

Independent Auditors' Report to the Shareholders of Southeast Bank Limited





Independent Auditors' Report

to the Shareholders of Southeast Bank Limited

We have audited the accompanying consolidated financial statements of Southeast Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Southeast Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2013, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 as amended 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.

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


Opinion

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2013, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.1.

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) 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:

- i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.1.2 appeared to be adequate with immaterial control deficiencies as identified in management report.
 - ii) 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 Bank and its related entities other than matters disclosed in note 2.1.2 (iv)
- (c) financial statements of subsidiary companies of the Bank namely Southeast Bank Capital Services Limited has been audited by Pinaki & Company, Chartered Accountants and Southeast Financial Services (UK) Limited has been certified by Johan & Co., Chartered Management Accountants as per rules and regulation of UK. These accounts have been properly reflected in the consolidated financial statements;
 - (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
 - (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
 - (f) the expenditure incurred was for the purposes of the Bank's business;
 - (g) 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 Bangladesh Financial Reporting Standards as explained in note 2.1.1 as well as with related guidance, circulars issued by Bangladesh Bank and decision taken in tripartite meeting amongst Inspection Team of Bangladesh Bank, External Auditors and the Management, Southeast Bank Limited held on February 25, 2014.
 - (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
 - (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
 - (j) the information and explanation required by us have been received and found satisfactory; and
 - (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,600 person hours for the audit of the books and accounts of the Bank.

Howladar Yunus & Co.


Howladar Yunus & Co.
Chartered Accountants



Syful Shamsul Alam & Co.
Chartered Accountants

Date: March 12, 2014

Place: Dhaka



Southeast Bank Limited and its subsidiary

Consolidated Balance Sheet

as at 31 December 2013

	Note	2013 Taka	2012 Taka
PROPERTY AND ASSETS			
Cash	4		
In hand (including foreign currencies)		1,802,673,124	1,402,347,789
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		10,955,385,255	9,432,422,117
		12,758,058,379	10,834,769,906
Balance with other banks and financial institutions	5		
In Bangladesh		2,706,540,365	2,517,874,755
Outside Bangladesh		695,514,701	774,442,499
		3,402,055,066	3,292,317,254
Money at call and on short notice	7	1,008,900,000	969,100,000
Investments	8		
Government		50,860,905,762	34,077,314,732
Others		6,728,157,682	4,933,969,613
		57,589,063,444	39,011,284,345
Loans and advances/investments	10		
Loans, cash credit, overdrafts etc./investments		129,184,622,142	121,239,442,809
Bills purchased and discounted		5,679,201,782	5,729,525,873
		134,863,823,924	126,968,968,682
Fixed assets including premises, furniture and fixtures	12	7,795,649,125	7,677,509,500
Other assets	14	3,513,304,838	2,522,353,601
Non - banking assets		-	-
Total assets		<u>220,930,854,776</u>	<u>191,276,303,288</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	16	7,921,435,000	6,853,946,225
Deposits and other accounts	18		
Current/AI-wadeeah current accounts and other accounts		14,212,909,584	12,201,092,884
Bills payable		1,914,532,727	1,755,500,842
Savings bank/Mudaraba savings bank deposits		14,118,813,852	8,515,191,081
Fixed deposits/Mudaraba fixed deposits		147,273,208,331	130,429,453,751
Bearer certificates of deposit		-	-
Other deposits		-	-
		177,519,464,493	152,901,238,558
Other liabilities	20	13,550,328,772	11,729,236,493
Total liabilities		<u>198,991,228,265</u>	<u>171,484,421,276</u>
Capital/shareholders' equity			
Paid up capital	22.2	8,732,858,820	8,732,858,820
Statutory reserve	23	6,444,821,277	5,236,100,140
Revaluation reserve	24	4,331,542,622	4,231,901,339
Other reserves	25	247,650,000	247,650,000
Translation Reserve	26	(395,234)	(23,936)
Retained earnings	27	2,172,669,304	1,335,631,386
Total shareholders' equity		21,929,146,789	19,784,117,749
Non-controlling interest	29	10,479,722	7,764,263
Total liabilities and shareholders' equity		<u>220,930,854,776</u>	<u>191,276,303,288</u>

Southeast Bank Limited and its subsidiary



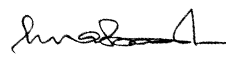

Consolidated Balance Sheet

as at 31 December 2013



	<u>Note</u>	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	30		
Acceptances and endorsements		32,847,491,207	25,416,703,879
Letters of guarantee		16,230,483,458	14,188,452,336
Irrevocable letters of credit		19,925,642,403	18,908,743,015
Bills for collection		12,300,432,174	12,616,797,886
Value of Bangladesh Sanchaypatra		822,339,000	732,879,000
		82,126,388,243	71,863,576,116
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		-	-
		-	-
		82,126,388,243	71,863,576,116
Total off-balance sheet items including contingent liabilities		82,126,388,243	71,863,576,116

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

			
Chairman	Vice Chairman	Director	Managing Director

As per our report of same date.


Howladar Yunus & Co.

Howladar Yunus & Co.
Chartered Accountants



Syful Shamsul Alam & Co.
Chartered Accountants

Dhaka, 12 March 2014



Southeast Bank Limited and its subsidiary

Consolidated Profit and Loss Account

for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
Interest income/profit on investments	32	19,200,636,238	17,394,050,952
Interest paid/profit shared on deposits and borrowings etc.	34	(17,233,506,596)	(15,302,552,085)
Net interest income/net profit on investments		1,967,129,642	2,091,498,867
Investment income	36	4,782,646,596	3,258,444,623
Commission, exchange and brokerage	38	2,440,372,102	2,053,675,310
Other operating income	39	494,649,962	428,006,179
		7,717,668,661	5,740,126,112
Total operating income (A)		9,684,798,303	7,831,624,979
Salaries and allowances	41	1,269,817,813	993,272,582
Rent, taxes, insurance, electricity etc.	43	491,842,926	389,059,654
Legal expenses		902,455	666,968
Postage, stamp, telecommunication etc.	45	129,587,869	103,059,263
Stationery, printing, advertisements etc.	47	112,644,350	107,524,294
Managing Director's salary and fees	49	9,450,000	11,350,000
Directors' fees and expenses	50	1,836,722	2,704,720
Auditors' fees	52	830,000	725,000
Depreciation and repair of Bank's assets	53	305,331,122	254,638,941
Other expenses	55	662,358,686	473,437,094
Total operating expenses (B)		2,984,601,943	2,336,438,516
Profit before provision (C=A-B)		6,700,196,360	5,495,186,463
Provision for loans and advances/investments	21.1		
General provision		10,000,000	36,576,231
Specific provision		537,805,175	1,299,000,000
		547,805,175	1,335,576,231
Provision for off-balance sheet items	21.2	101,731,000	157,030,000
Provision for diminution in value of investments	57	(41,303,838)	386,944,510
Other provisions		13,142,000	11,798,000
Total provision (D)		621,374,337	1,891,348,741
Total profit before tax (C-D)		6,078,822,023	3,603,837,722
Provision for taxation	59		
Current		2,700,000,000	1,954,619,108
Deferred		-	500,000
		2,700,000,000	1,955,119,108
Net profit after tax		3,378,822,023	1,648,718,614
Net profit after tax attributable to:			
Equity holders' of the Bank		3,376,083,502	1,648,614,849
Non-controlling interest		2,738,521	103,765
Net profit after tax		3,378,822,023	1,648,718,614

Southeast Bank Limited and its subsidiary
Consolidated Profit and Loss Account
 for the year ended 31 December 2013



	<u>Note</u>	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
Appropriations			
Statutory reserve	23	1,208,721,137	716,817,678
		1,208,721,137	716,817,678
Retained surplus during the period		<u>2,170,100,886</u>	<u>931,900,936</u>
Earnings per share (par value Taka 10)	65	<u>3.87</u>	<u>1.89</u>

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

Chairman

Vice Chairman

Director

Managing Director

As per our report of same date.

Howladar Yunus & Co.
Chartered Accountants

Syful Shamsul Alam & Co.
Chartered Accountants

Dhaka, 12 March 2014

Southeast Bank Limited and its subsidiary
Consolidated Statement of Changes in Equity
for the year ended 31 December 2013

Particulars	Paid up capital		Statutory reserve		Revaluation reserve		Other reserves		Translation Reserve		Retained earnings		Total		Non-controlling interest		Total Equity	
	Taka		Taka		Taka		Taka		Taka		Taka		Taka		Taka		Taka	
Balance as at 1 January 2013	8,732,858,820		5,236,100,140		4,231,901,339		247,650,000		(23,936)		1,335,631,386		19,784,117,749		7,764,263		19,791,882,012	
Changes in accounting policy	-		-		-		-		-		-		-		-		-	
Restated balance	8,732,858,820		5,236,100,140		4,231,901,339		247,650,000		(23,936)		1,335,631,386		19,784,117,749		7,764,263		19,791,882,012	
Surplus/deficit on account of revaluation of properties	-		-		-		-		-		-		-		-		-	
Surplus/deficit on account of revaluation of investments	-		-		99,641,283		-		(371,298)		(395,622)		99,641,283		-		99,641,283	
Currency translation difference	-		-		-		-		(371,298)		(395,622)		(766,920)		-		(766,920)	
Net gains and losses not recognized in the income statement	-		-		99,641,283		-		(371,298)		(395,622)		98,874,363		-		98,874,363	
Net profit for the year	-		-		-		-		-		3,376,083,502		3,376,083,502		2,738,521		3,378,822,023	
Cash dividend	-		-		-		-		-		(1,309,928,825)		(1,309,928,825)		-		(1,309,928,825)	
Adjustment for ownership change	-		-		-		-		-		-		-		(23,062)		(23,062)	
Appropriation made during the year	-		-		-		-		-		(1,208,721,137)		(1,208,721,137)		-		-	
Statutory reserve	-		1,208,721,137		-		-		-		(10,000,000)		(10,000,000)		-		(10,000,000)	
Transfer to SEBL Foundation	-		-		-		-		-		(10,000,000)		(10,000,000)		-		(10,000,000)	
Transfer to SEBL-FE Green Award Trust	-		-		-		-		-		(10,000,000)		(10,000,000)		-		(10,000,000)	
Balance as at 31 December 2013	8,732,858,820		6,444,821,277		4,331,542,622		247,650,000		(395,234)		2,172,669,304		21,929,146,789		10,479,722		21,939,626,510	
Balance as at 31 December 2012	8,732,858,820		5,236,100,140		4,231,901,339		247,650,000		(23,936)		1,335,631,386		19,784,117,749		7,764,263		19,791,882,012	

Southeast Bank Limited and its subsidiary
Consolidated Statement of Cash Flow
for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
A. Cash flows from operating activities :			
Interest receipts in cash		23,753,348,875	19,801,745,762
Interest payment		(17,014,794,654)	(15,180,853,729)
Dividend Income		68,526,982	76,561,844
Fees and commission receipts in cash		2,440,372,102	2,053,675,310
Recoveries on Loans previously written-off		200,464,825	93,864,487
Cash payments to employees		(1,279,267,813)	(1,004,622,582)
Cash payments to suppliers		(108,220,053)	(113,650,383)
Income taxes paid		(2,025,351,537)	(1,962,622,034)
Receipts from other operating activities	61	493,790,041	332,389,736
Payments for other operating activities	63	(1,326,602,308)	(1,066,852,617)
Operating profit before changes in operating assets and liabilities (i)		5,202,266,460	3,029,635,794
Increase / (decrease) in operating assets and liabilities			
Sale of trading securities		1,824,362,707	846,049,499
Purchase of trading securities		(3,374,574,730)	(1,268,857,514)
Loans & advances to customers		(7,894,855,241)	(19,680,412,169)
Other Assets		(1,038,732,618)	250,064,197
Deposits from other banks		1,067,488,775	3,685,533,837
Deposits from customers		24,399,513,994	25,570,168,503
Other Liabilities		407,916,214	534,252,565
Cash generated from operating assets and liabilities (ii)		15,391,119,101	9,936,798,918
Net cash flows from operating activities (A=i+ii)		20,593,385,561	12,966,434,712
B. Cash Flow from Investing Activities :			
Proceeds from sale of securities		18,076,569,952	627,981,317,395
Payments for purchase of securities		(19,886,943,332)	(635,561,560,172)
Purchase of fixed assets		(579,528,881)	(493,127,965)
Sale of fixed assets		43,354,378	16,416,578
Net cash used in investing activities (B)		(2,346,547,883)	(8,056,954,164)
C. Cash flows from financing activities :			
Payment of dividend		(1,309,928,825)	(1,247,551,260)
Payment against lease obligation		(12,074,525)	(8,799,470)
Receipts from issue of right shares		-	-
Net cash used in financing activities (C)		(1,322,003,350)	(1,256,350,730)
D. Net increase / decrease in cash & cash equivalent (A+B+C)		16,924,834,328	3,653,129,818
E. Effects of exchange rate changes on cash and cash equivalents		(1,350,347)	(387,227)
F. Cash and cash equivalents at beginning of the year		16,561,181,323	12,908,438,732
G. Cash and cash equivalents at end of the year (D+E+F)		33,484,665,305	16,561,181,323
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		1,802,673,124	1,402,347,789
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		10,955,385,255	9,432,422,117
Balance with other banks and financial institutions		3,402,055,066	3,292,317,254
Money at call and on short notice		1,008,900,000	969,100,000
Treasury bills		16,308,143,260	1,208,490,763
Bangladesh Bank bill		-	249,457,000
Prize bond		7,508,600	7,046,400
		33,484,665,305	16,561,181,323



Southeast Bank Limited

Balance Sheet

as at 31 December 2013

	Note	2013 Taka	2012 Taka
PROPERTY AND ASSETS			
Cash	4		
In hand (including foreign currencies)		1,802,673,124	1,402,347,789
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		10,955,385,255	9,432,422,117
		12,758,058,379	10,834,769,906
Balance with other banks and financial institutions	6		
In Bangladesh		2,706,540,365	2,517,874,755
Outside Bangladesh		695,263,596	757,063,528
		3,401,803,962	3,274,938,283
Money at call and on short notice	7	1,008,900,000	969,100,000
Investments	9		
Government		50,860,905,762	34,077,314,732
Others		4,974,783,578	3,585,327,406
		55,835,689,340	37,662,642,138
Loans and advances/investments	11		
Loans, cash credit, overdrafts etc./investments		130,010,888,059	121,537,630,093
Bills purchased and discounted		5,679,201,782	5,729,525,873
		135,690,089,841	127,267,155,966
Fixed assets including premises, furniture and fixtures	13	7,642,269,469	7,613,398,286
Other assets	15	4,241,364,275	3,189,560,423
Non - banking assets		-	-
Total assets		<u>220,578,175,264</u>	<u>190,811,565,002</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	17	7,921,435,000	6,853,946,225
Deposits and other accounts	19		
Current/Al-wadeeah current accounts and other accounts		14,201,428,330	12,189,247,342
Bills payable		1,914,532,727	1,755,500,842
Savings bank/Mudaraba savings bank deposits		14,118,813,852	8,515,191,081
Fixed deposits/Mudaraba fixed deposits		147,273,208,331	130,490,017,945
Bearer certificates of deposit		-	-
Other deposits		-	-
		177,507,983,239	152,949,957,210
Other liabilities	21	13,232,712,161	11,204,449,678
Total liabilities		198,662,130,399	171,008,353,114
Capital/shareholders' equity			
Paid up capital	22.2	8,732,858,820	8,732,858,820
Statutory reserve	23	6,444,821,277	5,236,100,140
Revaluation reserve	24	4,331,542,622	4,231,901,339
Other reserves	25	247,650,000	247,650,000
Translation reserve		-	(110,580)
Retained earnings	28	2,159,172,145	1,354,812,170
Total shareholders' equity		21,916,044,865	19,803,211,889
Total liabilities and shareholders' equity		<u>220,578,175,264</u>	<u>190,811,565,002</u>

Southeast Bank Limited

Balance Sheet

as at 31 December 2013



	<u>Note</u>	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
	30		
Acceptances and endorsements		32,847,491,207	25,416,703,879
Letters of guarantee		16,230,483,458	14,188,452,336
Irrevocable letters of credit		19,925,642,403	18,908,743,015
Bills for collection		12,300,432,174	12,616,797,886
Value of Bangladesh Sanchaypatra		822,339,000	732,879,000
		82,126,388,243	71,863,576,116
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		-	-
		82,126,388,243	71,863,576,116
Total off-balance sheet items including contingent liabilities		82,126,388,243	71,863,576,116

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

Chairman

Vice Chairman

Director

Managing Director

As per our report of same date.

Howladar Yunus & Co.
Chartered Accountants

Syful Shamsul Alam & Co.
Chartered Accountants

Dhaka, 12 March 2014



Southeast Bank Limited

Profit and Loss Account

for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
Interest income/profit on investments	33	19,217,703,273	17,368,928,608
Interest paid/profit shared on deposits and borrowings etc.	35	(17,238,960,381)	(15,302,552,085)
Net interest income/net profit on investments		1,978,742,892	2,066,376,523
Investment income	37	4,713,188,491	3,208,575,371
Commission, exchange and brokerage	38	2,440,372,102	2,053,675,310
Other operating income	40	448,519,317	376,889,197
		7,602,079,911	5,639,139,878
Total operating income (A)		9,580,822,803	7,705,516,401
Salaries and allowances	42	1,254,671,130	980,232,290
Rent, taxes, insurance, electricity etc.	44	469,354,246	367,236,675
Legal expenses		902,455	666,968
Postage, stamp, telecommunication etc.	46	129,125,339	102,713,575
Stationery, printing, advertisements etc.	48	111,860,807	106,309,005
Managing Director's salary and fees	49	9,450,000	11,350,000
Directors' fees and expenses	51	1,586,722	2,514,720
Auditors' fees		800,000	700,000
Depreciation and repair of Bank's assets	54	295,487,479	245,445,325
Other expenses	56	420,362,612	454,474,819
Total operating expenses (B)		2,693,600,791	2,271,643,377
Profit before provision (C=A-B)		6,887,222,012	5,433,873,024
Provision for loans and advances/investments	21.1		
General provision		10,000,000	36,576,231
Specific provision		537,805,175	1,299,000,000
		547,805,175	1,335,576,231
Provision for off-balance sheet items	21.2	101,731,000	157,030,000
Provision for diminution in value of investments	58	180,938,152	345,380,404
Other provisions		13,142,000	11,798,000
Total provision (D)		843,616,327	1,849,784,635
Total profit before tax (C-D)		6,043,605,686	3,584,088,389
Provision for taxation	60		
Current		2,700,000,000	1,923,516,385
Deferred		-	500,000
		2,700,000,000	1,924,016,385
Net profit after tax		3,343,605,686	1,660,072,004

Southeast Bank Limited
Profit and Loss Account
 for the year ended 31 December 2013



	<u>Note</u>	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
Appropriations			
Statutory reserve	23	1,208,721,137	716,817,678
		1,208,721,137	716,817,678
Retained surplus during the year	28	2,134,884,549	943,254,326
Earnings per share (par value Taka 10)	66	3.83	1.90

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

Chairman

Vice Chairman

Director

Managing Director

As per our report of same date.

Howladar Yunus & Co.
Chartered Accountants

Syful Shamsul Alam & Co.
Chartered Accountants

Dhaka, 12 March 2014

Southeast Bank Limited
Statement of Changes in Equity
for the year ended 31 December 2013

Particulars	Paid up capital		Statutory reserve		Revaluation reserve		Other reserves		Translation Reserve		Retained earnings		Total	
	Taka		Taka		Taka		Taka		Taka		Taka		Taka	
Balance as at 1 January 2013	8,732,858,820	-	5,236,100,140	4,231,901,339	247,650,000	(110,580)	1,354,812,170	19,803,211,889						
Changes in accounting policy/ prior year adjustments														
Restated balance	8,732,858,820	-	5,236,100,140	4,231,901,339	247,650,000	(110,580)	1,354,863,292	19,803,263,011						
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	99,641,283	-	-	-	-	-	-	-	-	99,641,283	-
Currency translation differences	-	-	-	-	-	110,580	(646,870)	-	110,580	(536,290)	-	-	(536,290)	-
Net gains and losses not recognized in the income statement	-	-	-	99,641,283	-	110,580	(646,870)	-	110,580	(536,290)	-	-	99,104,993	-
Net profit for the year	-	-	-	-	-	-	-	-	-	-	3,343,605,686	-	3,343,605,686	-
Cash dividend	-	-	-	-	-	-	-	-	-	-	(1,309,928,825)	-	(1,309,928,825)	-
Appropriation made during the year														
Statutory reserve	-	-	1,208,721,137	-	-	-	-	-	-	-	(1,208,721,137)	-	-	-
Transfer to SEBL Foundation	-	-	-	-	-	-	-	-	-	-	(10,000,000)	-	(10,000,000)	-
Transfer to SEBL-FE Green Award Trust	-	-	-	-	-	-	-	-	-	-	(10,000,000)	-	(10,000,000)	-
Balance as at 31 December 2013	8,732,858,820	-	6,444,821,277	4,331,542,622	247,650,000	(110,580)	2,159,172,145	21,916,044,865	(110,580)	(110,580)	2,159,172,145	21,916,044,865	21,916,044,865	21,916,044,865
Balance as at 31 December 2012	8,732,858,820	-	5,236,100,140	4,231,901,339	247,650,000	(110,580)	1,354,812,170	19,803,211,889	(110,580)	(110,580)	1,354,812,170	19,803,211,889	19,803,211,889	19,803,211,889

Southeast Bank Limited

Statement of Cash Flow

for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
A. Cash Flows from operating activities :			
Interest receipts in cash		23,770,415,910	19,776,623,418
Interest payment		(17,020,248,439)	(15,180,853,729)
Dividend Income		53,527,990	61,948,935
Fees and commission receipts in cash		2,440,372,102	2,053,675,310
Recoveries on Loans previously written-off		200,464,825	93,864,487
Cash payments to employees		(1,264,121,130)	(991,582,290)
Cash payments to suppliers		(107,436,510)	(112,435,085)
Income taxes paid		(2,009,081,745)	(1,962,622,034)
Receipts from other operating activities	62	447,659,396	281,272,754
Payments for other operating activities	64	(1,288,922,575)	(1,034,781,854)
Operating profit before changes in operating assets and liabilities (i)		5,222,629,824	2,985,109,912
Increase / (decrease) in operating assets and liabilities			
Sale of trading securities		1,272,558,943	648,244,727
Purchase of trading securities		(2,544,209,212)	(1,009,781,665)
Loans & advances to customers		(8,422,933,875)	(19,720,731,424)
Other Assets		(870,874,196)	275,547,853
Deposits from other banks		1,067,488,775	3,685,533,837
Deposits from customers		24,339,314,087	25,618,887,155
Other Liabilities		284,419,810	512,094,763
Cash generated from operating assets and liabilities (ii)		15,125,764,331	10,009,795,246
Net cash flows from operating activities (A+i+ii)		20,348,394,156	12,994,905,158
B. Cash flows from investing activities :			
Proceeds from sale of securities		18,076,569,952	627,981,317,386
Payments for purchase of securities		(19,886,943,822)	(635,561,560,172)
Purchase of fixed assets		(318,112,596)	(516,623,163)
Sale of fixed assets		43,354,378	16,416,578
Net cash used in investing activities (B)		(2,085,132,088)	(8,080,449,371)
C. Cash flows from financing activities :			
Payment of dividend		(1,309,928,825)	(1,247,551,260)
Payment against lease obligation		(12,074,525)	(8,799,470)
Receipts from issue of right shares		-	-
Net cash used in financing activities (C)		(1,322,003,350)	(1,256,350,730)
D. Net increase / decrease in cash & cash equivalent (A+B+C)		16,941,258,718	3,658,105,057
E. Effects of exchange rate changes on cash and cash equivalents		(646,870)	41,450
F. Cash and cash equivalents at beginning of the year		16,543,802,352	12,885,655,845
G. Cash and cash equivalents at end of the year (D+E+F)		33,484,414,200	16,543,802,352
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)		1,802,673,124	1,402,347,789
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		10,955,385,255	9,432,422,117
Balance with other banks and financial institutions		3,401,803,962	3,274,938,283
Money at call and on short notice		1,008,900,000	969,100,000
Treasury bills		16,308,143,260	1,208,490,763
Bangladesh Bank bill		-	249,457,000
Prize bond		7,508,600	7,046,400
		33,484,414,200	16,543,802,352



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

1. Reporting entity

1.1 Status of the Bank

Southeast Bank Limited (the “Bank”) is a scheduled commercial bank in the private sector established under the Bank Companies Act 1991 and incorporated in Bangladesh as a public limited company to carry out banking business in Bangladesh. The registered office of the Bank is located at 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 2013 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 103 (2012: 94) branches, with no overseas branch as on 31 December 2013. Except 5 (2012: 5) branches of Islamic banking, the rest 98 (2012: 89) branches run on commercial conventional basis, of which 15 (2012: 15) SME / agricultural branches are located across the country. The Bank offers services for all commercial banking needs of the customers, which includes deposit banking, loans and advances, export import financing, inland and international remittance facility, etc. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company.

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

The Bank has two subsidiaries, one for its merchant banking operation (for details see note 1.5) and another one for its remittance business in United Kingdom (for details see note 1.6).

1.3 Islamic Banking

The Bank obtained the Islamic Banking branches permission vide letter no. BRPD(P)745(22)/2003-2525 dated 28 June 2003, BRPD(P)745(22)/2004-1801 dated 9 May 2004 and BRPD(P)745(22)/2004-3957 dated 13 October 2004. The Islamic banking branches are governed under the rules and regulations of Bangladesh Bank. Separate financial statements of Islamic Banking Branches are shown in Annexure - I, I.1 and I.2 .

1.4 Off-Shore Banking

In order to cater the varied financial needs of 100% foreign owned/joint venture industrial units and foreign entities located in Export Processing Zones of the country, the Bank obtained Off-Shore Banking Licence on 24 June 2008 vide letter no. BRPD(P-3)744(98)/2008-2213 from Bangladesh Bank. Presently the Bank has 2 (2012: 2) off-shore banking units - one at Dhaka Export Processing Zone and the other at Chittagong Export Processing Zone. Off-shore banking unit is governed under the rules and regulations of Bangladesh Bank. Separate financial statements of Off- Shore Banking Units are shown in Annexure - J, J.1, J.2 and J.3.

1.5 Southeast Bank Capital Services Limited

Southeast Bank Capital Services Limited is a subsidiary of Southeast Bank Limited which was incorporated on 23 September 2010 and commenced its operation from 1 December 2010. The Bank transferred its Merchant Banking operation to the 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 the subsidiary company is to provide quality services to the prospective institutional and individual investors in the capital market. It is decisively providing the following services:

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

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



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

1.6 Southeast Financial Services (UK) Limited

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

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

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

2. Basis of preparation

2.1 Statement of compliance

2.1.1 Departures from BFRS

The consolidated financial statements of the Group and the financial statements of the Bank as at and for the year ended 31 December 2013 have been prepared under the historical cost convention except investments and in accordance with the “First Schedule” (section 38) of the Bank Companies Act 1991, as amended by Bangladesh Bank (the Central Bank of Bangladesh) through BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange’s listing regulations. In case any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail.

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

i) Investment in shares and Securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investments; otherwise investments are recognized at costs.

ii) Revaluation gain/loss on Government securities

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

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



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

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 recognised 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 amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iii) **Provision on loans and advances**

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) **Recognition of interest in suspense**

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised 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.

iv) **Other comprehensive income**

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

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

v) **Financial instruments – presentation and disclosure**

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

vi) **Repo transactions**

BFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

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

vii) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

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

viii) Cash and cash equivalent

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

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

ix) Non-banking asset

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

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

x) Cash flow statement

BFRS: Cash flow statement can be prepared 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.

xi) Balance with Bangladesh Bank: (CRR)

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

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

xii) Presentation of intangible asset

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

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

xiii) Off-balance sheet items

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



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

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.

xiv) **Disclosure of appropriation of profit**

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

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

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

BFRS: Loans and advances should be presented net of provisions.

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.

xv) **Recovery of written off loans**

BFRS: As per BAS 1 an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an BFRS. Again recovery of written off loans should be charged to profit & loss account as per BAS 18.

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 BFRSs)

The financial statements of the Islamic banking branches have also been prepared as per Bank Companies Act 1991, BFRSs and other prevailing laws and regulations applicable in Bangladesh.

A separate balance sheet and profit and loss account are shown in **Annexure - I and I.1** and the figures appearing in the annexure have been converted into relevant heads of financial statements under conventional banking for consolidation and incorporation in these financial statements.

The consolidated financial statements were authorised for issue by the board of directors on 3 March 2014.

2.1.2 **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 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 are met. It has designed to develop a high level risk culture among the personnel of the Bank, establish efficient and qualified operating model of 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.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

The Board of Directors of Southeast Bank, 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 function, training programs, budget, etc. Board Audit Committee reviews the actions taken on internal control issues identified 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.

During the year 2013, ICCD conducted inspection on most of the Branches/ Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. The bank conducted the risk grading of branches as per Bangladesh Bank guideline. The ICCD plans and performs the audit accordingly. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or 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 and Compliance.

ii) **Risk Management**

The risky nature of Banking business has caused the Central Bank to be much concerned about the risk factors affecting the financial position of the banks. In this connection every Central Bank has come forward to establish a general framework to defeat risk factors considering the laws of the land. Bangladesh bank has also undertaken an overall core-risk management project under which every bank is bounded to the authoritative covenants to install risk management system.

Southeast Bank Limited has established approved policies in compliance with Central bank's guidelines covering major areas such as (i) Credit risk management (b) Foreign exchange risk management (c) Asset liability management (d) Money laundering prevention (e) Internal control & compliance (f) information and communication technology security risk.

Southeast bank limited has developed a core risks assessment manual. The purpose of this assessment manual is to inform management about the loopholes of full fledged implementation of Core risks management, improve risk management culture, restructure minimum standards and assist in the ongoing improvement.

In compliance with the requirements of Bangladesh Bank guidelines risk, management unit monthly prepare risk management paper (RMP) and the paper is reviewed in the meeting of Risk Management division to have their opinion on the issues identified in RMP.

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 the lower level 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 fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

During the year 2013, ICCD conducted inspection on most of the Branches/ Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or 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.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

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 by 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.

During the year 2013, an incident of a customer fraud has been detected by the bank and it has duly been reported to Bangladesh Bank. The bank has no liability in this regard.

2.2 **Basis of measurement**

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

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain crediting revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' and remasured Government Treasury Bond at present value using amortisation concept
- Investment in shares of listed companies

2.3 **Functional and presentation currency**

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

2.4 **Use of estimates and judgements**

The preparation of these financial statements in conformity with Bangladesh Bank Circulars and BFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

2.5 **Reporting period**

These financial statements cover one calendar year from 1 January to 31 December 2013.

2.6 **Cash flow Statement**

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



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

2.7 Statement of Changes in Equity

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

2.8 Liquidity Statements

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

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

3. Significant accounting policies

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

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of Southeast Bank Limited and its two subsidiaries Southeast Bank Capital Services Limited and Southeast Financial Services (UK) Limited, made up to the end of the financial year.

3.1.1 Business combinations

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

3.1.2 Non-controlling interest

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

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



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

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 closing exchange rate.

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 spot exchange rates at the dates of the transactions.

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

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and presented in the translation reserve in equity.

3.3 Assets and basis of their valuation

3.3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, 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 accredited.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

Held to Maturity

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

Held for Trading

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

Re-measured bond

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

Revaluation

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

Value of investments has been shown as under:

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

Details are shown in notes 8 and 9.

