

**Southeast Bank Limited**  
Statement of Change in Equity  
For the half year ended June 30, 2009

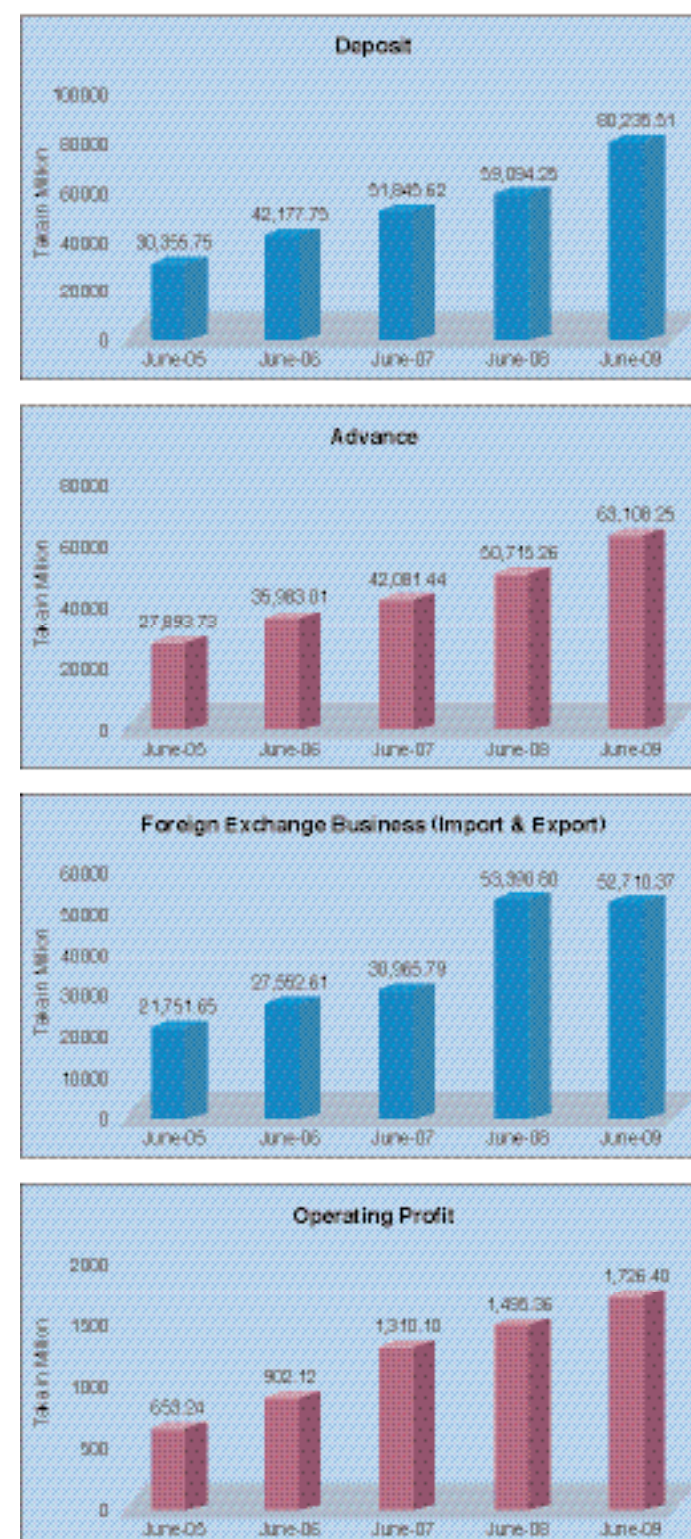
Particulars	Paid-up Capital (Taka)	Statutory reserve (Taka)	Share premium (Taka)	Proposed Bonus share (Taka)	Cash dividend (Taka)	General Reserve (Taka)	Other reserve (Taka)	Retained earnings (Taka)	Total (Taka)
Balance at 1 January 2009	2,852,197,800	1,975,251,800	485,930,025	-	-	247,650,000	542,790,957	7,357,274,431	13,113,847,118
Changes in accounting policy	2,852,197,800	1,975,251,800	485,930,025	-	-	247,650,000	542,790,957	7,357,274,431	13,113,847,118
Restated balance	2,852,197,800	1,975,251,800	485,930,025	-	-	247,650,000	542,790,957	7,357,274,431	13,113,847,118
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	1,002,717,209	1,002,717,209	1,002,717,209
Dividends (Bonus share)	-	-	-	-	-	-	-	-	-
Dividends (Cash)	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-
Appropriation made during the year	-	-	-	-	-	-	-	-	-
Change in value of investments	-	-	-	-	-	-	-	-	-
Balance at 30 June, 2009	3,422,637,300	2,239,103,300	485,930,025	-	-	247,650,000	448,285,461	6,813,847,118	14,139,373,209
Balance at 30 June, 2008	2,852,197,800	1,745,679,000	485,930,025	-	-	247,650,000	448,285,461	6,291,985,739	13,943,642,025

