

Southeast Bank Limited and its Subsidiaries
Consolidated Balance Sheet
As at 30 September 2020

	Provisional and unaudited	
	Sep 2020	Dec 2019
Note	Taka	Taka
PROPERTY AND ASSETS		
Cash		
In hand (including foreign currencies)	3,485,850,430	3,664,880,130
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	16,344,965,986	18,954,911,247
	19,830,816,416	22,619,791,377
Balance with other banks and financial institutions		
In Bangladesh	3,605,682,538	5,568,594,836
Outside Bangladesh	2,683,123,853	1,903,702,998
	6,288,806,391	7,472,297,834
	2,407,806,344	4,739,531,100
Money at call and on short notice		
Investments		
Government	83,059,078,754	62,409,764,654
Others	14,818,777,250	14,900,277,916
	97,877,856,004	77,310,042,570
Loans and advances/investments		
Loans, cash credit, overdrafts etc./investments	302,194,117,756	278,757,951,276
Bills purchased and discounted	17,993,298,604	17,995,011,999
	320,187,416,360	296,752,963,275
	9,525,681,558	9,333,658,015
	7,619,905,003	4,084,430,822
	-	-
Total assets	463,738,288,076	422,312,714,993
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents		
Subordinated bond	10,200,000,000	10,200,000,000
Other borrowings	14,633,451,120	13,701,399,879
	24,833,451,120	23,901,399,879
Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts	69,682,097,001	48,260,613,039
Bills payable	3,666,195,213	4,095,294,208
Savings bank/Mudaraba savings bank deposits	35,337,076,965	30,416,845,985
Fixed deposits/Mudaraba fixed deposits	254,681,776,113	246,477,520,709
	363,367,145,292	329,250,273,941
	41,722,071,119	38,651,506,648
Total liabilities	429,922,667,531	391,803,180,468
Capital/shareholders' equity		
Paid up capital	11,599,419,720	11,599,419,720
Statutory reserve	11,599,419,720	10,969,433,607
Revaluation reserve	4,806,396,602	4,248,271,218
Other reserve	247,650,000	247,650,000
Foreign currency translation reserve	(17,249,868)	(8,779,606)
Retained earnings	5,569,857,078	3,443,466,969
Total shareholders' equity	33,805,493,252	30,499,461,908
Non-controlling interest	10,127,293	10,072,617
Total liabilities and shareholders' equity	463,738,288,076	422,312,714,993
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	64,433,613,535	48,407,681,253
Letters of guarantee	18,087,473,886	16,773,718,041
Irrevocable letters of credit	28,223,854,412	27,936,453,209
Bills for collection	31,321,340,314	28,576,944,200
Other contingent liabilities	1,973,194,000	1,454,224,000
Total contingent liabilities	144,039,476,147	123,149,020,703
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total other commitments	-	-
Total off-balance sheet items including contingent liabilities	144,039,476,147	123,149,020,703


Chairman


Director


Managing Director


Chief Financial Officer (Acting)