3.3.3 Loans, 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.
- Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank BRPD Circular No. 14 of 23 September 2012, BRPD Circular No. 19 of 27 December 2012, BRPD Circular No. 05 of 29 May 2013 and BRPD circular No. 15 of 23 December 2013. The rates of provision for different classifications are given below:

Particulars	Rate
General provision on:	
All unclassified loans and advances/investments except followings	1%
Small and medium enterprise financing	0.25%
Consumer financing	5%
Housing finance and loans for professionals to set up business	
under consumer financing scheme	2%
Loan to BHs/MBs/SDs against shares	2%
Special mention account (SMA)	0.25%-5%

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

Particulars	Rate
Specific provision on:	
Substandard loans and advances/investments	20%
Doubtful loans and advances/investments	50%
Bad/loss loans and advances/investments	100%
Provisions for Short term Agricultural and Micro-Credits	
All credits except 'Bad/Loss' (i.e. Doubtful, Substandard, irregular and regular credit)	5%
Bad/Loss	100%

- c) Loans and advances are written off to the extent that
- there is no realistic prospect of recovery, and
 - against which legal cases are filed and classified as bad/loss as per guidelines of Bangladesh Bank.

These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are maintained and followed up.

- d) Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.

Details are shown in Notes 10 and 11.

3.3.4 Fixed assets and depreciation

Recognition and measurement

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

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

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

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

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.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

Depreciation

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

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

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

3.3.5 Leased assets – lessee

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

Other leases are operating leases and are not recognised in the Group's statement of financial position/Balance Sheet.

3.4 Liabilities and basis of their valuation

3.4.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents 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 Deposits and other accounts

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

3.4.3 Other liabilities

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



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

3.5 Capital/Shareholders' equity

3.5.1 Authorised capital

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

Details are shown in Note 22.1

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 equal to its paid up capital together with the share premium.

3.5.4 Revaluation reserve of government securities

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 recognised in the financial statements as per BAS 12: Income Taxes.

Details are shown in Note 24.

3.6 Contingent liabilities

A contingent liability is -

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

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

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

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

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

3.7 Revenue recognition

3.7.1 Interest income (Conventional Banking)

Interest on loans and advances is calculated on daily product basis and accrued at the end of each month, but charged to customers' accounts on quarterly basis. Interest accrued on loans and advances fall under Sub Standards (SS) and Doubtful (DF) category are credited to interest suspense account instead of income account. Interest is not charged on bad and loss loans as per guideline of Bangladesh Bank. Such interest is kept in separate memorandum account. Interest on classified loans and advances is accounted for on a cash receipt basis.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

3.7.2 Profit on investment (Islamic Banking)

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

3.7.3 Investment income

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

3.7.4 Fees and commission income

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

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

Interest paid and other expenses are recognised on accrual basis.

3.9 Profit shared on deposits (Islamic Banking)

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

3.10 Dividends

Dividend income is recognised when the right to receive income is established. Usually this is the ex dividend date for equity securities. Dividends are presented in investment income.

3.11 Lease payments

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

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

3.12 Employee benefits

3.12.1 Provident Fund

Provident fund benefits are given to the staff of the Bank in accordance with the registered provident fund rules. The commissioner of Income Tax, Large Tax Payers Unit (LTU), Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The fund is operated by a Board of Trustees consisting of 6 (six) members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount to the fund. Contributions made by the Bank are charged as expense and the bank bears no further liability. Interest earned from the investments is credited to the members' account on half yearly basis. Members are eligible to get both the contribution after 5 (five) years of continuous service from the date of their membership.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

3.12.2 Gratuity Fund

Gratuity fund benefits are given to the staff of the Bank in accordance with the approved gratuity fund rules. National Board of Revenue has approved the gratuity fund as a recognized gratuity fund with effect from December 2001. The fund is operated by a Board of Trustees consisting of 7 (seven) members of the Bank. Employees are entitled to gratuity benefit after completion of minimum 7 (seven) years of service in the Bank. The amount payable at the date of balance sheet is recognised and accounted for as at that date based on actual rate. The gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. The amount so calculated are transferred to the fund and charged to expenses of the Bank. To comply with the requirements of BAS 19, management decided for the actuarial valuation of the fund and the valuation is under process. To meet any deficit identified by the valuer, the bank provided excess provision amounting Tk 30 lac in the year 2013.

3.12.3 Superannuation Fund

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

3.12.4 Short-term employee benefits

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

3.12.5 Workers' profit participation fund (WPPF)

As per Bangladesh Labour Act 2006 and SRO no. 336/Law/2010, all companies fall within the scope of WPPF are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. The Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank was not required to make provision for WPPF as bank was not within the scope of WPPF. As such the Bank did not make any provision during the year for WPPF.

3.13 Provisions and accrued expenses

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

3.14 Provision for Off-Balance Sheet Exposures

In compliance with Bangladesh Bank guidelines Off-Balance Sheet items are disclosed under contingent liabilities. As per BRPD Circular No.10 dated 18 September 2007, the Bank is required to maintain provision @ 1% against Off-Balance Sheet Exposures. Details are shown in note 21.2.

3.15 Provision for Nostro Accounts

According to guideline of Foreign Exchange Policy Department 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.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

3.16 Tax expense

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

3.16.1 Current tax

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

Details are shown in Note 21.4.1.

3.16.2 Deferred tax

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

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

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

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

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

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

3.16.3 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 judgements about future events. New information may become available that causes the Bank to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

3.17 Impairment of non-financial assets

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

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

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

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.18 Earnings per share

The Group and the Bank present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group/ Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to 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 Note 65 and 66.

3.19 Reconciliation of inter-bank/inter-branch account

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

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

3.20 Risk management

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



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

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

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

The essential elements of an effective risk management framework are:

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

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

- i) Credit Risk
- ii) Foreign Exchange Risk
- iii) Asset Liability Management
- iv) Money Laundering Risk
- v) Internal Control & Compliance Risk; and
- vi) Information and communication technology

3.20.1 Credit risk

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

A thorough assessment & due diligence are done before sanction of 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.

3.20.2 Foreign Exchange Risk

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

The foreign exchange desk of treasury division is involved in foreign exchange dealing activities with different counterparts; the treasury back office is engaged in transfer of funds and passing of the transaction entries in the books of accounts, and the mid office is responsible for verification of the deals. All foreign exchange transactions are revalued at market rate as per the directive of Bangladesh Bank. All Nostro Accounts are reconciled on a monthly basis and outstanding entries beyond 30 days are reviewed by the management for its settlement.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

3.20.3 Asset Liability Management

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

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

3.20.4 Money Laundering Risk

Money laundering is the generic term used to describe the process by which criminals disguise the original ownership and control of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source. If money laundering is done successfully, it allows the criminals to maintain control over their proceeds and ultimately to provide a legitimate cover for their source of income. Money laundering plays a fundamental role in facilitating the ambitions of the drug trafficker, the terrorist, the organized criminal, the insider dealer, the tax evader as well as the many others who need to avoid the attention from the authorities that sudden wealth brings from illegal activities. By engaging in this type of activity it is hoped to place the proceeds beyond the reach of any asset forfeiture laws.

Southeast Bank Ltd (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, as well as money laundering detection and prevention, to oversee SEBL AML and CFT program. SEBL has developed and implemented written AML and CFT policies, procedures, internal controls and systems, which include (but are not limited) 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.

3.20.5 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.

Southeast Bank Ltd 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.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

The Board of Directors of Southeast Bank Ltd regularly reviews the effectiveness of internal control process through its Audit Committee and Executive Committee and the Audit Committee plays an effective role amongst the Board of Directors, Management, Shareholders, Depositors and develops an efficient, powerful and a safe Banking System. The committee also performs a very important role for publishing 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.

3.20.6 Information and communication technology

The rapid development of information and communication technologies (ICTs) has effectively facilitated in reorganizing business processes and streamlining the provision of its products and services in today's dynamic business environment. Such adoption helps the bank to develop and maintain competitive advantage for ensuring bank's profitability and survivability in the market place. The competitive advantage often brings bank numerous benefits including fast business transactions, increasing automation of business processes, improved customer service, and provision of effective decision support in a timely manner. However, the adoption of ICT applications has also brought organizations risks related to ICT such as strategic risk, financial risk, operational risk and technological risk. Risk management plays a critical role in protecting the bank's information assets. An effective risk management process is an important component of a successful IT security program. ICT risk management is referred to as the essential process to aid enterprise achieving "the new business changes, future investment in information technology system, an increasing ICT threats and an increasing dependence on delivering information in system".

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

3.20.7 Environmental Risk Management (ERM)

Environmental Risk is a facilitating element of credit risk arising from environmental issues and applicable across all financing transactions undertaken by the Bank. The responsibilities of Credit Risk Management functions are: i) to be aware of environmental issues confronting the various sectors, ii) to review the completed due-diligence checklist and the environmental risk rating, iii) to integrate environmental risk considerations into the credit risk assessment and iv) to specify financing conditions/covenants, if any, are required.

Environmental risk is assessed by Environmental Due Diligence (EDD) Checklists. It is a set of questionnaire provided by Bangladesh Bank. There are eleven checklists, one for general purpose and ten others for ten specific sectors for environmental risk rating. For a specific sector both General EDD and Specific EDD checklists are applicable and for other than these specific sectors only General EDD checklist is applicable to determine the environmental risk rating (EnvRR). The EnvRR can be High, Moderate or Low depending on the borrower's business activity and the vulnerability of the location of the business activity.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

3.21 Compliance of Bangladesh Financial Reporting Standard (BFRS)

Name of the standards	Ref.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not applicable
Share-based Payment	BFRS-2	Not applicable
Business Combinations	BFRS-3	Applied
Insurance Contracts	BFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Applied with some departure (Note 2.1.1)
Operating Segments	BFRS-8	Applied with some departure (Note 2.1.1)
Consolidated Financial Statements	BFRS-10	Applied
Joint Arrangements	BFRS-11	Not applicable
Disclosure of Interests in other Entities	BFRS-12	Applied
Fair Value Measurement	BFRS-13	Applied
Presentation of Financial Statements	BAS-1	Applied with some departure (Note 2.1.1)
Inventories	BAS-2	Not Applicable
Statement of Cash Flows	BAS-7	Applied with some departure (Note 2.1.1)
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Not Applicable
Consolidated and Separate Financial Statements	BAS-27	Applied
Investments in Associates	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied with some departure (Note 2.1.1)
Earnings per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied with some departure (Note 2.1.1)
Financial Instruments: Recognition and Measurement	BAS-39	Applied with some departure (Note 2.1.1)
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

3.22 Credit Rating of the Bank

As per the BRPD instruction circular No.6 dated 5 July 2006, the bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the financial statements dated 31 December 2012.

Particulars	Date of Rating	Long term	Short term
Surveillance Rating	30-Jun-13	AA-	ST-2
		double A minus (High Safety)	(High Certainty)
Outlook		Stable	

3.23 Correspondence items

Correspondence items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Stock of travellers cheques, savings certificates, wage earners bond and others fall under the correspondence items.

3.24 Offsetting

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

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

3.25 Operating segments

The Group and the Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per BFRS 8. However, geographical and business segments wise limited disclosures are furnished in Annexure-K.

3.26 General

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

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
4. Cash		
In hand:		
Local currency	1,767,036,086	1,347,324,412
Foreign currencies	35,637,038	55,023,377
	<u>1,802,673,124</u>	<u>1,402,347,789</u>
Balance with Bangladesh Bank:		
Local currency	10,334,690,866	8,901,410,540
Foreign currencies	415,173,795	389,334,132
	<u>10,749,864,661</u>	<u>9,290,744,672</u>
Balance with Sonali Bank Ltd.(as agent of Bangladesh Bank):		
Local currency	205,520,594	141,677,445
	<u>10,955,385,255</u>	<u>9,432,422,117</u>
	<u>12,758,058,379</u>	<u>10,834,769,906</u>

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

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

4.1.1 a) Cash Reserve Requirement (CRR) for Conventional Banking

6% of average Demand and Time Liabilities		
Required reserve	9,583,148,060	7,941,615,540
Actual reserve held (Average daily on bi-weekly basis)	9,619,748,914	8,133,372,000
Surplus	<u>36,600,854</u>	<u>191,756,460</u>

b) Cash Reserve Requirement (CRR) for Islamic Banking

6% of average Demand and Time Liabilities		
Required reserve	554,315,840	524,826,180
Actual reserve held (Average daily on bi-weekly basis)	669,834,674	571,418,000
Surplus	<u>115,518,834</u>	<u>46,591,820</u>

4.1.2 a) Statutory Liquidity Requirement (SLR) for Conventional Banking

19% of required Average Demand and Time Liabilities:		
Required reserve	30,346,635,540	25,148,449,210
Actual reserve held	62,293,302,762	43,122,886,732
Surplus	<u>31,946,667,222</u>	<u>17,974,437,522</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
Held for Statutory Liquidity Requirement of Conventional Banking:		
Cash in hand	1,732,547,000	1,330,898,000
Balance with Bangladesh Bank as per statement	9,938,838,000	7,974,952,000
Balance with agent bank (Sonali Bank Ltd.) as per statement	221,012,000	149,722,000
Government treasury bills	16,308,143,260	1,208,490,763
Bangladesh Bank Bills	-	249,457,000
Government treasury bonds	34,092,762,502	32,209,366,969
	<u>62,293,302,762</u>	<u>43,122,886,732</u>
b) Statutory Liquidity Requirement (SLR) for Islamic Banking		
11.5 % of required average Demand and Time Liabilities:		
Required reserve	1,062,438,700	1,005,916,850
Actual reserve held	1,152,266,000	1,101,633,000
Surplus	<u>89,827,300</u>	<u>95,716,150</u>
Held for Statutory Liquidity Ratio of Islamic Banking:		
Cash in hand	69,292,000	71,450,000
Balance with Bangladesh Bank as per statement	632,943,000	629,066,000
Balance with agent bank (Sonali Bank Ltd.) as per statement	31,000	1,117,000
Government treasury bills	-	-
Government treasury bonds	450,000,000	400,000,000
	<u>1,152,266,000</u>	<u>1,101,633,000</u>
5 Consolidated balance with other banks and financial institutions		
In Bangladesh		
Southeast Bank Limited (Note 6.1)	2,706,540,365	2,517,874,755
Southeast Bank Capital Services Limited	18,824,400	60,573,126
	2,725,364,765	2,578,447,881
Less: Inter company balance eliminated	18,824,400	60,573,126
	2,706,540,365	2,517,874,755
Outside Bangladesh		
Southeast Bank Limited (Note 6.2)	695,263,596	757,063,528
Southeast Bank Financial Services Limited	251,104	17,378,971
	695,514,701	774,442,499
	<u>3,402,055,066</u>	<u>3,292,317,254</u>
6 Balance with other banks and financial institutions		
In Bangladesh (Note 6.1)	2,706,540,365	2,517,874,755
Outside Bangladesh (Note 6.2)	695,263,596	757,063,528
	<u>3,401,803,962</u>	<u>3,274,938,283</u>

Also refer to note 6.3 for maturity wise grouping

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
6.1 In Bangladesh		
Current account with:		
AB Bank Limited Ltd.	987,883	931,644
Agrani Bank Ltd.	575,850	971,248
Al Arafah Islami Bank Ltd.	8,235,772	7,542,226
Bangladesh Krishi Bank	248	248
Bank Asia Ltd.	31,421	31,421
Brac Bank Ltd.	5,874,500	4,983,300
Commercial Bank of Cylon PLC	13,337	13,337
Dutch-Bangla Bank Ltd.	-	4,704,315
EXIM Bank Ltd	1,826,733	-
Islami Bank BD Ltd.	9,868	37,710
Janata Bank Ltd.	90,321	110,344
Jamuna Bank Ltd.	31,456,421	8,919,912
Mercantile Bank Ltd.	1,533,927	24,123
Mutual Trust Bank Ltd.	18,527,524	9,603,495
National Bank Ltd.	1,620,650	356,245
One Bank Ltd.	4,105,318	10,438,554
The Oriental Bank Ltd.	-	1,407
Pubali Bank Ltd.	(3,572)	1,418
Prime Bank Ltd.	5,228	6,608
Rupali Bank Ltd.	6,967	1,491,384
Sonali Bank Ltd.	12,964,843	35,501,377
Shahjalal Islami Bank Ltd.	314,037	259,601
Trust Bank Ltd.	1,410,183	941,269
United Commercial Bank Ltd.	562	20,104,663
	89,588,021	106,975,849
Savings deposits account with:		
EXIM Bank Ltd.	100,000	100,000
Social Islami Bank Ltd.	100,000	100,000
	200,000	200,000
Short term deposits account with:		
AB Bank Ltd.	27,749	27,749
Brac Bank Ltd. (El Dorado Network)	(788,439)	48,047
The City Bank Ltd.	21,296,259	6,406,362
Dutch Bangla Bank Ltd.	554	3,188
Eastern Bank Ltd.	28,248	28,248
EXIM Bank Ltd.	163,890	174,432
Standard Chartered Bank Ltd.	3,454,844	2,471,707
Sonali Bank Ltd.	22,568,299	21,536,616
Uttara Bank Ltd.	941	2,557
	46,752,344	30,698,906
Fixed deposits with other banks:		
AB Bank Ltd.	400,000,000	400,000,000
Bank Asia Ltd.	200,000,000	200,000,000
The City Bank Ltd.	400,000,000	400,000,000
Commerical Bank of Ceylon	-	500,000,000
The Farmers Bank Ltd	100,000,000	-
IFIC Bank Ltd	100,000,000	-
Jamuna Bank Ltd	420,000,000	-
Premier Bank Ltd.	400,000,000	400,000,000
Mercantile Bank Ltd.	-	150,000,000
National Bank of Pakistan	50,000,000	-
	2,070,000,000	2,050,000,000

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
Fixed deposits with financial institutions:		
Prime Finance & Investment Limited	50,000,000	100,000,000
International Leasing and Financial Services Ltd.	50,000,000	100,000,000
Bay Leasing and Investment Limited	30,000,000	30,000,000
Industrial Development Leasing Company Ltd.	-	100,000,000
Fareast Finance and Investment Ltd	200,000,000	-
PHEONIX Finance and Investment Ltd	170,000,000	-
GSP Finance Company (Bangladesh) Ltd.	-	-
Union Capital	-	-
	500,000,000	330,000,000
	2,706,540,365	2,517,874,755
6.2 Outside Bangladesh		
Current account		
Interest bearing :		
Standard Chartered Bank, New York, USA	145,737,394	98,120,376
Standard Chartered Bank, New York	372,318	90,162
Citibank N.A, New York, USA	109,194,212	6,172,076
HSBC Bank, New York, USA	99,180,359	20,840,054
HSBC Bank PLC, London, UK	12,869,811	58,368,751
Standard Chartered Bank, London, UK	1,223,426	3,727,458
Mashreq Bank PSC, New York, USA	69,669,946	129,609,753
Wells Fargo Bank, N.A., New York, USA	11,039,312	137,646,245
Citibank AG, Frankfurt, Germany	47,681,082	6,613,722
Standard Chartered Bank, Kolkata, India	11,957,353	5,049,947
Arab Bangladesh Bank Ltd., Mumbai, India	9,818,528	48,071,132
ICICI Bank Ltd., Mumbai, India	1,573,354	19,677,323
JP Morgan Chase Bank N.A., New York, USA	4,083,151	25,980,502
Habib American Bank, New York, USA	10,990,796	52,485,831
Mashreq Bank, Mumbai, India	10,487,020	20,804,229
Mashreq Bank, Mumbai, India	3,194,702	1,794,917
Sonali Bank (UK) Ltd.	3,997,897	-
Sonali Bank (UK) Ltd.	3,978,179	-
Sonali Bank (UK) Ltd.	1,068,285	-
	558,117,124	635,052,478
Non-interest bearing :		
Bank of Nova Scotia, Toronto, Canada	11,911,385	3,662,092
United Bank Limited, Karachi, Pakistan	997,180	64,369
Standard Chartered Bank, Colombo, Sri Lanka	11,780,828	7,172,840
Standard Chartered Bank, Mumbai (AEB), India	1,963,576	2,016,609
Nepal Banglades Bank Ltd., Kathmandu, Nepal	22,481,553	878,350
Bank of Bhutan, Pheuntsholing, Bhutan	6,219,422	2,649,619
Bank of Tokyo Mitsubishi, Kolkata, India	1,963,576	2,016,609
Commerz Bank AG, Frankfurt, Germany	1,498,802	9,646,804
Commerz Bank AG, Frankfurt, Germany	8,953,368	3,879,432
U.B.A.F., Tokyo, Japan	1,833,478	63,006,045
Zuercher Kantonal Bank, Zurich, Switzerland	3,120,424	6,582,606
National Australia Bank Ltd., Melbourne, Australia	19,813,279	5,715,920
HDFC Bank, Mumbai, India	24,903,757	5,922,326
Habib Bank AG Zurich, Zurich, Switzerland	1,960,828	595,048
Mashreq Bank PSC, Dubai, UAE	211,674	217,391
Habib Metropolitan Bank Ltd., Karachi, Pakistan	16,502,958	7,984,990
Al Rajhi Bank, Saudi Arabia	1,030,385	-
	137,146,472	122,011,050
	695,263,596	757,063,528

Details are shown in Annexure-C.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
6.3 Maturity grouping of balance with other banks and financial institutions		
On demand	784,851,617	864,039,378
Not more than three months	1,316,952,344	1,410,898,905
More than three months but not more than six months	900,000,000	1,000,000,000
More than six months but not more than one year	400,000,000	-
More than one year but less than five years	-	-
Above five years	-	-
	3,401,803,962	3,274,938,283
7 Money at call and on short notice		
In bank:		
ICB Islamic Bank Ltd.	18,900,000	19,100,000
Brac Bank Ltd.	-	100,000,000
Eastern Bank Ltd.	-	-
	18,900,000	119,100,000
In non-banking financial institutions (public and private):		
Bangladesh Industrial Finance Company Ltd.	20,000,000	100,000,000
Bangladesh Finance and Investment Company Ltd.	150,000,000	-
Bay Leasing and Investment Ltd.	150,000,000	200,000,000
Delta-Brac Housing Finance Corporation Ltd.	70,000,000	30,000,000
Industrial and Infrastructure Development Finance Co. Ltd.	100,000,000	20,000,000
Investment Corporation of Bangladesh	400,000,000	200,000,000
Lanka Bangla Finance Ltd.	-	100,000,000
National Housing Finance Investments Ltd	50,000,000	-
Premier Leasing & Finance Ltd	50,000,000	-
Prime Finance & Investment Ltd.	-	70,000,000
Union Capital	-	130,000,000
	990,000,000	850,000,000
	1,008,900,000	969,100,000
8 Consolidated Investments		
Government securities		
Southeast Bank Limited (Note 9)	50,860,905,762	34,077,314,732
Southeast Bank Capital Services Limited	-	-
	50,860,905,762	34,077,314,732
Others		
Southeast Bank Limited (Note 9)*	4,974,783,578	3,585,327,406
Southeast Bank Capital Services Limited*	1,753,374,104	1,348,642,207
	6,728,157,682	4,933,969,613
	57,589,063,444	39,011,284,345
* Prior years figures have been restated to conform with current year presentation		
9 Investments		
Government securities:		
Conventional Banking (Note 9.1.1)	50,410,905,762	33,677,314,732
Islamic Banking (Note 9.2.1)	450,000,000	400,000,000
	50,860,905,762	34,077,314,732
Others:		
Conventional Banking (Note 9.1.2)	1,228,366,327	929,916,014
Islamic Banking (Note 9.2.2)	3,746,417,251	2,655,411,392
	4,974,783,578	3,585,327,406
	55,835,689,340	37,662,642,138

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

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013 Taka	2012 Taka
9.1 Conventional Banking		
9.1.1 Government Securities		
91 days Treasury Bills	2,201,023,836	1,102,802,506
182 days Treasury Bills	5,245,507,172	1,389,543,014
364 days Treasury Bills	9,841,829,252	277,179,087
	<u>17,288,360,260</u>	<u>2,769,524,607</u>
Add: Reverse repo with other banks	-	-
	<u>17,288,360,260</u>	<u>2,769,524,607</u>
Assured Repo with Bangladesh Bank/ Others (At Book Value)	(980,217,000)	(1,561,033,844)
	<u>16,308,143,260</u>	<u>1,208,490,763</u>
Prize Bonds	7,508,600	7,046,400
Bangladesh Bank Bills	-	249,457,000
	<u>7,508,600</u>	<u>256,503,400</u>
Bangladesh Government Treasury Bonds		
5 Years BGTB HTM	3,326,607,435	3,318,783,833
10 Years BGTB HTM	12,949,955,852	9,063,576,118
15 Years BGTB HTM	4,674,632,124	4,292,306,753
20 Years BGTB HTM	3,906,313,102	3,637,979,969
Remeasured 5 years BGTB HTM	5,101,265,578	5,097,790,994
Remeasured 10 years BGTB HTM	959,059,195	958,778,821
2 Years BGTB HFT	397,362,686	-
5 Years BGTB HFT	2,000,874,644	3,016,660,525
10 Years BGTB HFT	1,375,974,929	2,948,356,890
15 Years BGTB HFT	152,749,926	381,247,602
20 Years BGTB HFT	122,098,799	273,117,679
	<u>34,966,894,270</u>	<u>32,988,599,184</u>
Add: Reverse repo with other banks & NBFIs		
10 Years BGTB HFT	87,761,124	149,381,396
15 Years BGTB HFT	20,460,475	20,616,375
20 Years BGTB HFT	-	17,326,115
	<u>108,221,599</u>	<u>187,323,886</u>
	<u>35,075,115,869</u>	<u>33,175,923,070</u>
Assured Repo with Bangladesh Bank/ Others (At Book Value)	(979,861,967)	(963,602,501)
	<u>34,095,253,902</u>	<u>32,212,320,569</u>
	<u>50,410,905,762</u>	<u>33,677,314,732</u>
9.1.2 Others		
Shares in listed companies	1,193,061,537	669,916,014
Shares in un-listed companies	35,304,790	260,000,000
	<u>1,228,366,327</u>	<u>929,916,014</u>
Provision for diminution in the market value of shares	(375,578,724)	(193,668,133)
	<u>852,787,603</u>	<u>736,247,881</u>
9.2 Islamic Banking		
9.2.1 Government Securities		
Bangladesh Government Islamic Bond	450,000,000	400,000,000
9.2.2 Others		
Shares in listed companies	3,566,734,231	2,495,664,102
Shares in un-listed companies	179,683,020	159,747,290
	<u>3,746,417,251</u>	<u>2,655,411,392</u>
Provision for diminution in the market value of shares	(828,900,018)	(830,388,529)
	<u>2,917,517,233</u>	<u>1,825,022,863</u>
9.3 Investments classified as per Bangladesh Bank Circular for conventional		
Held for trading (HFT)	19,493,072,476	7,308,098,245
Held to maturity (HTM)	31,367,833,286	26,769,216,488
Other securities	4,974,783,578	3,585,327,406
	<u>55,835,689,340</u>	<u>37,662,642,138</u>

BGTB (HTM) of Tk 10,000,000 is held in Bangladesh Bank as Lien for T.T. discounting facilities.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
9.4 Maturity-wise grouping		
On demand	7,508,600	7,046,400
Not more than three months	5,388,620,105	1,545,215,555
More than three months but not more than one year	13,394,069,324	3,694,064,274
More than one year but not more than five years	13,858,040,699	12,704,960,354
Above five years	23,187,450,612	19,711,355,555
	<u>55,835,689,340</u>	<u>37,662,642,138</u>

9.5 Cost and market value of investments

9.5.1 Government securities Conventional Banking

	2013		2012
	Cost price	Market price	Market price
	Taka	Taka	Taka
Treasury Bills	15,864,090,061	16,308,143,260	1,208,490,763
Bangladesh Bank Bills	-	-	249,457,000
Bangladesh Government Treasury Bond	34,187,797,105	34,095,253,902	32,212,320,569
Prize Bonds	7,508,600	7,508,600	7,046,400
	<u>50,059,395,766</u>	<u>50,410,905,762</u>	<u>33,677,314,732</u>
Islamic Banking			
Bangladesh Government Islamic Bond	450,000,000	450,000,000	400,000,000
	<u>50,509,395,766</u>	<u>50,860,905,762</u>	<u>34,077,314,732</u>

9.5.2 Others

Investment in Shares Conventional Banking

Particulars

	2013		2012
	Market price	Cost price	Cost price
	Taka	Taka	Taka
Shares in listed companies	817,484,071	1,193,061,537	669,916,014
Shares in un-listed companies	35,304,790	35,304,790	260,000,000
	<u>852,788,861</u>	1,228,366,327	929,916,014
Provision for diminution in the market value of shares		(375,578,724)	(193,668,133)
		<u>852,787,603</u>	<u>736,247,881</u>

Islamic Banking

Shares in listed companies	2,737,832,955	3,566,734,231	2,495,664,102
Shares in un-listed companies	179,683,020	179,683,020	159,747,290
	<u>2,917,515,975</u>	3,746,417,251	2,655,411,392
Provision for diminution in the market value of shares		(828,901,276)	(830,388,529)
		<u>2,917,515,975</u>	1,825,022,863
		<u>3,770,303,578</u>	<u>2,561,270,744</u>

Shares in listed companies

Investments have been recorded at cost and adequate provision 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

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

9.6 Sector wise investment

	2013		2012
	Market price	Cost price	Cost price
	Taka	Taka	Taka
<u>Shares in listed companies</u>			
Banks and NBFIs	1,612,757,108	2,618,420,144	1,925,131,856
Insurance Companies	468,815,709	433,951,682	323,202,276
Fuel and Power Companies	256,701,993	311,759,793	401,571,964
Mutual Fund	306,287,321	371,292,677	267,883,666
Manufacturing & Other	910,754,895	1,024,371,472	497,790,354
	<u>3,555,317,026</u>	<u>4,759,795,768</u>	<u>3,415,580,116</u>
<u>Shares in un-listed companies</u>			
Banks and NBFIs	57,683,820	57,683,820	52,442,500
Mutual Fund	-	-	110,000,000
Manufacturing	149,999,200	149,999,200	-
Others	7,304,790	7,304,790	7,304,790
	<u>214,987,810</u>	<u>214,987,810</u>	<u>169,747,290</u>
		4,974,783,578	3,585,327,406
Provision for diminution in the market value of shares		(1,204,480,000)	(1,024,056,662)
		<u>3,770,303,578</u>	<u>2,561,270,744</u>

The investments in shares of unlisted companies are shown at cost or book value of the last audited financial statements as per provision of BRPD 14 dated 25 June 2013.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

9.7 Market price and cost price of investments as on 31 December 2013

Name of the Company	2013		Differences
	Market price	Cost price	(Provision to be required)
	Taka	Taka	Taka
1 Aftabauto	54,398,686	59,097,394	4,698,709
2 AMCL(pran)	9,400,000	12,965,124	3,565,124
3 Asia Ins	59,971,937	76,805,098	16,833,161
4 Beximco Ltd	93,070,816	140,779,012	47,708,196
5 Bay Leasing	676,705,570	953,076,707	276,371,137
6 Bengal Windsor	1,972,544	1,468,229	(504,315)
7 BSRM steel	59,253,750	63,941,157	4,687,407
8 BSC	7,847,000	9,893,466	2,046,466
9 BSCL	30,200,006	41,071,214	10,871,209
10 City Bank	26,696,623	42,782,763	16,086,140
11 DESCO	16,060	24,440	8,380
12 EXIM Bank	305,620,693	696,815,842	391,195,149
13 EXIM Bank 1st Mutual Fund	77,032,800	98,760,000	21,727,200
14 EBL	32,731,098	52,068,101	19,337,003
15 FLEASEINT	4,150	4,988	838
16 Generation next	22,140,000	24,076,623	1,936,623
17 GP	43,997,100	45,794,408	1,797,308
18 Goldenson	18,040	13,098	(4,942)
19 IFIC1stMF	7,761,798	11,905,461	4,143,663
20 KPCL	30,279,037	36,166,609	5,887,572
21 Lankabanglafin	27,959,925	26,732,655	(1,227,270)
22 Lafarge Cement	387,427,500	394,532,239	7,104,739
23 Megna petroleum	39,600,480	43,853,620	4,253,140
24 MJL	24,249,790	25,316,517	1,066,727
25 National Bank	89,500,310	241,967,978	152,467,668
26 National Life	408,843,772	357,146,584	(51,697,188)
27 NTC	293,400	198,502	(94,898)
28 NCCBL MF-1	172,023	186,520	14,497
29 NCCBL	33,454,125	49,614,864	16,160,739
30 Padma oil	15,453,375	17,816,753	2,363,378
31 Prime Finance	17,608,116	22,960,757	5,352,641
32 Premierleasing	12,155,000	26,902,718	14,747,718
33 Premier cement	17,489,760	22,266,290	4,776,530
34 Olympic	43,894,640	44,805,627	910,987
35 OneBank Ltd.	20,208,326	35,307,295	15,098,969
36 Orioninfusion	5,917,780	6,572,003	654,223
37 Prime Bank	297,703,536	380,157,535	82,454,000
38 RAK Ceramic	45,283,680	51,232,254	5,948,574
39 RNSpinning	11,411,325	11,104,035	(307,290)
40 Rupali Bank	3,398,680	9,074,723	5,676,043
41 SAPORT	23,679,753	25,155,651	1,475,898
42 SPPCL	25,256,000	27,776,855	2,520,855
43 Sumitpower	92,701,786	130,409,020	37,707,234
44 Standard Bank	14,178,400	15,822,689	1,644,289
45 Titas Gas	29,145,465	30,395,979	1,250,514
46 Southeast Bank 1st Mutual Fund	217,250,000	250,000,000	32,750,000
47 TRUST 1MF	4,070,700	10,440,696	6,369,996
48 UCBL	44,661,886	54,305,145	9,643,259
49 UNITEDAIR	53,059,117	69,405,146	16,346,029
50 Union Capital	10,170,670	10,825,384	654,714
	<u>3,555,317,026</u>	<u>4,759,795,768</u>	<u>1,204,478,742</u>
Actual provision			1,204,480,000
Surplus/(deficit)			<u>1,258</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

As on 31 December 2013, the value of investment cell which includes all investment in shares, corporate bond, debenture, mutual fund and total market value of other capital certificates and loan facilities given to own subsidiary company or companies directly or indirectly involved in capital market affairs stood at Tk 789.52 crores which is 51.52 % of total sum of paid up capital, statutory reserve and retained earnings of the bank. In accordance with the compliance of the DOS circular no. 2 dated 16 September 2013 issued by Bangladesh Bank, the total exposure will be reduced to 25% within the year of 2016.

