	-	14,080,000,000	16,576,982,069
Money at call and on short notice	6,982,100,000	1,118,000,000	430,000,000	-	-	8,530,100,000
Investments	439,000,000	3,820,132,800	26,194,783,945	33,947,100,000	45,793,167,003	110,194,183,748
Loans and advances/investments	52,661,213,373	55,800,656,228	95,262,563,055	88,103,978,744	41,676,320,941	333,504,732,341
Fixed assets including premises, furniture and fixtures	-	-	-	2,684,314,335	6,947,621,137	9,631,935,472
Other assets	3,229,958,831	58,427,571	150,569,641	1,951,928,893	6,546,000,001	11,936,884,937
Non banking assets	-	-	-	-	-	-
<b>Total assets (A)</b>	<b>68,357,796,814</b>	<b>62,262,216,599</b>	<b>122,137,916,640</b>	<b>126,687,321,972</b>	<b>115,043,109,082</b>	<b>494,488,361,108</b>
<b>Liabilities:</b>						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	3,575,500,000	4,884,900,000	16,862,684,757	11,253,399,999	1,000,000,000	37,576,484,757
Deposits	61,394,610,157	64,572,248,215	110,871,092,468	107,956,290,572	31,883,984,678	376,678,226,090
Provision and other liabilities	-	5,763,446,844	-	-	44,673,922,310	50,437,369,154
<b>Total liabilities (B)</b>	<b>64,970,110,157</b>	<b>75,220,595,059</b>	<b>127,733,777,225</b>	<b>119,209,690,572</b>	<b>77,557,906,988</b>	<b>464,692,080,001</b>
<b>Net liquidity gap (A - B)</b>	<b>3,387,686,657</b>	<b>(12,958,378,460)</b>	<b>(5,595,860,585)</b>	<b>7,477,631,400</b>	<b>37,485,202,094</b>	<b>29,796,281,107</b>

Southeast Bank Limited

Annexure-C

**BALANCE WITH OTHER BANKS-OUTSIDE BANGLADESH (NOSTRO ACCOUNT)**

As at 31 December 2021

Name of the Bank	Dec-21			Dec-20		
	Currency type	FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate
<b>Interest bearing:</b>						
Citibank, N.A., New York, USA	USD	757,694	85.80	65,010,103	1,785,175	84.66
Habib American Bank, New York, USA	USD	2,103,996	85.80	180,522,863	2,715,264	84.80
JP Morgan Chase Bank N.A., New York, USA	USD	2,465,881	85.80	211,572,587	307,788	84.80
Mashreq Bank PSC, New York, USA	USD	1,518,684	85.80	130,303,073	582,854	84.80
Standard Chartered Bank, New York, USA	USD	395,147	85.80	33,903,628	8,040,633	84.80
Wells Fargo Bank, N.A., New York, USA	USD	1,040,487	85.80	89,273,756	1,410,690	84.80
Zhejiang Chouzhou Commercial Bank	USD	1,229,860	85.80	105,521,974	-	-
		<b>9,511,748</b>		<b>816,107,985</b>	<b>14,842,404</b>	
<b>Non-interest bearing:</b>						
Abu Dhabi Commercial Bank, Abu Dhabi, UAE	AED	273,618.92	23.36	6,391,294.00	64,684	23.09
AB Bank Ltd., Mumbai, India	ACUD	815,239.13	85.80	69,947,517.35	1,948,634	84.80
Axic Bank Ltd, Mumbai, India	ACUD	1,351,300.85	85.80	115,941,612.93	112,205	84.80
Bank of Bhutan, Pheuntsholing, Bhutan	ACUD	260,709.93	85.80	22,368,911.99	197,033	84.80
Bank of Sydney Ltd., Sydney	AUD	140,707.57	62.28	8,763,580.25	112,688	64.90
Bank of Tokyo-Mitsubishi, JPY	YEN	85,854,712.00	0.75	64,027,242.71	118,029,179	0.82
Banque Saudi Fransi, Riyadh	SAR	575,651.50	22.85	13,153,719.15	421,159	22.60
Riyad Bank, Riyadh, Saudi Arabia	SAR	6,595.00	22.85	150,695.75	96,400	22.60
Citibank AG, Frankfurt, Germany	EUR	104,656.41	97.26	10,179,184.16	370,880	104.23
Commerz Bank AG, Frankfurt, Germany	EUR	19,730.63	97.26	1,919,057.71	184,639	104.23
Commerz Bank AG, Frankfurt, Germany	USD	363,326.02	85.80	31,173,372.52	1,220,248	84.80
HDFC Bank, Mumbai, India	ACUD	1,047,235.04	85.80	89,852,766.43	1,778,743	84.80
Habib Metropolitan Bank Ltd., Karachi, Pakistan	ACUD	276,061.41	85.80	23,686,068.98	174,093	84.80
ICICI Bank Ltd., Mumbai, India	ACUD	1,537,519.77	85.80	131,919,197.54	1,772,505	84.80
Standard Chartered Bank, Kolkata, India	ACUD	910,661.22	85.80	78,134,732.68	1,376,754	84.80
Standard Chartered Bank, London, UK	GBP	284,879.29	115.75	32,975,569.77	74,101	114.85
Standard Chartered Bank, New York OBU	USD	3,223,389.52	85.80	276,566,820.82	137,379	84.80
Mashreq Bank, Mumbai, India	ACUD	576,335.82	85.80	49,449,613.36	1,257,719	84.80
Mashreq Bank, Mumbai, India	ACUEUR	15,550.78	97.26	1,512,513.29	15,551	104.23
Mashreq Bank PSC, Dubai, UAE	AED	227,562.00	23.36	5,315,479.88	1,520,520	23.09
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal	ACUD	682,904.02	85.80	58,593,164.92	687,279	84.80
Standard Chartered Bank, Colombo, Sri Lanka	ACUD	360,853.01	85.80	30,961,188.26	181,179	84.80
United Bank Limited, Karachi, Pakistan	ACUD	96,251.35	85.80	8,258,365.83	229,340	84.80
Zuercher Kantonal Bank, Zurich, Switzerland	CHF	953,370.14	93.72	89,349,162.47	94,850	96.15
		<b>99,958,821</b>		<b>1,220,590,833</b>	<b>132,057,761</b>	
		<b>109,470,569</b>		<b>2,036,698,818</b>	<b>146,900,165</b>	
					<b>1,168,615,902</b>	
					<b>2,427,007,183</b>	

# Southeast Bank Limited

## DETAILS OF LARGE LOAN

As at 31 December 2021

Annexure-D

Particulars	Amount in Taka	
	Dec-2021	Dec-2020
Number of clients	38	37
Amount of outstanding advances (Amount in million Taka)	212,399.70	173,356.70
Amount of classified advances (Amount in million Taka)	Nil	Nil
Measures taken for recovery (Taka)	Nil	Nil

Client-wise break up is as follows:

(Amount in million Taka)

Sl. No.	Name of clients	Outstanding as at 31 December 2021			Outstanding as at 31 December 2020		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Abul Khair Group	552.30	9,458.00	10,010.30	182.50	4,346.40	4,528.90
2	ACS Textiles (Bangladesh) Limited and its related concern	4,083.10	4,668.70	8,751.80	3,017.30	2,480.50	5,497.80
3	Bashundhara Group	4,366.80	1,603.40	5,970.20	4,635.30	1,850.10	6,485.40
4	Bengal Group	2,980.70	2,623.00	5,603.70	2,701.60	1,790.30	4,491.90
5	Capital Banani One Ltd. and its related concern	6,115.40	2.80	6,118.20	5,339.80	1.40	5,341.20
6	Cassiopea Fashion Ltd. and its related concerns	888.30	869.60	1,757.90	978.60	1,038.60	2,017.20
7	Sparrow Apparels Ltd. and its related concerns	2,357.90	12,370.30	14,728.20	2,629.60	5,728.60	8,358.20
8	Deshbandhu Group	8,440.90	490.10	8,931.00	7,995.70	466.70	8,462.40
9	Grameen Phone Limited	-	417.90	417.90	-	1,500.20	1,500.20
10	KDS Group	240.10	1,882.00	2,122.10	167.00	1,493.90	1,660.90
11	Keya Group	7,022.30	6,004.50	13,026.80	7,369.20	5,312.20	12,681.40
12	Aaron Denim Limited and its related concerns	3,465.50	1,058.30	4,523.80	3,187.50	1,251.60	4,439.10
13	Maksons Spinning Mills Ltd.	1,219.40	3,982.10	5,201.50	1,977.80	3,008.40	4,986.20
14	Meghna Group	-	12,591.80	12,591.80	-	4,479.60	4,479.60
15	Mother Steel Ltd. and its related concerns	257.70	20.20	277.90	292.40	20.20	312.60
16	N. R. Group	611.40	3,105.40	3,716.80	1,086.40	3,181.80	4,268.20
17	Partex Group	4,412.00	767.50	5,179.50	4,583.30	612.30	5,195.60
18	S. Alam Group	4,176.60	-	4,176.60	4,491.80	-	4,491.80
19	Yunusco (BD) Limited and its related concerns	1,495.10	3,409.70	4,904.80	1,686.00	2,152.10	3,838.10
20	T. K. Group	-	6,923.10	6,923.10	377.00	5,266.50	5,643.50
21	Rupayan Housing Estate Limited and its related concerns	5,961.00	20.00	5,981.00	5,780.60	20.00	5,800.60
22	Chittagong Asian Apparels Ltd. and its related concerns	838.00	2,032.10	2,870.10	1,157.30	3,102.30	4,259.60
23	Snowtex Outerwear Limited and its related concerns	4,665.80	5,979.40	10,645.20	4,405.00	4,439.70	8,844.70
24	Generation Next Fashions Limited	2,802.10	1,333.20	4,135.30	2,505.10	1,721.60	4,226.70
25	DesignTex Fashions Limited and its related concerns	3,911.80	6,531.40	10,443.20	4,778.90	3,564.30	8,343.20
26	Navana Group	5,003.30	5.40	5,008.70	4,634.10	14.70	4,648.80
27	City Group	-	4,325.10	4,325.10	-	2,360.50	2,360.50
28	Bashundhara Oil and Gas Company Limited	-	4,768.30	4,768.30	-	4,768.30	4,768.30
29	KSRM Steel Plant Ltd. and its related concerns	1,160.20	2,121.70	3,281.90	3,393.40	2,208.80	5,602.20
30	Vertex Group	232.00	726.40	958.40	495.80	408.60	904.40
31	Shanin Group	1,616.90	2,611.20	4,228.10	1,634.60	2,261.80	3,896.40
32	Masuma Khatun Textile Industries Ltd.	3,891.50	869.50	4,761.00	3,616.80	377.30	3,994.10
33	Bashundhara Trading Company Ltd. and its related concerns	3,620.30	2,034.20	5,654.50	1,297.50	2,041.40	3,338.90
34	MSA Textiles Ltd. and related concerns	3,334.60	4,704.50	8,039.10	515.20	3,338.30	3,853.50
35	Chaity Composite Ltd.	1,795.00	4,843.00	6,638.00	1,628.80	1,932.60	3,561.40
36	Amber Super Paper Ltd. and related concerns	2,068.30	1,085.90	3,154.20	1,813.20	1,826.40	3,639.60
37	Envoy Textiles Limited	1,434.40	1,030.30	2,464.70	1,990.40	643.20	2,633.60
38	Karnafuly Ship Builders Ltd.	63.00	46.00	109.00	-	-	-
<b>Total</b>		<b>95,083.70</b>	<b>117,316.00</b>	<b>212,399.70</b>	<b>92,345.50</b>	<b>81,011.20</b>	<b>173,356.70</b>

## Annexure-E

Southeast Bank Limited

**SCHEDULE OF FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES**

As at 31 December 2021

Particulars	Cost/Revaluation			Rate of dep.	Depreciation			Written down value as at 31 Dec 2021
	Balance as at 1 Jan 2021	Additions during the period	Disposal during the period		Balance as at 1 Jan 2021	Charged during the period	Adjustment and disposal for the period	
	Taka	Taka	Taka		Taka	Taka	Taka	Taka
<b>Office:</b>								
Land	5,797,426,007	-	99,750,000	0%	-	-	-	5,697,676,007
Building	1,989,886,963	-	79,876,126	4%	641,572,118	52,746,133	34,252,545	1,249,945,130
Furniture and fixtures	1,375,510,395	95,204,320	25,635,259	10%	673,651,798	74,847,673	9,662,304	706,242,289
Office Appliances	15,674,809	44,200	169,745	20%	11,854,565	742,097	43,903	2,996,505
Computer	533,119,148	131,446,920	2,254,948	20%	216,695,539	75,841,414	(701,371)	369,072,796
Electrical Appliances	1,541,806,669	91,248,655	26,451,995	20%	1,032,833,674	111,847,458	14,343,798	476,265,994
ATM Booth	665,452,937	787,022,916	1,828,726	20%	225,499,889	140,077,214	(528,467)	1,084,541,557
Motor vehicles	175,821,436	-	-	20%	121,152,705	18,274,698	-	36,394,032
<b>Sub Total</b>	<b>12,094,698,364</b>	<b>1,104,967,011</b>	<b>235,966,799</b>		<b>2,923,260,288</b>	<b>474,376,688</b>	<b>57,072,712</b>	<b>9,623,134,311</b>
<b>Residence of executives:</b>								
Furniture and fixtures	5,854,290	-	625,000	10%	2,109,940	343,278	284,603	3,060,674
Electrical Appliances	20,061,680	-	1,575,000	20%	12,571,180	1,323,519	1,148,506	5,740,486
<b>Sub Total</b>	<b>25,915,970</b>	<b>-</b>	<b>2,200,000</b>	-	<b>14,681,120</b>	<b>1,666,798</b>	<b>1,433,108</b>	<b>8,801,161</b>
<b>Total</b>	<b>12,120,614,334</b>	<b>1,104,967,011</b>	<b>238,166,799</b>	-	<b>2,937,941,408</b>	<b>476,043,486</b>	<b>58,505,820</b>	<b>9,631,935,472</b>
<b>Balance as at 31 Dec '2021</b>	<b>12,120,614,334</b>	<b>1,104,967,011</b>	<b>238,166,799</b>	-	<b>2,937,941,408</b>	<b>476,043,486</b>	<b>58,505,820</b>	<b>9,631,935,472</b>
<b>Balance as at 31 Dec '2020</b>	<b>11,448,421,133</b>	<b>861,320,171</b>	<b>189,126,969</b>	-	<b>2,693,465,734</b>	<b>371,619,328</b>	<b>127,143,654</b>	<b>9,182,672,927</b>

\*Total addition of fixed assets during the year amount of BDT 1,104,967,011.00 including Interbranch transfer and category changes amount of BDT 25,771,079.00.

<b>Right of Use Assets</b>								
Right of use assets	1,326,937,599	344,234,719	-	-	347,597,204	318,974,664	-	1,004,600,450
	<b>1,326,937,599</b>	<b>344,234,719</b>	<b>-</b>	<b>-</b>	<b>347,597,204</b>	<b>318,974,664</b>	<b>-</b>	<b>1,004,600,450</b>

## Annexure-E 1

**Right of Use Assets**

Right of use assets	1,326,937,599	344,234,719	-	-	347,597,204	318,974,664	-	1,004,600,450
	<b>1,326,937,599</b>	<b>344,234,719</b>	<b>-</b>	<b>-</b>	<b>347,597,204</b>	<b>318,974,664</b>	<b>-</b>	<b>1,004,600,450</b>

Southeast Bank Limited

Annexure-F

## NAMES OF DIRECTORS AND THEIR INTEREST IN DIFFERENT ENTITIES

As at 31 December 2021

Sl. No.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/ director/ managing agent/ guarantor/employee/ partner, etc.	Position	% of Shareholdings
1	Mr. Alamgir Kabir, FCA	Chairman	-	-	Nil
2	Mrs. Duluma Ahmed	Vice Chairperson	Mutual Food Products Limited Mutual Milk Products Limited Mutual Trading Co. Limited	Chairman " Director	31.78% 16.00% 12.96%
3	Mr. M. A. Kashem	Director	Rose Corner (Pvt.) Limited	Chairman	50.00%
4	Mr. Azim Uddin Ahmed	Director	Mutual Food Products Limited Mutual Milk Products Limited Mutual Trading Co. Limited AD Holdings Limited	Managing Director " Chairman & MD Chairman	44.78% 52.00% 71.30% 0.50%
5	Mrs. Jusna Ara Kashem	Director	Rose Corner (Pvt) Limited	Director	20.00%
6	Mrs. Rehana Rahman	Director	Bengal Tradeways Limited CHB Building Technologies Limited	Managing Director Director	50.61% 25.00%
7	Mr. Md. Akikur Rahman	Director	-	-	Nil
8	Mr. Raiyan Kabir	Director	-	-	Nil
9	Mr. M. Maniruz Zaman Khan (Nominee of Bay Leasing & Investment Ltd.)	Director	-	-	Nil
10	Mr. Syed Sajedul Karim	Independent Director	-	-	Nil
11	Dr. Quazi Mesbahuddin Ahmed	Independent Director	-	-	Nil
12	Mr. Mohammad Delwar Husain	Independent Director	-	-	Nil
13	Mr. M. Kamal Hossain	Managing Director	-	-	Nil



Southeast Bank Limited  
Islamic Banking Branches  
**BALANCE SHEET**  
As at 31 December 2021

Annexure-G

Particulars	Note	Amount in Taka	
		2021	2020
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	1		
In hand (including foreign currencies)		167,233,173	195,712,834
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		939,412,248	865,027,350
		<b>1,106,645,421</b>	<b>1,060,740,184</b>
<b>Balance with other banks and financial institutions</b>	2		
In Bangladesh		9,466,013	8,603,988
Outside Bangladesh		-	-
		<b>9,466,013</b>	<b>8,603,988</b>
<b>Money at call and on short notice</b>			
<b>Investments in securities</b>	3		
Government		1,403,440,000	1,491,920,000
Others		742,745,026	674,760,574
		<b>2,146,185,026</b>	<b>2,166,680,574</b>
<b>Investments</b>	4		
General Investments etc.		18,945,621,115	18,093,949,988
Bills purchased and discounted		344,196,796	314,850,894
		<b>19,289,817,911</b>	<b>18,408,800,882</b>
<b>Fixed assets including premises, furniture and fixtures</b>	5	44,780,959	31,145,489
<b>Other assets</b>	6	3,852,483,162	2,954,193,456
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<b>26,449,378,492</b>	<b>24,630,164,573</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	7	<b>1,098,307,246</b>	<b>139,092,106</b>
<b>Deposits and other accounts</b>	8		
Current/Al-wadeeah current accounts and other accounts		2,326,190,711	2,131,932,637
Bills payable		66,352,616	99,572,422
Savings bank/Mudaraba savings bank deposits		2,891,389,112	2,549,946,611
Fixed deposits/Mudaraba fixed deposits		18,404,794,308	17,929,720,266
		<b>23,688,726,747</b>	<b>22,711,171,937</b>
<b>Other liabilities</b>	9	1,662,344,499	1,779,900,530
<b>Total liabilities</b>		<b>26,449,378,492</b>	<b>24,630,164,573</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements	10.1	1,383,916,402	701,804,245
Letters of guarantee	10.2	1,115,724,298	1,245,950,472
Irrevocable letters of credit	10.3	3,091,008,937	1,107,042,699
Bills for collection	10.4	2,056,801,799	1,260,279,014
Other contingent liabilities		-	-
<b>Total contingent liabilities</b>		<b>7,647,451,436</b>	<b>4,315,076,430</b>
<b>Other commitments</b>			
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		-	-
<b>Total other commitments</b>		<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>7,647,451,436</b>	<b>4,315,076,430</b>

Southeast Bank Limited  
Islamic Banking Branches

## Annexure-G.1

**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
Profit on investments	11	1,904,689,618	2,058,139,012
Profit shared on deposits and borrowings etc.	12	(1,187,628,068)	(1,488,313,778)
<b>Net profit on investments</b>		<b>717,061,551</b>	<b>569,825,234</b>
Commission, exchange and brokerage	13	110,200,866	109,738,586
Other operating income	14	27,185,697	24,400,929
		<b>137,386,563</b>	<b>134,139,515</b>
<b>Total operating income (A)</b>		<b>854,448,114</b>	<b>703,964,749</b>
Salaries and allowances	15	83,630,997	76,293,503
Rent, taxes, insurance, electricity etc.	16	53,600,687	52,180,898
Legal expenses		144,865	2,000
Postage, stamp, telecommunication etc.	17	6,511,703	6,364,783
Stationery, printing, advertisements etc.	18	4,397,991	4,369,014
Depreciation and repair of bank's assets	19	9,573,392	7,460,809
Other expenses	20	27,578,473	29,866,778
<b>Total operating expenses (B)</b>		<b>185,438,107</b>	<b>176,537,785</b>
<b>Profit before provision (C=A-B)</b>		<b>669,010,007</b>	<b>527,426,964</b>
Provision for investments	9.1		
General provision		19,980,015	(11,576,550)
Specific provision		(14,237,632)	(51,030,742)
		<b>5,742,383</b>	<b>(62,607,292)</b>
Provision for off-balance sheet items	9.2	25,358,522	63,685
Provision for diminution in value of investments	9.3	(285,622,648)	(486,819,131)
<b>Total provision (D)</b>		<b>(254,521,743)</b>	<b>(549,362,738)</b>
<b>Total profit before tax (C-D)</b>		<b>923,531,750</b>	<b>1,076,789,702</b>