Company Secretary

Southeast Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account

For the period ended 30 September 2020

Provisional and unaudited

Note	Jan 01, 2020 to Sep 30, 2020	Jan 01, 2019 to Sep 30, 2019	July 01, 2020 to Sep 30, 2020	July 01, 2019 to Sep 30, 2019
	Taka	Taka	Taka	Taka
Interest income/profit on investments	17,060,810,127	19,788,438,921	5,223,562,539	6,965,713,901
Interest paid/profit shared on deposits and borrowings etc.	(15,402,502,191)	(16,245,982,004)	(4,867,572,794)	(5,761,624,765)
Net interest income/net profit on investments	1,658,307,936	3,542,456,917	355,989,745	1,204,089,136
Investment income	4,444,162,625	3,557,643,353	1,666,490,414	1,157,425,828
Commission, exchange and brokerage	2,433,463,094	2,865,791,330	936,329,572	977,271,138
Other operating income	623,168,063	694,563,758	209,172,302	202,703,056
	7,500,793,782	7,117,998,441	2,811,992,288	2,337,400,022
Total operating income (A)	9,159,101,718	10,660,455,358	3,167,982,033	3,541,489,158
Salaries and allowances	1,522,773,194	1,472,114,870	566,094,122	527,243,094
Rent, taxes, insurance, electricity, etc.	819,942,131	842,579,170	301,074,420	311,429,512
Legal expenses	860,575	1,613,518	105,050	1,061,038
Postage, stamp, telecommunication, etc.	125,321,494	132,504,095	44,645,120	43,740,965
Stationery, printing, advertisements, etc.	111,792,745	123,912,221	38,497,667	41,064,672
Managing Director's salary and fees	7,721,500	8,721,500	2,685,500	2,685,500
Directors' fees	1,160,060	2,181,664	469,200	685,394
Auditors' fees	750,000	750,000	250,000	250,000
Depreciation and repair	400,033,094	325,526,169	143,650,506	110,699,039
Other expenses	937,912,133	835,521,984	325,833,817	292,918,979
Total operating expenses (B)	3,928,266,926	3,745,425,191	1,423,305,402	1,331,778,193
Profit before provision (C=A-B)	5,230,834,792	6,915,030,167	1,744,676,631	2,209,710,965
Provision for loans and advances/investments				
General provision	1,283,172,000	257,596,000	916,107,019	12,496,000
Specific provision	(241,372,000)	995,619,219	(83,809,188)	480,756,122
	1,041,800,000	1,253,215,219	832,297,831	493,252,122
Provision for diminution in value of investments	71,420,000	232,100,000	(470,380,000)	124,207,150
Other provisions	173,200,000	(47,173,000)	184,566,000	(2,073,000)
Total provision (D)	1,286,420,000	1,438,142,219	546,483,831	615,386,272
Total profit before taxation (E=C-D)	3,944,414,792	5,476,887,948	1,198,192,800	1,594,324,693
Provision for taxation				
Current	1,166,368,533	2,208,541,637	304,882,215	904,052,852
Deferred	9,300,000	(7,500,000)	20,750,000	20,000,000
	1,175,668,533	2,201,041,637	325,632,215	924,052,852
Net profit after taxation	2,768,746,259	3,275,846,311	872,560,585	670,271,841
Net profit after taxation attributable to:				
Equity holders' of the Bank	2,768,691,582	3,275,831,109	872,519,289	670,272,285
Non-controlling interest	54,677	15,202	41,296	(444)
Net profit after taxation	2,768,746,259	3,275,846,311	872,560,585	670,271,841
Appropriations				
Statutory reserve	629,986,113	1,092,830,889	86,382,684	325,514,233
	629,986,113	1,092,830,889	86,382,684	325,514,233
Retained surplus during the period	2,138,760,146	2,183,015,422	786,177,901	344,757,608
Earnings per share (par value Taka 10)	5	2.39	2.82	0.75
				0.58


Chairman


Director


Managing Director


Chief Financial Officer (Acting)