9.8 Repo and Reverse-repo

9.8.1 Repo as on 31 December 2013

<u>Counter party name</u>	<u>Agreement date</u>	<u>Reversal date</u>	<u>Amount</u> <u>Taka</u>
Agrani Bank Ltd	30-Dec-13	1-Apr-14	1,010,437,374
Janata Bank Ltd	30-Dec-13	1-Apr-14	993,154,000
			2,003,591,374

9.8.2 Reverse Repo as on 31 December 2013

<u>Counter party name</u>	<u>Agreement date</u>	<u>Reversal date</u>	<u>Amount</u> <u>Taka</u>
Lanka Bangla Finance Ltd	30-Dec-13	6-Jan-14	109,324,318
			109,324,318

9.8.3 Transactions of Repo and Reverse-repo during the year 2013

	<u>Minimum outstanding Taka</u>	<u>Maximum outstanding Taka</u>	<u>Daily average outstanding Taka</u>
Securities sold under repo			
i) With Bangladesh Bank	260,700,000	7,664,600,000	2,386,600,000
ii) With Other Bank & Fls	146,400,000	4,075,200,000	354,400,000
Securities purchase under reverse repo			
i) With Bangladesh Bank	500,000,000	500,000,000	4,166,667
ii) With Other Bank & Fls	86,723,239	4,655,875,184	182,800,000
		2013 Taka	2012 Taka

10 Consolidated Loans and advances/investments

Loans, cash credit, overdrafts etc./Investments		
Southeast Bank Limited (Note 11)	130,010,888,059	121,537,630,093
Southeast Bank Capital Services Limited	2,232,244,999	2,104,716,150
	132,243,133,058	123,642,346,243
Less: Inter company balance eliminated	3,058,510,916	2,402,903,434
	129,184,622,142	121,239,442,809
Bills purchased and discounted		
Southeast Bank Limited (Note 11)	5,679,201,782	5,729,525,873
Southeast Bank Capital Services Limited	-	-
	5,679,201,782	5,729,525,873
	134,863,823,924	126,968,968,682

11 Loans and advances/investments

Loans, cash credit, overdrafts etc./Investments (Note 11.1)	130,010,888,059	121,537,630,093
Bills purchased and discounted (Note 11.14)	5,679,201,782	5,729,525,873
	135,690,089,841	127,267,155,966

Also refer to notes 11.1 to 11.15 for further analysis, classification and provision for loans and advances/investments maturity wise grouping etc.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

11.1 Loans, cash credit, overdrafts etc./Investments

In Bangladesh

Conventional Banking

Demand loan	2,006,127,155	5,895,739,475
Time loan	16,912,726,302	15,711,896,092
Term loan	42,001,047,865	36,598,612,092
Agricultural Credit-Term	34,229,471	9,181,069
Agricultural Credit-Time	526,879	-
Consumer Credit Scheme	44,060,502	104,111,071
Car Loan	6,042,558	1,807,090
Personal Loan	219,875,121	48,161,006
Home Loan	31,510,392	15,153,605
Probashi Reen	-	73,953
Cash credit and overdrafts	35,575,066,554	29,986,480,266
Bills against letter of credit (BLC)	200,524,134	1,369,210,546
Loan Re-Finance Housing Sector	24,377,112	25,362,087
Loan against trust receipt (LTR)	19,952,664,009	19,882,641,817
Advances-Packing credit (PC)	1,655,167,903	1,283,968,864
Loan against foreign bills	-	32,962,289
House building loan-staff	138,102,281	111,773,441
Digital Device	686,370	644,212
Education loans	-	30,169
Export Development Fund (EDF)	2,490,513,853	1,969,105,372
Loan against cash incentive	91,633,475	50,621,842
Loan-Credit card	751,453,951	720,147,001
	122,136,335,888	113,817,683,359

Islamic Banking

Demand Investment	38,159,446	180,804,801
Bai-Muajjal (Time) Investment	382,918,812	377,151,148
Bai-Muajjal Time under CCS	36,731,941	11,453,323
Bai-Murabaha-BLC	39,965,321	85,997,245
Bai-Murabaha-LTR	1,815,772,841	2,004,978,730
Bai-Salam	92,094,468	29,427,362
Staff House Building Investment	6,247,497	6,797,950
Investment against Cash Incentive	2,004,175	1,610,724
Bai-Muajjal - Investment	3,068,482,319	2,968,475,694
Murabaha - Investment	184,600,108	130,585,836
Hire purchase - Investment	2,142,792,639	1,825,613,705
Izarah - Investment	58,099,626	76,074,677
Quard against MTDR	6,682,978	20,975,539
	7,874,552,171	7,719,946,734
	130,010,888,059	121,537,630,093
Outside Bangladesh	-	-
	130,010,888,059	121,537,630,093

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
11.2 Performing loans and advances/investments		
Gross loans and advances/investments	135,690,089,841	127,267,155,966
Non-performing loans and advances/investments	(5,350,239,352)	(5,687,923,333)
	<u>130,339,850,489</u>	<u>121,579,232,633</u>
11.3 Maturity-wise grouping		
On demand	29,632,990,754	13,246,350,991
Less than three months	22,798,737,595	44,715,412,915
More than three months but less than one year	40,041,765,441	33,088,247,670
More than one year but less than five years	34,854,545,168	28,544,802,427
More than five years	8,362,050,883	7,672,341,963
	<u>135,690,089,841</u>	<u>127,267,155,966</u>
11.4 Concentration of loans and advances		
Advances to allied concerns of directors	-	-
Advances to chief executive and other senior executives	47,494,992	41,644,196
Advances to customers' group:		
Advances to large and medium industries	61,210,900,000	58,235,009,195
Advances to small and cottage industries	608,100,000	438,000,000
Commercial Lending	42,728,500,000	39,054,632,278
Export Financing	5,573,500,000	5,111,468,771
Real Estate	7,205,200,000	7,114,413,917
Consumer Credit Scheme	80,792,442	115,564,393
Other Loans and Advances	18,235,602,406	17,156,423,216
	<u>135,690,089,841</u>	<u>127,267,155,966</u>

Details of large loan/investments

As at 31 December 2013 there were 27 (2012: 26) 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.21783.59 million as at 31 December 2013 (Tk.19608.96 million in 2012).

The bank complies with the requirements of the section 26 (b) of the Banking Companies Act 1991 as amended in 2013 in connection to the general limitations of credit line.

Details are shown in Annexure-E.

11.5 Sector-wise allocation of loans and advances

	2013		2012	
	% of total loan	Taka	% of total loan	Taka
Agriculture	0.69%	938,200,000	0.74%	943,900,000
Industry (other than working capital)	21.59%	29,302,100,000	18.41%	23,427,700,000
Working capital financing	23.52%	31,908,800,000	27.35%	34,807,309,195
Export credit	4.11%	5,573,500,000	4.02%	5,111,468,771
Commercial credit	31.49%	42,728,500,000	30.69%	39,054,632,278
Small and cottage industries	0.45%	608,100,000	0.34%	438,000,000
Others:				
a) Finance to NBFIs	0.87%	1,179,000,000	1.28%	1,627,000,000
b) Real Estate	5.31%	7,205,200,000	5.59%	7,114,413,917
c) Transport & communication	1.97%	2,675,500,000	3.99%	5,081,600,000
d) Small Enterprise financing	7.07%	9,586,800,000	4.88%	6,216,400,000
e) Miscellaneous	2.94%	3,984,389,841	2.71%	3,444,731,805
	<u>100.00%</u>	<u>135,690,089,841</u>	<u>100.00%</u>	<u>127,267,155,966</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	<u>2013</u>	<u>2012</u>		
	<u>Taka</u>	<u>Taka</u>		
11.6 Industry-wise Loans and Advances (Industrial Loan)				
Textile and Garments Industries including Spinning Industries	30,191,100,000	27,350,401,610		
Food and allied Industries	4,004,300,000	3,513,632,494		
Pharmaceutical Industries	989,600,000	389,804,627		
Chemical, Fertilizer, etc.	210,600,000	307,210,683		
Cement and Ceramic Industries	2,982,500,000	2,907,194,316		
Service Industries	1,659,900,000	1,418,078,115		
Other Industries	21,172,900,000	22,348,687,350		
	<u>61,210,900,000</u>	<u>58,235,009,195</u>		
11.7 Category-wise Small Medium Enterprise Loans and Advances (SME)				
Service Sector	2,244,200,000	1,936,300,000		
Trading Sector	13,356,700,000	10,984,000,000		
Industrial Sector	5,893,100,000	4,898,300,000		
	<u>21,494,000,000</u>	<u>17,818,600,000</u>		
11.8 Geographical location-wise allocations of loans and advances				
	<u>2013</u>		<u>2012</u>	
	<u>% of</u>	<u>Taka</u>	<u>% of</u>	<u>Taka</u>
	<u>total loan</u>		<u>total loan</u>	
Urban:				
Dhaka region	67.59%	91,711,846,396	64.38%	81,930,758,600
Chittagong region	24.29%	32,954,080,187	25.75%	32,769,796,776
Rajshahi region	1.51%	2,048,466,652	1.17%	1,491,809,364
Sylhet region	2.16%	2,935,925,379	2.50%	3,185,446,241
Khulna region	0.40%	537,766,851	0.63%	801,097,285
Rangpur region	0.39%	529,856,013	0.25%	318,756,721
Barisal region	0.06%	80,848,036	0.05%	69,560,151
	<u>96.40%</u>	<u>130,798,789,514</u>	<u>94.74%</u>	<u>120,567,225,138</u>
Rural:				
Dhaka region	2.02%	2,745,531,150	3.83%	4,872,333,200
Chittagong region	1.25%	1,689,458,942	1.29%	1,645,641,683
Sylhet region	0.12%	156,509,548	0.02%	29,020,135
Rajshahi region	0.00%	-	0.00%	-
Khulna region	0.22%	299,800,687	0.12%	152,935,810
	<u>3.60%</u>	<u>4,891,300,327</u>	<u>5.26%</u>	<u>6,699,930,828</u>
	<u>100.00%</u>	<u>135,690,089,841</u>	<u>100.00%</u>	<u>127,267,155,966</u>
11.9 Classification of loans and advances				
Unclassified:				
Standard including staff loan	93.72%	127,172,326,489	93.74%	119,297,225,847
Special Mention Account (SMA)	2.33%	3,167,524,000	1.79%	2,282,006,786
	<u>96.06%</u>	<u>130,339,850,489</u>	<u>95.53%</u>	<u>121,579,232,633</u>
Classified:				
Sub-standard	0.07%	89,414,652	0.74%	940,693,595
Doubtful	0.13%	175,897,930	0.37%	469,118,530
Bad/loss	3.75%	5,084,926,770	3.36%	4,278,111,208
	<u>3.94%</u>	<u>5,350,239,352</u>	<u>4.47%</u>	<u>5,687,923,333</u>
	<u>100.00%</u>	<u>135,690,089,841</u>	<u>100.00%</u>	<u>127,267,155,966</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013 Taka	2012 Taka
11.10 Particulars of loans and advances		
i) Debts considered good in respect of which the bank is fully secured;	93,983,015,306	78,034,975,668
ii) Debts considered good for which the bank holds no other security than the debtors' personal security;	18,612,803,677	21,160,912,948
iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors;	23,094,270,858	23,793,156,141
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;	302,059,672	232,612,293
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;	308,695,325	244,686,672
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)	330,412,699	1,103,890,369
Amount of debts written off	407,390,518	188,578,631
Amount realised against the debts previously written off	200,464,825	117,768,229
(b) Provision against the debt classified as bad/loss at the date of balance sheet	2,597,973,503	2,058,102,451
(c) Amount of interest charged in suspense account	1,311,883,729	1,440,817,725
xi) Loans written off:		
- Current year	438,322,390	207,802,229
- Cumulative to-date	4,188,531,566	3,950,674,000
- The amount of written off loans for which lawsuit filed	4,188,531,566	3,950,674,000

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

		<u>2013</u>	<u>2012</u>
		<u>Taka</u>	<u>Taka</u>
11.11 Particulars of required provision for loans and advances/investments			
<u>Status</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>
<u>Outstanding as at 31 Dec 2013</u>	<u>Base for provision</u>	<u>% of required provision</u>	<u>Required provision</u>
<u>Taka</u>	<u>Taka</u>		<u>Required provision</u>
			<u>Taka</u>
For loans and advances/Investments:			
Unclassified - General provision			
All unclassified loans (other than small enterprises, housing finance, Loan to MBs loans for professional, consumer financing and special mention account)			
104,240,892,876	104,240,892,876	1%	1,042,408,929
18,501,156,000	18,501,156,000	0.25%	46,252,890
3,057,798,902	3,057,798,902	2%	61,155,978
652,575,000	652,575,000	2%	13,051,500
295,264,000	295,264,000	5%	14,763,200
280,289,935	280,289,935	5%	14,014,495
144,349,778	-	0%	-
3,167,524,000	3,167,524,000	0.25%-5%	28,440,008
			1,220,087,000
Classified - Specific provision:			
89,414,652	53,682,527	20%	10,736,505
175,897,930	64,215,000	50%	32,107,500
5,084,926,770	2,597,973,503	100%	2,597,973,503
<u>135,690,089,843</u>	<u>132,911,371,743</u>		<u>2,640,817,508</u>
Required provision for loans and advances			3,860,904,508
Total provision maintained			3,876,999,428
Excess provision at 31 December			<u>16,094,920</u>
			<u>485,177</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
11.12 Suits filed by the Bank (Branch wise details)		
Principal Branch	3,985,835,133	3,921,817,585
Agrabad Branch	342,094,358	342,094,358
Khatungonj Branch	859,750,230	751,918,239
Laldighirpar Branch	105,297,690	105,315,085
Imamgonj Branch	308,180,202	308,180,202
Bangshal Branch	344,356,469	335,765,792
Jubilee Road Branch	50,710,900	43,774,659
Moulvibazar Branch	27,727,248	9,367,201
Gulshan Branch	668,912,670	661,560,647
Khulna Branch	100,812,162	66,110,372
Dhanmondi Branch	1,490,019,902	1,490,019,903
Uttara Branch	257,477,428	257,477,428
Chouhatta Branch	23,754,435	20,771,194
Kawranbazar Branch	107,325,351	52,523,558
Shahjalal Uposhahar Branch	125,784,228	117,904,844
Agargoan Branch	35,702,157	32,585,426
Cox's Bazar	25,512,079	-
Aganagar Branch	39,525,750	39,219,290
New Elephant Road Branch	6,684,152	5,587,563
Kulaura Branch	9,078,456	9,078,456
Hetimgonj Branch	-	7,568,810
Corporate Branch	58,392,487	97,547,566
Banani Branch	467,962,959	379,733,225
Rangpur Branch	40,693,729	32,286,766
Kakrail Branch	41,352,380	41,352,380
Pahartoli Branch	761,499,591	-
Narayangonj Branch	43,507,607	-
Bogra Branch	46,218,600	-
Halishahar Branch	296,424,550	295,647,637
CDA Avenue Branch	53,850,672	53,850,673
Mohammadpur Branch	7,976,382	7,976,383
Momin Road Branch	86,297,932	86,297,932
Chowmuhani Branch	7,089,830	7,089,830
	10,825,807,719	9,580,423,004
11.13 Listing of assets pledged as security/collaterals		
<u>Nature of the secured assets</u>		
Gold & Gold Ornaments	-	-
Shares & Securites	1,419,319,104	585,352,285
Merchandise	8,874,659,256	10,151,872,640
Machinery with other Fixed Asset and Financial obligation	9,226,855,236	8,789,887,927
Real Estate with Financial obligation	77,471,902,243	66,151,936,458
Financial Obligation only (Insurance policies, Savings certificates, Bank deposit etc)	6,325,763,550	5,117,947,112
Miscellaneous		
i) Crops/stock of crops hypothecation	476,478,197	1,768,951,664
ii) Guarantee of individuals/ Institutions	26,054,803,492	28,971,682,007
ii) Others	5,840,308,764	5,729,525,873
	135,690,089,841	127,267,155,966

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
11.14 Bills purchased and discounted		
Bills purchased and discounted excluding treasury bills:		
<i>Conventional Banking</i>		
In Bangladesh	2,894,374,253	2,670,192,609
Outside Bangladesh	2,537,182,906	2,596,928,924
	5,431,557,160	5,267,121,533
<i>Islamic Banking</i>		
In Bangladesh	213,339,622	443,332,290
Outside Bangladesh	34,305,000	19,072,050
	247,644,622	462,404,340
	5,679,201,782	5,729,525,873
11.15 Maturity grouping of bills discounted and purchased		
Within one month	3,208,972,427	3,368,731,361
More than one month but less than three months	1,927,241,735	1,515,277,252
More than three months but less than six months	536,868,043	799,104,059
More than six months	6,119,577	46,413,201
	5,679,201,782	5,729,525,873
12 Consolidated fixed assets including premises, furniture and fixtures		
Cost:		
Southeast Bank Limited	8,663,111,660	8,394,455,987
Southeast Bank Capital Services Limited	169,144,358	71,771,082
Southeast Bank Financial Services Limited	10,678,283	10,268,171
	8,842,934,301	8,476,495,240
Less: Accumulated depreciation		
Southeast Bank Limited	1,020,842,191	781,057,701
Southeast Bank Capital Services Limited	21,682,140	14,596,607
Southeast Bank Financial Services Limited	4,760,845	3,331,432
	1,047,285,176	798,985,740
Written down value at the end of the year	7,795,649,125	7,677,509,500

There were no capitalized borrowing cost related to the acquisition of fixed assets during the year (2012: nil)

Details of consolidated amounts have not been provided as such amounts are insignificantly different from those of the Bank's.

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
13 Fixed assets including premises, furniture and fixtures		
Cost:		
Land	5,347,773,053	5,347,773,053
Building	1,523,977,602	1,523,898,102
Furniture and fixture	817,263,714	725,252,047
Professional and Reference books	117,728	117,728
Office Appliances	10,432,350	10,162,250
Electrical Appliances	803,300,220	709,643,664
ATM Booth	86,287,148	10,837,080
Motor vehicles	73,959,846	66,772,063
	8,663,111,660	8,394,455,987
Less: Accumulated depreciation		
Building	258,020,177	205,274,988
Furniture and fixture	336,050,144	264,904,119
Professional and Reference books	11,773	-
Office Appliances	5,451,915	4,606,585
Electrical Appliances	367,175,679	279,913,772
ATM Booth	16,593,061	22,590
Motor vehicles	37,539,442	26,335,647
	1,020,842,191	781,057,701
Written down value at the end of the year	7,642,269,469	7,613,398,286

Details are shown in Annexure-F and Annexure-F1

There were no capitalized borrowing cost related to the acquisition of fixed assets during the year (2012: nil)

14 Consolidated other assets		
Southeast Bank Limited	4,241,364,275	3,189,560,423
Southeast Bank Capital Services Limited	293,174,683	131,343,262
Southeast Bank Financial Services Limited	7,189,127	1,162,127
	4,541,728,085	3,322,065,812
Less: Investment in subsidiary :		
In Bangladesh	989,930,000	760,974,629
Outside Bangladesh	38,493,247	38,737,582
	1,028,423,247	799,712,211
	3,513,304,838	2,522,353,601

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012		
	Taka	Taka		
15 Other assets	4,241,364,275	3,189,560,423		
15.1 Classification of other assets				
Income generating other assets				
i) Investment in shares of subsidiary companies:				
- In Bangladesh (Note 15.2)	989,930,000	760,974,629		
- Outside Bangladesh	38,493,247	38,737,582		
ii) Stationery, stamps, printing materials, etc.	67,304,310	65,297,456		
iii) Advance rent and advertisement	189,518,337	206,824,183		
iv) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	926,121,795	958,604,184		
v) Security deposits	1,772,632	1,701,182		
vi) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses	909,027,877	698,479,431		
vii) Branch adjustment (Note 15.3)	799,736,164	-		
viii) Suspense account	12,803,018	8,950,170		
ix) Silver	-	-		
x) Others	306,656,894	449,991,606		
	4,241,364,275	3,189,560,423		
15.2 Investment in shares of subsidiary company in Bangladesh				
Cost	989,930,000	989,900,000		
Less: Provision for impairment loss	-	228,925,371		
	989,930,000	760,974,629		
15.3 Branch adjustment				
General accounts debit	1,383,288,000	-		
General accounts credit	583,551,836	-		
	799,736,164	-		
<p>Branch adjustments account represents outstanding interbranch and head office transactions (net) originated but yet to be responded at balance sheet date. However, the unrespondent entries of 31 December 2013 are given below:</p>				
	No. of Unrespondent entries	Unrespondent entries (Taka)		
	Debit	Credit	Debit	Credit
Upto 3 months	1,101	1551	1,377,337,000	575,827,000
Over 3 months but within 6 months	85	81	5,501,000	5,396,000
Over 6 months but within 1 year	23	14	450,000	2,328,836
Over 1 year but within 5 years	-	-	-	-
	1,209	1,646	1,383,288,000	583,551,836
15.4 Particulars of required provision for other assets				
		2013	2012	
	Base for provision	Rate	Taka	Taka
Legal Expenses for Defaulting Borrowings	10,954,880	50%	5,477,440	8,197,619
Legal Expenses for Defaulting Borrowings	35,134,356	100%	35,134,356	22,855,000
Protested bills	3,582,760	100%	3,582,760	-
Nostro Account Balance	1,769,807	100%	1,769,807	1,769,807
Required Provision on Other Assets			45,964,362	32,822,426
Total Provision maintained			45,964,894	32,822,894
Excess Provision			531	468

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

		2013	2012
		Taka	Taka
16	Consolidated borrowing from other banks, financial institutions and agents		
	Southeast Bank Limited	7,921,435,000	6,853,946,225
	Southeast Bank Capital Services Limited	3,058,510,916	2,402,903,434
		10,979,945,916	9,256,849,659
	Less: Inter company balance eliminated	3,058,510,916	2,402,903,434
		<u>7,921,435,000</u>	<u>6,853,946,225</u>
17	Borrowing from other banks, financial institutions and agents		
	In Bangladesh (Note 17.1)	6,599,685,000	6,055,447,225
	Outside Bangladesh (Note 17.2)	1,321,750,000	798,499,000
		<u>7,921,435,000</u>	<u>6,853,946,225</u>
17.1	In Bangladesh		
	Secured:		
	Refinance against agro-based credit from Bangladesh Bank	8,599,333	-
	Refinance for housing sector from Bangladesh Bank	25,137,343	109,852,234
	Refinance against SME loan from Bangladesh Bank	10,511,000	12,196,000
	Refinance against RPGCL	175,437,324	123,398,991
	Borrowing against securities from Bangladesh Bank	1,400,000,000	1,400,000,000
	Call borrowing from other Banks	4,980,000,000	4,410,000,000
		6,599,685,000	6,055,447,225
	Un secured	-	-
		<u>6,599,685,000</u>	<u>6,055,447,225</u>
17.2	Outside Bangladesh		
	Secured:		
	Borrowing from International Finance Corporation (IFC)	777,500,000	798,499,000
	Borrowing from Commercial Bank of Qatar	544,250,000	-
		1,321,750,000	798,499,000
	Un secured	-	-
		<u>1,321,750,000</u>	<u>798,499,000</u>
17.3	Maturity grouping of borrowings		
	Repayable on demand	4,980,000,000	4,410,000,000
	Repayable within one month	-	200,000,000
	Over one month but within six months	2,721,750,000	1,998,499,000
	Over six months but within one year	-	-
	Over one year	219,685,000	245,447,225
		<u>7,921,435,000</u>	<u>6,853,946,225</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
18 Consolidated deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Southeast Bank Limited	14,201,428,330	12,189,247,342
Southeast Bank Capital Services Limited	30,305,654	11,854,474
	14,231,733,984	12,201,101,816
Less: Inter company balance eliminated	18,824,400	8,932
	14,212,909,584	12,201,092,884
Bills payable		
Southeast Bank Limited	1,914,532,727	1,755,500,842
Southeast Bank Capital Services Limited	-	-
	1,914,532,727	1,755,500,842
Savings bank/Mudharaba savings bank deposits		
Southeast Bank Limited	14,118,813,852	8,515,191,081
Southeast Bank Capital Services Limited	-	-
	14,118,813,852	8,515,191,081
Fixed deposits/Mudharaba fixed deposits		
Southeast Bank Limited	147,273,208,331	130,490,017,945
Southeast Bank Capital Services Limited	-	-
	147,273,208,331	130,490,017,945
Less: Inter company balance eliminated	-	60,564,194
	147,273,208,331	130,429,453,751
	177,519,464,493	152,901,238,558
19 Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current deposits	5,837,778,917	5,247,176,785
Foreign currency deposits	803,707,113	753,095,444
Sundry deposits (Note 19.1)	7,559,942,300	6,188,975,113
	14,201,428,330	12,189,247,342
Bills payable		
Payment order issued	1,879,840,439	1,633,915,562
Demand draft	34,692,288	121,585,280
	1,914,532,727	1,755,500,842
Savings bank/Mudharaba savings bank deposits	14,118,813,852	8,515,191,081
Fixed deposits/Mudharaba fixed deposits		
Fixed deposits/Mudharaba fixed deposits	118,596,141,466	109,496,981,091
Special notice / Mudharaba Special notice deposits	17,788,395,663	12,438,054,983
Scheme deposits	7,542,350,547	5,427,373,157
Interest Payable on FDR/Scheme	3,346,320,655	3,127,608,714
	147,273,208,331	130,490,017,945
	177,507,983,239	152,949,957,210

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
19.1 Sundry deposits		
Margin under letter of credit	1,636,144,465	1,381,944,617
Margin against IBP	58,751,279	385,700
Margin against FBP	18,008,586	36,281,890
Margin under letter of guarantee	621,808,988	534,499,797
Margin under Export Proceeds	2,029,406	92,692,575
Margin against time loan to issue pay order	1,389,000	-
Deposit held against FDBP/IDBP, export bills etc.	21,002,456	10,206,697
FC Held Against EDF L/C	2,364,759,920	1,742,995,631
Accounts Payable	594,741	650,080
Telegraphic Transfer	995,569	10,272,695
Margin on Acceptance	2,661,136,489	2,027,384,814
Remittance awaiting disposal	679,557	150,436,656
Others	172,641,844	201,223,961
	<u>7,559,942,300</u>	<u>6,188,975,113</u>
19.2 Deposits from banks and others		
Inter-bank deposits (Note 19.3)	12,277,367,401	8,484,813,000
Other deposits	165,230,615,838	144,465,144,210
	<u>177,507,983,239</u>	<u>152,949,957,210</u>
19.3 Inter-bank deposits		
Exim Bank Limited	2,015,988,852	23,322,000
Mercantile Bank Limited	221,701	154,209,000
AB Bank Limited	410,446,051	454,528,000
Social Islami Bank Limited	775,365,673	578,382,000
Brac Bank Limited	46,986	1,400,000,000
Shahjalal Islami Bank Limited	1,947,363,717	279,294,000
Al-Arafa Islami Bank Limited	1,900,785,909	2,400,517,000
Islami Bank Bangladesh Limited	1,250,203,229	750,197,000
First Security Islami Bank Limited	16,103,761	8,785,000
Dhaka Bank Ltd	198,791	-
Dutch-Bangla Bank Limited	850,000,000	1,100,000,000
IFIC Bank Ltd	900,244,975	-
Premier Bank Limited	400,000,000	400,000,000
United Commercial Bank Ltd	50,000,000	-
Bank Asia Ltd.	200,000,000	200,000,000
Jamuna Bank Ltd	10,000,000	-
The City Bank Ltd.	911,325,102	735,579,000
Citi Bank N.A	158,566,401	-
The Trust Bank Ltd	100,057,365	-
NRB Commercial Bank Ltd	260,179,310	-
Meghna Bank Ltd	120,269,577	-
	<u>12,277,367,401</u>	<u>8,484,813,000</u>
19.4 Sector-wise deposits		
Government	7,314,630,944	7,557,561,000
Deposit money banks	12,277,367,401	8,484,813,000
Other public	13,577,348,371	9,499,879,000
Foreign currency	803,707,113	753,095,444
Private	143,534,929,410	126,654,608,766
	<u>177,507,983,239</u>	<u>152,949,957,210</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
19.5 Unclaimed Deposits and valuables		
Payment Order	339,615	130,154
	<u>339,615</u>	<u>130,154</u>
19.6 Analysis of residual maturity grouping of deposits		
Inter-bank deposits:		
Payable on demand	158,765,192	315,610,000
Within one month	5,868,602,209	2,469,203,000
More than one month but less than six months	5,850,000,000	5,500,000,000
More than six months but less than one year	400,000,000	200,000,000
More than one year but less than five years	-	-
More than five years but less than ten years	-	-
	<u>12,277,367,401</u>	<u>8,484,813,000</u>
Other Deposits:		
Payable on demand	4,202,734,808	1,043,105,062
Within one month	15,992,171,922	10,360,014,359
More than one month but less than six months	48,833,643,040	73,892,939,292
More than six months but less than one year	51,256,188,062	21,767,168,485
More than one year but less than five years	28,663,009,215	33,888,709,340
More than five years but less than ten years	16,282,868,791	3,513,207,672
	<u>165,230,615,838</u>	<u>144,465,144,210</u>
	<u>177,507,983,239</u>	<u>152,949,957,210</u>
20 Consolidated other liabilities		
Southeast Bank Limited	13,232,712,161	11,204,449,678
Southeast Bank Capital Services Limited	315,576,469	518,952,418
Southeast Bank Financial Services Limited	2,040,142	5,834,396
	<u>13,550,328,772</u>	<u>11,729,236,493</u>
Less: Inter company balance eliminated	-	-
	<u>13,550,328,772</u>	<u>11,729,236,493</u>
21 Other liabilities		
Provision for loans and advances/Investments (Note 21.1)	3,876,999,428	3,536,586,729
Provision for off-balance sheet exposures (Note 21.2)	813,041,000	711,310,000
Interest suspense account (Note 21.3)	1,311,883,729	1,440,817,725
Provision for taxation (Note 21.4)	3,709,383,296	3,009,106,468
SEBL Foundation	-	-
SEBL Employees' welfare fund	-	-
Obligation under finance lease (Note 21.5)	40,989,025	43,167,550
Accrued expenses	7,816,417	21,922,523
Interest payable on borrowings	23,716,231	23,274,199
Accounts payable - Bangladesh Bank (local currency)	22,234,233	57,444,334
Accounts payable - Others	672,459,464	120,107,430
Provision for diminution in the market value of share	1,204,480,000	1,024,056,663
Provision for other assets (Note 21.6)	45,964,894	32,822,894
Unearned income	781,752,380	580,987,200
Branch adjustment (21.7)	-	6,869,558
Withholding tax	721,192,061	595,276,406
Provision for audit fees	800,000	700,000
	<u>13,232,712,161</u>	<u>11,204,449,678</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