Southeast Bank Limited  
Islamic Banking Branches

## Annexure-G.2

**NOTES TO THE FINANCIAL STATEMENTS**

As at and for the year ended 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
<b>1 Cash</b>			
<b>In hand:</b>			
Local currency		166,794,992	195,415,439
Foreign currencies		438,181	297,395
		<b>167,233,173</b>	<b>195,712,834</b>
<b>Balance with Bangladesh Bank:</b>			
Local currency		939,209,492	864,936,884
Foreign currencies		-	-
		<b>939,209,492</b>	<b>864,936,884</b>
<b>Balance with Sonali Bank Limited (as agent of Bangladesh Bank):</b>			
Local currency		202,757	90,467
		<b>939,412,248</b>	<b>865,027,350</b>
		<b>1,106,645,421</b>	<b>1,060,740,184</b>
<b>1.1</b>			
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Bank Companies Act 1991(amended up to 2018), MPD Circular nos. 4 and 5 dated 1 December 2010 and MPD Circular no. 1 and 2 dated 23 June 2014 and 10 December 2013 and DOS Circular No. 1 dated 19 January 2014 and MPD Circulars No. 1 dated 03 April 2018 and DOS Circular no 26 dated 19 August 2019 and MPD circular No. 03 dated April 09, 2020.			
The Cash Reserve Ratio on the Shariah-based Islamic Bank's demand and time liabilities at the rate of minimum 3.50% on daily basis and 4.00% on bi-weekly basis been calculated and maintained with Bangladesh Bank in current account and 5.50% Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including excess cash reserve balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:			
<b>1.1.1 a) Cash Reserve Ratio (CRR) for Islamic Banking</b>			
Required reserve (4.00% of average Demand and Time Liabilities)		892,890,200	832,915,600
Actual reserve held (Average daily on bi-weekly basis):		939,209,492	864,936,884
Surplus		<b>46,319,292</b>	<b>32,021,284</b>
<b>b) Statutory Liquidity Ratio (SLR) for Islamic Banking</b>			
Required reserve (5.50 % of average Demand and Time Liabilities)		1,227,724,025	1,145,258,950
Actual reserve held		1,617,178,292	1,719,715,284
Surplus		<b>389,454,267</b>	<b>574,456,334</b>
Held for Statutory Liquidity Ratio of Islamic Banking:			
Cash in hand		167,233,000	195,713,000
Balance with agent bank (Sonali Bank Ltd.) as per statement		186,000	61,000
Excess cash reserve		46,319,292	32,021,284
Government Securities (HTM)		1,403,440,000	1,491,920,000
		<b>1,617,178,292</b>	<b>1,719,715,284</b>
<b>2 Balance with other banks and financial institutions</b>			
In Bangladesh	2.1	9,466,013	8,603,988
Outside Bangladesh		-	-
		<b>9,466,013</b>	<b>8,603,988</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>2.1 In Bangladesh</b>			
Current account with:			
Sonali Bank Limited		740	740
		<b>740</b>	<b>740</b>
Short term deposits account with:			
Sonali Bank Limited		1,134	1,134
EXIM Bank Limited		9,464,139	8,602,114
		<b>9,465,273</b>	<b>8,603,248</b>
Fixed deposits with other banks:			
Social Islamic Bank Limited		-	-
		<b>-</b>	<b>-</b>
		<b>9,466,013</b>	<b>8,603,988</b>
<b>3 Investments in shares and securities</b>			
Bangladesh Government Islamic Bond		1,403,440,000	1,491,920,000
Others	3.1	742,745,026	674,760,574
		<b>2,146,185,026</b>	<b>2,166,680,574</b>
<b>3.1 Others</b>			
Shares in listed companies		742,745,026	674,760,574
Shares in un-listed companies		-	-
		<b>742,745,026</b>	<b>674,760,574</b>
<b>3.2 Investments classified as per Bangladesh Bank Circular</b>			
Held to maturity (HTM)		1,403,440,000	1,491,920,000
Other securities		742,745,026	674,760,574
		<b>2,146,185,026</b>	<b>2,166,680,574</b>
<b>3.3 Cost and market value of investments</b>			
<b>3.3.1 Government securities</b>			
		2021	2020
		Cost Price	Market Price
		Taka	Taka
Bangladesh Government Islamic Bond		1,403,440,000	1,491,920,000
		<b>1,403,440,000</b>	<b>1,491,920,000</b>
<b>3.3.2 Others (Investment in shares)</b>			
		2021	2020
		Market Price	Cost Price
		Taka	Taka
Shares in listed companies		729,679,166	674,760,574
Shares in un-listed companies		-	-
		<b>729,679,166</b>	<b>674,760,574</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>4 Investments</b>			
Investments	4.1	18,945,621,115	18,093,949,988
Bills purchased and discounted	4.2	344,196,796	314,850,894
		<b>19,289,817,911</b>	<b>18,408,800,882</b>
<b>4.1 Investments</b>			
In Bangladesh			
Demand Investment		387,576,255	336,092,550
Bai-Muajjal (Time) Investment		398,846,104	344,922,440
Bai-Muajjal Time under CCS		39,284,133	70,635,449
Bai-Murabaha-BLC		1,873,371	6,299,491
Bai-Murabaha-LTR		965,282,805	868,783,132
Bai-Salam (PACKING CREDIT)		44,740,014	70,293,069
Staff House Building Investment		17,684,359	22,623,473
Export Development Fund (EDF) against LC		1,001,967,867	760,722,200
Investment against Cash Incentive		808,252	202,847,067
Bai-Muajjal - Investment		2,801,343,947	3,109,336,413
Murabaha - Investment		97,167,082	136,935,362
Hire purchase - Investment		13,137,564,470	12,164,459,343
Staff & Other loan		51,482,457	-
		<b>18,945,621,115</b>	<b>18,093,949,988</b>
Outside Bangladesh		-	-
		<b>18,945,621,115</b>	<b>18,093,949,988</b>
<b>4.2 Bills purchased and discounted</b>			
In Bangladesh		292,431,983	297,970,077
Outside Bangladesh		51,764,813	16,880,817
		<b>344,196,796</b>	<b>314,850,894</b>
<b>5 Fixed assets including premises, furniture and fixtures</b>			
<b>Cost:</b>			
Furniture and fixture		39,289,055	28,542,486
Office Appliances		81,620	81,620
Electrical Appliances		36,455,164	33,320,390
Motor Vehicles		2,620,000	2,620,000
ATM Booth		18,630,545	12,863,094
		<b>97,076,383</b>	<b>77,427,590</b>
<b>Less: Accumulated depreciation</b>			
Furniture and fixture		17,739,115	15,725,942
Office Appliances		81,619	81,619
Electrical Appliances		24,743,909	23,202,627
Motor Vehicles		2,620,000	2,620,000
ATM Booth		7,110,781	4,651,912
		<b>52,295,424</b>	<b>46,282,100</b>
<b>Written down value as at 31 December</b>		<b>44,780,959</b>	<b>31,145,489</b>
<b>6 Classification of other assets</b>			
i) Stationery, stamps, printing materials, etc.		733,986	521,398
ii) Advance rent and advertisement		10,308,846	16,642,174
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables		6,541,167	134,446,779
iv) Security deposits		69,460	69,460
v) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses		9,411,485	9,806,151
vii) Suspense account		-	1,422,745
viii) Silver		-	-
ix) Head office general account		3,821,396,668	2,787,113,719
X) Others		4,021,550	4,171,030
		<b>3,852,483,162</b>	<b>2,954,193,456</b>



Particulars	Note	Amount in Taka	
		2021	2020
<b>7 Borrowing from other banks, financial institutions and agents</b>			
In Bangladesh	7.1	1,098,307,246	139,092,106
Outside Bangladesh		-	-
		<b>1,098,307,246</b>	<b>139,092,106</b>
<b>7.1 In Bangladesh</b>			
<b>Secured</b>			
Borrowing against securities from Bangladesh Bank		1,098,307,246	139,092,106
		<b>1,098,307,246</b>	<b>139,092,106</b>
<b>Unsecured</b>		-	-
		<b>1,098,307,246</b>	<b>139,092,106</b>
<b>8 Deposits and other accounts</b>			
<b>Al-wadeeah current accounts and other accounts</b>			
Al-wadeeah current deposits		573,921,918	542,340,119
Foreign currency deposits		161,521,972	154,325,267
Sundry deposits		1,590,746,820	1,435,267,250
		<b>2,326,190,711</b>	<b>2,131,932,637</b>
<b>Bills payable</b>			
Payment order issued		66,299,780	99,438,956
T.T. payable		-	80,630
Demand draft		52,836	52,836
		<b>66,352,616</b>	<b>99,572,422</b>
<b>Mudaraba savings bank deposits</b>		<b>2,891,389,112</b>	<b>2,549,946,611</b>
<b>Mudaraba fixed deposits</b>			
Mudaraba fixed deposits		16,441,696,599	13,992,112,535
Mudaraba Special notice deposits		748,152,886	2,306,029,809
Scheme deposits		1,041,271,905	1,431,104,864
Interest Payable on FDR/Scheme		173,672,918	200,473,058
		<b>18,404,794,308</b>	<b>17,929,720,266</b>
		<b>23,688,726,747</b>	<b>22,711,171,937</b>
<b>9 Other liabilities</b>			
Provision for investments	9.1	389,606,153	356,297,919
Provision for off-balance sheet exposures	9.2	55,906,497	30,547,974
Profit suspense account		754,199,818	745,707,136
Accrued expenses		3,104,638	147,805
Profit payable on borrowings		10,165,705	667,090
Accounts payable - Bangladesh Bank		3,899	5,954
Accounts payable - others		13,920,681	55,544,133
Provision for diminution in the market value of share	9.3	13,065,860	298,688,508
Unearned income		360,624,135	228,560,194
Withholding tax		61,747,112	63,733,816
		<b>1,662,344,499</b>	<b>1,779,900,530</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>9.1 A. General provision for investments</b>			
Balance as at 1 January		119,998,591	131,575,141
Provision made during the year		19,980,015	-
		<b>139,978,606</b>	<b>131,575,141</b>
Adjustments made during the year		-	(11,576,550)
Balance as at 31 December		<b>139,978,606</b>	<b>119,998,591</b>
<b>B. Specific provision for investments</b>			
Balance as at 1 January		236,299,328	281,858,320
Recoveries of amounts previously written off		27,565,851	5,471,750
Provision made during the year		-	-
		<b>263,865,179</b>	<b>287,330,070</b>
Adjustments made during the year		(14,237,632)	(51,030,742)
Balance as at 31 December		<b>249,627,547</b>	<b>236,299,328</b>
<b>C. Total provision on investments (C=A+B)</b>		<b>389,606,153</b>	<b>356,297,919</b>
<b>9.2 Provision for off-balance sheet exposures</b>			
Balance as at 1 January		30,547,974	30,484,290
Provision made during the year		25,358,522	63,685
		<b>55,906,497</b>	<b>30,547,974</b>
Adjustments made during the year		-	-
Balance as at 31 December		<b>55,906,497</b>	<b>30,547,974</b>
<b>9.3 Provision for diminution in the market value of share</b>			
Balance as at 1 January		298,688,508	785,507,639
Provision made during the year		-	-
		<b>298,688,508</b>	<b>785,507,639</b>
Adjustments made during the year		(285,622,648)	(486,819,131)
Balance as at 31 December		<b>13,065,860</b>	<b>298,688,508</b>
<b>10 Contingent liabilities</b>			
<b>10.1 Acceptances and endorsements</b>			
Acceptance under Letters of credit - Import		502,959,665	303,838,770
Acceptance under Letters of credit - Export		880,956,737	397,965,475
		<b>1,383,916,402</b>	<b>701,804,245</b>
<b>10.2 Letters of guarantee</b>			
Local		1,098,300,298	1,187,418,472
Foreign		17,424,000	58,532,000
		<b>1,115,724,298</b>	<b>1,245,950,472</b>
<b>10.2.1 Balance for which the Bank is contingently liable in respect of guarantee issued favouring:</b>			
Directors or officers		-	-
Government		-	-
Banks and other financial institutions		-	-
Others		1,115,724,298	1,245,950,472
		<b>1,115,724,298</b>	<b>1,245,950,472</b>
<b>10.3 Irrevocable letters of credit (L/C)</b>			
Back to back L/C		1,505,924,549	332,530,456
Others		1,585,084,388	774,512,242
		<b>3,091,008,937</b>	<b>1,107,042,699</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>10.4 Bills for collection</b>			
Local		712,335,193	650,142,865
Foreign		1,344,466,606	610,136,150
		<b>2,056,801,799</b>	<b>1,260,279,014</b>
<b>11. Profit on investment</b>			
Demand investment		53,474,634	80,401,583
Bai-Muajjal (Time) investment		42,797,374	41,288,087
Bai-Muajjal time under CCS		4,584,457	6,886,992
Bai-Murabaha-BLC		8,350,112	2,109,934
Bai-Murabaha-LTR		86,090,093	105,886,879
Bai-Salam (PACKING CREDIT)		4,748,713	4,637,562
Profit on staff loan against salary		159,438	-
Profit on SEBL employee loan		165,310	-
Investment against cash incentive		44,515	178,180
Bai-Muajjal - Investment		219,471,923	274,050,976
Murabaha - Investment		9,472,232	10,421,092
Hire purchase - Investment		894,291,443	825,408,931
Profit Received A/C EDF		8,465,201	-
Profit on Quard		888,000	-
Profit on COVID-19 Loan		4,003,222	4,464,882
Profit on special term deposit STD		203,784	938,700
Bills purchased and discounted		27,934,157	39,915,457
Profit on placement with other banks		-	360
Profit on FDR		-	72,738,111
Profit on term loan-express cash		10,756	-
Inter branch profit income		539,534,256	588,811,286
		<b>1,904,689,618</b>	<b>2,058,139,012</b>
<b>12. Profit shared on deposits and borrowings etc.</b>			
Profit shared on deposits (Islamic Banking Branch):			
Mudaraba Savings Deposits (MSB)		37,376,540	48,426,613
Mudaraba Short Term Deposits (MSTD)		30,827,464	38,106,712
Mudaraba Fixed Term Deposits (MFDR)		870,448,775	1,089,196,755
Profit on foreign bank accounts		-	2,362,511
Profit on Re-finance borrowings		9,349,935	43,048,772
Inter Branch profit expenses		239,625,355	267,172,415
		<b>1,187,628,068</b>	<b>1,488,313,778</b>
<b>13 Commission, exchange and brokerage</b>			
Commission and brokerage		85,820,874	93,003,066
Exchange gain		24,379,992	16,735,520
		<b>110,200,866</b>	<b>109,738,586</b>
<b>14 Other operating income</b>			
Remittance fees		163	185
Service and incidental charges		4,177,625	5,545,624
Other fees-telephone and postage		1,342,475	1,360,302
Income from retail banking		159,090	87,539
Other fees - SWIFT		9,219,029	8,908,965
Miscellaneous income		12,287,316	8,498,314
		<b>27,185,697</b>	<b>24,400,929</b>

Particulars	Note	Amount in Taka	
		2021	2020
<b>15 Salaries and allowances</b>			
Basic salary		41,059,026	39,618,295
Allowances		29,080,511	26,715,776
Bonus		9,664,343	6,374,211
Provident fund		3,827,117	3,585,221
		<b>83,630,997</b>	<b>76,293,503</b>
<b>16 Rent, taxes, insurance, electricity etc.</b>			
Rent, rates and taxes		34,454,486	33,212,378
Insurance		15,553,441	15,326,070
Electricity and lighting		3,592,760	3,642,450
		<b>53,600,687</b>	<b>52,180,898</b>
<b>17 Postage, stamp, telecommunication etc.</b>			
Postage		1,461,633	1,932,475
Telephone /Telex		150,557	187,602
VSAT on-line		1,747,413	1,698,890
SWIFT services		3,152,100	2,545,815
		<b>6,511,703</b>	<b>6,364,783</b>
<b>18 Stationery, printing, advertisements etc.</b>			
General office stationery		1,857,385	1,979,686
Printing and security stationery		2,538,375	2,385,559
Publicity and advertisement		2,230	3,770
		<b>4,397,991</b>	<b>4,369,014</b>
<b>19 Depreciation and repair of bank's assets</b>			
<b>Depreciation:</b>			
Furniture and fixtures		2,013,173	1,343,232
Electrical appliances		2,516,433	1,653,209
Motor vehicles		-	436,658
ATM Booth		2,516,989	1,649,544
		<b>7,046,595</b>	<b>5,082,643</b>
<b>Repair:</b>			
Furniture and fixtures		350,157	281,555
Office and electrical appliance		963,899	822,624
Motor vehicles		232,792	304,597
Repair, maintenance and utilities		979,950	969,390
		<b>2,526,797</b>	<b>2,378,166</b>
		<b>9,573,392</b>	<b>7,460,809</b>
<b>20 Other expenses</b>			
Security and cleaning		8,219,890	9,467,115
Entertainment		843,326	1,208,724
Car expenses		6,072,558	7,372,996
Books and periodicals		8,250	15,612
Travelling expenses		53,899	61,840
Conveyance		301,826	283,752
Petrol,oil and lubricant		289,293	324,451
Uniforms and apparels		123,691	127,165
Expenses relating ATM services		600,903	445,178
Expenses regarding retail banking		749,870	955,030
IT enabled services		393,741	349,837
Gratuity and others		9,327,551	8,594,651
Others operating expenses		593,675	660,428
		<b>27,578,473</b>	<b>29,866,778</b>

Southeast Bank Limited  
Off-Shore Banking Unit, Bangladesh  
**BALANCE SHEET**  
As at 31 December 2021

Annexure-H

Particulars	Note	2021		2020
		USD	Taka	Taka
<b>PROPERTY AND ASSETS</b>				
<b>Cash</b>				
In hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent banks (including foreign currencies)		-	-	-
		-	-	-
<b>Balances with other banks and financial institutions</b>	3			
In Bangladesh		-	-	-
Outside Bangladesh		3,223,390	276,566,821	11,649,764
		<b>3,223,390</b>	<b>276,566,821</b>	<b>11,649,764</b>
<b>Money at Call and on short notice</b>		37,000,000	3,174,600,000	-
<b>Investments</b>				
Government		-	-	-
Others		-	-	-
		-	-	-
<b>Loans and advances</b>	4			
Loans, cash credit & overdrafts etc.		188,621,283	16,183,706,071	9,369,247,503
Bills purchased and discounted		66,481,162	5,704,083,677	10,109,012,385
		<b>255,102,445</b>	<b>21,887,789,748</b>	<b>19,478,259,888</b>
<b>Fixed assets including premises, furniture and fixtures</b>	5	14,787	1,268,728	1,184,255
<b>Other assets</b>	6	1,873,233	160,723,433	11,685,492
<b>Non-banking assets</b>		-	-	-
<b>Total assets</b>		<b>297,213,855</b>	<b>25,500,948,730</b>	<b>19,502,779,399</b>
<b>LIABILITIES AND CAPITAL</b>				
<b>Liabilities</b>				
<b>Borrowings from other banks, financial institutions and agents</b>	7	<b>282,050,000</b>	<b>24,199,890,000</b>	<b>17,511,282,600</b>
<b>Deposits and other accounts</b>	8			
Current accounts and other accounts		6,354,438	545,210,756	424,739,933
Bills payable		-	-	-
Savings bank deposits		-	-	-
Fixed deposits		584,191	50,123,617	46,403,658
		<b>6,938,629</b>	<b>595,334,372</b>	<b>471,143,591</b>
<b>Other liabilities</b>	9	2,908,645	249,561,717	198,642,209
<b>Total liabilities</b>		<b>291,897,274</b>	<b>25,044,786,089</b>	<b>18,181,068,400</b>
<b>Capital/shareholders' equity</b>				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Other reserves		-	-	-
Foreign currency losses		-	-	-
Retained earnings	10	5,316,581	456,162,641	1,321,710,999
<b>Total shareholders' equity</b>		<b>5,316,581</b>	<b>456,162,641</b>	<b>1,321,710,999</b>
<b>Total liabilities and shareholders' equity</b>		<b>297,213,855</b>	<b>25,500,948,730</b>	<b>19,502,779,399</b>
<b>OFF-BALANCE SHEET ITEMS</b>				
<b>Contingent liabilities</b>				
Acceptances and endorsements		-	-	-
Letters of guarantee		-	-	-
Irrevocable letters of credit		82,000	7,035,600	-
Bills for collection		40,224,555	3,451,266,810	2,394,835,301
Other contingent liabilities		-	-	-
<b>Total contingent liabilities</b>		<b>40,306,555</b>	<b>3,458,302,410</b>	<b>2,394,835,301</b>
<b>Other commitments</b>				
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		-	-	-
<b>Total other commitments</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>40,306,555</b>	<b>3,458,302,410</b>	<b>2,394,835,301</b>



Southeast Bank Limited  
Off-Shore Banking Unit, Bangladesh  
**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2021

Annexure-H.1

Particulars	Note	2021		2020
		USD	Taka	Taka
Interest income	11	10,644,328	906,198,513	966,682,055
Interest paid on deposits and borrowings etc.	12	(5,753,162)	(489,792,013)	(557,251,922)
<b>Net interest income</b>		<b>4,891,166</b>	<b>416,406,501</b>	<b>409,430,133</b>
Commission, exchange & brokerage	13	431,233	36,712,799	37,022,108
Other operating income	13.1	140,481	11,959,730	16,051,700
		<b>571,714</b>	<b>48,672,529</b>	<b>53,073,808</b>
<b>Total operating income (A)</b>		<b>5,462,880</b>	<b>465,079,030</b>	<b>462,503,940</b>
Salaries and allowances	14	70,112	5,968,956	5,094,827
Rent, taxes, insurance, electricity etc.	15	15,301	1,302,630	1,335,092
Legal expenses		-	-	-
Postage, stamp, telecommunication	16	20,753	1,766,816	1,814,177
Stationery, printing, advertisements etc.	17	5,151	438,493	418,911
Depreciation and repair of bank's assets	18	3,367	286,625	278,599
Other expenses	19	31,616	2,691,586	11,594,170
<b>Total operating expenses (B)</b>		<b>146,299</b>	<b>12,455,106</b>	<b>20,535,776</b>
<b>Operating profit (C=A-B)</b>		<b>5,316,581</b>	<b>452,623,924</b>	<b>441,968,165</b>

Southeast Bank Limited  
Off-Shore Banking Unit, Bangladesh

Annexure-H.2

## NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2021

### 1 Status of the unit

Off-shore Banking Unit (OBU) is a separate business unit of Southeast Bank Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained permission to operate OBU vide Letter No. BRPD(P-3)744(98)/2008-2213 dated June 24, 2008. In the mean time as per BRPD circular # 2, dated 25 February 2019 we have already applied to Bangladesh Bank for conducting Off-shore banking in Bangladesh on 10 July 2019. Presently, the Bank has 2 (2020: 2) off-shore banking units - one at Dhaka Export Processing Zone and the other at Chittagong Export Processing Zone.