Company Secretary

Southeast Bank Limited and its Subsidiaries

Consolidated Cash Flow Statement

For the period ended 30 September 2020

Provisional and unaudited

	Jan 01, 2020 to Sep 30, 2020	Jan 01, 2019 to Sep 30, 2019
	Taka	Taka
A. Cash flows from operating activities:		
Interest receipts in cash	17,576,656,161	23,280,053,912
Interest payments	(15,201,492,760)	(12,839,765,832)
Dividend receipts	131,262,278	163,698,890
Fees and commission receipts in cash	2,433,463,094	2,865,791,330
Recoveries on loans previously written-off	263,897,102	666,200,781
Cash payments to employees	(1,530,494,694)	(1,480,836,370)
Cash payments to suppliers	(10,668,588)	(278,149,489)
Income taxes paid	(2,495,724,321)	(1,650,410,745)
Receipts from other operating activities	623,168,063	693,566,742
Payments for other operating activities	(1,839,145,273)	(1,897,224,471)
Operating profit before changes in operating assets and liabilities (i)	(49,078,938)	9,522,924,748
Increase (decrease) in operating assets and liabilities		
Sale of trading securities	737,180,819	276,041,447
Purchase of trading securities	(859,108,596)	(895,969,625)
Loans and advances to customers	(23,434,453,085)	(21,023,607,630)
Other assets	(476,585,655)	(68,661,816)
Deposits from other banks	932,051,241	(414,968,083)
Deposits from customers	34,221,630,389	29,488,551,116
Other liabilities	2,525,520,984	(132,160,634)
Cash generated from (used in) operating assets and liabilities (ii)	13,646,236,097	7,229,224,775
Net cash flows from operating activities (a=i+ii)	13,597,157,159	16,752,149,523
B. Cash flows from investing activities:		
Proceeds from sale of securities	25,771,979,215	81,054,654,576
Payments for purchase of securities	(29,219,104,825)	(81,648,743,319)
Purchase of fixed assets	(473,555,915)	(282,227,563)
Sale proceeds of fixed assets	126,951	3,188,557
Cash generated from (used in) investing activities (b)	(3,920,554,575)	(873,127,750)
C. Cash flows from financing activities:		
Receipts from issue of loan capital & debt security	-	-
Payments for redemption of loan capital & debt security	-	-
Dividends paid	-	-
Payment against lease obligation	(42,458,564)	-
Receipts from issue of ordinary shares	-	-
Cash generated from (used in) financing activities (c)	(42,458,564)	-
D. Net increase (decrease) in cash and cash equivalents (a+b+c)	9,634,144,020	15,879,021,773
E. Effects of exchange rate changes on cash and cash equivalents	(9,340,981)	(1,304,950)
F. Cash and cash equivalents at beginning of the year	48,392,991,767	36,823,677,730
G. Cash and cash equivalents at end of the period (D+E+F)	58,017,794,805	52,701,394,553
Cash and cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	3,485,850,430	4,179,956,157
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	16,344,965,986	18,489,837,153
Balance with other banks and financial institutions	6,288,806,391	6,856,129,463
Money at call and on short notice	2,407,806,344	4,498,970,000
Treasury bills	29,485,619,054	18,671,734,580
Prize bond	4,746,600	4,767,200
	58,017,794,805	52,701,394,553

Southeast Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended 30 September 2020

Provisional and unaudited

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	
Balance as at 1 January 2020	11,599,419,720		10,969,433,607		4,248,271,218		247,650,000		(8,779,606)		3,443,466,969		30,499,461,908		10,072,617		30,509,534,525	
Changes in accounting policy/ Prior year adjustments	-		-		-		-		-		-		-		-		-	
Restated balance	11,599,419,720		10,969,433,607		4,248,271,218		247,650,000		(8,779,606)		3,443,466,969		30,499,461,908		10,072,617		30,509,534,525	
Surplus/deficit on account of revaluation of properties	-		-		-		-		-		-		-		-		-	
Surplus/deficit on account of revaluation of investments	-		-		558,125,384		-		(8,470,263)		-		558,125,384		-		558,125,384	
Currency translation differences	-		-		-		-		(8,470,263)		(12,315,360)		(20,785,622)		-		(20,785,622)	
Net gains and losses not recognized in the income statement	-		-		558,125,384		-		(8,470,263)		(12,315,360)		537,339,762		-		537,339,762	
Net profit for the period	-		-		-		-		-		2,768,691,582		2,768,691,582		54,677		2,768,746,258	
Issue of share capital/ Bonus share	-		-		-		-		-		-		-		-		-	
Transfer to Southeast Bank Staff Welfare Trust	-		-		-		-		-		-		-		-		-	
Appropriation made during the period	-		-		-		-		-		(629,986,113)		-		-		-	
Statutory reserve			629,986,113															
Balance as at 30 Sep 2020	11,599,419,720		11,599,419,720		4,806,396,602		247,650,000		(17,249,869)		5,569,857,078		33,805,493,252		10,127,293		33,815,620,545	
Balance as at 30 Sep 2019	11,599,419,720		11,186,984,454		4,247,934,447		247,650,000		(22,740,605)		3,870,571,866		31,129,819,882		10,085,714		31,139,905,596	