**Highlights**

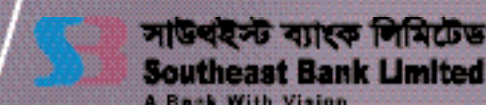
Taka in Million

SL. No.	Particulars	June 30, 2009 (Taka)	June 30, 2008 (Taka)
1	Authorised Capital	10,000.00	3,500.00
2	Paid up Capital	3,422.64	2,852.20
3	Reserve Fund	4,538.32	3,872.18
4	Total Capital (Tier I + Tier II)	7,960.96	6,724.38
5	Deposit	80,235.51	59,094.25
6	Advances	63,108.25	50,715.26
7	Investments	18,698.40	9,271.85
8	Import Business	27,991.83	31,592.48
9	Export Business	24,718.54	21,798.40
10	Guarantee Business	6,450.83	7,226.67
11	Total Income	6,275.49	4,793.49
12	Total Expenditure	4,549.09	3,298.13
13	Operating Profit	1,726.40	1,495.36
14	Fixed Assets	2,782.75	1,803.58
15	Total Assets	95,453.22	68,544.71
16	Number of Correspondent Banks	142	140
17	Number of Foreign Correspondents	575	598
18	Number of Shareholders	19,950	10,516
19	<b>Total Number of Employees</b>	<b>1,340</b>	<b>1,147</b>
	Executives & Officers	1,192	995
	Sub-Ordinates	148	152
20	Number of Branches	46	41

**Comparative Business position**



**HALF YEARLY POSITION**  
AS AT JUNE 30, 2009 (UNAUDITED)



**Dear Shareholders, Customers, Correspondents and Regulators**

Southeast Bank Ltd. is a modern banking institution in which ideas and visions are brought to fruition by the collective efforts of its people. We have immense pleasure to lay before you the un-audited Balance Sheet as at 30th June, 2009, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity together with the highlights of the overall business performance of the Bank for the half-year ended on 30th June, 2009 as per Rule 13 of the Securities and Exchange Commission Rules 1997 and the Section 36 of the Bank Company Act-1991 for your information.

**Operating Result**

Despite global economic meltdown and its adverse impact on Bangladesh economy, we are pleased to announce another set of record results in all areas of Bank's business performance. Our transparency, efficiency, practicing sound and effective conduct of business, compliance of regulatory requirements, disciplined growth strategy and our disclosure of accurate financial statements are pushing the Bank forward in ranking and earning ability. The Bank earned an operating profit of Tk. 1,726.40 million during the first six months of the year as against operating profit of Tk. 1,495.36 million in the first six months of 2008. The operating profit grew by 15.45%.

**Capital and Capital Adequacy**

Ours is a highly capitalized Bank. Our Authorized Capital is Tk. 10,000.00 million. Our core and supplementary capital stood at Tk. 7,260.96 million as on 30th June, 2009. The total Shareholders' equity stood at Tk. 8,813.85 million as on 30th June, 2009. The Capital Adequacy Ratio of the Bank stood at 11.32% of the Risk-Weighted Assets of the Bank against minimum requirement of 10% prescribed by Bangladesh Bank. To be Basel-II compliant, we are determined to have strong capital base and to comply with the international best practices to make the Bank's capital more risk sensitive and the Bank more shock absorbent.