OBU boosts up foreign trade by extending finance to industrial units inside and outside the Export Processing Zone (EPZ) area. OBU is 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 OBU 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 OBU. The financial statements of the OBU 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 International Financial Reporting Standards (IFRS).

#### 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. 85.8000 (closing rate as at 31 December 2021) and Tk. 85.1344 (average rate which represents the year end) respectively.

#### 2.3 Basis of Accounting

OBU maintains 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 issued by Bangladesh Bank.

#### 2.4 Functional and presentation currency

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

#### 2.5 General

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

Particulars	Note	2021		2020
		USD	Taka	Taka
<b>3 Balance with other banks and financial institutions</b>				
In Bangladesh	3.1	-	-	-
Outside Bangladesh	3.2	3,223,390	276,566,821	11,649,764
		<b>3,223,390</b>	<b>276,566,821</b>	<b>11,649,764</b>
<b>3.1 In Bangladesh</b>				
Southeast Bank Limited		-	-	-
Other commercial bank		-	-	-
		-	-	-
<b>3.2 Outside Bangladesh (current account)</b>				
Standard Chartered Bank, New York		<b>3,223,390</b>	<b>276,566,821</b>	<b>11,649,764</b>
<b>3.3 Money at call and on short notice</b>				
In bank;				
NRB Commercial Bank Ltd		5,000,000	429,000,000	-
Mercantile Bank Limited		5,000,000	429,000,000	-
Midland Bank Ltd		6,000,000	514,800,000	-
Commercial Bank of Ceylon PLC		11,000,000	943,800,000	-
Modhumoti Bank Limited		3,000,000	257,400,000	-
Al-Arafah Islami Bank Limited		7,000,000	600,600,000	-
		<b>37,000,000</b>	<b>3,174,600,000</b>	-
<b>4 Loans and advances</b>				
Loans, cash credit, overdrafts etc.	4.1	188,621,283	16,183,706,071	9,369,247,503
Bills purchased and discounted	4.2	66,481,162	5,704,083,677	10,109,012,385
		<b>255,102,445</b>	<b>21,887,789,748</b>	<b>19,478,259,888</b>
<b>4.1 Loans, cash credit, overdrafts etc.</b>				
In Bangladesh		-	-	-
Outside Bangladesh	4.1.1	188,621,283	16,183,706,071	9,369,247,503
		<b>188,621,283</b>	<b>16,183,706,071</b>	<b>9,369,247,503</b>
<b>4.1.1 Outside Bangladesh</b>				
Time loan		40,239,747	3,452,570,276	3,770,005,755
Term loan		11,978,255	1,027,734,297	1,846,001,025
Usance Payable at Sight (UPAS)		136,403,281	11,703,401,498	3,753,240,723
		<b>188,621,283</b>	<b>16,183,706,071</b>	<b>9,369,247,503</b>
<b>4.2 Bills purchased and discounted</b>				
In Bangladesh		-	-	-
Outside Bangladesh		66,481,162	5,704,083,677	10,109,012,385
		<b>66,481,162</b>	<b>5,704,083,677</b>	<b>10,109,012,385</b>
<b>5 Fixed assets including premises, furniture and fixtures</b>				
Cost:				
Furniture and fixtures		40,730	3,494,637	3,453,923
Electrical appliances		30,562	2,622,256	2,266,497
		<b>71,292</b>	<b>6,116,892</b>	<b>5,720,420</b>
Less: Accumulated depreciation				
Furniture and fixtures		33,142	2,843,604	2,708,337
Electrical appliances		23,363	2,004,560	1,827,827
		<b>56,505</b>	<b>4,848,164</b>	<b>4,536,164</b>
Written down value as at 31 December		<b>14,787</b>	<b>1,268,728</b>	<b>1,184,255</b>

Particulars	Note	2021		2020
		USD	Taka	Taka
<b>6 Other assets</b>				
Interest on calls and placements (USD)		161,436	13,851,221	-
Interest Receive Bills purchase/Discount/UPAS		1,709,251	146,653,709	11,462,756
Insurance		120	10,337	8,227
Advance office rent		2,397	205,699	203,303
others		29	2,466	11,206
		<b>1,873,233</b>	<b>160,723,433</b>	<b>11,685,492</b>
<b>7 Borrowing from other banks, financial institutions and agents</b>				
Borrowings from CBQ		10,000,000	858,000,000	254,401,200
Borrowings from CAIXABANK, S.A., SPAIN		6,000,000	514,800,000	678,403,200
Borrowings from GCPF		19,250,000	1,651,650,000	1,696,008,000
Borrowings from RAK Bank, UAE		10,000,000	858,000,000	958,244,520
Borrowings from Bank Muscat, Oman		6,000,000	514,800,000	-
Borrowings from FGB, UAE		17,000,000	1,458,600,000	466,402,200
Borrowings from ADB		20,000,000	1,716,000,000	1,229,605,800
Borrowings from SCB, Singapore		16,000,000	1,372,800,000	2,968,014,000
Borrowings from EIB, UAE		18,900,000	1,621,620,000	1,475,526,960
Borrowings from HDFC Bank, Hong Kong		15,000,000	1,287,000,000	424,002,000
Borrowings from HABIB BANK		-	-	373,121,760
Borrowings from ADCB, UAE		5,500,000	471,900,000	508,802,400
Borrowings from AXIS BANK LTD.		3,000,000	257,400,000	-
Borrowings from Head Office		135,400,000	11,617,320,000	6,478,750,560
		<b>282,050,000</b>	<b>24,199,890,000</b>	<b>17,511,282,600</b>
<b>8 Deposit accounts</b>				
Current accounts	8.1	6,354,438	545,210,756	424,739,933
Fixed deposits		584,191	50,123,617	46,403,658
		<b>6,938,629</b>	<b>595,334,372</b>	<b>471,143,591</b>
<b>8.1 Current deposits</b>				
Current accounts		126,786	10,878,198	11,603,486
Current A/C USD-Resident		6,184,438	530,624,769	412,577,728
FDD Payable		-	-	-
Margin against L/C		32,000	2,745,600	-
Sundry creditors		11,214	962,189	558,718
		<b>6,354,438</b>	<b>545,210,756</b>	<b>424,739,933</b>
<b>9 Other liabilities</b>				
Accrued interest on borrowing others bank		1,622,725	139,229,798	51,845,319
Interest payable-CBQ Loan		63,052	5,409,848	270,151
Interest payable on RAK Bank, UAE		87,027	7,466,908	3,145,720
Interest payable on FGB, UAE		110,389	9,471,396	1,904,938
Interest payable on ADB		42,612	3,656,145	8,928,379
Accrued interest on borrowing from EIB, UAE		58,334	5,005,031	20,641,417
Accrued interest on borrowing from SCB, Singapore		191,163	16,401,747	19,946,413
Accrued interest on borrowing from GCPF		2,005	172,047	-
Accrued interest on borrowing from CAIXABANK, S.A.		49,900	4,281,405	2,946,191
Interest payable on borrowing from HABIB BANK AG		-	-	2,803,855
Accrued interest on borrowing FM-HDFC Bank, Hong Kong		25,479	2,186,113	445,202
Accrued interest on borrowing from ADCB, UAE		22,974	1,971,186	16,175,877
Accrued interest on borrowing from AXIS BANK LTD.		27,644	2,371,832	-
Accrued interest on borrowing from BANK MASCAT, OMAN		20,903	1,793,489	-
Accrued interest on FDR		1	86	83
Interest Suspense		584,437	50,144,689	69,208,207
AIT & VAT		-	-	380,457
		<b>2,908,645</b>	<b>249,561,717</b>	<b>198,642,209</b>

Particulars	Note	2021		2020
		USD	Taka	Taka
<b>10 Retained earnings</b>				
Balance as at 1 January		13,218,359	1,321,710,999	880,094,875
Add/less: foreign currency translation gain/(loss) for last year		-	3,538,717	(352,041)
Less: Transfer to head office		(13,218,359)	(1,321,710,999)	-
		-	<b>3,538,717</b>	<b>879,742,834</b>
Addition during the year		5,316,581	452,623,924	441,968,165
		<b>5,316,581</b>	<b>456,162,641</b>	<b>1,321,710,999</b>
Add/less: foreign exchange gain (loss)		-	-	-
Balance as at 31 December		<b>5,316,581</b>	<b>456,162,641</b>	<b>1,321,710,999</b>
<b>11 Interest income on investment</b>				
Interest income from loans and advances		6,303,001	536,602,214	239,423,113
Interest on overdraft		141	11,966	-
Interest income from bill purchased and discounted		3,859,989	328,617,833	723,450,843
Interest income calls & placement (FCY)		481,198	40,966,500	3,808,099
		<b>10,644,328</b>	<b>906,198,513</b>	<b>966,682,055</b>
<b>12 Interest paid on deposits and borrowings etc.</b>				
Interest on FDR		56	4,728	4,264
Interest expense on Borrowing FM other OBU		-	-	18,927,333
Interest expenses -GCPE loan		782,520	66,619,340	84,406,945
Interest on CAIXABANK, S.A., SPAIN		103,237	8,789,034	23,961,979
Interest on CBQ loan		124,243	10,577,329	18,478,120
Interest expenses -Habib bank		20,931	1,781,906	2,806,090
Interest expenses -RAK bank, UAE		265,620	22,613,423	28,916,775
Interest expenses -AXIS BANK LTD.		108,865	9,268,160	10,674,697
Interest expenses FGB, UAE		247,314	21,054,970	19,278,017
Interest expenses ADB		299,582	25,504,718	24,183,404
Interest expense on -HDFC BANK, HONG KONG		155,958	13,277,420	18,299,662
Interest expense on -SCB, Singapore		802,472	68,317,958	75,932,749
Interest expense on -EIB, UAE		340,513	28,989,357	44,781,005
Interest expense on -NMB Bank		150,000	12,770,160	28,612,303
Interest expense on -NOOR BANK UAE		-	-	17,279,074
Interest expense on -ADCB, UAE		47,724	4,062,927	18,695,983
Interest expense on -DBS BANK LTD		-	-	12,489,599
Interest on calls and placement		2,147,122	182,793,911	109,523,923
Interest expense on -BANK MUSCAT, OMAN		157,007	13,366,673	-
		<b>5,753,162</b>	<b>489,792,013</b>	<b>557,251,922</b>
<b>13 Commission, exchange &amp; brokerage</b>				
Commission and other charges		431,233	36,712,799	37,022,108
		<b>431,233</b>	<b>36,712,799</b>	<b>37,022,108</b>
<b>13.1 Other operating income</b>				
Other income- SWIFT		36,900	3,141,475	4,845,207
Miscellaneous income		7,260	618,089	2,675,379
Rebate from trade payments		96,320	8,200,166	8,531,115
		<b>140,481</b>	<b>11,959,730</b>	<b>16,051,700</b>
<b>14 Salaries and allowances</b>				
Basic salary		34,607	2,946,239	2,402,357
Allowances		26,334	2,241,897	2,115,339
Provident fund contribution		2,933	249,701	202,445
Bonus		6,239	531,119	374,686
		<b>70,112</b>	<b>5,968,956</b>	<b>5,094,827</b>



Particulars	Note	2021		2020
		USD	Taka	Taka
<b>15 Rent, taxes, insurance, electricity etc.</b>				
Rent, rates and taxes		12,945	1,102,102	1,126,138
Insurance		174	14,834	13,720
Electricity and lighting		2,181	185,693	195,235
		<b>15,301</b>	<b>1,302,630</b>	<b>1,335,092</b>
<b>16 Postage, stamp, telecommunication etc.</b>				
Postage		8,183	696,617	786,319
Internet service		2,946	250,781	250,107
SWIFT charges		5,676	483,247	469,972
FC Nostro charges		3,584	305,122	278,452
Telephone		365	31,049	29,327
		<b>20,753</b>	<b>1,766,816</b>	<b>1,814,177</b>
<b>17 Stationery, printing, advertisements etc.</b>				
Office and printing stationery		5,151	438,493	418,911
		<b>5,151</b>	<b>438,493</b>	<b>418,911</b>
<b>18 Depreciation and repair of bank's assets</b>				
Depreciation on own assets:				
Furniture and fixtures		1,558	132,641	200,771
Electrical appliances		1,809	153,983	77,828
		<b>3,367</b>	<b>286,625</b>	<b>278,599</b>
<b>19 Other expenses</b>				
Entertainment		438	37,302	30,003
Management fee GCPF		-	-	8,939,629
Travelling expenses and allowance		72	6,115	-
House maintenance (Executive)		4,924	419,187	335,481
Repair, maintenance and utilities		2,142	182,378	346,668
Books and periodicals		72	6,140	4,764
Conveyance		462	39,326	46,912
Miscellaneous		23,506	2,001,138	1,890,713
		<b>31,616</b>	<b>2,691,586</b>	<b>11,594,170</b>

# GEOGRAPHICAL AND BUSINESS SEGMENT

Annexure-I

## I) Geographical Segment

Particulars	Inside Bangladesh			Outside Bangladesh		Total
	SEBL (Conventional & Islamic Banking)	Off Shore Banking Unit	SEBL Capital Services Limited	South East Exchange Company (South Africa) Pty Ltd	Taka	
Income	13,620,453,239	465,079,030	497,913,503	89,339,737	14,672,785,508	
Less: Inter segmental income/expense	(17,341,714)	-	17,341,714	-	-	
Total Income	13,637,794,953	465,079,030	480,571,789	89,339,737	14,672,785,508	
Operating profit (profit before unallocated expenses and tax)	13,637,794,953	465,079,030	480,571,789	89,339,737	14,672,785,508	
Allocated expenses	(5,859,470,865)	(12,455,106)	(78,308,057)	(51,429,597)	(6,001,663,624)	
Provision against loans & advances and others	(5,428,335,257)	-	15,240,012	-	(5,413,095,245)	
Profit (loss) before tax	2,349,988,830	452,623,924	417,503,744	37,910,140	3,258,026,639	
Provision for tax including deferred tax	(1,400,000,000)	-	(63,143,576)	(10,584,976)	(1,473,728,552)	
Net profit	949,988,830	452,623,924	354,360,168	27,325,165	1,784,298,087	
Segment assets	463,272,852,374	25,500,948,730	6,926,458,438	141,700,023	495,841,959,565	
Segment liabilities	463,272,852,374	25,500,948,730	6,926,458,438	141,700,023	495,841,959,565	

## II) Business Segment

Particulars	Inside Bangladesh			Outside Bangladesh		Total
	Conventional Banking including OBU	Islamic Banking	SEBL Capital Services Limited	South East Exchange Company (South Africa) Pty Ltd	Taka	
Income	13,231,084,154	854,448,114	497,913,503	89,339,737	14,672,785,508	
Less: Inter segmental income	(17,341,714)	-	17,341,714	-	-	
Total Income	13,248,425,868	854,448,114	480,571,789	89,339,737	14,672,785,508	
Operating profit (profit before unallocated expenses and tax)	13,248,425,868	854,448,114	480,571,789	89,339,737	14,672,785,508	
Allocated expenses	(5,686,487,864)	(185,438,107)	(78,308,057)	(51,429,597)	(6,001,663,624)	
Provision against loans & advances and others	(5,682,857,000)	254,521,743	15,240,012	-	(5,413,095,245)	
Profit (loss) before tax	1,879,081,004	923,531,750	417,503,744	37,910,140	3,258,026,639	
Provision for tax including deferred tax	(1,400,000,000)	-	(63,143,576)	(10,584,976)	(1,473,728,552)	
Net profit	479,081,004	923,531,750	354,360,168	27,325,165	1,784,298,087	
Segment assets	462,324,422,612	26,449,378,492	6,926,458,438	141,700,023	495,841,959,565	
Segment liabilities	462,324,422,612	26,449,378,492	6,926,458,438	141,700,023	495,841,959,565	

Southeast Bank Limited

Annexure-I

# RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES (STANDALONE BASIS)

For the year ended 31 December 2021

Particulars	Note	Amount in Taka	
		2021	2020
<b>Profit before tax as per profit and loss accounts</b>		<b>3,113,890,603</b>	<b>3,055,226,607</b>
<b>Adjustment for non-cash items:</b>			
Provision for loans and advances/investments		4,736,227,708	5,025,630,170
Provision for diminution in value of investments		243,314,855	(117,063,786)
Provision for off- balance sheet items		397,615,600	119,155,200
Provision for others assets		51,177,094	60,000,000
Depreciation of property plant and equipment		476,043,486	371,619,324
Recoveries on Loans previously written-off		476,426,541	472,250,468
Foreign exchange gain/(Loss)		3,538,716	(1,385,732)
Sale proceeds of assets		70,335,786	4,074,615
<b>Increase/decrease in operating assets &amp; liabilities:</b>			
Loans and advances to customers		(15,983,233,962)	(28,545,832,588)
Other operating assets		(140,172,854)	(891,378,600)
Deposits from other banks		7,678,808,438	5,196,276,440
Deposits from customers		17,626,190,386	31,663,849,413
Others operating liabilities		3,840,467,313	(2,161,563,655)
Income tax paid		(1,339,550,912)	(2,881,973,987)
<b>Cash flows from operating activities as per cash flow statement</b>		<b>21,251,078,798</b>	<b>11,368,883,889</b>

## Appendix-A



# FINANCIAL STATEMENTS OF SOUTHEAST BANK CAPITAL SERVICES LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021



## INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Southeast Bank Capital Services Limited

### Report on the Audit of the Financial Statements

#### Opinion:

We have audited the financial statements of **Southeast Bank Capital Services Ltd.** ("The Company"), which comprise the Statement of Financial Position as at 31 December 2021 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended and notes to the financial statements including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statement give true and fair view, in all material respects, of the Financial Position of the company as at 31 December 2021 and of its Financial Performance and Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Bangladesh Securities and Exchange Rules 1987 (Amended up to 2020), the Companies Act 1994, and other applicable laws and regulations.

#### Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code & the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting standards (IFRS), the Bangladesh Securities and Exchange Rules 1987 (Amended up to 2020), the Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of Financial Statements:

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

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

**Registered Office:** AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh.  
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E-mail: pinaki\_co@yahoo.com, info@pinakicabd.com, website: www.pinaki.com.bd



**We also:**

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives true & fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on other Legal and Regulatory Requirements:**

According to the, Bangladesh Securities and Exchange Rules 1987 (Amended up to 2020), the Companies Act 1994, and other applicable laws and regulations.

**We also report that:**

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of accounts as required by law have been kept by the company and so far as it appeared from our examination of those books;
- The Company's Financial Position as at 31 December 2021 and Statement of Profit or Loss and Other Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

Dhaka  
Dated: 02 April 2022

*Pinaki Das*

**Pinaki Das, FCA**  
Senior Partner  
ICAB Enrol. No: 151  
**Pinaki & Company**  
Chartered Accountants

**DVC: 2204050151AS981143**

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Southeast Bank Capital Services Ltd.


