

**Key Statistics**

|                                |           |
|--------------------------------|-----------|
| Latest Close                   | 18.8      |
| 52-week Price Range            | 17.5-30.3 |
| NOS Outstanding (Mn)           | 873       |
| Market Capitalization (BDT Bn) | 16,418    |
| <b>Holding Structure</b>       |           |
| Public                         | 48%       |
| Institution                    | 19%       |
| Sponsors                       | 27%       |
| Foreign                        | 2%        |
| 52-week Avg. Turnover          | 21.3      |
| EPS Forward                    | 1.89      |
| P/E Forward                    | 9.9       |
| Sector P/E Forward             | 9.7       |
| NAVPS                          | 23.36     |
| P/NAVPS                        | 0.80      |
| Sector P/NAVPS                 | 1.17      |
| Beta                           | 0.88      |

**Company Profile:** Southeast Bank Limited was established in 1995 and has 91 branches and 28 ATM booths all over the country. It has two subsidiaries, SBL Capital Management Co. and Southeast Financial Services (UK) Ltd. The bank has two off-shore Banking Units (OBUs), one in Dhaka Export Processing Zone (DEPZ) and another in Chittagong Export Processing Zone (CEPZ).

**Description of Business:** Business: The key revenue driver for SEBL is income from investment, which was around 40% of total operating income in 2011 and higher than interest income since 2009 and onwards. Growth of net interest margin (NIM) is decreased around 8.02% in 1st three quarter of 2012. Commission, exchange and brokerage income increased around 25% in 2011 due to enhanced trade related fee based activities.

| Key Financials (In MN BDT)                     | 2010      | 2011      | Q1, 2012  | Q2, 2012  | Q3, 2012  |
|--|-----------|-----------|-----------|-----------|-----------|
| Loans and advances                             | 93,981.2  | 107,288.6 | 110,426.7 | 113,354.5 | 119,365.2 |
| Deposits and other accounts                    | 107,253.2 | 127,178.2 | 131,230.2 | 133,999.5 | 143,937.2 |
| Investment                                     |           |           |           |           |           |
| Govt.  | 16,603.5  | 26,387.6  | 26,084.8  | 25,460.6  | 30,412.5  |
| Others   | 2,265.6   | 3,459.0   | 3,648.3   | 3,456.4   | 3,691.7   |
| Total Shareholders equity                      | 17,146.0  | 19,376.3  | 18,376.5  | 19,131.6  | 19,315.3  |
| Paid up capital                                | 6,930.8   | 8,317.0   | 8,732.9   | 8,732.9   | 8,732.9   |
| Total Contingent Liabilities (OBS)             | 58,014.0  | 58,560.6  | 68,920.8  | 74,573.0  | 72,035.2  |
| Interest income                                | 10,275.2  | 13,886.6  | 4,026.8   | 4,044.5   | 4,449.7   |
| Interest paid on deposits and borrowings       | 7,593.8   | 11,763.4  | 3,567.9   | 3,677.2   | 3,942.6   |
| Net interest                                   | 2,681.4   | 2,123.1   | 458.9     | 367.3     | 507.1     |
| Investments income                             | 3,788.4   | 3,267.9   | 560.6     | 985.7     | 857.5     |
| Commission, exchange and brokerage             | 1,701.0   | 2,275.3   | 598.4     | 488.4     | 448.9     |
| Operating profit                               | 8,507.0   | 8,168.5   | 1,677.2   | 1,947.5   | 1,971.9   |
| Profit before tax                              | 4,929.4   | 4,337.2   | 728.8     | 1,305.6   | 656.2     |
| Net profit                                     | 2,763.9   | 1,912.2   | 263.9     | 755.1     | 183.5     |
| Key Performance Indicators                     | Q3-11     | Q4-11     | Q1-12     | Q2-12     | Q3-12     |
| NIM growth                                     | -14.8%    | 92.0%     | -42.7%    | -20.0%    | 38.1%     |
| OP growth                                      | -29.3%    | 69.4%     | -30.7%    | 15.9%     | -1.8%     |
| Total Provision growth                         | 284.9%    | -1.4%     | -2.0%     | -79.1%    | 616.2%    |
| Net Interest Margin (NIM) % of Interest Income | 12.3%     | 19.8%     | 11.4%     | 9.1%      | 11.4%     |
| OP % of Interest Income                        | 30.5%     | 43.2%     | 30.1%     | 34.8%     | 31.0%     |
| Current Deposit growth                         | 32.4%     | -23.2%    | 23.0%     | 6.0%      | -4.5%     |
| Savings Deposit growth                         | 17.7%     | -11.8%    | 25.5%     | -15.0%    | 26.2%     |
| Term Deposit growth                            | 6.5%      | 1.5%      | -0.2%     | 3.4%      | 7.7%      |