Southeast Bank Limited
Balance Sheet
As at 30 September 2020

	Provisional and unaudited	
	Sep 2020	Dec 2019
	Taka	Taka
<u>PROPERTY AND ASSETS</u>		
Cash		
In hand (including foreign currencies)	3,485,694,800	3,664,640,436
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	16,344,965,986	18,954,911,247
	19,830,660,786	22,619,551,683
Balance with other banks and financial institutions		
In Bangladesh	3,605,682,538	5,568,594,836
Outside Bangladesh	2,594,325,315	1,762,989,139
	6,200,007,853	7,331,583,975
Money at call and on short notice	2,407,806,344	4,739,531,100
Investments		
Government	83,059,078,754	62,409,764,654
Others	11,889,691,285	12,074,625,437
	94,948,770,039	74,484,390,091
Loans and advances/investments		
Loans, cash credit, overdrafts etc./investments	300,393,360,087	277,020,101,321
Bills purchased and discounted	17,993,298,604	17,995,011,999
	318,386,658,691	295,015,113,320
Fixed assets including premises, furniture and fixtures	8,967,492,350	8,754,955,398
Other assets	13,024,769,514	9,485,465,483
Non - banking assets	-	-
Total assets	463,766,165,577	422,430,591,050
<u>LIABILITIES AND CAPITAL</u>		
Liabilities		
Borrowings from other banks, financial institutions and agents		
Subordinated bond	10,200,000,000	10,200,000,000
Other borrowings	14,633,451,120	13,701,399,879
	24,833,451,120	23,901,399,879
Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts	69,630,967,539	48,807,799,671
Bills payable	3,666,195,213	4,095,294,208
Savings bank/Mudaraba savings bank deposits	35,337,076,965	30,416,845,985
Fixed deposits/Mudaraba fixed deposits	255,176,776,113	246,477,520,709
	363,811,015,830	329,797,460,573
Other liabilities	41,375,873,189	38,312,892,783
Total liabilities	430,020,340,139	392,011,753,235
Capital/shareholders' equity		
Paid up capital	11,599,419,720	11,599,419,720
Statutory reserve	11,599,419,720	10,969,433,607
Revaluation reserve	4,806,396,602	4,248,271,218
Other reserve	247,650,000	247,650,000
Retained earnings	5,492,939,396	3,354,063,270
Total shareholders' equity	33,745,825,438	30,418,837,815
Total liabilities and shareholders' equity	463,766,165,577	422,430,591,050
<u>OFF-BALANCE SHEET ITEMS</u>		
Contingent liabilities		
Acceptances and endorsements	64,433,613,535	48,407,681,253
Letters of guarantee	18,087,473,886	16,773,718,041
Irrevocable letters of credit	28,223,854,412	27,936,453,209
Bills for collection	31,321,340,314	28,576,944,200
Other contingent liabilities	1,973,194,000	1,454,224,000
Total contingent liabilities	144,039,476,147	123,149,020,703
Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total other commitments	-	-
Total off-balance sheet items including contingent liabilities	144,039,476,147	123,149,020,703


Chairman


Director


Managing Director


Chief Financial Officer (Acting)


Company Secretary

Southeast Bank Limited
Profit and Loss Account
For the period ended 30 September 2020