**STATEMENT OF FINANCIAL POSITION**

as at 31 December 2021

Particulars	Note	Amount in Taka	
		31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>A. NON-CURRENT ASSETS</b>		<b>490,121,062</b>	<b>524,253,898</b>
Property, Plant and Equipment's	Note- 04	490,121,062	524,253,898
<b>B. CURRENT ASSETS</b>		<b>6,436,337,376</b>	<b>5,563,722,813</b>
Margin Loan	Note- 05	2,824,641,698	1,883,303,310
Accounts Receivable	Note- 06	17,859,727	170,732,240
Advances, Deposits and Prepayments	Note- 07	164,695,861	145,831,997
Investment in Quoted Shares	Note- 08	2,885,653,708	2,717,040,856
Investment in Un Quoted Shares	Note- 09	45,100,000	172,600,000
Investment with ICB Fund	Note- 10	327,643,353	-
Cash and Cash Equivalents	Note- 11	110,743,029	24,214,410
Fixed Deposit With SEBL	Note- 12	60,000,000	450,000,000
<b>C. TOTAL ASSETS [A + B]</b>		<b>6,926,458,438</b>	<b>6,087,976,711</b>
<b>EQUITY AND LIABILITIES</b>			
<b>D. CAPITAL AND RESERVE</b>		<b>5,668,527,531</b>	<b>5,571,825,649</b>
Share Capital	Note- 13	5,500,000,000	5,500,000,000
Retained Earnings	Note- 14	168,527,531	71,825,649
<b>E. NON-CURRENT LIABILITIES</b>		-	-
<b>F. CURRENT LIABILITIES</b>		<b>1,257,930,907</b>	<b>516,151,062</b>
Margin Deposit	Note- 15	193,282,579	110,261,276
Collection in Transit	Note- 16	46,235,013	85,555,452
Loan from ICB	Note- 17	360,000,000	-
Provision for Corporate Income Tax	Note- 18	215,885,713	152,742,137
Provision for Negative Equity	Note- 19	138,452,095	-
Provision for Diminution in Value of Investments	Note- 20	-	153,692,107
Accrued Expenses	Note- 21	4,130,500	380,000
Other Liabilities	Note- 22	299,945,007	13,520,090
<b>G. TOTAL EQUITY AND LIABILITIES [D + E + F]</b>		<b>6,926,458,438</b>	<b>6,087,976,711</b>



Chairman



Director



Managing Director


**Pinaki Das, FCA**

Senior Partner

ICAB Enrol. No: **151****Pinaki & Company**

Chartered Accountants

**DVC: 2204050151AS981143**

Dhaka

Dated: 02 April 2022

Southeast Bank Capital Services Ltd.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended 31 December 2021

Particulars	Note	Amount in Taka	
		01 January 2021 to 31 December 2021	01 January 2020 to 31 December 2020
<b>Income:</b>			
Interest on Portfolio Loan		60,072,376	25,318,403
Portfolio Management Fee		10,564,268	3,093,069
Documentation Charge		202,000	198,200
Settlement Fees		38,563,412	9,890,451
Commission on Underwriting		56,000	75,000
Income on Investment in Shares		294,632,815	42,176,605
Dividend Income		75,339,670	59,759,189
Interest On Fixed Deposit		17,272,852	41,443,750
Other Income	Note- 23	3,541,248	4,274,390
Interest on SND Acc.		68,862	43,181
<b>Total Income</b>		<b>500,313,503</b>	<b>186,272,238</b>
<b>Less: Expenses:</b>			
Salary & Allowances	Note- 24	15,349,483	13,591,240
Financial Expenses	Note- 25	2,400,000	-
Printing & Stationery		322,314	127,219
Local Conveyances		105,140	22,400
Entertainment		397,226	155,896
Car Maintenance		730,340	699,640
House Service & Utilities		819,000	258,000
House Maintenance		1,765,397	1,432,680
Telephone & Postage		249,969	160,393
Office Space Rentals		1,611,578	12,271,248
Other Rates & Taxes		1,145,740	482,800
Miscellaneous Expenses		202,164	458,199
CDBL Expenses		4,518,204	701,317
Misc. Contractual Services		895,233	684,780
Bank Charges		544,658	402,412
Director Remuneration		192,000	120,000
Fuel and Lubricant		235,020	215,450
Advertisement		37,238	29,200
Audit Fees		80,500	92,000
Professional Service Charge		333,500	588,416
Corporate Expenses (Subscription)		300,000	150,000
Utilities Charges (Repair & Main & Utilities)		2,481,813	1,033,784
Gratuity Expense		1,500,000	500,000
Electricity & Lighting Expenses		618,147	680,309
Depreciation		43,873,393	47,685,555
<b>Total Expenses</b>		<b>80,708,057</b>	<b>82,542,938</b>
<b>Profit/(Loss) Before Provision</b>		<b>419,605,446</b>	<b>103,729,300</b>
Add: Provision for Diminution in Value of Investments		153,692,107	-
Less: Provision for Negative Equity		138,452,095	-
<b>Profit/(Loss) Before Tax</b>		<b>434,845,458</b>	<b>103,729,300</b>
Less: Provision for Income Tax		63,143,576	33,329,994
<b>Net profit/(Loss) after Tax</b>		<b>371,701,882</b>	<b>70,399,306</b>
Less: Provision for Declared dividend		275,000,000	-
<b>Net Profit after Tax and Dividend</b>		<b>96,701,882</b>	<b>70,399,306</b>



Chairman



Director



Managing Director



Pinaki Das, FCA

Senior Partner

ICAB Enrol. No: 151

Pinaki &amp; Company

Chartered Accountants

Dhaka

Dated: 02 April 2022

DVC: 2204050151AS981143

Southeast Bank Capital Services Ltd.

**STATEMENT OF FINANCIAL POSITION**

as at 31 December 2021

Amount in Taka

Particulars	Share Capital	Provision	Retained Earnings	Total
Balance as on 01.01.2021	5,500,000,000	-	71,825,649	5,571,825,649
Net profit( /Loss) for the year	-	-	96,701,882	96,701,882
Balance as on 31.12.2021	<b>5,500,000,000</b>	<b>-</b>	<b>168,527,531</b>	<b>5,668,527,531</b>

**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2020

Amount in Taka

Particulars	Share Capital	General Reserve	Retained Earnings	Total
Balance as on 01.01.2020	5,500,000,000	-	1,426,343	5,501,426,343
Net profit( /Loss) for the year	-	-	70,399,306	70,399,306
Balance as on 31.12.2020	<b>5,500,000,000</b>	<b>-</b>	<b>71,825,649</b>	<b>5,571,825,649</b>



Chairman



Director



Managing Director

Southeast Bank Capital Services Ltd.

**STATEMENT OF CASH FLOWS**

for the year ended 31 December 2021

Particulars	Amount in Taka	
	01 January 2021 to 31 December 2021	01 January 2020 to 31 December 2020
<b>Cash flow from operating activities</b>		
Cash receipt from Customer	212,944,889	(143,000,439)
Cash Received from Others	440,241,126	101,151,464
Cash paid to Employee and Suppliers	(21,659,247)	(32,317,554)
Advances, Deposits and Prepayments	4,546,250	(4,556,250)
Income Tax Paid	(23,410,114)	(16,853,113)
Margin Loan	(941,338,388)	(145,453,355)
Margin Deposit	83,021,303	34,506,560
Collection in Transit	(39,320,439)	63,850,280
<b>Net cash used by operating activities</b>	<b>(284,974,619)</b>	<b>(142,672,406)</b>
<b>Cash flow from investing activities</b>		
Investment in Quoted Shares	(368,756,205)	(63,988,376)
Acquisition of Fixed Asset	(9,740,557)	(1,868,526)
Fixed Deposit With SEBL	390,000,000	150,000,000
Interest on SND	-	43,181
Income from Dividend	-	59,759,189
<b>Net cash provided from investing activities</b>	<b>11,503,238</b>	<b>143,945,468</b>
<b>Cash flow from financing activities</b>		
Net Increase/(Decrease) in Overdraft	-	-
Net Increase/(Decrease) ICB Loan- Pronodona Scheme	360,000,000	-
<b>Net cash used in financing activities</b>	<b>360,000,000</b>	<b>-</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>86,528,620</b>	<b>1,273,062</b>
<b>Cash and Cash Equivalents at the Opening Balance</b>	<b>24,214,410</b>	<b>22,941,348</b>
<b>Cash and Cash Equivalents at the Closing Balance</b>	<b>110,743,029</b>	<b>24,214,410</b>



Chairman



Director



Managing Director



Southeast Bank Capital Services Ltd.

## NOTES TO THE FINANCIAL STATEMENTS

as at & for the year ended 31 December 2021

### 1.0 Legal Status and Nature of the Company

Southeast Bank Capital Services Limited (hereinafter referred to as "the Company 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 Rupayan Trade Center, 114, Kazi Nazrul Islam Ave, Dhaka-1205.

### 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 Bangladesh Securities and Exchange Commission (Merchant Banking and Portfolio Management) Rules 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Bangladesh Securities and Exchange Rules 1987(Amended up to 2020), 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 Interactional Accounting Standard (IAS) 1, as adopted by ICAB as IAS - I "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position
- ii) Statement of Profit or Loss and Other Comprehensive Income
- iii) Statement of Changes in Equity
- iv) Statement of Cash Flows and
- v) Notes to the Financial Statements.

### 3.0 Principal Accounting Policies

#### 3.1 Cash Flow Statement

Cash Flow Statement is prepared in accordance with IAS 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 18(b) of IAS-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.

#### 3.3 Authorization of Financial Statement

The Financial Statement was approved by the Board of Directors in a meeting held on 21<sup>th</sup> December 2021.

Southeast Bank Capital Services Ltd.

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 December 2021

Notes No.	Particulars	Amount in Taka	
		31 December 2021	31 December 2020
<b>04. Property, Plant and Equipment's</b>			
	Details of Property, Plant and Equipment's and Depreciation as on 31 December 2021 are shown in the annexed Schedule - A. This is arrived at as follows:		
	<b>Written Down Value (a-b)</b>	<b>490,121,062</b>	<b>524,253,898</b>
	<b>Cost value</b>		
	Opening Balance	817,942,353	816,073,827
	Add: Addition during the year	9,740,557	1,868,526
		<b>827,682,910</b>	<b>817,942,353</b>
	Less : Adjustment during the year	-	-
	<b>Closing Balance (a)</b>	<b>827,682,910</b>	<b>817,942,353</b>
	<b>Accumulated Depreciation</b>		
	Opening Balance	293,688,455	246,002,900
	Add: Charged during the year	43,873,393	47,685,555
		<b>337,561,848</b>	<b>293,688,455</b>
	Less : Adjustment during the year	-	-
	<b>Closing Balance (b)</b>	<b>337,561,848</b>	<b>293,688,455</b>
<b>05 Margin Loan</b>		<b>2,824,641,698</b>	<b>1,883,303,310</b>
	Opening Balance	1,883,303,310	1,737,849,955
	Add: During the year	5,416,950,396	2,497,285,759
		7,300,253,706	4,235,135,714
	Less: Received during the year	4,475,612,008	2,351,832,404
<b>06 Accounts Receivable</b>		<b>17,859,727</b>	<b>170,732,240</b>
	BLI Securities Ltd.	13,174,624	21,297,650
	AD Holdings Ltd.	1,260,728	10,650,550
	Int. Leasing Securities Ltd.	3,424,375	3,171,065
	Accounts Receivable (Others)	-	135,612,975
<b>07 Advances, Deposits and Prepayments</b>		<b>164,695,861</b>	<b>145,831,997</b>
	Corporate Income Tax	164,685,861	141,275,747
	Advance Payment for decoration	-	4,556,250
	Advance Payment to employee	10,000	-
<b>07.1 Corporate Income Tax</b>		<b>164,685,861</b>	<b>141,275,747</b>
	As per Last Account	141,275,747	124,422,634
	Add: Addition during the year (Advance Income Tax)	23,410,114	16,853,113
		<b>164,685,861</b>	<b>141,275,747</b>
	Add: Paid by Pay order for the year 2015-16	-	-
	Add: Paid by Pay order for the year 2019-20	-	-
		164,685,861	141,275,747
	Less : Adjustment during the year	-	-
<b>08 Investment in Quoted Shares</b>		<b>2,885,653,708</b>	<b>2,717,040,856</b>
	Opening Balance	2,717,040,856	2,653,052,480
	Add: Net investment during the year	168,612,852	63,988,376

Note-07.1

Note-08.01

Notes No.	Particulars	Amount in Taka	
		31 December 2021	31 December 2020
<b>08.1</b>	<b>The total amount is invested as under:</b>		
	Exim Bank Ltd.	118,114,840	118,114,786
	Prime Bank Ltd.	98,023,749	98,023,641
	City Bank Ltd.	-	46,962,061
	Lub-rref (BD) Ltd.	127,500,000	-
	Trust Bank Ltd.	-	6,757,536
	Dhaka Bank Ltd	19,225,068	19,225,068
	Pubali Bank Ltd	-	10,678,829
	Bay Leasing & Investment Ltd.	314,400,202	382,935,045
	National Life Insurance Co. Ltd.	1,611,948,569	1,462,000,069
	Asia Insurance Co. Ltd.	-	168,881,662
	Delta Life Insurance Co. Ltd.	41,487,611	69,679,950
	GPH Ispat	-	7,442,540
	Western Marine Shipyard Ltd.	24,437,948	18,267,021
	Eastland Insurance Company Ltd.	-	69,873,047
	BBS Cables	18,278,679	13,242,212
	Phoenix Insurance	-	60,063,787
	GBB Power Ltd.	-	8,554,118
	Barka Power Ltd.	-	20,782,817
	Khulna Power Company Ltd	9,671,227	9,671,227
	Argon Denims Ltd.	14,669,264	9,572,078
	Dominage Sreel Building Systems Ltd.	-	17,187
	Esquire Knit Composit Ltd.	-	944,145
	AFC Agro Biotech Ltd.	8,152,274	25,186,743
	Active Fine Chemicals Lyd.	-	2,697,032
	Mostafa Metal Ind.	73,530	-
	Meghna Petroleum	-	5,182,540
	Confidence Cement Ltd.	-	14,593,107
	Olympic Industries	1,652,118	-
	Heidelberg Cement Ltd.	-	7,722,742
	Unique Hotels & Resorts Ltd.	21,587,916	20,191,273
	Robi Axita Ltd.	-	1,412,530
	Eastern Insurance	2,825,277	-
	Pragati Life Insurance	198,514,865	-
	Pragati Insurance Ltd	230,232,768	-
	FAS Finance & Investment	7,943,936	7,943,936
	Uttara Finance	8,747,696	8,747,696
	Energypac Power Generation Ltd.	-	5,000,000
	Shasha Denims Ltd.	-	2,588,100
	Sea Pear Beach Resort	-	17,764
	Nurani Dyeing & Sweater Ltd.	-	8,580,180
	Lanka Bangla Finance	8,166,171	-
	Ring Shine Textile Ltd.	-	493,695
	Delta Brac Housing Finance Ltd.	-	4,649,683
	New Line Clothing	-	345,009
		<b>2,885,653,708</b>	<b>2,717,040,856</b>
<b>09</b>	<b>Investment in Un Quoted Shares</b>	<b>45,100,000</b>	<b>172,600,000</b>
	VIPB (Non Listed)	3,500,000	3,500,000
	Lub-rref (BD) Ltd.	-	127,500,000
	BD Thai Food & Beveridge Ltd.	41,600,000	41,600,000

Notes No.	Particulars	Amount in Taka	
		31 December 2021	31 December 2020
<b>10</b>	<b>Investment with ICB Fund</b>	<b>327,643,353</b>	<b>-</b>
	Deltalife Life Ins	22,467,645	-
	Lafargeholcim Bangladesh	7,636,952	-
	Dutch-Bangla Bank Ltd	1,856,979	-
	One Bank Ltd	3,030,570	-
	Fortune Shoes Ltd	31,395,648	-
	Genex Infosys Ltd	42,842,016	-
	Beximco Pharma	22,053,406	-
	Asia Insurancs	164,388,353	-
	Hamid Fabrics Ltd	31,971,785	-
<b>11</b>	<b>Cash and Cash Equivalents</b>	<b>110,743,029</b>	<b>24,214,410</b>
	Cash in hand	-	-
	Cash at bank	110,743,029	24,214,410
	Note - 11.1		
<b>11.1</b>	<b>Cash at Bank</b>	<b>110,743,029</b>	<b>24,214,410</b>
	Southeast Bank Ltd -CD A/C- 1100007409	81,530	81,875
	Southeast Bank Ltd -CD A/C- 1110008300	65,638,419	-
	Southeast Bank Ltd -SND-13100000785	25,603,589	14,089,085
	Southeast Bank Ltd -SND (Agent Banking)	408,800	-
	Southeast Bank Ltd -Al- Wadiah A/C- 11100006778	19,010,691	10,043,450
<b>12</b>	<b>Fixed Deposit With SEBL</b>	<b>60,000,000</b>	<b>450,000,000</b>
	FDR-Southeast Bank Ltd. (Corporate Br.)	60,000,000	450,000,000
	Note - 12.1		
<b>12.1</b>	<b>Fixed Deposit With SEBL</b>	<b>60,000,000</b>	<b>450,000,000</b>
	Opening Balance	450,000,000	600,000,000
	Add: During the year	305,000,000	280,000,000
		<b>755,000,000</b>	<b>880,000,000</b>
	Less: Encashment during the year	695,000,000	430,000,000
<b>13</b>	<b>Share Capital</b>		
	<b>Authorised Capital</b>		
	600,000,000 shares of TK. 10/- each	6,000,000,000	6,000,000,000
	<b>Issued and Subscribed Capital</b>		
	550,000,000 shares of TK. 10/- each	5,500,000,000	5,500,000,000
	<b>Paid up Capital</b>		
	550,000,000 shares of TK. 10/- each	5,500,000,000	5,500,000,000
<b>14</b>	<b>Retained Earnings</b>	<b>168,527,531</b>	<b>71,825,649</b>
	Opening Balance	71,825,649	1,426,343
	Add: Profit/(Loss) during the year	96,701,882	70,399,306
<b>15</b>	<b>Margin Deposit</b>	<b>193,282,579</b>	<b>110,261,276</b>
	Opening Balance	110,261,276	75,754,716
	Add: During the year	2,231,843,984	498,010,577
		<b>2,342,105,260</b>	<b>573,765,293</b>
	Less: Paid during the year	2,148,822,681	463,504,017

Notes No.	Particulars	Amount in Taka	
		31 December 2021	31 December 2020
<b>16</b>	<b>Collection in Transit</b>	<b>46,235,013</b>	<b>85,555,452</b>
	Opening Balance	85,555,452	21,705,172
	Add: Received During The Year	8,058,349,977	3,281,772,797
		<b>8,143,905,429</b>	<b>3,303,477,969</b>
	Less: Paid during the year	8,097,670,416	3,217,922,517
<b>17</b>	<b>Loan from ICB</b>	<b>360,000,000</b>	<b>-</b>
	Opening Balance	-	-
	Add: Received During The Year	360,000,000	-
		<b>360,000,000</b>	<b>-</b>
	Less: Paid during the year	-	-
<b>18</b>	<b>Provision for Income Tax</b>	<b>215,885,713</b>	<b>152,742,137</b>
	Opening Balance	152,742,137	119,412,143
	Add: Addition during the year	63,143,576	33,329,994
		<b>215,885,713</b>	<b>152,742,137</b>
	Less : Adjustment during the year	-	-
<b>19</b>	<b>Provision for Negative Equity</b>	<b>138,452,095</b>	<b>-</b>
	Opening Balance	-	-
	Add/(Less): During the year	138,452,095	-
<b>20</b>	<b>Provision for Diminution in Value of Investments</b>	<b>-</b>	<b>153,692,107</b>
	Opening Balance	153,692,107	153,692,107
	Less: Adjustment during the year	153,692,107	-
<b>21</b>	<b>Accrued Expenses</b>	<b>4,130,500</b>	<b>380,000</b>
	CDBL Bill	1,650,000	288,000
	Audit Fee	80,500	92,000
	Interest on ICB Loan	2,400,000	-
<b>22</b>	<b>Other Liabilities</b>	<b>299,945,007</b>	<b>13,520,090</b>
	Accounts Payable (Others)	-	1,098,763
	IPO Application Fund	23,445,007	11,921,327
	Provision for Declared Dividend	275,000,000	-
	Provision for Gratuity	1,500,000	500,000
<b>23</b>	<b>Other Income</b>	<b>3,541,248</b>	<b>4,274,390</b>
	Rental Income	3,541,248	4,273,920
	Miscellaneous Income	-	470
<b>24</b>	<b>Salary &amp; Allowances</b>	<b>15,349,483</b>	<b>13,591,240</b>
	Salary & Allowances	11,263,444	9,949,800
	Festival Bonus	1,119,100	997,720
	Leave Fare Concession	2,307,377	2,064,960
	Provident Fund Contribution	659,562	578,760
<b>25</b>	<b>Financial Expenses</b>	<b>2,400,000</b>	<b>-</b>
	Interest on ICB Loan	2,400,000	-



Southeast Bank Capital Services Ltd.  
**NOTES TO THE FINANCIAL STATEMENTS**  
as at 31 December 2021

Schedule - A

**Property, Plant and Equipments**

Particulars	Cost			Rate of %	Depreciation			W.D.V as at 31.12.2021
	Balance as at 01.01.2021	Addition during the year	Balance as at 31.12.2021		Balance as at 01.01.2021	Charged during the year	Balance as at 31.12.2021	
Land	98,206,531	-	98,206,531	-	-	-	-	98,206,531
Buildings	676,425,111	7,665,600	684,090,711	10%	271,367,572	41,089,600	312,457,172	371,633,539
Furniture & Fixture	29,370,272	20,000	29,390,272	10%	13,599,225	1,578,628	15,177,853	14,212,419
Electrical Appliance	12,640,439	2,054,957	14,695,396	20%	7,422,927	1,204,531	8,627,458	6,067,938
Computer Software	1,300,000	-	1,300,000	50%	1,298,731	635	1,299,365	635
<b>Total</b>	<b>817,942,353</b>	<b>9,740,557</b>	<b>827,682,910</b>		<b>293,688,455</b>	<b>43,873,393</b>	<b>337,561,848</b>	<b>490,121,062</b>

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**FINANCIAL STATEMENTS OF  
SOUTHEAST EXCHANGE COMPANY  
(SOUTH AFRICA) (PROPRIETARY) LIMITED**  
FOR THE YEAR ENDED 31 DECEMBER 2021

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# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## GENERAL INFORMATION

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Facilitator of funds remittance
<b>Directors</b>	Alamgir Kabir M Kamal Hossain
<b>Registered office and Business address</b>	9 Dolly Rathebe Road Corner Mint Road Fordsburg Johannesburg 2092
<b>Holding company</b>	Southeast Bank Limited incorporated in Bangladesh
<b>Bankers</b>	The Standard Bank of South Africa Limited First National Bank Limited ABSA Bank Limited Nedbank Limited
<b>Auditors</b>	GL Palmer and Company Registered Auditors
<b>Tax reference number</b>	9084402180
<b>Level of Assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the South African Reserve Bank.
<b>Preparer</b>	The annual financial statements were independently compiled by: KP Christou CA(SA)
<b>Issued</b>	04 February 2022

# G.L. PALMER AND COMPANY

CHARTERED ACCOUNTANTS (SA)



6 on 1<sup>st</sup> Avenue, Dunvegan  
Edenvale, Johannesburg, 1609  
PO Box 220, Bruma 2026  
Docex 9 Eastgate  
E-mail: info@glpalmer.com  
Tel: (+27-11) 616-0721/31  
Fax: (+27-11) 616-0736

## INDEPENDENT AUDITORS' REPORT

To the shareholder of Southeast Exchange Company (South Africa) (Proprietary) Limited

### Opinion

We have audited the annual financial statements of Southeast Exchange Company (South Africa) (Proprietary) Limited (the company) set out on pages 10 to 21, which comprise the statement of financial position as at 31 December 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Southeast Exchange Company (South Africa) (Proprietary) Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in south Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Southeast Exchange Company (South Africa) (Proprietary) Limited annual financial statements for the year ended 31 December 2021", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



PARTNERS: KP Christou MM Zackey IA Seedat

### Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the Annual Financial Statements

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

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**G.L. PALMER & COMPANY**

**GL PALMER AND COMPANY**

Registered Auditors

IA Seedat CA (SA)

Partner

Johannesburg

04 February 2022





## SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

### DIRECTORS' RESPONSIBILITIES AND APPROVAL

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The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial record may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2022 and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 5.