**Mobilization of Deposits**

As at 30th June, 2009, the Bank mobilized a total deposits of Tk. 80,235.51 million against deposit of Tk. 59,094.25 million as on 30th June, 2008. The deposits grew by 36%.

**Loans and Advances**

As at 30th June, 2009, the total outstanding loans and advances stood at Tk. 63,108.25 million as against outstanding loans of Tk. 50,715.26 million as on 30th June, 2008. The loans and advances posted a growth of 24%.

**Foreign Remittance**

As on 30th June, 2009, the Bank held drawing arrangement agreements with 26 Exchange Houses abroad. Execution of drawing arrangements agreements with 3 (three) more Exchange Houses and establishment of Bank's own Exchange House at Malaysia are in the offing. During the first six months of the year 2009, the Bank handled foreign remittance of Tk. 11,056.16 million as against Tk. 7,129.98 million handled during the first six months of 2008. Thus, our foreign remittance grew by 55.06%.

**Customer Service**

Competition in the banking industry is being intensified everyday. So, providing quality service with the help of modern technology at a competitive price is very essential to us. For obvious reasons, we pursue quality over quantity in offering financial products and services to our customers.

**Credit Rating**

In Credit Rating, Southeast Bank has been rated A+ (Pronounced Single A Plus) for the Long Term and ST-3 (Good Grade) for the Short Term based on the audited accounts of the Bank for the year ended on 31st December, 2008 by the Credit Rating Information and Services Limited (CRISIL). The above rating shall remain valid up to April 05, 2010.

We sincerely thank our customers, staff members, regulators and shareholders for their unhesitant support and co-operation over the years. We shall seek their continued support and encouragement in our journey towards further growth and progress. In consideration of present business trends, we expect to announce good year-end operational results.

We seek divine blessings in our quest for further excellence in our operations.

With warm regards and thanks,

Yours Sincerely

Mahbubul Alam  
Managing Director

**Southeast Bank Limited**  
Balance Sheet at June 30, 2009

	June 30, 2009 Taka	Dec. 31, 2008 Taka
<b>PROPERTY AND ASSETS</b>		
<b>Cash:</b>		
In hand (Including Foreign Currencies)	511,351,380	486,061,422
Balance with Bangladesh Bank & its agent Bank(s) (Including Foreign Currencies)	4,851,710,948	3,429,227,784
	<b>5,363,062,327</b>	<b>3,915,289,206</b>
<b>Balances with Other Banks and Financial Institutions:</b>		
In Bangladesh	1,895,402,500	534,541,610
Outside Bangladesh	1,024,855,157	80,834,747
	<b>2,920,257,657</b>	<b>615,376,357</b>
<b>Money at Call on Short Notice</b>	769,800,000	119,900,000
<b>Investments:</b>		
Government	16,565,255,250	10,515,269,078
Others	2,133,142,327	1,784,337,793
	<b>18,698,397,577</b>	<b>12,299,606,871</b>
<b>Loans and Advances:</b>		
Loans, Cash Credit & Overdrafts etc.	58,633,448,063	56,223,855,904
Bills purchased and discounted	4,474,801,746	4,057,404,485
	<b>63,108,249,809</b>	<b>60,281,260,389</b>
<b>Fixed Assets including premises, furniture and fixtures</b>	2,782,746,358	2,685,557,650
<b>Other Assets</b>	1,810,704,413	1,264,537,446
<b>Non-banking assets</b>		
<b>Total Assets</b>	<b>95,453,218,142</b>	<b>81,181,527,919</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities:</b>		
<b>Borrowings from other banks, financial institutions and agents</b>	<b>2,689,925,680</b>	<b>1,561,993,125</b>
<b>Deposits and Other Accounts:</b>		
Current/Ai-wadeeah current accounts and other accounts	6,332,784,437	5,235,642,551
Bills Payable	1,271,455,171	852,132,286
Savings Bank/Mudaraba savings deposits	4,474,853,801	3,477,918,663
Fixed deposits/Mudaraba fixed deposits	68,156,441,442	58,148,979,075
	<b>80,235,514,850</b>	<b>68,714,672,575</b>
<b>Other Liabilities</b>	3,193,930,494	3,547,587,788
<b>Total Liabilities</b>	<b>86,839,371,023</b>	<b>73,824,253,488</b>
<b>Capital/Shareholders' Equity:</b>		
Paid up Capital	3,422,637,300	2,852,197,800
Share Premium	-	485,930,025
Statutory Reserve	2,239,103,300	1,975,251,800
General Reserve	247,650,000	247,650,000
Others Reserve	2,256,171,058	1,253,453,849
Surplus in profit and loss account/Retained Earnings	448,285,461	542,790,957
<b>Total Shareholders' Equity</b>	<b>8,613,847,118</b>	<b>7,357,274,431</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>95,453,218,142</b>	<b>81,181,527,919</b>
<b>OFF-BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Acceptances and endorsements	12,118,204,427	15,359,632,013
Letters of Guarantee	6,167,341,761	6,165,108,183
Irrevocable Letters of Credit	12,417,147,207	8,010,077,676
Bills for Collection	2,032,388,650	1,788,093,138
	<b>32,735,082,046</b>	<b>31,302,911,010</b>
<b>Other Contingent Liabilities</b>		
Value of travellers' cheques on hand	-	2,801,600
Value of Bangladesh Sanchay Patra on hand	493,976,000	273,951,000
	<b>493,976,000</b>	<b>276,752,600</b>
<b>Other Commitments</b>		
Documentary Credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving facilities	-	-
Undrawn formal standby facilities, Credit lines and other commitments	-	-
Claims against the Bank not acknowledged as debt	-	-
	<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<b>33,229,058,046</b>	<b>31,579,703,610</b>