		2013	2012
		Taka	Taka
21.1	Provision for loans and advances/investments		
A.	General		
	Balance at the beginning of the year	1,210,276,230	1,173,699,999
	Add: Provision made during the year		
	On general loans and advances/investments etc.	88,094,956	32,118,880
	On Special Mention Account (SMA)	(78,094,956)	4,457,351
		10,000,000	36,576,231
	Less: Provision no longer required	-	-
	Balance at the end of the year	1,220,276,230	1,210,276,230
B.	Specific		
	Balance at the beginning of the year	2,326,310,499	1,222,420,130
	Less: Interest waiver during the year	466,783	6,531,000
	Write off during the year	407,390,518	188,578,631
		407,857,301	195,109,631
	Add: Recoveries of amounts previously written off	200,464,825	117,768,229
	Specific provision made during the year	537,805,175	1,181,231,771
	for other accounts		
		738,270,000	1,299,000,000
	Balance at the end of the year	2,656,723,198	2,326,310,499
C.	Total provision on loans and advances/ investments (A+B)	3,876,999,428	3,536,586,729
21.2	Provision for off-balance sheet exposures		
	Balance as at 1 January	711,310,000	554,280,000
	Add: Provision made during the year	101,731,000	157,030,000
		813,041,000	711,310,000
	Less: Adjustments made during the year	-	-
	Balance as at 31 December	813,041,000	711,310,000
21.3	Interest suspense account		
	Balance as at 1 January	1,440,817,725	1,050,246,654
	Add: Amount transferred to "interest suspense" account during the year	884,163,029	1,143,708,575
		2,324,980,754	2,193,955,229
	Less: Amount of interest suspense recovered	963,638,153	692,914,257
	Amount written off during the year	30,931,872	19,223,598
	Interest waiver during the year	18,527,000	40,999,649
		1,013,097,025	753,137,504
	Balance as at 31 December	1,311,883,729	1,440,817,725
21.4	Provision for taxation		
	Current tax (Note 21.4.1)	2,879,739,247	2,188,820,992
	Deferred tax (Note 21.4.2)	829,644,049	820,285,476
		3,709,383,296	3,009,106,468

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
21.4.1 Provision for current tax		
Advance tax		
Balance as at 1 January	5,821,061,875	3,858,439,841
Add: Paid during the year	2,009,081,745	1,962,622,034
	7,830,143,620	5,821,061,875
Less: Adjustments made during the year	-	-
Balance as at 31 December	7,830,143,620	5,821,061,875
Provision		
Balance as at 1 January	8,009,882,867	6,086,366,482
Add: Provision made during the year	2,700,000,000	1,923,516,385
	10,709,882,867	8,009,882,867
Less: Adjustments made during the year	-	-
Balance as at 31 December	10,709,882,867	8,009,882,867
Net balance as at 31 December	2,879,739,247	2,188,820,992
Corporate tax position of the bank has been shown in Annexure-G.		
Provision for current tax of Tk. 2,700,000,000 has been made @ 42.5% as prescribed by Finance Act 2013 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules 1984 and non-compliance of para 46 of BAS 12 "Income Tax".		
21.4.2 Provision for deferred tax		
Balance as at 1 January	820,285,476	808,402,290
Add : Provision made for deferred tax liabilities		
Charged/(credited) to profit and loss account	-	500,000
Charged/(credited) to revaluation reserve	18,717,147	32,860,298
	18,717,147	33,360,298
	839,002,622	841,762,588
Adjustment made during the year for revaluation reserve	(9,358,573)	(21,477,112)
	829,644,049	820,285,476
Less: Provision made for deferred tax assets	-	-
Balance as at 31 December	829,644,049	820,285,476
21.5 Movement of leased obligation on fixed assets		
Balance as at 1 January	43,167,550	28,089,520
Add: Addition during the year	9,896,000	23,877,500
	53,063,550	51,967,020
Less: Adjustment during the year	12,074,525	8,799,470
Balance as at 31 December	40,989,025	43,167,550

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

21.5.1 Again analysis of liabilities under finance lease

	2013			2012		
	Minimum lease payment	Financial charge for future period	Principal Outstanding	Minimum lease payment	Financial charge for future period	Principal Outstanding
	Taka	Taka	Taka	Taka	Taka	Taka
Payable within 1 year	17,698,085	5,014,124	12,683,961	15,886,080	5,386,750	10,499,330
Payable more than 1 year but less than 2 years	25,677,925	4,914,468	20,763,457	15,139,695	3,838,389	11,301,306
Payable more than 2 years but less than 5 years	8,087,860	546,252	7,541,608	24,902,310	3,535,396	21,366,914
	51,463,870	10,474,845	40,989,025	55,928,085	12,760,535	43,167,550

21.6 Provision for Other Assets

	2013 Taka	2012 Taka
Balance as at 1 January	32,822,894	21,135,281
Add: Addition during the year	13,142,000	11,798,000
	45,964,894	32,933,281
Less: Adjustment during the year	-	110,387
Balance as at 31 December	45,964,894	32,822,894

21.7 Branch adjustment

General accounts credit	-	971,396,000
General accounts debit	-	964,526,442
	-	6,869,558

22 Share capital

22.1 Authorised:

1,000,000,000	ordinary shares of Tk 10 each	10,000,000,000	10,000,000,000
---------------	-------------------------------	----------------	----------------

22.2 Issued, subscribed and paid up:

378,164,970	ordinary shares of Tk 10 each issued for cash	3,781,649,700	3,781,649,700
495,120,912	ordinary shares of Tk 10 each issued as bonus shares	4,951,209,120	4,951,209,120
873,285,882		8,732,858,820	8,732,858,820

22.3 Reconciliation of number of shares

In issue at 1 January	873,285,882	831,700,840
Issue of bonus shares	-	41,585,042
In issue at 31 December	873,285,882	873,285,882

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

22.4 Dividends

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

1.50 Taka per ordinary share (2011: 2.00 Taka) 1,309,928,823 1,663,401,680

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.

2.10 Taka (Cash 1.60 taka and 0.50 taka stock dividend) per ordinary share (2012: 1.50 Taka) 1,833,900,352 1,309,928,823

22.5 Share capital at a glance from inception

Year	Particulars	Number of Shares	Capital amount	Cumulative
			Taka	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

22.6 Classification of shareholders by holding

	Number of holders		% of total holding	
	2013	2012	2013	2012
Less than 500 shares	19,995	18,293	0.35	0.36
500 to 5,000 shares	36,524	37,189	6.84	7.07
5,001 to 10,000 shares	4,595	4,541	3.60	3.51
10,001 to 20,000 shares	2,353	2,216	3.66	3.43
20,001 to 30,000 shares	653	592	1.82	1.63
30,001 to 40,000 shares	306	280	1.21	1.11
40,001 to 50,000 shares	193	163	1.00	0.84
50,001 to 100,000 shares	355	334	2.83	2.61
100,001 to 1,000,000 shares	321	334	10.05	10.63
Over 1,000,000 shares	118	118	68.65	68.81
	<u>65,413</u>	<u>64,060</u>	<u>100.00</u>	<u>100.00</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

22.7 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.

22.8 Name of the Directors and their shareholdings in the year 2013

Sl	Name of the directors	Status	At 1 January 2013	At 31 December 2013
1	Mr. Alamgir Kabir, FCA	Chairman	17,471,117	17,471,117
2	Mr. Ragib Ali	Vice Chairman	25,384,182	26,382,182
3	Mr. M. A. Kashem	Director	19,221,010	19,221,010
4	Mr. Azim Uddin Ahmed	Director	24,157,843	24,157,843
5	Mrs. Jusna Ara Kashem	Director	17,466,215	17,466,215
6	Mrs. Duluma Ahmed	Director	18,174,040	18,174,040
7	Mr. Md. Akikur Rahman	Director	17,470,221	17,470,221
8	Mrs. Sirat Monira	Director	114,807	114,807
9	Mr. Abdul Hye	Director	154,686	154,686
10	Dr. Zaidi Sattar (Representing Karnafuli Tea Co. Limited)	Independent Director	-	-
11	Mr. A. H. M. Moazzem Hossain	Independent Director	-	-
			139,614,121	140,612,121

22.9 Capital adequacy ratio (CAR) the Bank

The calculation of CAR has been done as per BRPD Circular no. 10 dated 10 March 2010 and the Basel-II guideline December 2010 vide BRPD Circular no. 35 dated 29 December 2010.

Capital status for Solo

	2013 Taka	2012 Taka
Core capital (Tier-I)		
Paid up capital	8,732,858,820	8,732,858,820
Share premium	-	-
Statutory reserve (Note 23)	6,444,821,277	5,236,100,140
General reserve	247,650,000	247,650,000
Retained earnings (Note 27)	2,159,172,145	1,354,812,170
	17,584,502,242	15,571,421,130
Supplementary capital (Tier-II)		
General provision maintained against unclassified loan/investments	1,220,276,230	1,210,276,230
General provision on off-balance sheet items	813,041,000	711,310,000
Asset revaluation reserve	2,101,404,750	2,101,404,750
Revaluation reserve of Government securities	64,366,562	14,545,920
	4,199,088,542	4,037,536,900
Additional Supplementary capital (Tier-III)	-	-
A) Total capital	21,783,590,784	19,608,958,030
B) Risk weighted assets (RWA)		
Credit Risk		
On-Balance Sheet	134,544,092,437	122,737,065,798
Off-Balance Sheet	41,316,754,544	36,870,841,974
	175,860,846,981	159,607,907,772
Market Risk	9,584,325,570	7,599,701,336
Operational Risk	13,062,800,000	12,133,270,932
Total RWA	198,507,972,551	179,340,880,040
C) Required capital	19,850,797,255	17,934,088,004
D) Surplus (A-C)	1,932,793,529	1,674,870,026

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
Capital adequacy ratio:		
On core capital - against standard of minimum 5%	8.86%	8.68%
On total capital - against standard of minimum 10%	10.97%	10.93%
22.10 Capital adequacy ratio (CAR) the Group		
Core capital (Tier-I)		
Paid up capital	8,732,858,820	8,732,858,820
Share premium	-	-
Statutory reserve (Note 23)	6,444,821,277	5,236,100,140
General reserve	247,650,000	247,650,000
Minority interest in subsidiary	10,479,722	7,764,263
Retained earnings (Note 27a)	2,172,669,304	1,335,631,386
	17,608,479,123	15,560,004,609
Supplementary capital (Tier-II)		
General provision maintained against unclassified loan/ investments	1,220,276,230	1,210,276,230
General provision on off-balance sheet items	813,041,000	711,310,000
Asset revaluation reserve	2,101,404,750	2,101,404,750
Revaluation reserve of Government securities	64,366,562	14,545,920
	4,199,088,542	4,037,536,900
Additional Supplementary capital (Tier-III)	-	-
A) Total capital	21,807,567,665	19,597,541,509
B) Risk weighted assets (RWA)		
Credit Risk		
On-Balance Sheet	132,678,029,467	121,564,783,826
Off-Balance Sheet	41,316,754,544	36,870,916,973
	173,994,784,011	158,435,700,799
Market Risk	12,874,125,570	9,635,652,532
Operational Risk	13,229,549,000	12,256,308,250
Total RWA	200,098,458,580	180,327,661,581
C) Required capital	20,009,845,858	18,032,766,158
D) Surplus (A-C)	1,797,721,807	1,564,775,351
Capital adequacy ratio:		
On core capital - against standard of minimum 5%	8.80%	8.63%
On total capital - against standard of minimum 10%	10.90%	10.87%
23 Statutory reserve		
Balance as at 1 January	5,236,100,140	4,519,282,462
Addition during the year (20% of pre-tax profit)	1,208,721,137	716,817,678
Balance as at 31 December	6,444,821,277	5,236,100,140

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
24 Revaluation reserve		
Revaluation reserve of land and buildings		
Balance as at 1 January	4,944,481,764	4,944,481,764
Addition during the year	-	-
	4,944,481,764	4,944,481,764
Deferred tax liabilities	(741,672,265)	(741,672,265)
Balance as at 31 December	4,202,809,499	4,202,809,499
Revaluation reserve on HTM securities		
Balance as at 1 January	38,835,260	12,051,293
Addition during the year	22,020,173	26,783,967
	60,855,433	38,835,260
Adjustment during the year	-	-
	60,855,433	38,835,260
Deferred tax liabilities	(25,863,559)	(16,504,986)
Balance as at 31 December	34,991,874	22,330,274
Revaluation reserve on HFT securities		
Balance as at 1 January	6,761,566	16,015,627
Addition during the year	3,329,689,616	130,835,545
	3,336,451,182	146,851,172
Adjustment during the year	(3,242,709,932)	(140,089,606)
Balance as at 31 December	93,741,249	6,761,566
	4,331,542,622	4,231,901,339
25 Other reserves		
General reserve:		
Balance as at 1 January	247,650,000	247,650,000
Addition during the year	-	-
Balance as at 31 December	247,650,000	247,650,000
26 Translation reserve		
Balance as at 1 January	(23,936)	(993,158)
Addition during the year	(371,298)	969,222
Balance as at 31 December	(395,234)	(23,936)
<p>The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as the Off-shore Banking Unit of the Bank</p>		
27 Consolidated retained earnings		
Southeast Bank Limited	2,159,172,145	1,354,812,170
Southeast Bank Capital Services Limited	40,277,643	10,170,001
Adjustment of Goodwill	-	-
Southeast Financial Services Limited	(26,472,243)	(18,665,464)
Currency translation difference	(308,243)	(515,320)
Elimination of impairment of investment in subsidiary	-	(10,170,001)
	2,172,669,304	1,335,631,386

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
28 Retained earnings		
Balance as at 1 January	1,354,812,170	2,074,807,434
Currency translation difference	(646,870)	152,030
Prior year adjustment	51,122	-
	1,354,216,422	2,074,959,464
Retained surplus for the year	2,134,884,549	943,254,326
	3,489,100,970	3,018,213,790
Less: Transfer to SEBL Foundation	10,000,000	-
Transfer to SEBL Employees' welfare fund	10,000,000	-
Issue of bonus share	-	415,850,360
Cash dividend paid	1,309,928,825	1,247,551,260
	1,329,928,825	1,663,401,620
Retained earning carried forward	2,159,172,145	1,354,812,170
29 Non-controlling interest		
Paid up capital	1,000,000,000	1,000,000,000
Retained earnings	40,687,365	(231,261,111)
Total net assets	1,040,687,365	768,738,889
Non-controlling interest 1.007% (2012: 1.01%) of net assets	10,479,722	7,764,263
30 Contingent liabilities		
30.1 Acceptances and endorsements		
Acceptance under Letters of Credit -Import-Other than Back to Back	19,713,122,593	14,585,027,914
Acceptance under Letters of Credit -Back to Back	13,134,368,614	10,831,675,965
	32,847,491,207	25,416,703,879
Less: Margin	2,661,136,489	2,027,384,814
	30,186,354,718	23,389,319,065
30.2 Letters of guarantee		
Letters of guarantee (Local)	10,760,800,607	8,170,128,418
Letters of guarantee (Foreign)	5,469,682,852	6,018,323,918
	16,230,483,458	14,188,452,336
Less: Margin	621,808,988	534,499,797
	15,608,674,470	13,653,952,539
Balance for which the Bank is contingently liable in respect of guarantee issued favouring:		
Directors or officers	4,783,060	4,783,060
Government	-	-
Banks and other financial institutions	-	-
Others	16,225,700,398	14,183,669,276
	16,230,483,458	14,188,452,336
Less: Margin	621,808,988	534,499,797
	15,608,674,470	13,653,952,539

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
30.3 Irrevocable letters of credit		
Back to back L/C	8,454,983,998	7,949,590,330
Others	11,470,658,406	10,959,152,685
	19,925,642,403	18,908,743,015
Less: Margin	1,636,144,465	1,381,944,617
	<u>18,289,497,938</u>	<u>17,526,798,398</u>
30.4 Bills for collection		
Bills for collection (Local)	5,857,015,348	5,454,725,007
Bills for collection (Foreign)	6,443,416,826	7,162,072,879
	<u>12,300,432,174</u>	<u>12,616,797,886</u>
30.5 Value of Bangladesh Sanchaypatra	<u>822,339,000</u>	<u>732,879,000</u>
31 Income statement		
Income:		
Interest, discount and similar income	23,737,933,521	20,115,077,361
Dividend income	53,527,990	61,948,935
Fees, commission and brokerage	1,649,822,925	1,317,229,835
Gains less losses arising from dealing securities	21,624,352	344,687,946
Gains less losses arising from investment securities	117,805,901	55,789,737
Gains less losses arising from dealing in foreign currencies	790,549,177	736,445,475
Income from non-banking assets	-	-
Other operating income	448,519,317	376,889,197
Profit less losses on interest rate changes	-	-
	<u>26,819,783,184</u>	<u>23,008,068,486</u>
Expenses:		
Interest, fees and commission	17,238,960,381	15,302,552,085
Losses on loans and advances	-	-
Administrative expenses	2,025,588,768	1,616,558,262
Other operating expenses	421,265,067	455,141,787
Depreciation on banking assets	246,746,955	199,943,328
	<u>19,932,561,171</u>	<u>17,574,195,462</u>
Income over expenditure	<u>6,887,222,012</u>	<u>5,433,873,024</u>
32 Consolidated interest income/profit on investments		
Southeast Bank Limited (Note 33)	19,217,703,273	17,368,928,608
Southeast Bank Capital Services Limited	358,771,992	341,956,472
Southeast Bank Financial Services Limited	244	235,758
	<u>19,576,475,509</u>	<u>17,711,120,838</u>
Less: Inter company balance eliminated	375,839,271	317,069,886
	<u>19,200,636,238</u>	<u>17,394,050,952</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
33 Interest income/profit on investment		
Interest on loans and advances	17,183,970,460	16,087,108,557
Interest on placement with other banks and financial institutions	300,558,776	163,583,883
Interest on foreign currency balances	13,769,750	5,991,638
	<u>17,498,298,986</u>	<u>16,256,684,078</u>
Profit on investment (Islamic Banking Branch):		
Profit on Investments	1,628,486,738	1,029,707,140
Profit on placement with other banks	90,917,549	82,537,390
	<u>1,719,404,287</u>	<u>1,112,244,530</u>
	<u>19,217,703,273</u>	<u>17,368,928,608</u>
34 Consolidated interest paid/profit shared on deposits and borrowings etc.		
Southeast Bank Limited (Note 35)	17,238,960,381	15,302,552,085
Southeast Bank Capital Services Limited	370,385,486	317,069,886
	<u>17,609,345,867</u>	<u>15,619,621,971</u>
Less: Inter company balance eliminated	375,839,271	317,069,886
	<u>17,233,506,596</u>	<u>15,302,552,085</u>
35 Interest paid/profit shared on deposits and borrowings etc.		
Interest paid on:		
Interest on deposits	14,427,800,669	12,129,399,947
Interest on borrowings	212,363,247	285,021,123
Interest on Repurchase agreement (repo)	175,593,978	664,031,815
Interest on Re-Finance	11,525,898	58,783,795
Interest on foreign bank accounts	40,436,540	23,291,565
	<u>14,867,720,332</u>	<u>13,160,528,245</u>
Profit shared on deposits (Islamic Banking Branch):		
Profit paid on deposits	2,285,831,817	2,096,574,539
Profit on Re-finance borrowings	85,408,231	45,449,301
	<u>2,371,240,048</u>	<u>2,142,023,840</u>
	<u>17,238,960,381</u>	<u>15,302,552,085</u>
36 Consolidated Investment income		
Southeast Bank Limited (Note 37)	4,713,188,491	3,208,575,371
Southeast Bank Capital Services Limited	69,458,105	49,869,252
	<u>4,782,646,596</u>	<u>3,258,444,623</u>
37 Investment income		
Interest income from Government Securities (Note 37.1)	4,520,230,248	2,746,148,753
Capital Gain on Government Securities (Note 37.2)	22,221,067	375,031,153
Revaluation gain/(loss) on Government Securities (Note 37.3)	(596,715)	(30,343,207)
Dividend on investment in shares	53,527,990	61,948,935
Gain on sale of investment in shares	117,805,901	55,789,737
	<u>4,713,188,491</u>	<u>3,208,575,371</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
37.1 Interest Income from Government Securities		
Interest on treasury bills	1,119,733,411	-
Interest on treasury bonds/T&T bonds	5,232,580,104	20,995,492,145
	<u>6,352,313,515</u>	<u>20,995,492,145</u>
Interest Expenses on treasury bills	(558,610)	-
Interest Expenses on treasury bonds	(1,831,524,657)	8,249,343,392)
	<u>(1,832,083,267)</u>	<u>8,249,343,392)</u>
Net Interest Income from Government Securities	<u>4,520,230,248</u>	<u>2,746,148,753</u>
37.2 Capital Gain on Government Securities		
Capital Gain on treasury bills	23,973,258	446,742,122
Capital Gain on treasury bonds/T&T bonds	86,401,402	400,180,645
	<u>110,374,660</u>	<u>846,922,767</u>
Capital loss on treasury bills	(139,021)	(80,480,389)
Capital loss on treasury bonds/T&T bonds	(88,014,572)	(391,411,225)
	<u>(88,153,593)</u>	<u>(471,891,614)</u>
Net capital gain on Government Securities	<u>22,221,067</u>	<u>375,031,153</u>
37.3 Revaluation Gain/(loss) on Government Securities		
Revaluation gain on treasury bills	70,206,381	14,423,433
Revaluation gain on treasury bonds	1,268,027,048	844,002,811
	<u>1,338,233,429</u>	<u>858,426,244</u>
Revaluation loss on treasury bills	(69,536,289)	(15,011,997)
Revaluation loss on treasury bonds	(1,269,293,855)	(873,757,454)
	<u>(1,338,830,144)</u>	<u>(888,769,451)</u>
Net revaluation gain/(loss) on Government Securities	<u>(596,715)</u>	<u>(30,343,207)</u>
38 Commission, exchange and brokerage		
Commission and brokerage	1,649,822,925	1,317,229,835
Exchange gain (Note 38.1)	790,549,177	736,445,475
	<u>2,440,372,102</u>	<u>2,053,675,310</u>
38.1 Exchange gain		
Exchange gain from revaluation/trade of foreign currency	776,789,165	719,647,470
Exchange gain from credit card	13,760,012	16,798,005
	<u>790,549,177</u>	<u>736,445,475</u>
39 Consolidated other operating income		
Southeast Bank Limited (Note 40)	448,519,317	376,889,197
Southeast Bank Capital Services Limited	37,697,473	47,723,864
Southeast Bank Financial Services Limited	8,433,172	3,393,118
	<u>494,649,962</u>	<u>428,006,179</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
40 Other operating income		
Remittance fees	822,019	1,035,768
Service and incidental charges	78,684,242	67,682,851
Other Fees-Telephone and Postage	42,350,337	42,728,292
Income from ATM services	5,628,043	3,452,400
Income from Credit Card	61,368,330	50,141,382
Income from Retail Banking	2,556,654	-
On-line services fees	-	-
Other Fees - SWIFT	126,086,542	58,527,319
Demat and Custody Fees	-	160,000
Gain on sale of fixed assets (Note 40.1)	859,922	1,751,956
Recovery of written off loans	-	93,864,487
Recovery of Other Assets	1,778,900	-
Miscellaneous income	128,384,330	57,544,742
	<u>448,519,317</u>	<u>376,889,197</u>
40.1 Gain on sale of fixed assets		
Cost:		
Motor vehicle	2,893,630	9,052,287
Furniture and fixtures	894,003	2,004,263
Office appliances	8,500	88,265
Electrical appliances	4,192,346	2,519,807
	<u>7,988,479</u>	<u>13,664,622</u>
Accumulated depreciation:		
Motor vehicle	2,411,358	7,538,085
Furniture and fixtures	458,534	208,286
Office appliances	2,486	74,821
Electrical appliances	3,458,919	2,491,207
	<u>6,331,297</u>	<u>10,312,399</u>
Written down value	<u>1,657,182</u>	<u>3,352,223</u>
Sale proceeds of the above fixed assets	2,517,103	5,104,179
Gain on sale of fixed assets	<u>859,922</u>	<u>1,751,956</u>
41 Consolidated salaries and allowances		
Southeast Bank Limited (Note 42)	1,254,671,130	980,232,290
Southeast Bank Capital Services Limited	8,656,931	7,021,050
Southeast Bank Financial Services Limited	6,489,752	6,019,242
	<u>1,269,817,813</u>	<u>993,272,582</u>
42 Salaries and allowances		
Basic salary	587,395,795	449,699,876
Allowances	399,494,156	315,011,405
Bonus	218,490,520	178,425,300
Provident fund	49,290,659	37,095,709
	<u>1,254,671,130</u>	<u>980,232,290</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

		2013	2012
		Taka	Taka
43	Consolidated rent, taxes, insurance, electricity etc.		
	Southeast Bank Limited (Note 44)	469,354,246	367,236,675
	Southeast Bank Capital Services Limited	19,403,974	17,948,847
	Southeast Bank Financial Services Limited	3,084,705	3,874,132
		<u>491,842,926</u>	<u>389,059,654</u>
44	Rent, taxes, insurance, electricity etc.		
	Rent, rates and taxes	279,562,332	228,482,838
	Insurance	121,603,578	84,047,360
	Electricity and lighting	68,188,336	54,706,477
		<u>469,354,246</u>	<u>367,236,675</u>
45	Consolidated postage, stamp, telecommunication etc.		
	Southeast Bank Limited (Note 46)	129,125,339	102,713,575
	Southeast Bank Capital Services Limited	164,294	122,291
	Southeast Bank Financial Services Limited	298,236	223,397
		<u>129,587,869</u>	<u>103,059,263</u>
46	Postage, stamp, telecommunication etc.		
	Postage	34,982,987	29,265,843
	Telephone /Telex	11,333,071	8,613,093
	Electronic banking service	300,000	1,141,300
	FC Charge (Nostro)	1,838,978	2,824,699
	VSAT on-line	40,830,646	39,249,874
	Reuters services	1,907,024	1,479,432
	SWIFT services	37,932,633	20,139,334
		<u>129,125,339</u>	<u>102,713,575</u>
47	Consolidated stationery, printing, advertisements etc.		
	Southeast Bank Limited (Note 48)	111,860,807	106,309,005
	Southeast Bank Capital Services Limited	494,955	246,756
	Southeast Bank Financial Services Limited	288,588	968,533
		<u>112,644,350</u>	<u>107,524,294</u>
48	Stationery, printing, advertisements etc.		
	Office stationery	17,183,108	14,788,863
	Printing stationery	36,195,990	28,726,474
	Security stationery	13,963,300	14,704,232
	Computer stationery	10,804,203	10,154,855
	Publicity and advertisement	33,714,206	37,934,581
		<u>111,860,807</u>	<u>106,309,005</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
49 Managing Director's salary and fees		
Basic Salary	3,900,000	5,100,000
House Rent	1,200,000	1,440,000
House Maintenance	600,000	600,000
Leave Fare Concession (LFC)	1,200,000	500,000
Special Allowance	900,000	1,200,000
Watch & Ward Duty at Residence	-	300,000
Cook & Gardener	-	360,000
Bonus	1,650,000	1,850,000
	<u>9,450,000</u>	<u>11,350,000</u>
50 Consolidated directors' fees and expenses		
Southeast Bank Limited (Note 51)	1,586,722	2,514,720
Southeast Bank Capital Services Limited	250,000	190,000
Southeast Bank Financial Services Limited	-	-
	<u>1,836,722</u>	<u>2,704,720</u>
51 Directors' fees and expenses		
Directors' fees	1,324,500	1,780,750
Directors' haltague and travelling	262,222	733,970
	<u>1,586,722</u>	<u>2,514,720</u>
Each Director is paid TK. 5,000/- per meeting per attendance.		
52 Consolidated auditors' fees		
Southeast Bank Limited	800,000	700,000
Southeast Bank Capital Services Limited	30,000	25,000
Southeast Bank Financial Services Limited	-	-
	<u>830,000</u>	<u>725,000</u>
53 Consolidated depreciation and repairs		
Depreciation:		
Southeast Bank Limited (Note 54)	246,746,955	199,943,328
Southeast Bank Capital Services Limited	7,085,533	6,717,318
Southeast Bank Financial Services Limited	1,380,289	1,581,477
	<u>255,212,777</u>	<u>208,242,123</u>
Repairs:		
Southeast Bank Limited (Note 54)	48,740,524	45,501,997
Southeast Bank Capital Services Limited	1,377,821	894,821
Southeast Bank Financial Services Limited	-	-
	<u>50,118,345</u>	<u>46,396,818</u>
	<u>305,331,122</u>	<u>254,638,941</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