The annual financial statements set out on pages 10 to 23, which have been prepared on the going concern basis, were approved and signed by the board of directors on 04 February 2022.



Alamgir Kabir



M Kamal Hossain

**Bangladesh**

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Southeast Exchange Company (South Africa) (Proprietary) Ltd. for the year ended 31 December 2021.

### 1. Nature of business

Southeast Exchange Company (South Africa) (Proprietary) Limited was incorporated and operates in South Africa with interests in the facilitator of funds remittance industry.

There have been no material changes to the nature of the Company's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows for the company are set out in these annual financial statements.

### 3. Share capital

Particulars	2021	2020
	Number of Shares	
<b>Authorised</b>		
Ordinary shares issued at R 1 each	4 000	4 000

Particulars	2021	2020	2021	2020
	R		Number of Shares	
<b>Issued</b>				
Ordinary shares issued of R 1 par value	120	120	120	120

There have been no changes to the authorised or issued share capital during the year under review (2020-No changes).

### 4. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act 71 of 2008. As this general authority remains valid only until the next AGM, the shareholder will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares under the control of the directors until the next AGM.

### 5. Dividends

A dividend of R 9 222 216 was declared and paid to the shareholder during the year under review (2020-R 10 619 236).

### 6. Directors

The directors in office at the date of this report are as follows:

#### Directors

Alamgir Kabir

M Kamal Hossain

### 7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the Company had an interest and which significantly affected the business of the company.

## 8. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Company or in the policy regarding their use.

At 31 December 2021 the company's investment in property, plant and equipment amounted to R 1 548 998 (2020: R 1 406 362), of which R 470 803 (2020: R 317 322) was added in the current year through additions.

## 9. Special resolutions

No special resolutions, the nature of which might be significant to the shareholder in its appreciation of the state of affairs of the Company were made by the company during the period covered by this report.

## 10. Events after the reporting period

The company intends to purchase a mobile application for the year ended 31 December 2022 that will increase their footprint locally and internationally by allowing customers to remit funds to Bangladesh remotely.

The company is also assessing the possibility of contracting with reputable supermarket franchises to facilitate the remittance of funds through these franchises to expand their business model and increase their market share.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

## 11. Going concern

On 11 March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a global pandemic. As a result economic uncertainties have arisen and consumer spending has reduced thereby affecting local and international trade. Whilst these events have had an impact on the company's operations to date, there will be further implications on the company's results of operations if the weakened economic environment continues.

Given the uncertainty related to the duration and effect of this pandemic, the impact on the company's future profitability cannot be currently estimated.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

## 12. Litigation statement

The Company is not currently involved in any claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

## 13. Solvency and liquidity test

The directors have performed all solvency and liquidity tests required by the Companies Act of South Africa.

## 14. Auditors

GL Palmer and Company continued in office as auditors of the Company for 2021.

At the AGM, the shareholder will be requested to reappoint GL Palmer and Company as the independent external auditors of the Company and to confirm Mr. IA Seedat CA (SA) as the designated lead audit partner of the 2022 financial year.

## 15. Secretaries

The company secretaries are GLP Secretarial Services CC.

Postal address

PO Box 220  
Bruma  
2026

Business address

6 on 1st Avenue  
Dunvegan  
Endevale  
1609

## 16. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 04 February 2022. No authority was given to anyone to amend the financial statements after the date of issue.

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

Figures in Rand	Note	2021	2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1 548 998	1 406 362
<b>Current Assets</b>			
Trade and other receivables	3	12 179 674	4 984 425
Current tax receivable		94 532	-
Cash and cash equivalents	4	10 625 704	16 951 333
		<b>22 899 910</b>	<b>21 935 758</b>
<b>Total Assets</b>		<b>24 448 908</b>	<b>23 342 120</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	5	120	120
Non-distributable reserve		6 632 059	6 632 059
Retained income		5 783 410	10 189 912
		<b>12 415 589</b>	<b>16 822 091</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>	6	-	84 674
Instalment sale obligations			
<b>Current Liabilities</b>			
Trade and other payables	7	11 934 100	5 790 180
Instalment sale obligations	6	99 219	119 063
Current tax payable		-	526 112
		<b>12 033 319</b>	<b>6 435 355</b>
<b>Total Liabilities</b>		<b>12 033 319</b>	<b>6 520 029</b>
<b>Total Equity and Liabilities</b>		<b>24 448 908</b>	<b>23 342 120</b>

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note	2021	2020
Revenue	8	15 232 914	16 705 117
Operating expenses		(9 033 587)	(7 780 224)
<b>Operating profit</b>		<b>6 199 327</b>	<b>8 924 893</b>
Investment revenue	9	512 083	1 053 363
Finance costs	10	(30 228)	(22 232)
<b>Profit before taxation</b>		<b>6 681 182</b>	<b>9 956 024</b>
Taxation	11	(1 865 468)	(2 766 112)
<b>Profit for the year</b>		<b>4 815 714</b>	<b>7 189 912</b>
Other comprehensive income		-	-
<b>Total Comprehensive income for the year</b>		<b>4 815 714</b>	<b>7 189 912</b>



# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Share Capital	Non-distributable reserve	Retained income	Total equity
<b>Balance at 01 January 2020</b>	<b>120</b>	<b>6 632 059</b>	<b>13 619 236</b>	<b>20 251 415</b>
Profit for the year	-	-	7 189 912	7 189 912
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>7 189 912</b>	<b>7 189 912</b>
Dividends	-	-	(10 619 236)	(10 619 236)
<b>Total Changes</b>	<b>-</b>	<b>-</b>	<b>(10 619 236)</b>	<b>(10 619 236)</b>
<b>Balance at 01 January 2021</b>	<b>120</b>	<b>6 632 059</b>	<b>10 189 912</b>	<b>16 822 091</b>
Profit for the year	-	-	4 815 714	4 815 714
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4 815 714</b>	<b>4 815 714</b>
Dividends	-	-	(9 222 216)	(9 222 216)
<b>Total Changes</b>	<b>-</b>	<b>-</b>	<b>(9 222 216)</b>	<b>(9 222 216)</b>
<b>Balance at 31 December 2021</b>	<b>120</b>	<b>6 632 059</b>	<b>5 783 410</b>	<b>12 415 589</b>

Note

5

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## STATEMENT OF CASH FLOWS

Figures in Rand	Note	2021	2020
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	5 476 165	8 063 205
Interest income		512 083	1 053 363
Finance costs		(30 228)	(22 232)
Tax paid	13	(2 486 112)	(1 199 297)
<b>Net cash from operating activities</b>		<b>3 471 908</b>	<b>7 095 039</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(470 803)	(317 322)
<b>Cash flows from financing activities</b>			
Movement in instalment sale obligation		(104 518)	(98 636)
Dividends paid	14	(9 222 216)	(10 869 236)
<b>Net Cash flows from financing activities</b>		<b>(9 326 734)</b>	<b>(10 967 872)</b>
<b>Total cash movement for the year</b>		<b>(6 325 629)</b>	<b>(4 190 155)</b>
Cash at the beginning of the year		16 951 333	21 141 488
<b>Total cash at end of the year</b>	4	<b>10 625 704</b>	<b>16 951 333</b>

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## ACCOUNTING POLICIES

### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous year.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	5 years
Motor vehicles	Straight line	10 years
Office equipment	Straight line	3-6 years

#### 1.2 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

##### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases

Any contingent rents are expensed in the period they are incurred.

#### 1.3 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## ACCOUNTING POLICIES

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### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

### 1.4 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

### 1.5 Revenue

Interest is recognised, in profit or loss, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

### 1.6 Foreign exchange

#### Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

The foreign exchange component of a non-monetary item is recognised consistently with any other gains or losses on those items, in other comprehensive income or in profit or loss.

### 1.7 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liabilities. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### 1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020
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### 2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	747 065	(554 668)	192 397	747 065	(460 619)	286 446
Leasehold improvements	2 051 059	(1 029 525)	1 021 534	1 580 256	(838 634)	741 622
Motor vehicles	399 987	(97 471)	302 516	399 987	(65 262)	334 725
Office equipment	142 724	(110 173)	32 551	142 724	(99 155)	43 569
<b>Total</b>	<b>3 340 835</b>	<b>(1 791 837)</b>	<b>1 548 998</b>	<b>2 870 032</b>	<b>(1 463 670)</b>	<b>1 406 362</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	286 446	-	(94 049)	192 397
Leasehold improvements	741 622	470 803	(190 891)	1 021 534
Motor vehicles	334 725	-	(32 209)	302 516
Office equipment	43 569	-	(11 018)	32 551
	<b>1 406 362</b>	<b>470 803</b>	<b>(328 167)</b>	<b>1 548 998</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	344 444	58 169	(116 167)	286 446
Leasehold improvements	708 839	223 674	(190 891)	741 622
Motor vehicles	362 733	-	(28 008)	334 725
Office equipment	22 599	35 479	(14 509)	43 569
	<b>1 438 615</b>	<b>317 322</b>	<b>(349 575)</b>	<b>1 406 362</b>

#### Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings. Refer to note 6:

Motor vehicles	302 516	334 725
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Motor vehicles are held under a finance lease.



# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020
<b>3. Trade and other receivables</b>		
Accrued income	173 855	7 388
Cash in transit	11 380 000	4 643 920
Deposits	210 219	194 919
Prepayments	-	138 198
Nedbank vault	415 600	-
	<b>12 179 674</b>	<b>4 984 425</b>
<b>4 Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	18 912	289
Bank balances	10 606 792	16 951 044
	<b>10 625 704</b>	<b>16 951 333</b>

Included in the above bank balances figure at year end, is an amount of R 8 000 000 (2020- R 8 050 929) which is an unimpaired capital requirement of the South African Reserve Bank.

### 5. Share capital

#### Authorised

4000 Ordinary shares issued at R1 per share	4 000	4 000
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3 880 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting

#### Issued

120 Ordinary shares issued at R 1 per share	120	120
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### 6. Instalment sale obligation

#### Minimum lease payments which fall due

- within one year	99 219	119 063
- in second to fifth year inclusive	-	99 219
	99 219	218 282
Less: future finance charges	-	(14 454)
<b>Present value of minimum lease payments</b>	<b>99 219</b>	<b>203 737</b>

#### Net finance lease liabilities

Non-current liabilities	-	84 674
Current liabilities	99 219	119 063
	<b>99 219</b>	<b>203 737</b>

It is company policy to lease certain motor vehicles and equipment under finance leases.

The company's obligations under finance leases are secured by the leased assets. Refer to note 2.

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020
<b>7. Trade and other payables</b>		
Trade payables	11 696 884	5 518 162
Value added tax	72 216	128 694
Accrual for audit fees	165 000	135 000
Other payables	-	8 324
	<b>11 934 100</b>	<b>5 790 180</b>
<b>8. Revenue</b>		
Commissions and transaction fees	8 009 576	9 131 133
Exchange gain income	6 543 194	7 084 305
Online charge	680 144	489 679
	<b>15 232 914</b>	<b>16 705 117</b>
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	512 083	1 049 386
SARS	-	3 977
	<b>512 083</b>	<b>1 053 363</b>
<b>10. Finance costs</b>		
Late payment of tax	15 591	137
Interest paid	-	19
Finance charges	14 637	22 076
	<b>30 228</b>	<b>22 232</b>
<b>11. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
South African normal tax - year	1 865 468	2 766 112
<b>Reconciliation of the tax expense</b>		
Accounting profit	6 681 182	9 956 024
Tax at the applicable tax rate of 28% (2020: 28%)	1 870 731	2 787 687
<b>Tax effect of adjustments on taxable income</b>		
Non-deductible expenses	8 117	824
Temporary differences	(13 380)	(22 399)
	<b>1 865 468</b>	<b>2 766 112</b>
<b>12. Cash generated from operations</b>		
Profit before taxation	6 681 182	9 956 024
<b>Adjustments for:</b>		
Depreciation	328 167	349 575
Interest received	(512 083)	(1 053 363)
Finance costs	30 228	22 232
<b>Changes in working capital:</b>		
Trade and other receivables	(7 195 249)	(2 200 336)
Trade and other payables	6 143 920	989 073
	<b>5 476 165</b>	<b>8 063 205</b>

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020
<b>13. Tax paid</b>		
Balance at beginning of the year	(526 112)	240 703
Current tax for the year recognised in loss	(1 865 468)	(2 766 112)
Balance at end of the year	(94 532)	526 112
	<b>(2 486 112)</b>	<b>(1 999 297)</b>
<b>14. Dividends paid</b>		
Balance at beginning of the year	-	(250 000)
Dividends	(9 222 216)	(10 619 236)
	<b>(9 222 216)</b>	<b>(10 869 236)</b>
<b>15. Auditors' remuneration</b>		
Fees	165 000	141 513
Adjustment for previous year	9 113	8 722
	<b>174 113</b>	<b>150 235</b>

### 16. Related parties

Relationships

Holding company: **Southeast Bank Limited**

**Related party balances and transactions with entities over which the company has control, joint control or significant influence.**

#### Related party balances

##### Amounts included in Trade Payables regarding related parties

Southeast Bank Limited	11 626 878	5 437 456
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### 17. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2020 - Nil).

### 18. Comparative figures

Certain comparative figures have been reclassified.

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## DETAILED INCOME STATEMENT

Figures in Rand	Note	2021	2020
<b>Revenue</b>			
Commissions and transaction fees		8 009 576	9 131 133
Exchange gain income		6 543 194	7 084 305
Online charges		680 144	489 679
	8	<b>15 232 914</b>	<b>16 705 117</b>
<b>Expenses (Refer to page 23)</b>		<b>(9 033 587)</b>	<b>(7 780 224)</b>
<b>Operating profit</b>		<b>6 199 327</b>	<b>8 924 893</b>
Investment income	9	512 083	1 053 363
Finance costs	10	(30 228)	(22 232)
		<b>481 855</b>	<b>1 031 131</b>
<b>Profit before taxation</b>		<b>6 681 182</b>	<b>9 956 024</b>
Taxation	11	(1 865 468)	(2 766 112)
<b>Profit for the year</b>		<b>4 815 714</b>	<b>7 189 912</b>

The supplementary information presented does not form part of the annual financial statements and its unaudited.

# SOUTHEAST EXCHANGE COMPANY (SOUTH AFRICA) (PROPRIETARY) LIMITED

Annual Financial Statements for the year ended 31 December 2021

## DETAILED INCOME STATEMENT

Figures in Rand	Note	2021	2020
<b>Operating expenses</b>			
Accounting fees		136 242	119 450
Administration and management fees		2 243	-
Advertising		55 862	19 673
Assets under R 7 000		-	11 717
Auditors' remuneration	15	174 113	150 235
Bank charges		443 700	610 873
Cash carrying charges		1 512 796	1 188 185
Cleaning		-	1 067
Commission paid		132 198	120 563
Compliance cost		-	8 625
Computer expenses		8 284	9 512
Consulting fees		137 136	-
Depreciation		328 167	349 575
Donations		13 400	-
Employee costs		3 368 622	2 692 799
Entertainment		148 498	63 237
Insurance		152 485	133 450
Lease rentals on operating lease		1 198 881	1 094 454
Medical Expenses		739	-
Motor vehicle expenses		34 001	14 871
Municipal expenses		86 514	75 903
Office equipment		11 157	7 584
Office expenses		13 000	55 503
Petrol and oil		92 919	53 098
Postage		-	3 963
Printing and stationery		131 635	142 691
Repairs and maintenance		13 091	34 954
Secretarial fees		5 112	5 278
Security		702 338	679 199
Telephone and fax		54 924	58 149
Travel - local		40 670	19 732
Travel - overseas		34 860	55 814
		<b>9 033 587</b>	<b>7 780 224</b>



The image features a red pencil in the foreground, positioned as if it has just finished checking off an item on a checklist. The checklist consists of four square boxes, each containing a red checkmark. The background is a gradient of dark blue at the top and bright pink at the bottom, with white and blue geometric lines and dots suggesting a digital or technological theme.

# **STANDARD DISCLOSURES CHECKLIST**



## STANDARD DISCLOSURES CHECKLIST

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<b>9.</b>	<b>ENVIRONMENTAL AND SOCIAL OBLIGATIONS</b>	
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9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	211-212

# INTEGRATED REPORTING CHECKLIST

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<b>1. Elements of an Integrated Report</b>	
<b>1.1 Organizational overview and external environment</b>  <b>An integrated report should disclose the main activities of the organization and the environment in which it operates.</b>  An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as:  <b>The organization's:</b> <ul style="list-style-type: none"> <li>• culture, ethics and values</li> <li>• ownership and operating structure including size of the organization, location of its operations</li> <li>• principal activities and markets</li> <li>• competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry)</li> <li>• position within the value chain</li> </ul> <b>Key quantitative information</b> e.g., the number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods  <b>Significant factors affecting the external environment and the organization's response (include aspects of the legal, commercial, social, environmental and political context that affect the organization's ability to create value in the short, medium or long term)</b> E.g. <ul style="list-style-type: none"> <li>• The legitimate needs and interests of key stakeholders</li> <li>• Macro and micro economic conditions, such as economic stability, globalization, and industry trends</li> <li>• Market forces, such as the relative strengths and weaknesses of competitors and customer demand</li> <li>• The speed and effect of technological change</li> <li>• Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems</li> <li>• Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached</li> <li>• The legislative and regulatory environment in which the organization operates</li> <li>• The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy</li> </ul>	1, 6, 7, 30-42
<b>1.2 Governance</b> <b>An integrated report should disclose how does the organization's governance structure support its ability to create value in the short, medium and long term</b> <ul style="list-style-type: none"> <li>• An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value</li> <li>• The organization's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure</li> <li>• Mandatory and voluntary code of Corporate Governance adopted by the Company</li> <li>• Code of ethical conduct adopted by the Company in relation to ethical business</li> <li>• Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues</li> <li>• Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management</li> </ul>	96-135



	Items	Page No.
	<ul style="list-style-type: none"> <li>• How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders</li> <li>• Whether the organization is implementing governance practices that exceed legal requirements/ key policies</li> <li>• The responsibility those charged with governance take for promoting and enabling innovation</li> <li>• How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization's use of and effects on the capitals</li> </ul>	96-135
1.3	<p><b>Stakeholder Identification/ relationships</b></p> <p>An integrated report should identify its key stakeholders and provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests. Stakeholders are the groups or individuals that can reasonably be expected to be significantly affected by an organization's business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organization to create value</p> <p>An entity may disclose the following in their integrated reports in respect of stakeholder relationships:</p> <ul style="list-style-type: none"> <li>• How the company has identified its stakeholders</li> <li>• Stakeholder engagement methodology</li> <li>• Identification of material matters of stakeholders</li> <li>• How the Company has applied such matters</li> <li>• How the stakeholders are engaged in assessing impacts, implications and outlook of Company's business model</li> </ul>	227-243
	<p><b>Capitals</b></p> <p><b>An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term</b></p> <p>An integrated report needs to identify the various forms of capitals which are essential for the success of its business operations. e.g.:</p> <p><b>Financial Capital</b> – The pool of funds that is available to the organization for use in the production of goods or provision of services.</p> <p><b>Manufacturing Capital</b> – Manufactured physical objects that are available to the organization for use in the production of goods and provision of services.</p> <p><b>Intellectual Capital</b> – Organizational, Knowledge based intangibles.</p> <p><b>Human Capital</b> – People's competencies, capabilities and experience, and their motivations to innovate</p> <p><b>Social and Relationship Capital</b> – The institutions and the relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance individual and collective wellbeing.</p> <p><b>Natural Capital</b> – All renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organization.</p> <p>However, an entity can do its own classification of capitals based on its business activities. An entity needs to ensure that it does not overlook a capital that it uses or affects.</p>	32

	Items	Page No.
1.4	<p><b>Business model</b></p> <p><b>An integrated report should describe the organization's business model</b></p> <p>An integrated report needs to describe the business model, including key:</p> <ul style="list-style-type: none"> <li>• Inputs</li> <li>• Business activities</li> <li>• Outputs</li> <li>• Outcomes</li> </ul> <p>Features that can enhance the effectiveness and readability of the description of the business model include:</p> <p>Explicit identification of the key elements of the business model</p> <ul style="list-style-type: none"> <li>• A simple diagram highlighting key elements, supported by a clear explanation of the relevance of those elements to the organization</li> <li>• Narrative flow that is logical given the particular circumstances of the organization</li> <li>• Identification of critical stakeholder and other (e.g., raw material) dependencies and important factors affecting the external environment</li> <li>• Connection to information covered by other content elements, such as strategy, risks and opportunities and performance (including KPIs and financial considerations, like cost containment and revenues).</li> </ul> <p><b>Inputs</b></p> <p>An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model.</p> <p><b>Business activities</b></p> <p>An integrated report describes key business activities. This can include:</p> <ul style="list-style-type: none"> <li>• How the organization differentiates itself in the market place (e.g., through product differentiation, market segmentation, delivery channels and marketing)</li> <li>• The extent to which the business model relies on revenue generation after the initial point of sale (e.g., extended warranty arrangements or network usage charges)</li> <li>• How the organization approaches the need to innovate</li> <li>• How the business model has been designed to adapt to change</li> </ul> <p>When material, an integrated report discusses the contribution made to the organization's long-term success by initiatives such as process improvement, employee training and relationships management.</p> <p><b>Outputs</b></p> <p>An integrated report identifies an organization's key products and services. There might be other outputs, such as by-products and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality.</p> <p><b>Outcomes</b></p> <p>An integrated report describes key outcomes, including:</p> <ul style="list-style-type: none"> <li>• Both internal outcomes (e.g., employee morale, organizational reputation, revenue and cash flows) and external outcomes (e.g., customer satisfaction, tax payments, brand loyalty, and social and environmental effects)</li> <li>• Both positive outcomes (i.e., those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e., those that result in a net decrease in the capitals and thereby diminish value).</li> </ul> <p><b>Organizations with multiple business models</b></p> <p>Some organizations employ more than one business model (e.g., when operating in different market segments). This requires a distinct consideration of each material business model as well as commentary on the extent of connectivity between the business models (such as the existence of synergistic benefits).</p> <p>The integrated report of an organization with multiple businesses needs to balance disclosure with need to reduce complexity; however material information should not be omitted.</p>	34-35