Provisional and unaudited

	Jan 01, 2020 to Sep 30, 2020	Jan 01, 2019 to Sep 30, 2019	July 01, 2020 to Sep 30, 2020	July 01, 2019 to Sep 30, 2019
	Taka	Taka	Taka	Taka
Interest income/profit on investments	17,047,166,871	19,771,643,939	5,218,145,388	6,961,396,687
Interest paid/profit shared on deposits and borrowings etc.	(15,432,680,587)	(16,251,729,299)	(4,872,772,794)	(5,768,177,016)
Net interest income/net profit on investments	1,614,486,284	3,519,914,640	345,372,594	1,193,219,671
Investment income	4,466,262,905	3,565,568,621	1,695,945,278	1,185,395,434
Commission, exchange and brokerage	2,383,370,258	2,785,728,625	912,899,850	958,444,704
Other operating income	609,897,010	673,483,378	205,164,672	196,818,249
Total operating income (A)	7,459,530,173	7,024,780,624	2,814,009,800	2,340,658,387
	9,074,016,457	10,544,695,264	3,159,382,394	3,533,878,058
Salaries and allowances	1,502,882,434	1,446,000,890	559,231,904	517,133,904
Rent, taxes, insurance, electricity, etc.	808,708,860	820,795,592	299,918,215	299,944,633
Legal expenses	860,575	1,479,580	105,050	927,100
Postage, stamp, telecommunication, etc.	124,997,349	131,863,055	44,550,924	43,505,300
Stationery, printing, advertisements, etc.	110,907,862	122,571,106	38,178,325	40,671,058
Managing Director's salary and fees	7,721,500	8,721,500	2,685,500	2,685,500
Directors' fees	1,072,060	2,037,664	469,200	645,394
Auditors' fees	750,000	750,000	250,000	250,000
Depreciation and repair of bank's assets	379,174,995	302,848,566	136,669,982	103,065,553
Other expenses	921,487,865	805,330,648	319,823,651	282,092,179
Total operating expenses (B)	3,858,563,500	3,642,398,601	1,401,882,751	1,290,920,621
Profit before provision (C=A-B)	5,215,452,957	6,902,296,663	1,757,499,643	2,242,957,437
Provision for loans and advances/investments				
General provision	1,283,172,000	257,596,000	916,107,019	12,496,000
Specific provision	(241,372,000)	995,619,219	(83,809,188)	480,756,122
	1,041,800,000	1,253,215,219	832,297,831	493,252,122
Provision for diminution in value of investments	71,420,000	232,100,000	(470,380,000)	124,207,150
Other provisions	173,200,000	(47,173,000)	184,566,000	(2,073,000)
Total provision (D)	1,286,420,000	1,438,142,219	546,483,831	615,386,272
Total profit before taxation (C-D)	3,929,032,957	5,464,154,444	1,211,015,812	1,627,571,165
Provision for taxation				
Current	1,150,000,000	2,200,000,000	300,000,000	900,000,000
Deferred	9,300,000	(7,500,000)	20,750,000	20,000,000
	1,159,300,000	2,192,500,000	320,750,000	920,000,000
Net profit after taxation	2,769,732,957	3,271,654,444	890,265,812	707,571,165
Appropriations				
Statutory reserve	629,986,113	1,092,830,889	86,382,684	325,514,233
	629,986,113	1,092,830,889	86,382,684	325,514,233
Retained surplus during the period	2,139,746,844	2,178,823,555	803,883,128	382,056,932
Earnings per share (par value Taka 10)	2.39	2.82	0.77	0.61


Chairman


Director


Managing Director


Chief Financial Officer (Acting)


Company Secretary

Southeast Bank Limited
Cash Flow Statement
For the period ended 30 September 2020