Mahbubul Alam  
Managing Director

**Southeast Bank Limited**  
Profit and Loss Account  
For the half year ended June 30, 2009

	June 30, 2009 Taka	June 30, 2008 Taka
<b>Operating Income</b>		
Interest and Discount Income	4,440,345,847	3,458,497,537
Interest paid on Deposits & Borrowings	(3,993,722,948)	(2,839,987,160)
<b>Net Interest Income</b>	<b>446,622,898</b>	<b>618,510,377</b>
<b>Other Operating Income</b>		
Income from Investment	1,005,677,950	633,526,858
Commission, Exchange & Brokerage	739,552,030	613,738,614
Other Operating Income	89,913,399	87,728,438
	<b>1,835,143,380</b>	<b>1,334,993,910</b>
<b>Total Operating Income (A)</b>	<b>2,281,766,278</b>	<b>1,953,504,287</b>
<b>Salary and Allowances</b>	219,476,003	180,312,797
Rent, Taxes, Insurance, Lighting etc.	91,941,130	83,116,960
Legal expenses	21,300	569,749
Postage, Stamp, Telegram & Telephone	28,749,387	29,158,475
Stationery, Printing, Advertisement	30,657,419	26,244,985
Managing Director's remuneration	3,857,250	2,310,000
Directors' Fees and Expenses	1,882,986	820,383
Audit Fee	-	-
Depreciation on and repairs to Bank's property	60,394,370	41,749,740
Other expenses	118,390,063	93,859,915
	<b>555,369,908</b>	<b>458,143,004</b>
<b>Total Operating Expenses (B)</b>	<b>555,369,908</b>	<b>458,143,004</b>
<b>Profit/(Loss) before Provision (C=A-B)</b>	<b>1,726,396,370</b>	<b>1,495,361,283</b>
<b>Provision for Loans and Advances</b>	392,818,000	305,003,000
Provision for Off-Balance Sheet Exposures	14,321,000	49,200,000
Provision for diminution in value of investment	-	56,080,902
Other Provisions	-	500,000
	<b>407,139,000</b>	<b>410,783,902</b>
<b>Profit/(Loss) before Taxes (E=C-D)</b>	<b>1,319,257,310</b>	<b>1,084,577,381</b>
Provision for Taxation (F)	695,722,000	604,797,000
<b>Net Profit after Taxation (E-F)</b>	<b>623,535,370</b>	<b>479,780,381</b>
Retained earnings brought forward from previous year	88,601,591	101,520,720
	<b>712,136,961</b>	<b>581,301,101</b>
<b>Appropriations :</b>		
Statutory Reserve	263,851,500	201,392,000
	<b>263,851,500</b>	<b>201,392,000</b>
<b>Retained surplus</b>	<b>448,285,461</b>	<b>379,909,101</b>
<b>Earnings per share (EPS)</b>	<b>18.22</b>	<b>16.82</b>