	Items	Page No.
1.5	<p><b>Performance</b></p> <p><b>An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals.</b></p> <p>An integrated report should contain qualitative and quantitative information about performance that may include matters such as:</p> <ul style="list-style-type: none"> <li>Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them</li> <li>The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain</li> <li>The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests</li> <li>The linkages between past and current performance, and between current performance and the organization's outlook.</li> </ul> <p>KPIs that combine financial measures with other components (e.g., the ratio of greenhouse gas emissions to sales) or narrative that explains the financial implications of significant effects on other capitals and other causal relationships (e.g., expected revenue growth resulting from efforts to enhance human capital) may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals (e.g., carbon emissions and water use).</p> <p>Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organization's non-compliance with laws or regulations may significantly affect its operations.</p>	232-239
1.6	<p><b>Risks, opportunities and internal controls</b></p> <p><b>An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them and effectiveness of the system of internal controls.</b></p> <p>This can include identifying:</p> <ul style="list-style-type: none"> <li>The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two.</li> <li>The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.</li> <li>The specific steps being taken to mitigate or manage key risks (e.g.: Risk Management Framework, Risk Management review process and reporting structure) or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs.</li> <li>Risk Management Report (Which includes details about risk, root cause, potential impact, response to risk, risk rating)</li> <li>Response on the effectiveness of the internal controls and the Board's responsibility for the disclosures on internal controls to safeguard stakeholder interest.</li> </ul>	177-199
1.7	<p><b>Strategy and resource allocation</b></p> <p><b>An integrated report should describe its strategic direction (Where does the organization want to go and how does it intend to get there)</b></p> <p>An integrated report needs to identify:</p> <ul style="list-style-type: none"> <li>The organization's short, medium- and long-term strategic objectives</li> <li>The strategies it has in place, or intends to implement, to achieve those strategic objectives</li> <li>How the entity has positioned in the wider market</li> <li>How the long-term strategies relate to current business model</li> <li>The resource allocation plans it has to implement its strategy</li> <li>How it will measure achievements and target outcomes for the short, medium and long term.</li> </ul>	40-42

Items	Page No.
<p>This can include describing:</p> <p>The linkage between the organization's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans:</p> <ul style="list-style-type: none"> <li>relate to the organization's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organization's ability to adapt to change</li> <li>are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals, and the risk management arrangements related to those capitals</li> </ul> <p>What differentiates the organization to give it competitive advantage and enable it to create value, such as:</p> <ul style="list-style-type: none"> <li>the role of innovation</li> <li>how the organization develops and exploits intellectual capital?</li> <li>the extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage</li> </ul> <p>Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans.</p>	40-42
<p><b>1.8 Outlook</b></p> <p><b>An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance</b></p> <p>An integrated report should highlight anticipated changes over time and provides information on</p> <ul style="list-style-type: none"> <li>The organization's expectations about the external environment the organization is likely to face in the short, medium and long term</li> <li>How that will affect the organization</li> <li>How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise.</li> </ul> <p>The discussion of the potential implications, including implications for future financial performance may include:</p> <ul style="list-style-type: none"> <li>The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives</li> <li>The availability, quality and affordability of capitals the organization uses or affects (e.g., the continued availability of skilled labor or natural resources), including how key relationships are managed and why they are important to the organization's ability to create value over time.</li> </ul> <p>An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources and sensitivity analyses. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enable evaluation of the current outlook.</p> <p>Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject.</p>	79-92

	Items	Page No.
1.9	<p><b>Basis of preparation and presentation</b></p> <p>An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?</p> <p>An integrated report describes its basis of preparation and presentation, including:</p> <ul style="list-style-type: none"> <li>• <b>A summary of the organization's materiality determination process</b> <ul style="list-style-type: none"> <li>o Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters</li> <li>o Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters.</li> </ul> </li> <li>• <b>A description of the reporting boundary and how it has been determined</b></li> </ul> <p>Eg: Include process used for identifying the reporting boundary, geographic scope, the entities represented in the report and the nature of the information provided for each entity</p> <ul style="list-style-type: none"> <li>• <b>A summary of the significant frameworks and methods used to quantify or evaluate material matters</b></li> </ul> <p>(e.g., the applicable financial reporting standards used for compiling financial information, a company-defined formula for measuring customer satisfaction, or an industry-based framework for evaluating risks).</p>	30-33
2.	<p><b>Responsibility for an integrated report</b></p> <p>An integrated report should include a statement from those charged with governance that includes:</p> <ul style="list-style-type: none"> <li>• An acknowledgement of their responsibility to ensure the integrity of the integrated report</li> <li>• An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report</li> <li>• Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework</li> </ul> <p>or, if it does not include such a statement, it should explain:</p> <ul style="list-style-type: none"> <li>• What role those charged with governance played in its preparation and presentation</li> <li>• What steps are being taken to include such a statement in future reports</li> <li>• The time frame for doing so, which should be no later than the organization's third integrated report that references this Framework.</li> </ul>	30-33
3.	<p><b>Other Qualitative Characteristics of an Integrated Report</b></p>	
3.1	<p><b>Conciseness</b></p> <p><b>An integrated report should be concise.</b></p> <p>An integrated report needs to include sufficient context to understand the organization's strategy, governance, performance and prospects without being burdened with less relevant information.</p> <p>Eg:</p> <p>Follows logical structure and includes internal cross-reference as appropriate to limit repetition.</p> <p>May link to more detailed information, information that does not change frequently or external sources.</p> <p>Express concepts clearly and in as few words.</p> <p>Favors plain language over the use of jargon or highly technical terminology.</p> <p>Avoids highly generic disclosures.</p>	30-33



	Items	Page No.
3.2	<p><b>Reliability and completeness</b></p> <p><b>An integrated report should include all material matters, both positive and negative, in a balanced way and without material error</b></p> <p>The organization achieve the reliability and completeness through,</p> <p>Eg:</p> <ul style="list-style-type: none"> <li>• Selection of presentation formats that are not likely to unduly or inappropriately influence assessments made on the basis of integrated report.</li> <li>• Giving equal consideration to both increases and decreases in the capitals, both strengths and weaknesses of the organization, both positive and negative performance etc.</li> <li>• When information includes estimates, this is clearly communicated and the nature and limitations of the estimation process are explained.</li> </ul>	30-33
3.3	<p><b>Consistency and comparability</b></p> <p><b>The information in an integrated report should be presented:</b></p> <ul style="list-style-type: none"> <li>• On a basis that is consistent over time</li> <li>• In a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.</li> </ul> <p>E.g:</p> <ul style="list-style-type: none"> <li>o Using benchmark data, such as industry or regional benchmarks</li> <li>o Presenting information in the form of ratios (e.g., research expenditure as a per centage of sales, or carbon intensity measures such as emissions per unit of output)</li> <li>o Reporting quantitative indicators commonly used by other organizations with similar activities, particularly when standardized definitions are stipulated by an independent organization (e.g., an industry body).</li> <li>o Reporting policies are followed consistently from one period to other unless a change is needed to improve the quality of information reported.</li> <li>o Reporting the same KPIs if they continue to be material across reporting period.</li> <li>o When a significant change has been made, the organization explains the reasons for the change describing its effect.</li> </ul>	232-239
3.4	<p><b>Connectivity of information</b></p> <p><b>An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.</b></p> <p>Eg: Connectivity between – Capitals</p> <ul style="list-style-type: none"> <li>- Content elements</li> <li>- Past, Present &amp; Future</li> <li>- Finance and other information</li> </ul>	30-33
3.5	<p><b>Materiality</b></p> <p><b>An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term</b></p>	30-33
3.6	<p><b>Assurance on the Report</b></p> <ul style="list-style-type: none"> <li>• The policy and practice relating to seeking assurance on the report,</li> <li>• The nature and scope of assurance provided for this particular report</li> <li>• Any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers</li> </ul>	30-33

# SAFA STANDARD DISCLOSURE CHECKLIST

## Disclosure checklist to the key sections of the Annual Report- 2021

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• 3 months' time to produce the Annual Report and hold AGM are considered reasonable for full marks	
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## Compliance Checklist in line with the Companies Act, 1994 (Amended up to 2020) & BSEC's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994), (Amended up to 2020) and BSEC's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018:

Industry outlook and possible future developments in the industry	a	Discussed in the Directors' Report
Segment-wise or product-wise performance	b	Discussed in the Directors' report
Risks and concerns	c	Discussed in a disclosure on Risk Based Capital under Pillar-3 of Basel- III and Risk Management Report.
A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	d	Discussed in the Directors' Report
Discussion on continuity of any Extra-Ordinary Gain or Loss	e	The Bank did not make any extra-ordinary Gain or Loss in 2021.
Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	f	Given in notes to the financial statements
Utilization of proceeds from public issues, rights issues and/or through any others instruments	g	In 2021, the Bank did not go for any public issues and right issues.
An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	h	Not applicable in the year 2021.
If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report	i	No significant variance occurred between Quarterly Financial Performance and Annual Financial Statements.
Remuneration to Directors including Independent Directors	j	Discussed in the Corporate Governance Report
The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its Operations, cash flows and changes in equity	k	Discussed in Chief Executive Officer and Chief Financial Officer's statement of Responsibilities.
Proper books of account of the issuer company have been maintained	l	Discussed in Chief Executive Officer and Chief Financial Officer's statement of responsibilities.
Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	m	Discussed in notes to the Financial Statements



International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	n	Discussed in notes to the Financial Statements
The system of internal control is sound in design and has been effectively implemented and monitored	o	The system of internal control is sound in design and has been effectively implemented and monitored. A detailed discussion is given under Internal Control and Compliance Report and Directors' Report.
There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	p	There are no significant doubts on the Bank's ability to continue as a going concern.
Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	q	Discussed in Directors' Report and Management Review, Responsibility and Evaluation.
Key operating and financial data of at least preceding 5 (five) years shall be summarized	r	Given in separate statement in Page No. 232.
If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	s	The Bank has been declared dividend every year.
If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	t	The Bank has been declared dividend every year.
The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by: a) Parent/Subsidiary/Associated Companies and other related parties (name wise details); b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); c) Executives; d) Shareholders holding ten per cent (10%) or more voting interest in the company (name wise details)	u	Discussed in the Corporate Governance Report.
Report and Notes to the Financial Statements In case of the appointment/re-appointment of a Director the company shall disclose the following information to the shareholders: a) a brief resume of the Director; b) nature of his/her expertise in specific functional areas; c) names of companies in which the person also holds the Directorship and the Membership of Committees of the Board.	v	Discussed in notes to the Financial Statements and Directors' Profile.

# IMPORTANT FINANCIAL INDICATORS WITH QUANTITATIVE AND QUALITATIVE FACTORS

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# EVENTS 2021

## MEMORY OF 26<sup>TH</sup> (VIRTUAL) ANNUAL GENERAL MEETING



The 26<sup>th</sup> (Virtual) Annual General Meeting (AGM) of Southeast Bank Limited was held on June 30, 2021.































## MEDIA HIGHLIGHTS



Southeast Bank Limited signed an agreement with Meghna Life Insurance Company Ltd for providing life insurance coverage facility. M. Kamal Hossain, Managing Director of Southeast Bank Limited, and N.C. Rudra, Managing Director & CEO of Meghna Life Insurance Company, signed the agreement on behalf of their respective organisations.

### Southeast Bank wins J.P. Morgan's Award

Business Desk

Southeast Bank Limited wins "U.S. Dollar Clearing MT103 Standard Quality Recognition Award" of J.P. Morgan Chase Bank, N.A. In terms of total assets J.P. Morgan Chase Bank, N.A. is the largest bank in the United

Financial Institutions, Treasury Service of J.P. Morgan Chase Bank N.A, Bangladesh Representative Office in Dhaka recently.

Southeast Bank exceeded J.P. Morgan's stringent Straight Through Processing (STP) performance standard by maintaining 98.95pc STP in MT103



States and the fifth-largest bank in the world.

M. Kamal Hossain, Managing Director of Southeast Bank received a certificate and Crest from Sazzad Anam, Executive Director and Head

transaction processing. In appreciation of that performance, J.P. Morgan awarded Southeast Bank.

In the award ceremony other officials from both the organizations were also present.



স্বাতিথ্যবাহী ব্যাংকের ব্যবস্থাপনা পরিচালক এম. কামাল হোসেন এবং বাংলাদেশ ব্যাংকের অ্যাকাউন্টস এন্ড ব্যালেন্স ট্রান্সফার ডিপার্টমেন্টের মহাব্যবস্থাপক মো. মোরকান হোসেন নিজ নিজ প্রতিষ্ঠানের পক্ষে স্বাক্ষর করেন -বিজ্ঞপ্তি



## Southeast Bank holds board meeting

Business Desk

Southeast Bank Ltd has organized its 637th Board Meeting on Monday via digital platform. Alamgir Kabir, Chairman, Southeast Bank Ltd presided over the Board Meeting, says a press release.

Duluma Ahmed, Vice-Chairperson, M. A. Kashem, Chairman, Executive

Bay Leasing and Investment Limited), Syed Sajedul Karim, Chairman of Audit Committee and Independent Director, Quazi Mesbahuddin Ahmed, Independent Director, Mohammad Delwar Hussain, Independent Director, M. Kamal Hossain, Managing Director, S.M. Mainul Kabir, Deputy Managing Director, Md. Masum Uddin Khan,



Committee and Director of the Board, Azim Uddin Ahmed, Chairman, Risk Management Committee and Director of the Board and other members of the Board of Directors- Jusna Ara Kashem, Rehana Rahman, Md. Akkur Rahman, M. Maniruz Zaman Khan (nominated by

SEVP and A.K.M. Nazmul Haider, Company Secretary participated in the meeting virtually. The members of the Board of Directors also discussed about Banks various business initiatives in details. They also discussed future planning of the Bank.



Southeast Bank Limited organised a 'Business Policy and Planning Conference' recently to evaluate the business position of the bank. Chairman of the bank Alamgir Kabir, FCA, Vice-Chairperson Duluma Ahmed, Managing Director M Kamal Hossain and other high officials attended the event

## Southeast Bank holds Business Policy Confce

Southeast Bank Limited organised a 'Business Policy and Planning Conference' recently to evaluate the business position of the bank, says a statement.

Alamgir Kabir, FCA, Chairman of the bank, Duluma Ahmed, Vice-Chairperson, MA Kashem, Chairman, Executive Committee and Director of the Board, Azim Uddin Ahmed, Chairman, Risk

Management Committee and Director of the Board, and other members of the Board of Directors -- Jusna Ara Kashem, Rehana Rahman, Akkur Rahman, M Moniruz Zaman Khan (nominated by Bay Leasing & Investment Limited), Syed Sajedul Karim, Chairman of Audit Committee and Independent Director, Quazi Mesbahuddin Ahmed, Independent Director, Zakir Ahmed Khan, Advisor, and M Kamal Hossain, Managing Director, attended the conference.

Deputy managing directors, divisional heads of the Head Office of the bank, regional heads, heads of branch-

es, heads of Uposhakhas and In-charges of offshore banking unit participated in the conference while maintaining social distance.

The conference reviewed overall progress of the bank and reviewed the business policy for the remaining period of the year of 2021.

The members of the Board also discussed bank's various successful business initiatives and last 26 years' achievements in details.

They also discussed the future planning of the bank. They expressed their collective commitment towards making a successful journey in the future to take the bank to new heights.



# Southeast Bank launches 5 agent banking outlets

BANKS - BANGLADESH

## TBS REPORT

Southeast Bank Limited recently launched five agent banking outlets for the unbanked people across the country especially at the rural and semi-urban area.

The bank launched four Tijarah-Islamic agent banking outlets in Feni and Cumilla, and one conventional agent outlet at Chakaria of Cox's Bazar, according to a press statement.

M Kamal Hossain, managing

director of the bank, inaugurated the outlets as the chief guest of the launching ceremony.

Other officials of the bank and proprietors of the outlets were also present on the occasion.

All kinds of modern and technology backed conventional and 'Tijarah'-Islamic banking services will be provided from Southeast Bank Agent Banking 'Shagotom'. Customers will also be able to perform necessary banking services round the clock at Recycler ATM at the agent outlets.



Southeast Bank MD M Kamal Hossain inaugurated five agent banking outlets on Thursday. PHOTO: COURTESY



## সাউথইস্ট ব্যাংকের নির্বাহী কমিটির সভা

বুধবার সাউথইস্ট ব্যাংকের নির্বাহী কমিটির ৪০৩তম সভা অনুষ্ঠিত হয়েছে। সাউথইস্ট ব্যাংকের পরিচালনা পর্ষদের নির্বাহী কমিটির চেয়ারম্যান এম এ কাশেম এতে সভাপতিত্ব করেন। সভায় সাউথইস্ট ব্যাংকের পরিচালনা পর্ষদের নির্বাহী কমিটির সদস্য দুলামা আহমেদ, জোসনা আরা কাশেম, রেহানা রহমান, মো. আকিকুর রহমান, উপদেষ্টা জাকির আহমেদ খান এবং ব্যবস্থাপনা পরিচালক এম কামাল হোসেন উপস্থিত ছিলেন। সভায় সাউথইস্ট ব্যাংকের পরিচালনা পর্ষদের নির্বাহী কমিটির সদস্যরা ব্যাংকের বিভিন্ন ব্যবসায়িক উদ্যোগ এবং তার অর্জন সম্পর্কে বিস্তারিত আলোচনা করেন। এ ছাড়া পর্ষদের সদস্যরা ভবিষ্যৎ দিকনির্দেশনামূলক বিভিন্ন বিষয় নিয়ে বিস্তারিত আলোচনা করেন।

## Southeast Bank distributes food aid among people marking National Mourning Day



Southeast Bank director Md Akbar Rahman distributes food items among distressed people at a programme organised by the bank in Sylhet as a part of its month-long programmes chalked out on the occasion of National Mourning Day and to pay tribute to the country's founding president, Sheikh Mujibur Rahman, Sheikh Fazlur Rahman Mugh and the other martyrs of August 15. Other officials of the bank were also present at the programme. — New Age photo



পূর্ণস্ফটিকের সাউথইস্ট ব্যাংকের ৪০৩তম বোর্ড সভা ডিজিটাল প্রাইভেটের মাধ্যমে অনুষ্ঠিত হয়। পরিচালনা পর্ষদে সভাপতিত্ব করেন চেয়ারম্যান এম এ কাশেম। সভায় উপস্থিত ছিলেন পরিচালনা পর্ষদের সদস্যরা এবং ব্যাংকের উদ্যোগে জাতীয় শোক দিবস উপলক্ষে বৃক্ষরোপণ কর্মসূচীর আয়োজন।



## সাউথইস্ট ব্যাংকের উদ্যোগে জাতীয় শোক দিবস উপলক্ষে বৃক্ষরোপণ কর্মসূচীর আয়োজন

জাতীয় শোক দিবস স্মরণে এবং জাতিরতরে মর্যাদা অর্জনকারী শহীদদের স্মরণে দেশের মানুষের মধ্যে জাতীয়তাবোধ জাগরুক করা এবং দেশের উন্নয়নে অবদান রাখার উদ্দেশ্যে সাউথইস্ট ব্যাংকের উদ্যোগে জাতীয় শোক দিবস উপলক্ষে বৃক্ষরোপণ কর্মসূচীর আয়োজন করা হয়েছে।



## Southeast Bank observes National Mourning Day



Southeast Bank chairman Alamgir Kabir presides over the bank's 633rd board meeting held on a digital platform on August 12. Members of the board participated in a prayer session arranged in memory of the country's founding president, Sheikh Mujibur Rahman, Sheikh Fazlurunnisa Mustafiz and the others who were killed on August 15 in 1975. Bank's vice-chairperson Debarna Ahmed, directors MA Kashem, Azim Uddin Ahmed, Jubna Ara Kashem, Rehana Rahman, Md Akbar Rahman, Raiyan Kabir, M Moniruz Zaman Khan (nominated by Bay Leasing and Investment Limited), independent directors Quazi Mubsharuddin Ahmed and Mohammad Delwar Hossain, adviser Zakir Ahmed Khan and managing director M Kamrul Hossain attended the meeting. — *New Age photo*



জাতীয় শোক দিবস উপলক্ষে সাউথইস্ট ব্যাংক লিমিটেডের উদ্যোগে ভার্চুয়ালি আলোচনা সভা অনুষ্ঠিত হয়। উক্ত অনুষ্ঠানে সাউথইস্ট ব্যাংকের ব্যবস্থাপনা পরিচালক এম. কামাল হোসেন সভাপতিত্ব করেন। সভায় ব্যাংকের উপ-ব্যবস্থাপনা পরিচালকদ্বয় এস.এম. মঈনুল কবীর ও নুরুদ্দিন মো. সাদেক হোসাইনসহ ব্যাংকের প্রধান কার্যালয়ের নির্বাহীবৃন্দ উপস্থিত ছিলেন। — *প্রেস বিজ্ঞপ্তি*



Southeast Bank Ltd donated 75,000 (Seventy-Five Thousand) pieces of blankets to Prime Minister's Relief Fund. Dr. Ahmed Kaikaus, Prime Minister's Principal Secretary receiving blankets on behalf of Prime Minister from M. Kamal Hossain, Managing Director of Southeast Bank Limited in a program in Prime Minister's Office.