		2013	2012
		Taka	Taka
54	Depreciation on and repairs of Bank's assets		
	Depreciation:		
	Building	52,745,189	52,767,226
	Furniture and fixtures	72,379,207	58,779,582
	Professional and Reference books	11,773	
	Office appliance	853,216	1,550,919
	Electrical appliance	97,317,241	78,127,026
	ATM Booth	9,825,176	
	Motor Vehicles	13,615,153	8,718,575
		246,746,955	199,943,328
	Repairs:		
	Furniture and fixtures	4,900,719	4,966,995
	Office and electrical appliance	20,460,759	19,725,096
	Motor vehicles	2,910,277	3,027,180
	Repair, maintenance and utilities	20,468,768	17,782,726
		48,740,524	45,501,997
		295,487,479	245,445,325
55	Consolidated other expenses		
	Southeast Bank Limited (Note 56)	420,362,612	454,474,819
	Southeast Bank Capital Services Limited	8,372,078	6,373,024
	Southeast Bank Financial Services Limited	4,698,625	2,419,250
	Impairment of Goodwill	-	-
	Adjustment for impairment loss (loss reversal) of investment in subsidiary	228,925,371	10,170,001
		662,358,686	473,437,094
56	Other expenses		
	Security and cleaning	88,415,351	66,638,025
	Entertainment	39,636,249	42,099,942
	Car expenses	101,005,917	85,216,528
	Books and periodicals	758,486	673,228
	Subscription and donation	45,048,671	19,427,094
	Travelling expenses	9,968,161	8,166,413
	Finance charge on leased assets	6,395,757	4,270,287
	Conveyance	8,941,374	8,005,288
	Fuel	6,507,453	6,798,411
	Training/seminar	1,643,444	2,546,877
	Uniforms and apparels	3,205,863	2,690,355
	Medical expenses	122,423	1,609,212
	Gratuity	65,300,000	22,000,000
	Professional expenses	951,900	3,045,518
	Expenses for CIB report	661,111	85,430
	Loss on sale of fixed assets (Note 35.1)	-	-
	Expenses regarding credit card	32,385,318	36,239,741
	Expenses regarding retail banking & agriculture	22,504,403	11,009,213
	Expenses regarding call centre	718,212	-
	Expenses relating ATM services	791,447	-
	Impairment loss (loss reversal) from investment subsidiary	(228,925,371)	(10,170,001)
	Miscellaneous	214,326,444	144,123,258
		420,362,612	454,474,819

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

	2013	2012
	Taka	Taka
57 Consolidated provision for diminution in value of investments		
Southeast Bank Limited (Note 58)	180,938,152	345,380,404
Southeast Bank Capital Services Limited	(222,241,990)	41,564,106
Southeast Bank Financial Services Limited	-	-
	<u>(41,303,838)</u>	<u>386,944,510</u>
58 Provision for diminution in value of investments		
Required Provision for the year	1,204,478,742	1,024,056,661
Provision has already been maintained last year	(1,024,056,661)	(679,800,000)
Provision released for disposal of shares during the year	516,071	1,123,743
Provision to be maintained	<u>180,938,152</u>	<u>345,380,404</u>
59 Consolidated tax expense		
Current tax		
Southeast Bank Limited (Note 60)	2,700,000,000	1,923,516,385
Southeast Bank Capital Services Limited	-	31,102,723
Southeast Bank Financial Services Limited	-	-
	<u>2,700,000,000</u>	<u>1,954,619,108</u>
Deferred tax		
Southeast Bank Limited	-	500,000
Southeast Bank Capital Services Limited	-	-
Southeast Bank Financial Services Limited	-	-
	<u>-</u>	<u>500,000</u>
	<u>2,700,000,000</u>	<u>1,955,119,108</u>
60 Tax expense		
Current tax	2,896,989,407	1,923,313,235
Adjustment for prior years	(196,989,407)	203,150
Deferred tax	-	500,000
	<u>2,700,000,000</u>	<u>1,924,016,385</u>
61 Consolidated cash received from other operating activities		
Southeast Bank Limited (Note 62)	447,659,396	281,272,754
Southeast Bank Capital Services Limited	37,697,473	47,723,864
Southeast Bank Financial Services Limited	8,433,172	3,393,118
	<u>493,790,041</u>	<u>332,389,736</u>
62 Cash received from other operating activities		
Remittance fees	822,019	1,035,768
Service and incidental charges	78,684,242	67,682,851
Other Fees-Telephone and Postage	42,350,337	42,728,292
Income from ATM services	5,628,043	3,452,400
Income from Credit Card	61,368,330	50,141,382
On-Line services	-	-
Other Fees - SWIFT	126,086,542	58,527,319
Income from Retail Banking	2,556,654	-
Recovery of Other Assets	1,778,900	-
Demat and Custody Fees	-	160,000
Miscellaneous income	128,384,330	57,544,742
	<u>447,659,396</u>	<u>281,272,754</u>

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

		2013	2012
		Taka	Taka
63	Consolidated Payments for other operating activities		
	Southeast Bank Limited (Note 64)	1,288,922,575	1,034,781,854
	Southeast Bank Capital Services Limited	29,598,167	25,553,983
	Southeast Bank Financial Services Limited	8,081,566	6,516,780
		1,326,602,308	1,066,852,617
64	Payments for other operating activities		
	Rent rates and taxes	458,479,551	418,039,755
	Postage	129,125,339	102,713,575
	Directors fees	1,586,722	2,514,720
	Repairs	48,740,524	45,501,997
	Others expenses	650,990,438	466,011,807
		1,288,922,575	1,034,781,854
65	Consolidate earnings per share		
	Net profit after tax for the year ended 31 December (Taka)	3,376,083,502	1,648,614,849
	Number of ordinary shares outstanding	873,285,882	873,285,882
	Earnings per share (EPS) (Taka)	3.87	1.89
66	Earnings per share		
	Net profit after tax for the year ended 31 December (Taka)	3,343,605,686	1,660,072,004
	Number of ordinary shares outstanding	873,285,882	873,285,882
	Earnings per share (EPS) (Taka)	3.83	1.90
67	Group entities		
		Ownership interest %	
	<u>Significant subsidiaries</u>	2013	2012
	<u>Country of incorporation</u>		
	Southeast Bank Capital Services Limited	98.993	98.99
	Bangladesh		
	Southeast Financial Services (UK) Limited	100	100
	England and Wales		

68 General

68.1 Audit Committee

An Audit Committee is an operating 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 of the Bank was re-constituted by the Board of Directors of the Bank in its 396th meeting held on March 15, 2012 comprising the 5 (five) members of the Board of Directors of the Bank as per BRPD Circular Letter No.8 dated 19 June, 2011. In pursuit of Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012, the Audit Committee of the Board of Directors of the Bank was again re-constituted by the Board in its 410th meeting held on December 24, 2012 and A.H.M. Moazzem Hossain, Independent Director of the Bank, was made Chairman of the Audit Committee. The Audit Committee was again re-constituted by the board of Directors in its 419th meeting held on April 21, 2013 after re-constitution of the Board by the 18th Annual General Meeting held on 21 April, 2013. The membership and attendance of the members of the Audit Committee of the Board of Directors of the Bank in the meetings held are given below:

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

Sl. no.	Name	Position	Meetings held	Attendance	Remarks
1)	Mr. A.H.M. Moazzem Hossain	Chairman	4	4	The member who could not attend any meeting of the Audit Committee was granted leave of absence.
2)	Mr. Ragib Ali	Member	4	4	
3)	Mr. M. A. Kashem	Member	4	2	
4)	Mr. Azim Uddin Ahmed	Member	4	4	
5)	Dr. Zaidi Sattar	Member	4	2	

On invitation, Senior Executives of the Bank including the Managing Director, Chief Financial Officer (CFO), Head of Internal Control and Compliance and Head of Bank's Risk Management Unit attended the meetings to meet instant queries of the Audit Committee to make its decisions fact based.

In the meantime, Bangladesh Bank issued BRPD Circular No.11 dated 27 October 2013 to accommodate the provisions contained in Bank Company Act-1991 (Amendment- 2013). In pursuit of the requirements, the Board of Directors of the Bank in its 430th meeting held on December 24, 2013 re-constituted the Audit Committee of the Board of Directors comprising the following Directors of the Bank. As required, two Independent Directors were included in the Audit Committee.

Sl. no.	Name	Status with the committee	Educational Qualification
1)	Mr. A.H.M. Moazzem Hossain	Chairman	MA in Economics
2)	Mrs. Duluma Ahmed	Member	Graduate
3)	Mrs. Jusna Ara Kashem	Member	HSC
4)	Mrs. Sirat Monira	Member	MA
5)	Dr. Zaidi Sattar	Member	Ph.D. in Economics

Terms of Reference of the Audit Committee

- i) Mr. A.H.M. Moazzem Hossain, in his capacity as the Independent Director, shall be the Chairman of the Audit Committee.
- ii) Presence of 03 (three) members shall form quorum.
- iii) The tenure of office of the Audit Committee shall be for 3 years.
- iv) The Company Secretary shall act as Secretary to the Audit Committee.
- v) The term 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.SEC/CMRRCD/2006-158/134/Admin 144 dated 07 August, 2012 of Bangladesh Securities and Exchange Commission (BSEC).
- vi) Mr. Zakir Ahmed Khan, Advisor of the Bank, shall remain present in every meeting of the Audit Committee as far as possible and shall give his advice and suggestions for improvement of Bank's operations and strict compliance of rules of both the Bank and its regulators.



Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

Charter of the Audit Committee

The Audit Committee is constituted by and among 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 control and procedure.
- Overseeing Bank's internal control over financial reporting.
- Overseeing Bank's compliance with ethical standards adopted by the company.
- Making reports and recommendation to the Board.

During the year 2013, the audit committee held 4 (four) meetings. On invitation, senior executives of the Bank including the Managing Director, Chief Financial Officer (CFO), Head of Internal Control and Compliance Division, Head of Risk Management Division and Head of Risk Management Unit of the Bank attended the meetings of the Audit Committee to instantly meet the queries of the Audit Committee and take directives for improvement. In those meetings, annual audit plan of the Bank was reviewed, performance of the internal external auditors was widely discussed, risk reports of the Bank was reviewed, internal inspection reports on the Bank's branches and Head Office were reviewed and suitable decision were given to the management. The findings of the Audit Committee were also regularly reviewed by the Board of Directors.

Roles and Responsibilities

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

- i) Oversee the financial reporting process.
- ii) Monitor choice of accounting policies and principles.
- iii) Monitor Internal Control Risk management process.
- iv) Oversee hiring and performance of external auditors.
- v) Review the annual financial statements before submission to the Board for approval.
- vi) Review the quarterly and half yearly financial statements before submission to the Board for approval.
- vii) Review the adequacy of internal audit functions.
- viii) Review statement of significant party transactions submitted by the management.
- ix) Review Management Letters/ Letter of Internal Control Weakness issued by Statutory Auditors.
- x) When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue, the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results.
- xi) Discuss Risk Management Policies and Practices with the Management.
- xii) Monitor internal control process.
- xiii) Oversight regulatory compliance, ethics and whistleblower hotlines
- xiv) Review Management's report on risk management
- xv) Review Audit Committee's own terms of reference.

68.2 Risk Management Committee of the Board of Directors of the Bank

The Bank Company (Amendment) Act-2013, inter alia, provides for constitution of a Risk Management Committee of the Board of Directors in the Bank. The BRPD Circular No. 11 of 27 October, 2013 also corroborates introduction of such a Committee in the Bank. Accordingly, the Board of Directors of the Bank in its 430th meeting held on 24 December, 2013 constituted the Risk Management Committee of the Board with the following members.

1	Mr. Alamgir Kabir, FCA	-Chairman
2	Mr. Ragib Ali	-Member
3	Mr. M. A. Kashem	-Member
4	Mr. Azim Uddin Ahmed	-Member
5	Mr. A. H. M. Moazzem Hossain	-Member

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

Other terms and reference of the Risk Management Committee

- Chairman of the Board of Directors of the Bank shall be the Chairman of the Risk Management Committee.
- Presence of 03 (three) members shall form quorum.
- The tenure of office of the Risk Management Committee shall be for 3 years.
- The Company Secretary shall act as Secretary to the Risk Management Committee.
- The term of reference of the Risk Management Committee shall also be as specified in the BRPD Circular No.11 dated October 27, 2013 of Bangladesh Bank.
- Mr. Zakir Ahmed Khan, Advisor of the Bank, shall remain present in every meeting of the Risk Management Committee as far as possible and shall give his advice and suggestions for improvement of Bank's operation and strict compliance of rules of both the Bank and its regulators.

68.3 Related party/(ies)

Particulars of Directors of the Bank as on 31 December 2013

Sl. No.	Name of persons	Designation	Present address	% of Shares as at 31 Dec, 2013
1.	Mr. Alamgir Kabir, FCA	Chairman	226, Dilu Road, New Eskaton, Dhaka	2.00
2	Mr. Ragib Ali	Vice Chairman	House No.06, Road No.76, Gulshan, Dhaka-1212	3.02
3	Mr. M. A. Kashem	Director	73/C, Gulshan Avenue, Gulshan, Dhaka-1212	2.20
4	Mr. Azim Uddin Ahmed	Director	Plot No.51, Road No.09, Block-F, Banani, Dhaka-1213	2.77
5	Mrs. Jusna Ara Kashem	Director	73/C, Gulshan Avenue, Gulshan, Dhaka-1212	2.00
6	Mrs. Duluma Ahmed	Director	Plot No.51, Road No.09, Block-F, Banani, Dhaka-1213	2.08
7	Mr. Md. Akikur Rahman	Director	Sonarpara, Nobarun-227, Sylhet	2.00
8	Mrs. Sirat Monira	Director	226, Dilu Road, (Ground Floor) New Eskaton, Dhaka	0.01
9	Karnafuli Tea Company Limited (represented by Mr. Abdul Hye)	Director	67, Motijheel C/A, Dhaka -1000	0.02
10	Dr. Zaidi Sattar	Independent Director	House No.41, Road No.35A, Gulshan, Dhaka-1212	-
11	Mr. A. H. M. Moazzem Hossain	Independent Director	Apartment #A-16, Building #03, Ramna Estate Complex, Bara Moghbazar, Dhaka-1217	-
12	Mr. Shahid Hossain	Managing Director	Southeast Bank Limited, Head Office, 52-53 Dilkusha C/A, Dhaka-1000.	-

68.3.1 Related party transactions

During the year 2013, 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 ended 31 December		Balance outstanding as at 31 December	
			2013 Taka	2012 Taka	2013 Taka	2012 Taka
Asia Insurance Ltd.	Common Director	Insurance coverage	34,347,840	23,600,762	-	17,678,797
		Current Account	-	-	1,192,756	1,974,867
		SND Account	-	-	24,738,434	35,370,921
		FDR Account	-	-	160,709,214	239,399,746
Southeast Bank Capital Services Ltd.	Subsidiary company	Interest on loan	370,385,486	317,069,886	3,058,510,916	2,402,903,434
		Interest on FDR	5,453,785	7,271,448	-	60,564,194
		Current Account	-	-	18,824,400	8,932
Southeast Financial Services (UK) Ltd.	Subsidiary company	Share capital	-	-	38,493,247	38,737,560

Southeast Bank Limited and its subsidiaries

Notes to the Financial Statements *as at and for the year ended 31 December 2013*

68.3.2 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	4,783,060	Regular
	Mrs. Duluma Ahmed				
Mr. Azim Uddin Ahmed	Mr. Azim Uddin Ahmed	Director	Credit Card	95,353	Regular
Mrs. Duluma Ahmed	Mrs. Duluma Ahmed	Director	Credit Card	7,806	Regular
Mrs. Jusna Ara Kashem	Mrs. Jusna Ara Kashem	Director	Credit Card	19,533	Regular
Mr. M. A. Kashem	Mr. M. A. Kashem	Director	Credit Card	43,206	Regular
Ms. Farzana Azim	Mr. Azim Uddin Ahmed	Director's daughter	Credit Card	5,135	Regular

The bank complies with the requirements of the section 26 (c) of the Banking Companies Act 1991 as amended in 2013 in connection to the transactions executed with persons related to the banks.

68.4 Events after the reporting period

The Board of Directors in its 434th meeting held on 03 March 2014 has recommended a cash dividend @ 16% and stock dividend @ 5% subject to the approval of the shareholders at the next Annual General Meeting.

68.5 Number of employees

The number of employees engaged for the whole year or part thereof who received a total yearly remuneration of Tk 36,000 or above were 2,118 the total number of employees were 2,010 in 2012.

68.6 Share trading

The Bank started trading its ordinary shares in CDBL from 16 May 2004. The closing market price of the share as on 31 December 2013 was Tk. 17.90 (2012: Tk.20.00) for each Tk.10 per value of share at DSE and Tk.18.10 (2012: Tk.20.00) for each Tk.10 per value of share at CSE.

68.7 Pattern of Shareholding

Breakup of shareholding pattern as per clause 1.5 (xxi) of Securities and Exchange Commission notification no No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under Section 2CC of the Securities and Exchange Ordinance, 1969, is as follows:

a) Parent/Subsidiary/Associated companies and other related parties (name wise details):

<u>Sl. No.</u>	<u>Name of the Company</u>	<u>Shareholding Structure</u>
1.	Southeast Bank Capital Services Ltd.	98.993% owned by Southeast Bank Limited
2.	Southeast Bank Financial Services (UK) Ltd.	100% owned by Southeast Bank Limited

68.8 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
Highlights on the overall activities
 as at and for the year ended 31 December 2013

Sl. no.	Particulars		2013	2012
1	Paid-up capital	Taka	8,732,858,820	8,732,858,820
2	Total capital	Taka	21,783,590,784	19,608,958,030
3	Capital surplus	Taka	1,932,793,529	1,674,870,026
4	Total assets	Taka	220,578,175,264	190,811,565,002
5	Total deposits	Taka	177,507,983,239	152,949,957,210
6	Total loans and advances/investments	Taka	135,690,089,841	127,267,155,966
7	Total contingent liabilities and commitments	Taka	82,126,388,243	71,863,576,116
8	Credit deposit ratio		76.44%	83.21%
9	Percentage of classified loans/investments against total loans and advances/investments		3.94%	4.47%
10	Profit after tax and provision	Taka	3,343,605,686	1,660,072,004
11	Amount of classified loans/investments	Taka	5,350,239,352	5,687,923,333
12	Provisions kept against classified loans/investments	Taka	2,656,723,198	2,326,310,499
13	Provision surplus/(deficit) against classified loans/investments	Taka	16,094,920	485,177
14	Cost of fund		10.01%	10.32%
15	Interest earning assets	Taka	190,734,965,071	165,359,522,082
16	Non-interest earning assets	Taka	29,843,210,193	25,452,042,920
17	Return on investment (ROI)		1.73%	1.01%
18	Return on assets (ROA) [PAT/ Average assets]		1.63%	0.95%
19	Income from investment	Taka	4,713,188,491	3,208,575,371
20	Capital adequacy		10.97%	10.93%
21	Stock dividend		5%	0%
22	Earnings per share	Taka	3.83	1.90
23	Net income per share	Taka	3.83	1.90
24	Price earning ratio	Times	4.68	10.52

Southeast Bank Limited
Consolidated Liquidity Statement
(Analysis of maturity of assets and liabilities)
as at 31 December 2013

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand	2,620,594,479	-	-	-	10,137,463,900	12,758,058,379
Balance with other banks and financial institutions	935,102,722	1,166,952,344	1,300,000,000	-	-	3,402,055,066
Money at call and on short notice	1,008,900,000	-	-	-	-	1,008,900,000
Investments	2,186,443,083	3,209,685,622	14,129,467,830	14,876,016,297	23,187,450,612	57,589,063,444
Loans and advances / investments	29,632,990,754	22,798,737,595	39,215,499,524	34,854,545,168	8,362,050,883	134,863,823,924
Fixed assets including premises, furniture and fixtures	-	-	-	569,990,704	7,225,658,421	7,795,649,125
Other assets	824,287,556	855,111,183	1,483,897,087	49,645,202	300,363,811	3,513,304,838
Non banking assets	-	-	-	-	-	-
Total assets (A)	37,208,318,593	28,030,486,744	56,128,864,441	50,350,197,372	49,212,987,627	220,930,854,776
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,980,000,000	200,000,000	2,521,750,000	219,685,000	-	7,921,435,000
Deposits	26,222,274,131	27,537,551,140	78,813,761,216	28,663,009,215	16,282,868,791	177,519,464,493
Provision and other liabilities	834,798,374	215,897,902	699,948,770	9,766,366,495	2,033,317,231	13,550,328,772
Total liabilities (B)	32,037,072,505	27,953,449,042	82,035,459,986	38,649,060,710	18,316,186,022	198,991,228,265
Net liquidity gap (A - B)	5,171,246,088	77,037,702	(25,906,595,545)	11,701,136,662	30,896,801,605	21,939,626,511

Southeast Bank Limited
Liquidity Statement
(Analysis of maturity of assets and liabilities)
as at 31 December 2013

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand	2,620,594,479	-	-	-	10,137,463,900	12,758,058,379
Balance with other banks and financial institutions	934,851,617	1,166,952,344	1,300,000,000	-	-	3,401,803,962
Money at call and on short notice	1,008,900,000	-	-	-	-	1,008,900,000
Investments	2,186,443,083	3,209,685,622	13,394,069,324	13,858,040,699	23,187,450,612	55,835,689,340
Loans and advances / investments	29,632,990,754	22,798,737,595	40,041,765,441	34,854,545,168	8,362,050,883	135,690,089,841
Fixed assets including premises, furniture and fixtures	-	-	-	547,219,466	7,095,050,003	7,642,269,469
Other assets	824,287,556	855,111,183	1,483,897,087	49,645,202	1,028,423,247	4,241,364,275
Non banking assets	-	-	-	-	-	-
Total assets (A)	37,208,067,488	28,030,486,744	56,219,731,852	49,309,450,535	49,810,438,645	220,578,175,264
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	4,980,000,000	200,000,000	2,521,750,000	219,685,000	-	7,921,435,000
Deposits	26,222,274,131	27,526,069,885	78,813,761,216	28,663,009,215	16,282,868,791	177,507,983,239
Provision and other liabilities	834,798,374	215,897,902	382,332,158	9,766,366,495	2,033,317,231	13,232,712,161
Total liabilities (B)	32,037,072,505	27,941,967,788	81,717,843,375	38,649,060,710	18,316,186,022	198,662,130,399
Net liquidity gap (A - B)	5,170,994,984	88,518,956	(25,498,111,523)	10,660,389,825	31,494,252,623	21,916,044,865

Southeast Bank Limited Balance with other banks-Outside Bangladesh (Nostro Account) as at 31 December 2013

Name of the Bank	Currency type	2013			2012		
		FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Interest bearing :							
Standard Chartered Bank, New York	USD	1,874,436	77.7500	145,737,394	1,228,810	79.8499	98,120,376
Standard Chartered Bank, New York	USD	4,789	77.7500	372,318	1,129	79.8499	90,162
Citibank, NA, New York, USA	USD	1,404,427	77.7500	109,194,212	77,296	79.8499	6,172,076
HSBC Bank, New York, USA	USD	1,275,632	77.7500	99,180,359	260,990	79.8499	20,840,054
HSBC Bank PLC, London, UK	GBP	100,466	128.1009	12,869,811	452,032	129.1253	58,368,751
Standard Chartered Bank, London, UK	GBP	9,550	128.1009	1,223,426	28,867	129.13	3,727,458
Mashreq Bank PSC, New York, USA	USD	896,076	77.7500	69,669,946	1,623,167	79.8499	129,609,753
Wells Fargo Bank, N.A., New York, USA	USD	141,985	77.7500	11,039,312	1,723,812	79.8499	137,646,245
Citibank AG, Frankfurt, Germany	EUR	446,333	106.8285	47,681,082	62,643	105.5775	6,613,722
Standard Chartered Bank, Kolkata, India	ACUD	153,792	77.7500	11,957,353	63,243	79.8499	5,049,947
Arab Bangladesh Bank Ltd., Mumbai, India	ACUD	126,283	77.7500	9,818,528	602,019	79.8499	48,071,132
ICICI Bank Ltd., Mumbai, India	ACUD	20,236	77.7500	1,573,354	246,429	79.8499	19,677,323
JP Morgan Chase Bank, New York, USA	USD	52,516	77.7500	4,083,151	325,367	79.8499	25,980,502
Habib American Bank, New York, USA	USD	141,361	77.7500	10,990,796	657,306	79.8499	52,485,831
Mashreq Bank, Mumbai, India	ACUD	134,881	77.7500	10,487,020	260,542	79.8499	20,804,229
Mashreq Bank, Mumbai, India	ACUEUR	29,905	106.8285	3,194,702	17,001	105.5775	1,794,917
Sonali Bank (UK) Ltd.	USD	51,420	77.7500	3,997,897	-	-	-
Sonali Bank (UK) Ltd.	GBP	31,055	128.1009	3,978,179	-	-	-
Sonali Bank (UK) Ltd.	EUR	10,000	106.8285	1,068,285	-	-	-
				558,117,124			635,052,478
Non-interest bearing :							
Bank of Nova Scotia, Toronto, Canada	CAD	164,155	72.5618	11,911,385	45,715	80.1062	3,662,092
United Bank Limited, Karachi, Pakistan	ACUD	12,825	77.7500	997,180	806	79.8499	64,369
Standard Chartered Bank, Colombo, Sri Lanka	ACUD	151,522	77.7500	11,780,828	89,829	79.8499	7,172,840
Standard Chartered Bank, Mumbai (AEB), India	ACUD	25,255	77.7500	1,963,576	25,255	79.8499	2,016,609
Nepal Bangladesh Bank Ltd., Kathmandu, Nepal	ACUD	289,152	77.7500	22,481,553	11,000	79.8499	878,350
Bank of Bhutan, Pheuntsholing, Bhutan	ACUD	79,993	77.7500	6,219,422	33,183	79.8499	2,649,619
Bank of Tokyo Mitsubishi, Kolkata, India	ACUD	25,255	77.7500	1,963,576	25,255	79.8499	2,016,609
Commerz Bank AG, Frankfurt, Germany	EUR	14,030	106.8285	1,498,802	91,372	105.5775	9,646,804
Commerz Bank AG, Frankfurt, Germany	USD	115,156	77.7500	8,953,368	48,584	79.8499	3,879,432
U.B.A.F., Tokyo, Japan	YEN	2,483,862	0.7382	1,833,478	67,906,162	0.9278	63,006,045
Zuercher Kantonal Bank, Zurich, Switzerland	CHF	35,840	87.0661	3,120,424	75,290	87.4301	6,582,606
National Australia Bank Ltd., Melbourne, Australia	AUD	287,915	68.8165	19,813,279	69,029	82.8043	5,715,920
HDFC Bank, Mumbai, India	ACUD	320,306	77.7500	24,903,757	74,168	79.8499	5,922,326
Habib Bank AG Zurich, Zurich, Switzerland	CHF	22,521	87.0661	1,960,828	6,806	87.4301	595,048
Mashreq Bank PSC, Dubai, UAE	AED	10,000	21.1674	211,674	10,000	21.7391	217,391
Habib Metropolitan Bank Ltd., Karachi, Pakistan	ACUD	212,257	77.7500	16,502,958	100,000	79.8499	7,984,990
Al Rajhi Bank, Saudi Arabia	SAR	49,705	20.7300	1,030,385	-	-	-
				137,146,472			122,011,050
				695,263,596			757,063,528

Southeast Bank Limited

Details of Large Loan as at 31 December 2013

	2013	2012
Number of clients	27	26
Amount of outstanding advances (Taka)	69,252.70	61,795.60
Amount of classified advances (Taka)	NIL	NIL
Measures taken for recovery (Taka)	NIL	NIL

Client-wise break up is as follows:

Amount in million Taka

Sl. No.	Name of clients	Outstanding as at 31 December 2013			Outstanding as at 31 December 2012		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Deshbandhu Sugar Mills Ltd. and its related concern	2,068.00	2,994.40	5,062.40	2,185.10	1,378.60	3,563.70
2	N. R. Group	751.90	378.60	1,130.50	1,326.80	806.90	2,133.70
3	Mother steel ltd. and its related concern	96.70	20.10	116.80	729.10	2.10	731.20
4	Padma Poly Cotton Knit Fabrics Ltd. and its related concern	-	-	-	1,270.10	370.10	1,640.20
5	Meghna Group	2,027.10	3,346.20	5,373.30	2,000.90	3,669.20	5,670.10
6	Chaity Composite Ltd. and its related concern	1,793.30	403.20	2,196.50	1,726.70	518.00	2,244.70
7	Khaleque Knitting and Garments Industries (Pvt.) Ltd. and its related concern	2,966.50	770.80	3,737.30	2,848.90	765.90	3,614.80
8	ACS Textile (Bangladesh) Limited	2,213.80	1,643.70	3,857.50	2,414.10	1,617.30	4,031.40
9	Shore to Shore (BD) Ltd. and its related concern	343.50	195.10	538.60	180.20	49.20	229.40
10	Marrine Vegetable Oils Ltd. and its related concern	2,536.00	1,092.00	3,628.00	2,574.50	244.20	2,818.70
11	Abul Khair Group	829.00	1,942.30	2,771.30	1,823.50	1,897.50	3,721.00
12	Yasmin Spinning Mills Ltd.	-	-	-	249.90	-	249.90
13	Grameen Phone Ltd.	-	2,233.80	2,233.80	2,039.00	464.80	2,503.80
14	Southeast Bank Capital Services Ltd.	3,057.80	-	3,057.80	2,485.10	-	2,485.10
15	Tung Hai Sweaters Ltd. its related concern	1,106.60	567.60	1,674.20	1,139.60	628.80	1,768.40
16	KDS Group	807.90	711.60	1,519.50	447.50	922.20	1,369.70
17	Kabir Steel Ltd. and its related concern	1,682.10	306.70	1,988.80	1,253.10	1,009.30	2,262.40
18	Toma Group	1,408.00	1,965.00	3,373.00	1,026.00	1,582.20	2,608.20
19	Maksons Spinning Mills Ltd.	1,405.70	702.10	2,107.80	1,133.60	727.60	1,861.20
20	S. Alam Super Edible Oil Ltd.	809.70	2,894.70	3,704.40	1,009.10	-	1,009.10
21	S. Alam Vegetable Oil Ltd. and its related concern	2,779.50	-	2,779.50	3,430.60	-	3,430.60
22	Bashundhara Group	2,377.10	1,140.00	3,517.10	1,633.60	1,051.90	2,685.50
23	Cassiopea Fashion Ltd. and its related concern	367.10	1,615.80	1,982.90	256.40	1,454.00	1,710.40
24	Crown Wear Pvt. Ltd. and its related concern	1,330.20	926.90	2,257.10	1,380.30	654.70	2,035.00
25	Partex Group	1,387.30	694.40	2,081.70	1,324.00	844.60	2,168.60
26	T.K. Group	18.30	2,277.70	2,296.00	347.30	2,901.50	3,248.80
27	Bengal Plastic Industries Ltd and its related concerns	200.40	263.50	463.90	-	-	-
28	Capital Banani One Ltd	1,807.30	-	1,807.30	-	-	-
29	Caixa Bank, S.A. LA Caixa	-	3,995.70	3,995.70	-	-	-
	Total	36,170.80	33,081.90	69,252.70	38,235.00	23,560.60	61,795.60

Southeast Bank Limited
Schedule of fixed assets including premises, furniture and fixtures
as at 31 December 2013