Mahbubul Alam  
Managing Director

**Southeast Bank Limited**  
Statement of Cash Flow  
For the half year ended June 30, 2009

	June 30, 2009 Taka	June 30, 2008 Taka
<b>A. Cash Flow from Operating Activities :</b>		
Interest receipts in cash	4,440,345,847	3,458,497,537
Interest payment	(3,993,722,948)	(2,839,987,160)
Dividend receipts	6,019,321	10,760,683
Income from Investment in approved securities	426,819,712	477,376,255
Fees and commission receipts in cash	739,552,030	613,738,614
Recoveries on Loans previously written-off	-	-
Cash payments to employees	(223,333,253)	(182,622,797)
Cash payments to suppliers	(30,657,419)	(26,244,985)
Income taxes paid	(853,201,773)	(673,161,402)
Receipts from other operating activities	89,913,399	87,728,438
Payments for other operating activities	(255,226,716)	(222,110,115)
<b>Operating profit before changes in operating assets and liabilities (I)</b>	<b>348,508,800</b>	<b>703,975,068</b>
<b>Increase / (Decrease) in operating Assets and Liabilities</b>		
Sale of trading securities	290,675,904	388,727,769
Purchase of trading securities	(581,330,659)	(816,305,610)
Loans & advances to other banks	(2,826,989,420)	(2,550,658,182)
Loans & advances to customers	(546,168,967)	(496,239,513)
Deposits from other banks	1,127,932,555	98,262,500
Deposits from customers	11,520,842,275	3,620,198,990
Trading Liabilities	-	-
Other Liabilities	1,119,364,227	31,707,932
<b>Cash received from operating assets and liabilities (II)</b>	<b>10,104,327,914</b>	<b>275,693,886</b>
<b>Net cash inflow from operating activities (A=I+II)</b>	<b>10,452,836,715</b>	<b>979,668,954</b>
<b>B. Cash Flow from Investing Activities:</b>		
Proceeds from sale of securities	5,520,528,403	2,558,932,286
Payments for purchase of securities	(12,582,829,872)	(3,967,795,685)
Purchase of fixed assets	(143,383,440)	(122,679,592)
Sale of fixed assets	78,509	41,168
Payment against lease obligation	-	-
<b>Net cash inflow/(outflow) from investing activities (B)</b>	<b>(7,205,606,401)</b>	<b>(1,531,501,823)</b>
<b>C. Cash flows from financing activities :</b>		
Dividend paid	(427,829,670)	(342,263,670)
Receipts from issue of right shares	-	-
<b>Net cash inflow/(outflow) from financing activities (C)</b>	<b>(427,829,670)</b>	<b>(342,263,670)</b>
<b>D. Net increase / decrease in cash &amp; cash equivalent (A+B+C)</b>	<b>2,819,400,644</b>	<b>(894,096,539)</b>
<b>E. Cash and cash equivalents at beginning period</b>	<b>11,278,505,671</b>	<b>9,780,629,371</b>
<b>F. Cash and cash equivalents at end of period (D+E)</b>	<b>14,097,906,315</b>	<b>8,886,532,832</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand and balance with Bangladesh Bank	5,363,062,327	3,960,936,242
Balance with other banks	2,920,257,657	991,089,453
Money at call and short notice	769,800,000	535,000,000
Treasury bills	5,039,852,231	3,395,779,037
Prize bond	4,934,100	3,728,100
	<b>14,097,906,315</b>	<b>8,886,532,832</b>