	Provisional and unaudited	
	Jan 01, 2020 to Sep 30, 2020	Jan 01, 2019 to Sep 30, 2019
	Taka	Taka
A. Cash flows from operating activities:		
Interest receipts in cash	17,563,012,905	23,263,258,930
Interest payment	(15,583,561,604)	(13,418,311,120)
Dividend receipts	125,466,709	145,685,659
Fees and commission receipts in cash	2,383,370,258	2,785,728,625
Recoveries on Loans previously written-off	263,897,102	666,200,781
Cash payments to employees	(1,510,603,934)	(1,454,722,390)
Cash payments to suppliers	(108,233,450)	(276,808,374)
Income taxes paid	(2,366,515,499)	(1,629,460,250)
Receipts from other operating activities	609,897,010	672,486,362
Payments for other operating activities	(1,818,286,589)	(1,859,800,458)
Operating profit before changes in operating assets and liabilities (i)	(441,557,092)	8,894,257,765
Increase (decrease) in operating assets and liabilities		
Sale of trading securities	737,180,819	276,041,447
Purchase of trading securities	(859,108,596)	(895,969,625)
Loans and advances to customers	(23,371,545,371)	(21,665,640,842)
Other assets	(392,335,073)	(89,210,141)
Deposits from other banks	932,051,241	(382,847,637)
Deposits from customers	34,118,314,296	29,958,801,688
Other liabilities	2,919,294,097	622,398,585
Cash generated from (used in) operating assets and liabilities (ii)	14,083,851,413	7,823,573,474
Net cash flows from operating activities (a=i+ii)	13,642,294,321	16,717,831,239
B. Cash flows from investing activities:		
Proceeds from sale of securities	25,771,979,214	81,054,654,576
Payments for purchase of securities	(29,219,104,825)	(81,648,743,319)
Purchase of fixed assets	(475,163,955)	(206,850,508)
Sale proceeds of fixed assets	126,951	3,188,557
Cash generated from (used in) investing activities (b)	(3,922,162,616)	(797,750,695)
C. Cash flows from financing activities:		
Receipts from issue of loan capital & debt security	-	-
Payments for redemption of loan capital & debt security	-	-
Dividends paid	-	-
Payment against lease obligation	(42,458,564)	-
Receipts from issue of ordinary shares	-	-
Cash generated from (used in) financing activities (c)	(42,458,564)	-
D. Net increase (decrease) in cash and cash equivalents (a+b+c)	9,677,673,141	15,920,080,544
E. Effects of exchange rate changes on cash and cash equivalents	(870,718)	4,873,050
F. Cash and cash equivalents at beginning of the year	48,252,038,214	36,646,884,258
G. Cash and cash equivalents at end of the period (D+E+F)	57,928,840,637	52,571,837,852
Cash and cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	3,485,694,800	4,179,797,850
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	16,344,965,986	18,489,837,153
Balance with other banks and financial institutions	6,200,007,853	6,726,731,069
Money at call and on short notice	2,407,806,344	4,498,970,000
Treasury bills	29,485,619,054	18,671,734,580
Prize bond	4,746,600	4,767,200
	57,928,840,637	52,571,837,852

Southeast Bank Limited
Statement of Changes in Equity
For the period ended 30 September 2020

Provisional and unaudited

Particulars	Paid up capital	Statutory reserve	Revaluation reserve	Other reserves	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2020	11,599,419,720	10,969,433,607	4,248,271,218	247,650,000	3,354,063,270	30,418,837,815
Changes in accounting policy/ prior year adjustments	-	-	-	-	-	-
Restated balance	11,599,419,720	10,969,433,607	4,248,271,218	247,650,000	3,354,063,270	30,418,837,815
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	558,125,384	-	(870,718)	558,125,384 (870,718)
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	558,125,384	-	(870,718)	557,254,666
Net profit for the period	-	-	-	-	2,769,732,957	2,769,732,957
Issue of share capital/ Bonus share	-	-	-	-	-	-
Transfer to Southeast Bank Staff Welfare Trust	-	-	-	-	-	-
Appropriation made during the period	-	629,986,113	-	-	(629,986,113)	-
Statutory reserve	-	-	-	-	-	-
Balance as at 30 Sep 2020	11,599,419,720	11,599,419,720	4,806,396,602	247,650,000	5,492,939,396	33,745,825,438
Balance as at 30 Sep 2019	11,599,419,720	11,186,984,454	4,247,934,447	247,650,000	3,783,010,497	31,064,999,118

Southeast Bank Limited and its subsidiaries
Notes to the Financial Statements
As at and for the period ended 30 September 2020

Corporate profile and significant Accounting policies

1. Reporting entity

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 period ended on 30 September 2020 comprise the Bank and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

1.1 Change of accounting policy

Accounting policies in these financial statements are same as those applied in its last annual financial statements of December 31, 2019.