### মৃত কর্মকর্তার পরিবারকে সাউথইস্ট ব্যাংকের আর্থিক অনুদান

করোনায় মারা যাওয়া সাউথইস্ট ব্যাংকের কর্মকর্তা কাজী মোহাম্মদ মাহিন উদ্দিনের পরিবারের পাশে দাঁড়িয়েছে সাউথইস্ট ব্যাংক পরিবার। সেমবার ব্যাংকের প্রধান কার্যালয়ে মরহুম মাহিন উদ্দিনের স্বীকৃতিতে আর্থিক অনুদানের চেক দেন ব্যাংকের চেয়ারম্যান আলমগীর কবির। চেক হস্তান্তর অনুষ্ঠানে সাউথইস্ট ব্যাংকের ব্যবস্থাপনা পরিচালক এম কামাল হোসেনসহ অন্যান্য উর্ধ্বতন কর্মকর্তা উপস্থিত ছিলেন। বিজ্ঞপ্তি



সাউথইস্ট ব্যাংক লিমিটেড, আফগান স্ট্রায়া, একাডেমি রোড, ফেনীতে অবস্থিত একাডেমি রোড উপশাখা সম্পত্তি উদ্বোধন করেন ব্যাংকের ব্যবস্থাপনা পরিচালক এম কামাল হোসেন। অনুষ্ঠানে ব্যাংকের উর্ধ্বতন কর্মকর্তারা উপস্থিত ছিলেন।



## Southeast Bank relocates Banani branch

### Business Desk

Southeast Bank Limited relocated its Banani Branch to Autograph (1st Floor), 67 and 68 Kemal Ataturk Avenue, Banani, Dhaka with the noble end of extending better services from a better location.

Alamgir Kabir, FCA, Chairman, Southeast Bank Limited formally inau-

Chairman of Risk Management Committee and Director of the Board and other members of the Board- Mrs. Rehana Rahman, Md. Akikur Rahman, Raiyan Kabir, M. Maniruz Zaman Khan (nominee of Bay Leasing & Investment Limited), and M. Kamal Hossain, Managing Director of the bank also attended.

Renowned businessmen, industri-



gured the new branch as chief guest. Morshed Alam, MP, Chairman of Bengal Group of Industries, Mercantile Bank Limited and Bengal Media Corporation Limited (Rtv) attended the inaugural ceremony, says a press release.

Mrs. Duluma Ahmed, Vice-Chairperson, M. A. Kashem, Chairman of Executive Committee and Director of the Board, Azim Uddin Ahmed,

alists, customers, educationists, local elites and other officials of Southeast Bank also attended. Southeast Bank's first and the foremost priority is to provide quality service and maximum satisfaction to customers. From now on, it will provide all kinds of modern and technology backed Conventional and Islamic Banking Services from this Branch.



সাইথইস্ট ব্যাংক ১৫২ রশিদবাগ (গ্যাস রোড), উত্তর রায়েবাবাগ, মাতুয়াইল, যাত্রাবাড়ী, ঢাকা এবং ওয়াজীউল্লা সুপার মার্কেট, দ্বিতীয় তলা, বিরামপুর মধ্য বাজার, ফরিদগঞ্জ, চাঁদপুরে ২টি 'তিজারাহ'-ইসলামিক এজেন্ট ব্যাংকিং এবং দেওডোবা, বড়বাড়ী রোড, কেন্দ্রীয় বাস টার্মিনাল, রংপুরে একটি কনভেনশনাল এজেন্ট ব্যাংকিং আউটলেটের আনুষ্ঠানিক উদ্বোধন করেছে। সম্প্রতি ব্যাংকটির এমডি এম. কামাল হোসেন অনলাইনে এগুলোর আনুষ্ঠানিক উদ্বোধন করেন। এ সময় ব্যাংকের কর্মকর্তা এবং তিনটি এজেন্ট আউটলেটের স্বত্বাধিকারীরাও উপস্থিত ছিলেন।

# TERMINOLOGY

AD	Authorized Dealer
ALCO	Asset Liability Committee
ATM	Automated Teller Machine
BB	Bangladesh Bank (Central Bank of Bangladesh)
B/L	Bad/Loss
BAS	Bangladesh Accounting Standards
CRR	Cash Reserve Requirement
CRG	Credit Risk Grading
CSR	Corporate Social Responsibility
CPI	Consumer Price Index
CDBL	Central Depository Bangladesh Limited
CBS	Core Banking Software
CRISL	Credit Rating and Information Services Ltd.
DEPZ	Dhaka Export Processing Zone
DP	Depository Participants
EPS	Earnings Per Share
EPZ	Export Processing Zone
FY	Fiscal Year (July to June)
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
HOB	Head of Branch
IT	Information Technology
IMF	International Monetary Fund
IAS	International Accounting Standards
IPO	Initial Public Offering
LC	Letter of Credit
SMT	Senior Management Team
NII	Net Interest Income
NIM	Net Interest Margin
NPL	Non-Performing Loan
OBU	Offshore Banking Unit
IR	Integrated Reporting
POS	Point of Sale
PV	Present Value
RWA	Risk Weighted Assets
RMG	Readymade Garments
ROA	Return on Assets
ROE	Return on Equity
R&D	Research and Development
SAFA	South Asian Federation of Accountants
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure
SLR	Statutory Liquidity Ratio
RMA	Relationship Management Application
SWIFT	Society for Worldwide Interbank Financial Telecommunication
SEBCSL	Southeast Bank Capital Service Limited
SEECPL	Southeast Exchange Company (South Africa) Pty Ltd



**DISTRIBUTION NETWORK:  
BRANCHES, SUB BRANCHES &  
AGENT BANKING OUTLETS**



# BRANCHES

## DHAKA DIVISION



### Aganagar Branch (Rural)

Mahboob Plaza  
Union-Aganagar  
PS-Keraniganj, District-Dhaka  
Phone: 02-7761133, 7761406



### Agargaon Branch

PKSF Bhaban  
Plot # E-4/B (1st Floor),  
Agargaon Administrative Area,  
Shere-e-Bangla Nagar,  
Dhaka - 1207  
Phone: 88-02-8181851-5



### Ashulia Bazar

"Shahid Sona Mia Plaza",  
Bangabandhu Road,  
Village: Ashulia Bazar,  
Union: Ashulia, Thana: Ashulia  
Dhaka



### Ashulia Branch (Rural)

Helim Shopping Complex,  
(Opposite Fantasy Kingdom),  
Ashulia, Dhaka  
Phone: 7788440, 7788420



### Ati Bazar Branch (Rural)

Mouza: Ati, Union: Sakta  
Thana: Keraniganj, Dhaka  
Phone: 88-02-55103281,  
55103282



### Balivadra Branch (Rural)

Vhandari Latif Super Market,  
Balivadra Bazar  
Mouza: Ganakbari, Union:  
Damsona  
Thana: Ashulia, Dhaka



### Balla Branch (Rural)

Mouza & Union: Balla  
P.S.: Kalihati, Tangail  
Phone: 01705403798  
Routing no.: 205930175



### Banani Branch

Autograph  
67-68 Kemal Ataturk Avenue,  
Banani, Dhaka  
Phone: 02-55034197,  
02-55034164, 02-55034188,  
02-55034171, 02-55034151



### Banasree Branch

Twin Tower, Plot No. 13, Block No.  
C, Banasree Main Road,  
Banasree R/A,  
Rampura, Dhaka -1219  
Phone: 88 - 02-8399141, 8399143



### Bandura Branch (Rural)

Idris Ali Super Market  
Puraton Bandura Bazar,  
Mouza : Puraton Bandura,  
Union : Bandura,  
Thana : Nawabgonj, Dhaka  
Phone: 01730-781278



### Banglamotor Branch

"Rupayan Trade Centre"  
114, Kazi Nazrul Islam Avenue  
(1st & 2nd Floor), Dhaka  
Phone: 02 222221229, 222222121



### Bangshal Branch

14/3, North South Road,  
Dhaka  
Phone: 9583342, 9583343,  
7121248, 7121251, 9567163



### Bashundhara Branch

Plot#142, Block# B,  
Bashundhara R/A, Baridhara,  
Dhaka -1212  
Phone: 8431034-5, 8431031,  
8431032



### Bhulta Branch (Rural)

Bhulta Bus Stand, Union:  
Golokandail, Thana: Rugonj,  
Narayanganj  
Phone: 01755-637195



### Corporate Branch

Eunoos Trade Centre (Gr. Floor)  
52-53, Dilkusha C/A,  
Dhaka-1000  
Phone: 9567764, 9551444,  
9554447, 9564878, 9588692,  
9565201



### Dakhin Khan Branch (Rural)

"Faisal Mansion", Shah Kabir  
Mazar Road, Village: Moshair,  
Mouza: Uttar Khan, Union: Dakhin  
Khan Adarsha Union Parishad,  
Thana: Dakhin Khan, Dhaka  
Phone: 8953290, 8953292



### Dhanmondi Branch

Navana New Berry Place, 1st floor  
4/1/A, Mirpur Road,  
Sobhanbag, Dhaka  
Phone: 58150104, 48112193,  
58151242, 48111808, 48111832



### Dhanmondi Ladies Branch

"Rupayan Khan Plaza"  
Plot # 500/A (Old) / 18 (New)  
Road # 7, Dhanmondi R/A Dhaka  
Phone: 9663924, 9663925,  
9663992, 9663960, 9663970

**Donia Branch (Rural)**

"Chowdhury Complex"  
(1st & 2nd Floor) 440-441,  
Noyapara, Donia,  
Jatrabari, Dhaka - 1236  
Phone: 7547955, 7548055

**Faridpur Branch**

Nilima Tower - Khaleque Tower,  
Holding # 80-81, Mujib Sarak,  
Upazila: Faridpur Sadar,  
Faridpur

**Ghior Branch (Rural)**

Mouza+Union: Ghior,  
Upazila : Ghior, Manikganj  
Phone: 01705403799

**Gopaldi Branch (Rural)**

Gopaldi Bazar,  
Union: Sadasadi  
Thana: Araihasar, Narayanganj  
Phone: 01755-637194

**Gulshan Branch**

"Otobi Center" (2nd Floor),  
Plot # 12, Block # Cws (C),  
Gulshan-1, Dhaka-1212  
Phone: 8802-22283401-5,  
8802-22283491-5,  
8802-22295012

**Hasnabad Branch (Rural)**

"Roky Tower", Hasnabad,  
Mouza: Ekuria Union: Subatta,  
Thana: Keranigonj, Dhaka  
Phone: 01730-781277

**Hemayetpur Branch (Rural)**

Hemayetpur Super Market (2nd  
Floor), Hemayetpur,  
Mouza: Kulashur, Union:  
Tetuljora, Thana: Savar, Dhaka  
Phone: 7747914, 7747464

**Imamganj Branch**

Bhuiyan Market,  
163/2, Metford Road, Dhaka  
Phone: 7314801, 7316423,  
7318567, 7316644

**Islampur Branch**

Royal Tower, 2nd floor,  
4, Ahsan Ullah Road,  
Islampur, Dhaka  
Phone: 0257394538, 0257394589,  
0257396174, 0257394570

**Joydebpur Branch (Rural)**

Holding # 235, Block # K,  
Shib Bari More, BIDD Road,  
Ward # 3, Gazipur Pauroshova,  
Thana: Joydebpur, Gazipur  
Phone: 9262840, 9262839

**Joypara Branch (Rural)**

Begum Aysha Shopping Complex  
(1st Floor), Holding # 222,  
Joypara Pourasava,  
Thana - Dohar, Dhaka  
Phone: 06223 - 56040, 06223 -  
56041, 06223 - 56042

**Kakrail Branch**

"Toma Tower", Holding No. 77/1,  
Anjuman Mofidul Islam Road  
(VIP Road), Kakrail, Dhaka  
Phone: 02-22226115,  
02-22226116, 02-22220852-53

**Kalibari Branch (Rural)**

Sobur Market, Duptara Adorsha  
Bazar, Sattabhandi Bhuiyan  
Para (Kalibari)  
Mouza & Union: Duptara,  
Thana: Araihasar Narayanganj

**Kamrangirchar Branch**

"Elham Square",  
Rony Market Road, Mouza: Char  
Kamrangirchar, Union:  
Sultanganj, Thana:  
Kamrangirchar, Dhaka  
Phone: 9667410, 9667393

**Kapasias Branch (Rural)**

Akter Market Kapasia Main Road  
Mouza : Banarhowla  
Union : 9 No. Kapasia  
Thana : Kapasia, Gazipur  
Phone: 01766-673597

**Kawran Bazar Branch**

Jamuna Bhaban (Ground Floor)  
2, Kawran Bazar C/A,  
Dhaka-1215  
Phone: 9136112, 8189738-40

**Konabari Branch (Rural)**

Plot # A-147/148, BSCIC I/R,  
Union: Konabari,  
P.S. - Joydebpur, Gazipur  
Phone: 9298840

**Le Meridien Branch**

Le Meridien Hotel,  
Level-1, Airport Road,  
79/A, Nikunja-2, Dhaka-1229  
Phone: +88-02-55098217-8,  
55098215

**Madanpur SME/Krishi Branch**

Ekata Samabay Super Market  
(2nd Floor), Mouza: Chandpur,  
Union: Madanpur,  
Thana: Bandar, Narayanganj  
Phone: 01730-727289

**Madhabdi Branch (Rural)**

Mouza: Par Kashipur,  
Madhabdi Pauroshava,  
Thana: Narsingdi, Narsingdi  
Phone: 9446125, 9446127

**Malibagh Branch**

ABN Tower, 45, Siddheswari  
Circular Road, Dhaka  
Phone: 58315275



#### **Mawna SME / Krishi Branch**

1497, Mawna Bazar Road,  
1st Floor, Sreepur Pauroshava,  
Thana: Sreepur, Gazipur  
Phone: 01730-727286



#### **Mirpur Branch**

Simpletree, Plot # 01, Road #  
08, Block-C, Section-06, Mirpur  
Housing Estate Pallabi, Dhaka  
Phone: 9029568-69



#### **Moghbazar Ladies Branch**

"Hall Mars", 66 (Old) Outer  
Circular Road 05 (New)  
Shahid Sangbadik Salina Parvin  
Sarak  
Boro Mogbazar, Dhaka  
Phone: 01934448905



#### **Mohakhali Branch**

"Bay's" (1st Floor),  
50 Mohakhali C/A, Dhaka  
Phone: +88 02222282527 (PABX)  
+88 02222285710 (PABX)  
+88 02222285711 (PABX)



#### **Mohammadpur Branch**

Axis Delvista (1st Floor),  
7/1, Block - A, Aurongajeb Road,  
Mohammadpur Housing Estate,  
Mohammadpur, Dhaka  
Phone: 8129649, 8129604,  
8158571, 9101254



#### **Monipur Bazar Branch (Rural)**

"Isha Chowdhury Tower,  
PS.: Gazipur Sadar, Gazipur.  
Phone: 01934-448920



#### **Motijheel Branch (Islamic Banking)**

125, Motijheel C/A, (1st Floor),  
Thana - Motijheel, Dhaka - 1000  
Phone: 9567286, 9567202,  
9567303, 9567262



#### **Mouchak Branch**

Karnaphuli Point (1st Floor),  
70 Shaheed Sangbadik Selina  
Parveen Sarak, Malibagh,  
Dhaka-1217  
Phone: 8333347, 8333676,  
8333678, 8333679



#### **Munshigonj Branch**

"B. M Complex" (1st Floor),  
House # 55, Jubilee Road,  
Thana: Munshigonj, Munshigonj,  
Phone: 7620594, 7620591-93



#### **Narayanganj Branch**

26-29, S.M. Maleh Road,  
Tan Bazar, Narayanganj  
Phone: 7648201, 7648202,  
7648203, 76342331



#### **Narsingdi SME/Krishi Branch**

"Islam Plaza" (1st Floor),  
1, Maddha Kanda Para,  
Sadar Road, Thana: Narsingdi  
Sadar, Narsingdi  
Phone: 029452082, 029452080,  
029452081



#### **New Elephant Road Branch**

Kazi Bhaban, 39, New Elephant  
Road, (1st & 2nd Floor),  
PS. : Dhanmondi, Dhaka  
Phone: 9674588, 9674327,  
9674324-5



#### **New Eskaton Branch**

"Eskaton Fantasia",  
122, 123 Rashed Khan Menon  
Sharak, (Old- New Eskaton  
Road), Ramna, Dhaka  
Phone: 48320953, 9340001,  
48321774, 48310176, 9340796



#### **Offshore Banking Unit, DEPZ**

Zone Service Building No.1,  
Room No. 77 (3rd Floor), Dhaka  
EPZ, Ganak Bari, Savar, Dhaka  
Phone: +88 02 996688628, +88  
02 996688629



#### **Pragati Sarani Branch**

The Pearl Trade Center,  
Cha-90/3 (1st Floor),  
Pragati Sarani, Badda, Dhaka  
Phone: 02-58810705, 58810706,  
PABX: 58810707-9



#### **Principal Branch**

1, Dilkusha C/A,  
Dhaka - 1000  
Phone: 9563101, 9550081



#### **R. K. Mission Road Branch**

Nir Chhayabithi,  
53, 53/1, R. K. Mission Road,  
Dhaka  
Phone: 02-57165223, 57165224



#### **Rajbari Branch**

"Saleha Akkas Tower"  
237, Binodpur (College Road),  
Thana: Rajbari Sadar, Rajbari  
Phone: 0641-65838,65177



#### **Rokeya Sarani Branch**

"Kusholi Bhaban",  
238/1, West Kafrul Rokeya  
Sarani, Sher-e-Bangla Nagar,  
Mirpur, Dhaka  
Phone: 9103246, 9103247,  
9103249



#### **Rupnagar Branch**

"Rangan", Plot # 14, Road # 11,  
Rupnagar Residential Area,  
Mirpur Housing Estate,  
Mirpur, Dhaka  
Phone: 8051981



#### **Sarulia Branch**

Samsul Haque Nilu Shopping  
Complex,  
Union : Sarulia,  
Thana : Demra, Dhaka  
Phone: 01730-792169



#### **Satmasjid Road Branch**

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



#### **Savar Branch (Rural)**

Plot # A -109,  
Bazar Road (1st Floor),  
PS.: Savar, Dhaka  
Phone: 7743691, 7743692,  
7743693, 7743694



#### **Shyamoli Branch**

ASA Tower (2nd Floor),  
23/3 & 23/14, Bir Uttam A. N. M.  
Nuruzzaman Sarak, Shyamoli,  
Mohammadpur, Dhaka  
Phone: 02-9128988, 58157155



#### **Singair Branch (Rural)**

Singair New Market,  
2/2, Kansha Road,  
PS.: Singair,  
Manikganj  
Phone: 01934-448918



#### **Tangail SME / Krishi Branch**

Noor Plaza,  
263, Main Road, Tangail Sadar,  
Tangail-1900  
Phone: 0921-51336



#### **Tongi Branch (Rural)**

8/B, Anarkoli Road (1st Floor),  
Tongi Bazar, Gazipur  
Phone: 9816647, 9816648,  
9816650, 9816651



#### **Uttara Branch**

Arhams, Plot No-79, Sector-7,  
Dhaka-Mymensingh Main Road,  
Uttara C/A, Dhaka  
Phone: 58952538, 8932026,  
58953680, 58953591

## CHATTOGRAM DIVISION



### Abutorab Branch (Rural)

"Kazi Market", Mouza: Modho Moghadiya, Union: 11 No. Moghadiya, Upazila: Mirsharai, Chattogram  
Phone: 01700-706529



### Agrabad Branch

Faruk Mahal Avenue, 93, Agrabad Commercial Area, Chattogram.  
Phone: 031-713097, 713098, 713094, 713095, 721151, 721152, 721153



### Baraiyarhat Branch

"Alam Tower" (1st Floor), 139 (1)/139, Mashjid Road, Upazila: Mirsharai, Chattogram  
Phone: 01700-706528



### Bashurhat Branch (Rural)

Ayesha Motaleb New Market, 428, Main Road, Bashurhat Pouroshava, Thana: Companyganj, Noakhali  
Phone: 03223 - 56415, 56461



### Brahmanbaria SME / Krishi Branch

Sikder Plaza, 1001, Dr. Faridul Huda Road, Brahmanbaria Pouroshava, Brahmanbaria  
Phone: 0581-58202



### CDA Avenue Branch (Islamic Banking)

Ali Villa, 1640/1861 (New), CDA Avenue, Asian Highway, East Nasirabad, Thana - Panchliash, Chattogram  
Phone: 031-652150, 654875, 2552385, 2552386



### Chakaria Branch (Rural)

"Society Jame Mosque Complex", Mouza: Chiringa, Chakaria Pouroshava, Thana: Chakaria, Cox's Bazar  
Phone: 03422-56161



### Chhagalnaiya Branch (Islamic Banking)

Mir Shopping Complex (1st Floor), Chhagalnaiya Bazar, PS.: Chhagalnaiya, Feni  
Phone: 03322-78302, 78432



### Chowdhury Hat SME / Krishi Branch

"Halim Mansion", (1st Floor), Chowdhury Hat, Mouza: Chikandandi, Union: Fateyabad, Thana: Hathazari, Chattogram  
Phone: 880-31-2584006-7



### Chowmuhan Branch (Rural)

Hossain Market, Holding # 276-284, D.B Road, Chowmuhan Pouroshava, Thana: Begumganj, Noakhali  
Phone: 0321-53534, 53535, 54018



### Companigonj Branch (Rural)

"Saudia Manjil" (1st & 2nd Floor), Mouza: North Tirish, Union: 15 No. Nobipur (West), Nabinagar Road, Thana: Muradnagar, Cumilla  
Phone: 59004, 59011



### Cox's Bazar Branch (Islamic Banking)

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



### Cumilla Branch

359/328, Jhawtala, 1st Kandir Paar, Thana: Kotwali, Cumilla  
Phone: 081-64278, 64279, 64280, 61322  
FAX: 081-61321



### Fatikchari Branch (Rural)

"Mir Jahanara Complex", (1st Floor), College Road (Bibirhat), Union: Dhurung, Thana: Fatikchari, Chattogram.  
Phone: 030-2256316-7



### Feni Branch

Surma Sadan, (1st and 2nd Floor), 176, 177 and 178 Trunk Road, P.S.: Feni Sadar, Feni  
Phone: 0331-63004, 62884, 61362, 61852