Particulars	Cost/Revaluation				Rate of dep.	Depreciation			Written down value as at 31 December
	Balance as at 1 January	Additions during the year	Revalued during the year	Disposal during the year		Balance as at 31 December	Charged during the year	Adjustment for disposal during the year	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
Own assets									
Office:									
Land	5,347,773,053	-	-	-	-	5,347,773,053	-	-	5,347,773,053
Building	1,523,898,102	79,500	-	-	4%	1,523,977,602	52,745,189	-	1,265,957,425
Furniture and fixtures	616,396,114	104,871,822	-	(13,309,739)	10%	707,958,197	48,698,034	(1,143,743)	479,056,525
Office Appliances	10,162,250	284,000	-	(13,900)	20%	10,432,350	853,216	(7,886)	4,980,435
Electrical Appliances	695,093,865	119,620,793	-	(28,489,237)	20%	786,225,421	95,644,011	(9,269,283)	428,156,585
ATM Booth	10,837,078	75,450,070	-	-	20%	86,287,148	9,825,176	6,745,295	69,694,087
Professional and Reference Books	117,728	-	-	-	30%	117,728	11,773	-	105,955
Motor vehicles	983,648	185,411	-	-	20%	1,169,059	187,133	-	981,926
	8,205,261,838	300,491,596	-	(41,812,876)		8,463,940,558	207,964,532	(3,675,617)	7,596,705,991
Residence of executives:									
Furniture and fixtures	2,829,706	900,000	-	(450,416)	10%	3,279,290	222,855	(90,299)	2,157,044
Electrical Appliances	14,549,800	6,825,000	-	(4,300,000)	20%	17,074,800	1,673,231	(785,191)	7,967,957
	17,379,506	7,725,000	-	(4,750,416)		20,354,090	1,896,086	(875,490)	10,125,001
	8,222,641,344	308,216,596	-	(46,563,292)		8,484,294,648	209,860,617	(4,551,107)	7,606,830,992
Leased assets									
Furniture and fixtures	106,026,227	-	-	-	10%	106,026,227	23,458,318	-	106,026,227
Motor vehicles	65,788,415	9,896,000	-	(2,893,630)	20%	72,790,785	13,428,020	(2,411,358)	35,438,476
	171,814,642	9,896,000	-	(2,893,630)		178,817,012	36,886,338	(2,411,358)	143,378,536
	8,394,455,986	318,112,596	-	(49,456,922)		8,663,111,660	246,746,955	(6,962,465)	7,642,269,469

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

Particulars	Cost/Revaluation						Rate of dep.	Depreciation				Written down value as at 31 December
	Balance as at 1 January	Additions during the year	Revalued during the year	Disposal during the year	Balance as at 31 December	Balance as at 1 January		Charged during the year	Adjustment for disposal during the year	Balance as at 31 December		
	Taka	Taka	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
Own assets												
Office:												
Land	5,214,889,179	132,883,874	-	-	5,347,773,053	-	-	-	-	-	5,347,773,053	
Building	1,466,947,871	56,950,231	-	-	1,523,898,102	4	4	52,767,226	205,274,988	-	1,318,623,114	
Furniture and fixtures	517,847,269	100,312,108	(1,763,263)	(1,763,263)	616,396,114	10	10	44,486,700	181,347,381	(128,104)	435,048,733	
Office Appliances	8,388,648	1,861,867	(88,265)	(88,265)	10,162,250	20	20	1,550,919	4,606,585	(74,821)	5,555,665	
Electrical Appliances	511,584,088	196,832,769	(2,485,913)	(2,485,913)	705,930,944	20	20	76,623,396	271,716,698	(1,878,605)	434,214,246	
Professional and Reference Books	67,728	50,000	-	-	117,728	30	30	-	-	-	117,728	
Motor vehicles	1,492,850	954,398	(1,463,600)	(1,463,600)	983,648	20	20	-	(1,463,599)	-	983,648	
	7,721,217,633	489,845,247	-	(5,801,041)	8,205,261,839			175,428,241	662,945,653	(3,545,129)	7,542,316,186	
Residence of executives:												
Furniture and fixtures	2,420,290	650,416	(241,000)	(241,000)	2,829,706	10	10	202,887	988,829	(80,182)	1,840,877	
Electrical Appliances	13,333,694	2,250,000	(1,033,894)	(1,033,894)	14,549,800	20	20	1,503,630	8,219,664	(612,602)	6,330,136	
	15,753,984	2,900,416	-	(1,274,894)	17,379,506			1,706,517	9,208,493	(692,784)	8,171,013	
	7,736,971,617	492,745,663	-	(7,075,935)	8,222,641,345			177,134,758	672,154,146	(4,237,913)	7,550,487,199	
Leased assets												
Furniture and fixtures	106,026,227	-	-	-	106,026,227	10	10	14,089,995	82,567,909	-	23,458,318	
Motor vehicles	49,499,602	23,877,500	(7,588,687)	(7,588,687)	65,788,415	20	20	8,718,575	26,335,647	(6,074,486)	39,452,768	
	155,525,829	23,877,500	-	(7,588,687)	171,814,642			22,808,570	108,903,556	(6,074,486)	62,911,086	
	7,892,497,446	516,623,163	-	(14,664,622)	8,394,455,987			199,943,328	781,057,702	(10,312,399)	7,613,398,286	

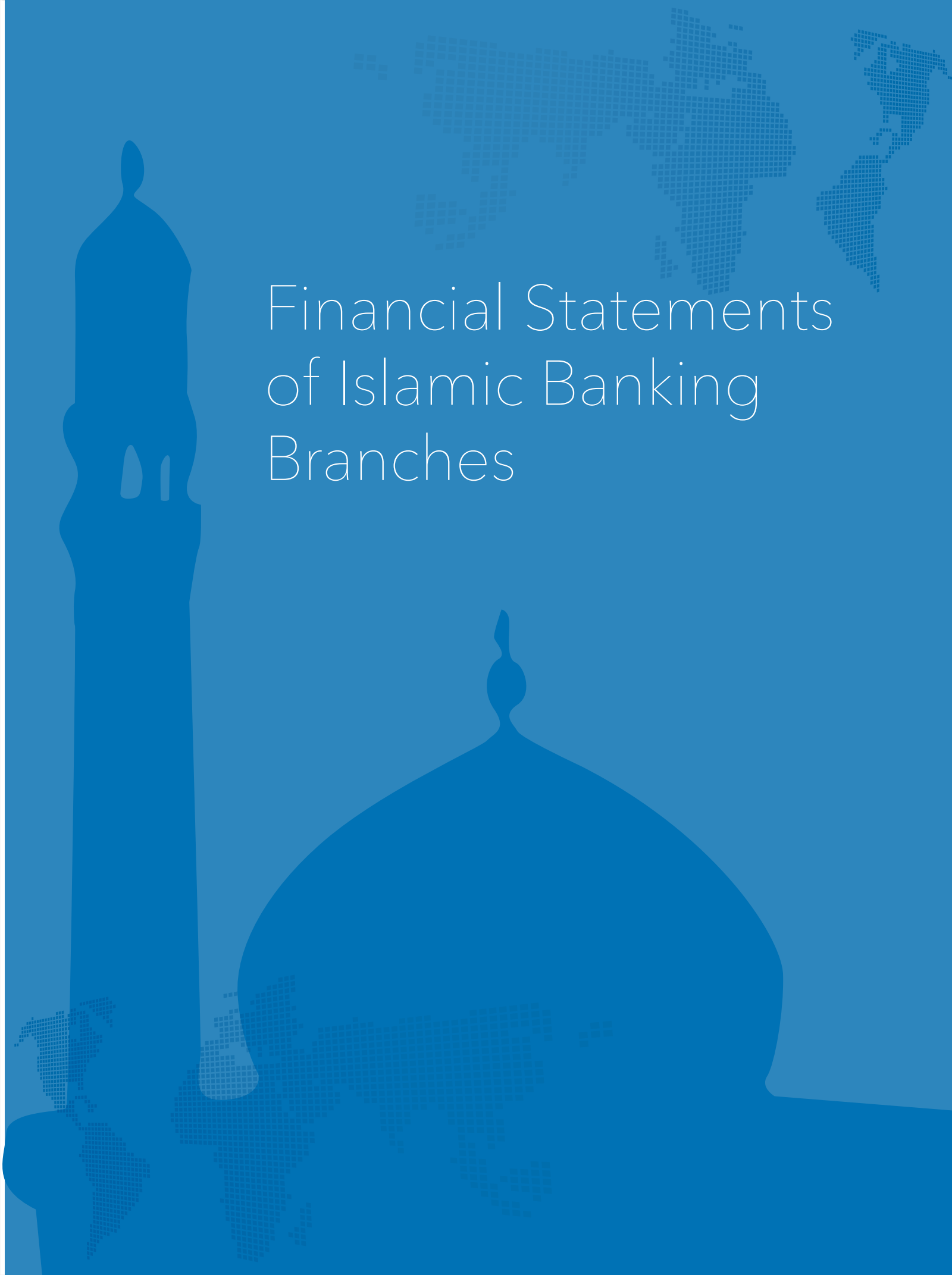
Southeast Bank Limited
Statement of tax position
as at 31 December 2013

Accounting year	Assessment year	Tax provision as per accounts	Tax demand as per assessment order / Return	Tax paid	Excess/(Short) provision	Excess/(Short) paid	Status of assessment/ pending with
1996	1997-1998	Taka 3,257,419	Taka 12,238,230	Taka 12,238,230	Taka (8,980,811)	Taka -	Final
1997	1998-1999	28,000,000	39,475,788	34,012,284	(11,475,788)	(5,463,504)	Appeal to High Court
1998	1999-2000	41,305,000	71,275,712	42,494,020	(29,970,712)	(28,781,692)	Appeal to High Court
1999	2000-2001	85,000,000	75,685,833	75,685,833	9,314,167	-	Final
2000	2001-2002	114,500,000	99,878,512	99,675,362	14,621,488	(203,150)	Final
2001	2002-2003	131,492,000	168,819,477	168,819,477	(37,327,477)	-	Final
2002	2003-2004	181,986,000	225,452,928	225,452,928	(43,466,928)	-	Final
2003	2004-2005	299,337,000	258,455,279	258,455,279	40,881,721	-	Final
2004	2005-2006	247,514,000	265,683,786	265,683,786	(18,169,786)	-	Final
2005	2006-2007	543,275,000	496,558,406	496,558,406	46,716,594	-	Final
2006	2007-2008	714,000,000	882,994,803	882,994,803	(168,994,803)	-	Final
2007	2008-2009	1,354,633,782	1,217,328,089	1,217,328,089	137,305,693	-	Final
2008	2009-2010	1,247,747,625	1,254,750,456	1,254,750,456	(7,002,831)	-	Final
2009	2010-2011	1,581,579,531	1,550,769,453	1,550,769,453	30,810,078	-	Return filed with DCT
2010	2011-2012	2,145,600,000	1,783,383,991	1,783,383,991	362,216,009	-	Final
2011	2012-2013	2,381,069,133	1,802,799,834	1,802,799,834	578,269,299	-	Return filed with DCT
2012	2013-2014	1,923,516,385	2,069,854,471	2,069,854,471	(146,338,086)	-	Return filed with DCT

Southeast Bank Limited

Names of Directors and their interest in different entities

Sl. no.	Name	Status with the Bank	Names of firms/companies in which interested as proprietor/director/managing agent/guarantor/employee/partner, etc.	Position	% of Shareholdings
1.	Mr. Alamgir Kabir, FCA	Chairman	Asia Insurance Limited National Life Insurance Co. Ltd.	Director Independent Director	6.40% Nil
2.	Mr. Ragib Ali	Vice Chairman	The Sylhet Tea Co. Limited Rajnagar Tea Co. Limited Union Syndicate Limited Star Tea Estate Limited	Managing Director " " "	19.58% 41.67% 19.00% 34.51%
3.	Mr. M. A. Kashem	Director	Rose Corner (Pvt.) Limited	Chairman	50.00%
4.	Mr. Azim Uddin Ahmed	Director	Mutual Food Products Ltd Mutual Milk Products Ltd. Mutual Trading Co. Limited	Managing Director " Chairman & MD	44.78% 52.00% 71.30%
5.	Mrs. Jusna Ara Kashem	Director	Rose Corner (Pvt.) Limited	Director	20.00%
6.	Mrs. Duluma Ahmed	Director	Mutual Food Products Ltd. Mutual Milk Products Ltd. Mutual Trading Co. Limited	Chairman " Director	31.78% 16.00% 12.96%
7.	Mr. Md. Akikur Rahman	Director	Nil	-	Nil
8.	Mrs. Sirat Monira	Director	Nil	-	Nil
9.	Mr. Abdul Hye (representative of Karnafuli Tea Co. Ltd.)	Director	Nil	-	Nil
10.	Dr. Zaidi Sattar	Independent Director	Nil	-	Nil
11.	Mr. A. H. M. Moazzem Hossain	Independent Director	International Publication Ltd. (Owning company of the Financial Express)	Director	1.33%



Financial Statements of Islamic Banking Branches

Southeast Bank Limited
Islamic Banking Branches
Balance Sheet
 as at 31 December 2013

PROPERTY AND ASSETS	Note	2013 Taka	2012 Taka
Cash	1		
In hand (including foreign currencies)		70,125,758	71,449,623
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		640,066,572	629,350,833
		710,192,331	700,800,456
Balance with other banks and financial institutions	2		
In Bangladesh		1,400,232,986	1,400,201,134
Outside Bangladesh		-	-
		1,400,232,986	1,400,201,134
Money at call and on short notice			
Investments in shares & securities	3		
Government		450,000,000	400,000,000
Others		3,384,140,559	2,655,411,394
		3,834,140,559	3,055,411,394
Investments	4		
General Investments etc.		8,002,362,278	7,719,946,734
Bills purchased and discounted		247,644,622	462,404,340
		8,250,006,900	8,182,351,074
Fixed assets including premises, furniture and fixtures	5	21,668,660	23,445,756
Other assets		8,834,720,971	4,147,443,616
Non - banking assets		-	-
Total assets		23,050,962,407	17,509,653,429
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	6	1,400,000,000	1,400,000,000
Deposits and other accounts	7		
Current/Al-wadeeah current accounts and other accounts		475,921,746	359,616,064
Bills payable		66,313,612	144,197,504
Savings bank/Mudaraba savings bank deposits		5,699,490,341	1,914,299,409
Fixed deposits/Mudaraba fixed deposits		12,856,144,568	11,699,649,990
		19,097,870,266	14,117,762,967
Other liabilities		2,553,092,140	1,991,890,463
Total liabilities		23,050,962,407	17,509,653,430
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	8		
Acceptances and endorsements		971,059,112	654,638,000
Letters of guarantee		436,933,590	465,970,635
Irrevocable letters of credit		495,966,194	663,806,000
Bills for collection		161,599,282	13,678,000
Value of Bangladesh Sanchaypatra		-	-
		2,065,558,178	1,798,092,635

Southeast Bank Limited
Islamic Banking Branches
Profit and Loss Account
For the year ended 31 December 2013

	Notes	2013	2012
		Taka	Taka
Interest income/profit on investments	9	2,422,265,192	2,047,016,336
Interest paid/profit shared on deposits and borrowings etc.	10	(1,670,553,050)	(1,472,788,162)
Net interest income/net profit on investments		751,712,142	574,228,174
Commission, exchange and brokerage	11	43,402,383	55,012,485
Other operating income	12	18,271,023	12,113,975
		61,673,407	67,126,460
Total operating income (A)		813,385,549	641,354,634
Salaries and allowances	13	66,882,441	56,689,535
Rent, taxes, insurance, electricity etc.	14	23,770,035	19,440,336
Legal expenses		-	1,500
Postage, stamp, telecommunication etc.	15	5,836,190	4,398,241
Stationery, printing, advertisements etc.	16	3,536,828	3,572,903
Depreciation and repair of Bank's assets	17	6,967,667	7,042,087
Other expenses	18	20,444,433	17,726,413
Total operating expenses (B)		127,437,595	108,871,015
Profit before provision (C=A-B)		685,947,954	532,483,619
Provision for loans and advances/investments			
General provision		-	68,765,251
Specific provision		-	-
		-	68,765,251
Provision for off-balance sheet items		2,674,449	2,160,000
Provision for diminution in value of investments		(1,487,270)	202,988,546
Total provision (D)		1,187,179	273,913,797
Total profit before tax (C-D)		684,760,776	258,569,822

Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
For the year ended 31 December 2013

	2013	2012
	Taka	Taka
1. Cash		
In hand:		
Local currency	68,574,645	70,302,180
Foreign currencies	1,551,113	1,147,443
	70,125,758	71,449,623
Balance with Bangladesh Bank:		
Local currency	640,066,572	628,233,399
Foreign currencies	-	-
	640,066,572	628,233,399
Balance with Sonali Bank Limited. (as agent of Bangladesh Bank):		
Local currency	-	1,117,434
	640,066,572	629,350,833
	710,192,331	700,800,456

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

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

1.1.1 a) Cash Reserve Requirement (CRR) for Islamic Banking

6% (2012:6%) of average Demand and Time Liabilities

Required reserve	554,315,840	524,826,180
Actual reserve held (Average daily on bi-weekly basis):	669,834,674	628,233,399
Surplus	115,518,834	103,407,219


b) Statutory Liquidity Requirement (SLR) for Islamic Banking

11.5 % (2012: 11.5%) of required average Demand and Time Liabilities:

Required reserve	1,062,438,700	1,005,916,850
Actual reserve held	1,152,266,000	1,100,800,456
Surplus	89,827,300	94,883,606

Held for Statutory Liquidity Ratio of Islamic Banking:

Cash in hand	69,292,000	71,449,623
Balance with Bangladesh Bank as per statement	632,943,000	628,233,399
Balance with agent bank (Sonali Bank Ltd.) as per statement	31,000	1,117,434
Government treasury bills	-	-
Government treasury bonds	450,000,000	400,000,000
	1,152,266,000	1,100,800,456




Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
For the year ended 31 December 2013

	<u>2013</u>	<u>2012</u>	
	<u>Taka</u>	<u>Taka</u>	
3.3 Cost and market value of investments			
3.3.1 Government securities			
	2013		2012
	<u>Cost price</u>	<u>Market price</u>	<u>Market price</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Bangladesh Government Treasury Bond	450,000,000	450,000,000	400,000,000
	<u>450,000,000</u>	<u>450,000,000</u>	<u>400,000,000</u>
3.3.2 Others			
<u>Investment in Shares</u>			
Particulars	<u>Market price</u>	<u>Cost price</u>	<u>Cost price</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Shares in listed companies	2,373,375,839	3,204,457,539	2,495,664,102
Shares in un-listed companies	<u>179,683,020</u>	<u>179,683,020</u>	<u>159,747,292</u>
	<u>2,553,058,859</u>	3,384,140,559	2,655,411,394
Provision for diminution in the market value of shares		<u>(831,081,700)</u>	<u>(830,388,546)</u>
		<u>2,553,058,859</u>	<u>1,825,022,848</u>
3.4 Market price, cost price and related provision of investments as on 31 December 2013			
	2013		Differences (Provision to be required)
Name of the Company	<u>Market price</u>	<u>Cost price</u>	
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
1 Aftabauto	45,799,984	51,594,598	5,794,614
2 AMCL(pran)	9,400,000	12,965,124	3,565,124
3 Asia Ins	59,971,937	76,805,098	16,833,161
4 Beximco Ltd	91,460,816	139,148,516	47,687,700
5 Bay Leasing	512,825,570	789,747,343	276,921,773
6 Bengal Windsor	1,972,544	1,468,229	(504,315)
7 BSRM steel	46,887,750	51,365,053	4,477,303
8 BSC	7,847,000	9,893,466	2,046,466
9 BSCCL	28,434,956	39,300,108	10,865,153
10 DESCO	16,060	24,440	8,380
11 EXIM Bank	283,286,923	674,489,050	391,202,127
12 EXIM Bank 1st Mutual Fund	77,032,800	98,760,000	21,727,200
13 Generation next	22,140,000	24,076,623	1,936,623
14 GP	33,550,300	35,269,335	1,719,035
15 Goldenson	18,040	13,098	(4,942)
16 KPCL	30,279,037	36,166,609	5,887,572
17 Lankabanglamin	27,959,925	26,732,655	(1,227,270)
18 Lafarge Cement	363,207,000	370,144,175	6,937,175
19 Megna petroleum	37,258,380	41,519,239	4,260,859
20 MJL	19,443,390	20,476,192	1,032,802
21 National Life	331,141,672	280,853,547	(50,288,125)
22 NTC	293,400	198,502	(94,898)
23 Padma oil	12,930,375	15,281,703	2,351,328
24 Premier cement	15,497,760	20,240,720	4,742,960
25 Olympic	39,481,640	40,355,397	873,757
26 Orioninfusion	5,917,780	6,572,003	654,223
27 RAK Ceramic	36,649,080	42,475,486	5,826,406
28 RNSpinning	11,411,325	11,104,035	(307,290)
29 SAPORT	20,346,753	21,802,291	1,455,538
30 SPPCL	20,328,000	22,808,059	2,480,059
31 Sumitpower	84,130,906	121,739,640	37,608,734
32 Titas Gas	29,145,465	30,395,979	1,250,514
33 TRUST 1MF	4,079,484	10,440,696	6,361,212
34 UNITEDAIR	53,059,117	69,405,146	16,346,029
35 Union Capital	10,170,670	10,825,384	654,714
	<u>2,373,375,839</u>	<u>3,204,457,539</u>	<u>831,081,700</u>
Actual provision			<u>(831,081,700)</u>
Surplus/(deficit)			<u>-</u>

Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
For the year ended 31 December 2013

	2013	2012
	Taka	Taka
4 Investments		
Investments (Note 4.1)	8,002,362,278	7,719,946,734
Bills purchased and discounted (Note 4.2)	247,644,622	462,404,340
	<u>8,250,006,900</u>	<u>8,182,351,074</u>
4.1 Investments		
In Bangladesh		
Demand Investment	38,159,446	180,804,801
Bai-Muajjal (Time) Investment	382,918,812	377,151,148
Bai-Muajjal Time under CCS	36,731,941	11,453,323
Bai-Murabaha-BLC	39,965,321	85,997,245
Bai-Murabaha-LTR	1,815,772,841	2,004,978,730
Bai-Salam	92,094,468	29,427,362
Staff House Building Investment	6,247,497	6,797,950
Investment against Cash Incentive	2,004,175	1,610,724
Bai-Muajjal - Investment	3,068,482,319	2,968,475,694
Murabaha - Investment	184,600,108	130,585,836
Hire purchase - Investment	2,270,602,746	1,825,613,705
Izarah - Investment	58,099,626	76,074,677
Quard against MTDR	6,682,978	20,975,539
	<u>8,002,362,278</u>	<u>7,719,946,734</u>
4.2 Bills purchased and discounted		
Bills purchased and discounted excluding treasury bills:		
In Bangladesh	213,339,622	443,332,290
Outside Bangladesh	34,305,000	19,072,050
	<u>247,644,622</u>	<u>462,404,340</u>
5 Fixed assets including premises, furniture and fixtures		
Cost:		
Furniture and fixture	17,873,973	19,473,033
Office Appliances	73,220	73,220
Electrical Appliances	21,485,252	22,046,516
ATM Booth	4,431,055	-
	<u>43,863,500</u>	<u>41,592,769</u>
Less: Accumulated depreciation		
Furniture and fixture	7,808,041	6,899,359
Office Appliances	73,218	73,218
Electrical Appliances	13,354,463	11,174,436
ATM Booth	959,118	-
	<u>22,194,840</u>	<u>18,147,013</u>
Written down value at the end of the year	<u>21,668,660</u>	<u>23,445,756</u>




Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
For the year ended 31 December 2013

	2013	2012
	Taka	Taka
6. Borrowing from other banks, financial institutions and agents		
In Bangladesh (Note 6.1)	1,400,000,000	1,400,000,000
Outside Bangladesh	-	-
	<u>1,400,000,000</u>	<u>1,400,000,000</u>
6.1 In Bangladesh		
Secured:		
Borrowing against securities from Bangladesh Bank	1,400,000,000	1,400,000,000
	1,400,000,000	1,400,000,000
Un secured	-	-
	<u>1,400,000,000</u>	<u>1,400,000,000</u>
	-	
7. Deposits and other accounts		
Current/Al-wadeeah current accounts and other accounts		
Current/Al-wadeeah current deposits	222,010,964	176,543,353
Foreign currency deposits	17,840,585	13,795,479
Sundry deposits	236,070,198	169,277,232
	475,921,746	359,616,064
Bills payable		
Payment order issued	66,177,326	140,972,299
Demand draft	136,286	3,225,205
	66,313,612	144,197,504
Savings bank/Mudaraba savings bank deposits	5,699,490,341	1,914,299,409
Fixed deposits/Mudaraba fixed deposits		
Fixed deposits/Mudaraba fixed deposits	11,486,303,922	10,518,855,918
Special notice / Mudaraba Special notice deposits	359,218,869	230,338,895
Scheme deposits	759,106,772	736,977,134
Interest Payable on FDR/Scheme	251,515,005	213,478,043
	12,856,144,568	11,699,649,990
	<u>19,097,870,266</u>	<u>14,117,762,967</u>
8 Contingent liabilities		
8.1 Acceptances and endorsements		
Acceptance under Letters of Credit -Import	434,419,950	445,060,000
Acceptance under Letters of Credit -Export	536,639,162	209,578,000
	971,059,112	654,638,000
Less: Margin	102,123,308	92,692,575
	<u>868,935,804</u>	<u>561,945,425</u>

Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
For the year ended 31 December 2013

	2013	2012
	Taka	Taka
8.2 Letters of guarantee		
Letters of guarantee (Local)	417,918,590	452,821,635
Letters of guarantee (Foreign)	19,015,000	13,149,000
	436,933,590	465,970,635
Less: Margin	39,344,345	28,318,453
	397,589,245	437,652,182
Balance for which the Bank is contingently liable in respect of guarantee issued favouring:		
Directors or officers		
Government	-	-
Banks and other financial institutions	-	-
Others	436,933,590	465,970,635
	436,933,590	465,970,635
Less: Margin	39,344,345	28,318,453
	397,589,245	437,652,182
8.3 Irrevocable letters of credit		
Back to back L/C	272,482,826	75,866,000
Others	223,483,368	587,940,000
	495,966,194	663,806,000
Less: Margin	57,367,376	44,929,626
	438,598,818	618,876,374
8.4 Bills for collection		
Bills for collection (Local)	22,622,195	10,393,000
Bills for collection (Foreign)	138,977,087	3,285,000
	161,599,282	13,678,000
8.5 Value of Bangladesh Sanchaypatra	-	-
9. Profit on investment		
Profit on investment (Islamic Banking Branch):		
Demand Investment	18,467,127	20,327,017
Bai-Muajjal (Time) Investment	57,713,593	48,563,946
Bai-Muajjal Time under CCS	4,582,230	1,833,150
Bai-Murabaha-BLC	11,138,351	7,119,884
Bai-Murabaha-LTR	271,743,158	224,070,435
Bai-Salam	7,111,237	4,646,343
Staff House Building Investment	239,187	440,370
Staff Car Loan Investment	84,985	
Investment against Cash Incentive	246,965	222,250
Bai-Muajjal - Investment	379,677,101	373,793,127
Murabaha - Investment	11,245,585	20,373,433
Hire purchase - Investment	206,558,651	239,779,220.08
Izarah - Investment	8,930,941	8,889,517
Quard against MTDR	1,790,728	6,010
Bills purchased and discounted	67,611,557	79,641,965
Interest on placement with other banks	90,917,549	82,537,390
Interest branch interest income	1,284,206,249	934,772,279
	2,422,265,192	2,047,016,336
10. Profit shared on deposits and borrowings etc.		
Profit shared on deposits (Islamic Banking Branch):		
Mudaraba Savings Deposits (MSB)	265,845,812	191,474,343
Mudaraba Short Term Deposits (MSTD)	23,639,617	15,945,903
Mudaraba Fixed Term Deposits (MFDR)	1,295,659,389	1,219,918,615
Interest on Re-finance borrowings	85,408,231	45,449,301
	1,670,553,050	1,472,788,162



Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
For the year ended 31 December 2013

	2013	2012
	Taka	Taka
11 Commission, exchange and brokerage		
Commission and brokerage	38,839,443	50,688,092
Exchange gain	4,562,940	4,324,393
	43,402,383	55,012,485
12 Other operating income		
Remittance fees	321,720	351,282
Service and incidental charges	5,973,096	5,908,100
Other Fees-Telephone and Postage	1,737,837	1,548,402
Income from Retail Banking	232,000	-
Income from Credit Card	-	39,980
Other Fees - SWIFT	4,708,679	2,202,518
Miscellaneous income	5,297,690	2,063,693
	18,271,023	12,113,975
13 Salaries and allowances		
Basic salary	30,779,048	25,144,556
Allowances	21,635,983	18,534,674
Bonus	11,750,325	10,767,776
Provident fund	2,717,085	2,242,529
	66,882,441	56,689,535
14 Rent, taxes, insurance, electricity etc.		
Rent, rates and taxes	13,654,941	11,850,566
Insurance	6,621,402	4,611,203
Electricity and lighting	3,493,692	2,978,567
	23,770,035	19,440,336
15 Postage, stamp, telecommunication etc.		
Postage	1,297,496	1,139,090
Telephone /Telex	464,019	337,561
Electronic banking service	-	48,300
VSAT on-line	2,081,641	1,811,869
SWIFT services	1,993,035	1,061,421
	5,836,190	4,398,241
16 Stationery, printing, advertisements etc.		
Office stationery	652,382	641,839
Printing stationery	1,521,252	1,491,233
Security stationery	804,052	1,053,905
Computer stationery	558,012	374,326
Publicity and advertisement	1,130	11,600
	3,536,828	3,572,903

Southeast Bank Limited
Islamic Banking Branches
Notes to the Financial Statements
For the year ended 31 December 2013

	2013	2012
	Taka	Taka
17 Depreciation on and repairs of Bank's assets		
Depreciation :		
Furniture and fixtures	1,280,837	1,316,799
Office appliance	-	3,689
Electrical appliance	2,623,888	2,967,447
ATM Booth	179,319	-
	4,084,044	4,287,935
Repairs:		
Furniture and fixtures	652,648	819,039
Office and electrical appliance	1,654,996	1,297,849
Motor vehicles	75,244	69,061
Repair, maintenance and utilities	500,735	568,203
	2,883,623	2,754,152
	6,967,667	7,042,087
18 Other expenses		
Security and cleaning	3,156,534	3,059,438
Entertainment	1,229,382	1,399,153
Car expenses	5,147,027	4,510,499
Books and periodicals	41,765	41,713
Subscription and donation	2,000	3,000
Travelling expenses	443,866	313,430
Conveyance	223,646	203,818
Fuel	85,000	138,260
Training/seminar	-	10,000
Uniforms and apparels	175,148	142,957
Medical expenses	28,700	-
Professional expenses	-	9,900
Expenses for CIB report	5,680	2,430
Expenses regarding retail banking	488,444	466,262
Miscellaneous	9,417,241	7,425,553
	20,444,433	17,726,413

Financial Statements of Off-Shore Banking Unit



Southeast Bank Limited
Off-Shore Banking Unit, Bangladesh
Balance Sheet
As at 31 December 2013