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of Southeast Bank Limited and its three subsidiaries, Southeast Bank Capital Services Limited, Southeast Financial Services (UK) Limited, Southeast Exchange Company (South Africa) Pty Limited, for the period ended on September 30, 2020.

1.3 Earnings per share

The Group and the Bank present basic 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.

	<u>30 Sep 2020</u>	<u>31 Dec 2019</u>
	Taka	Taka
2 Consolidated Loans and advances/investments		
Loans, cash credit, overdrafts etc./investments		
Southeast Bank Limited	300,393,360,087	277,020,101,321
Southeast Bank Capital Services Limited	1,800,757,669	1,737,849,955
	<u>302,194,117,756</u>	<u>278,757,951,276</u>
Bills purchased and discounted		
Southeast Bank Limited	17,993,298,604	17,995,011,999
	<u>17,993,298,604</u>	<u>17,995,011,999</u>
	<u>320,187,416,360</u>	<u>296,752,963,275</u>
3 Consolidated deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Southeast Bank Limited	69,630,967,539	48,807,799,671
Southeast Bank Capital Services Limited	78,360,381	75,754,716
	<u>69,709,327,920</u>	<u>48,883,554,387</u>
Less: Inter company balance eliminated	27,230,919	622,941,348
	<u>69,682,097,001</u>	<u>48,260,613,039</u>
Bills payable		
Southeast Bank Limited	3,666,195,213	4,095,294,208
	<u>3,666,195,213</u>	<u>4,095,294,208</u>
Savings bank/Mudaraba savings bank deposits		
Southeast Bank Limited	35,337,076,965	30,416,845,985
	<u>35,337,076,965</u>	<u>30,416,845,985</u>
Fixed deposits/Mudaraba fixed deposits		
Southeast Bank Limited	255,176,776,113	246,477,520,709
Less: Inter company balance eliminated	495,000,000	-
	<u>254,681,776,113</u>	<u>246,477,520,709</u>
	<u>363,367,145,292</u>	<u>329,250,273,941</u>

4 Share Capital	30 Sep 2020	31 Dec 2019
Authorised	Taka	Taka
<u>1,500,000,000</u> Ordinary shares of Tk 10 each	<u>15,000,000,000</u>	<u>15,000,000,000</u>
Issued, subscribed and paid up		
378,164,970 ordinary shares of Tk 10 each issued for cash	3,781,649,700	3,781,649,700
<u>781,777,002</u> ordinary shares of Tk 10 each issued as bonus shares	<u>7,817,770,020</u>	<u>7,817,770,020</u>
<u>1,159,941,972</u>	<u>11,599,419,720</u>	<u>11,599,419,720</u>

Shareholders' Equity

Paid up capital	11,599,419,720	11,599,419,720
Statutory reserve	11,599,419,720	10,969,433,607
Revaluation reserve	4,806,396,602	4,248,271,218
Other reserve	247,650,000	247,650,000
Foreign currency translation reserve	(17,249,868)	(8,779,606)
Retained earnings	5,569,857,078	3,443,466,969
	<u>33,805,493,252</u>	<u>30,499,461,908</u>

5 Consolidated Earnings per share

	Jan 01, 2020 to Sep 30, 2020	Jan 01, 2019 to Sep 30, 2019	July 01, 2020 to Sep 30, 2020	July 01, 2019 to Sep 30, 2019
	Taka	Taka	Taka	Taka
Net profit after tax for the period (Taka)	2,768,746,259	3,275,846,311	872,560,585	670,271,841
Number of ordinary shares outstanding	1,159,941,972	1,159,941,972	1,159,941,972	1,159,941,972
Earnings per share (EPS) (Taka)*	2.39	2.82	0.75	0.58