## Analysis of Performance:

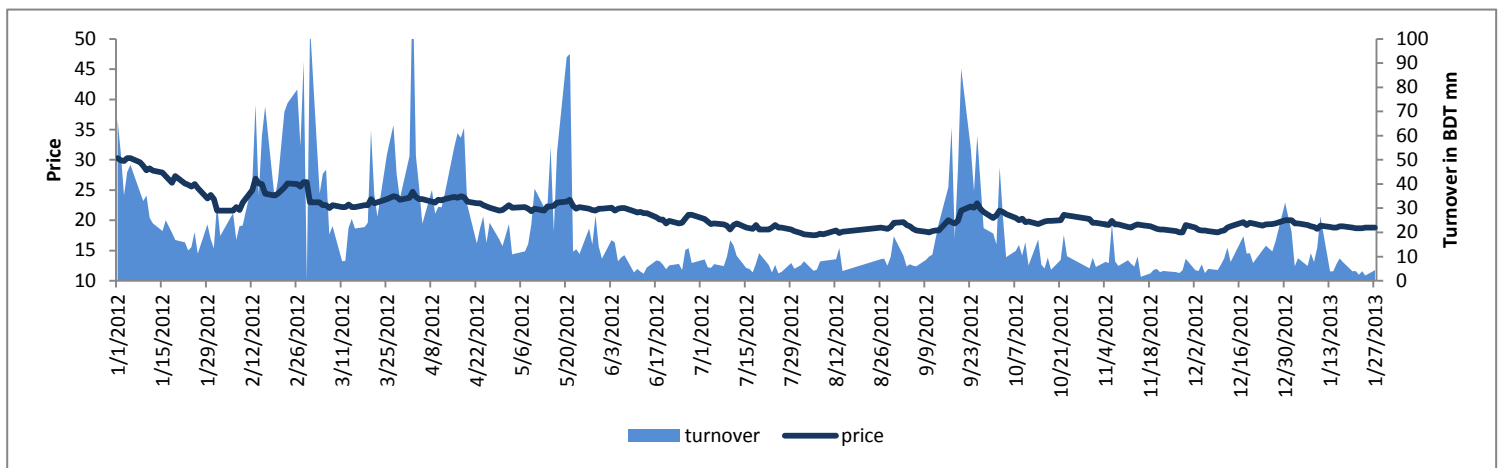
Net interest income growth was 21.5 per cent in Q3, 2012. Income from investment increased significantly by 68 per cent and income from commission, exchange and brokerage decreased by 21.58 per cent. The bottom line profit, NPAT growth was 56.88 per cent in Q3, 2012.

Operating expenses increased by 8 per cent in Q3, 2012 compared to the same period of the previous year. Provisioning for loans and advances increased by 44.59 per cent in Q3, 2012.

Asset growth was 15.75 per cent, while the main contributor loans and advances increased by 16.57 per cent. Deposit growth was 11 per cent in Q3, 2012. Cost income ratio was 30 per cent in Q3, 2012, 5 per cent less from the same period of the previous year.

ROA and ROE of the Bank was 1.32 per cent and 10.47 per cent respectively in 2011. NPL (non-performing loan) ratio was 3.51 per cent in 2011, which was 75 bps lower from the previous year.

## Stock Performance



## Analyst Team

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