PROPERTY AND ASSETS	Notes	2013		2012
		USD	Taka	Taka
Cash:				
In hand (Including Foreign Currencies)		-	-	-
Balance with Bangladesh Bank & its agent Bank(s) (Including Foreign Currencies)		-	-	-
Balances with Other Banks and Financial Institutions:	3			
In Bangladesh		298,671	23,221,690	415,539
Outside Bangladesh		4,789	372,318	90,103
		303,460	23,594,008	505,642
Money at Call on Short Notice		-	-	-
Investments:				
Government		-	-	-
Others		-	-	-
Loans and Advances:	4			
Loans, Cash Credit & Overdrafts etc.		1,973,713	153,456,208	-
Bills purchased and discounted		16,973,707	1,319,705,690	1,457,622,990
		18,947,420	1,473,161,898	1,457,622,990
Fixed Assets including premises, furniture and fixtures	5	35,649	2,771,740	3,358,913
Other Assets	6	10,088	784,352	847,909
Non-banking assets		-	-	-
Total Assets		19,296,617	1,500,311,998	1,462,335,454
LIABILITIES AND CAPITAL				
Liabilities:				
Borrowings from other banks, financial institutions and agents	7	18,650,000	1,450,037,500	1,453,169,565
Deposits and Other Accounts:	8			
Current/Al-wadeeah current accounts and other accounts		88,625	6,890,559	337,685
Bills Payable		-	-	-
Savings Bank/Mudaraba savings deposits		-	-	-
Fixed deposits/Mudaraba fixed deposits		32,122	2,497,497	-
		120,747	9,388,056	337,685
Other Liabilities	9	278,314	21,638,893	20,023,312
Total Liabilities		19,049,061	1,481,064,449	1,473,530,562
Capital/shareholders' equity				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Other reserves		-	-	-
Foreign currency losses		-	-	(110,580)
Retained earnings	10	247,557	19,247,549	(11,084,528)
Total shareholders' equity		247,557	19,247,549	(11,195,108)
Total liabilities and shareholders' equity		19,296,617	1,500,311,998	1,462,335,454



Southeast Bank Limited
Off-Shore Banking Unit, Bangladesh
Balance Sheet
As at 31 December 2013

	2013		2012
	<u>USD</u>	<u>Taka</u>	<u>Taka</u>
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	1,706,860	132,708,341	3,630,720
Letters of Guarantee	-	-	-
Irrevocable Letters of Credit	208,983	16,248,460	
Bills for Collection	1,107,289	86,091,756	13,756,840
	3,023,133	235,048,557	17,387,560
	-	-	-
Other Commitments			
Documentary Credits and short term trade-related transactions	-	-	-
Forward assets purchased and forward deposits placed	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-
Undrawn formal standby facilities, Credit lines and other commitments	-	-	-
Claims against the Bank not acknowledged as debt	-	-	-
	-	-	-
Other memorandum items			
Value of travelers' cheques on hand	-	-	-
Value of Bangladesh Sanchay Patra on hand	-	-	-
Total Off-Balance Sheet items including contingent liabilities	3,023,133	235,048,557	17,387,560

Southeast Bank Limited
Off-Shore Banking Unit, Bangladesh
Profit and Loss account
for the year ended 31 December 2013

	Note	2013 USD	2013 Taka	2012 Taka
Operating Income				
Interest and Discount Income	11	1,105,752	85,972,213	49,359,853
Interest paid on Deposits & Borrowings	12	(672,105)	(52,256,188)	(27,787,800)
Net Interest Income		433,647	33,716,025	21,572,053
Other Operating Income				
Commission, Exchange & Brokerage	13	92,242	7,171,794	914,621
Other Operating Income		-	-	-
		92,242	7,171,794	914,621
Total Operating Income (A)		525,888	40,887,818	22,486,674
Salary and Allowances	14	50,510	3,927,125	2,515,085
Rent, Taxes, Insurance, Lighting etc.	15	9,356	727,455	820,312
Postage, Stamp, Telegram & Telephone	16	9,097	707,289	721,970
Stationery, Printing, Advertisement	17	1,047	81,415	8,381
Depreciation on and repairs to Bank's property	18	7,316	568,836	563,559
Other expenses	19	25,821	2,007,561	7,575,532
Total Operating Expenses (B)		103,147	8,019,682	12,204,839
Operating Profit/(Loss) (C=A-B)		422,741	32,868,136	10,281,835
Provision for loans and advances/investments				
General provision		6,929	538,745	14,576,230
Specific provision		-	-	-
		6,929	538,745	14,576,230
Provision for off-balance sheet items		28,053	2,181,146	173,876
Provision for diminution in value of investments		-	-	-
Other provisions		-	-	-
Total provision (D)		34,982.52	2,719,891	14,750,106
Total profit (C-D)		387,759	30,148,245	(4,468,271)



Annexure-J.2

Southeast Bank Limited
Off-Shore Banking Unit, Bangladesh
Statement of Cash Flow
For the year ended 31 December 2013

	2013		2012
	USD	Taka	Taka
A. Cash Flow from Operating Activities :			
Interest receipts in cash	1,105,752	85,972,213	49,359,853
Interest payment	(672,105)	(52,256,188)	(27,787,800)
Fees and commission receipts in cash	92,242	7,171,794	914,621
Cash payments to employees	(50,510)	(3,927,125)	(2,515,085)
Cash payments to suppliers	(1,047)	(81,415)	(8,381)
Payments for other operating activities	(44,274)	(3,442,306)	(9,117,814)
Operating profit before changes in operating assets and liabilities (i)	430,058	33,436,972	10,845,394
Increase / (Decrease) in operating Assets and Liabilities			
Loans & advances to customers	(692,882)	(53,871,610)	(1,292,331,393)
Other Assets	531	41,260	6,495,252
Deposits from other banks	451,235	35,083,521	454,124,842
Deposits from customers	116,518	9,059,250	337,685
Other Liabilities	(7,431)	(577,733)	4,108,967
Cash received from operating assets and liabilities (ii)	(132,030)	(10,265,312)	(827,264,647)
Net cash inflow from operating activities (A=i+ii)	298,028	23,171,660	(816,419,253)
B. Cash Flow from Investing Activities :			
Proceeds from sale of securities	-	-	-
Payments for purchase of securities	-	-	-
Purchase of fixed assets	(900)	(69,998)	(4,127)
Sale of fixed assets	-	-	-
Net cash inflow/(outflow) from investing activities (B)	(900)	(69,998)	(4,127)
C. Cash flows from financing activities :			
Dividend paid	-	-	-
Payment against lease obligation	-	-	-
Receipts from issue of right shares	-	-	-
Net cash inflow/(outflow) from Financing Activities (C)	-	-	-
D. Net increase / decrease in cash & cash equivalent (A+B+C)	297,127	23,101,662	(816,423,380)
E. Effects of exchange rate changes on cash and cash equivalents	-	(13,297)	41,450
F. Cash and cash equivalents at beginning period	6,332	505,642	816,887,572
G. Cash and cash equivalents at end of period (D+E+F)	303,460	23,594,007	505,642
Cash and cash equivalents at end of the year represents			
Cash in hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	-	-	-
Balance with other banks and financial institutions	303,460	23,594,007	505,642
Money at call and on short notice	-	-	-
Treasury bills	-	-	-
Prize bond	-	-	-
	303,460	23,594,007	505,642

Southeast Bank Limited

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

as at and for the year ended 31 December 2013

1 Status of the unit

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

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

2 Significant accounting policies and basis of preparations

2.1 Basis of preparation

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

2.2 Foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates, i.e., the functional currency. The financial statements are presented in Taka which is the Bank's functional and presentation currency. Figures appearing in the financial statements have been rounded off to the nearest Taka. Assets & Liabilities and Income & Expenses have been converted into Taka currency @ US\$1 = Tk. 77.75 (closing rate as at 31 December 2013) and Tk. 77.75 (average rate which represents the year end) respectively.

2.3 Basis of Accounting

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

2.4 Functional and presentation currency

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

Southeast Bank Limited

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

as at and for the year ended 31 December 2013

	2013		2012
	USD	Taka	Taka
3 Balance with other banks and financial institutions			
In Bangladesh	298,671	23,221,690	415,539
Outside Bangladesh	4,789	372,318	90,103
	303,460	23,594,008	505,642
3.1 In Bangladesh	-	-	
Southeast Bank Limited Head Office	298,671	23,221,690	415,539
	298,671	23,221,690	415,539
3.2 Outside Bangladesh (Current account)			
Standard Chartered Bank, New York, USA	4,789	372,318	90,104
	4,789	372,318	90,104
4 Loans and Advances/Investment			
4.1 Loans, Cash Credit & Overdrafts etc.			
In Bangladesh	-	-	-
Outside Bangladesh	1,973,713	153,456,208	1,457,622,990
	1,973,713	153,456,208	1,457,622,990
4.1.1 Loans, Cash Credit & Overdrafts etc.			
Outside Bangladesh			
Time Loan	1,653,013	128,521,776	-
Overdraft	218	16,939	-
Advance-LTR	320,482	24,917,492	-
	1,973,713	153,456,208	-
4.2 Bills purchased and discounted			
In Bangladesh	-	-	-
Outside Bangladesh	16,973,707	1,319,705,690	1,457,622,990
	16,973,707	1,319,705,690	1,457,622,990
5 Fixed assets including premises, furniture and fixtures			
Cost:			
Furniture and fixture	40,223	3,127,333	3,211,796
Electrical Appliances	16,946	1,317,546	1,281,245
	57,169	4,444,879	4,493,041
Less: Accumulated depreciation			
Furniture and fixture	11,998	932,809	636,824
Electrical Appliances	9,522	740,330	497,304
	21,519	1,673,139	1,134,128
Written down value at the end of the year	35,649	2,771,740	3,358,913

Southeast Bank Limited

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

as at and for the year ended 31 December 2013

	2013		2012
	USD	Taka	Taka
6 Other assets			
Accrued Interest on Bill purchased and discounted	-	-	-
Interest Receivable- Time Loan	182	14,171	-
Accrued Interest on Calls and Placement	-	-	-
Prepaid Expense-IFC Monitoring Fee	7,500	583,125	-
Advance Office Rent	2,149	167,056	171,568
Accounts Receivable Others	257	20,000	676,341
Head Office General Account	-	-	-
	10,088	784,352	847,909
7 Borrowing from other banks, financial institutions and agents			
Borrowings from IFC	10,000,000	777,500,000	798,499,000
Borrowings from CBQ	7,000,000	544,250,000	-
Borrowings from Head Office	1,650,000	128,287,500	654,670,565
	18,650,000	1,450,037,500	1,453,169,565
8 Deposit Accounts			
Current Accounts	88,625	6,890,559	337,685
Fixed Deposits	32,122	2,497,497	-
	120,747	9,388,056	337,685
9 Other liabilities			
Interest Payable on Borrowings	3,123	242,791	4,025,722
Interest Payable-IFC Loan	14,825	1,152,644	1,207,109
Interest Payable-CBQ Loan	39,900	3,102,225	-
Provision for Unclassified loans and advances	189,474	14,731,619	14,576,230
Provision for Off-Balance Exposure	30,231	2,350,486	173,876
Others	761	59,129	40,375
	278,314	21,638,893	20,023,312
10 Retained earnings			
Balance 1 January 2012	(140,202)	(11,084,528)	(6,768,287)
Add / Less: foreign currency translation gain for last year	-	183,832	152,030
	(140,202)	(10,900,696)	(6,616,257)
Addition during the year	387,759	30,148,245	(4,468,271)
	247,557	19,247,549	(11,084,528)
Add/ Less: foreign exchange gain (loss)	-	-	(110,580)
	247,557	19,247,549	(11,195,108)

Southeast Bank Limited

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

as at and for the year ended 31 December 2013

	2013		2012
	USD	Taka	Taka
11 Interest income/profit on investment			
Interest Income from Loans and Advances	44,757	3,479,862	-
Interest Income from Bill purchased and Discounted	1,060,989	82,491,920	41,520,399
Interest Income from Calls and Placement	6	430	7,839,454
	<u>1,105,752</u>	<u>85,972,213</u>	<u>49,359,853</u>
12 Interest paid/profit shared on deposits and borrowings etc.			
Interest on IFC Loan	356,557	27,722,303	22,370,660
Interest on CBQ Loan	159,900	12,432,225	-
Interest on FDR	123	9,538	-
Interest on Borrowings	155,526	12,092,122	5,417,140
	<u>672,105</u>	<u>52,256,188</u>	<u>27,787,800</u>
13 Commission Income			
Commission and Other Charges	92,242	7,171,794	914,621
	<u>92,242</u>	<u>7,171,794</u>	<u>914,621</u>
14 Salaries and allowances			
Basic salary	20,545	1,597,360	1,757,576
Allowances	23,011	1,789,125	757,509
Bonus	6,954	540,640	-
	<u>50,510</u>	<u>3,927,125</u>	<u>2,515,085</u>
15 Rent, taxes, insurance, electricity etc.			
Rent, rates and taxes	7,861	611,206	685,647
Insurance	-	-	34,404
Electricity and lighting	1,495	116,249	100,261
	<u>9,356</u>	<u>727,455</u>	<u>820,312</u>
16 Postage, stamp, telecommunication etc.			
Postage	84	6,559	314
Expenses regarding On-line	2,485	193,199	179,696
SWIFT charges	4,992	388,124	472,060
FC Nostro charges	915	71,154	38,825
Telephone	621	48,253	31,075
	<u>9,097</u>	<u>707,289</u>	<u>721,970</u>
17 Stationery, printing, advertisements etc.			
Office and Printing stationery	1,047	81,415	8,381
	<u>1,047</u>	<u>81,415</u>	<u>8,381</u>

Southeast Bank Limited

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

as at and for the year ended 31 December 2013

	2013		2012
	<u>USD</u>	<u>Taka</u>	<u>Taka</u>
18 Depreciation on and repairs of Bank's assets			
Depreciation on own assets:			
Furniture and fixtures	4,022	312,732	319,076
Electrical appliance	3,294	256,104	244,483
	<u>7,316</u>	<u>568,836</u>	<u>563,559</u>
19 Other expenses			
Security and cleaning	11,955	929,518	702,871
Entertainment	302	23,455	37,664
Car expenses	4,142	322,030	633,562
Books and periodicals	125	9,685	4,951
Conveyance	621	48,253	61,152
Miscellaneous	8,677	674,620	6,135,332
	<u>25,821</u>	<u>2,007,561</u>	<u>7,575,532</u>

Southeast Bank Limited

Operating Segments

I) Geographical Segment

Particulars	Inside Bangladesh			Outside Bangladesh	Total
	SEBL (Conventional & Islamic Banking)	Off Shore Banking Units	SEBL Capital Services Ltd.	SEBL Financial Services Ltd.	
Income	9,539,934,984	40,887,818	95,542,083	8,433,417	9,684,798,303
Less: Inter segmental Income	-	-	-	-	-
Total Income	9,539,934,984	40,887,818	95,542,083	8,433,417	9,684,798,303
Operating Profit (Profit before unallocated expenses and tax)	9,539,934,984	40,887,818	95,542,083	8,433,417	9,684,798,303
Allocated Expenses	(2,685,581,108)	(8,019,682)	(274,760,957)	(16,240,195)	(2,984,601,943)
Provision against Loans & Advances and Others	(840,896,436)	(2,719,891)	222,241,990	-	(621,374,337)
Profit / (Loss) before tax	6,013,457,441	30,148,245	43,023,116	(7,806,779)	6,078,822,023
Provision for tax including deferred tax	(2,700,000,000)	-	-	-	(2,700,000,000)
Net Profit	3,313,457,441	30,148,245	43,023,116	(7,806,779)	3,378,822,023
Segment Assets	220,276,212,131	301,963,134	377,815,089	(25,135,577)	220,930,854,776
Segment Liabilities	220,276,212,131	301,963,134	377,815,089	(25,135,577)	220,930,854,776

II) Business Segment

Particulars	Inside Bangladesh			Outside Bangladesh	Total
	Conventional Banking including OBU	Islamic Banking	SEBL Capital Services Ltd.	SEBL Financial Services Ltd.	
Income	8,767,437,254	813,385,549	471,381,354	8,433,417	10,060,637,574
Less: Inter segmental Income	-	-	(375,839,271)	-	(375,839,271)
Total Income	8,767,437,254	813,385,549	95,542,083	8,433,417	9,684,798,303
Operating Profit (Profit before unallocated expenses and tax)	8,767,437,254	813,385,549	95,542,083	8,433,417	9,684,798,303
Allocated Expenses	(2,566,163,196)	(127,437,595)	(274,760,957)	(16,240,195)	(2,984,601,943)
Provision against Loans & Advances and Others	(842,429,148)	(1,187,179)	222,241,990	-	(621,374,337)
Profit / (Loss) before tax	5,358,844,910	684,760,776	43,023,116	(7,806,779)	6,078,822,023
Provision for tax including deferred tax	(2,700,000,000)	-	-	-	(2,700,000,000)
Net Profit	2,658,844,910	684,760,776	43,023,116	(7,806,779)	3,378,822,023
Segment Assets	203,830,232,696	16,747,942,568	377,815,089	(25,135,577)	220,930,854,776
Segment Liabilities	203,830,232,696	16,747,942,568	377,815,089	(25,135,577)	220,930,854,776

Auditors' Report and Financial Statements of Southeast Bank Capital Services Limited





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

We have audited the accompanying financial statements of Southeast Bank Capital Services Limited which comprises the Statement of Financial Position as at December 31, 2013 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Shareholders Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at December 31, 2013 and its cash flows for the year then ended and comply with the companies Act 1994 and other applicable laws and regulations.

We also report that:

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

Dhaka
Dated: 12.02.2014


Pinaki & Company
Chartered Accounts

Southeast Bank Capital Services Ltd.
Statement of Financial Position *as at December 31, 2013*



PARTICULARS	TAKA	
	31-12-2013	31-12-2012
A. NON-CURRENT ASSETS	147,462,218	58,267,690
Fixed Assets	Note-4 147,462,218	57,174,475
Preliminary Expenses	Note-5 -	1,093,215
B. CURRENT ASSETS	4,297,618,186	3,644,181,528
Margin Loan	2,232,244,999	2,104,716,150
Accounts Receivable	Note-6 20,954,286	29,914,269
Advances, Deposits and Prepayments	Note-7 272,220,398	99,725,248
Investment in Quoted Shares	Note-8 1,753,374,104	1,348,642,209
Accrued Income	-	610,526
Cash and Cash Equivalent	Note-9 18,824,399	60,573,126
C. TOTAL ASSETS [A + B]	4,445,080,404	3,702,449,218
D. EQUITY AND LIABILITIES	1,040,687,365	768,738,878
Share Capital	Note-10 1,000,000,000	1,000,000,000
Retained Earnings	Note-11 40,687,365	(231,261,122)
E. NON CURRENT LIABILITIES	-	-
-	-	-
F. CURRENT LIABILITIES	3,404,393,039	2,933,710,340
Margin Deposit	30,305,654	11,854,473
Accounts Payable	Note-12 71,855,242	-
Collection in Transit	52,677,397	35,076,461
Bank Overdraft	3,058,510,916	2,484,075,083
Provision for Corporate Income Tax	54,282,257	54,282,257
Provision for Diminution in Value of Investments	Note-13 108,424,633	330,666,623
Accrued Expenses	Note-14 1,139,989	1,743,294
Other Liabilities	Note-15 27,196,951	16,012,149
G. TOTAL LIABILITIES [D + E + F]	4,445,080,404	3,702,449,218

Signed in terms of our separate report of even date

Director

Managing Director (C.C.)

PINAKI & COMPANY
Chartered Accountants



Southeast Bank Capital Services Ltd.

Statement of Comprehensive Income

For the year ended December 31, 2013

PARTICULARS

TAKA

Income:

	2013	2012
Interest on Portfolio Loan	353,318,207	334,685,024
Interest on Fixed deposit	5,453,785	7,271,448
Portfolio Management Fee	18,734,446	23,320,025
Documentation charge	147,661	90,435
Settlement Fee	18,629,366	23,612,225
Commission on Underwriting	186,000	701,179
Income on Investment Shares	54,459,113	35,256,343
Dividend Income	14,998,992	14,612,909

Total Income

465,927,570

439,549,588

Expenses:

Salary & Allowance	Note-16	9,852,221	7,798,243
Financial Charge	Note-17	370,385,486	317,069,886
Printing & Stationery		509,540	260,724
Local Conveyances		16,624	10,480
Entertainment		342,938	268,418
House Serve. & Utilities		321,600	191,800
House Maintenance		810,000	552,900
Telephone & Postage		164,294	122,291
Rents, Rates & Taxes		19,598,115	17,204,147
Miscellaneous Expenses		213,430	66,877
CDBL Expenses		2,921,030	3,304,696
Car Maintenance		1,236,420	622,828
Misc. Contractual Services		894,337	719,174
Bank Charges		32,697	7,785
Director Remuneration		250,000	190,000
Legal Expenses		-	3,200
Other Professional Service Charge		208,000	57,500
Audit Fees		30,000	25,000
Preliminary Expenses Write-Off		1,093,215	364,405
Corporate Expenses (Subscription)		203,500	156,500
Repair & Maintenance		52,093	894,821
Depreciation		7,085,533	6,717,318

Total Expenses

416,221,073

356,608,993

Net profit before provision

49,706,497

82,940,595

Less: Provision for Diminution in Value of Investments

Note-18

222,241,990

41,564,120

Profit/(loss) before tax

271,948,487

41,376,475

Less: Provision for Corporate Income Tax

-

31,102,723

Retained Earnings Carried Forward

271,948,487

10,273,752

Examined and found correct

Director

Managing Director (C.C.)

PINAKI & COMPANY
Chartered Accountants



Southeast Bank Capital Services Ltd.
Statement of Changes in Shareholders Equity
For the year ended December 31, 2013

Particulars	Share capital	General reserve	Retained earnings	Total
Balance as on 01.01.2013	1,000,000,000	-	(231,261,122)	768,738,878
Add: during the year	-	-	-	-
Retained earnings during the year	-	-	271,948,487	271,948,487
Balance as on 31.12.2013	1,000,000,000	-	40,687,365	1,040,687,365



Southeast Bank Capital Services Ltd.

Statement of Cash Flows

For the year ended December 31, 2013

PARTICULARS

TAKA

	2013	2012
Cash flow from operating activities		
Received from Investors	271,675,810	362,316,851
Withdrawal by Investors	(182,890,262)	(489,390,506)
Collection from Broker	1,464,435,853	3,266,041,115
Payment to Broker	(1,272,134,551)	(2,730,987,203)
Dividend Collected for Investor	16,277,017	32,647,778
IPO Application for Investors	(33,028,000)	(102,462,000)
IPO Refund received for Investors	31,898,600	89,014,500
Right Application for Investors	(720,240)	(5,077,970)
Underwriting Commission Received	186,000	701,179
CDBL Custody DP Security Deposit Total	(200,000)	-
Operating Expenses	(29,919,341)	(23,492,736)
Income Tax	(16,269,792)	(21,578,000)
Net cash provided by operating activities	249,311,094	377,733,008
Cash flow from investing activities		
Investment in Quoted Shares	(830,365,518)	(229,529,225)
Disposal of Investment in Quoted Shares	575,596,460	170,312,325
Acquisition of Fixed Asset (Floor Space)	(80,036,817)	-
Sale Deed (Baina Nama for Floor Spcae)	(174,780,230)	-
Acquisition of Fixed Asset (Electrical Appliance)	(639,420)	125,843
Acquisition of Fixed Asset (Furniture & Fixture)	(13,557)	-
Capital Work in Progress (Interior Decoration)	(4,706,260)	-
Capital Work in Progress (Air Conditioning Installation)	(1,240,000)	-
Interest on FDR	6,064,311	6,544,303
Income from Dividend	14,998,992	11,690,327
Net cash used in investing activities	(495,122,039)	(40,856,427)
Cash flow from financing activities		
Net increase of Overdraft	562,519,871	(13,386,731)
Interest Paid on Overdraft	(358,457,653)	(317,069,886)
Net cash provided by financing activities	204,062,218	(330,456,617)
Increase/(decrease) in cash and bank balances	(41,748,727)	6,419,964
Cash and bank balances on opening	60,573,126	54,153,162
Cash and bank balances on closing	18,824,399	60,573,126



Southeast Bank Capital Services Limited

Notes to the Financial Statements

as at December 31, 2013

1.0 Legal status and nature of the Company

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

1.1 Address of the registered office

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

1.2 Nature of Business Activities:

The main object of Southeast Bank Capital Services Limited is to carry on the business of merchant banking under the 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 Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994 and other applicable laws and regulations.

2.2 Measurement bases used in preparing the Financial Statements

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

2.3 Going Concern

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

2.4 Components of financial statements:

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

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

3.0 Principal Accounting Policies:

3.1 Cash flow Statement

Cash Flow Statement is prepared in accordance with BAS 7 “Cash Flow Statement”. The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of BAS-7 which provides that “Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method”.

3.2 Reporting Currency and Level of Precision:

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

3.3 Others:

- a) There is no claim against the company, which has not been acknowledged as debt in the Statement of Financial Position.
- b) There was no contingent liability as on 31-12-2013.
- c) Figures of the previous year have been rearranged, wherever considered necessary to conform to current year’s presentation.

Southeast Bank Capital Services Limited

Notes to the Financial Statements

as at December 31, 2013

Particulars

4. Fixed Assets

Particulars	Cost		Rate %	Depreciation			W.D.V as at 31.12.2013
	as at 01.01.2013	Addition during the year		Total as at 31.12.2013	as at 01.01.2013	Charged during the year	
Land	2,000,000	2,745,000	4,745,000	-	-	-	4,745,000
Buildings	67,511,560	77,291,587	144,803,147	10%	13,207,196	5,732,533	18,939,729
Furniture & Fixture	-	13,646,671	13,646,671	20%	-	683,011	683,011
Computer Software	1,300,000	-	1,300,000	50%	975,000	162,500	1,137,500
Electrical Appliance	959,522	3,690,018	4,649,540	20%	414,411	507,489	921,900
Total	71,771,082	97,373,276	169,144,358		14,596,607	7,085,533	21,682,140
							147,462,218

Southeast Bank Capital Services Ltd.

Notes to the Financial Statements

as at December 31, 2013

No. Particulars		Taka
5 Preliminary Expenses		-
Opening Balance	1,093,215	
Less: Adjusted during the year	1,093,215	
6 Accounts Receivable		20,954,286
AD Holdings	2,473,959	
IIDFC Securities Ltd	154,166	
Int. Leasing Securities Ltd	17,296,070	
National Securities & Consultants Ltd.	1,030,091	
7 Advance, deposit and Prepayment		272,220,398
Lease Rental (Eunoos Center)	37,007,400	
Corporate Income Tax	47,115,455	
Security Deposits	238,915	
Advance for Office Space	174,780,200	
Advance for Interior Decoration and Air Conditioning	13,078,428	
8 Investment in Quoted Share		1,753,374,104
Asia Insurance	36,783,849	
Bay Leasing	229,791,491	
BD Submarine Cable	50,788,576	
Beximco Ltd	14,894	
Exim Bank Ltd	97,872,791	
FAS Finance & Investment	1,580	
Lafarge Cement	34,556,363	
Meghna Petroleum	1,604,444	
National Life Ins.	1,243,860,531	
Prime Bank	57,242,935	
United Airways	856,650	
9 Cash and Cash Equivalent		18,824,399
Cash in hand	-	
Cash at bank	18,824,399	Note-9.1
9.1 Cash at Bank		18,824,399
Southeast Bank Ltd -CD Account	7,651	
Southeast Bank Ltd -Al- Wadiah Account	18,816,748	



Southeast Bank Capital Services Ltd.

Notes to the Financial Statements

as at December 31, 2013

No. Particulars		Taka
10 Share Capital		1,000,000,000
Authorised Capital		
300,000,000 shares of TK. 10/- each		3,000,000,000
Paid up Capital		
100,000,000 shares of TK. 10/- each	1,000,000,000	
11 Retained Earnings		40,687,365
Opening Balance	(231,261,122)	
Add/(Less): profit for the year	271,948,487	
12 Accounts Payable		71,855,242
BLI Securities Ltd	71,855,242	
13 Provision for diminution in value of investments	Schedule-A	108,424,633
Opening Balance	330,666,623	
Add/(less): During the year	(222,241,990)	
14 Accrued Expenses		1,139,989
Excise Duty & Bank Charge	17,300	
CDBL Bill	188,496	
Audit Fee	30,000	
Cleaners Associates Bill	24,689	
Office Rent- (Eunoos Center)	879,504	
15 Other Liabilities		27,196,951
Accounts Payable (Others)	25,550,982	
Provident Fund	1,645,969	
16 Salary & Allowance		9,852,221
Salary & Allowance	6,714,688	
Festival Bonus	632,300	
Incentive Bonus	962,350	
Leave Fare Concession	1,176,190	
Provident Fund Contribution	366,693	
17 Financial Expense		370,385,486
Interest on Bank Overdraft	370,385,486	
18 Provision for diminution in value of investments		222,241,990
Opening Balance	330,666,623	
Less: Required on December 31, 2013	(108,424,633)	

Southeast Bank Capital Services Ltd.

Schedule to the Financial Statements

For the year ended December 31, 2013

Diminution in value of investments			Schedule-A
Particulars	Cost Price	Market Price	Net Difference (provision required)
Asia Insurance	36,783,849	32,623,890	(4,159,959)
Bay Leasing	229,791,491	160,161,250	(69,630,241)
BD Submarine Cable	50,788,576	32,786,224	(18,002,352)
Beximco Ltd	14,894	12,397	(2,497)
Exim Bank Ltd	97,872,791	53,721,921	(44,150,870)
FAS Finance & Investment	1,580	2,354	774
Lafarge Cement	34,556,363	32,748,260	(1,808,103)
Meghna Petroleum	1,604,444	1,409,480	(194,964)
National Life Ins.	1,243,860,531	1,295,299,060	51,438,529
Prime Bank	57,242,935	35,414,163	(21,828,772)
United Airways	856,650	770,472	(86,178)
	1,753,374,104	1,644,949,471	(108,424,633)

Financial Statements of Southeast Financial Services (UK) Limited





SOUTHEAST FINANCIAL SERVICES (UK) LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

DIRECTORS

ALAMGIR KABIR, FCA

SHAHID HOSSAIN

MUHAMMAD NAZMUL HUDA AZAD

REGISTERED OFFICE

22 NEW ROAD

LONDON

E1 2AX

COMPANY NUMBER

07539137

BANKERS

BARCLAYS BANK PLC, SONALI BANK (UK) LIMITED

ACCOUNTANTS

Jahan & Co.

Chartered Management Accountants

22 Osborn Street

London

E1 6TD



SOUTHEAST FINANCIAL SERVICES (UK) LTD

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and accounts for the year ended 31 December 2013

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was MONEY REMITTANCE .

DIRECTORS

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

	2013	2012
	No.	No.
ALAMGIR KABIR, FCA	0	0
SHAHID HOSSAIN	0	0
MUHAMMAD NAZMUL HUDA AZAD	0	0

DIRECTORS RESPONSIBILITIES

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

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

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

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

This report was approved by the board on 15 January 2014

MUHAMMAD NAZMUL HUDA AZAD
Director



SOUTHEAST FINANCIAL SERVICES (UK) LTD

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS OF SOUTHEAST FINANCIAL SERVICES (UK) LTD, FOR THE YEAR ENDED 31 DECEMBER 2013

In order to assist you to fulfill your duties under the Companies Act 2006, we have prepared for your approval the accounts of SOUTHEAST FINANCIAL SERVICES (UK) LTD for the year ended 31 December 2013 as set out on pages 5 to 10 from the company's accounting records and from information and explanations you have given us.