Earnings per share

Net profit after tax for the period (Taka)	2,769,732,957	3,271,654,444	890,265,812	707,571,165
Number of ordinary shares outstanding	1,159,941,972	1,159,941,972	1,159,941,972	1,159,941,972
Earnings per share (EPS) (Taka)*	2.39	2.82	0.77	0.61

* EPS decreased due to decrease in operating income for interest rate regulation and pandemic situation of COVID-19.

6 Consolidated Net Asset Value (NAV) per share

	30 Sep 2020	30 Sep 2019
	Taka	Taka
Net Asset Value (NAV)	33,805,493,252	31,129,819,882
Number of ordinary shares outstanding	1,159,941,972	1,159,941,972
Net Asset Value (NAV) per share	29.14	26.84

Net Asset Value (NAV) per share

Net Asset Value (NAV)	33,745,825,438	31,064,999,118
Number of ordinary shares outstanding	1,159,941,972	1,159,941,972
Net Asset Value (NAV) per share	29.09	26.78

7 Consolidated Net Operating Cash Flow per share

Net Operating Cash Flow	13,597,157,159	16,752,149,523
Number of ordinary shares outstanding	1,159,941,972	1,159,941,972
Net Operating Cash Flow per share (NOCFPS)*	11.72	14.44

Net Operating Cash Flow per share

Net Operating Cash Flow	13,642,294,321	16,717,831,239
Number of ordinary shares outstanding	1,159,941,972	1,159,941,972
Net Operating Cash Flow per share (NOCFPS)*	11.76	14.41

*Net operating cash flow per share (NOCFPS) decreased due to decrease of interest income significantly as compare to last year.

8 Reconciliation of effective tax rate	%	30 Sep 2019
		Taka
Profit before taxation as per profit and loss account		3,929,032,957
Income tax as per applicable tax rate	37.50%	1,473,387,359
Factors affecting the tax charge for current year		
Non deductible expenses	26.15%	1,027,554,974
Deductible expenses	-23.38%	(918,729,318)
Tax exempt income	-9.84%	(386,628,950)
Tax savings from reduced tax rates for dividend	-0.56%	(21,956,674)
Tax savings for capital loss	-0.60%	(23,627,391)
Change in taxable temporary difference	0.24%	9,300,000
Total income tax expenses	29.51%	1,159,300,000

9 Reconciliation of net profit with cash flows from operating activities

Particulars	30 Sep 2020	30 Sep 2019
	Taka	Taka
Profit before tax as per profit and loss accounts	3,929,032,957	5,464,154,444
Adjustment for non-cash items:		
Provision for loans and advances/investments	1,041,800,000	1,253,215,219
Provision for diminution in value of investments	71,420,000	232,100,000
Provision for off- balance sheet items	173,200,000	(47,173,000)
Depreciation of property, plant and equipment	264,979,709	238,712,232
Recoveries on Loans previously written-off	263,897,102	666,200,781
Foreign exchange gain/(loss)	(870,718)	4,873,050
Sale proceeds of the fixed assets	126,951	3,188,557
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(23,371,545,371)	(21,665,640,842)
Other operating assets	(392,335,073)	(89,210,141)
Deposits from other banks	932,051,241	(382,847,637)
Deposits from customers	34,118,314,296	29,958,801,688
Others operating liabilities	(1,021,261,273)	2,710,917,138
Income tax paid	(2,366,515,499)	(1,629,460,250)
Net cash flows from operating activities	13,642,294,321	16,717,831,239

The Financial Statements of the bank for third Quarter (Q3) ended on September 30, 2020 are available in website. The address of the website is www.southeastbank.com.bd