### Gunabati Branch (Rural)

Mouza: Gunabati, Union: 12 No. Gunabati P.S.: Chouddogram, Cumilla



### Haidergonj Branch (Rural)

Gazi Super Market Haidergonj Bazar, Mouza : Char Ababil Union : Char Ababil, Upazila : Raypur Laxmipur



### Halishahar Branch

House # 03, Block - G, Port Connecting Road, Halishahar Housing Estate, Halishahar, Chattogram  
Phone: 031 - 716826, 2526183, 2526184, 727949



**Hathazari SME/Krishi Branch**

S. A. Shopping Complex  
Hathazari Bus Stand,  
Rangamati Road, Mouza: Fatika,  
Union: Fatehpur, Thana:  
Hathazari, Chattogram  
Phone: 031-2601855

**Jubilee Road Branch**

Haji Golam Rasul Market,  
96 Jubilee Road,  
Chattogram  
Phone: 031-02333351712, 635265,  
02333351713-5, 635245-46

**Khatunganj Branch**

Jainab Tower,  
46 Khatunganj, Chattogram  
Phone: 031 - 2863594, 621934,  
620166, 620167, 620516

**Kotwali Branch**

Equity Anitri" (1st Floor)  
Holding # 32, Shahid  
Sohrawardy Road,  
Thana: Kotwali, Chattogram  
Phone: 031-632750-52

**Lohagara SME/Krishi Branch**

Mostafa City Center,  
Mouza: Amirabad,  
Thana: Lohagara,  
Union: Amirabad, Chattogram  
Phone: 0303 - 456623

**Madambibir Hat Branch (Rural)**

Madambibir Hat Union,  
Bhatiary, P.S.: Sitakunda,  
Chattogram  
Phone: 031-2781001, 2781003,  
2781004, 2781005

**Miabazar Branch (Rural)**

Haji Siraj Mansion  
Mouza: Ashrabpur,  
Union: 2 No. Ujirpur  
Thana: Chauddagam, Cumilla.  
Phone: 01766-665140

**Momin Road Branch**

"Equity Central",  
42-43, Momin Road,  
Chattogram.  
Phone: 031 - 2857345-8

**Off-Shore Banking Unit, CEPZ**

Zone Service Complex (1st  
Floor), East Wing North  
Chattogram EPZ, Chattogram  
Phone: 023333 40780, 023333  
40779

**Oxygen More Branch**

Holding 405, Kulgaon  
Chattogram City Corporation  
Oxygen More, Thana: Bayezid  
Bostami, Chattogram  
Phone: 031-2584018

**Pahartali Branch**

Hajrat Taiyabia Complex,  
Holding # 801(New), D.T. Road,  
Alongkar Mour, Abdul Alir Hat,  
Pahartoli, Chattogram  
Phone: 031-2771001-4

**Parshuram Branch (Rural)**

"Mazumder Market",  
161, Main Road, Ward # 05,  
Pourasava: Parshuram,  
P.S.: Parshuram, Feni  
Phone: 02334475974-5

**Potherhat Branch (Rural)**

"Khaiz Ahmed Shopping Centre"  
(1st Floor) Mouza: Noapara  
P.O: Gujra Noapara,  
Thana: Raujan, Chattogram  
Phone: 031-2573214, 031-2573216

**Shebarhat SME/Krishi Branch**

Shebarhat Bazar,  
Mouza: Razarampur, Feni,  
Chowmuhan Sarak (1st Floor),  
Thana Shenbag, Noakhali.  
Phone: 01713-065972

**Silonia Bazar Branch (Rural)**

"Razzak Market",  
Feni-Maizdi Road,  
Union: Joylaskar,  
P.S.: Dagonbhuiyan, Feni  
Phone: 01708481074













**Sonagazi SME/Krishi Branch**

Holding # 431,  
Mouza: Char Ganesh  
Pauroshava & Thana: Sonagazi,  
Feni  
Phone: 03325-76386










**Teknaf Branch (Rural)**

Alo Shopping Complex, PC-177, K  
K Para, Main Road Ward No.: 03,  
Pourashova: Teknaf, Thana:  
Teknaf, Cox's Bazar  
Phone: 0342-675027,  
0342-675059

## SYLHET DIVISION

- 
**Bandar Bazar Branch (Islamic Banking)**  
 Karim Ullah Market, (1st Floor),  
 Bandar Bazar, Sylhet  
 Phone: +880 821 721243, 714017
- 
**Beanibazar SME/Krishi Branch**  
 "Panchakhanda Haragovinda  
 High School Market", Beanibazar  
 - Sylhet Road, Thana:  
 Beanibazar, Sylhet.  
 Phone: 08223-56164
- 
**Biswanath SME/Krishi Branch**  
 "Zamia Madania Market,  
 East Jania, PS- Bishwanth,  
 District: Sylhet.  
 Phone: 08224-56205, 61007  
 FAX: 08224-56205
- 
**Charkhai Branch (Rural)**  
 Anisha Complex, Thana:  
 Beanibazar, Sylhet.  
 Phone: 01766-665141
- 
**Chouhatta Branch**  
 Manru Shopping City, 4953/4943  
 (1st Floor), Chouhatta  
 Mirboxtola Road, Chouhatta,  
 Sylhet  
 Phone: 0821 - 720726, 720277
- 
**Hetimgonj Branch (Rural)**  
 Khoyruganj Jame Masjid Market  
 Complex (1st Floor), Hetimgonj  
 Chourasta, Thana: Golapgonj,  
 Sylhet  
 Phone: 0821 - 841471, 841472
- 
**Kulaura Branch (Rural)**  
 Aziz Roushan Shopping Center  
 and Garden City, Holding No:  
 334, Pouroushova: Kulaura, Thana:  
 Kulaura, Moulvibazar  
 Phone: 08624 - 56208
- 
**Laldighirpaar Branch**  
 Mubarak Tower, 1794/1788, New  
 Market, Sylhet  
 Phone: 0821-710955, 715382,  
 710218
- 
**Moulvibazar Branch**  
 Jarif Tower 199/2, M. Saifur  
 Rahman Road, Thana -  
 Moulvibazar, Moulvibazar  
 Phone: 0861 - 53727, 53728,  
 53729
- 
**Pathantula Branch**  
 Haque Mansion of Modina  
 Market, Holding No. 704, Thana;  
 Jalalabad, Sylhet.  
 Phone: 0821-724545, 724300
- 
**Shahjalal Uposhahar Branch**  
 Plot # 07, Block# D, Main Road,  
 Shahjalal Uposhahar, Sylhet  
 Phone: 713062, 713052,  
 711820(PABX)
- 
**Tazpur SME / Krishi Branch**  
 Pubali Mansion, Tazpur Bazar,  
 Thana: Balagonj, Sylhet  
 Phone: 08242-56191

## RAJSHAHI DIVISION

- 
**Baneshwar Branch (Rural)**  
 Al-Haj Amzad Hossain Market,  
 Mouza : Shibpur,  
 Union : Baneshwar  
 Thana : Puthia, Rajshahi  
 Phone: 01766673596  
 Routing no.: 205810224
- 
**Bogura Branch**  
 Bhandari Monzil, (2nd Floor),  
 776-777 Barogola, Bogura  
 Phone: 051-68083, 68084,  
 68085, 68086  
 FAX: 051 - 51939  
 Routing no.: 205100376
- 
**Chapainawabganj Branch**  
 Sarkar Tower, Holding # 59-61  
 Road- Kalitala 1st Lane (Jhilim  
 Road), Chapainawabganj  
 Pouroushova, Chapainawabganj  
 Phone: 0781-51717, 51718
- 
**Ishwardi Branch**  
 "Adib Rana Plaza"  
 994/930 & 1017, Station Road,  
 Thana: Ishwardi Pouroushava,  
 Ishwardi, Pabna  
 Phone: 07326-64677
- 
**Naogaon Branch**  
 Kazi Habibur Rahman Market,  
 Old Hospital Road, (Bridge Mour),  
 Thana: Naogaon Sadar, Naogaon  
 Phone: 0741-63397, 63286,  
 63397, 61274
- 
**Natore Branch**  
 "Lily Plaza",  
 838, Kanaikhali,  
 PS: Natore Sadar, Natore  
 Phone: 01712803701
- 
**Pabna Branch**  
 "Khairul Tower"  
 116, Mawlana Mohammed Ali  
 Road (Narikel Bagan Road),  
 Thana: Pabna Sadar, Pabna  
 Phone: 0731-65027, 65059
- 
**Rajshahi Branch**  
 Plot # 447, Mangol Bhaban,  
 Alupatti Mour, PO. Ghoramara,  
 PS: Boalia, Rajshahi  
 Phone: 0721 - 812203, 812204,  
 812205, 812206, 812207
- 
**Sirajganj Branch**  
 Basak Plaza  
 947-948, Shaheed Suharawardy  
 Road, Sirajganj  
 Phone: 075165181-4

## KHULNA DIVISION



### Chuadanga Branch

"Brothers Tower",  
686-06, Thana Road,  
PS: Chuadanga Sadar,  
Chuadanga  
Phone: 76162104



### Dumuria Branch (Rural)

R. R. Plaza  
Mouza: Arajai Sajiyara Union: 11  
No. Dumuria  
PS.: Dumuria, Khulna  
Phone: 01705403796



### Jashore SME / Krishi Branch

11, R.N. Road,  
Thana: Kotwali, Jashore  
Phone: 0421-67683



### Khulna Branch

Haji Hanif Complex (1st Floor),  
12 & 13, Khan Jahan Ali Road,  
Khulna.  
Phone: 041-730606, 731406,  
731306, 731606



### Kushtia Branch

Aneek Tower,  
295, Nowab Sirajuddoula Road,  
PS.: Kushtia Sadar, Kushtia  
Phone: 01709633284



### Rupdia Bazar Branch (Rural)

Bhowmik Super Market",  
Mouza: Zirat  
Union: 12 No. Norendrapur  
PS.: Jashore Sadar, Jashore



### Satkhira SME / Krishi Branch

Holding # 5896,  
Palash Pole (1st Floor), Shahid  
Nazmul Sarak (Satkhira Bus  
Stand), Thana: Satkhira,  
Satkhira  
Phone: 0471-63568



### Sir Iqbal Road

"Noor Jahan Plaza" 155, Sir Iqbal  
Road, Khulna.  
Phone: 041-724471

## BARISHAL DIVISION



### Barishal Branch

54, Sadar Road (1st Floor),  
Kotowali, Barishal  
Phone: 0431 - 2176601, 2176602,  
2176603, 2176604

## MYMENSINGH DIVISION



### Muktagacha Branch

Rabeya Momtaz Tower (1st  
Floor), Mymensingh-Tangail  
Main Road (Old Bus Stand),  
Pourashova: Muktagacha  
Upazila: Muktagacha,  
Mymensingh  
Phone: +880902875064-65



### Mymensingh Branch

"Minar Complex", Holding # 09  
Mukti Joddha Sarani (Choto  
Bazar), Thana: Kotwali Sadar,  
Mymensingh  
Phone: 091-62916, 62813, 62830



### Sherpur Branch

Muslim Market Holding # 166,  
Shahid Bulbul Sarak Munshi  
Bazar, Pourasava: Sherpur  
Thana: Sherpur Sadar, Sherpur  
Phone: 01705403797

## RANGPUR DIVISION



### Dinajpur Branch

Holding # 808/837, Ganesh Tola  
Jail Road, Dinajpur Municipal  
Corporation, Thana: Dinajpur  
Sadar, Dinajpur  
Phone: 0531-52025, 26



### Rangpur Branch

Canopus, Holding # 39/1, 39/7,  
Dhap Jail Road, Thana: Kotwali,  
District: Rangpur  
Phone: 0521-64672, 64673,  
64778, 64779

## UPOSHAKHAS



### Adabor Uposhakha

PC Culture Housing Society,  
Holding No-13, Road No-06,  
Block-Kha, Thana-Adabar, Dhaka  
Phone: 01717-570554



### Banti Bazar Uposhakha

Tarazuddin Plaza", Banti Adorsha  
Bazar, Thana: Araihasar,  
District: Narayanganj  
Phone 01313-002586



### Green Road Uposhakha

R H Home Center,  
74/B/1, Green Road, Dhaka  
Phone: 02-44815270



### Gulshan North Avenue Uposhakha

1st Floor, Navana Nasrin  
Casabella, Plot # 2-A,  
North Avenue, Gulshan, Dhaka  
Phone: 02-58816833



### Hatirpool Uposhakha

Jahanara Bhaban,  
59, Bir Uttam CR Datta Road,  
Hatirpool, Dhaka  
Phone: 01769-023036



### Khilgaon Taltola Uposhakha

Kopotakkha JF Tower,  
Holding-551/C, Khilgaon Taltola,  
Khilgaon, Dhaka  
Phone: 01313-355303



### Merul Badda Uposhakha

Orchid Jamshed Tower,  
Holding-Kha-216,  
Merul Badda, Dhaka  
Phone: 01769-023038



### North Shahjahanpur Uposhakha

Manama FR Heights,  
Holding-202, North  
Shahjahanpur, Dhaka  
Phone: 01313-355302



### Rabindro Sarani Uposhakha

Shahazadi Plaza,  
House # 39, Road # 18,  
Sector # 3, Uttara, Dhaka  
Phone: 01313-002582



### Rampura Uposhakha

Ali Tower, Holding-17/2,  
DIT Main Road,  
East Rampura, Dhaka  
Phone: 01313-355301



### Shipahibag Bazar Uposhakha

Holding-288/1 and 288/1/A,  
Shipahibag Bazar (North  
Goran), Khilgaon, Dhaka  
Phone: 01769-023041



### West Mothertek Uposhakha

Bondhon Tower, Holding  
No-97/A, 97/A-1, West Madartek,  
Shabujbag, Dhaka  
Phone: 01313-002589



### Academy Road Uposhakha

"Afzal Plaza" Holding # 0279,  
Academy Road, Feni  
Paurashava, District: Feni  
Phone: 01313-355319



### Akbarshah Uposhakha

Subarna Heaven, Holding-A/39,  
Road-01, CDA Akbarshah,  
Chattogram  
Phone: 01313-355304



### Anderkillla Uposhakha

K.B. Orchid Plaza, Anderkillla  
(Laldighir Uttar Par), Kotwali,  
Chattogram  
Phone: 01769-023042



### Chawkbazar Uposhakha

KB Plaza, Holding # 172/232,  
Chatteshwari Road,  
Chawkbazar, Chattogram  
Phone: 01313-002581



### Halishahar Housing Estate Uposhakha

Holding-6, Road-1, Block-A,  
Lane-6, Halishahar Housing  
Estate, Halishahar, Chattogram  
Phone: 031-727978



### Keramotia Bazar Uposhakha

Tanjir Fashion Market, 2nd Floor,  
125, Main Road, Kachari Pukur,  
Sonagazi, Feni  
Phone: 01313-002584



### Patenga Uposhakha

Noorjahan Complex, Holding #  
1690/24/13, Katgar More,  
Patenga, Chattogram  
Phone: 01313-002579



### Rahattar Pul Uposhakha

Forid Mansion, K. B Aman Ali  
Road, Chanda Pukur Par,  
Rahattar Pul, Chattogram  
Phone: 01313-355305



### S.S K Road Uposhakha

Star Market, 2nd Floor,  
941-943, Shahid Shahidullah  
Kaisar Road, Feni  
Phone: 01313-002583



### Abdul Hamid Road Uposhakha

2nd Floor, 256, Abdul Hamid  
Road, Pabna Paurashava,  
Thana: Pabna Sadar, Pabna  
Phone: 01313-002578

## SOUTHEAST BANK AGENT BANKING OUTLETS



### Gazirchat Agent Banking Outlet

TAKDIR TRADE INTERNATIONAL  
Gazirchat High School & College Road,  
Savar, Dhaka



### Sarkarhat Agent Banking Outlet

M/S ZIA BABA TRADERS  
Sarkarhat Bazar, Hathazari,  
Chattogram



### Digholia Agent Banking Outlet

M/S NIRIBILI ENTERPRISE  
Agent Outlet Address: Goalpara,  
Upazilla More, Digholia, Khulna



### Chowdhurani Agent Banking Outlet

CHOWDHURY MOTORS  
Chowdhurani Bazar,  
Pirgacha, Rangpur



### Dharmotola Agent Banking Outlet

Mohona Trade International  
Dharmotla Bazar, Sadar,  
Jashore



### Chowmuhan Agent Banking Outlet

CHAMPAKOLI COMMUNITY CENTER  
South Rangamata,  
Fatikchari, Chattogram



### South Ballavpur Agent Banking Outlet

YUBRAJ ELECTRIC AND LIBRARY  
South Ballavpur, Chagalnaiya,  
Feni



### Ghoramara Agent Banking Outlet

HASAN MOTORS  
In front of Dallas Petrol Pump,  
Sitakunda, Chattogram



### Champaknagar Agent Banking Outlet

M/S NAZMA JEWELLERS  
Champaknagar Bazar,  
Chagalnaiya, Feni



### Baharpur Agent Banking Outlet

M/S ARAFAT TRADERS  
Baharpur Bazar, Baliakandi,  
Rajbari



### Jaukura Agent Banking Outlet

PADMA ENTERPRISE  
Jaukura Bazar, Rajbari Sadar,  
Rajbari



### Balua Chowmuhan Agent Banking Outlet

EURO LIBRARY  
Moddam Dhalia, Balua Chowmuhan,  
Feni Sadar, Feni



### Malumghat Agent Banking Outlet

HOQUE ENTERPRISE  
Cha Bagan Road, Malumghat Bazar,  
Dulahazara, Chakaria, Cox's Bazar



### Kamalla Bazar Agent Banking Outlet

DREAM BANGLA NETWORK  
Kamalla Bazar, Kamalla,  
Muradnagar, Cumilla



### Bakhrabad Agent Banking Outlet

DREAM BANGLA NETWORK  
Bakhrabad Bazar, Muradnagar,  
Cumilla



### Motiganj Agent Banking Outlet

MORSALIN AIR SERVICE  
Sarbik Unnayan Samittee Bhaban,  
Motiganj Bazar, Sonagazi, Feni



### Bhanga Court Par Agent Banking Outlet

M/S IMRAN TRADERS  
Bhanga Court Par Bazar,  
Bhanga, Faridpur



### Rayarmahal Agent Banking Outlet

LIFE CARE MODERN PHARMACY  
Rayarmahal Bazar, Main Road,  
Hamidnagar, Khulna





#### **Noapara Bus Stand Agent Banking Outlet**

M/S ZAMAN & BROTHERS  
Sagorika Shopping Mall, Noapara Bus Stand,  
Abhaynagar, Jashore



#### **Kumudini College Gate Agent Banking Outlet**

M/S ANIKA TRADING CORPORATION  
Mymensingh Road, Kumudini College Gate,  
Tangail Sadar, Tangail



#### **Bisot Bazar Agent Banking Outlet**

M/S ANWAR TRADERS  
Bisot Bazar, Asasuni,  
Satkhira



#### **Baruna Bazar Agent Banking Outlet**

VAI VAI RENT A CAR & MUDI  
Baruna Bazar, Dumuria,  
Khulna



#### **Kamartek Bazar Agent Banking Outlet**

S M BUSINESS CENTRE  
Kamartek Bazar, Shibpur,  
Narsingdi



#### **Awlia Bazar Agent Banking Outlet**

BISMILLAH ENTERPRISE  
Awlia Bazar, Bijoy Nagar,  
Brahmanbaria



#### **Joymontop Bazar Agent Banking Outlet**

VAI VAI A TO Z CENTRE  
Joymontop Bazar, Singair,  
Manikganj



#### **Charigram Bazar Agent Banking Outlet**

M/S AGRANI ENTERPRISE  
Charigram Bazar, Singair,  
Manikganj



#### **North Rayerbag Agent Banking Outlet**

A-SHA TELECOM  
Rashidbag, North Rayerbag, Matuail,  
Jatrabari, Dhaka



#### **Birampur Bazar Agent Banking Outlet**

KAZI ENTERPRISE  
Middle Birampur Bazar, Faridganj,  
Chandpur



#### **Borobari Road Agent Banking Outlet**

SHEIKH CONSTRUCTION  
Central Bus Terminal, Borobari Road,  
Rangpur Sadar, Rangpur

**Notes:**

**Notes:**

## PROXY FORM

I/We .....  
of .....  
being the member of Southeast Bank Limited do hereby appoint Mr./Ms. ....  
of ..... as my/our  
proxy to attend and vote on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held  
on Thursday, August 11, 2022 at 11.00 a.m. virtually by using digital platform through the link  
**<https://southeastbank.bdvirtualagm.com>** and at any adjournment thereof.

As witness my/our hand this ..... day of ..... 2022

Signature of the Shareholder

**Affix  
Revenue  
Stamp of  
BDT 20.00**

Signature of Proxy

Folio/ BOID Number

Number of Shares held

**Note:**

- The "Proxy Form" duly filled, signed and stamped at BDT 20.00 must be sent through email to [irdsebl@southeastbank.com.bd](mailto:irdsebl@southeastbank.com.bd) not later than 48 hours before commencement of the AGM.
- Signature of the shareholders should agree with the specimen signature registered with the company and Depository Register.

## ATTENDANCE SLIP

I hereby record my attendance at the 27<sup>th</sup> Annual General Meeting of the Company being held on Thursday,  
August 11, 2022 at 11.00 a.m. virtually by using digital platform through the link  
**<https://southeastbank.bdvirtualagm.com>**.

Name of the Shareholder / Proxy .....

Folio/ BOID Number

Number of Shares held

Signature



## **SOUTHEAST BANK LIMITED**

Registered Office:

Eunoos Trade Centre

52-53, Dilkusha C/A (Level 2,3,4,6 & 16), Dhaka-1000, Bangladesh

Phone : +88 02 47116321

SWIFT : SEBDBDDH

E-mail : [info@southeastbank.com.bd](mailto:info@southeastbank.com.bd)

Website : [www.southeastbank.com.bd](http://www.southeastbank.com.bd)