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

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

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

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



Jahan & Co.
Chartered Management Accountants
22 Osborn Street
London
E1 6TD

15 January 2014



SOUTHEAST FINANCIAL SERVICES (UK) LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013	2012
		£	£
TURNOVER	2	69,052	26,079
GROSS PROFIT		69,052	26,079
Distribution costs		(416)	(5,589)
Administrative expenses		(132,561)	(110,030)
OPERATING LOSS	3	(63,925)	(89,540)
Interest receivable and similar income		2	1,812
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(63,923)	(87,728)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(63,923)	(87,728)
Extraordinary items less taxation	5	-	13
LOSS FOR THE FINANCIAL YEAR		(63,923)	(87,741)

SOUTHEAST FINANCIAL SERVICES (UK) LTD

BALANCE SHEET AT 31 DECEMBER 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	46,118	53,721
CURRENT ASSETS			
Debtors (amounts falling due within one year)	7	56,029	9,000
Cash at bank and in hand		1,957	134,590
		57,986	143,590
CREDITORS: Amounts falling due within one year	8	15,900	45,184
NET CURRENT ASSETS		42,086	98,406
TOTAL ASSETS LESS CURRENT LIABILITIES		88,204	152,127
CAPITAL AND RESERVES			
Called up share capital	9	300,000	300,000
Profit and loss account	10	(211,796)	(147,873)
SHAREHOLDERS' FUNDS		88,204	152,127

For the year ending 31 December 2013 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

Approved by the board on 15 January 2014 and signed on their behalf by



MUHAMMAD NAZMUL HUDA AZAD
Director



SOUTHEAST FINANCIAL SERVICES (UK) LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1a. Basis Of Accounting

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

1b. Cash Flow Statement

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

1c. Depreciation

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

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

1d. Turnover

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

2. TURNOVER

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

	<u>2013</u>	<u>2012</u>
	<u>£</u>	<u>£</u>
Remittance Commissions	69,052	26,079
	<u>69,052</u>	<u>26,079</u>

SOUTHEAST FINANCIAL SERVICES (UK) LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

3. OPERATING LOSS

	2013	2012
	£	£
Operating Loss is stated after charging:		
Depreciation	11,302	12,155
	<u>11,302</u>	<u>12,155</u>

4. TAX ON ORDINARY ACTIVITIES

5. EXTRAORDINARY ITEMS LESS TAXATION

	2013	2012
	£	£
Extraordinary charges	-	13
Net Extraordinary loss after taxation	<u>-</u>	<u>13</u>

6. TANGIBLE FIXED ASSETS

	Short Leasehold Properties	Fixtures and Fittings	Equipment	Total
	£	£	£	£
Cost				
At 1 January 2013	30,000	41,296	8,225	79,521
Additions	-	3,561	140	3,701
At 31 December 2013	<u>30,000</u>	<u>44,857</u>	<u>8,365</u>	<u>83,222</u>
Depreciation				
At 1 January 2013	8,100	14,866	2,834	25,800
For the year	4,200	5,998	1,106	11,304
At 31 December 2013	<u>12,300</u>	<u>20,864</u>	<u>3,940</u>	<u>37,104</u>
Net Book Amounts				
At 31 December 2013	<u>17,700</u>	<u>23,993</u>	<u>4,425</u>	<u>46,118</u>
At 31 December 2012	<u>21,900</u>	<u>26,430</u>	<u>5,391</u>	<u>53,721</u>

7. DEBTORS

	2013	2012
	£	£
Amounts falling due within one year:		
Trade debtors	45,934	-
Other debtors	10,095	9,000
	<u>56,029</u>	<u>9,000</u>



SOUTHEAST FINANCIAL SERVICES (UK) LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Taxation and social security	805	2,669
TT Payable	15,095	42,515
	<u>15,900</u>	<u>45,184</u>

9. SHARE CAPITAL

Allotted, issued and fully paid:

300000 Ordinary shares of £ 1 each	300000	300000
	<u>300,000</u>	<u>300,000</u>

10. PROFIT AND LOSS RESERVE

Opening balance	(147,873)	(59,815)
Loss for the year	(63,923)	(87,741)
Prior year adjustment	-	(317)
	<u>(211,796)</u>	<u>(147,873)</u>

SOUTHEAST FINANCIAL SERVICES (UK) LTD

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£	£
Turnover	69,052	26,079
Cost of Sales:		
Gross Profit	69,052	26,079
	69,052	26,079
Less:		
Distribution costs	416	5,589
Administrative expenses	132,561	110,030
Interest receivable and similar income	(2)	(1,812)
	132,975	113,807
Net loss for the year before taxation	(63,923)	(87,728)
Net loss for the year after taxation	(63,923)	(87,728)
Extraordinary charges	-	13
Prior year adjustment	-	317
	-	330
Retained losses brought forward	(63,923)	(88,058)
Retained losses carried forward	(147,873)	(59,815)
	(211,796)	(147,873)

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



SOUTHEAST FINANCIAL SERVICES (UK) LTD

PROFIT AND LOSS ACCOUNT SUMMARIES

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£	£
Distribution Costs:		
Advertising and sales promotion	348	4,976
Travel	68	14
Business entertaining	-	91
Staff entertaining	-	508
	<u>416</u>	<u>5,589</u>
Administrative Expenses:		
Rent, Rates & Insurance	25,258	29,776
Insurance	2,436	1,585
Heat, light & water	1,637	2,287
Cleaning	1,004	790
Wages - regular	45,483	36,268
NIC employer (wages and salaries)	6,142	8,715
Staff Bonus	10	1,280
Staff welfare	904	-
Training	600	-
Repairs & maintenance	480	515
Accountancy fees	3,800	3,800
Consultancy fees	69	3,000
Stationery & office supplies	2,015	2,468
Telephone	2,442	1,717
Sundry tools and equipments	120	250
Subscriptions	1,020	1,340
Security costs	1,179	946
Bank charges	26,660	3,138
Depreciation and Amortisation:		
Depreciation of short leasehold properties	4,198	4,200
Depreciation of fixtures and fittings	5,998	6,607
Depreciation of equipment	1,106	1,348
	<u>132,561</u>	<u>110,030</u>

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

Branches Network



Principal Branch

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

Gulshan Branch

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

Agrabad Branch

Faruk Mahal
93, Agrabad Commercial Area, Chittagong
Tel : 031-721152, 713097-8, 7130 94-5, 721151-3
Fax : 88-031-713096

Khulna Branch

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

Khatunganj Branch

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

Dhanmondi Branch

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

Laldighirpaar Branch

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

Uttara Branch

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

Imamganj Branch

Bhuiyan Market
163/2, Mitford Road, Dhaka
Tel : 7314801, 7316423, 7318567, 7316644
Fax : 88-02-7314801

Chouhatta Branch

Manru Shopping City (1st Floor)
Chouhatta Mirboxtola Road
Chouhatta, Sylhet
Tel : 0821-720276, 0821-720276
Fax : 88-0821-720276

Bangshal Branch

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

Kawran Bazar Branch

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

Jubilee Road Branch

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

Halishahar Branch

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

Moulvibazar Branch

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

Shahjalal Uposhahar Branch

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



New Eskaton Branch

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

Feni Branch

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

New Elephant Road Branch

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

Motijheel Branch (Islamic Banking)

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

Agargaon Branch

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

CDA Avenue Branch (Islamic Banking)

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

Chhagalnaiya Branch (Islamic Banking)

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

Hetimgonj Branch (Rural)

Khoyriganj Jame Masjid Market Complex (1st Floor),
Thana: Golapgonj, Dist.: Sylhet
Tel : 0821-841472, 0821-841471
Fax: 0821-841473

Cox's Bazar Branch (Islamic Banking)

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

Aganagar Branch (Rural)

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

Bandar Bazar Branch (Islamic Banking)

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

Corporate Branch

Eunoos Trade Centre
(Ground Floor), Plot # 52-53, Dilkusha C/A
Dhaka-1000
Tel : 9567764, 9551444, 9554447,
9564878, Fax: 9571424

Banani Branch

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

Pathantula Branch

Haque Mansion of Modina Market
704, Pathantula, Sylhet City Corporation
Thana: Jalalabad, Dist.: Sylhet
Tel : 0821-724545, 0821-724300
Fax: 0821-724300

Kulaura Branch

Aziz Rowshon Shopping Centre and Garden City
Thana: Kulaura, Dist.: Moulvi Bazar
Tel : 08624-56208, Fax: 08624-56208

Shyamoli Branch

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



Joypara Branch (Rural)

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

Narayanganj Branch

Holding # 26-29, S. M Maleh Road
Tanbazar, Narayanganj
Tel : 7648201, 7648202, 7648203, 7634331
Fax: 7648200

Kakrail Branch

Toma Tower (1st & 2nd Floor)
77/1, VIP Road , Kakrail, Dhaka
Tel : 9356115, 9356116, 9340852-3
Fax: 9355990

Bogra Branch

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

Madambibir Hat Branch (Rural)

Madambibir Hat, Union-Bhatiary
P.S.: Sitakunda, Dist.: Chittagong
Tel : 031-2781001, 2781003, 2781004, 2781005
Fax: 031-2781002

Savar Branch (Rural)

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

Rangpur Branch

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

Mouchak Branch

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

Ashulia Branch (Rural)

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

Konabari Branch (Rural)

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

Bashurhat Branch (Rural)

Ayesha Motaleb New Market
428, Main Road, Bashurhat Pauroshava
Companyganj, Noakhali
Tel : 03223-56415, 56461
Fax: 03223-56430

Momin Road Branch

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

Chowmuhani Branch (Rural)

Hossain Market
276-284, D. B Road, Chowmuhani Pauroshava
Begumganj, Noakhali
Tel : 0321-53534, 0321-53535, 0321-54018
Fax: 0321-54018

Madambibir Hat Branch (Rural)

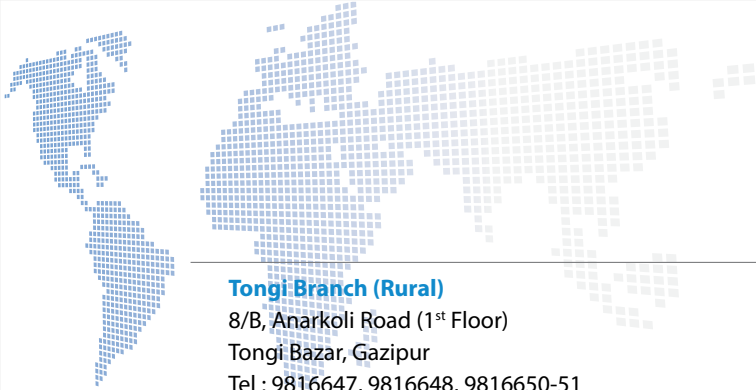
Madambibir Hat, Union-Bhatiary
P.S.: Sitakunda, Dist.: Chittagong
Tel : 031-2781001, 2781003, 2781004, 2781005
Fax: 031-2781002

Pahartali Branch

Hajrat Taiyabia Complex
Holding # 801 (New), D. T Road, Alongkar Mour
Abdul Alir Hat, Pahartali, Chittagong
Tel : 031-2771001, 031-2771002-4
Fax: 031-2771005

Barisal Branch

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

**Tongi Branch (Rural)**

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

Lohagara SME/Krishi Branch

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

Bashundhara Branch

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

Hathazari SME/Krishi Branch

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

Rajshahi Branch

Plot # 447, Mangol Bhaban (2nd Floor)
Alupatti Mour, P.O.: Ghoramara
P.S: Boalia, Dist.: Rajshahi
Tel : 0721-812203, 812204, 812205, 812206
Fax: 0721-812207

Jessore SME/Krishi Branch

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

Sat Mashjid Road Branch

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

Brahmanbaria SME/Krishi Branch

Shikder Plaza, Holding # 1001
Dr. Faridul Huda Road, Ward # 4
Brahmanbaria
Tel : 0581-58202
Fax: 0581-58201

Mohammadpur Branch

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

Shebarhat SME/Krishi Branch

Shebarhat Bazar, Mouza – Razarpur
Feni Chowmuhani Sarak (1st Floor)
Thana – Shenbag, District - Noakhali
Tel : 01713-065972

Naogaon Branch

“Kazi Habibur Rahman Market”
Old Hospital Road (Bridge Mour)
Thana: Naogaon Sadar, Dist.: Naogaon
Tel : 0741-63227, 63286, 63397, 61274
Fax: 0741-61831

Sonagazi SME/Krishi Branch

Holding # 431, Ward # 4,
Mouza : Char Ganesh
Sonagazi, Feni
Tel : 03325-76386, 76377
Fax: 03325-76386

Comilla Branch

359/328, Jhawtala
1st Kandir Paar, Kotwali, Dist.: Comilla
Tel : 081-64278, 081-64280, 081-64279,
081-61322, Fax: 081-61321

Oxygen More Branch

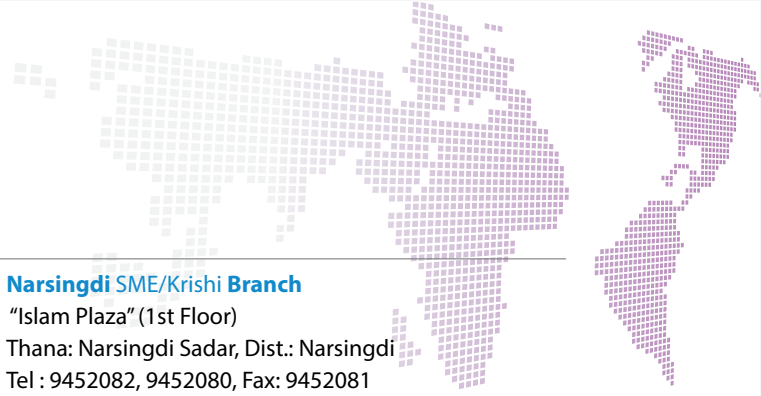
Oxygen Mour, Thana : Bayezid Bostami
Dist.: Chittagong
Tel : 031-2584018, 2584019, 2584020, 2584059
Fax: 031-2584017

Pragati Sarani Branch

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

Mawna SME/Krishi Branch

1497, Mawna Bazar Road (1st Floor)
Sreepur Pauroshava, Thana : Sreepur
Dist.: Gazipur
Tel : 068-2552900, 068-2552901
Fax: 068-2552902



Tazpur SME/Krishi Branch

Tazpur Bazar, Mouza : Boraya, Union : 8 No Tazpur
Thana : Balagonj, Dist. : Sylhet
Tel : 08242-56191
Fax: 08242-56191

Narsingdi SME/Krishi Branch

"Islam Plaza" (1st Floor)
Thana: Narsingdi Sadar, Dist.: Narsingdi
Tel : 9452082, 9452080, Fax: 9452081

Biswanath SME/Krishi Branch

"Haji Monir Uddin Market" Natun Bazar, Biswanath
Mouza - Mashala, Union/Pourashova: Biswanath
Thana: Biswanath, Dist.: Sylhet
Tel : 08224-56205

Rokeya Sarani Branch

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

Beanibazar SME/Krishi Branch

"Madrasha Market" (1st floor),
Thana: Beani Bazar, Dist.: Sylhet
Tel : 08223-56164
Fax: 08223-56165

Dinajpur Branch

Ganeshtola, Jail Road, Dinajpur Municipal Corporation
Thana: Kotwali, Dist.: Dinajpur
Tel : 0531-52025, 0531-52026
Fax: 0531-52024

Tangail SME/Krishi Branch

"Noor Plaza", Holding # 263, Tangail Main Road
Pauroshava & Thana: Tangail
Dist.: Tangail, Tel : 0921-51336
Fax: 0921-62798

Potherhat Branch (Rural)

"Khaiz Ahmed Shopping Centre" (1st Floor)
Thana: Raujan, Dist.: Chittagong
Tel : 031-2573214, 031-2573216, 031-2573217
Fax: 031-2573215

Satkhira SME/Krishi Branch

Holding # 5896, Polash Pole, (1st Floor)
Shahid Nazmul Sarak (Satkhir Old Bus Stand)
Satkhira
Tel : 0471- 63568, 62508
Fax: 0471- 63569

Islampur Branch

"Adel Complex" (1st, 2nd & 3rd Floor)
40, Islampur Road, Dhaka - 1100
Tel : 7394570, 7394538, 7394589
Fax: 7394570

Chapainawabganj Branch

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

Kotwali Branch

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

Chowdhury Hat SME/Krishi Branch

"Halim Mansion", (1st Floor)
Chowdhury Hat, Mouza: Chikandandi
Hathazari, Chittagong
Tel : 031-2584007, 2584006
Fax: 031-2584005

Hemayetpur Branch (Rural)

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

Fatikchari Branch (Rural)

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

Munshigonj Branch

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

Madanpur SME/Krishi Branch

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

Joydebpur Branch (Rural)

Holding # 235, Block # K, Shib Bari More
B.I.D.C Road, Joydebpur, Dist.: Gazipur
Tel : 9252852, 9252851
Fax: 9252850

**Donia Branch (Rural)**

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

Companigonj Branch (Rural)

"Saudia Manjil" (1st & 2nd Floor)
Nabinagar Road, Thana: Muradnagar, Dist.: Comilla
Tel : 08026-59011, 59004
Fax: 08026-59017

Chakaria Branch (Rural)

"Society Jame Mosque Complex"
Thana: Chakaria, Dist.: Cox's Bazar
Tel : 03422-56161, 03422-56162
Fax: 03422-56163

Rupnagar Branch

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

Kamrangirchar Branch (Rural)

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

Sir Iqbal Road Branch

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

Bhulta Branch (Rural)

Bhulta Bus Stand, Union: Golakandail
Thana: Rupgonj, Dist.: Narayanganj
Mob.: 01755-637195

Dakhin Khan Branch (Rural)

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

Gopaldi Branch (Rural)

Gopaldi Bazar, Union: Sadasadi
Thana: Araihasar, Dist.: Narayanganj
Mob.: 01755-637194

Ati Bazar Branch (Rural)

Mouza: Ati, Union: Sakta
Thana: Keranigonj, Dist.: Dhaka
Mob.: 01730-781275

Hasnabad Branch (Rural)

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

Mohakhali Branch

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

Banasree Branch (Rural)

Twin Tower, House # 13
Block # C, Main Road, Banasree Project
East Rampura, Dhaka
Mob.: 01730-781279

Bandura Branch (Rural)

Puraton Bandura Bazar
Bandura, Thana : Nawabgonj
Dist.: Dhaka
Mob.: 01730-781278

Sarulia Branch

Samsul Haque Nilu Shopping Complex
Mouza : Sarulia, Union : Sarulia
Thana : Demra, Dist.: Dhaka
Mob.: 01730-792169

Miabazar Branch (Rural)

Haji Siraj Mansion
Thana : Chauddagam, Dist.: Comilla
Mob.: 01766-665140

Charkhai Branch (Rural)

Anisha Complex
Thana : Beanibazar, Dist.: Sylhet
Mob.: 01766-665141

Sirajganj Branch

Basak Plaza
947-948, Shaheed Suharawardy Road
Sirajganj
Mob.: 01766-665142



Kapasia Branch (Rural)

Akter Market
Kapasia Main Road
Thana : Kapasia, Dist.: Gazipur
Mob.: 01766-673597

Baneshwar Branch (Rural)

Al-Haj Amzad Hossain Market
Mouza : Shibpur, Union : Baneshwar
Thana : Puthia, Dist.: Rajshahi
Mob.: 01766-673596

Haidergonj Branch (Rural)

Gazi Super Market
Haidergonj Bazar, Mouza : Char Ababil
Union : Char Ababil, Upazila : Raypur
Dist.: Laxmipur
Mob.: 01766-673599

Off-Shore Banking Unit, DEPZ

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

Off-Shore Banking Unit, CEPZ

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



World wide network of main Correspondent Banks



Australia NATIONAL AUSTRALIA BANK LIMITED



Austria RAIFFEISENLANDESBANK NIEDEROESTERREICH-WIEN AG
BANK AUSTRIA CREDITANSTALT AG



Algeria CITI BANK NA ALGERIA



Argentina BANK OF TOKEYO-MITSUBISHI

ALUBAF ARAB INTERNATIONAL BANK B.S.C. (C)



Bahrain BMI BANK BSC (C)

THE ARAB INVESTMENT COMPANY



Bhutan BANK OF BHUTAN

CBC BANQUE S.A.



Belgium BELFIUS BANK SA/NV

KBC BANK NV



Brazil BANCO VOTORANTIM S.A.

BANK OF NOVA SCOTIA



Canada BANQUE NATIONALE DU CANADA

THE TORONTO-DOMINION BANK

BANK OF ANSHAN CO., LTD. (FORMERLY ANSHAN CITY COMMERCIAL BANK)



China BANK OF CHINA

BANK OF COMMUNICATIONS

BANK OF DALIAN

World wide network of main Correspondent Banks

BANK OF HEBEI (FORMERLY SHIJIAZHUANG CITY COMMERCIAL BANK)

BANK OF JIANGSU CO LTD

BANK OF TIANJIN CO., LTD.

CHINA DEVELOPMENT BANK

CHINA EVERBRIGHT BANK

HUA XIA BANK

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

LINSHANG BANK CO. LTD (FORMERLY LINYI CITY COMMERCIAL BANK CO., LTD)

NINGBO YUYAO RURAL COOPERATIVE BANK

NANXUN BANK

YINZHOU BANK



Czech
Republic

CESKOSLOVENSKA OBCHODNI BANKA, S.A.



Cambodia

SHINHAN KHMER BANK



Chile

SCOTI SUD AMERICANO



Cayman
Islands

HSBC BRASIL SA

DANSKE BANK A/S



Denmark

SYDBANK A/S



Egypt

ALBARAKA BANK EGYPT



Finland

POHJOLA PANKKI OYJ (POHJOLA BANK PLC)



France

BNP-PARIBAS SA(FORMERLY BANQUE NATIONAL DE PARIS S. A)



World wide network of main Correspondent Banks

CREDIT AGRICOLE CIB

CREDIT AGRICOLE SA

UNION DE BANQUES ARABES ET FRANCAISES

LANDESBANK BADEN-WUERTTEMBERG

COMMERZBANK AG

DEUTSCHE BANK AG

MARFIN EGNATIA BANK



Germany

MAINZER VOLKSBANK E.G.

NASSAUISCHE SPARKASSE

WGZ BANK AG WESTDEUTSCHE GENOSSENSCHAFTS-ZENTRALBANK

KREISSPARKASSE STEINFURT



Greece

MARFEIN EGNATIA BANK



Guyana

HSBC BANK BRASIL SA



Hong Kong

HANG SENG BANK LIMITED

HBZ FINANCE LIMITED



Hungary

UNICREDIT BANK

AXIS BANK LIMITED



India

HDFC BANK LIMITED

ICICI BANK LIMITED

INDUSIND BANK LIMITED

World wide network of main Correspondent Banks

BANCA POPOLARE DELL'EMILIA ROMAGNA

BANCO POPOLARE SOC. COOP. (FORMERLY BANCA POPOLARE DI LODI)

BANCA UBAE SPA

CASSA DEI RISPARMI DI FORLÌ E DELLA ROMAGNA SPA

UNICREDIT S.P.A.

UBI BANCA (UNIONE DI BANCHE ITALIANE) S.C.P.A.

VENETO BANCA SCPA

SAITAMA RESONA BANK, LIMITED

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

THE CHIBA KOGYO BANK, LTD.



Japan

MIZUHO CORPORATE BANK, LTD.

THE OKAZAKI SHINKIN BANK

THE HOKURIKU BANK, LTD.

SUMITOMO MITSUI BANKING CORPORATION



Jordan

INVESTBANK

THE DAEGU BANK, LTD.

INDUSTRIAL BANK OF KOREA



Korea

KOOKMIN BANK

THE KOREA DEVELOPMENT BANK

KOREA EXCHANGE BANK

SHINHAN BANK

World wide network of main Correspondent Banks

SUHYUP BANK (ALSO KNOWN AS NATIONAL FEDERATION OF FISHERIES COOPERATIVES)

WOORI BANK, SEOUL

HANA BANK



Kenya

Dubai Bank Kenya Ltd.



Kuwait

NATIONAL BANK OF KUWAIT



Lebanon

BANK OF BEIRUT S.A.L.

BYBLOS BANK S.A.L.



Latvia

NORDEA BANK SA



Lithuania

NORDEA BANK



Liechtensten

LGT BANK AG



Malta

FIMBANK PLC



Malaysia

BANK MUAMALAT MALAYSIA BERHAD (6175-W)

AMBANK (M) BERHAD



Mexico

HSBC MEXICO



Macau

Standard Chartered bank



Morocco

CITI BANK MAGHREB



Mauritius

MURITIUS COMMERCIAL BANK LTD

ABN AMRO BANK N.V.














Netherlands









ING BANK N.V.

YAPI KREDI BANK NEDERLAND N.V.






World wide network of main Correspondent Banks

	New Zealand	BANK OF NEW ZEALAND
	Norway	DNB BANK ASA
	Nepal	NEPAL BANGLADESH BANK LIMITED
	Oman	BANK SOHAR S.A.O.G
		BANKMUSCAT SAOG
		ASKARIBANK LIMITED
		NIB BANK LIMITED
	Pakistan	PRIME COMMERCIAL BANK LTD
		UNITED BANK LIMITED
		HABIB METROPOLITAN BANK LIMITED
	Panama	POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI SA
	Philippines	ASIAN DEVELOPMENT BANK
	Portugal	BANCO ESPIRITO SANTO S.A.
	Poland	BANK HANDLOWY W WARSZAWIE SA
		BANK POLSKA KASA OPIEKI SA - BANK PEKAO SA
	Qatar	QATAR NATIONAL BANK
	Russia	JSC VTB BANK
		MDM BANK (OPEN JOINT-STOCK COMPANY)
	Romania	UNICREDIT TIRIAC BANK SA
		UNICREDIT BANK SRBIJA A.D

World wide network of main Correspondent Banks

		AL RAJHI BANK
	Saudi Arabia	BANK AL BILAD
		NATIONAL COMMERCIAL BANK
	Singapore	DBS BANK LTD.
	South Africa	FIRSTRAND BANK LTD HEAD OFFICE INCL. DIVISIONS FIRST NATIONAL BANK, FNB CORPORATE AND RAND MERCHANT BANK
	Senegal	CITI BANK NA
	Slovenia	UNICREDIT BANK
	Slovakia	CITI BANK EUROP
		BANCO PASTOR S.A.
		CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CREDITO
	Spain	CAIXABANK, S.A. BANCO BILBAO VIZCAYA ARGENTARIA S.A. BANCO DE SABADELL, S.A. BANCO ESPANOL DE CREDITO
	Srilanka	SCB ICICI BANK
		SKANDINAVISKA ENSKILDA BANKEN
	Sweden	NORDEA BANK AB (PUBL) SVENSKA HANDELSBANKEN

World wide network of main Correspondent Banks

		SWEDBANK AB
		BANQUE CANTONALE VAUDOISE
		BANQUE DE COMMERCE ET DE PLACEMENTS S.A.
		ZURCHER KANTONAL BANK
	Switzerland	UBS AG
		UNION BANCAIRE PRIVEE, GENEVA
		HABIB BANK AG ZURICH
		BHF BANK (SCHWEIZ) AG
	Taiwan	HUA NAN COMMERCIAL BANK, LTD.
		LAND BANK OF TAIWAN
	Thailand	EXPORT-IMPORT BANK OF THAILAND
		THANACHART BANK PUBLIC COMPANY LIMITED
		KASIKORNBANK PUBLIC COMPANY LIMITED
	Tunisia	TMB BANK PUBLIC COMPANY LIMITED
		BANQUE TUNISO-LIBYENNE
		TEKSTIL BANKASI A.S.
		AKBANK T.A.S.
	Turkey	AKTIF YATIRIM BANKASI A.S.
		TURKIYE HALK BANKASI A.S.
		TURK EKAONOMI BANKASI A.S.



World wide network of main Correspondent Banks



Tanzania

CITIBANK TANZANIA LTD

COMMERCIAL BANK OF DUBAI

DUBAI ISLAMIC BANK

EMIRATES NBD BANK PJSC

MASHREQBANK PSC.

UNION NATIONAL BANK

NATIONAL BANK OF FUJAIRAH

HSBC BANK PLC

STANDARD CHARTERED BANK

HABIB BANK AG ZURICH

UNITED NATIONAL BANK

BANK OF AMERICA, N.A.

THE BANK OF NEW YORK MELLON

BANK OF THE WEST

CATHAY BANK



UAE



UK



USA

CITIBANK N.A.

COMERICA BANK

INTERNATIONAL FINANCE CORPORATION

JPMORGAN CHASE BANK, N.A.

KEYBANK NATIONAL ASSOCIATION



World wide network of main Correspondent Banks

MERCHANTS BANK OF CALIFORNIA, N.A.

STERLING NATIONAL BANK

U.S. BANK

WELLS FARGO BANK, N.A.

NEW YORK COMMERCIAL BANK

HABIB AMERICAN BANK



Uzbekistan

NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITY OF THE REPUBLIC OF UZBEKISTAN



Ukraine

PUBLIC JOINT STOCK COMPANY UNEX BANK

DIAMANT BANK JOINT STOCK BANK



Vietnam

ASIA COMMERCIAL BANK

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM



Southeast Bank Limited

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

Notice of the 19th Annual General Meeting

Notice is hereby given to all members of Southeast Bank Limited that the 19th Annual General Meeting of the Shareholders of the Company will be held on **Monday, March 31, 2014 at 10.00 a.m. at Bashundhara Convention Centre-2, Block-C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka-1229** to transact the following business and adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the Profit and Loss Accounts of the Company for the year ended on 31st December, 2013 and the Balance Sheet as at that date together with the Reports of the Board and the Auditors thereon.
2. To declare dividend for the financial year ended 31st December 2013.
3. To elect / re-elect Directors.
4. To appoint Auditors for the term until the next Annual General Meeting and fix their remuneration.
5. Miscellaneous, if any, with the permission of the chair.

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

By order of the Board

Muhammad Shahjahan
Deputy Managing Director
and Company Secretary

Dated: March 16, 2014

NOTES:

- a) The Record Date for the purpose was on March 13, 2014.
- b) Any member of the Company entitled to attend and vote at the general meeting may appoint a proxy to attend and vote on his/her behalf. Such proxy except for a Corporation must also be a member of the Company. An Attorney of a member need not himself/herself be a member.
- c) The instrument appointing a Proxy or the Power of Attorney duly signed by the Member and stamped with requisite stamp duty must be submitted at the Registered Office of the Company at least 48 hours before the meeting, i.e. latest by 10:00 a.m. of March 29, 2014.
- d) Attendance of the Shareholder/Attorney/Proxy shall be recorded up to 10.30 a.m. at the entrance of the venue. Attendance slip has to be submitted at the Registration Counter duly signed. The signature must agree with the recorded signature.
- e) Annual Report containing, among other papers, this Notice of the 19th Annual General Meeting, Attendance Slip and Proxy Form is being sent to every member by post. The members may also collect "Proxy Form" from the Share Office of the Company.
- f) Members are requested to notify change of address, if any, well in time. For BO A/C holders, any change of address is to be done through the respective Depository Participant well before the Record Date.

PS : No benefit or gift in cash or kind shall be given to the shareholders for attending the 19th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24,2013.





Associates in Corporate Governance

Auditors

Howladar Yunus & Co.

Chartered Accountants
67, Dilkusha C/A (2nd Floor)
Dhaka-1000, Bangladesh

Syful Shamsul Alam & Co.

Chartered Accountants
15, Dilkusa C/A (6th Floor)
Dhaka-1000, Bangladesh

Credit Rating Agency

Credit Rating Information and Services Limited (CRISL)

Nakshi Homes (4th & 5th Floor)
Segunbagicha
Dhaka-1000, Bangladesh

Legal Advisors

The Law Syndicate

DCCI Building (6th Floor)
65-66, Motijheel C/A
Dhaka-1000, Bangladesh







সাউথইস্ট ব্যাংক লিমিটেড
Southeast Bank Limited
a bank with vision

52-53, Dilkusha Commercial Area, Dhaka-1000, Bangladesh
Phone: 95711115(Hunting), 9550081
Fax: 9550086, 9550093, 9563102 SWIFT: SEBDBDDHXXX
webmail:southeastbank.com.bd, E-mail: info@southeastbank.com.bd